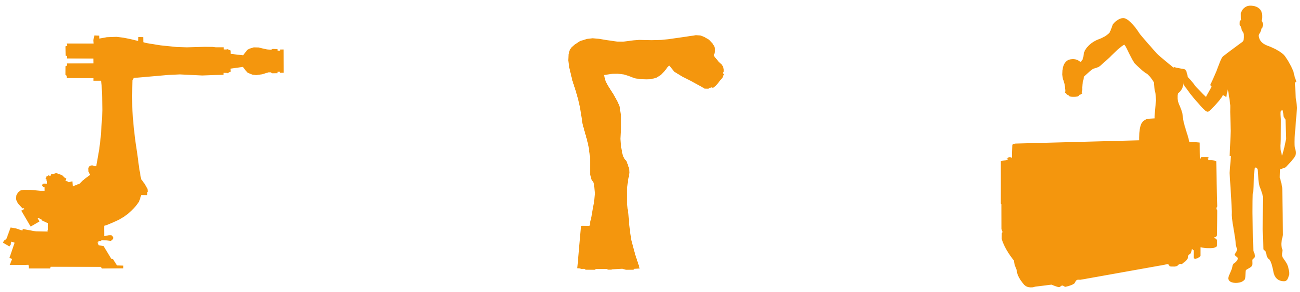
KUKA



INTERIM REPORT
Q3/15

Q3

9M/15 AND Q3/15 DEVELOPMENTS

- **ORDERS RECEIVED** RISE BY 22.6 PERCENT TO A TOTAL OF €2,134.8 MILLION (9M/15); SWISSLOG RECEIVES ORDERS OF €360.6 MILLION
  - Stronger growth in Q3/15: +25.0 percent to €694.9 million
- **SALES REVENUES** UP 45.9 PERCENT TO €2,199.4 MILLION IN FIRST NINE MONTHS OF 2015; EXCLUDING SWISSLOG, THE INCREASE WAS 14.8 PERCENT
- **EBITDA** GROWS FROM €129.2 MILLION IN FIRST NINE MONTHS OF 2014 TO €199.3 MILLION IN THE SAME PERIOD OF 2015
- **EBIT** MARGIN BEFORE PURCHASE PRICE ALLOCATION REACHES 6,9 PERCENT IN FIRST NINE MONTHS OF 2015 AFTER 6.5 PERCENT IN FIRST NINE MONTHS OF 2014
  - Incl. purchase price allocation EBIT margin was 4.8 percent in first nine months of 2015
  - Systems has an operative EBIT margin of 7.1 percent in Q3/15
- **EARNINGS AFTER TAXES** OF €63.4 MILLION IN FIRST NINE MONTHS OF 2015 AFTER €45.1 MILLION IN FIRST NINE MONTHS OF 2014
- **2015 GUIDANCE** CONFIRMED: SALES REVENUES APPROX. €2.9 BILLION AND EBIT MARGIN 6.5 – 7.0 PERCENT BEFORE PURCHASE PRICE ALLOCATION

2009

KR QUANTEC

2011

KR AGILUS

2014

LBR IIWA / KMR

KEY FIGURES

in € millions	Group 9M/14	Group 9M/15	Change	Swisslog 9M/15	Group excl. Swisslog 9M/15	Change
Orders received	1,741.7	2,134.8	22.6%	360.6	1,774.2	1.9%
Order backlog (09/30)	1,286.1	1,727.4	34.3%	454.7	1,272.7	-1.0%
Sales revenues	1,507.9	2,199.4	45.9%	468.6	1,730.8	14.8%
Gross profit	365.0	517.6	41.8%	69.6	448.0	22.7%
in % of sales revenues	24.2%	23.5%	–	14.9%	25.9%	–
Earnings before interest and taxes (EBIT)	98.1	105.9	8.0%	-34.8	140.7	43.4%
in % of sales revenues	6.5%	4.8%	–	-7.4%	8.1%	–
Earnings before interest, taxes, depreciation and amortization (EBITDA)	129.2	199.3	54.3%	20.2	179.1	38.6%
in % of sales revenues	8.6%	9.1%	–	4.3%	10.3%	–
Earnings after taxes	45.1	63.4	40.6%	-31.6	95.0	110.6%
Earnings per share in € (undiluted)	1.33	1.79	34.6%	–	–	–
Earnings per share in € (diluted)	1.28	1.70	32.8%	–	–	–
Capital expenditure	46.9	67.7	44.3%	17.2	50.5	7.7%
Equity ratio in % (09/30)	27.6%	29.3%	–	–	–	–
Net debt/liquidity (09/30)	182.4	16.6	-90.9%	34.8	-18.2	-110.0%
Employees (09/30)	9,588	12,071	25.9%	2,543	9,528	-0.6%

in € millions	Group Q3/14	Group Q3/15	Change	Swisslog Q3/15	Group excl. Swisslog Q3/15	Change
Orders received	556.0	694.9	25.0%	127.3	567.6	2.1%
Order backlog (09/30)	1,286.1	1,727.4	34.3%	454.7	1,272.7	-1.0%
Sales revenues	539.3	722.0	33.9%	154.3	567.7	5.3%
Gross profit	131.8	173.3	31.5%	26.3	147.0	11.5%
in % of sales revenues	24.4%	24.0%	–	17.0%	25.9%	–
Earnings before interest and taxes (EBIT)	36.8	37.5	1.9%	-6.2	43.7	18.8%
in % of sales revenues	6.8%	5.2%	–	-4.0%	7.7%	–
Earnings before interest, taxes, depreciation and amortization (EBITDA)	47.2	66.4	40.7%	8.9	57.5	21.8%
in % of sales revenues	8.8%	9.2%	–	5.8%	10.1%	–
Earnings after taxes	22.6	21.9	-3.1%	-8.5	30.4	34.5%
Earnings per share in € (undiluted)	0.67	0.60	-10.4%	–	–	–
Earnings per share in € (diluted)	0.63	0.57	–	–	–	–
Capital expenditure	19.7	22.8	15.7%	9.0	13.8	-29.9%

FOREWORD

DEAR SHAREHOLDERS,

KUKA can look back on a good third quarter of 2015 and thus on profitable overall growth for the year so far.

The first nine months of this year have been characterized by positive sales development. KUKA generated revenues of € 2,199.4 million. Compared with the figure of € 1,507.9 million for the previous year, this represents an increase of 45.9 percent. Swisslog contributed € 468.6 million to this result. Even excluding Swisslog, we achieved organic sales growth of 14.8 percent. The EBIT margin for the first nine months of 2015 was 7.0 percent.

All divisions contributed to this positive result. In this quarter, once again, we were particularly pleased to receive major orders from both general industry and the automotive sector. Swisslog, for example, was able to win a large-scale contract from the Saudi food manufacturer Almarai for the automation of its distribution logistics. In the automotive sector, we received an order from BMW for 1,000 robots.

One new KUKA product caused a sensation in Asia. The new KR CYTEC nano series from KUKA celebrated its world premiere at the “Robotics Show” held during the 17^{TH} China International Industrial Fair (CIIF) in Shanghai. With this new product, we are specifically responding to the demand from our customers in the world’s largest automation market – China – for a robot for welding and handling tasks in the low payload range.

We are also continuing to work on solutions for the factory of the future and holding discussions with the worlds of science and politics on how Germany as a business location can benefit from the technological competence of small and mid-sized enterprises for these developments. Above all, this involves the framework and prerequisites that need to be created for digitally networked production in order to keep Germany at the forefront of technology. In this respect, KUKA sees itself as a driving force behind this development, and aims to coordinate efforts with politics and science to form a partnership responsible for shaping “Industry 4.0”.

At IROS (the International Conference on Intelligent Robots and Systems) in Hamburg, one of the largest international research conferences, KUKA presented its ideas for the factory of the future centered on the LBR iiwa sensitive lightweight robot. With this approach, we are combining the creativity and cognitive abilities of humans with the repeatability, strength and precision of robots. Other key issues are mobility and the flexible deployment of robots. This is because the requirements on production are becoming greater with increasing product variety and ever-decreasing production runs. To achieve this, versatile production systems are necessary as well as continuous communication between the systems involved – which then organize themselves based on the data exchanged.

It is very important for us to facilitate our innovative strength, which is why, some time ago, we invested in a Technology and Development Center at our headquarters in Augsburg. I am pleased to announce that we will be able to move in at the end of this year. Short distances between colleagues from the Development, Service and Sales departments will enhance the cooperation, creativity and innovative spirit of our staff.

They are the basis for our future and I have every confidence in the KUKA team. I would like to take this opportunity to thank them for their team spirit and motivation.

In light of the positive development in the first nine months of 2015, we are able to confirm our guidance targets for the current financial year. We are expecting sales revenues of € 2.9 billion and an EBIT margin of 6.5 to 7.0 percent.

Yours,

Till Reuter

KUKA AND THE CAPITAL MARKET

Performance on the German equities markets varied during the first nine months of the 2015 financial year. The DAX index fell by 1.5 percent to 9,660 points. Concerns about possible weaker economic growth in China depressed stock market sentiment throughout the world. However investors continued to take the view that the prospects for medium sized companies were positive such that the MDAX was able to increase during the first nine months, showing a rise of 13.9 percent as at September 30.

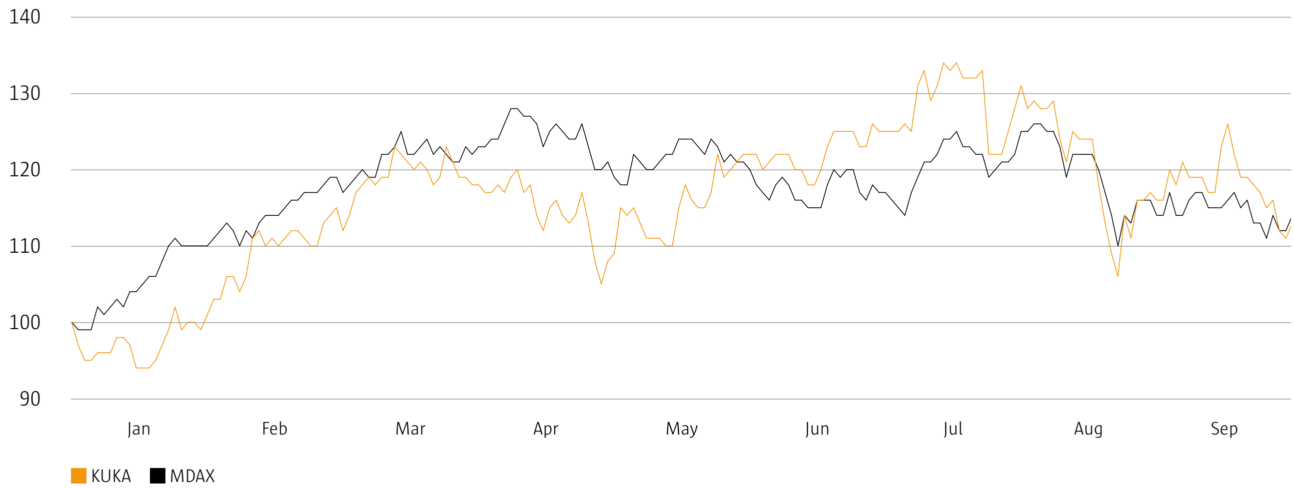
Agreement among EU finance ministers regarding the third aid program for Greece along with robust economic data in the eurozone and the USA initially brought about a recovery on stock markets at the beginning of Q3/15. Subsequently, weak economic data from China in mid-August, the postponement of an interest rate turnaround in the USA and finally the Volkswagen emissions scandal caused prices to fall on the stock markets. The DAX declined by 11.7 percent in the third quarter to 9,660 points and the MDAX by 1.7 percent to 19,622 points.

KUKA's share price rose sharply by 16.1 percent in the first nine months. However the price fell by 8.3 percent in the last quarter. The KUKA share started the third quarter at the Xetra closing price of € 74.72 as at the end of June. The positive environment for shares at the beginning of the quarter and KUKA's improved forecast for the 2015 financial year then generated an all-time high share price of € 82.06. Towards the end of the quarter, like other machinery manufacturers, the share lost its price gains and closed at € 68.49 on September 30, 2015.

