

# Interim Report

First six months 2002



## Key Figures

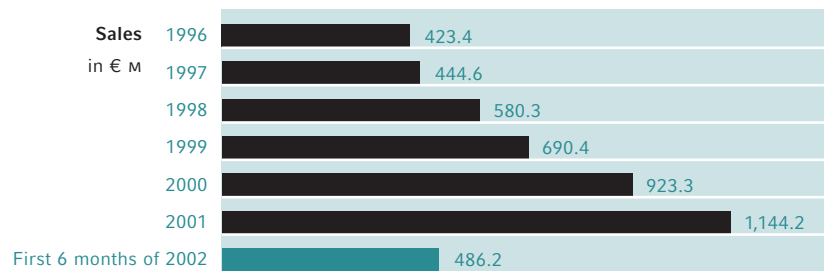
The Consolidated Interim Financial Statements of GILDEMEISTER Aktiengesellschaft for the first six months of 2002 were prepared in accordance with the applicable International Accounting Standards (IAS). The rules of IAS 34 pertaining to interim reporting were specifically applied. All benchmark figures for the corresponding periods of the previous year are shown in accordance with IAS. The Interim Report has not been audited.

GILDEMEISTER group	first 6 months	first 6 months	Changes	
	of 2002	of 2001	2002 against 2001	
	€ M	€ M	€ M	%
Sales				
Total	486.2	513.9	-27.7	-5
Domestic	246.0	269.8	-23.8	-9
International	240.2	244.1	-3.9	-2
% International	49	48		
Order intake				
Total	486.0	604.2	-118.2	-20
Domestic	235.8	303.2	-67.4	-22
International	250.2	301.0	50.8	17
% International	51	50		
Orders on hand*				
Total	381.6	513.2	-131.6	-26
Domestic	168.1	212.5	-44.4	-21
International	213.5	300.7	-87.2	-29
% International	56	59		
Investments	14.4	22.7	-8.3	-36
Staff costs	137.8	134.6	3.2	2
Employees	5,109*	5,203**	-94	-2
of which trainees	174	178	-4	-2

	2002	2001	Changes	
	first 6 months	first 6 months	2002 against 2001	
	€ M	€ M	€ M	%
EBITDA	30.6	50.6	-20.0	-40
EBIT	11.1	33.4	-22.3	-67
Profit on ordinary activities	0.3	21.9	-21.6	-99
Profit/loss for the year	-7.4	10.0	-17.4	-174

\* Reporting date 30 June

\*\* Reporting date 31 March 2002



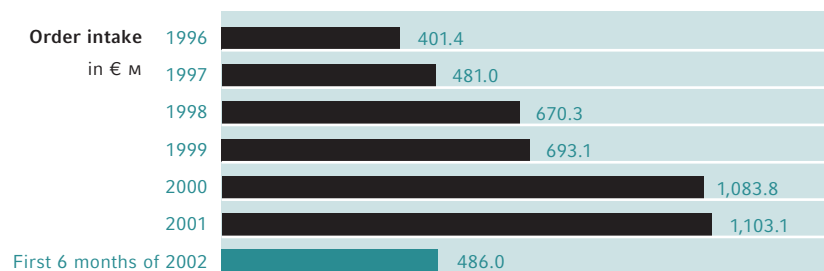
<< GILDEMEISTER  
group key figures

<< Sales

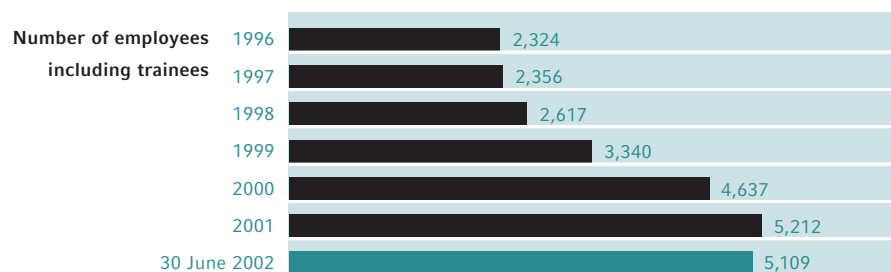
Order intake

Profit on  
ordinary activities

Employees



■ HGB Financial Statements  
■ IAS Annual Financial Statements/Interim Financial Statements



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**Dear ladies and gentlemen,**

The overall economic course for the second quarter 2002 still did not show much sign of vigour. In the first six months of the year overall development of the GILDEMEISTER group was subdued. As expected, the high figures of the previous year were not reached; considering the circumstances, however, we were able to develop comparatively satisfactorily. In the second quarter the intake of new orders improved further by 7% compared with the previous quarter. In all, we have taken in new orders to the value of € 486.0 million in the first six months of the year. We see this as the first sign of a gradual revival in demand. Sales, too, rose in the second quarter so that the group sales volume of GILDEMEISTER for the first six months of € 486.2 million was only 5% below the figure of the previous year. Profit on ordinary activities was affected by various factors, in particular the high start-up costs of the numerous new products. The over-capacity of our Japanese competitors together with the under-utilisation of capacity by some of the European manufacturers resulted in substantial pricing pressure and has begun to affect our margins, too. At the end of the first six months, we were able to record a small profit on ordinary activities of € 0.3 million. EBIT amounts to € 11.1 million (corresponding period of the previous year: € 33.4 million). The Financial Statements for the first six months 2002 were prepared in accordance with the International Accounting Standards (IAS) guidelines.

