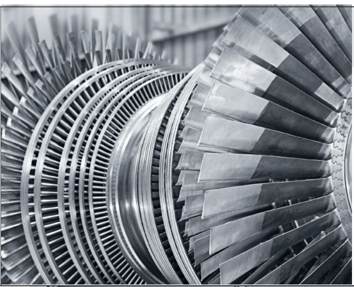
One Brand for the World.

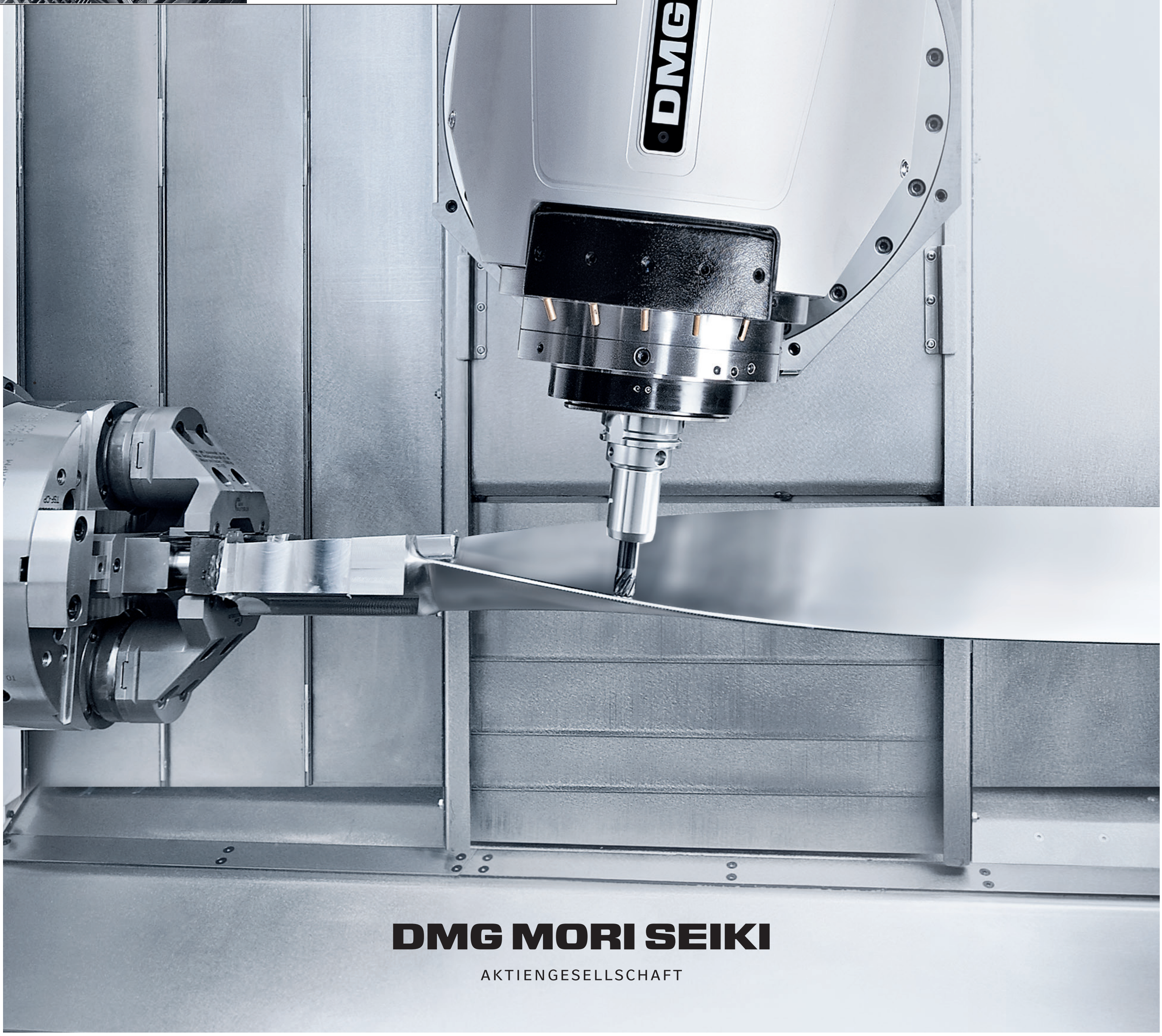
Interim Report

3rd Quarter 2014



ENERGY INDUSTRY

On machines of DMG MORI, performance increasing components for the plants of energy providers are manufactured worldwide: for example, steam turbine guide blades are completely processed on the CTX gamma 2000 TC.



DMG MORI SEIKI

AKTIENGESELLSCHAFT

Dear shareholders,

DMG MORI SEIKI AKTIENGESELLSCHAFT has completed the first nine months of the financial year 2014 as planned. As at 30 September, we were able to further increase sales and in particular, income: sales rose by 6% to € 1,562.4 million (previous year: 1,480.5 million). EBITDA amounted to € 145.9 million (+19%; previous year: € 122.4 million), EBIT was € 111.7 million (+27%; previous year: € 88.3 million) and EBT rose to € 106.7 million (+34%; previous year: € 79.8 million). As at 30 September 2014, the group reports earnings after taxes of € 73.7 million (+34%; previous year: € 55.1 million).

The relatively stable demand for machine tools in the European markets and our home market of Germany were the essential factors for the positive earnings development. Important impulses for order intake were received from the leading U.S. trade fair IMTS in Chicago, and the AMB in Stuttgart. With orders of € 121.9 million and 517 sold machines, the result of the two autumn fairs was positive for us. Order intake as at 30 September reached € 1,740.8 million (+8%; previous year: € 1,616.6 million). We also expect a positive response from the trade fairs in the fourth quarter in Italy and Turkey, and the JIMTOF in Japan (30 Oct. to 4 Nov.).

Together with our Japanese cooperation partner, DMG MORI SEIKI COMPANY LIMITED, we will continue to make targeted investments in the expansion of global markets. In this process, the focus is now on tapping smaller markets such as Vietnam and the Philippines, Indonesia or Thailand. In the Systems Business we will combine our competences from now on in Baden-Württemberg and build a new assembly centre for the automotive industry. Starting in the spring of 2016, especially our automotive customers are to be supplied from there with system solutions for large scale serial production.

Despite the market environment becoming increasingly difficult because of the macro-economic uncertainties, we confirm our forecast. For the financial year 2014, we continue to expect an order intake of around € 2.3 billion. Annual sales are to reach a total of around € 2.2 billion. In the fourth quarter, sales and earnings contributions are expected to increase further. Based on the assumption that the market will continue to develop in line with our expectations, we are planning to achieve EBIT of around € 175 million and EBT of around € 165 million for the entire year. Premised on these developments, we are planning a higher dividend payment for the financial year 2014 than in the previous year.

KEY FIGURES The interim consolidated financial statements of DMG MORI SEIKI AKTIENGESELLSCHAFT were prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable within the European Union. The interim financial statements have not been audited and refer exclusively to the DMG MORI SEIKI AKTIENGESELLSCHAFT and its affiliated group companies (in the following referred to as the DMG MORI SEIKI group).

01 **DMG MORI SEIKI GROUP**

	30 Sep. 2014 € million	31 Dec. 2013 € million	30 Sep. 2013 € million	Changes 30 Sep. 2014 to 30 Sep. 2013 € million	%
Sales revenues					
Total	1,562.4	2,054.2	1,480.5	81.9	6
Domestic	551.9	676.5	480.6	71.3	15
International	1,010.5	1,377.7	999.9	10.6	1
% International	65	67	68		
Order intake					
Total	1,740.8	2,101.1	1,616.6	124.2	8
Domestic	628.6	705.8	527.5	101.1	19
International	1,112.2	1,395.3	1,089.1	23.1	2
% International	64	66	67		
Order backlog					
Total	1,210.3	1,031.9	1,121.1	89.2	8
Domestic	354.2	277.5	299.1	55.1	18
International	856.1	754.4	822.0	34.1	4
% International	71	73	73		
Investments	100.5	213.5	168.1	−67.6	−40
of which tangible assets / intangible assets	78.6	106.6	61.7		
Personnel costs	371.4	465.2	342.4	29.0	8
Personnel ratio in %	22.8	22.6	22.7		
EBITDA	145.9	193.9	122.4	23.5	19
EBIT	111.7	147.6	88.3	23.4	27
EBT	106.7	135.0	79.8	26.9	34
Earnings after taxes	73.7	93.2	55.1	18.6	34

	30 Sep. 2014	31 Dec. 2013	30 Sep. 2013	Changes 30 Sep. 2014 to 31 Dec. 2013	%
Employees	6,887	6,497	6,453	390	6
plus trainees	244	225	228	19	8
Total employees	7,131	6,722	6,681	409	6

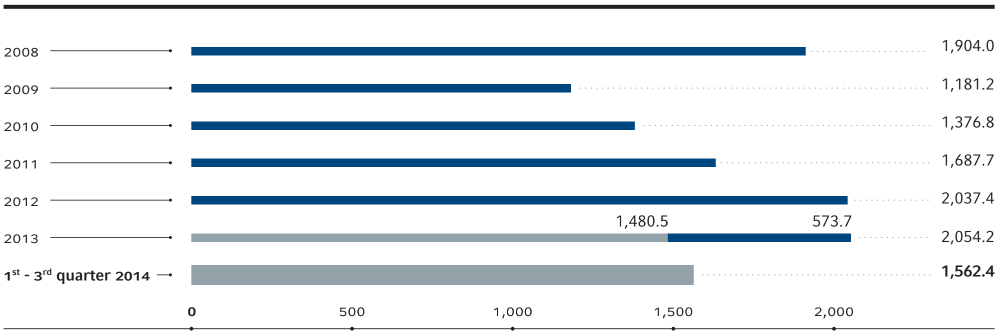
References

P — Page reference for further information in the Interim Report

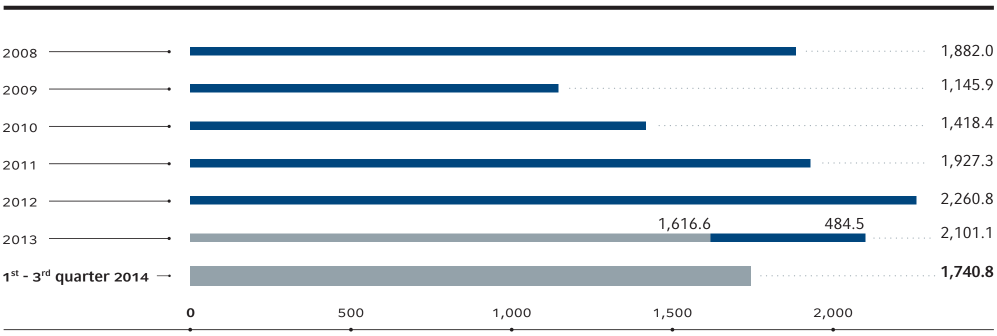
G — Reference to a diagram or table providing visual representation

I — Reference to further / updated information in the internet

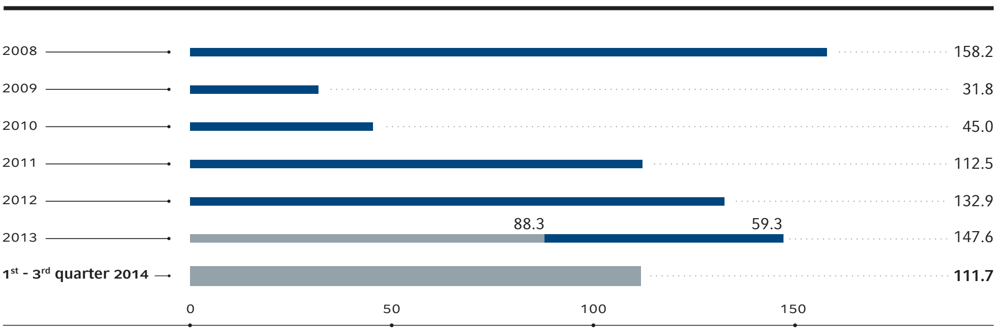
02 **SALES REVENUES** IN € MILLION



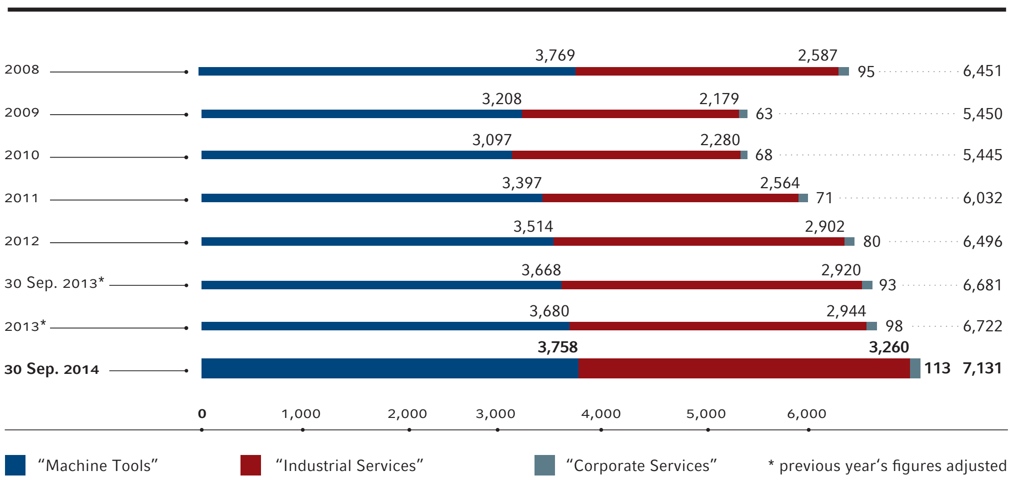
03 **ORDER INTAKE** IN € MILLION



04 **EBIT** IN € MILLION



05 **NUMBER OF EMPLOYEES** INCL. TRAINEES



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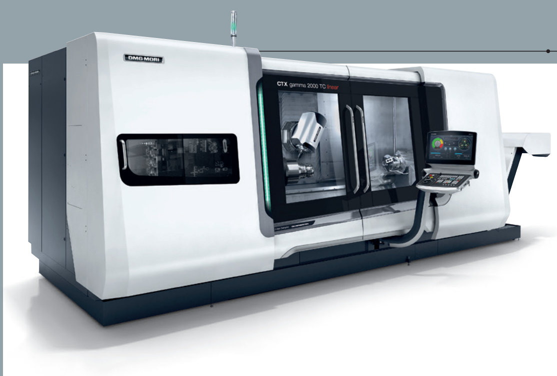


COVER IMAGE // Competitive advantage in productivity and flexibility

The production of complex components such as turbine blades requires the integration of different machining processes, for example, gear milling and 5-axis simultaneous machining. The CTX gamma 2000 TC, as a turning and milling centre in modular design, integrates a number of technologies and processes. For example, with six sided complete machining, the machine provides the decisive competitive advantage in productivity and flexibility.

