

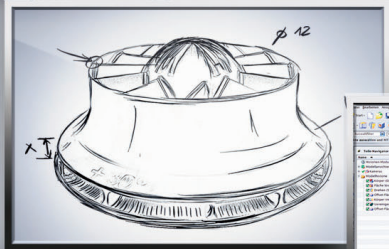
# Interim Report

1<sup>st</sup> quarter 2011

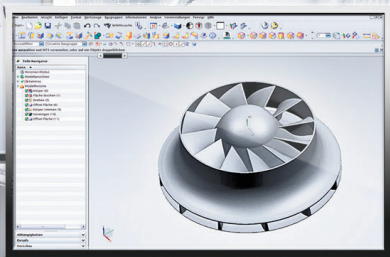
## DMG Process Chain

From the idea to the finished piece  
with 1:1 simulation

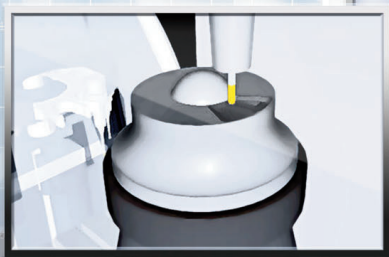
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1 \_THE IDEA



2 \_NC PROGRAMMING



3\_ 1:1 SIMULATION



4 \_MACHINING

## Dear Shareholders,

Despite the effects of the natural catastrophe in Japan, the global economy continues to follow a growth trend. Consumption of machine tools is rising by 19.6% according to the latest forecast of the German Machine Tool Builders' Association and Oxford Economics. GILDEMEISTER has made a good start to financial year 2011 as planned and in the first quarter was able to increase order intake, sales revenues and earnings markedly. In line with our motto "Cooperation sustains innovation", in the first quarter we set the course for a more intense cooperation with Mori Seiki.

Order intake of € 445.9 million (+48%) exceeded the previous year's quarter (€ 302.3 million). Sales revenues reached € 377.4 million (+54%; previous year: € 244.4 million). Profitability likewise improved significantly: EBITDA was positive at € 17.9 million (previous year: € -4.3 million); EBIT amounted to € 10.4 million (previous year: € -11.1 million). EBT amounted to € 0.5 million (previous year: € -19.8 million). As of 31 March 2011 the group reported earnings after tax of € 0.3 million (previous year: € -14.7 million).

We assume that the positive development will continue. Our innovations were very well received at the first trade fairs and in-house exhibitions of the year. In addition, we are well-positioned in the USA and in Asia through the cooperation with Mori Seiki. The cooperation with our Japanese partner has been reinforced through Mori Seiki's participation in the capital increases. The goal of gaining an industrial anchor investor has been achieved. The two capital measures resulted in net issue proceeds totalling € 213.3 million.

In financial year 2011, we now want to realise order intake of more than € 1.7 billion. We intend to increase sales revenues to more than € 1.6 billion. Our planning depends on the positive cyclical development lasting. GILDEMEISTER is strategically well-positioned to master the future and to grow profitably. We are expecting clear growth in EBT and in annual net income for the whole year. Based on the positive outlook for business and earnings, we are planning to pay a dividend for financial year 2011.

## Key Figures

The Interim Consolidated Financial Statements of GILDEMEISTER Aktiengesellschaft were prepared in accordance with the International Financial Reporting Standards (IFRS), as they have to be applied within the European Union. The interim financial statements have not been audited.

GILDEMEISTER GROUP	31 March 2011	31 Dec. 2010	31 March 2010	Changes 31 March 2011 to 31 March 2010	
	€ million	€ million	€ million	€ million	%
<b>Sales Revenues</b>					
Total	377.4	1,376.8	244.4	133.0	54
Domestic	124.1	499.1	89.7	34.4	38
International	253.3	877.7	154.7	98.6	64
% International	67	64	63		
<b>Order Intake</b>					
Total	445.9	1,418.4	302.3	143.6	48
Domestic	187.2	537.7	116.1	71.1	61
International	258.7	880.7	186.2	72.5	39
% International	58	62	62		
<b>Order Backlog</b>					
Total	682.8	628.3	644.5	38.3	6
Domestic	169.0	105.9	93.7	75.3	80
International	513.8	522.4	550.8	-37.0	-7
% International	75	83	85		
Investments	19.4	50.0*	5.8	13.6	234
Personnel Costs	92.9	333.2	78.1	14.8	19
Personnel ratio in %	22.5	24.3	32.0		
EBITDA	17.9	74.5	-4.3	22.2	
EBIT	10.4	45.0	-11.1	21.5	
EBT	0.5	6.5	-19.8	20.3	
Earnings after taxes	0.3	4.3	-14.7	15.0	

\* of which € 11.0 million capital inflow to financial assets

	31 March 2011	31 Dec. 2010	31 March 2010	Changes 31 March 2011 to 31 Dec. 2010	
Employees	5,445	5,232	5,194	213	4
Plus Trainees	180	213	217	-33	-15
Total Employees	5,625	5,445	5,411	180	3

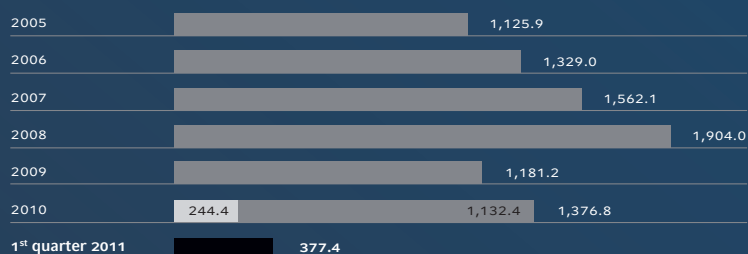


GILDEMEISTER group  
Key Figures

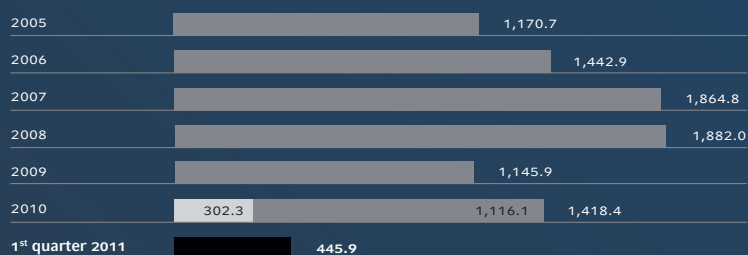


Sales Revenues  
Order Intake  
EBIT  
Employees

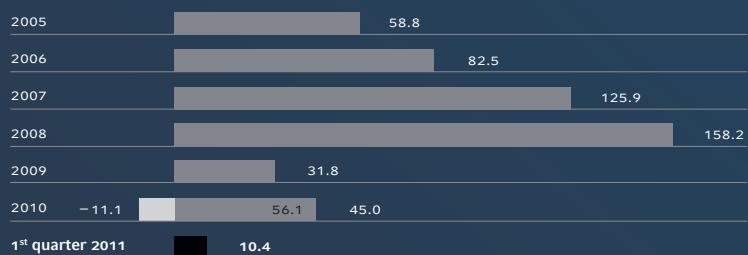
**SALES REVENUES**  
in € million



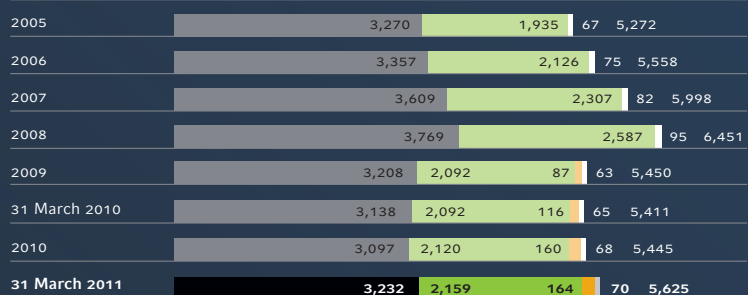
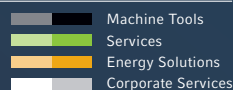
**ORDER INTAKE**  
in € million



**EBIT**  
in € million



**NUMBER OF EMPLOYEES**  
incl. trainees





<<	-----	<p>Key Figures</p> <p>2 Overall Economic Development</p> <p>3 Development of the Machine Tool Industry</p>	-----	Economic Development
4 – 19	-----	<p>Business Development of the GILDEMEISTER group</p> <p>4 Sales Revenues</p> <p>5 Order Intake</p> <p>6 Order Backlog</p> <p>7 Results of Operations, Net Worth and Financial Position</p> <p>9 Investments</p> <p>10 Segmental Reporting</p> <p>11 “Machine Tools”</p> <p>12 “Services”</p> <p>14 “Energy Solutions”</p> <p>16 “Corporate Services”</p> <p>16 Employees</p> <p>17 GILDEMEISTER Share</p> <p>19 Research and Development</p>	-----	Business Development
		<p>20 Forecast</p> <p>21 Current State</p> <p>21 Future Business Development</p>	-----	Forecast
22 – 28	-----	<p>Interim Consolidated Financial Statements of GILDEMEISTER Aktiengesellschaft as at 31 March 2011</p> <p>22 Consolidated Income Statement</p> <p>23 Group Statement of Comprehensive Income</p> <p>23 Consolidated Balance Sheet</p> <p>24 Consolidated Cash Flow Statement</p> <p>25 Development of Group Equity</p> <p>25 Group Segmental Reporting</p> <p>26 Notes to the Interim Consolidated Financial Statements</p>	-----	Interim Consolidated Financial Statements
		<p>28 Financial Calendar</p>	-----	Financial Calendar



