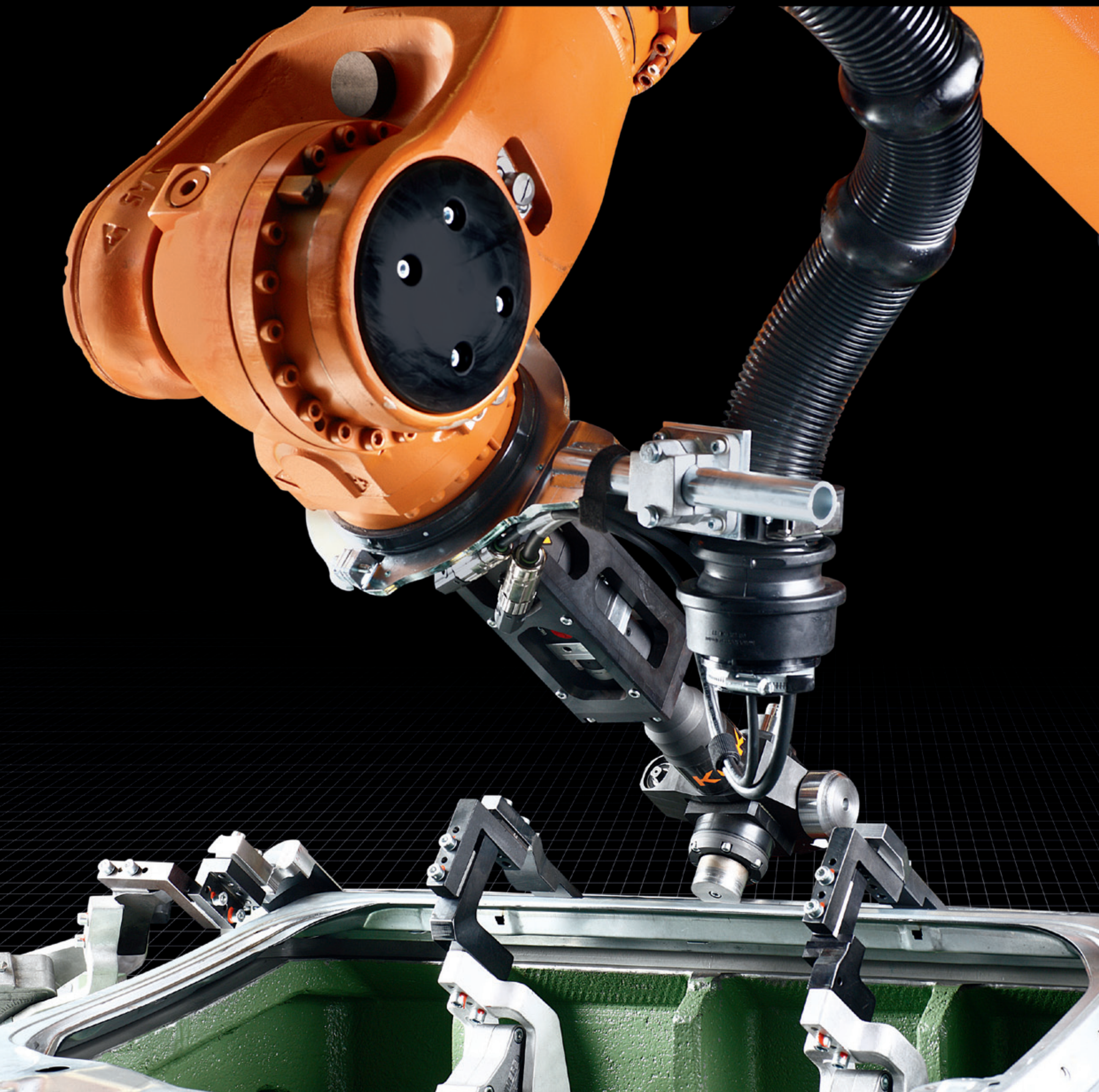
KUKA

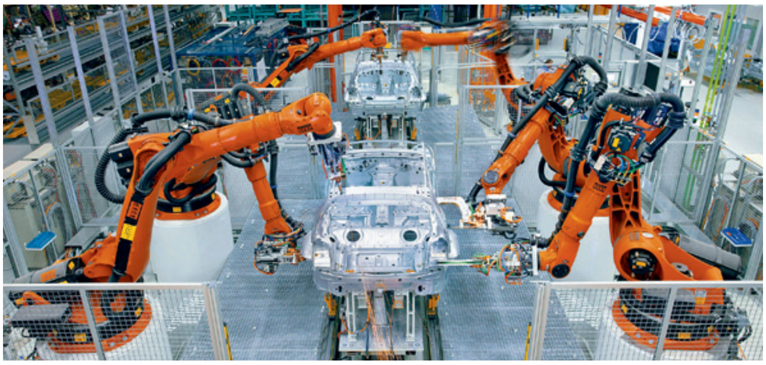
INTERIM REPORT FOR 3RD QUARTER 2011

AUTOMATION BECOMES EASY



AUTOMATION BECOMES EASY

KUKA automates manufacturing processes. Using KUKA robots as a core component, we develop and market robots, robot cells and entire robotic systems that help our customers achieve superior product quality and improve plant productivity. Our customer focus and innovation strength have made us the technology leader in our markets. Our aim is to grow profitably and enhance the value of the company, in both our core activity automotive, and especially in existing and emerging general industry markets such as solar and aircraft, as well as the medical systems, logistics, metals and plastics sectors.



KUKA ROBOTICS

KUKA Robotics' core competence is in the development, manufacturing, controlling, sales and service of industrial robots suitable for any application and any industry sector, in addition to linear units, positioners and mobile platforms.

KUKA SYSTEMS

KUKA Systems offers its customers in the automotive industry and other sectors (general industry) robot-based automation solutions. As general contractor, the division designs and builds customized production lines. The division has core competencies in processes such as welding, gluing, sealing, converting, assembling, testing and handling of metals, glass and other materials.

CONTENTS

Cover photo: Automotive Solutions made by KUKA

KUKA Systems will deliver manufacturing systems for components such as doors, fenders, engine hoods and tailgates. The parts will be welded, glued or folded at upstream manufacturing cells and then automatically sent to the body-in-white assembly line for the new Ford KUGA.

OVERVIEW

CONTINUING LONG TERM GROWTH TREND IN ROBOT BASED AUTOMATION

- **Full year 2010 orders received already matched in 9M/2011**
  - Orders received climb 41 percent to EUR 1,215.8 million
  - Robotics generates EUR 174.8 million in Q3/2011 and remains at a high level
- **Sales revenues rise 37 percent to EUR 1,032.4 million in 9M/2011**
- **EBIT margin improves to 4.9 percent in 9M/2011 and 5.2 percent in Q3/2011**
- **Free cash flow positive at EUR 1.9 million in Q3/2011**
- **Guidance 2011: sales of at least 1.2 billion and EBIT margin of at least 5 percent**
  - Sales expected to reach about EUR 1.35 billion

KUKA GROUP, KEY FIGURES

in € millions	3rd Quarter 2010	3rd Quarter 2011	Change	9 Months 2010	9 Months 2011	Change
Orders received	314.5	378.4	20.3%	862.2	1,215.8	41.0%
Order backlog (09/30)	676.3	798.6	18.1%	676.3	798.6	18.1%
Sales revenues	273.9	369.0	34.7%	754.0	1,032.4	36.9%
Gross profit	52.3	68.7	31.4%	143.1	206.1	44.0%
in % of sales revenues	19.1%	18.6%	–	19.0%	20.0%	–
Earnings before interest and taxes (EBIT)*	8.3	19.2	>100%	13.3	50.3	>100%
in % of sales revenues	3.0%	5.2%	–	1.8%	4.9%	–
Earnings before interest, taxes, depreciation and amortization (EBITDA)	14.0	25.4	81.4%	30.4	69.1	>100%
in % of sales revenues	5.1%	6.9%	–	4.0%	6.7%	–
Net result	-0.2	9.0	–	-10.5	20.3	–
Earnings per share in €	-0.01	0.27	–	-0.36	0.61	–
Capital expenditure	2.7	7.6	>100%	8.0	17.3	>100%
Equity ratio in % (09/30)	23.9%	21.9%	–	23.9%	21.9%	–
Net debts (09/30)	-64.4	-79.9	24.1%	-64.4	-79.9	24.1%
Employees (09/30)	5,850	6,471	10.6%	5,850	6,471	10.6%

* adjusted for financing costs included in operating result (IAS 23 R)

FOREWORD

Dear shareholders,

Our company has just completed an outstanding third quarter of 2011. We have already reached the orders received level we achieved for all of 2010. For the first time, EBIT margin at the group level crossed the five percent threshold. We are confident that we will achieve our forecast numbers for the 2011 financial year of about EUR 1.35 billion in sales and an EBIT margin of at least five percent.

How does the future look for KUKA? We continue to focus on the world's major growth regions, such as Brazil, China, India and Russia. Our revenue share from these regions after nine months is already eighteen percent, double what it was last year. In addition, over the past twelve months, we have expanded our workforce in these regions by fifty percent. These factors are sending the market a clear signal. The same applies to our customers, with whom we continue to work to intensify our commitment in the BRIC nations and add depth to the value-added chain locally.

In addition to global growth, one of our major goals next year is to continue to tap the trend toward robot-supported automation. Demand for industrial robotics worldwide is forecast to grow six percent per annum from 2012 to 2014. Together with our customers, we continually develop new solutions for robot-supported automation and supply the right products for these applications. We are also targeting new fields, such as robots for health care. Human/robot cooperation, autonomous navigation and sensitivity are all topics on which we are concentrating as we work to create a new generation of KUKA robots for service and health care robotics applications.

Despite all the excellent indicators for the robotics and automation sector, we cannot lose sight of the overall economic situation. We are well positioned to handle a possible consolidation in economic growth, as predicted by many experts for the coming year.

