One Brand for the World.

Interim Report

1st Quarter 2014

OIL AND GAS INDUSTRY

Precise components for the oil and gas industries, which must fulfil the highest-possible demands in terms of wear resistance and reliability, are manufactured on DMG MORI machines: for example drilling heads tipped with carbide or diamant inserts machined on the DMU 80 P duoBLOCK®.

Dear Shareholders,

In the first months of the year, the global economic environment has improved and the German machine tool market has profited from this trend. The German Machine Tool Builders' Association (VDW) and the British Economic Research Institute, Oxford Economics, predict 3.7% growth of global machine tool consumption for the current year in its latest forecast (April 2014).

The first quarter was according to plan for the DMG MORI SEIKI AKTIENGESELLSCHAFT. Order intake amounted to € 601.2 million (+16%), compared with € 518.7 million in the previous year's period. Sales revenues rose to € 505.1 million (previous year: € 466.1 million). The earnings situation continued to develop positively: EBITDA amounted to € 39.5 million (previous year: € 28.1 million), EBIT reached € 28.4 million (previous year: € 17.0 million) and EBT was € 26.1 million (previous year: € 15.1 million). As at 31 March 2014, the group reported earnings after taxes of € 18.0 million (previous year: € 10.4 million).

In the current financial year, we actually still expect favourable economic conditions on the whole. In our European core markets, we expect further recovery, especially in the second half of the year. The forecast involves risks, however, above all due to the Ukraine conflict and the weaker economic prospects in China.

In terms of the cooperation with our Japanese partner DMG MORI SEIKI COMPANY LIMITED, we will focus more strongly on the areas of product development and production. Our goal is to create efficiency advantages when developing products by bundling our resources and using our common expertise. Moreover, we will optimise our product range. With further standardisation we want to realise purchasing advantages and thus increase our profitability.

We expect order intake of around € 2.3 billion for the financial year 2014. Based on the scheduled course of business and the solid order backlog, we plan to achieve annual sales revenues of around € 2.2 billion, EBIT of around € 175 million and EBT of around € 165 million. Based on these figures, we intend to distribute a dividend for the financial year 2014.

KEY FIGURES The interim consolidated financial statements of DMG MORI SEIKI AKTIENGESELLSCHAFT were prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable within the European Union. The interim financial statements have not been audited and refer exclusively to the DMG MORI SEIKI AKTIENGESELLSCHAFT and its affiliated group companies (in the following referred to as the DMG MORI SEIKI group).

01 **DMG MORI SEIKI GROUP**

	31 March 2014 € million	31 Dec. 2013 € million	31 March 2013 € million	Changes 31 March 2014 to 31 March 2013 € million	%
Sales revenues					
Total	505.1	2,054.2	466.1	39.0	8
Domestic	168.8	676.5	150.9	17.9	12
International	336.3	1,377.7	315.2	21.1	7
% International	67	67	68		
Order intake					
Total	601.2	2,101.1	518.7	82.5	16
Domestic	222.7	705.8	163.7	59.0	36
International	378.5	1,395.3	355.0	23.5	7
% International	63	66	68		
Order backlog					
Total	1,128.0	1,031.9	1,056.1	71.9	7
Domestic	330.8	277.5	265.0	65.8	25
International	797.2	754.4	791.1	6.1	1
% International	71	73	75		
Investments	42.3	213.5	12.2	30.1	247
of which tangible assets / intangible assets	20.4	106.6	10.6		
Personnel costs	121.6	465.2	114.3	7.3	6
Personnel ratio in %	23.0	22.6	23.0		
EBITDA	39.5	193.9	28.1	11.4	
EBIT	28.4	147.6	17.0	11.4	
EBT	26.1	135.0	15.1	11.0	
Earnings after taxes	18.0	93.2	10.4	7.6	

	31 March 2014	31 Dec. 2013	31 March 2013	Changes 31 March 2014 to 31 Dec. 2013	%
Employees	6,732	6,497	6,347	235	4
plus trainees	205	225	201	−20	−9
Total employees	6,937	6,722	6,548	215	3

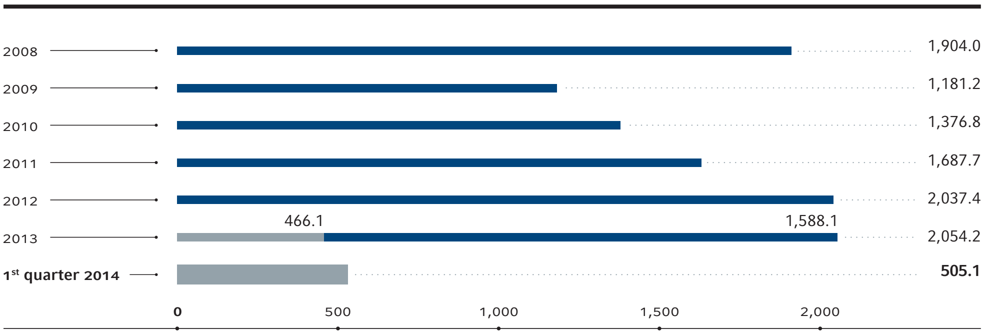
References

P Page reference for further information in the Interim Report

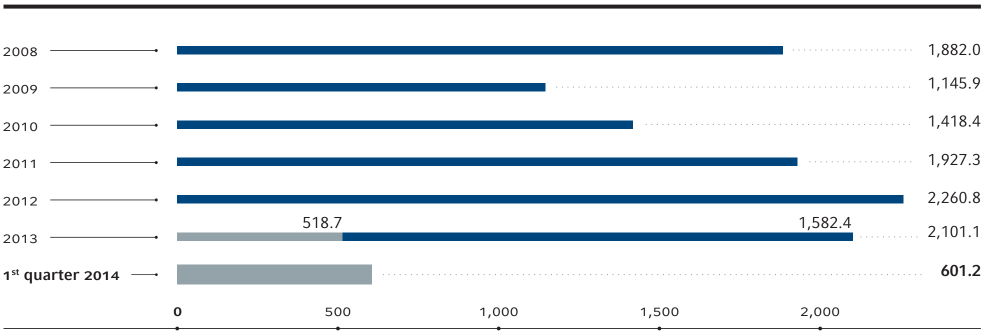
G Reference to a diagram or table providing visual representation

