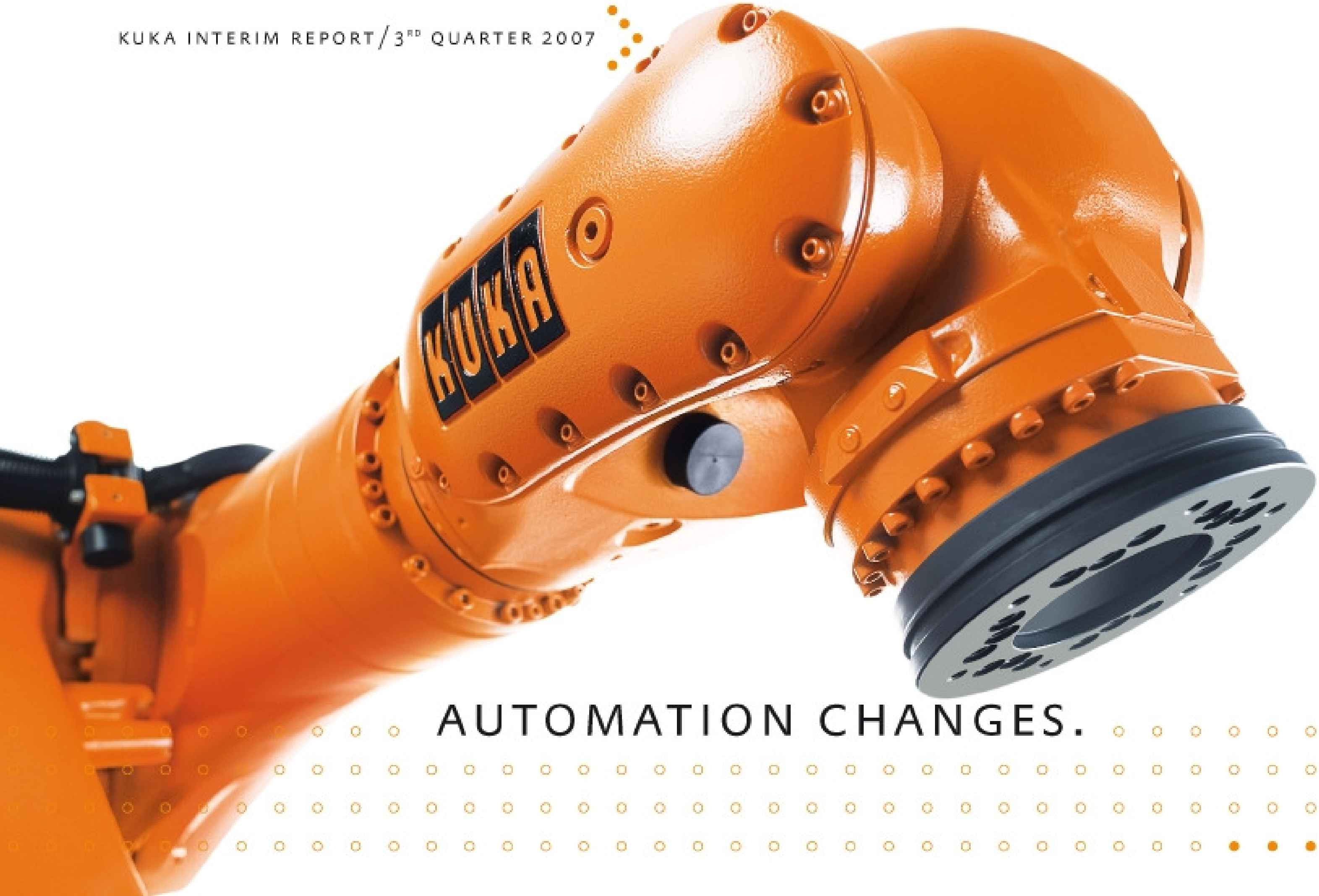
KUKA INTERIM REPORT / 3RD QUARTER 2007



AUTOMATION CHANGES.

KUKA

AUTOMATION TECHNOLOGIES SINCE 1898.

KUKA GROUP, KEY FIGURES

€ million	3rd Quarter 2007	3rd Quarter 2006	Change in %
Orders received	331.2	217.9	52.0%
Order backlog	610.0	534.7	14.1%
Sales revenues	317.9	272.4	16.7%
Total output	310.5	277.6	11.9%
EBIT	20.8	7.1	-
in % of sales revenues	6.5%	2.6%	-
Result from continuing operations	16.0	2.4	-
Result from discontinued operations	0.0	0.2	-
Net after-tax result	16.0	2.6	-
Earnings per share in €	0.60	0.10	-
Earnings per share (cont. operations) in €	0.60	0.12	-
Capital expenditure	4.6	5.0	-8.0%

€ million	9 Months 2007	9 Months 2006	Change in %
Orders received	1,056.1	877.6	20.3%
Order backlog	610.0	534.7	14.1%
Sales revenues	933.0	774.2	20.5%
Total output	953.1	803.4	18.6%
EBIT	49.1	7.6	-
in % of sales revenues	5.3%	1.0%	-
Result from continuing operations	33.0	-7.4	-
Result from discontinued operations	63.8	-52.2	-
Net after-tax result	96.8	-59.6	-
Earnings per share in €	3.64	-2.22	-
Earnings per share (cont. operations) in €	1.24	-0.25	-
Capital expenditure	17.2	13.4	28.4%
Equity ratio	25.4	10.8	-
Liquidity/ Net debts (-)	106.7	-175.7	
Employees (record date)	5,730	5,244	9.3%