- with a record order backlog,
- with a competitive product portfolio,
- with a significantly lower and more flexible cost structure and
- with long-term financing secured for our business.

Yours truly,

Till Reuter

Dr. Till Reuter
CEO

MANAGEMENT REPORT

ECONOMIC ENVIRONMENT

EUR debt crisis weighs on economic outlook

At the beginning of the third quarter of 2011, the economic environment was still poised for growth. Nevertheless, the uncertainty in the financial markets about future economic growth prospects resulted in lowered expectations for real economic growth in Q4 / 2011 and 2012. In their fall reports, the leading economic research institutes reduced their growth forecasts for Germany for the current year and next year accordingly.

Car production exceeds pre-crisis levels

Contrary to the general uncertainty and slumping growth rates, the automotive industry remains extremely robust. The German automotive sector continues to benefit from the high demand, particularly for exports, but also in Germany. Domestic production in the first nine months of 2011 was 7 percent higher than the year prior, and reached 4.4 million units, more than before the crisis.

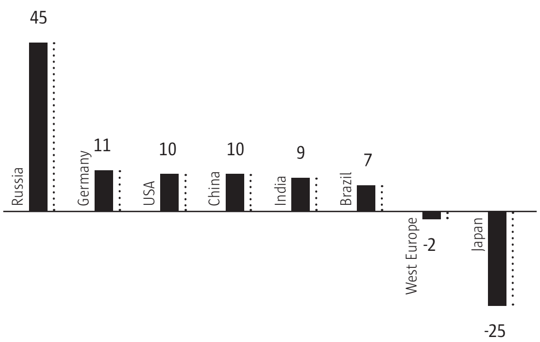
The German manufacturers in the premium segment benefited especially from this delightful growth. Audi, BMW and Mercedes all reported above average growth rates compared to the overall market in the first nine months of the current year. Most of the sales were in China and the United States.

Strong orders received in the mechanical engineering industry

The German mechanical and plant engineering sector was also very robust during the summer months. According to the German Engineering Federation (VDMA), real year-over-year orders received growth in this sector in the first nine months of this year reached 18 percent. In the first six months of the year, orders received were up 23 percent compared to last year because of the significantly lower reference levels of the prior year. For 2011 overall, VDMA expects production growth to rise 14 percent.

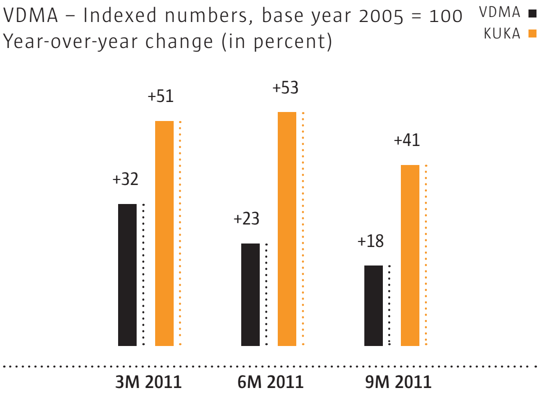
CAR SALES JAN. - SEPT. 2011 REGIONS / COUNTRIES

Year-over-year change (in percent) Source: VDA



ORDERS RECEIVED MECHANICAL AND PLANT ENGINEERING SECTOR

VDMA – Indexed numbers, base year 2005 = 100
Year-over-year change (in percent)

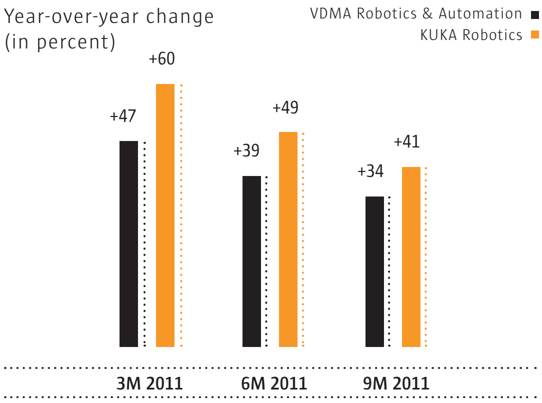


Robotics market growth strong

The international robotics industry recovered from the demand slump triggered by the worldwide economic conditions within one year and continued on its strong growth path during the current business year. In its most recent forecast for 2011, the International Federation of Robotics (IFR) is forecasting further overall growth in worldwide sales of industrial robots of 18 percent to about 139,300 units. From 2012 to 2014, the IFR is expecting average growth to be 6 percent (source: World Robotics 2011).

This growth is being driven mainly by the automotive industry, which is now increasingly investing in new manufacturing technologies, manufacturing capacities and modernizing its production facilities. At the same time, the electronics industry also used significantly more industrial robots. Regionally, Chinese growth remains very robust and the nation has already opened up to the world's leading robotics exporting nations of Japan, Korea and North America.

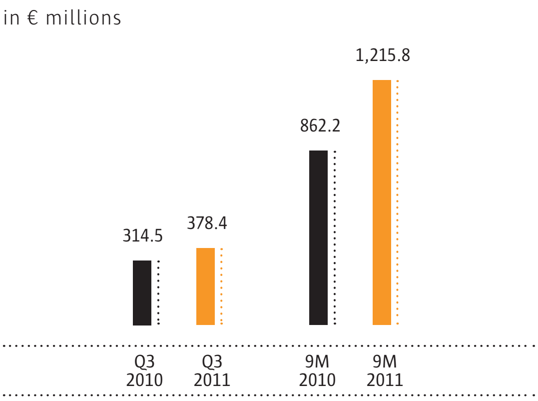
ROBOTICS – ORDERS RECEIVED



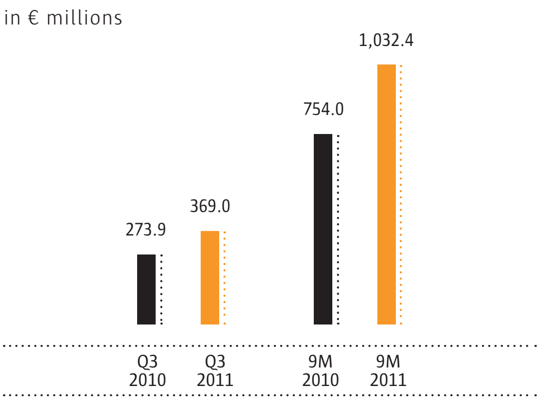
BUSINESS PERFORMANCE

The strong demand for capital goods associated with robot-based automation remained steady, especially from the automotive industry. As a result, KUKA Group was again able to report **strong orders received** in the third quarter of 2011. They came in at a high EUR 378.4 million, 20.3 percent above the result at the end of nine months in 2010. The Robotics division posted another record in the third quarter. Orders received came in at EUR 174.8 million, a similar level to the records posted in the two previous quarters. The Systems division's orders received were also high at EUR 209.3 million, 7.0 percent more than the year prior. This delightful growth was driven by the international automotive industry. A number of German carmakers and major automotive subsuppliers ordered machines and systems for their world-wide manufacturing facilities. As in previous quarters, the divisions focused on winning profitable orders. Third-quarter capacity utilization in the divisions was excellent – they were working close to maximum capacity. In the first nine months of 2011, KUKA Group's total consolidated orders received came in at EUR 1,215.8 million, up 41.0 percent from the EUR 862.2 million posted after the first nine months of 2010.

KUKA GROUP – ORDERS RECEIVED



KUKA GROUP – SALES REVENUES



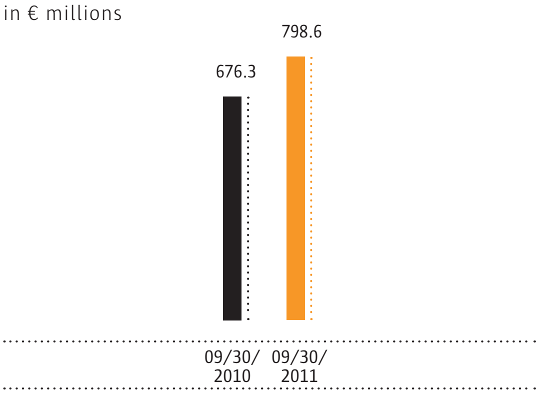
Driven by the strong demand, KUKA Group's **sales revenues** during the current year rose quarter by quarter and reached EUR 369.0 million in the third quarter of 2011, a new record. Both business divisions contributed to this growth. Robotics' third-quarter 2011 posting of EUR 165.6 million represents a new record and is 39.6 percent higher than the EUR 118.6 million reported in the third quarter of 2010. The Systems division's sales revenues of EUR 208.0 million were also very high. Only twice before were higher third-quarter numbers reported: in Q4 / 2010 and Q3 / 2008. As a result of the high orders received, the book-to-bill ratio remained above 1 at 1.03, despite the high billings in the third quarter of 2011. In the first nine months of 2011, KUKA Group's cumulative consolidated sales revenues came in at EUR 1,032.4 million, which is 36.9 percent higher than the EUR 754.0 million reported after the first nine months of 2010.

As of September 30, 2011, KUKA Group's **order backlog** totaled EUR 798.6 million, 1.4 percent above the record EUR 787.3 million posted at the end of the prior quarter, June 30, 2011. The backlog is 18.1 percent higher than the EUR 676.3 million backlog reported on September 30, 2010, the prior year's corresponding record date. This is making it easier for both divisions, both Robotics (excluding blanket orders) and Systems, to budget for the 2012 financial year.

