DMG MORI

AKTIENGESELLSCHAFT

1ST QUARTER

INTERIM REPORT 2017

Dear Shareholders,

DMG MORI AKTIENGESELLSCHAFT started this year successfully: The positive development of order intake continued in the beginning of the year 2017. Order intake rose by 17% in the first quarter to € 693.9 million (previous year: € 591.6 million). At this, we reached the highest quarterly value in the company's history. Adjusted for the effects from the realignment – among others, the changed sales and service structure in Asia and America – we even recorded a plus of 24%. Sales revenues in the first quarter reached € 533.9 million and were thereby slightly below the value of the previous year of € 541.4 million. Adjusted for effects from the realignment, sales revenues are 4% higher than the comparable value of the previous year. Our earnings figures developed very positively: EBITDA improved by 15% to € 48.7 million (previous year: € 42.4 million). EBIT increased by 23% to € 34.3 million (previous year: € 28.0 million). EBT even rose by 28% and at € 33.0 million (previous year: € 25.8 million), it reached the highest value that we have ever achieved in the first quarter of any year. As at 31 March 2017, the group reports earnings after taxes of € 22.8 million (previous year: € 18.1 million). The development of key figures illustrates that our measures for the realignment are showing effects.

At our in-house exhibition in Pfronten, we achieved record figures with an order intake of over € 200 million and over 9,000 international trade visitors. We are expecting further impulses for our business from the CIMT in Beijing (China), the Metalloobrabotka in Moscow (Russia) as well as the EMO in Hannover (Germany) which takes place in September – the world's largest machine tools trade fair. At this industry highlight, we will present eight world premieres and numerous innovations from the fields of Automation, Digitization and ADDITIVE MANUFACTURING.

With a majority shareholding of 50.1% in REALIZER GmbH, DMG MORI has specifically expanded the product portfolio in ADDITIVE MANUFACTURING for selective powder-bed laser melting. We thereby pool the key generative manufacturing processes for metal materials under one roof.

Global consumption of machine tools according to the most recent forecast (April 2017) by VDW and Oxford Economics, is to grow by 3.2% this year. However, the development of the global economy continues to be marked by various global insecurities. At present, we confirm our forecast for the financial year 2017. As before, we are planning around € 2.3 billion in order intake and around € 2.25 billion in sales revenues. EBT shall amount to around € 130 million. Furthermore, we expect a free cash flow of around € 40 million. Depending on a sustainable market recovery, we will check at midyear whether we can revise our forecast upwards for the financial year.

Key Figures

The interim consolidated financial statements of DMG MORI 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 AKTIENGESELLSCHAFT and its subsidiaries (in the following DMG MORI).

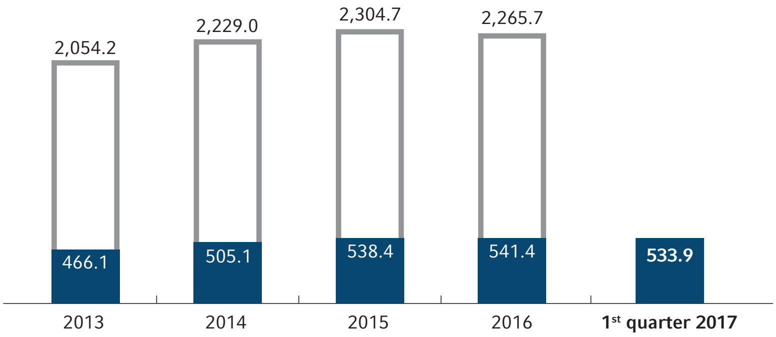
01

KEY FIGURES

	31 March 2017 € million	31 March 2016 € million	Changes in € million	Changes in %
Sales revenues				
Total	533.9	541.4	−7.5	−1
Domestic	159.5	184.6	−25.1	−14
International	374.4	356.8	17.6	5
% International	70	66		
Order intake				
Total	693.9	591.6	102.3	17
Domestic	208.6	199.0	9.6	5
International	485.3	392.6	92.7	24
% International	70	66		
Order backlog				
Total	1,077.3	927.9	149.4	16
Domestic	396.1	350.1	46.0	13
International	681.2	577.8	103.4	18
% International	63	62		
EBITDA	48.7	42.4	6.3	15
EBIT	34.3	28.0	6.3	23
EBT	33.0	25.8	7.2	28
Earnings after taxes	22.8	18.1	4.7	26
	31 March 2017	31 Dec. 2016		Changes in %
Employees	6,616	6,964	−348	−5
Plus trainees	278	318	−40	−13
Total employees	6,894	7,282	−388	−5

