

MASTERING CHALLENGES. -----

SECURING THE FUTURE! -----

Interim Report

3rd quarter 2010

Innovations secure the future.
6 world premieres at AMB



GILDEMEISTER

Dear Shareholders,

The global economy is continuing its recovery trend. Demand for machine tools is also picking up. This positive development is also reflected in the third quarter at GILDEMEISTER. The trend reversal in the core "Machine Tools" segment has been achieved with +67% in order intake. In the third quarter, it has been possible to generate a positive quarterly result (EBT) again. The growing order intake will also have a positive effect on sales revenues and earnings in the coming months.

As of 30 September 2010, order intake had reached the Euro 1 billion mark; it rose by 24% to € 1,013.8 million (previous year: € 818.2 million). Of this, the machine tool business accounted for € 620.6 million; "Services" for € 302.6 million and "Energy Solutions" for € 90.4 million. Sales revenues of € 858.4 million reached the previous year's level (€ 847.7 million). In the fourth quarter, a considerable rise in sales revenues will take place.

Profitability developed as follows: As of 30 September, EBITDA had reached € 30.2 million (previous year: € 45.5 million); EBIT amounted to € 9.1 million (previous year: € 23.8 million). EBT amounted to € -18.3 million (previous year: € 7.0 million). As of 30 September 2010, the group reports earnings after taxes of € -13.6 million (previous year: € 4.5 million).

GILDEMEISTER expects the upwards trend to continue and confirms its targets for the current financial year. Growing demand was also confirmed at the international autumn trade fairs – the IMTS in Chicago, the AMB in Stuttgart and the BIMU in Milan. We achieved particular success at the AMB in Stuttgart where 260 machines were sold with a value of € 51.4 million.

Our cooperation with the Japanese machine tool builder, Mori Seiki, is progressing successfully and is providing a further important boost.

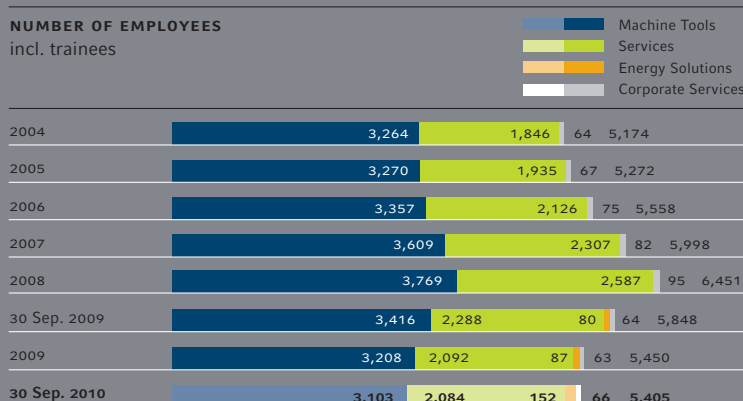
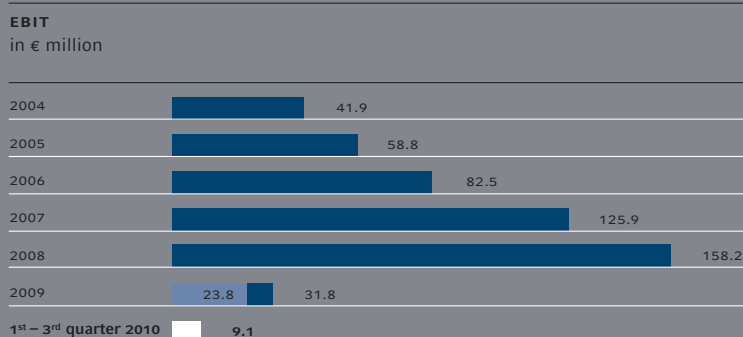
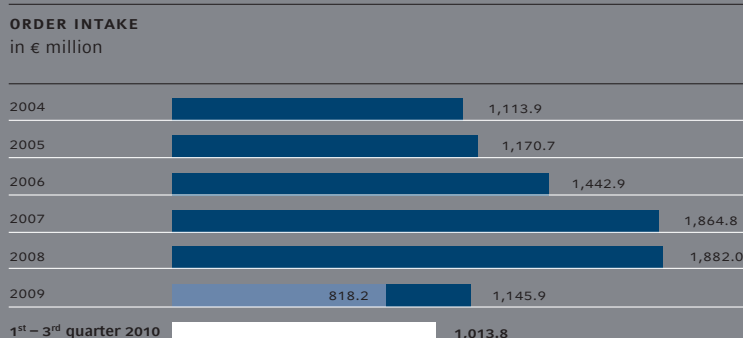
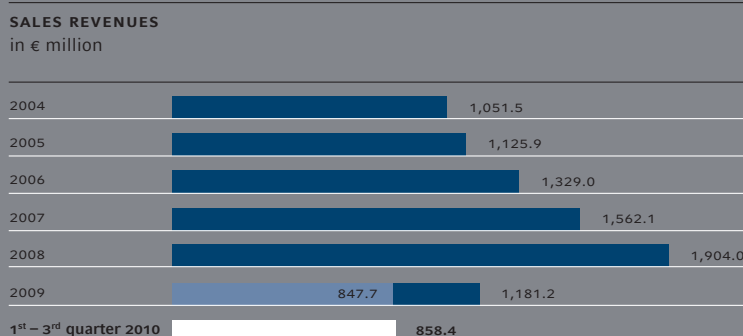
For the entire year 2010 we are now expecting order intake of more than € 1.35 billion. We are planning to increase sales revenues to more than € 1.3 billion. As before, according to our current planning status, break-even results (EBT) could be achieved.

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. 2010 € million	31 Dec. 2009 € million	30 Sep. 2009 € million	Changes 30 Sep. 2010 to 30 Sep. 2009	
				€ million	%
Sales Revenues					
Total	858.4	1,181.2	847.7	10.7	1
Domestic	344.5	496.5	383.7	-39.2	-10
International	513.9	684.7	464.0	49.9	11
% International	60	58	55		
Order Intake					
Total	1,013.8	1,145.9	818.2	195.6	24
Domestic	401.8	343.9	244.8	157.0	64
International	612.0	802.0	573.4	38.6	7
% International	60	70	70		
Order Backlog					
Total	742.1	586.7	622.9	119.2	19
Domestic	124.6	67.3	88.3	36.3	41
International	617.5	519.4	534.6	82.9	16
% International	83	89	86		
Investments	36.6	57.8	38.6	-2.0	-5
Personnel Costs	243.3	346.1	255.5	-12.2	-5
Personnel ratio in %	27.4	30.3	29.9		
EBITDA	30.2	60.9	45.5	-15.3	
EBIT	9.1	31.8	23.8	-14.7	
EBT	-18.3	7.1	7.0	-25.3	
Earnings after taxes	-13.6	4.7	4.5	-18.1	

	30 Sep. 2010	31 Dec. 2009	30 Sep. 2009	Changes 30 Sep. 2010 to 31 Dec. 2009	
Employees	5,191	5,197	5,587	-6	0
Plus Trainees	214	253	261	-39	-15
Total Employees	5,405	5,450	5,848	-45	-1

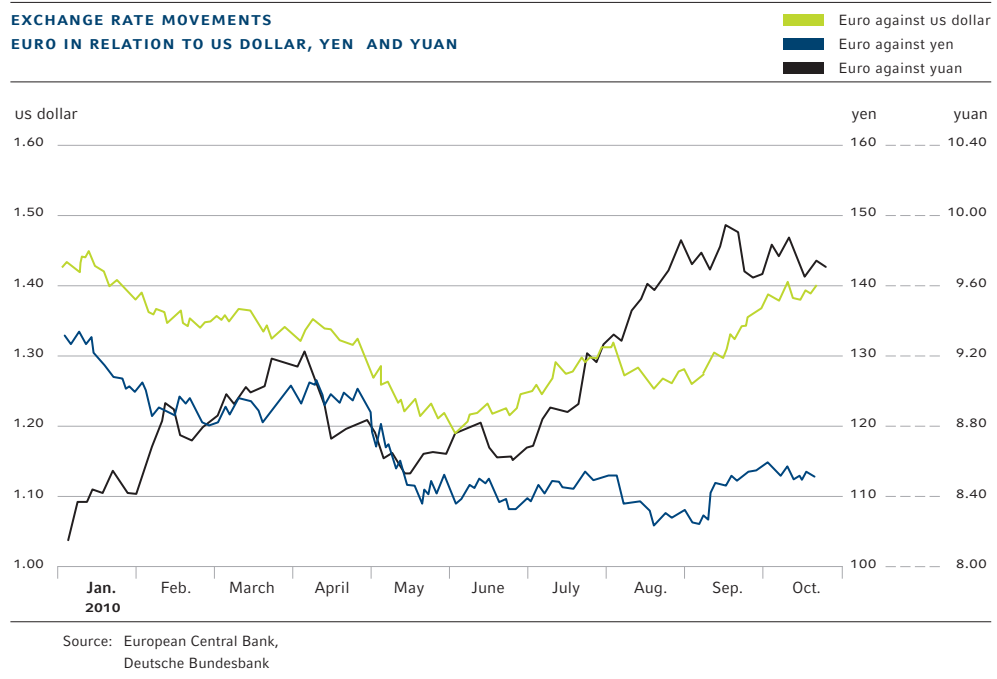


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			-----	Interim Consolidated Financial Statements
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	COVER IMAGE	<p style="text-align: center;">INNOVATIONS SECURE THE FUTURE</p> <p>With 260 machines sold at a value of € 51.4 million GILDEMEISTER took positive stock of the AMB in Stuttgart. The success at this major German trade fair for the industry is a further indication that demand for machine tools is also picking up again in Germany.</p> <p>The cover image shows the DMG trade fair stand at the AMB. As the largest exhibitor, GILDEMEISTER presented 26 exhibits, including six world premieres, over approximately 1,200 square metres.</p>	-----	Financial Calendar
			-----	

Overall economic development continued to be directed towards growth in the third quarter of 2010. **Asia**, in particular, benefitted from this. As before, strong momentum came from China. Japan likewise makes progress. The revival also continued in the **USA**. The business cycle in **Europe** is showing an upwards trend; **Germany** is growing faster than the European average. According to the provisional calculations of the German Economic Research Institute (DIW), gross domestic product increased by 3.7% compared to the previous year's quarter.