INVESTORS HOLDING 3 PERCENT OR MORE OF THE KUKA'S SHARE CAPITAL

The free float of KUKA's shares at the end of the third quarter of 2015 was 56.5 percent of the total share capital. The investors were: Voith Group with 25.1 percent, SWOCTEM GmbH with 10.0 percent, Midea Group with 5.4 percent and Schroders Group with 3.0 percent.

KUKA'S SHARE PRICE PERFORMANCE JANUARY 1 TO SEPTEMBER 30, 2015 *



* December 30, 2014 = 100 share price performance indexed, prices: XETRA

MR CONSOLIDATED MANAGEMENT REPORT

ECONOMIC ENVIRONMENT

IMF REDUCES OUTLOOK

The International Monetary Fund (IMF) reduced its outlook for 2015 and 2016. Compared with expectations in July 2015, the IMF is now forecasting global economic growth of 3.1 percent for 2015 and 3.6 percent for 2016 compared with its previous figures of 3.3 percent and 3.8 percent respectively. One of the main reasons for the revised forecast is the lower oil price, which is likely to have a negative influence on growth in some emerging economies. Countries such as Germany benefit from the price decline but on a worldwide scale there are many losers. Emerging economies are therefore collectively expected to grow by only 4 percent compared with 4.6 percent in the previous year. These countries, which account for the lion's share of worldwide growth and are responsible for more than half the global economic output, are primarily decisive for the diminished outlook as they are predominantly exporters of oil. In the eurozone, KUKA's most important regional market, there are renewed signs of growth, albeit moderate. The lower price of oil, the expansive monetary policy operated by the European Central Bank and the depreciation of the euro compared with other currencies such as the US dollar helped this development. The IMF experts anticipate strongly positive performance in the USA with, however, slightly reduced expectations for 2016. Weak productivity values, amongst other factors, indicate a lack of investments, which may in the long term be associated with risks. For China, the world's second largest economy, the IMF maintains its prediction of 6.8 percent growth in 2015 and 6.3 percent in the following year. Stronger private consumption and a concentration on services are able to offset structural problems to a certain extent.

DEMAND FOR CARS

Rise in car sales – best September for 15 years in the USA and further growth in China

According to the German Association of the Automotive Industry (VDA), the 3 biggest markets for car sales – Western Europe, China and the USA – are on course for growth and have all risen considerably since the beginning of 2015. The Western European market continued to recover and saw an 8.7 percent increase in sales to 10.4 million new vehicles. The German market has the highest volume of car sales in Europe in absolute terms. During the first nine months of 2015 the market grew by 5.5 percent to 2.4 million cars sold.

In China, new car sales in the first nine months of 2015 amounted to 13.7 million vehicles, thereby exceeding the previous year's figure by almost 5 percent. According to the VDA, competition is in fact intensifying. However the potential in China is still very high: for every 1,000 inhabitants in China there are only approximately 61 vehicles at present, whereas the equivalent figure in Germany is 540 vehicles per 1,000 inhabitants.

The US market for light vehicles (cars and light trucks), which is an important market for KUKA's customers, had an excellent performance up to September 2015. Overall sales in the first nine months of 2015 rose by a good 5 percent to almost 13 million vehicles.

BUSINESS PERFORMANCE

ORDERS RECEIVED

KUKA Group

KUKA Group won a large volume of new orders over the past quarter. With orders received totaling almost € 700 million, the quarterly figure was once again high and benefited from the sales of the newly-consolidated Swisslog. Excluding Swisslog, the value of **orders received** was 2.1 percent above the figure of € 556.0 million for the previous year's quarter. The strong demand was supported by both the automotive and the general industry customer segments. The overall volume of orders received in KUKA Group over the past quarter totaled € 694.9 million, a rise of 25.0 percent.

In the first nine months of 2015, new orders reached a value of € 2,134.8 million or € 1,774.2 million excluding Swisslog. In comparison with the figure of € 1,741.7 million for the first nine months of 2014, this represents an increase of 22.6 percent (1.9 percent excluding Swisslog).

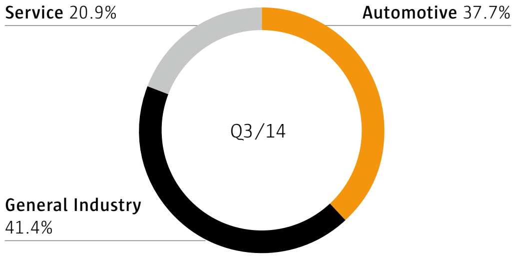
KUKA Robotics

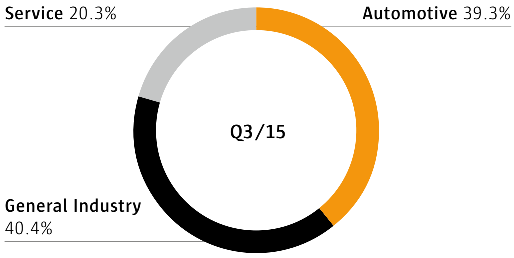
The Robotics division generated a high level of **orders received** in the third quarter of 2015, significantly above the € 200 million threshold. Over the past quarter, Robotics sold robots and services with a total volume of € 222.4 million. Compared with the previous year's quarter, new orders therefore increased by 20.2 percent.

This increase was attributable to all segments – automotive, general industry and service. In terms of countries, China, the USA and Germany showed a particularly strong development. Comparing the performance in the first three quarters, orders received rose by 9.3 percent from € 628.2 million (9M/14) to € 686.5 million (9M/15).

Orders received in the **general industry** segment for the past quarter again exceeded orders in the automotive segment. Customers in the general industry segment placed new orders totaling € 89.8 million during the third quarter of 2015, accounting for a share of 40.4 percent. In a year-on-year comparison with the third quarter of 2014, the increase was 17.2 percent. The rise reflects the successful restructuring of the sales organization and the strategic focus on this customer segment. The **automotive** segment generated new orders of € 87.5 million in the past quarter, accounting for 39.3 percent of the total orders received. All three German manufacturers and also several Chinese automakers placed orders with the Robotics division. Compared with the same period of the previous year, there was a decline of 25.4 percent (Q3/14: € 69.8 million) for reasons related to projects and model cycles. Performance in the **service business** remained dynamic over the past quarter and continued to benefit from the rising number of KUKA robots installed throughout the world. Orders received amounting to € 45.1 million exceeded the previous year's quarterly figure by 16.5 percent (Q3/14: € 38.7 million). Service business therefore accounted for 20.3 percent of the Robotics division's total orders received.

ROBOTICS ORDERS RECEIVED BY SEGMENT
IN % OF TOTAL





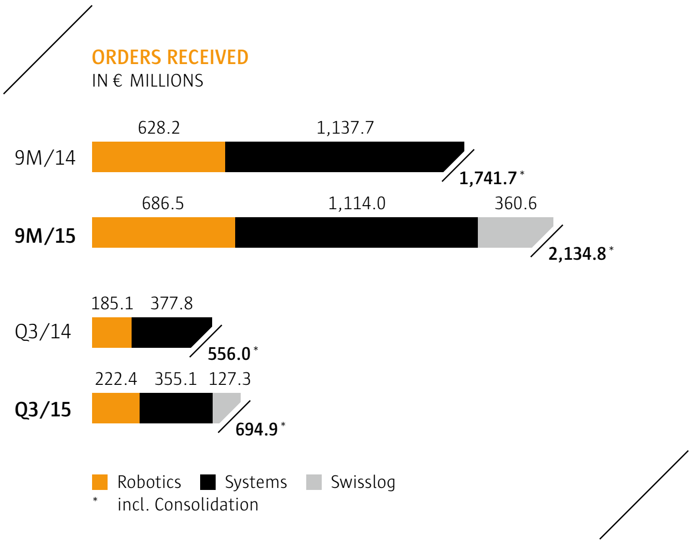
KUKA Systems

In the third quarter of 2015 the Systems division received **new orders** amounting to € 355.1 million. This represented a decline of 6.0 percent in comparison with the same period last year (Q3/14: € 377.8 million). The reasons for the decline were the more difficult market conditions on the European car market for Systems and the fact that the aircraft construction segment had received large one-off orders in the previous year, which make it hard to compare quarters. The automotive business in North America continued its highly dynamic performance.

In the first three quarters of 2015 Systems booked new orders worth € 1,114.0 million (9M/14: € 1,137.7 million).

Swisslog

Orders received at the Swisslog division amounted to € 127.3 million in the third quarter of 2015 and to € 360.6 million in the first nine months of 2015. Swisslog was not consolidated in the previous year.



SALES REVENUES

KUKA Group

KUKA Group's consolidated sales revenues in the third quarter of 2015 totaled € 722.0 million. The new Swisslog division contributed € 154.3 million to the consolidated figure. Total sales revenues were 33.9 percent higher than in the third quarter of 2014. Adjusted for Swisslog revenues, there was a rise in sales revenues of 5.3 percent compared with the previous year.

In the first three quarters of 2015, cumulative sales revenues totaled € 2,199.4 million (€ 1,730.8 million excluding Swisslog). Compared with the same period in 2014 (9M/14: € 1,507.9 million) growth amounted to 45.9 percent (14.8 percent excluding Swisslog).

KUKA Robotics

In the third quarter of 2015 the Robotics division reported sales of € 207.4 million. Compared with the figure for the third quarter of 2014 (Q3/14: € 222.4 million) there was a decrease of 6.7 percent. The main cause of the negative performance was the automotive segment where as a result of the recall policy of automobile manufacturers in 2015, it is the first and the last quarters which are likely to be stronger. Conversely the two other customer segments – general industry and service – grew over the past quarter compared with the previous year.

In the first three quarters of 2015, sales revenues at Robotics totaled € 659.4 million, a record result over a nine-month period. Compared with the previous year's figure there was a rise of 6.3 percent (9M/14: € 620.3 million).

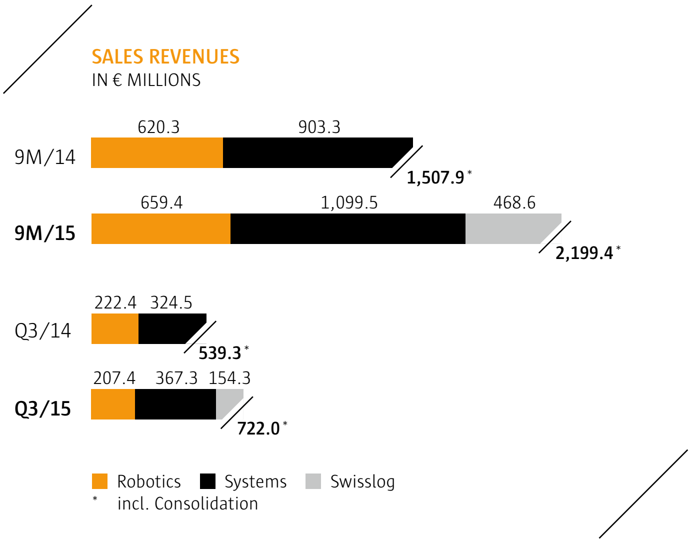
KUKA Systems

The Systems division generated sales revenues of € 367.3 million in the third quarter of 2015, 13.2 percent up on the previous year (Q3/14: € 324.5 million). Systems benefited from the high levels of orders received in previous quarters and was accordingly able to achieve very high capacity utilization. The body-in-white and aerospace segments recorded significant growth in sales revenues. In terms of regions, performance was particularly strong in the USA but considerable increases were also registered in Europe.

In the first nine months of 2015, sales revenues totaled € 1,099.5 million compared with € 903.3 million in the previous year. This represented a rise of 21.7 percent.

Swisslog

The Swisslog division achieved sales revenues of € 154.3 million in the third quarter of 2015, which gave a total of € 468.6 million when added to the result of the first half of 2015. Swisslog was not consolidated in the previous year.