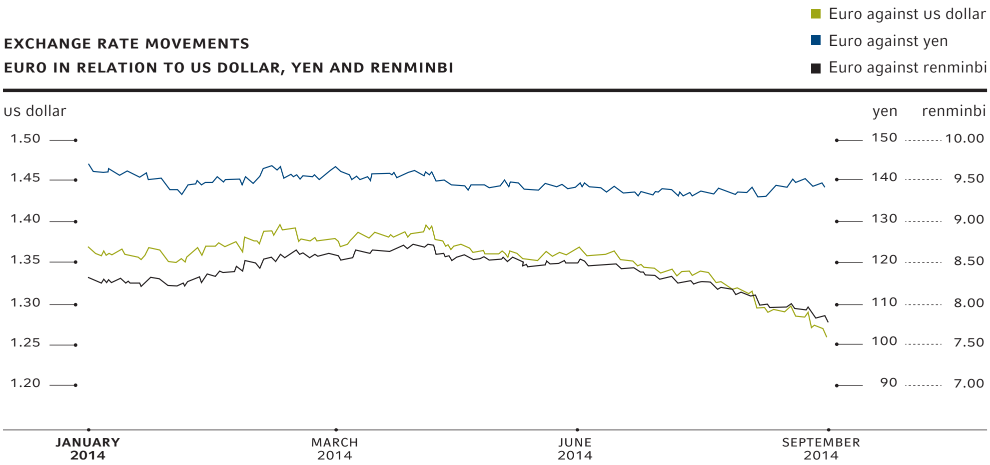
The **overall economic development** has lost steam in the third quarter 2014. The conflicts in the Ukraine and the Near East dampen the global economy. Growth impulses continue to come from the USA and Asia.

In **China**, economic growth has picked up pace again, while however this was caused by fiscal measures. In **Japan**, the export sector profited from the presently low exchange rate of the Yen. The **U.S. economy** could accelerate its growth most recently – owing to rising exports. The economic upswing in **Europe** has slowed again in the third quarter – due to the effects of the Ukraine crisis. Growth impulses were received from Great Britain and Spain. The **German economy** is continuing to follow a moderate trend. According to the business barometer of the German Institute for Economic Research (DIW Berlin) it is expected that the growth will be 0.2% in the third quarter compared to the second quarter.

The DMG MORI SEIKI group's international business is affected by the euro's exchange rate. Of particular importance are the US dollar, the Chinese renminbi and the Japanese yen. The euro gained in value against these **currencies** in the third quarter of 2014 in comparison with the previous year's quarter. Compared to the average value of the euro, the US dollar was USD 1.326 (previous year's quarter: USD 1.324). Thus, the euro gained 0.1% against the US dollar. The average value of the Chinese renminbi was quoted at 8.17 renminbi (previous year's quarter: 8.11 renminbi) and thus the euro gained 0.8% against the renminbi. For customers in the USA, in the dollar-dependent markets and in China, the price of our products from our European production has nearly remained constant. The average value of the yen fell moderately against the euro by 5.1% and was quoted at 137.7 yen (previous year's quarter: 131.0 yen). The machines of our cooperation partner we are distributing in Europe can continue to be offered by us at correspondingly cheaper prices.

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

A . 01 **EXCHANGE RATE MOVEMENTS**
EURO IN RELATION TO US DOLLAR, YEN AND RENMINBI



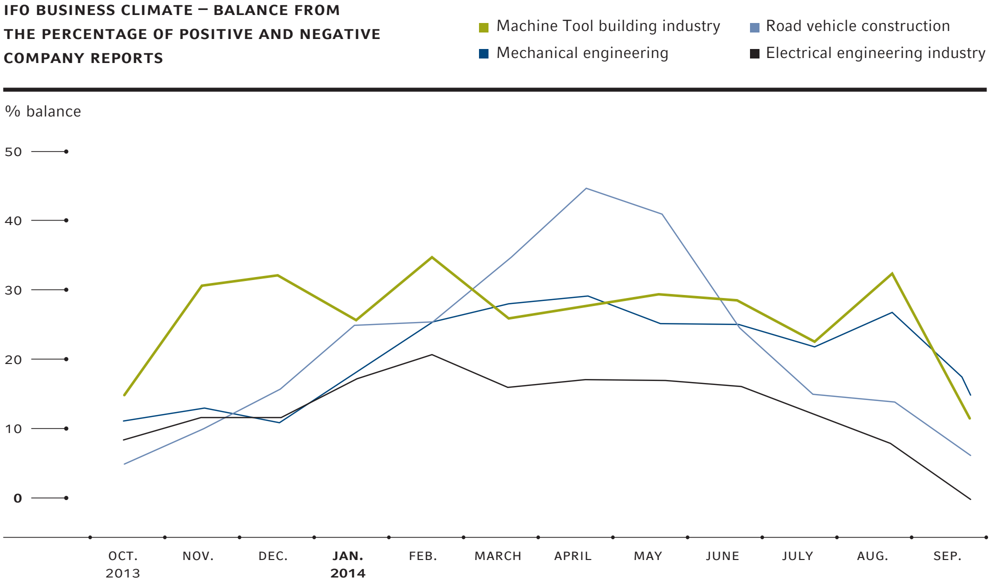
Sources: European Central Bank, Deutsche Bundesbank (German Federal Bank)

The **global machine tool market** is expected to stagnate in the year 2014 according to the latest forecasts. The German Machine Tool Builders' Association (VDW) and the British economic research institute, Oxford Economics, now forecast (status October 2014) a slight decline in worldwide consumption by 0.6% to € 58.7 billion (status April 2014: +3.7% to € 61.2 billion). Growth markets are this year in the Asian region in particular Japan (+25.2%) and Taiwan (+3.5%), in the Americas region the USA (+5.3%) and Canada (+3.3%) as well as in Europe Spain (+10.9), **Germany** (+8.9%) and Poland (+6.1%).

The **ifo business climate** in the commercial economy has most recently cooled down. The expectations of consumer industries for the further business development have dropped considerably in September. The evaluations of the current business situation continue to be positive.

Source: Oxford Economics, VDW (Verein Deutscher Werkzeugmaschinenfabriken e.V.)

A . 02 **IFO BUSINESS CLIMATE – BALANCE FROM THE PERCENTAGE OF POSITIVE AND NEGATIVE COMPANY REPORTS**



Source: ifo Economic Research Institute (ifo), Munich

B . 01 **Group Structure**

CORPORATE SERVICES

DMG MORI SEIKI AKTIENGESELLSCHAFT (Bielefeld)

MACHINE TOOLS

GILDEMEISTER Beteiligungen GmbH (Bielefeld)

Turning	Milling	Advanced Technologies	ECOLINE Association
GILDEMEISTER Drehmaschinen GmbH (Bielefeld)	DECKEL MAHO Pfronten GmbH (Pfronten)	SAUER GmbH (Idar-Oberstein, Pfronten)	DMG ECOLINE AG (Dübendorf / Switzerland)
GRAZIANO Tortona S.r.l. (Tortona / Italy)	DECKEL MAHO Seebach GmbH (Seebach)		FAMOT Pleszew Sp. z o.o. (Pleszew / Poland)
GILDEMEISTER Italiana S.p.A. (Bergamo / Italy)			DECKEL MAHO GILDEMEISTER (Shanghai) Machine Tools Co., Ltd., (Shanghai / China)
			Ulyanovsk Machine Tools ooo (Ulyanovsk / Russia)

As of 30 September 2014, the DMG MORI SEIKI group, including DMG MORI SEIKI AKTIENGESELLSCHAFT comprised 95 entities. Compared to 30 June 2014, the number of group companies did not change.

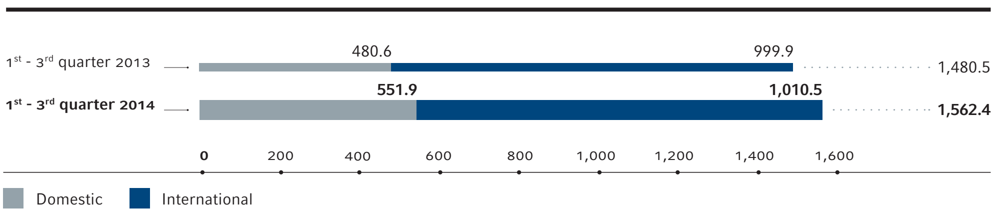
Sales revenues

P. 10 – 15 Segments

In the third quarter sales revenues amounted to € 528.0 million (+4%; previous year: € 505.5 million). In the first nine months, sales revenues reached **€ 1,562.4 million** and thus were 6% above the previous year's figure (previous year: € 1,480.5 million).

The domestic group sales revenues rose by 15% to € 551.9 million. International sales revenues amounted to € 1,010.5 million. The export share was 65% (previous year: 68%).

B . 02 **SALES REVENUES DMG MORI SEIKI GROUP**
IN € MILLION



Order intake

P. 10 – 15 Segments

Order intake in the **third quarter** amounted to € 530.7 million (–3%; previous year: € 546.7 million). The previous year's quarter was especially influenced by the leading trade fair for machine tools, the EMO in Hanover. In the "Machine Tools" segment orders were € 277.6 million (previous year: € 306.4 million). The "Industrial Services" segment booked an order intake of € 253.0 million (previous year: € 240.3 million); of which

INDUSTRIAL SERVICES

Sales and Service locations worldwide (145)

Electronics	Systems
DMG Electronics GmbH (Pfronten)	DMG MORI Systems GmbH* (Wernau, Hüfingen)

DMG MORI SEIKI Germany Stuttgart (8)	**DMG MORI SEIKI Europe** Dübendorf (Switzerland) (35)	**DMG MORI SEIKI Asia** Shanghai, Singapore (59)
DMG MORI SEIKI America Itasca (Illinois) (16)	**DMG MORI SEIKI Services** Bielefeld, Pfronten (21)	**a+f GmbH** Wurzburg, Stuttgart (6)

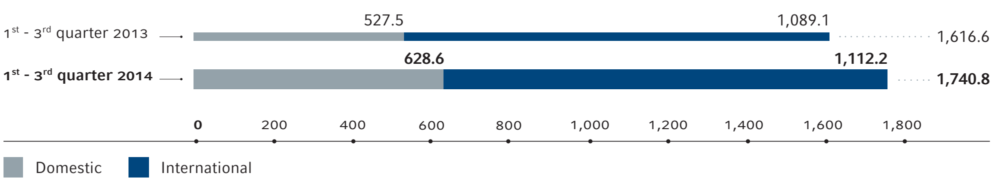
* As of 01 January 2014 in the Machine Tools segment

€ 244.5 million were contributed by the Services division (previous year: € 230.8 million) and the order intake in the Energy Solutions division accounted for € 8.5 million (previous year: € 9.5 million).

As at 30 September, order intake achieved € 1,740.8 million (previous year: € 1,616.6 million) and thus rose by 8%. Domestic orders amounted to € 628.6 million (previous year: € 527.5 million). International orders were € 1,112.2 million (previous year: € 1,089.1 million). The international share of orders was 64% (previous year: 67%).

The IMTS in Chicago and the AMB in Stuttgart took a successful course. With an order intake of € 121.9 million and 517 sold machines, we achieved a positive result at the first two autumn trade fairs. The 3,526 newly initiated requirements made a big contribution to the post-trade fair business.

B . 03 **ORDER INTAKE DMG MORI SEIKI GROUP**
IN € MILLION

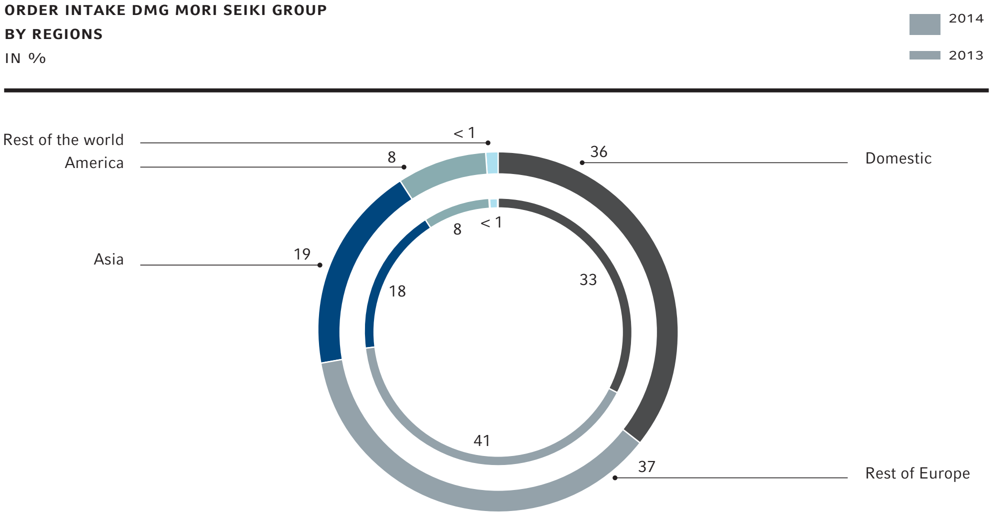


DMG MORI with good order intake at autumn trade fairs

With an order intake of € 121.9 million and 517 sold machines, DMG MORI SEIKI AKTIENGESELLSCHAFT achieved a positive result at the first autumn fairs, IMTS in Chicago and AMB in Stuttgart.