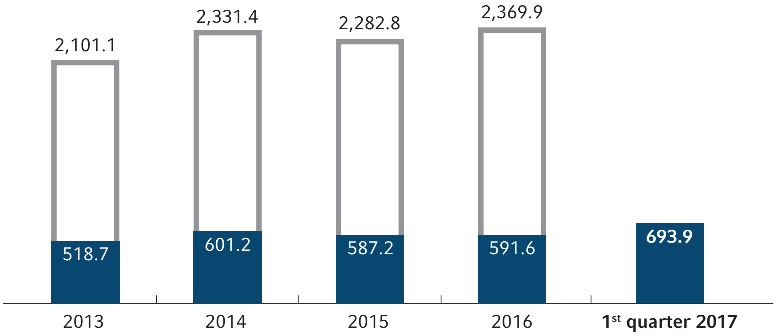
02

SALES REVENUES
IN € MILLION



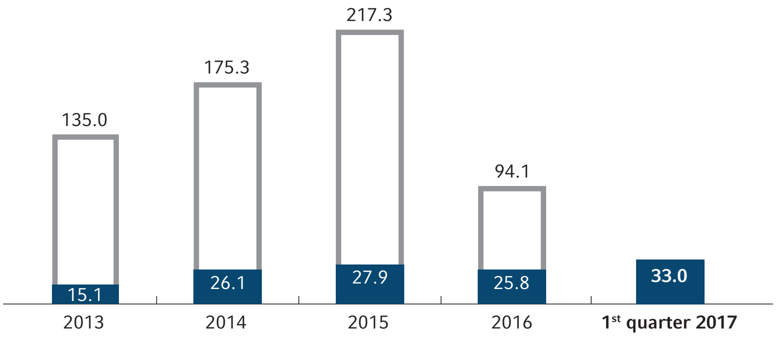
03

ORDER INTAKE
IN € MILLION



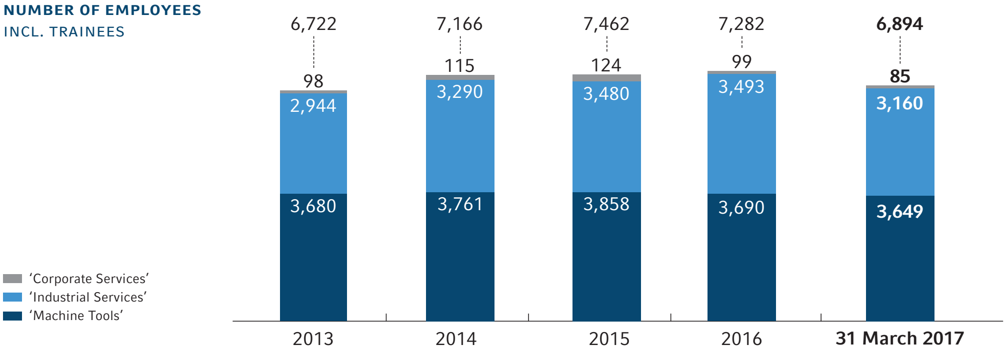
04

EBT
IN € MILLION



05

NUMBER OF EMPLOYEES
INCL. TRAINEES



GROUP INTERIM MANAGEMENT REPORT

INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF DMG MORI AKTIENGESELLSCHAFT AS AT 31 MARCH 2017

GROUP INTERIM MANAGEMENT REPORT

Group Structure

The DMG MORI group counted 92 companies including DMG MORI AKTIENGESELLSCHAFT as at 31 March 2017. Compared to 31 December 2016 the number of group companies reduced by nine. This is essentially due to the sale of the shares in the American and Asian subsidiaries in January to DMG MORI COMPANY LIMITED (details about this are explained in the Notes).

A . 01

CORPORATE SERVICES

DMG MORI AKTIENGESELLSCHAFT, Bielefeld

MACHINE TOOLS

GILDEMEISTER Beteiligungen GmbH, Bielefeld

Turning Technology	Milling Technology	Advanced Technologies	Software Solutions
GILDEMEISTER Drehmaschinen GmbH (Bielefeld)	DECKEL MAHO Pfronten GmbH (Pfronten)	SAUER GmbH (Idar-Oberstein, Pfronten)	DMG MORI Software Solutions GmbH (Pfronten)
GRAZIANO Tortona S.r.l. (Tortona / Italy)	DECKEL MAHO Seebach GmbH (Seebach)	REALIZER GmbH [1] (Borchen, Bielefeld)	ISTOS GmbH [2] (Düsseldorf)
GILDEMEISTER Italiana S.p.A. (Bergamo / Italy)			
FAMOT Pleszew Sp.z o.o. (Pleszew / Poland); Ulyanovsk Machine Tools ooo (Ulyanovsk / Russia)			

1) Majority interest of 50.1% in the area of ADDITIVE MANUFACTURING
2) Majority interest of 85% in the area of Digitization Solutions

INDUSTRIAL SERVICES

DMG MORI Management GmbH, Bielefeld

Sales and Services					Energy Solutions
DMG MORI Deutschland	DMG MORI EMEA	DMG MORI China	DMG MORI India	DMG MORI Services	GILDEMEISTER energy solutions GmbH

Markets of DMG MORI COMPANY LIMITED

DMG MORI Japan *	DMG MORI Asia *	DMG MORI USA *	DMG MORI Americas *

* These markets are consolidated by DMG MORI COMPANY LIMITED.

GROUP INTERIM MANAGEMENT REPORT

Business Environment

OVERALL ECONOMIC DEVELOPMENT

In spite of political uncertainties, the **global economy** has stabilized and gained momentum in the beginning of the year. In Germany, Europe, China and India as well as Japan and USA, the economy developed positively.

The international business of DMG MORI AKTIENGESELLSCHAFT is influenced by the exchange rates of the euro. Particularly important are the U.S. dollar, the Chinese renminbi, the Russian ruble and the Japanese yen. Compared to these **currencies,** other than the Chinese renminbi, the euro decreased compared to the value in the previous quarter. This had a positive effect on our prices in the dollar-dependent markets, in Japan and in the Russian market.

DEVELOPMENT OF THE MACHINE TOOL INDUSTRY

According to the current forecast, the **global machine tool market** is expected to grow again in 2017. In their forecast (status: April 2017), the German Machine Tool Builders' Association (VDW) and the British economic research institute Oxford Economics expect a **global consumption growth** of +3.2% to reach € 69.9 billion (October 2016: +2.1%). This positive development essentially comes from Asia. There, the consumption is expected to grow by +3.5% (previously: +1.7%). For America, an almost constant consumption of +0.5% is expected (previously: +0.9%). Demand for machine tools is to grow the strongest in Europe at +4.0% (previously: +4.1%). The **German machine tool market** is expected to grow by +2.9% for the year (previously: +3.9%).

GROUP INTERIM MANAGEMENT REPORT

Business Development of DMG MORI

SALES REVENUES

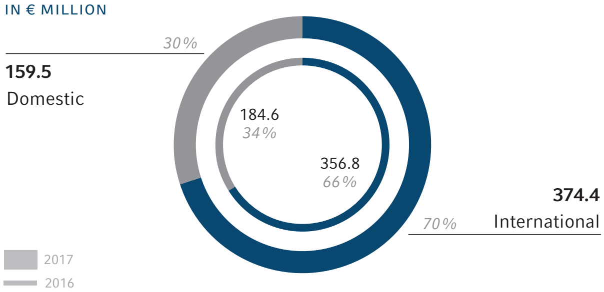
Sales revenues in the first quarter reached € 533.9 million and were thereby slightly below the value of the previous year of € 541.4 million. Adjusted for effects from the realignment, sales revenues are 4% higher than the comparable value of the previous year.

In the 'Machine Tools' segment, sales revenues were € 289.3 million (previous year: € 297.9 million). Sales revenues in the 'Industrial Services' segment reached € 244.5 million (previous year: € 243.4 million).

Domestic sales revenues of DMG MORI amounted to € 159.5 million (previous year: € 184.6 million), international sales revenues were € 374.4 million (previous year: € 356.8 million). The export quota amounted to 70% (previous year: 66%).