BOOK-TO-BILL RATIO AND ORDER BACKLOG

KUKA Group

The book-to-bill ratio, i.e. orders received in relation to sales revenues, amounted to 0.96 in the third quarter of 2015 (Q3/14: 1.03) and 0.97 in the first three quarters of 2015 (9M/14: 1.16). The strong growth in sales revenues over the past months, which led to a record sales figure in the first nine months of 2015, exceeded the orders received. This is why the book-to-bill ratio is below 1.

The Group order backlog was again higher and including Swisslog amounted to € 1,727.4 million as at September 30, 2015. The figure therefore surpassed the previous year's level by 34.3 percent (September 30, 2014: € 1,286.1 million). Compared with the figure for the previous quarter, there was a slight decrease of 3.3 percent (June 30, 2015: € 1,786.3 million). The newly-consolidated Swisslog division had an order backlog of € 454.7 million as at September 30, 2015.

KUKA Robotics

In the past quarter the Robotics division recorded a book-to-bill ratio of 1.07, considerably higher than the Q3/14 figure of 0.83. In the first three quarters of 2015 the ratio was 1.04 (9M/14: 1.01).

As at September 30, 2015 the division's order backlog totaled € 279.8 million excluding the framework contracts received particularly in the automotive segment. Compared with the reference value for the previous year, performance was almost unchanged (Q3/14: € 284.2 million) while showing a slight increase in comparison to the previous quarter (Q2/15: € 267.0 million).

KUKA Systems

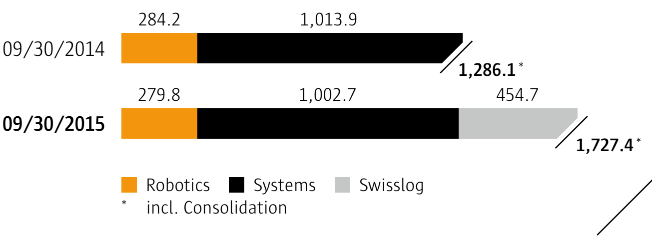
Systems' book-to-bill ratio in the third quarter of 2015 was 0.97. This was a decline from the previous year's figure (Q3/14: 1.16). In the first nine months of 2015 the average figure was 1.01 (9M/14: 1.26).

Systems' order backlog as at September 30, 2015 was reported at € 1,002.7 million, which was 1.1 percent below the previous year's quarter (September 30, 2014: € 1,013.9 million) and 4.5 percent below the previous quarter (June 30, 2015: € 1,049.6 million).

Swisslog

In the third quarter of 2015 the Swisslog division recorded a book-to-bill ratio of 0.83 and the order backlog as at September 30, 2015 was € 454.7 million. The order backlog in the previous quarter was € 477.5 million. Swisslog was not consolidated in the previous year.

ORDER BACKLOG
IN € MILLIONS



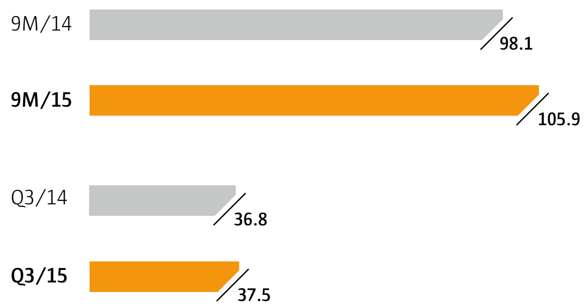
EBIT

KUKA Group

In the third quarter of 2015, KUKA Group achieved earnings before interest and taxes (EBIT) of € 37.5 million, which was 1.9 percent above the figure for the same quarter of the previous year (Q3/14: € 36.8 million). Purchase price allocation costs for Swisslog of € 11,8 million are included in this result. Without this amortization, EBIT amounted to € 49.3 million. At Group level this represents an EBIT margin of 5.2 percent with the purchase price allocation effect or 6.8 percent without the purchase price allocation effect. The EBIT margin was 6.8 percent in the previous year's quarter. On the whole, the relatively high capacity utilization in the operating divisions and scaling effects more than compensated for the additional costs of integrating Swisslog and the investments for the new Product Lifecycle Management (PLM) system and the new ERP system.

Comparing the nine-month periods, EBIT before purchase price allocation grew 8.0 percent from € 98.1 million (9M/14) to € 105.9 million (9M/15). The EBIT margin amounted to 6.5 percent in the first three quarters of 2014 and to 4.8 percent in the same period of 2015 including the purchase price allocation effect and 6,9 percent excluding this effect.

EBIT
IN € MILLIONS



Robotics

During the past quarter, the Robotics EBIT decreased 11.6 percent from € 25.9 million (Q3/14) to € 22.9 million (Q3/15). This had been expected on account of the lower sales due to seasonal effects in the automotive segment and the substantial high-margin sales in the general industry segment in the previous year's quarter. Conversely the increased proportion of sales revenues from general industry and from the service segment had a highly positive effect on the profitability in this division. Over the past quarter these two segments accounted for almost 70 percent of sales revenues. In addition the division benefited from the success of the efficiency program. The EBIT margin for the past quarter was 11.0 percent (Q3/14: 11.6 percent).

The EBIT at Robotics in the first nine months of 2015 amounted to € 72.8 million (9M/14: € 66.9 million) and the EBIT margin to 11.0 percent (9M/14: 10.8 percent).

Systems

The Systems division achieved an EBIT of € 29.5 million in the third quarter of 2015, which was 35.3 percent higher than the previous year (Q3/14: € 21.8 million). Here Systems benefited from the sale of the tools and dies business unit. The EBIT margin therefore improved considerably from 6.7 percent in Q3/14 to 8.0 percent (with the one-off effect from the sale of the tools and dies business). Once again, Systems was thus able to achieve a very high operating profit over the past quarter. The improved margin arose from the good price quality of the order backlog and the success of the efficiency program.

On the whole Systems generated an EBIT of € 89.8 million in the first nine months of 2015 (9M/14: € 49.8 million). The EBIT margin was up correspondingly to 8.2 percent (9M/14: 5.5 percent).

Swisslog

In the third quarter of 2015 the Swisslog division achieved an EBIT of € -6.2 million (9M/15: € -34.8 million) and an EBIT margin of -4.0 percent (9M/15: -7.4 percent). Disregarding the amortization of the purchase price allocation the EBIT was € 5,6 million (9M/15: € 11,5 million) and the operative EBIT margin was 3,6 percent (9M/15: 2.5 percent). Swisslog had not yet been consolidated in the same quarter of the previous year.

PERFORMANCE OF THE DIVISIONS

KEY FIGURES – ROBOTICS

in € millions	9M/14	9M/15	Change
Orders received	628.2	686.5	9.3%
Order backlog (09/30)	284.2	279.8	-1.5%
Sales revenues	620.3	659.4	6.3%
Gross profit	221.4	254.8	15.1%
in % of sales revenues	35.7%	38.6%	–
Earnings before interest and taxes (EBIT)	66.9	72.8	8.8%
in % of sales revenues	10.8%	11.0%	–
Earnings before interest, taxes, depreciation and amortization (EBITDA)	83.2	91.5	10.0%
in % of sales revenues	13.4%	13.9%	–
Employees (09/30)	3,579	4,055	13.3%

in € millions	Q3/14	Q3/15	Change
Orders received	185.1	222.4	20.2%
Order backlog (09/30)	284.2	279.8	-1.5%
Sales revenues	222.4	207.4	-6.7%
Gross profit	79.3	82.6	4.2%
in % of sales revenues	35.7%	39.8%	–
Earnings before interest and taxes (EBIT)	25.9	22.9	-11.6%
in % of sales revenues	11.6%	11.0%	–
Earnings before interest, taxes, depreciation and amortization (EBITDA)	31.3	28.5	-8.9%
in % of sales revenues	14.1%	13.7%	–

KEY FIGURES – SYSTEMS

in € millions	9M/14	9M/15	Change
Orders received	1,137.7	1,114.0	-2.1%
Order backlog (09/30)	1,013.9	1,002.7	-1.1%
Sales revenues	903.3	1,099.5	21.7%
Gross profit	142.4	193.5	35.9%
in % of sales revenues	15.8%	17.6%	–
Earnings before interest and taxes (EBIT)	49.8	89.8	80.3%
in % of sales revenues	5.5%	8.2%	–
Earnings before interest, taxes, depreciation and amortization (EBITDA)	62.1	106.5	71.5%
in % of sales revenues	6.9%	9.7%	–
Employees (09/30)	5,738	5,126	-10.7%

in € millions	Q3/14	Q3/15	Change
Orders received	377.8	355.1	-6.0%
Order backlog (09/30)	1,013.9	1,002.7	-1.1%
Sales revenues	324.5	367.3	13.2%
Gross profit	51.7	65.2	26.1%
in % of sales revenues	15.9%	17.8%	–
Earnings before interest and taxes (EBIT)	21.8	29.5	35.3%
in % of sales revenues	6.7%	8.0%	–
Earnings before interest, taxes, depreciation and amortization (EBITDA)	25.8	36.6	41.9%
in % of sales revenues	8.0%	10.0%	–

KEY FIGURES – SWISSLOG

in € millions	9M/15
Orders received	360.6
Order backlog (09/30)	454.7
Sales revenues	468.6
Gross profit	69.6
in % of sales revenues	14.9%
Earnings before interest and taxes (EBIT)	-34.8
in % of sales revenues	-7.4%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	20.2
in % of sales revenues	4.3%
Employees (09/30)	2,543

in € millions	Q3/15
Orders received	127.3
Order backlog (09/30)	454.7
Sales revenues	154.3
Gross profit	26.3
in % of sales revenues	17.0%
Earnings before interest and taxes (EBIT)	-6.2
in % of sales revenues	-4.0%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	8.9
in % of sales revenues	5.8%

FINANCIAL POSITION AND PERFORMANCE

PRESENTATION OF THE FINANCIAL STATEMENTS

In the reporting process for KUKA Group, minor changes have been made to the presentation of the income statement and the cash flow statement compared to the previous year. These are intended to further increase the informational value of the financial statements. The information for the previous year has been adapted accordingly to provide a correct basis for comparison. Further details can be found in the notes to the quarterly report/accounting policies.

In order to allow comparison of Group quarterly figures with those of the previous year, the effects of the acquisition of Swisslog Group (initially consolidated in December 2014) have been shown separately.

EARNINGS

Sales revenues in the first three quarters of the year at KUKA Group amounted to € 2,199.4 million (9M/14: € 1,507.9 million). Swisslog Group also contributed € 468.6 million to this result. On an organic basis, i. e. excluding Swisslog Group, KUKA Group showed a considerable increase of € 222.9 million or 14.8 percent to € 1,730.8 million. There was also a rise in sales revenues in the third quarter of 2015, continuing the positive trend of the previous quarters. After the record quarterly figure of € 757.6 million in Q2/15, another excellent result of € 722.0 million (Q3/14: € 539.3 million) was achieved.

Group orders received at € 2,134.8 million (9M/14: € 1,741.7 million) constituted a very good result. This is still the case even when the € 360.6 million contributed by Swisslog Group is excluded (organic orders received 9M/15: € 1,774.2 million). Overall a slight organic increase of 1.9 percent was also generated.

The gross earnings from sales at € 517.6 million represented an increase of € 152.6 million or 41.8 percent (9M/14: € 365.0 million). Taking into account the € 69.6 million contributed by Swisslog Group, the organic figure is € 448.0 million, which constitutes an improvement of 22.7 percent. In the first nine months of 2015 the Group's organic gross margin rose from 24.2 percent to 25.9 percent. Of particular note was the development of the gross profit margin of Swisslog Group. From 13.3 percent in the first quarter of 2015, it increased to 14.2 percent in the second quarter and already reached 17.0 percent in the third quarter of 2015.

Overhead costs (sales, research & development and administration) totaled € 417.7 million (9M/14: € 263.9 million). These overhead costs amounted to 19.0 percent of sales, which was higher than the previous year's level of 17.5 percent in the first nine months of 2014. This increase is due above all to the even higher overhead costs at Swisslog, which are also a consequence of additional amortization of the purchase price allocation. If these effects are eliminated, the organic ratio of overhead costs to sales revenues was 18.0 percent, only slightly higher than the previous year's level. Organic sales costs rose in absolute terms from € 114.3 million in the previous year's period to € 138.1 million, an increase of 20.8 percent. As a proportion of sales, however, the rise amounts to just 0.5 of a percentage point. Swisslog Group's sales cost ratio currently amounts to 10.2 percent. Administrative expenses in relation to sales showed an organic decrease of 0.7 percentage points to 5.7 percent compared with the same period of the previous year. This proves that KUKA constantly keeps an eye on internal costs even at times of high business volumes and a good market environment.