KUKA AKTIENGESELLSCHAFT CONSOLIDATED INTERIM REPORT TO SEPTEMBER 30, 2007

Augsburg, November 6, 2007

DYNAMIC BUSINESS GROWTH BASED ON A SOLID FINANCING STRUCTURE

- **Third-quarter orders received and sales revenues significantly above last year for both Robotics and Systems**
- **Third-quarter EBIT margin of 6.5 percent significantly above forecast**
- **Net liquidity and equity ratio further improved**

The KUKA Group's positive operating performance extended into the **third quarter of 2007. Orders received** came in at EUR 331.2 million, 52.0 percent higher than in the prior year's third quarter. These numbers include the major orders received from German carmakers already announced in the last quarterly report. Sales revenues and total output were also up substantially, rising 16.7 and 11.9 percent respectively. The growth in business volume resulted in better capacity utilization. This factor, together with higher margins, caused EBIT to almost triple from EUR 7.1 million in the first quarter 2006 to EUR 20.8 million in the third quarter of 2007. Included here are netted one-time revenues of approximately EUR 3 million from the sale of properties. The Group's consolidated EBIT margin in the third quarter was 6.5 percent. The Robotics division achieved an EBIT margin of 8.0 percent and the Systems division generated an EBIT margin of 4.3 percent in the third quarter.

As a result, operating profit in the **first nine months** of this year was EUR 41.5 million higher than at the same time a year ago and ended at EUR 49.1 million. This corresponds to an EBIT margin of 5.3 percent, versus 1.0 percent a year ago. The result from discontinued operations remained unchanged at EUR 63.8 million and earnings after taxes therefore totaled EUR 96.8 million. The improved financial strength of the KUKA Group was also reflected in a rise in net liquidity, which now stands at EUR 106.7 million, as well as an equity ratio of 25.4 percent as of September 30, 2007.

KUKA EQUITY

SUBPRIME CRISIS EXERTS PRESSURE ON STOCK MARKETS

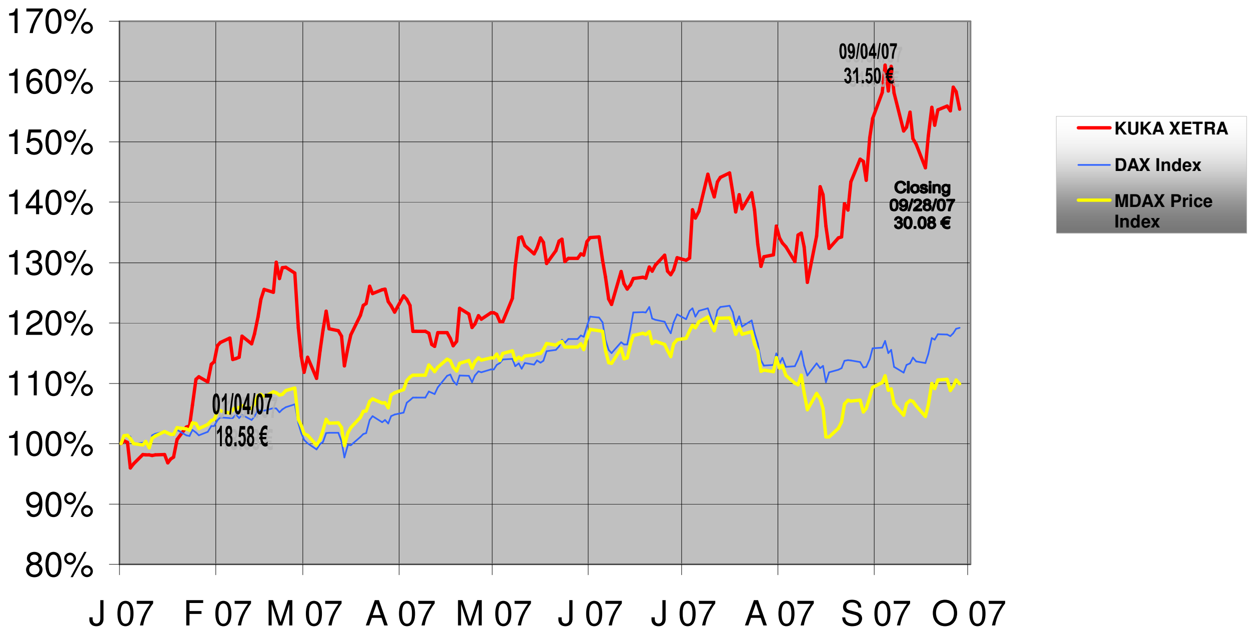
The subprime crisis dominated international market activities during the third quarter of 2007. This was driven by rising interest rates in the United States, which led to rising subprime mortgage default rates. At the same time, short-term interbank liquidity became tight, making refinancing more expensive.

As a result, financial stocks in particular came under pressure on the international stock markets. In Germany too, stock markets corrected during the summer months. Whereas the Dax and MDax had risen substantially during the first half of the year, the weaknesses in the third quarter caused these indices to decline by 1.2 and 6.4 percent respectively.

KUKA SHARE PRICE SOARS AGAINST MARKET TREND

At its Annual General Meeting in May 2007, IWKA Aktiengesellschaft's shareholders voted in favor of changing the company name to KUKA Aktiengesellschaft. KUKA Aktiengesellschaft, which has been conducting business under its new name since July 9, presented its figures for the first half on August 7. Sales revenues and EBIT beat market expectations by a considerable margin. The result from discontinued operations was also better than expected, following the sale of the Packaging division on April 19. At the same time, the KUKA Group raised its operating profit margin forecast for the current financial year from 4.2 percent to 4.6 percent. This caused KUKA's share price to climb to the highest level in its history on September 4, when it closed at EUR 31.50. It stayed above the EUR 30 threshold right to the end of the third quarter. The stock therefore countered the market trend and rose 19.1 percent in the third quarter. Overall, KUKA's share price was up 55.4 percent between January 1 and the end of September, while the Dax and MDax only rose 19.2 and 9.9 percent respectively during the same period because of the weak market environment during the third quarter.

