

Interim Report

1st Quarter 2015

CELOS® - FOR NETWORKED, INTELLIGENT PRODUCTION

CELOS® offers standardised control and operating software for all new high-tech machines of DMG MORI. CELOS® can be operated easily and intuitively like a smartphone. Via multi-touch screen CELOS® APPS enable to continuously manage, document and visualise order, process and machine data. CELOS® thereby is the key element for a networked, intelligent production going towards Industrie 4.0.



DMG MORI SEIKI

AKTIENGESELLSCHAFT

Dear Shareholders,

the global demand in machine tools is expected to rise in this year merely by 3.3% according to the most recent forecasts of the German Machine Tool Builders' Association (VDW) and Oxford Economics. Compared to the autumn forecast of October 2014, the growth rate was revised down by 4.0 percent.

The start into the year took the following course for DMG MORI SEIKI AKTIENGESELLSCHAFT: Order intake in the first quarter reached € 587.2 million and was therefore 2% below the previous year's period (€ 601.2 million). Sales revenues rose by 7% to € 538.4 million (previous year: € 505.1 million). EBITDA amounted to € 42.4 million (previous year: € 39.5 million), EBIT reached € 30.0 million (previous year: € 28.4 million), and EBT were at € 27.9 million (previous year: € 26.1 million). As at 31 March 2015, the group reported earnings after taxes of € 19.5 million (previous year: € 18.0 million). For the second quarter, we expect a positive business development. We expect important impulses for the order intake, especially from the Asian trade fairs.

We assume that the development of individual markets will continue to differ strongly from each other and that the competitive pressure will rise overall. In order to be able to compensate the regional market fluctuations even better in the future, we will further expand our international market presence together with DMG MORI SEIKI COMPANY LIMITED. Besides growth markets such as South Korea where we are planning to build a new technology centre, we believe the future sales markets to be particularly the countries in Asia. Europe continues to remain a key market for us. Here, we will increasingly focus on a stronger market penetration also of smaller markets.

The voluntary tender offer of our Japanese partner was received with broad support. Combined with the shares tendered within the scope of the tender offer, DMG MORI SEIKI COMPANY LIMITED holds a share of 52.54% of DMG MORI SEIKI AKTIENGESELLSCHAFT. The successful completion sets the cooperation also for the long term on a stable basis, to be able to work together closely in the future. Together we are well positioned on the world market to grasp all business opportunities that arise.

We confirm our forecast for the financial year 2015. We are expecting an order intake of around € 2.4 billion. Based on our solid order backlog, we are planning with sales revenues of around € 2.25 billion. On the assumption that the market development will take place according to our expectations, we are planning to achieve an EBIT of around € 165 million and an EBT of around € 160 million. Based on these figures, we intend to distribute a dividend for the financial year 2015.

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	31 March 2015	31 Dec. 2014	31 March 2014	Changes 31 March 2015 to 31 March 2014	
	€ million	€ million	€ million	€ million	%
Sales revenues					
Total	538.4	2,229.0	505.1	33.3	7
Domestic	184.7	779.2	168.8	15.9	9
International	353.7	1,449.8	336.3	17.4	5
% International	66	65	67		
Order intake					
Total	587.2	2,331.4	601.2	– 14.0	– 2
Domestic	207.7	814.5	222.7	– 15.0	– 7
International	379.5	1,516.9	378.5	1.0	0
% International	65	65	63		
Order backlog					
Total	1,183.1	1,134.3	1,128.0	55.1	5
Domestic	335.3	312.8	330.8	4.5	1
International	847.8	821.5	797.2	50.6	6
% International	72	72	71		
Investments	25.4	159.0	42.3	– 16.9	– 40
of which tangible assets / intangible assets	25.4	136.9	20.4		
Personnel costs	135.8	506.1	121.6	14.2	12
Personnel ratio in %	23.1	22.4	23.0		
EBITDA	42.4	232.5	39.5	2.9	7
EBIT	30.0	182.6	28.4	1.6	6
EBT	27.9	175.3	26.1	1.8	7
Earnings after taxes	19.5	121.1	18.0	1.5	8
				Changes 31 March 2015 to 31 Dec. 2014	%
	31 March 2015	31 Dec. 2014	31 March 2014		
Employees	6,975	6,918	6,732	57	1
plus trainees	261	248	205	13	5
Total employees	7,236	7,166	6,937	70	1

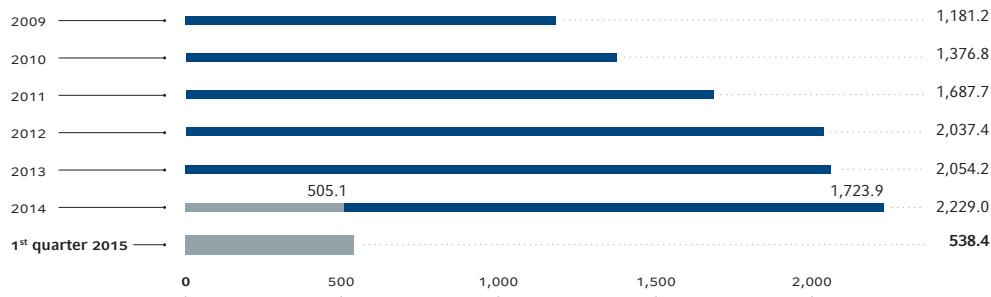
References

P — Page reference for further information in the Interim Report

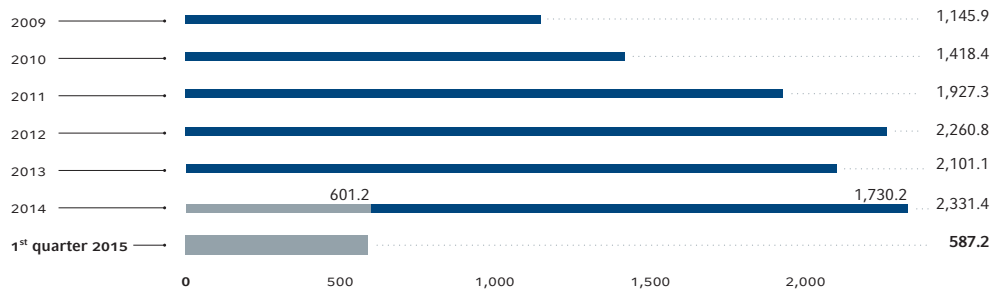
G — Reference to a diagram or table providing visual representation

