

Grasping chances. Showing strengths.

# Interim Report

3<sup>rd</sup> Quarter 2009



**GILDEMEISTER**

## Dear Shareholders,

the entire economic situation continues to be affected by the recession. The global machine tool market is suffering its historically worst crisis. In Germany, consumption in the first nine months of the year slumped by 66%. GILDEMEISTER, too, clearly felt the effects of a strong reluctance to purchase. Order intake, sales revenues and earnings continued to decline in the third quarter.

Order intake as at 30 September amounted to € 818.2 million (previous year: € 1,592.8 million). Sales revenues fell to € 847.7 million (previous year: € 1,363.2 million). In the third quarter EBT at € -8.1 million was negative for the first time since the first quarter 2005. Overall profitability remained positive: in the first nine months EBITDA reached € 45.5 million (previous year: € 137.2 million), EBIT amounted to € 23.8 million (previous year: € 114.8 million). EBT was positive at € 7.0 million (previous year: € 91.6 million). As at 30 September 2009, the group reported earnings after tax of € 4.5 million (previous year: € 57.6 million).

A radical improvement cannot be expected during the remaining course of the financial year 2009. We expect order intake for the fourth quarter 2009 to develop above the previous quarters. First positive impetus at the beginning of the fourth quarter came from the industry highlight, the EMO 2009 in Milan. With order intake of € 52.6 million and 254 machines sold our expectations were met.

The machine tool business is actually suffering greatly from the lack of investment by our customers. The "Services" business is also in decline, however, it is comparatively satisfactory. We have successfully established the new business area of solar technology.

Our business model and our clear corporate strategy have proven their worth. The timely cost reduction measures will cushion the effects of the economic development. With our innovative range of products for a broad mix of customers and industries, as well as our global presence, we will overcome the crisis. The cooperation with Mori Seiki is generating important advantages for our international customers and is increasing the efficiency of GILDEMEISTER.

As announced, for the financial year 2009 we are expecting a clear downwards trend in order intake, sales revenues and earnings. Despite the continuing recession and the poor demand for machine tools worldwide, we continue to expect order intake of about € 1.2 billion. Sales revenues will be approximately € 1.2 billion. As a result of the measures we have initiated, we are assuming positive earnings (EBIT) overall.

## Key figures

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

GILDEMEISTER GROUP	30 Sep. 2009	31 Dec. 2008	30 Sep. 2008	Changes	
	€ million	€ million	€ million	30 Sep. 2009 to 30 Sep. 2008	%
Sales Revenues					
Total	847.7	1,904.0	1,363.2	-515.5	-38
Domestic	383.7	829.9	601.6	-217.9	-36
International	464.0	1,074.1	761.6	-297.6	-39
% International	55	56	56		
Order Intake					
Total	818.2	1,882.0	1,592.8	-774.6	-49
Domestic	244.8	843.4	718.4	-473.6	-66
International	573.4	1,038.6	874.4	301.0	-34
% International	70	55	55		
Order Backlog					
Total	622.9	727.4	979.0	-356.1	-36
Domestic	88.3	232.7	389.9	-301.6	-77
International	534.6	494.7	589.1	-54.5	-9
% International	86	68	60		
Investments	38.6*	50.2	28.5	10.1	35
Personnel Costs	255.5	405.5	297.4	-41.9	-14
Personnel ratio in %	29.9	20.7	20.0		
EBITDA	45.5	188.9	137.2	-91.7	-67
EBIT	23.8	158.2	114.8	-91.0	-79
EBT	7.0	126.7	91.6	-84.6	-92
Annual profit	4.5	81.1	57.6	-53.1	-92

	30 Sep. 2009	31 Dec. 2008	30 Sep. 2008	Changes	
				30 Sep. 2009 to 31 Dec. 2008	
Employees	5,587	6,191	6,172	-604	-10
plus Trainees	261	260	251	+1	0
Total Employees	5,848	6,451	6,423	-603	-9

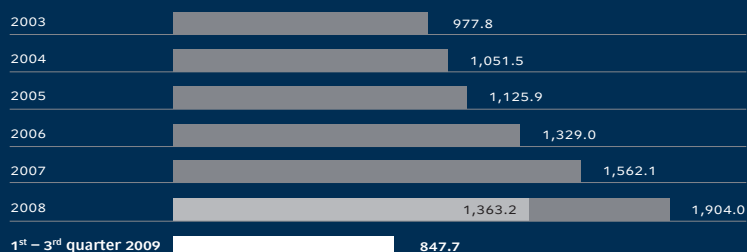
\* of which € 21.5 million capital inflow to financial assets



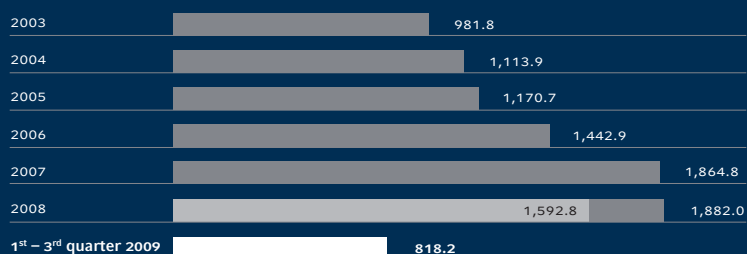
GILDEMEISTER group  
Key Figures

Sales Revenues  
Order Intake  
EBIT  
Employees

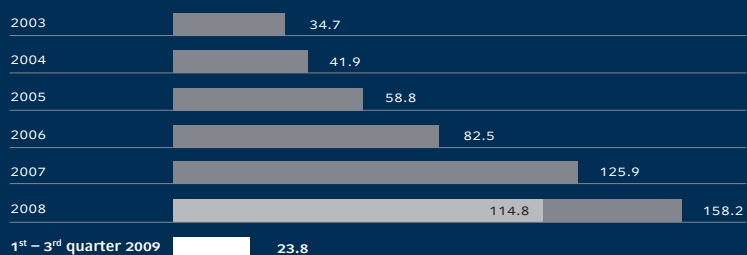
**SALES REVENUES**  
in € million



**ORDER INTAKE**  
in € million

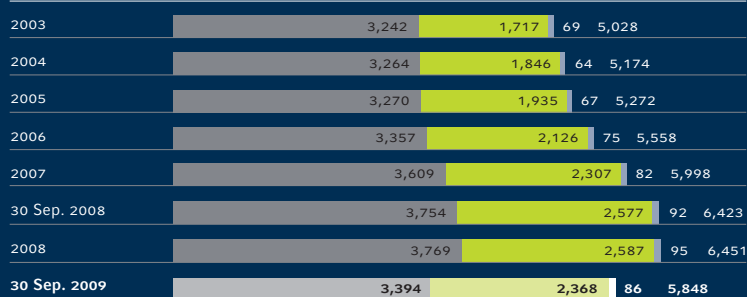


**EBIT**  
in € million



**NUMBER OF EMPLOYEES**  
incl. trainees

Machine Tools  
Services  
Corporate Services





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Economic Development



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Opportunities and Risk Report



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Financial Calendar



COVER PICTURE

**EFFICIENT TECHNOLOGY FOR TOMORROW'S ENERGY**

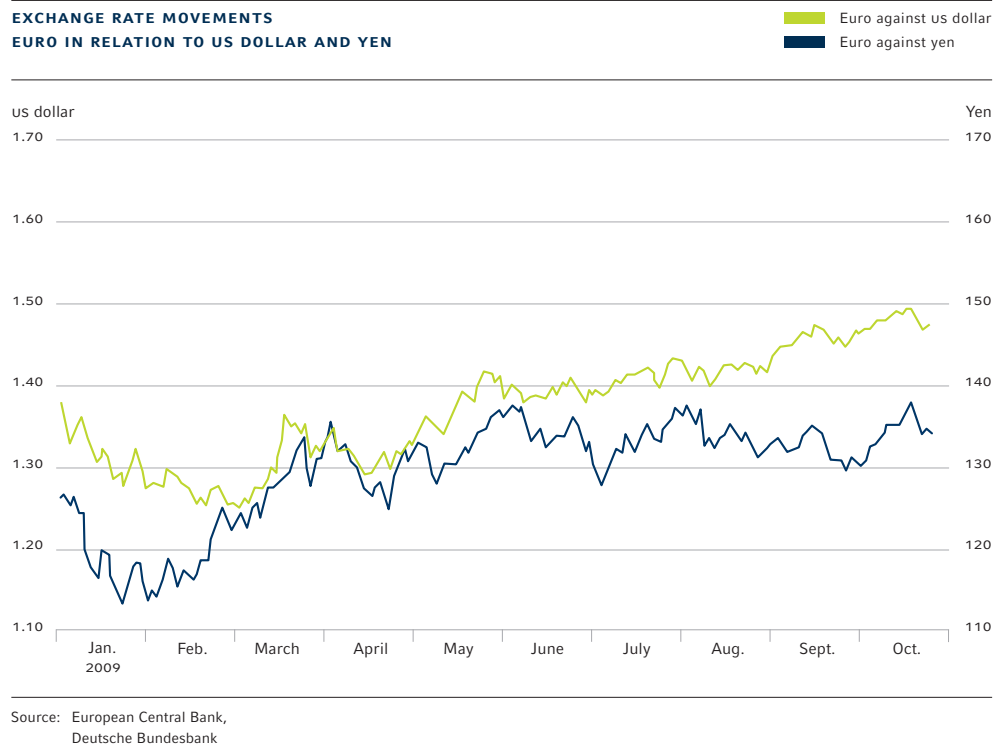
GILDEMEISTER has become established in the renewable energy market of the future. Since its entry into solar technology, GILDEMEISTER has installed solar plants in Germany, Spain, Italy, Greece, South Korea, the Czech Republic, Bulgaria, India, China and Japan. In the future GILDEMEISTER will focus the growing market in the USA. In implementing its international "SunCarrier" market strategy, a+f GmbH benefits from the worldwide coverage of the GILDEMEISTER group's sales and service network.