COVER IMAGE \_ \_ \_ DMG PROCESS CHAIN – FROM THE IDEA TO THE FINISHED  
WORKPIECE WITH 1:1 SIMULATION

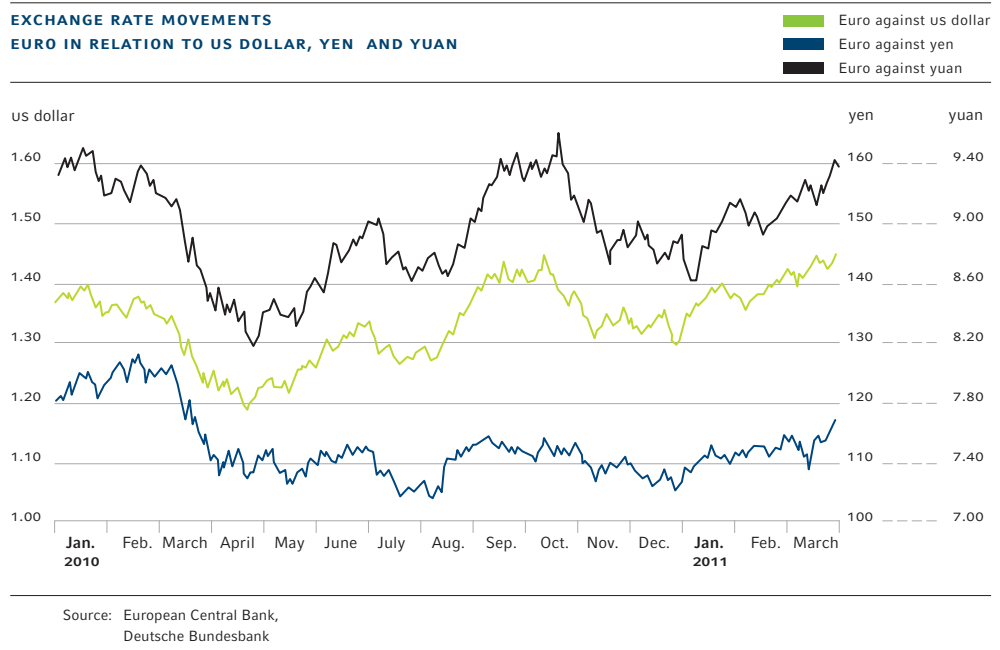
Constructing, programming, simulating, producing and all from one source – perfectly aligned and unique worldwide. DMG and Siemens supply all the software tools necessary within a single process chain. From the idea to setting up the program with Siemens NX CAM and 1:1 simulation with the DMG Virtual Machine signifies maximum efficiency and the highest process reliability.

The cover image shows the procedure in the DMG process chain. The DMG Virtual Machine integrates geometry, kinematics and dynamics of actual DMG machines as well as all the control functionalities 1:1 on a PC.

**Overall economic development** continued to be positive in the first quarter of 2011. **Asia** benefited more strongly than other regions. China's economy continued its dynamic growth. Japan's economy was restricted as a result of the earthquake. In the **USA**, the recovery continued. In **Europe** the upwards trend progressed at a moderate pace. **Germany's** growth was above average in a European comparison. According to the provisional calculations of the German Economic Research Institute (DIW – *Deutsches Institut für Wirtschaftsforschung*), gross domestic product increased by 0.9% compared to the previous quarter.

The US dollar, the Chinese renminbi and the Japanese yen are of particular importance for GILDEMEISTER's international business. The exchange rate of the currencies most important for us changed in the first quarter of 2011 as follows: In comparison with the average value of the euro, the US dollar was 0.73 euros (previous year's quarter: 0.72 euros), the Chinese yuan was 9.00 yuan (previous year's quarter: 9.44 yuan and the Japanese yen amounted to 112.57 yen (previous year's quarter: 125.48 yen). Thus all three currencies gained in value against the euro. The US dollar rose by 1.1%, the yuan by 4.7% and the Japanese yen by 10.3%. In particular the current dollar development (2 May 2011: € 0.67) results in a price increase of our products in the USA and in the markets depending on the dollar.

Sources: German Economic Research Institute (DIW), Berlin  
 Economic Research Institute (ifo), Munich  
 Institute for World Economics (IfW), Kiel

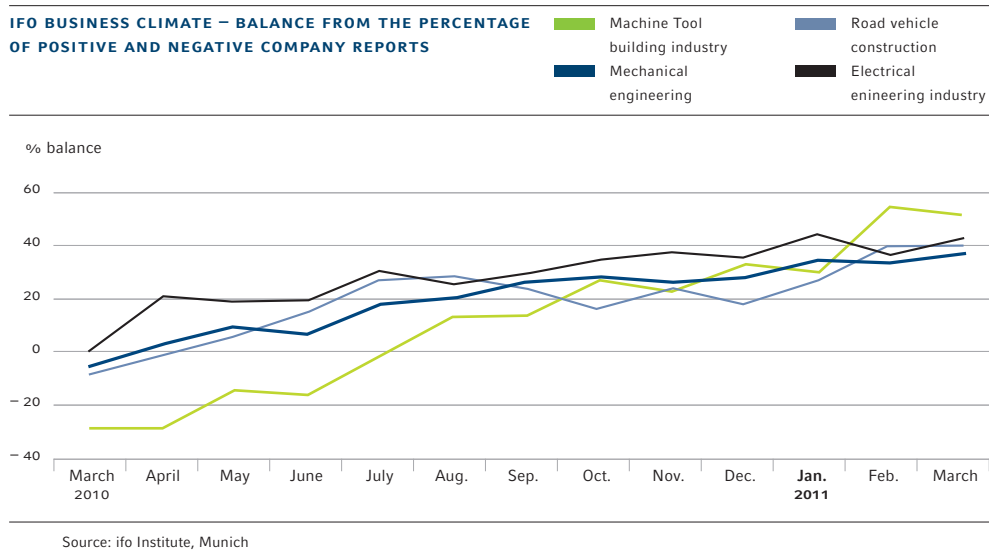


The **worldwide market for machine tools** will continue to develop positively in 2011. The German Association of Machine Tool Builders (vbw) and the British economic research institute, Oxford Economics, are expecting growth of 19.6% in **global consumption** to € 53.8 billion in their latest forecasts (as of April 2011).

The **German machine tool market** has been exhibiting dynamic growth since the start of the year. For the whole year, after starting at a low level, the vbw is expecting an increase in consumption of 30.5%.

The **ifo business climate index** for trade and industry reflected the optimistic mood. The indicators for the main consumer industries were once again found within a high level range.

Source: vbw (German Machine Tool Builders' Association)



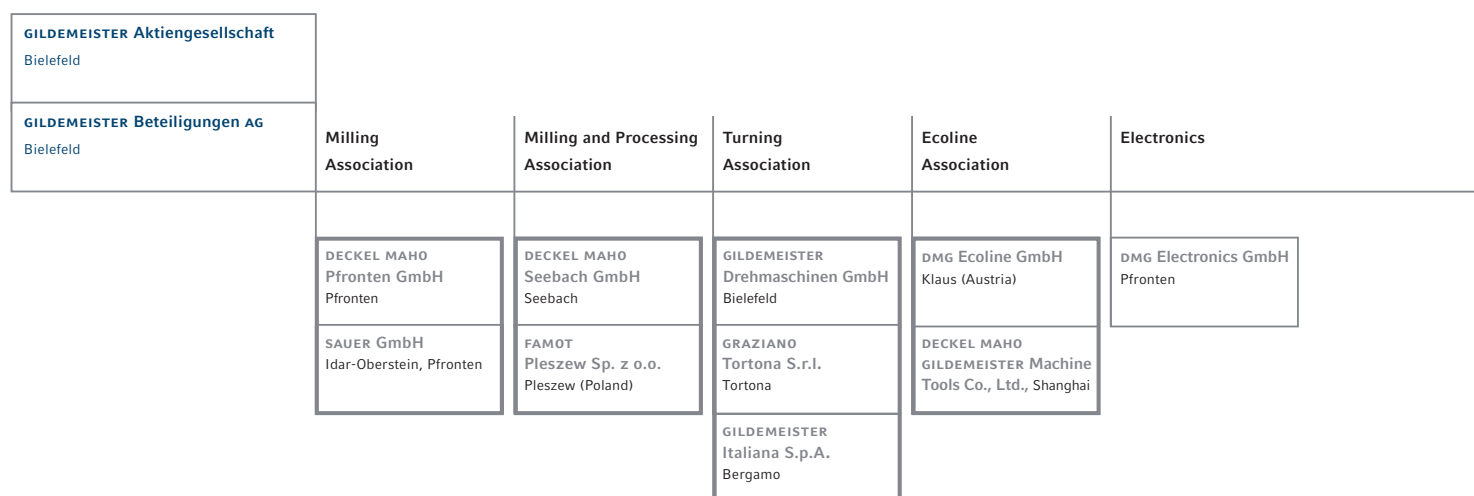
Economic Development

Business Development

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The GILDEMEISTER group including GILDEMEISTER Aktiengesellschaft comprised 128 enterprises as of 31 March 2011. The consolidated group has thus increased by one company compared to 31 December 2010. DMG Mori Seiki South East Asia Pte. Ltd. founded DMG Mori Seiki (Vietnam) Co., Ltd. with registered office in Hanoi; this company is intended to strengthen sales and service activities.