I — Reference to further / updated information in the internet

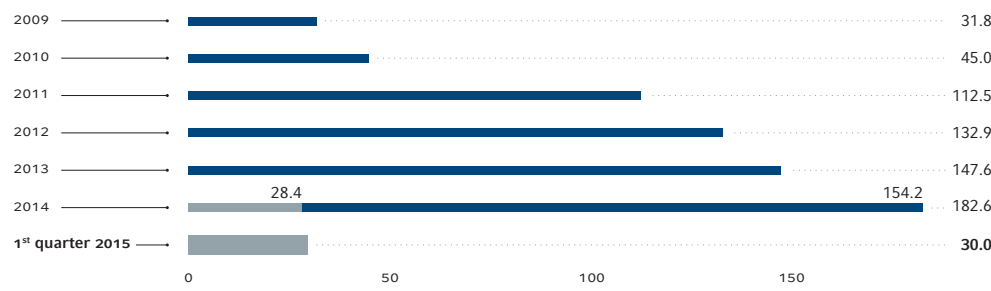
02 SALES REVENUES IN € MILLION



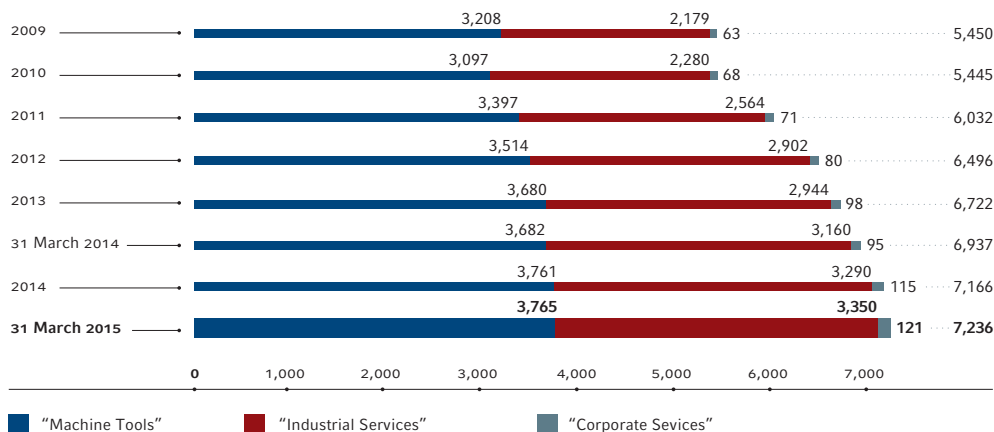
03 ORDER INTAKE IN € MILLION



04 EBIT IN € MILLION



05 NUMBER OF EMPLOYEES INCL. TRAINEES



DMG MORI SEIKI
Group Key Figures

Sales Revenues
Order Intake
EBIT
Employees

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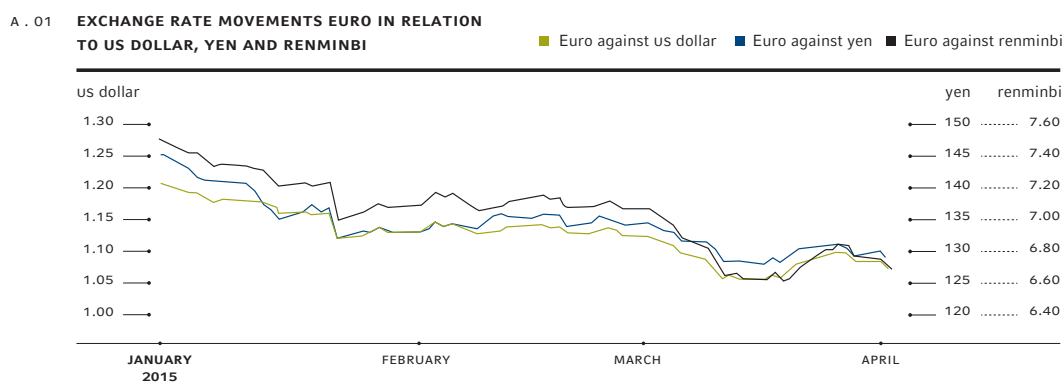
The **overall economic development** has picked up a little speed in the first quarter of 2015. However, the development of individual markets differed, which was partly also caused by exchange rate fluctuations between the international lead currencies. The Ukraine conflict, the recession in Russia and the export sanctions imposed, as well as the budget crisis in Greece continued to take a damping effect foremost on the cyclical economy in Europe.

In **Asia** – including **China** – the dynamics have slowed down somewhat during the reporting period. In **Japan**, the export economy has profited from the devaluation of the yen in the beginning of the year; nevertheless, the overall economy is picking up only slowly.

Positive signals are received from the Western industrialised countries. In **USA**, the perspectives have further improved in the first months of the year, however, at a lesser rate than in the previous months due to lower oil prices. The economic recovery in **Europe** continues to be modest – slight growth has been recorded since the third quarter of the previous year – to which primarily the countries outside of the Euro zone make a positive contribution. In **Germany**, the cyclical economy added steam again in the beginning of the year. Respectively, the German economy has grown by 0.7% in comparison to the previous quarter according to the German Economic Research Institute (DIW).

The DMG MORI SEIKI group's international business is affected by the euro's exchange rates. Of particular importance are the us dollar, the Chinese renminbi and the Japanese yen. Compared to these **currencies**, the euro lost in value in the first quarter 2015 compared to the same quarter in the previous year. Compared to the average value of the euro, the U.S. dollar was at USD 1.13 (previous year's quarter: USD 1.37). Thus, the euro fell by 17.8% compared to the USD. The median value of the Chinese renminbi was noted at 7.02 renminbi (previous year's quarter: 8.36 renminbi) and the euro thus fell by 16.0% compared to the renminbi. For the customers in the USA, in the dollar-dependent markets as well as in China, prices for the products from our European manufacturing have become cheaper. The yen's average value fell slightly by 4.7% compared to the euro and it was quoted at 134.1 yen (previous year's quarter: 140.8 yen).

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



Overall Economic
Development
Development of the
Machine Tool Industry

The **global market for machine tools** in 2015 is expected to develop on the level of the previous year. The German Machine Tool Builders' Association (vbw) and the British economic research institute Oxford Economics expect in their most recent forecast (status: April 2015) a growth in **world consumption** of 3.3% to rise to € 62.3 billion. The growth rate was thereby revised down by 4.0 percentage points compared to the autumn forecast. With regard to the given macro economic uncertainties, we've previously considered a growth rate of 7.3% for 2015 as too high. Demand in Asia, according to the current forecast, is expected to rise by 4.2%. For America, a rise in consumption by 2.5% is forecast. Demand in Europe is expected to rise by 1.0%.

The **German machine tool market** is expected to in total grow again in the course of the year. Order intake of German machine tool manufacturers was on the decline at the beginning of the year (-9%). Oxford Economics forecasts a growth of 3.5% for the whole year (2014: -1.9%).

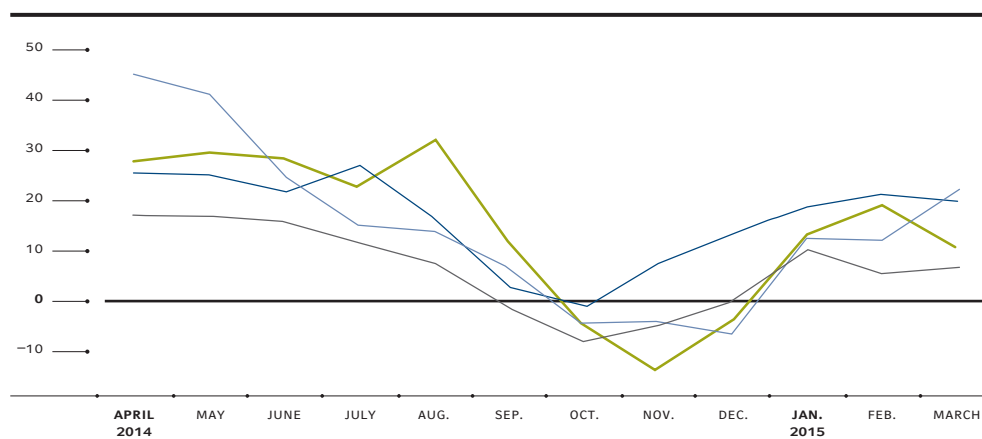
The **ifo business climate index** rose again at the beginning of the year. The main consumer industries are rating the current business situation somewhat more positively than in the previous months.

Source: Oxford Economics, vbw (Verein Deutscher Werkzeugmaschinenfabriken)

A . 02

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

■ Machine Tool building industry ■ Road vehicle construction
■ Mechanical engineering ■ Electrical engineering industry



Source: ifo Institut, Munich

B . 01 Group Structure

CORPORATE SERVICES

DMG MORI SEIKI AKTIENGESELLSCHAFT (Bielefeld)

MACHINE TOOLS

GILDEMEISTER Beteiligungen GmbH (Bielefeld)

Turning	Milling	Advanced Technologies
GILDEMEISTER Drehmaschinen GmbH (Bielefeld)	DECKEL MAHO Pfronten GmbH (Pfronten)	SAUER GmbH (Idar-Oberstein, Pfronten)
GRAZIANO Tortona S.r.l. (Tortona / Italy)	DECKEL MAHO Seebach GmbH (Seebach)	
GILDEMEISTER Italiana S.p.A. (Bergamo / Italy)		

As of 31 March 2015, the DMG MORI SEIKI group, including DMG MORI SEIKI AKTIENGESELLSCHAFT comprised 101 entities. Compared to 31 December 2014, the number of group companies was reduced by one.

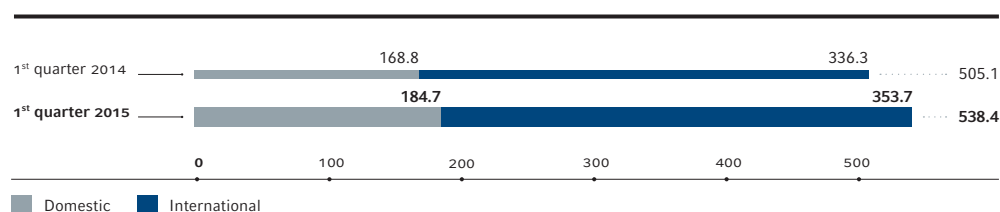
Sales revenues

Sales revenues in the first quarter were € 538.4 million and thus exceeded the previous year's figure by € 33.3 million (+7%; € 505.1 million).

In the "Machine Tools" segment the sales revenues decreased by € 5.2 million to € 272.9 million (previous year: € 278.1 million). Sales revenues of the "Industrial Services" segment rose by € 38.5 million to € 265.4 million (previous year: € 226.9 million).

Domestic group sales revenues rose by 9% to € 184.7 million and international group sales increased by 5% to € 353.7 million. The export share was 66% (previous year: 67%).

P **P. 26**
Selected Explanatory Notes to the
Interim Consolidated Financial
Statements

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

P **P. 10 – 14**
Segments

Order intake

In the first quarter, order intake amounted to € 587.2 million and was thereby 2% below the previous year (€ 601.2 million). This decline is essentially based on postponed investment decisions. For the second quarter, we plan with an order intake above the level of the previous year. We expect important impulses from the trade fairs in Asia.