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

B . 04 **ORDER INTAKE DMG MORI SEIKI GROUP BY REGIONS**
IN %



TOTAL
1ST - 3RD QUARTER 2014: € 1,740.8 MILLION // 1ST - 3RD QUARTER 2013: € 1,616.6 MILLION

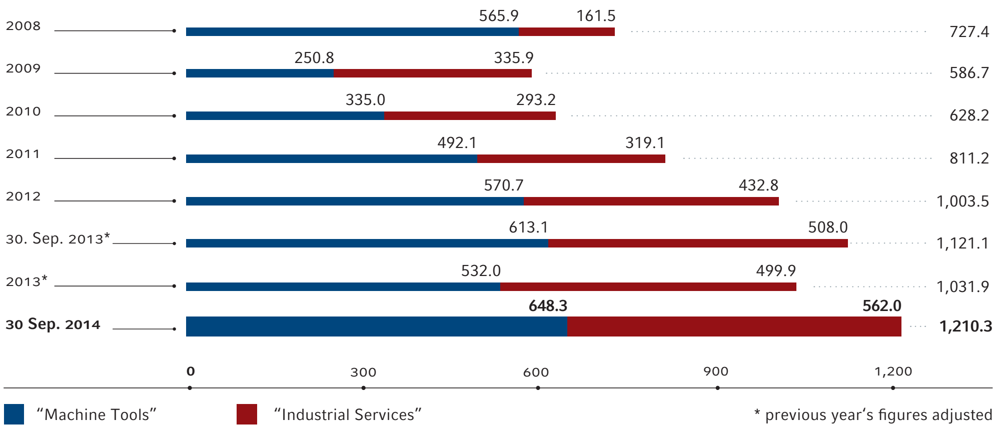
P. 10 – 15
Segments

Order Backlog

On 30 September 2014 the order backlog within the group was € 1,210.3 million (previous year: € 1,121.1 million). The domestic order backlog amounted to € 354.2 million. The backlog for international orders grew by € 34.1 million to € 856.1 million. International orders account for 71% of existing orders.

The backlog developed in the individual segments as follows:

B . 05 **ORDER BACKLOG DMG MORI SEIKI GROUP**
IN € MILLION



* previous year's figures adjusted

The order backlog in "Machine Tools" gives rise mathematically to a production capacity utilisation of an average of five months; although the individual production companies vary in their capacity utilisation.

Results of Operations, Net Worth and Financial Position

The DMG MORI SEIKI group was able to further improve income in the **third quarter**: EBITDA rose to € 55.7 million (+10%; previous year: € 50.7 million), EBIT amounted to € 43.9 million (+12%; previous year: € 39.2 million) and EBT reached € 42.1 million (+18%; previous year: € 35.6 million).

As of 30 September EBITDA was € 145.9 million (+19%; previous year: € 122.4 million), EBIT amounted to € 111.7 million (+27%; previous year: € 88.3 million) and EBT rose to € 106.7 million (+34%; previous year: € 79.8 million). As of 30 September 2014, the group reports earnings after taxes of € 73.7 million (+34%; previous year: € 55.1 million).

Sales rose by € 81.9 million as of 30 September to € 1,562.4 million (previous year: € 1,480.5 million). Total operating revenues increased by € 123.5 million to € 1,631.2 million (previous year: € 1,507.7 million). The materials ratio developed at an unchanged level of 53.6% (previous year: 53.8%). The cost of materials amounted to € 873.7 million (previous year: € 810.4 million). Gross income rose by € 60.2 million to € 757.5 million (previous year: € 697.3 million). Since the number of employees has essentially increased due to the continued implementation of the joint ventures with our cooperation partner, personnel expenses rose to € 371.4 million (previous year: € 342.4 million). The personnel ratio was of 22.8% (previous year: 22.7%).

P. 16 Employees

The balance of other income and expenses amounted to € 240.2 million (previous year: € 232.5 million). This increase is essentially due to sales revenue-dependent expenses. Depreciations amounted to € 34.2 million (previous year: € 34.1 million). The financial result as at 30 September was € −5.0 million (previous year: € −8.5 million). As at 30 September 2014, tax expense is calculated in the amount of € 33.0 million. The tax quota was 30.9% (previous year: 31.0%). This has led to earnings after taxes of € 73.7 million (previous year: € 55.1 million).

P. 35 Selected Notes

B . 06

	30 Sep. 2014 € million	31 Dec. 2013 € million	30 Sep. 2013 € million
Net worth			
Long-term assets	843.8	785.7	732.2
Short-term assets	1,208.7	1,224.3	1,203.9
Equity	1,234.6	1,164.4	1,112.9
Outside capital	817.9	845.6	823.2
Balance sheet total	**2,052.5**	**2,010.0**	**1,936.1**

The balance sheet total as at 30 September 2014 was € 2,052.5 million (31 Dec. 2013: 2,010.0 million).

Under **assets**, long-term assets increased by € 58.1 million to € 843.8 million. Financial assets amounted € 199.9 million (31 Dec. 2013: € 208.3 million). The participation in the capital increase of our cooperation partner caused an increase. The valuation of shares in DMG MORI SEIKI COMPANY LIMITED ran counter to the closing date.

Short-term assets amounted to € 1,208.7 million (31 Dec. 2013: € 1,224.3 million). Inventories rose by € 83.3 million to € 567.1 million, particularly due to the preliminary work for the planned sales in the fourth quarter. Raw materials and consumables increased by € 10.1 million to € 199.8 million. The stock of unfinished goods increased to € 126.7 million (€ +15.0 million) and the finished goods rose to € 235.5 million (€ +54.9 million). The turnover rate of inventories was 3.7 (previous year's period: 3.6). Trade debtors rose by € 56.2 million to € 228.7 million. The increase results in particular from the utilisation of the factoring volume having been lower by € 44.8 million. Liquid funds decreased to € 164.7 million (31 Dec. 2013: € 371.1 million).

Under **equity and liabilities**, equity rose by € 70.2 million to € 1,234.6 million (31 Dec. 2013: € 1,164.4 million). Primarily the result after taxes in the amount of € 73.7 million accounted for the increase. The minority shares in equity amounted to € 116.6 million (€ +22.2 million). **The equity ratio rose for the first time to 60.2%** (31 Dec. 2013: 57.9%). Outside capital decreased by € 27.7 million to € 817.9 million. Provisions amounted € 260.0 million (31 Dec. 2013: € 259.0 million). Trade liabilities were repaid in the third quarter and were reduced by € 49.1 million to € 211.5 million as of 30 September (31 Dec.2013: € 260.6 million).

The group's financial position developed as follows: As of 30 September, cash flow from operating activities was € −121.9 million (previous year: € −49.6 million). Based on earnings before taxes (EBT) of € 106.7 million (previous year: € 79.8 million), depreciations (€ 34.2 million) and the rise in provisions (€ 0.7 million) made a positive contribution to cash flow. The reduction of the cash flow was caused by an increase in inventories by € 77.7 million and the increase in trade receivables by € 56.2 million – due to the decline in the factoring volume – as well as by reduction in trade liabilities by € 49.1 million.

P. 9
Investments

The **cash flow** from investment activities amounted to € −96.1 million (previous year: € −112.2 million). Investments in plant, property and equipment and in intangible assets amounted to € 78.6 million (previous year: € 56.6 million). The increase – as reported in the previous quarters – was primarily the result of the investments for the construction of our new European headquarters in Winterthur (Switzerland / opening on 15 December 2014), the construction of our production plant in Ulyanovsk (Russia), as well as the modernisation of our site in Bergamo (Italy). The payments for the investments in financial assets amounted to € −21.9 million and resulted from the number of shares in DMG MORI SEIKI COMPANY LIMITED having risen within the scope of the capital increase in the second quarter 2014. The cash flow from financing activity amounted to € 11.0 million (previous year: € 246.8 million) and was due to the change in financial liabilities (€ 11.8 million), the sale of own shares (€ 38.6 million), and the dividend payment (€ −39.4 million) in May 2014. The change compared to the previous year was primarily the result of contributions having been made in the course of the cash capital increase that was exercised in the third quarter 2013.

The **free cash flow** as at 30 September 2014 amounted to € −198.8 million (previous year: € −105.5 million). The announced adjustment of the factoring volume, the repayment of trade liabilities in the third quarter, as well as higher investments in plant, property and equipment, and intangible assets have led to a reduction in the free cash flow. In addition, assets on inventory were built up for the planned sales in the fourth quarter.

In the third quarter, the free cash flow amounted to € −52.7 million (previous year's quarter: € −31.6 million). EBT in the amount of € 42.1 million had positive effects. Counteracting effects arose in the third quarter from inventories having increased by € 23.1 million and trade receivables having risen by € 6.5 million, as well as from trade liabilities having decreased by € 53.5 million. For the fourth quarter, we are again expecting a considerable liquidity surplus as in the previous year. We expect a positive cash flow for the entire year 2014. The precise amount however is also dependent on the adjustment of the factoring volume and the realised investment volume, among other aspects.

B . 07

	2014 3rd quarter € million	2013 3rd quarter € million	**2014 1st – 3rd quarter € million**	2013 1st – 3rd quarter € million
Cash Flow				
Cash flow from operating activities	−30.1	−9.4	−121.9	−49.6
Cash flow from investment activity	−20.2	−70.1	−96.1	−112.2
Cash flow from financing activity	2.8	247.5	11.0	246.8
Changes in cash and cash equivalents	−47.6	167.7	−206.4	83.1
Liquid funds at the start of the reporting period	212.3	88.7	371.1	173.3
Liquid funds at the end of the reporting period	164.7	256.4	164.7	256.4
Free cash flow*	−52.7	−31.6	−198.8	−105.5

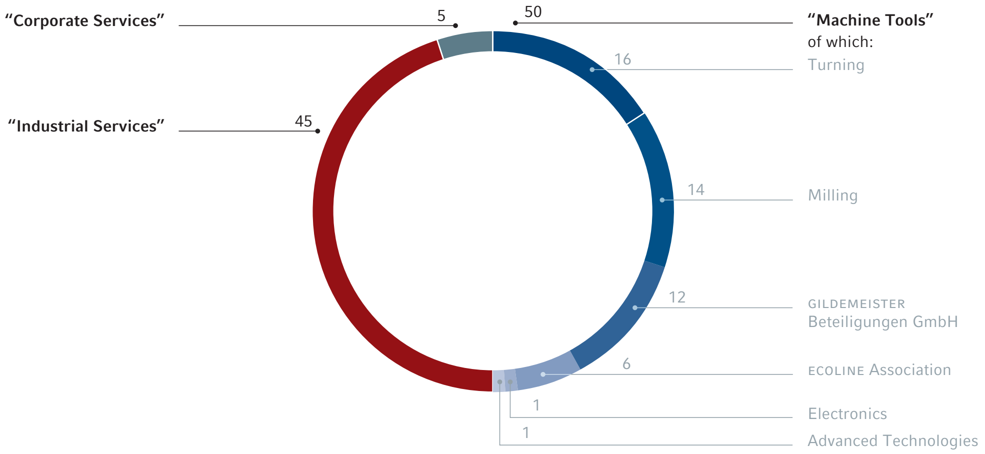
* Balance of cash flow from operating activity and investment activity (without investments to financial assets)

Investments

Capital expenditure in property, plant and equipment, and in intangible assets in the first nine months amounted to € 78.6 million (previous year‘s figure: € 61.7 million). The focus continued to be on our ongoing large projects in progress: we opened the XXL Center in Pfronten in the grand opening on 8 July. The state-of-the-art centre for large machine enables us to build the portal machine DMU 600 P in an ideal assembly environment. On a total floor space of more than 1,000 square metres and with a crane capacity of up to 100 t, up to four large machines can be assembled simultaneously. Now up to twelve DMU 600 P can be manufactured there per year. Our new European headquarters in Winterthur (Switzerland) is in the final construction phase. The opening will be on 15 December 2014. The construction of our production plant in Ulyanovsk (Russia) as well as of our new technology centre in Moscow (Russia) is progressing on schedule. In addition, we have initiated the first steps to increase investments in the systems business. Here, we will focus especially on complete solutions for the large series production. Other priorities include supplying tools, which are required for production, models and operating equipment as well as the developing innovative products.

Due to the participation in the capital increase of our cooperation partner DMG MORI SEIKI COMPANY LIMITED, capital inflow to financial assets of € 21.9 € million occurred. The share of 9.6% of the share capital with voting rights of our cooperation partner thereby remains constant. In the first nine months, capital expenditure totalled € 100.5 million (previous year‘s figure: € 168.1 million).

B . 08 **CONTRIBUTION OF EACH SEGMENT / DIVISION TO INVESTMENTS IN FIXED ASSETS AND INTANGIBLE ASSETS**
IN %



TOTAL
1ST - 3RD QUARTER 2014: € 78.6 MILLION

Segmental Reporting

Our business activities include the "Machine Tools" and "Industrial Services" segments. The "Corporate Services" segment primarily includes the DMG MORI SEIKI AKTIENGESELLSCHAFT with its group-wide holding functions. The selected machines from our cooperation partner that we produce under licence are included in "Machines Tools". The trade in and services for these machines are entered in the accounts under "Industrial Services".

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

B . 09 **SEGMENT KEY FIGURES OF DMG MORI SEIKI GROUP**

	30 Sep. 2014 € million	31 Dec. 2013* € million	30 Sep. 2013* € million	Changes 30 Sep. 2014 to 30 Sep. 2013 € million	%
Sales Revenues	**1,562.4**	**2,054.2**	**1,480.5**	**81.9**	**6**
Machine Tools	863.3	1,220.6	873.6	−10.3	−1
Industrial Services	698.9	833.4	606.8	92.1	15
Corporate Services	0.2	0.2	0.1	0.1	
Order Intake	**1,740.8**	**2,101.1**	**1,616.6**	**124.2**	**8**
Machine Tools	979.6	1,183.6	917.7	61.9	7
Industrial Services	761.0	917.3	698.8	62.2	9
Corporate Services	0.2	0.2	0.1	0.1	
EBIT	**111.7**	**147.6**	**88.3**	**23.4**	**27**
Machine Tools	55.4	87.7	50.3	5.1	10
Industrial Services	81.8	94.1	60.8	21.0	35
Corporate Services	−25.3	−33.8	−22.4	−2.9	

* previous year's figures adjusted

"Machine Tools"

The "Machine Tools" segment, our core segment, includes the group's new machines business and consists of the business areas Turning, Milling, Advanced Technologies (Ultrasonic / Lasertec), ECOLINE and Electronics. Since 1 January 2014 DMG MORI Systems GmbH (before: DMG Automation GmbH) also is an organisational part of the "Machine Tools" segment. This business has become more important and should be expanded the next years. The figures of the previous year and those as of 31 December 2013 were adjusted accordingly.

