

Grasping chances. Showing strengths.

Interim Report

1st Quarter 2009



GILDEMEISTER

Dear Shareholders,

the overall economic situation is marked by the economic crisis. World-wide demand for machine tools has been strongly curtailed as a result of the global recession. GILDEMEISTER, too, felt its effects at the start of the year: order intake, sales revenues and earnings declined in the first quarter of 2009.

Order intake of € 236.8 million was clearly below the record level of the previous year's quarter (€ 591.9 million). Sales revenues fell to € 327.7 million (previous year: € 392.0 million). This development had an effect on profitability: in the first quarter EBITDA reached € 22.7 million (previous year: € 33.4 million), EBIT amounted to € 15.5 million (previous year: € 25.9 million). EBT was positive at € 10.2 million (previous year: € 18.1 million). The group reported annual profit of € 6.5 million as of 31 March 2009 (previous year: € 11.2 million).

Over the course of the financial year 2009, even GILDEMEISTER will have to accept losses. We have responded in good time with cost-saving measures. During the crisis, however, opportunities are taken advantage of: one opportunity is the cooperation with the Japanese machine tool producer, Mori Seiki. Together we will realise synergies and, in the interests of our customers, concentrate resources in order to achieve efficiency advantages. We will benefit from our proven business model and a clear corporate strategy. Our diverse mix of customers and industries, as well as our international presence, make us resistant. Furthermore, with the solar technology, we have an addition to our core areas of expertise.

For the financial year 2009 we are expecting order intake to be markedly below that of the previous year; as a result, there will also be a clear decline in the development of sales revenues and earnings. More detailed statements are not yet possible at present due to the complete change in the world economic environment.

Key figures

The Interim Consolidated Financial Statements of GILDEMEISTER Aktiengesellschaft were prepared in accordance with the International Financial Reporting Standards (IFRS), as they have to be applied within the European Union. The interim financial statements have not been audited.

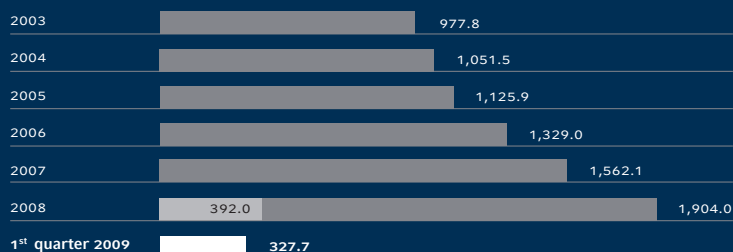
GILDEMEISTER GROUP	31 March 2009	31 Dec. 2008	31 March 2008	Changes	
	€ million	€ million	€ million	31 March 2009 to 31 March 2008	%
Sales Revenues					
Total	327.7	1,904.0	392.0	-64.3	-16
Domestic	151.8	829.9	193.0	-41.2	-21
International	175.9	1,074.1	199.0	-23.1	-12
% International	54	56	51		
Order Intake					
Total	236.8	1,882.0	591.9	-355.1	-60
Domestic	90.3	843.4	236.7	-146.4	-62
International	146.5	1,038.6	355.2	-208.7	-59
% International	62	55	60		
Order Backlog					
Total	636.5	727.4	949.3	-312.8	-33
Domestic	171.2	232.7	316.8	-145.6	-46
International	465.3	497.7	632.5	-167.2	-26
% International	73	68	67		
Investments	19.2	50.2	6.3	12.9	205
Personnel Costs	93.0	405.5	96.7	-3.7	-4
Personnel ratio in %	27.5	20.7	21.3		
Employees	6,074	6,191	5,923	151	3
plus Trainees	238	260	198	40	20
Total Employees	6,312	6,451	6,121	191	3
EBITDA	22.7	188.9	33.4	-10.7	-32
EBIT	15.5	158.2	25.9	-10.4	-40
EBT	10.2	126.7	18.1	-7.9	-44
Annual profit	6.5	81.1	11.2	-4.7	-42