Sales Revenues
Order Intake

INDUSTRIAL SERVICES

Sales and Service locations worldwide (154)

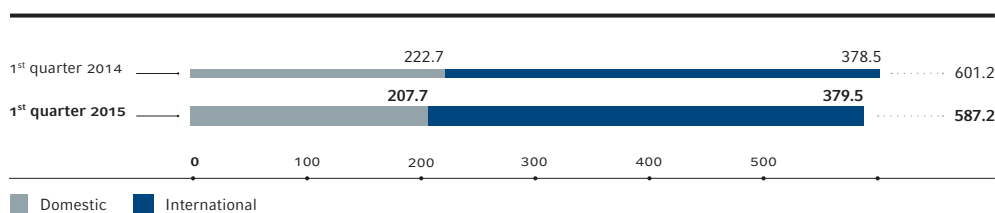
DMG Holding AG Schweiz	DMG Vertriebs und Service GmbH DECKEL MAHO GILDEMEISTER
DMG MORI SEIKI Europe Winterthur (Switzerland) (36)	DMG MORI SEIKI Germany Stuttgart (8)
DMG MORI SEIKI Asia Shanghai, Singapore (61)	DMG MORI SEIKI Services Bielefeld, Pfronten (24)
DMG MORI SEIKI America Itasca (Illinois) (19)	a+f GmbH Würzburg, Stuttgart (6)

ECOLINE Association	Electronics	Systems
DMG MORI ECOLINE AG (Winterthur / Switzerland)	DMG Electronics GmbH (Pfronten)	DMG MORI Systems GmbH (Wernau, Hufingen)
FAMOT Pleszew Sp. z o.o. (Pleszew / Poland)		
DECKEL MAHO GILDEMEISTER (Shanghai) Machine Tools Co., Ltd., (Shanghai / China)		
Ulyanovsk Machine Tools ooo (Ulyanovsk / Russia)		

In the “Machine Tools” segment, order intake was at € 321.9 million in the first quarter (previous year: € 361.8 million). The “Industrial Services” segment recorded order intake of € 265.2 million (previous year: € 239.3 million); of which € 256.0 million was contributed by the Services division (previous year: € 231.5 million). Order intake in Energy Solutions amounted to € 9.2 million (previous year: € 7.8 million).

Domestic orders amounted to € 207.7 million (previous year: € 222.7 million). International orders amounted to € 379.5 million (previous year: € 378.5 million). Thus the share of foreign business in the first quarter of the financial year rose to 65% (previous year: 63%).

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

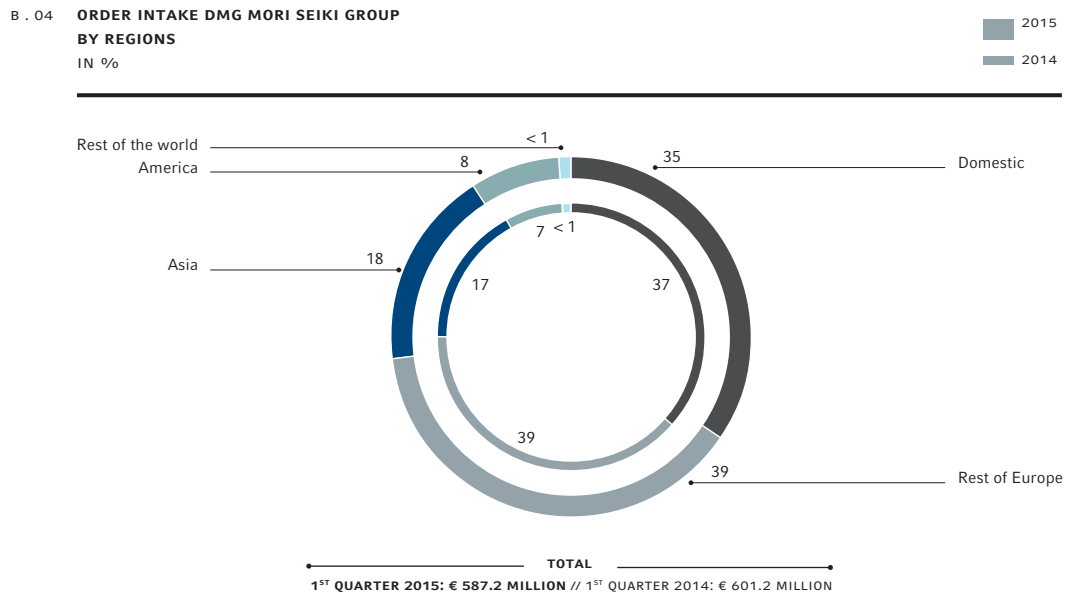


In-house exhibition Pfronten 2015:



With order intake of € 177.1 million and 688 products sold, DMG MORI takes positive stock of this year's open house exhibition in Pfronten. Nevertheless, the fiscal year 2015 remains volatile.

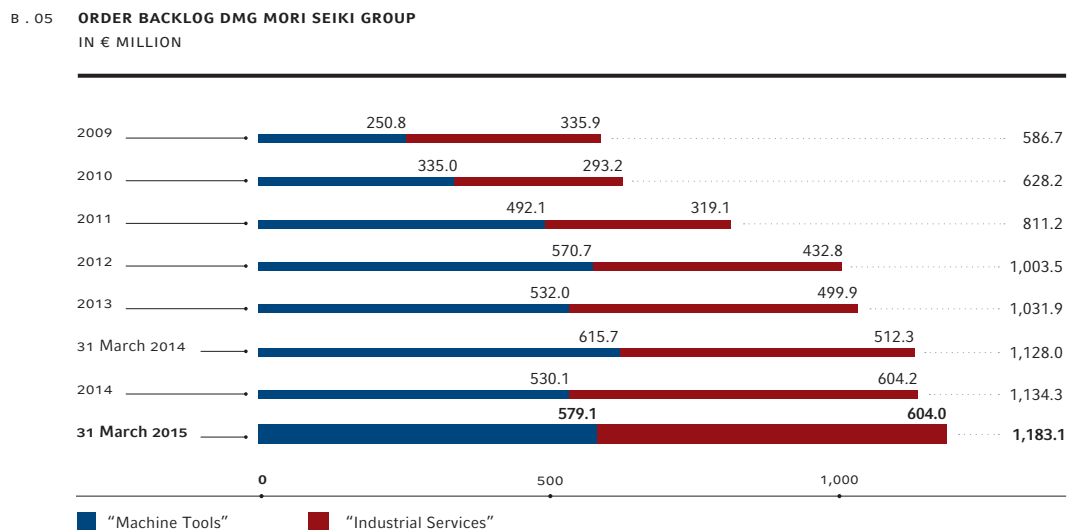
In the individual market regions, order intake developed as follows:



Order Backlog

On 31 March 2015, order backlog within the group was € 1,183.1 million (31 Dec. 2014: € 1,134.3 million). Domestic backlog increased compared with the end of 2014 by € 22.5 million to € 335.3 million. The backlog of international orders rose by € 26.3 million to € 847.8 million. International orders account for 72% of existing orders.

The backlog developed in the individual segments as follows:



GROUP INTERIM MANAGEMENT REPORT	BUSINESS DEVELOPMENT	FORECAST	INTERIM CONSOLIDATED FINANCIAL STATEMENTS	ADDITIONAL INFORMATION
	Order Intake Order Backlog Results of Operations, Net Worth and Financial Position			

The order backlog for “Machine Tools” gives rise to a forward order book of an average of approximately five months. In this respect, the individual production companies show different degrees of capacity utilization.

Results of Operations, Net Worth and Financial Position

The DMG MORI SEIKI group was able to improve its key income figures as of 31 March 2015 compared to the previous year. **EBITDA** amounted to € 42.4 million (previous year: € 39.5 million), **EBIT** was € 30.0 million (previous year: € 28.4 million) and **EBT** reached € 27.9 million (previous year: € 26.1 million). As of 31 March 2015, the group reports **earnings after taxes** of € 19.5 million (previous year: € 18.0 million).

Sales revenues rose by € 33.3 million to € 538.4 million (previous year: € 505.1 million). Total operating revenue rose to € 588.5 million (previous year: € 528.6 million). The cost of materials amounted to € 326.7 million (previous year: € 285.2 million)). Due to a modified product mix, the materials ratio amounted to 55.5% (previous year: 53.9%). Gross income rose by € 18.4 million to € 261.8 million (previous year: € 243.4 million). Personnel expenses rose to € 135.8 million (previous year: € 121.6 million). The personnel expenses ratio was constant with 23.1% (previous year: € 23.0%).