In the third quarter of 2011, KUKA Group generated **earnings before interest and taxes (EBIT)** of EUR 19.2 million, versus EUR 8.3 million in Q3 / 2010. EBIT margin improved further from the prior quarters and at 5.2 percent for Q3 / 2011, surpassed the 5 percent threshold for the reporting period. The Robotics division contributed EUR 14.3 million with an EBIT margin of 8.6 percent to the Group's consolidated EBIT in the third quarter, despite a significantly higher share of sales to the automotive sector. The Systems division's profit contribution in the third quarter of 2011 was EUR 7.9 million at an EBIT margin of 3.8 percent, the same as for the two prior quarters. In the first nine months of 2011, KUKA Group's EBIT was EUR 50.3 million, which compares to EUR 13.3 million at the end of nine months in 2010. EBIT margin was 4.9 percent versus 1.8 percent at the end of Q3 / 2010. The Robotics division contributed EUR 36.2 million at 8.0 percent. The Systems division's EBIT in the first nine months of 2011 totaled EUR 22.9 million at a margin of 3.8 percent.

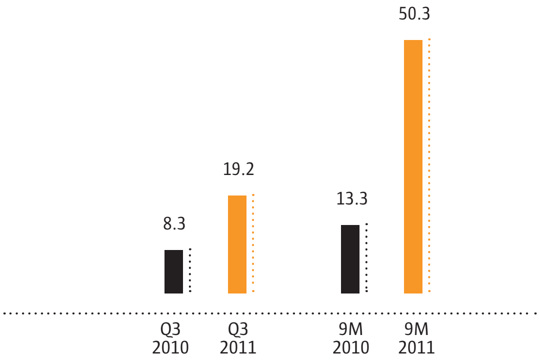
KUKA GROUP – ORDER BACKLOG

in € millions



KUKA GROUP – EBIT

in € millions



DIVISIONS

ROBOTICS

KEY FIGURES

in € millions	3rd Quarter 2010	3rd Quarter 2011	Change	9 Months 2010	9 Months 2011	Change
Orders received	137.7	174.8	26.9%	384.1	541.1	40.9%
Order backlog (09/30)	165.3	237.1	43.4%	165.3	237.1	43.4%
Sales revenues	118.6	165.6	39.6%	317.6	451.2	42.1%
Gross profit	32.3	44.8	38.7%	85.2	133.6	56.8%
in % of sales revenues	27.2%	27.1%	–	26.8%	29.6%	–
Earnings before interest and taxes (EBIT)	7.2	14.3	98.6%	13.4	36.2	>100%
in % of sales revenues	6.1%	8.6%	–	4.2%	8.0%	–
Earnings before interest, taxes, depreciation and amortization (EBITDA)	9.6	17.4	81.3%	20.9	45.7	>100%
in % of sales revenues	8.1%	10.5%	–	6.6%	10.1%	–
Employees (09/30)	2,249	2,688	19.5%	2,249	2,688	19.5%

The Robotics division reported **orders received** of EUR 174.8 million in the third quarter of 2011. This is another record and close to that of the prior two quarters: all-time highs reached in Q2 / Q1 2011 were EUR 183.2 million and EUR 183.1 million respectively. This delightful growth was driven primarily by the automotive and service segments.

KUKA Robotics received major orders from the automotive sector in the third quarter of 2011, including the delivery of 800 industrial robots to China and 500 units destined for Belgium and Spain (see also press releases dated September 27 and 28, 2011).

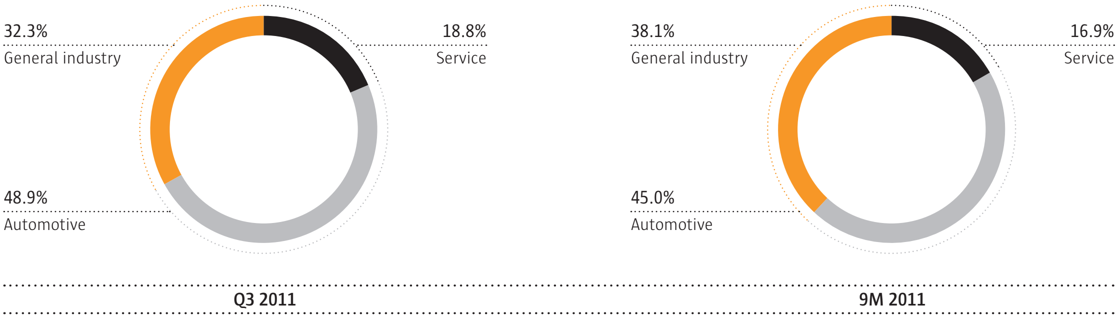
ORDERS RECEIVED BY SEGMENT

in € millions	3rd Quarter 2010	3rd Quarter 2011	Change	9 Months 2010	9 Months 2011	Change
Automotive	60.3	85.4	41.6%	170.7	244.0	42.9%
General industry	52.6	56.5	7.4%	144.2	205.9	42.8%
Service	24.8	32.9	32.7%	69.2	91.2	31.8%
Total of orders received	**137.7**	**174.8**	**26.9%**	**384.1**	**541.1**	**40.9%**

Overall, the division had orders received of EUR 85.4 million from the automotive industry in the third quarter of 2011, which compares to EUR 60.3 million in Q3 / 2010. Orders from general industry were again high at EUR 56.5 million. In Q3 / 2010 they came in at EUR 52.6 million.

ORDERS RECEIVED BY SEGMENT

in percent of total

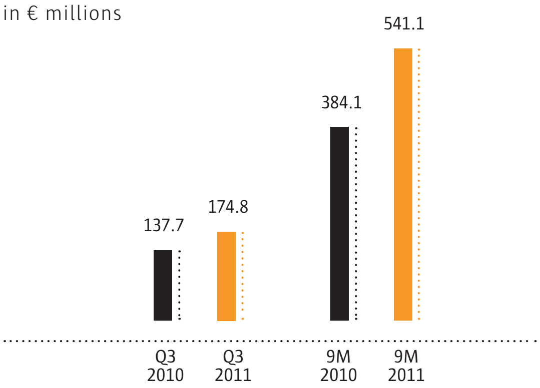


As of September 30, 2011, the division had booked orders totaling EUR 541.1 million, more than the bookings for the entire 2010 financial year after just nine months. The increase over the EUR 384.1 million posted after nine months in 2010 is 40.9 percent. The Robotics division has thus not only posted new records in the individual quarters, but also on a cumulative basis.

In the third quarter of 2011, **sales revenues** reached EUR 165.6 million, 39.6 percent higher than the EUR 118.6 million achieved during the third quarter of 2010. The production level of 10,000 robots for this financial year had already been reached by the end of the third quarter. Sales in the first nine months of 2011 were also higher than last year, coming in at EUR 451.2 million or 42.1 percent above the EUR 317.6 million achieved after nine months in 2010. The book-to-bill ratio remained high at 1.20. Accordingly, **order backlog** was again higher than at the end of the prior quarter and closed at EUR 237.1 million on the September 30, 2011 record date. This compares to EUR 165.3 million on September 30, 2010. The division's order backlog going into the next quarters is thus significantly higher than last year.

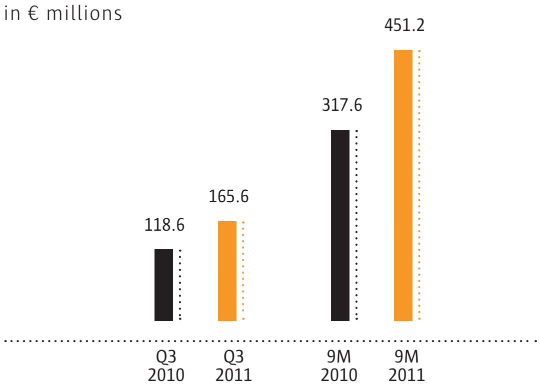
ROBOTICS – ORDERS RECEIVED

in € millions



ROBOTICS – SALES REVENUES

in € millions



The Robotics division generated **earnings before interest and taxes (EBIT)** of EUR 14.3 million in the third quarter of 2011, versus EUR 7.2 million in Q3 / 2010. This increase was driven primarily by economies of scale resulting from the significantly higher capacity utilization. Currency exchange factors and improved price realization in the automotive segment also impacted positively on the results. During this period, EBIT margin was 8.6 percent versus 6.1 percent during the prior year's same quarter. In the first nine months of 2011, EBIT rose to EUR 36.2 million, compared to EUR 13.4 million after nine months in 2010. EBIT margin was reported at 8.0 percent versus 4.2 percent the year prior.

During the third quarter, Robotics upgraded and expanded its sales and service network. The division established a Turkish sales and service branch, which adds the Eastern Mediterranean region to the Southern Europe region. These will in future be managed by KUKA Roboter CEE.

Service robotics drives development of human-centered robots

The dominant topics in the development of service robots are currently the cooperation of humans and machines and the application of open source software. These are the conclusions of one of the most important international robotics conferences, the IROS (International Conference on Intelligent Robots and Systems), which was attended by 1,400 delegates and was held from September 25 – 30, 2011 in San Francisco, California.

The fundamental technological device required for human-centered robots is the intelligent motion sensor – it ensures that humans and machines are able to cooperate safely. Among other things, KUKA Laboratories presented a JediBot at IROS 2011. Developed jointly with Stanford University, the robot is equipped with a camera and wields a light saber. The use of state-of-the-art motion sensors and open source software have led to a surge in development projects. Many solutions are already technically mature according to Prof. Henrik I. Christensen, KUKA Chair of Robotics at Georgia Tech in Atlanta, Georgia. Christensen says that what is needed now is to boost investment in the development of markets for lightweight robots.