For GILDEMEISTER's international business, the US dollar, the Chinese yuan and the Japanese yen are of particular importance. The euro's continuing weak performance in the first three months benefitted the sale of machine tools in non-European markets. In the third quarter, the **exchange rate** for the most important currencies for us developed as follows: The average value of the US dollar against the euro was 0.76 euros (previous year's quarter: 0.70 euros). Against the Chinese yuan the euro was at 8.95 yuan (previous year's quarter: 9.77 yuan). The euro's average value against the yen was 118.05 yen (previous year's quarter: 133.89 yen). Thus the euro lost considerably in value against this currency. This means, in comparison with the previous year's period, a mathematical price advantage for GILDEMEISTER products of 9.7% for the dollar and 10.6% for the yuan, as well as 17.6% for the yen. This means that our products have become more competitive in both the dollar region and in the Asian region.

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

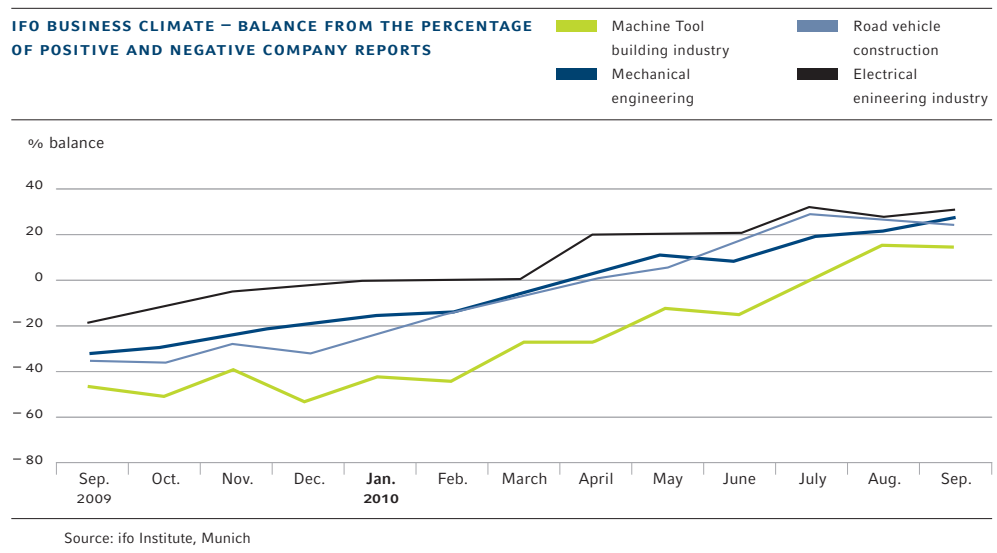


The **worldwide market for machine tools** will develop positively in 2010. The German Machine Tool Builders' Association (VDW) and the British economic research institute, Oxford Economics, have now revised their latest forecasts upwards (as of October 2010) for a growth in **global consumption** of 5.5% or € 38.3 billion. Statistics of the national machine tool associations feature a predominant, clear percentage growth in order intake. In **Asia**, demand will continue to rise (+11.6%). In **America**, a growth in consumption is expected (+5.2%). In **Europe**, a decline in development is still to be expected for 2010 (-5.8%). Strong boosts to consumption are coming from markets such as China, India and Brazil.

The **German machine tool industry** has again demonstrated a noticeable recovery trend since the start of the year. During the course of the third quarter, order intake at German machine tool producers continued to grow. Strong impetus comes from abroad; orders grew in the first nine months by 82%; domestic orders recorded growth of 69%. For the whole year, however, the VDW is expecting another decline in production (-6%) caused by the long throughput times in the project business and a high proportion of specialist machines in Germany.

The ifo **business climate index** for trade and industry reflected the optimistic mood. The indicators for the main consumer sectors for machine tools also fluctuated again at a high level.

Source: VDW (German Machine Tool Builders' Association)



Economic Development

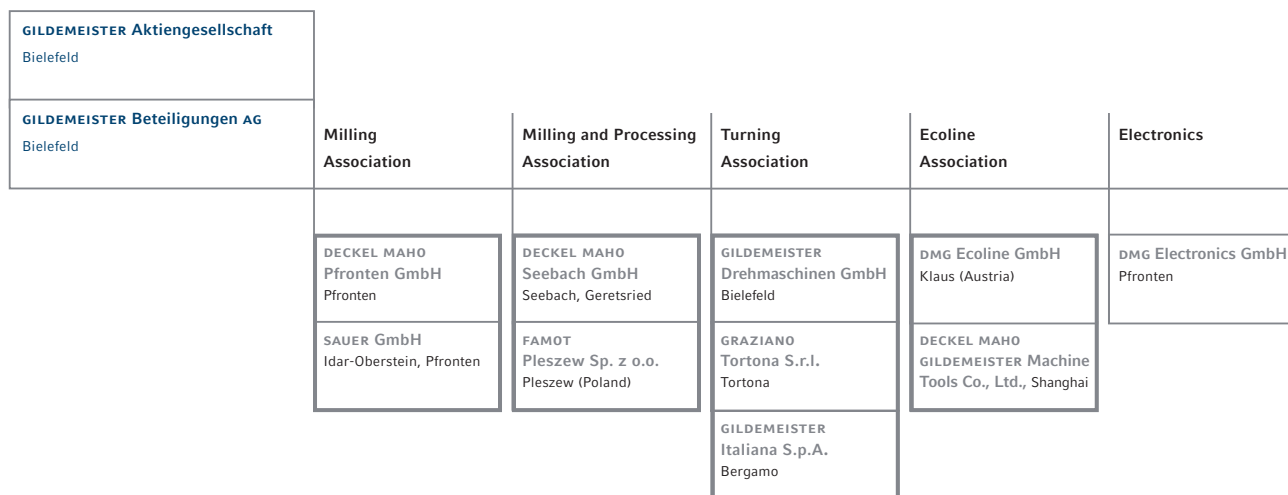
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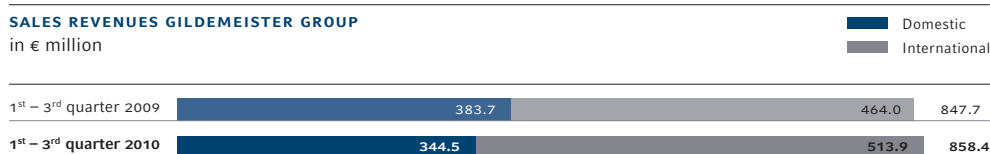
The GILDEMEISTER group, including GILDEMEISTER Aktiengesellschaft, comprised 91 enterprises as of 30 September 2010. The consolidated group has thus increased by six companies compared to 30 June 2010. GILDEMEISTER Partecipazioni S.r.l. has founded DMG Service Drehen Italia S.r.l. with registered office in Milan (Italy), this company should build up sales and service activities in Italy. a+f GmbH has founded five additional project companies in the “SunCarrier” business division.

Sales revenues

Sales revenues in the third quarter reached € 329.5 million (+40%; previous year: € 235.0 million) and thus, as planned, progressed better than in the previous quarters, which were marked by fewer advance orders in the machine tools business. In the first nine months of the year, sales revenues of € 858.4 million were at the previous year’s level (€ 847.7 million). In the fourth quarter, a considerable rise in sales revenues will take place.

In the “Machine Tools” segment, sales revenues as of 30 September of € 511.1 million (-10%) were still less than the previous year. “Services” rose to € 256.8 million (+9%). In “Energy Solutions” we were able to double sales revenues at € 90.3 million (+109%) as planned (previous year: € 43.3 million).

International sales revenues increased by 11% to € 513.9 million; domestic sales revenues fell by 10% to € 344.5 million. The export share amounted to 60% (same period in previous year: 55%).



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

DMG Vertriebs und Service GmbH DECKEL MAHO GILDEMEISTER Bielefeld	Sales and Service Organization		a+f GmbH Würzburg	Energy Solutions
	76 Sales and Service locations worldwide	DMG AUTOMATION GmbH Hüfingen		a+f Italia S.r.l. Milan
	DMG Deutschland; Stuttgart 7 Sales and Service locations	DMG MICROSET GmbH Bielefeld		a+f Ibérica s.L. Madrid
	DMG Europe; Klaus (Austria) 25 Sales and Service locations			a+f USA LLC. Denver
	DMG Asia; Shanghai / Singapore 6 Sales and Service locations			Cellstrom GmbH Vienna (Austria)
	DMG America; Itasca (Illinois) 3 Sales and Service locations			
	23 Cooperation markets DMG / MORI SEIKI			
	DMG Services; Bielefeld, Pfronten 12 Sales and Service locations			

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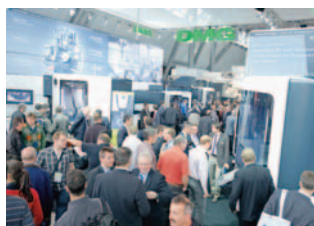
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Order intake

Order intake in the third quarter reached € 362.3 million (+53% compared to the previous year's quarter: € 237.5 million). In the core "Machine Tools" business we were able to increase order intake markedly at +67% against the comparable previous year's period.

As of 30 September 2010, order intake reached the Euro 1 billion mark; it rose by 24% or € 195.6 million to € 1,013.8 million (previous year: € 818.2 million). Of this, the machine tools business accounted for € 620.6 million (+58%) (previous year: € 393.2 million). "Services" rose by 43% to € 302.6 million (previous year: € 210.9 million). "Energy Solutions" booked order intake of € 90.4 million (-58%). Due to the remaining high order backlog, order intake is progressing as planned below the previous year's level.

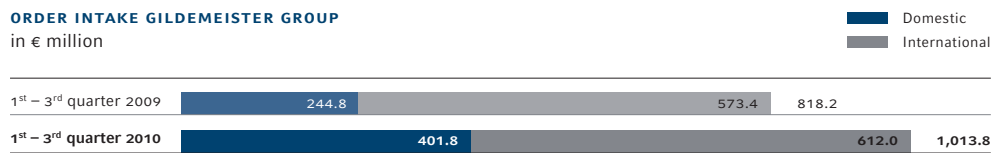
The overall satisfactory performance of order intake in the third quarter resulted from the successful September trade fairs, the IMTS in Chicago and the AMB in Stuttgart. The AMB 2010 showed a definite upwards trend in the machine tools sector, where we were able to achieve particular success with 260 machines sold at a value of € 51.4 million.