I Reference to further / updated information in the internet

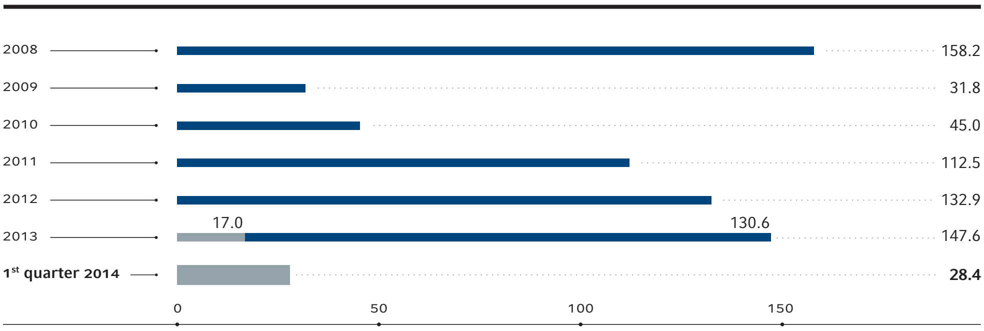
02 **SALES REVENUES** IN € MILLION



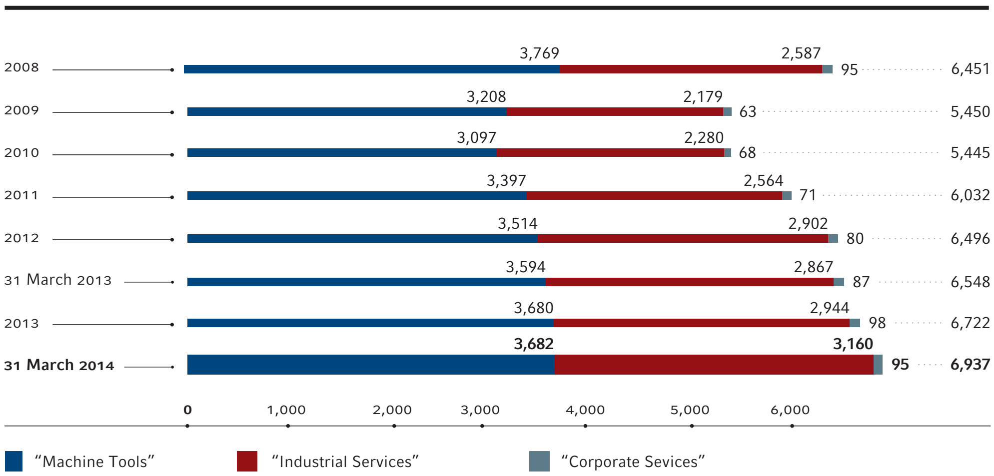
03 **ORDER INTAKE** IN € MILLION



04 **EBIT** IN € MILLION



05 **NUMBER OF EMPLOYEES** INCL. TRAINEES



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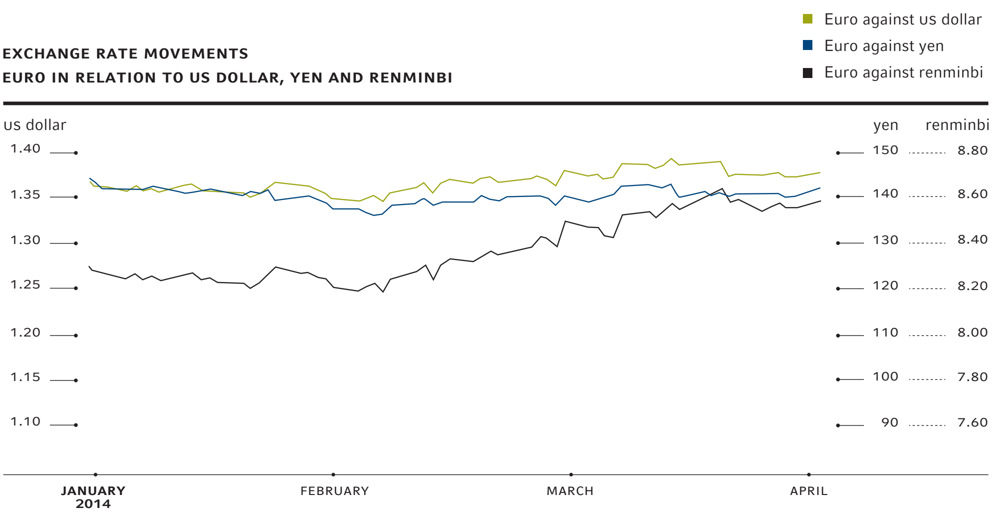
Overall economic development was positive in the first quarter of 2014 as a whole. However, the development of individual markets differed. At the beginning of the year, early indicators for the global economy had initially improved. But the Ukraine conflict had a dampening effect on economic expectations near the end of the first quarter. There have also been weaker figures coming out of Asia. **China's** economy grew somewhat slower than expected in the reporting period. In **Japan**, an increase in value added tax led to a decrease in industrial production.

In contrast, positive signals came from Western industrialized countries. In the **USA**, the prospects improved slightly in the first months of the year. **Europe** was able to end its recession – slight growth has been recorded since the second quarter of last year – France and Italy contributed to this as well. **Germany's** economy enjoys an upward trend since the beginning of the year. According to the economic barometer of the German Economic Research Institute (DIW), the German economy grew 0.7% compared to the previous quarter.

The DMG MORI SEIKI group's international business is affected by the euro's exchange rate. Of particular importance are the US dollar, the Chinese renminbi and the Japanese yen. The euro gained in value against these **currencies** in the first quarter of 2014 compared with the previous year's quarter. Compared to the average value of the euro, the US dollar was USD 1.37 (previous year's quarter: USD 1.32). Thus the euro gained 3.8% against the US dollar. The average value of the Chinese renminbi was quoted at 8.36 renminbi (previous year's quarter: 8.22 renminbi) and thus the euro gained 1.7% against the renminbi.
For customers in the USA, in the dollar-dependent markets and in China, the price of our products from our European production has risen slightly; but not to the extent that our original sales planning is at risk. The average value of the yen fell sharply against the euro by 15.6% and was quoted at 140.8 yen (previous year's quarter: 121.8 yen). This results in a competitive advantage for Japanese suppliers in the eurozone; the machines of DMG MORI SEIKI COMPANY LIMITED, which we market in Europe, can therefore be offered at more favourable terms.

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

A . 01 **EXCHANGE RATE MOVEMENTS**
EURO IN RELATION TO US DOLLAR, YEN AND RENMINBI



Sources: European Central Bank, Deutsche Bundesbank (German Federal Bank)

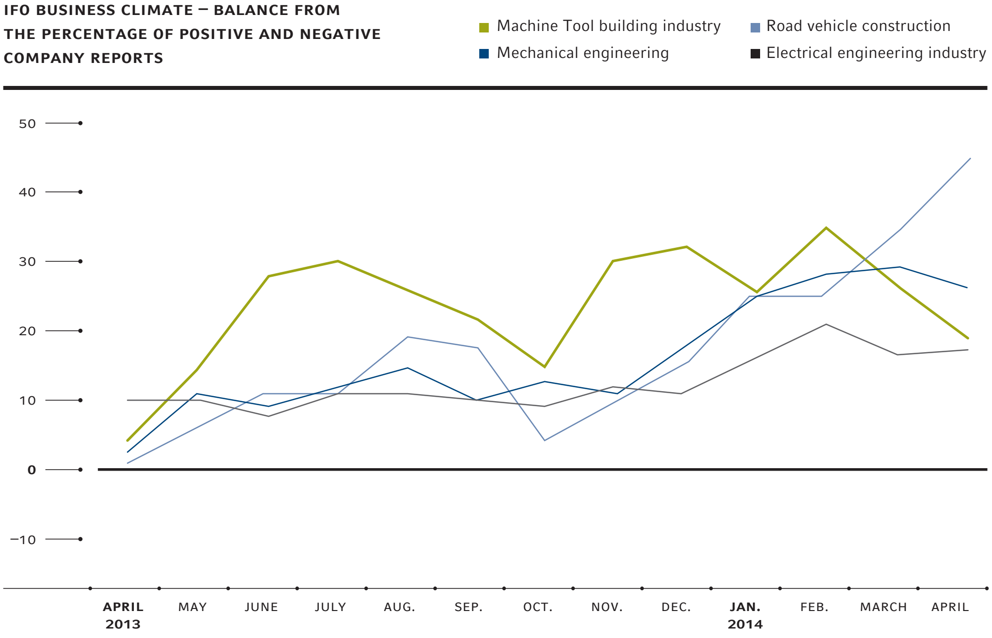
On the whole, the **global market for machine tools** in 2014 is expected to grow. The German Machine Tool Builders' Association (VDW) and the British economic research institute, Oxford Economics, are expecting 3.7% growth in **world consumption** to € 61.1 billion in their most recent forecast (status: April 2014). The growth rate was therefore revised down by 1.3 percentage points compared to the forecast in autumn (October 2013: +5.0%). In Asia, according to current forecasts, there should be a 3.6% rise in demand. In America, a consumption increase of 7.4% was forecast. In Europe, demand is to grow by 1.6%.

The **German machine tool market** will also grow over the course of the year. Order intake of German machine tool builders increased at the beginning of the year (+9%). Oxford Economics is forecasting growth for the year overall at 2.1% (2013: +6.9%).

The **Ifo business climate index** rose considerably at the beginning of the year. The main consumer sector is rating the current business situation somewhat more positively than in previous months.

Source: Oxford Economics, VDW (Verein Deutscher Werkzeugmaschinenfabriken)

A . 02 **IFO BUSINESS CLIMATE – BALANCE FROM THE PERCENTAGE OF POSITIVE AND NEGATIVE COMPANY REPORTS**



Source: ifo Institut, Munich

B . 01 **Group Structure**

CORPORATE SERVICES

DMG MORI SEIKI AKTIENGESELLSCHAFT (Bielefeld)

MACHINE TOOLS

GILDEMEISTER Beteiligungen GmbH (Bielefeld)

Turning	Milling	Advanced Technologies	ECOLINE Association
GILDEMEISTER Drehmaschinen GmbH (Bielefeld)	DECKEL MAHO Pfronten GmbH (Pfronten)	SAUER GmbH (Idar-Oberstein, Pfronten)	DMG ECOLINE AG (Dübendorf / Switzerland)
GRAZIANO Tortona S.r.l. (Tortona / Italy)	DECKEL MAHO Seebach GmbH (Seebach)		FAMOT Pleszew Sp. z o.o. (Pleszew / Poland)
GILDEMEISTER Italiana S.p.A. (Bergamo / Italy)			DECKEL MAHO GILDEMEISTER (Shanghai) Machine Tools Co., Ltd., (Shanghai / China)
			Ulyanovsk Machine Tools ooo (Ulyanovsk / Russia)

As of 31 March 2014, the DMG MORI SEIKI group, including DMG MORI SEIKI AKTIENGESELLSCHAFT comprised 96 entities. Compared to 31 December 2013, the number of group companies did not change.

Sales revenues

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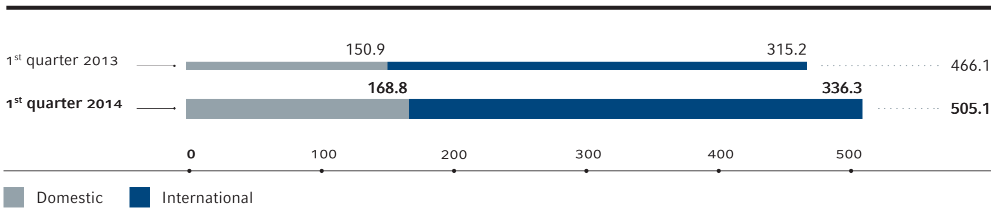
Notes to the Interim Consolidated Financial Statements

Sales revenues in the first quarter were € 505.1 million and thus exceeded the previous year's figure by 39.0 million (+8%; € 466.1 million).

In the "Machine Tools" segment, sales revenues increased by € 6.0 million to € 278.1 million (previous year: € 272.1 million). Sales revenues of the "Industrial Services" segment increased by € 33.0 million to € 226.9 million (previous year: € 193.9 million).

Domestic group sales revenues increased by 12% to € 168.8 million and international sales rose by 7% to € 336.3 million. The export share was 67% (previous year: 68%).