The main image shows one of the current 18 "SunCarrier" solar parks in Italy.

**Overall economic development** showed the first signs of an upwards trend in the third quarter of 2009. This could be seen primarily in **Asia**. China's growth continued. Japan made slight progress. In **Europe** the downwards trend also seems to have halted; this applies also for **Germany**. According to the provisional calculations of the Kiel-based Economic Research Institute (IfW), worldwide gross domestic product will decrease by 1.2% in the year 2009 (previous year: +3.2%).

For GILDEMEISTER's international business, the US dollar, the Chinese yuan and the Japanese yen are of particular importance. The **exchange rate** of the currencies most important for us changed in the third quarter 2009 as follows: the US dollar continued to lose value against the euro. The average value of 0.70 euros was above the comparison value of the previous year (0.66 euros). The Chinese yuan also lost in value against the euro. The euro closed the quarter at an exchange rate of 10.09 yuan (30 Sep. 2009). The Japanese yen closed the third quarter at a value of 134.96 yen (30 Sep. 2009). The average rate of exchange was 133.89 yen (previous year's quarter: 161.83 yen). This represents a margin loss for our products of 5.6% in the dollar and the yuan and of 3.5% in the yen.

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

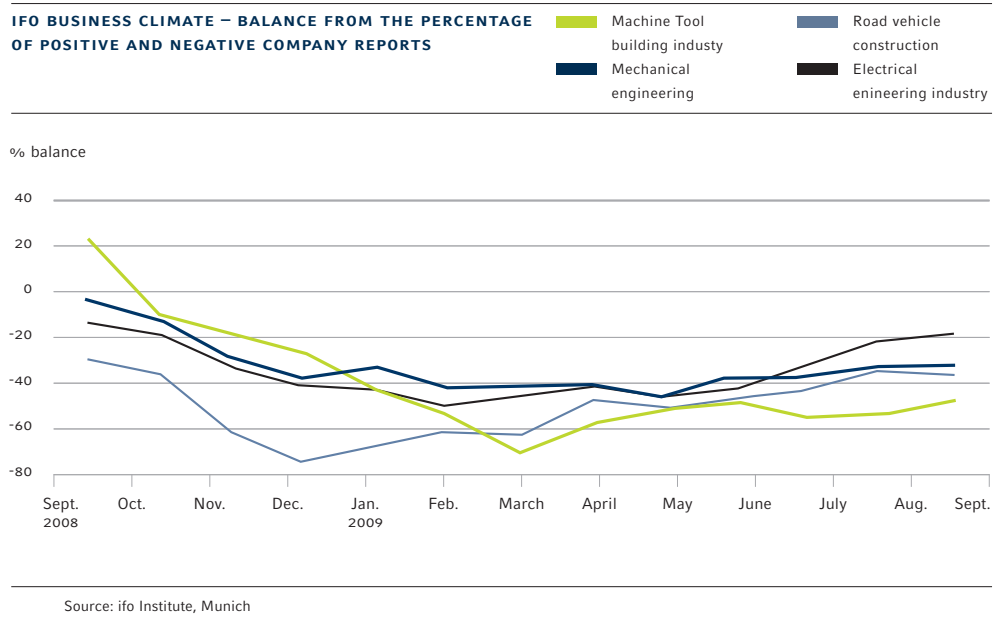


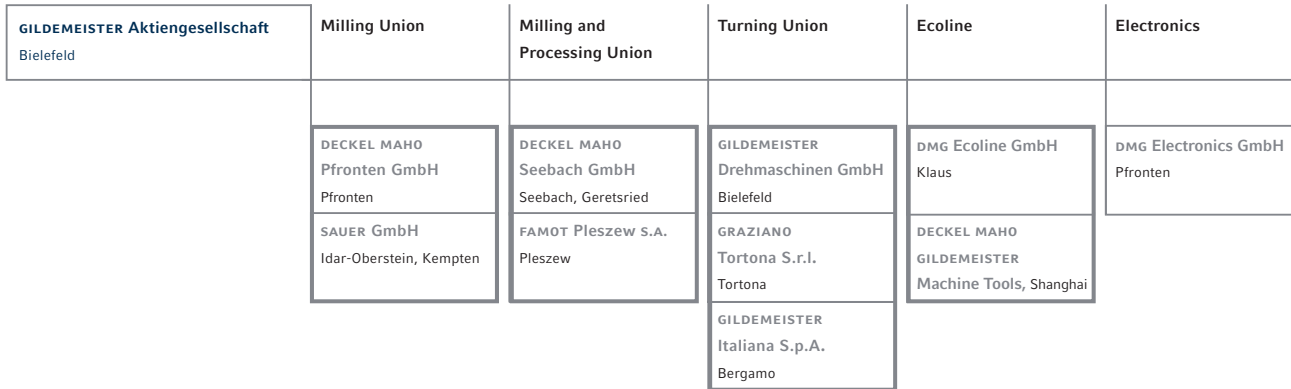
The **worldwide machine tool market** will decline sharply in 2009. The latest forecasts (as at: October 2009) of the German Machine Tool Builders' Association (VDW) and the British economic research institute, Oxford Economics, now expect a decline in consumption of 30% to € 36.5 billion.

The **German machine tool industry** will develop even more weakly than the world market. The VDW expects a fall of up to 40% in consumption and in production. Since the start of the year, order intake has slumped to an extent that has never occurred before. In the first nine months, order intake at German machine tool builders fell by 66%. For cutting machines, which correspond to our product range, the industry recorded a deficit of 72%. This reflects a decline in both domestic (-75%) and international (-70%) orders in this segment.

The ifo **business climate** index for industry continues to fluctuate at a low level but has increasingly improved further over the course of the third quarter. Companies in the main consumer industrial sectors for machine tools rate their current business situation meanwhile as being less pessimistic than at the start of the year.

Source: VDW (German Machine Tool Builders' Association)



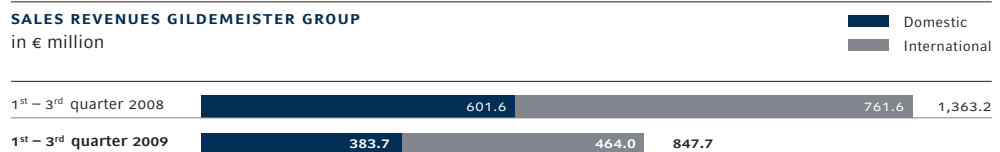


The GILDEMEISTER group, including GILDEMEISTER Aktiengesellschaft, comprised 78 enterprises as at 30 September 2009. The consolidated group has changed as follows: in September, a+f GmbH founded a+f USA LLC with registered office in Denver (USA), to strengthen its activities in the growing solar market in the USA.

**Sales Revenues**

Sales revenues in the third quarter reached € 235.0 million and were thus clearly below the previous year’s figure (€ 511.7 million). This trend was a result of the strong decline in order intake. In the first nine months, sales revenues amounted in total to € 847.7 million and were thus 38% below the previous year’s level (€ 1,363.2 million). In the “Machine Tools” segment, sales revenues fell by € 256.0 million (-31%) to € 569.6 million. The “Services” segment contributed € 277.9 million or 33% to sales revenues. The “Solar Technology” division accounted for € 24.1 million (previous year: € 140.9 million).

Domestic sales revenues fell by 36% to € 383.7 million, international sales revenues decreased by 39% to € 464.0 million. The export share amounted to 55% (corresponding period in the previous year: 56%).



More detailed information on sales revenues in each segment is given on page 9 et seq.



Sales and Service Organization		
<b>DMG Vertriebs und Service GmbH</b> <b>DECKEL MAHO GILDEMEISTER; Bielefeld</b>	70 Sales and Service locations worldwide	a+f GmbH Würzburg, Denver
	DMG Deutschland; Stuttgart 7 Sales and Service locations	DMG AUTOMATION GmbH Hüfingen
	DMG Europe; Klaus (Austria) 26 Sales and Service locations	DMG MICROSET GmbH Bielefeld
	DMG Asia; Shanghai / Singapore 17 Sales and Service locations	
	DMG America; Itasca (Illinois) 8 Sales and Service locations	
	DMG Services; Bielefeld, Pfronten 12 Sales and Service locations	

### Order Intake

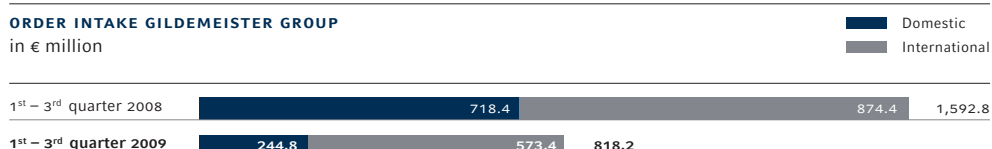
Order intake in the third quarter reached € 237.5 million (-48% compared to the previous year's quarter: € 459.4 million). In the first nine months, order intake amounted to € 818.2 million and thus was 49% or € 774.6 million below that of the previous year's period (€ 1,592.8 million). The machine tool business showed a decline at € 393.2 million (-61%). The service business amounted to € 424.8 million (-29%). The solar business continued to develop positively (+41%).