### Sales revenues

In the first quarter, sales revenues reached € 377.4 million and were thus € 133.0 million (+54%) above the comparable previous year's level (€ 244.4 million). In the "Machine Tools" segment, sales revenues rose by € 79.6 million (+62%) to € 208.4 million. "Services" increased by € 31.4 million (+41%) to € 108.2 million; "Energy Solutions" grew by 57% to € 60.7 million (previous year: € 38.7 million).

International sales revenues rose by 64% to € 253.3 million; national sales revenues increased by 38% to € 124.1 million. The export share amounted to 67% (previous year: 63%).

**SALES REVENUES GILDEMEISTER GROUP**  
in € million

	Domestic	International	Total
1 <sup>st</sup> quarter 2010	89.7	154.7	244.4
1 <sup>st</sup> quarter 2011	124.1	253.3	377.4

More detailed information on sales revenues in each segment is given on page 10 et seq.



DMG Vertriebs und Service GmbH DECKEL MAHO GILDEMEISTER Bielefeld	Sales and Service Organization	a+f GmbH Würzburg	Energy Solutions
	75 Sales and Service locations worldwide	DMG AUTOMATION GmbH Hüfingen	a+f Italia Holding S.r.l. Milan
	DMG Deutschland; Stuttgart 7 Sales and Service locations	DMG MICROSET GmbH Bielefeld	a+f Italia S.r.l. Milan
	DMG Europe; Klaus (Austria) 25 Sales and Service locations		a+f SUNCARRIER Ibérica S.L. Madrid
	DMG Asia; Shanghai / Singapore 6 Sales and Service locations		a+f SUNCARRIER FRANCE SAS Les Ulis
	DMG America; Itasca (Illinois) 3 Sales and Service locations		a+f USA LLC. Denver
	DMG / MORI SEIKI Cooperation markets 23 Sales and Service locations		Cellstrom GmbH Vienna (Austria)
	DMG Services; Bielefeld, Pfronten 11 Sales and Service locations		SUNCARRIER OMEGA Pvt. Ltd. Bhopal (India)

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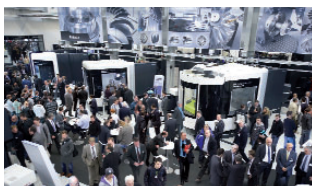
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### Order intake

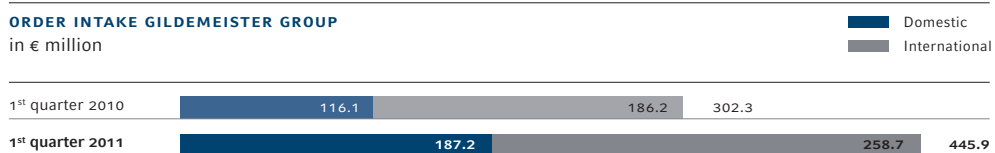
In the first quarter, order intake rose by 48% to € 445.9 million (previous year's quarter: € 302.3 million). In our core "Machine Tools" business we were able to increase order intake markedly by 57% to € 295.4 million (previous year: € 188.7 million). "Services" rose by 53% to € 135.8 million (previous year: € 88.9 million) and in "Energy Solutions" we booked order intake of € 14.6 million (previous year: € 24.6 million).

Domestic orders rose overall by 61% to € 187.2 million (previous year: € 116.1 million). International orders grew by 39% to € 258.7 million (previous year: € 186.2 million). The international share of orders amounted to 58% (previous year: 62%).

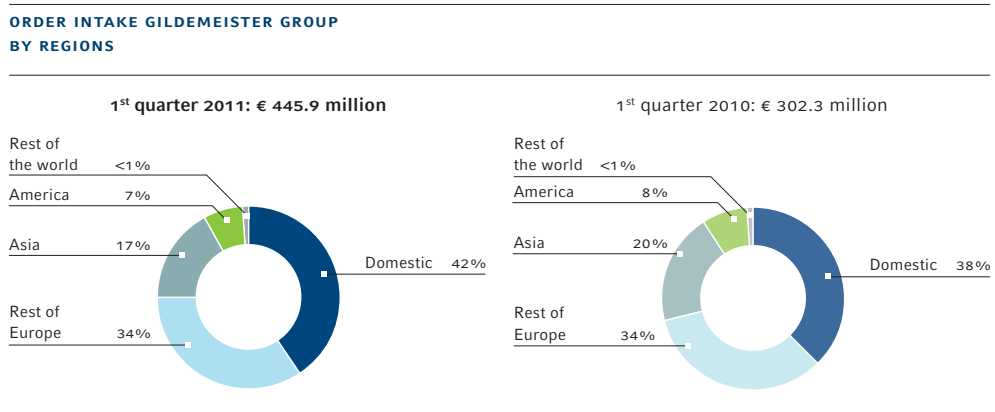
In the first quarter order intake progressed positively in line with expectations. With 391 machines sold at a value of € 107.7 million, the traditional in-house exhibition in Pfronten was the most successful in-house exhibition of all time. At 13 national and international spring trade fairs and exhibitions we were able to achieve strong product interest and good order intake.



**Highlight at the start of the year:**  
With twice as many orders as in the previous year, the traditional in-house exhibition in Pfronten was the most successful so far.

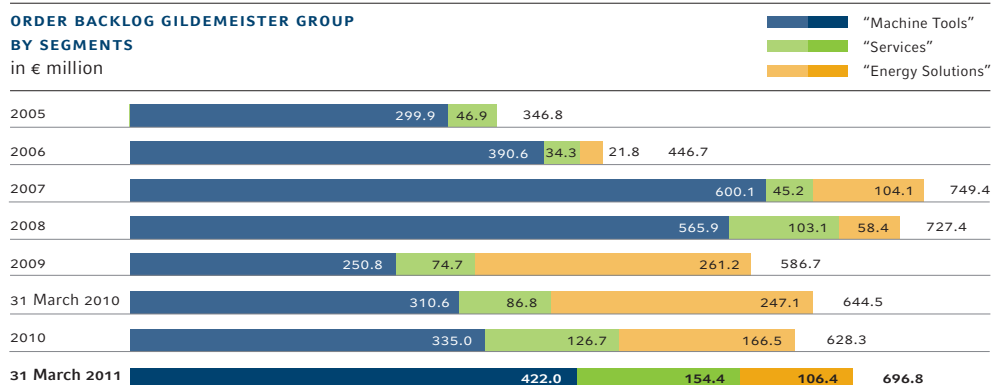


More detailed information on order intake in each segment is given on page 10 et seq. In the individual market regions, order intake developed as follows:



### Order backlog

On 31 March 2011 the order backlog within the group amounted to € 682.8 million (+6% to the previous year's date). The domestic order backlog increased by € 75.3 million (+80%) to € 169.0 million. The international order backlog decreased by € 37.0 million (-7%). Of the current orders, international orders account for 75%. The backlog development progressed in the individual segments as follows:



The order backlog in “Machine Tools” represents mathematically a production capacity utilisation of an average of four months. At the current time all the production companies are recording full capacity utilisation.

### Results of Operations, Net Worth and Financial Position

The GILDEMEISTER group’s profitability developed in the first quarter as follows: **EBITDA** was positive at € 17.9 million (previous year: € -4.3 million); **EBIT** amounted to € 10.4 million (previous year: € -11.1 million). **EBT** amounted to € 0.5 million (previous year: € -19.8 million). As of 31 March 2011, the group reported **earnings after tax** of € 0.3 million (previous year: € -14.7 million).

Total operating revenue increased by 69% to € 413.1 million (previous year: € 243.9 million). Sales revenues rose by 54% to € 377.4 million (previous year: € 244.4 million). The cost of materials amounted to € 239.0 million (previous year: € 128.4 million). The cost of materials increased due to the necessary preliminary materials planning for the planned rise in sales revenues to 57.8% (previous year: 52.6%). Gross income rose by € 58.6 million to € 174.1 million (previous year: € 115.5 million). Employee expenses rose by € 14.8 million to € 92.9 million (previous year: € 78.1 million). The rise resulted in particular from the collective wage and salary agreement increase that was brought forward to 1 January 2011, as well as from a rise in expenses for overtime and variable payments. In comparison to the previous year employee expenses were at a low level due to the use of short-time working. The personnel ratio fell despite the total operating revenue to 22.5% (previous year: 32.0%). The balance of other expenses and income amounted to € 63.3 million (previous year: € 41.7 million). This increase is essentially due to sales-related costs. Depreciation amounted to € 7.5 million (previous year: € 6.8 million). Net financial costs changed due to the high interest burden from the current financing to € -9.9 million (previous year: € -8.7 million). As of 31 March 2011, a tax expense of € 0.2 million arose, which leads to earnings after tax of € 0.3 million (previous year: € -14.7 million). The tax ratio amounts to 33%.