The research and development costs shown in the income statement amounted to € 87.8 million in the first nine months of 2015 and thus were significantly higher than for the corresponding period of the previous year (€ 53.8 million). This increase reflects the sustained strategic orientation of the Group towards structured expansion of investment in further developments and in new and forward-looking technologies, in particular also in the field of Industry 4.0. KUKA is currently working on the following topics:

- Further development of the KUKA Sunrise control software
- Upgrading of and development of applications for LBR iiwa
- Development of the KR FORTEC, a new series of heavy-duty robots for payloads between 360 and 600 kg
- Applications in the mobile robotics field
- Application expertise in the aerospace sector – for example, a mobile platform with two collaborating robots has been successfully implemented for setting rivets in aircraft construction
- Further development of crane solutions in the logistics sector
- Development of software to optimize inventories in the pharmaceuticals and hospitals sectors

In addition to its own development work, KUKA is intensifying its collaboration with other companies. In February 2014, for example, KUKA bought shares in KBee AG, Munich, a company specializing in robot hardware, software and design. In May 2015, KUKA announced another strategic cooperation with TTTech, a leading global real-time technology business. KUKA and TTTech will be investing jointly in real-time technology platforms and in start-ups in order to implement Industry 4.0 solutions more quickly. The first joint investment by KUKA and TTTech is in a Silicon Valley start-up with a focus on real-time cloud computing.

The results of KUKA's research and development work also attract attention from outside the Group. In March 2015, KUKA development projects received a double accolade. To start with, our LBR iiwa lightweight robot won the German Business Innovation Award in the "Large company" category. In addition to that, KUKA won the euRobotics Technology Transfer Award. KUKA was awarded this prize jointly with the Albert Ludwig University of Freiburg for a successful technology transfer project entitled "Flexible Autonomous Navigation for the Industrial Shop Floor". For further details about current development projects, please refer to the company's 2014 annual report.

The costs of € 8.5 million (9M/14: € 5.0 million) for new developments during the reporting period were capitalized and will be reported as planned depreciation in subsequent financial statements. Research and development expenditure depreciation amounted to € 13.3 million (9M/14: € 8.5 million).

The rise in the balance of other operating expenses and income from € -3.3 million in the first nine months of 2014 to € 6.9 million from January to September 2015 results partly from the sale of HLS Group and the tools and dies business unit in Schwarzenberg and Dubnica/Slovakia. The income generated, which was in the lower double-digit million range, was reported as other operating income.

Overall operating profit for the first nine months of this year was € 103.8 million (9M/14: € 96.0 million). Adjusted for financing charges of € 2.1 million included in operating profit (9M/14: € 2.1 million), earnings before interest and taxes (EBIT) came in at € 105.9 million (9M/14: € 98.1 million). The EBIT margin for the 2015 reporting period therefore fell to 4.8 percent compared to the figure of 6.5 percent for the same period of the previous year. The decline in the margin, as previously announced, is due to the planned depreciation arising from the purchase price allocation in connection with the acquisition of Swisslog Group. So far in 2015 EBIT was impacted by depreciation costs amounting to € 46.3 million. For the full year 2015 a charge against profits of approx. € 60 million is expected in this connection. Organically, i.e. without Swisslog, the EBIT would amount to € 140.7 million with a much-improved EBIT margin of 8.1 percent. This shows that KUKA Group has continued seamlessly on from the outstanding previous quarters.

	Q1/14	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15	Q3/15
EBIT (in € millions)	27.1	34.2	36.8	43.7	28.1	40.3	37.5
EBIT margin (in %)	5.9%	6.8%	6.8%	7.4%	3.9%	5.3%	5.2%
EBIT organic (in € millions)	–	–	–	–	42.2	54.8	43.7
EBIT margin organic (in %)	–	–	–	–	7.4%	9.3%	7.7%
EBITDA (in € millions)	37.4	44.6	47.2	56.1	59.5	73.4	66.4
EBITDA margin (in %)	8.1%	8.8%	8.8%	9.5%	8.3%	9.7%	9.2%
EBITDA organic (in € millions)	–	–	–	–	54.2	67.4	57.5
EBITDA margin organic (in %)	–	–	–	–	9.5%	11.4%	10.1%

In the Systems segment the EBIT margin was 8.2 percent (9M/14: 5.5 percent). This considerable rise reflects various factors. Firstly in the previous year the margin was still affected by the acquisition of Reis Group. Also the positive effects from the sale of HLS Group and of the tools and dies business unit have made a positive contribution during the financial year. In addition, however, the project optimization measures taken in the past are also now having a stronger effect. The Robotics division achieved 11.0 percent, thus surpassing even the high level of the previous year (9M/14: 10.8 percent). As expected, Swisslog returned a significantly negative EBIT margin of -7.4 percent. However this was still predominantly due to depreciation in connection with the purchase price allocation. If this is excluded, the Swisslog segment had an EBIT margin of 2.5 percent.

Comparison with the previous year shows that EBITDA (earnings before interest, taxes, depreciation and amortization) rose from € 129.2 million to € 199.3 million. The contrasting development of EBITDA in comparison to EBIT is due to the additional amortization charges arising from the purchase price allocation for Swisslog Group, since these do not impact EBITDA. There was also a clear increase on an organic basis, with a result of € 179.1 million, 38.6 percent up on the previous year. The EBITDA margin was 9.1 percent after 8.6 percent in the comparable period of the previous year. Swisslog has also contributed to this improvement during the financial year. Whereas

Swisslog's EBITDA margin in the first two quarters stood at 3.6 percent, the figure had risen to 5.8 percent in the third quarter. Depreciation during the reporting period amounted to € 93.4 million (9M/14: € 31.1 million). € 18.7 million of this (9M/14: € 16.3 million) was attributable to Robotics, € 16.7 million (9M/14: € 12.3 million) to Systems, € 55.5 million (9M/14: zero) to Swisslog and € 3.2 million (9M/14: € 2.5 million) to other areas.

The financial result improved from € -24.2 million last year to € -8.0 million. The financial result for the previous year included one-off charges of € 17.7 million arising from the repurchase of the corporate bond in line with the market. The bond was fully redeemed in May 2014. During the reporting period there was a one-off charge of € 1.3 million in connection with the Syndicated Senior Facilities Agreement.

in € millions	9M/14	9M/15
Interest income from finance lease	4.6	5.2
Remaining interest and similar income	2.2	1.0
Other interest and similar income	**6.8**	**6.2**
Interest component for allocations to pension provisions	1.9	1.3
Guarantee commissions	0.4	0.4
Interest expense for the convertible bond	5.1	5.2
Interest expense for the corporate bond	5.6	–
Financing costs reclassified to operating results	-2.3	-2.2
Foreign currency gains and losses	0.5	1.5
Remaining interest and similar expenses	2.1	6.7
Current other interest and similar expenses	**13.3**	**12.9**
Current financial result	**-6.5**	**-6.7**
One-off charge on Syndicated Senior Facilities Agreement		-1.3
Interest expense from the repurchase of corporate bond shares	17.7	–
Financial result	**-24.2**	**-8.0**

The interest income amounted to € 6.2 million (9M/14: € 6.8 million). This includes mainly income in connection with the finance lease and income from short-term investments.

The net interest item includes € 5.2 million (9M/14: € 5.1 million) for interest on the convertible bond with a nominal value of € 150.0 million placed in February and July 2013 in two tranches. In accordance with accounting standards, the reclassification of financing charges into operating profit reduced interest charges by € 2.2 million (9M/14: € 2.3 million). The net interest expense for pensions was € 1.3 million (9M/14: € 1.9 million). As described in the notes to this quarterly report, the effects of currency exchange rates in the area of financing are shown from now on in the financial results. The net effect for the first three quarters amounted to € 1.5 million (9M/14: € 0.5 million). The increase was due largely to the major appreciation of the Swiss franc against other currencies, especially against the euro, in the first quarter of 2015. Other interest and similar expenses include interest on the utilization of the cash credit line by subsidiaries of KUKA plus interest in connection with external audits.

Earnings before taxes (EBT) in the first nine months of 2015 amounted to € 95.8 million (9M/14: € 71.8 million). In the period under consideration, taxes amounted to € 32.4 million (9M/14: € 26.7 million). This represented a tax rate of 33.8 percent (9M/14: 37.2 percent).

In the reporting period, earnings after taxes were € 63.4 million (9M/14: € 45.1 million). The undiluted earnings per share increased correspondingly from € 1.33 to € 1.79.

CONSOLIDATED INCOME STATEMENT (CONDENSED)

in € millions	9M/14	9M/15	9M/15 Swisslog	9M/15 organic
Sales revenues	1,507.9	2,199.4	468.6	1,730.8
EBIT	98.1	105.9	-34.8	140.7
EBITDA	129.2	199.3	20.2	179.1
Financial result	-24.2	-8.0	-3.3	-4.7
Taxes on income	26.7	32.4	-6.5	38.9
Earnings after taxes	45.1	63.4	-31.6	95.0

FINANCIAL POSITION

The stable income position is reflected in the cash earnings. These are derived from the earnings after taxes, adjusted for income taxes, net interest, cash-neutral depreciation on tangible and intangible assets, together with other non-cash expenses and income. Cash earnings were € 201.5 million, more than € 60 million higher than the corresponding value for the previous year of € 137.6 million. Even on an organic basis this was an increase of € 45.0 million to € 182.6 million.

Cash flow from operating activities amounted to € 34.6 million. Due to business cycle considerations, Swisslog accounted for a negative amount of around € 20 million. On an organic basis the operating cash flow was € 54.2 million, well below the previous year's figure of € 123.4 million. The main reason for this was the increase in the trade working capital requirements due to the business performance, as shown in the following table:

in € millions	12/31/2014	09/30/2015
Inventories less advance payments	194.1	246.8
Trade receivables and receivables from construction contracts	612.9	647.8
Trade payables and liabilities from construction contracts	522.2	523.0
Trade working capital	**284.8**	**371.6**

In total the trade working capital of the Group increased by € 86.8 million to € 371.6 million. The rise was mostly attributable to the Systems division.

In the first nine months of 2015 the company invested € 67.7 million (9M/14: € 46.9 million). Capital investment for tangible assets totaled € 47.7 million, mainly for technical plant and equipment as well as the new Development and Technology Center being built in Augsburg, which will be completed and in use in the fourth quarter of 2015, as planned. In addition an investment was made in a modern heating plant with a district heating connection at the Augsburg site. Investments in intangible assets totaled € 20.0 million, of which € 8.5 million was for internally generated intangible assets. The sale of HLS Group and the tools and dies business unit gave rise to cash inflows of € 47.2 million. The gains on the sale are shown in the cash flow from current business operations. In particular, there were outflows of cash amounting to € 41.7 million associated with the acquisition of all the outstanding shares in Swisslog Group and Forte Industries, and with a milestone payment to KBee AG. Cash inflows from financial resources invested for short-term periods at the end of the 2014 financial year amounted to € 23.5 million, with the effect that the cash flow from investment activities totaled € -27.4 million (9M/14: € -25.6 million).

The cash flow from current business operations plus cash flow from investment activities resulted in a free cash flow of € 7.2 million (9M/14: € 97.8 million). As a result of the free cash flow of € 28.5 million generated in the third quarter, the negative free cash flow of the previous quarter was absorbed and the figure is positive on an annual basis.

In total the cash flow from financing activities was € -43.7 million (9M/14: € -227.4 million). In the same period of the previous year, the financing cash flow was characterized by the early redemption of the corporate bond, which brought about cash outflows of € 173.0 million as well as a corresponding one-off interest charge (see explanations above). The dividend payment to KUKA shareholders of € 0.40 per share (previous year: € 0.30 per share) resulted in cash outflows of € 14.3 million (previous year: € 10.2 million). Dividends amounting to € 2.6 million were paid to external shareholders of subsidiary companies during the reporting year.