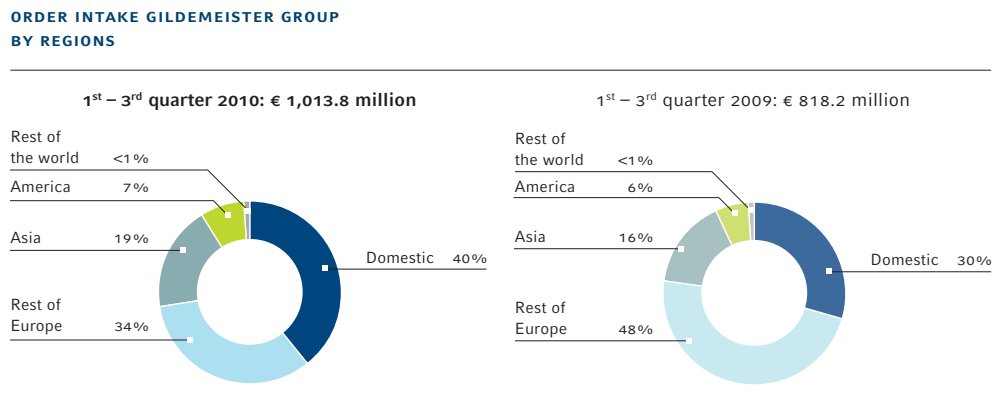
Successful autumn fairs:

GILDEMEISTER sold 260 machines at a value of € 51.4 million at the AMB in Stuttgart.

In the reporting period domestic order intake rose especially; orders increased markedly by 64% to € 401.8 million (previous year: € 244.8 million). International orders grew 7% to € 612.0 million (previous year: € 573.4 million). International orders accounted for 60% of orders (previous year: 70%).



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

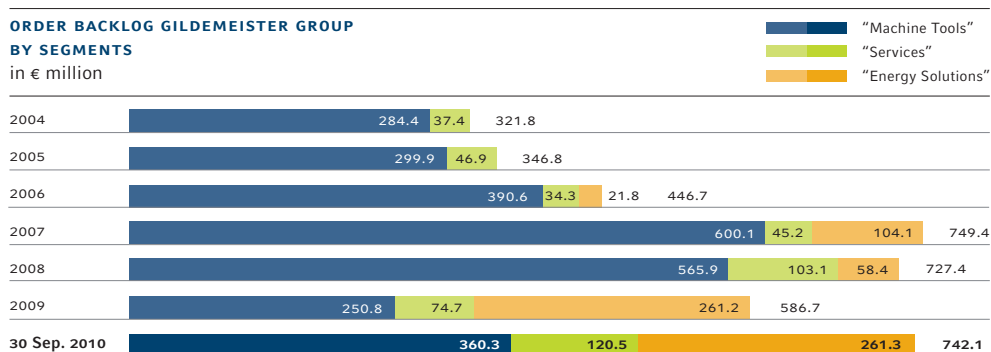


Sales prices in “Machine Tools” were not increased in the third quarter.

Order backlog

As of 30 September 2010, the order backlog for the group amounted to € 742.1 million (+19%). The domestic order backlog increased by € 36.3 million (+41%) to € 124.6 million. The international order backlog grew by € 82.9 million (+16%) to € 617.5 million compared to the previous year. Of existing orders, international orders account for 83% (corresponding date of the previous year: 86%).

The backlog development varied in the individual segments:



The order backlog in the “Machine Tools” segment represents mathematically a production capacity utilisation period of an average of some four months; at the same time capacity at the individual production companies varies.

Results of Operations, Net Worth and Financial Position

The profitability of the GILDEMEISTER group developed as follows: In the **third quarter**, it was possible to generate positive quarterly earnings (EBT) again. EBITDA reached € 25.5 million (previous year: € 4.1 million), EBIT was positive at € 18.4 million (previous year: € -3.1 million). EBT amounted to € 8.1 million (previous year: € -8.1 million). Earnings after taxes amounted to € 5.4 million (previous year: € -5.2 million).

Thus as of **30 September**, EBITDA reached € 30.2 million (previous year: € 45.5 million); EBIT amounted to € 9.1 million (previous year: € 23.8 million). EBT amounted to € -18.3 million (previous year: € 7.0 million). As of 30 September 2010, the group reported earnings after taxes of € -13.6 million (previous year: € 4.5 million). In the fourth quarter – in accordance with the planned positive development of sales revenues – we are expecting a further improvement in the earnings situation.

The total operating revenue amounted to € 886.4 million (previous year: € 853.6 million). Due to the low order backlog in the Machine Tools business, sales revenues only rose by 1.3% to € 858.4 million (previous year: € 847.7 million). Material costs amounted to € 473.0 million (previous year: € 411.1 million). The materials ratio increased in particular due to the necessary building up of inventories as a result of sales, as well as the rise of the proportion of the material-intensive project business in the “Energy Solutions” segment to 53.4% (previous year: 48.2%). Gross profit decreased by € 29.1 million to € 413.4 million (previous year: € 442.5 million). Employee expenses fell by € 12.2 million to € 243.3 million (previous year: € 255.5 million); this decline resulted from the lower number of employees compared to the previous year’s quarter. The personnel ratio fell to 27.4% (previous year: 29.9%). The balance of other expenses and income amounted to € 139.9 million (previous year: € 141.5 million). Depreciation amounted to € 21.1 million

(previous year: € 21.7 million). The financial results changed due to the markedly higher interest rates following the refinancing carried out in February to € -27.4 million (previous year: € -16.8 million). As of 30 September 2010, due to the negative EBT, tax income of € 4.7 million arose, which resulted in particular from deferred tax assets and led to income after taxes of € -13.6 million (previous year: € 4.5 million).

	30 Sep. 2010 € million	31 Dec. 2009 € million	30 Sep. 2009 € million
Net worth			
Long-term assets	401.2	378.5	365.6
Short-term assets	929.3	774.2	823.3
Equity	375.5	380.9	384.5
Outside capital	955.0	771.8	804.4
Balance sheet total	1,330.5	1,152.7	1,188.9

The balance sheet total as of 30 September 2010 amounted to € 1,330.5 million. It rose by € 177.8 million, in particular due to the higher amount of funds tied up in inventories (€ +64.1 million) and the rise in cash and cash equivalents (€ +49.3 million).

Long-term assets under **assets** increased by € 22.7 million to € 401.2 million, due to investments in financial assets. Additional explanations in this respect can be found in the “Investments” chapter on page 9.

Short-term assets rose by € 155.1 million to € 929.3 million. Inventories rose by € 64.1 million to € 455.4 million. Due to the necessary advance work caused by sales, raw materials and consumables rose to € 191.0 million (€ +37.3 million) and stocks of unfinished goods to € 119.5 million (€ +39.0 million). Stocks of finished goods and merchandise decreased by € 19.7 million to € 130.6 million. Trade receivables rose due to the increase in sales revenues in the third quarter of 2010 by € 14.3 million to € 253.1 million. Liquid assets amounted to € 133.7 million (31 Dec. 2009: € 84.4 million).

Under **liabilities**, equity amounted to € 375.5 million (31 Dec. 2009: € 380.9 million). Due to the increase in the balance sheet total as of 30 September, the equity ratio reached 28.2% (31 Dec. 2009: 33.0%). Payments on account received for orders placed rose by € 87.0 million to € 130.8 million; trade payables grew by € 85.6 million to € 226.9 million, whilst provisions decreased by € 13.4 million to € 174.6 million. At the same time borrowings rose by € 183.2 million to € 955.0 million.

The financial position improved significantly in the third quarter. The **free cash flow** in the third quarter amounted to € 71.1 million (previous year: € 13.9 million). In particular, the rise in payments on account (€ +29.2 million) and in trade payables (€ +55.7 million) had a positive effect on this development in the third quarter. As of 30 September, the free cash flow therefore improved markedly compared to the previous year's figure to € 57.5 million (€ -138.8 million). We are planning a positive free cash flow for the whole year.

The **cash flow** from operating activities as of 30 September was € 75.1 million (previous year: € -122.3 million). Based on earnings before taxes (EBT) of € -18.3 million (previous year: € 7.0 million), depreciation (€ +21.1 million) as well as a rise in payments on account (€ +87.0 million) and trade payables (€ + 86.6 million) made a positive contribution to the cash flow. A negative impact resulted from a higher commitment of funds to inventories of € 62.0 million for the necessary materials planning for the higher sales revenues as well as a rise in trade receivables of € 13.9 million. Cash flow from investment activity amounted to € -28.8 million (previous year: € -38.0 million), which includes the purchase of shares in MG Finance (33%) and Younicos (5%) – the former parent company of Cellstrom GmbH. The cash flow from financing activity was € 2.1 million (previous year: € -13.6 million).

	2010 3 rd quarter € million	2009 3 rd quarter € million	2010 1 st – 3 rd quarter € million	2009 1 st – 3 rd quarter € million
Cash flow				
Cash flow from operating activities	79.3	20.4	75.1	-122.3
Cash flow from investment activity	-9.3	-13.3	-28.8	-38.0
Cash flow from financing activity	-30.6	8.0	2.1	-13.6
Changes in cash and cash equivalents	40.9	14.3	49.3	-174.8
Liquid funds at the start of the reporting period	92.8	68.8	84.4	257.9
Liquid funds at the end of the reporting period	133.7	83.1	133.7	83.1



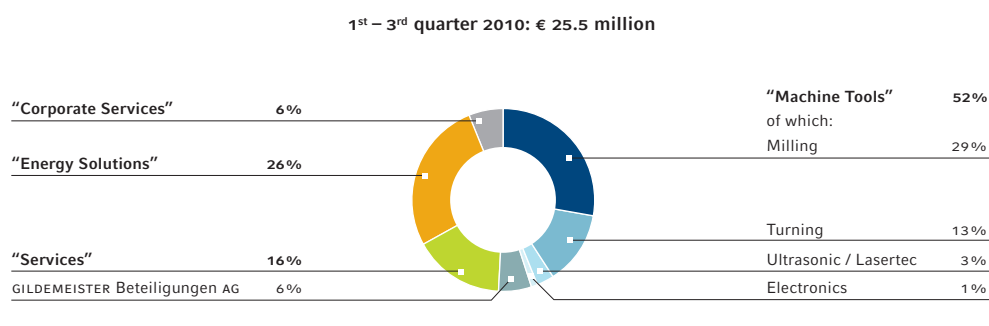
Trend setting: At the Bielefeld location the “cellcube” big battery is being used to illuminate the works premises and as a planned solar fuelling station for e-vehicles.