A . 02

SALES REVENUES DMG MORI
IN € MILLION



1ST Quarter 2017: € 533.9 million // 1ST Quarter 2016: € 541.4 million

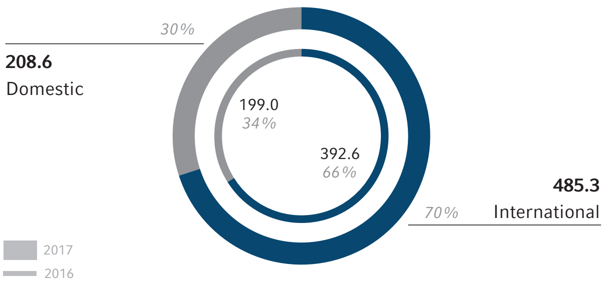
ORDER INTAKE

Order intake rose by 17% in the first quarter to € 693.9 million (previous year: € 591.6 million). At this, we reached the highest quarterly value in the company's history. Adjusted for the effects from the realignment – among others, the changed sales and service structure in Asia and America – we even recorded a plus of 24%. In the 'Machine Tools' segment, order intake was at € 422.0 million in the first quarter (previous year: € 328.5 million). The 'Industrial Services' segment recorded order intake of € 271.8 million (previous year: € 263.0 million); of which € 255.9 million was contributed by the Services division (previous year: € 246.5 million). This figure includes orders for machines of DMG MORI COMPANY LIMITED in the amount of € 96.8 million (previous year: € 85.0 million).

Domestic orders amounted to € 208.6 million (previous year: € 199.0 million). International orders amounted to € 485.3 million (previous year: € 392.6 million). Thus the share of foreign business rose to 70% (previous year: 66%).

A . 03

ORDER INTAKE DMG MORI
IN € MILLION



1ST Quarter 2017: € 693.9 million // 1ST Quarter 2016: € 591.6 million

ORDER BACKLOG

On 31 March 2017 the order backlog within the group was € 1,077.3 million (31 Dec. 2016: € 937.5 million). Domestic backlog increased compared with the end of 2016 by € 34.9 million to € 396.1 million. The backlog of international orders rose by € 104.9 million to € 681.2 million. International orders account for 63% of existing orders.

RESULTS OF OPERATIONS, NET WORTH AND FINANCIAL POSITION

As of 31 March 2017, the key income figures of the DMG MORI group developed as follows: **EBITDA** amounted to € 48.7 million (previous year: € 42.4 million), **EBIT** was € 34.3 million (previous year: € 28.0 million) and **EBT** reached € 33.0 million (previous year: € 25.8 million). As of 31 March 2017, the group reports **earnings after taxes** of € 22.8 million (previous year: € 18.1 million).

Sales revenues amounted to € 533.9 million (previous year: € 541.4 million). Total operating revenue increased to € 566.2 million (previous year: € 553.5 million) due to a change in inventories that has risen compared to the previous year. The cost of materials amounted to € 306.3 million (previous year: € 286.0 million). The materials ratio amounted to 54.1% (previous year: 51.7%). The change compared to the previous year results in particular from the greater change in inventories and the effects from the implemented Smart Pricing Concept in the Services area. Gross income decreased by € 7.6 million to € 259.9 million (previous year: € 267.5 million). Personnel expenses decreased to € 135.2 million (previous year: € 139.3 million). The personnel expenses ratio was 23.9% (previous year: € 25.2%).

The balance of other expenses and income improved to € 76.0 million (previous year: € 85.8 million). Depreciation amounted to € 14.4 million as in the previous year. The financial result in the first quarter amounted to € −1.3 million (previous year: € −2.2 million). Earnings after taxes increased to € 22.8 million (previous year: € 18.1 million), tax expenses in the first quarter were thus € 10.2 million (previous year: € 7.7 million). The tax ratio amounted to 30.9% (previous year: 30.0%).

A . 04

NET WORTH	31 March 2017 € million	31 Dec. 2016 € million	31 March 2016 € million
Long-term assets	836.1	833.5	847.1
Short-term assets	1,398.5	1,505.7	1,357.7
Equity	1,206.7	1,187.7	1,377.9
Outside capital	1,027.9	1,151.5	826.9
Balance sheet total	**2,234.6**	**2,339.2**	**2,204.8**

The balance sheet total as of 31 March 2017 reduced to € 2,234.6 million (31 Dec. 2016: € 2,339.2 million).

Under **assets,** long-term assets rose slightly by € 2.6 million to € 836.1 million compared to 31 December 2016. The intangible assets and property, plants and equipment rose marginally to € 684.2 million (31 Dec. 2016: € 681.6 million). Financial assets were € 68.0 million (31 Dec. 2016: € 67.9 million). Short-term assets amounted to € 1,398.5 million (31 Dec. 2016: € 1,505.7 million). Inventories rose by € 34.1 million to € 539.2 million. Essentially, the stock of unfinished goods increased by € 28.6 million to € 140.2 million. The stock of finished goods and goods for resale amounted to € 180.7 million (€ +2.7 million). Raw materials and consumables increased to € 206.4 million (€ +4.3 million). The increase in inventories is primarily due to preliminary work for planned sales revenues with end customers. The turnover rate of inventories amounted to 4.0, as in the previous year. Trade debtors increased to € 213.4 million (previous year: € 194.4 million). Receivables from related parties rose to € 263.4 million (previous year: € 166.4 million). The increase primarily results from the sale of shares held in the subsidiaries in the Asian and American regions. Long-term assets held for sale reduced contrary to this by € 114.2 million to € 2.3 million. Liquid funds amounted to € 245.2 million, due to the development of cash flow in the first quarter (31 Dec. 2016: € 396.7 million).

Under **equity and liabilities,** equity rose by € 19.0 million to € 1,206.7 million. The equity ratio rose to 54.0% (31 Dec. 2016: 50.8%). Outside capital decreased to € 1,027.9 million (31 Dec. 2016: € 1,151.5 million). Provisions reduced as planned by € 24.0 million to € 281.1 million. Trade creditors decreased as planned by € 46.4 million to € 189.6 million.

The group's financial position developed in the first quarter as follows: As of 31 March 2017, cash flow from operating activities was € – 112.0 million (previous year: € –147.9 million). The earnings before taxes (EBT) of € 33.0 million (previous year: € 25.8 million) and depreciation of € 14.4 million as in the previous year made a positive contribution to the cash flow. The rise in inventories by € 35.4 million as well as in trade debtors by € 47.9 million and the decrease of trade creditors by € 59.5 million reduced cash flow, as described above.

Cash flow from investment activity amounted to € +3.3 million (previous year: € –10.7 million) and primarily resulted from the repayments of granted loans to related companies and third parties (€ +12.4 million). Payments for investments in intangible assets and property, plant and equipment were € –6.7 million (previous year: € –10.8 million). Payments for investments in financial assets amounted to € –4.5 million (previous year: € 0 million).

Cash flow from financing activity was € –44.0 million (previous year: € +1.8 million) and largely resulted from the first-time profit transfer in the amount of € 41.1 million to DMG MORI GmbH.

In the first quarter, **free cash flow** amounted to € –117.6 million (previous year: € – 158.6 million); this trend is primarily due to the planned reduction of liabilities and the increase in inventory because of the cyclical nature of our business for planned sales activities.

