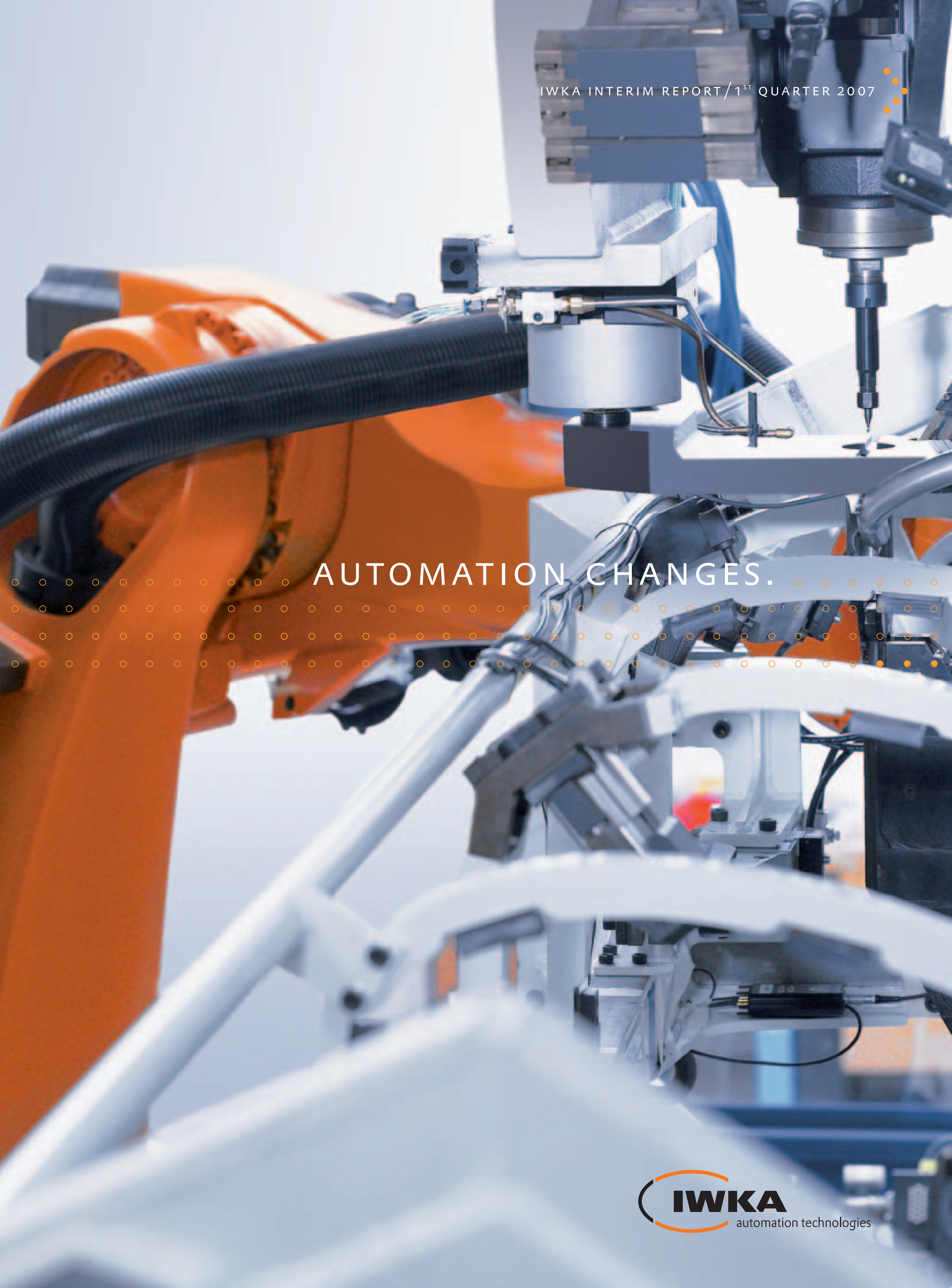
IWKA INTERIM REPORT / 1ST QUARTER 2007

AUTOMATION CHANGES.



IWKA automation technologies

IWKA GROUP KEY FIGURES

in € millions	3 Months 2007	3 Months 2006	Change in %
Orders received *	436.9	347.6	25.7
Order backlog *	641.4	496.5 **	29.2
Sales revenues *	290.7	237.2	22.6
Total output *	308.0	249.9	23.2
EBIT *	9.8	1.9	–
in % of sales revenues	3.4%	0.8%	–
Result from continuing operations *	3.9	-2.6	–
Result from discontinued operations	-2.7	-3.8	–
Net after-tax result	1.2	-6.4	–
Earnings per share in €	0.05	-0.24	–
Earnings per share (cont. operations) in €	0.15	-0.10	–
Capital Expenditure *	4.9	3.9	25.6
Employees (record date) *	5,632	5,580 **	0.9

* Continuing operations (previous year comparable)
** Record date Dec. 31, 2006

CONTENTS

OPERATING RESULT CONSIDERABLY HIGHER THAN ONE YEAR AGO

PACKAGING DIVISION SALE COMPLETED

- Orders received and sales revenues significantly higher than prior year
- EBIT margin clearly positive at 3.4 percent
- Positive first quarter results for the first time in two years
- EBIT margin target of 4.2 percent for the overall 2007 business year

The IWKA Group's operating business improved significantly during the first quarter of the 2007 business year. The Group's continuing operations generated an EBIT of € 9.8 million. On a comparable basis, the prior year's EBIT was € 1.9 million. The main drivers were higher sales revenues respectively improved total output.