SYSTEMS

KEY FIGURES

in € millions	3rd Quarter 2010	3rd Quarter 2011	Change	9 Months 2010	9 Months 2011	Change
Orders received	195.6	209.3	7.0%	524.6	687.9	31.1%
Order backlog (09/30)	527.6	567.7	7.6%	527.6	567.7	7.6%
Sales revenues	172.1	208.0	20.9%	476.0	607.0	27.5%
Gross profit	17.8	22.1	24.2%	52.3	66.1	26.4%
in % of sales revenues	10.3%	10.6%	–	11.0%	10.9%	–
Earnings before interest and taxes (EBIT)	4.9	7.9	61.2%	12.5	22.9	83.2%
in % of sales revenues	2.8%	3.8%	–	2.6%	3.8%	–
Earnings before interest, taxes, depreciation and amortization (EBITDA)	8.8	10.1	14.8%	19.7	29.8	51.3%
in % of sales revenues	5.1%	4.9%	–	4.1%	4.9%	–
Employees (09/30)	3,409	3,591	5.3%	3,409	3,591	5.3%

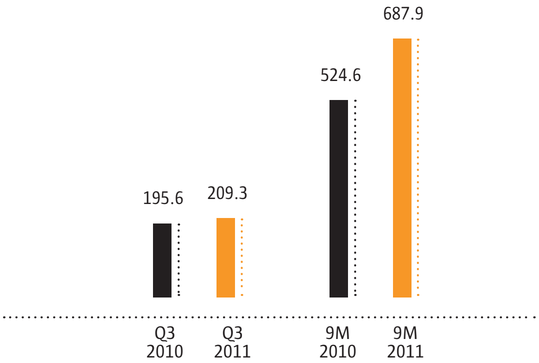
During the reporting period, the project business remained strong, particularly with the automotive industry. The Systems division reported **orders received** of EUR 209.3 million in the third quarter of 2011, higher than the EUR 195.6 million reported in Q3 / 2010. During the reporting period, KUKA Systems received various major orders, including one for the automation of the car body assembly line in a Spanish factory, and one for a special welding process using Magnetarc and friction welding systems. The latter was valued in the double-digit million range (see also press releases dated October 20, 2011 and September 14, 2011, as well as explanations regarding the special welding process). But the assembly and test equipment unit and plant construction for general industry unit also reported higher numbers in the third quarter of 2011 than the year before.

Brazil is a key market for KUKA. It is one of the fastest-growing emerging nations and already today, its car market is the world's fifth largest. Even during the 2008 / 09 crisis, demand remained largely stable. Experts are forecasting total sales of five million vehicles for the year 2015, almost as many as are currently sold in Germany and Italy combined. In emerging nations such as Brazil, carmakers are forced to manufacture and procure parts for a significant percentage of the complete car locally in order to reduce import duties and meet the lower market price levels. VW already has four factories in Brazil and plans to invest an additional EUR 3.4 billion to further expand its plants over the course of the next five years. Daimler makes both C-Class sports coupes and trucks in Brazil. BMW is also planning to build its first assembly plant in Sao Paulo.

Overall, the division's orders received in the first nine months of 2011 came in at EUR 687.9 million, 31.1 percent higher than the EUR 524.6 million reported after nine months in 2010. Systems is currently working at close to its capacity limit. At the same time, the division is consistently adhering to the strategy of prioritizing profitability when it comes to winning orders.

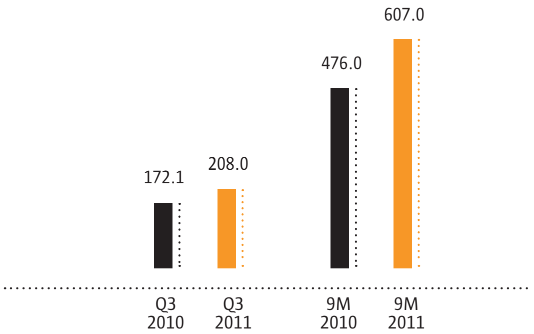
SYSTEMS – ORDERS RECEIVED

in € millions



SYSTEMS – SALES REVENUES

in € millions



The Systems division reported **orders received** of EUR 208.0 million in the third quarter of 2011, sharply higher than the EUR 172.1 million posted in Q3 / 2010. At EUR 607.0 million after nine months in 2011, **sales revenues** for the current year were also higher than the year prior, up 27.5 percent from the EUR 476.0 million reported after nine months in 2010. The book-to-bill ratio in the third quarter was largely unchanged; thus the division's **order backlog** of EUR 567.7 million as of September 30, 2011 was also almost the same as the high level of EUR 565.2 million recorded at the end of the prior quarter on June 30, 2011.

In the third quarter of 2011, Systems generated an **EBIT** of EUR 7.9 million, which compares to EUR 4.9 million for Q3 / 2010. EBIT margin came in at 3.8 percent, the same as for the prior two quarters. The Systems division is currently further expanding its Asian (especially China) and American (especially Brazil and Mexico) locations in order to be able to take better advantage of local procurement and order processing in these regions in the future. The current year's strong growth is now being driven by even higher value added components, especially from Europe and the United States, as well as orders from emerging markets. In the first nine months of 2011, the division's EBIT rose to EUR 22.9 million, which compares to EUR 12.5 million after nine months in 2010. EBIT margin was reported at 3.8 percent versus 2.6 percent at the end of nine months in 2010.

Systems is expanding its business in India. The division founded its own subsidiary in Pune, India in 2006. This office is now able to handle the entire process, from order procurement to order processing, to some extent. Presently the division has ninety-three of its own employees in India. The main purchasers are automotive sector customers such as Daimler, GM and VW, but also increasingly local players such as Tata Motors and Mahindra & Mahindra. Going forward, the division plans to expand the location and add depth to the value added chain. Another goal is to increase the share of business from general industry.

About Magnetarc welding:

Magnetarc welding was developed by KUKA Systems and is a pressure welding process that relies on a magnetically driven arc in an inert gas environment.

Profiles with walls between 0.7 and 10 mm thick can be joined using this process. Suitable materials are electrically conductive and fusible, such as carbon steel and low-alloy steels, free-cutting steels, steel castings and malleable cast iron. This process is also ideal for joining combinations of these materials.

About friction welding:

Friction welding is distinguished by its speed, reliability and low cost. More than anything else, this process can be used to join more materials and combinations of materials than any other welding process. Other technical advantages that make friction welding a favorite include: uncompromising weldability of high-tech materials, unparalleled joint quality and short cycle times.

EARNINGS, FINANCIAL AND ASSETS SITUATION

Earnings

In the first nine months of 2011, KUKA Group generated **sales revenues** of EUR 1,032.4 million, 36.9 percent more than the EUR 754.0 million achieved the year prior. **Gross profit on sales** was up disproportionately, rising 44.0 percent or EUR 63.0 million, and ending at EUR 206.1 million. The Group's **gross margin** rose accordingly and was up one percentage point to 20.0 percent. This growth was again driven by the Robotics division. Due to economies of scale, gross margin was up 2.8 percentage points to 29.6 percent on increased sales of 42.1 percent. The Systems division's gross margin of 10.9 percent for the first nine months of 2011 is the same as last year during the same period. However, this includes the higher financing component for manufacturing costs. Adjusted for this factor, gross margin rose slightly from 11.7 percent to 11.8 percent.

Overhead costs came in at EUR 161.5 million versus EUR 133.1 million at the end of nine months in 2010. In absolute terms, sales costs rose EUR 10.9 million to EUR 70.4 million, but in relation to sales, they fell to 6.8 percent from 7.9 percent. KUKA is an engineering company and as a result continues to invest in research and development. Here costs have risen from EUR 22.1 million to EUR 29.4 million due to the budgeted expansion of these activities, for both industrial and advanced robotics. In addition, internally generated intangible assets valued at EUR 4.3 million were capitalized during the period under review, more than the prior year's EUR 1.2 million. The impact of currency exchange rates shows up especially in the change in other operating expenses and income. The expense here was EUR 3.1 million for the first nine months of 2011, compared to income of EUR 2.6 million in the comparable prior year's period.

Overall **operating profit** for the first nine months of this year was EUR 44.6 million, which compares to EUR 10.0 million in the first nine months of 2010. Adjusted for financing costs of EUR 5.7 million included in operating profit, up from EUR 3.3 million the year prior, **earnings before interest and taxes (EBIT)** were positive at EUR 50.3 million. This compares to the prior year's EUR 13.3 million. EBIT margin was 4.9 percent versus 1.8 percent the year prior. Both divisions contributed to the increase. The Systems division was able to improve its EBIT from 2.6 percent to 3.8 percent and the Robotics division from 4.2 percent to 8.0 percent. The Robotics division further improved its EBIT margin over the prior quarter of 2011. In Q3 / 2011 it was 8.6 percent and in Q2 / 2011 it was 8.0 percent. The Systems division's EBIT margin was 3.8 percent, the same as in the second quarter.

GROUP CONSOLIDATED INCOME STATEMENT (CONDENSED)

in € millions	9 Months 2010	9 Months 2011	Change
Sales revenues	754.0	1,032.4	36.9%
EBIT	13.3	50.3	>100%
EBITDA	30.4	69.1	>100%
Financial results	-15.1	-13.5	-10.6%
Taxes on income	-5.4	-10.8	100.0%
Net result	-10.5	20.3	–

EBITDA (earnings before interest, taxes and depreciation) came in at EUR 69.1 million, more than twice the result of EUR 30.4 million achieved during the same period the year prior. Total depreciation during the reporting period was EUR 18.8 million versus EUR 17.0 million at the same time last year. Of this total, the Robotics division's share was EUR 9.5 million, which compares to EUR 7.5 million a year earlier. The Systems division accounted for EUR 6.9 million, versus EUR 7.1 million the year prior, and the remaining area's share was EUR 2.4 million.

Net interest expense was EUR -13.5 million. This is an improvement of EUR 1.6 million compared to the year prior and includes EUR 14.0 million of interest expense for the bond issued in November 2010. The amount included for the convertible bond was EUR 3.9 million, the same as the year prior. More favorable guarantee conditions resulted in a reduction of EUR 1.4 million in guarantee fees from last year, despite having made greater use of the credit lines for LCs as a result of the booming business. Accounting-related reclassification of financing charges into operating profit had a positive impact on the net interest result. In Q3 / 2011 it came in at EUR 5.7 million versus EUR 3.3 million in Q3 / 2010. The share of interest for pensions was EUR 2.4 million compared to EUR 2.7 million last year. Also included is interest income associated with the financing lease for the KTPO pay-on-production contract in the United States.

