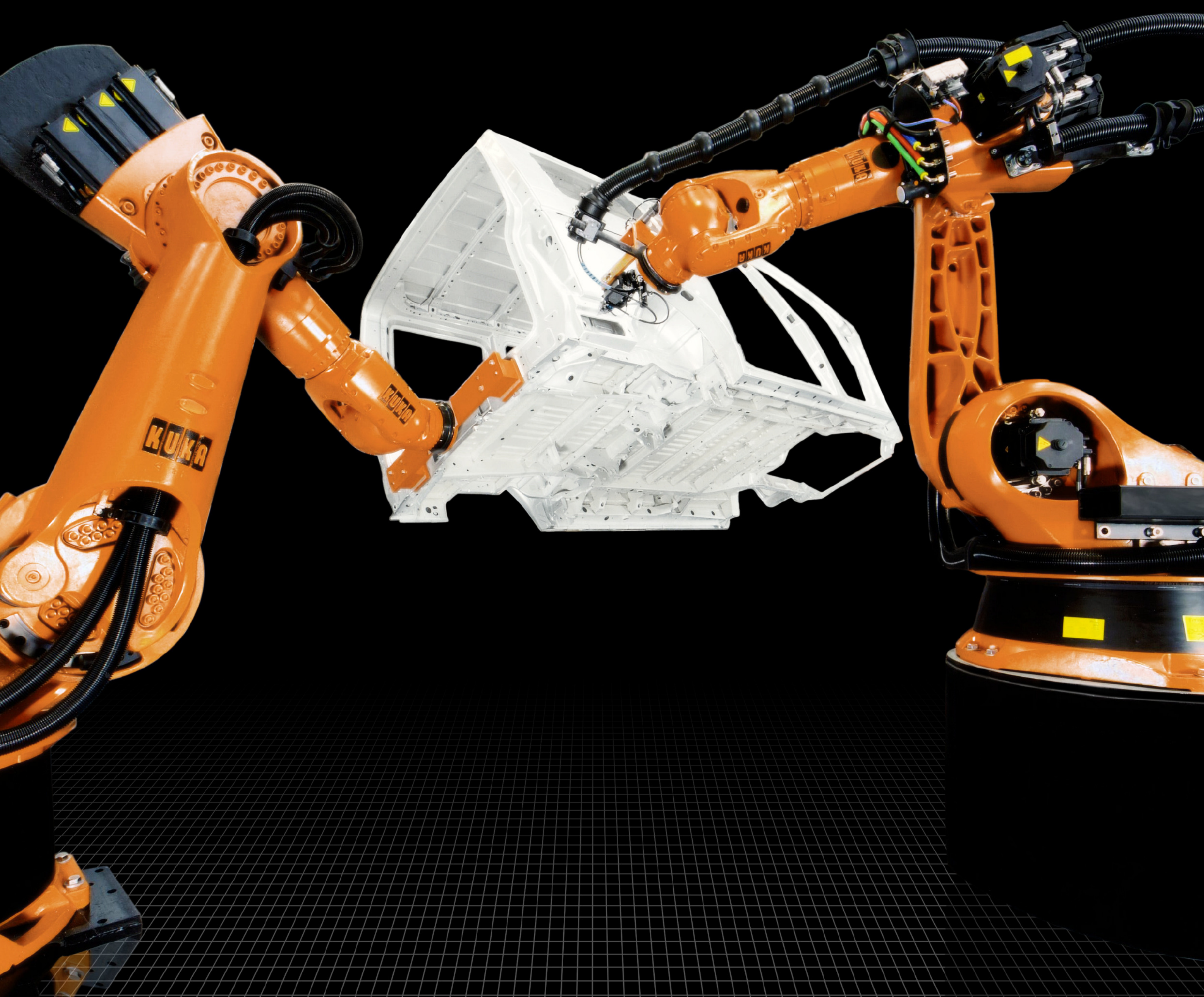
KUKA

INTERIM REPORT : 3RD QUARTER 2008

AUTOMATION FASCINATES



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KUKA GROUP KEY FIGURES

€ million	9 Months 2008	9 Months 2007	Change 9 Months
Orders received	1,028.60	1,056.10	-2.6%
Order backlog (09/30)	656.2	610.0	7.6%
Sales revenues	924.0	933.0	-1.0%
Gross profit	203.0	183.6	10.6%
in % of sales revenues	22.0%	19.7%	-
Operating result (EBIT)	52.0	49.1	5.9%
in % of sales revenues	5.6%	5.3%	-
Result from continuing operations	30.5	33.0	-7.6%
Result from discontinued operations	0.0	63.8	-
Net after-tax result	30.5	96.8	-
Earnings per share in €	1.17	3.64	-
Earnings per share (cont. operations) in €	1.17	1.24	-
Capital expenditure	22.6	17.2	31.4%
Equity ratio in %	24.2%	26.1%	-
Net liquidity (+) / Net debts (-)	-97.9	106.7	-
Employees (09/30)	6,129	5,730	7.0%

€ million	3rd Quarter 2008	3rd Quarter 2007	Change 3rd Quarter
Orders received	292.1	331.2	-11.8%
Order backlog (09/30)	656.2	610.0	7.6%
Sales revenues	343.1	317.9	7.9%
Gross profit	71.2	65.9	8.0%
in % of sales revenues	20.8%	20.7%	-
Operating result (EBIT)	20.0	20.8	-3.8%
in % of sales revenues	5.8%	6.5%	-
Result from continuing operations	11.8	16.0	-26.3%
Result from discontinued operations	0.0	0.0	-
Net after-tax result	11.8	16.0	-
Earnings per share in €	0.46	0.60	-
Earnings per share (cont. operations) in €	0.46	0.60	-
Capital expenditure	7.4	4.6	60.9%
Employees (09/30)	6,129	5,730	7.0%

GROUP INTERIM REPORT

KUKA Aktiengesellschaft as at September 30, 2008

OVERVIEW

- **Orders received in the first nine months slightly below last year (-2.6 percent); adjusted for non-operational effects, up 4.8 percent**
- **High order backlog (+7.6 percent compared to last year) guaranties the company's capacity utilization**
- **Orders received in the third quarter: Robotics (+34.0 percent) benefits from general industry; Systems (-29.3 percent) burdens result in project postponements**
- **EBIT (EUR 52.0 million) and EBIT margin (5.6 percent) in the first nine months considerably above last year**

KUKA GROUP BUSINESS PERFORMANCE - FIRST NINE MONTHS

Despite the worsening economic environment, the KUKA Group achieved **orders received** of EUR 1,028.6 million in the first nine months of 2008 compared to EUR 1,056.1 million last year; a reduction of 2.6 percent. Taking into consideration adjusted purchases of input materials at the US subsidiary KTPO (EUR 35.0 million), the redemption of the financing of the company in April 2008 (EUR 10.1 million), and the altered EUR/USD exchange rates for orders received (EUR 29.4 million), there is an increase in total orders received (+4.8 percent) compared to last year.