Following the most recent restructuring, the Group's continuing operations now consist of the Robotics and Systems divisions.

Both divisions grew and were able to achieve better results than last year. The growth was based on significantly higher sales, which were up 22.6 percent, and a 23.2 percent rise in total output, as well as an improvement in the fixed costs structure. The high orders received level in the first quarter secure the capacity utilization for the current business year and support the target of achieving an EBIT margin of 4.2 percent in 2007.

The sale of the Packaging division, which has now been completed, will have a very positive impact on the Group's balance sheet and key financial figures in the second quarter of 2007. The IWKA Group received a cash inflow of € 195 million on April 19, 2007 from the total transaction amount of € 255 million. The IWKA Group's financial footing will therefore be solid as of the second quarter of 2007.

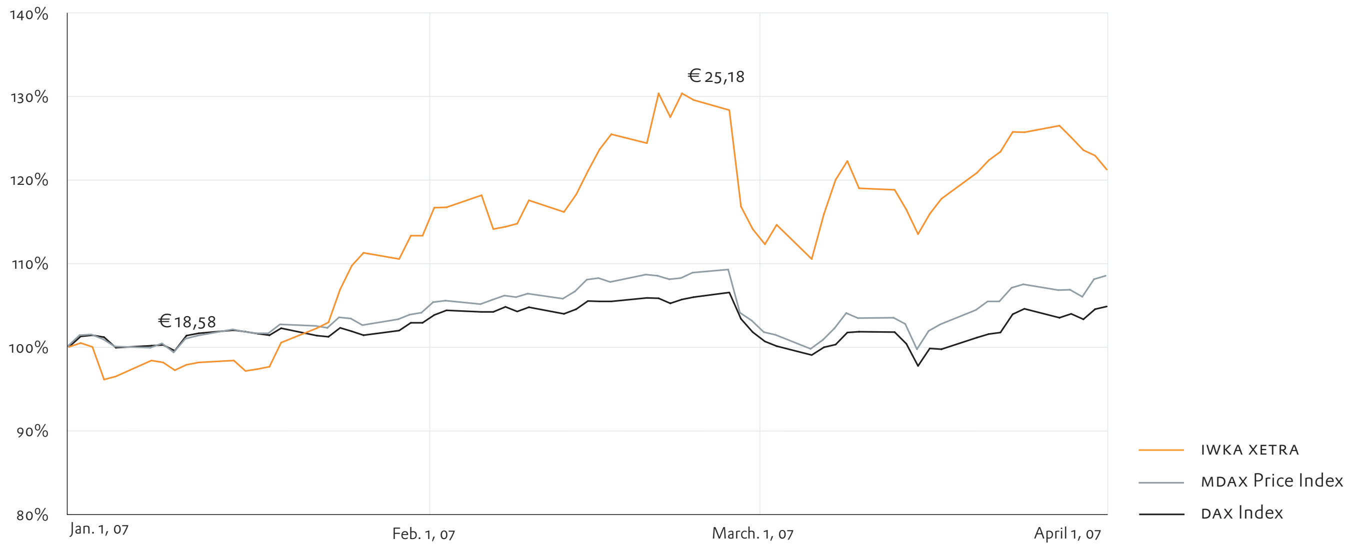
IWKA EQUITY

Thanks to the excellent economic outlook, German stock markets again posted above-average gains during the first quarter of 2007. By the end of the first quarter, the market had already recovered from the general correction at the beginning of March. Overall, the DAX rose 4.9 percent between January 1 and March 31, 2007, and the MDAX posted an 8.5 percent gain during the same period.

OUTPERFORMS

During this time, IWKA's stock outperformed the comparable indices. The completion of the restructuring in 2006 and the sale of the Packaging division, which has already led to a major improvement in focusing during the first quarter, were key factors that set the stage for a higher share price. At the same time, UBS and Cazenove started covering IWKA's share performance and issued a "buy" recommendation for the stock. After presentation of the preliminary figures for the 2006 business year on February 6, 2007, almost all analysts raised their price targets. A new high of € 25.18 was achieved at the end of February. Overall, IWKA's share price rose 21.3 percent in the first quarter of 2007.

IWKA's share price
from January to March 2007 vs. the DAX and MDAX



MANAGEMENT REPORT

GENERAL CONDITIONS

For the fifth time in succession, the world economy expects another year of strong growth. The International Monetary Fund (IMF) is forecasting an expansion of 4.9 percent. Real interest rates remain at an historic low. Low wage hikes and low financing costs enabled companies to significantly improve their profits. The IMF assesses the risks – rising energy prices, growing protectionism, crisis in the American real estate market – as lower than in fall of 2006.

