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GLOBAL. \_\_\_\_\_



# Interim Report

First half year 2013

INNOVATIONS FOR THE AUTOMOTIVE INDUSTRY  
GILDEMEISTER machines are used to produce complex high-tech parts for example steering knuckles for the Formula 1 Infiniti Red Bull Racing car.



**GILDEMEISTER**

**Dear Shareholders,**

GILDEMEISTER has closed the first half year 2013 according to plan and has increased both sales revenues and earnings in a challenging market environment. Sales revenues rose by 6% to € 975.0 million (previous year: € 916.8 million). EBITDA amounted to € 71.7 million (previous year: € 64.7 million), EBIT was € 49.1 million (previous year: € 45.4 million) and EBT rose to € 44.2 million (previous year: € 38.2 million). As of 30 June 2013, the group reports earnings after taxes of € 30.5 million (previous year: € 26.2 million). Despite declining market developments, order intake in the first half year reached € 1,069.9 million (previous year: € 1,188.4 million).

Alongside a continued reluctance to invest in Europe and a decline in order intake in Germany, GILDEMEISTER has strengthened its market position and has won market shares most notably in Russia, the USA and Japan. This is primarily a success of our partnership with Mori Seiki. An important element is jointly entering new markets. In the current financial year, we are combining our joint sales and service activities in China and Russia, following this, we want to extend our cooperation to Canada and Brazil. Through this, by the end of 2013 we will be jointly present on all the important markets worldwide.

We intend to intensify the cooperation with Mori Seiki through the planned capital measures in the second half year. Once these have been successfully executed, the group is to be renamed into DMG MORI SEIKI AKTIENGESELLSCHAFT.

In the second half of 2013, we expect our business to pick up. We are expecting a particular boost to order intake to come from the EMO in Hanover (16 – 21 September 2013), where together with Mori Seiki we will be presenting 93 machines as the biggest exhibitor. This leading trade fair worldwide for machine tools will be a key indicator for financial year 2014.

For the year 2013, GILDEMEISTER is planning order intake of around € 2 billion. Due to these expectations, and based on our order backlog, sales revenues should amount to around € 2 billion. We are primarily expecting the fourth quarter to contribute significantly to sales revenues and earnings. Based on the premise that the market will continue to develop in line with our expectations, we are planning to achieve EBT of around € 120 million and, as a result of this an annual net profit for the year of around € 82 million. Subject to these developments, we are planning to make a dividend payout for financial year 2013.

**KEY FIGURES** — The interim consolidated financial statements of GILDEMEISTER Aktiengesellschaft were prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable within the European Union (EU). The interim financial statements have not been audited.

01 GILDEMEISTER GROUP	30 JUNE 2013	31 DEC. 2012	30 JUNE 2012	Changes 30 JUNE 2013	
	€ MILLION	€ MILLION	€ MILLION	€ MILLION	to 30 JUNE 2012 %
Sales revenues					
Total	975.0	2,037.4	916.8	58.2	6
Domestic	318.0	722.1	368.1	-50.1	-14
International	657.0	1,315.3	548.7	108.3	20
% International	67	65	60		
Order intake					
Total	1,069.9	2,260.8	1,188.4	-118.5	-10
Domestic	332.2	735.8	396.5	-64.3	-16
International	737.7	1,525.0	791.9	-54.2	-7
% International	69	67	67		
Order backlog					
Total	1,079.9	1,003.5	1,079.9	0	0
Domestic	266.4	252.2	266.0	0.4	0
International	813.5	751.3	813.9	-0.4	0
% International	75	75	75		
Investments	37.9*	74.5	27.1	10.8	40
Personnel costs	232.0	440.4	219.8	12.2	6
Personnel ratio in %	22.9	21.4	22.9		
EBITDA	71.7	173.8	64.7	7.0	11
EBIT	49.1	132.9	45.4	3.7	8
EBT	44.2	120.1	38.2	6.0	16
Earnings after taxes	30.5	82.4	26.2	4.3	16

\* of which € 1.6 million capital inflow to financial assets

	30 JUNE 2013	31 DEC. 2012	30 JUNE 2012	Changes 30 JUNE 2013	
				to 31 DECEMBER 2012	%
Employees	6,426	6,267	6,215	159	3
plus trainees	202	229	163	-27	-12
Total employees	6,628	6,496	6,378	132	2

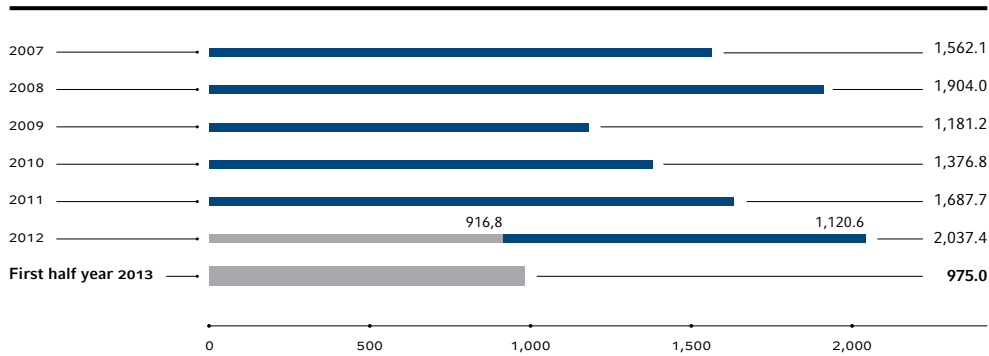
#### References

**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

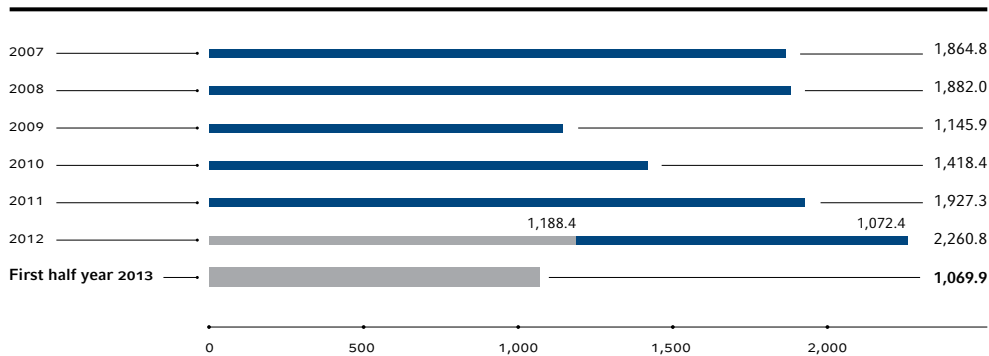
02 SALES REVENUES IN € MILLION



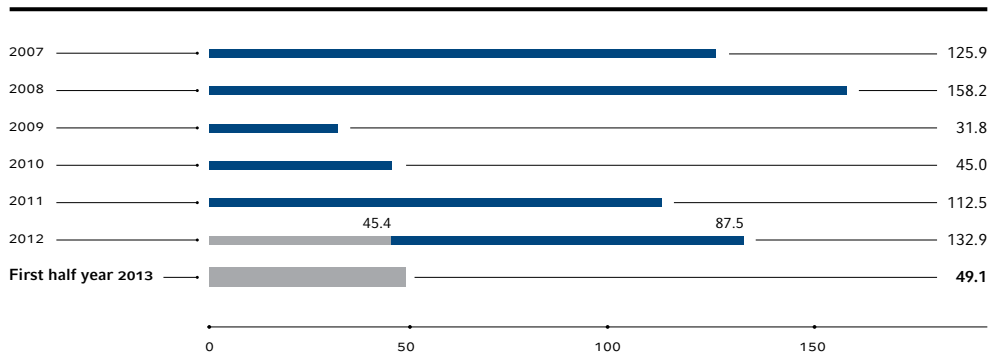
◀ GILDEMEISTER Group  
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◀ Sales Revenues  
Order Intake  
EBIT  
Employees

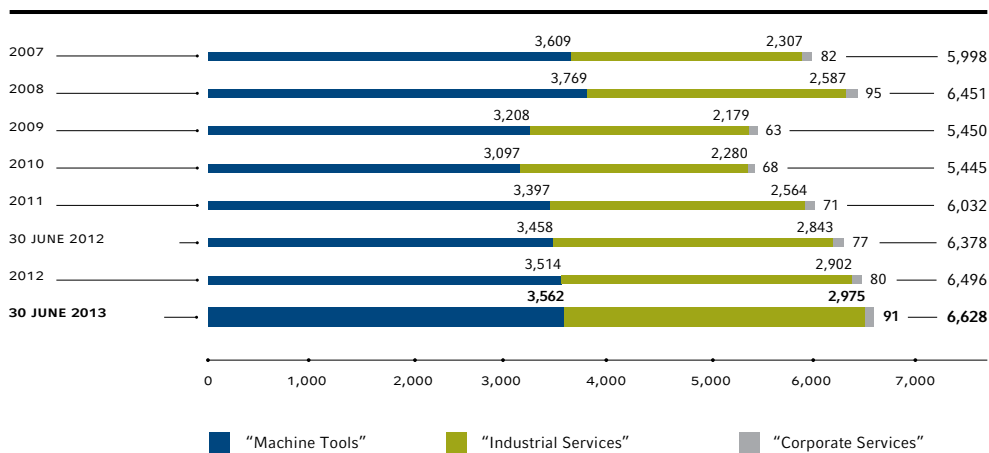
03 ORDER INTAKE IN € MILLION



04 EBIT IN € MILLION



05 NUMBER OF EMPLOYEES INCL. TRAINEES



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COVER IMAGE // Innovations for the automotive industry: DMU 60 eVo linear



The DMU 60 eVo linear from DECKEL MAHO Seebach with enhanced gantry construction offers top stability and excellent access by compact space requirements. With five simultaneously controlled axes, high dynamics and precision, high-tech parts are machined on the DMU 60 eVo linear, such as steering knuckles of aluminium for the Formula 1 racing cars from Infiniti Red Bull Racing.

**Overall economic development** progressed at a steady pace in the first half year 2013. Leading indicators for the world economy rose slightly. However, economic progress is still being affected by the continued state debt crises in the eurozone. Positive signals once again came from **Asia**. Economic growth in China was slightly below the expectations of economic researchers. The Japanese economy was able to benefit, at least temporarily, from the government’s extensive monetary and fiscal policy measures. The **USA** followed a moderate growth trend. In **Europe** the southern European countries remained in recession. Key European countries – such as France – started to return slowly to a growth path. In **Germany** the economy showed a slight upwards trend; this was mainly driven by private consumption and a low rate of inflation. Nevertheless, companies have cut back on investments for the sixth time in a row. The economic barometer of the German Economic Research Institute (DIW Berlin) anticipates growth of +0.5% in the second quarter compared to the first quarter.

