

**P R E S S   R E L E A S E****Interim Report  
1<sup>st</sup> Quarter 2010**

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**“Energy Solutions” separate segment since beginning of the year****GILDEMEISTER increases order intake in first quarter**

Bielefeld. The consequences of the economic crisis were still clearly noticeable at the start of the year. However the crisis now appears to have bottomed out. Demand for machine tools continues at a low level, however, there are signs of a recovery trend. GILDEMEISTER increased order intake in the first quarter; however, as announced, sales revenues and earnings declined sharply. Order intake of € 302.3 million (+28%) was again higher than in the previous year's quarter (€ 236.8 million). Sales revenues fell by 25% to € 244.4 million due to the low order backlog (previous year: € 327.7 million). This development had a negative impact on profitability: EBITDA at € -4.3 million was negative (previous year: € 22.7 million), EBIT amounted to € -11.1 million (previous year: € 15.5 million). EBT amounted to € -19.8 million (previous year: € 10.2 million). As at 31 March 2010, the group reports earnings after taxes of € -14.7 million (previous year: € 6.5 million).

GILDEMEISTER still continues to start the financial year 2010 with cautious optimism. We record a growing interest in products in the machine tools business. Order intake commenced at the start of the year in line with plans. We have further intensified our alliance with the Japanese machine tool builder, Mori Seiki, in all core areas of the cooperation. We have expanded the segment “Energy Solutions” through entering the promising future market of energy storage.



For the current financial year we continue to plan order intake of about € 1.2 billion; with regard to sales revenues, we are planning to achieve more than € 1.2 billion. A recovery in order intake will have a delayed positive effect on sales revenues. In "Machine Tools", we are expecting a difficult international market environment overall. In "Services", we expect a market recovery. For the solar business, we expect a positive development. Due to its growing importance, the "Energy Solutions" is now being reported on as a separate segment as of the start of the year. More detailed statements for the current financial year are not possible at present.

In the first quarter, **sales revenues** reached € 244.4 million and were thus € 83.3 million below the previous year's figure (€ 327.7 million), which shrank by 25% due to the low order backlog. In the "Machine Tools" segment sales revenues fell by € 81.4 million (-39%) to € 128.8 million. In the "Services" segment, sales revenues decreased by € 10.4 million (-12%) to € 76.8 million. The "Energy Solutions" segment achieved growth of 28% and rose to € 38.7 million (previous year: € 30.2 million). Domestic sales revenues fell by 41% to € 89.7 million, international sales revenues shrank by 12% to € 154.7 million. The export share amounted to 63% (previous year: 54%).

**Order intake** in the first quarter increased by 28% to € 302.3 million and was clearly above the figure for the previous year's quarter (€ 236.8 million). The machine tool business grew by 44% to € 188.7 million (previous year: € 131.4 million). "Services" rose by 19% to € 88.9 million (previous year: € 74.6 million). "Energy Solutions" recorded order intake of € 24.6 million (-20%). Due to well-filled order books and the limited sales capacity order intake was below the previous year's level (€ 30.7 million). Order intake rose both domestically and abroad. Domestic orders increased by 29% to € 116.1 million (previous year: € 90.3 million). International orders rose by 27% to € 186.2 million (previous year's quarter: € 146.5 million). International orders accounted for 62% of orders (previous year: 62%). Order intake progressed according to plan in the first quarter. The traditional in-house exhibition in Pfronten and the METAV in Dusseldorf attracted a lot of interest from our



customers. At twelve national and international spring trade fairs and exhibitions, we were able to record a growing interest in products in the machine tools business and a satisfactory order intake.

On 31 March 2010, the **order backlog** within the group amounted to € 644.5 million and was thus again above the previous year's level for the first time.

The lower sales revenues had a negative impact on **profitability**. It developed in the first quarter as follows: **EBITDA** at € -4.3 million was negative (previous year: € 22.7 million), **EBIT** amounted to € -11.1 million (previous year: € 15.5 million). **EBT** amounted to € -19.8 million (previous year: € 10.2 million). As at 31 March 2010, the group reported **earnings after taxes** of € -14.7 million (previous year: € 6.5 million).

As at 31 March 2010 GILDEMEISTER had 5,411 **employees**, of whom 217 were trainees (31 Dec. 2009: 5,450). In comparison with year-end 2009, the number of employees has been reduced by 39. In the "Machine Tools" segment we are continuing to make use of short time working in order to manage excess personnel capacity. At the end of the first quarter, 3,339 employees (62%) worked for our domestic companies and 2,072 employees (38%) for our international companies. The personnel ratio was 32.0% (previous year: 27.5%). Employee expenses decreased by € 14.9 million to € 78.1 million (previous year: € 93.0 million).