B . 10

KEY FIGURES "MACHINE TOOLS" SEGMENT	30 Sep. 2014 € million	31 Dec. 2013* € million	30 Sep. 2013* € million	Changes 30 Sep. 2014 to 30 Sep. 2013 € million	%
Sales revenues					
Total	863.3	1,220.6	873.6	−10.3	−1
Domestic	301.8	364.5	252.9	48.9	19
International	561.5	856.1	620.7	−59.2	−10
% International	65	70	71		
Order intake					
Total	979.6	1,183.6	917.7	61.9	7
Domestic	359.2	370.3	275.7	83.5	30
International	620.4	813.3	642.0	−21.6	−3
% International	63	69	70		
Order Backlog					
Total	648.3	532.0	613.1	35.2	6
Domestic	189.3	131.9	148.9	40.4	27
International	459.0	400.1	464.2	−5.2	−1
% International	71	75	76		
Investments	39.6	56.8	35.6	4.0	11
EBIT	55.4	87.7	50.3	5.1	10

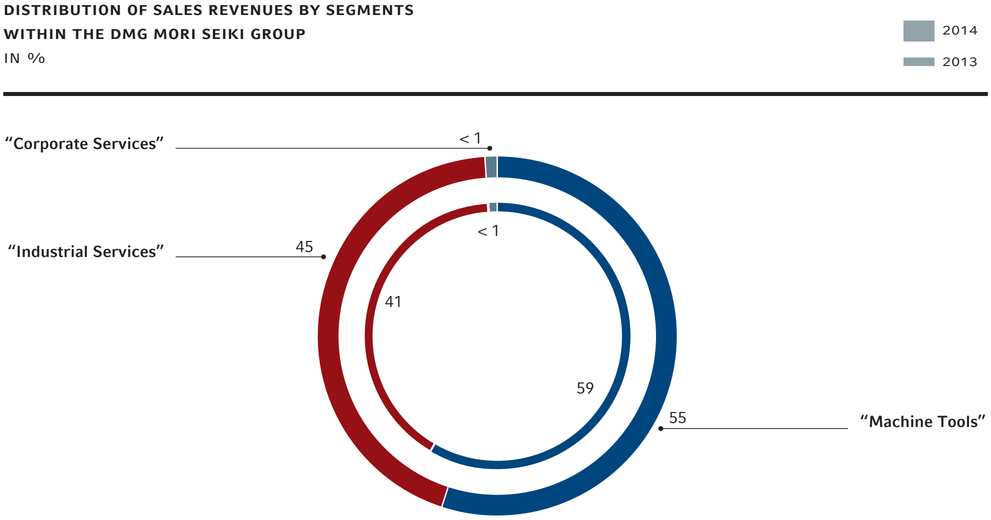
	30 Sep. 2014	31 Dec. 2013*	30 Sep. 2013*	Changes 30 Sep. 2014 to 31 Dec. 2013	%
Employees	3,521	3,462	3,447	59	2
plus trainees	237	218	221	19	9
Total employees	3,758	3,680	3,668	78	2

* previous year's figures adjusted

The "Machine Tools" segment performed as follows: **sales revenues** in the third quarter were € 285.1 million (previous year's quarter: € 299.0 million). As of 30 September 2014, sales revenues amounted to € 863.3 million (−1%; previous year: € 873.6 million). The "Machine Tools" segment contributed a share of 55% of sales revenues (previous year: 59%).

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

B.11 **DISTRIBUTION OF SALES REVENUES BY SEGMENTS WITHIN THE DMG MORI SEIKI GROUP**
IN %



TOTAL
1ST - 3RD QUARTAL 2014: € 1,562.4 MILLION // 1ST - 3RD QUARTAL 2013: € 1,480.5 MILLION

Order intake in the "Machine Tools" segment in the first nine months was € 979.6 million (+7%; previous year's period: € 917.7 million). In the third quarter orders were € 277.6 million (previous year: € 306.4 million). Thus, "Machine Tools" accounted for 56% of all incoming orders as in the previous year. The **order backlog** on 30 September amounted to € 648.3 million (year-on-year: € 613.1 million). EBIT rose to € 55.4 million (previous year: € 50.3 million). As of 30 September, the "Machine Tools" segment had 3,758 **employees** (31 Dec. 2013: 3,680). The increase of 78 employees was due to hiring additional human resources at our sites in Pfronten, Ulyanovsk and DMG MORI Systems GmbH.

"Industrial Services"

The "Industrial Services" segment includes the divisions Services and Energy Solutions. In **Services** we have brought together the marketing activities and LifeCycle Services for our machines and those of our cooperation partner. Assisted by DMG MORI LifeCycle Services, our customers optimise the productivity of their machine tools over their entire lifetime – from their commissioning to trade-in as used machines.

In **Energy Solutions** we focus on the Cellstrom, Energy Efficiency, Services and Components divisions. We are increasing our activities in the area of storage technology and we intend to participate in the growth of the market for decentralised storage with our advanced vanadium redox technology.

B.12 **KEY FIGURES "INDUSTRIAL SERVICES" SEGMENT**

	30 Sep. 2014 € million	31 Dec. 2013* € million	30 Sep. 2013* € million	Changes 30 Sep. 2014 to 30 Sep. 2013 € million	%
Sales revenues					
Total	698.9	833.4	606.8	92.1	15
Domestic	249.9	311.8	227.6	22.3	10
International	449.0	521.6	379.2	69.8	18
% International	64	63	62		
Order intake					
Total	761.0	917.3	698.8	62.2	9
Domestic	269.2	335.3	251.7	17.5	7
International	491.8	582.0	447.1	44.7	10
% International	65	63	64		
Order Backlog					
Total	562.0	499.9	508.0	54.0	11
Domestic	164.9	145.6	150.2	14.7	10
International	397.1	345.3	357.8	39.3	11
% International	71	71	70		
Investments	35.0	41.9	21.6	13.4	62
EBIT	81.8	94.1	60.8	21.0	35

	30 Sep. 2014	31 Dec. 2013*	30 Sep. 2013*	Changes 30 Sep. 2014 to 31 Dec. 2013	%
Employees	3,253	2,937	2,913	316	11
plus trainees	7	7	7	0	0
Total employees	3,260	2,944	2,920	316	11

* previous year's figures adjusted

Sales revenues in the "Industrial Services" segment in the third quarter amounted to € 242.8 million (previous year: € 206.5 million). In the first nine months sales revenues rose to € 698.9 million (previous year: € 606.8 million). The Services division recorded sales revenues of € 233.7 million in the third quarter (previous year: € 189.8 million). In the first nine months, it was € 671.4 million (previous year: € 564.7 million). Sales revenues in Energy Solutions in the third quarter were € 9.1 million (previous year: € 16.7 million) and amounted to € 27.5 million in the first nine months (previous year: € 42.1 million). "Industrial Services" contributed a total share of 45% of the group sales revenues (previous year: 41%).

Order intake in the "Industrial Services" segment amounted to € 253.0 million in the third quarter (previous year quarter: € 240.3 million). In the first nine months, it was € 761.0 million (previous year: € 698.8 million). The share attributed to Services amounted to € 733.0 million (previous year: € 654.1 million). Orders for machines of our cooperation partner increased in the third quarter. As at 30 September, they amounted to € 309.4 million (previous year: € 241.6 million). For the current financial year, we are planning an order intake of rounded € 425 million. The Energy Solutions segment reported an order intake of € 28.0 million in the past nine months (previous year: € 44.7 million). As in the previous year, "Industrial Services" accounted for 44% of the order intake in the group.

The **order backlog** amounted to € 562.0 million (previous year: € 508.0 million). **EBIT** in the first nine months amounted to € 81.8 million (previous year: € 60.8 million). In the "Industrial Services" segment, the number of employees at the end of the third quarter was 3,260 (31 Dec. 2013: 2,944). The rise in the number of employees by 316 is the result of the bundling of shared sales and service activities with our cooperation partner in China, Brazil, Canada and Russia as well as the expansion of our sales and service capacities in the domestic market and South Korea.

"Corporate Services"

B . 13

KEY FIGURES "CORPORATE SERVICES" SEGMENT	**30 Sep. 2014 € million**	31 Dec. 2013 € million	30 Sep. 2013 € million	Changes 30 Sep. 2014 to 30 Sep. 2013 € million
Sales revenues	0.2	0.2	0.1	0.1
Order intake	0.2	0.2	0.1	0.1
Investments *	25.9	114.8	110.9	−85.0
EBIT	−25.3	−33.8	−22.4	−2.9

* of which 30 Sep. 2014: € 21.9 million; 30 Dec. 2013 € 106.9 million; 30 Sep. 2013 € 106.4 million capital inflow to financial assets

	30 Sep. 2014	31 Dec. 2013	30 Sep. 2013	Changes 30 Sep. 2014 to 31 Dec. 2013	%
Employees	113	98	93	15	15

The "Corporate Services" segment comprises DMG MORI SEIKI AKTIENGESELLSCHAFT with its group-wide holding functions. **EBIT** amounted to € −25.3 million (previous year: € −22.4 million); the financial result improved to € 7.4 million (previous year: € 3.6 million). EBT amounted to € −17.9 million (previous year: € −18.8 million).

Additions to financial assets in the amount of € 21.9 million resulted largely from the participation in the capital increase of our cooperation partner DMG MORI SEIKI COMPANY LIMITED. The portion of 9.6% held in our cooperation partner's share capital with voting rights thereby remains constant.

P. 9
Investments

Employees

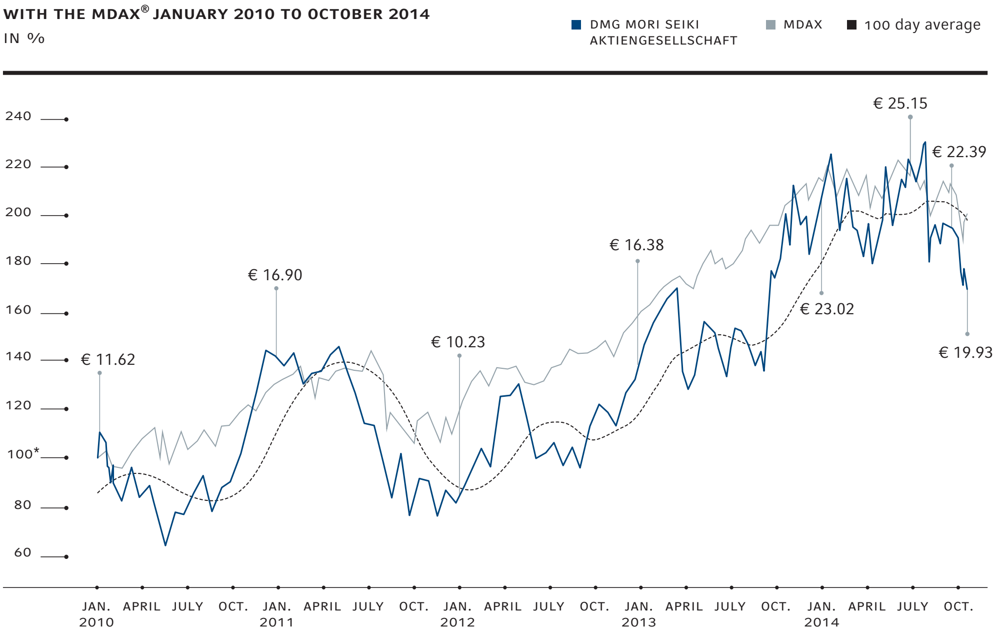
On 30 September 2014, the group had 7,131 employees of whom 244 were trainees (31 Dec. 2013: 6,722). The number of employees has risen by 409. The build-up of personnel at the production plants resulted essentially from hiring for our Ulyanovsk and

Pfronten sites. In the Sales and Service segment, the number of employees has increased especially through the bundling of the DMG MORI sales and service capacities in China, Brazil, Canada and Russia. Moreover, additional employees have been hired at our domestic sales and service companies. Our domestic companies have 3,912 employees (55%) and our foreign companies have 3,219 employees (45%). Personnel costs amounted to € 371.4 million (previous year's period: € 342.4 million). The personnel expenses ratio was 22.8% (previous year's period: 22.7%).

Share

The DMG MORI SEIKI AKTIENGESELLSCHAFT stock has seen a volatile development in the course of the third quarter. The price in the beginning of the reporting period was € 25.15 (1 July 2014), then rose to its highest level of the year at € 26.82 (25 July 2014) and at the end of the quarter, it closed at € 22.39 (30 Sep. 2014). Decisive for the stock price development was the publication of the overall positive half-year 2014 financial figures and – according to trader comments – subsequent "profit taking". Therefore, the stock price has developed in line with the above average volatility prevalent at capital markets, which is characterised by the multitude of global political conflicts and the macro-economic uncertainties arising in consequence. The current share price is € 19.93 (24 Oct. 2014). The company is currently being analysed by 15 banks, of which nine recommend buying the share and two banks rate the share as "overweight". Four analysts recommend holding the stock.

B . 14 **THE DMG MORI SEIKI AKTIENGESELLSCHAFT SHARE IN COMPARISON WITH THE MDAX® JANUARY 2010 TO OCTOBER 2014**
IN %



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

For the first nine months, based on the number of shares, a weighted turnover rate of 0.62 times has been calculated (previous year's period: 1.3 times). The trading volume averaged approximately 257,000 shares per trading day (previous year: 406,000 shares).