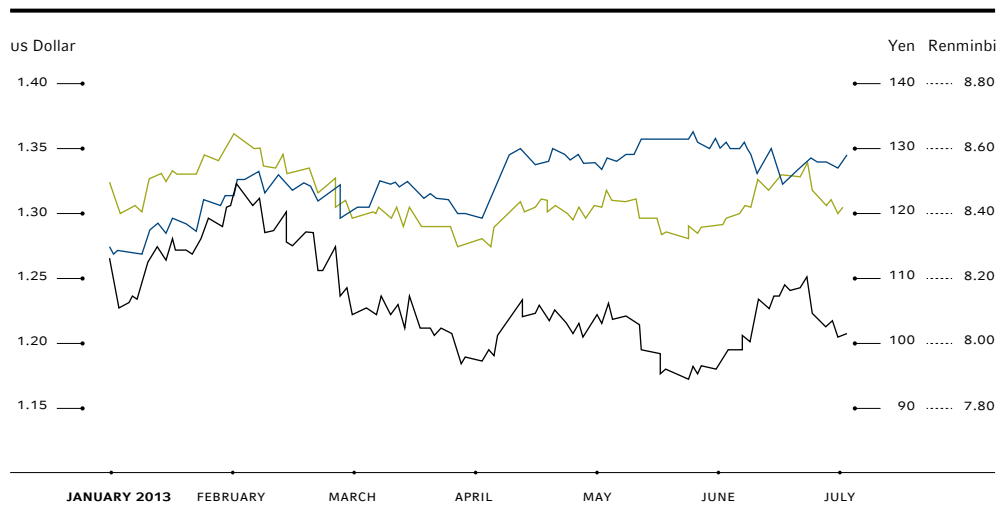
GILDEMEISTER’S international business is affected by the euro’s exchange rate. The US dollar, the Chinese renminbi and the Japanese yen are of particular importance. When compared to the previous year’s quarter, the euro varied in its performance against these **currencies** in the second quarter of 2013. Compared to the average value of the euro, the US dollar was USD 1.31 (previous year’s quarter: USD 1.28). The euro thus gained 1.9% against the US dollar. The average value of the Chinese renminbi was 8.04 renminbi (previous year’s quarter: 8.11 renminbi) and thus the euro fell slightly by 0.9% against the renminbi. For customers in the USA, the dollar-dependent markets and China, the prices of our products from our European production have hardly changed. The average value of the yen fell sharply against the euro by 25.8% and was quoted at 129.1 yen (previous year’s quarter: 102.6 yen).

Sources: German Economic Research Institute (DIW), Berlin  
 ifo Economic Research Institute (ifo), Munich  
 International Monetary Fund (IMF), Washington

A . 01 EXCHANGE RATE MOVEMENTS

EURO IN RELATION TO US DOLLAR, YEN AND RENMINBI

■ Euro against us Dollar ■ Euro against yen ■ Euro against renminbi



Source: European Central Bank

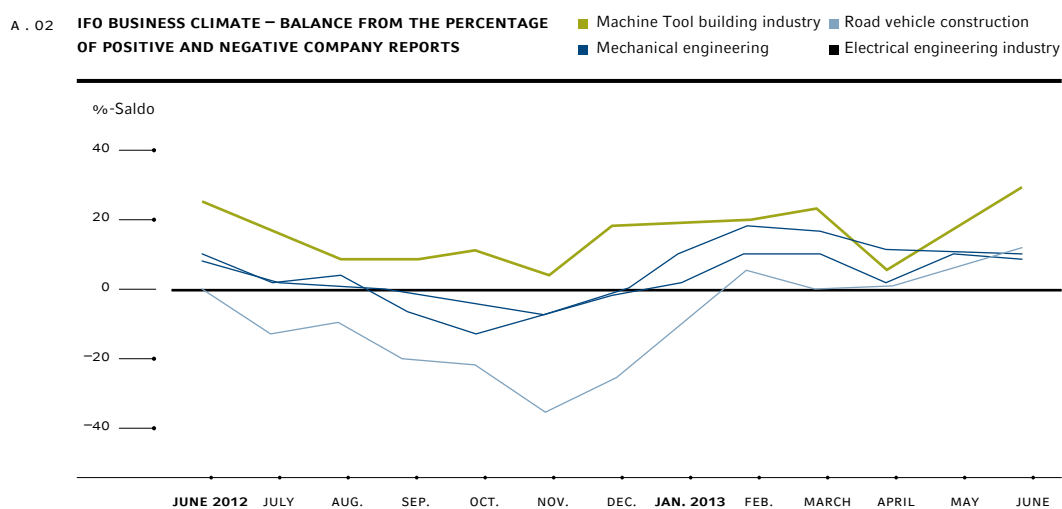
Overall Economic  
DevelopmentDevelopment of the  
Machine Tool Industry

According to current forecasts, the **worldwide market for machine tools** should show a slight overall improvement in 2013. The German Association of Machine Tool Builders (VDW) and the British economic research institute, Oxford Economics, are expecting growth in world consumption of 2.4% to € 68.1 billion in their forecast (April 2013). The next forecast will be published as scheduled in October 2013. Developments in individual markets are likely to differ more strongly from each other over the course of the year. In Asia, machine tool consumption is expected to rise by 3.9%. Following a high rate of growth in 2012, stable growth of 0.5% is forecast for America. In Europe, demand should fall by 1.4% according to the forecast.

The **German machine tool industry** will grow at a weaker pace than the world market. Order intake for cutting machine tools in the first five months was 16% below the previous year's comparable figure. In an amendment to their detailed forecast (April 2013), the VDW and Oxford Economics revised their assumptions downwards for Germany in July 2013. They are now forecasting a decline in consumption (-2.1%, previously: -0.3%) and stable production at the previous year's level (+0.5%, previously: +1%).

The **ifo business climate index** for the manufacturing industry in Germany has constantly improved over the course of the second quarter. The main consumer industries rate the current business situation more positively again than at the start of the year.

Sources: Oxford Economics, VDW (German Machine Builders' Association)



Source: ifo Institute, Munich

A . 03 The GILDEMEISTER group

CORPORATE SERVICES

GILDEMEISTER Aktiengesellschaft (Bielefeld)

MACHINE TOOLS

GILDEMEISTER Beteiligungen GmbH (Bielefeld)

Turning Association	Milling Association	Milling and Processing Association
GILDEMEISTER Drehmaschinen GmbH (Bielefeld)	DECKEL MAHO Pfronten GmbH (Pfronten)	DECKEL MAHO Seebach GmbH (Seebach)
GRAZIANO Tortona S.r.l. (Tortona / Italy)	SAUER GmbH (Idar-Oberstein, Pfronten)	FAMOT Pleszew Sp. z o.o. (Pleszew / Poland)
GILDEMEISTER Italiana S.p.A. (Bergamo / Italy)		

The GILDEMEISTER group, including GILDEMEISTER Aktiengesellschaft, comprised 105 entities as of 30 June 2013. The following essential changes have arisen when compared to 31 March: In May, DMG / MORI SEIKI Italia S.r.l., Brembate di Sopra acquired 100% of the shares in Micron S.p.A., Veggiano. This company should notably strengthen the sales and service business for Mori Seiki products in Italy. In June, DMG Holding AG (Dübendorf, Switzerland) founded DMG ECOLINE AG (Dübendorf, Switzerland) as a 100% subsidiary.

P P. 27  
Selected Explanatory Notes

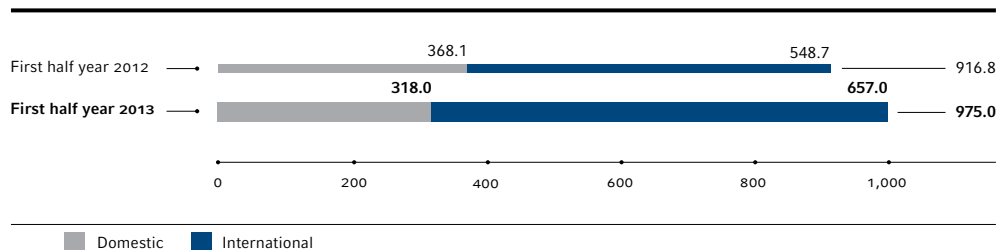
Sales revenues

Sales revenues in the second quarter reached € 508.9 million (previous year: € 465.0 million). At the end of the **first half year** sales revenues rose to **€ 975.0 million** and thus were 6% above the previous year's figure (previous year: € 916.8 million).

The group's international sales revenues rose by 20% to € 657.0 million. Domestic sales revenues were € 318.0 million. The export share was 67% (previous year: 60%).

P P. 10 – 14  
Segments

A . 04 SALES REVENUES GILDEMEISTER GROUP  
IN € MILLION



METALLOBRABOTKA 2013



As one of the biggest exhibitors, DMG and Mori Seiki presented jointly for the first time at the METALLOBRABOTKA, the leading Russian trade fair for machine tools. Orders to a value of € 36.7 million were signed at the METALLOBRABOTKA 2013.



Sales revenues

Order intake

## INDUSTRIAL SERVICES

## Sales and Service locations worldwide (137)

ECOLINE-Association	Electronics	DMG / MORI SEIKI Germany Stuttgart (8)	DMG / MORI SEIKI Europe Dübendorf / Switzerland (34)	DMG / MORI SEIKI Services Bielefeld, Pfronten (22)
DMG ECOLINE GmbH (Klaus / Austria, Dübendorf / Switzerland)	DMG Electronics GmbH (Pfronten)	DMG / MORI SEIKI America Itasca / Illinois (4)	DMG / MORI SEIKI Asia Shanghai, Singapore (48)	a+f GmbH Würzburg (6)
DECKEL MAHO GILDEMEISTER (Shang- hai) Machine Tools Co., Ltd., (Shanghai / China)		DMG / MORI SEIKI USA* (10)	DMG / MORI SEIKI Asia / Australia* (5)	
Ulyanovsk Machine Tools ooo (Ulyanovsk / Russia)				

\* These markets are served and consolidated by our cooperation partner Mori Seiki.