The balance of other income and expenses amounted to € 83.6 million (previous year: € 82.3 million). Depreciation amounted with a rise in investment volume to € 12.4 million (previous year: € 11.1 million). The financial result in the first quarter amounted to € –2.1 million (previous year: € –2.3 million). Earnings after taxes were increased to € 19.5 million (previous year: € 18.0 million), tax expenses in the first quarter were thus € 8.4 million (previous year: € 8.1 million). The tax ratio amounts to 30.0% (previous year: 30.9%).

B . 06

	31 March 2015 € million	31 Dec. 2014 € million	31 March 2014 € million
Net worth			
Long-term assets	968.1	880.0	778.9
Short-term assets	1,325.7	1,349.8	1,225.5
Equity	1,360.6	1,266.1	1,181.3
Outside capital	933.2	963.7	823.1
Balance sheet total	2,293.8	2,229.8	2,004.4

The balance sheet total as of 31 March 2015 was € 2,293.8 million (31 Dec. 2014: € 2,229.8 million).

Under **assets**, long-term assets rose by € 88.1 million to € 968.1 million. The intangible assets and property, plants and equipment rose to € 640.1 million (31 Dec. 2014: € 609.2 million). Financial assets amounted to € 252.0 million (31 Dec. 2014: € 201.7 million). The increase results in particular from the valuation of shares in DMG MORI SEIKI COMPANY LIMITED as of the reporting date.

Short-term assets amounted € 1,325.7 million (31 Dec. 2014: € 1,349.8 million). Inventories rose by € 90.3 million to € 585.6 million. Essentially, the stock of finished goods increased by € 69.8 million to € 263.1 million. The increase was primarily due to preliminary work for planned sales revenues with end customers. The stock of unfinished goods increased to € 120.3 million (€ + 12.2 million). Raw materials and consumables grew to € 198.4 million (€ + 7.7 million). The turnover rate of inventories was 3.7 (previous year's period: 3.8). Trade debtors rose by increased sales and a reduced factoring volume by € 54.8 million to € 314.6 million. Liquid funds amounted to € 243.6 million (31 Dec. 2014: € 433.0 million) due to the development of free cash flow in the first quarter.

Under **equity and liabilities**, equity increased by € 94.5 million to € 1,360.6 million. The equity ratio rose up to 59.3% (31 Dec. 2014: 56.8%). Outside capital fell to € 933.2 million (31 Dec. 2014: € 963.7 million). Provisions decreased by € 6.2 million to € 270.4 million; this was especially due to the decrease in provisions for profitsharing bonuses and premiums. Trade creditors decreased as scheduled by € 36.0 million to € 379.2 million.

The group's financial position developed in the first quarter as follows: As of 31 March 2015, **cash flow** from operating activities was € -164.6 million (previous year: € -84.8 million). The earnings before taxes (EBT) of € 27.9 million (previous year: € 26.1 million) and depreciation of € 12.4 million (previous year € 11.1 million) made a positive contribution to cash flow. The rise in inventories by € 90.1 million as well as in trade debtors by € 55.4 million and the decrease of trade creditors by € 26.8 million reduced cash flow, as described above.

Cash flow from investment activity changed to € -33.9 million (previous year: € -41.6 million). Payments for investments in intangible assets and property, plant and equipment were € -34.4 million (previous year: € -20.4 million). There were no payments for investments in financial assets. In the previous year, these amounted to € -21.9 million and were due to the increase of shares in DMG MORI SEIKI COMPANY LIMITED within the scope of the capital increase, as reported.

Cash flow from financing activity was € + 1.2 million (previous year: € +38.0 million). The deposits in the amount of € 38.6 million resulted from the sale of own company shares in March 2014.

In the first quarter, **free cash flow** amounted to € -198.5 million (previous year: € -104.7 million); this trend is primarily due to the increase in inventory because of the cyclical nature of our business for planned sales activities.

In the second half of the year, we are planning as every year an increasing surplus in liquidity. In light of the planned high investment volume, which is to be financed largely from own funds, and also based on the profit forecasts, we are planning with a positive free cash flow between € 10 million and € 20 million for the entire year 2015.

As of 31 March 2015, we are showing surplus funds of € 193.8 million (previous year: € 270.6 million).

GROUP INTERIM MANAGEMENT REPORT	BUSINESS DEVELOPMENT	FORECAST	INTERIM CONSOLIDATED FINANCIAL STATEMENTS	ADDITIONAL INFORMATION
	Results of Operations, Net Worth and Financial Position Investments			

B . 07 CASH FLOW

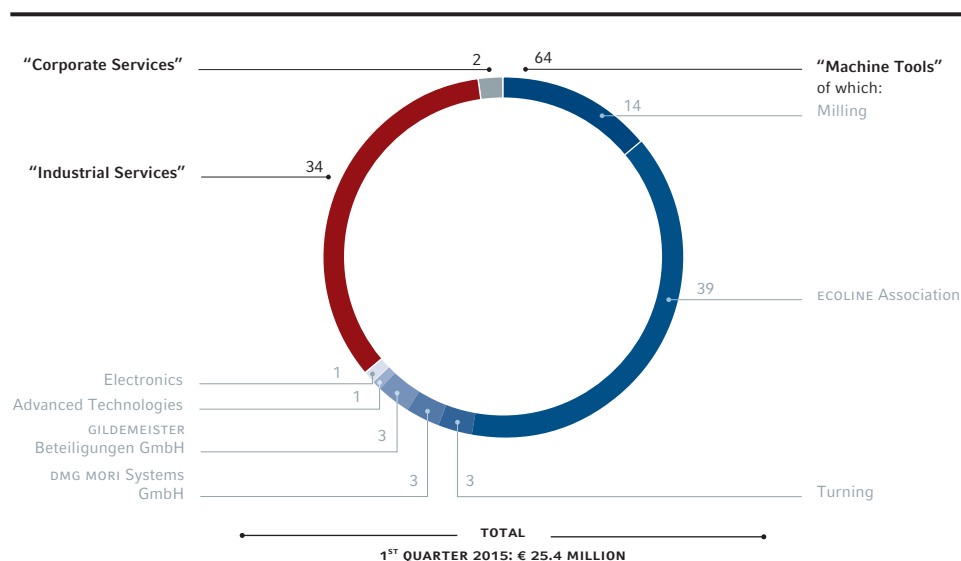
	2015 1 st quarter € million	2014 1 st quarter € million
Cash flow from operating activities	-164.6	-84.8
Cash flow from investment activity	-33.9	-41.6
Cash flow from financing activity	1.2	38.0
Changes in cash and cash equivalents	-189.4	-89.0
Liquid funds at the start of the reporting period	433.0	371.1
Liquid funds at the end of the reporting period	243.6	282.1

Investments

Investments in plant, property and equipment as well as intangible assets amounted to € 25.4 million in the first three months (previous year's value: € 20.4 million).

In this respect, especially our construction projects were in the focus. The new production and assembly plant in Ulyanovsk (Russia) is in the final construction phase and will presumably be opened end of September of the current year. Likewise, the construction of our new technology centre in Moscow (Russia) is progressing on schedule. In Asia, we further strengthen our sales and service presence. In South Korea, which is the fifth largest market for machine tools, we are therefore planning to build a new technology centre in Seoul. In this important market we want to gain greater market share in the future. Additional focus points were on the development of pioneering products, as well as the provision of tools, models and equipment required for production.

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



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 DMG MORI SEIKI COMPANY LIMITED that we produce under licence are included in “Machine 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					
	31 March 2015 € million	31 Dec. 2014 € million	31 March 2014 € million	Changes 31 March 2015 to 31 March 2014	
				€ million	%
Sales Revenues	538.4	2,229.0	505.1	33.3	7
Machine Tools	272.9	1,258.4	278.1	-5.2	-2
Industrial Services	265.4	970.4	226.9	38.5	17
Corporate Services	0.1	0.2	0.1	0.0	
Order Intake	587.2	2,331.4	601.2	-14.0	-2
Machine Tools	321.9	1,256.5	361.8	-39.9	-11
Industrial Services	265.2	1,074.7	239.3	25.9	11
Corporate Services	0.1	0.2	0.1	0.0	
EBIT	30.0	182.6	28.4	1.6	6
Machine Tools	13.9	93.6	13.4	0.5	4
Industrial Services	24.5	123.8	21.9	2.6	12
Corporate Services	-8.2	-34.9	-6.6	-1.6	

GROUP INTERIM MANAGEMENT REPORT	BUSINESS DEVELOPMENT	FORECAST	INTERIM CONSOLIDATED FINANCIAL STATEMENTS	ADDITIONAL INFORMATION
	Segmental Reporting "Machine Tools"			