During the course of the year, we are planning as every year an increasing surplus in liquidity. For the financial year 2017, we are expecting a free cash flow of around € 40 million. As of 31 March 2017, we are showing surplus funds of € 196.5 million (previous year: € 340.1 million).

A . 05

CASH FLOW	2017 1st quarter € million	2016 1st quarter € million
Cash flow from operating activity	–112.0	–147.9
Cash flow from investment activity	3.3	–10.7
Cash flow from financing activity	–44.0	1.8
Changes in cash and cash equivalents	–151.5	–157.8
Liquid funds at the start of the reporting period	396.7	552.1
Liquid funds at the end of the reporting period	245.2	394.3

INVESTMENTS

Investments in property, plant and equipment and intangible assets in the first three months amounted to € 6.8 million (previous year: € 10.8 million). The focus was on the further development of our innovative products and the targeted expansion and modernization of our production sites in Seebach and Pleszew (Poland).

SEGMENTAL REPORTING

Our business activities comprise the 'Machine Tools' and 'Industrial Services' segments. 'Corporate Services' essentially comprises DMG MORI AKTIENGESELLSCHAFT with its group-wide holding functions. The selected machines from DMG MORI COMPANY LIMITED which we produce under license, are included in 'Machine Tools'. The trade in and services for those machines are entered in the accounts under 'Industrial Services'.

A.06

SEGMENT KEY FIGURES DMG MORI

	31 March 2017 € million	31 March 2016 € million	Changes in € million	Changes in %
Sales Revenues	**533.9**	**541.4**	**−7.5**	**−1**
Machine Tools	289.3	297.9	−8.6	−3
Industrial Services	244.5	243.4	1.1	0
Corporate Services	0.1	0.1	0.0	
Order Intake	**693.9**	**591.6**	**102.3**	**17**
Machine Tools	422.0	328.5	93.5	28
Industrial Services	271.8	263.0	8.8	3
Corporate Services	0.1	0.1	0.0	
EBIT	**34.3**	**28.0**	**6.3**	**23**
Machine Tools	18.8	14.9	3.9	26
Industrial Services	22.8	21.8	1.0	5
Corporate Services	−7.2	−8.8	1.6	

Machine Tools

The 'Machine Tools' segment includes the new machines business of the group with the divisions Turning and Milling, Advanced Technologies (ULTRASONIC / LASERTEC / ADDITIVE MANUFACTURING) and Software Solutions. In February 2017, DMG MORI acquired 50.1% in REALIZER GmbH, which can be attributed to the machine tools segment. The shares in DMG MORI Systems were sold to a strategic investor and deconsolidated in February 2017. Details about this are explained in the Notes on page 17 et seq.

A . 07

KEY FIGURES MACHINE TOOLS SEGMENT

	31 March 2017 € million	31 March 2016 € million	Changes in € million	Changes in %
Sales revenues				
Total	289.3	297.9	−8.6	−3
Domestic	84.3	105.1	−20.8	−20
International	205.0	192.8	12.2	6
% International	71	65		
Order intake				
Total	422.0	328.5	93.5	28
Domestic	116.4	105.8	10.6	10
International	305.6	222.7	82.9	37
% International	72	68		
Order backlog				
Total	619.3	508.7	110.6	22
Domestic	145.2	138.0	7.2	5
International	474.1	370.7	103.4	28
% International	77	73		
EBIT	18.8	14.9	3.9	26
	31 March 2017	31 Dec. 2016		Changes in %
Employees	3,417	3,423	−6	0
Plus trainees	232	267	−35	−13
Total employees	3,649	3,690	−41	−1

The 'Machine Tools' segment developed in the first quarter as follows: **sales revenues** amounted to € 289.3 million (previous year: € 297.9 million). As at 31 March 2017, the 'Machine Tools' segment contributed 54% of group sales revenues (previous year: 55%). **Order intake** in the 'Machine Tools' segment in the first quarter rose by € 93.5 million or 28% compared to the previous year's quarter (€ 328.5 million) to € 422.0 million. Domestic orders increased by 10% or € 10.6 million to € 116.4 million (previous year: € 105.8 million) and international orders rose by 37% or € 82.9 million to € 305.6 million (previous year: € 222.7 million). 'Machine Tools' accounted for 61% of all incoming orders in the group (previous year: 56%). The **order backlog** on 31 March amounted to € 619.3 million (31 Dec. 2016: € 502.9 million). **EBIT** rose to € 18.8 million (previous year: € 14.9 million). As at 31 March 2017, the number of **employees** of 3,649 reduced slightly compared to year's end 2016 (3,690).

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 LifeCycle Services for both our machines and those of DMG MORI COMPANY LIMITED. With the aid of the DMG MORI LifeCycle Services, our customers maximize the productivity of their machine tools over their entire life cycle – from commissioning to part exchange as an used machine. The wide range of service contracts, repair and training services offered to our customers ensures the maximum cost-efficiency of their machine tools.

The shares in the subsidiaries in the regions of Asia and America were sold to DMG MORI COMPANY LIMTED and deconsolidated with effect on 1 January 2017. Details about this are explained in the Notes on page 16 et seq.

A . 08

KEY FIGURES INDUSTRIAL SERVICES

	31 March 2017 € million	31 March 2016 € million	Changes in € million	Changes in %
Sales revenues				
Total	244.5	243.4	1.1	0
Domestic	75.1	79.4	−4.3	−5
International	169.4	164.0	5.4	3
% International	69	67		
Order intake				
Total	271.8	263.0	8.8	3
Domestic	92.1	93.1	−1.0	−1
International	179.7	169.9	9.8	6
% International	66	65		
Order backlog				
Total	458.0	419.2	38.8	9
Domestic	250.9	212.1	38.8	18
International	207.1	207.1	0.0	0
% International	45	49		
EBIT	22.8	21.8	1.0	5
	31 March 2017	31 Dec. 2016		Changes in %
Employees	3,114	3,442	−328	−10
Plus trainees	46	51	−5	−10
Total employees	3,160	3,493	−333	−10

In the first quarter, **sales revenues** in the 'Industrial Services' segment amounted to € 244.5 million (previous year: € 243.4 million). Services recorded sales revenues of € 225.3 million (previous year: € 228.5 million). 'Industrial Services' contributed a total share of 46% of the group sales revenues (previous year: 45%). **Order intake** improved by € 8.8 million or 3% to € 271.8 million (previous year: € 263.0 million). The contribution of Services rose by € 9.4 million to € 255.9 million (previous year: € 246.5 million). Order intake in our original business, LifeCycle Services (e.g. spare parts, maintenance and repair), and sales commissions was € 159.1 million (previous year: € 161.5 million). Orders for machines of DMG MORI COMPANY LIMITED amounted to € 96.8 million (previous year: € 85.0 million). 'Industrial Services' contributed a total share of 39% of group incoming orders (previous year: 44%). The **order backlog** was € 458.0 million (31 Dec. 2016: € 434.6 million).