The US economy will continue to weaken in the second quarter. Growth rates could continue to slide without the likelihood of a recession at the present time. The rebound in Europe appears to be robust and the Japanese economy will benefit from a revival in consumer spending. The developing countries also continue to report strong growth.

The economic upswing in Germany is exceeding expectations. Banks, trade associations and institutions are forecasting up to 2.8 percent growth in the gross domestic product for 2007. Orders from industry have recently risen dramatically. The value-added tax hike has so far only affected the retail industry. The institutions are expecting consumer spending to gain momentum during the course of the year, thanks to ongoing positive stimulus from exporting businesses and continued strong capital spending. The job market will benefit further from the upturn. The institutions are expecting a dramatic increase in employment, with a total of 725,000 jobs to be added in 2007/2008.

BUSINESS TREND

The Packaging division is classified under discontinued operations for the first quarter of the business year and is therefore no longer included in continuing operations. The effects of the recent sale of the Packaging division and its reclassification under discontinued operations is explained in the section titled “Non-core businesses/Discontinued operations”.

The report has been amended to improve transparency. Added to the report are the regional distribution of orders received by the Systems division and segmentation of the Robotics division’s orders received into Automotive, General industry and Customer service.

Orders received in the first quarter of the 2007 business year from the IWKA Group’s continuing operations show delightful growth. Orders received of € 436.9 million were significantly higher than the comparable prior year’s figure of € 347.6 million. The improvement was almost € 90 million, or 26 percent. Both divisions, Systems and Robotics, made a substantial contribution to this achievement. Orders received were therefore also higher than forecast for the first quarter.

The Robotics division's order volume improved 13.6 percent over the previous year's comparable quarter. The general industry segment posted an above-average increase of 21 percent, while customer service came in at 13 percent and automotive at 9 percent. The increase over the prior year's quarter in the Systems division came mainly from the business unit's American activities. The pay-on-production project (KTPO) in the United States played a major role. While KTPO was in the start-up phase in 2006, full production was reached in the first quarter of 2007. The welding business in the United States also reported an increase. The high orders received level to the end of March 2007 resulted in a significantly higher order backlog compared to the 2006 year-end amount. It came in at € 641.4 million, almost € 145 million higher than the comparable level at December 31, 2006. For these reasons both divisions had a significantly longer work list than at year end. The Robotics division reported its highest order backlog in recent years at € 110.7 million as of March 31, 2007. The Group's order backlog therefore secures the present level of activity for over six months.

EARNINGS, FINANCIAL AND ASSETS SITUATION

Sales were significantly higher than the year before. At € 290.7 million, the year-over-year increase in sales was € 53.5 million or 23 percent. The production runs up associated with the pay-on-production project (KTPO) in the United States had a major impact. The Robotics division's sales of € 91.6 million did not quite match the prior year's total. Delayed order releases of € 4.4 million beyond the quarter closing date caused the shortfall.

Total output at € 308.0 million was significantly higher than the prior year's € 249.9 million. The increase was 23 percent.

The cost of materials ratio was 59 percent of total output, two percent higher than the prior year's figure. The increase in the cost of materials ratio resulted from a relatively higher material share in the first quarter at KTPO in the United States. As of the second quarter of 2007, material for chassis production will be supplied by the customer, so that the cost of materials will be significantly lower as of April, and as a result, sales will also be lower. The cost of materials ratio will therefore also decline. The earnings contributions from KTPO will not be impacted by this provision of materials, which was initiated by the customer.

Personnel expense rose to € 80.9 million. The total was impacted by the initial consolidation of a number of companies at the end of 2006, which were not yet considered in the first quarter of 2006. Added to that are the effects of the personnel build-up at KTPO as a result of the fully ramped up production situation. The personnel expense per employee fell slightly. The personnel expense ratio referred to the substantially higher total output dropped to 26 percent.

During the first quarter, the IWKA Group's continuing operations posted an EBIT of € 9.8 million, which corresponds to a margin of 3.4 percent of sales. Both business divisions contributed to this development. The prior year's quarter had been dominated by project orders with low margins. Furthermore, the cost structure improvement measures introduced had not yet taken hold.

Both divisions reported a significantly higher EBIT. The Systems division's EBIT margin of 2.8 percent for the first quarter was mainly defined by the completion of the startup phase of the pay-on-production project. The restructuring measures of the previous year in assembly technology and machine tool manufacturing also had a positive impact. The Robotics division reported an EBIT margin of 6.6 percent, beating the prior year's result by 2.2 percentage points.

Net interest expense for the first three months was € -4.4 million, exceeding the prior year's figure of € -3.6 million. The rise in interest expense despite lower debt resulted mainly from higher interest rates and guarantee fees. The interest expense on the convertible bond also affected the Group's interest expense.