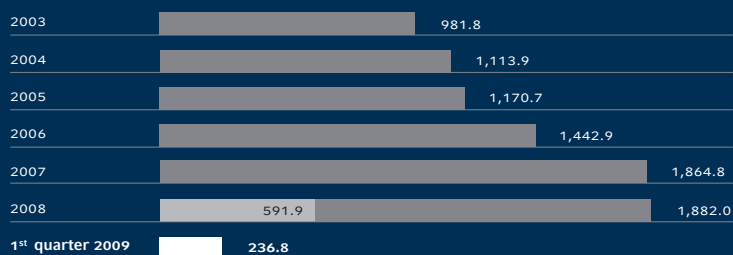
GILDEMEISTER group
Key Figures

Sales Revenues
Order Intake
EBIT
Employees

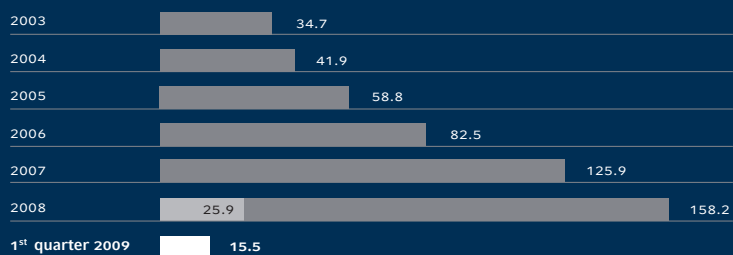
SALES REVENUES
in € million



ORDER INTAKE
in € million

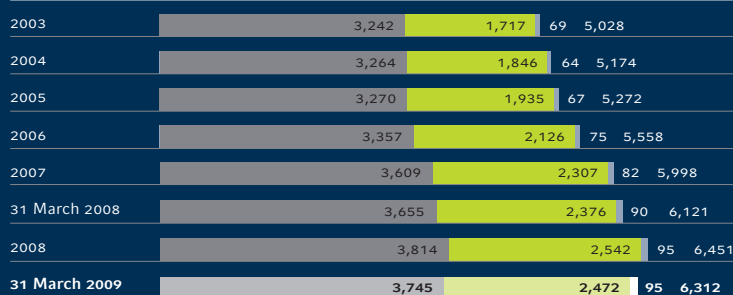


EBIT
in € million



NUMBER OF EMPLOYEES
incl. trainees

Machine Tools
Services
Corporate Services





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Economic Development



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Forecast 2009



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Financial Calendar



COVER PICTURE

PRECISION MACHINING IN ONE SETTING

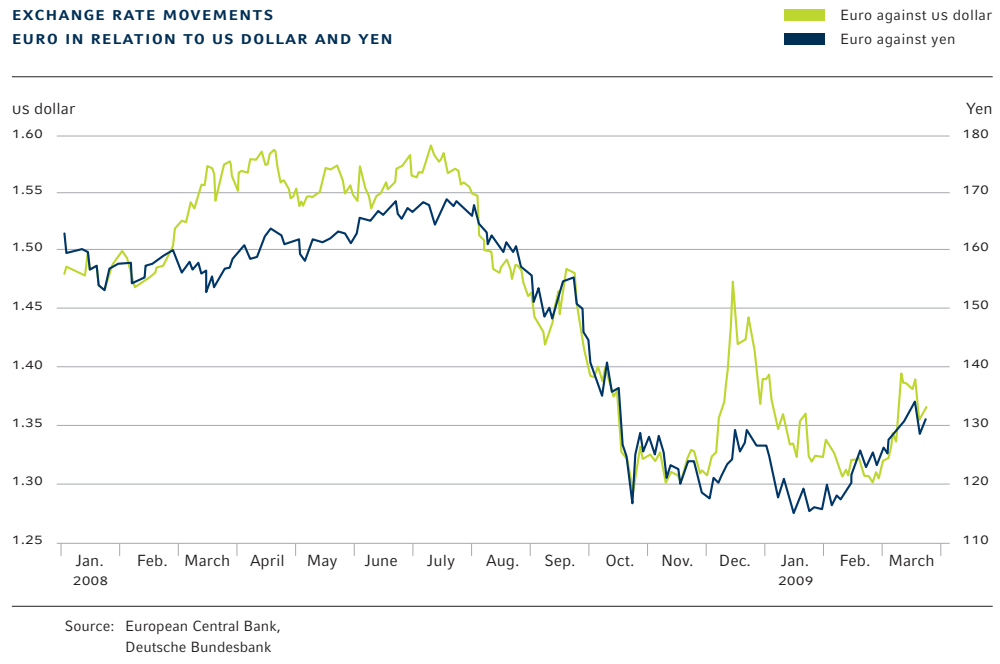
The Turn & Mill turning-milling centres from GILDEMEISTER offer top performance in full-range processing. Through a combination of turning and milling operations on one machine, even complex parts can be produced efficiently. Our customers benefit from a time-saving of up to 50%, as well as from marked reductions in waste ratios compared to conventional machining.

The cover picture shows our customer, the company Winkler + Dünnebier AG in Neuwied, at the measurement of a cross knife cylinder for the printing industry – completely machined in one setting on the CRX gamma 2000 TC turning-milling centre.

Overall economic development slackened off extremely in the first quarter of 2009. Even Asia felt the pull of the general economic downturn. China's growth initially continued at a slower rate. Japan has been especially affected by the crisis. The economy in Europe has stagnated considerably. This applies in particular to Germany. According to the provisional calculations of the German Economic Research Institute (DIW), gross domestic product fell by 1.4% compared to the previous quarter.

For GILDEMEISTER's international business, the us dollar, the Chinese yuan and the Japanese yen are of particular importance. The continued weak performance of the euro in the first quarter of 2009 affected the **exchange rate** of the important currencies for us: the us dollar continued to gain in value against the euro. On 2 January it started at 0.72 euros, reached its highest value of 0.80 euros (4 March 2009) and ended the quarter at an exchange rate of 0.75 euros (31 March 2009). Against the Chinese yuan, the euro continued to show a downwards trend. On 31 March the exchange rate was 9.09 yuan. The Japanese currency started 2009 at 126.64 yen. On 23 January it reached its highest value of 113.65 yen and closed the quarter at 131.17 yen. The average rate of exchange was 122.04 yen (previous year's quarter: 157.65 yen). This means that our products have again become more favourably priced and more competitive in both the dollar region and the Asian region.

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

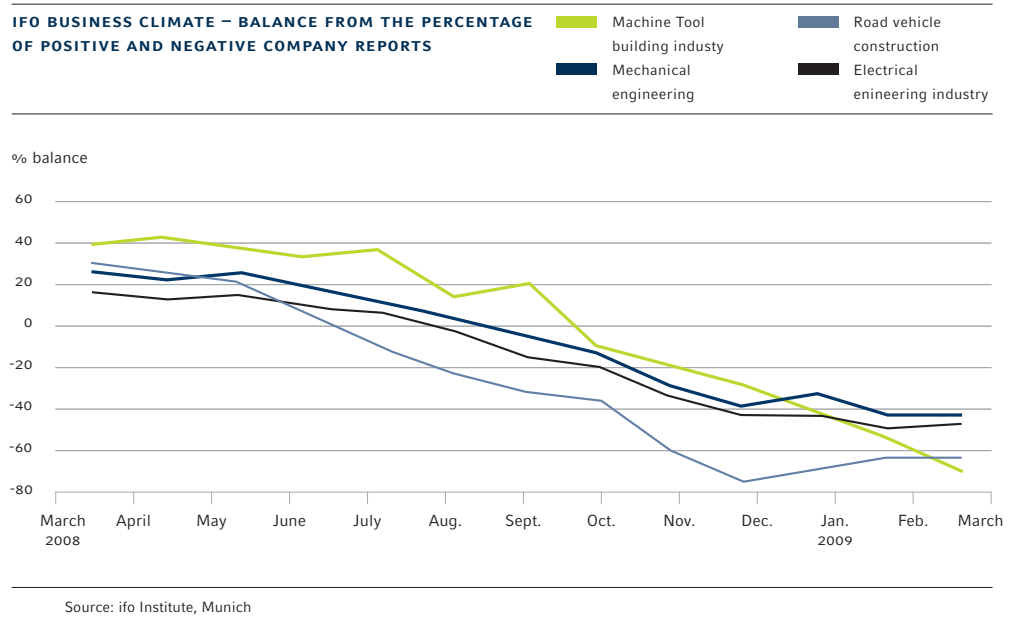


The **worldwide market for machine tools** will decline strongly in 2009. The German Machine Tool Builders' Association (VDW) and the British economic research institute, Oxford Economics, are expecting a decrease in global consumption and global production of more than 29% to € 37.0 billion.

The **German market for machine tools** will develop more weakly than the world market and will decrease by 42%. Order intake at German machine tool producers suffered an extreme decline at the start of the year (-70%). With the cutting machines that correspond to our production range, the industry recorded a loss of 73%. In the first quarter of 2009, orders in this segment fell both from within Germany (-73%) and from abroad (-72%).

The **ifo business climate** for trade and industry reflects the change in the business environment. Companies in the main consumer industries for machine tools have assessed their current situation pessimistically.

Source: vdw (German Machine Tool Builders' Association)



Economic Development

Business Development

Forecast 2009

Interim Consolidated Financial Statements

Financial Calendar

GILDEMEISTER Aktiengesellschaft Bielefeld	Production Turning	Production Milling	Production Turning / Milling	Production Ultrasonic / Lasering	Automation / Electronics / Ecoline
	GILDEMEISTER Drehmaschinen GmbH Bielefeld	DECKEL MAHO Pfronten GmbH Pfronten	FAMOT Pleszew S.A. Pleszew	SAUER GmbH Idar-Oberstein, Kempten	DMG AUTOMATION GmbH, Hüfingen
	GRAZIANO Tortona S.r.l. Tortona	DECKEL MAHO Seebach GmbH Seebach, Geretsried	DECKEL MAHO GILDEMEISTER Machine Tools, Shanghai		DMG Electronics GmbH Pfronten
	GILDEMEISTER Italiana S.p.A. Bergamo				DMG Ecoline GmbH Klaus

The GILDEMEISTER group, including GILDEMEISTER Aktiengesellschaft, comprised 76 enterprises as at 31 March 2009. The consolidated group has thus increased by one enterprise compared to 31 December 2008; in March, GILDEMEISTER Partecipazioni S.r.l. founded a+f Italia S.r.l. with registered office in Milan, Italy. Within the scope of expanding the “Solar Technology” division, this company is intended to further strengthen sales and service activities in Italy.