The number of **employees** in the 'Industrial Services' segment at the end of the first quarter was 3,160 (31 Dec.

2016: 3,493). The reduction of the number of personnel essentially results from the sale of the shares in the sales and service companies in Asia (with exception of China and India) as well as America to DMG MORI COMPANY LIMITED with effect on 1 January 2017.

Corporate Services

The 'Corporate Services' segment primarily includes the DMG MORI AKTIENGESELLSCHAFT with its group-wide holding functions. EBIT amounted to € −7.2 million (previous year: € −8.8 million).

A . 09

KEY FIGURES CORPORATE SERVICES

	31 March 2017 € million	31 March 2016 € million		Changes in € million
Sales revenues	0.1	0.1		0.0
Order intake	0.1	0.1		0.0
EBIT	−7.2	−8.8		1.6
	31 March 2017	31 Dec. 2016		Changes in %
Employees	85	99	−14	−14

Employees

On 31 March 2017, the group employed 6,894 employees, including 278 trainees (31 Dec. 2016: 7,282 employees). The reduction of the number of personnel essentially results from the sale of the shares in the sales and service companies in Asia (with exception of China and India) as well as America to DMG MORI COMPANY LIMITED with effect on 1 January 2017. At the end of the first quarter, there were 4,046 domestic employees (59%) and 2,848 employees (41%) working for the international companies. Personnel costs amounted to € 135.2 million (previous year's period: € 139.3 million). The personnel ratio was 23.9% (previous year's period: 25.2%).

Share

The DMG MORI-share gained further in value in the first quarter 2017 (+5%). In the stock market year 2017, it was initially quoted at € 43.78 (02 January 2017) and closed at a price of € 45.83 on 31 March 2017. The market capitalization rose by 6% or € 210.4 million to € 3.61 billion (record date: 31 March 2017).

Research and Development

Expenses for research and development in the first quarter amounted to € 11.9 million (previous year: € 10.9 million). 504 employees worked on the development of our new products, which equals a share of 15% of the staff at the plants.

In the financial year 2017, we intend to present 18 world premieres together with DMG MORI COMPANY LIMITED. We will present eight of these world premieres at this year's industry highlight – the EMO in Hanover. At our in-house exhibition in Pfronten, we already showed in February four world premieres as well as innovations in the fields of Automation, Digitization, ADDITIVE MANUFACTURING and Technology Excellence.

One focus point in development at our production sites is the intelligent linking of machines and automation solutions. It is our aim that every DMG MORI machine can be equipped with automation solutions in the future.

In the field of ADDITIVE MANUFACTURING, we presented the LASERTEC 30 *SLM* for the high-precision manufacturing of 3D components. By virtue of the selective powder-bed laser melting method, we open up completely new areas of application to our customers. Production site is Bielefeld. A further world premiere in the business field of Advanced Technologies is the LASERTEC 75 Shape for laser texturing of surfaces.

In the technology area of Milling, we presented the 3rd generation of the DMU 50, which benefitted from the experience we have gained from more than 10,000 machines delivered. In Turning, the CLX 350 is an addition to the CLX series.

We shape Industrie 4.0 with innovative software solutions and support our customers with concrete products. Our app-based control and operating software, CELOS, has enabled us to make our machine tools ready for digitization. Today already, we support networked, intelligent production with 26 apps. Our 26 exclusive DMG MORI Technology Cycles allow quick and simple shop floor programming. In job preparation, our DMG MORI Power Tools simplify automatic programming.

GROUP INTERIM MANAGEMENT REPORT

Forecast

The **global economy** continues to be marked by various global insecurities but it is expected to grow in the year 2017. The Institute for World Economics (IfW) in Kiel forecasts a 3.5% increase of the global gross domestic product for the current year. At an expected growth of 6.2%, Asia will be the region with the strongest growth. In the USA, the cyclical development is expected to accelerate further. According to the IfW estimates, the gross domestic product is expected to increase by 2.5%. In the current year, Europe will continue on its path of modest growth. Economic researchers expect that the gross domestic product of the Euro countries will rise by 1.8% in the year 2017. For Germany, a plus of 2.0% in the GDP is expected.

According to the current forecast, the **global machine tool market** is expected to grow again in 2017. The German Machine Tool Builders' Association (VDW) and the British economic research institute Oxford Economics expect in their forecast (status: April 2017) a **global consumption** growth of +3.2% to reach € 69.9 billion (October 2016: +2.1%). This positive development essentially comes from Asia. There, the consumption is expected to grow by +3.5% (previously: +1.7%). For America, an almost constant consumption of +0.5% is expected (previously: +0.9%). Demand for machine tools is to grow the strongest in Europe at +4.0% (previously: +4.1%). The **German machine tool market** is expected to grow by +2.9% for the year (previously: +3.9%).

FUTURE BUSINESS DEVELOPMENT

Global consumption of machine tools according to the most recent forecast (April 2017) by VDW and Oxford Economics, is to grow by 3.2% this year. However, the development of the global economy continues to be marked by various global insecurities. At present, we confirm our forecast for the **financial year 2017.** As before, we are planning around € 2.3 billion in **order intake** and around € 2.25 billion in **sales revenues. EBT** shall amount to around € 130 million. Furthermore, we expect a free cash flow of around € 40 million. Depending on a sustainable market recovery, we will check at midyear whether we can revise our forecast upwards for the financial year.

CONSOLIDATED INCOME STATEMENT

B.01

1ST QUARTER	2017 01 Jan. – 31 March € million	2017 %	2016 01 Jan. – 31 March € million	2016 %	Changes 2017 against 2016 € million	Changes 2017 against 2016 %
Sales Revenues	**533.9**	**94.3**	**541.4**	**97.9**	**–7.5**	**1.4**
Changes in finished goods and work in progress	30.3	5.4	10.2	1.8	20.1	197.1
Own work capitalised	2.0	0.3	1.9	0.3	0.1	5.3
Total Work Done	**566.2**	**100.0**	**553.5**	**100.0**	**12.7**	**2.3**
Cost of materials	–306.3	–54.1	–286.0	–51.7	–20.3	7.1
Gross Profit	**259.9**	**45.9**	**267.5**	**48.3**	**–7.6**	**2.8**
Personnel costs	–135.2	–23.9	–139.3	–25.2	4.1	2.9
Other expenses and income	–76.0	–13.4	–85.8	–15.4	9.8	11.4
Depreciation	–14.4	–2.5	–14.4	–2.6	0.0	0.0
Financial Result	**–1.3**	**–0.3**	**–2.2**	**–0.4**	**0.9**	**40.9**
EBT	**33.0**	**5.8**	**25.8**	**4.7**	**7.2**	
Income taxes	–10.2	–1.8	–7.7	–1.4	–2.5	
Earnings after taxes	**22.8**	**4.0**	**18.1**	**3.3**	**4.7**	
Of which attributed to the shareholders of DMG MORI AKTIENGESELLSCHAFT	22.8	4.0	16.2	3.0	6.6	
Of which attributed to non-controlling interests	0.0	0.0	1.9	0.3	–1.9	
Earnings per share pursuant to IAS 33 (in euros)						
Undiluted	0.29		0.21			
Diluted	0.29		0.21			