Orders received in the Robotics division rose by 15.8 percent to EUR 375.2 million in the first nine months compared to the same period last year (EUR 324.1 million). Services and general industry orders were up considerably by 24.4 percent and 30.5 percent respectively. Overall, orders received from the automotive industry were at last year's level - despite the worsening environment.

At the end of September cumulative orders received in the Systems division of EUR 685.4 million were 10.1 percent below the comparable volume in 2007 (EUR 762.1 million). Taking the above non-operational effects, which refer almost exclusively to this division, into consideration, the order volume for Systems was in line with last year's figure. At the same time, this division was put under pressure in the third quarter by a decrease in the automotive industry sales which resulted in postponements of orders and occasional reductions to order volumes.

At the end of September 2008 the **order backlog** was EUR 656.2 million and significantly exceeded last year's figure of EUR 610.0 million. Thus the Group's order backlog at the end of the third quarter stood at 5.9 months. This increase in the order backlog relates to both divisions. Robotics achieved an order backlog of EUR 139.2 million and Systems EUR 526.5 million at the end of September 2008. The high level of the order backlog secures the Group's capacity utilization well into next year.

In the first nine months of the current year, **sales revenues** came in at EUR 924.0 million and were therefore 1.0 percent below last year (EUR 933.0 million). Taking into account the non-operational effects at KTPO (input materials EUR 35.0 million and redemption of financing EUR 10.1 million) as well as the effects of EUR/USD exchange rates (EUR 23.0 million), sales revenues rose by 6.8 percent compared to last year. The Robotics division was able to increase not only its orders received but also its sales volume significantly to EUR 344.8 million compared to last year, thereby exceeding last year's figure of EUR 298.7 million by 15.4 percent. All three sectors of business (automotive, general industry and service) contributed to this gratifying result. The Systems division reported sales of EUR 615.5 million in the first nine months; a decline of about EUR 46 million compared to last year (EUR 661.2 million), which occurred solely within the first six months. Allowing for non-operational effects, sales revenues for Systems were 3.4 percent above last year's level.

KUKA GROUP BUSINESS PERFORMANCE - THIRD QUARTER

Group's **orders received** in the third quarter came in at EUR 292.1 million (third quarter 2007: EUR 331.2 million). The Robotics and Systems divisions contributed EUR 131.2 million and EUR 171.4 million respectively to this result. Compared to last year, Robotics recorded a considerable increase in orders received of 34.0 percent (previous year: EUR 97.9 million), although Systems fell well below last year's figure of EUR 242.3 million as a result of the downturn in the automotive industry.

Group's **sales revenues** of EUR 343.1 million in the third quarter 2008 were 7.9 percent above last year's figure (EUR 317.9 million). The Robotics division reported a clear increase of 18.3 percent from EUR 101.9 million to EUR 120.5 million, while Systems achieved a turnover of EUR 234.9 million and exceeded last year's figures (EUR 223.9 million).

KUKA EQUITY

THE INFLUENCE OF THE CRISIS IN THE FINANCIAL MARKETS

A global crisis in the financial markets leading to massive upheaval in the banking sector developed out of the **subprime crisis**. Several large investment banks and investment companies in the USA were taken over by competitors, received government support or, in the case of Lehman Brothers, filed for insolvency. Government rescue packages to support this sector were introduced concurrently in the USA, Europe and Asia - each time to the tune of several hundred billion euros. Furthermore, the **real economy** has already experienced negative effects so that the growth forecast for 2009, including that of the automotive industry and mechanical engineering, has been adjusted downward.

KUKA SHARES PERFORM BETTER THAN MDAX

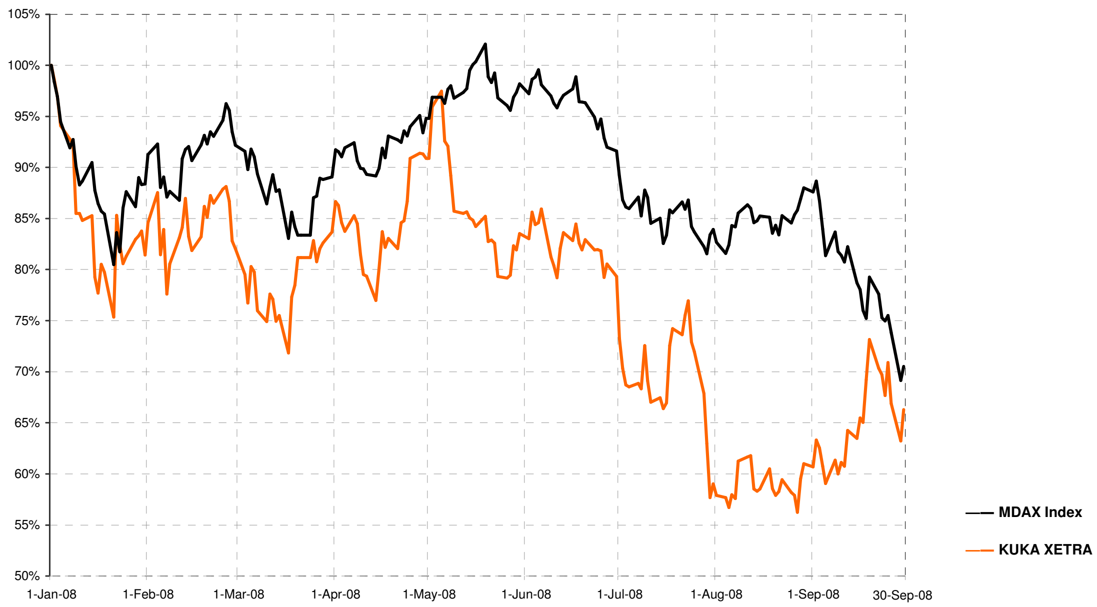
During the third quarter, KUKA shares were subjected to **fluctuating market influences**. Initially, the price suffered as a result of unfavorable macro-economic influences. The drastic rise in oil prices, emerging inflation and a declining economic outlook resulted in profit warnings for large German and North American automobile manufacturers. At EUR 15 per share, the price of KUKA shares subsequently stabilized at a low level. During this period, the MDAX was stable. The second half of September saw an about-turn in market trends: KUKA shares recovered and reached a value of 19 EUR at their highest level – their initial value at the beginning of the quarter. In contrast, the MDAX fell considerably in the course of the emerging recession. On September 30, KUKA shares closed at 17.24 EUR; down 16 percent in the third quarter 2008 (MDAX: - 23 percent). Overall, KUKA shares lost 34 percent in the first nine months (MDAX: - 29 percent).