Order intake suffered a severe setback both domestically and internationally: domestic orders shrank by 66% to € 244.8 million (previous year: € 718.4 million). International orders decreased by 34% to € 573.4 million (previous year: € 874.4 million). International orders accounted for 70% of orders (previous year: 55%).

In the third quarter, the "Solar Technology" division achieved order intake of € 40.5 million (previous year: € 2.6 million). Overall a+f GmbH increased order intake in the first nine months to € 213.9 million (+18%).

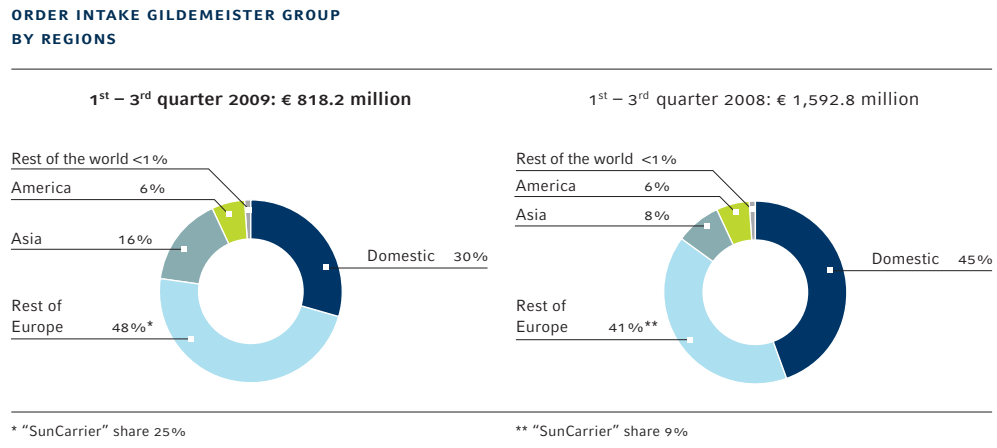
As a result of the global recession, order intake showed a strong decline compared to the same period in the previous year. The trade fairs and exhibitions in the first nine months of the year attracted a lot of interest from our customers, order activity, however, continued to be very restrained.

#### ORDER INTAKE GILDEMEISTER GROUP in € million



More detailed information on order intake in each segment is given on page 9 et seq.

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

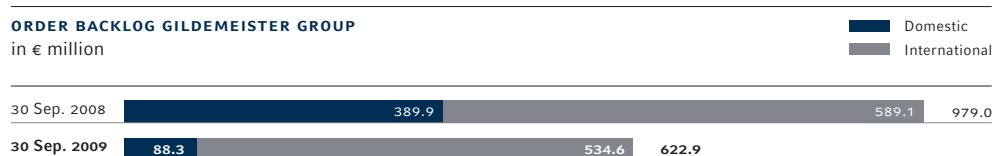


Sales prices in “Machine Tools” and “Services” were not increased in the third quarter.

**Order Backlog**

On 30 September 2009 the order backlog within the group amounted to € 622.9 million (-36%). The “Solar Technology” division of a+f GmbH accounted for € 216.5 million or 35% of this.

The domestic order backlog fell by € 301.6 million (-77%) to € 88.3 million. The international order backlog fell by € 54.5 million (-9%) to € 534.6 million compared to the previous year. Of the existing orders, international orders accounted for 86% (corresponding date of the previous year: 60%).



More detailed information on the order backlog in each segment is given on page 11 et seq. By adjusting production capacity, “Machine Tools“ production capacity utilisation achieved an average of about three months, although the individual production companies differ in their capacity utilisation.

## Results of Operations, Net Worth and Financial Position

The GILDEMEISTER group **results of operations** developed negatively in the **third quarter** for the first time since the first quarter 2005 as a result of the economic crisis. EBITDA amounted to € 4.1 million (previous year: € 52.6 million). EBIT amounted to € -3.1 million (previous year: € 44.8 million). EBT reached € -8.1 million (previous year: € 37.3 million). Earnings after taxes amounted to € -5.2 million (previous year: € 23.8 million).

As at **30 September**, overall profitability remained positive: EBITDA reached € 45.5 million (previous year: € 137.2 million), EBIT amounted to € 23.8 million (previous year: € 114.8 million). EBT was positive at € 7.0 million (previous year: € 91.6 million). As at 30 September 2009, the group reports earnings after taxes of € 4.5 million (previous year: € 57.6 million).

Total operating revenue fell to € 853.6 million (previous year: € 1,485.0 million). This decline resulted particularly from reduced sales revenues of € 847.7 million (previous year: 1,363.2 million). The “SunCarrier” accounted for € 35.9 million of total operating revenue (previous year: € 47.7 million). The **materials quota** fell to 48.2% (previous year: 56.4%). An essential influence on this positive development is due to the intensive renegotiations of purchase conditions and to the synergies achieved by the cooperation with Mori Seiki. Gross profit decreased by € 205.5 million to € 442.5 million (previous year: € 648.0 million); the gross profit margin rose to 51.8% (previous year: 43.6%). **Personnel expenditure** fell by € 41.9 million to € 255.5 million (previous year: € 297.4 million). The decline resulted from our prematurely initiated measures such as short time working and a reduction in personnel as well as the reduction in the variable salary component. Personnel expenditure will decrease further in the fourth quarter. The personnel ratio as at 30 September amounted to 29.9% (previous year: 20.0%). The balance of other expenses and income fell, due to volume and to the consequently implemented cost reduction programme, by € 71.9 million to € 141.5 million. Depreciation amounted to € 21.7 million (previous year: € 22.4 million). The financial result improved to € -16.8 million (previous year: € -23.2 million). The tax ratio decreased to 36.0% (previous year: 37.1%). Total tax expense amounted to € 2.5 million (previous year: € 34.0 million).

	30 Sep. 2009 € million	31 Dec. 2008 € million	30 Sep. 2008 € million
<b>Net worth</b>			
Fixed assets	320.5	301.3	291.2
Current assets	868.4	1,089.1	1,013.6
Equity	384.5	379.7	370.6
Outside capital	804.4	1,010.7	934.2
<b>Balance sheet total</b>	<b>1,188.9</b>	<b>1,390.4</b>	<b>1,304.8</b>

The balance sheet total decreased as at 30 September 2009 by € 201.5 million to € 1,188.9 million. On the **assets side** fixed assets increased by € 19.2 million to € 320.5 million. Current assets fell by € 220.7 million to € 868.4 million. Trade receivables decreased by € 76.7 million to € 209.3 million. Cash and cash equivalents, which rose at year-end 2008 to € 257.9 million through nearly completely drawing on the syndicated loan, fell as of 30 September by € 174.8 million to € 83.1 million due to the repayment.

Inventories rose by € 34.4 million to € 460.3 million, in doing so raw materials and consumables increased to € 180.1 million (€ + 20.0 million) primarily due to the material planning for solar modules. Inventories of unfinished goods fell to € 136.0 million (€ -16.6 million), in particular, due to the settlement of production orders in the supply plants. Finished goods increased as a result of persistent delayed acceptances and individual order cancellations as a consequence of the financial and economic crisis to € 137.3 million (€ +27.7 million). Measures have been introduced to reduce these inventories. The first effects were noticed in the third quarter. Inventories fell by € 9.4 million from € 469.7 million to € 460.3 million. We expect these measures to have a significant effect in the fourth quarter.

Under **equity and liabilities**, equity increased by € 4.8 million to € 384.5 million. The equity ratio rose to 32.3% (31 Dec. 2008: 27.3%). Outside capital decreased by € 206.3 million to € 804.4 million. Provisions decreased by € 48.6 million to € 204.1 million, payments on account received for orders placed decreased by € 46.0 million to € 50.4 million and trade creditors decreased by € 75.0 million to € 124.0 million.

The financial position developed as follows in the third quarter: The **free cash flow** amounted to € 13.9 million (previous year: € -10.5 million). Positive impact on the free cash flow development came in particular from a reduction in trade receivables (€ +27.5 million) as well as a reduction in inventories (€ +9.3 million). An opposing impact was caused by a decline in prepayments received (€ -7.2 million) and provisions (€ -4.1 million). The free cash flow as at **30 September** amounted to € -138.8 million (previous year: € -108.4 million).

The **cash flow** from operating activities was € -122.3 million (previous year: € -81.0 million). Based on earnings before tax (EBT) of € 7.0 million (previous year: € 91.6 million), depreciation (€ 21.7 million) and a reduction in trade receivables (€ 76.8 million) had a positive impact on cash flow. An opposing impact resulted from a higher commitment of funds to inventories of € 34.5 million and a decline in trade creditors of € 75.0 million. Cash flow from investment activity amounted to € -38.0 million (previous year: € -27.4 million); this includes the purchase of Mori Seiki shares for € 21.5 million. The cash flow from financing activity was € -13.6 million (previous year: € 60.3 million).