Earnings before taxes (EBT) in the first nine months of the current financial year totaled EUR 31.1 million, compared to EUR -5.1 million in the first nine months of 2010. Taxes paid during the period under review totaled EUR 10.8 million, versus EUR 5.4 million last year at the same time. The tax rate is 34.7 percent. Tax loss carry-forwards among the German consolidated companies were reduced as planned based on the positive earnings contributions.

In total, KUKA Group’s **earnings after taxes** in the first nine months of 2011 jumped to EUR 20.3 million from EUR -10.5 million last year. Earnings per share improved accordingly, going from EUR -0.36 to EUR 0.61.

Financial position

The significant improvement in the earnings situation is reflected in **cash earnings**, which consist of earnings after taxes adjusted for cash-neutral depreciation on fixed assets and intangible assets and other income and expenses impacting cash. These came in at EUR 50.1 million, 39.4 million higher than the comparable prior year’s number of EUR 10.7 million.

Cash flow from operating activities was EUR -16.3 million, which compares to EUR -31.9 million in the first nine months of 2010. This reflects the steady increase in working capital as a result of the very satisfactory business growth that continued into the third quarter. Trade working capital rose EUR 78.0 million as of June 30, 2011, and a further increase of EUR 16.7 million was recorded as of September 30, 2011. The total increase for the first nine months of 2011 is thus EUR 94.7 million (receivables EUR +88.1 million, inventories EUR +45.3 million, offsetting trade payables EUR +38.7 million). Payables from manufacturing orders were posted at EUR 67.7 million, EUR 28.1 million higher than the number reported on December 31, 2010. The other liabilities, EUR +15.8 million, were attributable mainly to the personnel area (e.g., flexible work time and untaken vacation). As a result of the significantly improved cash earnings, cash flow from operating activities improved to EUR -16.3 million, despite the investment in working capital of EUR -39.1 million during the prior year’s comparable quarter due to the business performance situation.

CONSOLIDATED CASH FLOW (CONDENSED)

in € millions	9 Months 2010	9 Months 2011	Change
Cash Earnings	10.7	50.1	>100%
Cashflow from operating activities	-39.1	-16.3	58.3%
Cashflow from investing activities	-6.6	-16.8	>100%
Free Cashflow	-45.7	-33.1	27.6%

The company invested EUR 17.3 million in the first nine months of 2011 compared to EUR 8.0 million in the first nine months of 2010. This reflects the increased investment in research and development and the associated increase in the intangible assets’ share of investments. These are now at 38.7 percent compared to 22.5 percent at the nine-month mark of 2010 (see also under “Research and Development” in this report). Income from asset retirement during the reporting period was EUR 0.5 million versus EUR 1.4 million the year prior. **Cash flow from investments** was thus EUR -16.8 million compared to EUR -6.6 million the year prior.

The improved cash flow from operating activities plus cash flow from investment activities resulted in a **free cash flow** of EUR -33.1 million, which compares to last year’s EUR -45.7 million. Free cash flow was positive for the first time in the third quarter at EUR 1.9 million. In Q2 / 2011 it was EUR -35.0 million and in Q1 / 2011 it was EUR -3.5 million

The cash flow from **financing activities** was primarily generated from two sources. The sale of treasury shares in May 2011 produced a cash inflow of EUR 23.7 million. In addition, KUKA bought back EUR 15.1 million in convertible bonds via the stock market at an average cost of 100.5 percent plus accrued interest. The year prior, there was a capital increase that resulted in a cash injection of EUR 42.8 million. Overall, cash flow from financing activities during the reporting period was EUR 10.5 million, which compares to EUR 24.3 million the year prior.

As of September 30, 2011, KUKA Group had **cash and cash equivalents** totaling EUR 179.7 million compared to EUR 41.5 million as of September 30, 2010. Of this amount, EUR 54.1 million are earmarked to repay the convertible bond, which comes due in November 2011. The substantial increase in cash and cash equivalents compared to the prior year's record date is primarily due to the cash injection from the bond placed in November 2010.

The Group's **net debt**; that is, liquid assets minus current and non-current financial liabilities was EUR 79.9 million on September 30, 2011. This is EUR 19.6 million higher than on December 31, 2010, or EUR 15.5 million greater than on the prior year's comparable record date. However, the Group's financing structure has improved substantially, especially with respect to the maturity dates.

Net worth

On the **asset side** of the balance sheet, non-current assets were down EUR 10.0 million from their December 31, 2010 level. Aside from the EUR 2.5 million decline in fixed assets, this is especially driven by the lower receivables from the finance lease associated with the earlier redemption of the financing for the KTPO pay-on-production contract.

Current assets were sharply higher, especially receivables related to manufacturing orders and inventories. Further details are provided in the financial position section. The increase in business volume and associated increased material procurement is also reflected in the increase in other assets, which is primarily driven by value-added tax. Overall, current assets as of September 30, 2011 were EUR 814.6 million, EUR 126.5 million higher than on December 31, 2010.

As of the September 30, 2011 record date, KUKA Group's **total balance sheet** rose from EUR 984.7 million to EUR 1,101.2 million, up EUR 116.5 million or 11.8 percent.

In the first nine months of 2011, **equity** rose from EUR 198.1 million to EUR 240.7 million. Both the earnings after taxes of EUR 20.3 million and the sale of treasury shares valued at EUR 23.7 million had a positive impact. These gains were offset by foreign currency effects of EUR 0.2 million and actuarial results of EUR 0.7 million in connection with pension obligations. The equity ratio is now 21.9 percent, compared to 20.1 percent on December 31, 2010.

The financial liabilities relate mainly to the convertible bond due in November 2011 and the corporate bond, which matures in November 2017.

Current liabilities rose from EUR 491.7 million on December 31, 2010 to EUR 568.0 million on September 30, 2011, driven mainly by the aforementioned increase in trade payables and payables related to manufacturing orders.

KUKA Group's **working capital** has risen steadily from EUR 84.8 million at the close of 2010 to EUR 141.6 million as of September 30, 2011, EUR 6.5 million higher than at the end of the last quarter. Further information hereto is outlined in the financial position section.

GROUP ASSETS

in € millions	12/31/2010	09/30/2011	Change
Total assets	984.7	1,101.2	11.8%
Equity	198.1	240.7	21.5%
in % of total assets	20.1%	21.9%	–
Net debts	60.3	79.9	32.5%

RESEARCH & DEVELOPMENT

KUKA Group's R&D expenses rose from to EUR 29.4 million for the first nine months of 2011, up 33.0 percent from the EUR 22.1 million for the first nine months of 2010. Most of the increased spending was on trendsetting technological innovations, particularly in the industrial and advanced robotics areas.

As reported at the end of the first half of the financial year, about 97 percent of the R&D expenses are attributable to the Robotics division. The Systems division's R&D expenses relate mainly directly to in-house orders from customers.

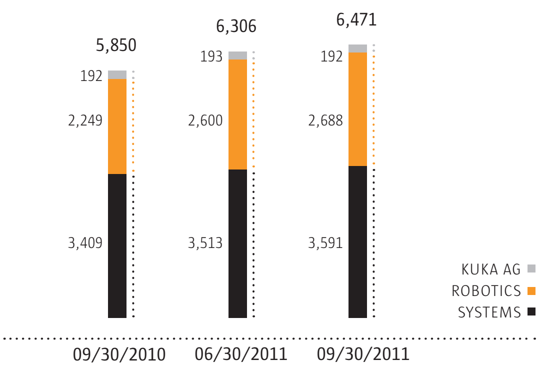
At the EMO 2011 trade fair in Hanover in September, the Robotics division presented new machine tool automation solutions. When robots are integrated into the process flow, palettes and work pieces of any size can be loaded, unloaded and machined. In addition, the new software product, KUKA.CNC, makes it possible to program robots directly using CNC programs that meet DIN 66025 specifications. Furthermore, KUKA.SafeOperation software provides operator protection. The robot's controller can now monitor its speed and position, eliminating the need for protective barriers. In June 2011, KUKA Robotics presented the foundry versions KR 120, KR 180 and KR 210 of its new QUANTEC generation of robots at GIFA, the trade fair for foundries held in Düsseldorf. The three robot types are especially designed for use in foundries and are able to withstand the extreme temperatures and high level of contamination.

At Inter Airport Europe, held from October 11-14, 2011 in Munich, KUKA Robotics showcased its omniMove vehicle with the new Triple-lift platform. The omniMove design permits unrestricted maneuvering in extremely tight spaces thanks to its omnidirectional wheels. The Triple-lift version of this vehicle permits infinite height adjustment of the working platform to as high as eight meters, making it easy and safe to work at the heights required for aircraft assembly work. KUKA Systems also presented new automation solutions for the aerospace industry at the Aerotech trade fair in Toulouse, France, which was held from October 18-21, 2011. The exhibits highlighted flexible cells to check the quality of drilled holes, cells with automatic tool swapping for surface treatment as well as fully automated drilling and riveting of components for aircraft wings. Finally, KUKA Systems presented automated processing tools for manufacturing photovoltaic modules at the Solar Power International trade show in Dallas, Texas from October 17 -20, 2011. They can be used to develop scalable manufacturing lines that combine maximum flexibility and cost benefits. The process tools can be used in both semi-automated production cells and fully automatic manufacturing systems.

EMPLOYEES

Due to the sharply higher business volume in both divisions, KUKA Group again hired additional staff in the third quarter of 2011. Overall, KUKA Group's workforce went from 5,850 at the end of September 2010 to 6,471 at the end of September 2011; this represents an increase of 10.6 percent, or 621 persons. Of these, 439 employees were added to the Robotics division's payroll. The business unit expanded its capacity mainly at the control panel facility in Hungary and key central departments in Augsburg. In total, the division had 2,688 employees at the end of September 2011. The number of employees in the Systems division increased by 182, going from 3,409 as of September 30, 2010 to 3,591 on September 30, 2011.