Investments

Investments in property, plant and equipment and in intangible assets in the first nine months amounted to € 25.5 million (previous year’s figure: € 17.1 million). At the in-house exhibition in Bielefeld (31 Aug. to 4 Sep. 2010) we presented an “Energy Solutions Park” of our subsidiary, a+f GmbH, for the first time.

Additions to financial assets amounted to € 11.1 million, mainly due to the 33% stake in MG Finance GmbH as well as the acquisition of a 5% stake in Younicos AG. In the first nine months, investments therefore amounted to a total of € 36.6 million (previous year’s figure: € 38.6 million).

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



Segmental Reporting

Our business includes the “Machine Tools”, the “Services” and “Energy Solutions”. “Corporate Services” comprises the groupwide holding functions. The breakdown of sales revenues, order intake and EBIT across the individual segments is presented as follows:

SEGMENT KEY FIGURES OF THE GILDEMEISTER GROUP				
	2010 01 Jan. – 30 Sep. € million	31 Dec. 2009* € million	2009 01 Jan. – 30 Sep.* € million	Changes 30 Sep. 2010 to 30 Sep. 2009 %
Sales Revenues	858.4	1,181.2	847.7	1
Machine Tools	511.1	757.7	569.6	-10
Services	256.8	311.0	234.6	9
Energy Solutions	90.3	112.3	43.3	109
Corporate Services	0.2	0.2	0.2	0
Order Intake	1,013.8	1,145.9	818.2	24
Machine Tools	620.6	568.0	393.2	58
Services	302.6	262.8	210.9	43
Energy Solutions	90.4	314.9	213.9	-58
Corporate Services	0.2	0.2	0.2	0
EBIT	9.1	31.8	23.8	
Machine Tools	-14.0	-15.9	-5.9	
Services	35.5	53.8	41.7	
Energy Solutions	-0.1	8.8	1.5	
Corporate Services	-12.0	-15.0	-14.1	

* previous year's values adjusted

“Machine Tools”

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

KEY FIGURES “MACHINE TOOLS” SEGMENT	30 Sep. 2010 € million	31 Dec. 2009* € million	30 Sep. 2009* € million	Changes 30 Sep. 2010 to 30 Sep. 2009	
				€ million	%
Sales Revenues					
Total	511.1	757.7	569.6	- 58.5	- 10
Domestic	179.0	331.0	261.8	- 82.8	- 32
International	332.1	426.7	307.8	24.3	8
% International	65	56	54		
Order Intake					
Total	620.6	568.0	393.2	227.4	58
Domestic	221.9	186.0	131.2	90.7	69
International	398.7	382.0	262.0	136.7	52
% International	64	67	67		
Order Backlog					
Total	360.3	250.8	294.5	65.8	22
Domestic	64.0	21.1	42.8	21.2	50
International	296.3	229.6	251.7	44.6	18
% International	82	92	85		
Investments	13.1	19.2	12.0	1.1	9
EBIT	- 14.0	- 15.9	- 5.9	- 8.1	

	30 Sep. 2010	31 Dec. 2009*	30 Sep. 2009*	Changes 30 Sep. 2010 to 31 Dec. 2009	
					%
Employees	2,892	2,958	3,158	- 66	- 2
plus trainees	211	250	258	- 39	- 16
Total employees	3,103	3,208	3,416	- 105	- 3

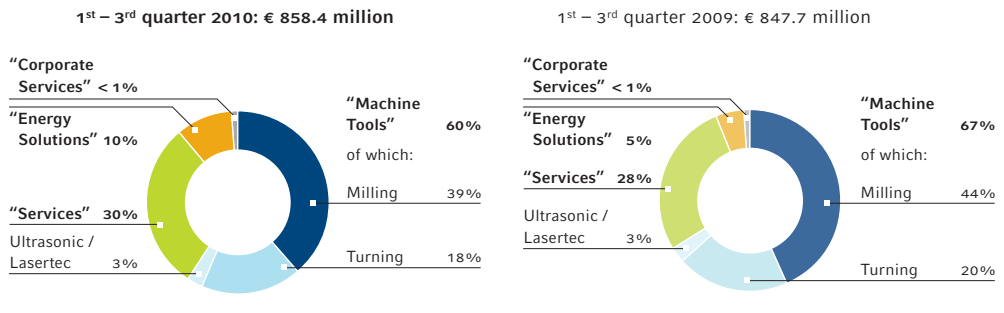
* previous year’s values adjusted

The “Machine Tools” segment shows a clear upwards trend in order intake. This positive development was reflected in sales and earnings in the third quarter. **Sales revenues** reached € 201.8 million and therefore performed +27% better than in the previous year’s quarter (€ 159.5 million). As of 30 September, sales revenues amounted in total to € 511.1 million and were thus still 10% or € 58.5 million below the previous year’s figure (€ 569.6 million).

The “Machine Tools” segment accounted for 60% of sales revenues in the first nine months (previous year: 67%). The milling technology of DECKEL MAHO accounted for 39% (previous year: 44%); Advanced Technologies accounted for 3% (previous year: 3%). The GILDEMEISTER turning technology accounted for 18% (previous year: 20%).

Group sales revenues broke down as follows in the first nine months:

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



Order intake in the “Machine Tools” segment continued to develop satisfactorily. Our innovations were well received by the market. Promoted with targeted marketing measures and well attended trade fairs and the in-house exhibitions, our new products have contributed significantly to a higher order intake. In the first nine months, order intake rose by € 227.4 million (+58%) to € 620.6 million (previous year: € 393.2 million). In our core segment we were able to achieve a clear rise of 67% in the third quarter to € 220.4 million (previous year: € 132.0 million). “Machine Tools” thus accounted for 61% of all orders received by the group.

The **order backlog** as of 30 September amounted to € 360.3 million (corresponding date of the previous year: € 294.5 million). In the first nine months **EBIT** in the “Machine Tools” segment still amounted to € -14.0 million (previous year: € -5.9 million). Due to good sales revenue development, it was possible to achieve positive **EBIT** again in the third quarter of € 7.9 million (previous year: € -15.1 million).

As of 30 September, 3,103 **employees** were employed in the “Machine Tools” segment (31 Dec. 2009: 3,208). We have controlled our surplus personnel capacity in the past months according to requirements by making use of short time working. Based on the ongoing positive business development, we have hired additional employees at our production sites in Pleszew and Shanghai. More information can be found in the “Employees” chapter on page 16.

“Services”

The “Services” segment includes the business activities of DMG Vertriebs und Service GmbH and its subsidiaries. This segment also offers further growth and earnings potential in the future. With the aid of the **DMG Lifecycle Services**, our customer optimise the productivity of their machine tools over the entire life cycle – from the commissioning to part-exchange as a used machine. These services, which are perfectly tailored to our machine tools, offer our customers unique, integrated solutions. Through innovative and efficient training, repair and maintenance services, our highly qualified service staff ensures the long-term service life of the machine tools. DMG Spare Parts ensures reliable and fast supply of DMG Spare Parts through its highly modern service centre. DMG Service products – such as DMG Powertools, the Tool Management of DMG MICROSET and the automation solutions from DMG AUTOMATION – enable the user to arrange the processes in workpiece machining securely and fast, and thus more cost-effectively. Up-to-date service news can be obtained at www.gildemeister.com.

KEY FIGURES “SERVICES” SEGMENT	30 Sep. 2010	31 Dec. 2009*	30 Sep. 2009*	Changes 30 Sep. 2010 to 30 Sep. 2009	
	€ million	€ million	€ million	€ million	%
Sales Revenues					
Total	256.8	311.0	234.6	22.2	9
Domestic	122.3	139.5	104.2	18.1	17
International	134.5	171.5	130.4	4.1	3
% International	52	55	56		
Order Intake					
Total	302.6	262.8	210.9	91.7	43
Domestic	135.9	136.5	101.9	34.0	33
International	166.7	126.3	109.0	57.7	53
% International	55	48	52		
Order Backlog					
Total	120.5	74.7	99.4	21.1	21
Domestic	49.2	35.6	36.0	13.2	37
International	71.3	39.1	63.4	7.9	12
% International	59	52	64		
Investments	5.2**	4.5	3.1	2.1	68
EBIT	35.5	53.8	41.7	-6.2	

* previous year's values adjusted

** incl. additions to financial assets through the 50%-stake in DMG / Mori Seiki Australia Ltd.

	30 Sep. 2010	31 Dec. 2009*	30 Sep. 2009*	Changes 30 Sep. 2010 to 31 Dec. 2009	
					%
Employees	2,081	2,089	2,285	-8	0
plus trainees	3	3	3	0	0
Total employees	2,084	2,092	2,288	-8	0

* previous year's values adjusted

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In the “Services” segment, the market stimulation continued. For automation solutions and in the used machines and spare parts business, in particular, we once again recorded growth rates in double figures. As announced, the rise in demand also had a positive effect sales revenues and earnings in “Services” as of the third quarter. In the first nine months, **sales revenues** reached € 256.8 million and were thus 9% above the previous year’s level (€ 234.6 million); in the third quarter they rose by 36% to € 93.4 million. “Services” accounted for 30% of group sales revenues (previous year: 28%). **Order intake** continued to develop positively and rose by € 91.7 million (+43%) to € 302.6 million (previous year: € 210.9 million). In the third quarter we were able to record an increase of 80% to € 109.4 million. “Services” accounted for 30% of orders received by the group. The **order backlog** amounted to € 120.5 million (corresponding date of the previous year: € 99.4 million). In the first nine months **EBIT** amounted to € 35.5 million (previous year: € 41.7 million). In the third quarter EBIT amounted to € 12.9 million (previous year: € 14.1 million). The number of **employees** in the “Services” segment at the end of the third quarter was 2,084 (31 Dec. 2009: 2,092). More information can be found in the “Employees” chapter on page 16.

