

Adjusted Consolidated Interim Financial Statement GILDEMEISTER Aktiengesellschaft as of 31 March 2004

On 31 March 2004 the International Accounting Standards Board (IASB) adopted the new IFRS 3 "Business Combinations" as well as revised versions of IAS 36 "Impairment of Assets" and IAS 38 "Intangible Assets". The IASB allows for an earlier application of the standards. GILDEMEISTER has decided to apply the above standards retrospectively as from 1 January 2004. The Income Statement, Balance Sheet, Segmental Reporting, Cash Flow Statement and Statement of Shareholders' Equity for the first quarter 2004 have been adjusted accordingly.

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Consolidated Income Statement

	2004		2003		Changes	
	1 Jan. - 31 March		1 Jan. - 31 March		2004 against 2003	
1 st quarter	€ M	%	€ M	%	€ M	%
Total work done	243.0	100.0	243.7	100.0	-0.7	-0.3
Cost of materials	-133.1	-54.8	-133.6	-54.8	0.5	0.4
Gross profit	109.9	45.2	110.1	45.2	-0.2	-0.2
Personnel costs	-67.9	-27.9	-68.2	-28.0	0.3	0.4
Other income and expenses	-30.4	-12.5	-30.9	-12.7	0.5	1.6
Depreciation of assets	-7.3	-2.9	-8.4	-3.5	1.1	-13.1
Financial result	-6.2	-2.6	-6.4	-2.6	0.2	3.1
Profit/loss on ordinary activities (EBT)	-1.9	-0.8	-3.8	-1.6	1.9	50.0
Taxes on profit	-0.4	-0.2	-0.5	-0.2	0.1	20.0
Annual profit/loss	-2.3	-0.9	-4.3	-1.8	2.0	46.5
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Earnings per share						
in acc. w. IAS 33 (in €)	-0.08		-0.15			

Consolidated Balance Sheet for the Quarter 31 March 2004

	31 Mar. 2004	31 Dec. 2003	31 Mar. 2003
	€ M	€ M	€ M
Assets			
Fixed assets			
Intangible assets	100.2	99.8	101.8
Tangible assets	168.8	170.6	172.0
Financial assets	0.2	0.2	0.2
Current assets			
Inventories	286.0	264.4	272.1
Receivables and other assets	278.2	294.3	277.9
Securities and liquid funds	13.1	11.4	12.8
Deferred taxes	32.7	29.5	37.6
Prepaid expenses	5.9	4.7	4.5
	885.1	874.9	878.9

	31 Mar. 2004	31 Dec. 2003	31 Mar. 2003
	€ M	€ M	€ M
Total equity & liabilities			
Equity / shares to other shareholders			
Subscribed capital	75.1	75.1	75.1
Capital reserves	48.7	48.7	48.7
Revenue reserves	60.7	63.8	64.4
	184.5	187.6	188.2
Minority interests	1.0	1.2	1.0
	185.5	188.8	189.2
Provisions	142.2	134.0	136.0
Gross liabilities	541.0	535.3	536.4
Deferred taxes	9.0	8.9	9.2
Deferred income	7.4	7.9	8.1
	885.1	874.9	878.9

Consolidated Segmental Reporting

	Machine Tools	Services	Corporate Services	Reconciliation	Group
1st quarter 2003	€ M	€ M	€ M	€ M	€ M
Sales revenues	165.1	60.8	0.1		226.0
EBIT	3.4	2.7	-2.1	-1.4	2.6
Investments	4.6	1.2	0.5		6.3
Employees	3,345	1,637	66		5,048

	Machine Tools	Services	Corporate Services	Reconciliation	Group
1st quarter 2004	€ M	€ M	€ M	€ M	€ M
Sales revenues	158.4	64.2	0.1		222.7
EBIT	2.8	3.7	-2.4	0.2	4.3
Investments	3.9	1.6	0.3		5.8
Employees	3,204	1,787	60		5,051

Consolidated Cash Flow Statement

	1 January - 31 March 2004	1 January - 31 March 2003
	€ M	€ M
Cash flow from current operations		
1. Annual profit / loss	-2.3	-4.3
2. Depreciation of fixed assets	7.3	8.4
3. Change in deferred taxes	-3.2	-3.5
4. Change in long-term provisions	-0.2	0.7
5. Change in short-term provisions	8.4	-13.1
6. Change in inventories, trade receivables and other assets	-6.6	16.7
7. Change in trade payables and other liabilities	-10.0	-5.3
	-6.6	-0.4
Cash flow from investment activity		
1. Amounts paid out for investments in intangible assets and tangible assets	-5.0	-6.3
2. Amounts paid out for investments in financial assets	0.0	-0.1
3. Amounts received from the disposal of fixed assets	0.2	0.2
	-4.8	-6.2
Cash flow from financing activity		
1. Amounts received from raising credits	13.9	2.9
2. Distribution of dividends to shareholders	-0.1	0.0
	13.8	2.9
Changes affecting payments	2.4	-3.7
Consolidation and exchange rate related changes not affecting payments	-0.7	-1.4
Liquid funds as at 1 January	11.4	17.7
Liquid funds as at 31 March	13.1	12.6

Consolidated Statement of Shareholders' Equity

	Subscribed capital	Capital reserves	Revenue reserves	Group equity	Minority interests	Total
	€ M	€ M	€ M	€ M	€ M	€ M
2003						
As of 1 January 2003	75.1	48.7	70.0	193.8	1.2	195.0
Annual profit / loss	0.0	0.0	-4.3	-4.3	-0.1	-4.4
Currency changes / market value of derivatives	0.0	0.0	-1.2	-1.2	0.0	-1.2
Consolidation measures / other changes	0.0	0.0	-0.1	-0.1	-0.1	-0.2
As of 31 March 2003	75.1	48.7	64.4	188.2	1.0	189.2

	Subscribed capital	Capital reserves	Revenue reserves	Group equity	Minority interests	Total
	€ M	€ M	€ M	€ M	€ M	€ M
2004						
As of 1 January 2004	75.1	48.7	63.8	187.6	1.2	188.8
Annual profit / loss	0.0	0.0	-2.3	-2.3	-0.1	-2.4
Currency changes / market value of derivatives	0.0	0.0	-0.7	-0.7	0.0	-0.7
Consolidation measures / other changes	0.0	0.0	-0.1	-0.1	-0.1	-0.2
As of 31 March 2004	75.1	48.7	60.7	184.5	1.0	185.5