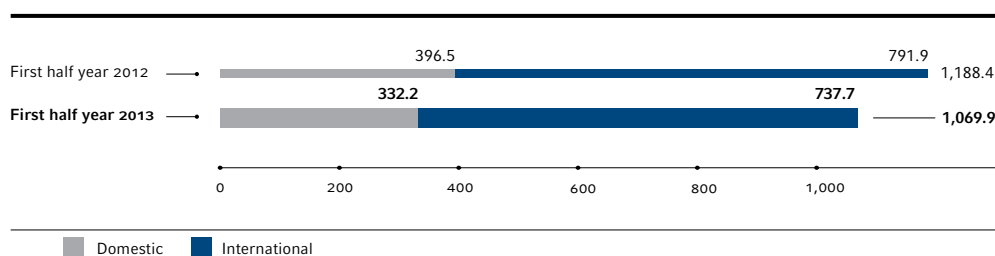
## Order intake

Order intake in the **second quarter** at € 551.2 million was below the previous year's figure (€ 583.3 million). In the "Machine Tools" segment orders were € 320.9 million (previous year: € 312.3 million). The "Industrial Services" segment, which includes the Services and Energy Solutions divisions, booked order intake of € 230.3 million (previous year: € 271.0 million). The Services business division, where the trade with Mori Seiki machines is booked, achieved € 212.4 million (previous year: € 237.9 million). In Energy Solutions, orders were € 17.9 million (previous year: € 33.1 million).

In the **first half year** order intake amounted to **€ 1,069.9 million** (previous year: € 1,188.4 million) despite declining market developments. International orders were € 737.7 million (previous year: € 791.9 million). The international share of orders rose to 69% (previous year: 67%). Domestic orders at € 332.2 million (previous year: € 396.5 million) developed better than the orders of the industry in Germany, that recorded a fall of 20% in the first five months of 2013 (Source: vdw economic barometer for machine tools).

Our products met with great interest at international trade fairs. The CIMT in Beijing and the METALLOBRABOTKA in Moscow were both successful.

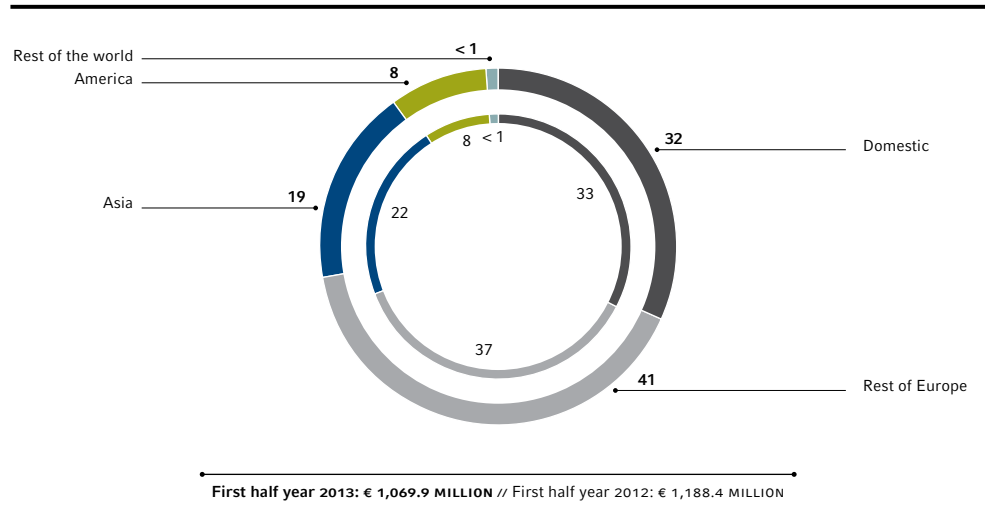
A . 05 ORDER INTAKE GILDEMEISTER GROUP  
IN € MILLION



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

A . 06 **ORDER INTAKE GILDEMEISTER GROUP BY REGIONS**  
IN %

2013  2012

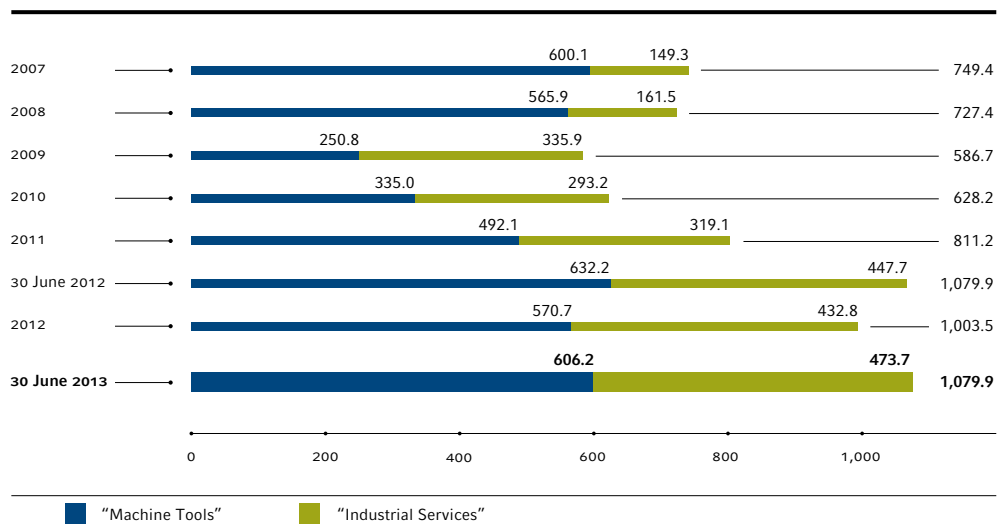


**Order backlog**

On 30 June 2013, the order backlog within the group was € 1,079.9 million (31 Dec. 2012: € 1,003.5 million). The domestic order backlog rose compared to year end 2012 by € 14.2 million to € 266.4 million. The backlog for international orders grew by € 62.2 million to € 813.5 million. International orders account for 75% of existing orders.

The backlog development differed in the individual segments as follows:

A . 07 **ORDER BACKLOG GILDEMEISTER GROUP**  
IN € MILLION



The order backlog in “Machine Tools” gives rise to a calculated production capacity of an average of about five months. The individual production companies show different capacity levels.

GROUP INTERIM MANAGEMENT REPORT	BUSINESS DEVELOPMENT	OPPORTUNITIES AND RISK REPORT	FORECAST	INTERIM CONSOLIDATED FINANCIAL STATEMENTS	ADDITIONAL INFORMATION
	Order intake Order backlog Results of Operations, Net Worth and Financial Position				

## Results of Operations, Net Worth and Financial Position

GILDEMEISTER was able to improve its profit situation in the **second quarter** according to plan: EBITDA rose to € 43.6 million (previous year: € 36.1 million), EBIT reached € 32.1 million (previous year: € 26.6 million) and EBT was € 29.1 million (previous year: € 23.2 million).

At the end of the **first half year**, EBITDA was € 71.7 million (previous year: € 64.7 million), EBIT reached € 49.1 million (previous year: € 45.4 million) and EBT rose to € 44.2 million (previous year: € 38.2 million). As of 30 June 2013, the group reports earnings after taxes of € 30.5 million (previous year: € 26.2 million).

Sales revenues rose at the end of the half year by 6.4% to € 975.0 million (previous year: € 916.8 million). Total operating revenue rose by 5.2% to € 1,011.1 million (previous year: € 961.4 million). The cost of materials amounted to € 554.1 million (previous year: € 529.1 million). The materials ratio was 54.8% (previous year: 55.0%). Gross profit rose by € 24.7 million to € 457.0 million (previous year: € 432.3 million). The personnel ratio was 22.9% (previous year: 22.9%). Personnel costs rose by € 12.2 million to € 232.0 million (previous year: € 219.8 million).

The balance of other income and expenses amounted to € 153.3 million (previous year: € 147.8 million). This increase is mainly due to expenses directly related to sales. With an increase in capital expenditure depreciation was € 22.6 million (previous year: € 19.3 million). The financial result improved due to a fall in interest rates and less use of credit lines to € -4.9 million (previous year: € -7.2 million). As of 30 June 2013, a tax expense of € 13.7 million arose, which led to earnings after taxes of € 30.5 million (previous year: € 26.2 million). The tax ratio amounts to 31.0% (previous year: 31.5%).

**P** P. 15  
Employees

**P** P. 27  
Selected Explanatory Notes

A . 08

	30 JUNE 2013 € MILLION	31 DEC. 2012* € MILLION	30 JUNE 2012* € MILLION
<b>Net worth</b>			
Long-term assets	593.5	564.6	536.8
Short-term assets	1,039.0	1,054.1	1,040.6
Equity	793.8	775.2	727.2
Outside capital	838.7	843.5	850.2
<b>Balance sheet total</b>	<b>1,632.5</b>	<b>1,618.7</b>	<b>1,577.4</b>

\* adjusted as a result of first time application of IAS 19 (rev. 2011)

The balance sheet total as of 30 June 2013 amounted to € 1,632.5 million (31 Dec. 2012: € 1,618.7 million).

Under **assets**, long-term assets rose by € 28.9 million to € 593.5 million. This rise was due mainly to the measurement of shares in Mori Seiki Co., Ltd., whose value rose reporting day-specific by € 12.0 million, and an increase in investments.

Short-term assets decreased by € 15.1 million to € 1,039.0 million. Inventories rose by € 70.4 million to € 556.7 million. Raw materials, consumables and supplies grew by € 16.3 million to € 216.6 million. This increase was mainly attributable to taking over the spare parts business of Mori Seiki in Europe. Stocks of spare parts for the services business in raw materials, consumables and supplies amounted to € 79.0 million

(31 Dec. 2012: € 66.5 million). Unfinished goods increased to € 133.3 million (€ +10.2 million) and finished goods and merchandise to € 197.4 million (€ +40.8 million); this increase is primarily a result of advance performance for the planned sales in the second half year and for trade show machines in preparation for the EMO. The turnover rate of inventories was 3.5 (previous year's period: 3.3). Trade debtors fell by € 7.1 million to € 221.5 million. Cash and cash equivalents decreased in the first half year to € 88.7 million (31 Dec. 2012: € 173.3 million).

Under **equity and liabilities**, equity rose by € 18.6 million to € 793.8 million (31 Dec. 2012: € 775.2 million). Earnings after taxes of € 30.5 million led to a rise in equity whilst the dividend payout in May 2013 of € 20.4 million led to a decrease in equity. Minority interests in equity amounted to € 90.3 million (€ +5.7 million). The equity ratio reached 48.6% (31 Dec. 2012: 47.9%). Outside capital fell by € 4.8 million to € 838.7 million. Provisions decreased by € 8.0 million to € 246.7 million; essentially through provisions for bonuses, premiums and commission. Trade creditors amounted to € 346.5 million (€ +16.8 million).