	31 March 2011 € million	31 Dec. 2010 € million	31 March 2010 € million
<b>Net worth</b>			
Long-term assets	431.5	418.5	390.4
Short-term assets	1,030.7	939.0	753.5
Equity	493.6	412.9	383.7
Outside capital	968.6	944.6	760.2
<b>Balance sheet total</b>	<b>1,462.2</b>	<b>1,357.5</b>	<b>1,143.9</b>

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The balance sheet total as of 31 March 2011 amounted to € 1,462.2 million. Equity rose by € 80.7 million to € 493.6 million, in particular due to the first capital increase of € 83.1 million carried out in March 2011.

The equity ratio rose to 33.8% (31 Dec. 2010: 30.4%). Together with the second capital increase in April, equity increased by a total of € 213.3 million. The equity ratio as of 31 December 2011 will amount to about 50%.

Under **assets**, long-term assets rose by € 13.0 million to € 431.5 million. Further details of this can be found in the “Investments” section on page 9.

Current assets increased by € 91.7 million to € 1,030.7 million. Due to the growing business volume, inventories increased, as did trade debtors, as of 31 March 2011. Inventories grew by € 30.3 million to € 440.6 million. Raw materials and consumables (RHB) increased to € 185.4 million (€ +2.3 million). Stocks of work in progress rose to € 118.5 million (€ +18.1 million) and stocks of finished goods and merchandise by € 15.6 million to € 130.5 million. Due to the increase in sales revenues in the first quarter, trade debtors rose by € 47.7 million to € 350.1 million. Liquid assets amounted to € 130.2 million (31 Dec. 2010: € 111.8 million).

Under **equity and liabilities**, equity amounted to € 493.6 million (31 Dec. 2010: € 412.9 million). Prepayments received for orders rose to € 113.0 million (€ +16.0 million); trade liabilities decreased by € 8.1 million to € 256.5 million. Provisions reduced by € 2.6 million to € 176.7 million. Outside capital increased by € 24.0 million to € 968.6 million.

The group's financial position developed in the first quarter as follows: **Free cash flow** amounted to € -79.4 million (previous year: € -49.0 million). In particular, the rise in trade receivables (€ +51.6 million) and the increase in inventories (€ +30.3 million) had an impact on this development in the first quarter.

**Cash flow** from operating activities as of 31 March 2011 was € -60.9 million (previous year: € -44.6 million). Based on earnings before tax (EBT) of € 0.5 million (previous year: € -19.8 million), depreciation (€ +7.5 million) made a positive contribution to cash flow. Opposing effects were caused by a rise in trade receivables of € 51.6 million and in inventories (€ +30.3 million) as well as a decline in trade payables of € 8.3 million. Cash flow from investment activity amounted to € -18.5 million (previous year: € -5.5 million). Cash flow from financing activity was € 97.9 million (previous year: € 10.4 million) and resulted at € 83.1 million from the first capital increase carried out in March 2011.

Over the course of the year we plan an improvement in our financial position. According to current planning, we will continuously improve free cash flow. For the whole year 2011, we anticipate a clear positive free cash flow.

	2011 1 <sup>st</sup> quarter € million	2010 1 <sup>st</sup> quarter € million
<b>Cash flow</b>		
Cash flow from operating activities	- 60.9	- 44.6
Cash flow from investment activity	- 18.5	- 5.5
Cash flow from financing activity	97.9	10.4
Changes in cash and cash equivalents	18.4	- 39.6
Liquid funds at the start of the reporting period	111.8	84.4
Liquid funds at the end of the reporting period	130.2	44.8

Economic  
DevelopmentBusiness  
Development

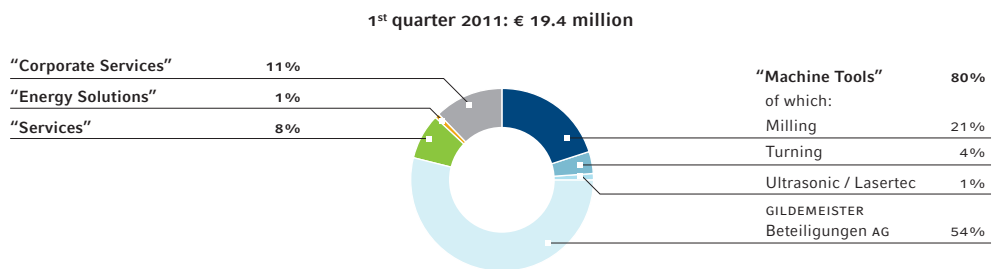
**Grand Opening:** In the new Technology Center in Geretsried our customers can experience the entire process chain in high-speed machining live.

## Investments

Investments in property, plant and equipment, and in intangible assets amounted in the first quarter to € 19.4 million (previous year's value: € 4.7 million). The highlights in the first three months included the opening of the "HSC Center" in Geretsried on 22 March 2011, as well as the construction of our new technology centre in India. Further main focus was placed on developing our innovative products, the acquisition of licences, as well as on the provision of tools, models and operating resources necessary for production. Moreover, at the in-house exhibition in Bielefeld (29 March – 2 April 2011), GILDEMEISTER presented the grid-independent "e-filling station".

Forecast

### CONTRIBUTION OF EACH SEGMENT / DIVISION TO INVESTMENTS IN FIXED ASSETS AND INTANGIBLE ASSETS

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### Segmental Reporting

Our business activities include the “Machine Tools”, “Services” and “Energy Solutions” segments. “Corporate Services” constitutes the group wide holding functions. The breakdown of sales revenues, order intake and EBIT for the individual segments is presented as follows:

<b>SEGMENT KEY FIGURES OF THE GILDEMEISTER GROUP</b>				
	<b>2011 01 Jan. – 31 March € million</b>	<b>31 Dec. 2010 € million</b>	<b>2010 01 Jan. – 31 March € million</b>	<b>Changes 31 March 2011 to 31 March 2010 %</b>
<b>Sales Revenues</b>	<b>377.4</b>	<b>1,376.8</b>	<b>244.4</b>	<b>54</b>
Machine Tools	208.4	769.9	128.8	62
Services	108.2	367.2	76.8	41
Energy Solutions	60.7	239.5	38.7	57
Corporate Services	0.1	0.2	0.1	0
<b>Order Intake</b>	<b>445.9</b>	<b>1,418.4</b>	<b>302.3</b>	<b>48</b>
Machine Tools	295.4	854.2	188.7	57
Services	135.8	419.2	88.9	53
Energy Solutions	14.6	144.8	24.6	-41
Corporate Services	0.1	0.2	0.1	0
<b>EBIT</b>	<b>10.4</b>	<b>45.0</b>	<b>-11.1</b>	
Machine Tools	3.2	6.2	-17.4	
Services	18.5	58.7	8.8	
Energy Solutions	-7.6	0.4	0.8	
Corporate Services	-3.4	-20.3	-3.0	



### “Machine Tools”

The “Machine Tools” segment includes the group’s new machines business with the turning and milling, ultrasonic / laser technology and electronics business divisions.

KEY FIGURES “MACHINE TOOLS” SEGMENT	31 March 2011 € million	31 Dec. 2010 € million	31 March 2010 € million	Changes 31 March 2011 to 31 March 2010	
				€ million	%
<b>Sales Revenues</b>					
Total	208.4	769.9	128.8	79.6	62
Domestic	62.0	280.2	40.6	21.4	53
International	146.4	489.7	88.2	58.2	66
% International	70	64	68		
<b>Order Intake</b>					
Total	295.4	854.2	188.7	106.7	57
Domestic	121.0	303.9	59.2	61.8	104
International	174.4	550.3	129.5	44.9	35
% International	59	64	69		
<b>Order Backlog</b>					
Total	422.0	335.0	310.6	111.4	36
Domestic	103.8	44.8	39.7	64.1	161
International	318.2	290.2	270.9	47.3	17
% International	75	87	87		
Investitionen	15.5	22.4	3.1	12.4	400
EBIT	3.2	6.2	-17.4	20.6	
<b>Employees</b>					
	31 March 2011	31 Dec. 2010	31 March 2010	Changes 31 March 2011 to 31 Dec. 2010	
				€ million	%
Employees	3,054	2,887	2,924	167	6
plus trainees	178	210	214	-32	-15
Total employees	3,232	3,097	3,138	135	4

The “Machine Tools” segment showed a clear upwards trend in order intake, sales revenues and earnings in the first quarter. **Sales revenues** reached € 208.4 million and were thus 62% better in a year-on-year comparison (€ 128.8 million). The “Machine Tools” segment contributed 55% of sales revenues in the first quarter (previous year: 53%).