For the financial year 2009 we are expecting a negative free cash flow as the planned revenue recognition by end of the year and revenue shifts in the “Solar Technology” division will lead to payments received amounting to about € 90 million in the first months of the financial year 2010.

	2009 3 <sup>rd</sup> quarter € million	2008 3 <sup>rd</sup> quarter € million	2009 1 <sup>st</sup> – 3 <sup>rd</sup> quarter € million	2008 1 <sup>st</sup> – 3 <sup>rd</sup> quarter € million
<b>Cash flow</b>				
Cash flow from operating activities	20.4	1.1	-122.3	-81.0
Cash flow from investment activity	-13.3	-11.6	-38.0	-27.4
Cash flow from financing activity	8.1	5.6	-13.6	60.3
Changes in cash and cash equivalents	14.3	-5.2	-174.8	-48.9
Liquid funds at the start of the reporting period	68.8	51.9	257.9	95.6
Liquid funds at the end of the reporting period	83.1	46.7	83.1	46.7

As at 30 September 2009 we had sufficient **liquidity** and scope available for **financing**. The unused funding lines were € 219.9 million (31 Dec. 2008: € 128.3 million).

### Investments

Investments in fixed assets and intangible assets in the first nine months amounted to € 17.1 million (previous year's figure: € 28.5 million). With the grand opening ceremony that was held on 7 July in Italy we concluded the modernisation of GRAZIANO Tortona that we already started last year. We could thus optimise the assembly area and improve material flow sustainably. A further main focus was placed on replacement purchases to maintain operational readiness and also on capitalised development costs. Additions to financial assets in the first nine months amounted to € 21.5 million, due to the shareholding in Mori Seiki Co. Ltd. Investments thus totalled € 38.6 million.

### Segmental Reporting

Our business activities include the "Machine Tools" and "Services" segments as well as a+f GmbH with the two "SunCarrier" and "Components" business areas. With the "SunCarrier" and the "SkyCarrier" this company participates in the growing solar technology market. "Corporate Services" comprise the groupwide holding functions. The distribution of sales revenues, order intake and EBIT to the single segments is as follows:

#### SEGMENT KEY FIGURES OF THE GILDEMEISTER GROUP

	"Machine Tools"			"Services"			"Corporate Services"		
	2009 1 <sup>st</sup> – 3 <sup>rd</sup> quarter € million	2008 1 <sup>st</sup> – 3 <sup>rd</sup> quarter € million	Changes 2009 against 2008 %	2009 1 <sup>st</sup> – 3 <sup>rd</sup> quarter € million	2008 1 <sup>st</sup> – 3 <sup>rd</sup> quarter € million	Changes 2009 against 2008 %	2009 1 <sup>st</sup> – 3 <sup>rd</sup> quarter € million	2008 1 <sup>st</sup> – 3 <sup>rd</sup> quarter € million	Changes 2009 against 2008 %
Sales revenues	569.6	825.6	-31	277.9	537.4	-48	0,2	0.2	0
				of which a+f 43.3	182.1	-76			
Order intake	393.2	996.4	-61	424.8	596.2	-29	0,2	0.2	0
				of which a+f 213.9	181.3	+18			
EBIT	-6.7	54.7	-112	41,4	88.6	-53	-11.5	-27.5	16
				of which a+f 0.6	11.5	-95			

### “Machine Tools”

The “Machine Tools” segment forms the group’s new machine business with the turning and milling, ultrasonic / laser and electronics business areas.

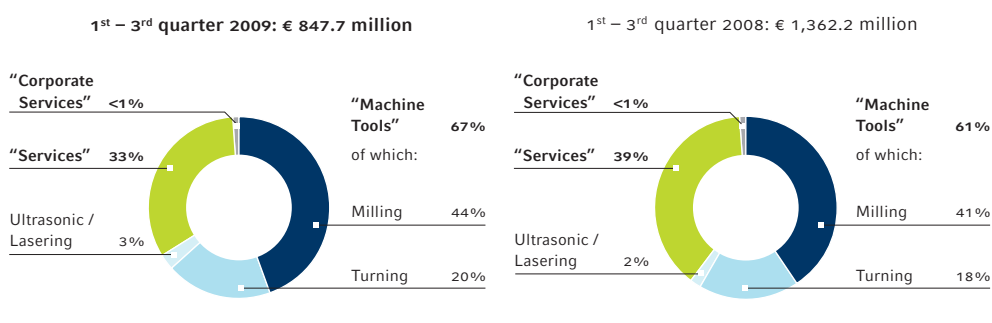
KEY FIGURES “MACHINE TOOLS” SEGMENT	2009	2008**	Changes	
	1 <sup>st</sup> – 3 <sup>rd</sup> quarter € million	1 <sup>st</sup> – 3 <sup>rd</sup> quarter € million	2009 against 2008 € million	%
Sales Revenues				
Total	569.6	825.6	-256.0	-31
Domestic	261.8	397.4	-135.6	-34
International	307.8	428.2	-120.4	-28
% International	54	52		
Order Intake				
Total	393.2	996.4	-603.2	-61
Domestic	131.2	512.8	-381.6	-74
International	262.0	483.6	-221.6	-46
% International	67	49		
Order Backlog*				
Total	294.5	768.8	-474.3	-62
Domestic	42.8	295.8	-253.0	-86
International	251.7	473.0	-221.3	-47
% International	85	62		
Investments	10.9	19.9	-9.0	-45
EBIT	-6.7	54.7	-61.4	-112
* reporting date 30 September				
** previous year’s values adjusted				

	30 Sep. 2009	31 Dec. 2008	30 Sep. 2008	Changes	
				30 Sep. 2009 to 31 Dec. 2008	
Employees	3,136	3,512	3,506	-376	-11
plus Trainees	258	257	248	+1	0
Total Employees	3,394	3,769	3,754	-375	-10

The worldwide cyclical declining trend in the machine tools business continued strongly in the third quarter; due to a lack of orders we had to accept further noticeable losses. **Sales revenues** amounted to € 569.6 million and were thus € 256.0 million or 31% below the previous year’s figure (€ 825.6 million). The “Machine Tools” segment contributed 67% of group sales revenues in the first nine months (previous year: 61%). The milling technology of DECKEL MAHO contributed 44% (previous year: 41%). The turning technology of GILDEMEISTER accounted for 20% (previous year: 18%). New technologies accounted for 3% (previous year’s period: 2%).

Sales revenues in the group broke down as follows in the first nine months:

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



The worldwide economic crisis also had a significant effect on order intake development of machine tools. In all quarters orders were at a very low level. In the reporting period **order intake** amounted to € 393.2 million (previous year: € 996.4 million); this corresponds to a decrease of € 603.2 million or 61%. The “Machine Tools” segment only recorded 48% of all orders received by the group. The **order backlog** as at 30 September still amounted to € 294.5 million (corresponding date of the previous year: € 768.8 million). Due to the continuing difficult market situation, there was an increase in order cancellations. As a result of the fall in sales revenues, earnings also fell. A significantly increased price pressure resulted in higher discounts. On average they were at 3.5% compared to previous year’s period. In the first nine months, GILDEMEISTER for the first time achieved a negative **EBIT** of € -6.7 million (previous year: € 54.7 million). As at 30 September, 3,394 **employees** were employed (31 Dec. 2008: 3,769). This represents an adjustment of 375 employees at the end of the third quarter. Employment agreements with agency workers were terminated completely at the end of the first six months (469 workers). Moreover, we have adjusted our personnel capacity by way of short time working. More information can be found in the “Employees” chapter on page 13.

### “Services”

The “Services” segment includes the business activities of DMG Vertriebs und Service GmbH and its subsidiaries, as well as a+f GmbH with its two “SunCarrier” and “Components” business areas. This company serves the growing solar technology market with the “SunCarrier”. In the “Components” area, a+f GmbH focuses on the procurement of components especially for wind energy. **DMG Service Solutions** offers worldwide customised service solutions and service products over the entire lifespan of the DMG machine tools. The service solutions include various diverse services, which, through our highly-qualified service staff and our worldwide sales and service network, ensure direct

customer contact and rapid availability. **DMG service products** – such as DMG Powertools, adjustment devices and tool management from DMG MICROSET, as well as DMG Spare Parts – provide users with an opportunity to increase the productivity of their DMG machines tools significantly. DMG AUTOMATION, that organisational belongs to “Services” segment since July 2009, supplies integration solutions to automate machine tools. Up-to-date service news may be obtained at [www.gildemeister.com](http://www.gildemeister.com). More detailed information on the “SunCarrier” can be found at [www.suncarrier.com](http://www.suncarrier.com).