B.15 **KEY FIGURES FOR THE DMG MORI SEIKI AKTIENGESELLSCHAFT SHARE**

		30 Sep. 2014	2013	2012	2011	2010	2009	2008
Share capital	€ million	204.9	204.9	156.4	156.4	118.5	118.5	112.6
Number of shares	million shares	78.8	78.8	60.2	60.2	45.6	45.6	43.3
Closing price [1]	€	22.39	23.15	15.25	9.75	16.70	11.33	7.85
Highest price [1, 4]	€	26.82	24.53	16.11	17.50	17.19	11.69	23.38
Lowest price [1, 4]	€	20.70	15.00	9.74	8.69	7.53	4.25	4.79
Market capitalisation	€ million	1,764.7	1,824.6	917.6	586.6	761.2	516.4	339.9
Earnings per share [2]	€	0.86	1.33	1.32	0.85	0.09	0.10	1.87
Price-to-earnings ratio [3]		26.0	17.4	11.6	11.5	185.6	113.3	4.2

1) Closing price based on XETRA
2) ac. to IAS 33
3) Closing price / Earnings per share
4) Period from 01 Jan. – 30 Sept. 2014

Research and Development

Expenditure on research and development in the first nine months amounted to € 32.7 million (previous year: € 32.2 million). Expenditures for custom engineering are no longer included therein, contrary to the reporting of the last year. The value in comparison to the previous year has been adjusted accordingly.

Due to the increasing demand for customer-specific solutions, special designs gain more importance. We intend to increasingly utilise the opportunities arising in the custom engineering segment and expand the business. The expenditures for custom engineering will therefore be examined separately as of this year and no longer be attributed to the expenditures for research and development.

In the first nine months, we have presented 16 of a total 19 world premieres – with CELOS and in the new corporate design – at international and national trade fairs as well as at technology exhibitions.

CELOS as a system independent of control and technology supports the interaction between man and machine. Key element is the new operating panel, the DMG MORI ERGOLINE® Control with swivelling 21.5“ multi-touch screen in connection with an icon-supported, gesture-controlled operating interface. CELOS is a crucial element for net-worked, intelligent production and is a decisive step for DMG MORI towards Industrie 4.0.

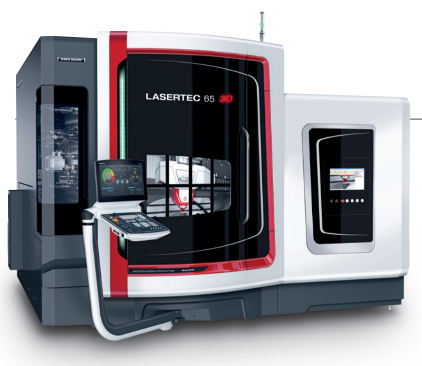
In the **turning technology area**, on occasion of the opening of the Solution Center in Tokyo in the third quarter, we have introduced the second generation of the turn-mill machining centre NTX 1000. The milling functionality of the NTX 1000 2ND GENERATION enables a 5-axis simultaneous processing of complex components with diameters up to 430 mm and lengths of 800 mm. Medical technology, aviation and space industries, as well as the watchmaking and electronics industries are the addressed target markets here. As a cooperation project, the compact machine is equipped with CELOS.

In the **milling technology area**, the vertical machining centre, DMC 1450 V, the five-axis DMU 125 P DUOBLOCK® of the fourth generation as well as the innovative horizontal machining centres of the second generation were presented. The DMC 1450 V, as the largest machine of its series serves for the robust chip removal of large components with a weight of up to two tonnes. By virtue of an intelligent temperature management and additional measures, the new DMU 125 P DUOBLOCK® has levels of precision, performance and efficiency improved by 30% compared to the predecessor machine.

The horizontal processing centres NHX 4000 and NHX 4000 of the second generation, as cooperation developments, were the highlights at the autumn trade fair IMTS in Chicago. With high spindle performance, precision and dynamics, the milling centres focus on the flexible serial production with large rates of chip removal. Also in the development of important key components, we are working closely together with our cooperation partner. One example for this is the high-performance spindle speedMASTER. The highly productive horizontal machining centre I 50 of our cooperation partner is furthermore designed for integration in the automated serial production of the automotive industry.

Furthermore, with the LASERTEC 45 SHAPE, a compact machine was presented for work pieces with diameters of up to 300 millimetres, at three times higher rapid motion speed, and 80% more working area compared to the predecessor machine. The machine serves for laser engraving and laser structuring, particularly for precision mould construction. Therefore, it targets industries of both single part as well as mass production.

There are currently 499 employees working on the development of our new products; this is the equivalent of 14% of the workforce at the plants.



Highlight at the IMTS and AMB in the 3rd quarter 2014 – Additive Manufacturing

DMG MORI is integrating the generative laser build-up process for the first time in a fully-fledged 5-axis milling machine. This intelligent solution combines the gener-ative component processing (additive manufacturing) with precision cutting and thereby enables the production of complete components in finished-part quality. The combination of additive and cutting processing on one machine is unique in the global market. This process uses a build-up process that is up to 10 times quicker than the generation in the powder bed.

Opportunities and Risk Management Report

In its worldwide business dealings, the DMG MORI SEIKI group is confronted with various opportunities and risks. Our opportunities and risk management assists us in identifying and assessing these timely. The Executive Board and the Supervisory Board are informed regularly about the current risk situation of the group and that of the individual business units.

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

General economic opportunities: The DMG MORI SEIKI group is consistently working growth markets, in particular Russia and China. In 2014, we have commenced the production of machine tools in Russia. Through the commissioning of a new production plant with training and technology centre in Ulyanovsk in 2015, we are actively utilising the opportunities of the Russian market.

In addition, we are working the emerging markets in Asia, Latin America and other emerging countries long-term. In these markets, we perceive additional growth potentials and intend to gain market shares of significant volume in these countries. At the same time, we are consolidating our position as a market leader in the machine tools business in established markets.

Industry-specific opportunities are taken advantage of with our ECOLINE series in the world markets for favourably-priced machines with innovative technology. We are continuously expanding our ECOLINE series for this purpose. In addition, the DMG MORI SEIKI group continues to record a generally high level of interest in its products in the machine tools business.

In consequence of the substantial rate decline of the Japanese Yen, we are receiving additional sales opportunities for the machines of our cooperation partner, DMG MORI SEIKI COMPANY LIMITED, which we distribute in the Eurozone. Consequently, these machines can be offered at more favourable terms.

In the still relevant market for renewable energies we are taking advantage of opportunities, in particular in energy storage and energy efficiency consulting, which we are able to share in with “Energy Solutions”.

Corporate strategy opportunities arise for the DMG MORI SEIKI group through a sustained leadership in innovations and technology, as well as through market-leading product quality. This leads to opportunities to further strengthen our position in numerous markets. Moreover, we are tapping new markets by organising new business fields such as automation solutions.

As a full-liner, we are expanding our advanced technologies in the area of large machines and the ECOLINE series through a continuous development of new machine types. In addition, an innovative operating interface is available in CELOS, which offers numerous connectivity options for our machines with other systems.

At the same time, we are further strengthening our global distribution: the cooperation in the Sales and Service segment with DMG MORI SEIKI COMPANY LIMITED is nearly completed worldwide. We are utilising the synergies created in this area and will continue to further intensify them in the future.

Moreover, we are further expanding the service range of the DMG MORI SEIKI group as a key segment. For this purpose, we have established a new company DMG MORI SEIKI Spare Parts China in 2014 to supply the Chinese growth market with spare parts.

Through DMG MORI Finance GmbH we offer our customers tailor-made financing solutions nationally and internationally.

Performance-related opportunities arise as a result of involving our suppliers actively in the value added process and thereby strengthening their supply loyalty. Our worldwide direct sales and service network ensures our customers receive excellent service.

Risks are systematically identified, assessed, aggregated, monitored and notified through the DMG MORI SEIKI group risk management system. In doing so, the risks in the individual business units are identified every quarter and the resulting risk potential determined is analysed and evaluated using quantitative methods. Any risks that jeopardize the company as a going concern are reported on an ad hoc basis outside the regular reporting schedule.

Overall economic risks arise in particular for the DMG MORI SEIKI group from cyclical developments. The global economic development in the third quarter 2014 was characterised by the insecurities caused in consequence of the Ukraine conflict with the relationship between Russia and the EU having deteriorated substantially in the course of events, while it was also characterised by the consequences of the crisis in the Near and Middle East. Global growth has thereby notably slowed down. A recovery can be expected not before 2015. The cyclical economic situation in Germany in the third quarter 2014 was characterised by a merely modest upward trend, after an unexpectedly strong decline in growth in the previous quarter. A timely return to a clearly positive development, as in the beginning of the year, is presently not expected due to the existing global political uncertainties. The cyclical development in Europe is likewise affected negatively by the global political uncertainties. This amplifies the economic crisis in France and also has dampening effects on the economic recovery of the former Euro crisis states. The further growth outlook in Europe and its effects on the global economy depend quite decidedly on the implementation of necessary structural reforms in the Eurozone. In China, a stabilisation of the cyclical economy is expected at a continuously high level. Russia reports a very strong growth decline in consequence of the Ukraine conflict. The growth development in India has once again noticeably improved. The present cyclical development in the USA is stable at an increased level.

A distinct economic decline worldwide would have a material influence on the world market for machine tools and would lead to a considerable reduction in order intake and in the margins achievable. Furthermore, changes in foreign exchange rates due to political or economic crises could have an effect on our future competitive position (economic currency risk). In particular, a possible devaluation of the US dollar, Chinese renminbi, Russian rouble, Indian rupee, Brazilian real and Turkish lira could lead to our products becoming more expensive in the countries involved as well as in the markets dependent on the dollar and thus adversely impact our competitive position.

We counteract this risk through international sourcing as well as through increasing regionalised production. We consider the probability of occurrence of losses from general economic risks at the present time to be slight (0% – 20%).

Industry-specific risks exist in the form of intense competition and a higher pressure on prices in the markets. Through the considerable fall in value of the Japanese yen, there are additional competitive advantages for Japanese suppliers in the eurozone. We counteract these with a technological lead and a focus on our customers and markets.

Risks may still result for the group in its role as the general contractor for projects already completed in the “Energy Solutions” area. There are still some issues with respect to licensing regulations. General operator risks may result from the ongoing operation of solar parks for some customers. Overall we consider the probability of occurrence of losses from industry-specific risks as slight.

When accumulated, the expected risk arising from the overall economic and industry-specific risks is about € 21.8 million with a low probability of occurrence.

Corporate strategy risks lie mainly in false estimations of future market development and in 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 through MIS, our early warning system. We estimate any possible losses arising out of corporate strategy risks at about € 10.6 million with a low probability of occurrence.

Procurement and purchasing risks are those that we are particularly exposed to due to price increases for materials in the machine tool business. Further risks exist in possible supplier shortfalls and quality problems. We counteract these risks through the standardisation of structural parts and components as well as through international sourcing with a minimum of two suppliers for essential materials. We have calculated potential losses from purchasing and procurements risks at about € 9.4 million with a low probability of occurrence.

Production risks are subject to permanent control by means of key performance indicators for assembly and manufacturing progress, throughput times and throughput continuity, for example the profit margin per machine type and the turnover rate of raw materials and consumables as well as of other inventories.

In principle, we avoid incalculable production projects so that we consider these risks to be manageable and controllable. We strive to counteract plagiarism with our innovations-focused product strategy, which safeguards our technological lead. Potential risks from the production risk area are estimated to be € 16.6 million with a low probability of occurrence.

In the **research and development area** there are risks based on potential exceedances of the budget, failed developments, increased start-up costs for new products, as well as a delayed market launch of innovations. We counteract this risk through development partnerships with the DMG MORI SEIKI COMPANY LIMITED, customers, suppliers and universities. Here, too, we avoid incalculable research and development projects so that we consider these risks to be manageable and controllable. We estimate any possible losses arising out of research and development risks at about € 2.8 million with a low probability of occurrence.

Personnel risks due to our continuous need for highly-skilled specialists and managers may arise through not being able to attract and retain these employees in sufficient numbers and this may restrict the group’s development long-term.We counteract these risks through intensive programmes to train, attract new employees and increase the qualifications of existing employees, and through performance-related remuneration with a profit-related incentive scheme, deputising arrangements, which are intended to cushion the loss of specialists and managers, and early successor planning. The necessary availability at any one time of highly-qualified managers and staff could also be negatively affected by a high rate of illness. We counteract this risk in particular through a preventive occupational health care scheme. On the basis of the above-mentioned measures, we consider the probability of occurrence of estimated losses of about € 6.6 million as slight.

IT risks exist due to the increasing networking of our systems, parts of which are highly complex. IT risks may arise from network failure or from data being falsified or destroyed through user and program errors or through external influences. In addition, we are subject to the risks of organised data espionage. We counteract these information technology risks through optimum security arrangements for our IT environment, regular investment in our hardware and software, by the use of virus scanning programs, firewall systems and by controlling access and authorisations. The potential damage arising from this area currently amount to € 2.2 million. We consider the probability of occurrence to be slight.

Risks from operations-related activities result from the fact that our products are subject to constant price competition on 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 losses from the above risks to be slight.

Financial risks result from our international activities in the form of currency-related risks that we assess and hedge by means of our currency strategy. We currently expect currency-related risks in an amount of about € 2.4 million. The material components of the DMG MORI SEIKI group's financing are a syndicated loan, which comprises a cash and an aval tranche and is agreed until 2016, and a factoring programme. All financing agreements include an agreement on compliance with standard covenants. The liquidity of the DMG MORI SEIKI group is considered sufficient. In principle, we bear the risk of bad debt which may result in value adjustments or in individual cases may even result in default. Potential damage arising from financial risks, including the currency-related risks, amount in total to rounded € 15.0 million. The probability of occurrence of any loss is low.

Other risks arise out of operating activities. Legal risks grow in particular out of possible warranty claims due to customer complaints from the sale of machine tools and services, which cannot always be completely prevented by our efficient quality management. To maintain the existing risks at a manageable and calculable level, the DMG MORI SEIKI group limits warranty and liability obligations both in terms of scope and in time.

Insofar as deferred tax assets have not been impaired on loss carry forwards or interest carry forwards, we assume that this possible reduction in tax can be applied to taxable income. We assume that the tax and social insurance declarations we submit are complete and correct. Nevertheless, due to differing assessments of the facts, additional charges may arise within the scope of an audit. Should there be additional charges, or should it not be possible to use loss and interest carry-forwards, this could adversely affect the net assets, financial position and results of operations of the DMG MORI SEIKI group. Overall, we have calculated any possible losses arising out of tax risks at € 13.3 million with a low probability of occurrence.