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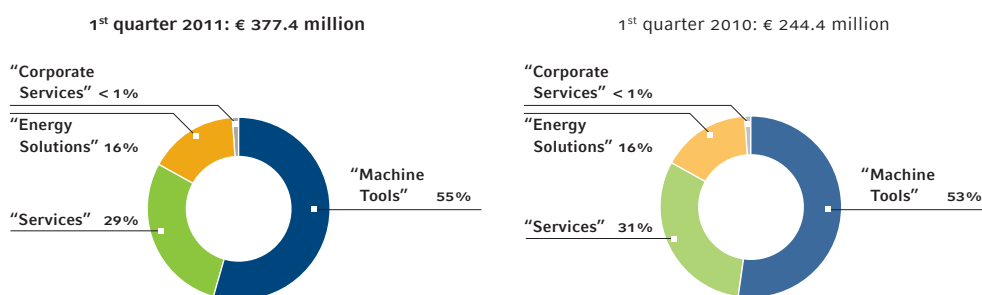
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In relation to the total sales revenues of the group, “Machine Tools”, “Services”, “Energy Solutions” and “Corporate Services” contributed as follows:

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**DISTRIBUTION OF SALES REVENUES BY SEGMENTS  
WITHIN THE GILDEMEISTER GROUP**

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**Order intake** in the “Machine Tools” segment developed satisfactorily at € 295.4 million (+57%; previous year: € 188.7 million). Our innovations have been received well by the market. The excellent order intake has been strengthened by the successful trade fairs and in-house exhibitions. “Machine Tools” thus accounted for 66% of total group order intake (previous year: 62%). The **order backlog** on 31 March amounted to € 422.0 million (previous year’s date: € 310.6 million). **EBIT** was again positive at € 3.2 million (previous year: € –17.4 million). As of 31 March, the “Machine Tools” segment had 3,232 **employees** (31 Dec. 2010: 3,097). Due to the increase in assembly capacity requirements for the **ECOLINE** series, additional employees have been hired at locations in China and Poland.

### “Services”

The “Services” segment includes the business activities of **DMG Vertriebs und Service GmbH** and its subsidiaries. This segment also offers further growth and earnings potential for the future. With the aid of **DMG Life Cycles Solutions**, our customers can optimise the productivity of their machine tools over their entire life cycle – from commissioning to trade-in as a used machine. This range of Life Cycle Services, which is perfectly aligned with **DMG** machine tools, offers our customers unique integrated solutions: With innovative and efficient training, repair and maintenance services, our highly-qualified service employees ensure the long-term availability of machine tools. **DMG Spare Parts** safeguards the reliable and fast supply of **DMG** spare parts from its ultra-modern service centre.

DMG Life Cycle Services – such as DMG Power Tools, Tool Management from DMG MICRO-SET and automation solutions from DMG Automation – enable the user to set up processes for machining workpieces safely and quickly, and at the same time cost-effectively.

KEY FIGURES "SERVICES" SEGMENT	31 March 2011	31 Dec. 2010	31 March 2010	Changes 31 March 2011 to 31 March 2010	
	€ million	€ million	€ million	€ million	%
<b>Sales Revenues</b>					
Total	108.2	367.2	76.8	31.4	41
Domestic	50.7	172.2	37.6	13.1	35
International	57.5	195.0	39.2	18.3	47
% International	53	53	51		
<b>Order Intake</b>					
Total	135.8	419.2	88.9	46.9	53
Domestic	54.8	188.2	45.4	9.4	21
International	81.0	231.0	43.5	37.5	86
% International	60	55	49		
<b>Order Backlog</b>					
Total	154.4	126.7	86.8	67.6	78
Domestic	55.8	51.6	43.4	12.4	29
International	98.6	75.1	43.4	55.2	127
% International	64	59	50		
<b>Investitionen</b>	1.6	8.1*	2.4	-0.8	-33
<b>EBIT</b>	18.5	58.7	8.8	9.7	

\* of which € 1.1 million capital inflow to financial assets

	31 March 2011	31 Dec. 2010	31 March 2010	Changes 31 March 2011 to 31 Dec. 2010	
				€ million	%
<b>Employees</b>	2,157	2,117	2,089	40	2
plus trainees	2	3	3	-1	-33
<b>Total employees</b>	2,159	2,120	2,092	39	2

The "Services" developed positively in all areas in the first quarter. **Sales revenues** reached € 108.2 million and were thus 41% above the previous year's level (€ 76.8 million). "Services" accounted for 29% of group sales revenues (previous year: 31%). **Order intake** rose by € 46.9 million (+53%) to € 135.8 million (previous year: € 88.9 million). "Services" accounted for 30% of orders received in the group (previous year: 29%). The **order backlog** amounted to € 154.4 million (previous year's date: € 86.8 million). **EBIT** in the first three months amounted to € 18.5 million (previous year: € 8.8 million). In the "Services" segment the number of **employees** as of the end of the first quarter was 2,159 (31 Dec. 2010: 2,120).

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### “Energy Solutions”

With “Energy Solutions” we are building up a business division with promising growth and future potential in the field of renewable energies. “GILDEMEISTER energy solutions” offers innovative products for producing energy (wind and solar) and energy storage. They comprise four areas: components, SunCarrier, CellCube, WindCarrier. Our business model is based on industrial customers and the management of turn-key projects as well as on the after sales services.

The “**Components**” area covers, in particular, components for wind energy. GILDEMEISTER serves the growing solar technology market with the “**SunCarrier**”. This business division includes the business activities of a+f GmbH and the companies in Italy, Spain, the USA and India responsible for sales, service and production. Our business model is geared towards the installation of solar parks for industrial customers and major investors, and the realisation of turnkey projects, as well as after sales service.

This promising future market for energy storage is being worked by Cellstrom GmbH with the long-life and low-maintenance “**CellCube**” big battery. The areas of application are diverse: For example, the “CellCube” can be used as an emergency generator and to avoid interruptions in power supply. The quality of supply can thus be improved for customers in regions with instable electricity grids. Future possibilities of application lie in optimising the operation of wind farms and solar parks, or in setting up decentralised, autonomous solutions for power supply. The fast charging of electrical vehicles presents a field of application in the area of e-mobility. Big batteries are being seen today as a key technology for switching to renewable energy supply.

In future the range will be added to with the “**WindCarrier**”. As a complete small wind farm, the “WindCarrier” supports the decentralised and consumer-oriented use of wind power. More detailed information on the subject of generating and storing clean energy can be found at [www.suncarrier.com](http://www.suncarrier.com) and [www.cellcube.com](http://www.cellcube.com).



#### Growth market renewable energies:

Die „GILDEMEISTER energy solutions“ comprise four areas:  
Components, SunCarrier, CellCube, WindCarrier.

KEY FIGURES "ENERGY SOLUTIONS" SEGMENT	31 March 2011 € million	31 Dec. 2010 € million	31 March 2010 € million	Changes 31 March 2011 to 31 March 2010	
				€ million	%
<b>Sales Revenues</b>					
Total	60.7	239.5	38.7	22.0	57
Domestic	11.3	46.5	11.4	-0.1	-1
International	49.4	193.0	27.3	22.1	81
% International	81	81	71		
<b>Order Intake</b>					
Total	14.6	144.8	24.6	-10.0	-41
Domestic	11.3	45.4	11.4	-0.1	-1
International	3.3	99.4	13.2	-9.9	-75
% International	23	69	54		
<b>Order Backlog</b>					
Total	106.4	166.5	247.1	-140.7	-57
Domestic	9.4	9.5	10.6	-1.2	-11
International	97.0	157.0	236.5	-139.5	-59
% International	91	94	96		
Investitionen	0.1	12.6*	0.1	0.0	0
EBIT	-7.6	0.4	0.8	-8.4	

\*of which € 4.9 million capital inflow to financial assets

	31 March 2011	31 Dec. 2010	31 March 2010	Changes 31 March 2011 to 31 Dec. 2010	
					%
Employees	164	160	116	4	3
plus trainees	0	0	0	0	0
Total employees	164	160	116	4	3

**Sales revenues** in GILDEMEISTER "Energy Solutions" amounted to € 60.7 million in the first quarter and were thus +57% above the previous year (€ 38.7 million). "Energy Solutions" accounted for 16% of group sales revenues (previous year: 16%). **Order intake** of € 14.6 million was below the previous year's figure (€ 24.6 million) as planned. The **order backlog** as of 31 March amounted to € 106.4 million (previous year's date: € 247.1 million). **EBIT** in the first three months amounted to € -7.6 million (previous year: € 0.8 million). The results were a consequence of the low level of sales revenues in the first quarter, which, in line with plans, were not yet able to cover the costs of the international presence and the start-up losses in the area of energy storage. The number of **employees** amounted to 164 (31 Dec. 2010: 160).

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## “Corporate Services”

KEY FIGURES “CORPORATE SERVICES” SEGMENT	31 March 2011	31 Dec. 2010	31 March 2010	Changes 31 March 2011
	€ million	€ million	€ million	to 31 March 2010 € million
Sales Revenues	0.1	0.2	0.1	0.0
Order Intake	0.1	0.2	0.1	0.0
Investments	2.2	6.9*	0.2	2.0
EBIT	-3.4	-20.3	-3.0	-0.4

\* of which € 5.0 million capital inflow to financial assets

	31 March 2011	31 Dec. 2010	31 March 2010	Changes 31 March 2011
				to 31 Dec. 2010 %
Employees	70	68	65	2 3

The “Corporate Services” segment comprises GILDEMEISTER Aktiengesellschaft with its group-wide holding functions. **EBIT** amounted to € -3.4 million (previous year: € -3.0 million). In line with plans, as of 31 March **EBT** was negative as in the previous year (€ -5.7 million).

In the second quarter we expect an additional burden on **EBT**. We will prematurely redeem the borrowers’ notes with a volume of € 201.5 million from the issue proceeds of the capital increases. This results in interest savings amounting to € 5.4 million even in this financial year. The interest rate hedges (interest rate swaps) in connection with the borrower’s notes must simultaneously be recognised completely as a onetime cost affecting net income (€ -12.6 million). There is no cash outflow from the dissolution. The expense is offset by interest income of the same amount until the expiry of the term. In the current business year this is € 3.3 million.