The group's financial position developed as follows: In the first half year the **cash flow** from operating activities was € -40.2 million (previous year: € -53.6 million). Based on earnings before taxes (EBT) of € 44.2 million (previous year: € 38.2 million), depreciation (€ +22.6 million), a decline in trade debtors (€ +8.7 million) and a rise in trade creditors (€ +14.3 million) had a positive effect on cash flow. The rise in inventories reduced the cash flow by € 69.9 million, the necessary advance performance for the planned sales revenues in the second half year and trade fair machines for the EMO contributed to this. Cash flow from investment activity amounted to € -42.1 million (previous year: € -23.9 million). Cash flow from financing activity was € -0.7 million (previous year: € 41.1 million). The changes in the individual cash flows resulted in a decrease in liquid funds to € 88.7 million (31 Dec. 2012: € 173.3 million).

The **free cash flow** in the first half year amounted to € -73.9 million (previous year: € -77.5 million); due to the known cyclicity of our business, we build up inventories in the first half of a financial year for the planned sales. In the second quarter, the **free cash flow** was € -4.6 million (previous year's quarter: € 5.7 million). EBT of € 29.1 million had a positive effect. Opposing effects in the second quarter arose from a rise in inventories of € 10.8 million, a decline in prepayments received of € 14.1 million and a decline in other liabilities of € 11.2 million.

In the second half year we are planning increasing liquidity surpluses and are now anticipating a positive free cash flow for the whole year of more than € 75 million. This planning could still be essentially influenced by investments in expanding our international activities and the reduction of inventories after the EMO.

A. 09

	2013 First half year € MILLION	2012 First half year € MILLION
<b>Cash Flow</b>		
Cash flow from operating activities	-40.2	-53.6
Cash flow from investment activity	-42.1	-23.9
Cash flow from financing activity	-0.7	41.1
Changes in cash and cash equivalents	-84.6	-36.5
Liquid funds at the start of the reporting period	173.3	105.2
Liquid funds at the end of the reporting period	88.7	68.7

Results of Operations,  
Net Worth and Financial  
Position

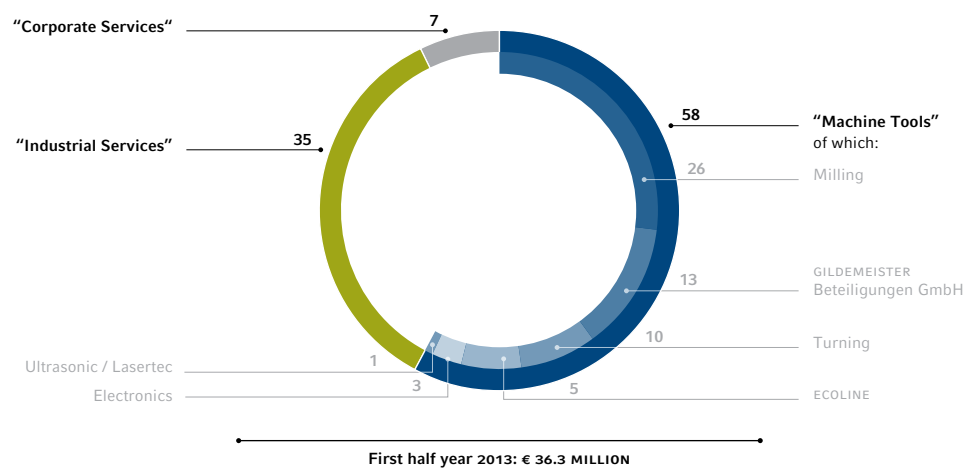
Investments

## Investments

Investments in tangible and in intangible assets in the first half year amounted to € 36.3 million (previous year's figure: € 27.1 million). In Winterthur (Switzerland), we acquired a plot of land of around 20,000 square metre, on which we are jointly planning to build our European headquarters with our cooperation partner, Mori Seiki. The location close to Zurich offers the best preconditions to coordinate our sales and service activities throughout the whole of Europe in the future from Winterthur. Furthermore, on 27 June we opened the new spare parts centre at our Geretsried site. With this state-of-the-art new construction, we have expanded the spare parts capacity to more than 25,000 square metres and in the future will offer our customers an optimised worldwide supply of spare parts. Moreover, we have invested in the development of trendsetting products, in updating technical installations and in providing the tools, models and production equipment necessary for production.

By increasing our investment in MG Finance GmbH from 33.0% to 42.55%, additions to financial assets amounted to € 1.6 million. In the first six months, investments totalled € 37.9 million (previous year's figure: € 27.1 million).

### A.10 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. “Corporate Services” essentially comprises GILDEMEISTER Aktiengesellschaft with its groupwide holding functions.

The selected Mori Seiki machines produced by us under licence are included in “Machine Tools“. The trade and services for Mori Seiki machines are booked under “Industrial Services“.

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

A . 11

SEGMENT KEY FIGURES OF THE GILDEMEISTER GROUP	30 JUNE 2013	31 DEC. 2012	30 JUNE 2012	Changes 30 JUNE 2013 to 30 JUNE 2012	
	€ MILLION	€ MILLION	€ MILLION	€ MILLION	%
<b>Sales revenues</b>	<b>975.0</b>	<b>2,037.4</b>	<b>916.8</b>	<b>58.2</b>	<b>6</b>
Machine Tools	569.5	1,175.0	532.1	37.4	7
Industrial Services	405.4	862.2	384.6	20.8	5
Corporate Services	0.1	0.2	0.1	0.0	0
<b>Order intake</b>	<b>1,069.9</b>	<b>2,260.8</b>	<b>1,188.4</b>	<b>-118.5</b>	<b>-10</b>
Machine Tools	605.0	1,253.6	672.2	-67.2	-10
Industrial Services	464.8	1,007.0	516.1	-51.3	-10
Corporate Services	0.1	0.2	0.1	0.0	0
<b>EBIT</b>	<b>49.1</b>	<b>132.9</b>	<b>45.4</b>	<b>3.7</b>	<b>8</b>
Machine Tools	28.2	69.3	16.2	12.0	74
Industrial Services	36.2	88.4	40.3	-4.1	-10
Corporate Services	-14.8	-25.5	-11.2	-3.6	-32

EBIT in the “Machine Tools“ and “Industrial Services“ segments was affected by a change in the internal transfer pricing structure. Compared to the previous year, this led to an improvement in EBIT in the “Machine Tools“ segment and to a reduction in the “Industrial Services“ segment. Thus the preconditions were created to be able to invest more intensely in up-to-date production concepts and trend-setting product developments.

Segmental Reporting  
"Machine Tools"

### "Machine Tools"

The "Machine Tools" segment is our core segment and includes the group's new machines business with the turning and milling, Ultrasonic / Lasertec and ECOLINE and Electronics business units.

A. 12

#### KEY FIGURES "MACHINE TOOLS" SEGMENT

	30 JUNE 2013 € MILLION	31 DEC. 2012 € MILLION	30 JUNE 2012 € MILLION	Changes 30 JUNE 2013 to 30 JUNE 2012	
				€ MILLION	%
Sales revenues					
Total	569.5	1,175.0	532.1	37.4	7
Domestic	163.5	396.9	178.9	-15.4	-9
International	406.0	778.1	353.2	52.8	15
% International	71	66	66		
Order intake					
Total	605.0	1,253.6	672.2	-67.2	-10
Domestic	166.9	386.3	210.7	-43.8	-21
International	438.1	867.3	461.5	-23.4	-5
% International	72	69	69		
Order backlog					
Total	606.2	570.7	632.2	-26.0	-4
Domestic	133.6	130.2	172.6	-39.0	-23
International	472.6	440.5	459.6	13.0	3
% International	78	77	73		
Investments	21.2	47.6	14.5	6.7	46
EBIT	28.2	69.3	16.2	12.0	74

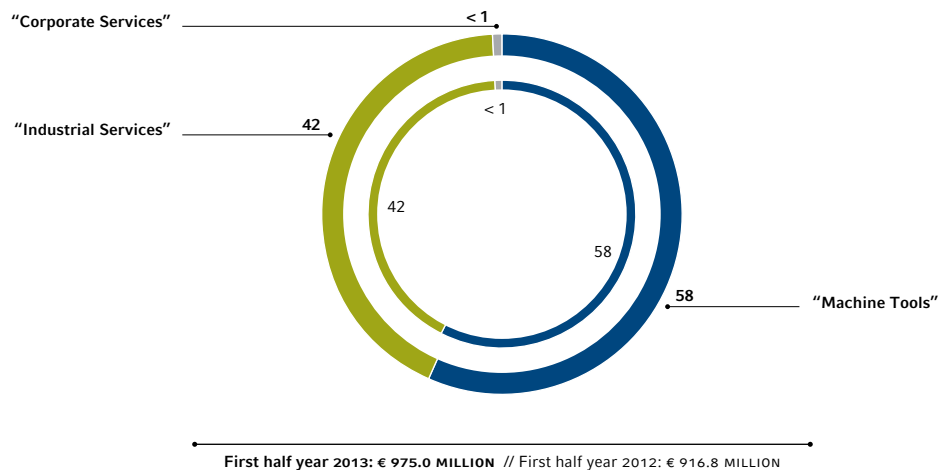
	30 JUNE 2013	31 DEC. 2012	30 JUNE 2012	Changes 30 JUNE 2013 to 31 DEC. 2012	
					%
Employees	3,368	3,293	3,296	75	2
plus trainees	194	221	162	-27	-12
Total employees	3,562	3,514	3,458	48	1

The "Machine Tools" segment developed as follows in the second quarter: **Sales revenues** rose to € 299.0 million (previous year's quarter: € 272.5 million). As of 30 June 2013, sales revenues increased to € 569.5 million and thus in total were 7% above the comparable period in the previous year (€ 532.1 million). The "Machine Tools" segment contributed 58% of group sales revenues in a year-on-year comparison.

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

A . 13 DISTRIBUTION OF SALES REVENUES BY SEGMENTS / DIVISIONS WITHIN THE GILDEMEISTER GROUP  
IN %

2013  2012



**Order intake** in the “Machine Tools” segment in the first six months was € 605.0 million (previous year’s period: € 672.2 million). In the second quarter, orders amounted to € 320.9 million (previous year: € 312.3 million). “Machine Tools” thus accounted for 57% of all incoming orders (previous year: 57%). The **order backlog** on 30 June was € 606.2 million (year-on-year: € 632.2 million). **EBIT** rose to € 28.2 million (previous year: € 16.2 million). As of 30 June, the “Machine Tools” segment had 3,562 **employees** (31 Dec. 2012: 3,514). The increase of 48 employees arose primarily from hiring additional production staff at our sites in Pleszew, Bielefeld and Pfronten, as well as building up DMG Electronics.