B . 02 **SALES REVENUES DMG MORI SEIKI GROUP**
IN € MILLION



P. 10 – 14
Segments

Order intake

In the first quarter, order intake was € 601.2 million and thus 16% above the previous year (€ 518.7 million). This included positive boosts above all from Germany and Europe. In the "Machine Tools" segment orders were € 361.8 million (previous year: € 287.7 million). The "Industrial Services" segment recorded order intake of € 239.3 million (previous year: € 230.9 million); of which € 231.5 million was accounted for by the

Electronics	Automation
DMG Electronics GmbH (Pfronten)	DMG AUTOMATION GmbH* (Hüfingen)

INDUSTRIAL SERVICES

Sales and Service locations worldwide (145)

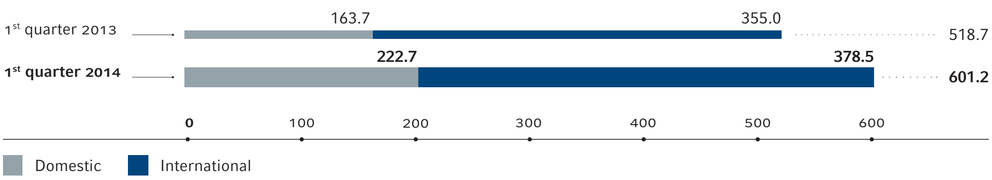
DMG MORI SEIKI Germany Stuttgart (8)	**DMG MORI SEIKI Europe** Dübendorf (Switzerland) (35)	**DMG MORI SEIKI Asia** Shanghai, Singapore (59)
DMG MORI SEIKI America Itasca (Illinois) (16)	**DMG MORI SEIKI Services** Bielefeld, Pfronten (21)	**a+f GmbH** Wurzburg, Stuttgart (6)

* As of 01 January 2014 in the Machine Tools segment

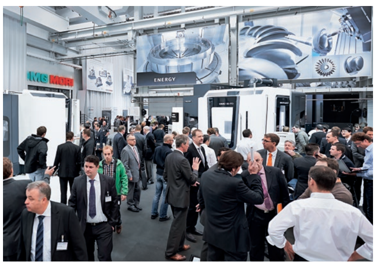
order intake in the Services division (previous year: € 213.6 million). Order intake for Energy Solutions amounted to € 7.8 million (previous year: € 17.3 million). In the "Industrial Services" segment, the machines of our cooperation partner are entered in the books.

Domestic orders amounted to € 222.7 million (previous year: 163.7 million). International orders amounted to € 378.5 million (previous year: € 355.0 million). Thus the share of foreign business in the first quarter of the financial year amounted to 63% (previous year: 68%).

B . 03 **ORDER INTAKE DMG MORI SEIKI GROUP**
IN € MILLION



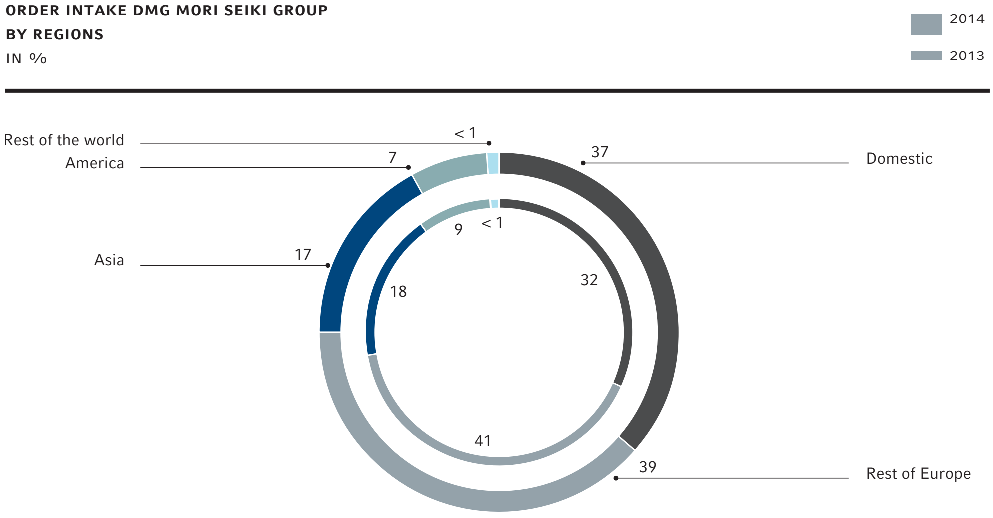
In-house exhibition Pfronten 2014:



At the in-house exhibition in Pfronten, the DMG MORI SEIKI group presented eight world premieres and a total of 66 high-tech machines to 6,644 international trade visitors. With record order intake of € 167.6 million, DMG MORI SEIKI was able to take positive stock of the year's starting event.

In the individual market regions, order intake developed as follows:

B . 04 **ORDER INTAKE DMG MORI SEIKI GROUP BY REGIONS**
IN %



TOTAL
1ST QUARTER 2014: € 601.2 MILLION // 1ST QUARTER 2013: € 518.7 MILLION

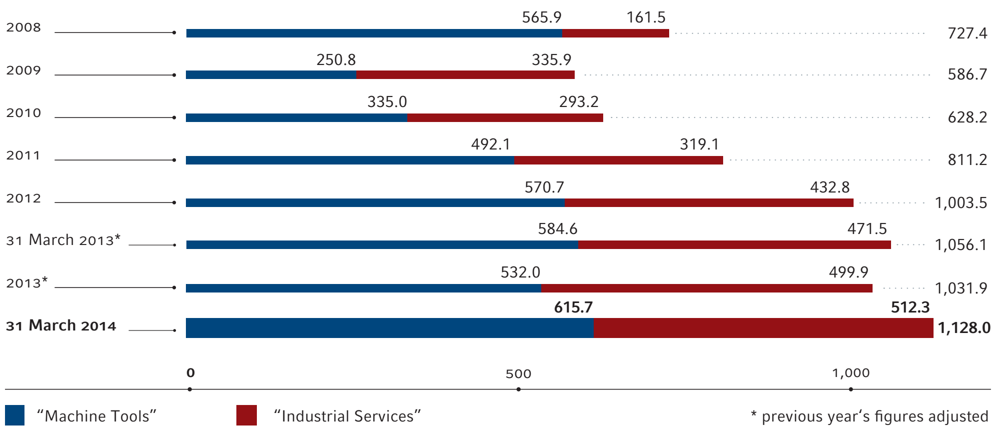
P. 10 – 14 *Segments*

Order Backlog

On 31 March 2014, order backlog within the group was € 1,128.0 million (31 Dec. 2013: € 1,031.9 million). Domestic backlog increased compared with the end of 2013 by € 53.3 million to € 330.8 million. The backlog of international orders rose by € 42.8 million to € 797.2 million. International orders account for 71% of existing orders.

The backlog developed in the individual segments as follows:

B . 05 **ORDER BACKLOG DMG MORI SEIKI GROUP**
IN € MILLION



* previous year's figures adjusted

The order backlog for "Machine Tools" gives rise to a forward order book of an average of approximately five months. In this respect, the individual production companies show different degrees of capacity utilisation.

Results of Operations, Net Worth and Financial Position

The DMG MORI SEIKI group was able to improve its key income figures as of 31 March 2014 compared to the previous year. **EBITDA** amounted to € 39.5 million (previous year: € 28.1 million), **EBIT** was € 28.4 million (+67%; previous year: € 17.0 million) and **EBT** reached € 26.1 million (previous year: € 15.1 million). As of 31 March 2014, the group reports **earnings after taxes** of 18.0 million (previous year: € 10.4 million).

Sales revenues increased to € 505.1 million (previous year: € 466.1 million). Total operating revenue rose to € 528.6 million (previous year: € 496.3 million). The cost of materials amounted to € 285.2 million (previous year: € 280.3 million). The materials ratio increased to 53.9% (previous year: 56.5%). Gross income rose by € 27.4 million to € 243.4 million (previous year: € 216.0 million). Personnel expenses rose to € 121.6 million (previous year: € 114.3 million) due to an increase in employee numbers in particular within the scope of the implementation of the joint venture with our cooperation partner in China. The personnel expenses ratio was 23.0% as in the previous year.

P. 14 Employees

The balance of other income and expenses amounted to € 82.3 million (previous year: € 73.6 million). Depreciation amounted to € 11.1 million (previous year: € 11.1 million). The financial result in the first quarter amounted to € −2.3 million (previous year: € −1.9 million). Earnings after taxes were € 18.0 million (previous year: € 10.4 million), tax expenses in the first quarter were thus € 8.1 million (previous year: € 4.7 million). The tax ratio was 30.9% (previous year: 31.0%).

B . 06

	31 March 2014 € million	31 Dec. 2013 € million	31 March 2013 € million
Net worth			
Long-term assets	778.9	785.7	579.6
Short-term assets	1,225.5	1,224.3	1,045.6
Equity	1,181.3	1,164.4	799.4
Outside capital	823.1	845.6	825.8
Balance sheet total	**2,004.4**	**2,010.0**	**1,625.2**

P. 26 Notes to the Interim Consolidated Financial Statements

The balance sheet total as of 31 March 2014 was € 2,004.4 million (31 Dec. 2013: € 2,010.0 million).

P. 9 Investments

Under **assets**, long-term assets fell by € 6.8 million to € 778.9 million. The intangible assets and property, plants and equipment rose to € 525.1 million (31 Dec. 2013: € 510.1 million). Financial assets amounted to € 186.3 million (31 Dec. 2013: 208.3 million). The participation in the capital increase of our cooperation partner caused an increase. The valuation of shares in DMG MORI SEIKI COMPANY LIMITED ran counter to the closing date.

Short-term assets remained nearly constant at € 1,225.5 million (31 Dec. 2013: € 1,224.3 million). Inventories rose by € 39.7 million to € 523.5 million. Raw materials and consumables grew to € 191.4 million (€ +1.7 million). The stock of unfinished goods increased to € 113.5 million (€ +1.8 million) and the stock of finished goods rose to € 216.5 million (€ +35.9 million). The increase was primarily due to preliminary work for planned sales revenues. The turnover rate of inventories was 3.8 (previous year's period: 3.4). Trade debtors rose by € 27.2 million to € 230.0 million. Liquid funds amounted to € 282.1 million (31 Dec. 2013: € 371.1 million) due to the development of free cash flows.

