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P R E S S R E L E A S E

Bielefeld, 12 March 2015 / PR 3803

Record results in order intake, sales revenues and income DMG MORI – 2014 the best year in the company history

Financial year 2014:

- **At € 2,331.4 million, order intake rose by 11% (previous year: € 2,101.1 million)**
- **Sales revenues rose by 9% to € 2,229.0 million (previous year: € 2,054.2 million)**
- **Earnings before taxes (EBT) plus 30% to € 175.3 million (previous year: € 135.0 million)**
- **Annual profit increased by 30% to € 121.1 million (previous year: € 93.2 million)**
- **Proposed dividend: € 0.55 per share**

Bielefeld. The DMG MORI SEIKI group completed the financial year 2014 as the best year in the company's history. In a challenging market environment, we achieved record results in order intake, sales revenues and income. We accomplished to meet our forecasts and even outperform them slightly.

In a market environment becoming increasingly more difficult, we accomplished to record the highest **order intake** in the company history at € 2,331.4 million (previous year: € 2,101.1 million). Domestic orders amounted to € 814.5 million (previous year: € 705.8 million). International orders were € 1,516.9 million (previous year: € 1,395.3 million). Thus, the proportion of foreign business was 65% (previous year: 66%).

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Sales revenues of € 2,229.0 million reached an all-time high in the company's history. They were € 174.8 million or 9% above the previous year's figure (€ 2,054.2 million). International sales revenues rose by 5% to € 1,449.8 million, domestic sales revenues amounted to € 779.2 million. The export share was 65%.

On 31 December 2014, the **order backlog** at the group was € 1,134.3 million; it was thus € 102.4 million or 10% above the previous year's figure (€ 1,031.9 million).

The DMG MORI SEIKI group could improve its key income figures as at 31 December 2014 compared to the previous year and has thereby achieved the best result in company history: EBITDA increased for the whole year by 20% to € 232.5 million (previous year: € 193.9 million); **EBIT** amounted to € 182.6 million (+24%, previous year: € 147.6 million); the EBIT margin rose to 8.1% (previous year: 7.2%). **EBT** rose by 30% to € 175.3 million (previous year: € 135.0 million) and the **annual profit** of the group reached € 121.1 million (+30%, previous year: € 93.2 million). **We have thereby reached the highest values in all key income figures in the company's history.**

Equity rose by € 101.7 million to € 1,266.1 million (previous year: € 1,164.4 million). This rise essentially results from net income for the year amounting € 121.1 million. The equity ratio, due to the risen balance sheet total, amounted to 56.8% (previous year: 57.9%).

On 31 December 2014, the group employed 7,166 **employees**, including 248 trainees, (previous year: 6,722). Thus, the number of employees rose by 444. In the "Machine Tools" segment, we have hired new employees primarily at our sites in Pfronten and Ulyanovsk, as well as at DMG MORI Systems GmbH in Wernau. The personnel increase in the segment "Industrial Services" resulted largely from bundling DMG MORI sales and service capacities in China, Brazil, Canada and Russia.

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The development of DMG MORI SEIKI AKTIENGESELLSCHAFT **share** in the past year proved to be volatile. Over the year, it increased slightly in value by 2.1%. Essentially, the main factor influencing share performance was the above-average level of volatility on the capital markets, shaped by numerous global political conflicts and the resulting macro-economic instability. In comparison, the MDAX rose by around 2.5%. In the stock market year 2014, the share was initially quoted at € 23.02 (2 January 2014) and reached its highest value of € 26.82 on 25 July 2014. Following the publication of the business figures for the first half year, the share noted a strong price downturn of 10.8%, which was to continue for the subsequent two weeks. Another drop of the share price occurred in late October (-4.4%), which came to an end not before 28 October, hitting the lowest mark of the year at € 18.85, following the announcement of business figures for the 3rd quarter. In the subsequent weeks, the share again recorded rising prices and closed on 30 December 2014 at a price of € 23.50. In the course of the voluntary public tender offer from DMG MORI SEIKI COMPANY LIMITED on 21 January 2015, the share posted a 12.6% jump in the share price on the next day to reach € 28.82. Currently, our share price is quoted at € 30.53 (XETRA closing price on 9 March 2015). The Executive Board and the Supervisory Board of DMG MORI SEIKI AKTIENGESELLSCHAFT will propose to the Annual General Meeting on 8 May 2015 to distribute a higher dividend of € 0.55 per share for financial year 2014 (previous year: € 0.50). Taking the annual closing price 2014 as a base, this results in a dividend yield of 2.3%.

Outlook 2015:

CURRENT:

On 21 January 2015, a Cooperation Agreement was signed for 2015 between DMG MORI SEIKI AKTIENGESELLSCHAFT and DMG MORI SEIKI COMPANY LIMITED. In accordance with the agreement, DMG MORI SEIKI COMPANY LIMITED announced on the same day that it would make a voluntary public tender offer for the outstanding shares of DMG MORI SEIKI AKTIENGESELLSCHAFT.

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DMG MORI SEIKI COMPANY LIMITED initially offered all shareholders of the company € 27.50 in cash per share. With its offer, DMG MORI SEIKI COMPANY LIMITED intended to obtain a participation of more than 50% in DMG MORI SEIKI AKTIENGESELLSCHAFT. On 11 February 2015, the offer documents were submitted to the Executive Board of DMG MORI SEIKI AKTIENGESELLSCHAFT.