KUKA'S SHARE PRICE FROM JANUARY TO SEPTEMBER 2007 VS. THE DAX AND MDAX



MANAGEMENT REPORT

GENERAL CONDITIONS

The world economy could lose momentum as a result of the subprime crisis. Growth could drop to less than 2 percent in 2008, particularly in the United States. Nevertheless, economic experts are still forecasting strong economic growth, even though the risks from the rising oil price and high euro exchange rate have increased. Growth in the euro zone could fall to 1.9 percent in 2008, below the long-term average. The flatter trend in the industrial countries will also dampen growth in the developing countries and emerging nations.

Germany's Federal Government has lowered its 2008 gross domestic product growth forecast by 0.4 percent to 2 percent. German economic growth may therefore have already passed its highest point, but an economic slump is unlikely, because companies are continuing to invest and the export boom remains unabated. They spent approximately EUR 5 billion on new systems in 2007. VDMA is forecasting growth of 5 percent on a record volume of EUR 193 billion for the coming year. Economic activity in the robotics sector also expanded. VDMA's robotics and automation sector is forecasting growth of at least 6 percent for 2007.

Global automotive market growth is strong overall, but not in the industrial regions of the United States, Western Europe and Japan. In contrast, the South American and Chinese markets are expected to expand by 4.7 and 8.6 percent per annum respectively.

KUKA GROUP Q3 BUSINESS PERFORMANCE

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Orders received	331.2	217.9	52.0%
Order backlog	610.0	534.7	14.1%
Sales revenues	317.9	272.4	16.7%
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Earnings per share in €	0.60	0.10	-
Earnings per share (cont. operations) in €	0.60	0.12	-
Capital expenditure	4.6	5.0	-8.0%

No companies have been listed as discontinued operations since the Packaging division was sold on April 19, 2007. Since then, the KUKA Group has been comprised of the Robotics and Systems divisions, which were renamed.

The Robotics division's share of the EUR 331.2 million in **orders received** generated during the third quarter of 2007 was EUR 97.9 million, while the Systems division brought in EUR 242.3 million. Robotics' orders received therefore increased by 17.7 percent over the prior year's quarter and Systems' soared by 65.1 percent. The Systems division's numbers include the major orders received from German carmakers already announced last quarter. Especially noteworthy here is a major order from Daimler for the new E-Class, confirming KUKA Systems' excellent market position in the field of flexible manufacturing systems. The Robotics division also landed significant orders from European automotive customers. The general industry business continues to grow in parallel.

Third-quarter 2007 **sales revenues** came in at EUR 317.9 million, 16.7 percent above last year's equivalent result. The Robotics division was 19.5 percent higher and Systems was up 14.2 percent.

KUKA GROUP BUSINESS PERFORMANCE FOR 9 MONTHS

€ million	9 Months 2007	9 Months 2006	Change in %
Orders received	1,056.1	877.6	20.3%
Order backlog	610.0	534.7	14.1%
Sales revenues	933.0	774.2	20.5%
Total output	953.1	803.4	18.6%
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in % of sales revenues	5.3%	1.0%	-
Result from continuing operations	33.0	-7.4	-
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Equity ratio	25.4	10.8	-
Liquidity/ Net debts (-)	106.7	-175.7	
Employees (record date)	5,730	5,244	9.3%

Total **orders received** in the first nine months of the current financial year ended at EUR 1,056.1 million. The Group was therefore able to strengthen the growth rate from the level at the half-year mark; it now stands at 20.3 percent. This exceeded our expectations.

In the Robotics division, order volume in the first three quarters rose from EUR 271.1 million a year ago to EUR 324.1 million during the current financial year. This corresponds to an improvement of 19.5 percent. All three segments were able to grow their orders received. Orders received from automotive customers rose by 23.6 percent. This includes orders that had not been forecast until the fourth quarter in our budget. General industry orders rose by 19.3 percent.

The Systems division's results were strongly influenced by significant growth in the US systems business and the pay-on-production contract (KTPO). Orders received reported here in the first three quarters totaled EUR 762.1 million, which compares to EUR 636.7 million in 2006. Some of the growth was also due to the business in China and Brazil where performance was better than expected.

Order backlog at the end of September 2007 was EUR 610.0 million, compared to EUR 534.7 million in 2006. Both divisions contributed to the increase of 14.1 percent.

Robotics' share was + EUR 35.1 million and Systems' share was + EUR 34.9 million. The Group's order backlog therefore secures the present level of activity for 5.8 months (Robotics: 3.3 months, Systems: 6.8 months). The high level of work in house that started at the beginning of the year thus carried over into the third quarter of the year.

EARNINGS, FINANCIAL AND ASSETS SITUATION

During the first nine months of 2007, the KUKA Group was able to generate substantially higher **sales revenues** than during the prior year's equivalent period. Current sales revenues totaled EUR 933.0 million, which compares to the prior year's EUR 774.2 million and corresponds to a year-over-year increase of 20.5 percent. The Robotics division's sales revenues grew 9.4 percent over the previous year's equivalent period and the Systems division's corresponding numbers were 26.3 percent higher than a year prior. The well loaded unit in Toledo, USA, drove these results. While last year this project was still at the startup stage, in 2007 it started full production.

Total output amounted as a result of increasing sales revenues and inventories to EUR 953.1 million. The Group's total output in the first nine months of 2007 was thereby 18.6 percent higher than a year earlier.