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Notes to the Interim Consolidated Financial Statements

Under **equity and liabilities**, equity increased by € 16.9 million to € 1,181.3 million. The equity ratio rose up to 58.9% (31 Dec. 2013: 57.9%). Outside capital fell to € 823.1 million (31 Dec. 2013: € 845.6 million). Provisions decreased by € 13.7 million to € 245.3 million; this was especially due to the decrease in provisions for profit-sharing bonuses, premiums and commissions. Trade creditors increased by € 2.1 million to € 333.9 million.

The group's financial position developed in the first quarter as follows: As of 31 March 2014, **cash flow** from operating activities was € −84.8 million (previous year: € −59.5 million). The earnings before taxes (EBT) of € 26.1 million (previous year: € 15.1 million) and depreciation of € 11.1 million (previous year € 11.1 million) made a positive contribution to cash flow. The rise in inventories by € 39.6 million as well as in trade creditors by € 25.8 million and the decrease of provisions by € 13.7 million reduced cash flow.

P. 9
Investments

Cash flow from investment activity changed to € −41.6 million (previous year: € −11.4 million). Investments in intangible assets and property, plant and equipment were € −20.4 million (previous year: € −10.6 million). Payments for investments in financial assets amounted to € −21.9 million and was due to the increase of shares in DMG MORI SEIKI COMPANY LIMITED within the scope of the capital increase.

Cash flow from financing activity was € +38.0 million (previous year: € +0.2 million). The considerable change over the previous year resulted from the sale of own company shares in the amount of € 38.6 million in March 2014.

In the first quarter, **free cash flow** amounted to € −104.7 million (previous year: € −69.3 million); this trend is primarily due to the increase in inventory up to 31 March 2014 because of the cyclical nature of our business for planned sales activities and due to increased investment volume.

In the second half of the year, we are planning as every year an increasing surplus in liquidity. For the entire year 2014, we expect positive free cash flow between € 20 million and € 50 million; this will depend on the status of the implementation of our investment plans.

As of 31 March 2014, we are recognising surplus funds of € 270.6 million (previous year: € 89.9 million).

B . 07 **CASH FLOW**

	2014 1st quarter € million	2013 1st quarter € million
Cash flow from operating activities	−84.8	−59.5
Cash flow from investment activity	−41.6	−11.4
Cash flow from financing activity	38.0	0.2
Changes in cash and cash equivalents	−89.0	−71.2
Liquid funds at the start of the reporting period	371.1	173.3
Liquid funds at the end of the reporting period	282.1	102.1

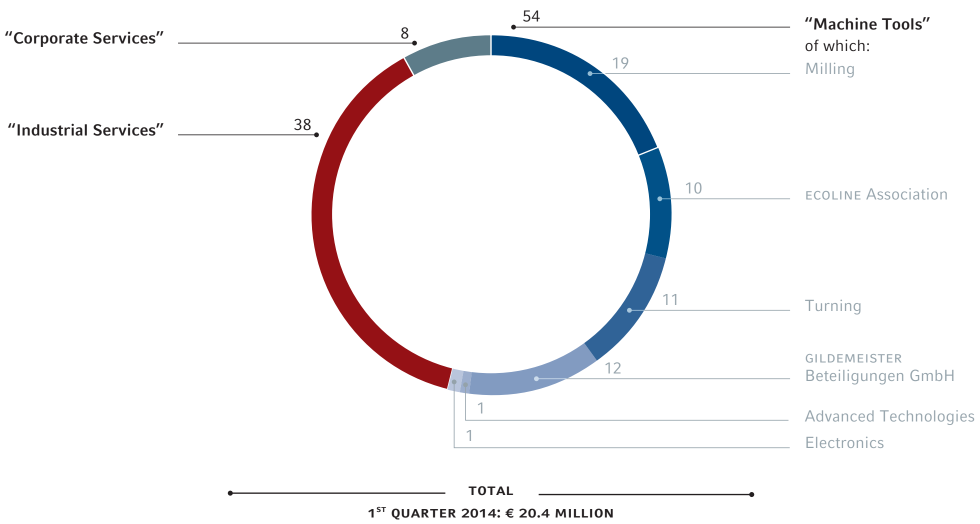
Investments

Investments in intangible assets and plant, property and equipment were € 20.4 million during the first three months (previous year's figure: € 10.6 million). The priority was on the continuation of projects already underway. At our Chemnitz site, we opened our expanded and modernised DMG MORI Berlin technology centre on 25 March. From here, we attend mainly to our customers in Eastern Germany quickly and efficiently. The modernisation of the production plant in Bergamo (Italy) is now in its final phase. On 3 June, we will hold the grand opening of a new technology centre and new production of single-spindle and multi-spindle automatic lathes. In Italy we will in future also produce our cooperation partner's successful NLX series for the European market.

The construction of the XXL Centre – the new, cutting edge production hall for our large machinery – at our Pfronten site will open in July. The building of the new European headquarters in Winterthur (Switzerland) is progressing as planned. We expect to be able to coordinate our entire European sales and service activities from Winterthur starting in November. In Ulyanovsk (Russia), construction of our modern manufacturing and assembly plant is proceeding according to plan. Moreover, we have started construction of our technology centre in Moscow in January 2014. Other investment priorities include supplying tools required for production, models and operating equipment as well as the developing innovative products.

Due to the participation in the capital increase of our cooperation partner DMG MORI SEIKI COMPANY LIMITED, capital inflow to financial assets of € 21.9 million occurred. In this way, our 9.6% holding of voting share capital of our cooperation partner remains constant. Investments totalled € 42.3 million during the first three months (previous year's value: € 12.2 million).

B . 08 **CONTRIBUTION OF EACH SEGMENT / DIVISION TO INVESTMENTS IN FIXED ASSETS AND INTANGIBLE ASSETS**
IN %



Segmental Reporting

Our business activities include the "Machine Tools" and "Industrial Services" segments. The "Corporate Services" segment primarily includes the DMG MORI SEIKI AKTIENGESELLSCHAFT with its group-wide holding functions. The selected machines from our cooperation partner that we produce under licence are included in "Machines Tools". The trade in and services for these machines are entered in the accounts under "Industrial Services".

The breakdown of sales revenues, order intake and EBIT for the individual segments is presented as follows:

B . 09 **SEGMENT KEY FIGURES OF DMG MORI SEIKI GROUP**

	31 March 2014 € million	31 Dec. 2013* € million	31 March 2013* € million	Changes 31 March 2014 to 31 March 2013 € million	%
Sales Revenues	**505.1**	**2,054.2**	**466.1**	**39.0**	**8**
Machine Tools	278.1	1,220.6	272.1	6.0	2
Industrial Services	226.9	833.4	193.9	33.0	17
Corporate Services	0.1	0.2	0.1	0.0	
Order Intake	**601.2**	**2,101.1**	**518.7**	**82.5**	**16**
Machine Tools	361.8	1,183.6	287.7	74.1	26
Industrial Services	239.3	917.3	230.9	8.4	4
Corporate Services	0.1	0.2	0.1	0.0	
EBIT	**28.4**	**147.6**	**17.0**	**11.4**	
Machine Tools	13.4	87.7	7.6	5.8	
Industrial Services	21.9	94.1	16.9	5.0	
Corporate Services	−6.6	−33.8	−7.1	0.5	

* previous year's figures adjusted

"Machine Tools"

The "Machine Tools" segment, our core segment, includes the group's new machines business and consists of the business areas Turning, Milling, Advanced Technologies (Ultrasonic / Lasertec), ECOLINE and Electronics. Since January 1, 2014, DMG Automation GmbH also is organizationally part of the Machine Tools segment. The business became more important and should be expanded the next years. The figures of the previous year and those as of 31 December 2013 were adjusted accordingly.

B . 10

KEY FIGURES "MACHINE TOOLS" SEGMENT	31 March 2014 € million	31 Dec. 2013* € million	31 March 2013* € million	Changes 31 March 2014 to 31 March 2013 € million	%
Sales revenues					
Total	278.1	1,220.6	272.1	6.0	2
Domestic	84.7	364.5	79.9	4.8	6
International	193.4	856.1	192.2	1.2	1
% International	70	70	71		
Order intake					
Total	361.8	1,183.6	287.7	74.1	26
Domestic	132.9	370.3	84.9	48.0	57
International	228.9	813.3	202.8	26.1	13
% International	63	69	70		
Order Backlog					
Total	615.7	532.0	584.6	31.1	5
Domestic	180.1	131.9	131.1	49.0	37
International	435.6	400.1	453.5	−17.9	−4
% International	71	75	78		
Investments	11.1	56.8	7.1	4.0	56
EBIT	13.4	87.7	7.6	5.8	

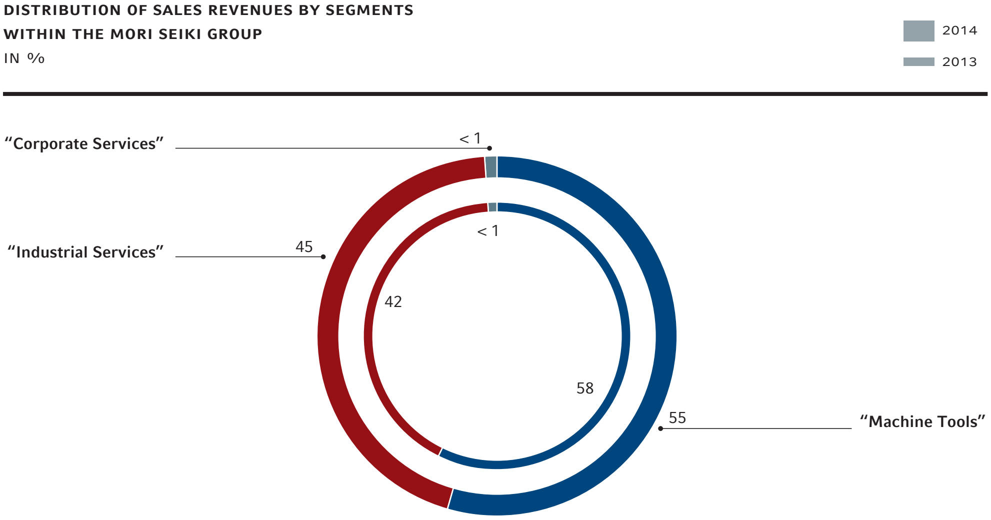
	31 March 2014	31 Dec. 2013*	31 March 2013*	Changes 31 March 2014 to 31 Dec. 2013	%
Employees	3,484	3,462	3,399	22	1
plus trainees	198	218	195	−20	−9
Total employees	3,682	3,680	3,594	2	0

* previous year's figures adjusted

The "Machine Tools" segment developed in the first quarter as follows: **sales revenues** reached € 278.1 million and were thus 2% above the comparable period in the previous year (€ 272.1 million). The "Machine Tools" segment contributed 55% of group sales revenues in the first quarter (previous year: 58%).