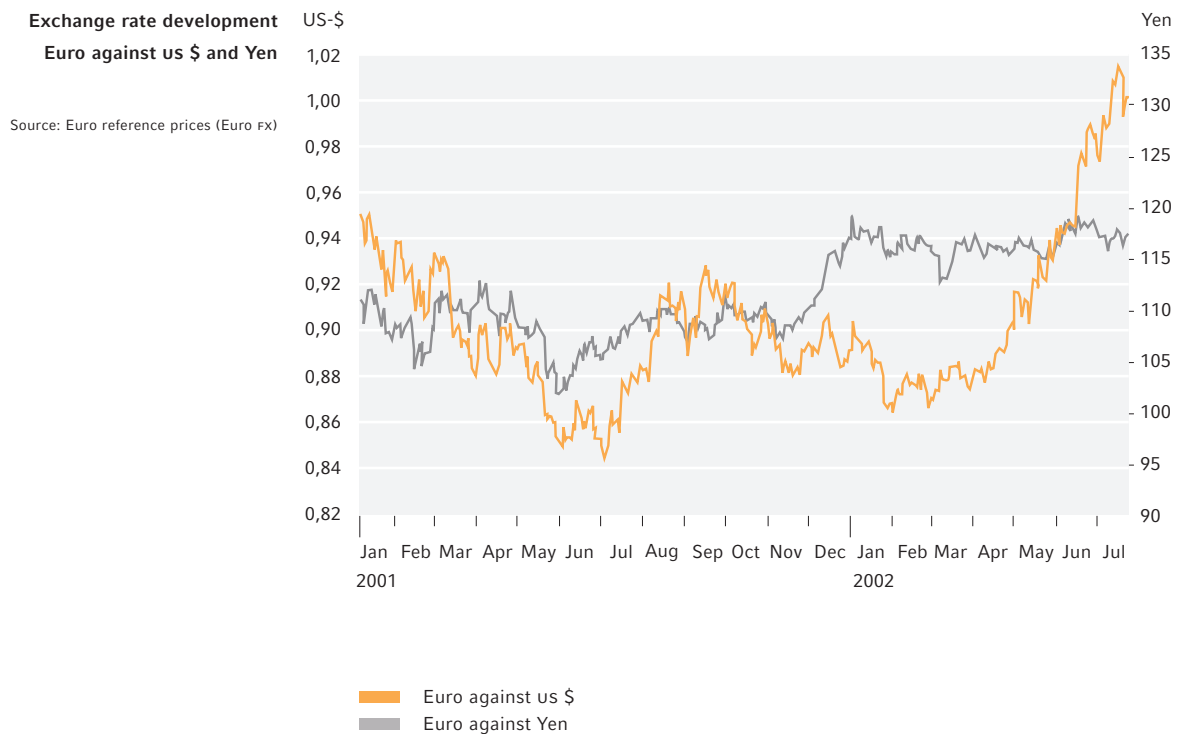
The orders on hand of € 381.6 million enable a satisfactory basic capacity utilisation in most of the group's production companies for the second six months of the year. Further trends very much depend on a revival in the economy. We are not expecting a lasting economic recovery for the next few months. The industry is hoping for fresh impetus at the four major trade fairs that take place in the autumn.

Thanks to both our strong technological position and innovative speed we will be able to achieve an intake of new orders of € 1 billion in this difficult year. In 2002, sales will again be at around € 1 billion. From today's point of view, we will be able to record a profit on ordinary activities.

## Overall Economic Development

In the first six months of the current year the **overall economic development** did not show much sign of vigour. The economy in the major industrial countries is still weak. First signs of recovery were noted in the countries of South East Asia. The Euro region and Germany, however, lag behind these current trends. Even though signs of revival increased during the second quarter, an improvement in contrast to the first quarter was not noted. In their latest studies, Economic Research Institutes such as the DIW in Berlin and the IFO Institute in Munich, expect that a lasting revival in the economy will not occur before the autumn.

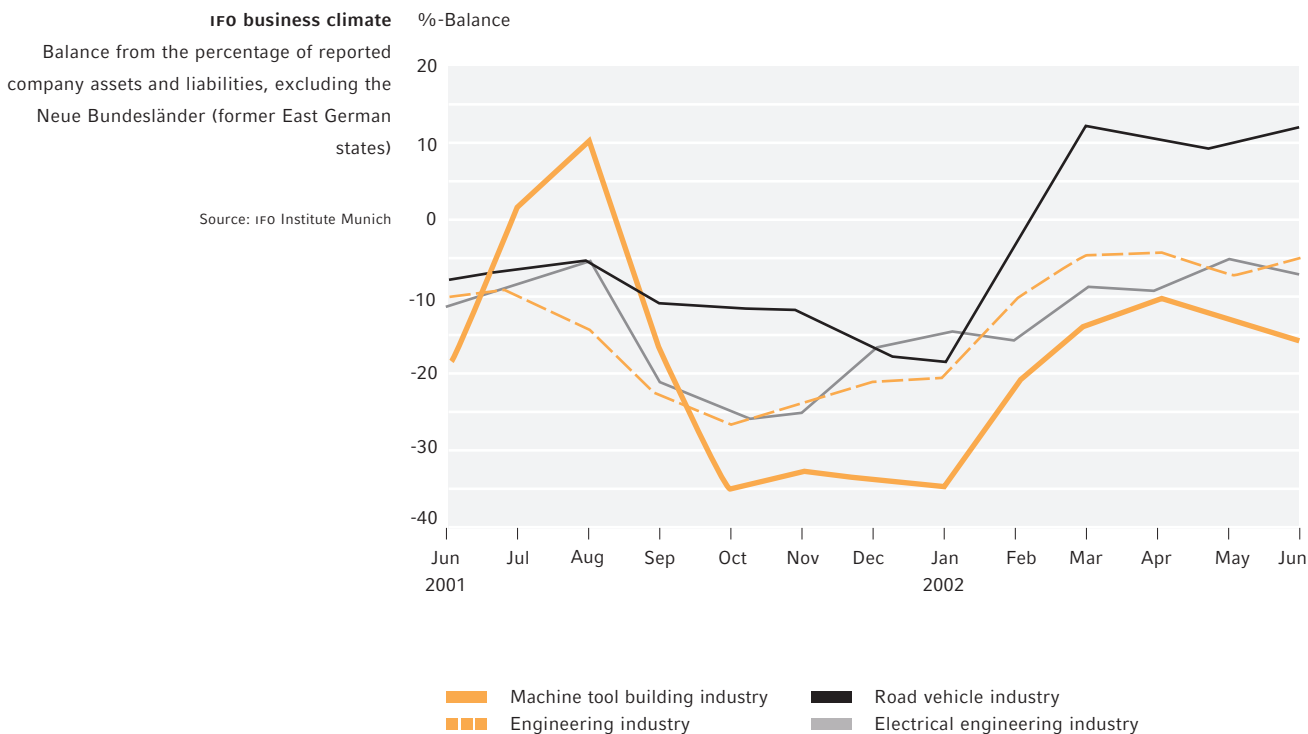
**Foreign exchange rate development** was dominated by the upward revaluation of the Euro in the second quarter of the year. The Euro gained in value especially against the Dollar. In July the Euro was back at par against the Dollar.