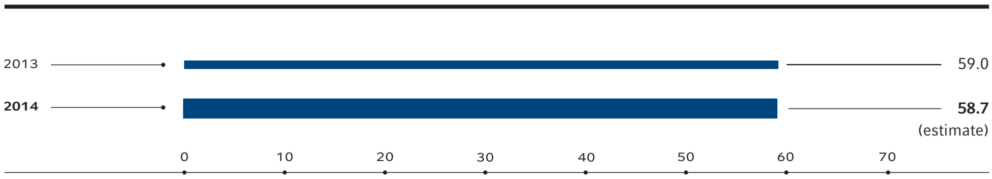
Overall risk: All risks are aggregated to a total risk with the Monte Carlo simulation, which from today's perspective does not endanger the future of the group as a going concern. Compared to the last reporting for the first half year 2014, the risks have slightly increased.

Forecast

The **world economy** will continue to grow according to the latest forecasts of the Kiel Institute for the World Economy (IfW). Currently an increase in global gross domestic product (GDP) of 3.2% is expected for the year 2014 and 3.7% for the year 2015. Continued dynamic growth is being forecast for **Asia**. The Chinese economy is expected to continue to grow; the forecasts for the Chinese GDP arrive at 7.3% in 2014 and 7.0% in 2015. In the **USA**, a further 2.0% upswing in growth is expected in 2014 and a 3.0% upswing in 2015. Recovery continues to be expected for **Europe**. The economy will grow by 0,7% still in 2014 while a growth plus of 1.3% is forecast for the year 2015. In **Germany**, the economy is continuing to follow a moderate upwards trend; according to the latest forecasts, GDP will grow in 2014 by 1.4% and in 2015 by 1.9%.

The **global machine tool market** is expected to stagnate in the year 2014 according to the latest forecasts. The German Machine Tool Builders' Association (VDW) and the British economic research institute, Oxford Economics, now forecast (status October 2014) a slight decline in worldwide consumption by 0.6% to € 58.7 billion (status April 2014: +3.7% to € 61.2 billion). Growth markets are this year in the Asian region in particular Japan (+25.2%) and Taiwan (+3.5%), in the Americas region the USA (+5.3%) and Canada (+3.3%) as well as in Europe Spain (+10.9), **Germany** (+8.9%) and Poland (+6.1%).

C . 01 **MACHINE TOOLS CONSUMPTION WORLDWIDE**
IN € BILLION



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

The DMG MORI SEIKI group is planning to further expand its global market presence and specifically invest in growth markets. The cooperation with our Japanese partner, **DMG MORI SEIKI COMPANY LIMITED**, still forms a key element of our strategy in this regard. By year's end 2014, we will be present together with our cooperation partner in all important markets worldwide. We are utilising the synergies created in this area and will continue to further intensify them in the future.

In addition, we are systematically expanding our **production capacities** in the strategically important markets. In Russia, the construction of our production plant in Ulyanovsk is being pushed ahead. Moreover, we have started construction of our technology centre in Moscow.

We perceive furthermore additional growth potentials in the emerging markets of Asia, Latin America and other emerging countries.

Besides the tapping of additional markets, we will continue the gradual expansion of the collaboration with our cooperation partner in the areas of **product development and production**. Our goal is to create efficiency advantages when developing products by bundling our resources and using our common expertise.

In the **purchasing** area, we are concentrating on the expansion of our global supply partnership in terms of the joint activities with our cooperation partner. It is our goal here to optimise the costs of materials on a worldwide level. Through the coordinated global purchasing strategy and consistent quality standards, improvements are to be reached jointly regarding quality, costs and supply capacity.

In the **Systems Business**, we will combine our competences from now on in Baden-Württemberg and build a new assembly centre for the automotive industry. Starting in the spring of 2016, especially our automotive customers are to be supplied from there with system solutions for large-scale serial production.

We intend to further increase the share of our **service business** with its worldwide leading service range – primarily in the areas of repair, maintenance and spare parts – and thereby ultimately strengthen our earnings power. Our activities aim amongst others, at the further development of complex services for the improvement of the productivity of our installed machine tool base, as well as at the development of products for increasing the portion of service cases that can be scheduled.

Despite the market environment becoming increasingly difficult because of the macro-economic uncertainties, we confirm our forecast. For the financial year 2014, we continue to expect an order intake of around € 2.3 billion. Annual sales are to reach a total of around € 2.2 billion. In the **fourth quarter**, sales and earnings contributions are expected to increase further. Based on the assumption that the market will continue to develop in line with our expectations, we are planning to achieve **EBIT** of around € 175 million and **EBT** of around € 165 million for the entire year. Premised on these developments, we are planning a higher **dividend payment** for the financial year 2014 than in the previous year.

The DMG MORI SEIKI group has a solid financing framework for the coming years and the required **liquidity** for the planned business expansion. We expect a positive **free cash flow** for the entire year of 2014.

Due to the consistent continuation of our global growth strategy as well as far-reaching modernisation measures, we are planning for the current financial year to increase the **investments** in plant, property and equipment, as well as intangible assets – without consideration of additions in goodwill – to around € 136 million. For the next year, we are planning a comparable investment volume.

The activities in the **research and development** area are aimed at preparing the delivery of the 16 already presented new developments of a total of 19 world premieres. Together with our cooperation partner, we plan to develop innovative products for the global markets with a focus on quality. Moreover, we will optimise our product range. Through the standardisation of components and processes, we are planning to generate additional synergies. The expenditures for research and development in the current financial year will amount, as planned, around € 45 million (previous year: € 42.5 million).

General statement on future business development 2015

The global economy is to grow stronger in 2015 than in 2014 according to the forecasts of the Kiel Institute for the World Economy (IfW). Both in Asia as well as in the USA, the economy is expected to continue to develop positively. The forecasts for the coming year also expect growth in the Eurozone. Possible economic effects from the global political conflicts however can lead to negative trends in the cyclical development.

The forecast by VDW and Oxford Economics (status October 2014) indicates that the **global machine tool market** will grow by 7.3% in 2015. Positive impulses are primarily expected from the markets in China, Japan and the USA. The Eurozone is expected to also contribute to this growth. The DMG MORI SEIKI group expects an overall positive business development for the **financial year** 2015. Sales and earnings contributions are expected to increase further.

The **cooperation** with DMG MORI SEIKI COMPANY LIMITED will be further intensified. Here, we perceive key potentials in the targeted development of production capacities in strategically important growth markets, as well as the joint tapping of emerging markets in Asia, Latin America and other emerging countries. In addition, we will continue to gradually expand the collaboration with our cooperation partner in the areas of product development and products.

Consolidated Income Statement

D.01

3rd quarter 2014	2014 01 July – 30 Sept. € million	%	2013 01 July – 30 Sept. € million	%	Changes 2014 against 2013 € million	%
Sales Revenues	528.0	95.2	505.5	101.8	22.5	4.5
Changes in finished goods and work in progress	19.9	3.6	−11.2	−2.3	31.1	277.7
Own work capitalised	6.5	1.2	2.3	0.5	4.2	182.6
Total Work Done	**554.4**	**100.0**	496.6	100.0	57.8	11.6
Cost of materials	−291.7	−52.6	−256.3	−51.6	−35.4	13.8
Gross Profit	**262.7**	**47.4**	240.3	48.4	22.4	9.3
Personnel costs	−124.3	−22.4	−110.4	−22.2	−13.9	12.6
Other income and expenses	−82.7	−14.9	−79.2	−16.0	−3.5	4.4
Depreciation	−11.8	−2.1	−11.5	−2.3	−0.3	2.6
Financial Result	−1.8	−0.3	−3.6	−0.7	1.8	50.0
EBT	42.1	7.7	35.6	7.2	6.5	
Income taxes	−13.0	−2.4	−11.0	−2.2	−2.0	
Earnings after taxes	29.1	5.3	24.6	5.0	4.5	
Profit share of shareholders of DMG MORI SEIKI AKTIENGESELLSCHAFT	27.0	4.9	22.5	4.5	4.5	
Profit share attributed to minority interests	2.1	0.4	2.1	0.5	0.0	
Earnings per share pursuant to IAS 33 (in euros)						
Undiluted	0.34		0.36			
Diluted	0.34		0.35			

1st – 3rd quarter 2014	2014 01 Jan. – 30 Sept. € million	%	2013 01 Jan. – 30 Sept. € million	%	Changes 2014 against 2013 € million	%
Sales Revenues	1,562.4	95.8	1,480.5	98.2	81.9	5.5
Changes in finished goods and work in progress	58.7	3.6	18.9	1.3	39.8	210.6
Own work capitalised	10.1	0.6	8.3	0.5	1.8	21.7
Total Work Done	**1,631.2**	**100.0**	1,507.7	100.0	123.5	8.2
Cost of materials	−873.7	−53.6	−810.4	−53.8	−63.3	7.8
Gross Profit	**757.5**	**46.4**	697.3	46.2	60.2	8.6
Personnel costs	−371.4	−22.8	−342.4	−22.7	−29.0	8.5
Other income and expenses	−240.2	−14.7	−232.5	−15.4	−7.7	3.3
Depreciation	−34.2	−2.1	−34.1	−2.2	−0.1	0.3
Financial Result	−5.0	−0.3	−8.5	−0.6	3.5	41.2
EBT	106.7	6.5	79.8	5.3	26.9	
Income taxes	−33.0	−2.0	−24.7	−1.6	−8.3	
Earnings after taxes	73.7	4.5	55.1	3.7	18.6	
Profit share of shareholders of DMG MORI SEIKI AKTIENGESELLSCHAFT	67.2	4.1	49.9	3.3	17.3	
Profit share attributed to minority interests	6.5	0.4	5.2	0.4	1.3	
Earnings per share pursuant to IAS 33 (in euros)						
Undiluted	0.86		0.83			
Diluted	0.86		0.82			

Consolidated Income Statement

1. OKTOBER 2013 – 30. SEPTEMBER 2014	01 Oct. 2013 – 30 Sept. 2014 € million	%	01 Oct. 2012 – 30 Sept. 2013 € million	%	Changes 2014 against 2013 € million	%
Sales Revenues	2,136.1	97.8	2,085.0	100.0	51.1	2.5
Changes in finished goods and work in progress	36.0	1.6	–13.5	–0.6	49.5	366.7
Own work capitalised	12.4	0.6	13.1	0.6	–0.7	5.3
Total Work Done	2,184.5	100.0	2,084.6	100.0	99.9	4.8
Cost of materials	–1,150.0	–52.6	–1,128.5	–54.1	–21.5	1.9
Gross Profit	1,034.5	47.4	956.1	45.9	78.4	8.2
Personnel costs	–494.2	–22.6	–454.6	–21.8	–39.6	8.7
Other income and expenses	–322.9	–14.8	–318.3	–15.3	–4.6	1.4
Depreciation	–46.4	–2.1	–45.3	–2.2	–1.1	2.4
Financial Result	–9.1	–0.4	–10.7	–0.5	1.6	15.0
EBT	161.9	7.5	127.2	6.1	34.7	
Income taxes	–50.1	–2.4	–39.5	–1.9	–10.6	
Earnings after taxes	111.8	5.1	87.7	4.2	24.1	
Profit share of shareholders of DMG MORI SEIKI AKTIENGESELLSCHAFT	102.4	4.7	77.8	3.7	24.6	
Profit share attributed to minority interests	9.4	0.4	9.9	0.5	–0.5	
Earnings per share pursuant to IAS 33 (in euros)						
Undiluted	1.36		1.30			
Diluted	1.35		1.29			

Consolidated Statement of Other Comprehensive Income

D.02

	2014 01 July – 30 Sept. € million	2013 01 July – 30 Sept. € million	2014 01 Jan. – 30 Sept. € million	2013 01 Jan. – 30 Sept. € million	01 Oct. 2013 – 30 Sept. 2014 € million	01 Oct. 2012 – 30 Sept. 2013 € million
Earnings after taxes	**29.1**	**24.6**	**73.7**	**55.1**	**111.8**	**87.7**
Other comprehensive income						
Actuarial gains / losses	0.0	0.1	–0.2	1.0	–2.2	0.0
Income taxes on items that have not been reclassified to the income statement	–0.6	–0.2	0.0	–0.3	0.6	–0.2
Sum of items not reclassified to the income statement	**–0.6**	**–0.1**	**–0.2**	**0.7**	**–1.6**	**–0.2**
Differences from currency translation	2.1	–1.7	4.5	–8.4	3.4	–2.4
Changes in market value of hedging instruments	–2.3	1.0	–4.3	0.4	–3.7	0.2
Changes in the fair value measurement of available-for-sale-assets	–5.7	23.8	–30.9	35.8	–14.8	45.5
Income taxes on items which are reclassified to the income statement	1.3	–0.1	1.3	–0.1	0.4	0.7
Sum of items which are reclassified to the income statement	**–4.6**	**23.0**	**–29.4**	**27.7**	**–14.7**	**44.0**
Other comprehensive income for the period after taxes	**–5.2**	**22.9**	**–29.6**	**28.4**	**–16.3**	**43.8**
Total comprehensive income for the period	**23.9**	**47.5**	**44.1**	**83.5**	**95.5**	**131.5**
Profit share of shareholders of DMG MORI SEIKI AKTIENGESELLSCHAFT	21.6	46.1	37.6	79.4	86.3	122.3
Profit share attributed to minority interests	2.3	1.4	6.5	4.1	9.2	9.2

Consolidated Balance Sheet

D.03

ASSETS	30 Sep. 2014 € million	31 Dec. 2013 € million	30 Sep. 2013 € million
Long-term assets			
Goodwill	139.7	121.5	119.5
Other intangible assets	68.2	71.3	70.6
Tangible assets	365.3	317.3	287.7
Equity accounted investments	46.8	46.1	46.0
Other equity investments	153.1	162.2	147.4
Trade debtors	1.3	2.9	0.5
Other long-term financial assets	7.8	13.3	10.5
Other long-term assets	11.4	2.8	0.7
Deferred taxes	50.2	48.3	49.3
	843.8	**785.7**	**732.2**
Short-term assets			
Inventories	567.1	483.8	542.5
Trade debtors	227.4	169.6	197.6
Receivables from at equity accounted companies	11.6	4.1	8.8
Receivables from related parties	32.9	23.5	22.9
Receivables from associated companies	1.1	2.7	2.0
Other short-term financial assets	111.9	68.6	67.8
Other short-term assets	40.5	50.4	48.0
Cash and cash equivalents	164.7	371.1	256.4
Long-term assets held for sale	51.5	50.5	57.9
	1,208.7	**1,224.3**	**1,203.9**
	2,052.5	**2,010.0**	**1,936.1**