With respect to the total sales revenues of the group, the “Machine Tools”, “Industrial Services” and “Corporate Services” contributed as follows:

B . 11 **DISTRIBUTION OF SALES REVENUES BY SEGMENTS WITHIN THE MORI SEIKI GROUP**
IN %



TOTAL
1ST QUARTER 2014: € 505.1 MILLION // 1ST QUARTER 2013: € 466.1 MILLION

Order intake in the “Machine Tools” segment was € 361.8 million and was thus by € 74.1 million or rather 26% above the previous year‘s period (€ 287.7 million). Domestic orders rose by 57% or € 48.0 million to € 132.9 million (previous year: € 84.9 million) and international orders increased by 13% or € 26.1 million to € 228.9 million (previous year: € 202.8 million). “Machine Tools” accounted for 60% of all incoming orders in the group (previous year: 55%). The **order backlog** on 31 March amounted to € 615.7 million (31 Dec. 2013: € 532.0 million). **EBIT** rose to € 13.4 million (previous year: € 7.6 million). As of 31 March 2014, the number of “Machine Tools” segment **employees** remains constant with 3,682 compared to the 2013 year’s end number (3,680).

“Industrial Services”

The “Industrial Services” segment includes the divisions Services and Energy Solutions. In **Services** we have brought together the marketing activities and LifeCycle Services for our machines and those of our cooperation partner. Assisted by DMG MORI LifeCycle Services, our customers optimise the productivity of their machine tools over their entire lifetime – from their commissioning to trade-in as used machines. The wide range of training, repair and maintenance services offered to our customers ensures maximum cost-efficiency of their machine tools.

In **Energy Solutions** we focus on the Cellstrom, Energy Efficiency, Services and Components business units. We are increasing our activities in the area of storage technology and we intend to participate in the growth of the market for decentralised storage with our advanced vanadium redox technology.

B.12 **KEY FIGURES "INDUSTRIAL SERVICES" SEGMENT**

	31 March 2014 € million	31 Dec. 2013* € million	31 March 2013* € million	Changes 31 March 2014 to 31 March 2013 € million	%
Sales revenues					
Total	226.9	833.4	193.9	33.0	17
Domestic	84.0	311.8	70.9	13.1	18
International	142.9	521.6	123.0	19.9	16
% International	63	63	63		
Order intake					
Total	239.3	917.3	230.9	8.4	4
Domestic	89.7	335.3	78.7	11.0	14
International	149.6	582.0	152.2	–2.6	–2
% International	63	63	66		
Order Backlog					
Total	512.3	499.9	471.5	40.8	9
Domestic	150.7	145.6	133.9	16.8	13
International	361.6	345.3	337.6	24.0	7
% International	71	71	72		
Investments	7.8	41.9	2.4	5.4	225
EBIT	21.9	94.1	16.9	5.0	

	31 March 2014	31 Dec. 2013*	31 March 2013*	Changes 31 March 2014 to 31 Dec. 2013	%
Employees	3,153	2,937	2,861	216	7
plus trainees	7	7	6	0	0
Total employees	3,160	2,944	2,867	216	7

* previous year's figures adjusted

In the first quarter, **sales revenues** in the "Industrial Services" segment amounted to € 226.9 million (previous year: € 193.9 million). Services recorded sales revenues of € 218.6 million (previous year: € 181.0 million). Sales revenues in Energy Solutions were € 8.3 million (previous year: € 12.9 million). "Industrial Services" contributed a total share of 45% of the group sales revenues (previous year: 42%). **Order intake** totalled € 239.3 million (previous year: € 230.9 million). "Industrial Services" contributed a total share of 40% of group incoming orders (previous year: 45%). The share of order intake attributed to Services amounted to € 231.5 million (previous year: € 213.6 million) and Energy Solutions amounted to € 7.8 million (previous year: € 17.3 million). The **order backlog** was € 512.3 million (31 Dec. 2013: € 499.9 million). **EBIT** in the first three months amounted to € 21.9 million (previous year: € 16.9 million). In the “Industrial Services” segment, the number of **employees** at the end of the first quarter 2014 was 3,160 (31 Dec. 2013: 2,944). The significantly increased number of employees was primarily due to the expansion of our joint sales and service activities with our cooperation partner in China and the accompanying integration of 163 employees in January 2014. Moreover, we increased our staff at our sales and service companies in Germany and Korea.

“Corporate Services”

B . 13 **KEY FIGURES “CORPORATE SERVICES” SEGMENT**

	31 March 2014 € million	31 Dec. 2013 € million	31 March 2013 € million	Changes 31 March 2014 to 31 March 2013 € million
Sales revenues	0.1	0.2	0.1	0.0
Order intake	0.1	0.2	0.1	0.0
Investments *	23.4	114.8	2.7	20.7
EBIT	−6.6	−33.8	−7.1	0.5

* of which as at 31 March 2014: € 21.9 million capital inflow to financial assets, 31 Dec. 2013: € 106.9 million capital inflow to financial assets, 31 March 2013: € 1.6 million capital inflow to financial assets

	31 March 2014	31 Dec. 2013	31 March 2013	Changes 31 March 2014 to 31 Dec. 2013	%
Employees	95	98	87	−3	−3

The “Corporate Services” segment primarily includes the DMG MORI SEIKI AKTIENGESELLSCHAFT with its group wide holding functions. **EBIT** amounted to € −6.6 million (previous year: € −7.1 million). The financial result improved in the first quarter by € 0.1 million to € 1.2 million (previous year: € 1.3 million). EBT amounted to € −5.4 million (previous year: € −5.8 million).

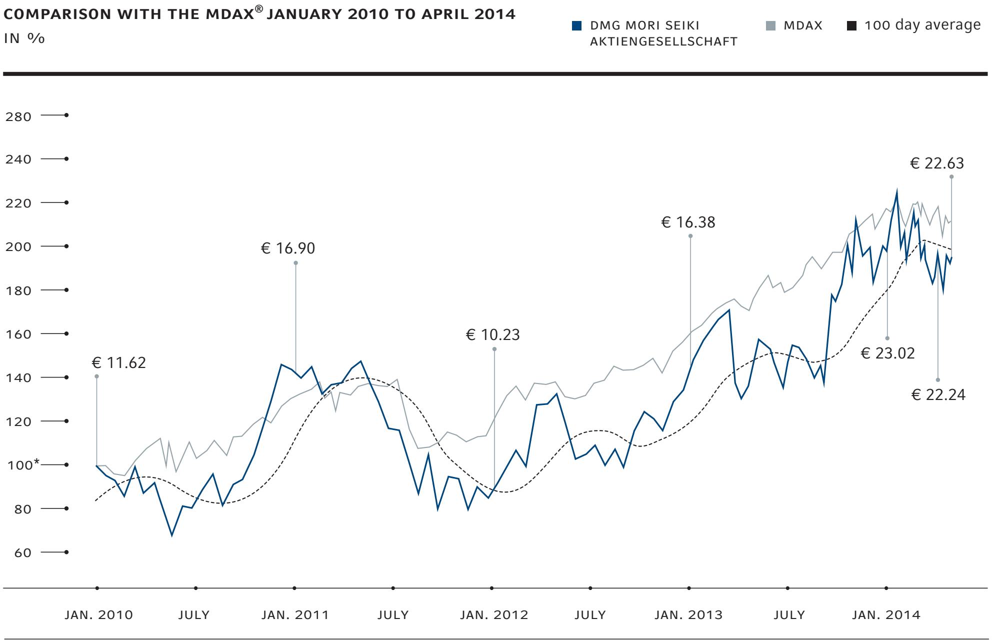
Employees

On 31 March 2014, the group had 6,937 employees of whom 205 were trainees (31 Dec. 2013: 6,722). The number of employees has thus risen by 215. The increase in personnel primarily resulted from the expansion of our joint sales and service activities with our cooperation partner in China and the accompanying integration of 163 sales and service employees. At the end of the first quarter, there were 3,831 domestic employees (55%) and 3,106 employees (45%) working for the international companies. Personnel costs amounted to € 121.6 million (previous year: € 114.3 million). The personnel expenses ratio was 23.0% (previous year‘s period: 23.0%).

Share

The share price of DMG MORI SEIKI AKTIENGESELLSCHAFT was quoted at the start of the year at € 23.02 (02 January 2014) and closed at the end of the first quarter at € 22.24 (31 March 2014). The current share price is € 22.63 (30 April 2014). The company is currently being analysed by 16 banks, of which seven recommend buying the share and two banks who rate the share as "overweight". One bank recommends "accumulating" the share, five analysts recommend holding the share and one study advises selling the share.