Earnings before taxes (EBT) were € 5.4 million and the taxation rate was lower than last year at 28 percent. This was due to the use of loss carry forwards, particularly in the United States. Taxes were therefore € 1.5 million, and for the first time since 2004, earnings from continuing operations were positive at € 3.9 million. Based on a comparable Group structure, the Group generated a result of € -2.6 million at the same time a year earlier.

The earnings from discontinued operations include current earnings of € -2.7 million from the Packaging division, which has been sold in the meantime. Applicable interest expenses and taxes for the division are included in this figure. The Packaging division will be deconsolidated effective April 19, 2007.

The consolidated Group's earnings after taxes came in at € 1.2 million and are therefore back into positive territory, following the loss that kicked off the prior year.

Total assets as of March 31, 2007 were € 1,102.3 million. This includes the assets of discontinued operations in the amount of € 331.7 million, which corresponds to the Packaging division's share of the balance sheet total. The non-current assets of continuing operations' share of the balance sheet total is 19 percent. The equity ratio as of end of March is 11.6 percent, and therefore at the same level as at the end of 2006. As a result of the Packaging division sale, the balance sheet structure will improve dramatically in the second quarter, as will the absolute level of equity, which will therefore produce a higher equity ratio.

Net debt from continuing operations as of the end of the first quarter was € 113.2 million. The comparable figure at the end of March 2006 was € 239.5 million. Debt was therefore cut by approx. € 125 million. This does not yet include the further debt reduction resulting from the sale of the Packaging division. The increase in debt over the closing figure for 2006 was caused by a higher level of committed capital for inventories, which was also reflected in higher total output and in the high order backlog. The pension accruals of approx. € 80 million reported in the financial statements already correspond to the value without the Packaging division's share of pensions.

Free cash flow for the first quarter of 2007 was negative at € -37.0 million, but was significantly better than a year earlier. During the first quarter of 2006, the liquidity drained was € 84.6 million. The substantial reduction in demand for cash was caused above all by measures to improve working capital.

EMPLOYEES

The IWKA Group had 5,632 employees (expressed as full-time equivalents) as of March 31, 2007, 390 more than at the same time last year. The expansion of the workforce was mainly caused by the first-time consolidation of companies in the Systems and Robotics divisions. Compared to March of last year, 417 more employees were counted in the first quarter as a result of first-time consolidations. One hundred twenty-six employees were added at KTPO due to the production ramp-up. Excluding the effects of these special situations, the employee count therefore declined by 153 persons.

DEVELOPMENTS IN THE DIVISIONS

ROBOTICS DIVISION

Key Figures

in € millions	3 Months 2007	3 Months 2006	Change
Orders received	116.8	102.8	13.6%
Order backlog	110.7	84.7 *	30.7%
Sales revenues	91.6	96.0	-4.6%
Total output	98.0	92.5	5.9%
EBIT	6.0	4.2	42.9%
in % of sales revenues	6.6%	4.4%	–
Employees (record date)	1,905	1,838 *	3.6%

* Record date Dec. 31, 2006

The Robotics division's orders received rose from € 102.8 million in 2006 to € 116.8 million in the first quarter of 2007, an increase of 14 percent. The division was able to book some orders that had originally been planned for the second quarter. These orders received form an excellent basis for capacity utilization over the next few months and provide assurance that the year's objectives will be achieved. The individual Robotics division segments are all reporting higher orders received.

in € millions	3 Months 2007	3 Months 2006	Change
Automotive	53.0	48.7	162.8
General Industry	40.7	33.6	141.1
Customer Service	23.1	20.5	78.4
Robotics orders received	116.8	102.8	382.3

* Record date Dec. 31, 2006

The division received important orders in the automotive area during the first quarter from Audi for the new A4 and from DaimlerChrysler for the E-Class and the C-Class. As a result of the order received last year from TATA Motors in India, additional orders have also been booked from that country's automotive subsupplier industry. The Robotics division received a large order from VW relating to the manufactoring of a variant of the Golf in Brazil.

In the general industry area, orders were received in Germany for handling wheel rims and feeding machine tools, and in Italy in the area of bending press automation. The market position in the United States was strengthened with the receipt of general industry orders for palletizing, friction welding, press-to-press automation and medical systems. The Asia business included a foundry order destined for Korea.

Forty-five percent of the total orders received came from the automotive sector, 35 percent from general industry customers and 20 percent was attributable to customer service business. The overall target for the business is to achieve 35 percent of orders received from the automotive sector and 44 percent from general industry.

The division's sales revenues came in at € 91.6 million, slightly below the € 96.0 million generated during first quarter of 2006. This was partially due to delayed releases of automotive industry orders. These orders have now been released and the sales will be reported in the second quarter. Total output of € 98.0 million was significantly higher than the prior year's € 92.5 million due to the € 5.1 million increase in inventories of finished goods and work in process.