As a result of this, the cash and cash equivalents available to KUKA Group as at September 30, 2015 were € 158.9 million (9M/14: € 322.7 million). The heavy decline from the previous year's value is due essentially to the cost of acquiring Swisslog and the increase of the trade working capital in line with the course of business during the reporting period. Compared to December 31, 2014 the cash and cash equivalents decreased by € 33.2 million (December 31, 2014: € 192.1 million).

KUKA syndicated loan successfully refinanced and extended

In March 2015 KUKA AG prematurely refinanced the syndicated loan that it concluded in December 2013. The new contract provides for a surety and guarantee line in the amount of € 140.0 million and a working capital line, which can also be used for sureties and guarantees, in the amount of € 90.0 million. This makes available a volume € 70.0 million higher than with the previous contract. In addition, structural contract adaptations have been made. The refinancing is attributable to the integration of Swisslog Holding AG and its subsidiaries, in which a majority stake was acquired in December 2014. Moreover, it was possible to benefit from the improved market situation to obtain significantly improved terms. The term of the loan agreement is five years with two one-year extension options.

The new credit facility will be used for general corporate financing purposes. In particular, it provides the surety and guarantee lines for the operative business of KUKA and Swisslog. The contract came into force at the start of April 2015. Further details of the Syndicated Senior Facilities Agreement can be found in the notes to the quarterly report.

Other financing measures in the fourth quarter of 2015

After the cut-off date of this quarterly report, convertible bonds with a nominal value of € 25.4 million were converted into 690,082 shares in October. As a result the financial liabilities are reduced and at the same time the equity capital is increased accordingly.

By way of a further supporting financial measure to pursue the Group's growth strategy, KUKA issued a promissory note loan with a total volume of € 250 million in October 2015. For further details please refer to the "Events after the balance sheet date" section.

CONSOLIDATED CASH FLOW STATEMENT (CONDENSED)

in € millions	9M/14	9M/15	9M/14 Swisslog	9M/15 excl. Swisslog
Cash earnings	137.6	201.5	18.9	182.6
Cash flow from current business operations	123.4	34.6	-19.6	54.2
Cash flow from investment activities	-25.6	-27.4	-28.9	1.5
Free cash flow	97.8	7.2	-48.5	55.7

NET WORTH

As at the reporting date, the balance sheet total of KUKA Group had increased from € 1,979.5 million at December 31, 2014 to € 2,057.2 million, an increase of 3.9 percent. As well as the changes described below, a significant cause of the increase was the large gain in the Swiss franc/EUR exchange rate following the decision made by the Swiss National Bank in January to abandon the minimum exchange rate of around 1.20 CHF/EUR. (The CHF/EUR spot rate was 1.2024 on December 31, 2014 and 1.0915 on September 30, 2015). This change in exchange rate alone generated an increase of the KUKA balance sheet total in the double-digit million range as a result of Swisslog Group balance sheet items denominated in Swiss francs.

On the assets side, non-current assets rose to € 813.3 million (December 31, 2014: € 798.0 million). The amount reported for goodwill amounted to € 253.3 million (December 31, 2014: € 226.0 million). The difference arose not only from the movements in exchange rates, particularly for the CHF, but also from the acquisitions conducted in 2015 (approximately € 10 million). The increase in tangible assets reflected amongst other things continued progress in completing the Development and Technology Center at Augsburg such that the first KUKA employees will move into the new building in the fourth quarter of 2015 as planned. As at the reporting date, a value of € 61.5 million had been booked to this (December 31, 2014: € 53.3 million). Amounts totaling € 4.4 million were included for investments in associated companies (December 31, 2014: € 5.6 million). Deferred tax assets amounted to € 50.0 million (December 31, 2014: € 48.2 million) and € 14.5 million was attributable to losses carried forward (December 31, 2014: € 11.1 million).

The value of current assets amounted to € 1,243.9 million as at September 30, 2015 (December 31, 2014: € 1,181.5 million). The increase in other assets stems among other reasons from the considerable increase in foreign sales tax receivables. As at the end of fiscal 2014 assets held for disposal were reported here in connection with the sale of HLS Group in 2015 (December 31, 2014: € 16.5 million). Further explanations regarding the current assets are included in the notes on the financial position.

Within the reporting period, equity capital increased from € 541.1 million to € 603.2 million. This was the result not only of the earnings after taxes (€ 63.4 million) but also of the contribution from exchange rate effects totaling € 37.3 million. The valuation of pension provisions (€ 2.5 million) and the dividend distribution to KUKA shareholders of € 0.40 per share (totaling € 14.3 million) had no effect on earnings but did reduce the equity capital. Minority interests were reduced from € 16.8 million to € -0.3 million primarily due to the acquisition of all the shares in Swisslog Holding AG. The equity ratio, i.e. the ratio of equity capital to the balance sheet total, was 29.3 percent, which was much higher than at the end of the 2014 financial year (December 31, 2014: 27.3 percent).

The financial liabilities predominantly relate to the convertible bond maturing in February 2018 (for further details of the convertible bond, please refer to the “Events after the balance sheet date” section).

Current liabilities increased from € 1,096.2 million at December 31, 2014 to € 1,111.6 million at September 30, 2015. The changes in trade working capital referred to above were the main reason for this. In addition, the amounts reported for income taxes were higher due to the good growth in profit. Also accruals for outstanding vacation claims at the end of the third quarter are, as usual, above the value for the end of the year. No figure now applies to liabilities in connection with assets held for sale (December 31, 2014: € 7.3 million).

Due to the effects described in the explanation of the Group financial position, there was a net liquidity figure of € 16.6 million as at September 30, 2015, the balance of liquid assets minus current and non-current financial liabilities. As a result it was possible to absorb the net debt which existed at the end of the previous quarter in an amount of € 10.1 million. The Group had a net liquidity of € 32.6 million as at December 31, 2014.

GROUP NET WORTH

in € millions	12/31/2014	09/30/2015
Balance sheet total	1,979.5	2,057.2
Equity	541.1	603.2
in % of balance sheet total	27.3%	29.3%
Net liquidity	32.6	16.6

RESEARCH & DEVELOPMENT

Research & development expenditure in KUKA Group amounted to € 35.9 million, substantially higher than the same period last year (Q3/14: € 18.4 million). This includes Swisslog, which has been fully consolidated since December 31, 2015. Research and development expenditure for the first nine months of the year thus totaled € 87.8 million (9M/14: € 53.8 million).

The expenditure is attributable predominantly to the Robotics division. Systems conducts most of its research and development in conjunction with customer projects.

In the third quarter of 2015, KUKA focused on expanding and improving the existing product portfolio. In addition, activities were concentrated on pushing ahead with key technologies for Industry 4.0, human-robot collaboration, mobility and smart platforms.

EFFICIENT ORDER-PICKING PROCESSES IN INTRALOGISTICS

Automated case pick

One of the central tasks in intralogistics is the automatic loading of mixed pallets. Packaging form and sequencing place the highest quality requirements on palletizing algorithms. Together with a long-standing customer, we are developing an automatic palletizing station which sets new standards in terms of sturdiness and efficiency.

Automated item pick

The first automatic pick station was presented at Hannover Messe 2015. In addition to advanced vision technology and high-performance evaluation software, the entire package also includes the robotic equipment with gripper elements. The complete package can also be used together with order pickers (human-robot collaboration) and is offered as an add-on module for Swisslog's highly efficient pick stations.

FLEXFELLOW PRESENTED AT MOTEK

flexFELLOW is a mobile robot unit that can be manually moved and put into operation where it is needed in the shortest amount of time. KUKA flexFELLOW allows completely new flexibility for planning systems as well as fluid variation in terms of the degree of automation. The combinability of manual and automatic tasks means that production can be optimally adapted to the required capacity utilization. Combining it with LBR iiwa offers many advantages. For example, the complex external sensors are no longer required as the force and torque sensors of the lightweight robot can be used. The ability to combine human-robot collaboration with mobile robotics offers a further unique selling point.

KUKA flexFELLOW can be deployed in various workplaces, to automate manual workstations and therefore handle ramp-ups of production facilities, peak loads and resource shortfalls in production. It allows people and robots to work together in the same workplace. Cost-effective automation of non-ergonomic manual activities that were previously difficult to automate is now possible. Reproducible processes are performed with high quality, without requiring product-specific or component-relevant investment.

KUKA AT IROS

From September 29 to October 1, 2015, researchers and developers got an up-close look at the innovative products from KUKA at IROS (International Conference on Intelligent Robots and Systems) in Hamburg and also had an opportunity to share visionary future concepts. The visitors learned the initial steps in robot programming and operation in a mobile training cell with KR AGILUS. KUKA also showcased its mobile KMR iiwa, which supports human workers in the factory of the future. KMR iiwa combines the strengths of the sensitive lightweight robot LBR iiwa with a mobile platform. Its autonomous navigation software enables the robot to move fully autonomously in space without cable connections. Environment scanners and ultrasound sensors on the vehicle allow obstacles to be detected and avoided.

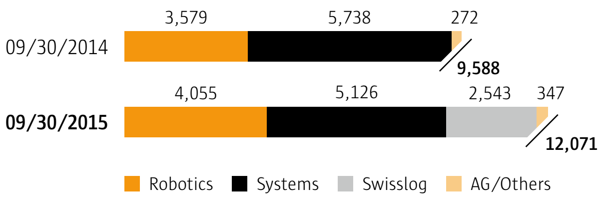
DESIGN AWARD FOR KR AGILUS

KUKA won the International Design Excellence Award (IDEA) for the design of the small robot series KR AGILUS at the 50th anniversary international conference of the Industrial Designers Society of America (IDSA). The design conveys the technical properties of KR AGILUS – high speed, exact precision and maximum flexibility. It is characterized by dynamism and emphasizes the robot's nimbleness and fast motion sequences. The robot is designed to save on materials with the aim of avoiding any impairment of its agility. This makes the robot a perfect combination of form and function.

EMPLOYEES

As at September 30, 2015, KUKA Group had 12,071 employees, including 2,543 at Swisslog. Compared with the figure of 9,588 for the reporting date of the previous year, this represents an increase of 25.9 percent. The Robotics division's headcount rose from 3,579 to 4,055, an increase of 13.3 percent. The workforce has expanded in all areas, i.e. automotive, research and development, general industry and service. In the Systems division the number of employees fell by 10.7 percent year-on-year from 5,738 to 5,126. This is due to the sale of HLS Engineering Group and the tools and dies business, which happened in the second and third quarter 2015. Group-wide, KUKA had 1,885 temporary employees as at September 30, 2015, 174 more than on September 30, 2014, when the number was 1,711. Augsburg had 3,143 employees at the end of the third quarter of 2015.

EMPLOYEES



OPPORTUNITIES AND RISK REPORT

Overall, KUKA Group's named risks relate to the business performance of the divisions and financial risks associated with currency exchange rate fluctuations and corporate financing. The Executive Board is not aware of any individual or aggregated risks that could threaten the company's existence. Strategically and financially, the company is positioned to be able to take advantage of business opportunities. For information on risks affecting EBIT, please also refer to the detailed report on pages 45 and following of the 2014 annual report/management report.

The Volkswagen Group is one of KUKA's most important customers. As a result of the emissions scandal, the Volkswagen Group took initial action in mid-October to reduce its investments by € 1 billion per year. From today's perspective, it is not yet possible to definitively assess the effects that the emissions scandal will have on automotive suppliers in general and on KUKA in particular.

OUTLOOK

Given the current economic forecasts and general conditions, KUKA expects high demand in the 2015 financial year, particularly from the North America and Asia regions, and especially from China. Demand in Europe is expected to remain relatively stable or to rise slightly. From a sector perspective, general industry growth is expected to be strong. This is due in part to the high potential for automation solutions as well as the positive economic prospects for general industry customers.

Automotive customers have already significantly increased investments over the past few years. Demand in 2015 should therefore develop relatively stably altogether, with positive influences from China and the United States.