KUKA GROUP EMPLOYEES



KUKA Group added 165 employees to the total at the half-year mark in the third quarter of 2011. This increase was shared by both divisions, which each added thirty-nine of their own employees, particularly in low-wage countries. In Germany and other high-wage countries, the core workforce was expanded very conservatively and increases occurred mainly in manufacturing and in R&D. As of September 30, 2011, KUKA Group had 220 apprentices, nine more than in the prior year's comparable quarter.

The number of part-time workers employed by KUKA Group in the third quarter was down by sixty-six from the prior quarter, to 1,052 from 1,118 as of June 30, 2011. This is primarily due to the differences in percentage of completion of projects and contracts. In comparison to the 753 workers at the close of last year's third quarter on September 30, 2010, KUKA currently employs 40 percent more part-time staff.

Thirty-nine new apprentices start their careers at KUKA

On September 1, 2011, thirty-nine apprentices started their careers at KUKA companies in Augsburg. The majority of the graduates from various schools chose industrial trades in mechatronics, industrial mechanics and electronics for automation systems. Several of the new apprentices also started as industrial and freight forwarding administrators, as well as enrolling in a dual course of studies in mechatronics.

KUKA top employer in automotive

The CRF Institute nominated KUKA AG as a top employer in automotive for 2011 / 12 at the IAA international car show in Frankfurt in September 2011. The prize winners are among Germany's automotive industry employers with a very strong focus on the future. According to the CRF Institute's research, the performance of these companies is above average, particularly in the areas of innovation management, career opportunities, primary and secondary benefits, as well as training and personnel development.

RISK MANAGEMENT

The events in Japan on March 11, 2011 have had no negative impact on KUKA Group's results during the first nine months of 2011. Neither do we currently foresee any impact on the business operations for the remainder of the current financial year. Aside from these developments, there has been no material change in KUKA Group's risk situation compared to the second quarter of 2011 or since the end of the 2010 financial year. Please refer to pages 66 and following of the detailed risk report in the 2010 annual report in this regard.

OUTLOOK

In fiscal 2010, KUKA charted a course for profitable growth. As the world economy recovers further, we continue to expect sharply rising sales revenues at the Group level for the 2011 year overall, as well as operating profit (EBIT) growth that exceeds sales growth following the successful completion of the cost reduction program and driven by economies of scale.

Based on this general economic framework, KUKA Group expects sales revenues of at least EUR 1.2 billion for the 2011 financial year. Assuming unchanged general conditions, we expect to reach about EUR 1.35 billion. Higher operational capacity utilization and an improved sales mix with a greater share of general industry business, plus a lower operational breakeven point, should lead to an EBIT margin of at least 5 percent in 2011.

KUKA AND THE CAPITAL MARKET

KUKA shares upgraded to MDAX

During its regularly scheduled review of the composition of the stock indices, Deutsche Börse decided to transfer KUKA shares to the MDAX (index of German medium-size listed companies) effective September 19, 2011. KUKA shares were listed on the SDAX, the index for smaller listed companies, up until that day. The reason for the upgrade is the relative strength of KUKA AG with respect to free market capitalization and share volume traded on the stock exchange. These are decisive factors for an MDAX listing.

Debt crisis weighs on stock markets

The European debt crisis is why the markets saw significant declines in share prices during the third quarter of 2011. The uncertainty, especially concerning the ability of certain European nations to pay their debts going forward and the potential negative impact on the banking sector, was the reason for these developments. Driven by the developments in August and September, the leading German indices, the DAX, MDAX and SDAX plummeted in Q3/2011, falling 26 percent, 24 percent and 21 percent respectively. For the first nine months of 2011, the stock markets performed as follows: DAX -21 percent, MDAX -18 percent and SDAX –18 percent.

The slump also affected companies in KUKA's peer group, which are active in the sectors close to the automotive industry as well as the mechanical and plant engineering sector. Investors fear that the sectors will be more strongly influenced by the weakening world economy. As a result, the stock prices of these companies were down between 12 percent and 43 percent in the third quarter of 2011. The range is 0 percent to -59 percent for the first nine months of 2011.

KUKA shares decline slightly less

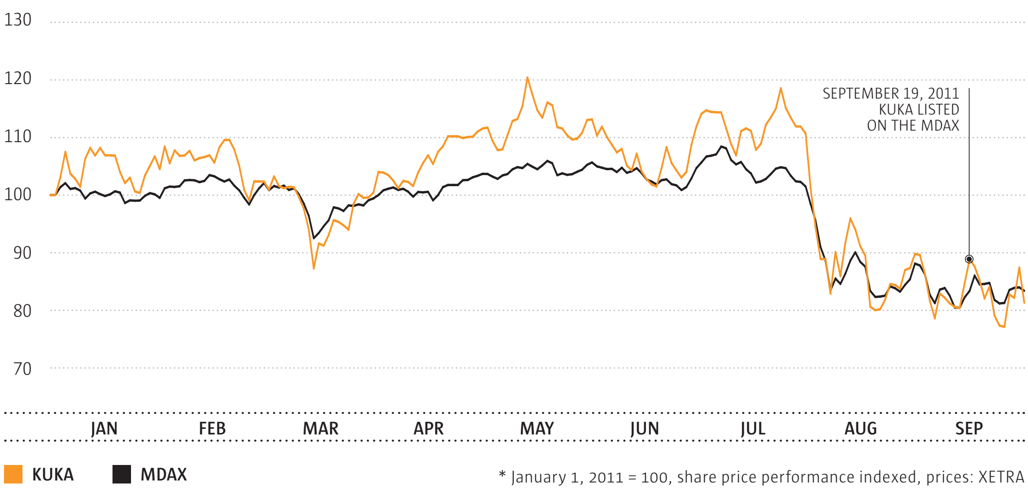
At the beginning of the quarter, KUKA shares continued to rally, extending the trend from the prior months and peaking on July 25, 2011. Because of the uncertainty in the capital markets, KUKA shares could not escape the weak market environment and lost 29 percent during the third quarter of 2011. KUKA's share performance is thus slightly worse than the German indices, but better than the companies in its peer group. For the first nine months of 2011, KUKA's share price was down 21 percent.

Trading volume substantially higher

The average trading volume of KUKA shares on the stock exchange rose from around 115,000 shares in the second quarter of 2011 to 171,000 shares in the third quarter of 2011, an increase of 48.7 percent.

As of September 30, 2011, the free float of KUKA shares including institutional investors is about 75.6 percent. Asbach-Bäumenheim-based Grenzebach Group held 24.4 percent of KUKA shares as of the record date. Deutsche Börse treats these holdings as fixed. In addition, according to their latest notification, the following investors own over 3 percent of KUKA AG's share capital: Oppenheim Asset Management Services S.á.r.l 5.2 percent, Wyser-Pratte 4.7 percent and Allianz Global Investors Kapitalanlagegesellschaft mbH 4.0 percent.

KUKA'S SHARE PRICE PERFORMANCE JANUARY 1 TO SEPTEMBER 30, 2011*



* January 1, 2011 = 100, share price performance indexed, prices: XETRA

INTERIM REPORT (CONDENSED)

GROUP CONSOLIDATED INCOME STATEMENT

in € millions	3rd Quarter 2010	3rd Quarter 2011	9 Months 2010	9 Months 2011
Sales revenues	**273.9**	**369.0**	**754.0**	**1,032.4**
Cost of sales	-221.6	**-300.3**	-610.9	-826.3
Gross profit	**52.3**	**68.7**	**143.1**	**206.1**
Selling expenses	-20.2	-26.5	-59.5	-70.4
Research and development expenses	-7.3	-8.9	-22.1	-29.4
General and administrative expenses	-20.3	-17.6	-57.5	-57.3
Other operating income	5.0	8.5	30.5	28.4
Other operating expenses	-2.9	-7.2	-24.5	-32.8
Result from operating activities	**6.6**	**17.0**	**10.0**	**44.6**
Reconciliation to earnings before interest and taxes (EBIT)				
Financing costs included in cost of sales	1.7	2.2	3.3	5.7
Earnings before interest and taxes (EBIT)	**8.3**	**19.2**	**13.3**	**50.3**
Net interest income	2.2	2.9	6.7	7.5
Net interest expense	-8.2	-6.5	-21.8	-21.0
Financial results	**-6.0**	**-3.6**	**-15.1**	**-13.5**
Earnings before tax	**0.6**	**13.4**	**-5.1**	**31.1**
Taxes on income	-0.8	-4.4	-5.4	-10.8
Net result	**-0.2**	**9.0**	**-10.5**	**20.3**
thereof minority interests in profits	0.0	-0.1	0.0	0.0
thereof shareholders of KUKA AG	0.2	9.1	-10.5	20.3
Earnings per share (diluted/undiluted) in €	**-0.01**	**0.27**	**-0.36**	**0.61**

STATEMENT OF COMPREHENSIVE INCOME

in € millions	3rd Quarter 2010	3rd Quarter 2011	9 Months 2010	9 Months 2011
Earnings after taxes	**-0.2**	**9.0**	**-10.5**	**20.3**
Translation adjustments	-9.0	3.3	4.8	-0.2
Changes of actuarial gains and losses	-3.1	-3.5	-8.1	-1.1
Deferred taxes on changes of acturial gains and losses	0.8	0.9	1.7	0.4
Other comprehensive income	**-11.3**	**0.7**	**-1.6**	**-0.9**
Comprehensive income	**-11.5**	**9.7**	**-12.1**	**19.4**
of which: attributable to minority interests	0.0	-0.1	0.0	0.0
of which: attributable to shareholders of KUKA AG	-11.5	9.8	-12.1	19.4