Sales Revenues

In the first quarter, sales revenues reached € 327.7 million and were thus 16% below the previous year’s figure (€ 392.0 million). The “Solar Technology” division contributed € 21.8 million of this. Domestic sales revenues fell by 21% to € 151.8 million, international sales revenues shrank by 12% to € 175.9 million. The export share amounted to 54% (previous year: 51%).

SALES REVENUES GILDEMEISTER GROUP

in € million

■ Domestic
■ International

1 st quarter 2008	193.0	199.0	392.0
1 st quarter 2009	151.8	175.9	327.7

More detailed information on sales revenues in each segment is given on page 9 et seq. As a consequence of the international economic crisis, over the further course of the year GILDEMEISTER will also more strongly feel the effects of a reticence to purchase on the part of both domestic and international consumers. The worldwide economic crisis will have a noticeable effect on our sales revenue development. Due to the difficult market situation, we cannot make any valid sales revenue forecasts for the current financial year at the present time.

Sales and Service Organization		
DMG Vertriebs und Service GmbH DECKEL MAHO GILDEMEISTER; Bielefeld	70 Sales and Service locations worldwide	a+f GmbH Würzburg
	DMG Deutschland; Stuttgart 7 Sales and Service locations	DMG MICROSET GmbH Bielefeld
	DMG Europe; Klaus (Austria) 26 Sales and Service locations	SACO S.p.A. Castelleone
	DMG Asia; Shanghai / Singapur 17 Sales and Service locations	
	DMG America; Itasca (Illinois) 8 Sales and Service locations	
	DMG Services; Bielefeld, Pfronten 12 Sales and Service locations	

Economic
DevelopmentBusiness
Development

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Order Intake

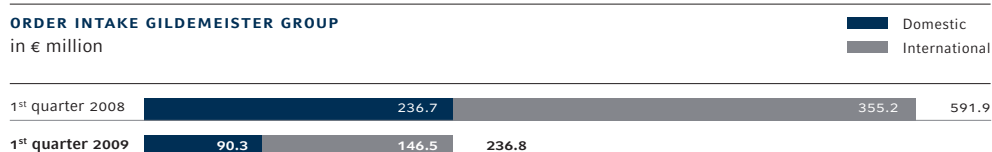
Order intake of € 236.8 million (-60%) in the first quarter was clearly below the record level of the previous year's quarter (€ 591.9 million). The "Solar Technology" division achieved order intake of € 28.0 million (previous year: € 112.8 million).

Order intake suffered a severe setback both domestically and internationally: domestic orders shrank by 62% to € 90.3 million (previous year: € 236.7 million). International orders decreased by 59% to € 146.5 million (previous year's quarter: € 355.2 million). International orders accounted for 62% of orders (previous year: 60%).

As a result of the international economic crisis, order intake showed a strong decline compared to the same period in the previous year. The traditional in-house exhibitions in Pfronten and Bielefeld were met with a lot of interest on the part of our customers, however ordering activity was very reticent. A lot of reserve was also apparent at the international spring trade fairs. We are hoping that, despite the difficult market environment, our intensified marketing activities will provide a boost in the coming months.

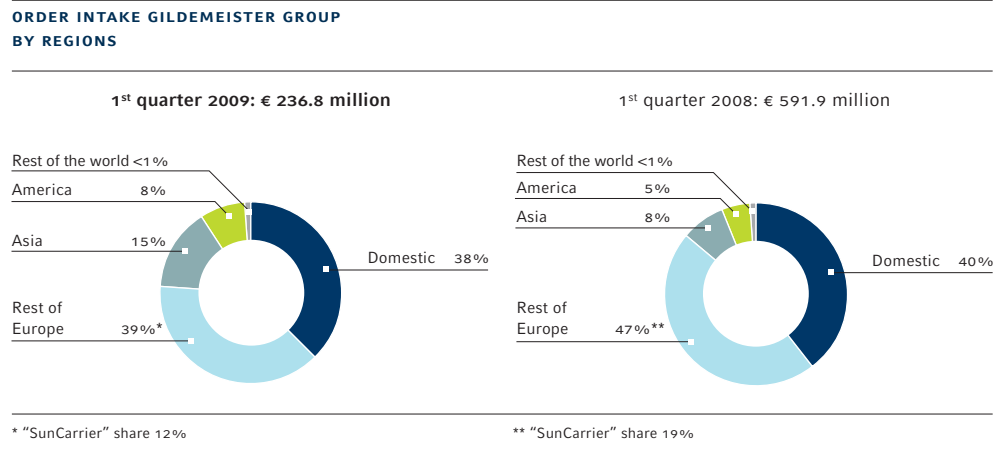
ORDER INTAKE GILDEMEISTER GROUP

in € million



More detailed information on order intake in each segment is given on page 9 et seq.

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

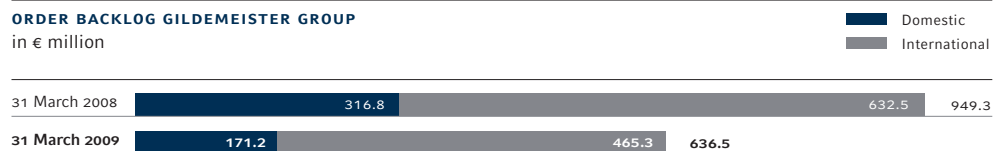


Order intake development will be affected by the continuing uncertainty of our consumers. Due to the current business environment, it is not yet possible to make any statements for the whole year.

Order Backlog

As at 31 March 2009 the order backlog within the group amounted to € 636.5 million (-33%). The “Solar Technology” division of a+f GmbH accounted for € 42.9 million or 7% of this.

The domestic order backlog fell by € 145.6 million (-46%) to € 171.2 million. The international order backlog fell by € 167.2 million (-26%) to € 465.3 million compared to the previous year. Of the existing orders, international orders accounted for 73% (corresponding date of the previous year: 67%).



In “Machine Tools”, the order backlog represents production capacity utilisation of an average of four months. At the moment capacity utilisation is primarily determined by the technology machines in our production range with correspondingly longer processing times. This results in different levels of production capacity utilisation at the individual production companies.

Results of Operations, Net Worth and Financial Position

The GILDEMEISTER group's profitability developed in the first quarter as follows: **EBITDA** reached € 22.7 million (previous year: € 33.4 million), **EBIT** amounted to € 15.5 million (previous year: € 25.9 million). **EBT** was positive at € 10.2 million (previous year: € 18.1 million). The group reported **annual profit** of € 6.5 million as of 31 March 2009 (previous year: € 11.2 million).