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

B.02

	2017 01 Jan. – 31 March € million	2016 01 Jan. – 31 March € million
Earnings after taxes	**22.8**	**18.1**
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	12.9	–0.1
Changes in the fair value of derivative financial instruments	1.7	0.7
Hedging of net investments	–0.2	0.9
Income taxes on items which are reclassified to the income statement	–0.5	–0.2
Sum of items which are reclassified to the income statement	**13.9**	**1.3**
Other comprehensive income for the period after taxes	**13.9**	**1.3**
Total comprehensive income for the period	**36.7**	**19.4**
Of which attributed to the shareholders of DMG MORI AKTIENGESELLSCHAFT	36.4	17.4
Of which attributed to non-controlling interests	0.3	2.0

CONSOLIDATED BALANCE SHEET

B . 03

ASSETS	31 March 2017 € million	31 Dec. 2016 € million	31 March 2016 € million
Long-term assets			
Goodwill	137.9	135.4	134.5
Other intangible assets	59.6	59.9	73.0
Tangible assets	486.7	486.3	466.5
Equity accounted investments	46.2	46.1	47.3
Other equity investments	21.8	21.8	21.8
Trade debtors	0.2	1.0	0.4
Other long-term financial assets	9.0	7.7	11.2
Other long-term assets	16.2	17.0	39.0
Deferred taxes	58.5	58.3	53.4
	836.1	**833.5**	**847.1**
Short-term assets			
Inventories	539.2	505.1	548.0
Trade debtors	213.4	194.4	228.7
Receivables from at equity accounted companies	8.9	4.3	11.3
Receivables from other related parties	263.4	166.4	46.3
Receivables from associated companies	0.4	0.2	0.2
Other short-term financial assets	61.7	63.4	67.7
Other short-term assets	56.8	51.5	55.9
Income tax receivables	7.2	7.2	5.3
Cash and cash equivalents	245.2	396.7	394.3
Long-term assets held for sale	2.3	116.5	0.0
	1,398.5	**1,505.7**	**1,357.7**
Balance sheet total	**2,234.6**	**2,339.2**	**2,204.8**

EQUITY AND LIABILITIES	31 March 2017 € million	31 Dec. 2016 € million	31 March 2016 € million
Equity			
Subscribed capital	204.9	204.9	204.9
Capital reserve	498.5	498.5	498.5
Retained earnings and other reserves	494.7	444.4	524.9
Total equity of shareholders of DMG MORI AKTIENGESELLSCHAFT	**1,198.1**	**1,147.8**	**1,228.3**
Non-controlling equity interests	8.6	39.9	149.6
Total equity	**1,206.7**	**1,187.7**	**1,377.9**
Long-term debts			
Long-term financial debts	39.8	40.2	41.2
Pension provisions	46.4	47.6	41.5
Other long-term provisions	38.5	32.8	34.0
Other long-term financial liabilities	9.3	1.6	2.6
Other long-term liabilities	3.3	4.0	3.9
Deferred taxes	3.6	3.0	4.3
	140.9	**129.2**	**127.5**
Short-term debts			
Short-term financial debts	8.9	14.4	13.0
Tax provisions	45.0	49.9	41.3
Other short-term provisions	151.2	174.8	164.5
Payments received on account	176.6	158.1	135.1
Trade creditors	189.6	236.0	195.1
Liabilities to at equity accounted companies	1.8	2.0	1.6
Liabilities to other related parties	245.9	273.3	83.0
Other short-term financial liabilities	15.9	34.4	22.4
Other short-term liabilities	52.1	42.8	43.4
Liabilities in connection with assets held for sale	0.0	36.6	0.0
	887.0	**1,022.3**	**699.4**
Balance sheet total	**2,234.6**	**2,339.2**	**2,204.8**

CONSOLIDATED CASH FLOW STATEMENT

B . 04

CASH FLOW FROM OPERATING ACTIVITIES	2017 01 Jan. – 31 March € million	2016 01 Jan. – 31 March € million
Earning before taxes (EBT)	33.0	25.8
Income taxes	−10.2	−7.7
Depreciation	14.4	14.4
Change in deferred taxes	−0.1	0.3
Change in long-term provisions	4.6	−1.8
Other income and expenses not affecting payments	2.7	0.1
Change in short-term provisions	−27.5	−9.6
Changes in inventories, trade debtors and other assets	−91.1	−77.3
Changes in trade creditors and other liabilities	−37.8	−92.1
	−112.0	**−147.9**
CASH FLOW FROM INVESTMENT ACTIVITY		
Amounts paid out for investments in intangible and tangible assets	−6.7	−10.8
Cash flow from the takeover of control over subsidiaries	−4.5	0.0
Cash flow from the loss of control over subsidiaries	1.0	0.0
Amounts paid in for loans	12.4	0.0
Amounts received from disposal in fixed assets	1.1	0.1
	3.3	**−10.7**
CASH FLOW FROM FINANCING ACTIVITY		
Cash inflows / outflows for borrowing / repayment of financial debts	−2.9	1.8
Profit transfer to DMG MORI GmbH	−41.1	0
	−44.0	**1.8**
Changes affecting payments	−152.7	−156.8
Effects of exchange rate changes on financial securities	1.2	−1.0
Cash and cash equivalents as of 1 January	396.7	552.1
Cash and cash equivalents as of 31 March	245.2	394.3

DEVELOPMENT OF GROUP EQUITY

B . 05

	Subscribed capital	Capital reserve	Revenue reserves	Total equity of shareholders of DMG MORI AKTIEN-GESELLSCHAFT	Non-controlling equity interests	**Total equity**
	€ million	€ million	€ million	€ million	€ million	**€ million**
As at 01 Jan. 2017	204.9	498.5	444.4	1,147.8	39.9	1,187.7
Total comprehensive income	0.0	0.0	36.4	36.4	0.3	36.7
Consolidation measures / Other changes	0.0	0.0	13.9	13.9	−31.6	−17.7
As at 31 March 2017	**204.9**	**498.5**	**494.7**	**1,198.1**	**8.6**	**1,206.7**