“Energy Solutions”

With “Energy Solutions”, GILDEMEISTER has a young business unit with future potential. The segment includes the business activities of a+f GmbH and the companies responsible for sales, service and production in Italy, Spain, the USA and India. The “SunCarrier” serves the growing market worldwide of **solar technology**. Our business model aims at industrial customers and the development of turnkey projects and after sales service. The majority stake in the Austrian company, Cellstrom GmbH, extends the portfolio to include the promising future market of **energy storage**. The long-lasting and low maintenance big battery system offers a variety of possible uses, for example the storage of electricity from solar plants and wind farms, or a solar fuelling station for the growing number of e-vehicles. Thus our customers can store the electricity generated with the batteries and then use it flexibly whenever needed. For machine tools, the energy storage offers uninterrupted electricity supply, above all in those regions where the grid is unstable. In the “**Components**” area, a+f GmbH specialises in the marketing of components, in particular for wind energy. Detailed information on the “SunCarrier” can be found at www.suncarrier.com, on the subject of energy storage at www.cellstrom.com.

KEY FIGURES "ENERGY SOLUTIONS" SEGMENT	30 Sep. 2010 € million	31 Dec. 2009* € million	30 Sep. 2009* € million	Changes 30 Sep. 2010 to 30 Sep. 2009	
				€ million	%
Sales Revenues					
Total	90.3	112.3	43.3	47.0	109
Domestic	43.0	25.8	17.5	25.5	146
International	47.3	86.5	25.8	21.5	83
% International	52	77	60		
Order Intake					
Total	90.4	314.9	213.9	-123.5	-58
Domestic	43.8	21.2	11.5	32.3	281
International	46.6	293.7	202.4	-155.8	-77
% International	52	93	95		
Order Backlog					
Total	261.3	261.2	229.0	32.3	14
Domestic	11.4	10.6	9.5	1.9	20
International	249.9	250.6	219.5	30.4	14
% International	96	96	96		
Investments	11.7**	1.2	0.7	11.0	
EBIT	-0.1	8.8	1.5	-1.6	

* previous year's values adjusted

** incl. additions to financial assets through the 5%-stake in Younicos AG as well as the addition of the company's value through the majority stake in Cellstrom GmbH

	30 Sep. 2010	31 Dec. 2009	30 Sep. 2009	Changes 30 Sep. 2010 to 31 Dec. 2009	
				€ million	%
Employees	152	87	80	65	75
plus trainees	0	0	0	0	0
Total employees	152	87	80	65	75

In the first nine months, **sales revenues** in "Energy Solutions" amounted to € 90.3 million and were thus 109% or € 47.0 million higher than the previous year (€ 43.3 million). In the third quarter, sales revenues amounted to € 34.2 million. As of year-end, a range of major projects will be completed in Italy, which will make a significant contribution for the year 2010. As of 30 September, "Energy Solutions" had contributed 10% of group sales revenues (previous year: 5%). Due to the remaining high order backlog, **order intake** has progressed below the previous year's level as planned. In the third quarter it amounted to € 32.4 million. In the first nine months "Energy Solutions" recorded order intake of € 90.4 million (-58%). As of 30 September, the **order backlog** of € 261.3 million (+14%) was higher than the previous year's figure (€ 229.0 million). Due to the higher investments in building up sales and service sites as well as entry into the promising future market of energy storage, in the first nine months **EBIT** was still negative at € -0.1 million (previous year: € 1.5 million). In the third quarter EBIT amounted to € 3.4 million (previous year: € 0.7 million). The number of **employees** has risen by 65 to 152 (31 Dec. 2009: 87).

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“Corporate Services”

KEY FIGURES “CORPORATE SERVICES” SEGMENT	30 Sep. 2010 € million	31 Dec. 2009* € million	30 Sep. 2009* € million	Changes 30 Sep. 2010 to 30 Sep. 2009 € million
Sales Revenues	0.2	0.2	0.2	0.0
Order Intake	0.2	0.2	0.2	0.0
Investments	6.6**	32.9	22.8	-16.2
EBIT	-12.0	-15.0	-14.1	2.1

* previous year's values adjusted
** incl. additions to financial assets through the 33%-stake in MG Finance GmbH

	30 Sep. 2010	31 Dec. 2009*	30 Sep. 2009*	Changes 30 Sep. 2010 to 31 Dec. 2009 %
Employees	66	63	64	3

* previous year's values adjusted

The “Corporate Services” segment comprises GILDEMEISTER Aktiengesellschaft with its group-wide holding functions. **EBIT** amounted to € -12.0 million (previous year: € -14.1 million). The improvement in the results in the first nine months resulted from savings in maintenance, public relations, consultancy services and a positive currency result. As of 30 September, **EBT** amounted to € -19.2 million. Over the entire year, due to higher interest rate costs / financial costs, **EBT** will further deteriorate (previous year: € -16.5 million).

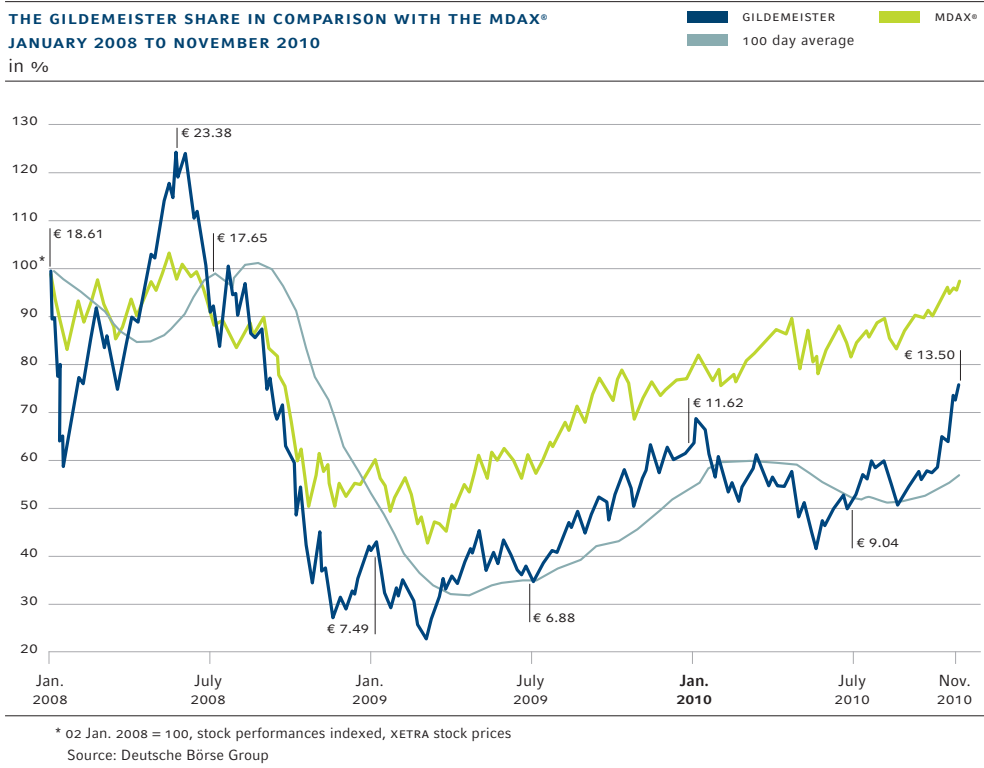
Employees

As of 30 September 2010, GILDEMEISTER had 5,405 employees, including 214 trainees (31 Dec. 2009: 5,450). In the “Machine Tools” segment, we have controlled our personnel capacity in the past months by making use of short time working.

At the end of the third quarter, 3,300 employees (61%) worked at our national companies and 2,105 employees (39%) at our international companies. The personnel expenses ratio was 27.4% (corresponding period in the previous year: 29.9%); employee expenses decreased by € 12.2 million to € 243.3 million (corresponding period in the previous year: € 255.5 million).

GILDEMEISTER Share

The GILDEMEISTER share recorded a recovery in price in the third quarter. In particular, the more optimistic assessment of the worldwide recovery of machine tool building had an effect on the share's performance. Following a share price of € 9.04 as of 1 July, the share closed the reporting period at € 10.71 (30 Sep. 2010). The share is currently listed at € 13.50 (05 Nov. 2010).



The GILDEMEISTER shares are held in free float. Based on the total number of shares of 45.6 million, this represents a turnover of 1.6 times in the first nine months (previous year's period: 1.5 times). Thus the trading volume amounted on average to 373,000 shares per trading day (previous year: 362,000 shares).

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KEY FIGURES OF THE GILDEMEISTER SHARE

		30 Sep. 2010	2009	2008	2007	2006	2005	2004
Registered capital	€ million	118.5	118.5	112.6	112.6	112.6	112.6	112.6
Number of shares	million shares	45.6	45.6	43.3	43.3	43.3	43.3	43.3
Schlusskurs per ¹⁾	€	10.71	11.33	7.85	18.50	9.60	5.89	5.20
Annual high ^{1) 2)}	€	13.02	11.69	23.38	22.80	9.75	6.39	8.98
Annual low ^{1) 2)}	€	7.53	4.25	4.79	9.20	5.86	4.82	4.98
Market capitalisation	€ million	488.2	516.4	339.9	801.1	415.7	255.1	225.2
Earnings per share ³⁾	€	-0.28	0.10	1.87	1.16	0.63	0.32	0.15
Price-to-earnings ratio ⁴⁾	€	-38.3	113.3	4.2	15.9	15.2	18.4	34.7
Price-to-cash-flow ratio ⁵⁾	€	6.29	-6.66	3.14	6.37	3.84	9.35	17.33

1) XETRA-based closing price
 2) Period: January to September 2010
 3) According to IAS 33

4) Closing price / Earnings per share
 5) Closing price / Cash flow per share

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Research and Development

Expenditure on research and development amounted to € 33.7 million in the first nine months (previous year: € 37.7 million). There are currently 450 employees working on the development of our new products, this corresponds to 15% of the workforce at the plants.



Joint appearance:

For the first time DMG and Mori Seiki exhibited innovative high-tech machines together at the IMTS in Chicago.

GILDEMEISTER has presented 17 new developments at 47 national and international trade fairs and exhibitions. At the IMTS in Chicago and the AMB in Stuttgart, GILDEMEISTER exhibited trend-setting high-technology products with state-of-the-art software and automation solutions as well as the extensive range of DMG Services. Our customers benefit from our unique know-how worldwide along the entire process chain. From the programming to simulation and through to completion, our customer receive solutions from one source.