The **cost of materials** referred to total output dropped from 59.7 percent in the first nine months of 2006 to 58.2 percent during the current financial year. This decline occurred mainly in the Systems division. Since April 1, 2007, the semi finished goods for the pay-on-production unit in Toledo, USA, are being supplied by the customer. As a result, this division's cost of materials were lower than a year earlier. **Personnel expense** during the first nine months of the current year came in at 25.3 percent of total output. This represents a drop of 3.0 percentage points from last year's figure and is due to a subproportional increase in personnel expense. The increase in other operating income was mainly generated as a result of book profits resulting from the sale of properties. Other operating expenses tracked the increase in total output. The year-over-year increase of 1.6 percent to 12.8 percent of total output was in part due to the one-time cost of relocating the holding company and the rollout of the new corporate design.

The KUKA Group achieved an **EBIT** of EUR 49.1 million in the first nine months compared to EUR 7.6 million during the same period in 2006. The EBIT margin based on sales is therefore 5.3 percent, whereas last year it was 1.0 percent. The two divisions' contribution to earnings from operating activities was proportionally equal. The Systems division achieved an EBIT of

EUR 24.3 million compared to EUR 1.4 million last year, which represents an EBIT margin of 3.7 percent. The Robotics division generated an operating profit of EUR 23.3 million compared to EUR 14.2 million a year earlier, which represents an EBIT margin of 7.8 percent. Outside of these two segments, the previously discussed one time earnings and expenses totaling EUR 1.5 million are shown under other companies together with current head office costs.

Net interest expenses in the first nine months of 2007 were EUR -7.8 million, a substantial improvement over last year's EUR -11.1 million. The lower interest expense is the result of repayment of a substantial number of bank liabilities, particularly following the sale of the Packaging division in the second quarter of this year. The interest payment on the convertible bond, the interest on allocations to pension accruals, as well as guarantee fees, will generate further interest expenses during the fourth quarter.

Earnings before taxes (EBT) in the first nine months of the current financial year totaled EUR 41.3 million. This compares to EUR -3.3 million in 2006. Total tax expense in the period under review was EUR 8.3 million, which equates to a tax rate of 20.1 percent. The impact of the corporate tax reforms adopted in July 2007 is taken into consideration here. Resulting write-downs on deferred taxes capitalized to date were successfully offset by the reversal of write-downs on theses assets.

Earnings from continuing operations were EUR 33.0 million, which compares to a loss last year of -7.4 million. This increase demonstrates the significant improvement in the performance of the operational business during the reporting period. The **result from discontinued operations** consists of the book profit of EUR 66.5 million generated by the sale of the Packaging division on April 19, 2007 plus the current earnings of EUR -2.7 million generated by the division prior to the sale. Overall, the result from discontinued operations of EUR 63.8 million is unchanged from the previous quarter. Adequate precautionary measures have been taken to account for any possible contractual obligations resulting from the sale.

Earnings after taxes in the first nine months were therefore EUR 96.8 million, whereas at the same time a year ago we were forced to report a loss of EUR -59.6 million, mainly as a result of the high book losses and write-downs resulting from the sale of a number of the Group's companies.

The KUKA Group's **total assets** as of September 30, 2007 rose slightly to EUR 855.9 million. They were higher than at the end of the prior quarter due to improved cash flow and the associated increase in cash and cash equivalents.

The share of non-current assets of total assets was 23.8 percent. The Group's equity ratio improved substantially as a result of the sale of the Packaging division and totaled 25.4 percent as of September 30. This is more than double the 10.8 percent reported on the previous year's corresponding record date. Pension obligations also declined by EUR 53.2 million to EUR 78.9 million. Overall, the KUKA Group's financial structure and balance sheet are once again solid.

The Group's **net cash position** on September 30, 2007, was EUR 106.7 million. This represents an increase of EUR 59.7 million over the prior quarter's equivalent record date and EUR 282.4 million more than at the end of the same quarter last year. This delightful improvement in Group liquidity is primarily due to the rising cash flow from operations and the sale of the Packaging Division, which generated a net injection of EUR 169 million in the second quarter of 2007. Free cash flow in the first nine months of 2007 therefore reached EUR 167.9 million. A sizeable positive cash flow is also expected in the fourth quarter of the current year.

EMPLOYEES

The KUKA Group had 5,730 employees as of September 30, 2007, expressed as full time staff, which reflects an increase of 486 persons over the workforce of 5,244 workers as of September 30, 2006. The Robotics division created new jobs, due to the higher order volume. New workers were hired primarily in the assembly and service areas, but also in product development. The 16 companies newly consolidated into the KUKA Group added 435 employees to the September 30, 2006 total. The Systems division's workforce expanded by 331 and the Robotics division had 104 additional persons.

As of September 30, 2007, the KUKA Group's workforce consists of 3,279 blue-collar and 2,255 white-collar members, plus 196 trainees.

DEVELOPMENTS IN THE DIVISIONS

ROBOTICS

Q3 KEY FIGURES

€ million	3rd Quarter 2007	3rd Quarter 2006	Change 3rd Quarter
Orders received	97.9	83.2	17.7%
Order backlog	109.9	74.8	46.9%
Sales revenues	101.9	85.3	19.5%
Total output	104.9	90.9	15.4%
EBIT	8.2	4.0	105.0%
in % of sales revenues	8.0%	4.7%	-
Employees (record date)	2,001	1,745	14.7%

The Robotics division was able to book an above average number of **orders** from the European automotive industry in the third quarter of 2007. Total orders received were posted at EUR 97.9 million versus EUR 83.2 million at the same time last year. This includes orders that had not been forecast until the fourth quarter.