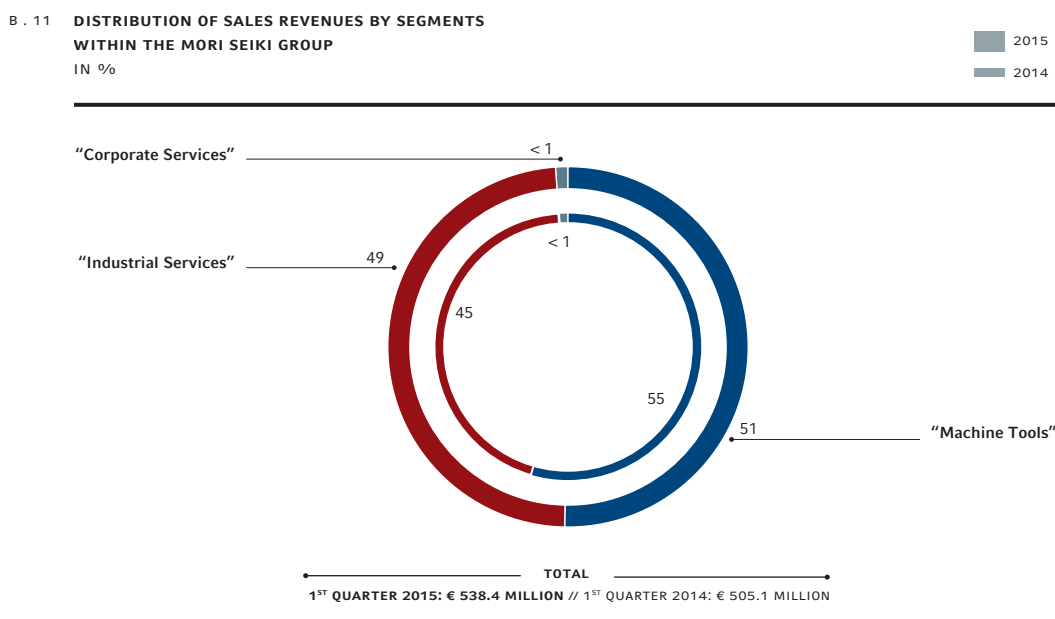
"Machine Tools"

The "Machine Tools" segment is our core segment and includes the new machines business of the group with the divisions Turning and Milling, Advanced Technologies (Ultrasonic / Lasertec), ECOLINE, Electronics and DMG MORI Systems.

B. 10	KEY FIGURES "MACHINE TOOLS" SEGMENT	31 March 2015 € million	31 Dec. 2014 € million	31 March 2014 € million	Changes 31 March 2015 to 31 March 2014 € million	%
	Sales revenues					
	Total	272.9	1,258.4	278.1	-5.2	-2
	Domestic	90.2	444.3	84.7	5.5	6
	International	182.7	814.1	193.4	-10.7	-6
	% International	67	65	70		
	Order intake					
	Total	321.9	1,256.5	361.8	-39.9	-11
	Domestic	115.8	452.8	132.9	-17.1	-13
	International	206.1	803.7	228.9	-22.8	-10
	% International	64	64	63		
	Order Backlog					
	Total	579.1	530.1	615.7	-36.6	-6
	Domestic	166.0	140.4	180.1	-14.1	-8
	International	413.1	389.7	435.6	-22.5	-5
	% International	71	74	71		
	Investments	16.3	71.0	11.1	5.2	47
	EBIT	13.9	93.6	13.4	0.5	4
					Changes 31 March 2015 to 31 Dec. 2014	%
	Employees	3,552	3,520	3,484	32	1
	plus trainees	213	241	198	-28	-12
	Total employees	3,765	3,761	3,682	4	0

The "Machine Tools" segment developed in the first quarter as follows: **sales revenues** reached € 272.9 million (previous year: € 278.1 million). The "Machine Tools" segment contributed 51% of group sales revenues in the first quarter (previous year: 55%).

With respects to the total sales revenues of the group, the “Machine Tools”, “Industrial Services” and “Corporate Services” contributed as follows:



Order intake in the “Machine Tools” segment was € 321.9 million and was thus by € 39.9 million or rather 11% under the previous year’s quarter (€ 361.8 million). This decline is essentially based on postponed investment decisions. Domestic orders decrease by 13% or € 17.1 million to € 115.8 million (previous year: € 132.9 million) and international orders by 10% or € 22.8 million to € 206.1 million (previous year: € 228.9 million). “Machine Tools” accounted for 55% of all incoming orders in the group (previous year: 60%). The **order backlog** on 31 March amounted to € 579.1 million (31 Dec. 2014: € 530.1 million). **EBIT** rose to € 13.9 million (previous year: € 13.4 million). As at 31 March 2015, the number of **employees** remains constant with 3,765 compared to the 2014 years’ end number (3,761).

“Industrial Services”

The “Industrial Services” segment comprises the business activities of the Services and Energy Solutions divisions.

In the **Services** division we combine the marketing activities and the Life Cycle Services for both our machines and those of our cooperation partner. With the aid of the DMG MORI LifeCycle Services, our customers optimise the productivity of their machine tools over their entire life cycle – from their commissioning to trade-in as a used machine. The wide range of training, repair and maintenance services offered to our customers ensures the maximum cost-efficiency of their machine tools.

GROUP INTERIM MANAGEMENT REPORT	BUSINESS DEVELOPMENT	FORECAST	INTERIM CONSOLIDATED FINANCIAL STATEMENTS	ADDITIONAL INFORMATION
	Segmental Reporting "Machine Tools" "Industrial Services"			

In **Energy Solutions** we focus on the business areas of Cellstrom, Energy Efficiency, Services and Components. We are continuing to expand our activities in the field of storage technology and we intend to participate with our vanadium redox technology in the market growth for decentralised storage in future.

B . 12

KEY FIGURES "INDUSTRIAL SERVICES"					
SEGMENT	31 March 2015 € million	31 Dec. 2014 € million	31 March 2014 € million	Changes 31 March 2015 to 31 March 2014	
				€ million	%
Sales revenues					
Total	265.4	970.4	226.9	38.5	17
Domestic	94.4	334.7	84.0	10.4	12
International	171.0	635.7	142.9	28.1	20
% International	64	66	63		
Order intake					
Total	265.2	1,074.7	239.3	25.9	11
Domestic	91.8	361.5	89.7	2.1	2
International	173.4	713.2	149.6	23.8	16
% International	65	66	63		
Order Backlog					
Total	604.0	604.2	512.3	91.7	18
Domestic	169.3	172.4	150.7	18.6	12
International	434.7	431.8	361.6	73.1	20
% International	72	71	71		
Investments	8.7	60.9	7.8	0.9	12
EBIT	24.5	123.8	21.9	2.6	12
				Changes 31 March 2015 to 31 Dec. 2014	
	31 March 2015	31 Dec. 2014	31 March 2014		%
Employees	3,302	3,283	3,153	19	1
plus trainees	48	7	7	41	–
Total employees	3,350	3,290	3,160	60	2

In the first quarter, **sales revenues** in the "Industrial Services" segment rose by € 38.5 million or 17% to € 265.4 million (previous year: € 226.9 million). Services recorded sales revenues of € 254.8 million (previous year: € 218.6 million). Sales revenues in Energy Solutions were € 10.6 million (previous year: € 8.3 million). "Industrial Services" contributed a total share of 49% of the group sales revenues (previous year: 45%). **Order intake** totalled € 265.2 million (previous year: € 239.3 million). "Industrial Services" contributed a total share of 45% of group incoming orders (previous year: 40%). The share of order intake attributed to Services amounted to € 256.0 million (previous year: € 231.5 million) and Energy Solutions amounted to € 9.2 million (previous year: € 7.8 million). The **order backlog** was € 604.0 million (31 Dec. 2014: € 604.2 million). **EBIT** in the first three months amounted to € 24.5 million (previous year: € 21.9 million).

The number of **employees** in the “Industrial Services” segment at the end of the first quarter 2015 was 3,350 (31 Dec. 2014: 3,290). The risen number of employees foremost results from new hiring at our international sales and service companies in France, Russia, Hungary and England.

“Corporate Services”

B . 13	KEY FIGURES				Changes 31 March 2015 to 31 March 2014 € million
	“CORPORATE SERVICES” SEGMENT	31 March 2015 € million	31 Dec. 2014 € million	31 March 2014 € million	
	Sales revenues	0.1	0.2	0.1	0.0
	Order intake	0.1	0.2	0.1	0.0
	Investments *	0.4	27.1	23.4	–23.0
	EBIT	–8.2	–34.9	–6.6	–1.6
* of which as at 31 March 2014: € 21.9 million capital inflow to financial assets, 31 Dec. 2014: € 22.1 million capital inflow to financial assets					
		31 March 2015	31 Dec. 2014	31 March 2014	Changes 31 March 2015 to 31 Dec. 2014 %
	Employees	121	115	95	6

The “Corporate Services” segment primarily includes the DMG MORI SEIKI AKTIEN-GESELLSCHAFT with its group wide holding functions. **EBIT** amounted to € –8.2 million (previous year: € –6.6 million). The financial result amounted to € 1.0 million (previous year: € 1.2 million). **EBT** amounted to € –7.2 million (previous year: € –5.4 million).