CONSOLIDATED CASH FLOW STATEMENT

in € millions	9 Months 2010	9 Months 2011
Net result	**-10.5**	**20.3**
Depreciation/amortization on intangible assets	5.7	7.6
Depreciation/amortization on tangible assets	11.3	11.2
Other non-payment-related income	-6.8	-2.7
Other non-payment-related expenses	11.0	13.7
Cash Earnings	**10.7**	**50.1**
Result on the disposal of assets	-0.2	0.0
Changes in provisions	-20.8	-21.6
Changes in current assets and liabilities:		
Changes in inventories	-51.8	-45.2
Changes in receivables and deferred charges	-32.4	-109.7
Changes in liabilities and deferred charges (without debts)	55.4	110.1
Cash flow from operating activities	**-39.1**	**-16.3**
Payments from disposals of fixed assets	1.4	0.5
Payments for capital expenditure on intangible assets	-1.8	-6.7
Payments for investments on tangible assets	-6.2	-10.6
Cash flow from investing activities	**-6.6**	**-16.8**
Free cash flow	**-45.7**	**-33.1**
Payment for capital increase	42.8	0.0
Cashinflow from sell of treasury stock	0.0	23.7
Payments for purchase of shares of the convertible bond	0.0	-15.5
Payments for repaying liablities due to banks	-18.5	2.3
Cash flow from financing activities	**24.3**	**10.5**
Payment-related change in cash and cash equivalents	**-21.4**	**-22.6**
Exchange-rate-related and other changes in cash and cash equivalents	1.7	-1.1
Change in cash and cash equivalents	**-19.7**	**-23.7**
(of that net increase/decrease in restricted cash)	0.0	-14.9
Cash and cash equivalents at the beginning of the period	61.2	134.4
Cash and cash equivalents at the end of the period	**41.5**	**125.6**
Restricted cash	0.0	54.1
Cash and cash equivalents acc. to balance sheet	**41.5**	**179.7**

CONSOLIDATED BALANCE SHEET

ASSETS

in € millions	12/31/2010	09/30/2011
Non-Current assets		
Fixed assets		
Intangible assets	76.5	75.3
Tangible assets	85.8	84.5
Financial investments and investments in associates	1.0	1.0
	163.3	**160.8**
Long-term finance lease receivables	**77.8**	**73.7**
Long term tax receivables	**9.0**	**7.6**
Other long-term receivables and other assets	**12.0**	**11.0**
Deferred taxes	**34.5**	**33.5**
	296.6	**286.6**
Current assets		
Inventories	**158.0**	**203.3**
Receivables and other assets		
Trade receivables	125.7	142.0
Receivables from construction contracts	166.1	237.9
Current finance lease receivables	4.1	4.3
Current tax receivables	3.6	2.8
Other assets, prepaid expenses and deferred charges	27.2	44.6
	326.7	**431.6**
Cash and cash equivalents	**203.4**	**179.7**
	688.1	**814.6**
	984.7	**1,101.2**

EQUITY AND LIABILITIES

in € millions	12/31/2010	09/30/2011
Equity	**198.1**	**240.7**
Non-current liabilities, provisions and accruals		
Non-current financial liabilities	192.8	193.9
Other non-current liabilities	13.6	13.2
Pensions and similiar obligations	70.2	69.7
Deferred taxes	18.3	15.7
	294.9	**292.5**
Current liabilities		
Current financial liabilities	70.9	65.7
Trade payables	148.6	187.3
Advances received	49.0	69.4
Liabilities from construction contracts	39.6	67.7
Accounts payable to affiliated companies	0.1	0.0
Other current liabilities and deferred income	14.3	8.2
Provision for taxes	80.3	96.1
Other provisions	88.9	73.6
	491.7	**568.0**
	984.7	**1,101.2**

CHANGES TO GROUP EQUITY

in € millions	Number of shares outstanding	Subscribed capital	Capital reserve	Treasury stock	Revenue reserves: Translation gains/ losses	Revenue reserves: Actuarial gains and losses	Revenue reserves: Annual net income and other revenue reserves	Equity to shareholders	Minority interests	Total
01/01/2011	32,588,091	88.2	75.4	-27.9	-3.0	1.7	62.2	196.6	1.5	198.1
Comprehensive income		0.0	0.0	0.0	-0.2	-0.7	20.3	19.4	0.0	19.4
Capital increase		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cashinflow from sell of treasury stock	1,327,340	0.0	0.0	27.9	0.0	0.0	-4.2	23.7	0.0	23.7
Employees' share programme		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other changes		0.0	-1.7	0.0	0.0	0.0	1.2	-0.5	0.0	-0.5
09/30/2011	**33,915,431**	**88.2**	**73.7**	**0.0**	**-3.2**	**1.0**	**79.5**	**239.2**	**1.5**	**240.7**

in € millions	Number of shares outstanding	Subscribed capital	Capital reserve	Treasury stock	Revenue reserves: Translation gains/ losses	Revenue reserves: Actuarial gains and losses	Revenue reserves: Annual net income and other revenue reserves	Equity to shareholders	Minority interests	Total
01/01/2010	27,932,650	76.1	47.0	-27.9	-9.9	2.1	72.0	159.4	1.4	160.8
Comprehensive income		0.0	0.0	0.0	4.8	-6.4	-10.5	-12.1	0.0	-12.1
Capital increase	4,655,441	12.1	29.9	0.0	0.0	0.0	0.0	42.0	0.0	42.0
Cashinflow from sell of treasury stock		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employees' share programme		0.0	0.0	0.0	0.0	0.0	0.8	0.8	0.0	0.8
Other changes		0.0	0.0	0.0	0.0	1.2	-1.2	0.0	0.0	0.0
09/30/2010	**32,588,091**	**88.2**	**76.9**	**-27.9**	**-5.1**	**-3.1**	**61.1**	**190.1**	**1.4**	**191.5**

NOTES ON THE QUARTERLY REPORT (CONDENSED)

GROUP SEGMENT REPORT

	Robotics		Systems		KUKA AG and other companies		Reconciliation and consolidation		Group	
in € millions	9 Months 2010	9 Months 2011	9 Months 2010	9 Months 2011	9 Months 2010	9 Months 2011	9 Months 2010	9 Months 2011	9 Months 2010	9 Months 2011
Group external sales revenues	278.5	426.1	474.9	606.0	0.6	0.3	-	-	754.0	1,032.4
as a % of Group sales revenues	36.9%	41.3%	63.0%	58.7%	0.1%	0.0%	-	-	100.0%	100.0%
Intra-Group sales	39.1	25.1	1.1	1.0	6.8	7.2	-47.0	-33.3	0.0	0.0
Sales revenue by division	**317.6**	**451.2**	**476.0**	**607.0**	**7.4**	**7.5**	**-47.0**	**-33.3**	**754.0**	**1,032.4**
Result from operating activities	**13.4**	**36.1**	**9.2**	**17.3**	**-18.7**	**-8.7**	**6.1**	**-0.1**	**10.0**	**44.6**
Financing costs included in cost of sales	0.0	0.1	3.3	5.6	0.0	0.0%	-	-	3.3	5.7
Earnings before interest and taxes (EBIT)	**13.4**	**36.2**	**12.5**	**22.9**	**-18.7**	**-8.7**	**6.1**	**-0.1**	**13.3**	**50.3**
as a % of sales revenues of the division	4.2%	8.0%	2.6%	3.8%	-	-	-	-	1.8%	4.9%
as a % of Group external sales revenues	4.8%	8.5%	2.6%	3.8%	-	-	-	-	1.8%	4.9%
EBITDA	**20.9**	**45.7**	**19.7**	**29.8**	**-16.3**	**-6.2**	**6.1**	**-0.2**	**30.4**	**69.1**
as a % of sales revenues of the division	6.6%	10.1%	4.1%	4.9%	-	-	-	-	4.0%	6.7%
as a % of Group external sales revenues	7.5%	10.7%	4.1%	4.9%	-	-	-	-	4.0%	6.7%
Assets (09/30/2011 / 12/31/2010)	249.2	307.5	504.8	575.5	175.8	174.8	-192.1	-177.4	737.7	880.4
Payroll (09/30)	2,249	2,688	3,409	3,591	192	192	-	-	5,850	6,471

IFRS/IAS ACCOUNTING STANDARDS

KUKA Aktiengesellschaft, headquartered in Augsburg, prepared its interim financial statements for the period ending September 30, 2011 in line with the IAS 34 Interim Financial Reporting guidelines as adopted by the European Union. The company elected to prepare a condensed version in accordance with this standard. The condensed interim report should be read in conjunction with the Group's consolidated financial statements to December 31, 2010.

The consolidated financial statements for 2010 were prepared according to the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) 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 approved by the European Union, supplemented by the guidelines stipulated in article 315a, paragraph 1 of the German Commercial Code (HGB).

GROUP OF CONSOLIDATED COMPANIES

A total of forty-eight companies are included in the Group consolidated interim financial statements, three more than on the December 31, 2010 record date. In addition to KUKA Aktiengesellschaft, it includes six companies registered inside Germany and forty-one firms domiciled outside Germany, for which KUKA Aktiengesellschaft either directly or indirectly holds majority voting rights.

In comparison to December 31, 2010, the following companies were founded and added to the scope of consolidation:
- KUKA Robotics (China) Co. Ltd., Shanghai, China
- KUKA ROBOTICS UK LTD, London, United Kingdom and
- KUKA Systems SRL, Sibiu, Romania

The first two companies shown belong to the Robotics segment and the latter to the Systems segment. The change in the scope of consolidation does not impair comparability with the previous year.

ACCOUNTING AND VALUATION METHODS

The same valuation methodology and accounting principles as those used for the consolidated financial statements for the business year ending 2010 were applied in preparing this consolidated interim report, with the exception of the changes described in the following. For further information, please refer to the consolidated financial statements dated December 31, 2010, which form the basis of the interim report presented here. The latter are also available on the Internet at www.KUKA.com.