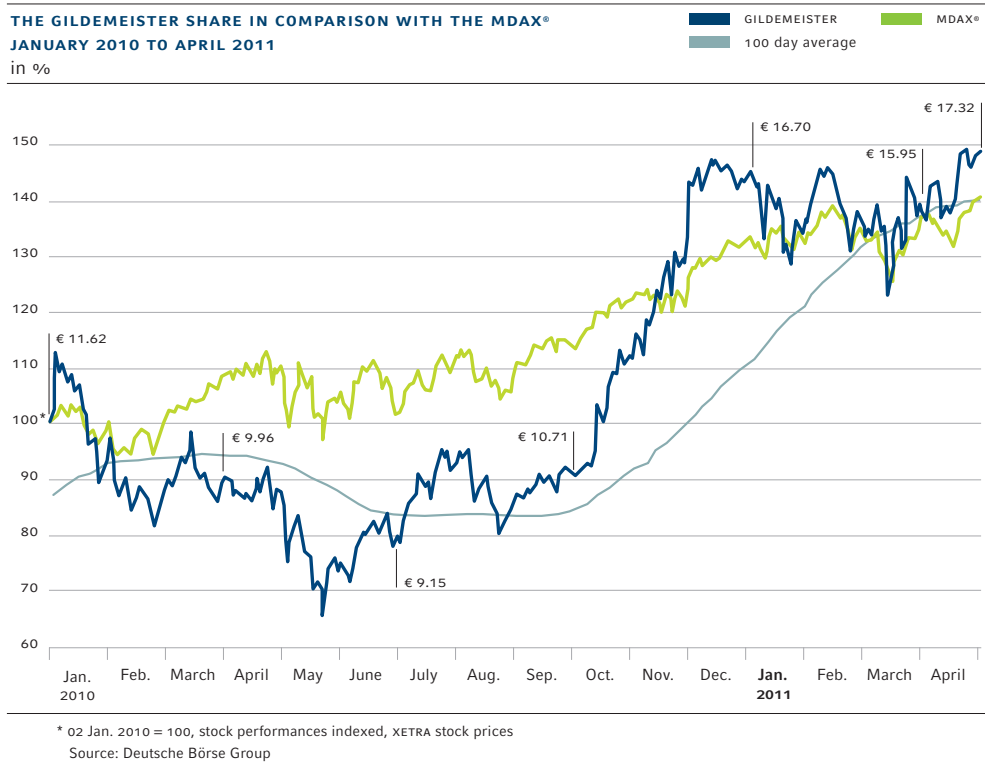
### Employees

As of 31 March 2011, GILDEMEISTER had 5,625 employees, of whom 180 were trainees (31 Dec. 2010: 5,445). In comparison with year-end 2010, the number of employees has risen by 180. Some 3,343 employees (59%) worked for the domestic companies and 2,282 employees (41%) for our international companies. Employee expenses amounted to € 92.9 million (previous year’s period: € 78.1 million). With a clear rise in capacity utilisation, the personnel ratio fell to 22.5% (previous year’s period: 32.0%).



**GILDEMEISTER Share**

The GILDEMEISTER share price recorded a sideways movement in the first three months and followed the MDAX performance. Starting from a price of € 16.90 on the first day of trading (3 Jan. 2011), the share closed the first quarter at € 15.95 (31 March 2011). The capital increases carried out in March and April 2011 even had a positive impact on the GILDEMEISTER share's performance. The share is currently being quoted at € 17.32 (02 May 2011).



On the basis of the respective number of shares of 45.6 million, respectively the number of shares following the first capital increase (50.1 million), this computes to a turnover rate for the first three months of 0.6 times (previous year's period: 0.5 times). The trading volume rose by 36% to an average of 453,000 shares per trading day (previous year: 333,000 shares). As of 15 April 2011, Mori Seiki Co. Ltd, Nagoya, Japan, holds a share of the voting rights of 20.1% (12,093,817 voting rights) in GILDEMEISTER Aktiengesellschaft.

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### Capital increases

In March and April, GILDEMEISTER successfully carried out two capital increases. Within the scope of the first, 10% capital increase shareholder subscription rights were excluded. The 4,558,200 new shares were subscribed by our cooperation partner, Mori Seiki, at an issue price of € 18.22 per new share, this corresponded to a premium of about 27% measured against the volume-weighted average price of the GILDEMEISTER share on the closing date or 20% measured on the volume-weighted average price on the last ten trading days before the resolution. The capital increase was carried out on 21 March 2011 and entered in the Commercial Register. Registered capital increased to € 130,364,527.80, it is divided into 50,140,203 no par value shares.

In the second, 20% subscription rights capital increase, the new 10,028,040 shares were offered to all shareholders at a ratio of 5:1. The subscription price amounted to € 13.66, which corresponded to a discount of 10% on the theoretical ex rights price (TERP) of the share on the last three trading days before the resolution on the capital increase. The shareholders made extensive use of their subscription rights, the placement was at 99.7%. The few remaining shares were sold to one shareholder. The execution of the capital increase was entered in the Commercial Register on 13 April 2011. The registered capital since then amounts to € 156,437,431.80; it is divided into 60,168,243 no par value shares. The new shares were included in the existing stock exchange listing on 15 April 2011.

GILDEMEISTER intends to predominantly use the net issue proceeds from both capital increases of € 213.3 million to repay financial liabilities and thus to strengthen its equity base. Furthermore, the residual is to be invested for growth in the core business in the area of “Machine Tools” and “Services”, as well as to build up the “Energy Solutions” segment.

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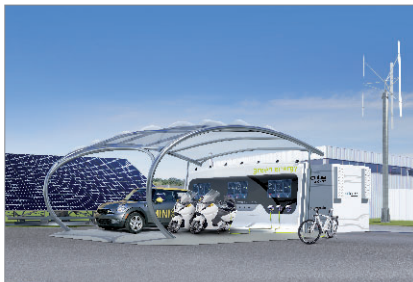
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## Research and Development

Expenditure on research and development amounted to € 13.4 million in the first quarter (previous year: € 10.2 million). At the traditional in-house exhibitions in Pfronten and Bielefeld at the start of the year we presented six of a total of 16 new developments planned for the reporting year. In the “milling” technology area, the DMU 85 monoblock and the DMU 80 eVo linear extend the new generation of 5-axis machines. The DMU 600 P complements the portal series in the area of **xxL machining** of construction parts weighing up to 40 tonnes and having a length of up to 6 metres. The newly lasertec machine DMU 210 Shape enables machining of 3D shapes with individual surface structures in one setting with its combined milling and laser machining. In the “turning” technology area, the CTX beta 1250 4A TC and the CTX gamma 3000 TC complete the range of products in the successful CTX series.

In the “Energy Solutions” segment, GILDEMEISTER presented a world premiere with the grid-independent electric filling station. With the “SunCarrier” and “WindCarrier”, the system generates electricity from renewable energy sources, which the “CellCube” big battery stores and makes available at any time.

We are continuing to follow our innovations-focused product strategy consistently. Some 468 employees are working on the development of new products, which corresponds to 14% of the workforce at the plants. We will present further new developments over the course of the year at 55 international and national trade fairs and in-house exhibitions. At the same time, special focus is placed on the industry highlight, the EMO in Hanover.



### Green Energy for tomorrow's mobility

At the in-house exhibition in Bielefeld, GILDEMEISTER showed the performance capability of modern energy technology. Solar and wind energy are efficiently used by the “SunCarrier” and “WindCarrier”, stored in the “CellCube” big battery and made available from the e-filling station. Clean electricity for tomorrow's mobility – a concept with a future.

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### Forecast

The **world economy** will expand further according to latest forecasts. China will be able to maintain its drive. The effects of the catastrophe in Japan are still difficult to estimate; however, according to leading economic research institutes, they should not have a major impact on total economic development. In the USA, cyclical recovery will continue. In Europe the upwards development continues at a moderate pace. Germany can probably maintain its growth rate. According to provisional calculations by the Kiel Institute for the World Economy (IfW), gross domestic product worldwide will rise in 2011 by 4.3% (previous year: 4.8%).

The **worldwide market for machine tools** will develop positively in 2011. The German Machine Tool Builders' Association (VDW) and the British economic research institute, Oxford Economics, are expecting growth in worldwide consumption of 19.6% to € 53.8 billion in their latest forecasts (as of April 2011). In **Asia** demand is expected to grow by 18.1%, in **America** it should even grow by 26.0% and in **Europe** growth should reach 20.8%. Strong boosts to consumption are coming as before from the BRIC countries: China, Brazil, India and Russia. Growth of 30.5% is expected in **Germany**.

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#### MACHINE TOOLS CONSUMPTION WORLDWIDE

in € billion



Source: vdw (German Machine Tool Builders' Association)

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**GILDEMEISTER** will further expand its global presence in the major markets. Innovative ideas and breaking new ground in machine technology, services and software products are the key factors for **GILDEMEISTER** as a technology group in securing the future of the company.