	Subscribed capital	Capital reserve	Revenue reserves	Total equity of shareholders of DMG MORI AKTIEN-GESELLSCHAFT	Non-controlling equity interests	**Total equity**
	€ million	€ million	€ million	€ million	€ million	**€ million**
As at 01 Jan. 2016	204.9	498.5	507.5	1,210.9	146.6	1,357.5
Total comprehensive income	0.0	0.0	17.4	17.4	2.0	19.4
Consolidation measures / Other changes	0.0	0.0	0.0	0.0	1.0	1.0
As at 31 March 2016	**204.9**	**498.5**	**524.9**	**1,228.3**	**149.6**	**1,377.9**

GROUP SEGMENTAL REPORTING

Segmentation by Business Segments

B . 06

1ST QUARTER 2017	Machine Tools	Industrial Services	Corporate Services	Transition	**Group**
	€ million	€ million	€ million	€ million	**€ million**
Sales revenues	289.3	244.5	0.1	0.0	533.9
EBIT	18.8	22.8	−7.2	−0.1	34.3
Investments	5.7	0.8	0.3	0.0	6.8
Employees	3,649	3,160	85	0	6,894

1ST QUARTER 2016	Machine Tools	Industrial Services	Corporate Services	Transition	**Group**
	€ million	€ million	€ million	€ million	**€ million**
Sales revenues	297.9	243.4	0.1	0.0	541.4
EBIT	14.9	21.8	−8.8	0.1	28.0
Investments	5.0	5.5	0.3	0.0	10.8
Employees	3,835	3,543	113	0	7,491

SELECTED EXPLANATORY NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. APPLICATION OF REGULATIONS

The Consolidated Financial Statements of DMG MORI AKTIENGESELLSCHAFT as of 31 December 2016 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 2017 were prepared on the basis of IAS 34 Interim Financial Reporting. The group Interim Consolidated Financial Statements as of 31 March 2017 and the Interim Report for the period 1 January to 31 March 2017 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 Financial Statements for the year ending 31 December 2016.

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 2016 (see further discussions in the Notes to the Consolidated Financial Statements as of 31 December 2016), with the exception of the application of new financial accounting regulations.

None of the obligatory applications of IFRS amendments and new standards effective as of 1 January 2017 has any material effect on the reporting of DMG MORI AKTIENGESELLSCHAFT.

2. SEASONAL EFFECTS

As a globally operating company, the DMG MORI 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 2017, the DMG MORI group, including DMG MORI AKTIENGESELLSCHAFT, comprised 92 companies, of which 88 companies were included in the Interim Financial Statements as part of the full consolidation process.

Compared to 31 December 2016, the number of group affiliates reduced by nine. Through the sale of the shares held in selected American and Asian subsidiaries to DMG MORI COMPANY LIMITED with effect on 1 January 2017 and the sale of the shares in DMG MORI Systems GmbH to a strategic investor with effect on 28 February 2017, the number of fully consolidated group affiliates has reduced by 11 overall. REALIZER GmbH and two of the 100% subsidiaries of GILDMEISTER energy solutions that were newly established in the financial year, Components Stahl- und Maschinenbau GmbH, Würzburg, and GILDEMEISTER LSG Solar RUS, Moscow, were newly added to the group of consolidation.

In addition, Magnescale Co., Ltd., its subsidiaries Magnescale Europe GmbH, Wernau and Magnescale Americas, Inc., Davis (USA) and DMG MORI Finance GmbH are classified as associated companies and are included at equity in the Interim Consolidated Financial Statements.

Disposal of subsidiaries

With effect on 1 January 2017 the shares held in

- DMG MORI SEIKI CANADA INC. (incl. DMG MORI CANADA INC.),
- DMG MORI BRASIL COMERCIO DE EQUIPAMENTOS INDUSTRIAS LTDA.,
- DMG MORI Korea Co., Ltd.,
- DMG MORI Australia Pty. Ltd.,
- DMG MORI Taiwan Co. Ltd.,
- DMG MORI Singapore Pte. Ltd.,
- DMG MORI MALAYSIA SND. BHD.,
- DMG MORI Vietnam Co. Ltd.,
- DMG MORI Mexico S.A. de C.V.

were transferred to DMG MORI COMPANY LIMTED in the course of the realignment. The acquisition price was € 50.7 million. The shares have been fully consolidated since the time of their acquisition or founding. All assets and liabilities were deconsolidated from the group at the time the shares in the companies were sold.

The consideration, the proportionate divested assets and liabilities, as well as the results from the sale, which are reported under other operating expenses, are shown in the table. A proportionate goodwill of € 3.7 million in total was divested.

With effect from 28 February 2017, 100% of the shares in DMG MORI Systems GmbH were sold to an external investor. The shares have been fully consolidated since the time of their acquisition. With the sale of shares, all assets and liabilities were deconsolidated from the group. Overall, the group incurred a loss in the amount of € 2.4 million overall from the sale, which is reported under other operating expenses. A proportionate goodwill of € 15 K was divested. The divested assets and liabilities are shown in the following table:

B . 07

DISPOSED SUBSIDIARIES	American and Asian subsidiaries € K	DMG MORI Systems GmbH € K
Intangible assets	2,556	411
Goodwill	3,695	15
Tangible assets	22,870	1,228
Inventories	15,882	3,064
Trade debtors and other assets	29,738	13,474
Deferred tax assets	1,681	30
Cash and cash equivalents	21,504	1
Assets sold	**97,926**	**18,223**
Provisions	7,276	2,302
Trade creditors and other short-term liabilities	41,372	13,198
Deferred taxes	586	0
Debt sold	**49,234**	**15,500**
Net assets sold	**48,692**	**2,723**
Other result	2,389	0
Consideration received	**50,658**	**295**
Gains or losses on disposal of subsidiaries	**−423**	**−2,428**

Business Combinations

With effect on 6 February 2017, GILDEMEISTER Beteiligungen GmbH acquired 50.1% of the shares in REALIZER GmbH, Borchen. For the acquisition of remaining shares, the acquisition price is dependent, among other factors, on the contractually agreed terms. The attributable fair value of the consideration amounted to € 14.2 million and will be remitted in payment instruments. REALIZER GmbH has been fully consolidated since the takeover date. The acquired assets and liabilities were recognized at fair values. Details are shown in the table below:

B . 08

BUSINESS COMBINATIONS	REALIZER GmbH € K
Intangible assets	1,472
Tangible assets	197
Inventories	1,251
Trade debtors	339
Other short-term assets	156
Cash assets	45
Other provisions	401
Trade creditors	150
Other short-term liabilities	345
Deferred taxes	463
Net assets	**2,101**
Goodwill occurring due to acquisition	
Consideration transferred for the acquisition of shares	14,226
Net assets	2,101
Goodwill	**12,125**

The resulting positive difference in the amount of € 12.1 million was reported as company value or goodwill and results from expected synergies for the product range in ADDITIVE MANUFACTURING. Costs incurred directly from the acquisition in the amount of € 43 K were considered as expenses in the period. Since 6 February 2017, REALIZER GmbH contributed an additional amount of € 1.2 million to the group's sales revenues. The contribution to the earnings after taxes for the same period amounted to € −20 K. If the acquisition of shares had already been included as at 1 January 2017, the contribution to the earnings after taxes would have been € 0.2 million and sales revenues would have amount to € 1.4 million. The purchase price allocation is still preliminarily.