Based on the half-year report of August 5, Deutsche Bank analysts, Dresdner Kleinwort, Equinet and Cheuvreux lowered their targets for KUKA shares.

On August 29, KUKA ended the share buyback program which had started on March 25. A total of 1,327,340 shares were purchased at an average price of EUR 21.02. The number of repurchased shares corresponds to 4.99 percent of the share capital.

On September 26, Oppenheim Asset Management, Luxembourg informed us by mandatory disclosure that the share of KUKA AG is now 5.17 percent.

KUKA'S SHARE PRICE PERFORMANCE FROM JANUARY TO SEPTEMBER 2008



GENERAL CONDITIONS

The **global economy** is currently in an increasingly weaker state. Economic development is in the crisis of confidence with regard to international financial markets. Companies worldwide are evaluating their economic forecast for the coming months in a less optimistic light. The International Monetary Fund (IMF) dropped its global growth forecast for 2009 from 3.9 percent to 3.0 percent - this is the lowest growth rate in six years. Accordingly, the USA can only expect economic growth of about 0.1 percent for 2009, and the Eurozone 0.2 percent at best.

According to IMF evaluations, it is expected that the economy in the **Eurozone** will shrink in Great Britain, Spain and Italy in the next year, and will stagnate in Germany. The German research institutes, the DIHT (German Chambers of Commerce and Industry) and the German Federal Government still forecast a slight plus. During the second quarter of the current year, the German economy shrank again for the first time in almost four years. Real Gross National Product declined by 0.5 percent compared to the prior quarter. The German Federal Bank expects zero growth for the third quarter of 2008.

The world's growth regions continue to offer good economic prospects, although they too are feeling the effects of the financial crisis. It is expected that China will most likely have a growth rate of just below 10 percent and, with a growth rate of 9.3 percent in 2009, will continue to make the major contribution to global economic growth. India should still grow by 6.3 percent. In 2009, Russia will have to be content with 5.5 percent (2008: 7.0 percent). The Russian economy is also suffering as a result of the slump in oil and raw material prices.

This summer the **German mechanical and plant engineering sector** reached the peak of an sector boom which had lasted several years. For four months now the German Engineering Federation (VDMA) has been reporting that compared to the prior year orders received show a downward trend. In August, orders received, among other things, declined by 19 percent.

The **automotive industry** is one of the first sectors in the real economy to feel the effects of the crisis. In the current year, the decline in sales in the North American market was at times in double digits. Overall, passenger vehicle sales in Europe were 4 percent lower than last year. The drop in sales was even greater in Spain, Italy and Great Britain. In the new EU countries, however, the registration of new vehicles still rose by 3 percent. So far **General Industry** has been delivering solid results.

EARNINGS, FINANCIAL AND ASSETS SITUATION

The KUKA Group achieved **sales revenues** of EUR 924.0 million - a slight drop of 1.0 percent compared to last year ‘s figure of EUR 933.0 million. In the third quarter, sales revenues were up from EUR 317.9 million last year to EUR 343.1 million in the current year.

In the first nine months of 2008, the Group's **gross margin** increased to 22.0 percent (nine months 2007: 19.7 percent). This increase of 2.3 percentage points can, for the most part, be attributed to the higher business volume in the Robotics division and the improved profit margins for orders in the Systems division. Compared to last year, there was a 1.5 and 0.2 increase in the gross margin for the Systems division and the Robotics division respectively.

In the first nine months of 2008, the Group generated an **EBIT** of EUR 52.0 million (nine months 2007: EUR 49.1 million); this is an EBIT margin of 5.6 percent (nine months 2007: 5.3 percent). So the target margin for 2008 has already been reached in the first nine months. Because manufacturing takes place in the United States, the influence of the exchange rate on EBIT is significantly less than on sales revenues. In the third quarter of 2008, at EUR 20.0 million EBIT was slightly less than last year’s figure of EUR 20.8 million.

In the first nine months of 2008, Robotics division achieved a result (EBIT) of EUR 30.0 million (nine months 2007: EUR 23.3 million). This is attributable to increased sales revenues in the automotive, the general industry and the service sectors as well as improved capacity utilization. The Systems division contributed EUR 31.8 million (nine months 2007: EUR 24.3 million) toward the consolidated results (EBIT). Robotics increased its EBIT margin from 7.8 percent last year to 8.7 percent in 2008. Systems achieved an increase of 3.7 percent over last year to 5.2 percent in 2008. The quarterly comparison showed a 30.5 percent EBIT increase in the Robotics division from EUR 8.2 million to EUR 10.7 million. The Systems division achieved a similar increase of 30.2 percent. The EBIT rose from EUR 9.6 million to EUR 12.5.million.