Employees

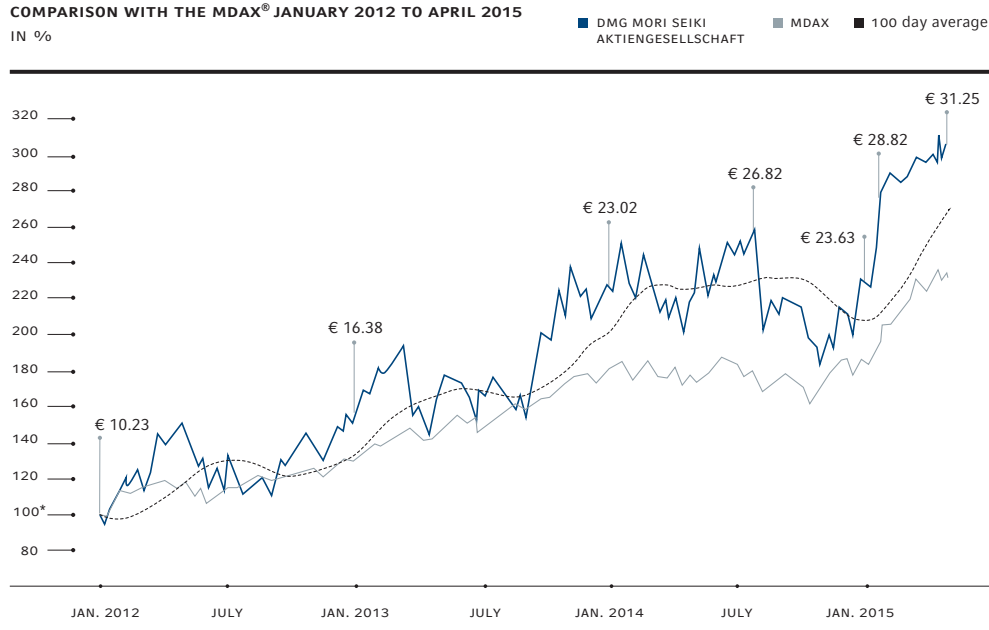
On 31 March 2015, the group had 7,236 employees of whom 261 were trainees (31 Dec. 2014: 7,166). The number of employees has thus risen by 70. The increase in personnel resulted essentially from the addition of staff to our international sales and service companies in France, Russia, Hungary and England. At the end of the first quarter, there were 3,966 domestic employees (55%) and 3,270 employees (45%) working for the international companies. Personnel costs amounted to € 135.8 million (previous year: € 121.6 million). With 23.1% the personnel-quota remained constant compared to the previous year (23.0%).

Segmental Reporting
 "Industrial Services"
 "Corporate Services"
 Employees
 Share

Share

The share price of DMG MORI SEIKI AKTIENGESELLSCHAFT at the start of the year was quoted at € 23.63 (2 Jan. 2015). With the announcement of the voluntary public tender offer from DMG MORI SEIKI COMPANY LIMITED on 21 January 2015 and an offer price of € 27.50, the share noted a jump in the stock price on the next day to reach € 28.82 (+ 12.6%). Subsequently, the share performance was influenced by the two increases in the offer price: the offer price was raised to € 30.00 on 3 March 2015 and on 9 March to € 30.55. The share followed immediately these offer prices and rose slightly above the current offer price in the further course. The share price performance was mainly influenced by the participation of international financial investors as a result of the tender offer. At the end of the first quarter, the share closed at a price of € 30.60 (31 March 2015). The share currently lists € 31.25 (24 April 2015). At the present time, the company is analysed in studies by nine banks. In light of the tender offer two recommend to sell the share. Five analysts recommend holding the share, one analyst recommends "under-weighting" the share, while one bank recommends buying the share.

B . 14 THE DMG MORI SEIKI AKTIENGESELLSCHAFT SHARE IN
 COMPARISON WITH THE MDAX® JANUARY 2012 TO APRIL 2015
 IN %



* 02 January 2012 = 100, stock performance indexed, XETRA stock prices
 Source: Deutsche Börse Group

For the first three months, based on the number of shares of 78.8 million, a turn-over rate of 0.5 times (previous years' period: 0.2 times) was calculated. At the German stock exchanges, the trading volume averaged 647,00 shares per trading day (previous year: 274,000 shares).

Research and Development

The expenses for research and development in the first quarter amounted to € 11.1 million (previous year: € 10.9 million). 508 employees are working on the development of new products, which equals a share of 14% of the staff at the plants.

At our annual inhouse exhibit in Pfronten, we presented four world premieres in the beginning of the year. Further focus points were system solutions for the automotive and aerospace industry, as well as solutions for large-series production. In Pfronten, we also presented the high-tech LASERTEC 65 3D additive manufacturing machine, which combines laser deposition welding and final processing by means of 5-axis milling technology. The combination of the two processes is unique in the global market.

Our APP-based control and operating software CELOS simplifies and accelerates the process from the idea to the finished product. In addition to the CELOS APPs that have been available since 2014, four new CELOS APPs and the CELOS PC version were presented at the inhouse exhibit in Pfronten. The new version of CELOS with now 16 APPs increases efficiency both in production and maintenance planning as well as in production control. With the CELOS PC version, the communication between work preparation and production is optimised. Moreover, optional machines and equipment can be integrated in one standardised CELOS periphery.

In the financial year 2015, we are planning together with our Japanese partner to present a total of **19 new developments**. The presentation of our world premieres at overall 77 international and national trade fairs, as well as inhouse exhibits in the further course of the year concentrates particularly on the autumn trade fairs, with the **EMO in Milan** as an industry highlight. There, we will present also additional technology solutions and innovative software tools, besides the seven world premieres.

CELOS – 4 new APPs and the PC version increase customer benefit



CELOS of DMG MORI connects the machines in an unprecedented way with the superordinate company structures and thus creates the basis for a consistently digitalised, paper-less production. With 16 CELOS APPs and the CELOS PC version, the time required by users to arrive at a product is reduced by up to 30% through the direct coupling with their company's own software. DMG MORI sets the standard with CELOS in machine tool industry and sets the conditions for implementing Industrie 4.0.

In the **technology field of turning**, the successful CTX TC-series will be added by a second generation of the CTX beta 1250 TC. With the new, ultra-compact turning-milling spindle of the compactMASTER, the machine enables a more efficient turn & mill complete processing.

In the **technology area of milling**, our two 5-axe processing centres, the DMU 100 P duOBLOCK and the DMC 125 FD duOBLOCK for milling-turning applications, expand the product portfolio of the successful duOBLOCK series in the fourth generation. With the DMC 270 U, we are adding to the Portal series of the universal processing centres with pallet changer for the 5-axe processing of large components.

In the current financial year, the focus is especially on the structuring of a **joint product portfolio** together with DMG MORI SEIKI COMPANY LIMITED. It is our aim to reduce the complexity in development, purchasing, production, sales and service through a reduction of the offered machine types (product streamlining).

Within the framework of our "SCOPE" programme for the cross-product standardisation of components, synergies are systematically implemented through the cooperation of purchasing and development. The aim of our activities in the area of the core components is the realisation of both purchasing advantages as well as innovations. One successful example is the development of the **speedMASTER** milling spindle, with its patented technical features representing a unique selling proposition in the industry. Furthermore a joint product development process based on our standardised Cooperative R&D-Platform (CRP) has already been established and is now being rolled out in the current development projects.

Forecast

The **global economy** is expected to continue its growth according to current forecasts. The Institute for World Economics (IfW) forecasts a 3.7% increase of the gross domestic product (GDP) for the current year. A further deterioration of the various political crises and ongoing exchange rate deviations between the major currencies might cause a downturn in the global economy.

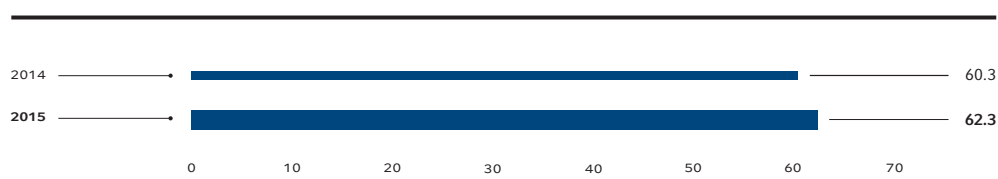
Growth impulses continue to be expected primarily from the industrialised countries in the year 2015. In the USA, the economic growth will continue accelerating. A modest recovery of the economy is forecast for Europe in this year: economic researchers expect that the GDP of the Euro countries will rise by 1.3% in the year 2015. For Germany, a plus of 1.8% is expected.