EQUITY AND LIABILITIES	30 Sep. 2014 € million	31 Dec. 2013 € million	30 Sep. 2013 € million
Equity			
Subscribed capital	204.9	200.2	200.2
Capital provision	498.5	480.4	480.3
Revenue provisions	414.6	389.4	340.7
Total equity of shareholders of DMG MORI SEIKI AKTIENGESELLSCHAFT	**1,118.0**	**1,070.0**	**1,021.2**
Minority interests' share of equity	116.6	94.4	91.7
Total equity	**1,234.6**	**1,164.4**	**1,112.9**
Long-term liabilities			
Long-term financial debts	13.1	2.0	2.2
Pension provisions	38.1	38.4	36.8
Other long-term provisions	24.8	27.8	17.4
Trade creditors	0.0	0.0	0.2
Other long-term financial liabilities	2.5	4.1	7.9
Other long-term liabilities	2.2	2.4	2.6
Deferred taxes	6.2	6.3	5.3
	86.9	**81.0**	**72.4**
Short-term liabilities			
Short-term financial debts	7.0	12.7	61.6
Tax provisions	32.3	34.5	22.9
Other short-term provisions	164.8	158.3	163.7
Payments received on account	157.4	148.1	137.7
Trade creditors	211.5	260.6	234.0
Liabilities to at equity accounted companies	0.4	0.3	0.1
Liabilities to related parties	64.6	48.4	64.6
Liabilities to associated companies	20.5	22.5	9.9
Other short-term financial liabilities	35.0	34.8	15.0
Other short-term liabilities	28.6	34.8	31.2
Liabilities in connection with assets held for sale	8.9	9.6	10.1
	731.0	**764.6**	**750.8**
	2,052.5	**2,010.0**	**1,936.1**

Consolidated Cash Flow Statement

D . 04

	2014 01 July – 30 Sept. € million	2013 01 July – 30 Sept. € million	2014 01 Jan. – 30 Sept. € million	2013 01 Jan. 30 Sept. € million	01 Oct. 2013 – 30 Sept. 2014 € million	01 Oct. 2012 – 30 Sept. 2013 € million
CASH FLOW FROM OPERATING ACTIVITES						
Earnings before taxes (EBT)	42.1	35.6	106.7	79.8	161.9	127.2
Income taxes	−13.0	−11.0	−33.0	−24.7	−50.1	−39.5
Depreciation	11.8	11.5	34.2	34.1	46.4	45.3
Change in deferred taxes	1.3	3.7	−2.0	1.1	−0.8	3.8
Change in long-term provisions	3.9	1.1	−3.3	−3.0	7.4	−2.0
Other income and expenses not affecting payments	−0.3	−2.1	−0.1	−1.2	−0.6	−6.3
Change in short-term provisions	8.4	−4.3	4.0	−9.4	10.0	1.3
Changes in inventories, trade debtors and other assets	−32.7	−0.7	−186.9	−62.9	−97.9	43.3
Changes in trade creditors and other liabilities	−51.6	−43.2	−41.5	−63.4	22.5	−71.9
	−30.1	**−9.4**	**−121.9**	**−49.6**	**98.8**	**101.2**
CASH FLOW FROM INVESTMENT ACTIVITY						
Amounts paid out for investments in tangible and intangible assets	−22.3	−22.2	−78.6	−56.6	−127.5	−91.5
Amounts paid out for investments in financial assets	0.0	−47.9	−21.9	−49.5	−22.0	−49.5
Cash flow from the takeover of control of subsidiaries	2.4	−0.1	2.7	−6.8	2.8	−0.2
Amounts received from the disposal of tangible assets and intangible assets	−0.3	0.1	1.7	0.7	2.7	1.8
	−20.2	**−70.1**	**−96.1**	**−112.2**	**−144.0**	**−139.4**
CASH FLOW FROM FINANCING ACTIVITY						
Cash inflows / outflows for taking out / repayment of financial debts	2.8	31.2	11.8	48.5	−40.9	36.6
Cash inflow from the sale of own shares	0.0	0.0	38.6	0.0	38.6	0.0
Dividends paid	0.0	0.0	−39.4	−20.4	−39.4	−20.4
Payments for the costs of the cash capital increase	0.0	−7.3	0.0	−7.9	−4.6	−7.9
Deposit from cash capital increase	0.0	223.6	0.0	223.6	0.0	223.6
Payments made / received from the changes in interests in subsidiaries	0.0	0.0	0.0	0.0	0.0	−2.2
Changes to consolidated companies	0.0	0.0	0.0	0.0	0.0	−6.7
Deposit from minority shareholders	0.0	0.0	0.0	3.0	0.0	3.0
	2.8	**247.5**	**11.0**	**246.8**	**−46.3**	**226.0**
Changes affecting payments	−47.5	168.0	−207.0	85.0	−91.5	187.8
Effects of changes in the group of consolidated companies on financial securities	0.0	0.0	0.0	0.0	0.0	0.3
Effects of exchange rate changes on financial securities	−0.1	−0.3	0.6	−1.9	−0.2	0.1
Cash and cash equivalents at the beginning of the period	212.3	88.7	371.1	173.3	256.4	68.2
Cash and cash equivalents at the end of the period	164.7	256.4	164.7	256.4	164.7	256.4

Development of Group Equity

D . 05

	Subscribed capital € million	Capital provision € million	Revenue provisions € million	Total equity of shareholders of DMG MORI SEIKI AKTIENGESELLSCHAFT € million	Minority interests' share of equity € million	**Total equity € million**
As at 1 Jan. 2014	**200.2**	**480.4**	**389.4**	**1,070.0**	**94.4**	**1,164.4**
Total comprehensive income	0.0	0.0	36.9	36.9	7.2	44.1
Transactions with owners	4.7	18.1	27.7	50.5	0.0	50.5
Consolidation measures / Other changes	0.0	0.0	0.0	0.0	15.0	15.0
Dividend	0.0	0.0	−39.4	−39.4	0.0	−39.4
As at 30 Sept. 2014	**204.9**	**498.5**	**414.6**	**1,118.0**	**116.6**	**1,234.6**

	Subscribed capital € million	Capital provision € million	Revenue provisions € million	Total equity of shareholders of DMG MORI SEIKI AKTIENGESELLSCHAFT € million	Minority interests' share of equity € million	**Total equity € million**
As at 1 Jan. 2013	**151.7**	**257.2**	**281.7**	**690.6**	**84.6**	**775.2**
Total comprehensive income	0.0	0.0	79.4	79.4	4.1	83.5
Capital increase	48.5	223.0	0.0	271.6	0.0	271.6
Transactions with owners	0.0	0.0	0.0	0.0	3.0	3.0
Consolidation measures / Other changes	0.0	0.0	0.0	0.0	0.0	0.0
Dividend	0.0	0.0	−20.4	−20.4	0.0	−20.4
As at 30 Sept. 2013	**200.2**	**480.3**	**340.7**	**1,021.2**	**91.7**	**1,112.9**

Group Segmental Reporting (part of the selected explanatory notes)

D . 06

SEGMENTATION BY BUSINESS SEGMENTS

3RD QUARTER 2014	Machine Tools € million	Industrial Services € million	Corporate Services € million	Transition € million	Group € million
Sales revenues	285.1	242.8	0.1	0.0	528.0
EBIT	23.0	30.7	−9.8	0.0	43.9
Investments	11.8	9.9	0.6	0.0	22.3
Employees	3,758	3,260	113	0	7,131

3RD QUARTER 2013	Machine Tools* € million	Industrial Services* € million	Corporate Services € million	Transition € million	Group € million
Sales revenues	299.0	206.5	0.0	0.0	505.5
EBIT	22.6	24.1	−7.6	0.1	39.2
Investments	14.4	9.1	106.7	0.0	130.2
Employees	3,668	2,920	93	0	6,681

* previous year's figures adjusted

1ST - 3RD QUARTER 2014	Machine Tools € million	Industrial Services € million	Corporate Services € million	Transition € million	Group € million
Sales revenues	863.3	698.9	0.2	0.0	1,562.4
EBIT	55.4	81.8	−25.3	−0.2	111.7
Investments	39.6	35.0	25.9	0.0	100.5
Employees	3,758	3,260	113	0	7,131

1ST - 3RD QUARTER 2013	Machine Tools* € million	Industrial Services* € million	Corporate Services € million	Transition € million	Group € million
Sales revenues	873.6	606.8	0.1	0.0	1,480.5
EBIT	50.3	60.8	−22.4	−0.4	88.3
Investments	35.6	21.6	110.9	0.0	168.1
Employees	3,668	2,920	93	0	6,681

* previous year's figures adjusted

INFORMATION ON GEOGRAPHICAL AREAS

1ST - 3RD QUARTER 2014	Germany € million	Rest of Europe € million	North America € million	Asia € million	Others € million	Transition € million	Group € million
Sales revenues with third parties	623.6	604.7	78.0	227.0	29.1		1,562.4
Long-term assets	267.2	266.5	17.4	19.9	3.9	−1.7	573.2

1ST - 3RD QUARTER 2013	Germany € million	Rest of Europe € million	North America € million	Asia € million	Others € million	Transition € million	Group € million
Sales revenues with third parties	611.7	567.6	65.3	209.8	26.1		1,480.5
Long-term assets	248.4	208.9	1.1	19.7	2.7	−3.0	477.8

Selected explanatory notes to the Interim Consolidated Financial Statements

1 APPLICATION OF REGULATIONS

The consolidated financial statements of DMG MORI SEIKI AKTIENGESELLSCHAFT as of 31 December 2013 were prepared in accordance with the International Financial Reporting Standards (IFRS) and their interpretations as applicable at the reporting date and as adopted by the European Union. The Consolidated Interim Financial Statements as of 30 September 2014 were prepared on the basis of IAS 34 Interim Financial Reporting. The interim consolidated financial statements as of 30 September 2014 and the group interim management report for the period 1 January to 30 September 2014 were not reviewed or audited pursuant to Section 37w of the German Securities Trading Law (WpHG).

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 2013.

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 as well as the consolidation methods applied have been retained when compared to financial year 2013 (see further discussions in the Notes to the Consolidated Financial Statements as of 31 December 2013), with the exception of the application of new financial accounting regulations. None of the obligatory applications of IFRS amendments or new standards effective as of 1 January 2014 has any material effect on the DMG MORI SEIKI AKTIENGESELLSCHAFT reporting.

2 SEASONAL EFFECTS

As a globally operating company the DMG MORI SEIKI group is subject to various cyclical developments. In the sections “Overall economic development” and “Development of the Machine Tool Industry”, the cyclical influences during the reporting period have been set out in detail. Industry-related seasonal fluctuations over the course of the year are normal and may lead to different sales revenues and as a result different earnings.

3 CONSOLIDATION GROUP

On 30 September 2014, the DMG MORI SEIKI group, including DMG MORI SEIKI AKTIENGESELLSCHAFT, comprised 95 companies, of which 91 companies were included in the interim financial statements as part of the full consolidation process. In comparison to 30 June 2014, the number of group affiliates did not change.

In accordance with IAS 34 16A, the following disclosures must be included in the Notes to the Interim Report:

As the first step in the cooperation in the Canadian market, DMG MORI SEIKI AKTIENGESELLSCHAFT and DMG MORI SEIKI COMPANY LIMITED have integrated the business operations of their Canadian sales companies in DMG MORI SEIKI CANADA Inc., Toronto, Canada, with effect from 31 March 2014. 51% of the shares in this company are held by DMG Holding AG, Dübendorf, Switzerland; 49% of the shares are held by Mori Seiki

Canada Ltd. According to IFRS 3.B64, the following mandatory disclosures must be made for the company mergers: The transaction occured without the payment of a purchase price. The consideration paid for the business operations that were acquired from the DMG MORI SEIKI group was equivalent of the fair value and amounted to € 5.3 million. In detail, the following individual assets and debts were acquired and recognised at fair value: € 10.0 million intangible assets, € 1.6 million trade receivables, € 0.2 million cash and cash equivalents, as well as € 1.5 million liabilities. The net assets acquired amounted in total to € 5.3 million. The receivables taken over include solely receivables that are expected to be recoverable. In valuating the minority interests' share in equity, use was made of the option in IFRS 3 of measuring minority interests at their proportionate share of net assets, which led to lower recognition. As of 30 September 2014, the purchase price allocation is still provisional. An additional goodwill did not result. The costs directly related to the acquisition of the company in an amount of € 0.1 million were accounted for as an expense for the period. Since 1 April 2014, the acquired business operation has contributed an additional € 3.1 million group sales revenues. The share of earnings after taxes for the same period amounted to € 0.1 million. If the merger of the companies had already taken place on 1 January 2014, the share of earnings after taxes would have amounted to € 0.2 million and the sales revenues for the same period would have been € 5.5 million.

Comparison with the consolidated financial statements for the periods ending 31 December 2013 and the interim consolidated financial statement as at 30 September 2013 is not impaired by this.

As the second step within the scope of the cooperation in the Canadian market, DMG MORI SEIKI AKTIENGESELLSCHAFT and Ellison Machinery COMPANY LTD. have integrated their business operations in one new, bundled, shared subsidiary, DMG MORI SEIKI ELLISON CANADA INC., Mississauga, Canada, with effect from 1 July 2014. 67% of the shares in this company are held by DMG MORI SEIKI CANADA INC., Toronto, Canada; 33% of shares are held by ELLISON MACHINERY COMPANY LTD., Mississauga, Canada, a subsidiary of DMG MORI SEIKI COMPANY LIMITED.