In the **technology area of milling**, GILDEMEISTER underscores its position as a world market leader in 5-axis technology. The DMU 60 eVo *linear* from DECKEL MAHO Seebach and the DMU 65 *MONOBLOCK* from DECKEL MAHO Pfronten form the start of a new generation of machines with revolutionary working area concepts and the highest dynamics and precision.

In the **technology area of turning**, the CTX beta 1250 4A and the Sprint 42-10 *linear* number among the highlights presented. The CTX alpha 450 TC additionally expands the area of turning-milling. In the area of **tool management**, the DMG Airmatrix system with innovative airdrive concept is impressive for its top measurement precision and its innovative user concept.

In the **“Energy Solutions”** segment, a+f presented the performance capability and fields of application of modern energy technology at the in-house exhibition in Bielefeld. On the works premises, an “Energy Solutions Park” was presented for the first time with environmentally-friendly power generation by the “SunCarrier”, and energy storage by way of the big battery “cellcube” as well as the use as an e-fuelling station.



Trade fair highlights

At the AMB in Stuttgart, GILDEMEISTER exhibited 26 high-tech machines live, of which six were world premieres. DMG presented the DMU 65 *MONOBLOCK*, its entry model into a new generation of compact universal milling machines with top precision and dynamics, as well as optimum workspace access. The intelligent modular concept allows it to be used in every industry through its wide variety of options.

Innovative: the new DMU 65 *MONOBLOCK*

– for the first time with digital display of spindle utilisation.

Opportunities and Risk Report

GILDEMEISTER is exposed to various opportunities and risks in its global corporate dealings. Our opportunities and risk management assists in identifying and evaluating these early on. The Executive Board and the Supervisory Board are informed regularly about the current risk position of the group and of the individual corporate areas.

Opportunities are identified and analysed within the opportunities and risk management. The marketing information system (MIS) identifies significant individual opportunities by collecting customer data worldwide and evaluating market and competition data.

Overall economic opportunities arise for GILDEMEISTER in particular from the global economic recovery of the most important industrial markets and the opportunities associated with this to receive more orders from these countries.

Industry-specific opportunities are to be found in the growing market for solar technology and energy storage in which we are active with our “Energy Solutions”. With our ECO series we are taking advantage of market opportunities in the global markets. Following the worldwide economic slump last year, GILDEMEISTER is now noting a growing interest in products in the machine tool business.

Strategic corporate opportunities present themselves to GILDEMEISTER through a sustained leadership in innovations and technology, as well as through market-leading product quality. This gives rise to opportunities to further strengthen our position in numerous markets.

As a full-liner, we are consistently building upon our services and expanding our “Advanced Technologies” in the areas of ultrasonics and laser technology. Moreover, we see opportunities in the automation of machine tools. The alliance with Mori Seiki offers advantages to our customers and increases the efficiency of both cooperation partners. Through MG Finance, GILDEMEISTER and Mori Seiki, together with the Japanese trading enterprise Mitsui & Co. Ltd., offer tailor-made financing solutions for customers.

Performance related opportunities arise from the fact that we actively include our suppliers in the value added process and thus strengthen their delivery reliability. Our worldwide direct sales and service network guarantees good service for our customers.

Risks are systematically identified by the GILDEMEISTER risk management, evaluated, aggregated, monitored and notified. In this respect, risks in the individual corporate areas are identified each quarter and the risk potential determined is analysed and assessed using quantitative methods. Risks that could threaten the existence of the group are reported outside the regular reporting schedule.

General economic risks: GILDEMEISTER is noting a revival in order intake in machine tool building. Nevertheless, the economic situation in the USA and in some European countries is still not stable. In addition, changes in exchange rate may have an effect on the future competitive position (economic currency risk). In particular, global discussions of currency devaluations in recent weeks could lead to GILDEMEISTER products in China, Japan and the USA becoming more expensive. We consider the occurrence of any damages from general economic risks to be unlikely.

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Industry-specific risks are counteracted by maintaining a technological lead and by focusing on our customers and markets. The major orders in the “Energy Solutions” business are subject to licensing procedures, which are costly and time-consuming abroad. These bureaucratic hurdles may cause time delays in the construction of solar plants and, as a result, lead to a delay in revenue recognition and may even lead to possible contractual penalties. Overall we consider the probability of occurrence of damages from industry-specific risks as low.

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Corporate strategy risks may lie in false estimations of future market development and from possible misjudgements in technological developments. We counteract these risks through intensive monitoring of the market and competition, regular strategy discussions with customers and suppliers, a comprehensive trade fair presence in all important markets and also with our MIS early warning system. We consider the probability of occurrence of damages from strategic corporate risks to be low.

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Procurement and purchasing risks: We are especially exposed to procurement and purchasing risks due to price increases for materials in the machine tools business and to price volatility for solar modules. Due to rising costs of raw materials and material costs, we are assuming possible price increases depending on the product in financial year 2011. We estimate any potential damage from procurement and purchasing risks to be about € 7.0 million with a low probability of occurrence.

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Production risks are subject to continuous control by GILDEMEISTER through key figures on assembly and manufacturing progress, process time and continuity. In principle, we avoid incalculable projects, so that we consider these risks to be manageable and controllable. We have calculated damage from possible production risks at about € 17 million with a low probability of occurrence.

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Personnel risks arise mainly from the fluctuation of employees in key positions. GILDEMEISTER limits these risks through an intensive programme of further training to increase employee skills and qualifications, as well as appropriate remuneration with a performance-related incentive system, personnel standby plans that cushion any loss of key staff, and early successor planning. On the basis of the above-mentioned measures, we consider the probability of occurrence of estimated damages from personnel risks in an amount of about € 4 million as low.

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IT risks exist due to the increasing networking of our systems, some of which are highly complex. We counteract these risks through regular investment in our hardware and software, by the use of virus scanning programs, firewall systems, and by controlling access and authorisations. Any possible damage arising from this area is currently calculated at € 1.0 million and is controllable. We consider the probability of occurrence to be slight.

Risks from operational task areas arise as our products are subject to constant price competition on the international markets. We counteract this risk through cost reductions, improved manufacturing and procurement processes and by optimising product start-ups. We consider the probability of occurrence of damages from the above-mentioned risks to be low.

Financial economic risks: Currency-related risks arise out of our international activities, which we hedge through our currency strategy. The essential components of GILDEMEISTER's financing are syndicated loans, borrowers' notes and a factoring programme. There is no risk of interest rate changes from the borrowers' notes as a fixed interest rate has been secured by means of a hedging instrument (swap). All financing agreements include an agreement to comply with standard covenants. Should covenants not be complied with, which could occur through deviances from planning, the banks would have the right to re-assess the financing agreements. The GILDEMEISTER liquidity is sufficiently assessed. The agreed financing scope can absorb any possible time delays that are identifiable today. Any possible damages from all financial risks amount in total to about € 28 million. The probability of occurrence of any damages is low.

Other risks: Legal risks arise out of the operations business – in particular from possible warranty claims due to customer complaints when selling machine tools and services, which cannot always be prevented completely by our efficient quality management. To maintain existing risks at a manageable and calculable level, GILDEMEISTER limits the time period of warranties and liabilities. The value of deferred tax assets allocated to losses carried forward may be adversely impacted by changes in countries' national rates of tax. Overall we calculate any possible damages from tax risks at € 4 million with a low probability of occurrence.

Overall risk: All risks are aggregated to a joint risk with the Monte Carlo simulation, which from today's perspective does not endanger the continued existence of the group. Compared to the last report for the first six months of 2010, the risks have declined.

Forecast

The **global economy** is continuing its recovery trend according to current forecasts. The Kiel Institute for World Economy (IfW) recently revised its figures upwards for its growth forecast for the current year. An increase in gross domestic product (GDP) of 4.7% is expected for 2010 and of 3.6% for 2011. In **Asia**, the driving forces continue to be stronger than the average. China is the main driving force of this development. The Chinese economy is growing in the current year by an estimated 11.0% and in the coming year will grow by 8.5%. Forecasts for Japan are running at 2.6% in 2010 and 1.2% for 2011. For the **USA**, estimates are similarly moderate. The IfW expects that the gross domestic product there will rise by 2.6% this year and by 2.0% next year. In **Europe**, the momentum is still weaker. In the Eurozone growth of 1.6% in 2010 and growth of 1.2% in the coming year could occur. The **German** economy is growing more strongly than that of most other European countries. According to forecasts in September, the GDP growth in 2010 will amount to some 3.4% and next year will be of 2.0%.

The **worldwide market for machine tools** is developing positively in 2010. The German Machine Tool Builders' Association (vbw) and the British economic research institute, Oxford Economics, have now revised their latest forecasts upwards (as at October 2010) for growth in **worldwide consumption** to 5.5% or € 38.3 billion. Strong consumption boosts are coming as before from China, India and Brazil.

MACHINE TOOLS CONSUMPTION WORLDWIDE
in € billion

2009	36.3
2010	38.3 (estimate)

Source: vbw (German Machine Tool Builders' Association)

GILDEMEISTER can maintain its position well in an ongoing demanding market environment in the main sales markets. Stimuli continue to come from China but also the USA, Brazil, India and Turkey are showing marked rates of growth. This is where we will further strengthen our sales and services and cement our position.

Our **cooperation** with the Japanese machine tool builder, Mori Seiki, is progressing successfully long-term and is providing additional important stimulus in Asia and in the USA. Through the cooperation with Mori Seiki, we have positioned ourselves well. A further cooperation market as of January 2011 will be Africa with the registered office of DMG / Mori Seiki in Cairo. This "win-win" partnership is paying off for our

worldwide customers, in particular. Through the cooperation, synergies are arising for both enterprises in production, in purchasing, in research and development, in sales and services, as well as in the financing of machines. At the same time, for both enterprises the main focus is on the customer, the employees and the owners, who should be the first to benefit.

The cooperation with Mori Seiki is a core component of our **long-term strategy**. In addition to focusing our machine tool business on global markets, our sector focus on areas such as aerospace, medical technology and renewable energy sources, has proven to be path-breaking. By combining expertise, we are able to achieve increases in efficiency. The focus on the service business with its innovative range of products has proven to be a crisis-resistant pillar of our corporate strategy and with “Energy Solutions” GILDEMEISTER has a young business area with future potential.

For the **financial year 2010**, GILDEMEISTER expects a further recovery and confirms its targets. We are now expecting **order intake** of more than € 1.35 billion. In the Machine Tools business we will increase order intake further. The Service business will likewise progress positively. In “Energy Solutions” order intake will progress as planned below the previous year's level due to the remaining high order backlog.