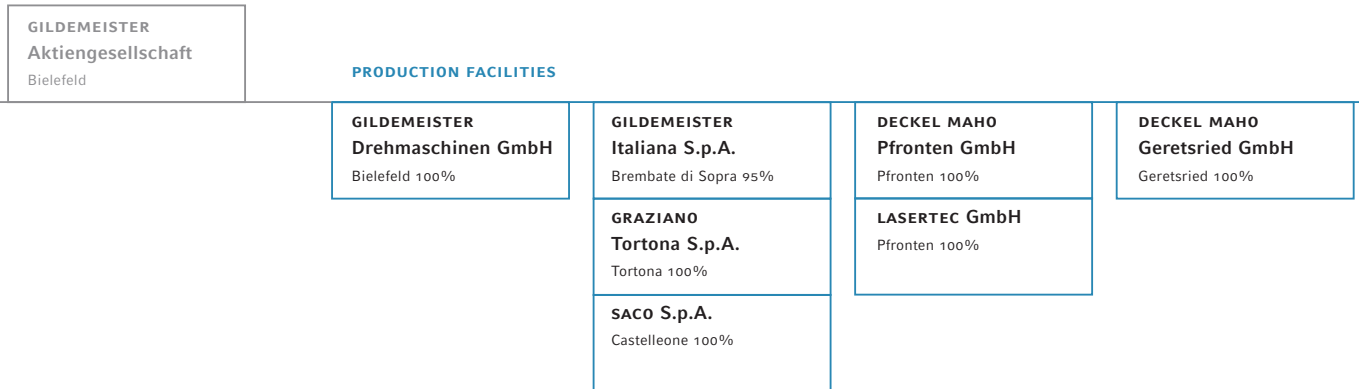
## Development of the Machine Tool Building Industry

**World-wide demand for machine tools** declined further in the first six months of 2002. Due to the lasting uncertainties in the global markets a forecast remains difficult. We expect that demand will not pick up before the end of the financial year. In the first six months of the year, the **German machine tool industry** has recorded a 19% deficit against the previous year with respect to the intake of new orders pertaining to cutting machines that are comparable with the production programme of DECKEL MAHO GILDEMEISTER. International orders have declined by 20%, domestic orders by 18%. Machine tool manufacturers suffered an 8% drop in sales compared with the corresponding period of the previous year.

The industry expects fresh impetus from the autumn trade fairs in September and October, especially from the IMTS in Chicago, the AMB in Stuttgart, the BIMU in Milan and the JIMTOF in Tokyo.



## GILDEMEISTER Group Business Development



As of 30 June 2002 the GILDEMEISTER group comprises 58 companies including GILDEMEISTER Aktiengesellschaft, 57 of which are included in the Interim Financial Statements as fully consolidated companies. The following changes in company structure of the GILDEMEISTER group have occurred since the Interim Report for the first quarter: the share in GILDEMEISTER Italiana S.p.A. of the Holding Macchine Utensili S.p.A. was increased to 95.32% (previously: 91.55%). GILDEMEISTER Aktiengesellschaft now holds 98.98% of the share capital of FAMOT Pleszew S.A. (previously: 98.04%).

As far as we are aware, no major changes have occurred in the shareholders' structure of GILDEMEISTER Aktiengesellschaft compared with the first quarter 2002.

### Sales

Group sales for the second quarter exceeded the figure for the first quarter, reaching € 486.2 million in the first six months. This is a 5% decline against the corresponding period of the previous year (€ 513.9 million). GILDEMEISTER is thus slightly above the trend of the industry, which recorded a deficit of 8%. International sales of € 240.2 million almost matched the high figures of the previous year. Domestic sales decreased by 9% to € 246.0 million. The export share was 49% (previous year: 48%).

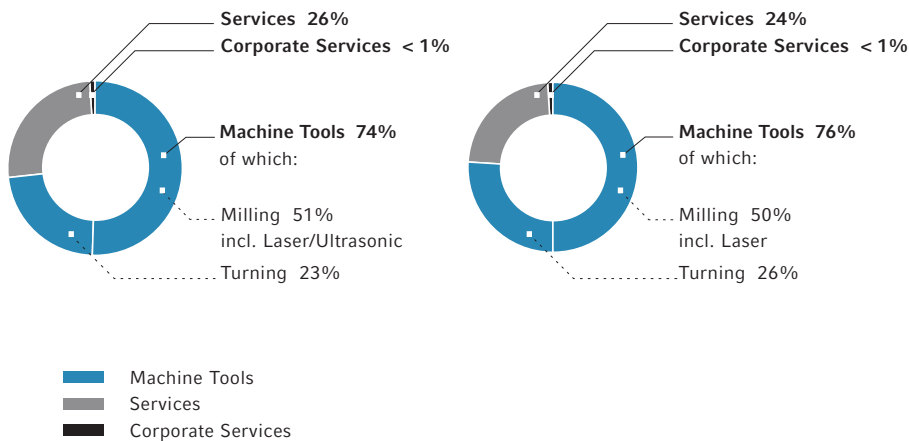


			PROCUREMENT	SALES AND SERVICE ORGANISATION
<b>DECKEL MAHO Seebach GmbH</b> Seebach 100%	<b>FAMOT Pleszew S.A.</b> Pleszew 99%	<b>SAUER GmbH &amp; Co. KG</b> Stipshausen 50.5%	<b>a &amp; f Stahl- und Maschinenbau GmbH</b> Würzburg 51%	<b>DMG Vertriebs und Service GmbH</b> Bielefeld 100%
				<b>51 sales and service locations worldwide</b>

GILDEMEISTER group sales distribution by segments/divisions

First 6 months of 2002: € 486.2 million

First 6 months of 2001: € 513.9 million



In the “Machine Tools” segment the group’s nine production facilities with their six domestic and three international sites contributed 74% to sales (corresponding period of the previous year: 76%). The “Services” segment increased its sales performance in the first six months of the year by 4% compared with the corresponding period of the previous year. The sales contribution of the Services rose to 26% (previous year: 24%).

Based on the still high level of order backlog and the expected intake of new orders in the current financial year we maintain to our forecast that sales in 2002 will again be at around € 1 billion.