#### “Industrial Services”

The “Industrial Services” segment comprises the Services and Energy Solutions divisions.

In **Services** we have brought together the sales and service activities for machine tools as well as all products linked to our machines. Assisted by DMG / MORI SEIKI Life-Cycle Services, our customers can optimise the productivity of their machine tools over their entire life cycle – from commissioning until part exchange as a used machine. The wide range of training, repair and maintenance services offered to our customers ensures the maximum cost-efficiency of their machine tools.



Segmental Reporting  
 "Machine Tools"  
 "Industrial Services"

Due to considerable changes in the market for renewable energies, we have realigned the **Energy Solutions** division: we are concentrating on the business areas of Cellstrom, Energy Efficiency, Service and Components. We are no longer developing projects with major solar installations. We have extended our activities in the field of storage technology and intend to have a share of the market growth with our mature vanadium redox technology.

A . 14

**KEY FIGURES**  
**"INDUSTRIAL SERVICES" SEGMENT**

	30 JUNE 2013	31 DEC. 2012	30 JUNE 2012	Changes 30 JUNE 2013 to 30 JUNE 2012	
	€ MILLION	€ MILLION	€ MILLION	€ MILLION	%
Sales revenues					
Total	405.4	862.2	384.6	20.8	5
Domestic	154.4	325.0	189.1	-34.7	-18
International	251.0	537.2	195.5	55.5	28
% International	62	62	51		
Order intake					
Total	464.8	1,007.0	516.1	-51.3	-10
Domestic	165.2	349.3	185.7	-20.5	-11
International	299.6	657.7	330.4	-30.8	-9
% International	64	65	64		
Order backlog					
Total	473.7	432.8	447.7	26.0	6
Domestic	132.8	122.0	93.4	39.4	42
International	340.9	310.8	354.3	-13.4	-4
% International	72	72	79		
Investments	12.5	17.6	8.4	4.1	49
EBIT	36.2	88.4	40.3	-4.1	-10

	30 JUNE 2013	31 DEC. 2012	30 JUNE 2012	Changes 30 JUNE 2013 to 31 DEC. 2012	
					%
Employees	2,967	2,894	2,842	73	3
plus trainees	8	8	1	0	0
Total employees	2,975	2,902	2,843	73	3

**Sales revenues** in the "Industrial Services" segment rose in the second quarter to € 209.9 million (previous year's quarter: € 192.5 million). At the end of the first half year, sales revenues were € 405.4 million (previous year: € 384.6 million).

The Services division recorded a rise in sales revenues in the second quarter of € 14.6 million to € 197.3 million (previous year: € 182.7 million). In the first half year they rose to € 380.0 million (previous year: € 364.9 million).

Sales revenues in the Energy Solutions division in the second quarter were € 12.6 million (previous year: € 9.8 million) and at the end of the first half year were € 25.4 million (previous year: € 19.7 million). In total, "Industrial Services" accounted for a 42% share of group sales revenues (previous year: 42%).

**Order intake** in the second quarter was € 230.3 million (previous year's quarter: € 271.0 million). In the first half year order intake amounted to € 464.8 million (previous year: € 516.1 million). Due to the declining market development the trade with Mori Seiki machines, the sales provisions for machine tools as well as the orders in the Energy Solutions division decreased. „Industrial Services“ accounted for 43% of incoming orders in the group as in the previous year.

In Services, order intake at the end of the first half year reached € 429.6 million (previous year: € 473.7 million). Order intake in the services business (i.a. maintenance, overhaul and spare parts) developed positively. The business with Mori Seiki machines amounted to € 154.9 million (previous year: € 178.6 million). In the current financial year we are planning order intake for Mori Seiki machines of approximately € 330 million. Orders in the Energy Solutions division were € 35.2 million (previous year: € 42.4 million).

The **order backlog** amounted to € 473.7 million (year-on-year: € 447.7 million). **EBIT** in the first six months was € 36.2 million (previous year: € 40.3 million). This was influenced by the change to the internal transfer pricing structures, as detailed on page 10. In the “Industrial Services“ segment, the number of **employees** at the end of the second quarter was 2,975 (31 Dec. 2012: 2,902). The additional 73 employees resulted for the most part from expanding our sales and service capacity in Russia, Italy and Germany. Furthermore, additional employees were hired at Cellstrom GmbH.

### “Corporate Services“

KEY FIGURES “CORPORATE SERVICES“ SEGMENT	30 JUNE 2013	31 DEC. 2012	30 JUNE 2012	Changes 30 JUNE 2013 to 30 JUNE 2012	
	€ MILLION	€ MILLION	€ MILLION	€ MILLION	
Sales Revenues	0.1	0.2	0.1	0.0	
Order Intake	0.1	0.2	0.1	0.0	
Investments	4.2*	9.3	4.2	0.0	
EBIT	-14.8	-25.5	-11.2	-3.6	
* of which € 1.6 million capital inflow to financial assets					

	30 JUNE 2013	31 DEC. 2012	30 JUNE 2012	Changes 30 JUNE 2013 to 31 DEC. 2012	
				%	
Employees	91	80	77	11	14

The “Corporate Services“ segment essentially comprises GILDEMEISTER Aktiengesellschaft with its groupwide holding functions. **EBIT** was € -14.8 million (previous year: € -11.2 million). This includes higher consultancy expenses for international projects, increased personnel expenses as well as costs for modernising the Bielefeld site. The financial result improved to € 2.3 million (previous year: € 1.0 million). EBT amounted to € -12.5 million (previous year: € -10.2 million).

Segmental Reporting  
 "Industrial Services"  
 "Corporate Services"  
 Employees  
 GILDEMEISTER Share

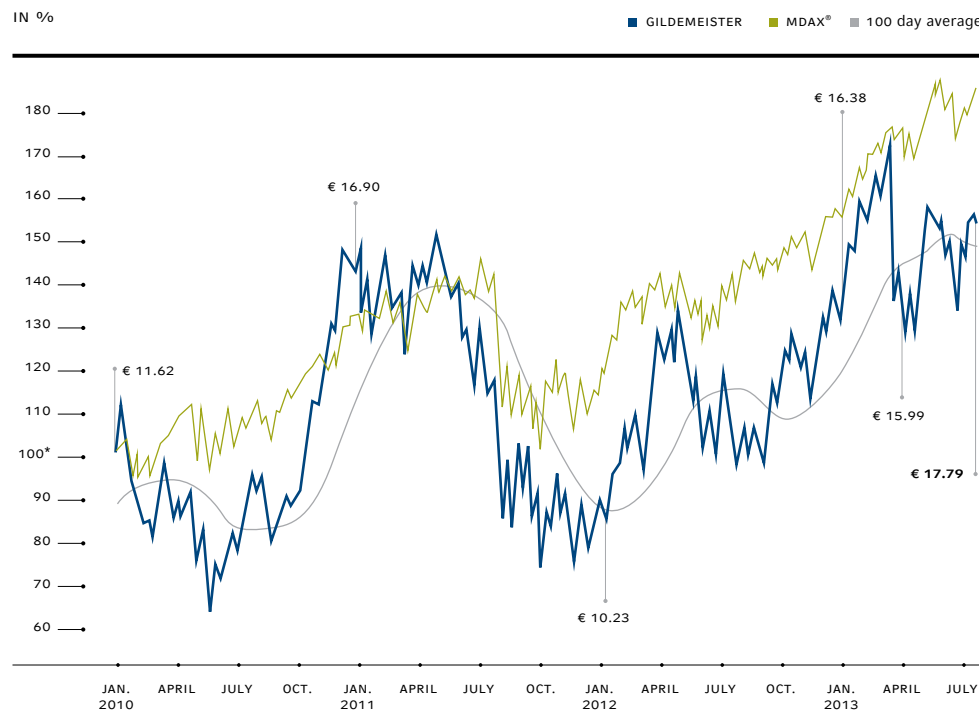
## Employees

As of 30 June 2013, GILDEMEISTER had 6,628 employees, of whom 202 were trainees (31 Dec. 2012: 6,496). In comparison with year end 2012, the number of employees has risen by 132. This increase in personnel is mainly as a result of hiring additional production staff at our sites in Pleszew, Bielefeld and Pfronten, as well as from expanding our sales and service capacity in Russia, Italy and Germany. Our domestic companies have 3,776 employees (57%) and our foreign companies have 2,852 employees (43%). Personnel costs amounted to € 232.0 million (previous year's period: € 219.8 million). The personnel ratio was 22.9% (previous year: 22.9%).

## GILDEMEISTER Share

At the beginning of the second quarter the price of the GILDEMEISTER share was € 15.99 (2 Apr. 2013) and it closed the reporting period at € 17.14 (28 Jun. 2013). The share is currently quoted at € 17.79 (23 Jul. 2013). At the present time the company is analysed by 14 banks of whom four recommend the share as a buy and two banks that rate the share as "overweight". One bank recommends "accumulating" the share, six analysts recommend holding the share and one study advises to sell.

A . 16 MDAX® JANUARY 2010 TO JULY 2013  
IN %



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

In the first six months, based on the number of shares of 60.2 million, a turnover rate of 0.7 times has been calculated (previous year's period: 0.8 times). The trading volume averaged approximately 355,000 shares per trading day (previous year: 384,000 shares).

### Planned capital measures in 2013

As already explained in the first quarterly report for 2013, GILDEMEISTER Aktiengesellschaft and Mori Seiki Co., Ltd., plan to intensify the cooperation that began in 2009, which has since proven itself. A corresponding Cooperation Agreement was signed in March 2013. Within the framework of this agreement, it is planned for Mori Seiki to increase its investment in GILDEMEISTER Aktiengesellschaft to 24.9% of the voting shares.

GILDEMEISTER, in return, has the right to increase its investment in Mori Seiki to 10.1%. The increase in Mori Seiki's investment in GILDEMEISTER is expected to take place through a combination of a capital increase through contribution in cash and a capital increase through contribution in kind. For this purpose, as a first step Mori Seiki is to contribute shares in companies in the important US and Japanese markets and, in return, will receive a total of up to 3,247,162 new GILDEMEISTER shares (up to approximately 5.40% of the existing share capital) from a capital increase through contribution in kind. Through this capital increase, Mori Seiki will increase its stake in GILDEMEISTER up to a shareholding equal to up to 24.9% of the then-existing voting shares.