On the basis of the current general conditions and exchange rates, KUKA is anticipating sales revenues of approximately € 2.9 billion. The sales development will profit from the first-time consolidation of Swisslog. In addition, both customer segments – general industry and automotive – and from a regional viewpoint, China and North America, will make a positive contribution to sales development. Based on the current economic environment and the development of sales, KUKA Group expects to achieve an EBIT margin of 6.5 to 7.0 percent before PPA (purchase price allocation) for Swisslog, and including the positive effects of the sale of HLS Group and the tools and dies business unit. Investments in growth in general industry and China as well as the integration and restructuring costs for Swisslog are having an impact on the EBIT margin. In addition, the introduction of product lifecycle management software at Systems and ERP software to be used throughout the Group will result in higher costs during 2015, but in subsequent years they will help make further improvements in efficiency. Having regard to the expenditure for purchase price allocation, KUKA Group expects a lower EBIT margin. In the coming years, after restructuring and an increase in efficiency at Swisslog, a positive contribution to value added is anticipated for KUKA Group.

EVENTS AFTER THE BALANCE SHEET DATE

PROMISSORY NOTE LOAN (SCHULDSCHEINDARLEHEN) ISSUED FOR A TOTAL OF € 250 MILLION

In October 2015 KUKA AG issued promissory notes for a total of € 250 million. Due to significant oversubscription, the initial volume of € 150 million was increased. The additional funds will be used to continue the growth strategy.

The overall volume of the loan was issued in two tranches with maturities of five and seven years at a fixed interest rate averaging 1.35 percent.

CONVERSION OF CONVERTIBLE BOND SHARES

In October 2015, creditors of the 2013 convertible bond made use of their conversion right. Due to the conversion declaration, new shares were created in accordance with the bond terms. Through the issue of new shares, the total number of KUKA shares has risen by 690,082, from 35,708,315 to 36,398,397. Pursuant to section 200 of the German Stock Corporation Act (AktG), the issue of new shares saw the company's share capital rise by € 1,794,213.20, from € 92,841,619.00 to € 94,635,832.20.

Apart from this there have been no events subject to reporting requirements that had an impact on the financial position and performance of the company since the balance sheet reporting date.

INTERIM REPORT (CONDENSED)

CONSOLIDATED INCOME STATEMENT

of KUKA Aktiengesellschaft for the period January 1 to September 30, 2015

in € millions	Q3/14	Q3/15	9M/14	9M/15
Sales revenues	539.3	722.0	1,507.9	2,199.4
Cost of sales	-407.5	-548.7	-1,142.9	-1,681.8
Gross profit	**131.8**	**173.3**	**365.0**	**517.6**
Selling expenses	-38.9	-59.6	-114.3	-185.7
Research and development expenses	-18.4	-35.9	-53.8	-87.8
General and administrative expenses	-37.6	-44.9	-95.8	-144.2
Other operating income	1.1	6.9	5.3	20.6
Other operating expenses	-1.2	-1.9	-8.6	-13.7
Earnings from companies valued at equity	-0.8	-1.0	-1.8	-3.0
Earnings from operating activities	**36.0**	**36.9**	**96.0**	**103.8**
Reconciliation to earnings before interest and taxes (EBIT)				
Financing costs included in cost of sales	0.8	0.6	2.1	2.1
Earnings before interest and taxes (EBIT)	**36.8**	**37.5**	**98.1**	**105.9**
Depreciation and amortization	10.4	28.9	31.1	93.4
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**47.2**	**66.4**	**129.2**	**199.3**
Net interest income	2.2	1.1	6.8	6.2
Net interest expense	-3.1	-4.0	-31.0	-14.2
Financial result	**-0.9**	**-2.9**	**-24.2**	**-8.0**
Earnings before taxes	**35.1**	**34.0**	**71.8**	**95.8**
Taxes on income	-12.5	-12.1	-26.7	-32.4
Earnings after taxes	**22.6**	**21.9**	**45.1**	**63.4**
of which: attributable to minority interests	0.0	0.6	0.0	-0.4
of which: attributable to shareholders of KUKA AG	22.6	21.3	45.1	63.8
Earnings per share (undiluted) in €	**0.67**	**0.60**	**1.33**	**1.79**
Earnings per share (diluted) in €	**0.63**	**0.57**	**1.28**	**1.70**

STATEMENT OF COMPREHENSIVE INCOME

of KUKA Aktiengesellschaft for the period January 1 to September 30, 2015

in € millions	Q3/14	Q3/15	9M/14	9M/15
Earnings after taxes	22.6	21.9	45.1	63.4
Items that may potentially be reclassified to profit or loss				
Currency translation adjustments	8.5	-13.3	7.9	37.3
Items that are not reclassified to profit or loss				
Changes of actuarial gains and losses	-2.8	-0.4	-10.2	0.3
Deferred taxes on changes of actuarial gains and losses	0.6	-1.7	2.3	-2.8
Changes recognized directly in equity	**6.3**	**-15.4**	**0.0**	**34.8**
Comprehensive income	**28.9**	**6.5**	**45.1**	**98.2**
of which: attributable to minority interests	0.0	-0.6	0.0	-0.4
of which: attributable to shareholders of KUKA AG	28.9	7.1	45.1	98.6

CONSOLIDATED CASH FLOW STATEMENT

of KUKA Aktiengesellschaft for the period January 1 to September 30, 2015

in € millions	9M/14	9M/15
Earnings after taxes	**45.1**	**63.4**
Income taxes	24.6	48.7
Net interest	23.7	8.0
Depreciation/amortization on intangible assets	13.0	69.1
Depreciation/amortization on tangible assets	18.1	24.3
Other non-payment-related income	-7.9	-19.7
Other non-payment-related expenses	21.0	7.7
Cash earnings	**137.6**	**201.5**
Result on the disposal of assets	0.0	-10.3
Changes in provisions	45.2	12.1
Changes in current assets and liabilities:		
Changes in inventories	-38.6	-59.3
Changes in receivables and deferred charges	-41.1	-91.2
Changes in liabilities and deferred charges (excl. financial debt)	38.3	19.7
Income taxes paid	-15.2	-35.8
Investment/financing matters affecting cash flow	-2.8	-2.1
Cash flow from current business operations	**123.4**	**34.6**
Payments from disposals of fixed assets	0.5	5.8
Payments for capital expenditures on intangible assets	-8.5	-20.0
Payments for capital expenditures on tangible assets	-38.4	-47.7
Payments for investment in financial investments	0.0	-0.5
Payments received from financial assets in the course of short-term funds management	30.4	23.5
Payments received from the sale of consolidated companies and other business units	–	47.2
Payments for the acquisition of consolidated companies and other business units	-16.0	-41.7
Interest received	6.4	6.0
Cash flow from investment activities	**-25.6**	**-27.4**
Free cash flow	**97.8**	**7.2**
Dividend payments	-10.2	-16.9
Proceeds/payments from the issuance/repayment of bonds and similar liabilities	-173.0	–
Proceeds from/payments for the acceptance/repayment of bank loans	-17.7	-22.2
Payments from grants received	2.8	2.1
Interest paid	-29.3	-6.7
Cash flow from financing activities	**-227.4**	**-43.7**
Payment-related changes in cash and cash equivalents	**-129.6**	**-36.5**
Changes in cash and cash equivalents related to acquisitions	5.5	1.9
Exchange-rate-related and other changes in cash and cash equivalents	5.7	1.4
Changes in cash and cash equivalents	**-118.4**	**-33.2**
(of which net increase/decrease in restricted cash)	(1.9)	(1.5)
Cash and cash equivalents at the beginning of the period	441.1	192.1
(of which restricted cash at the beginning of the period)	(6.1)	(2.4)
Cash and cash equivalents at the end of the period	**322.7**	**158.9**
(of which restricted cash at the end of the period)	(4.2)	(3.8)

CONSOLIDATED BALANCE SHEET

of KUKA Aktiengesellschaft as of September 30, 2015

ASSETS

in € millions	12/31/2014	09/30/2015
Non-current assets		
Intangible assets	430.4	426.3
Tangible assets	233.8	242.7
Financial investments	0.6	2.9
Investments accounted for at equity	5.6	4.4
	670.4	**676.3**
Finance lease receivables	66.1	65.5
Income tax receivables	3.4	3.4
Other long-term receivables and other assets	9.9	18.1
Deferred taxes	48.2	50.0
	798.0	**813.3**
Current assets		
Inventories	272.4	331.8
Receivables and other assets		
Trade receivables	273.8	309.7
Receivables from construction contracts	339.1	338.1
Finance lease receivables	6.9	8.0
Income tax receivables	9.7	9.2
Other assets, prepaid expenses and deferred charges	71.0	88.3
	700.5	**753.3**
Cash and cash equivalents	192.1	158.8
Assets held for sale	16.5	–
	1,181.5	**1,243.9**
	1,979.5	**2,057.2**

LIABILITIES

in € millions	12/31/2014	09/30/2015
Equity		
Subscribed capital	92.8	92.8
Capital reserve	176.5	176.5
Revenue reserves	255.0	334.2
Minority interests	16.8	-0.3
	541.1	**603.2**
Non-current liabilities		
Financial liabilities	137.0	139.9
Other liabilities	18.2	12.5
Pensions and similar obligations	121.7	128.9
Deferred taxes	65.3	61.1
	342.2	**342.4**
Current liabilities		
Financial liabilities	22.5	2.3
Trade payables	274.6	365.7
Advances received	78.3	85.0
Liabilities from construction contracts	247.6	157.3
Accounts payable to affiliated companies	0.1	0.1
Income tax liabilities	24.9	37.4
Other liabilities and deferred income	290.8	306.7
Other provisions	150.1	157.1
Liabilities from assets held for sale	7.3	–
	1,096.2	**1,111.6**
	1,979.5	**2,057.2**

DEVELOPMENT OF GROUP EQUITY

of KUKA Aktiengesellschaft for the period January 1 to September 30, 2015

in € millions	Number of shares outstanding	Subscribed capital	Capital reserve	Revenue reserves: Translation gains/losses	Revenue reserves: Actuarial gains and losses	Annual net income and other revenue reserves	Equity to shareholders	Minority interests	Total
01/01/2015	**35,708,315**	**92.8**	**176.5**	**9.7**	**-17.2**	**262.5**	**524.3**	**16.8**	**541.1**
Earnings after taxes						63.8	63.8	-0.4	63.4
Other earnings				37.3	-2.5		34.8		34.8
Comprehensive income	**–**	**–**	**–**	**37.3**	**-2.5**	**63.8**	**98.6**	**-0.4**	**98.2**
KUKA AG dividend						-14.3	-14.3		-14.3
Other changes						-5.1	-5.1	-16.7	-21.8
09/30/2015	**35,708,315**	**92.8**	**176.5**	**47.0**	**-19.7**	**306.9**	**603.5**	**-0.3**	**603.2**

DEVELOPMENT OF GROUP EQUITY

of KUKA Aktiengesellschaft for the period January 1 to September 30, 2014

in € millions	Number of shares outstanding	Subscribed capital	Capital reserve	Revenue reserves: Translation gains/losses	Revenue reserves: Actuarial gains and losses	Annual net income and other revenue reserves	Equity to shareholders	Minority interests	Total
01/01/2014	**33,915,431**	**88.2**	**94.5**	**-2.2**	**-4.9**	**202.2**	**377.8**	**1.3**	**379.1**
Earnings after taxes						45.1	45.1		45.1
Other earnings				7.9	-7.9				0.0
Comprehensive income	**–**	**–**	**–**	**7.9**	**-7.9**	**45.1**	**45.1**	**–**	**45.1**
KUKA AG dividend						-10.2	-10.2		-10.2
Other changes						2.9	2.9		2.9
09/30/2014	**33,915,431**	**88.2**	**94.5**	**5.7**	**-12.8**	**240.0**	**415.6**	**1.3**	**416.9**

NOTES ON THE QUARTERLY REPORT (CONDENSED)