Total operating revenue fell to € 337.7 million (previous year: € 454.3 million). This decline resulted from reduced sales of € 327.7 million (previous year: € 392.0 million) and a drop in changes in stock levels to € 8.9 million (previous year: € 61.1 million). The material-intensive "SunCarrier" accounted for € 7.8 million of total work done (previous year: € 38.2 million). The materials quota fell to 49.0% (previous year: 56.5%). Cost of materials amounted to € 165.3 million (previous year: € 256.7 million). Gross profit decreased by € 25.2 million to € 172.4 million (previous year: € 197.6 million); the gross profit margin rose to 51.0% (previous year: 43.5%). Personnel costs decreased to € 93.0 million (previous year: € 96.7 million). The personnel costs quota was 27.5% (previous year: 21.3%). The balance of other expenses and income fell to € 56.7 million (previous year: € 67.5 million). Depreciation amounted to € 7.2 million (previous year: € 7.5 million). The financial result improved according to plan to € -5.3 million (previous year: € -7.8 million). The tax ratio decreased to 36% (previous year: 38%). The income taxes amounted to € 3.7 million (previous year: € 6.9 million).

	31 March 2009 € million	31 Dec. 2008 € million	31 March 2008 € million
Net worth			
Fixed assets	312.3	301.3	283.5
Current assets	1,021.9	1,089.1	913.8
Equity	380.9	379.7	342.7
Outside capital	953.3	1,010.7	854.6
Balance sheet total	1,334.2	1,390.4	1,197.3

The balance sheet total as at 31 March 2009 decreased by € 56.2 million to € 1,334.2 million compared to 31 December 2008. Under **assets**, fixed assets increased by € 11.0 million to € 312.3 million. Current assets fell by € 67.2 million to € 1,021.9 million. Inventories rose by € 53.2 million to € 479.1 million, at the same time raw materials and consumables increased to € 197.5 million (€ +37.4 million), the inventory of unfinished goods fell to € 134.0 million (€ -18.6 million) and the inventory of finished goods rose to € 143.4 million (€ +33.8 million). Changes in raw materials and consumables occurred mainly due to advance material planning for the "SunCarrier" solar modules. Unfinished goods decreased, in particular, due to the settlement of a major order in the "Solar Technology" division. Finished goods increased primarily as a result of delayed acceptances as well as order cancellations as a consequence of the economic crisis.

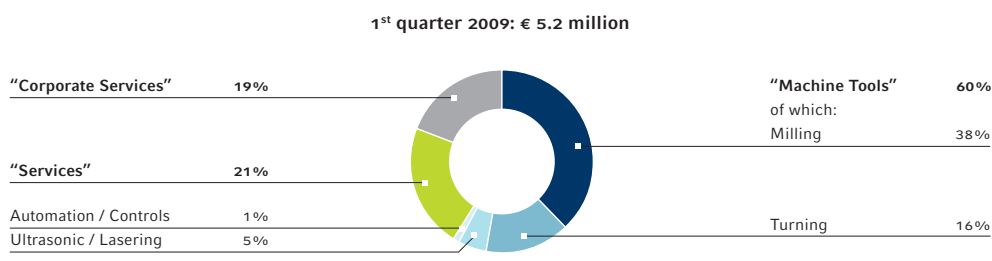
Under **equity and liabilities**, outside capital decreased by € 57.4 million to € 953.3 million. At the same time provisions fell by € 21.5 million to € 231.2 million, payments received on account fell by € 17.2 million to € 79.2 million and trade creditors fell by € 18.7 million to € 180.3 million.

The free cash flow in the first quarter amounted to € -85.4 million (previous year: € -49.0 million). The **cash flow** from operating activity in the first quarter amounted to € -80.3 million (previous year: € -43.1 million). Based on earnings before tax (EBT) of € 10.2 million, depreciation (€ 7.2 million) and a decline in trade debtors (€ 17.4 million) made a positive contribution to cash flow. Whereas the higher commitment of funds to inventories of € 53.3 million and the decline in trade creditors of € 18.7 million reduced the cash flow. Cash flow from investment activity amounted to € -19.1 million (previous year: € -5.9 million); this includes the purchase of Mori Seiki shares for € 14.0 million. The cash flow from financing activity was € -3.3 million (previous year: € 19.1 million).

	2009 1 st quarter € million	2008 1 st quarter € million
Cash flow		
Cash flow from operating activities	-80.3	-43.1
Cash flow from investment activity	-19.1	-5.9
Cash flow from financing activity	-3.3	19.1
Changes in cash and cash equivalents	-102.7	-30.2
Liquid funds at the start of the reporting period	257.9	95.6
Liquid funds at the end of the reporting period	155.2	65.4

Investments

Investments in fixed assets and intangible assets in the first quarter amounted to € 5.2 million (previous year's figure: € 6.3 million). For the current financial year, we are planning to reduce investments in fixed assets and intangible assets to less than € 40 million. The main focus of investment was the procurement of replacements to maintain operational readiness as well as capitalised development costs for new machine types. In addition, the new "DMG Experience Center Turn & Mill" was opened at the in-house exhibition in Bielefeld on 24 March 2009. Additions to financial assets amounted to € 14.0 million due to the shareholding in Mori Seiki Co. Ltd.. GILDEMEISTER thus made total investments in the first quarter of € 19.2 million.

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


Segments

"Machine Tools"

The "Machine Tools" segment forms the group's new machine business with the turning and milling, ultrasonic / lasering, electronics and automation business areas.

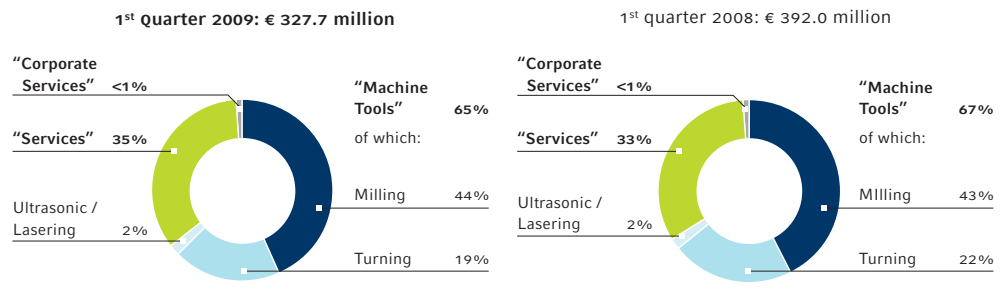
KEY FIGURES "MACHINE TOOLS" SEGMENT	2009 1 st quarter € million	2008 1 st quarter € million	Changes 2009 against 2008 € million	Changes 2009 against 2008 %
Sales Revenues				
Total	212.1	261.0	-48.9	-19
Domestic	104.8	129.1	-24.3	-19
International	107.3	131.9	-24.6	-19
% International	51	51		
Order Intake				
Total	132.0	337.9	-205.9	-61
Domestic	52.2	166.2	-114.0	-69
International	79.8	171.7	-91.9	-54
% International	60	51		
Order Backlog*				
Total	488.5	677.0	-188.5	-28
Domestic	137.2	219.2	-82.0	-37
International	351.3	457.8	-106.5	-23
% International	72	68		
Investments	3.1	4.1	-1.0	-24
Employees	3,507	3,457	50	1
plus Trainees	238	198	40	20
Total Employees*	3,745	3,655	90	2
EBIT	6.8	13.4	-6.6	-49

* Reporting date 31 March

In the “Machine Tools” segment, we suffered noticeable losses due to a lack of orders. **Sales revenues** amounted to € 212.1 million and were thus € 48.9 million or 19% below the previous year’s figure (€ 261.0 million). The “Machine Tools” segment contributed 65% of group sales revenues in the first quarter (previous year: 67%). The milling technology of DECKEL MAHO contributed 44% (previous year: 43%). The turning technology of GILDEMEISTER accounted for 19% (previous year: 22%). New technologies accounted for 2% analogically to the previous year’s period.