B . 14 **THE DMG MORI SEIKI AKTIENGESELLSCHAFT SHARE IN COMPARISON WITH THE MDAX® JANUARY 2010 TO APRIL 2014**
IN %



* 04 January 2010 = 100, stock performance indexed, XETRA stock prices
Source: Deutsche Börse Group

For the first three months, based on the new number of shares of 78.8 million, a turnover rate of 0.2 times (previous year's period: 0.4 times). The trading volume averaged 276,000 shares per trading day (previous year: 368,000 shares).

Sale of company shares

Due to a resolution of the Executive Board of the DMG MORI SEIKI AKTIENGESELLSCHAFT on 18 March 2014, 1,805,048 of the own shares held by the company – this was the entire portfolio held by the company – were sold at a minimum impact to the market with the assistance of a credit institution. The company had acquired the shares, which are now no longer necessary to finance acquisitions, in September 2011 within the scope of a share buyback programme.

Research and Development

Expenditure on research and development in the first quarter of 2014 amounted to € 10.9 million (previous year: € 10.7 million). In contrast to previous reports, expenditures for custom engineering are no longer included. The previous year's figure has been adjusted accordingly.

Due to the increasing demand for customer-specific solutions, custom engineering are gaining more and more importance. We intend to increasingly pursue the opportunities present in the custom engineering area and build up the business. The expenditures for custom engineering are thus viewed separately and no longer allocated to research and development expenditures.

At our annual in-house exhibition at DECKEL MAHO in Pfronten at the beginning of the year, we introduced eight world premieres and 19 machines in a new DMG MORI design. We presented 18 machines with CELOS. CELOS simplifies and accelerates the process from the initial idea to the finished product. **CELOS APPs** enable users to maintain continuous management, documentation and visualisation of order, process and machine data. CELOS connects the workshop to superior corporate structures and thus creates the basis for consistent digitalised manufacturing. CELOS' compatibility to PPS and ERP systems and the ability to network with CAD / CAM products are requirements for the implementation of Industry 4.0.

In financial year 2014 we plan to introduce a total of **19 new developments**. Of those, we are developing six machines together with our partner company, DMG MORI SEIKI COMPANY LIMITED.

In the **milling technology area**, our two 5-axis machining centres, the DMC 80 FD duoBLOCK with a milling-turning application and the DMC 80 H duoBLOCK for horizontal machining, will enhance the product range of the successful duoBLOCK series in its fourth generation. With the DMU 270 P, we are adding to the Portal series of universal milling machines for the 5-sided machining of large parts. In the area of vertical machining

CELOS – from the initial idea to the finished product

CELOS by DMG MORI simplifies and accelerates the process from the initial idea to the finished product. CELOS APPS equip users with continuous management, documentation and visualisation of order, process and machine data.

centres with the DMC 850 V and the DMC 1150 V we expand the new DMC V series. Both machines are equipped machining processes with high-performance spindles, rigid guides as well as innovative cooling structures.

In the **turning technology area**, the CTX TC series will be supplemented by the CTX beta 800 TC for the segment of small workpieces. The machine enables a more efficient complete turn and mill machining with the new, ultra-compact compactMASTER turnmill spindle. Equipped with CELOS and the new DMG MORI design as well as a large, transparent working area, the machine sets new standards in the industry for flexible serial production.

In the **Advanced Technologies area**, the focus is on the LASERTEC 65 *3D* for additive manufacturing. The unique process integration of laser deposition and milling in one machine opens up new possibilities for the production of highly complex and individualised products. We developed this machine for the manufacture of metallic prototypes and components. It is especially tailored to the aerospace, energy and automotive industries.

The **ECOLINE** business area is presenting the DMU 70 *ecoline* for 5-side machining. The synthesis of a performance control system and a NC swivel rotary table offers price-conscious and quality-oriented users a high-performance and high-precision solution in the starter segment.

493 employees are working on the development of new products; this amounts to 14% of the personnel at the plants. The 19 new developments in 2014 will be introduced at a total of 70 domestic and international trade fairs and in-house exhibitions this year. The presentation of our world premieres will appear later in the year, especially concentrating the industry's highlight of the year in September, the **AMB in Stuttgart**. In addition to three world premieres, we will present further technology solutions and innovative software tools there.

LASERTEC 65 *3D*

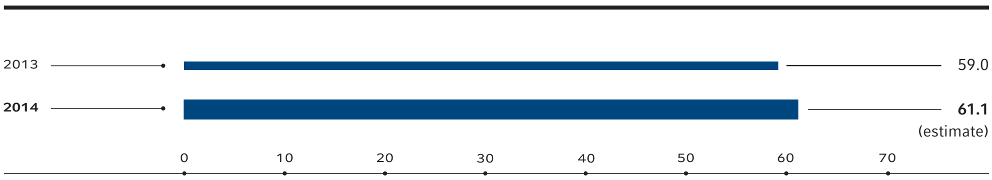
DMG MORI integrates the generative laser additive technology via metal powder nozzle in one 5-axis high-tech milling machine. The combination of both additive manufacturing and cutting method in one machine is unique on the global market. The process uses an additive process, which is up to 20-times faster than the generation in the powder bed.

Forecast

The **world economy** is expected to grow according to the latest forecasts. The Institute for the World Economy (IFW) currently expects an increase in global gross domestic product (GDP) of 3.6%. If the Ukraine conflict grows worse, however, it could trigger a downturn in the world economy. According to forecasts, China will fall slightly short of its growth objectives this year for the first time. Growth impetus will come from the industrialised countries in 2014. In the USA, economic growth will further accelerate. Europe is expected to have an economic recovery this year: economic researchers predict that the GDP in the eurozone will climb 1.2% in 2014. In Germany, growth of 1.9% is expected.

The **global market for machine tools** in 2014 is expected to develop positively. In their latest forecast, the German Machine Tool Builders' Association (VDW) and the British economic research institute, Oxford Economics, are projecting growth in **global consumption** of 3.7% to 61.1 billion euros (as of April 2014). The growth rate was thus revised down by 1.3 percent compared to the Autumn forecast (October 2013: +5.0%). In **Asia**, demand is to increase 3.6% according to a current forecast. In **America**, an increase in consumption of 7.4% is estimated. In **Europe**, demand is to grow more slowly (+1.6%). In **Germany**, slight growth is expected (+2.1%).

C . 01 **MACHINE TOOLS CONSUMPTION WORLDWIDE**
IN € BILLION



Sources: VDW (German Machine Tool Builders' Association) / Oxford Economics; Institute for Economics (IfW)

We intend to further intensify our global market presence. The cooperation with our Japanese partner, **DMG MORI SEIKI COMPANY LIMITED**, is an important element of our strategy. Our motto for the current financial year therefore is: **ONE BRAND FOR THE WORLD**.

In addition to opening up new markets, in future we will gradually strengthen our cooperation in the areas of product development and production. Our goal is to create efficiency advantages when developing products by bundling our resources and using our common expertise. Moreover, we will streamline our product range; through a consequent standardisation we plan to achieve further purchasing advantages; thus further increasing our profitability. Also, we are equipping our machines with CELOS and offering them in a new corporate design.

Future Business Development

In **financial year 2014**, we currently still expect continued favourable economic conditions on the whole. In our European core markets, we expect a further stimulation of market development, especially in the second half of the year. The forecast involves risks, however, above all due to the Ukraine conflict and the weaker economic outlook in China. As a result, an increasingly volatile economic environment may arise in the course of the financial year 2014.

For the current year we expect an **order intake** of around € 2.3 billion. In course of the year, the trade and technology fairs and especially the autumn trade fairs **IMTS in Chicago**, **AMB in Stuttgart** and **JIMTOF in Tokyo** should make important contributions to order intake.

On the basis of current business performance and our solid order backlog, annual sales revenues should amount to around € 2.2 billion. In 2014, we expect positive **free cash flow** to be between € 20 million and € 50 million; this will depend on the implementation status of our planned investments. Assuming that market trends follow our expectations, we plan further improvement of our EBIT yield. We plan an **EBIT** of around € 175 million and an **EBT** of around € 165 million. Based on these figures, we plan to distribute a **dividend** for the financial year 2014.

Current: DMG MORI is the exclusive premium partner of Team Porsche

(l. to r.): Dr. Masahiko Mori, President of DMG MORI SEIKI COMPANY LIMITED; Matthias Müller, Chairman of Porsche AG and Dr. Rüdiger Kapitza, Chairman of DMG MORI SEIKI AKTIENGESELLSCHAFT.

On 4 March 2014, Porsche presented its new motor sport partner DMG MORI at the International Geneva Motor Show. Entitled „Mission 2014. Our Return“, Porsche returned to the LMP1 class of the FIA World Endurance Championship in 2014 after more than a decade. The new, efficiency-based regulations of WEC requires advanced hybrid technology which can be transferred to serial production. As exclusive technology partner, DMG MORI will accompany Porsche in its return to the top class of the World Endurance Championship (WEC).