We plan to increase **sales revenues** to more than € 1.3 billion. A further rise will take place in “Machine Tools” in the fourth quarter. In “Services”, we expect a rise in sales revenues in double figures. In “Energy Solutions”, we plan to double sales revenues.

We are working on further improving the **profitability** of the company. Following the positive results in the third quarter, earnings will further develop positively in the fourth quarter with the growing sales revenues performance. As before, according to our current planning status, break-even results (EBT) be could achieved.

We have sufficient financial scope and the necessary **liquidity** for the planned business development. We are planning a positive free cash flow for the entire year.

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

For the current financial year we are planning to increase **investments** in fixed and intangible assets to € 32.5 million (without taking goodwill additions into account).

Activities in **research and development** are aimed at further expanding our innovative range of products. We are increasingly using synergies from our cooperation with Mori Seiki. We have increased the development budget for 2010 from the originally planned € 41 million to about € 47 million.

General Statement on Business Development 2011 and 2012

GILDEMEISTER is noting a further commercial recovery against the background of the fast economic recovery and the globally growing demand for machine tools. Business conditions remain challenging as the world markets for machine tools have changed fundamentally and structurally in a very short space of time. We continue to see good opportunities for growth in Asia (forecast 2011: +17.4%) and here in particular in China, the largest market worldwide for machine tools.

GILDEMEISTER is viewing **financial year 2011** with optimism. We are expecting further growth in demand for machine tools worldwide and according to current forecasts, an increase here of up to 20% is possible. The Service business will also grow further and the “Energy Solutions” business will develop positively. We are expecting a clear improvement in earnings.

Also for the **financial year 2012** we are expecting dynamic development in all our business divisions. We are expecting a further rise in order intake and sales revenues; both in the machine tools and in the service business and in Energy Solutions earnings shall again improve further.

Current state

GILDEMEISTER plans to intensify further its existing cooperation with Mori Seiki and in this respect will restructure its financing in the first six months of 2011. Within the scope of our long-term corporate strategy, we want to expand the sustainable, successful cooperation in production, in procurement, in the area of research and development, as well as in sales and services further. The Supervisory Board has agreed the key points in a corresponding cooperation agreement. In the event of an appropriate capital market environment, GILDEMEISTER likewise plans to carry out capital increases in the first six months of 2011 with the participation of Mori Seiki. The structuring and implementation with and without subscription rights depends, amongst others, on the approval of the cartel authorities.

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3 rd quarter	2010		2009		Changes	
	01 July – 30 Sep. € million	%	01 July – 30 Sep. € million	%	2010 against 2009 € million	%
Sales Revenues	329.5	95.4	235.0	98.0	94.5	40.2
Changes in finished goods and work in progress	13.5	3.9	2.1	0.9	11.4	542.9
Capitalised payments	2.4	0.7	2.6	1.1	-0.2	7.7
Total Work Done	345.4	100.0	239.7	100.0	105.7	44.1
Cost of materials	-187.0	-54.1	-122.4	-51.1	-64.6	52.8
Gross Profit	158.4	45.9	117.3	48.9	41.1	35.0
Personnel costs	-81.0	-23.5	-76.7	-32.0	-4.3	5.6
Other income and expenses	-51.9	-15.0	-36.5	-15.2	-15.4	42.2
Depreciation	-7.1	-2.1	-7.2	-3.0	0.1	1.4
Financial Result	-10.3	-3.0	-5.0	-2.1	-5.3	106.0
EBT	8.1	2.3	-8.1	-3.4	16.2	
Income Taxes	-2.7	-0.7	2.9	1.2	-5.6	
Earnings after taxes	5.4	1.6	-5.2	-2.2	10.6	

Earnings per share in accordance with IAS 33 (in euros)	0.13		-0.11	
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1 st – 3 rd quarter	2010		2009		Changes	
	01 Jan. – 30 Sep. € million	%	01 Jan. – 30 Sep. € million	%	2010 against 2009 € million	%
Sales Revenues	858.4	96.8	847.7	99.3	10.7	1.3
Changes in finished goods and work in progress	22.1	2.5	0.7	0.1	21.4	3,057.1
Capitalised payments	5.9	0.7	5.2	0.6	0.7	13.5
Total Work Done	886.4	100.0	853.6	100.0	32.8	3.8
Cost of materials	-473.0	-53.4	-411.1	-48.2	-61.9	15.1
Gross Profit	413.4	46.6	442.5	51.8	-29.1	6.6
Personnel costs	-243.3	-27.4	-255.5	-29.9	12.2	4.8
Other income and expenses	-139.9	-15.8	-141.5	-16.6	1.6	1.1
Depreciation	-21.1	-2.4	-21.7	-2.5	0.6	2.8
Financial Result	-27.4	-3.1	-16.8	-2.0	-10.6	63.1
EBT	-18.3	-2.1	7.0	0.8	-25.3	
Income Taxes	4.7	0.6	-2.5	-0.3	7.2	
Earnings after taxes	-13.6	-1.5	4.5	0.5	-18.1	

Earnings per share in accordance with IAS 33 (in euros)	-0.28		0.10	
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Group Statement of Comprehensive Income

	2010 01 July – 30 Sep. € million	2010 01 Jan. – 30 Sep. € million	2009 01 July – 30 Sep. € million	2009 01 Jan. – 30 Sep. € million	01 Oct. 2009 – 30 Sep. 2010 € million	01 Oct. 2008 – 30 Sep. 2009 € million
Earnings after taxes	5.4	-13.6	-5.2	4.5	-13.4	28.0
Remaining revenue						
Differences from currency translation	-4.0	8.3	-0.5	-1.5	10.5	-9.4
Changes in market value of derivative financial instruments	1.3	-2.3	-0.8	-3.0	-1.5	-13.3
Changes in the fair value of available-for-sale assets	-6.3	2.8	1.7	3.2	-3.5	3.2
Income tax expenses on other comprehensive income	-0.3	0.7	0.4	0.8	0.5	4.5
Remaining result for the period after taxes	-9.3	9.5	0.8	-0.5	6.0	-15.0
Total comprehensive income for the period	-3.9	-4.1	-4.4	4.0	-7.4	13.0
Profit share of shareholders of GILDEMEISTER Aktiengesellschaft	-3.5	-3.1	-4.5	3.9	-4.0	13.0
Profit share attributed to minority interests	-0.4	-1.0	0.1	0.1	-2.4	0.0

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Consolidated Balance Sheet

ASSETS	30 Sep. 2010 € million	31 Dec. 2009 € million	30 Sep. 2009 € million
Long-term assets			
Goodwill	81.8	75.7	75.7
Other intangible assets	26.1	24.4	24.6
Tangible assets	196.0	197.4	195.1
Financial assets	42.0	28.5	25.1
Trade debtors	1.3	0.7	0.5
Other long-term financial assets	6.0	14.5	14.4
Other long-term assets	3.4	1.9	1.4
Deferred taxes	44.6	35.4	28.8
	401.2	378.5	365.6
Short-term assets			
Inventories	455.4	391.3	460.3
Trade debtors	253.1	238.8	208.8
Other short-term financial assets	61.8	36.5	46.2
Other short-term assets	25.3	23.2	24.9
Cash and cash equivalents	133.7	84.4	83.1
	929.3	774.2	823.3
	1,330.5	1,152.7	1,188.9
EQUITY AND LIABILITIES	30 Sep. 2010 € million	31 Dec. 2009 € million	30 Sep. 2009 € million
Equity			
Subscribed capital	118.5	118.5	118.5
Capital provision	80.1	80.1	80.5
Revenue provisions	174.8	182.5	185.7
Total equity of shareholders			
of GILDEMEISTER Aktiengesellschaft	373.4	381.1	384.7
Minority interests' share of equity	2.1	-0.2	-0.2
Total equity	375.5	380.9	384.5
Long-term liabilities			
Long-term financial liabilities	220.0	237.3	238.0
Pension provisions	26.5	26.3	26.8
Other long-term provisions	33.9	33.9	45.2
Trade creditors	0.1	0.2	0.3
Other long-term financial liabilities	22.1	21.3	23.5
Other long-term liabilities	3.1	3.4	3.5
Deferred taxes	2.8	2.8	3.1
	308.5	325.2	340.4
Short-term liabilities			
Short-term financial liabilities	110.8	92.0	120.3
Tax provisions	2.7	12.1	6.9
Other short-term provisions	111.5	115.7	125.2
Payments received on account	130.8	43.8	50.4
Trade creditors	226.8	141.1	123.7
Other short-term financial liabilities	32.3	19.7	16.9
Other short-term liabilities	31.6	22.2	20.6
	646.5	446.6	464.0
	1,330.5	1,152.7	1,188.9

Consolidated Cash Flow Statement

	2010 01 July – 30 Sep. € million	2009 01 July – 30 Sep. € million	2010 01 Jan. – 30 Sep. € million	2009 01 Jan. – 30 Sep. € million	01 Oct. 2009 – 30 Sep. 2010 € million	01 Oct. 2008 – 30 Sep. 2009 € million
CASH FLOW FROM OPERATING ACTIVITIES						
Earnings before tax (EBT)	8.1	-8.1	-18.3	7.0	-18.2	42.1
Income taxes	-2.7	2.9	4.7	-2.5	4.9	-14.1
Depreciation	7.1	7.2	21.1	21.7	28.4	30.0
Change in deferred taxes	1.6	-3.3	-9.2	-1.5	-15.7	8.1
Change in long-term provisions	-1.4	-3.5	0.2	-2.3	-11.4	9.3
Other income and expenses not affecting payments	0.7	0.1	2.0	0.7	2.7	-0.4
Change in short-term provisions	1.6	-0.6	-13.8	-46.3	-18.2	-49.8
Changes in inventories, trade debtors and other assets	-33.5	33.9	102.5	40.5	-58.3	181.0
Changes in trade creditors and other liabilities	97.8	-8.2	191.8	-139.6	208.0	-139.0
	79.3	20.4	75.1	-122.3	122.2	67.2
CASH FLOW FROM INVESTMENT ACTIVITY						
Amounts paid out for investments in intangible and tangible assets	-8.6	-6.8	-19.8	-17.1	-29.3	-38.7
Amounts paid out for investments in financial assets	-1.1	-6.8	-11.2	-21.5	-20.9	-22.5
Amounts received from the disposal of fixed assets	0.4	0.3	2.2	0.6	2.9	1.3
	-9.3	-13.3	-28.8	-38.0	-47.3	-59.9
CASH FLOW FROM FINANCING ACTIVITY						
Payment made for costs of borrowers' notes	-	-	-	-	-	-0.1
Payments for the costs of the capital increase	-	-	-	-	-0.5	-
Inflows / outflows for borrowings / repayment of borrowings	-30.6	8.0	6.7	-14.4	-21.5	29.3
Dividends paid	-	-	-4.6	-17.3	-4.6	-17.3
Cash inflows from capital increase	-	-	-	18.1	-	18.1
	-30.6	8.0	2.1	-13.6	-26.6	30.0
Changes affecting payments	39.4	15.1	48.4	-173.9	48.3	37.3
Effects of exchange rate changes on financial securities	1.5	-0.8	0.9	-0.9	2.3	-0.9
Cash and cash equivalents at the start of the reporting period	92.8	68.8	84.4	257.9	83.1	46.7
Cash and cash equivalents at the end of the reporting period	133.7	83.1	133.7	83.1	133.7	83.1