The division was able to substantially improve its EBIT – from € 4.2 million in the first quarter of 2006 to € 6.0 million in the first quarter of 2007. An increase of 2 percentage points was achieved in relation to sales. This improved return on sales is mainly due to a higher percentage of general industry sales during the first quarter. The newly consolidated companies, which consist mainly of smaller sales companies, reported a balanced EBIT.

The Robotics division's order backlog for the first quarter 2007 was € 110,7 million. This reflects the excellent order situation and represents the highest level for the past few quarters.

The number of employees rose to 1,905, 121 more than the 1,784 reported during the prior year's same quarter. This is largely due to the newly consolidated companies, which caused 84 employees to be added to the total count. There were 67 more employees than at the end of 2006.

SYSTEMS DIVISION

Key Figures

in € millions	3 Months 2007	3 Months 2006	Change
Orders received	328.8	254.2	29.3%
Order backlog	537.0	419.3 *	28.1%
Sales revenues	208.3	147.2	41.5%
Total output	219.0	163.3	34.1%
EBIT	5.8	-0.4	–
in % of sales revenues	2.8%	-0.3%	–
Employees (record date)	3,670	3,677 *	-0.2%

* Record date Dec. 31, 2006

The Systems division reported delightful growth. Orders received reached € 328.8 million, € 74.6 million or 29 percent more than at the same time in 2006.

Orders received for Systems in the United States more than doubled, going from € 89.6 million in 2006 to the current € 194.3 million. These totals include the business volume from the KTPO pay-on-production contract and others.

The growth in the United States was additionally supported by a high level of Systems orders received by KUKA Flexible Productions. The total orders received of app. € 150 million means the company has been able to win more than 75 percent of the orders budgeted for the business year. It is therefore very well positioned to achieve its budgeted figures for the year. KUKA Flexible Productions was able to book an order for chassis manufacturing systems from Ford for the Ford pickup truck. The order value was over € 50 million. The company will deliver the complete body shop including framing. On many previous occasions, this component was supplied by competitors. Some of the ordered equipment will be manufactured by a KUKA subsidiary in Mexico. This will be the first time KUKA Flex supplies an entire chassis assembly system to Ford.

In addition, an important Systems order was received from DaimlerChrysler in the United States for the successor to the pickup truck.

Plant assembly Systems in Europe on the other hand came in at € 114.9 million, below the € 136.6 million generated a year earlier. This was mainly due to the comparably high orders received level from the automotive industry during the previous year's first quarter. KUKA Schweissanlagen was able to book additional orders from the general industry sector. One example is module manufacturing for Schott Solar.

Orders received in plant assembly Systems did not match the prior year's total. The drop was the result of project-related order postponement by customers. However, the order backlog is adequate and no negative impact is expected for the overall business year.

The Systems division also made progress in the general industry. One example is the joint project with KUKA Roboter for the American supermarket chain Target. The companies will supply a robot-cell-based material handling system for cold storage facilities. New aerospace industry orders were also booked. One example is fixtures for wing components for airliners.

The Systems division's order backlog as of March totaled € 537.0 million. Almost 90 percent is attributable to plant assembly Systems.

During the first quarter, the division generated sales of € 208.3 million, significantly more than the prior year's € 147.2 million. The contribution from newly consolidated companies was € 4.5 million. The increase was mainly driven by plant assembly business in the United States, in particular at KUKA Flexible Productions and KTPO. The assembly technology posted higher sales than it did a year earlier.

Important sales in the first quarter came from Germany for DaimlerChrysler's NCV 3 project for the sprinter and the United States for the Ford U354 pickup truck project.

The division's total output of € 219.0 million was substantially higher than the € 163.3 million generated a year earlier.

The division reported an EBIT of € 5.8 million in the first quarter of 2007. This is a substantial improvement over the negative result of € -0.4 million posted a year prior. A major share of this improvement came from plant assembly systems in the United States. But developments at the

German companies were also positive, as expected. The measures introduced in the assembly technology area started to show results. The newly consolidated companies reported a balanced result. The newly consolidated representatives consist mainly of smaller sales companies.

As of the end of March 2007, the division had 3,670 employees. This compares to 3,354 a year prior. The newly consolidated companies added 333 employees to the total. Subtracting the impact of KTPO, there were 143 fewer employees at the end of March 2007 than in the prior year's first quarter. There were 7 fewer employees than at the end of 2006.

NON-CORE BUSINESSES / DISCONTINUED OPERATIONS DIVISION

Key Figures

in € millions	3 Months 2007	3 Months 2006	Change
Orders received	119.0	200.2	-40.6%
Order backlog	192.6	172.6 *	11.6%
Sales revenues	89.3	143.0	-37.6%
Total output	101.0	157.5	-35.9%
EBIT	0.8	-2.6	–
in % of sales revenues	0.9%	-1.8%	–
Employees (record date)	2,560	2,543 *	0.7%

* Record date Dec. 31, 2006

As part of its focusing strategy, the IWKA Group's goal is to divest itself of business activities that do not form part of its core competence and that do not fulfill expectations related to the return on capital employed.