In the second step, all shareholders will have the opportunity to participate in a capital increase for cash with subscription rights in order to continue to share in the development of GILDEMEISTER. Mori Seiki plans to exercise all of its subscription rights in the capital increase for cash and to acquire, if necessary, additional shares in a limited amount in order to maintain its stake of 24.9% in the voting shares. The total amount of both capital increases will not exceed 30% of the current share capital. It is planned to carry out the two capital measures in the second half of 2013.

### Research and Development

Expenses for research and development in the first half year amounted to € 27.8 million (previous year: € 27.8 million). There are currently 509 employees working on the development of our new products; this is the equivalent of 15% of the workforce at the plants. GILDEMEISTER has presented six of a total 20 planned new developments for 2013, which will be exhibited at a total of 68 international and national trade fairs and open house exhibitions in 2013.



Premiere in the 2<sup>nd</sup> Quarter 2013: the new CTV 160

The compact vertical turning centre with integrated automation for up to 37 workpieces offers the best preconditions for series production. The production-enhanced STEALTH design and a floor space of only 10.7 square metres are further highlights of the CTV 160 from Bielefeld.

GILDEMEISTER Share  
Research and Development

In the **milling** technology division, the combined milling-turning technology has been extended to the DMU 100 eVo FD *linear* and thus to the entire series. In addition, we have presented the technology framework for the DMF series, which makes five-axis machining of long workpieces for the aerospace industry possible.

In the turning **technology** division, we showed the new vertical CTV 160 turning machine in the production-enhanced STEALTH design at the open house exhibition in Bielefeld. With its integrated automation for up to 37 workpieces, this machine is particularly suited to use in series production.

Furthermore, new applications in the area of **energy efficiency for machine tools** were presented using a CTX GAMMA 3000 TC as an example. A targeted combination of software and hardware solutions makes it possible to save more than 30% energy compared to the predecessor model.

### Opportunities and Risk Report

In its business activities, GILDEMEISTER is exposed to various opportunities and risks. Our opportunities and risk management assists us in identifying and assessing these timely. The Executive Board and the Supervisory Board are informed regularly about the current risk situation of the group and that of the individual business units.

**Opportunities** are identified and analysed within the opportunities and risk management system. With the Marketing Information System (MIS) we identify significant individual opportunities by compiling customer data worldwide and evaluating market and competitor data.

We intend to make use of the potential found in growth markets. In Russia we are planning to put a new production and assembly plant with its own training and technology centre into operation in Ulyanovsk in 2014. The plant will produce machines from the ECOLINE series and will further push our global strategy. Our ECOLINE series meets the demand in world markets for inexpensive machines with innovative technology.

Simultaneously, we are building up our sales activities. The desired cooperation with Mori Seiki in the growth markets of Russia and China is currently being implemented in line with plans. Following this, we intend to extend our cooperation with Mori Seiki in the area of sales and services to the Canadian and Brazilian markets. This means we would then be present on all the important markets worldwide with our cooperation partner.

Through MG Finance we offer our customers tailor-made financing solutions nationally and internationally.

We are assuming that renewable energies will continue to grow in importance. We are active in this market with GILDEMEISTER energy solutions, which offers most notably industrial customers solutions to optimise their energy management.

Further strategic opportunities arise for us through our sustained leadership in innovations and technology. At the same time, we will benefit from our current order backlog and expect a boost to come from the leading trade fair worldwide for machine tools in 2013 – the EMO in Hanover.

In the third quarter 2013, we are additionally planning to carry out two capital increases by way of a contribution in kind and a cash contribution with shareholders' pre-emptive rights.

**Risks** are systematically identified, assessed, aggregated, monitored and notified through the GILDEMEISTER risk management system.

Overall economic risks ensue in particular from cyclical trends. Economic activity in Europe, in particular, continues to be restrained. Negative economic stimuli arise most especially at the present time from the southern European countries as a consequence of the state debt crises. On the whole, further prospects for growth in Europe depend essentially on further economic development in southern European countries. Should it prove impossible to avoid further economic slumps, or at the very least to contain them, this could have a significant effect on the entire European economy. A noticeable negative effect on the world company can also not be excluded. A slump in the economy would lead to a marked reduction in sales volumes or in the margins achievable.

On the procurements side, GILDEMEISTER is faced with possible price increases for materials in the machine tools business.

We assume that the tax and social insurance declarations we submit are complete and correct. Nevertheless, due to differing assessments of the facts, additional charges may arise within the scope of an audit.

To ensure our future success, we are dependent upon on having highly qualified specialists and managers. If it is not possible to gain and retain such employees in sufficient numbers, this may restrict the group's development long-term.

Within the scope of the GILDEMEISTER energy solutions photovoltaic activities, we operate solar parks for some of our customers and bear the corresponding operating risks. In this connection, we are currently checking an issue, the possible effects of which cannot yet be estimated.

All risks are aggregated to a total risk at GILDEMEISTER, which from today's perspective does not endanger the future of the group as a going concern.

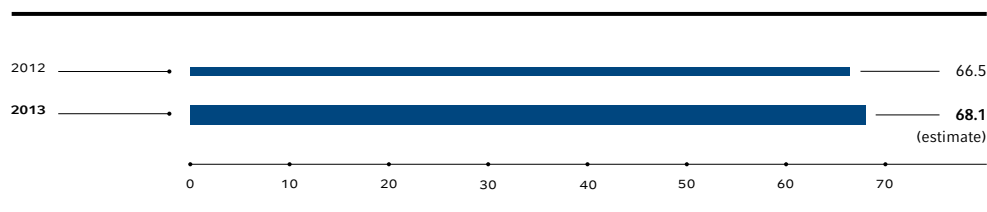
### Forecast

The **world economy** will continue to grow according to current forecasts. The International Monetary Fund (IMF) forecasts an increase in gross domestic product (GDP) worldwide for the current year of 3.1%. China will maintain its role as the strongest driving force of the world economy. According to current forecasts, GDP in the USA will continue to grow, regardless of the imminent adjustments to budgetary consolidation. Stagnation is expected for Europe in the current year. Economic researchers expect the GDP of the euro countries to fall by 0.6% in 2013. Germany is holding its own in this difficult environment; at present growth of 0.3% is forecast.

According to current forecasts, the **worldwide market for machine tools** should show a slight overall improvement in 2013. The German Association of Machine Tool Builders (VDW) and the British economic research institute, Oxford Economics, are expecting growth in **world consumption** of 2.4% to € 68.1 billion in their forecast (April 2013). For **Germany**, now a decline in consumption (-2.1%, previously: -0.3%) has been forecast and a still stable production at the previous year's level (+0.5%, previously: +1%).

<b>GROUP INTERIM MANAGEMENT REPORT</b>	BUSINESS DEVELOPMENT	<b>OPPORTUNITIES AND RISK REPORT</b>	<b>FORECAST</b>	INTERIM CONSOLIDATED FINANCIAL STATEMENTS	ADDITIONAL INFORMATION
			Machine Tool Consumption Future Business Development		

A . 17 **MACHINE TOOLS CONSUMPTION WORLDWIDE**  
IN € BILLION



Source: vdw (German Machine Tool Builders' Association), Oxford Economics, International Monetary Fund (IMF)

GILDEMEISTER intends to expand its global market presence. Our success factors for this are our strong innovative capacity and the successful, growing cooperation with Mori Seiki. With our international centres of excellence we are targeting specific, growing industries, such as the aerospace, automotive, medical technology and energy industries.

### Future Business Development

In **financial year 2013** we are expecting the slow momentum on the European market and the reluctance in Germany to invest to continue. In comparison, further positive development is expected on the Asian and American markets as well as in Russia. We view these as future sales markets and intend to further develop these markets together with Mori Seiki. In the current financial year we are combining our joint sales and service activities in China and Russia, and following this intend to extend our cooperation to Canada and Brazil. Through this by the end of 2013, we will be jointly present on all the important markets worldwide. In addition, we are expanding our production capacity in strategically important markets such as Russia.

In the second half of 2013, we are expecting our business to pick up. We are expecting a particular boost to order intake to come from the **EMO in Hanover** (16 –21 September 2013), where together with Mori Seiki we will be presenting 93 machines as the biggest exhibitor. This leading trade fair worldwide for machine tools will first and foremost be a key indicator for financial year 2014.

For the year 2013, GILDEMEISTER is planning order intake of around € 2 billion. Due to these expectations, and based on our order backlog, **sales revenues** should amount to around € 2 billion. We are primarily expecting the fourth quarter to contribute significantly to sales revenues and earnings. Based on the premise that the market will continue to develop in line with our expectations, we are planning to achieve **EBT** of around € 120 million and, as a result, an **annual net profit** of around € 82 million. For the whole year 2013, we anticipate positive free cash flow of more than € 75 million. Subject to these developments, we are planning to make a **dividend payout** for financial year 2013.

The vdw and Oxford Economics are predicting growth in worldwide machine tool consumption for **2014** and a recovery in demand on the European market. Overall we are also expecting positive growth for financial year 2014.

## Consolidated Income Statement

B . 01

2 <sup>nd</sup> QUARTER 2013	2013		2012		Changes	
	01 APRIL – 30 JUNE		01 APRIL – 30 JUNE		2013 against 2012	
	€ K	%	€ K	%	€ K	%
<b>Sales Revenues</b>	508,914	98.9	464,965	98.0	43,949	9.5
Changes in finished goods and work in progress	2,036	0.4	7,673	1.6	-5,637	73.5
Own work capitalised	3,846	0.7	1,854	0.4	1,992	107.4
<b>Total Work Done</b>	541,796	100.0	474,492	100.0	40,304	8.5
Cost of materials	-273,823	-53.2	-253,763	-53.5	-20,060	7.9
<b>Gross Profit</b>	240,973	46.8	220,729	46.5	20,244	9.2
Personnel costs	-117,673	-22.9	-111,025	-23.4	-6,648	6.0
Other income and expenses	-79,641	-15.5	-73,566	-15.5	-6,075	8.3
Depreciation	-11,572	-2.2	-9,559	-2.0	-2,013	21.1
<b>Financial Result</b>	-3,009	-0.6	-3,406	-0.7	397	11.7
<b>EBT</b>	29,078	5.6	23,173	4.9	5,905	
Income taxes	-9,014	-1.7	-7,300	-1.5	-1,714	
<b>Earnings after taxes</b>	20,064	3.9	15,873	3.4	4,191	
Profit share of shareholders of GILDEMEISTER Aktiengesellschaft	18,126	3.5	16,956	3.6	1,170	
Profit share attributed to minority interests	1,938	0.4	-1,083	-0.2	3,021	
<b>Earnings per share pursuant to IAS 33 (in euros)</b>						
Undiluted	0.31		0.29			
Diluted	0.31		0.29			