Consolidated Income Statement

D . 01

1ST QUARTER	2014 01 Jan. – 31 March € million	%	2013 01 Jan. – 31 March € million	%	Changes 2014 against 2013 € million	%
Sales Revenues	505.1	95.5	466.1	93.9	39.0	8.4
Changes in finished goods and work in progress	21.5	4.1	28.1	5.7	−6.6	23.5
Own work capitalised	2.0	0.4	2.1	0.4	−0.1	4.8
Total Work Done	528.6	100.0	496.3	100.0	32.3	6.5
Cost of materials	−285.2	−53.9	−280.3	−56.5	−4.9	1.7
Gross Profit	243.4	46.1	216.0	43.5	27.4	12.7
Personnel costs	−121.6	−23.0	−114.3	−23.0	−7.3	6.4
Other income and expenses	−82.3	−15.7	−73.6	−14.9	−8.7	11.8
Depreciation	−11.1	−2.1	−11.1	−2.2	0.0	0.0
Financial Result	−2.3	−0.4	−1.9	−0.3	−0.4	21.1
EBT	26.1	4.9	15.1	3.1	11.0	
Income Taxes	−8.1	−1.5	−4.7	−1.0	−3.4	
Earnings after taxes	18.0	3.4	10.4	2.1	7.6	
Profit share of shareholders of DMG MORI SEIKI AKTIENGESELLSCHAFT	16.1	3.0	9.2	1.8	6.9	
Profit share attributed to minority interests	1.9	0.4	1.2	0.3	0.7	
Earnings per share pursuant to IAS 33 (in euros)						
Undiluted	0.20		0.16			
Diluted	0.20		0.16			

Group Statement of Comprehensive Income

D . 02

	2014 01 Jan. – 31 March € million	2013 01 Jan. – 31 March € million
Earnings after taxes	**18.0**	**10.4**
Other comprehensive income		
Actuarial gains / losses	0.0	0.0
Sum of items not reclassified to the income statement	**0.0**	**0.0**
Differences from currency translation	−1.6	−4.4
Changes in market value of hedging instruments	−0.9	−1.8
Changes in the fair value measurement of available-for-sale assets	−44.0	19.5
Income taxes	0.2	0.5
Sum of items which are reclassified to the income statement	**−46.3**	**13.8**
Other comprehensive income for the period after taxes	**−46.3**	**13.8**
Total comprehensive income for the period	**−28.3**	**24.2**
Profit share of shareholders of DMG MORI SEIKI AKTIENGESELLSCHAFT	−30.4	22.4
Profit share attributed to minority interests	2.1	1.8

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Notes to the Interim Consolidated Financial Statements

Consolidated Balance Sheet

D . 03

ASSETS	31 March 2014 € million	31 Dec. 2013 € million	31 March 2013 € million
Long-term assets			
Goodwill	125.6	121.5	119.6
Other intangible assets	73.4	71.3	66.1
Tangible assets	326.1	317.3	261.9
Equity accounted investments	46.3	46.1	9.5
Other equity investments	140.0	162.2	61.2
Trade debtors	1.1	2.9	1.1
Other long-term financial assets	9.1	13.3	8.4
Other long-term assets	2.1	2.8	3.9
Deferred taxes	55.2	48.3	47.9
	778.9	**785.7**	**579.6**
Short-term assets			
Inventories	523.5	483.8	544.3
Trade debtors	203.5	169.6	208.3
Receivables from at equity accounted companies	7.9	4.1	6.0
Receivables from related parties	15.9	23.5	5.8
Receivables from associated companies	1.6	2.7	1.4
Other short-term financial assets	95.7	68.6	70.7
Other short-term assets	45.2	50.4	51.7
Cash and cash equivalents	282.1	371.1	102.1
Long-term assets held for sale	50.1	50.5	55.3
	1,225.5	**1,224.3**	**1,045.6**
	2,004.4	**2,010.0**	**1,625.2**

EQUITY AND LIABILITIES	**31 March 2014 € million**	31 Dec. 2013 € million	31 March 2013 € million
Equity			
Subscribed capital	204.9	200.2	151.7
Capital provision	498.5	480.4	257.2
Revenue provisions	375.0	389.4	304.1
Total equity of shareholders of DMG MORI SEIKI AKTIENGESELLSCHAFT	**1,078.4**	**1,070.0**	**713.0**
Minority interests' share of equity	102.9	94.4	86.4
Total equity	**1,181.3**	**1,164.4**	**799.4**
Long-term liabilities			
Long-term financial debts	1.9	2.0	3.1
Pension provisions	38.2	38.4	39.7
Other long-term provisions	22.9	27.8	20.0
Trade creditors	0.0	0.0	0.2
Other long-term financial liabilities	6.6	4.1	7.3
Other long-term liabilities	2.3	2.4	2.6
Deferred taxes	7.1	6.3	5.8
	79.0	**81.0**	**78.7**
Short-term liabilities			
Short-term financial debts	9.6	12.7	9.1
Tax provisions	29.5	34.5	31.8
Other short-term provisions	154.7	158.3	155.1
Payments received on account	146.1	148.1	153.7
Trade creditors	253.8	260.6	230.7
Liabilities to at equity accounted companies	0.4	0.3	0.0
Liabilities to associated companies	17.8	22.5	23.7
Liabilities to related parties	61.9	48.4	72.7
Other short-term financial liabilities	26.4	34.8	21.9
Other short-term liabilities	34.4	34.8	37.1
Liabilities in connection with assets held for sale	9.5	9.6	11.3
	744.1	**764.6**	**747.1**
	2,004.4	**2,010.0**	**1,625.2**

Consolidated Cash Flow Statement

D . 04

CASH FLOW FROM OPERATING ACTIVITIES	2014 01 Jan. – 31 March € million	2013 01 Jan. – 31 March € million
Earnings before tax (EBT)	26.1	15.1
Income taxes	−8.1	−4.7
Depreciation	11.1	11.1
Change in deferred taxes	−6.7	−0.2
Change in long-term provisions	−5.1	−0.4
Other income and expenses not affecting payments	−0.1	−0.1
Change in short-term provisions	−8.6	−10.0
Changes in inventories, trade debtors and other assets	−85.1	−61.4
Changes in trade creditors and other liabilities	−8.3	−8.9
	−84.8	**−59.5**
CASH FLOW FROM INVESTING ACTIVITY		
Amounts paid out for investments in intangible and tangible assets	−20.4	−10.6
Amounts paid out for investments in financial assets	−21.9	−1.6
Cash flow from obtaining control of subsidiaries	0.2	0.0
Cash inflows on disposal of the property, plant and equipment	0.5	0.8
	−41.6	**−11.4**
CASH FLOW FROM FINANCING ACTIVITY		
Cash inflows / cash outflows for borrowings	−0.6	0.2
Cash inflow from sale of own shares	38.6	0.0
	38.0	**0.2**
Changes affecting payments	−88.4	−70.7
Effects of exchange rate changes on financial securities	−0.6	−0.5
Cash and cash equivalents as of 1 January	371.1	173.3
Cash and cash equivalents as of 31 March	282.1	102.1

Development of Group Equity

D . 05

	Subscribed capital € million	Capital provisions € million	Revenue provisions € million	Total equity of shareholders of DMG MORI SEIKI AKTIEN-GESELLSCHAFT € million	Minority interests' share of equity € million	**Total equity € million**
As at 01 Jan. 2014	200.2	480.4	389.4	1,070.0	94.4	1,164.4
Total comprehensive income	0.0	0.0	−30.4	−30.4	2.1	−28.3
Consolidation measures / Other changes	4.7	18.1	16.0	38.8	6.4	45.2
As at 31 March 2014	**204.9**	**498.5**	**375.0**	**1,078.4**	**102.9**	**1,181.3**

	Subscribed capital € million	Capital provisions € million	Revenue provisions € million	Total equity of shareholders of DMG MORI SEIKI AKTIEN-GESELLSCHAFT € million	Minority interests' share of equity € million	**Total equity € million**
As at 01 Jan. 2013	151.7	257.2	281.7	690.6	84.6	775.2
Total comprehensive income	0.0	0.0	22.4	22.4	1.8	24.2
Consolidation measures / Other changes	0.0	0.0	0.0	0.0	0.0	0.0
As at 31 March 2013	**151.7**	**257.2**	**304.1**	**713.0**	**86.4**	**799.4**

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Notes to the Interim Consolidated Financial Statements

Group Segmental Reporting

D . 06

SEGMENTATION BY BUSINESS SEGMENTS

1ST QUARTER 2014

	Machine Tools € million	**Industrial Services € million**	**Corporate Services € million**	**Transition € million**	**Group € million**
Sales revenues	278.1	226.9	0.1	0.0	505.1
EBIT	13.4	21.9	−6.6	−0.3	28.4
Investments	11.1	7.8	23.4	0.0	42.3
Employees	3,682	3,160	95	0	6,937

1ST QUARTER 2013

	Machine Tools* € million	Industrial Services* € million	Corporate Services € million	Transition € million	Group € million
Sales revenues	272.1	193.9	0.1	0.0	466.1
EBIT	7.6	16.9	−7.1	−0.4	17.0
Investments	7.1	2.4	2.7	0.0	12.2
Employees	3,594	2,867	87	0	6,548

* previous year's figures adjusted

Notes to the Interim Consolidated Financial Statements

1 APPLICATION OF REGULATIONS

The consolidated financial statements of **DMG MORI SEIKI AKTIENGESELLSCHAFT** as of 31 December 2013 were prepared in accordance with the International Financial Reporting Standards (IFRS) and their interpretations as applicable at the reporting date and as adopted by the European Union. The consolidated interim financial statements as of 31 March 2014 were prepared on the basis of IAS 34 Interim Financial Reporting. The consolidated interim financial statements as of 31 March 2014 and the group interim management report for the period 1 January to 31 March 2014 were not reviewed or audited pursuant to Section 37w of the German Securities Trading Law (WpHG).

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 2013.

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 as well as the consolidation methods applied have been retained when compared to financial year 2013 (see further discussions in the Notes to the Consolidated Financial Statements as of 31 December 2013), with the exception of the application of new financial accounting regulations. None of the obligatory applications of IFRS amendments or new standards effective as of 1 January 2014 has any material effect on the DMG MORI SEIKI AKTIENGESELLSCHAFT reporting.