GROUP SEGMENT REPORT

of KUKA Aktiengesellschaft for the period January 1 to September 30, 2015

	Robotics		Systems		Swisslog	KUKA AG and other companies		Reconciliation and consolidation		Group	
in € millions	9M/14	9M/15	9M/14	9M/15	9M/15	9M/14	9M/15	9M/14	9M/15	9M/14	9M/15
Orders received	628.2	686.5	1,137.7	1,114.0	360.6	–	–	-24.2	-26.3	1,741.7	2,134.8
Order backlog (09/30)	284.2	279.8	1,013.9	1,002.7	454.7	–	–	-12.0	-9.8	1,286.1	1,727.4
Group external sales revenues	607.2	638.3	900.7	1,092.5	468.6	0.0	0.0	–	–	1,507.9	2,199.4
in % of Group sales revenues	40.3%	29.0%	59.7%	49.7%	21.3%	–	–	–	–	100.0%	100.0%
Intra-Group sales revenues	13.1	21.1	2.6	7.0	0.0	–	–	-15.7	-28.1	–	–
Sales revenues by division	**620.3**	**659.4**	**903.3**	**1,099.5**	**468.6**	**0.0**	**0.0**	**-15.7**	**-28.1**	**1,507.9**	**2,199.4**
Gross profit	**221.4**	**254.8**	**142.4**	**193.5**	**69.6**	**–**	**–**	**1.2**	**-0.3**	**365.0**	**517.6**
in % of sales revenues of the division	35.7%	38.6%	15.8%	17.6%	14.9%	–	–	–	–	24.2%	23.5%
EBIT	**66.9**	**72.8**	**49.8**	**89.8**	**-34.8**	**-19.0**	**-19.7**	**0.4**	**-2.2**	**98.1**	**105.9**
in % of sales revenues of the division	10.8%	11.0%	5.5%	8.2%	-7.4%	–	–	–	–	6.5%	4.8%
EBITDA	**83.2**	**91.5**	**62.1**	**106.5**	**20.2**	**-16.6**	**-16.6**	**0.5**	**-2.3**	**129.2**	**199.3**
in % of sales revenues of the division	13.4%	13.9%	6.9%	9.7%	4.3%	–	–	–	–	8.6%	9.1%
Assets	382.6	455.9	712.4	751.4	552.6	224.0	530.2	-160.2	-445.0	1,158.8	1,845.1
Number of employees (09/30)	3,579	4,055	5,738	5,126	2,543	271	347	–	–	9,588	12,071

IFRS/IAS ACCOUNTING STANDARDS

KUKA Aktiengesellschaft, headquartered in Augsburg, has prepared its interim financial statements for the period ending September 30, 2015 in line with IAS 34 "Interim Financial Reporting Guidelines" as adopted by the European Union. The company has elected to prepare a condensed version in accordance with this standard. The condensed Group interim financial statements should be read in conjunction with the consolidated financial statements as of December 31, 2014. Unless stated to the contrary, all values are stated in € millions.

The consolidated Group financial statements were prepared according to the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IAS) as approved by the European Union. The term IFRS also includes all valid international accounting standards (IAS). The interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Standards Interpretations Committee (IFRS IC) – supplemented by the guidelines stipulated in section 315a para. 1 of the German Commercial Code (HGB) – were also taken into consideration.

SCOPE OF CONSOLIDATION

In comparison to the end of year the scope of consolidation has changed due to the acquisition, foundation and sale of companies and also due to mergers.

The table below shows the development of the scope of consolidation since January 1, 2015:

Number of fully consolidated companies	Robotics	Systems	Swisslog	Other	Total
Status as of 01/01/2015	**24**	**46**	**30**	**3**	**103**
First-time consolidations	–	–	4	–	4
Deconsolidations	–	-3	–	–	-3
Mergers	-1	0	-1	-1	-3
Status as of 09/30/2015	**23**	**43**	**33**	**2**	**101**
of which, Germany	1	11	5	2	19
of which, abroad	22	32	28	–	82

Number of associated companies	Robotics	Systems	Swisslog	Other	Total
Status as of 09/30/2015	**1**	**1**	**–**	**–**	**2**

ADDITIONS OF COMPANIES

The additions relate to the acquisition or foundation of:

- Forte Industrial Equipment Systems Inc., Mason, Ohio/USA
- Swisslog Automation GmbH, Karlsruhe
- Swisslog Middle East LLC, Dubai/United Arab Emirates
- KUKA Beteiligungen (Schweiz) AG, Buchs (AG)/Switzerland

Swisslog Automation GmbH, Karlsruhe was founded in the second quarter of 2015 (further details can be found under "Acquisitions").

Swisslog AG, Buchs/Switzerland, 100 percent subsidiary of Swisslog Holding AG, Buchs/Switzerland, founded Swisslog Middle East LLC, Dubai/United Arab Emirates, together with Al Tayer Group. In accordance with the articles of association, Swisslog holds 49.0 percent (corresponding to < € 0.1 million) of the share capital. However, Swisslog has an interest of 51.0 percent in the income and nominates the majority of members on the administrative board, with the effect that the company is fully incorporated into KUKA Group. In total the business operations in 2015 are still of minor significance.

In the second quarter, to compensate the remaining shareholders of Swisslog Holding AG, Buchs/Switzerland, KUKA Beteiligungen (Schweiz) AG, Buchs/Switzerland was founded. After cash compensation to remaining shareholders and the merger execution in the third quarter, the company name was changed to Swisslog Holding AG, Buchs/Switzerland.

DISPOSALS AND MERGERS OF COMPANIES

The disposals relate to the sale in the second quarter of HLS Engineering Group, headquartered in Augsburg, to two financial investors.

HLS Group employs around 250 people and is active in the field of systems and mechanical engineering services. KUKA will continue to work with HLS Group, but following the sale will concentrate more strongly on its core business. The following companies are owned by HLS Group:

- HLS Ingenieurbüro GmbH, Augsburg
- HLS Czech s.r.o., Mlada Boleslav/Czech Republic
- HLS Vietnam CO., LTD. Ho Chi Minh City/Vietnam.

In the third quarter, the tools and dies business unit was sold to Porsche AG. The transaction took the form of an asset deal, meaning that there were no effects on the number of companies incorporated in KUKA Group. The tools and dies business unit, with sites in Schwarzenberg and in Dubnica/Slovakia, had around 600 employees and was part of the Systems division. The sale enables KUKA to focus even more strongly on its core business of robot-based automation solutions.

COMPANY MERGERS AND CHANGE OF SEGMENT

In the first quarter of 2015, KUKA Laboratories GmbH, Augsburg/Germany was merged into KUKA Roboter GmbH, Augsburg/Germany, and Reis Holding Corp. USA, Elgin, Illinois/USA was merged into Reis Robotics USA Inc., Elgin, Illinois/USA. In addition, as part of the merger compensation to remaining Swisslog shareholders, Swisslog Holding AG was merged with KUKA Beteiligungen (Schweiz) AG (see also above under "Additions of companies").

The previous shell company KUKA Industries GmbH, Augsburg started operations in 2015. In this context, the company was removed from the Other segment and allocated to Systems.

ACQUISITIONS

FORTE INDUSTRIAL EQUIPMENT SYSTEMS INC., MASON, OHIO/USA ("FORTE")

In April 2015, 100.0 percent of the shares in FORTE, a renowned system integrator for the automation of warehouses, headquartered in Mason, Ohio/USA, were acquired. The company specializes in services in the fields of solutions design, system integration and software technology for distribution centers. FORTE plans, designs and implements intralogistics systems using its own warehouse execution software.

The acquisition strengthens the strategy of the Swisslog segment in the North American market by adding a complementary spectrum of products and services, and increases the range of market coverage especially in the segments of e-commerce and pharmaceuticals.

€ 11.4 million of the € 12.9 million purchase price was paid immediately in cash. The remaining purchase price is due within 18 months and is covered by specific contractual guarantees. Cash and cash equivalents of € 1.4 million were transferred. No shares in previously fully consolidated companies of KUKA Group were acquired.

The acquisition has contributed € 11.2 million and a break-even result to overall Group sales revenues so far this year. If the company had already been taken over at the beginning of 2015, this would have created additional revenues of around € 3.6 million and a net loss for the year of € -0.1 million.

The following table shows the carrying amounts assumed as a result of the purchase of the divisions immediately prior to the acquisition as well as the opening balance sheet in fair values (preliminary).

	Carrying amounts assumed	Opening balance sheet in fair values
Intangible assets	0.0	3.9
Tangible assets	0.2	0.2
Inventories	0.3	0.3
Receivables and other assets	2.9	2.9
Liabilities and provisions	4.4	4.4

The acquired intangible assets consist to a large extent of rights to names, technology and orders on hand. Receivables and inventories primarily concern orders in house at the time of the acquisition. Contingent liabilities were not transferred. No deferred taxes arising from the takeover have to be taken into account. The transaction thus led to goodwill of € 8.6 million. The goodwill reflects first and foremost the future synergies described above.

SWISSLOG AUTOMATION GMBH, KARLSRUHE

In April 2015 KUKA also acquired a range of technologies and personnel from Grenzebach Automation GmbH in Karlsruhe, Germany, in order to further strengthen its competence in the fields of automated guided vehicles (AGVs) and logistics robots. Swisslog Automation GmbH, Karlsruhe was initially founded in the course of the takeover.

The acquisition consistently follows the strategy of positioning Swisslog more strongly in the e-commerce and multi-channel segments and expanding the production logistics area. The purchase price amounted to a total of € 1.1 million, which was paid in cash.

Swisslog Group, Buchs/Switzerland was acquired and first consolidated at the end of 2014, as too was Faude Automatisierungstechnik GmbH, Gärtringen/Germany. For further details please refer to the company's 2014 annual report. Both purchase price allocations remain unfinalized in respect of the capitalized intangible assets and the associated effects arising on taxation.

INVESTMENTS IN ASSOCIATED COMPANIES

As at the reporting date, the investment carrying amount of the two associated companies KBee AG, Germany, and Yawei Reis Robot Manufacturing (Jiangsu) Co., Ltd., China, was valued at € 4.4 million; the effect on earnings was € -3.0 million.

The stake in KBee AG was increased by contractual milestone payments of € 3.0 million. For further details please refer to the company's 2014 annual report.

ACCOUNTING AND VALUATION METHODS

The same valuation methodology and accounting principles as those used for the consolidated financial statements for the 2014 financial year were applied in preparing this consolidated interim report.

In respect of acquisitions made during the preceding year, KUKA Group has further optimized its internal reporting. This has resulted in minor changes to the presentation of external reports in respect of the income statement and the cash flow statement. The previous year's figures have been adapted accordingly to allow comparison.

In particular the following changes of presentation which affect the income statement have been made:

- As well as the reconciliation of the operating profit to the EBIT (earnings before interest and taxes), the EBIT will from now on be additionally reconciled to the EBITDA (earnings before interest, taxes, depreciation and amortization). As a result of this, amortization of capitalized borrowing costs for intangible assets was also reclassified from the reconciliation of the operating profit to EBIT to the reconciliation of EBIT to EBITDA.
- Since the start of the financial year, currency translation gains and losses from the operating areas (for instance receivables or liabilities for goods and services in foreign currency) have been reported within the cost of sales. The effects of currency exchange rates arising from financial activities, on the other hand, are reported as a balance within other interest charges and similar income and expenses. This change in reporting has led in the previous year's comparative figures to reclassification of amounts from the other operating income (€ 6.2 million for Q3/14 and € 21.2 million for 9M/14) and from the other operating expenses (€ 11.8 million for Q3/14 and € 32.5 million for 9M/14) to the cost of sales (€ 5.5 million for Q3/14 and € 10.8 million for 9M/14) and to other interest and similar expenses (€ 0.1 million for Q3/14 and € 0.5 million for 9M/14). Whilst the earnings after taxes remain unaffected, the reclassification results in a higher EBIT (€ 0.1 million for Q3/14 and € 0.5 million for 9M/14) together with a financial result reduced by this amount.

The following changes in presentation were made in the cash flow statement:

- From 2015 onwards, dividends received will be shown within the investment cash flow instead of within the operating cash flow.
- Based on DRS 21, interest paid and grants received will no longer be shown within the operating cash flow but instead within the financing cash flow. Implementation of this change for 2014 results in an increase of € 20.1 million in operating cash flow and an increase of € 6.4 million in investment cash flow. This results in a free cash flow figure higher by € 26.5 million and a financing cash flow figure lower by € 26.5 million.