Net interest result improved in the first nine months of 2008 to EUR -4.8 million compared to EUR -7.8 million in the same period of 2007. The net interest result for 2008 includes the interest expense for the convertible bond of EUR 3.6 million, the interest share of pensions totaling EUR 2.8 million, as well as interest income primarily from the first quarter of 2008. With effect from the second quarter 2008, interest income from the finance lease associated with the prepayment of the financing at KTPO also had a positive effect on the net interest result.

Earnings before taxes (EBT) in the first nine months were EUR 47.2 million and therefore EUR 5.9 million above the same period in 2007. Tax expense reached EUR 16.7 million; this corresponds to a tax rate of 35.4 percent (nine months 2007: 20.1 percent). The main reason for this increase was that the loss carryforwards from the United States have been fully used up.

Result from continuing operations in the first nine months of 2008 totaled EUR 30.5 million (nine months 2007: EUR 33.0 million).

Compared to year-end 2007, the KUKA Group's **balance sheet** was influenced by a high degree of work in progress for construction contracts as at September 30, 2008. Compared to the 2007 year end, this resulted in an increase of EUR 138.7 million to EUR 159.3 million in the balance from receivables and liabilities for construction contracts, and an increase for inventory of EUR 37.6 million to EUR 187.6 million. By contrast there was a reduction of EUR 35.2 million in trade receivables at reporting date compared to the last year-end.

At September 30, 2008, the **equity ratio** reached a level of 24.2 percent and fell back by 2.1 percentage points compared to the same period at year-end 2007 as a result of the buyback of shares (EUR 27.9 million) and the dividend payment in May 2008 (EUR 26.1 million).

As of September 30, 2008, the Group's **net debt** was EUR 97.9 million. This figure is calculated by subtracting long-term and short-term financial liabilities from cash and cash equivalents. In the prior quarter, net debt was EUR 43.2 million; at year-end 2007, KUKA still had a net liquidity of EUR 163.6 million. The payment of dividends, the buyback of shares, tax payments as well as the redemption of financing at the US subsidiary KTPO are reflected in this development. The latter created a receivable from finance leases. In addition, the order-related and seasonal increase of working capital and the corresponding strain on the cash flow from current business activities had a negative impact on net liquidity.

EMPLOYEES

At the end of the third quarter of 2008, the KUKA Group had 6,129 **employees** (full time staff). This is an increase of 399 compared to last year (5,730).

The Robotics division in particular expanded its staff by 241 to 2,242 due to the growth of its business volume. At the same time new jobs were created in manufacturing (Germany and Hungary) and in the R&D division as well as in sales. The Systems division increased the number of its staff in the third quarter to 3,751; an addition of 69 compared to 2007. Systems increased its staff primarily in the areas of manufacturing and in the sales company in China. There was an overall increase of 89 staff members compared to last year in the group holding and other companies which now have a total of 136 staff members. This growth can be attributed to the regrouping of a service company within the KUKA Group as well as the Shared Services Center for staff, accounting and taxes in Augsburg which was established in 2008.

DEVELOPMENTS IN THE DIVISIONS

ROBOTICS KEY FIGURES

€ million	9 Months 2008	9 Months 2007	Change 9 Months
Orders received	375.2	324.1	15.8%
Order backlog (09/30)	139.2	109.9	26.7%
Sales revenues	344.8	298.7	15.4%
Gross profit	117.5	101.3	16.0%
in % of sales revenues	34.1%	33.9%	-
Operating result (EBIT)	30.0	23.3	28.8%
in % of sales revenues	8.7%	7.8%	-
Employees (09/30)	2,242	2,001	12.0%

€ million	3rd Quarter 2008	3rd Quarter 2007	Change 3rd Quarter
Orders received	131.2	97.9	34.0%
Order backlog (09/30)	139.2	109.9	26.7%
Sales revenues	120.5	101.9	18.3%
Gross profit	40.8	36.7	11.2%
in % of sales revenues	33.9%	36.0%	-
Operating result (EBIT)	10.7	8.2	30.5%
in % of sales revenues	8.9%	8.0%	-
Employees (09/30)	2,242	2,001	12.0%

ROBOTICS KEY FIGURES -FIRST NINE MONTHS

In the first nine months of 2008, the Robotics division reported **orders received** totaling EUR 375.2 million; a 15.8 percent increase compared to last year (EUR 324.1 million).

The **order backlog** of EUR 139.2 million as at the end of September exceeded the record value of the second quarter 2008 (EUR 130.8 million). In contrast to the third quarter 2007, this development represented an increase of almost 27 percent (nine months 2007: EUR 109.9 million). The order backlog in the Robotics division at the end of September covers a period of 3.7 months.

The growth in **sales revenues** was also gratifying: in the first nine months of 2008 revenues were EUR 344.8 million - this is 15.4 percent above last year (EUR 298.7 million). All three sectors - automotive, general industry and service - contributed toward this positive development.

In the Robotics division **EBIT** for the reporting period increased from EUR 23.3 million last year to EUR 30.0 million due to a marked increase in sales revenues in general industry in particular and due to improved capacity utilization. The EBIT margin also rose by 0.9 percentage points from 7.8 percent in the prior year to 8.7 percent.

The Robotics division had 2,242 **employees** on September 30, 2008; an increase of 241 persons compared to 2,001 on last year's reporting date. New jobs were created mainly in manufacturing, in the R&D sector and in sales. The newly consolidated sales companies in Taiwan, Japan and Russia accounted 45 of these.

ROBOTICS KEY FIGURES - THIRD QUARTER

The Robotics division exceeded **orders received** in the same quarter last year by a significant plus of 34.0 percent, i.e. EUR 131.2 million compared to EUR 97.9 million. The above average number of orders received from the automotive sector is worth mentioning. In addition to a large-scale order for the BMW 5-Series, a further BMW order was secured from China as well as VW orders from India, South Africa and Brazil. Further larger orders were received for various Mercedes models, including inline measurements (A and B Class). The planned delivery date for these robots is 2009. General industry, which recorded a 30 percent increase compared to the same quarter in the prior year, received significant orders from Schubert for a logistics center for the beverage industry and from companies in the food industry (Transnova Ruf), the plastics industry (Quarder), the chemical industry (Sturm) and the metal industry (Bosch Rexroth).