In relation to the total sales revenues of the group, the “Machine Tools”, “Services” and “Corporate Services” contributed as follows:

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



Order intake in the “Machine Tools” segment fell as a result of the international economic crisis by 61% to € 132.0 million (previous year: € 337.9 million). “Machine Tools” thus accounted for 56% of all orders received. The **order backlog** on 31 March 2009 amounted to € 488.5 million (corresponding date in the previous year: € 677.0 million). Earnings in the “Machine Tools” segment fell particularly due to the reduction in sales volume. In the first three months of the year, GILDEMEISTER achieved **EBIT** of € 6.8 million in the “Machine Tools” segment (previous year: € 13.4 million). In the “Machine Tools” segment there was a reduction in the number of employees due to the international economic crisis. As at 31 March, 3,745 **employees** were employed (31 Dec. 2008: 3,814), this correspond to a reduction in staff of 69 employees; in addition, we have reduced the number of agency workers employed by 312. More information can be found in the “Employees” section on page 15.

“Services”

The “Services” segment includes the business activities of DMG Vertriebs und Service GmbH and its subsidiaries, as well as a+f GmbH with its two “SunCarrier” and “Components” business areas. The latter company serves the growing solar technology market with the “SunCarrier”. In the “Components” area, a+f GmbH focuses on the procurement of components for wind energy. **DMG Service Solutions** offers worldwide customised service solutions and service products over the entire lifespan of the DMG machine tools. The service solutions include various diverse services, which, through our highly-qualified service staff and our worldwide sales and service network, ensure direct customer contact and rapid availability. **DMG service products** – such as DMG Powertools, adjustment devices and tool management from DMG MICROSET, DMG Spare Parts as well as components and systems from SACO – provide users with an opportunity to increase the productivity of their DMG machines tools significantly. Up-to-date service news may be obtained at www.gildemeister.com; detailed information on the “SunCarrier” can be found at www.suncarrier.com.



Solar technology in Italy:
GILDEMEISTER is turning its attention in 2009 on the Italian solar energy market.

KEY FIGURES “SERVICES” SEGMENT	2009 1 st quarter € million	2008 1 st quarter € million	€ million	Changes 2009 against 2008 %
Sales Revenues				
Total	115.5	130.9	-15.4	-12
Domestic	46.9	63.8	-16.9	-26
International	68.6	67.1	1.5	2
% International	59	51		
Order Intake				
Total	104.7	253.9	-149.2	-59
Domestic	38.0	70.4	-32.4	-46
International	66.7	183.5	-116.8	-64
% International	64	72		
Order Backlog*				
Total	148.0	272.3	-124.3	-46
Domestic	34.0	97.6	-63.6	-65
International	114.0	174.7	-60.7	-35
% International	77	64		
Investments	1.1	1.6	-0.5	-31
Employees*	2,472	2,376	96	4
EBIT	14.0	20.4	-6.4	-31

* Reporting date 31 March

“Services” had a 35% proportion of group sales revenues (previous year: 33%). Even the further business development in the “Services” segment will be affected more strongly than expected at the beginning of the year by the economic downturn. The declining development especially affected the spare part and the used machine business. In the first quarter, **sales revenues** reached € 115.5 million and were thus 12% below the previous year’s level (€ 130.9 million). The “Solar Technology” division contributed € 21.8 million to sales revenues in the first quarter (previous year: € 2.4 million). **Order intake** at € 104.7 million was clearly below the previous year (€ 253.9 million). The “Solar Technology” division achieved order intake of € 28.0 million (previous year: € 112.8 million). Our customers ordered fewer spare parts and components; the services remained constant and demand for training developed positively. Of orders received by the group, “Services” accounted for 44%. The **order backlog** amounted to € 148.0 million, of which the “SunCarrier” of a+f GmbH accounted for € 42.9 million (previous year: € 186.0 million). **EBIT** amounted to € 14.0 million (previous year: € 20.4 million). In the “Services” segment, we have reduced the number of employees by 70 to 2,472 (31 Dec. 2008: 2,542). In addition to this we have reduced 30 agreements for the employment of agency workers. More information can be found in the “Employees” chapter on page 15.

“Corporate Services”

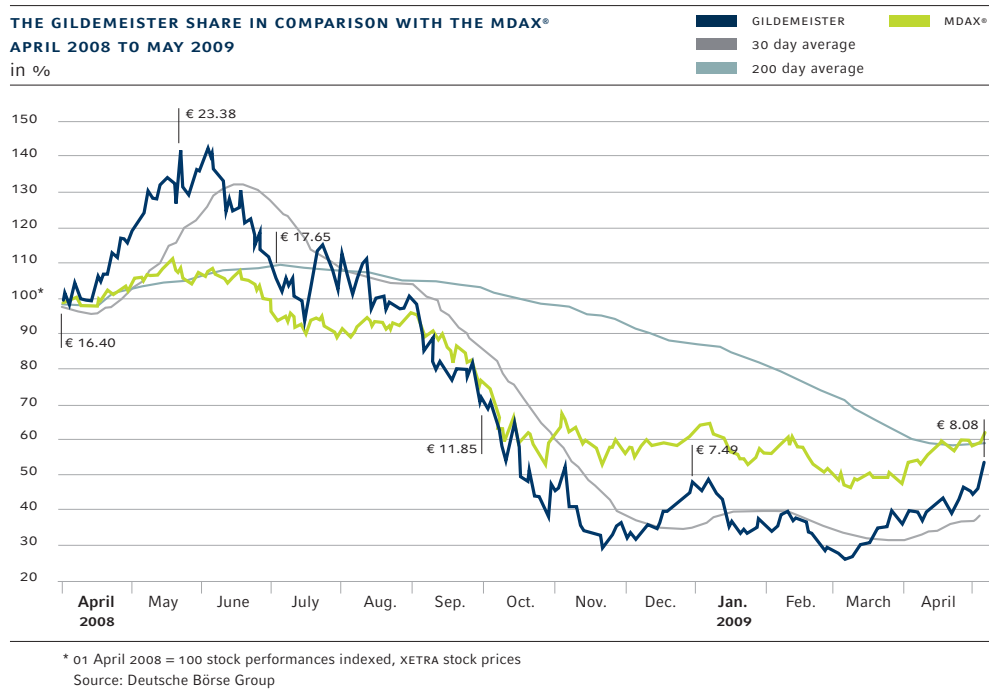
KEY FIGURES “CORPORATE SERVICES” SEGMENT	2009 1 st quarter € million	2008 1 st quarter € million	Changes 2009 against 2008 € million
Sales Revenues	0.1	0.1	0.0
Order Intake	0.1	0.1	0.0
Investments	15.0	0.6	14.4
Employees*	95	90	5
EBIT	-4.8	-7.4	2.6

* Reporting date 31 March

In addition to GILDEMEISTER Aktiengesellschaft with its group-wide holding functions, the “Corporate Services” segment also includes GILDEMEISTER Beteiligungen AG, which plays a central role as the parent company of all the production plants. **EBIT** was € -4.8 million (previous year: € -7.4 million). The improvement has occurred mainly due to a reduction in employee and leasing expenses as well as expenses for advisors. For the entire financial year 2009, we are planning a reduction of about 40% compared to the previous year (EBIT: € -41.2 million).