Following the Executive Board's decision at the end of the first quarter of the current business year to sell the Packaging division, it was reclassified as a discontinued operation. The decision to sell the division was approved by the Supervisory Board on March 27, 2007. The sale was successfully completed on April 19, 2007.

The impact on the balance sheet and financial situation will be reported in the IWKA Group's second quarter figures.

The Packaging division posted a current loss of € -2.7 million – including interest and taxes – in the first quarter 2007, which was in line with expectations. These negative earnings from discontinued operations will therefore be charged to the IWKA Group's consolidated result for the first quarter.

RESEARCH AND DEVELOPMENT, CAPITAL EXPENDITURES

IWKA (continuing operations) invested € 4.9 million tangible and intangible fixed assets in the first quarter, as compared to € 3.9 million in 2006. The capital spending was focused on optimizing business processes. The Group's research and development activities were also analyzed with this in mind, and had already been partially reorganized last year.

As a result of the geographic consolidation at the Augsburg location introduced in 2006, the efficiency of the development processes improved and the time from concept to product was shortened. Intensive work will continue during the current year on the key research and development projects for the 2006 business year. Again in 2007, internal resources will be supported by cooperating with external institutions, universities and research associations.

RISK MANAGEMENT

A detailed description of the risks to which the company is exposed and our risk management system can be found starting at page 45 of the 2006 financial report. The majority of the statements made in the report apply here as well. The IWKA Group risks are manageable and transparent, and as far as we are able to foresee, do not threaten the company's survival.

OUTLOOK

The 2007 business year began slightly better than expected. Our budgeted sales target for the cuurent business year is € 1.2 billion. We continue to plan for an EBIT margin of 4.2 percent in 2007. This represents an improvement of 2.8 percentage points over 2006. These figures are all exclusive of the recent sale of the Packaging division. Our goal is for equity to be above 20 percent. The sale of the Packaging division will have an especially positive impact. The Group is entering a profitable growth phase.

FINANCIAL STATEMENTS

GROUP CONSOLIDATED INCOME STATEMENT

in € millions	3 Months 2007	3 Months 2006
Sales revenues	**290.7**	**237.2**
Changes in inventories of finished goods and work in process	16.0	11.8
Own costs capitalized	1.3	0.9
Total output	**308.0**	**249.9**
Other operating income	6.0	6.1
Cost of materials	-180.6	-142.1
Personnel expense	-80.9	-77.5
Depreciation/amortization on intangible and tangible assets	-5.7	-6.2
Other operating expenses	-37.0	-28.3
Earnings from operating activities (EBIT)	**9.8**	**1.9**
Income from participations	0.0	0.0
Net interest income/expense	-4.4	-3.6
Earnings before tax	**5.4**	**-1.7**
Taxes on income	-1.5	-0.9
Result from continuing operations	**3.9**	**-2.6**
Result from discontinued operations	**-2.7**	**-3.8**
Net after-tax result	**1.2**	**-6.4**
Minority interests in profits	0.0	0.4
Earnings per share (in € after minority interests)	0.05	-0.23

GROUP CONSOLIDATED BALANCE SHEET

Assets

in € millions	March 31, 2007	March 31, 2006
Non-current assets		
Intangible assets	65.6	135.9
Tangible assets	96.5	153.5
Participations in associated companies	0.0	2.3
Other financial assets	1.0	1.6
	163.1	**293.3**
Long term tax receivables	**8.8**	**8.8**
Deferred taxes	**38.1**	**42.2**
	210.0	**344.3**
Current assets		
Inventories	**163.7**	**231.1**
Receivables and other assets		
Trade receivables	168.2	252.5
Receivables from long-term contracts	129.1	116.8
Receivables from affiliated companies	3.5	3.6
Other assets, prepaid expenses and deferred charges	29.4	41.4
	330.2	**414.3**
Cash and cash equivalents	**66.7**	**74.9**
	560.6	**720.3**
Assets held for sale / assets of discontinued operations	**331.7**	**6.5**
	1,102.3	**1,071.1**

GROUP CONSOLIDATED BALANCE SHEET

Equity and Liabilities

in € million	March 31, 2007	March 31, 2006
Equity	**127.4**	**126.7**
Non-current liabilities and provisions		
Long-term financial liabilities	57.5	76.5
Other long-term liabilities	14.8	18.5
Pension provisions and similiar obligations	79.9	132.1
Deferred taxes	7.3	10.6
	159.5	**237.7**
Current liabilities and provisions		
Short-term financial liabilities	122.4	82.2
Trade payables	157.8	209.5
Advances received	48.2	95.0
Liabilities from long-term contracts	54.8	75.2
Accounts payable to affiliated companies	2.1	0.8
Other short-term liabilities and deferred income	78.5	93.7
Provision for taxes	22.7	23.0
Other provisions	100.8	127.3
	587.3	**706.7**
Liabilities from discontinued operations	**228.1**	**0.0**
	1,102.3	**1,071.1**