KEY FIGURES SEGMENT “SERVICES”	2009	2008**	Changes	
	1 <sup>st</sup> – 3 <sup>rd</sup> quarter € million	1 <sup>st</sup> – 3 <sup>rd</sup> quarter € million	2009 against 2008 € million	%
Sales Revenues				
Total	277.9	537.4	-259.5	-48
Domestic	121.7	204.0	-82.3	-40
International	156.2	333.4	-177.2	-53
% International	56	62		
Order Intake				
Total	424.8	596.2	-171.4	-29
Domestic	113.4	205.4	-92.0	-45
International	311.4	390.8	-79.4	-20
% International	73	66		
Order Backlog*				
Total	328.4	210.2	118.2	56
Domestic	45.5	94.1	-48.6	-52
International	282.9	116.1	166.8	144
% International	86	55		
Investments	3.8	6.7	-2.9	-43
EBIT	41.4	88.6	-47.2	-53

\* reporting date 30 September  
\*\* previous year's values adjusted

	30 Sep. 2009	31 Dec. 2008	30 Sep. 2008	Changes 30 Sep. 2009 to 31 Dec. 2008	
	Employees	2,365	2,584	2,574	-219
plus Trainees	3	3	3	0	0
Total Employees	2,368	2,587	2,577	-219	-8

“Services” contributed a 33% share to group sales revenues (previous year: 39%). The declining trend in the segments continued into the third quarter; the spare parts and used machine businesses were particularly affected. In the first nine months, **sales revenues** reached € 277.9 million and were thus 48% below the previous year's level (€ 537.4 million). The “Solar Technology” division contributed € 24.1 million to sales revenues in the reporting period (previous year: € 140.9 million). **Order intake** of € 424.8 million was clearly below the level of the previous year (€ 596.2 million). The “Solar Technology” division achieved order intake of € 203.7 million (+41% on the previous year: € 144.6 million). “Services” accounted for 52% of orders received by the





Order intake in the “Solar Technology” was € 203.7 million in the first nine months.

group. Our customers ordered noticeably fewer spare parts and components, and also instigated extensive cost-savings in services. The **order backlog** amounted to € 328.4 million, of which the “SunCarrier” of a+f GmbH accounted for € 216.5 million (previous year: € 77.8 million). **EBIT** amounted to € 41.4 million (previous year: € 88.6 million). In the “Services” segment, we have reduced the number of **employees** by 219 to 2,368 (31 Dec. 2008: 2,587). We already terminated all the employment agreements with agency workers by the end of the first six months of the year. More information can be found in the “Employees” chapter on page 13.

### “Corporate Services”

KEY FIGURES SEGMENT “CORPORATE SERVICES”	2009		2008		Changes	
	1 <sup>st</sup> – 3 <sup>rd</sup> quarter	€ million	1 <sup>st</sup> – 3 <sup>rd</sup> quarter	€ million	2009 against 2008	€ million
Sales Revenues		0.2		0.2		0.0
Order Intake		0.2		0.2		0.0
Investments		23.9		1.9		22.0
EBIT		-11.5		-27.5		16.0

Employees	30 Sep. 2009		31 Dec. 2008		30 Sep. 2008		Changes	
							30 Sep. 2009 to 31 Dec. 2008	
		86		95		92		-9

In addition to GILDEMEISTER Aktiengesellschaft with its group-wide holding functions, the “Corporate Services” segment also includes GILDEMEISTER Beteiligungen AG. **EBIT** amounted to € -11.5 million (previous year: € -27.5 million). This positive development resulted primarily from savings by the reduced personnel expenditure as well as from the reduction of variable salary components, significant cuts in consultancy services and the expiration of leasing agreements. We are planning an improvement in **EBIT** for the whole of 2009 of about 50% compared to the previous year (**EBIT**: € -41.2 million).

### Employees

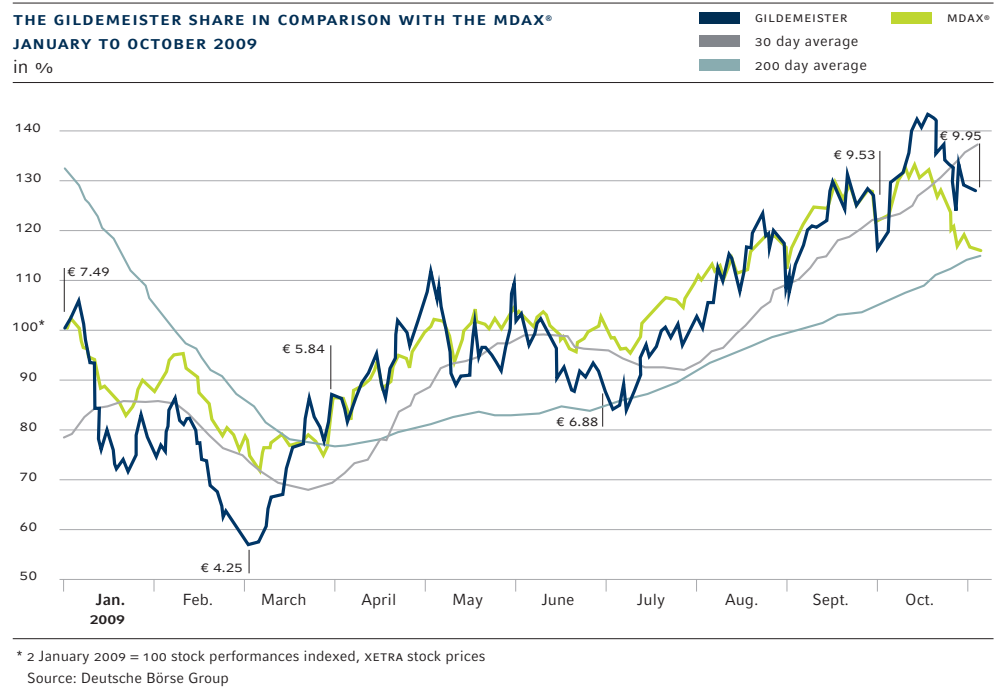
As at 30 September 2009, GILDEMEISTER had 5,848 employees, of whom 261 were trainees (31 Dec. 2008: 6,451). As of the end of the third quarter, the number of employees has fallen by 603. Parallel to the reduction in staff we have adjusted our capacities by cutting back on overtime and by using short time working. During short time working, training programmes in the individual corporate areas were reviewed and implemented according to need. We already terminated all employment agreements with agency workers by the end of the first six months. By these staffing measures we saved € 41.9 million in personnel expenditure in the reporting period and € 15.0 million in other expenses in the entire year.

In line with the initiated adjustment in personnel, by the end of the current financial year we plan to have employee numbers of about 5,500, of whom approximately 260 will be trainees. A figure of 5,200 employees is calculated from carrying out our actual examination of capacity. The surplus personnel capacity is managed, primarily, by the use of short time working combined with training measures in the individual companies. Further measures will be analysed and agreed upon promptly depending on business development at the individual companies.

At the end of the third quarter, 3,638 employees (62%) worked at our domestic companies and 2,210 employees (38%) at our international companies. Personnel expenditure fell by € 41.9 million to € 255.5 million (corresponding period in the previous year: € 297.4 million); the personnel ratio was 29.9% (previous year: 20.0%).

### GILDEMEISTER Share

The GILDEMEISTER share showed a positive upwards trend in the third quarter and at +39% performed better than the MDAX (+25%). This trend was driven by the stock markets with expectations of a lasting economic recovery as well as by the positive order intake trend in the “Solar Technology” division and by the cooperation with Mori Seiki. Following a share price of € 6.88 as of 1 July, the share closed the third quarter at € 9.53 (30 Sep. 2009). The share is currently listed at € 9.95 (04 Nov. 2009).



The GILDEMEISTER shares are held in free float. Based on the total number of shares of 45.6 million, a turnover of 1.5 times occurred in the first nine months (previous year's period: 2.5 times). The trading volume shrank by 36% to an average of 362,000 shares per trading day (previous year: 564.000 shares).



The annual report 2008 is again MDAX winner.

### Investor and Public Relations

In our investor relations work we have continued to maintain a continuous and open exchange of information with all participants in the capital market. The Executive Board presented the development and strategy of the company at road shows and capital market conferences both in Germany and abroad, in individual talks and in telephone conferences. Our public relations activities are an additional core element of our communications concept. We strengthen GILDEMEISTER's excellent public image by quickly, competently, openly and reliably providing information on the group's current position. For its exemplary transparency and open reporting in its annual report 2008, GILDEMEISTER once again received an award as the MDAX winner. The manager magazin jury particularly highlighted the fact that GILDEMEISTER completely fulfils the requirements of the corporate governance code.

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### Research and Development

Expenditure on research and development amounted to € 37.7 million in the first nine months and was thus below the previous year's level (€ 40.4 million). There are 450 employees working on the development of new products; this corresponds to 13% of the workforce at the plants. We strengthened our cooperation with the Japanese machine tool manufacturer, Mori Seiki Co. Ltd., in the third quarter in the area of product development; together we merchandise, amongst others, the successful ECOLINE range.

GILDEMEISTER presented 15 new developments at 66 trade fairs and exhibitions. At this year's industry highlight, the EMO in Milan, GILDEMEISTER showed 41 exhibits, including 7 world premieres.

Our innovative product range offers our customers tailor-made solutions to carry out their complex production orders. Our trend-setting concepts in the field of **software** lead to a degree of convenience in programming and controls, which is unique in the industry, for example through the "ShopTurn 3G" software with common user interface for turning and milling machines, multi-channel capability and a choice between time-efficient DIN programming and convenient ShopTurn programming. In addition, the **energy efficiency**



**Turn&Mill:**

The CTX gamma 2000 TC offers maximal flexibility in processing and programming.