Key automotive orders came from Daimler for the new E-Class and from Audi for the current A4 model. Renault also placed a follow-up order. The division thereby expanded its customer base. The business unit also received an order from FAW-Volkswagen, China, for the Jetta and Bora models. A breakthrough was achieved in the Indonesian market when the new systems partner Yontomo Sukses Abadi landed its first order.

ROBOTICS Q3 ORDERS RECEIVED BY SEGMENT

€ million	3rd Quarter 2007	3rd Quarter 2006	Change 3rd Quarter
Automotive	44.7	33.7	32.6%
General Industry	35.7	32.9	8.5%
Service	17.5	16.6	5.4%
Total Robotics	**97.9**	**83.2**	17.7%

The division's general industry segment started shipping the newly developed KR 1000 Titan. The first "Titan" ever delivered was shipped to a systems builder in the glass and construction material sector for a material handling application.

Sales revenues in the third quarter totaled EUR 101.9 million, enabling the Robotics division to significantly beat the prior year's number of EUR 85.3 million. The third quarter was dominated by shipments to BMW for the 7-Series and to VW for the Gol in Brazil.

The Robotics division's **EBIT** therefore rose quite satisfactorily. While in the prior year's third quarter the division had generated an EBIT of EUR 4.0 million, representing an EBIT margin of 4.7 percent, by the third quarter of 2007 it was already EUR 8.2 million for an EBIT margin of 8.0 percent. This is primarily due to the higher capacity utilization.

KEY FIGURES, 9 MONTHS: ROBOTICS

€ million	9 Months 2007	9 Months 2006	Change 9 Months
Orders received	324.1	271.1	19.5%
Order backlog	109.9	74.8	46.9%
Sales revenues	298.7	273.1	9.4%
Total output	313.2	280.3	11.7%
EBIT	23.3	14.2	64.1%
in % of sales revenues	7.8%	5.2%	-
Employees (record date)	2,001	1,745	14.7%

Cumulative **orders received** by the Robotics division as of September 30, 2007, reached EUR 324.1 million. This represents an increase of 19.5 percent over the previous year. As mentioned earlier, this includes orders that have not been forecast until the fourth quarter in the budget.

Order backlog remained at roughly the same level as the first half year's EUR 114.5 million despite the high level of sales. The figure at the end of September was EUR 109.9 million. This represents an increase of 46.9 percent over the EUR 74.8 million reported on September 30, 2006.

Cumulative **sales revenues** for the first three quarters totaled EUR 298.7 million. Last year the total at this time was EUR 273.1 million. The increase is therefore 9.4 percent.

The percentage distribution of cumulative sales revenues across the three segments automotive, general industry and service is in line with the distribution for orders received.

Cumulative **EBIT** was higher than last year as a result of higher sales revenues and better capacity utilization in the third quarter. It went from EUR 14.2 million in the first nine months of 2006 to EUR 23.3 million from January to September of 2007. The division was able to improve EBIT margin by 2.6 percentage points, from 5.2 percent to 7.8 percent.

The Robotics division had 2,001 **employees** as of September 30 this year. This corresponds to an increase of 256 over the workforce of 1,745 in September 2006. The new jobs were created primarily in assembly, service and product development. The 7 newly consolidated companies in the Robotics division added 104 employees to the September 30, 2006 total.

ORDERS RECEIVED BY SEGMENT, NINE MONTHS: ROBOTICS

€ million	9 Months 2007	9 Months 2006	Change 9 Months
Automotive	145.6	117.8	23.6%
General Industry	118.2	99.1	19.3%
Service	60.3	54.2	11.3%
Total Robotics	**324.1**	**271.1**	19.5%

In the first three quarters of the year, 44.9 percent, or EUR 145.6 million, of total orders came from the automotive sector, 36.5 percent, or EUR 118.2 million, from general industry and

18.6 percent, or EUR 60.3 million from service. The percentage distribution of the order volume across the three segments has hardly changed since the end of the first half year.

SYSTEMS

Q3 KEY FIGURES: SYSTEMS

€ million	3rd Quarter 2007	3rd Quarter 2006	Change 3rd Quarter
Orders received	242.3	146.8	65.1%
Order backlog	508.2	473.3	7.4%
Sales revenues	223.9	196.1	14.2%
Total output	213.3	195.7	9.0%
EBIT	9.6	6.3	-
in % of sales revenues	4.3%	3.2%	-
Employees (record date)	3,682	3,433	7.3%

Although the **orders received** level in the second quarter was relatively low as planned, bookings were once again significantly stronger in the third quarter. Total orders received were reported at EUR 242.3 million, a substantial increase over the prior year's EUR 146.8 million. The division received a number of large orders from German carmakers. Especially noteworthy here is a major order from Daimler for the new E-Class.

The division's **sales revenues** in the third quarter came in at EUR 223.9 million, which compares to the prior year's EUR 196.1 million. Major sales revenues in the third quarter came in from orders from Daimler for the E-Class and Ford in the United States.

An **EBIT** of EUR 9.6 million was generated in the third quarter of 2007. This exceeded the prior year's result by EUR 3.3 million. The above average operating profits from American business activities had a particularly strong impact.

KEY FIGURES, 9 MONTHS: SYSTEMS

€ million	9 Months 2007	9 Months 2006	9 Months 2007
Orders received	762.1	636.7	19.7%
Order backlog	508.2	473.3	7.4%
Sales revenues	661.2	523.4	26.3%
Total output	666.1	545.3	22.2%
EBIT	24.3	1.4	-
in % of sales revenues	3.7%	0.3%	-
Employees (record date)	3,682	3,433	7.3%

The **orders received** posting of EUR 762.1 million in the first nine months of 2007 is 19.7 percent, or EUR 125.4 million, higher than the prior year's comparable result of EUR 636.7 million. North America in particular contributed to this positive trend (see the following table). The pay-on-production unit for the Jeep Wrangler in Toledo is also performing better than forecast. The results are being reported as part of the North American region. Currently we are still reporting our Asian business under "Other" regions. The expanding business in China has already been noted in the business development of the KUKA Group.