CHANGES TO ACCOUNTING AND VALUATION POLICIES

The following new standards and interpretations have come become mandatory since the start of the 2011 financial year:

- Amendments to IFRS 1 – limited exemption from comparative IFRS 7 disclosures for first time adopters
- IAS 24 (rev. 2009) – related party disclosures
- Amendments to IAS 32 – classification of rights Issues
- Improvements to IFRSs (2010), *
- Amendments to IFRIC 14 – Prepayments of a Minimum Funding Requirement
- IFRIC 19 – extinguishing financial liabilities with equity instruments

* affects the following standards: IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 21, IAS 28, IAS 31, IAS 34 and IFRIC 13

The new standards and interpretations are not applicable to or have little impact on KUKA's consolidated statements.

EMPLOYEE SHARE PROGRAM

KUKA employees of the German companies were able to acquire KUKA shares as part of an employee share program. Based on a staggered holding period of one, three and five years, employees are credited with a bonus share for every ten KUKA shares purchased. In addition to the subscribed shares, employees were granted an additional 50 percent shares as an incentive. The number of bonus shares available to all employees was capped at 75,000, the same as the year prior. KUKA employees acquired a total of 101,820 shares.

EARNINGS PER SHARE

Undiluted/diluted earnings per share break down as follows:

		9 Months 2010	9 Months 2011
Net result attributable to shareholders of KUKA AG	in € millions	-10.5	20.3
Weighted average number of shares outstanding	shares	29,570,676	33,266,509
Earnings per share	in €	-0.36	0.61

Undiluted earnings per share due to shareholders of KUKA Aktiengesellschaft were calculated as per IAS 33 on the basis of Group consolidated earnings after taxes and the weighted average number of shares outstanding for the year.

In the first nine months of 2010, the weighted average number of shares in circulation was 29.6 million. The corporate action in June 2010 and the sale of treasury shares in May 2011 increased the weighted average number of shares outstanding in the first nine months of 2011 to 33.3 million.

CAPITAL INCREASE IN JUNE 2010

In June 2010, a rights issue consisting of 4,655,441 shares was placed. KUKA Aktiengesellschaft's equity is thus now EUR 88,180,120.60. The recapitalization was implemented by issuing rights with a ratio of 6:1. At an issue price of EUR 2.60 per share, the subscription price was EUR 9.75. The difference between the subscription price and issue price is reported in the capital reserve, taking into account commissions and taxes. After subtracting direct transaction costs, the company received a cash injection of EUR 42.8 million.

The share capital is subclassified into 33,915,431 no-par value bearer shares as of September 30, 2011. Each share is equal to one vote.

SALE OF TREASURY SHARES IN MAY 2011

In 2008, the company bought 1,327,340 of its own shares at a cost of EUR 27,898,339.58. On the basis of the authority granted by shareholders at the Annual General Meeting of KUKA Aktiengesellschaft on April 29, 2010, KUKA Aktiengesellschaft's Executive Board, with the approval of the Supervisory Board, decided to sell these treasury shares on May 11, 2011. UniCredit Bank AG and Joh. Berenberg, Gossler & Co. KG each purchased 50 percent of the shares as joint book runners, and then immediately offered them to institutional investors. The shares were sold for EUR 18.60 each. After deducting the usual commissions, the company received EUR 23,698,328.36.

Following the sale of the treasury shares, the total number of shares in circulation is 33,915,431.

IAS 19 EMPLOYEE BENEFITS

The balance sheet employee benefits account rate of return as of September 30, 2011 and as per IAS 19 for German companies is 4.95 percent per annum, the same as on December 31, 2010. There were thus no actuarial gains or losses to report as of the record date. For the North American companies, the rate of return was adjusted from 5.40 percent per annum as of December 31, 2010 to 4.60 percent per annum effective September 30, 2011, which resulted in actuarial losses totaling EUR 0.6 million. Investment income from external pension funds were below expectations, resulting in actuarial losses of EUR 0.5 million. The actuarial result was reported under equity as an income-neutral sum of EUR 0.7 million in consideration of deferred taxes.

RESTRUCTURING

In 2009, the company decided upon and announced an extensive restructuring plan that would affect the entire Group. Execution of the plan started in 2009. It continued and was largely completed as planned during the 2010 financial year. Financial obligations related to the restructuring program as of December 31, 2010 totaled EUR 4.7 million. As of September 30, 2011, the financial obligations totaled EUR 1.7 million, of which EUR 1.0 million are allocated to the Systems division and EUR 0.6 million to the Robotics division. In the first nine months of the financial year, accruals of EUR 0.4 million for restructuring measures were reversed.

BOND

In November 2010, KUKA Aktiensgesellschaft placed a bond with a face value of EUR 202.0 million. The bond was purchased at 99.3605 percent and resulted in a cash injection of EUR 200.7 million. The bond was issued in denominations of EUR 50,000 and has a coupon rate of 8.75 percent per annum. Interest is paid on May 15 and November 15. The bond matures no later than November 15, 2017.

CONVERTIBLE BOND

In May 2006, KUKA placed a convertible bond with a face value of EUR 69.0 million, collateralized by KUKA Aktiengesellschaft, via its subsidiary KUKA Finance B.V., Amsterdam, Netherlands. The bond has a coupon rate of 3.75 percent. The bond was issued in denominations of EUR 50,000.00 and grants rights for conversion into up to 2,748,632 no par value bearer shares of KUKA Aktiengesellschaft. The conversion price is thus currently EUR 25.1034 per share. The bond matures on November 9, 2011.

A trust account has been set up and sufficient funds deposited to fulfill the convertible bond obligations (restricted cash balance). KUKA Aktiengesellschaft has bought back EUR 15.1 million in shares of the convertible bond as of September 30, 2011. The associated expense of EUR 0.3 million was reported under the financial expense account.

SYNDICATED LOAN

In March 2010, KUKA Aktiengesellschaft successfully concluded an agreement on amending the original 2006 Syndicated Senior Facilities Agreement totaling EUR 336.0 million (of which EUR 146.0 million is a cash credit line and a EUR 190.0 line of credit for LCs) and thus secured KUKA Group's financing.

In November 2010, KUKA Aktiengesellschaft completed its financial restructuring by signing a new Syndicated Senior Facilities Agreement and placing the corporate bond.

The Syndicated Senior Facilities Agreement comprises a total of EUR 200.0 million (of which EUR 50.0 million is a cash credit line and EUR 150.0 million a line of credit for LCs) and matures at the end of March 2014.

For additional information about the Syndicated Senior Facilities Agreement, please refer to the December 31, 2010 annual report.

CREDIT LINES FROM SURETY COMPANIES

The lines of credit for LCs provided by surety companies were raised from EUR 10.0 million on December 31, 2010 to EUR 40.0 million. At the end of the third quarter, the company had utilized EUR 14.9 million versus EUR 5.6 million on December 31, 2010.

ASSET-BACKED SECURITIES (ABS) PROGRAM

In addition to the ABS program in the amount of EUR 25.0 million established with Bayerische Landesbank as discussed in the 2010 annual report, a further ABS program was agreed to in June 2011. Under the terms of this new program, trade receivables of KUKA Roboter GmbH in an amount of up to EUR 25.0 million can be sold to a special purpose vehicle (SPV) of Landesbank Baden-Württemberg. The SPV finances the purchase of the receivables by issuing securities on the capital market or through utilization of a special credit line provided by Landesbank Baden-Württemberg. As of September 30, 2011, the company had utilized EUR 9.2 million under the terms of this new program. The adequate creditworthiness of the receivables sold is guaranteed by a default guarantee from a credit insurer. KUKA Roboter GmbH absorbs the first 1.15 percent of the credit risk from the sale of the receivables. A cash deposit of EUR 1.7 million was established as a further security and is reported under other assets. The continuing involvement of EUR 0.2 million was completely written off as of the balance sheet date.

SEGMENT REPORTING

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

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

CASH FLOW STATEMENT

The cash flow statement shows changes to KUKA Group's liquidity position in accordance with IAS 7. These cash holdings consist of funds recognized on the balance sheet as cash and cash equivalents; that is, cash in hand, checks and cash balances with financial institutions, provided that they are available within three months. Of the cash injected, EUR 54.1 million have been deposited to a trust account and can be used to fulfill the convertible bond obligations (restricted cash balance). None of the remaining cash is subject to restrictions related to disposal.

CONTINUED OBLIGATIONS AND COMMERCIAL COMMITMENTS

There has been no material change in other financial obligations and contingent liabilities since December 31, 2010.

RELATED PARTIES

There have been no changes in dealings with related persons or companies since December 31, 2010.

In total, the value of goods and services supplied to related parties in the first nine months of the financial year was EUR 15.9 million. The goods and services received by the Group from related parties were worth EUR 21.3 million. As of September 30, 2011, receivables totaled EUR 6.1 million and liabilities EUR 2.5 million. The market oriented transfer prices are in accordance with the „dealing at arm's length" principle.

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 8, 2011

The Executive Board

Dr. Till Reuter Stephan Schulak

FINANCIAL CALENDAR 2011/2012

NOVEMBER 9, 2011	**INTERIM REPORT FOR THE FIRST NINE MONTHS**
FEBRUARY 1, 2012	**PRELIMINARY FIGURES FOR THE 2011 FINANCIAL YEAR**
MARCH 28, 2012	**PRESS CONFERENCE PRESENTING THE ANNUAL FINANCIAL STATEMENTS**
MAY 9, 2012	**FIRST-QUARTER INTERIM REPORT**
JUNE 6, 2012	**ANNUAL GENERAL MEETING, AUGSBURG**
AUGUST 7, 2012	**ANNUAL REPORT TO MID-YEAR**
NOVEMBER 7, 2012	**INTERIM REPORT FOR THE FIRST NINE MONTHS**

This quarterly report was published on November 9, 2011 and is available in German and English from KUKA AG's Public/Investor Relations department. In the event of doubt, the German version applies.

DISCLAIMER

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