Our motto for the current year is: **Cooperation sustains innovation**. Our cooperation with Mori Seiki is progressing successfully and we have it to thank for numerous ideas, suggestions and impetus. Streamlined structures and organised processes place us in a position to act competently and efficiently in the marketplace. We are well-positioned in the USA and in Asia through the cooperation with Mori Seiki. In the Indian growth market we are planning to open our joint technology center from 17 to 20 May 2011. We will present innovative high-tech products, which have been exactly tailored to customer requirements and wishes in the Indian market.

We consider the BRIC countries, above all, to be future **sales markets** with growth potential. Here we will further strengthen sales and services and cement our competitive position. We will focus on growing sales sectors such as aerospace, medical technology and renewable energies.

### Current State

During the CIMT, the most important machine tool trade fair in China, the groundwork was laid for **cooperation** between GILDEMEISTER, the Japanese machine tool builder, Mori Seiki Co. Ltd., and the Chinese machine tool builder, Shen Yang Machine Tool (Group) Co., Ltd. (SYMG). This step takes account of the growing importance of China as the largest sales market worldwide for machine tools.

GILDEMEISTER and Mori Seiki are planning a cooperation of equals in China with the major Chinese machine tool builder, SYMG. The planned partnership is focussing on the production of a new machine series in Shenyang – predominantly aimed at the Chinese market. GILDEMEISTER is thereby underlining the growing importance of China as the largest sales market worldwide for machine tools with continued high rates of growth in the future.

### Future Business Development

GILDEMEISTER is planning **financial year 2011** more optimistically than at the start of the year due to growing demand. Conditions have further improved. One additional success was the most important machine tool trade at the start of April in China, the CIMT in Beijing, with orders to a value of € 45.2 million and 234 machines sold. The **Intersolar** in Munich (8 June to 10 June 2011) will also be trend-setting as the world's most important solar trade fair. We expect particular impetus to come from the most important industry highlight worldwide, the **EMO in Hanover** (19 Sep. to 24 Sep. 2011), where we will present 70 exhibits, of which 10 will be world premieres.

GILDEMEISTER evaluates financial year 2011 optimistically. In the current financial year, we now want to achieve **order intake** of more than € 1.7 billion. For the whole year we are anticipating growing demand for our machine tools, services and energy solutions.

We now plan to increase **sales revenues** to more than € 1.6 billion.

In **earnings** we are working on returning GILDEMEISTER sustainably to the profitable growth path of the record years before the economic crisis. We are strategically well-positioned to master the future and to grow profitably. With the issue proceeds of the **capital increases** we will redeem the borrowers' notes and thus reduce the financial liabilities significantly. We are expecting clear growth in EBT and in annual net income for the whole year. Given the positive outlook for business and earnings, we are planning to distribute a **dividend** for financial year 2011.

We are expecting positive, dynamic development in **financial year 2012**. In its most recent forecasts (as of April 2011), the VDW is expecting further growth in global machine tool consumption of 19.2%. We are anticipating another rise in order intake, sales revenues and earnings.

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### Consolidated Income Statement

1 <sup>st</sup> quarter	2011		2010		Changes	
	01 Jan. – 31 March € million	%	01 Jan. – 31 March € million	%	2011 against 2010 € million	%
<b>Sales Revenues</b>	377.4	91.4	244.4	100.2	133.0	54.4
Changes in finished goods and work in progress	33.4	8.1	-2.0	-0.8	35.4	
Capitalised payments	2.3	0.5	1.5	0.6	0.8	53.3
<b>Total Work Done</b>	413.1	100.0	243.9	100.0	169.2	69.4
Cost of materials	-239.0	-57.8	-128.4	-52.6	-110.6	86.1
<b>Gross Profit</b>	174.1	42.2	115.5	47.4	58.6	50.7
Personnel costs	-92.9	-22.5	-78.1	-32.0	-14.8	19.0
Other income and expenses	-63.3	-15.4	-41.7	-17.1	-21.6	51.8
Depreciation	-7.5	-1.8	-6.8	-2.8	-0.7	10.3
<b>Financial Result</b>	-9.9	-2.4	-8.7	-3.6	-1.2	13.8
<b>EBT</b>	0.5	0.1	-19.8	-8.1	20.3	
Income Taxes	-0.2	0.0	5.1	2.1	-5.3	
<b>Earnings after taxes</b>	0.3	0.1	-14.7	-6.0	15.0	
<b>Earnings per share in accordance with IAS 33 (in euros)</b>						
Undiluted	0.01		-0.32			
Diluted	0.01		-			

### Group Statement of Comprehensive Income

	2011 01 Jan. – 31 March € million	2010 01 Jan. – 31 March € million
<b>Earnings after taxes</b>	<b>0.3</b>	<b>-14.7</b>
<b>Remaining revenue</b>		
Differences from currency translations	-4.1	6.4
Changes in market value of derivative financial instruments	5.7	-2.1
Change in the fair value measurement of available-for-sale-financial assets	-2.1	12.6
Income tax on other comprehensive income	-1.4	0.6
<b>Remaining result for the period after taxes</b>	<b>-1.9</b>	<b>17.5</b>
<b>Total comprehensive income for the period</b>	<b>-1.6</b>	<b>2.8</b>
Attributable to owners of GILDEMEISTER Aktiengesellschaft	-1.3	2.8
Attributable to non-controlling interests	-0.3	0.0



## Consolidated Balance Sheet

<b>ASSETS</b>	<b>31 March 2011</b> € million	31 Dec. 2010 € million	31 March 2010 € million
<b>Long-term assets</b>			
Goodwill	81.5	81.5	76.0
Other intangible assets	41.5	31.3	24.5
Tangible assets	202.0	201.8	196.7
Equity accounted investments	6.2	6.2	0.0
Financial assets	42.4	44.6	42.1
Trade debtors	1.3	1.7	0.6
Other long-term financial assets	7.6	7.4	5.4
Other long-term assets	8.1	2.7	3.6
Deferred taxes	40.9	41.3	41.5
	<b>431.5</b>	<b>418.5</b>	<b>390.4</b>
<b>Short-term assets</b>			
Inventories	440.6	410.3	384.5
Trade debtors	350.1	302.4	253.9
Receivables against at equity accounted companies	6.2	1.9	0.0
Other short-term financial assets	73.7	87.6	46.7
Other short-term assets	29.9	25.0	23.6
Cash and cash equivalents	130.2	111.8	44.8
	<b>1,030.7</b>	<b>939.0</b>	<b>753.5</b>
	<b>1,462.2</b>	<b>1,357.5</b>	<b>1,143.9</b>
<b>EQUITY AND LIABILITIES</b>	<b>31 March 2011</b> € million	31 Dec. 2010 € million	31 March 2010 € million
<b>Equity</b>			
Subscribed capital	130.4	118.5	118.5
Capital provision	150.7	80.1	80.1
Revenue provisions	206.4	207.7	185.3
<b>Total equity of shareholders of GILDEMEISTER Aktiengesellschaft</b>	<b>487.5</b>	<b>406.3</b>	<b>383.9</b>
Minority interests' share of equity	6.1	6.6	-0.2
<b>Total equity</b>	<b>493.6</b>	<b>412.9</b>	<b>383.7</b>
<b>Long-term liabilities</b>			
Long-term financial liabilities	218.8	220.2	245.9
Pension provisions	26.4	26.3	26.4
Other long-term provisions	21.6	19.9	31.5
Trade creditors	0.3	0.4	0.1
Other long-term financial liabilities	15.4	20.9	23.4
Other long-term liabilities	3.0	3.1	3.5
Deferred taxes	6.3	5.9	2.8
	<b>291.8</b>	<b>296.7</b>	<b>333.6</b>
<b>Short-term liabilities</b>			
Short-term financial liabilities	115.8	100.0	92.9
Tax provisions	5.5	7.1	7.7
Other short-term provisions	123.2	126.0	107.0
Payments received on account	113.0	97.0	45.5
Trade creditors	256.2	264.2	134.5
Liabilities to associated companies	0.0	0.3	0.0
Other short-term financial liabilities	38.3	25.9	19.9
Other short-term liabilities	24.8	27.4	19.1
	<b>676.8</b>	<b>647.9</b>	<b>426.6</b>
	<b>1,462.2</b>	<b>1,357.5</b>	<b>1,143.9</b>

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### Consolidated Cash Flow Statement

	2011 01 Jan. – 31 March € million	2010 01 Jan. – 31 March € million
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Earnings before tax (EBT)	0.5	-19.8
Income taxes	-0.2	5.1
Depreciation	7.5	6.8
Change in deferred taxes	1.1	-6.0
Change in long-term provisions	1.8	-2.5
Other income and expenses not affecting payments	0.4	0.6
Change in short-term provisions	-4.4	-13.1
Changes in inventories, trade debtors and other assets	-80.1	-13.1
Changes in trade creditors and other liabilities	12.5	-2.6
	-60.9	-44.6
<b>CASH FLOW FROM INVESTMENT ACTIVITY</b>		
Amounts paid out for investments in intangible and tangible assets	-19.4	-4.7
Amounts paid out for investments in financial assets	0.0	-1.1
Amounts received from the disposal of fixed assets	0.9	0.3
	-18.5	-5.5
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Inflows / outflows for borrowings / repayment of borrowings	15.7	10.4
Payments for the costs of the capital increase	-0.9	0.0
Proceeds from capital increase	83.1	0.0
	97.9	10.4
Changes affecting payments	18.5	-39.7
Effects of exchange rate changes on financial securities	-0.1	0.1
Cash and cash equivalents as of 1 January	111.8	84.4
Cash and cash equivalents as of 31 March	130.2	44.8