ORDERS RECEIVED BY REGION: SYSTEMS

€ million	3rd Quarter 2007	3rd Quarter 2006	Change 3rd Quarter
Germany	171.5	68.2	151.5%
Europe (without Germany)	18.4	25.2	-27.0%
USA	46.0	52.0	-11.5%
Other regions	6.4	1.4	357.1%
Total orders received	**242.3**	**146.8**	**65.1%**

€ million	9 Months 2007	9 Months 2006	Change 9 Months
Germany	350.8	330.6	6.1%
Europe (without Germany)	71.0	65.4	8.6%
USA	304.3	233.0	30.6%
Other regions	36.0	7.7	367.5%
Total orders received	**762.1**	**636.7**	**19.7%**

Order backlog at the end of September this year was EUR 508.2 million. Thanks to the high level of orders received in the first three quarters of 2007, the order backlog was significantly higher than the level of EUR 473.3 million reported on September 30, 2006.

Cumulative **sales revenues** as of the end of September, 2007, totaled EUR 661.2 million. This represents an increase of 26.3 percent over last year's EUR 523.4 million. Among other things, this reflects the high orders received levels of the prior quarters.

The cumulative **EBIT** generated in the first nine months was EUR 24.3 million and was substantially higher than the comparable prior year's total of EUR 1.4 million. While in the first three quarters of 2006 EBIT margin was still at 0.3 percent, it had already reached 3.7 percent by the current reporting period. This growth is also being driven by the pay-on-production unit (KTPO). The factory was in a startup phase up until the end of September last year, during which time it was generating startup costs as per forecast. During the current year however, KTPO is making a positive contribution to operating profits.

The Systems division had 3,682 **employees** as of the end of September. The number of persons was 249 higher than the 3,433 employees on the payroll as of September of last year. The 9 newly consolidated companies in the Systems division added 331 employees to the September 30, 2006 total.

NON-CORE BUSINESSES / DISCONTINUED OPERATIONS

No companies have been listed under discontinued operations since the Packaging division was sold on April 19, 2007. The KUKA Group's restructuring and focusing on its core competencies has therefore been completed.

The result from discontinued operations has remained at a constant EUR 63.8 million since June 2007 and could stay at this level until the end of this financial year.

RESEARCH AND DEVELOPMENT, CAPITAL EXPENDITURES

KUKA spent EUR 23.2 million on research and development in the first nine months, 2.5 percent of sales revenues. Since particularly in the Systems division new developments and product innovations were implemented in the course of executing customer orders, they are not reported in the development budget. The Group's actual spending on research and development was therefore higher than the published 2.5 percent.

The robotics segment spent over 7 percent of sales revenues on R&D. Additional employees were hired to safeguard the R&D processes from resource shortages. This underscores that R&D is a core Robotics process.

The R&D activities at Robotics are focused on enhancing the product portfolio to address new applications for both general industry and automotive customers. Another key development areas is work related to potential robot-supported tasks for non-industrial applications. Robotics is also investing increasingly in sensor applications, particularly for measurements in the automotive industry and image processing in the general industry.

The Group invested EUR 17.2 million in tangible and intangible fixed assets during the first three quarters, as compared to EUR 13.4 million during the same period in 2006.

In the Systems division, work started on expanding the manufacturing capacity at KUKA Werkzeugbau in Slovakia.

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 KUKA Group's risks are manageable and transparent, and as far as we are able to foresee, do not threaten the company's survival.

OUTLOOK

The very satisfactory business performance of the first half year carried over sustainably into the third quarter of 2007. The EBIT margin achieved in the third quarter represents another significant improvement over the comparable prior year's figure, for the Group as a whole, as well as for the Robotics and Systems divisions. We therefore see a good possibility that the target EBIT margin of 4.6 percent, which had already been raised in the second quarter of 2007, will be surpassed for the overall financial year. Net profit contributions of EUR 5 million generated from property sales have not yet been included here.

The year's total net liquidity forecast of EUR 106.7 million was already achieved by September 30, 2007, the close of the third quarter. We continue to anticipate additional sizeable free cash flow in the fourth quarter, and therefore also expect net liquidity to be significantly in excess of the originally forecast year-end number.

The KUKA Group has thus already achieved key targets for the overall financial year as of the end of the third quarter. With this solid foundation, the Executive Board is striving to resume payment of a dividend for the 2007 financial year.

FINANCIAL STATEMENTS

GROUP CONSOLIDATED INCOME STATEMENT

€ million	3rd Quarter 2007	3rd Quarter 2006
Sales revenues	**317.9**	**272.4**
Changes in inventories of finished goods and work in process	-8.1	3.7
Own costs capitalized	0.7	1.5
Total output	**310.5**	**277.6**
Other operating income	13.5	4.5
Cost of materials	-178.5	-161.0
Personnel expense	-76.7	-75.0
Depreciation/amortization on intangible and tangible assets	-6.5	-6.3
Other operating expenses	-41.5	-32.7
Earnings from operating activities (EBIT)	**20.8**	**7.1**
Income from participations	0.0	-0.5
Net interest income/expense	-2.1	-3.9
Earnings before tax	**18.7**	**2.7**
Taxes on income	-2.7	-0.3
Result from continuing operations	**16.0**	**2.4**
Result from discontinued operations	**0.0**	**0.2**
Net after-tax result	**16.0**	**2.6**
Minority interests in profits	0.0	-0.2
Earnings per share (in € after minority interests)	0.60	0.10