In the third quarter of 2008, the division achieved sales revenues of EUR 120.5 million. Compared to last year (EUR 101.9 million), this is also a sizeable increase of 18.3 percent.

As a result of the positive business development, the Robotics division **EBIT** increased to EUR 10.7 million from EUR 8.2 million in same quarter last year. At the same time, the EBIT margin rose from 8.0 percent (last year) to 8.9 percent.

ROBOTICS ORDERS RECEIVED BY DIVISIONS

€ million	9 Months 2008	9 Months 2007	Change 9 Months
Automotive	146.0	145.6	0.3%
General Industry	154.2	118.2	30.5%
Service	75.0	60.3	24.4%
Total Robotics	**375.2**	**324.1**	**15.8%**

€ million	3rd Quarter 2008	3rd Quarter 2007	Change 3rd Quarter
Automotive	59.6	44.7	33.3%
General Industry	46.4	35.7	30.0%
Service	25.2	17.5	44.0%
Total Robotics	**131.2**	**97.9**	**34.0%**

In the first nine months of the current year, 41.1 percent of **orders received** were from general industry, 38.9 percent from the automotive sector and 20.0 percent from the service business. This development is the result of the successful expansion of the general industry business, where the 36.5 percent share grew by 4.6 percent over last year to 41.1 percent. At the same time, the automotive sector made up in the third quarter the deficit from the prior quarters.

SYSTEMS KEY FIGURES

€ million	9 Months 2008	9 Months 2007	Change 9 Months
Orders received	685.4	762.1	-10.1%
Order backlog (09/30)	526.5	508.2	3.6%
Sales revenues	615.5	661.2	-6.9%
Gross profit	83.8	79.9	4.9%
in % of sales revenues	13.6%	12.1%	-
Operating result (EBIT)	31.8	24.3	30.9%
in % of sales revenues	5.2%	3.7%	-
Employees (09/30)	3,751	3,682	1.9%

€ million	3rd Quarter 2008	3rd Quarter 2007	Change 3rd Quarter
Orders received	171.4	242.3	-29.3%
Order backlog (09/30)	526.5	508.2	3.6%
Sales revenues	234.9	223.9	4.9%
Gross profit	29.6	27.4	8.0%
in % of sales revenues	12.6%	12.2%	-
Operating result (EBIT)	12.5	9.6	30.2%
in % of sales revenues	5.3%	4.3%	-
Employees (09/30)	3,751	3,682	1.9%

SYSTEMS KEY FIGURES - NINE MONTHS

In the first nine months of 2008, **orders received** for the Systems division totaled EUR 685.4 million which was well below last year (EUR 762.1 million). Taking into account the adjusted purchases of input materials at the US subsidiary KTPO (EUR 35.0 million), the redemption of the financing at this company in April 2008 (EUR 10.1 million) and the altered EUR/USD exchange rates for orders received (EUR 26.4 million), the comparable orders received correspond to those at last year's level.

Order backlog as of September 30, reached EUR 526.5 million and was thus 3.6 percent above last year’s figure (EUR 508.2 million). The Systems division's order backlog therefore notionally secured its capacity utilization for 6.9 months.

In the first nine months of the current year, **sales revenue** was EUR 615.5 million; a decline of 6.9 percent compared to last year (EUR 661.2 million). Adjusted for non-operational factors totaling EUR 66.0 million, sales revenues were above the prior year's level.

The Systems division increased its **EBIT** in the first nine months from EUR 24.3 million in 2007 to EUR 31.8 million in 2008. This can be attributed to improved profit margins in completed orders. The EBIT margin increased from 3.7 percent last year to 5.2 percent in the current year.

At the end of September, the Systems division had 3,751 **employees**. This is a 1.9 percent increase in the number of employees compared to 3,682 last year's target date. The division's staff expansion was primarily in manufacturing and at the subsidiary in China.

SYSTEMS KEY FIGURES - THIRD QUARTER

In the third quarter of 2008, **orders received** amounted to EUR 171.4 million (third quarter 2007: EUR 242.3 million). This significant decline was mainly attributable to the automotive industry and resulted in postponements of orders and occasional reductions in order volumes. Nevertheless, in the third quarter of 2008 the Systems division still received major orders from Ford, BMW, Volvo, VW and PSA among others. Orders were also booked from the Indian automobile manufacturers TATA, Mahindra & Mahindra and TAL. General industry was able to take important orders for robot-based welding and palletizing cells in Sweden. A solar energy order was also secured in Switzerland for the first time.

Sales revenues for the Systems division in the third quarter was EUR 234.9 million slightly above the same quarter in the prior year (EUR 223.9 million). These sales were primarily realized through key customers in the automotive industry.

EBIT came in at EUR 12.5 million in the third quarter of 2008 as a result of improved profit margins in completed orders, representing an increase of EUR 2.9 million compared to last year (EUR 9.6 million).

SYSTEMS ORDERS RECEIVED BY REGION

€ million	9 Months 2008	9 Months 2007	Change 9 Months
Germany	126.9	350.8	-63.8%
Europe (without Germany)	221.1	71.0	211.4%
USA	257.6	304.3	-15.3%
Asia and other regions	79.8	36.0	121.7%
Total orders received	**685.4**	**762.1**	**-10.1%**

€ million	3rd Quarter 2008	3rd Quarter 2007	Change 3rd Quarter
Germany	46.7	171.5	-72.8%
Europe (without Germany)	71.0	18.4	285.9%
USA	40.8	46.0	-11.3%
Asia and other regions	12.9	6.4	101.6%
Total orders received	**171.4**	**242.3**	**-29.3%**

Orders received by the Systems division in the first nine months of 2008 amounted to EUR 685.4 million. This represents a 10.1 percent decrease compared to last year. Taking out the non-operational effects, which occurred exclusively in North America, the overall result is that orders received were at the same level as last year. Despite the difficult market situation, orders received from US automobile manufacturers were at a comparably high level. In Europe the noticeable decline in orders received from Germany could not quite be counterbalanced by orders from the rest of Europe.