For further information on the valuation methodology and accounting principles please refer to the consolidated financial statements dated December 31, 2014, which form the basis of the interim report presented here. This is also available on the Internet at www.KUKA.com.

CHANGES IN ACCOUNTING POLICIES

The following new standards and interpretations have become mandatory since the start of the 2015 financial year:

- Amendments to IAS 19: Employee contributions
- IFRIC 21: Levies
- Annual Improvements 2010 – 2012
- Annual Improvements 2011 – 2013

The first-time application of these standards and interpretations led to only slight effects on the consolidated financial statements, or to no effects on them at all.

EARNINGS PER SHARE

Undiluted/diluted earnings per share as at September 30, 2015 break down as follows:

	9M/14	9M/15
Net result attributable to shareholders of KUKA AG (in € millions)	45.1	63.8
Weighted average number of shares outstanding	33,915,431	35,708,315
Undiluted earnings per share (in €)	1.33	1.79
Diluted earnings per share (in €)	1.28	1.70

Undiluted earnings per share due to shareholders of KUKA Aktiengesellschaft were calculated in accordance with IAS 33 and the weighted average number of shares outstanding for the year.

In the first nine months of 2015, the weighted average number of shares in circulation was 35.7 million (September 30, 2014: 33.9 million). The increase in relation to the comparative period is due to the capital increase performed in November 2014. Some stock dilution could arise in the future if bondholders convert their convertible bonds issued in February and July 2013 to shares, because capital was conditionally increased. Throughout the first three quarters of 2015 the average share price was higher than the conversion price of € 36.8067. As at the reporting date, the closing share price in Xetra trading on the Frankfurt Stock Exchange was € 68.49, which was higher than the conversion price. A conversion on the reporting date would thus potentially have been possible. However, there had been no actual conversion as at the reporting date. In October 2015, 690,082 shares with a nominal value of € 25.4 million were converted. 3,385,253 shares, nominally valued at € 124.6 million, could therefore theoretically still be converted.

IAS 33.32 requires that all the potentially convertible shares are taken into account when calculating the diluted earnings per share.

EQUITY

Since the capital increase in November 2014 (for details see the 2014 annual report) the share capital of KUKA Aktiengesellschaft has been € 92,841,619.00 (September 30, 2014: € 88,180,120.60). This is subdivided into 35,708,315 no-par-value bearer shares outstanding (September 30, 2014: 33,915,431). Due to the conversions of the convertible bond in October 2015 there are currently 36,398,397 shares in circulation. The share capital has thus increased to € 94,635,832.20. Each share carries one vote.

During the third quarter of 2015, KUKA Group took over all outstanding shares in Swisslog Holding AG. Due mainly to the effects of exchange rate variations and pro rata minority earnings, the carrying amount in equity arising from the minority holdings decreased from € 16.8 million to € -0.3 million.

IAS 19 EMPLOYEE BENEFITS

Changes in the discount rates affect the pension provisions and give rise to actuarial gains and losses. The development of discount rates applied by KUKA for countries with significant pension obligations is shown in the table below:

	12/31/2014	09/30/2015
Germany	1.90%	2.30%
Switzerland	1.00%	0.75%
UK	3.70%	3.90%
Sweden	2.50%	2.50%
USA	3.80 – 3.95%	4.05 – 4.20%

Overall an actuarial gain of € 0.3 million arose for the Defined Benefit Obligation (DBO) and for the funds invested in external pension funds. The actuarial result was reported under equity as an income-neutral sum of € -2.5 million in consideration of deferred taxes.

CONVERTIBLE BOND

In 2013 KUKA Aktiengesellschaft issued a convertible bond with a total nominal amount of € 150.0 million in two tranches. The bond was issued in denominations of € 100,000. The initial conversion price was € 36.8067 per share, which meant the conversion ratio was 2,716.8967 shares per € 100,000 unit. In total, the bond entitles holders to convert their holdings into up to 4,075,344 new bearer shares of KUKA Aktiengesellschaft (of which 1,597,535 are for the tranche in February 2013 and 2,477,809 for the tranche in July 2013). The conversion rights are valid for the entire term of the convertible bond. As of the quarterly reporting date there was no conversion. In October 2015, 690,082 shares with a nominal value of € 25.4 million were converted. The bond carries an interest coupon of 2.0 percent p. a. Interest payments are made at six-monthly intervals on February 12 and August 12 every year.

SYNDICATED SENIOR FACILITIES AGREEMENT

KUKA AG prematurely refinanced the syndicated loan that it concluded in December 2013, and at the same time redeemed the existing Swisslog Holding AG syndicated senior facilities agreement. The new contract was signed on March 30, 2015 and came into force on April 2, 2015. This provides for a surety and guarantee line in the amount of €140.0 million and a working capital line, which can also be used for sureties and guarantees, in the amount of €90.0 million. This results in a volume €70 million higher than with the previous contract. In addition, structural contract adaptations have been made. Both measures are attributable to the integration of Swisslog Holding AG and its subsidiaries, which was acquired in December 2014. The syndicated senior facilities agreement is unsecured and contains only the customary equal treatment clauses and negative pledges. Moreover, it was possible to benefit from the improved market situation to obtain significantly improved terms, so that for instance the gearing (ratio of net financial liabilities to equity) is no longer part of the financial covenant. Thus all that remains is a lower limit to the interest coverage ratio (ratio of EBITDA to net interest expense) and an upper limit to the leverage (ratio of net financial liabilities to EBITDA). During the integration of Swisslog, the consortium of banks was expanded to include the consortium banks from the old contract with Swisslog Holding AG.

As at the reporting date the utilization of the guarantee facility and cash credit line from the syndicated senior facilities agreement of KUKA AG amounted to a total of €86.5 million (December 31, 2014: €136.1 million, including the former syndicated senior facilities agreement of Swisslog Holding AG). For further details about the redeemed syndicated senior facilities agreements please refer to the company's 2014 annual report.

LINES OF CREDIT FROM BANKS AND SURETY COMPANIES

The guarantee facilities promised by banks and surety companies outside the syndicated senior facilities agreement amounted at September 30, 2015 to an unchanged figure of €89.0 million (December 31, 2014: €89.0 million) and were available to be utilized in full. As at the reporting date, the amount exercised was €41.2 million (December 31, 2014: €41.2 million).

ASSET-BACKED SECURITIES PROGRAM

In June 2011, KUKA Group set up an ABS (Asset-Backed Securities) facility with a volume of €25.0 million. Under the terms of this facility, €15.9 million had been taken up by September 30, 2015, compared to €3.1 million by December 31, 2014.

FINANCIAL INSTRUMENTS REPORTED AT FAIR MARKET VALUE

IFRS 13 defines how to determine fair market value and expands on disclosures related to the fair market value. The standard does not include any requirements regarding the cases for which fair value is to be used. Here, fair value is defined as the price that would be paid by independent market participants in an arm's length transaction at the evaluation date if an asset were sold or a liability transferred. In accordance with IFRS 13, assets and liabilities evaluated at market values are to be attributed to the three levels of the fair value hierarchy. The three levels of the fair value hierarchy are defined as follows:

Level 1

Quoted prices in active markets for identical assets or liabilities

Level 2

Inputs other than quoted prices that are observable either directly or indirectly

Level 3

Inputs for assets and liabilities that are not based on observable market data.

The following table shows the breakdown of the financial assets and liabilities measured at fair value:

09/30/2015

in € millions	Level 1	Level 2	Level 3	Total
Financial assets	0.4	4.5	0.3	5.2
Financial liabilities	–	6.5	–	6.5

12/31/2014

in € millions	Level 1	Level 2	Level 3	Total
Financial assets	0.3	0.8	0.2	1.3
Financial liabilities	–	7.3	–	7.3

The financial assets of level 1 mainly relate to mixed fund units. The assets in level 2 mainly relate to forward exchange transactions carried as assets or liabilities. The value is determined with the aid of standard financial mathematical techniques, using current market parameters such as exchange rates and counterparty credit ratings (mark-to-market method) or quoted prices. Middle rates are used for this calculation. The financial assets of level 3 were measured using the discounted future cash flows from the sale of a minority interest.

All other financial instruments are reported at amortized cost. The market values here reflect mainly the book values, with the exception of the convertible bond. As at the reporting date, the market value of the convertible bond was € 277.3 million versus € 246.5 million on December 31, 2014, and the book value was € 140.2 million compared with € 138.0 million on December 31, 2014.

ASSETS AND LIABILITIES HELD FOR SALE

The assets and liabilities held for sale at December 31, 2014 relate to the sale of HLS Group. For further details please refer to the company's 2014 annual report.

SEGMENT REPORTING

The internal reporting and organizational structure subdivides KUKA into the KUKA Robotics, KUKA Systems and Swisslog segments. Key financial indicators are determined for all three segments. Earnings before interest and taxes (EBIT) are used as the key indicator with regard to managing segment profits.

The main elements of the segment reports are contained in the management report on the Robotics, Systems and Swisslog operating divisions, as well as in the tables at the beginning of the notes to this interim report.

CASH FLOW STATEMENT

The cash flow statement shows changes to KUKA Group's liquidity position in accordance with IAS 7. This item comprises all funds recognized on the balance sheet as cash and cash equivalents; i. e. cash in hand, checks and cash balances with financial institutions, provided that they are available within three months. Cash and cash equivalents of € 3.8 million (December 31, 2014: € 2.4 million) were subject to availability restrictions. The increase arose primarily in connection with a government-funded contract in Brazil.

CONTINGENT LIABILITIES AND OTHER FINANCIAL COMMITMENTS

There has been no material change in other financial obligations and contingent liabilities since December 31, 2014.

RELATED PARTY DISCLOSURES

The list of related companies and persons has remained unchanged since December 31, 2014. In the first nine months of the financial year, services to the value of € 1.3 million were performed by related persons or companies, and services to the value of € 0.5 million were received by them. As at the reporting date, the sums outstanding in relation to dealings with related persons amounted to € 1.1 million for receivables and € 0.1 million for liabilities. Of these amounts, services performed to the value of € 0.8 million and services received of € 0.3 million are attributable to Voith Group. Services performed to the value of € 0.2 million and receivables amounting to € 0.2 million are attributable to Yawei Robot Manufacturing, China. KUKA has an obligation to inject further cash in the single-digit million range between now and the end of 2016 depending on further developments and the achievement of certain milestones in connection with the stake the company holds in Munich-based KBee AG.

EVENTS OF MATERIAL IMPORTANCE AFTER THE END OF THE REPORTING PERIOD

In October 2015 KUKA AG issued promissory notes for a total of € 250 million. Due to significant oversubscription, the initial volume of € 150 million was increased. The additional funds will be used to continue the growth strategy.

The overall volume of the loan was issued in two tranches with maturities of five and seven years at a fixed interest rate averaging 1.35 percent.

In October 2015, creditors of the 2013 convertible bond made use of their conversion right. Due to the conversion declaration, new shares were created in accordance with the bond terms. Through the issue of new shares, the total number of KUKA shares has risen by 690,082, from 35,708,315 to 36,398,397. Pursuant to section 200 of the German Stock Corporation Act (AktG), the issue of new shares saw the company's share capital rise by € 1,794,213.20, from € 92,841,619.00 to € 94,635,832.20.

Apart from this there have been no events subject to reporting requirements that had an impact on the financial position and performance of the company since the balance sheet reporting date.

Augsburg, November 10, 2015

The Executive Board

Dr. Till Reuter

Peter Mohnen

FINANCIAL CALENDAR 2016

PRELIMINARY FIGURES	FEBRUARY 17
ANNUAL ACCOUNTS PRESS CONFERENCE	MARCH 22
INTERIM REPORT FOR FIRST QUARTER	MAY 4
ANNUAL GENERAL MEETING	MAY 27
INTERIM REPORT FOR SECOND QUARTER	AUGUST 3
INTERIM REPORT FOR THIRD QUARTER	NOVEMBER 9

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In the event of doubt, the German version applies.

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