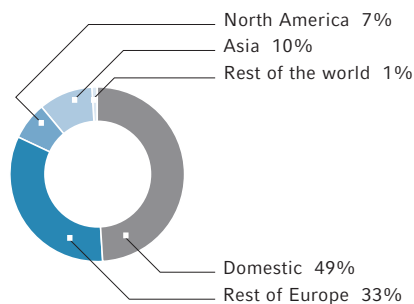
### Order Intake

In all, GILDEMEISTER expects a rather restrained course of demand for the current financial year with a gradual revival towards the end of the financial year.

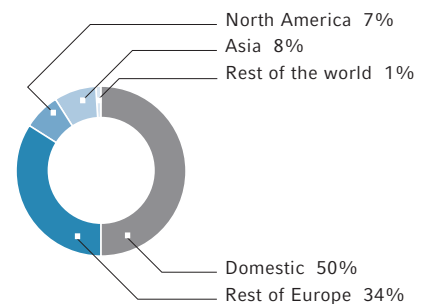
After new orders for the first quarter 2002 of € 235.2 million were slightly above the order intake for the fourth quarter 2001, the intake of new orders for the second quarter 2002 of € 250.8 million increased by a further 7% compared with the previous quarter. We see this increase since the last quarter as the first sign of a gradual recovery in demand. In all, the intake of new orders for the first six months of € 486.0 million was € 118.2 million or 20% below the extraordinarily high figure for the corresponding period of the previous year (industry: -19%). Domestic new orders amounted to € 235.8 million; this is € 67.4 million or 22% less than the corresponding period of the previous year. International new orders reached € 250.2 million; this is a decline of € 50.8 million or 17%. The export share rose to 51% (corresponding period of the previous year: 50%). The increased export share is due to an increase in new orders from Asia, in particular the People's Republic of China.

GILDEMEISTER group order intake  
January to June by regions

First 6 months of 2002: Total € 486.0 million



First 6 months of 2001: Total € 604.2



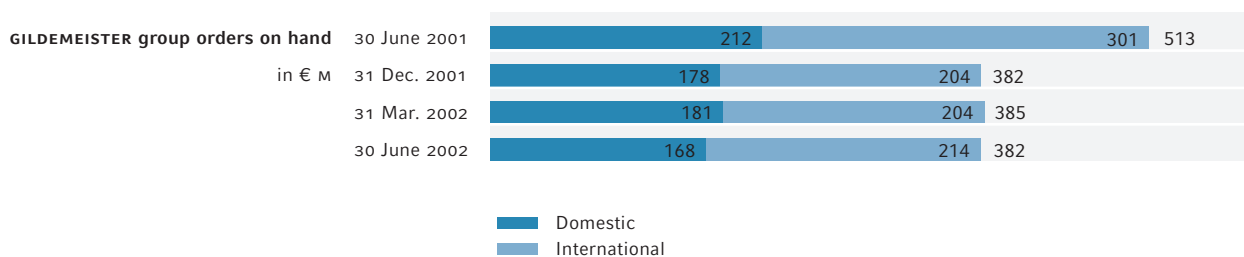
In the reporting year 74% of new orders were attributed to the “Machine Tools” segment (corresponding period of the previous year: 79%) and 26% to the group’s “Services” (corresponding period of the previous year: 21%).

The satisfactory development in order intake for the second quarter is – along with several smaller exhibitions – due to the four major trade fairs: the FAMETA in Nürnberg, the MACH in Birmingham, the Die & Mould in Shanghai and the METAV in Düsseldorf – with a total of 235 sold machines to the value of € 36.9 million.

After a moderate third quarter we expect that the order intake will not pick up until the fourth quarter. Even though the market has not recovered yet, we expect, from today’s point of view, that our intake of new orders in the financial year will reach € 1 billion. Here we assume that the impetus that is expected from the forthcoming autumn trade fairs will have a noticeable effect on the order intake.

## Orders on Hand

On 30 June 2002 orders on hand of the GILDEMEISTER group amounted to € 381.6 million. 56% of the order backlog is attributed to international orders (previous year: 59%). In contrast to the previous year the backlog of export orders dropped by € 87.2 million or 29%. The domestic order backlog dropped by € 44.4 million or 21% during the same period. Orders on hand for the second quarter have not changed very much, since the group's sales for this period was only slightly above the intake of new orders. Based on the assumed business trend, the order backlog will remain at a high level throughout the year.



At the end of the first six months of the year, orders on hand pertaining to “Machine Tools” amounted to € 319.7 million; this is an 84% share. € 61.9 million or 16% were attributed to “Services”.

## Results, Net Worth and Financial Position

The continuing subdued level of economic activity has affected GILDEMEISTER, too. This became apparent in the second quarter. Despite the unfavourable global economic setting, GILDEMEISTER was able to record slightly positive results by the end of the first half-year. During the first six months the group's **profits on ordinary activities** reached € 0.3 million (corresponding period of the previous year: € 21.9 million). **EBIT** amounts to € 11.1 million (corresponding period of the previous year: € 33.4 million), **EBITDA** to € 30.6 million (previous year: € 50.6 million). On 30 June 2002 the **results of the year** amounted to € -7.4 million (corresponding period of the previous year: € 10.0 million). Since the tax-loss carry-forward was applied for the last time in 2001, the current financial year sees an increase in the actual tax load. The losses for the first six months, which were primarily suffered by the foreign companies, did not result in reduced taxes at our profitable domestic group companies. The creation of deferred taxes in accordance with IAS has further affected the first-half results.

Various factors have contributed to the results in the first six months: our innovative speed remained at a high level. All together, GILDEMEISTER presented twelve newly developed products in the current financial year. A further seven developments will be premiered to the world at the trade fairs that will take place in autumn. However, the

resulting higher start-up costs, particularly costs of material, arising in the first nine months, will prove to be an important investment for the future and will give access to further growth in the global markets. Furthermore, GILDEMEISTER, like others, will not be able to completely avoid the influences of the weak market environment and the subdued investment confidence in major sales markets. Both the over-capacities of our Japanese competitors and under-utilisation of capacity by some of the European manufactures have resulted in substantial pricing pressure and have started to affect our margins, too. The introduction of staff adjustment measures will not become fully effective before the end of the current financial year.

Further measures to improve the quality of the result, increase efficiency and cut costs are underway. Due to lower sales during the holiday season and the planned increase in innovation-related material pre-production costs and trade-fair-related marketing costs, the result for the third quarter will be negative. The fourth quarter will close with a positive result.