GILDEMEISTER Share

The effects of the financial and economic crisis continue to put pressure on the international capital markets. Within this environment, the GILDEMEISTER share recorded mixed development in the first two months of the year. The cooperation with the Japanese machine tool producer, Mori Seiki, had a positive impact on the share price in March. Starting from a share price at the beginning of the year of € 7.49 (2 Jan. 2009), the share closed the first quarter at € 5.84 (31 March 2009). The drop in share price of 22% from the start of the year corresponded to the general trend of the MDAX, which suffered a loss of 23% in the same period. The share is currently quoted at € 8.08 (04 May 2009).



The GILDEMEISTER shares are held in free float. Based on the total number of shares of 43.3 million, a turnover of 0.6 times occurred in the first three months (previous year's period: 1.1 times). The average trading volume amounted to approximately 387,000 shares per trading day (previous year: 761,000 shares). Several banks have analysed the current and future business development of GILDEMEISTER in the first quarter and arrived at the following ratings: "Buy" (DZ Bank, 29 April 2009), "Buy" (BHF Bank, 27 April 2009), "Hold" (Deutsche Bank, 19 March 2009), "Buy" (UniCredit, 17 March 2009), "Hold" (Bankhaus Lampe, 17 March 2009), "Reduce" (Commerzbank, 16 March 2009), "Buy" (equinet, 16 March 2009), "Buy" (Berenberg Bank, 13 March 2009), "Underweight" (HSBC, 13 Feb. 2009), "Reduce" (WestLB, 12 Feb. 2009).

GILDEMEISTER Aktiengesellschaft concluded a cooperation agreement on 23 March 2009 with Mori Seiki and agreed a cross holding of 5%, respectively. The Mori Seiki holding in GILDEMEISTER took place by way of a capital increase in authorised capital in April. Through the issue of 2,279,500 new shares, the total number of shares increased from 43,302,503 to 45,582,003; the registered capital of GILDEMEISTER Aktiengesellschaft rose from € 112,586,507.80 to its current amount of € 118,513,207.80. The issue price of the new shares was € 7.93. GILDEMEISTER had purchased 2.3% of Mori Seiki shares by 23 March and is planning to increase its shareholding up to 5%.

Earnings per share were € 0.15 (previous year: € 0.26). Further information on earnings per share is included in the Notes to the Financial Statements on page 23.

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Research and Development

Expenditure on research and development amounted to € 12.8 million in the first three months and was thus slightly below the previous year's level (€ 13.4 million). There are currently 476 employees working on the development of new products, this corresponds to 13% of the workforce at the plants.

At the traditional in-house exhibition in Pfronten we presented five of the total 19 new innovations planned for the reporting year. In the "Milling" business area, the DMC 210 U, the DMC 60 FD DUOBLOCK® and the DMC 80 H DUOBLOCK® extend the range of CNC machining centres. The highlights introduced in the business area of "Ultrasonic / Lasering" comprised the Lasertec 40 and the Ultrasonic 50-5 *linear* of SAUER GmbH.

In the business area of “Renewable Energy”, a+f GmbH presented an innovative tracking system for free-standing solar plants in equatorial regions with the “SkyCarrier”.

We are consistently following our innovations-focused product strategy. Over the course of the year we will present further new developments at 89 national and international trade fairs and at our in-house exhibitions. In doing so, the focus of our activities will be placed, in particular, on the important leading trade fairs, notably the CIMT in Beijing and the EMO in Milan.

DMG Experience Center Turn & Mill

At the in-house exhibition in Bielefeld, GILDEMEISTER opened the new Experience Center Turn & Mill, which facilitates a comprehensive insight into the world of integrated turning / milling machining. We offer our customers an opportunity to experience the full performance capability of the products on the basis of individual customer workpieces.



Employees

In the first quarter the number of employees fell in comparison with year-end 2008 by 139. As at 31 March 2009, GILDEMEISTER had 6,312 employees, of whom 238 were trainees (31 Dec. 2008: 6,451). In addition, by end of the first quarter we reduced the number of agency workers by 343 within the group. By the end of the second quarter we will end another 209 agreements with agency workers and thus completely cut.

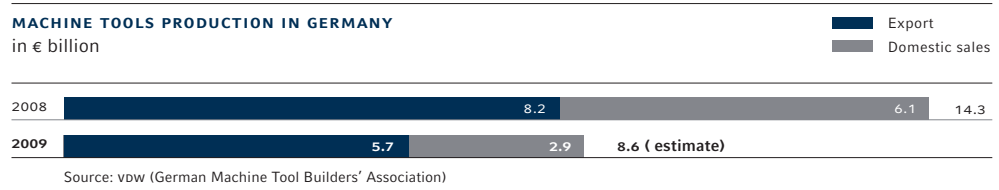
Apart from these measures and the cutback of overtime as well as making use of short-time work we will have to reduce the number of employees by 170 due to the economic development. This will be done especially by the cutback of temporary employment agreements.

At the end of the first quarter, 3,814 employees (60%) worked for the domestic companies and 2,498 employees (40%) for our international companies. The personnel quota was 27.5% (previous year's quarter: 21.3%); personnel expenditure amounted to € 93.0 million (previous year's quarter: € 96.7 million).

Forecast 2009

The **global economy** will continue its downwards trend in 2009 according to current forecasts. All industrial markets are affected by this, albeit to varying extents. Stimulus is only expected from China. In the USA, the starting point of the worldwide economic crisis, the situation will remain particularly tense. A similar situation can be expected in Europe. An improvement is also not in view for Germany.

The **worldwide market for machine tools** will strongly decline in 2009. The vdw and the British economic research institute, Oxford Economics, are expecting a decrease in worldwide consumption and production by 29% to € 37.0 billion. These estimates are based on the weak demand worldwide and on the continuing uncertainty as to whether and when the economic revival will commence. The associations are expecting a decline in consumption by 42%.



“Grasping chances. Showing strengths.” – our motto in the year of the economic crisis – indicates how we want to develop further in the future. As before, we continue to see future sales markets as being in Asia and eastern Europe. In the medium-term we will tap into them with more intense direct sales and co-operations and further strengthen our leading competitive position. We will concentrate our strengths and focus on stable market sectors, such as aerospace, medical technology and renewable energy.

GILDEMEISTER plans to win market shares in the worldwide declining machine tool market. With our newly-designed products, which have been consistently tailored to suit the needs of customers, we will overcome the challenges that lie before us.