RESEARCH AND DEVELOPMENT, CAPITAL EXPENDITURE

In the first nine months of 2008, the KUKA Group spent a total of EUR 22.9 million (nine months 2007: EUR 23.5 million) on **research and development**; this corresponds to 2.5 percent of sales revenue (nine months 2007: 2.5 percent). R&D expenditure for the Robotics division amounted to EUR 21.8 million (nine months 2007: EUR 22.5 million), corresponding to 6.3 percent of this division's sales revenues. The remaining expenditure took place in the Systems division where the share of the overall R&D budget is generally considerably less due to the high proportion of customer-specific development work.

KUKA's industrial robots were once again awarded the internationally renowned “red dot award for product design”. In addition to design aspects, the jury focuses particularly on the degree of innovation, ergonomic and ecological compatibility of the products. For KUKA this award is a confirmation of its creativity and innovative strength.

The **Harbour Report** – the most important competition among North American carmakers – presented the award for “best factory in North American with regard to efficiency and productivity" to the Toledo Supplier Park of KUKA's subsidiary KTPO where the processing time per vehicle averages 13.6 hours - two hours less than the closest competitor.

In the first three quarters of 2008, the Group invested EUR 22.6 million in tangible and intangible fixed assets (nine months 2007: EUR 17.2 million). The main emphasis was on **investments** in tangible assets amounting to EUR 11.4 million in addition to the capitalization of R&D expenditure of EUR 8.5 million.

RISK MANAGEMENT

A comprehensive summary of the company's risks and opportunities is included in the 2007 annual report, along with a description of the KUKA Group's risk management system. The majority of the statements made in the report continue to apply.

The economic environment has worsened considerably during the quarter under review. This applies in particular to the downward trend in the global economy and the tense business situation in the automotive industry. Both of these factors can negatively influence the KUKA Group's overall risk situation. Apart from this, KUKA is currently negotiating with an automotive supplier concerning the cancellation of a delivery contract which could have an effect on the result.

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

OUTLOOK

Uncertainty regarding the development of future demand has increased as a result of the crisis in the financial market and the global economic downswing.

In order to stabilize the earnings situation, rationalization investments will play an important role - even in a period of economic downswing. With its flexible, robot-based automation technology, KUKA is well established in this area; especially with customers in general industry, e.g. the solar and aircraft industries. Based on this, KUKA can anticipate a continued, stable growth of this business.

The automotive industry is one of the first sectors in the real economy to be affected by the global economic crisis and is seriously considering the implementation of savings measures. At the same time, global competition is increasing as a result of reduced demand. The market introduction of new lower-consumption and cheaper models will therefore continue to have priority. In the short-term, however, demand can be expected to decline due to the postponement of orders and isolated reductions to order volumes, particularly in the area of major investment orders.

For the current financial year 2008, the Executive Board of KUKA AG therefore anticipates that overall orders received - adjusted for non-operational effects in connection with the US subsidiary KTPO – will now be at the same level as the prior year. The EBIT margin of 5.5 percent has already been achieved in the first nine months of 2008 and will also be confirmed for the total financial year 2008.

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INTERIM REPORT (CONDENSED)

GROUP CONSOLIDATED INCOME STATEMENT (CONDENSED)

€ million	9 Months 2008	9 Months 2007
Sales revenues	**924.0**	**933.0**
Cost of sales	-721.0	-749.4
Gross profit	**203.0**	**183.6**
Selling expenses	-63.8	-60.6
Research and development expenses	-22.9	-23.5
General and administrative expenses	-62.3	-48.9
Other operating expenses	-2.0	-1.5
Earnings from operating activities (EBIT)	**52.0**	**49.1**
Net interest income/expense	-4.8	-7.8
Earnings before tax	**47.2**	**41.3**
Taxes on income	-16.7	-8.3
Result from continuing operations	**30.5**	**33.0**
Result from discontinued operations	**0.0**	**63.8**
Net after-tax result	**30.5**	**96.8**
Minority interests in profits	0.0	0.0
Earnings per share (in € after minority interests; diluted/undiluted)	**1.17**	**3.64**
thereof continuing operations	1.17	1.24
thereof discontinued operations	0.00	2.40

GROUP CONSOLIDATED INCOME STATEMENT (CONDENSED)

€ million	3rd Quarter 2008	3rd Quarter 2007
Sales revenues	**343.1**	**317.9**
Cost of sales	-271.9	-252.0
Gross profit	**71.2**	**65.9**
Selling expenses	-22.1	-21.6
Research and development expenses	-7.1	-9.3
General and administrative expenses	-21.6	-9.5
Other operating expenses	-0.4	-4.7
Earnings from operating activities (EBIT)	**20.0**	**20.8**
Net interest income/expense	-1.9	-2.1
Earnings before tax	**18.1**	**18.7**
Taxes on income	-6.3	-2.7
Result from continuing operations	**11.8**	**16.0**
Result from discontinued operations	**0.0**	**0.0**
Net after-tax result	**11.8**	**16.0**
Minority interests in profits	0.0	0.0
Earnings per share (in € after minority interests; diluted/undiluted)	**0.46**	**0.60**
thereof continuing operations	0.46	0.60
thereof discontinued operations	0.00	0.00

CONSOLIDATED BALANCE SHEET

ASSETS

€ million	09/30/2008	12/31/2007
Non-Current assets		
Fixed assets		
Intangible assets	74.1	69.6
Tangible assets	91.4	91.9
Financial investments and participation on associated companies	0.4	1.6
	165.9	**163.1**
Receivables of finance lease	**80.6**	**0.0**
Long term tax receivables	**11.5**	**12.8**
Deferred taxes	**29.3**	**31.1**
	287.3	**207.0**
Current assets		
Inventories	**187.6**	**150.0**
Receivables and other assets		
Trade receivables	143.7	178.9
Receivables from construction contracts	199.9	93.0
Receivables from affiliated companies	0.3	3.6
Receivables of finance lease	3.1	0.0
Other assets, prepaid expenses and deferred charges	40.8	32.5
	387.8	**308.0**
Cash and cash equivalents	**32.5**	**223.2**
	607.9	**681.2**
	895.2	**888.2**