1 <sup>st</sup> HALF YEAR 2013	2013		2012		Changes	
	01 JAN. – 30 JUNE		01 JAN. – 30 JUNE		2013 against 2012	
	€ K	%	€ K	%	€ K	%
<b>Sales Revenues</b>	974,979	96.4	916,761	95.4	58,218	6.4
Changes in finished goods and work in progress	30,174	3.0	41,554	4.3	-11,380	27.4
Own work capitalised	5,988	0.6	3,051	0.3	2,937	96.3
<b>Total Work Done</b>	1,011,141	100.0	961,366	100.0	49,775	5.2
Cost of materials	-554,106	-54.8	-529,042	-55.0	-25,064	4.7
<b>Gross Profit</b>	457,035	45.2	432,324	45.0	24,711	5.7
Personnel costs	-232,015	-22.9	-219,837	-22.9	-12,178	5.5
Other income and expenses	-153,321	-15.2	-147,754	-15.4	-5,567	3.8
Depreciation	-22,636	-2.2	-19,320	-2.0	-3,316	17.2
<b>Financial Result</b>	-4,851	-0.5	-7,210	-0.7	2,359	32.7
<b>EBT</b>	44,212	4.4	38,203	4.0	6,009	
Income taxes	-13,705	-1.4	-12,034	-1.3	-1,671	
<b>Earnings after taxes</b>	30,507	3.0	26,169	2.7	4,338	
Profit share of shareholders of GILDEMEISTER Aktiengesellschaft	27,377	2.7	26,439	2.7	938	
Profit share attributed to minority interests	3,130	0.3	-270	0.0	3,400	
<b>Earnings per share pursuant to IAS 33 (in euros)</b>						
Undiluted	0.47		0.45			
Diluted	0.47		0.45			



Consolidated Income  
Statement  
Group Statement of  
Comprehensive Income

## Group Statement of Comprehensive Income

B . 02

	2013	2012
	01 JAN. – 30 JUNE € K	01 JAN. – 30 JUNE* € K
<b>Earnings after taxes</b>	<b>30,507</b>	<b>26,169</b>
<b>Other comprehensive income</b>		
Actuarial gains / losses	881	0
Income taxes on items that have not been reclassified to the income statement	-259	0
<b>Sum of items that have not been reclassified to the income statement</b>	<b>622</b>	<b>0</b>
Differences from currency translation	-6,714	-5,399
Change in fair value of derivative financial instruments	-578	765
Change in fair value of available-for-sale assets	12,005	270
Income tax expense on other comprehensive income	170	-225
<b>Sum of items that can be reclassified to the income statement</b>	<b>4,883</b>	<b>-4,589</b>
<b>Other comprehensive income for the period after taxes</b>	<b>5,505</b>	<b>-4,589</b>
<b>Total comprehensive income for the period</b>	<b>36,012</b>	<b>21,580</b>
Profit share of shareholders of GILDEMEISTER Aktiengesellschaft	33,275	21,850
Profit share attributed to minority interests	2,737	-270

\*adjusted as a result of first time application of IAS 19 (rev. 2011)

## Consolidated Balance Sheet

B . 03

ASSETS	30 JUNE 2013 € K	31 DEC. 2012* € K	30 JUNE 2012* € K
<b>Long-term assets</b>			
Goodwill	119,573	119,521	113,480
Other intangible assets	67,435	65,077	63,695
Tangible-assets	277,527	263,174	234,439
Equity-accounted investments	10,025	7,625	7,231
Other equity investments	55,858	45,300	47,132
Trade debtors	662	447	2,763
Receivables from associated companies	0	0	4,700
Other long-term financial assets	11,670	9,833	9,847
Other long-term assets	899	4,095	1,099
Deferred taxes	49,870	49,517	52,417
	<b>593,519</b>	<b>564,589</b>	<b>536,803</b>
<b>Short-term assets</b>			
Inventories	556,732	486,259	551,301
Trade debtors	202,042	195,634	222,204
Receivables from at equity accounted companies	7,809	11,951	11,152
Receivables from related parties	9,988	19,678	13,003
Receivables from associated companies	961	855	7,313
Other short-term financial assets	68,230	61,096	80,858
Other short-term assets	49,494	49,549	39,300
Cash and cash equivalents	88,722	173,328	68,683
Long-term assets held for sale	55,004	55,780	46,737
	<b>1,038,982</b>	<b>1,054,130</b>	<b>1,040,551</b>
	<b>1,632,501</b>	<b>1,618,719</b>	<b>1,577,354</b>

\*adjusted as a result of first time application of IAS 19 (rev. 2011)

Consolidated Balance  
Sheet

<b>EQUITY AND LIABILITIES</b>	<b>30 JUNE 2013</b>	<b>31 DEC. 2012*</b>	<b>30 JUNE 2012*</b>
	<b>€ K</b>	<b>€ K</b>	<b>€ K</b>
<b>Equity</b>			
Subscribed capital	151,744	151,744	151,744
Capital provisions	257,177	257,177	257,177
Revenue provisions	294,582	281,734	232,533
<b>Total equity of shareholders of GILDEMEISTER Aktiengesellschaft</b>	<b>703,503</b>	<b>690,655</b>	<b>641,454</b>
Minority interests' share of equity	90,346	84,609	85,696
<b>Total equity</b>	<b>793,849</b>	<b>775,264</b>	<b>727,150</b>
<b>Long-term liabilities</b>			
Long-term financial debts	1,923	3,174	12,477
Pension provisions	37,085	37,917	33,645
Other long-term provisions	17,687	19,900	17,305
Trade creditors	206	237	343
Other long-term financial liabilities	8,190	8,256	8,819
Other long-term liabilities	2,475	2,675	2,490
Deferred taxes	5,378	7,649	11,004
	<b>72,944</b>	<b>79,808</b>	<b>86,083</b>
<b>Short-term liabilities</b>			
Short-term financial debts	30,879	9,095	70,828
Tax provisions	34,635	34,501	16,614
Other short-term provisions	157,276	162,366	145,326
Payments received on account	139,599	155,793	151,654
Trade creditors	236,659	264,455	268,332
Liabilities to at equity accounted companies	109	106	315
Liabilities to associated companies	24,195	8,877	12,701
Liabilities from related parties	85,280	55,953	24,478
Other short-term financial liabilities	18,278	25,951	34,073
Other short-term liabilities	28,778	35,640	29,040
Liabilities in connection with assets held for sale	10,020	10,910	10,760
	<b>765,708</b>	<b>763,647</b>	<b>764,121</b>
	<b>1,632,501</b>	<b>1,618,719</b>	<b>1,577,354</b>

\*adjusted as a result of first time application of IAS 19 (rev. 2011)

## Consolidated Cash Flow Statement

B . 04

	2013 01 JAN. – 30 JUNE € K	2012 01 JAN. – 30 JUNE € K
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Earnings before tax (EBT)	44,212	38,203
Income taxes	-13,705	-12,034
Depreciation	22,636	19,320
Change in deferred taxes	-2,624	-4,060
Change in long-term provisions	-4,132	834
Other income and expenses not affecting payments	945	-1,411
Change in short-term provisions	-5,154	-1,002
Changes in inventories, trade debtors and other assets	-62,176	-97,884
Changes in trade creditors and other liabilities	-20,154	4,474
	<b>-40,152</b>	<b>-53,560</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITY</b>		
Amounts paid out for investments in intangible and tangible assets	-34,418	-24,550
Amounts paid out for investments in financial assets	-1,592	-3
Cash flow from obtaining control of subsidiaries	-6,755	0
Cash inflows on disposal of the property, plant and equipment	618	592
	<b>-42,147</b>	<b>-23,961</b>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Cash inflows / outflows for taking out/repayment of financial debts	16,672	51,606
Dividends paid	-20,427	-14,591
Cash inflows / outflows for changes in interests of subsidiaries	0	-2,500
Changes to consolidated companies	0	6,646
Cash inflows of minority interests	3,000	0
	<b>-755</b>	<b>41,161</b>
Changes affecting payments	-83,054	-36,360
Effects of exchange rate changes on financial securities	-1,552	-108
Cash and cash equivalents as of 1 January	173,328	105,151
Cash and cash equivalents as of 30 June	<b>88,722</b>	<b>68,683</b>

Consolidated Cash  
Flow Statement  
Development of Group  
Equity

## Development of Group Equity

D . 05

	Subscribed capital € K	Capital provisions € K	Revenue* provisions € K	Total equity of shareholders of GILDEMEISTER Aktiengesellschaft € K	Minority in- terests' share of equity € K	Total equity € K
As at 01 Jan. 2013	151,744	257,177	294,351	703,272	84,609	787,881
Effects from changing the accounting method	0	0	-12,617	-12,617	0	-12,617
As at 1 JAN. 2013 adjusted	151,744	257,177	281,734	690,655	84,609	775,264
Total comprehensive income	0	0	33,275	33,275	2,737	36,012
Transactions with owners	0	0	0	0	3,000	3,000
Consolidation measures /						
Other changes	0	0	0	0	0	0
Dividend	0	0	-20,427	-20,427	0	-20,427
<b>As at 30 June 2013</b>	<b>151,744</b>	<b>257,177</b>	<b>294,582</b>	<b>703,503</b>	<b>90,346</b>	<b>793,849</b>
	Subscribed capital € K	Capital provisions € K	Revenue* provisions € K	Total equity of shareholders of GILDEMEISTER Aktiengesellschaft € K	Minority in- terests' share of equity € K	Total equity € K
As at 01 Jan. 2012	151,744	257,177	234,137	643,058	12,100	655,158
Effects from changing the accounting method	0	0	-8,863	-8,863	0	-8,863
As at 1 JAN. 2012 adjusted	151,744	257,177	225,274	634,195	12,100	646,295
Total comprehensive income	0	0	21,850	21,850	-270	21,580
Transactions with owners	0	0	0	0	73,866	73,866
Consolidation measures /						
Other changes	0	0	0	0	0	0
Dividend	0	0	-14,591	-14,591	0	-14,591
<b>As at 30 June 2012</b>	<b>151,744</b>	<b>257,177</b>	<b>232,533</b>	<b>641,454</b>	<b>85,696</b>	<b>727,150</b>

\*adjusted due to first time application of IAS 19 (rev. 2011)

### Group Segmental Reporting (part of the selected explanatory notes)

B . 06

<b>2<sup>nd</sup> QUARTER 2013</b>					
	Machine Tools € K	Industrial Services € K	Corporate Services € K	Transitions € K	Group € K
Sales revenues	299,073	209,833	51		508,914
EBIT	20,311	19,540	-7,654	-110	32,087
Investments	14,115	10,070	1,492		25,677
Employees	3,562	2,975	91		6,628