Considering current circumstances, we expect relatively positive results (profit on ordinary activities) over the whole of the year 2002. A more detailed statement on the profit movement of the current financial year is currently not possible. We are working on maintaining the company's earning power even under unfavourable global economic conditions. Considering that the forecasts for the industry have become worse and due to our current course of business, we cannot comment on a distribution of dividends.

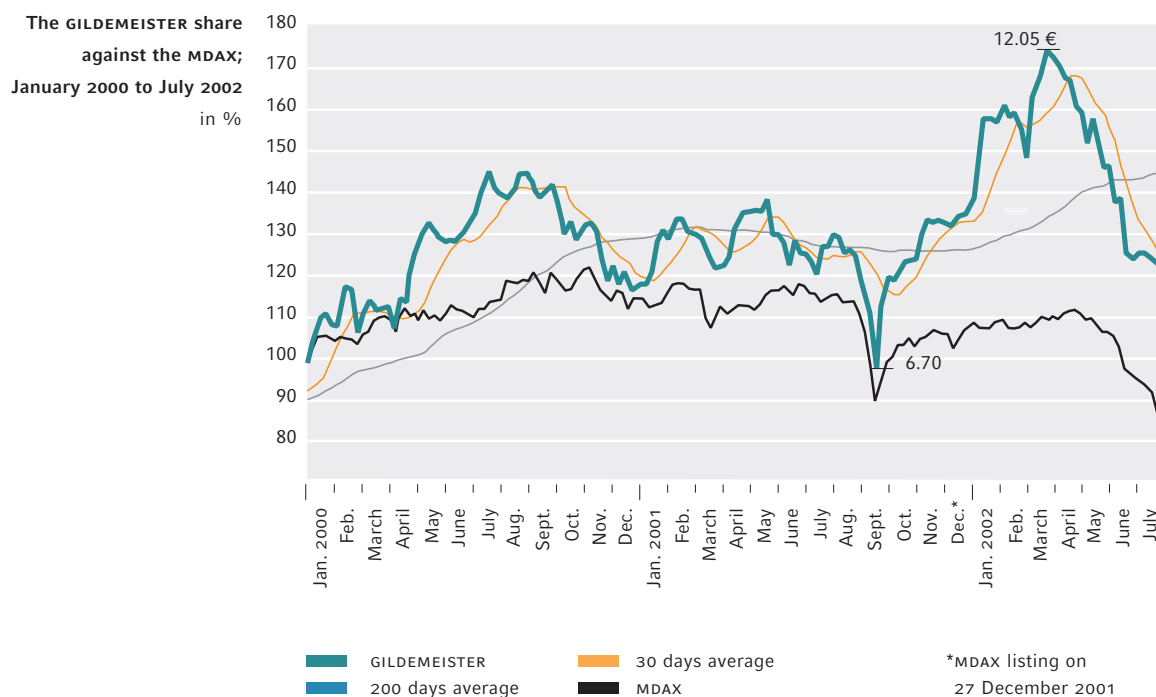
Net worth position		30 June 2002	31 Dec. 2001	30 June 2001
in € M	Fixed assets	264.0	248.3	221.3
	Current assets	628.4	632.1	621.0
	Equity capital	210.9	242.7	226.1
	Loan capital	681.5	637.7	616.2
	<b>Balance sheet total</b>	<b>892.4</b>	<b>880.4</b>	<b>842.3</b>

The **cashflow** from current activities amounted to € 11.9 million by the end of the first six months (previous year: € 14.1 million). In contrast to the previous year, it was mainly the reduction in inventories that had a positive effect on this development. Investment activities resulted in an outflow of funds of € 41.7 million (previous year: € 27.8 million), financed primarily through an increase in bank loans.

Financial position		First 6 months of 2002	First 6 months of 2001
in € M	Cashflow	9.2	35.5
	Cashflow from current activities	11.9	14.1
	Cashflow from investment activities	-41.7	-27.8
	Cashflow from financing activities	26.8	16.1
	Cash movement	-1.1	0.6
	Cash 1 January	15.3	24.1
	Cash 30 June	14.2	24.7

## GILDEMEISTER Share

In the first five months of the year the GILDEMEISTER share recorded an upward trend. Our security oscillated around an € 11 level. Since the beginning of June the GILDEMEISTER share, like others, has been affected by weak price movements in the capital markets. On 28 June 2002 the share closed the second quarter at a price of € 8.65. In July particularly, the entire stock exchange was dominated by high fluctuations in price. The Deutsche Aktienindex (German stock market index) dropped to its lowest level for five years.



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## Employees

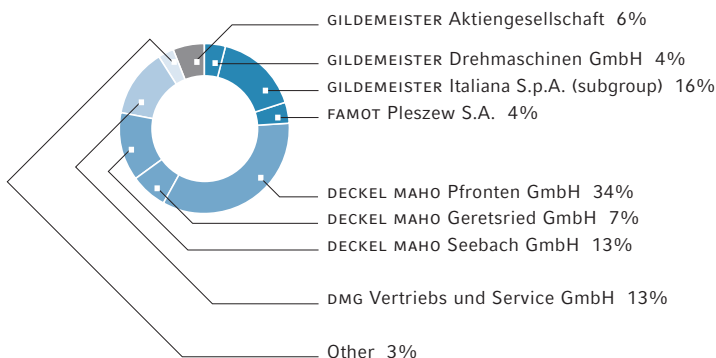
On 30 June 2002 the GILDEMEISTER group employed 5,109 people, 174 of whom were trainees. In comparison with the reporting date 31 December 2001, this is a decrease of 103 employees. All measures, for example flexible working time models, are being utilised. Further staff adjustment measures are directly related to business development at the individual group companies. In the first six months of the year staff costs amounted to € 137.8 million compared with € 134.6 million in the corresponding period of the previous year.

## Investments

Investments in tangible and intangible assets for the first six months of the year amounted to around € 14.4 million (corresponding period of the previous year: € 22.7 million). This reflects 41% of the planned investments of € 34.9 million for the current financial year. One focus of the second quarter was the installation of an assembly line for the T line at DECKEL MAHO in Pfronten. In addition, the technology centres of DMG Frankfurt in Bad Homburg and DMG Stuttgart in Leonberg were completed.