GROUP CONSOLIDATED INCOME STATEMENT

€ million	9 Months 2007	9 Months 2006
Sales revenues	**933.0**	**774.2**
Changes in inventories of finished goods and work in process	16.7	25.3
Own costs capitalized	3.4	3.9
Total output	**953.1**	**803.4**
Other operating income	33.1	19.1
Cost of materials	-554.9	-479.3
Personnel expense	-241.3	-227.1
Depreciation/amortization on intangible and tangible assets	-18.7	-18.7
Other operating expenses	-122.2	-89.8
Earnings from operating activities (EBIT)	**49.1**	**7.6**
Income from participations	0.0	0.2
Net interest income/expense	-7.8	-11.1
Earnings before tax	**41.3**	**-3.3**
Taxes on income	-8.3	-4.1
Result from continuing operations	**33.0**	**-7.4**
Result from discontinued operations	**63.8**	**-52.2**
Net after-tax result	**96.8**	**-59.6**
Minority interests in profits	0.0	-0.7
Earnings per share (in € after minority interests)	**3.64**	**-2.22**
thereof continuing operations	1.24	-0.25
thereof discontinued operations	2.40	-1.97

GROUP CONSOLIDATED BALANCE SHEET

ASSETS

€ million	09/30/2007	12/31/2006
Non-current assets		
Fixed Assets		
Intangible assets	67.7	135.9
Tangible assets	91.3	153.5
Participations in associated companies	0.0	2.3
Financial investments	1.1	1.6
	160.1	**293.3**
Long term tax receivables	**8.9**	**8.8**
Deferred taxes	**34.5**	**42.2**
	203.5	**344.3**
Current assets		
Inventories	**163.1**	**231.1**
Receivables and other assets		
Trade receivables	151.3	252.5
Receivables from long-term contracts	131.0	116.8
Receivables from affiliated companies	4.3	3.6
Other assets, prepaid expenses and deferred charges	29.5	41.4
	316.1	**414.3**
Cash and cash equivalents	**173.2**	**74.9**
	652.4	**720.3**
Assets held for sale	**0.0**	**6.5**
	855.9	**1,071.1**

EQUITY AND LIABILITIES

€ million	09/30/2007	12/31/2006
Equity	**217.1**	**126.7**
Non-current liabilities and provisions		
Long-term financial liabilities	58.5	76.5
Other long-term liabilities	15.1	18.5
Pension provisions and similiar obligations	78.9	132.1
Deferred taxes	4.9	10.6
	157.4	**237.7**
Current liabilities and provisions		
Short-term financial liabilities	8.0	82.2
Trade payables	112.4	209.5
Advances received	41.3	95.0
Liabilities from long-term contracts	89.6	75.2
Accounts payable to affiliated companies	0.8	0.8
Other short-term liabilities and deferred income	78.8	93.7
Provision for taxes	21.0	23.0
Other provisions	129.5	127.3
	481.4	**706.7**
	855.9	**1,071.1**

KUKA GROUP CONSOLIDATED CASH FLOW STATEMENT

€ million	9 Months 2007	9 Months 2006
Net after-tax result	**96.8**	**-59.6**
Result from the disposal of discontinued operations	-66.5	46.8
Depreciation/amortization on fixed assets	21.0	28.7
Other non-payment-related expenses/income	2.6	2.5
Result on the disposal of assets	-18.2	-0.3
Changes in		
provisions	18.2	-15.8
inventories	-33.5	-74.5
receivables and deferred charges	-26.5	-6.2
liabilities and deferred income	-6.6	36.9
Cash flow from operating activities	**-12.7**	**-41.5**
Payments from disposals of fixed assets	49.1	2.9
Payments for capital expenditure on intangible and tangible assets	-21.5	-22.1
Payments for investments in financial assets	-0.3	-1.2
Payments from the sale of consolidated companies and other business units	154.1	26.1
Payments for the sale of consolidated companies and other business units	-0.8	0.0
Cash flow from investing activities	**180.6**	**5.7**
Free Cash flow	**167.9**	**-35.8**
Payment from the placement of a convertible bond	0.0	67.4
Changes in financial liabilities	-66.9	-105.2
Cash flow from financing activities	**-66.9**	**-37.8**
Payment-related change in cash and cash equivalents	**101.0**	**-73.6**
Exchange-rate-related and other changes in cash and cash equivalents	-2.7	-5.2
Change in cash and cash equivalents	**98.3**	**-78.8**
Cash and cash equivalents at the beginning of the period (01/01)	74.9	125.8
Cash and cash equivalents at the end of the period (09/30)	**173.2**	**47.0**

CHANGES TO GROUP EQUITY

€ million	Sub-scribed capital	Capital reserve	Revenue reserves: Other revenue reserves	Revenue reserves: Trans-lation gains/ losses	Revenue reserves: Market valuation/ hedges	Net retained earnings	Equity to share-holders	Minority interests	Total
1/01/2006	**69.2**	**99.5**	**19.5**	**0.5**	**-0.2**	**0.0**	**188.5**	**0.6**	**189.1**
Changes of convertible bond		11.4					11.4		**11.4**
changes in ownership			-4.4				-4.4	-0.2	**-4.6**
Exchange-rate related differences				-1.7			-1.7		**-1.7**
Other changes					0.7		0.7		**0.7**
Group net after-tax result for the period						-59.0	-59.0	-0.6	**-59.6**
9/30/2006	**69.2**	**110.9**	**15.1**	**-1.2**	**0.5**	**-59.0**	**135.5**	**-0.2**	**135.3**