The **GILDEMEISTER share** recorded a mixed performance in the first three months of the year. Starting from a price of € 11.62 on the first day of trading (2 Jan. 2010), the share closed the first quarter at € 9.96 (31 Mar. 2010). This represents a decline of 14%. During the same period the MDAX recorded a gain of 6%. The share is currently quoted at € 10.20 (3 May 2010).

## **Forecast:**

**GILDEMEISTER** is setting the trends worldwide with its innovative products and user-oriented technology. Our motto for the year is: “**Mastering challenges. Securing the future!**“ A demanding year lies ahead of us, in which we will use our strengths to continue to generate success. We will consistently pursue our strategic goals.

## Latest news

a+f is expanding “**Energy Solutions**” through a majority shareholding in Cellstrom GmbH – an Austrian company specialising in innovative **storage solutions**. Thus a+f is opening up its entry into the promising future market of energy storage; the Cellstrom large batteries are based on vanadium redox flow technology. The battery system makes it possible to have clean, emission-free and fast power supply at any time. Following years of research, the energy storage solutions from Cellstrom have achieved series readiness. The storage technology business will achieve sales revenues in euros in double-figures from 2011. The vanadium redox flow battery from Cellstrom will be exhibited from 9 to 11 June 2010 at the most important solar trade fair in the world – the Intersolar in Munich.

## Future Business Development

GILDEMEISTER continues the **financial year 2010** with cautious optimism. We record growing interest in our products in the machine tools business. As of the second half of the year, we are expecting a clear upwards trend. We are expecting special impetus to come from the industry's highlights worldwide. The AMB in Germany, the BIMU in Italy, as well as the IMTS in America and the JIMTOF in Japan, will be trendsetting. Over the course of the year we will gain momentum through market orientation and a product offensive.



In the current financial year we continue to plan **order intake** of about € 1.2 billion. In the machine tools business, we are planning a double-digit percentage increase in order intake. The service business should likewise increase in double figures. For the solar business, due to well-filled order books and a limited sales capacity, order intake will fall below the previous year's figure.

We plan to achieve more than € 1.2 billion in **sales revenues**. A recovery in order intake will have a delayed positive effect on sales revenues. Sales revenues in "Machine Tools" will be lower than in the previous year. In "Services", we expect a rise in sales revenues. On the basis of the high order backlog, we expect to be able to double sales revenues in the solar business.

We are working on maintaining the company's **profitability**, even under the persisting unfavourable conditions. Significant factors influencing profitability are the development of order intake and its price quality, as well as the volume of sales. More detailed statements for the current financial year are not possible at present. With respect to the current, difficult financial year 2010, we are not planning to distribute a dividend.

The financial year 2010 will put GILDEMEISTER to the test once again, we are facing another difficult year. We have reacted quickly and the adjustment measures carried out create a good starting position for the future.

Even in **financial year 2011**, conditions will remain challenging; nevertheless, the machine tool industry and GILDEMEISTER, too, are expecting a clear improvement trend. We see a clear rise in order intake and sales revenues in financial year 2011. We are likewise expecting a recovery in the results and a clear improvement. We are prepared for the coming upturn!

GILDEMEISTER Aktiengesellschaft  
The Executive Board

## **Figures on business development**

<b>GILDEMEISTER Group</b>	<b>2010</b>	<b>2009</b>	<b>Changes</b>	
	<b>1<sup>st</sup> quarter</b>	<b>1<sup>st</sup> quarter</b>	<b>€ million</b>	<b>%</b>
<b>Sales revenues</b>	<b>244.4</b>	<b>327.7</b>	<b>-83.3</b>	<b>-25</b>
<b>Order intake</b>	<b>302.3</b>	<b>236.8</b>	<b>-65.5</b>	<b>+28</b>
<b>EBITDA</b>	<b>-4.3</b>	<b>22.7</b>	<b>-27.0</b>	
<b>EBIT</b>	<b>-11.1</b>	<b>15.5</b>	<b>-26.6</b>	
<b>EBT</b>	<b>-19.8</b>	<b>10.2</b>	<b>-30.0</b>	
<b>Net profit</b>	<b>-14.7</b>	<b>6.5</b>	<b>-21.2</b>	

All figures are subject to audit. The Consolidated Financial Statements of GILDEMEISTER Aktiengesellschaft were prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable within the European Union.

**NOTE:** Up-to-date images are available at <http://aq.gildemeister.com/en>.

**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.