Contribution of the individual group companies to the investments in tangible and intangible assets

First 6 months of 2002: Total € 14.4 million



## Research and Development

In the first six months of the year, spending on research and development of € 23.3 million (corresponding period of the previous year: € 22.4 million) was high. 400 employees are working on the development of new products across the entire group. This represents 12% of the production plants' staff.

GILDEMEISTER presented twelve of the 22 planned new products during the first six months. These met with a very positive response by both our customers and the international trade press. Our reports on technology and innovation that are published on our newly designed website, [www.gildemeister.com](http://www.gildemeister.com), also met with a great deal of interest.

## Segments

As before, the GILDEMEISTER group's business activities cover the "Machine Tools", "Services" and "Corporate Services" segments.

The "Machine Tools" segment combines the new machines business of the turning, milling and laser/ultrasonics areas. The "Services" segment includes, along with the procurement services of a & f Stahl- und Maschinenbau GmbH and the components of saco S.p.A., primarily the promising services division of DMG Vertriebs und Service GmbH and its subsidiaries. The "Corporate Services" segment represents the group-wide holding functions.

## "Machine Tools" segment

### KEY FIGURES

	first 6 months of 2002	first 6 months of 2001	Changes 2002 against 2001	
	€ M	€ M	€ M	%
<b>Sales</b>				
Total	359.8	391.9	-32.1	-8
Domestic	170.1	209.6	-39.5	-19
International	189.7	182.3	7.4	4
% International	53	47		
<b>Order intake</b>				
Total	360.2	479.6	-119.5	-25
Domestic	155.7	228.8	-73.1	-32
International	204.5	250.8	-46.3	-18
% International	57	52		
<b>Orders on hand*</b>				
Total	319.7	436.5	-116.8	-27
Domestic	135.6	187.6	-52.0	-28
International	184.1	248.9	-64.8	-26
% International	58	57		
Investments	11.0	18,3	-7.3	-40
Employees	3,411*	3,482**	-71	-2
of whom trainees	174	178	-4	-2
Profit on ordinary activities	3.1	17.0	-13.9	-82

\* Reporting date 30 June

\*\* Reporting date 31 March 2002



## “Services” segment

### KEY FIGURES

	first 6 months of 2002	first 6 months of 2001	Changes 2002 against 2001	
	€ M	€ M	€ M	%
<b>Sales</b>				
Total	126.1	121.5	4.6	4
Domestic	75.6	59.7	15.9	27
International	50.5	61.8	-11.3	-18
% International	40	51		
<b>Order intake</b>				
Total	125.5	124.1	1.4	1
Domestic	79.8	73.9	5.9	8
International	45.7	50.2	-4.5	-9
% International	36	40		
<b>Orders on hand*</b>				
Total	61.9	76.7	-14.8	-19
Domestic	32.5	24.9	7.6	31
International	29.4	51.8	-22.4	-43
% International	47	68		
Investments	2.5	3.6	-1.1	-30
Employees	1,629*	1,657**	-28	-2
Profit on ordinary activities	6.6	9.1	-2.5	-27

\* Reporting date 30 June

\*\* Reporting date 31 March 2002

## “Corporate Services” segment

### KEY FIGURES

	first 6 months of 2002	first 6 months of 2001	Changes 2002 against 2001	
	€ M	€ M	€ M	%
Sales	0.3	0.5	-0.2	-40
Order intake	0.3	0.5	-0.2	-40
Investments	0.9	0.8	0.1	12
Employees	69*	64**	5	8
Profit on ordinary activities	-6.0	-6.2	0.2	3

\* Reporting date 30 June

\*\* Reporting date 31 March 2002

The latest:

**GILDEMEISTER and ThyssenKrupp to consolidate machine tools**

On 12 July 2002 GILDEMEISTER Aktiengesellschaft, Bielefeld, and ThyssenKrupp Technologies AG, Essen, announced that they intend to look into the pooling of their activities in the cutting machine tools area. By taking over the ThyssenKrupp machine tools business, GILDEMEISTER would further expand its position in the cutting machine tools area to a sales volume of approximately € 1.8 billion. The companies' range of products available on the market hardly overlaps. ThyssenKrupp's strength is the systems business, whilst GILDEMEISTER is market leader in standardised machines. GILDEMEISTER would particularly reinforce its position in North America and in the major European markets. Business in Asia would be jointly expanded.

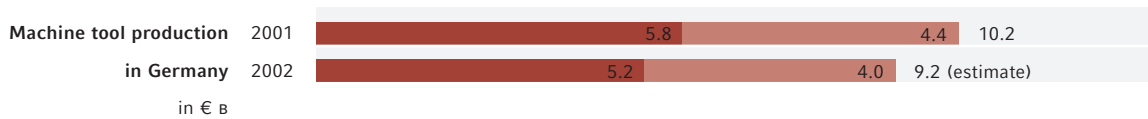
In our opinion, the timing for a possible consolidation is right. Organisation and structures can be adjusted and integrated faster during a weak phase of the market. We would benefit jointly from the expected revival of the market as early as the financial year of 2003.

The project was met with great interest by the public. For example, the *Börsenzeitung* ("GILDEMEISTER group to grow into new dimensions") and the *Financial Times Deutschland* ("GILDEMEISTER and ThyssenKrupp to pool divisions") appreciated the plans. The planned consolidation was also highly thought of from a strategic aspect by most analysts.

The due diligence process has begun and is intended to be completed by the end of the year. The implementation of the plan will then have to be decided on by the committees and the general meeting of the shareholders.

## Forecast 2002

In 2002 the **world economy** did not as yet show much sign of vigour. The **global market for machine tools** will be below the level of the previous year. There are no forecasts for international trends in the current financial year. We stick to the assessment of a 5-10% decline in production. Based on the latest medium-term forecast for the current year by the IFO Institute and the vdw (Association of German Machine Tool Manufacturers) from July, the **German machine tool industry** expects a decline in production by 10%. A further slight decline in production by 3% is expected for the year 2003 despite an assumed increase in new orders during the second half of this year and subsequent expedited recovery. A further increase in production is expected from 2004. On a medium-term basis the German machine tool industry sees itself heading for recovery.



Source: vdw (Verein Deutscher Werkzeugmaschinenfabriken, Association of German Machine Tool Manufacturers)

■ Exports  
■ Domestic sales

**GILDEMEISTER** plans for the financial year 2002 with the same cautious optimism. The weakening economic activity in the machine tool building industry has increasingly affected the course of business of the **GILDEMEISTER** group. For the entire year 2002 we expect to achieve positive results (profit on ordinary activities) and to meet most of our planned business objectives even under difficult market conditions.