€ million	Sub-scribed capital	Capital reserve	Revenue reserves: Other revenue reserves	Revenue reserves: Trans-lation gains/ losses	Revenue reserves: Market valuation/ hedges	Net retained earnings	Equity to share-holders	Minority interests	Total
1/01/2007	**69.2**	**29.9**	**28.8**	**-2.7**	**0.0**	**0.0**	**125.2**	**1.5**	**126.7**
Changes in ownership			-2.5					-0.1	**-2.6**
Exchange-rate related differences				-3.8			-3.8		**-3.8**
Other changes									**0.0**
Group net after-tax result for the period				2.8		94.0	96.8		**96.8**
09/30/2007	**69.2**	**29.9**	**26.3**	**-3.7**	**0.0**	**94.0**	**215.7**	**1.4**	**217.1**

NOTES ON THE QUARTERLY REPORT

IFRS/IAS ACCOUNTING STANDARDS

KUKA 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 IAS34. The prior year's figures have been determined in accordance with these same standards.

SCOPE OF CONSOLIDATION

The Group's interim report contain KUKA Aktiengesellschaft, 11 companies registered inside Germany and 35 firms domiciled outside Germany, for which KUKA Aktiengesellschaft either directly or indirectly holds majority voting rights.

Compared to December 31, 2006 Augsburg-based KUKA Service Solutions GmbH and KUKA Werkzeugbau Schwarzenberg GmbH, based in Schwarzenberg, were merged with KUKA Systems GmbH (former KUKA Schweissanlagen GmbH), Augsburg, retroactive to January 1, 2007. KUKA SysTec GmbH, headquartered in Günzburg, was merged with Mannheim-based Bopp & Reuther Anlagen-Verwaltungsgesellschaft mbH retroactive to January 1, 2007. GECOM-Societe Groupement Etudes Carroserie Outillage Mecanique S.A, France, merged with the parent company KUKA Systems France S.A.S, France, retroactive to January 1, 2007. Farman Produits Standards S.A.S was merged with its sister company, Farman Industries S.A.S, France, retroactive to January 1, 2007. IWKA Holding Corp, USA, merged with KUKA Flexible Production Systems Corporation, USA, effective June 30, 2007.

Because of the sale of the Packaging division to funds of the holding company Odewald & Companie, the following companies separated from the consolidated Group effective April 19, 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 Máquinas Automáticas 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 sale included 4 non-consolidated affiliated companies and 2 associated companies.

KUKA Roboter Austria GmbH, Linz, Austria, KUKA Robotics (India) pvt. Ltd, India, and KUKA Automation Equipment Pvt. Ltd, India, which were newly founded in 2006 and 2007 respectively, were 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.KUKA.com.

DISCONTINUED OPERATIONS/ CARRIED PROPERTIES DESIGNATED FOR SALE

For the income statement, the numbers for all companies categorized as discontinued operations as of September 30, 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 companies belonging to the Packaging division were classified as discontinued operations on March 27, 2007 and sold to funds of the holding company Odewald & Companie effective April 19, 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 Máquinas Automáticas 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

The prior year's numbers for discontinued operations in the income statement still include contributions from the companies already classified as discontinued operations at the end of the 2006 financial year.

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

The earnings from discontinued operations as at September 30, 2007 also include the results from the disposal of the Packaging division's companies in the amount of EUR 66.5 million.

The corresponding prior year's period included the results from the disposal of B&R Sicherheits- und Regelarmaturen GmbH, the JW Froehlich Group and write-downs in accordance with IFRS 5 on assets of the ARO Group, GSN Maschinen-Anlagen-Service GmbH and Hassia Redatron GmbH in the amount of EUR -46.8 million.

A property in Stutensee owned by KUKA AG was sold in connection with the sale of the Packaging division. An additional property not required for operations and buildings owned by Bopp & Reuther Anlagen-Verwaltungsgesellschaft mbH, Mannheim, were also sold in the third quarter. The book profits resulting from the sales are included in the operating profit.

CASH FLOW STATEMENT

The cash flow statement defines the flow of funds into and out of the KUKA 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 are based upon the primary segment reporting format for business segments and are included in the reports of the Robotics and Systems operating divisions.

EARNINGS PER SHARE

Undiluted 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 earnings per share are EUR 3.64 per share.

CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

The only material changes to other financial obligations and contingent liabilities compared to December 31, 2006 resulted from the sale of the Packaging division. The sale generated additional contingent liabilities for the KUKA Group in the amount of under EUR 20 million. These are fully secured by guarantees from a first-class financial institution.

RELATED PARTY DISCLOSURES

There have been no material changes in regard to related party relationships since December 31, 2006.

EVENTS OF MAJOR IMPORTANCE AFTER THE END OF THE REPORTING PERIOD

No events of major importance occurred after the end of the reporting period.

Augsburg, November 6, 2007

The Executive Board

Wiedemann	Dr. Koch	Liepert

FINANCIAL CALENDAR

Preliminary figures for financial 2007	FEBRUARY 7, 2008
Financial results press conference, Munich Hotel Bayerischer Hof, 10:00 a.m.	MARCH 19, 2008
DVFA Analysts' Conference, Frankfurt	MARCH 19, 2008
First-quarter interim report	MAY 6, 2008
Annual General Meeting, Augsburg	MAY 15, 2008
First-half interim report	AUGUST 5, 2008
Interim report for the first nine months	NOVEMBER 4, 2007

Note: The quarterly report contains forward-looking statements based on assumptions and estimates made by the management of KUKA 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. KUKA 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 comparatively low cost of capital.

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