## Statement of Changes in Group Equity

	Subscribed capital € million	Capital provision € million	Revenue provisions € million	Shareholders equity of GILDEMEISTER Aktiengesellschaft € million	Minority interest share of equity € million	Group Equity € million
As at 1 Jan. 2011	118.5	80.1	207.7	406.3	6.6	412.9
Total comprehensive income			-1.3	-1.3	-0.3	-1.6
Other changes					-0.2	-0.2
Capital increase	11.9	70.6		82.5		82.5
<b>As at 31 March 2011</b>	<b>130.4</b>	<b>150.7</b>	<b>206.4</b>	<b>487.5</b>	<b>6.1</b>	<b>493.6</b>

	Subscribed capital € million	Capital provision € million	Revenue provisions € million	Shareholders equity of GILDEMEISTER Aktiengesellschaft € million	Minority interest share of equity € million	Group Equity € million
As at 1 Jan. 2010	118.5	80.1	182.5	381.1	-0.2	380.9
Total comprehensive income	0.0	0.0	2.8	2.8	0.0	2.8
<b>As at 31 March 2010</b>	<b>118.5</b>	<b>80.1</b>	<b>185.3</b>	<b>383.9</b>	<b>-0.2</b>	<b>383.7</b>

## Group Segmental Reporting

<b>1<sup>ST</sup> QUARTER 2011</b>	Machine Tools € million	Services € million	Energy Solutions € million	Corporate Services € million	Transitions € million	Group € million
Sales revenues	208.4	108.2	60.7	0.1		377.4
EBIT	3.2	18.5	-7.6	-3.4	-0.3	10.4
Investments	15.5	1.6	0.1	2.2		19.4
Employees	3,232	2,159	164	70		5,625

<b>1<sup>ST</sup> QUARTER 2010</b>	Machine Tools € million	Services € million	Energy Solutions € million	Corporate Services € million	Transitions € million	Group € million
Sales revenues	128.8	76.8	38.7	0.1		244.4
EBIT	-17.4	8.8	0.8	-3.0	-0.3	-11.1
Investments	3.1	2.4	0.1	0.2		5.8
Employees	3,138	2,092	116	65		5,411

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## Notes to the Interim Consolidated Financial Statements

**1 APPLICATION OF REGULATIONS** The interim consolidated financial statements of GILDEMEISTER Aktiengesellschaft as of 31 March 2011 were prepared, as were the Consolidated Financial Statements of the year ending 31 December 2010, in accordance with the International Financial Reporting Standards (IFRS) applicable on the reporting date and in accordance with the interpretation of the above standards; in particular, the regulations of the IAS 34 on interim reporting were applied.

All interim financial statements of those companies that were included in the Interim Consolidated Financial Statements were prepared in accordance with uniform accounting and valuation principles that also formed the basis for the Consolidated Annual Financial Statements for the year ending 31 December 2010.

In view of the sense and purpose of interim reporting as an instrument of information based on the Consolidated Financial Statements, and in accordance with IAS 1.112, we refer to the Notes to the Consolidated Annual Financial Statements. These set out in detail the accounting, valuation and consolidation methods applied and the right of choice contained in the IFRS that has been exercised.

The accounting and valuation principles and applied consolidation methods remain unchanged from the financial year 2010. For further details we refer to the Notes to the Consolidated Financial Statements of the year ending 31 December 2010.

**2 CONSOLIDATED GROUP** On 31 March 2011, the GILDEMEISTER group, including GILDEMEISTER Aktiengesellschaft, comprised 128 companies, 125 of which were included in the Interim Financial Statements as part of the full consolidation process. The change compared to 31 December 2010 arises out of the founding of DMG Mori Seiki (Vietnam) Co., Ltd., Hanoi. Comparison with the Consolidated Financial Statements for the year ending 31 December 2010 is not impaired.

With no change from the consolidated financial statements 2010, DMG / Mori Seiki Australia Pty. Ltd. and SUN CARRIER OMEGA Pvt. Ltd. are classified as a joint venture and included in the consolidated financial statements at equity. MG Finance GmbH was classified as an associate and also included at equity in the interim financial statements.

**3 EARNINGS PER SHARE** In accordance with IAS 33, earnings per share are determined by dividing the consolidated earnings by the average weighted number of shares as follows:

Total profit / loss after taxes excluding the profit / loss share of non-controlling interests € κ	661
Average weighted number of shares (pieces)	46.442.996
Earnings per share acc. to IAS 33	€ 0,01

In the reporting period there were dilution effects caused by 10,028,040 new shares from the subscription rights capital increase passed by resolution of 24 March 2011.

<b>4 INCOME STATEMENT, BALANCE SHEET, CASH FLOW STATEMENT</b>	Details of the statement of comprehensive income, statement of financial position and on the statement of cash flows may be found in the section “Results of Operations, Net Worth and Financial Position” on 7 et seq.	----- Economic Development
<b>5 STATEMENT OF CHANGES IN GROUP EQUITY</b>	Overall, equity rose by € 80.7 million. The consolidated earnings as of 31 March 2011 of € 0.3 million as well as the changes in fair value of derivative financial instruments of € 4.3 million increased equity. This was offset by a reduction in equity from the currency changes recognised directly in equity as well as from changes in fair value of financial assets available-for-sale. A capital increase was carried out in March from authorised capital in an amount of € 83.1 million. The registered capital of GILDEMEISTER Aktiengesellschaft rose by € 11.9 million from € 118.5 million to € 130.4 million and the capital reserves grew less transaction costs and deferred taxes due on such by € 70.6 million from € 80.1 million to € 150.7 million. The total number of shares rose through the issue of 4,558,200 new no par value shares from 45,582,003 to 50,140,203 shares. The new shares were released for trading on 14 April.	----- Business Development -----
<b>6 SEGMENTAL REPORTING</b>	Within the scope of segment reporting, pursuant to the IFRS 8 regulations, the business activities of the GILDEMEISTER group have been differentiated since financial year 2010 into the business segments of “Machine Tools”, “Services”, “Energy Solutions” and “Corporate Services”. The segment differentiation follows the internal management and reporting on the basis of the different products and services. In comparison with 31 December 2010 there has been no change in the delimitation of the segments or in determining the segment earnings. Further details on business development are included in the “Segments” section on page 10 et seq.	Forecast
<b>7 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE</b>	Significant events occurring after the reporting period are presented in the chapters “Capital increases” and “Forecast”. No other significant events have occurred after the reporting period of the interim financial statements.	Interim Consolidated Financial Statements
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13 May 2011	Annual General Meeting of Shareholders at 10 a.m. in the Town Hall Bielefeld
02 August 2011	Second Quarterly Report 2011 (1 April to 30 June)
27 October 2011	Third Quarterly Report 2011 (1 July to 30 September)
18 May 2012	Annual General Meeting of Shareholders at 10 a.m. in the Town Hall Bielefeld

Subject to alteration

Bielefeld, 5 May 2011  
GILDEMEISTER Aktiengesellschaft  
The Executive Board



Dipl.-Kfm. Dr. Rüdiger Kapitza



Dipl.-Ing. Günter Bachmann



Dipl.-Kfm. Dr. Thorsten Schmidt



Dipl.-Kffr. Kathrin Dahnke

Supervisory Board:  
Hans Henning Offen, Chairman

## Statements relating to the future

This report contains statements relating to the future, which are based on current evaluations of the management regarding future developments. Such statements are subject to risks and uncertainties relating to factors that are beyond GILDEMEISTER's ability to control or estimate precisely, such as the future market environment and economic conditions. Such uncertainties may arise for GILDEMEISTER in particular as a result of the following factors:

Changes in general economic and business conditions (including margin developments in the major business areas as well as the consequences of recession); the risk that customers may delay or cancel orders or become insolvent or that prices will be further depressed due to a constantly unfavourable market environment than we currently expect; developments in the financial markets including fluctuations in interest rates and exchange rates, in the price of raw materials, in borrowing and equity margins as well as the general financial situation; increasing volatility and further decline in the capital markets; a worsening of conditions for borrowing and, in particular, increasing uncertainty arising out of the mortgage, financial and liquidity crisis, as well as the future economic success of the core business areas in which we operate; challenges arising of the integration of major acquisitions and the implementation of joint ventures and the realisation of anticipated synergy effects and other significant portfolio measures; the introduction of competitive products or technologies by other companies; a lack of acceptance of new products and services in customer target groups of the GILDEMEISTER group; changes in corporate strategy; the outcome of public investigations and associated legal disputes as well as other official measures.

Should one of these uncertainty factors or other unforeseeable event occur, or should the assumptions on which these statements are based prove incorrect, the actual results may differ materially from the results expressed in, or implied by, these statements. GILDEMEISTER disclaims any intention or special obligation to update any forward-looking statements to reflect any change in events or developments occurring after the reporting period. Forward-looking statements must not be understood as a guarantee or assurance of future developments or events contained therein.

This report is available in German and English; both versions are available on the Internet for download at [www.gildemeister.com](http://www.gildemeister.com). Further copies and additional information on GILDEMEISTER are available free of charge upon request.

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