**DMG ECOLINE:**

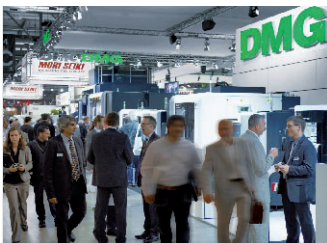
The DMU 50 eco unifies efficiency, proven technique and an unbeatable cost-performance ratio.

of our machines has been further improved. Reduced power consumption when idling by means of the DMG Auto-Shutdown, the DMG Green-Machining-Mode and the intelligent machine design result in clear savings in power costs.

\_ In the **turning area**, the GMC 20 and the CTX gamma 2000 TC with milling spindle and additional turret numbered among the highlights. The CNC multispindle GMC 20 facilitates top productivity for medium sized production batches. The CTX gamma 2000 TC offers up to 70% extended machining possibilities and offers significant potential for shortening processing times.

\_ In the **milling area** the product range has been extended to include the DMC 100 H, the DMF 260 *linear* and the DMU 50 eco. The DMC 100 H horizontal machining centre in the third generation of the duoBLOCK®-construction represents optimum stability and permits the machining of larger pieces and the use of larger tools with little space required. The DMF 260 *linear* offers ideal pre-conditions for use in the aerospace industry, in mechanical engineering and in tool and mould construction. The DMU 50 eco universal milling machine enables low cost entry into 5-axis machining with proven technology and the highest precision.

\_ In the **ultrasonic / lasering area** the ULTRASONIC 10 extends the product portfolio. The compact 5-axis precision machine is particularly suitable for use in the dental field. The DMG s Loader extends the range of productivity-enhancing components for our turning machines available in the service products.



**EMO Trade Fair Highlight**

At this year's industry highlight, the EMO 2009 in Milan, GILDEMEISTER presented 7 world premieres and 41 selected exhibits over 1,500 square metres. Our product innovations set the technological trends and offer our customers a decisive competitive edge in the economic upturn.

**Opportunities and Risk Report**

GILDEMEISTER is exposed to various opportunities and risks in its business dealings. Our opportunities and risk management assists in recognising and evaluating these opportunities and risks timely. The Executive Board and the Supervisory Board are informed regularly about the current risk position of the group and of the individual business units.

**Opportunities** arise for GILDEMEISTER from the economy as a whole in particular from the growing legal certainty and stability in the growth markets in Asia and eastern Europe. Industry-specific opportunities arise from the fact that we are taking part in the growing solar market with the "SunCarrier". The cooperation with Mori Seiki offers an essential opportunity; we provide important advantages for our international customers and increase the efficiency of GILDEMEISTER. Our ECO range offers further potential

opportunities in the world markets. Moreover, we see opportunities in the automation of machine tools. Corporate strategic opportunities arise for GILDEMEISTER from its leadership in innovations and technology. By integrating suppliers in the value added process, we can achieve optimisation and price advantages.

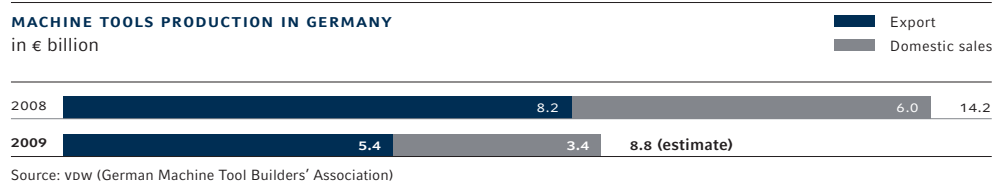
**Risks** are systematically identified, evaluated, aggregated, monitored and notified by the GILDEMEISTER risk management. The economic slump on the world markets and financial shortfalls of our customers lead to a marked decline in order intake in machine tool building. Furthermore, there is a strong increase in the cancellation and suspension of orders. The risk of bad debts is growing. In addition, competitors are employing aggressive pricing policies in the difficult market environment. The major orders in the “SunCarrier” business are subject to approval procedures abroad, which are costly and time-consuming. These bureaucratic hurdles may cause time delays in the construction of solar plants and thus result in revenue shifts. Compared to the last report for the first six months of 2009, risks have grown as a result of the continuing economic downturn. From today’s perspective the future of the GILDEMEISTER group as a going concern is not at risk.

### Forecast

According to the latest forecasts, **the global economy** is expected to have reached its cyclical lowest point in the second half of 2009. The important industrial markets are still affected by the global economic crisis. The strongest positive stimulus is expected to come from **China**. The situation in **America** and **Europe** remains difficult. In **Germany** there are no signs of a noticeable improvement. According to provisional calculations of the Kiel Institute for Economic Research (IfW), in 2009 worldwide gross domestic product will decrease by 1.2% (previous year: +3.2%). For 2010, +2.8% is being predicted.

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

The **worldwide machine tool market** will decline extremely in 2009. The current forecast (as at October 2009) of the German Machine Tool Builders’ Association (VDW) and the British economic research institute, Oxford Economics, now expects a decline in global consumption of 30% to € 36.5 billion. This estimate is based on the weak demand worldwide and on continuing uncertainty as to whether and when the economic revival will commence. In an initial estimate for **2010**, the VDW is expecting a stabilisation.



The **German machine tool industry** has also recorded a dramatic slump in order intake since the start of the financial and economic crisis. The vdw expects a decline in German machine tool consumption and production in the financial year 2009 of up to 40%. For the year **2010**, there is no official estimate of the association at the date of publication.

**GILDEMEISTER** is not expecting a radical improvement in the financial year 2009. We expect order intake in the fourth quarter 2009 to develop above the previous quarters. First positive impetus at the beginning of the fourth quarter came from the industry highlight, the EMO 2009 in Milan. **GILDEMEISTER**, as the biggest exhibitor on the most important machine tool trade fair for Europe, presented 41 exhibits on about 1,500 square metres including **7 world premieres**. With order intake of € 52.6 million and 254 machines sold our expectations were met.

The machine tool business is actually suffering greatly from the lack of investment by our customers. The “Services” business is also in decline, however, is still comparatively satisfactory. We have successfully established the new business area of solar technology.

Our business model and our clear corporate strategy have proven their worth. The timely cost reduction measures will cushion the effects of the economic development. With our innovative range of products for a broad mix of customers and industries, as well as our global presence, we will overcome the crisis. The cooperation with Mori Seiki is generating important advantages for our international customers and is increasing the efficiency of **GILDEMEISTER**.

As announced, for the **financial year 2009** we are expecting a clear downwards trend in order intake, sales revenues and earnings. Despite the continuing recession and the poor demand for machine tools worldwide, we continue to expect order intake of about € 1.2 billion. Sales revenues will be approximately € 1.2 billion. As a result of the measures we have initiated, we are assuming positive earnings (EBIT) overall.

The **order backlog** in “Machine Tools” represents a calculated production capacity of about three months on average, although the individual production companies differ in their basic utilisation.

We cannot yet issue any valid forecasts for the **financial year 2010**. At the moment we are expecting order intake in the machine tools business to grow by 10-15% in the next year. Sales revenues will be lower in this segment. The profitable “Services” business will perform better overall than in the year 2009. We are expecting a further positive development in the solar business.

The **financing structure** ensures that we actually have sufficient financing scope for the further course of the business.

For the current financial year we are planning to reduce **investments** in fixed and intangible assets to approximately € 30 million. Also in 2010 we will continue to pursue an investment strategy that is appropriate for the economic climate. We plan to keep investments under the reduced level of the current financial year.

Activities in **research and development** are aimed at further consolidating our technological advance. Through synergy effects from the cooperation with Mori Seiki, as well as other adjustments due to the current economic environment, we reduce the development budget from the originally forecast € 58 million to below € 50 million. Depending on the cyclical development we are planning to further reduce expenditure on research and development for the coming financial year.

The number of **employees** will be continuously reviewed in relation to business development. In the event of a further worsening of the economic situation, additional personnel measures will be introduced. For the current financial year, we plan personnel expenditure of approximately € 355 million (previous year € 405.5 million) and thus cost-savings of approximately € 50 million.

In **procurement** we expect a cost reduction for the financial year 2009, which we intend to achieve in different material groups. Standardisation activities form a further main focus, by which we will decrease costs resulting from complexity.

In **inventories** we plan to further sustainably reduce inventories through a strict limit on the acquisition of raw materials, consumables and supplies, as well as through pushing the sale of finished goods.

Significant changes to the future **corporate legal structure** are not scheduled at the current time.