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 € 22.8 million are decreased by € 41 K by the minority interests' earnings.

There were no diluted earnings per share as at 31 March 2017.

B . 09

EARNINGS PER SHARE		
Group result excluding the profit share of other shareholders	€ K	22,783
Average weighted number of shares		78,817,994
Earnings per share ac, to IAS 33	€	0.29

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.

Pursuant to IAS 34.16A, all types of financial assets and liabilities are to be stated at fair value. In the Notes on the Consolidated Financial Statements as at 31 December 2016, the valuation rates of the financial instruments are explained in detail. The accounting as at 31 March 2017 is unchanged. There are only differences between the book values and fair value for short-term and long-term financial debts. The book value as of 31 March 2017 is € 48.7 million, whereas the fair value is € 49.8 million.

6. STATEMENT OF COMPREHENSIVE INCOME

Comprehensive income as of 31 March 2017 of € 36.7 million comprised earnings after taxes (€ 22.8 million) and 'Other comprehensive income after taxes' (€ 13.9 million). The consolidated income as at 31 March 2017 in the amount of € 22.8 million, the difference amounts from currency conversion as well as the change in the market values of derivative financial instruments increased the 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 € 19.0 million to € 1,206.7 million. Non-controlling interests in equity declined by € 31.3 million to € 8.6 million. The consolidated income as at 31 March 2017 in the amount of € 22.8 million, currency changes considered without effects on profit as well as the change in the market values of derivative financial instruments increased equity.

8. SEGMENTAL REPORTING

Within the scope of segmental reporting, pursuant to IFRS 8 regulations the business activities of the DMG MORI 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 DMG MORI COMPANY LIMITED produced under license are included in 'Machine Tools'; the business with the products of DMG MORI COMPANY LIMITED is accounted for under 'Industrial Services'. The demarcation of the segments and / or the determination of the segment results remain unchanged from 31 December 2016. The business activities of the segments are disclosed in detail in the Notes to the Consolidated Financial Statements as of 31 December 2016. As of 1 January 2017, selected American and Asian subsidiaries are no longer in the Industrial Services segment due to their deconsolidation. While DMG MORI Systems GmbH is no longer included in the Machine Tools segment as of 28 February, REALIZER GmbH has been included in the Machine Tools segment as of February. The new companies, Components Stahl- und Maschinenbau GmbH and GILDEMEISTER LSG Solar RUS, Moscow, have been allocated to the Industrial Services segment.

9. STATEMENT OF RELATIONS WITH RELATED PARTIES

As presented in the Notes to the Financial Statements as of 31 December 2016, numerous business relations continue to exist with related parties, which are conducted on the basis of standard market terms and conditions. Related companies are, according to IAS 24.9 (b), all companies which are part of the group of companies or those in which DMG MORI COMPANY LIMITED has holdings. The statement of the relationships to related companies in the balance sheet is, analogous to the Consolidated

Financial Statements as at 31 December 2016, presented in a differentiated way. DMG MORI Finance GmbH as well as Magnescale Co., Ltd. and its subsidiaries are classified as associated companies. Other related companies of the DMG MORI group are all other companies which are part of the group of consolidated companies of DMG MORI COMPANY LIMITED.

With effect on 1 January 2017, the shares of selected American and Asian subsidiaries were sold to DMG MORI COMPANY LIMITED at a price of € 50.7 million. The acquisition and the assessment of the purchase prices for equity interests in the companies are based on neutral valuation reports.

DMG MORI AKTIENGESELLSCHAFT granted a loan in the amount of € 120.0 million to DMG MORI GmbH in 2016. The contract was concluded on conditions customary in the market. It is disclosed in receivables from other related parties.

A domination and profit transfer agreement pursuant to Sec. 291 seqq. AktG (Stock Corporation Act) is in place between DMG MORI GmbH (controlling company) and DMG MORI AKTIENGESELLSCHAFT (controlled company).

10. EVENTS OCCURING AFTER THE BALANCE SHEET DATE

Significant events after the balance sheet date are described in the 'Forecast' section. In addition, no other significant events have occurred after the reporting date of interim financial statements.

Bielefeld, 27 April 2017
DMG MORI AKTIENGESELLSCHAFT
The Executive Board

Chairman Dipl.-Kfm. Christian Thönes	Dipl.-Kfm. Björn Biermann	Dipl.-Kfm. Dr. Maurice Eschweiler

Supervisory Board:
Prof. Dr.-Ing. Raimund Klinkner, Chairman
Hermann Lochbihler, 1st Deputy Chairman

LIST OF TABLES AND CHARTS

FINANCIAL CALENDAR

05 MAY 2017	115th Annual General Meeting
27 JULY 2017	Second Quarterly Report 2017 (1 January to 30 June)
26 OCT. 2017	Third Quarterly Report 2017 (1 January to 30 September)
04 MAY 2018	116th Annual General Meeting

Subject to alteration

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 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 AKTIENGESELLSCHAFT are subject to a series of risks and uncertainties, which may result in forward-looking statements estimates or forecasts becoming inaccurate.

DMG MORI 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 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 in the capital markets and a deterioration in the conditions for the credit business 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 DMG MORI; changes in corporate strategy; interruptions in the supply chain, including the inability of a third party, for example due to natural catastrophes, 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 AKTIENGESELLSCHAFT and various other factors.

Should one of these factors of uncertainty or other unforeseeable events 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 AKTIENGESELLSCHAFT neither intends to nor does DMG MORI 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': DMG MORI AKTIENGESELLSCHAFT with registered office in Bielefeld, Germany, and DMG MORI COMPANY LIMITED with registered office in Nagoya, Japan. The DMG MORI AKTIENGESELLSCHAFT is (indirectly) controlled by DMG MORI COMPANY LIMITED. This report refers exclusively to DMG MORI AKTIENGESELLSCHAFT. If reference is made in this report to 'DMG MORI', this refers exclusively to DMG MORI AKTIENGESELLSCHAFT and its controlled companies pursuant to Section 17 AktG (Stock Corporation Act).

YOUR CONTACT TO DMG MORI

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