The **global market for machine tools** in 2015 is expected to develop on the level of the previous year. The German Machine Tool Builders' Association (VDW) and the British economic research institute Oxford Economics expect in their most recent forecast (status: April 2015) a growth in **global consumption** by 3.3% to € 62.3 billion.

The growth rate was thereby revised down by 4.0 percentage points compared to the autumn forecast. With regard to the given macro economic uncertainties, we've previously considered a growth rate of 7.3% for 2015 as too high.

Demand in **Asia**, according to the current forecast, is expected to rise by 4.2%. For **America**, a rise in consumption by 2.5% is forecast. Demand in **Europe** is expected to grow slightly less by 1.0%. For **Germany**, a modest growth is expected (+3.5%).

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



We assume that the development of individual markets will continue to differ strongly from each other and that the competitive pressure will rise overall. In order to be able to compensate the regional market fluctuations even better in the future, we will further expand our **international market presence** together with **DMG MORI SEIKI COMPANY LIMITED**. Furthermore, we can produce “in the market for the market” from now on by virtue of a joint utilisation of production sites, and we can thereby lower import and logistics costs.

Besides the growth markets in Asia such as China, Japan and South Korea, we believe the future **sales markets** to be particularly the countries of **South East Asia**, like Vietnam and Indonesia. Here, the demand in machine tools is beginning to pick-up. **Europe** continues to remain a key market for us, where we will increasingly focus on a stronger market penetration also of smaller markets. In addition, we intend to participate in the unchanged high demand for machine tools in the **USA**.

In the area of **purchasing**, the expansion of our global supply partnerships in terms of the joint activities with **DMG MORI SEIKI COMPANY LIMITED** will be in the foreground. The aim is to optimise material costs worldwide. Through a global purchasing strategy coordinated at both companies and by means of uniform quality standards, improvements regarding quality, costs and delivery capacity are to be achieved together.

GROUP INTERIM MANAGEMENT REPORT	BUSINESS DEVELOPMENT	FORECAST	INTERIM CONSOLIDATED FINANCIAL STATEMENTS	ADDITIONAL INFORMATION
		Latest news Future Business Development		

Moreover, we will keep on launching **product and service innovations** from all business fields in the market. Accordingly, we are bundling our competences in the area of holistic systems and automation solutions globally at the new planned site in Baden-Württemberg. Furthermore, we will push ahead with the advancement and marketing of CELOS. CELOS represents the decisive step towards Industry 4.0 for DMG MORI.

Latest news

The acceptance period for the **Tender Offer** of DMG MORI SEIKI COMPANY LIMITED ended on **13 April 2015**. Subsequently the bidder announced on 16 April 2015 pursuant to section 23 (1) sentence 1 no. 3 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz, WpÜG) that the Tender Offer has been accepted at the expiry of the Notification Reference Date for a total of 9,377,464 DMG MORI SEIKI AG-Shares. This corresponds to 11.90% of the total share capital and the voting rights in DMG MORI SEIKI AKTIENGESELLSCHAFT. As of the Notification Reference Date, the total number of shares held by the Bidder and companies acting in concert with the Bidder – plus the tendered shares – amounts to 41,408,563. This corresponds to **52.54%** of the total share capital and the voting rights in DMG MORI SEIKI AKTIENGESELLSCHAFT.

Future Business Development

In the **financial year 2015**, we still expect that the global economic development will remain volatile. On the one hand, economic experts assume that energy prices will remain low around the world. On the other hand, stress factors for the cyclical economy, and thus also for the investment tendency of companies, continue unchanged to be the economic effects from the Ukraine crisis, ongoing exchange rate deviations between the major currencies and the sovereign debt problems in Europe.

We confirm our forecast for the current year. We are expecting an **order intake** of around € 2.4 billion. Based on our solid order backlog, we are planning with **sales revenues** of around € 2.25 billion. On the assumption that the market development will take place according to our expectations, we are planning to achieve an **EBIT** of around € 165 million and an **EBT** of around € 160 million. In light of the planned high investment volume, which is to be financed largely from own funds, and also based on the profit forecasts, we are planning with a positive free cash flow between € 10 million and € 20 million. Based on these figures, we intend to distribute a **dividend** for the financial year 2015.

Consolidated Income Statement

D . 01 1 ST QUARTER	2015		2014		Changes	
	01 Jan. – 31 March		01 Jan. – 31 March		2015 against 2014	
	€ million	%	€ million	%	€ million	%
Sales Revenues	538.4	91.5	505.1	95.5	33.3	6.6
Changes in finished goods and work in progress	48.6	8.3	21.5	4.1	27.1	126.0
Own work capitalised	1.5	0.2	2.0	0.4	-0.5	25.0
Total Work Done	588.5	100.0	528.6	100.0	59.9	11.3
Cost of materials	-326.7	-55.5	-285.2	-53.9	-41.5	14.6
Gross Profit	261.8	44.5	243.4	46.1	18.4	7.6
Personnel costs	-135.8	-23.1	-121.6	-23.0	-14.2	11.7
Other income and expenses	-83.6	-14.2	-82.3	-15.7	-1.3	1.6
Depreciation	-12.4	-2.1	-11.1	-2.1	-1.3	11.7
Financial Result	-2.1	-0.4	-2.3	-0.4	0.2	8.7
EBT	27.9	4.7	26.1	4.9	1.8	
Income taxes	-8.4	-1.4	-8.1	-1.5	-0.3	
Earnings after taxes	19.5	3.3	18.0	3.4	1.5	
Profit share of shareholders of DMG MORI SEIKI AKTIENGESELLSCHAFT	17.7	3.0	16.1	3.0	1.6	
Profit share attributed to minority interests	1.8	0.3	1.9	0.4	-0.1	
Earnings per share pursuant to IAS 33 (in euros)						
Undiluted	0.22		0.20			
Diluted	0.22		0.20			

Consolidated Income
Statement
Consolidated Statement
of other Comprehensive
Income

Consolidated Statement of other Comprehensive Income

D . 02

	2015 01 Jan. – 31 March € million	2014 01 Jan. – 31 March € million
Earnings after taxes	19.5	18.0
Other comprehensive income		
Actuarial gains / losses	0.0	0.0
Income taxes of items not reclassified to the income statement	0.0	0.0
Sum of items not reclassified to the income statement	0.0	0.0
Differences from currency translation	26.7	–1.6
Changes in the fair value of derivative financial instruments	–3.1	–0.9
Changes in the fair value measurement of available-for-sale assets	50.1	–44.0
Hedging of net investments	0.4	0.0
Income taxes on items which are reclassified to the income statement	0.9	0.2
Sum of items which are reclassified to the income statement	75.0	–46.3
Other comprehensive income for the period after taxes	75.0	–46.3
Total comprehensive income for the period	94.5	–28.3
Profit share of shareholders of DMG MORI SEIKI AKTIENGESELLSCHAFT	90.6	–30.4
Profit share attributed to minority interests	3.9	2.1

Consolidated Balance Sheet

D . 03	ASSETS	31 March 2015 € million	31 Dec. 2014 € million	31 March 2014 € million
	Long-term assets			
	Goodwill	135.4	135.2	125.6
	Other intangible assets	79.6	78.8	73.4
	Tangible assets	425.1	395.2	326.1
	Equity accounted investments	47.0	46.8	46.3
	Other equity investments	205.0	154.9	140.0
	Trade debtors	1.1	0.5	1.1
	Other long-term financial assets	8.3	13.1	9.1
	Other long-term assets	11.3	1.7	2.1
	Deferred taxes	55.3	53.8	55.2
		968.1	880.0	778.9
	Short-term assets			
	Inventories	585.6	495.3	523.5
	Trade debtors	235.6	200.6	203.5
	Receivables from at equity accounted companies	13.5	10.4	7.9
	Receivables from related parties	62.5	46.1	15.9
	Receivables from associated companies	3.0	2.7	1.6
	Other short-term financial assets	94.5	72.7	95.7
	Other short-term assets	49.4	51.3	45.0
	Income tax receivables	0.4	0.4	0.2
	Cash and cash equivalents	243.6	433.0	282.1
	Long-term assets held for sale	37.6	37.3	50.1
		1,325.7	1,349.8	1,225.5
		2,293.8	2,229.8	2,004.4