## Consolidated Interim Financial Statements of GILDEMEISTER Aktiengesellschaft as of 30 June 2002

### Group Notes

The Consolidated Interim Financial Statements of GILDEMEISTER Aktiengesellschaft as of 30 June 2002 were, as the Consolidated Interim Financial Statements as of 31 March 2002, prepared in accordance with International Accounting Standards (IAS) – in future to be called International Financial Reporting Standards (IFRS) – that were applicable on the reporting date and in accordance with their interpretation.

The regulations of the IAS 34 on interim reporting were specifically applied. Due to the requirement under IAS 34 for comparative figures pertaining to the items shown in the interim financial statements, we had to prepare a balance sheet, income statement, flow of funds analysis and statement of changes in equity according to IAS for the respective corresponding period of the previous financial year. Regardless of the previous accounting method according to HGB, which was applied up to and including 31 December 2001, the reporting in this respect was carried out so as if the IAS regulations had always been applied (SIC-8).

All Interim Financial Statements of the group companies included in the Consolidated Interim Financial Statements were prepared in accordance with uniform accounting and valuation principles that were also applied to the Consolidated Interim Financial Statements as of 31 March 2002. As the purpose of quarterly reporting is as an information vehicle based on the consolidated financial statements, and in accordance with IAS 1.91, information on the applied accounting, valuation and consolidation methods was already included in the Consolidated Interim Financial Statements as of 31 March 2002. In these we particularly focused on the applied accounting, valuation and consolidation methods that differ from the methods applied in the Consolidated Financial Statements as of 31 December 2001, which were prepared according to commercial law, and the exercising of election rights according to IAS. So far as the accounting and valuation methods applied in the IAS Interim Financial Statements and the Consolidated Financial Statements in accordance with commercial law are concurrent, we will refer to the notes set out in the Consolidated Financial Statements in accordance with commercial law.

Since 31 March 2002 the consolidated group was extended by two leasing object companies to be initially consolidated, that meet the criteria for special purpose entities in accordance with IAS 27 in combination with SIC-12.

These Interim Financial Statements have not been checked by our auditor.

No material events have occurred since the reporting date of the Interim Financial Statements or have been presented in the “GILDEMEISTER Group Business Development” chapter.

## Consolidated Balance Sheet

### GILDEMEISTER GROUP

	30 June 2002	31 Dec. 2001	30 June 2001
	€ M	€ M	€ M
<b>Assets</b>			
<b>Fixed assets</b>	264.0	248.3	221.3
<b>Current assets</b>			
Stocks	292.2	249.8	268.3
Debtors and other assets	286.0	334.7	287.0
Securities and liquid funds	15.4	17.9	26.2
	593.6	602.4	581.5
<b>Deferred taxes</b>	28.3	24.7	34.0
<b>Prepaid expenses</b>	6.5	5.0	5.5
	892.4	880.4	842.3

	30 June 2002	31 Dec. 2001	30 June 2001
	€ M	€ M	€ M
<b>Equity and liabilities</b>			
<b>Equity/</b>			
<b>Shares held by other shareholders</b>			
Subscribed capital	75.1	75.1	75.1
Capital reserves	48.7	48.7	48.7
Revenue reserves	82.2	82.6	78.8
Unappropriated profits	1.3	25.6	10.7
	207.3	232.0	213.3
Shares held by other shareholder	3.6	10.7	12.8
	210.9	242.7	226.1
<b>Special account for investment allowances</b>	2.8	2.4	1.0
<b>Provisions</b>	150.8	144.5	126.4
<b>Creditors</b>	522.9	487.3	485.4
<b>Deferred income</b>	5.0	3.5	3.4
	892.4	880.4	842.3

## Statement of Changes in Equity

GILDEMEISTER GROUP	Subscribed Capital	Capital reserves	Revenue reserves	Unappropriated profit		Shares held by other shareholders	Total
				Unappropriated profits brought forward	Profit for the year		
				€ M	€ M		
1 January 2002	75.1	48.7	82.6	1.1	24.5	10.7	242.7
Distribution of dividend	0.0	0.0	0.0	0.0	-17.2	0.0	
Withdrawal from reserves	0.0	0.0	-0.4	0.0	0.0	0.0	
Profit/loss for the year	0.0	0.0	0.0	0.0	-7.4	0.0	
Shares held by other shareholder	0.0	0.0	0.0	0.0	0.3	-7.1	
<b>30 June 2002</b>	<b>75.1</b>	<b>48.7</b>	<b>82.2</b>	<b>1.1</b>	<b>0.2</b>	<b>3.6</b>	<b>210.9</b>

## Consolidated Income Statement

GILDEMEISTER GROUP	2 <sup>nd</sup> Quarter					
	1 April – 30 June				Changes	
	2002		2001		against previous year	
	€ M	%	€ M	%	€ M	%
<b>Gross performance</b>	253.5	100.0	302.2	100.0	-48.7	16.1
Spending on materials	-135.4	53.4	-162.4	53.7	27.0	16.6
<b>Gross yield</b>	118.1	46.6	139.8	46.3	-21.7	15.5
Staff costs	-69.3	27.3	-68.9	22.8	-0.4	0.6
Other income and expenses	-39.2	15.5	-41.8	13.8	2.6	6.2
Depreciation of fixed assets	-10.2	4.0	-9.0	3.0	-1.2	13.3
<b>Financial results</b>	-5.2	2.1	-5.9	2.0	0.7	11.9
<b>Profit/loss on ordinary activities</b>	-5.8	2.3	14.2	4.7	-20.0	140.8
Taxes on corporate income and business profits	-2.6	1.0	-9.4	3.1	6.8	72.3
<b>Profit/loss for the year</b>	-8.4	3.3	4.8	1.6	-13.2	275.0
<b>Earnings per share</b>	-0.29		0.15			
in accordance with IAS 33 (in Euro/share)						