EQUITY AND LIABILITIES

€ million	09/30/2008	12/31/2007
Equity	**216.9**	**233.5**
Non-current liabilities, provisions and accruals		
Non-current financial liabilities	60.8	59.1
Other non-current liabilities	9.9	11.5
Pensions and similiar obligations	65.8	73.9
Deferred taxes	13.6	4.7
	150.1	**149.2**
Current liabilities		
Current financial liabilities	69.6	0.5
Trade payables	157.7	148.9
Advances received	42.6	35.4
Liabilities from construction contracts	40.6	72.4
Accounts payable to affiliated companies	0.3	0.1
Other current liabilities and deferred income	100.2	85.3
Provision for taxes	9.2	36.6
Other provisions	108.0	126.3
	528.2	**505.5**
	895.2	**888.2**

CASH FLOW STATEMENT

€ million	9 Months 2008	9 Months 2007
Net after-tax result	**30.5**	**96.8**
Result from the disposal of discontinued operations	0.0	-66.5
Depreciation/amortization on fixed assets	18.7	21.0
Other non-payment-related expenses/income	10.4	2.6
Cashflow	**59.6**	**53.9**
Result on the disposal of assets	-0.9	-18.2
Changes in		
provisions	-48.4	18.2
inventories	-34.8	-33.5
receivables and deferred charges	-81.3	-26.5
liabilities and deferred income	-7.3	-6.6
Cash flow from operating activities	**-113.1**	**-12.7**
Payments from disposals of fixed assets	2.0	49.1
Payments for capital expenditure on tangible and intangible assets	-22.6	-21.5
Payments for investments in financial assets	0.0	-0.3
Payments from the disposition of consolidated companies and other business interest	0.0	154.1
Payments for the acquisition of consolidated companies and other business interest	0.0	-0.8
Payments for the acquisition of a finance lease receivable	-77.1	0.0
Cashflow from investing activities	**-97.7**	**180.6**
Free cashflow	**-210.8**	**167.9**
Payments for the acquisition of treasury shares	-27.9	0.0
Payments of divident	-26.1	0.0
Changes in financial liabilities	70.7	-66.9
Cashflow from financing activities	**16.7**	**-66.9**
Payment-related change in cash and cash equivalents	**-194.1**	**101.0**
Exchange-rate-related and other changes in cash and cash equivalents	3.4	-2.7
Change in cash and cash equivalents	**-190.7**	**98.3**
Cash and cash equivalents at the beginning of the period (01/01)	223.2	74.9
Cash and cash equivalents at the end of the period (09/30)	**32.5**	**173.2**

STATEMENT OF RECOGNIZED INCOME AND EXPENSES

€ millions	3rd Quarter 2008	3rd Quarter 2007	9 Months 2008	9 Months 2007
Currency translation differences	4.5	0.7	1.3	-3.8
Market valuation of hedges	0.3	0.0	-0.1	0.0
Actuarial gains/losses on defined benefit plans and similar commitments	0.0	2.9	6.6	8.6
Deferred taxes on items offset directly against equity	0.0	-1.1	-1.2	-3.3
Income and expense recongnized directly in equity	**4.8**	**2.5**	**6.6**	**1.5**
Group profit	11.8	13.2	30.5	94.0
Total income and expense recognized in equity	**16.6**	**15.7**	**37.1**	**95.5**
of which: attributable to minority interests	0.1	0.0	0.1	0.0
of which: attributable to KUKA	16.5	15.7	37.0	95.5
changes in accounting policies	0.0	1.8	0.0	5.3

NOTES TO THE INTERIM REPORT (CONDENSED)

CHANGES TO GROUP EQUITY

€ million	Sub-scribed capital	Capital reserve	Treasury stock	Revenue reserves: Other revenue reserves	Revenue reserves: Trans-lation gains/ losses	Revenue reserves: Market valuation/ hedges	Revenue reserves: Net returned earnings	Equity to share-holders	Minority interests	Total
01/01/2008	**69.2**	**26.5**	**0.0**	**29.5**	**-8.2**	**0.0**	**115.1**	**232.1**	**1.4**	**233.5**
Other changes				0.3				0.3		0.3
Exchange-rate related differences					1.2			1.2	0.1	1.3
Other neutral changes				5.4		-0.1		5.3		5.3
Purchase of capital stock			-27.9					-27.9		-27.9
Divident of KUKA AG							-26.1	-26.1		-26.1
Group net after-tax result for the period							30.5	30.5		**30.5**
09/30/2008	**69.2**	**26.5**	**-27.9**	**35.2**	**-7.0**	**-0.1**	**119.5**	**215.4**	**1.5**	**216.9**

€ million	Sub-scribed capital	Capital reserve	Treasury stock	Revenue reserves: Other revenue reserves	Revenue reserves: Trans-lation gains/ losses	Revenue reserves: Market valuation/ hedges	Revenue reserves: Net returned earnings	Equity to share-holders	Minority interests	Total
01/01/2007	**69.2**	**29.9**	**0.0**	**28.8**	**-2.7**	**0.0**	**0.0**	**125.2**	**1.5**	**126.7**
Other changes				**-2.5**				-2.5	-0.1	-2.6
Exchange-rate related differences					**-3.8**			-3.8		-3.8
Other neutral changes				**5.3**				5.3		5.3
Purchase of capital stock								0.0		0.0
Divident of KUKA AG								0.0		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**	**0.0**	**31.6**	**-3.7**	**0.0**	**94.0**	**221.0**	**1.4**	**222.4**

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), as adopted by the European Union. The interim report is therefore prepared in accordance with IAS 34. Last year's figures were determined adopting the same standard.