Consolidated Balance Sheet

EQUITY AND LIABILITIES	31 March 2015 € million	31 Dec. 2014 € million	31 March 2014 € million
Equity			
Subscribed capital	204.9	204.9	204.9
Capital provision	498.5	498.5	498.5
Revenue provisions	518.6	428.0	375.0
Total equity of shareholders of DMG MORI SEIKI AKTIENGESELLSCHAFT	1,222.0	1,131.4	1,078.4
Minority interests' share of equity	138.6	134.7	102.9
Total equity	1,360.6	1,266.1	1,181.3
Long-term debts			
Long-term financial debts	44.7	42.4	1.9
Pension provisions	47.9	47.8	38.2
Other long-term provisions	34.3	31.8	22.9
Other long-term financial liabilities	1.7	3.2	6.6
Other long-term liabilities	3.1	3.3	2.3
Deferred taxes	3.3	3.9	7.1
	135.0	132.4	79.0
Short-term debts			
Short-term financial debts	5.1	9.8	9.6
Tax provisions	30.5	36.3	29.5
Other short-term provisions	157.7	160.7	154.7
Payments received on account	145.9	139.0	146.1
Trade creditors	262.0	301.3	253.8
Liabilities to at equity accounted companies	0.7	0.7	0.4
Liabilities to related parties	86.0	82.5	61.9
Liabilities to associated companies	30.5	30.7	17.8
Other short-term financial liabilities	40.7	35.5	26.4
Other short-term liabilities	38.4	34.0	34.4
Liabilities in connection with assets held for sale	0.7	0.8	9.5
	798.2	831.3	744.1
	2,293.8	2,229.8	2,004.4

Consolidated Cash Flow Statement

D . 04	CASH FLOW FROM OPERATING ACTIVITIES	2015	2014
		01 Jan. – 31 March € million	01 Jan. – 31 March € million
	Earnings before taxes (EBT)	27.9	26.1
	Income taxes	–8.4	–8.1
	Depreciation	12.4	11.1
	Change in deferred taxes	–2.0	–6.7
	Change in long-term provisions	2.6	–5.1
	Other income and expenses not affecting payments	0.2	–0.1
	Change in short-term provisions	–8.8	–8.6
	Changes in inventories, trade debtors and other assets	–174.9	–85.1
	Changes in trade creditors and other liabilities	–13.6	–8.3
		–164.6	–84.8
	CASH FLOW FROM INVESTMENT ACTIVITY		
	Amounts paid out for investments in intangible and tangible assets	–34.4	–20.4
	Amounts paid out for investments in financial assets	0.0	–21.9
	Cash flow from obtaining control of subsidiaries	0.0	0.2
	Cash inflows on disposal of the property, plant and equipment	0.5	0.5
		–33.9	–41.6
	CASH FLOW FROM FINANCING ACTIVITY		
	Cash inflows / cash outflows for borrowings	1.2	–0.6
	Cash inflow from the sale of own shares	0.0	38.6
		1.2	38.0
	Changes affecting payments	–197.3	–88.4
	Effects of exchange rate changes on financial securities	7.9	–0.6
	Cash and cash equivalents as of 1 January	433.0	371.1
	Cash and cash equivalents as of 31 March	243.6	282.1

Consolidated Cash Flow Statement

Development of Group Equity

Group Segmental Reporting

Development of Group Equity

D . 05

	Subscribed capital € million	Capital provision € million	Revenue provisions € million	Total equity of shareholders of DMG MORI SEIKI AKTIEN-GESELLSCHAFT € million	Minority interests' share of equity € million	Total equity € million
As at 01 Jan. 2015	204.9	498.5	428.0	1,131.4	134.7	1,266.1
Total comprehensive income	0.0	0.0	90.6	90.6	3.9	94.5
Consolidation measures / Other changes	0.0	0.0	0.0	0.0	0.0	0.0
As at 31 March 2015	204.9	498.5	518.6	1,222.0	138.6	1,360.6

	Subscribed capital € million	Capital provision € million	Revenue provisions € million	Total equity of shareholders of DMG MORI SEIKI AKTIEN-GESELLSCHAFT € million	Minority interests' share of equity € million	Total equity € million
As at 01 Jan. 2014	200.2	480.4	389.4	1,070.0	94.4	1,164.4
Total comprehensive income	0.0	0.0	-30.4	-30.4	2.1	-28.3
Consolidation measures / Other changes	4.7	18.1	16.0	38.8	6.4	45.2
As at 31 March 2014	204.9	498.5	375.0	1,078.4	102.9	1,181.3

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Selected Explanatory Notes to the Interim Consolidated Financial Statements

Group Segmental Reporting (part of the Selected Explanatory Notes)

D . 06 1ST QUARTER 2015

SEGMENTATION BY BUSINESS SEGMENTS

	Machine Tools € million	Industrial Services € million	Corporate Services € million	Transition € million	Group € million
Sales revenues	272.9	265.4	0.1	0.0	538.4
EBIT	13.9	24.5	-8.2	-0.2	30.0
Investments	16.3	8.7	0.4	0.0	25.4
Employees	3,765	3,350	121	0	7,236

1ST QUARTER 2014

	Machine Tools € million	Industrial Services € million	Corporate Services € million	Transition € million	Group € million
Sales revenues	278.1	226.9	0.1	0.0	505.1
EBIT	13.4	21.9	-6.6	-0.3	28.4
Investments	11.1	7.8	23.4	0.0	42.3
Employees	3,682	3,160	95	0	6,937

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 2014 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 31 March 2015 were prepared on the basis of IAS 34 Interim Financial Reporting. The group interim consolidated financial statements as of 31 March 2015 and the interim report for the period 1 January to 31 March 2015 was 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 2014.

In view of the sense and purpose of the 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 2014 (see further discussions in the Notes to the Consolidated Financial Statements as of 31 December 2014), 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 2015 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 31 March 2015, the DMG MORI SEIKI group, including DMG MORI SEIKI AKTIEN-GESELLSCHAFT, comprised 101 companies, of which 95 companies were included in the interim financial statements as part of the full consolidation process. Compared to 31 December 2014, the number of group companies was reduced by one. Effective as of 25 March 2015, DMG Nippon K.K., Yokohama (Japan), was liquidated.

With no change to the consolidated financial statements 2014, 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., its subsidiaries Magnescale Europe GmbH, Wernau and Magnescale Americas, Inc., Davis (USA), as well as DMG MORI Finance GmbH are still classified as associated companies and have been 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. At the same time, the group earnings after taxes of € 19.5 million are decreased by € 1.8 million by the minority interests' earnings.

D . 07

Group result excluding the profit share of other shareholders	€ K	17,687
Average weighted number of shares (pieces)		78,817,994
Earnings per share ac. to IAS 33	€	0.22

There were no diluted earnings per share as at 31 March 2015.

5 INCOME STATEMENT, BALANCE SHEET, CASH FLOW STATEMENT 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 31 March 2015 of € 94.5 million comprised earnings after taxes (€ 19.5 million) and "Other comprehensive income for the period after taxes" (€ 75.0 million). Changes arising from the measurement of financial assets held for sale as well as differences from currency translation had an increasing effect. The change in fair values of financial derivatives reduced the total comprehensive income. Seasonally-related income and expenses, respectively those distributed unevenly over the year, did not have any material effect.

7 DEVELOPMENT OF GROUP EQUITY Equity rose in total by € 94.5 million to € 1,360.6 million. Minority interests in equity rose by € 3.9 million to € 138.6 million. The consolidated net income as of 31 March 2015 of € 19.5 million increased equity. The changes in the value of the financial assets held for sale (€ 50.1 million) increased equity as well as currency translations recognized directly in equity.

8 SEGMENTAL REPORTING Within the scope of segment 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”. The demarcation of the segments and the determination of the segment results remain unchanged from 31 December 2014. The business activities of the segments are disclosed in detail in the notes to the consolidated financial statements as of 31 December 2014.

9 STATEMENT OF RELATIONS WITH RELATED PARTIES There have not been any material changes as of 31 March 2015. As presented in the notes to the financial statements as of 31 December 2014, numerous business relations continue to exist with related parties, which are conducted on the basis of standard market terms and conditions.

10 EVENTS OCCURRING
AFTER THE BALANCE SHEET
DATE

Significant events occurring after the end of the reporting period – particularly with regard to the tender offer of DMG MORI SEIKI COMPANY LIMITED – are presented in the “Forecast”. In addition, no other significant events have occurred after the reporting date of interim financial statements.

Bielefeld, 28 April 2015

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

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Financial Calendar

08 MAY 2015 ____ Annual General Meeting at
10.00 am in Town Hall, Bielefeld

11 MAY 2015 ____ Dividend Payment

30 JULY 2015 ____ Second Quarterly Report 2015 (1 April to 30 June)

29 OCT. 2015 ____ Third Quarterly Report 2015 (1 July to 30 September)

06 MAY 2016 ____ Annual General Meeting at
10.00 am in Town Hall, Bielefeld

SUBJECT TO ALTERATION

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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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