### Consolidated Income Statement

3 <sup>rd</sup> quarter	2009		2008		Changes	
	1 July – 30 Sep. € million	%	1 July – 30 Sep. € million	%	2009 against 2008 € million	%
<b>Sales Revenues</b>	235.0	98.0	511.7	101.3	-276.7	54.1
Changes in finished goods and work in progress	2.1	0.9	-8.3	-1.6	10.4	125.3
Capitalised payments	2.6	1.1	1.6	0.3	1.0	62.5
<b>Total Work Done</b>	239.7	100.0	505.0	100.0	-265.3	52.5
Cost of materials	-122.4	-51.1	-274.5	-54.4	152.1	55.4
<b>Gross Profit</b>	117.3	48.9	230.5	45.6	-113.2	49.1
Personnel costs	-76.7	-32.0	-101.2	-20.0	24.5	24.2
Other income and expenses	-36.5	-15.2	-76.7	-15.2	40.2	52.4
Depreciation	-7.2	-3.0	-7.8	-1.5	0.6	7.7
<b>Financial Result</b>	-5.0	-2.1	-7.5	-1.5	2.5	33.3
<b>EBT</b>	-8.1	-3.4	37.3	7.4	-45.4	
Income Taxes	2.9	1.2	-13.5	-2.7	16.4	
<b>Earnings after taxes (EAT)</b>	-5.2	-2.2	23.8	4.7	-29.0	
<b>Earnings per share in accordance with IAS 33 (in euros)</b>	-0.11		0.55			

1 <sup>st</sup> – 3 <sup>rd</sup> quarter	2009		2008		Changes	
	1 Jan. – 30 Sep. € million	%	1 Jan. – 30 Sep. € million	%	2009 against 2008 € million	%
<b>Sales Revenues</b>	847.7	99.3	1,363.2	91.8	-515.5	37.8
Changes in finished goods and work in progress	0.7	0.1	117.2	7.9	-116.5	99.4
Capitalised payments	5.2	0.6	4.6	0.3	0.6	13.0
<b>Total Work Done</b>	853.6	100.0	1,485.0	100.0	-631.4	42.5
Cost of materials	-411.1	-48.2	-837.0	-56.4	425.9	50.9
<b>Gross Profit</b>	442.5	51.8	648.0	43.6	-205.5	31.7
Personnel costs	-255.5	-29.9	-297.4	-20.0	41.9	14.1
Other income and expenses	-141.5	-16.6	-213.4	-14.3	71.9	33.7
Depreciation	-21.7	-2.5	-22.4	-1.5	0.7	3.1
<b>Financial Result</b>	-16.8	-2.0	-23.2	-1.6	6.4	27.6
<b>EBT</b>	7.0	0.8	91.6	6.2	-84.6	
Income Taxes	-2.5	-0.3	-34.0	-2.3	31.5	
<b>Earnings after taxes (EAT)</b>	4.5	0.5	57.6	3.9	-53.1	
<b>Earnings per share in accordance with IAS 33 (in euros)</b>	0.10		1.33			



## Consolidated Balance Sheet

<b>ASSETS</b>	30 Sep. 2009 € million	31 Dec. 2008 € million	30 Sep. 2008 € million
<b>Long-term assets</b>			
Goodwill	75.7	75.7	75.7
Other intangible assets	24.6	23.7	22.8
Tangible assets	195.1	201.6	192.3
Financial assets	25.1	0.3	0.4
Trade debtors	0.5	0.6	7.8
Other long-term financial assets	14.4	17.5	5.3
Other long-term assets	1.4	0.7	1.1
Deferred taxes	28.8	27.9	31.4
	<b>365.6</b>	<b>348.0</b>	<b>336.8</b>
<b>Short-term assets</b>			
Inventories	460.3	425.9	510.8
Trade debtors	208.8	285.4	335.1
Other short-term financial assets	46.2	55.4	38.9
Other short-term assets	24.9	17.8	36.5
Cash and cash equivalents	83.1	257.9	46.7
	<b>823.3</b>	<b>1,042.4</b>	<b>968.0</b>
	<b>1,188.9</b>	<b>1,390.4</b>	<b>1,304.8</b>
<b>EQUITY AND LIABILITIES</b>	30 Sep. 2009 € million	31 Dec. 2008 € million	30 Sep. 2008 € million
<b>Equity</b>			
Subscribed capital	118.5	112.6	112.6
Capital provision	80.5	68.3	68.3
Revenue provisions	185.7	199.1	190.0
<b>Total equity of shareholders of GILDEMEISTER Aktiengesellschaft</b>	<b>384.7</b>	<b>380.0</b>	<b>370.9</b>
Minority interests' share of equity	-0.2	-0.3	-0.3
<b>Total equity</b>	<b>384.5</b>	<b>379.7</b>	<b>370.6</b>
<b>Long-term liabilities</b>			
Long-term financial liabilities	238.0	240.3	228.2
Pension provisions	26.8	27.1	27.5
Other long-term provisions	45.2	47.1	34.8
Trade creditors	0.3	0.4	0.5
Other long-term financial liabilities	23.5	20.3	2.9
Other long-term liabilities	3.5	3.4	4.4
Deferred taxes	3.1	3.6	2.4
	<b>340.4</b>	<b>342.2</b>	<b>300.7</b>
<b>Short-term liabilities</b>			
Short-term financial liabilities	120.3	138.0	101.9
Tax provisions	6.9	19.0	24.8
Other short-term provisions	125.2	159.5	157.2
Payments received on account	50.4	96.4	126.8
Trade creditors	123.7	198.6	175.4
Other short-term financial liabilities	16.9	30.1	21.8
Other short-term liabilities	20.6	26.9	25.6
	<b>464.0</b>	<b>668.5</b>	<b>633.5</b>
	<b>1,188.9</b>	<b>1,390.4</b>	<b>1,304.8</b>

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## Consolidated Cash Flow Statement

	2009 1 July – 30 Sep. € million	2008 1 July – 30 Sep. € million	2009 1 Jan. – 30 Sep. € million	2008 1 Jan. – 30 Sep. € million
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Earnings before tax (EBT)	-8.1	37.3	7.0	91.6
Income taxes	2.9	-13.5	-2.5	-34.0
Depreciation	7.2	7.8	21.7	22.4
Change in deferred taxes	-3.3	-2.7	-1.5	-4.7
Change in long-term provisions	-3.5	6.5	-2.3	3.2
Other income and expenses not affecting payments	0.1	0.3	0.7	1.9
Change in short-term provisions	-0.6	15.2	-46.3	27.1
Changes in inventories, trade debtors and other assets	33.9	-21.7	40.5	-202.1
Changes in trade creditors and other liabilities	-8.2	-28.1	-139.6	13.6
	20.4	1.1	-122.3	-81.0
<b>CASH FLOW FROM INVESTMENT ACTIVITY</b>				
Amounts paid out for investments in intangible and tangible assets	-6.8	-11.6	-17.1	-28.5
Amounts paid out for investments in financial assets	-6.8	0.0	-21.5	0.0
Amounts received from the disposal of fixed assets	0.3	0.0	0.6	1.1
	-13.3	-11.6	-38.0	-27.4
<b>CASH FLOW FROM FINANCING ACTIVITY</b>				
Amount received from the issue of a borrowers' note	0.0	200.0	0.0	200.0
Amount paid out for the costs of a borrowers' note	0.0	-1.5	0.0	-1.5
Amount paid out for the redemption of the bond	0.0	-183.5	0.0	-183.5
Payment received made for drawing / repaying financial debts	8.0	-9.4	-14.4	60.5
Dividends paid	0.0	0.0	-17.3	-15.2
Cash inflows from capital increase	0.0	0.0	18.1	0.0
	8.0	5.6	-13.6	60.3
Changes affecting payments	15.1	-4.9	-173.9	-48.1
Effects of exchange rate changes on financial securities	-0.8	-0.3	-0.9	-0.8
Cash and cash equivalents at the start of the reporting period	68.8	51.9	257.9	95.6
Cash and cash equivalents at the end of the reporting period	83.1	46.7	83.1	46.7

## Group Statement of Comprehensive Income

	2009 1 July – 30 Sep. € million	2009 1 Jan. – 30 Sep. € million	2008 1 July – 30 Sep. € million	2008 1 Jan. – 30 Sep. € million
<b>EARNINGS AFTER TAXES</b>	-5.2	4.5	23.8	57.6
Changes in currency	-0.5	-1.5	2.4	3.5
Changes in market value of derivative financial instruments	-0.4	-2.2	-5.6	-4.8
Changes in the fair value of available-for-sale-assets	1.7	3.2	0.0	0.0
<b>Total of the changes in value recognised in equity</b>	<b>0.8</b>	<b>-0.5</b>	<b>-3.2</b>	<b>-1.3</b>
<b>Total comprehensive income</b>	<b>-4.4</b>	<b>4.0</b>	<b>20.6</b>	<b>56.3</b>
Attributable to shareholders of GILDEMEISTER Aktiengesellschaft	-4.5	3.9	20.6	56.2
Attributable to minority interest	0.1	0.1	0.0	0.1

## Statement of Changes in Group Equity

	Subscribed capital € million	Capital provision € million	Revenue provisions € million	Shareholders equity of GILDEMEISTER Aktiengesellschaft € million	Minority interest share of equity € million	Group Equity € million
As at 1 Jan. 2009	112.6	68.3	199.1	380.0	-0.3	379.7
Total comprehensive income	0.0	0.0	3.9	3.9	0.1	4.0
Capital increase	5.9	12.2	0.0	18.1	0.0	18.1
Dividend	0.0	0.0	-17.3	-17.3	0.0	-17.3
<b>As at 30 September 2009</b>	<b>118.5</b>	<b>80.5</b>	<b>185.7</b>	<b>384.7</b>	<b>-0.2</b>	<b>384.5</b>

	Subscribed capital € million	Capital provision € million	Revenue provisions € million	Shareholders equity of GILDEMEISTER Aktiengesellschaft € million	Minority interest share of equity € million	Group Equity € million
As at 1 Jan. 2008	112.6	68.3	149.0	329.9	-0.4	329.5
Total comprehensive income	0.0	0.0	56.2	56.2	0.1	56.3
Dividend	0.0	0.0	-15.2	-15.2	0.0	-15.2
<b>As at 30 September 2009</b>	<b>112.6</b>	<b>68.3</b>	<b>190.0</b>	<b>370.9</b>	<b>-0.3</b>	<b>370.6</b>