SCOPE OF CONSOLIDATION

The Group's interim report contains KUKA Aktiengesellschaft, 7 companies registered inside Germany and 37 firms domiciled outside Germany, for which KUKA Aktiengesellschaft either directly or indirectly holds majority voting rights.
KUKA Robot Automation Taiwan Co. Ltd., Taiwan, Chung-Li City, Taiwan, KUKA Robotics Japan K.K., Tokyo, Japan, KUKA Robotics OOO, Togliatti, Russia, and KUKA Sistemy OOO, Togliatti, Russia, all of which were newly founded in years prior, but not consolidated as of December 31, 2007, have now been consolidated for the first time. KUKA Dienstleistungs GmbH, Augsburg merged with IWKA Anlagen-Verwaltungsgesellschaft GmbH, Augsburg and IWKA Produktionstechnik GmbH, Augsburg as Bopp & Reuther Anlagen-Verwaltungsgesellschaft mbH, Mannheim. This change to the consolidation circle did not have any material impact on the Group's assets, financial position or profit and loss.

ACCOUNTING AND VALUATION POLICIES

The same valuation methodology and financial principles as those used in the consolidated financial statements for the 2007 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 to the 2007 Group consolidated financial statements. The latter are also available on the Internet at www.KUKA.com.

IAS 19 EMPLOYEE BENEFITS

Effective December 31, 2007, the accounting method for employee benefits was changed to the third option as per IAS 19. The amounts, which are income neutral with respect to equity, are reported under Group equity income and expenses. An income neutral sum of EUR 5.4 million was reported under equity as of September 30, 2008. This amount was for the insurance-related notional profits in consideration of deferred taxes resulting from the adjustment of the rate of return from 5.5 percent, respectively 6.0 percent p.a. as of December 31, 2007 to 6.4 percent p.a. as of September 30, 2008.

DISCONTINUED OPERATIONS / ASSETS HELD FOR SALE

The information regarding discontinued operations relates only to the prior year's numbers. For the income statement, the numbers for all companies categorized as discontinued operations as of September 30, 2008 were summarized in accordance with IFRS 5 and shown as earnings from discontinued operations.

The earnings from discontinued operations for the prior year therefore include the earnings from the following Packaging division companies, which were sold to a fund of the Berlin-based holding company Odewald & Compagnie Gesellschaft für Beteiligungen mbH on 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

plus four non-consolidated financial investments and two associated companies. Profits from the sale and the result from the disposal of discontinued operations were reported at the time of the sale on April 19, 2007.

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.

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

Earnings per share were calculated by dividing the Group's after tax consolidated net earnings adjusted for minority interests by the Group's average number of outstanding shares. As a result of the share buyback program, the average number of outstanding shares in circulation decreased from 26.6 million to 26.0 million. The undiluted/diluted earnings per share are therefore EUR 1.17 per share.

Some stock dilution could arise in the future if bondholders convert their convertible bonds issued on May 9, 2006 to shares as equity was conditionally increased by a maximum of 2,718,325 shares at that time. As the average conversion price was below the conversion price in 2007, as well as in the first nine months of 2008, and a conversion would have therefore been detrimental for bondholders, there was no dilution in 2008 or the first nine months of 2008.

SHARE BUYBACK PROGRAM

On March 18, 2008, the Executive Board of KUKA Aktiengesellschaft resolved in accordance with article 71, para. 1, item 8 of the German Stock Corporation Act (AktG), to exercise the authority granted to it at the annual general meeting of May 16, 2007 to buy back own shares and to acquire up to 2,660,000 shares of the company on the open stock market. The amount corresponds to up to 10 percent of current total share capital. The buyback took place between March 25, 2008 and August 29, 2008 at the latest, under the direction of a bank, which is obliged to ensure that the buyback of the shares on the stock market is carried out in accordance with the resolution at the annual general meeting dated May 16, 2007 and the instructions outlined in article 5, para. 1 and 2 of directive (EG) no. 2273/2003.

Under the terms of this authorization, KUKA Aktiengesellschaft bought back a total of 1,327,340 KUKA shares valued at EUR 27,898,339.58.

CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

Compared to December 31, 2007, the main change to other financial obligations and contingent liabilities is due to the elimination of leasing obligations associated with the KTPO pay-on-production contract.

FINANCING LEASE

KUKA Toledo Production Operations LLC., Toledo, Ohio, USA, which was consolidated for the first time in fiscal 2005, manufactures Jeep Wrangler bodies under the terms of a pay-on-production contract with Chrysler. The first unpainted car bodies associated with the project were delivered to Chrysler in July 2006. The project was financed through an operating lease agreement with a local corporation and a consortium of financing banks.
KUKA Aktiengesellschaft has reached agreement with Chrysler LLC and the financing banks regarding the prepayment of the financing of the manufacturing facility of its American subsidiary, KUKA Toledo Production Operations LLC (KTPO), which makes Chrysler's Jeep Wrangler car bodies. The financing to take over legal ownership of the buildings and production systems totals EUR 77.1 million, and was prepaid using the KUKA Group's existing net liquid assets. As a result, this segment's capital employed has risen significantly.
Because of the existing agreement to supply car bodies to Chrysler, the acquisition of the production system assets were not included in the balance sheet as an asset acquisition, but instead categorized as a finance lease in accordance with IFRIC 4/IAS 17 guidelines and booked as a receivable from finance leases. Sales revenues shown on KTPO's balance sheet will thus be reduced by the fictitious leasing rate. The interest component included in the fictitious leasing rate is booked under net interest income/expense, while the repayment component of this repayment reduces the receivables as per schedule.

RELATED PARTY DISCLOSURES

There have been no material changes with regard to related party relationships since December 31, 2007.

EVENTS OF MAJOR IMPORTANCE AFTER THE END OF THE REPORTING PERIOD

There were no events of material significance after the close of the reporting period.

Augsburg, November 4, 2008

The Executive Board

Dr. Kayser	Dr. Rapp	Liepert

FINANCIAL CALENDAR

Preliminary figures for the financial year 2008	FEBRUARY 3, 2009
Press conference presenting the annual financial statements	MARCH 12, 2009
DVFA Analysts' Conference	MARCH 12, 2009
Annual general meeting, Augsburg	APRIL 29, 2009
First-quarter interim report	MAY12, 2009
Half-year interim report	AUGUST 4, 2009
Interim report for the first nine months	NOVEMBER 3, 2008

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 within the actual markets. 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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