IWKA GROUP CONSOLIDATED CASH FLOW STATEMENT

in € millions	3 Months 2007	3 Months 2006
Net after-tax result	**1.2**	**-6.4**
Result from the disposal of discontinued operations	0.0	0.4
Depreciation / amortization on fixed assets	7.9	9.7
Other non-payment-related expenses / income	-2.8	2.2
Cash flow	**6.3**	**5.9**
Result on the disposal of assets	-0.6	-0.5
Changes in		
provisions	-15.1	-2.8
inventories	-31.0	-47.3
receivables and deferred charges	1.2	9.8
liabilities and deferred income	-0.1	-36.5
Cash flow from operating activities	**-39.3**	**-71.4**
Payments from disposals of fixed assets	12.6	1.5
Payments for capital expenditure on intangible and tangible assets	-9.3	-7.2
Payments for investments in financial assets	-1.0	-0.5
Payments from the sale of consolidated companies and other business units	0.0	-7.0
Cash flow from investing activities	**2.3**	**-13.2**
Free Cashflow	**-37.0**	**-84.6**
Changes in financial liabilities	44.9	-1.2
Cash flow from financing activities	**44.9**	**-1.2**
Payment-related change in cash and cash equivalents	**7.9**	**-85.8**
Exchange-rate-related and other changes in cash and cash equivalents	-0.2	-1.9
Change in cash and cash equivalents	**7.7**	**-87.7**
Cash and cash equivalents at the beginning of the period (Jan. 1)	74.9	125.8
Cash and cash equivalents at the end of the period (March 31)	**82.6**	**38.1**

CHANGES TO GROUP EQUITY

in € millions	Subscribed capital	Capital reserve	REVENUE RESERVES Other revenue reserves	Translation gains/losses	Market valuation hedges	Net retained earnings	Equity to share-holders	Minority interests	Total
Jan. 1, 2006	**69.2**	**99.5**	**19.5**	**0.5**	**-0.2**	**0.0**	**188.5**	**0.6**	**189.1**
Changes in ownership	–	–	-3.0	–	–	–	-3.0	-0.2	-3.2
Exchange-rate related differences	–	–	–	-0.6	–	–	-0.6	–	-0.6
Other changes	–	–	–	–	0.8	–	0.8	–	0.8
Group net after-tax result for the period	–	–	-6.0	–	–	–	-6.0	-0.4	-6.4
March 31, 2006	**69.2**	**99.5**	**10.5**	**-0.1**	**0.6**	**0.0**	**179.7**	**0.0**	**179.7**

in € millions	Subscribed capital	Capital reserve	REVENUE RESERVES Other revenue reserves	Translation gains/losses	Market valuation hedges	Net retained earnings	Equity to share-holders	Minority interests	Total
Jan. 1, 2007	**69.2**	**29.9**	**28.8**	**-2.7**	**0.0**	**0.0**	**125.2**	**1.5**	**126.7**
Changes in ownership	–	–	-0.5	–	–	–	-0.5	-0.1	-0.6
Exchange-rate related differences	–	–	–	0.1	–	–	0.1	–	0.1
Other changes	–	–	–	–	–	–	0.0	–	0.0
Group net after-tax result for the period	–	–	1.2	–	–	–	1.2	0.0	1.2
March 31, 2007	**69.2**	**29.9**	**29.5**	**-2.6**	**0.0**	**0.0**	**126.0**	**1.4**	**127.4**

NOTES ON THE QUARTERLY REPORT

IFRS / IAS accounting standards

IWKA Aktiengesellschaft has prepared its consolidated financial statements according to the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), the interpretations of the Standing Interpretation Committee (SIC) as well as the International Financial Reporting Interpretation Committee (IFRIC). The interim report is therefore prepared in accordance with IAS 34. The prior year's figures have been determined in accordance with these same standards.

The Group's interim consolidated financial statements are not subjected to any review.

Scope of consolidation

The Group's interim report contains IWKA Aktiengesellschaft, 21 companies registered inside Germany and 51 firms domiciled outside Germany, on whose behalf IWKA Aktiengesellschaft holds directly or indirectly the majority of the voting rights.

In comparison to December 31, 2006, KUKA Service Solutions GmbH, based in Augsburg, Germany was merged with KUKA Schweissanlagen GmbH, based in Augsburg, Germany. KUKA Roboter Austria GmbH, based in Linz, Austria, was consolidated for the first time.

Accounting and valuation policies

The same valuation methodology and financial principles as those used in the consolidated financial statements for the 2006 business year were applied in preparing these interim financial statements and establishing the comparison figures to the prior year. A description of the principles is published in the notes of the 2006 Group consolidated financial statements. The latter are also available on the Internet at www.iwka.de.

Discontinued operations / assets held for sale

For the income statement, the numbers for all companies categorized as discontinued operations as of March 31, 2007 – and for the prior year – were summarized in accordance with IFRS 5 and shown as earnings from discontinued operations. Intangible assets and liabilities items have been categorized on the balance sheet as intangible assets from discontinued operations and liabilities from discontinued operations and have not been adjusted to align with the prior year's numbers.