Over the course of the **financial year 2009**, even GILDEMEISTER will have to accept losses. We have responded in good time with cost-saving measures. During the crisis, however, opportunities are taken advantage of: one opportunity is the cooperation with the Japanese machine tool producer, Mori Seiki. Together we will realise synergies and, in the interests of our customers, concentrate resources in order to achieve efficiency advantages. We will benefit from our proven business model and a clear corporate strategy. Furthermore, with our solar technology, we have a successfully-developing addition to our core areas of expertise.

We enjoyed success at the most important machine tool trade fair at the beginning of April in Asia, the CIMT in Beijing, with 138 machines sold and orders worth € 22.5 million. The highlights were our industry specific solutions. Overall the Chinese market showed positive trends. An important industry event is the EMO in Milan (5 to 10 October 2009), where GILDEMEISTER will present 40 exhibits, five of which are world innovations.

For the financial year 2009 we are expecting order intake to be markedly below that of the previous year; as a result, there will also be a clear decline in the development of sales revenues and profit. More detailed statements are not yet possible at present due to the complete change in the world economic environment. The extent of the worldwide economic crisis, its duration and effects on GILDEMEISTER cannot be planned for at the moment for the financial year 2009 with sufficient certainty.

The machine tool business will decline in 2009. The service business will develop significantly more weakly than anticipated at the beginning of the year. In the solar business, we expect positive development given the pre-condition of secured project financing. A high degree of flexibility allows GILDEMEISTER to respond appropriately to changing market conditions. GILDEMEISTER remains well-positioned in the important markets and, with consistently initiated measures, we are convinced to master the crisis.

Consolidated Income Statement

1 st quarter	2009		2008		Changes	
	1 Jan. – 31 March € million	%	1 Jan. – 31 March € million	%	2009 against 2008 € million	%
Sales Revenues	327.7	97.0	392.0	86.3	-64.3	16.4
Changes in finished goods and work in progress	8.9	2.6	61.1	13.4	-52.2	85.4
Capitalised payments	1.1	0.4	1.2	0.3	-0.1	8.3
Total Work Done	337.7	100.0	454.3	100.0	-116.6	25.7
Cost of materials	-165.3	-49.0	-256.7	-56.5	91.4	35.6
Gross Profit	172.4	51.0	197.6	43.5	-25.2	12.8
Personnel costs	-93.0	-27.5	-96.7	-21.3	3.7	3.8
Other income and expenses	-56.7	-16.8	-67.5	-14.8	10.8	16.0
Depreciation	-7.2	-2.1	-7.5	-1.7	0.3	4.0
Financial Result	-5.3	-1.6	-7.8	-1.7	2.5	32.1
EBT	10.2	3.0	18.1	4.0	-7.9	
Income Taxes	-3.7	-1.1	-6.9	-1.5	3.2	
Annual Profit	6.5	1.9	11.2	2.5	-4.7	
Earnings per share in accordance with IAS 33 (in euros)	0.15		0.26			

Consolidated Balance Sheet

ASSETS	31 March 2009 € million	31 Dec. 2008 € million	31 March 2008 € million
Long-term assets			
Goodwill	75.7	75.7	75.8
Other intangible assets	23.7	23.7	23.4
Tangible assets	198.4	201.6	183.9
Financial assets	14.5	0.3	0.4
Trade debtors	0.5	0.6	4.0
Other long-term financial assets	16.5	17.5	16.1
Other long-term assets	0.5	0.7	1.1
Deferred taxes	27.2	27.9	30.6
	357.0	348.0	335.3
Short-term assets			
Inventories	479.1	425.9	454.8
Trade debtors	268.1	285.4	280.7
Other short-term financial assets	43.0	55.4	37.5
Other short-term assets	31.8	17.8	23.6
Cash and cash equivalents	155.2	257.9	65.4
	977.2	1,042.4	862.0
	1,334.2	1,390.4	1,197.3
EQUITY AND LIABILITIES	31 March 2009 € million	31 Dec. 2008 € million	31 March 2008 € million
Equity			
Subscribed capital	112.6	112.6	112.6
Capital provision	68.3	68.3	68.3
Revenue provisions	200.3	199.1	162.2
Total equity of shareholders of GILDEMEISTER Aktiengesellschaft	381.2	380.0	343.1
Minority interests' share of equity	-0.3	-0.3	-0.4
Total equity	380.9	379.7	342.7
Long-term liabilities			
Long-term financial liabilities	240.8	240.3	43.5
Pension provisions	26.9	27.1	27.7
Other long-term provisions	49.3	47.1	33.5
Trade creditors	0.4	0.4	0.9
Other long-term financial liabilities	24.2	20.3	6.0
Other long-term liabilities	3.5	3.4	3.8
Deferred taxes	3.2	3.6	4.0
	348.3	342.2	119.4
Short-term liabilities			
Short-term financial liabilities	133.2	138.0	235.7
Tax provisions	14.0	19.0	23.6
Other short-term provisions	141.0	159.5	130.4
Payments received on account	79.2	96.4	154.5
Trade creditors	179.9	198.6	149.8
Other short-term financial liabilities	30.6	30.1	11.5
Other short-term liabilities	27.1	26.9	29.7
	605.0	668.5	735.2
	1,334.2	1,390.4	1,197.3

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Consolidated Cash Flow Statement

	2009 1 Jan. – 31 March € million	2008 1 Jan. – 31 March € million
CASH FLOW FROM OPERATING ACTIVITIES		
Earnings before tax (EBT)	10.2	18.1
Income taxes	-3.7	-6.9
Depreciation	7.2	7.5
Change in deferred taxes	0.3	-2.2
Change in long-term provisions	1.9	2.1
Other income and expenses not affecting payments	0.2	1.0
Change in short-term provisions	-23.4	-1.0
Changes in inventories, trade receivables and other assets	-37.4	-75.4
Changes in trade creditors and other liabilities	-35.6	13.7
	-80.3	-43.1
CASH FLOW FROM INVESTMENT ACTIVITY		
Amounts paid out for investments in intangible and tangible assets	-5.2	-6.3
Amounts paid out for investments in financial assets	-14.0	0.0
Amounts received from the disposal of fixed assets	0.1	0.4
	-19.1	-5.9
CASH FLOW FROM FINANCIAL ACTIVITY		
Payment received / made for drawing / repaying financial debts	-3.3	19.1
	-3.3	19.1
Changes affecting payments	-102.7	-29.9
Effects of exchange rate changes on financial securities	0.0	-0.3
Cash and cash equivalents as of 1 January	257.9	95.6
Cash and cash equivalents as of 31 March	155.2	65.4

Statement of Changes in Group Equity

	Subscribed capital € million	Capital provision € million	Revenue provisions € million	Shareholders equity of GILDEMEISTER Aktiengesellschaft € million	Minority interest share of equity € million	Total € million
As at 1 Jan. 2009	112.6	68.3	199.1	380.0	-0.3	379.7
Annual Profit	0.0	0.0	6.5	6.5	0.0	6.5
Changes in currency / Changes in market value of derivatives	0.0	0.0	-5.3	-5.3	0.0	-5.3
Consolidation transactions / other changes	0.0	0.0	0.0	0.0	0.0	0.0
As at 31 March 2009	112.6	68.3	200.3	381.2	-0.3	380.9