<b>2<sup>nd</sup> QUARTER 2012</b>					
	Machine Tools € K	Industrial Services € K	Corporate Services € K	Transitions € K	Group € K
Sales revenues	272,406	192,508	51		464,965
EBIT	13,995	18,621	-6,469	432	26,579
Investments	7,580	4,243	3,831		15,654
Employees	3,458	2,843	77		6,378

<b>1<sup>st</sup> HALF YEAR 2013</b>					
	Machine Tools € K	Industrial Services € K	Corporate Services € K	Transitions € K	Group € K
Sales revenues	569,524	405,353	102		974,979
EBIT	28,173	36,170	-14,800	-480	49,063
Investments	21,171	12,496	4,201		37,868
Employees	3,562	2,975	91		6,628

<b>1<sup>st</sup> HALF YEAR 2012</b>					
	Machine Tools € K	Industrial Services € K	Corporate Services € K	Transitions € K	Group € K
Sales revenues	532,076	384,581	104		916,761
EBIT	16,227	40,280	-11,226	-132	45,413
Investments	14,423	8,394	4,236		45,413
Employees	3,458	2,843	77		6,378

## Selected explanatory notes to the Consolidated Interim Financial Statements

### 1 APPLICATION OF REGULATIONS

The interim consolidated financial statements of GILDEMEISTER Aktiengesellschaft as of 31 December 2012 were prepared in accordance with the International Financial Reporting Standards (IFRS) applicable on the reporting date and in accordance with their interpretation as adopted in the EU. The consolidated interim financial statements as of 30 June 2013 were prepared on the basis of IAS 34 on interim reporting.

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, excluding the revised version of IAS 19 (revised 2011), which principles also formed the basis for the consolidated financial statements for the year ending 31 December 2012.

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 compared to financial year 2012 (for further information, please see the explanations in the Notes to the Consolidated Financial Statements as of 31 December 2012), with the exception of the application of new reporting standards.

The revised version of IAS 19 (revised 2011) must always be applied retrospectively to financial statements for financial years starting on or after 1 January 2013 according to IAS 8. GILDEMEISTER has adjusted the previous year's reported figures appropriately to reflect the effects of amendments to IAS 19. The amendments in IAS 19 resulted in the following material effects:

#### **Pensions and similar obligations:**

In the past, GILDEMEISTER used the corridor method. With the abolition of the corridor method, actuarial gains and losses have a direct impact on the consolidated balance sheet and lead to an increase in pension provisions, as well as a decline in equity adjusted to account for deferred tax assets. As of 30 June 2013, an adjustment arose for pension provisions amounting to € -0.9 million (previous year: € 11.5 million) and as of 31 December 2012 of € 16.3 million. Equity decreased, taking into account deferred taxes, as of 30 June 2013 by € 12.2 million (previous year: € -9.3 million) and as of 31 December 2012 by € 12.8 million.

#### **Provisions for partial retirement obligations:**

According to IAS 19 (revised 2011), the top-up payments agreed in the partial retirement agreements now represent other long-term employee benefits. The top-up payments can thus no longer be fully recognised as liabilities with their cash value at the beginning of the partial retirement obligation or on closing the partial retirement agreement, but the top-up payments are accumulated proportionally over the corresponding active years of service of the employee benefitting from partial retirement. This leads to a reduction in partial retirement provisions. As of 30 June 2013, provisions were reduced by € 0.3 million (previous year: € 0.5 million) and as of 31 December by € 0.3 million. The effects on the consolidated income statement and the earnings per share as of 30 June 2013 and 30 June 2012 are deemed immaterial.

Of the financial instruments held by GILDEMEISTER Aktiengesellschaft, the fair values are essentially the same as the book values. None of the other obligatory applications of IFRS amendments or new standards effective as of 1 January 2013 has any material effect on the GILDEMEISTER reporting.

**2 CONSOLIDATION GROUP** On 30 June 2013, the GILDEMEISTER group, including GILDEMEISTER Aktiengesellschaft, comprised 105 companies, 102 of which were included in the Interim Financial Statements as part of the full consolidation process. Compared to 31 March 2013, the number of group companies has been reduced by one. In June, DMG Holding AG, Dübendorf, Switzerland, founded DMG ECOLINE AG as a 100% subsidiary with registered office in Dübendorf, Switzerland. Three project companies in the Energy Solutions division were merged. Effective as of 7 May 2013, DMG MORI SEIKI Italia S.r.l. acquired 100% of the shares in Micron S.p.A., Veggiano. This company should strengthen the sales and service business for Mori Seiki products in Italy in particular. The related acquisition costs amounted to € 7.5 million. The following individual assets and debts were acquired and recognised at fair value: € 1.1 million intangible assets, € 3.2 million fixed assets, € 2.2 million inventories, € 3.0 million trade debtors, € 0.6 million other assets, € 0.07 million deferred taxes, € 0.9 million cash and cash equivalents, € 0.9 million other provisions, € 0.3 million financial debt and € 2.3 million liabilities. The net assets acquired amount in total to € 7.5 million. Costs of € 0.02 million directly linked to the acquisition of the company have been accounted for as an expense for the period. No receivables are included in the receivables acquired that are likely to be irrecoverable. As of 30 June 2013, a final measurement has not yet taken place; the purchase price allocation is only provisional.

Since 7 May 2013, Micron S.p.A. has contributed an additional € 2.2 million to group sales revenues. The share of earnings after taxes for the same period amounted to € -0.02 million.

Comparison with the consolidated financial statements for the periods ending 31 December 2012 and 30 June 2012 is not impaired.

With no change to the consolidated financial statements 2012, DMG / MORI SEIKI Australia Pty. Ltd. and SunCarrier 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 accounted for at equity in the interim financial statements. GILDEMEISTER's investment in MG Finance GmbH amounts to 42.55% (31 Dec. 2012: 33.0%).

**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: At the same time the group earnings after taxes of € 30.5 million are reduced by € 3.1 million by the minority interests' earnings.

B . 07

GROUP RESULT EXCLUDING THE PROFIT SHARE OF THE SHAREHOLDERS	€ K	27,377
Average weighted number of shares (pieces)		58,363,195
Earnings per share acc. to IAS 33	€	0.47



**4 INCOME STATEMENT, BALANCE SHEET, CASH FLOW STATEMENT** Compared to the reporting in the balance sheet as of 31 December 2012, the receivables and liabilities in the balance sheet as of 30 June 2013 are presented more detailed; as of 31 December 2012 this information was disclosed in the notes to the consolidated financial statements. Detailed explanations of the income statement, the balance sheet and the cash flow statement can be found in the section “Results of Operations, Net Worth and Financial Position” on page 7 et seq.

**5 STATEMENT OF COMPREHENSIVE INCOME** Comprehensive income as of 31 June of € 36.0 million comprised earnings after taxes (€ 30.5 million) and “other comprehensive income for the period after taxes” (€ 5.5 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 financial derivatives and currency translation differences reduced comprehensive income. Seasonally-related income and expenses, respectively those distributed unevenly over the year, did not have any material effect.

**6 DEVELOPMENT OF GROUP EQUITY** Equity rose in total by € 18.6 million to € 793.8 million. Minority interests in equity rose by € 5.7 million to € 90.3 million. The consolidated net income as of 30 June 2013 of € 30.5 million and the changes in value of financial assets held for sale of € 12.0 million increased equity. A decrease in equity resulted from the dividend payout for financial year 2012 of € 20.4 million in May 2013, from the changes in the market value of derivative financial instruments and from currency translations recognised directly in equity.

**7 SEGMENTAL REPORTING** Within the scope of segmental reporting, pursuant to the IFRS 8 regulations, the business activities of the GILDEMEISTER group have been divided into the “Machine Tools”, “Industrial Services” and “Corporate Services” business segments. The segmentation corresponds to the group’s internal controls and reporting based on different products and services. The Mori Seiki machines produced under licence are included in “Machine Tools”; the business with Mori Seiki products will be accounted for under “Industrial Services”. The demarcation of the segments and the determination of the segment results remain unchanged from 31 December 2012. The business activities of the segments are disclosed in detail in the notes to the consolidated financial statements as of 31 December 2012.

**8 STATEMENT OF RELATIONS TO RELATED COMPANIES AND PERSONS** In the first half year 2013, spare parts were taken over in an amount of € 14.6 million within the scope of taking over the spare parts business of Mori Seiki in Europe. Beyond that, there have not been any material changes as of 30 June 2013. As presented in the notes to the financial statements as of 31 December 2012, numerous business relations continue to exist with related parties, which are conducted on the basis of standard market terms and conditions.

**9 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE** Significant events occurring after the end of the reporting period are presented in the “Forecast”. No other significant events have occurred after the reporting date of interim financial statements.

### Responsibility Statement

To the best of our knowledge, and in accordance with the applicable accounting and reporting principles for interim reports, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group interim management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group in the remaining business year.

Bielefeld, 25 July 2013  
GILDEMEISTER Aktiengesellschaft  
The Executive Board



Dipl.-Kfm. Dr. Rüdiger Kapitza



Dipl.-Kfm. Dr. Thorsten Schmidt



Dipl.-Kffr. Kathrin Dahnke



Dipl.-Ing. Günter Bachmann



Dipl.-Kfm. Christian Thönes



Dipl.-Kfm. Dr. Maurice Eschweiler

Supervisory Board:  
Prof. Dr.-Ing. Raimund Klinkner, Chairman

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**Financial Calendar**

29 OCT. 2013	Third Quarterly Report 2013 (1 July to 30 September)
12 MARCH 2014	Press Conference on Financial Statements / Publication of Annual Report 2013
13 MARCH 2014	Society of Investment Professionals in Germany (DVFA), Analysts Conference, Frankfurt
06 MAY 2014	First Quarterly Report 2014 (1 January to 31 March)
16 MAY 2014	Annual General Meeting at 10.00 a.m. in the 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 GILDEMEISTER, differing materially from or being more negative than those expressly or implicitly assumed or described in these statements. The business activities of GILDEMEISTER are subject to a series of risks and uncertainties, which may result in forward-looking statements, estimates or forecasts becoming inaccurate.

GILDEMEISTER 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, GILDEMEISTER 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 GILDEMEISTER group; changes in corporate strategy; interruptions in the supply chain, including the inability of a third party, for example due to a natural catastrophe, to supply 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 GILDEMEISTER 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. GILDEMEISTER neither intends to nor does GILDEMEISTER 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.



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