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Development of 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. 2010	118.5	80.1	182.5	381.1	- 0.2	380.9
Total comprehensive income	0.0	0.0	- 3.1	- 3.1	- 1.0	- 4.1
Other changes	0.0	0.0	0.0	0.0	3.3	3.3
Dividend	0.0	0.0	- 4.6	- 4.6	0.0	- 4.6
As at 30 Sep. 2010	118.5	80.1	174.8	373.4	2.1	375.5

	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
Other changes	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
As at 30 Sep. 2009	118.5	80.5	185.7	384.7	- 0.2	384.5

Group Segmental Reporting

SEGMENTATION BY
BUSINESS SEGMENTS

3RD QUARTER 2010	Machine Tools € million	Services € million	Energy Solutions € million	Corporate Services € million	Transitions € million	Group € million
Sales revenues	201.8	93.4	34.2	0.1		329.5
EBIT	7.9	12.9	3.4	-5.5	-0.3	18.4
Investments	5.5	2.0	1.4	0.8		9.7
Employees	3,103	2,084	152	66		5,405

3RD QUARTER 2009	Machine Tools € million	Services € million	Energy Solutions € million	Corporate Services € million	Transitions € million	Group € million
Sales revenues	159.5	68.9	6.5	0.1		235.0
EBIT	-15.1	14.1	0.7	-3.4	0.6	-3.1
Investments	5.0	1.2	0.4	7.0		13.6
Employees	3,416	2,288	80	64		5,848

1ST - 3RD QUARTER 2010	Machine Tools € million	Services € million	Energy Solutions € million	Corporate Services € million	Transitions € million	Group € million
Sales revenues	511.1	256.8	90.3	0.2		858.4
EBIT	-14.0	35.5	-0.1	-12.0	-0.3	9.1
Investments	13.1	5.2	11.7	6.6		36.6
Employees	3,103	2,084	152	66		5,405

1ST - 3RD QUARTER 2009	Machine Tools € million	Services € million	Energy Solutions € million	Corporate Services € million	Transitions € million	Group € million
Sales revenues	569.6	234.6	43.3	0.2		847.7
EBIT	-5.9	41.7	1.5	-14.1	0.6	23.8
Investments	12.0	3.1	0.7	22.8		38.6
Employees	3,416	2,288	80	64		5,848

INFORMATION BY
GEOGRAPHICAL AREAS

1ST - 3RD QUARTER 2010	Germany € million	Rest of Europe € million	North America € million	Asia € million	Rest € million	Transition € million	Group € million
Sales revenues with third parties	452.8	252.2	32.3	106.4	14.7		858.4
Long-term assets	175.6	92.8	8.3	21.5	0.5	5.2	303.9

1ST - 3RD QUARTER 2009	Germany € million	Rest of Europe € million	North America € million	Asia € million	Rest € million	Transition € million	Group € million
Sales revenues with third parties	478.9	229.8	45.9	85.9	7.2		847.7
Long-term assets	175.8	88.3	8.4	18.9	0.5	3.5	295.4

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Notes to the Interim Consolidated Financial Statements

1 APPLICATION OF REGULATIONS The interim consolidated financial statements of GILDEMEISTER Aktiengesellschaft as of 30 September 2010 were prepared, as were the Consolidated Financial Statements of the year ending 31 December 2009, in accordance with the International Financial Reporting Standards (IFRS) and in accordance with the interpretation of the above standards. 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 2009.

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 2009. For further details we refer to the Notes to the Consolidated Financial Statements of the year ending 31 December 2009.

2 SEASONAL AND ECONOMIC INFLUENCES As a globally operating company, the GILDEMEISTER group is subject to various economic trends. In the sections “Overall Economic Development” on page 2 and “Development of the Machine Tool Industry” on page 3, the 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 On 30 September 2010, the GILDEMEISTER group comprised 91 companies, including GILDEMEISTER Aktiengesellschaft, of which 89 were included in the Interim Financial Statements as part of the full consolidation process. The consolidated group has thus increased by six companies in comparison to 30 June 2010. As a result, a comparison of the results of operations, financial position and net worth with the consolidated financial statements of 31 December 2009 is not significantly impaired.

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:

Total profit / loss after taxes excluding the profit / loss share of non-controlling interests € κ	-12,578
Average weighted number of shares (pieces)	45,582,003
Earnings per share acc. to IAS 33	€ -0.28

There were no dilution effects in the reporting period.

5 INCOME STATEMENT, BALANCE SHEET, CASH FLOW STATEMENT The key figures of EBITDA, EBIT and EBT in the results of operations are reported by GILDEMEISTER without any adjustment for special items / one-off effects. Details of the statement of comprehensive income, statement of financial position and on the statement of cash flows may be found in the section “Results of Operations, Net Worth and Financial Position” on page 7. In comparison with 31 December 2009, there have been no significant changes either with respect to off balance sheet financial instruments or for assets not recognised.

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6 STATEMENT OF COMPREHENSIVE INCOME / STATEMENT OF CHANGES IN GROUP EQUITY The total comprehensive income for the period as of 30 September 2010 of € -4.1 million comprises earnings after tax (€ -13.6 million) and “Other earnings after tax” (€ 9.5 million). Significant positive influencing factors in this respect were, in addition to the differences from currency translation, the change in the fair value measurement of available-for-sale assets. The change in the fair value of derivative financial instruments resulted in a reduction. Seasonally incurred expenses and earnings and those that are disproportionately distributed over the financial year, respectively, did not have any significant effect.

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Equity decreased as of 30 September 2010 due to the earnings after tax of € -13.6 million as well as through the distribution of the dividend in May 2010 (€ -4,6 million). A further reduction resulted from the change in fair value of derivative financial instruments, such as interest rate swaps to hedge changes in interest rates and forward future exchange contracts to hedge against currency risks, in an amount of € -2.3 million. The fair values of interest rate swaps – taking deferred taxes into account – as of 30 September 2010 were € -14.7 million. This was compensated for through an increase in equity from the recognition of currency changes directly in equity as well as a change in value of financial assets held as available-for-sale. Overall, equity decreased by € 5.4 million. Circumstances that would require detailed information pursuant to IAS 34.16 (e) or IAS 34.17 (g) did not exist as of 30 September 2010.

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7 SEGMENTAL REPORTING GILDEMEISTER has reported on the individual segments since financial year 2009 pursuant to the requirements of IFRS 8. The segments follow the internal management and reporting on the basis of diverse products. Due to the increasing importance of “Energy Solutions” to the GILDEMEISTER group, this is now reported as of 1 January 2010 as a separate segment. It includes the business operations of a+f GmbH, as well as the group companies in Italy, Spain, the USA and India that are responsible for sales and service activities for the “SunCarrier” business operations. There has been no change in how segment results are determined. The previous year’s figures for the “Services” segment, to which “Energy Solutions” belonged until 31 December 2009, have been adjusted accordingly. Further adjustment of the previous year’s figures has resulted from GILDEMEISTER Beteiligungen AG as the holding company now managing the production plants in the “Machine Tools” segment as of 1 January 2010. Further details on business development are given in the “Segments” chapter on page 10 et seq.

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8 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE Significant events occurring after the reporting period are presented in the “Forecast” on page 23 et seq. No other significant events have occurred after the reporting period of the interim financial statements.

Information about GILDEMEISTER Aktiengesellschaft

GILDEMEISTER Aktiengesellschaft has no operative business but manages the GILDEMEISTER group across all functions as the management holding company. The sales revenues of € 7.9 million of the parent company result, apart from rental income, exclusively from sales for the performance of holding functions for the group.

As of 30 September 2010, GILDEMEISTER Aktiengesellschaft was divided into four executive units with the following functional areas: corporate strategy, key accounting, human resources, purchasing, auditing, compliance, and investor and public relations; technology and production; sales and services, as well as information technology (IT); controlling, finances, accounting, taxation and risk management. Effective as of 1 October 2010, Kathrin Dahnke has been appointed as a full member of the Executive Board.

As at 30 September 2010, 66 people were employed at GILDEMEISTER Aktiengesellschaft (31 Dec. 2009: 63).

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, 7 November 2010
GILDEMEISTER Aktiengesellschaft
The Executive Board



Dipl.-Kfm. Dr. Rüdiger Kapitza



Dipl.-Ing. Günter Bachmann



Dipl.-Kfm. Dr. Thorsten Schmidt



Dipl.-Kffr. Kathrin Dahnke

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

07 November 2010	Third Quarterly Report 2010 (1 July to 30 September)
09 February 2011	Press release on provisional figures for the financial year 2010
17 March 2011	Press conference on the balance sheet, Bielefeld
17 March 2011	Publication of Annual Report 2010
18 March 2011	Society of Investment Professionals in Germany (DVFA), Analysts Conference, Frankfurt
05 May 2011	First Quarterly Report 2011 (1 January to 31 March)
13 May 2011	109 th Annual General Meeting of Shareholders at 10 a.m. in the Town Hall Bielefeld
02 August 2011	Second Quarterly Report 2011 (1 April to 30 June)
27 October 2011	Third Quarterly Report 2011 (1 July to 30 September)

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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. Further copies and additional information on GILDEMEISTER are available free of charge upon request.

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