	Subscribed capital € million	Capital provision € million	Revenue provisions € million	Shareholders equity of GILDEMEISTER Aktiengesellschaft € million	Minority interest share of equity € million	Total € million
As at 1 Jan. 2008	112.6	68.3	149.0	329.9	-0.4	329.5
Annual Profit	0.0	0.0	11.2	11.2	0.0	11.2
Changes in currency / Changes in market value of derivatives	0.0	0.0	2.0	2.0	0.0	2.0
Consolidation transactions / other changes	0.0	0.0	0.0	0.0	0.0	0.0
As at 31 March 2008	112.6	68.3	162.2	343.1	-0.4	342.7

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Group Segmental Reporting

1ST QUARTER 2009	Machine Tools € million	Services € million	Corporate Services € million	Transitions € million	Group € million
Sales Revenues	212.1	115.5	0.1		327.7
EBIT	6.8	14.0	-4.8	0.5	15.5
Investments	3.1	1.1	15.0		19.2
Employees	3,745	2,472	95		6,312

1ST QUARTER 2008	Machine Tools € million	Services € million	Corporate Services € million	Transitions € million	Group € million
Sales Revenues	261.0	130.9	0.1		392.0
EBIT	13.4	20.4	-7.4	-0.5	25.9
Investments	4.1	1.6	0.6		6.3
Employees	3,655	2,376	90		6,121

Notes to the Interim Consolidated Financial Statements

1 APPLICATION OF REGULATIONS

The interim consolidated financial statements of GILDEMEISTER Aktiengesellschaft as of 31 March 2009 were prepared, as were the Consolidated Financial Statements of the year ending 31 December 2008, in accordance with the International Financial Reporting Standards (IFRS) applicable on the reporting date and in accordance with the interpretation of the above standards; in particular, the regulations of the IAS 34 on interim reporting were applied.

All interim financial statements of those companies that were included in the Interim Consolidated Financial Statements were prepared in accordance with uniform accounting and valuation principles that also formed the basis for the Consolidated Annual Financial Statements for the year ending 31 December 2008.

In view of the sense and purpose of interim reporting as an instrument of information based on the Consolidated Financial Statements, and in accordance with IAS 1.112, we refer to the Notes to the Consolidated Annual Financial Statements. These set out in detail the accounting, valuation and consolidation methods applied and the right of choice contained in the IFRS that has been exercised.

The accounting and valuation principles and applied consolidation methods remain unchanged from the financial year 2008. For further details we refer to the Notes to the Consolidated Financial Statements of the year ending 31 December 2008.

2 CONSOLIDATED GROUP

As at 31 March 2009, the consolidated group comprised 76 companies, including GILDEMEISTER Aktiengesellschaft, which were all included in the Interim Financial Statements as part of the full consolidation process. The changes are detailed in the section "Business Development of the GILDEMEISTER group". The changes do not impair comparison with the Consolidated Financial Statements for the year ending 31 December 2008.

3 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:

Group result excluding profit share of minority interests	€ K	6,509
Average weighted number of shares		43,302,503
Earnings per share acc. to IAS 33	€	0.15

There were no dilution effects in the reporting period.

4 INCOME STATEMENT, BALANCE SHEET, CASH FLOW STATEMENT Details on the income statement, the balance sheet and on the cash flow statements may be found in the section “Results of Operations, Net Worth and Financial Position” on page 7.

5 STATEMENT OF CHANGES IN GROUP EQUITY The consolidated annual profit as at 31 March 2009 of € 6.5 million caused an increase in equity. A reduction in equity resulted from exchange rate changes as well as changes in the market value of derivative financial instruments of € -5.3 million recognised directly in equity.

6 SEGMENTAL REPORTING The application of IFRS 8 is compulsory for financial years that start on or after 1 January 2009. GILDEMEISTER is applying IFRS 8 as of the start of the new financial year 2009. Through IFRS 8, segment reporting will change from the so-called “risk and reward approach” of IAS 14 to the “management approach” with regard to segment information. Relevant in this respect is the information that is regularly available to the so-called “chief operating decision maker” for making management decisions. At the same time the evaluation of segment performance will be changed from the “financial accounting approach” of IAS 14 to the “management approach”. The first-time application of IFRS 8 has not led to any significant changes to segmental reporting for GILDEMEISTER. The demarcation of the segments or the determination of the segment results remain unchanged from 31 December 2008. Further details on business development are included in the “Segments” section on page 9 et seq.

7 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE Significant events occurring after the balance sheet date are presented in the “Forecast” on page 16 et seq. No other significant events have occurred after the balance sheet date of the interim financial statements.

15 May 2009	General Meeting of Shareholders at 10 a.m. in the Stadthalle, Bielefeld
18 May 2009	Dividend Payment
4 August 2009	2 nd Quarterly Report 2009 (1 April to 30 June)
22 September 2009	German Investment Conference, Munich
5 November 2009	3 rd Quarterly Report 2009 (1 July to 30 September)
16 February 2010	Press Release on Provisional Figures for the Financial Year 2009
14 May 2010	Annual General Meeting at 10 a.m. in the Stadthalle, Bielefeld

Subject to alteration

Bielefeld, 5 May 2009

Yours sincerely,
GILDEMEISTER Aktiengesellschaft
The Executive Board

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

Executive Board:
Dipl.-Kfm. Dr. Rüdiger Kapitza, Chairman
Dipl.-Ing. Günter Bachmann
Dipl.-Kfm. Dr. Thorsten Schmidt
Dipl.-Kfm. Michael Welt

Statements relating to the future

This report contains statements relating to the future, which are based on current evaluations of the management regarding future developments. Such statements are subject to risks and uncertainties relating to factors that are beyond GILDEMEISTER'S ability to control or estimate precisely, such as the future market environment and economic conditions. Such uncertainties may arise for GILDEMEISTER in particular as a result of the following factors: Changes in general economic and business conditions (including margin developments in the major business areas as well as the consequences of recession); the risk that customers may delay or cancel orders or become insolvent or that prices will be further depressed due to a constantly unfavourable market environment than we currently expect; developments in the financial markets including fluctuations in interest rates and exchange rates, in the price of raw materials, in borrowing and equity margins as well as the general financial situation; increasing volatility and further decline in the capital markets; a worsening of conditions for borrowing and, in particular, increasing uncertainty arising out of the mortgage, financial and liquidity crisis, as well as the future economic success of the core business areas in which we operate; challenges arising of the integration of major acquisitions and the implementation of joint ventures and the realisation of anticipated synergy effects and other significant portfolio measures; the introduction of competitive products or technologies by other companies; a lack of acceptance of new products and services in customer target groups of the GILDEMEISTER group; changes in corporate strategy; the outcome of public investigations and associated legal disputes as well as other official measures.

Should one of these uncertainty factors or other unforeseeable event occur, or should the assumptions on which these statements are based prove incorrect, the actual results may differ materially from the results expressed in, or implied by, these statements. GILDEMEISTER disclaims any intention or special obligation to update any forward-looking statements to reflect any change in events or developments occurring after the reporting period. Forward-looking statements must not be understood as a guarantee or assurance of future developments or events contained therein.

This report is available in German and English; both versions are available on the Internet for download at www.gildemeister.com. Further copies and additional information on GILDEMEISTER are available free of charge upon request.

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