The following Packaging division companies were classified as discontinued operations effective March 27, 2007:

- A+F Automation + Fördertechnik GmbH, Kirchlengern
- Benz & Hilgers GmbH, Neuss
- BW International Inc., Davenport / USA

- BW International (Holdings) Ltd., Altrincham/Great Britain
- BWI plc, Altrincham/Great Britain
- ERCA Formseal Iberica S.A., Barcelona/Spain
- ERCA Formseal S.A., Les Ulis/France
- Fabrima Maquinas Automaticas Ltda., Sao Paulo/Brazil
- GASTI Verpackungsmaschinen GmbH, Schwäbisch Hall
- HASSIA Verpackungsmaschinen GmbH, Ranstadt
- Hassia Redatron Packaging Machinery Pvt. Ltd., Pune/India
- IWKA Packaging USA Inc, Morganville/USA
- Hüttlin GmbH, Steinen
- IWK Packaging Machinery Ltd., Bangkok/Thailand
- IWK Verpackungstechnik GmbH, Stutensee
- IWKA Packaging Systems GmbH, Kirchlengern
- IWKA Packaging Verwaltungs GmbH, Stutensee
- IWKA Packaging OOO, Moscow/Russia
- IWKA PACSYSTEMS Inc., Fairfield/USA
- R.A. Jones Inc., Covington/USA
- Packaging Technologies Inc., Davenport/USA
- Tecmar SA, Mar del Plata/Argentina

In addition, the prior year's income statement numbers for discontinued operations continue to include the companies already categorized as discontinued operations in the 2006 financial report.

The prior year's earnings from discontinued operations therefore include the operations earnings contributions from the Boehringer Group, the ARO Group, GSN Maschinen-Anlagen-Service GmbH and HASSIA Redatron GmbH.

The accounting items "assets from discontinued operations" and "liabilities from discontinued operations" show the assets and liabilities of the Packaging division companies, which were sold by the contract dated March 27, 2007.

In addition, the site and buildings belonging to IWKA AG in Stutensee which was sold as part of the sale of the Packaging division on March 27, 2007 is shown as an asset held for sale here. The site and buildings not required for operations belonging to Bopp & Reuther Anlagenverwaltungs GmbH in Mannheim will continue to be recorded in the accounts as an asset held for sale, as on December 31, 2006.

Cash flow statement

The cash flow statement defines the flow of funds into and out of the IWKA Group in accordance with IAS 7. The amount recognized as cash and cash equivalents comprises bank balances, checks and cash on hand. This also includes cash and cash equivalents from discontinued operations.

Segment reporting

The major components of segment reporting with regard to the primary segments reporting business segments format are included in the reports of the Robotics and Systems operating divisions.

Earnings per share

Earnings per share were calculated by dividing the Group's after tax consolidated net earnings adjusted for minority interests by the Group's 26.6 million outstanding shares. The diluted earnings per share are therefore € 0.05 per share.

Contingent liabilities and other financial obligations

There has been no material change in other financial obligations and contingent liabilities since December 31, 2006.

Events of major importance after the end of the reporting period

After the end of the reporting period, an agreement signed on March 27, 2007 to sell the Packaging division to funds of the holding company Odewald & Compagnie was successfully completed on April 19, 2007, after the sale had been approved by the antitrust authorities. The IWKA Group received a cash inflow of over € 195 million in April from the sale, the total transaction amount of which was approx. € 255 million.

Augsburg, May 8, 2007
IWKA Aktiengesellschaft

THE EXECUTIVE BOARD

Note: The quarterly report contains forward-looking statements based on assumptions and estimates made by the management of IWKA Aktiengesellschaft. Although management is of the opinion that these assumptions and estimates are accurate, future actual developments and future actual results could deviate significantly from these assumptions and estimates due to a variety of different factors. Some of these factors could, for example, include a change in the overall economic climate, exchange rates and interest rates, as well as changed conditions in the markets themselves. IWKA Aktiengesellschaft makes no guarantees that future developments and actual future results will align with the assumptions and estimates contained in this report, nor does it accept any liability for same. Rising oil and other raw material prices dampened the effects of expansionary monetary policies and the low cost of capital.

FINANCIAL CALENDER

Annual General Meeting, Augsburg	MAY 16, 2007
Interim Report for the first six months of 2007	AUGUST 7, 2007
Interim Report for the first nine months of 2007	NOVEMBER 6, 2007
Preliminary figures for financial 2007	FEBRUARY 5, 2008
Press conference presenting the annual financial statements, Munich	MARCH 19, 2008
DVFA-analysts conference, Frankfurt	MARCH 19, 2008
Interim Report for Q 1	MAY 6, 2008
Annual General Meeting, Augsburg	MAY 15, 2008
Interim Report for the first six months	AUGUST 5, 2008
Interim Report for the first nine months	NOVEMBER 4, 2008

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MONTFORT WERBUNG

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