According to IFRS 3.B64, the following mandatory disclosures must be made in case of company mergers: The transaction occurs without the payment of a purchase price. The consideration paid for the business operations that were acquired from the DMG MORI SEIKI group was equivalent of the fair value and amounted to € 5.0 million. In detail, the following individual assets and debts were acquired and recognised at fair value: € 5.3 million intangible assets and tangible assets, € 1.0 million inventories, € 2.1 million trade receivables, € 0.7 million cash and cash equivalents, as well as € 0.1 million provisions, € 1.2 million liabilities and other liabilities. The net assets acquired amounted in total to € 5.2 million. The receivables taken over include solely receivables that are expected to be recoverable. In valuating the minority interests' share in equity, use was made of the option in IFRS 3 of measuring minority interests at their proportionate share of net assets, which led to lower recognition. As of 30 September 2014, the purchase price allocation is still provisional. An additional goodwill did not result. The costs directly related to the acquisition of the company in an amount of € 0.1 million were accounted for as an expense for the period. Since 1 July 2014, the acquired business operation has contributed an additional € 4.7 million group sales revenues. The share of earnings after taxes for the same period amounted to € 0.1 million. If the merger of the companies had already taken place on 1 January 2014, the share of earnings after taxes would have amounted to € 0.3 million and the sales revenues for the same period would have been € 14.2 million.

Comparison with the consolidated financial statements for the periods ending 31 December 2013 and the interim consolidated financial statement as at 30 September 2013 is not impaired by this.

Effective as of 30 May 2014, DMG MORI SEIKI AKTIENGESELLSCHAFT and DMG MORI SEIKI COMPANY LIMITED have contributed the operations of their Brazilian sales companies to DMG MORI SEIKI BRASIL COMERCIO DE EQUIPAMENTOS INDUSTRIAS LTDA (formerly: DECKEL MAHO Gildemeister Brasil Ltda.). 51% of the shares in this company are held by DMG Holding AG, Dübendorf, Switzerland; 49% of the shares are held by MORI SEIKI U.S.A., Inc. According to IFRS 3.B64, the following mandatory disclosures must be made in case of company mergers: The transaction occurs without the payment of a purchase price. The consideration paid for the operations that were acquired from the DMG MORI SEIKI group was equivalent of the fair value and amounted to € 1.5 million. In detail, the following individual assets and debts were acquired and recognised at fair value: € 0.1 million plant, property and equipment, € 1.7 million inventories, € 0.2 trade debtors, € 0.2 million other assets, € 0.1 million cash and cash equivalents, € 0.2 million provisions, as well as € 0.1 million other liabilities. The net assets acquired amounted in total to € 0.5 million. The receivables taken over include solely receivables that are expected to be recoverable. In valuating the minority interests‘ share of equity, use was made of the option in IFRS 3 of measuring minority interests at their proportionate share of net assets, which led to lower recognition. As of 30 September 2014, the purchase price allocation is still provisional. A goodwill in the amount of €1.0 million is derived from this, which results from synergy effects from the integration of the operative business in the DMG MORI SEIKI group. The costs directly related to the acquisition of the company in an amount of € 0.1 million were accounted for as an expense for the period. Since the acquisition date, the acquired business operation has contributed an additional € 0.8 million to group sales revenues. The share of earnings after taxes for the same period amounted to € –0.1 million. If the merger of the companies had already taken place on 1 January 2014, the share of earnings after taxes would have amounted to € –0.4 million and the sales revenues for the same period would have been € 1.0 million.

Comparison with the consolidated financial statements for the period ending 31 December 2013 and the interim consolidated financial statement as at 30 September 2013 is not impaired by this.

Effective as of 1 September 2014, DMG MORI SEIKI AKTIENGESELLSCHAFT and DMG MORI SEIKI COMPANY LIMITED have integrated the business operations of their Russian sales companies in DMG MORI SEIKI RUS LLC., Moscow, Russia (formerly: DMG Russia OOO). 89.1% of the shares in this company are held by DMG Europe Holding AG, Dübendorf, Switzerland; 10.0% of the shares are held by DMG MORI SEIKI COMPANY LIMITED, Nara, Japan and 0.9% of the shares by DMG Vertriebs und Service GmbH DECKEL MAHO GILDEMEISTER, Bielefeld.

According to IFRS 3.B64, the following mandatory disclosures must be made in case of company mergers: The transaction occurs without the payment of a purchase price. The consideration in kind for the business operations acquired by the DMG MORI SEIKI group corresponds to the fair value and amounted to € 2.3 million. In detail, the following individual assets and debts were acquired and recognised at fair value: € 1.4 million inventories, € 0.4 million other assets, € 1.8 million cash and cash equivalents and € 2.2 million liabilities and other liabilities. The net assets acquired amounted in total to € 1.3 million. The receivables taken over include solely receivables that are expected to be recoverable. In valuating the minority interests‘ share in equity, use was made of the option in IFRS 3 of measuring minority interests at their proportionate share of net assets, which led to lower recognition. As of 30 September 2014, the purchase price allocation is still provisional. A goodwill in the amount of € 1.0 million is derived from this, which results from synergy effects from the integration of the operative business in the DMG MORI SEIKI group. The costs directly related to the acquisition of the company in an amount of € 0.1 million were accounted for as an expense for the period. Since 1 September 2014 the acquired business operation has contributed an additional € 0.8 million to group sales revenues. The share of earnings after taxes for the same period amounted to € 0.01 million. If the merger of the companies had already taken place on 1 January 2014, the share of earnings after taxes would have amounted to € 0.2 million and the sales revenues for the same period would have been € 3.5 million.

Comparison with the consolidated financial statements for the period ending 31 December 2013 and the interim consolidated financial statement as at 30 September 2013 is not impaired by this.

With no change to the consolidated financial statements 2013, DMG / MORI SEIKI Australia Pty. Ltd. and SUN CARRIER OMEGA Pvt. Ltd. are classified as a joint venture and included in the consolidated financial statements at equity. Magnescale Co., Ltd., and DMG MORI Finance GmbH (formerly: MG Finance GmbH) are still classified as associated companies and included in the consolidated financial statements at equity.

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. At the same time, the group earnings after taxes of € 73.7 million are decreased by € 6.5 million by the minority interests‘ earnings.

Group result excluding the profit share of the shareholders	€ K	67,239
Average weighted number of shares (pieces)		78,302,266
Earnings per share ac. to IAS 33	€	0.86

Dilution effects were caused in the previous year in consequence of the decision in August 2013 to increase capital in kind and the capital pre-emptive rights of shareholders. The diluted earnings per share as of 30 September 2013 were € 0.82. As of 30 September 2014, there is no diluted result.

5 INCOME STATEMENT, BALANCE SHEET, CASH FLOW STATEMENT

Compared to the reporting in the balance sheet as of 31 December 2013, the receivables and liabilities in the balance sheet as of 30 September 2014 are presented in more detail; as of 31 December 2013, this information was disclosed in the notes to the consolidated financial statements. Additions in equity investments as of 30 September 2014 resulted from the participation in the capital increase of our cooperation partner in order to keep the shareholdings of voting share capital of DMG MORI SEIKI COMPANY LIMITED constant.

The income tax expense in the interim reporting period is determined pursuant to IAS 34.30(c) on the basis of the current effective tax rate expected for the entire year.

6 STATEMENT OF COMPREHENSIVE INCOME

Comprehensive income as of 30 September 2014 of € 44.1 million comprised earnings after taxes (€ 73.7 million) and „other earnings after taxes“ (€ –29.6 million). A significant influential factor was the change arising from the measurement of financial assets held for sale. The change in the fair values of financial derivatives reduced total comprehensive income; whereas differences from currency conversion had an increasing effect. Seasonally-related income and expenses, respectively those distributed unevenly over the year, did not have any material effect.

7 STATEMENT OF CHANGES IN EQUITY

Equity rose in total by € 70.2 million to € 1.234,6 million. Minority interests in equity rose by € 22.2 million to € 116.6 million. The consolidated net income as of 30 September 2014 of € 73.7 million increased equity as well as the currency translation adjustments not affecting the income statement. The value changes in financial assets held for sale of € 30.9 million reduced equity. In addition, a reduction of equity resulted from the distribution of the dividend for the financial year 2013 in the amount of € 39.4 million in May 2014.

8 SEGMENTAL REPORTING

Within the scope of segmental reporting, pursuant to IFRS 8 regulations, the business activities of the DMG MORI SEIKI group have been divided into the “Machine Tools”, “Industrial Services” and “Corporate Services” business segments. The segmentation corresponds to the internal management and reporting based on the different products and services. The machines of our cooperation partner produced under licence are included in “Machine Tools”; the business with the products of our cooperation partner is accounted for under "Industrial Services". In the third quarter DMG Automation GmbH was re-named into DMG MORI Systems GmbH and registered seat of the company was transferred to Wernau. DMG MORI Systems GmbH, Wernau, has been operated as part of the segment "Machine Tools" since 1 January 2014. The previous year's figures of the „Machine Tools" and „Industrial Service" segments have been adjusted accordingly. Moreover, the demarcation of the segments and the determination of the segment results remain unchanged from 31 December 2013. The business activities of the segments are disclosed in detail in the notes to the consolidated financial statements as of 31 December 2013.

9 STATEMENT OF THE RELATIONS WITH RELATED PARTIES

There have not been any material changes as of 30 September 2014. As presented in the notes to the financial statements as of 31 December 2013, numerous business relations continue to exist with related parties, which are conducted on the basis of standard market terms and conditions.

10 EVENTS OCCURING AFTER THE BALANCE SHEET DATE

Significant events occurring after the end of the reporting period are presented in the "Forecast". In addition, no other significant events have occurred after the reporting date of interim financial statements.

Details of DMG MORI SEIKI AKTIENGESELLSCHAFT

DMG MORI SEIKI AKTIENGESELLSCHAFT has no operative business, rather it manages the DMG MORI SEIKI group across business functions as the management holding company. Sales revenues amounted to € 11.3 million (previous year: € 11.4 million). In addition to rental income, these resulted exclusively from revenues arising out of the performance of holding functions for the group.

As of 30 September 2014, DMG MORI SEIKI AKTIENGESELLSCHAFT was organised in five executive units with the following functional areas: corporate strategy, human resources, purchasing, auditing, compliance and public relations; sales and services; finances, accounting, controlling, taxes, risk management, investor relations as well as information technology (IT) and process management; industrial services; product development, technology and production.

As of 30 September 2014, DMG MORI SEIKI AKTIENGESELLSCHAFT had 113 employees (31 Dec. 2013: 98).

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 material opportunities and risks associated with the expected development of the group for the remaining business year.

Bielefeld, 28 October 2014
DMG MORI SEIKI AKTIENGESELLSCHAFT
The Executive Board

Dipl.-Kfm. Dr. Rüdiger Kapitza

Dipl.-Kfm. Dr. Thorsten Schmidt

Dipl.-Kfm. André Danks

Dipl.-Kfm. Dr. Maurice Eschweiler

Dipl.-Kfm. Christian Thönes

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

List of Tables and Charts

Financial Calendar

12 MAR. 2015	Press conference on Financial Statements
13 MAR. 2015	DVFA Analysts' Conference
28 APRIL 2015	First Quarterly Report 2015 (1 January to 31 March)
08 MAY 2015	Annual General Meeting at 10.00 am in Town Hall, Bielefeld
30 JULY 2015	Second Quarterly Report 2015 (1 April to 30 June)
29 OCT. 2015	Third Quarterly Report 2015 (1 July to 30 September)

SUBJECT TO ALTERATION

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Languages: This report is available in German and English.
Download: www.dmgmoriseiki.com
Order: We will gladly send you further copies and additional information on DMG MORI SEIKI AKTIENGESELLSCHAFT free of charge upon request.

Forward-looking statements

This report contains forward-looking statements, which are based on current estimates of the management of future developments. Such statements are based on the management's current expectations and specific assumptions. They are subject to risks, uncertainties and other factors, which could lead to the actual future circumstances including the assets, liabilities, financial position and profit or loss of 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. DMG MORI SEIKI AKTIENGESELLSCHAFT is strongly affected, in particular, by changes in general economic and business conditions (including margin developments in the most important business areas as well as the consequences of a recession) as these have a direct effect on processes, suppliers and customers. Due to their differences, not all business areas are affected to the same extent by changes in the economic environment; significant differences exist with respect to the timing and extent of the effects of any such changes. This effect is further intensified by the fact that, as a global entity, DMG MORI SEIKI AKTIENGESELLSCHAFT operates in various markets with very different economic rates of growth. Uncertainties arise inter alia from the risk that customers may delay or cancel orders or they may become insolvent or that prices become further depressed by a persistently, unfavourable market environment than that which we are expecting at the current time; developments on the financial markets, including fluctuations in interest rates and exchange rates, in the price of raw materials, in borrowing and equity margins as well as in financial assets in general; growing volatility and further decline in the capital markets and a deterioration in the conditions for the credit business and in particular deterioration from growing uncertainties that arise from the financial market and liquidity crisis including that of the euro debt crisis as well as a deterioration in the future economic success of the core business areas in which we operate; challenges in integrating major acquisitions and in implementing joint ventures and achieving the expected synergy effects and other essential portfolio measures; the introduction of competing products or technology by other companies or the entry onto the market of new competitors; a change in the dynamics of competition (primarily on developing markets); a lack of acceptance of new products and services in customer target groups of the DMG MORI SEIKI AKTIENGESELLSCHAFT group; changes in corporate strategy; interruptions in the supply chain, including the inability of a third party, for example due to natural catastrophe, to supply pre-fabricated parts, components or services on schedule; the outcome of public investigations and associated legal disputes as well as other measures of public bodies; the potential effects of these investigations and proceedings on the business of DMG MORI SEIKI AKTIENGESELLSCHAFT and various other factors. Should one of these factors of uncertainty or other unforeseeable event occur, or should the assumptions on which these statements are based prove incorrect, the actual results may differ materially from the results stated, expected, anticipated, intended, planned, aimed at, estimated or projected in these statements.

DMG MORI SEIKI AKTIENGESELLSCHAFT neither intends to nor does DMG MORI SEIKI AKTIENGESELLSCHAFT assume any separate obligation to update any forward-looking statements to reflect any change in events or developments occurring after the reporting period. Forward-looking statements must not be understood as a guarantee or assurance of the future developments or events contained therein.

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 report refers exclusively to DMG MORI SEIKI AKTIENGESELLSCHAFT. If reference is made in this report to the "DMG MORI SEIKI group", this refers exclusively to DMG MORI SEIKI AKTIENGESELLSCHAFT and its group companies.

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