In their joint reasoned statement on 23 February 2015, the Executive Board and the Supervisory Board recommended shareholders to accept the offer. The Executive Board and the Supervisory Board based their recommendation on a fairness opinion prepared by Deutsche Bank and an expert opinion from KPMG.

On 3 March 2015, DMG MORI SEIKI COMPANY LIMITED informed that it has acquired additional 9,471,119 shares in total by way of package acquisitions outside of the stock exchange (equivalent of 12.02% of the share capital and voting rights), and that it therefore now holds a total participation of 38.52% in the share capital of DMG MORI SEIKI AKTIENGESELLSCHAFT. Based on the acquisition price of € 30.00 per share, the offer price also increased to € 30.00 per share for all shareholders.

In order to achieve the objectives pursued with the offer by both sides, on 9 March the Executive Board and the Supervisory Board agreed with DMG MORI SEIKI COMPANY LIMITED to reduce the offer condition of achieving a minimum participation from 50% (plus one share) to 40%. In return, DMG MORI SEIKI COMPANY LIMITED agreed that all shareholders accepting the offer will receive an additional amount of € 0.55 per share. This amount is equivalent to the dividend to be proposed for adoption at the annual general meeting on 8 May 2015. The offer price that is offered as part of the tender offer has thus been increased from the most recent price of € 30.00 to € 30.55, which is equivalent to a premium of 43.0% on the volume-weighted average stock price (three months before publication of the offer) or of 21.4% on the most recent stock exchange price before publication of the offer.

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Moreover, on 9 March 2015 DMG MORI SEIKI COMPANY LIMITED informed that it has purchased off-market further 1,674,300 shares (corresponding to 2.12% of the total share capital and the voting rights) and thus now holds a total stake of 40,64% of the total share capital of DMG MORI SEIKI AKTIENGESELLSCHAFT (status: 11 March 2015). The minimum participation threshold of 40% has thus already been exceeded.

On the current business development:

The **German machine tool industry** benefited at the beginning of the year from the positive expectations of the economy. The orders in the beginning of the year were nearly at the same level as in the previous year. The German Machine Tool Builders' Association (VDW) and Oxford Economics assume that the **global machine tool market** will record a growth of 7.3% in the current financial year.

Order intake in January and February amounted to € 365.3 million (previous year: € 382.4 million). In the first quarter of 2015, we expect an order intake of about € 580 million (previous year: € 601.2 million) and of about € 2.4 billion for the complete year. For the first quarter 2015, we expect **sales revenues** above the level of the previous year (1st quarter 2014: € 505.1 million). In the financial year 2015, we are planning sales revenues of about € 2.25 billion. The **result** in the first quarter 2015 will be below the result of the same quarter in the previous year. For the complete year, we are planning EBIT of around € 165 million and EBT of around € 160 million.

Overall, for the **financial year 2015**, we expect an increasingly volatile situation. We are well positioned in the global market with our cooperation partner DMG MORI SEIKI COMPANY LIMITED in order to use the business opportunities presented to us.

DMG MORI SEIKI AKTIENGESELLSCHAFT

The Executive Board

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| Key figures of the business performance DMG MORI SEIKI group | 2014 | 2013 | Changes | |
|--|------------------|------------------|-------------------|----|
| | 1 Jan. - 31 Dec. | 1 Jan. - 31 Dec. | 2014 against 2013 | |
| | € million | € million | € million | % |
| Sales revenues | 2,229.0 | 2,054.2 | 174.8 | 9 |
| Order intake | 2,331.4 | 2,101.1 | 230.3 | 11 |
| EBITDA | 232.5 | 193.9 | 38.6 | 20 |
| EBIT | 182.6 | 147.6 | 35.0 | 24 |
| EBT | 175.3 | 135.0 | 40.3 | 30 |
| Annual profit | 121.1 | 93.2 | 27.9 | 30 |

The Consolidated Annual Financial Statements of DMG MORI SEIKI AKTIENGESELLSCHAFT as at 31 December 2014 were prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable within the European Union.

Note: The complete Annual report 2014 as well as up-to-date images can be found at <http://www.dmgmoriseiki.com>. All information on the DMG MORI SEIKI group can also be obtained under twitter at [@DMGMORISEIKIAG](https://twitter.com/DMGMORISEIKIAG).

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Statements relating to the future

This press release contains statements relating to the future, which are based on current estimates by the management regarding future developments. Such statements are based on the management's current expectations and specific assumptions. They are subject to risks, uncertainties and other factors, which could lead to the actual future circumstances including the assets, liabilities, financial position and profit or loss of DMG MORI SEIKI AKTIENGESELLSCHAFT differing materially from or being more negative than that those expressly or implicitly assumed or described in these statements. The business activities of DMG MORI SEIKI AKTIENGESELLSCHAFT are subject to a series of risks and uncertainties, which may result in forward-looking statements estimates or forecasts becoming inaccurate. Should one of these factors of uncertainty or other unforeseeable event occur, or should the assumptions on which these statements are based prove incorrect, the actual results may differ materially from the results stated, expected, anticipated, intended, planned, aimed at, estimated or projected in these statements. Forward-looking statements must not be understood as a guarantee or assurance of future developments or events contained therein.

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

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