2 SEASONAL EFFECTS

As a globally operating company the DMG MORI SEIKI group is subject to various cyclical developments. In the sections “Overall economic development” and “Development of the Machine Tool Industry”, the cyclical influences during the reporting period have been set out in detail. Industry-related seasonal fluctuations over the course of the year are normal and may lead to different sales revenues and as a result different earnings.

3 CONSOLIDATION GROUP

On 31 March 2014, the **DMG MORI SEIKI** group, including the DMG MORI SEIKI AKTIENGESELLSCHAFT, comprised 96 companies, of which 92 companies were included in the interim financial statements as part of the full consolidation process. Compared to 31 December 2013, the number of group companies has not changed.

DMG MORI SEIKI AKTIENGESELLSCHAFT and DMG MORI SEIKI COMPANY LIMITED have integrated business operations of their Canadian sales company into DMG MORI SEIKI CANADA Inc., Toronto, Canada, effective 31 March 2014. 51% of the shares are held by DMG Holding AG, Dübendorf, Switzerland; 49% of the shares are held by Mori Seiki Canada Ltd. The transaction occurred without the payment of a purchase price.

The consideration in kind for the business operations acquired by the DMG MORI SEIKI group corresponds to the fair value and amounted to € 5.2 million. The following individual assets and debts were acquired and recognised at fair value: € 2.6 million intangible assets, € 1.6 million trade debtors, € 0.1 million deferred tax assets, € 0.2 million cash and cash equivalents, € 0.1 million other provisions, € 0.7 million deferred taxes and € 1.5 million liabilities. The net assets acquired amount in total to € 2.2 million. In valuating the minority interests‘ share of equity the option of IFRS 3 was used to valuate the minority interests‘ share with the corresponding share of net assets which leads to a lower recognition. As of 31 March 2014, the purchase price allocation is still provisional. This results in goodwill amounting to € 4.1 million which arise from synergy effects which are expected from the integration of the operative business in the DMG MORI SEIKI group. The costs directly related to the acquisition of the company in an amount of € 0.1 million were accounted for as an expense for the period. Comparison with the consolidated financial statements for the periods ending 31 December 2013 and 31 March 2013 is not impaired by this.

With no change to the consolidated financial statements 2013, 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. Magnescale Co., Ltd., and MG Finance GmbH are still classified as associated companies and have been included in the consolidated financial statements at equity.

4 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. At the same time the group earnings after taxes of € 18.0 million are decreased by € 1.9 million by the minority interests‘ earnings.

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Group result excluding the profit share of the shareholders	€ K	16,059
Average weighted number of shares		78,817,994
Earnings per share ac. to IAS 33	€	0.20

5 INCOME STATEMENT, BALANCE SHEET, CASH FLOW STATEMENT

Compared to the reporting in the balance sheet as of 31 December 2013, the receivables and liabilities in the balance sheet as of 31 March 2014 are presented in more detail; as of 31 December 2013, this information was disclosed in the notes to the consolidated financial statements. Additions in equity investments as of 31 March 2014 resulted from the participation in the capital increase of our cooperation partner in order to keep the shareholdings of voting share capital of DMG MORI SEIKI COMPANY LIMITED constant.

The income tax expense in the interim reporting period is determined pursuant to IAS 34.30 (c) on the basis of the current effective tax rate expected for the entire year.

6 STATEMENT OF COMPREHENSIVE INCOME

Comprehensive income as of 31 March 2014 of € −28.3 million comprised earnings after taxes (€ 18.0 million) and "other comprehensive income for the period after taxes" (€ −46.3 million). A significant influential factor was the change arising from the measurement of financial assets held for sale. The change in the fair values of hedging instruments reduced comprehensive income as well as currency translation differences. Seasonally-related income and / or expenses and income distributed unevenly over the year, did not have any material effect.

7 DEVELOPMENT OF GROUP EQUITY

Equity rose in total by € 16.9 million to € 1,181.3 million. Minority interests in equity rose by € 8.5 million to € 102.9 million. The consolidated net income as of 31 March 2014 of € 18.0 million and the sale of the company's own shares of € 38.6 million increased equity. A decrease in equity resulted from changes in the value of financial assets held for sale of € −44.0 million, from currency changes recognised directly in equity and changes in the fair values of derivative financial instruments.

8 SEGMENTAL REPORTING

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Segments

Within the scope of segmental reporting, pursuant to IFRS 8 regulations, the business activities of the DMG MORI SEIKI group have been divided into the "Machine Tools", "Industrial Services" and "Corporate Services" business segments. The segmentation corresponds to the internal management and reporting based on the different products and services. The machines of our cooperation partner produced under licence are included in "Machine Tools"; the business with the products of our cooperation partner is accounted for under "Industrial Services". DMG Automation GmbH, Hüfingen has been part of the segment "Machine Tools" since 1 January 2014 due to an organisational change. The previous year's figures of the "Machine Tools" and "Industrial Services" segments have been adjusted accordingly. Moreover, the demarcation of the segments and the determination of the segment results remain unchanged from 31 December 2013.

9 STATEMENT OF RELATIONS WITH RELATED PARTIES

There have not been any material changes as of 31 March 2014. As presented in the notes to the financial statements as of 31 December 2013, numerous business relations continue to exist with related parties, which are conducted on the basis of standard market terms and conditions.

10 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Significant events occurring after the end of the reporting period are presented in the "Forecast". In addition, no other significant events have occurred after the reporting date of interim financial statements.

Bielefeld, 6 May 2014

DMG MORI SEIKI AKTIENGESELLSCHAFT

The Executive Board

Rüdiger Kapitza

Dipl.-Kfm. Dr. Rüdiger Kapitza

Dipl.-Kfm. Dr. Thorsten Schmidt

A. Danks

Dipl.-Kfm. André Danks

M. Eschweiler

Dipl.-Kfm. Dr. Maurice Eschweiler

Dipl.-Kfm. Christian Thönes

Supervisory Board:

Prof. Dr.-Ing. Raimund Klinkner, Chairman

List of Tables and Charts

Financial Calendar

16 MAY 2014	Annual General Meeting at 10.00 am in Town Hall, Bielefeld
31 JULY 2014	Second Quarterly Report 2014 (1 April to 30 June)
28 OCT. 2014	Third Quarterly Report 2014 (1 July to 30 September)
08 MAY 2015	Annual General Meeting at 10.00 am in Town Hall, Bielefeld

SUBJECT TO ALTERATION

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Forward-looking statements

This report contains forward-looking statements, which are based on current estimates of the management of future developments. Such statements are based on the management's current expectations and specific assumptions. They are subject to risks, uncertainties and other factors, which could lead to the actual future circumstances including the assets, liabilities, financial position and profit or loss of DMG MORI SEIKI AKTIENGESELLSCHAFT differing materially from or being more negative than that those expressly or implicitly assumed or described in these statements. The business activities of DMG MORI SEIKI AKTIENGESELLSCHAFT are subject to a series of risks and uncertainties, which may result in forward-looking statements estimates or forecasts becoming inaccurate. DMG MORI SEIKI AKTIENGESELLSCHAFT is strongly affected, in particular, by changes in general economic and business conditions (including margin developments in the most important business areas as well as the consequences of a recession) as these have a direct effect on processes, suppliers and customers. Due to their differences, not all business areas are affected to the same extent by changes in the economic environment; significant differences exist with respect to the timing and extent of the effects of any such changes. This effect is further intensified by the fact that, as a global entity, DMG MORI SEIKI AKTIENGESELLSCHAFT operates in various markets with very different economic rates of growth. Uncertainties arise inter alia from the risk that customers may delay or cancel orders or they may become insolvent or that prices become further depressed by a persistently, unfavourable market environment than that which we are expecting at the current time; developments on 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 in financial assets in general; growing volatility and further decline in the capital markets and a deterioration in the conditions for the credit business and in particular deterioration from growing uncertainties that arise from the financial market and liquidity crisis including that of the euro debt crisis as well as a deterioration in the future economic success of the core business areas in which we operate; challenges in integrating major acquisitions and in implementing joint ventures and achieving the expected synergy effects and other essential portfolio measures; the introduction of competing products or technology by other companies or the entry onto the market of new competitors; a change in the dynamics of competition (primarily on developing markets); a lack of acceptance of new products and services in customer target groups of the DMG MORI SEIKI AKTIENGESELLSCHAFT group; changes in corporate strategy; interruptions in the supply chain, including the inability of a third party, for example due to natural catastrophe, to supply pre-fabricated parts, components or services on schedule; the outcome of public investigations and associated legal disputes as well as other measures of public bodies; the potential effects of these investigations and proceedings on the business of DMG MORI SEIKI AKTIENGESELLSCHAFT and various other factors. Should one of these factors of uncertainty 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 stated, expected, anticipated, intended, planned, aimed at, estimated or projected in these statements.

DMG MORI SEIKI AKTIENGESELLSCHAFT neither intends to nor does DMG MORI SEIKI AKTIENGESELLSCHAFT assume any separate 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 the future developments or events contained therein.

There are two companies using the name "DMG MORI SEIKI": DMG MORI SEIKI AKTIENGESELLSCHAFT with registered office in Bielefeld, Germany, and DMG MORI SEIKI COMPANY LIMITED with registered office in Nagoya, Japan. This report refers exclusively to DMG MORI SEIKI AKTIENGESELLSCHAFT. If reference is made in this report to the "DMG MORI SEIKI group", this refers exclusively to DMG MORI SEIKI AKTIENGESELLSCHAFT and its group companies.

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