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## Group Segmental Reporting

### SEGMENTATION PER BUSINESS SEGMENT

<b>3<sup>RD</sup> QUARTER 2009</b>	Machine Tools € million	Services € million	Corporate Services € million	Transitions € million	Group € million
Sales revenues	156.0	78.9	0.1		235.0
EBIT	-14.1	13.0	-2.6	0.6	-3.1
Investments	4.1	1.8	7.7		13.6
Employees	3,394	2,368	86		5,848

<b>3<sup>RD</sup> QUARTER 2008</b>	Machine Tools € million	Services € million	Corporate Services € million	Transitions € million	Group € million
Sales revenues	275.7	235.9	0.1		511.7
EBIT	21.0	36.3	-11.0	-1.5	44.8
Investments	7.9	3.1	0.8		11.8
Employees	3,754	2,577	92		6,423

<b>1<sup>ST</sup> – 3<sup>RD</sup> QUARTER 2009</b>	Machine Tools € million	Services € million	Corporate Services € million	Transitions € million	Group € million
Sales revenues	569.6	277.9	0.2		847.7
EBIT	-6.7	41.4	-11.5	0.6	23.8
Investments	10.9	3.8	23.9		38.6
Employees	3,394	2,368	86		5,848

<b>1<sup>ST</sup> – 3<sup>RD</sup> QUARTER 2008</b>	Machine Tools € million	Services € million	Corporate Services € million	Transitions € million	Group € million
Sales revenues	825.6	537.4	0.2		1,363.2
EBIT	54.7	88.6	-27.5	-1.0	114.8
Investments	19.9	6.7	1.9		28.5
Employees	3,754	2,577	92		6,423

### SEGMENTATION BY GEOGRAPHICAL REGION

<b>1<sup>ST</sup> – 3<sup>RD</sup> QUARTER 2009</b>	Germany € million	Rest of Europe € million	North America € million	Asia € million	Other € million	Transitions € million	Group € million
Revenues with group companies	211.5	89.3	3.4	11.5	1.3	-317.0	0.0
Revenues with third parties	478.9	229.8	45.9	85.9	7.2		847.7
Investments	34.8	3.1	0.4	0.3	0.0		38.6

<b>1<sup>ST</sup> – 3<sup>RD</sup> QUARTER 2008</b>	Germany € million	Rest of Europe € million	North America € million	Asia € million	Other € million	Transitions € million	Group € million
Revenues with group companies	292.7	124.8	6.2	24.2	1.4	-449.3	0.0
Revenues with third parties	862.0	377.0	50.9	63.2	10.1		1,363.2
Investments	21.9	4.5	0.1	1.8	0.2		28.5

## Notes to the Interim Consolidated Financial Statements

**1 APPLICATION OF REGULATIONS** The interim consolidated financial statements of GILDEMEISTER Aktiengesellschaft as of 30 September 2009 were prepared, as were the Consolidated Financial Statements of the year ending 31 December 2008, in accordance with the International Financial Reporting Standards (IFRS) applicable on the reporting date and in accordance with the interpretation of the above standards; in particular, the regulations of the IAS 34 on interim reporting were applied.

All interim financial statements of those companies that were included in the Interim Consolidated Financial Statements were prepared in accordance with uniform accounting and valuation principles that also formed the basis for the Consolidated Annual Financial Statements for the year ending 31 December 2008.

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

The accounting and valuation principles and applied consolidation methods remain unchanged from the financial year 2008. For further details we refer to the Notes to the Consolidated Financial Statements of the year ending 31 December 2008.

**2 SEASONAL AND CYCLICAL EFFECTS** As a globally operating company the GILDEMEISTER group is subject to various economic trends. In the chapters “Overall Economic Development” on page 2 and “Development of the Machine Tool Industry” on page 3, cyclical influences during the reporting period have been described in detail. Industry-related seasonal fluctuations over the course of the year are normal and may lead to different sales revenues and results as a consequence.

**3 CONSOLIDATED GROUP** As at 30 September 2009, the consolidated group comprised 78 companies (31 Dec. 2008: 75), including GILDEMEISTER Aktiengesellschaft, which were all included in the Interim Financial Statements as part of the full consolidation process. The changes are detailed in the section “Business Development of the GILDEMEISTER group”. The changes do not impair comparison with the Consolidated Financial Statements for the year ending 31 December 2008. The foundation of a+f USA LLC will not have any significant effect in the current financial year on the expenses and earnings structure. Overall, the organisation and administration of the GILDEMEISTER group have not changed significantly in comparison with 30 June 2009 and 31 December 2008, respectively.

**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:

Group result excluding profit share of minority interests	TE	4,438
Average weighted number of shares		44,780,421
Earnings per share acc. to IAS 33	€	0.10

Earnings result exclusively from continued business. There were no dilution effects in the reporting period.

**5 INCOME STATEMENT, BALANCE SHEET, CASH FLOW STATEMENT** Details on the income statement, the balance sheet and on the cash flow statements may be found in the section “Results of Operations, Net Worth and Financial Position” on page 7 et seq. Other revenues comprise substantial income from the granting of licenses.

**6 STATEMENT OF CHANGES IN GROUP EQUITY** Earnings after taxes as of 30 September 2009 of € 4.5 million caused an increase in equity. A reduction in equity resulted from the distribution of the dividend in May 2009 (€ -17.3 million), exchange rate changes and changes in the fair value of derivative financial instruments in an amount of € -3.7 million recognised directly in equity. A capital increase of € 18.1 million took place in April and has already been described in detail in the interim financial report as of 30 June 2009.

**7 SEGMENTAL REPORTING** The application of IFRS 8 is compulsory for financial years that start on or after 1 January 2009. GILDEMEISTER is applying IFRS 8 as of the start of the new financial year 2009. The first-time application of IFRS 8 has not led to any significant changes to segmental reporting for GILDEMEISTER. The demarcation of the segments or the determination of the segment results remain unchanged from 31 December 2008. Since 1 July 2009 DMG Automation organisationally belongs to the “Services” segment. Previous year’s figures were adjusted for reasons of comparison. Further details on business development are included in the “Segments” section on page 9 et seq.

**8 TRANSACTIONS WITH RELATED PERSONS AND COMPANIES** Related persons and companies within the meaning of IAS 24 are, in principle, members of the Executive Board and of the Supervisory Board, close members of their families and subsidiaries that are not fully consolidated. Within the scope of our operative business we procure materials, inventories and services worldwide from numerous business partners. Related persons were not party to any major transaction or any transaction of an unusual nature or structure with companies of the GILDEMEISTER group. There is no intention of this occurring in the future.

**9 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE** Significant events occurring after the balance sheet date are presented in the “Forecast” on page 17 et seq. Moreover, no significant events have occurred after the balance sheet date of the interim financial statements.

### Information about GILDEMEISTER Aktiengesellschaft

GILDEMEISTER Aktiengesellschaft has no operative business but functions as the management holding company for the GILDEMEISTER group. The sales revenues of € 8.8 million of the parent company result, apart from rental income, exclusively from the performance of holding functions for the group.

As of 30 September 2009, GILDEMEISTER Aktiengesellschaft was divided into four executive units with the following functional areas: corporate strategy, key accounting, human resources, purchasing, auditing, compliance and invest and public relations; technology and production; sales and service; controlling, finance, taxation, financial statements and information technology (IT).

Dr. Klaus Kessler lay down his supervisory mandate on 31 October 2009. A complement of the Supervisory Board has been applied for at the local court Bielefeld in September.

As at 30 September 2009, 64 people were employed at GILDEMEISTER Aktiengesellschaft (31 Dec. 2008: 71).

### Responsibility Statement

To the best of our knowledge, and in accordance with the applicable accounting and reporting principles for interim financial reporting, 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 interim management report of the group 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 for the remaining months of the financial year.

Bielefeld, 5 November 2009  
GILDEMEISTER Aktiengesellschaft  
The Executive Board



Dipl.-Kfm. Dr. Rüdiger Kapitza



Dipl.-Ing. Günter Bachmann



Dipl.-Kfm. Dr. Thorsten Schmidt



Dipl.-Kfm. Michael Welt

Supervisory Board:  
Hans Henning Offen, Chairman;  
Gerhard Dirr, Deputy Chairman

5 November 2009	3 <sup>rd</sup> Quarterly Report 2009 (1 July to 30 September)
11 February 2010	Press Release on Provisional Figures for the Financial Year 2009
18 March 2010	Press conference on the balance sheet, Bielefeld
18 March 2010	Publication of Annual Report 2009
19 March 2010	Society of Investment Professionals in Germany (DVFA), Analysts Conference, Frankfurt
4 May 2010	1 <sup>st</sup> Quarterly Report 2010 (1 January to 31 March)
14 May 2010	108. Annual General Meeting at 10 a.m. in the Stadthalle, Bielefeld
29 July 2010	2 <sup>nd</sup> Quarterly Report 2010 (1 April to 30 June)
9 November 2010	3 <sup>rd</sup> Quarterly Report 2010 (1 July to 30 September)

Subject to alteration



## Statements relating to the future

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

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

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

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

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