GILDEMEISTER GROUP	First 6 months of the year					
	1 January – 30 June				Changes	
	2002		2001		against previous year	
	€ M	%	€ M	%	€ M	%
<b>Gross performance</b>	516.5	100.0	571.0	100.0	-54.5	9.5
Spending on materials	-278.8	54.0	-309.4	54.2	30.6	9.9
<b>Gross yield</b>	237.7	46.0	261.6	45.8	-23.9	9.1
Staff costs	-137.8	26.7	-134.6	23.6	-3.2	2.4
Other income and expenses	-69.3	13.4	-76.4	13.4	7.1	9.3
Depreciation of fixed assets	-19.5	3.7	-17.2	3.0	-2.3	13.4
<b>Financial results</b>	-10.8	2.1	-11.5	2.0	0.7	6.1
<b>Profit/loss on ordinary activities</b>	0.3	0.1	21.9	3.8	-21.6	98.6
Taxes on corporate income and business profits	-7.7	1.5	-11.9	2.1	4.2	35.3
<b>Profit/loss for the year</b>	-7.4	1.4	10.0	1.7	-17.4	174.0
<b>Earnings per share</b>	-0.25		0.32			
in accordance with IAS 33 (in Euro/share)						

In accordance with IAS 33 the earnings per share are determined by dividing the group result by the average number of shares as follows. The presented reporting periods did not show any share diluting effects.

Profit/loss for the year excluding the profit share of other shareholders	-7,146 K €
Number of shares	28,879,427 shares
Earning per share	-0.25 €

## Segmental Reporting

<b>GILDEMEISTER GROUP</b>	Machine tools	Services	Corporate Services	Transition	<b>Group</b>
<b>2<sup>nd</sup> quarter 2001</b>	€ M	€ M	€ M	€ M	€ M
Sales	218.1	62.2	0.3		<b>280.6</b>
Profit/loss on ordinary activities	11.9	1.5	-2.2	3.0	<b>14.2</b>
Investments	12.9	2.6	0.7		<b>16.2</b>
Employees	3,435	1,588	47		<b>5,070</b>

<b>GILDEMEISTER GROUP</b>	Machine tools	Services	Corporate Services	Transition	<b>Group</b>
<b>2<sup>nd</sup> quarter 2002</b>	€ M	€ M	€ M	€ M	€ M
Sales	188.6	65.9	0.1		<b>254.6</b>
Profit/loss on ordinary activities	-1.9	3.9	-3.8	-4.0	<b>-5.8</b>
Investments	5.8	1.4	0.5		<b>7.7</b>
Employees	3,411	1,629	69		<b>5,109</b>

<b>GILDEMEISTER GROUP</b>	Machine tools	Services	Corporate Services	Transition	<b>Group</b>
<b>First 6 months 2001</b>	€ M	€ M	€ M	€ M	€ M
Sales	391.9	121.5	0.5		<b>513.9</b>
Profit/loss on ordinary activities	17.0	9.1	-6.2	2.0	<b>21.9</b>
Investments	18.3	3.6	0.8		<b>22.7</b>
Employees	3,435	1,588	47		<b>5,070</b>

<b>GILDEMEISTER GROUP</b>	Machine tools	Services	Corporate Services	Transition	<b>Group</b>
<b>First 6 months 2002</b>	€ M	€ M	€ M	€ M	€ M
Sales	359.8	126.1	0.3		<b>486.2</b>
Profit/loss on ordinary activities	3.1	6.6	-6.0	-3.4	<b>0.3</b>
Investments	11.0	2.5	0.9		<b>14.4</b>
Employees	3,411	1,629	69		<b>5,109</b>

The information on segmental reporting is in conjunction with IAS 34 and IAS 14.

## Consolidated Cashflow

GILDEMEISTER GROUP	First 6 months of 2002	First 6 months of 2001
	€ M	€ M
<b>Cash flow from current activities</b>		
1. Profit/loss for the year	-7.4	10.0
2. Depreciation of fixed assets	19.5	17.2
3. Change in deferred taxes	-3.6	6.4
4. Increase in long-term provisions	0.7	1.9
<b>Cash flow</b>	<b>9.2</b>	<b>35.5</b>
5. Increase in short-term provisions	5.6	12.9
6. Decrease (prev. year increase) in stocks, trade debtors and other assets that cannot be allocated to investment and financing activities	6.2	-53.8
7. Decrease (prev. increase) in trade creditors and other liabilities that cannot be allocated to investment and financing activities	-9.1	19.5
	<b>11.9</b>	<b>14.1</b>
<b>Cash flow from investment activities</b>		
1. Amounts paid out for investments in fixed assets	-30.3	-27.8
2. Amounts paid out for investments in financial assets	-11.4	0.0
	<b>-41.7</b>	<b>-27.8</b>
<b>Cash flow from financing activities</b>		
1. Increase in amounts owed to banks	46.7	33.3
2. Dividends paid out to shareholders	-17.2	-17.2
3. Repayments of capital to other shareholders	-2.7	0.0
	<b>26.8</b>	<b>16.1</b>
Change affecting payments	-3.0	2.4
Changes not affecting payments due to consolidation and exchange rates	1.9	-1.8
Liquid funds as of 1 January	15.3	24.1
<b>Liquid funds as of 30 June</b>	<b>14.2</b>	<b>24.7</b>



## Information about GILDEMEISTER Aktiengesellschaft

GILDEMEISTER Aktiengesellschaft manages the group as management holding in all functional areas. The shown sales revenues of the parent company of € 8.3 million are almost exclusively revenues arising from the company's holding function. The central organisational units of the three committees of GILDEMEISTER Aktiengesellschaft include group strategy, product development, production and logistics, financing, controlling, personnel and marketing. The earnings position is dominated by the control agreements and profit and loss transfer agreements with the three domestic subsidiaries, other income from investments and the expenses pertaining to the company's holding function. On 30 June 2002 GILDEMEISTER Aktiengesellschaft employed 64 employees.

Bielefeld, August 2002

Yours truly

GILDEMEISTER Aktiengesellschaft  
The Executive Board

Supervisory Board:

Chair: Dr.-Ing. Manfred Lennings

Deputy Chair: Harry Domnik

Executive Board:

Dipl.-Kfm. Dr. Rüdiger Kapitza,

Chair

Dr.-Ing. Raimund Klinkner

Dipl.-Kfm. Dieter Schäfer

## Financial Calendar

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<b>07 November 2002</b>	3 <sup>rd</sup> Quarterly Report 2002 (1 July to 30 September)
<b>06 February 2003</b>	Press release on provisional figures for the financial year 2002
<b>16 May 2003</b>	Shareholders' general meeting at 10 am in Stadthalle Bielefeld (Convention Center Bielefeld)

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