



QII

Half-yearly Financial Report for the 2nd Quarter,  
January 1 to June 30, 2008

08

# GEA Group: key IFRS figures

(EUR million)	Q2 2008	Q2 2007	Change (%)	Q1-Q2 2008	Q1-Q2 2007	Change (%)
<b>Results of operations</b>						
Order intake Core Segments	1,275.3	1,174.8	8.6	2,652.0	2,445.0	8.5
Order intake GEA Group	1,334.5	1,266.3	5.4	2,778.9	2,647.6	5.0
Sales Core Segments	1,291.6	1,154.5	11.9	2,412.2	2,090.4	15.4
Sales GEA Group	1,349.9	1,253.2	7.7	2,539.5	2,308.8	10.0
Order backlog	2,869.8	2,482.4	15.6	2,869.8	2,482.4	15.6
EBITDA	132.2	113.9	16.1	229.8	195.3	17.7
EBIT Core Segments	123.3	98.4	25.3	205.9	159.5	29.1
% of sales	9.5	8.5	-	8.5	7.6	-
EBIT GEA Group	110.7	95.6	15.8	187.7	159.9	17.4
% of sales	8.2	7.6	-	7.4	6.9	-
Earnings before tax	99.8	81.4	22.6	167.7	133.2	26.0
Net income on continued operations	72.6	61.3	18.5	122.1	93.0	31.4
Net loss on discontinued operations	-0.1	-33.1	99.6	-0.1	-31.7	99.5
Net income	72.5	28.2	156.8	122.0	61.2	99.2
<b>Net assets</b>						
Total assets	4,806.4	5,629.7	-14.6	4,806.4	5,629.7	-14.6
Equity	1,484.5	1,318.0	12.6	1,484.5	1,318.0	12.6
% of total assets	30.9	23.4	-	30.9	23.4	-
Working Capital (balance sheet date) <sup>1</sup>	810.8	756.4	7.2	810.8	756.4	7.2
Net position <sup>2/3</sup>	-161.3	161.2	-200.0	-161.3	161.2	-200.0
Gearing (%) <sup>2/4</sup>	10.9	-12.2	-	10.9	-12.2	-
<b>Financial position</b>						
Cash flow from operating activities	-34.9	-15.0	-132.8	-116.9	-133.6	12.5
Free cash flow <sup>5</sup>	-66.2	-121.5	45.5	-187.0	-251.3	25.6
Investment (balance sheet date) <sup>6</sup>	2,809.4	2,697.0	4.2	2,809.4	2,697.0	4.2
Capital expenditure in tangible and intangible assets	35.8	30.8	16.0	62.2	45.8	36.0
<b>Employees <sup>7</sup></b>						
Employees (balance sheet date)	20,372	19,009	7.2	20,372	19,009	7.2
of which in Germany	7,034	6,609	6.4	7,034	6,609	6.4
of which outside Germany	13,338	12,400	7.6	13,338	12,400	7.6
<b>GEA Group's share (EUR)</b>						
Share price (balance sheet date)	22.44	25.81	-13.1	22.44	25.81	-13.1
Earnings per share	0.39	0.15	160.3	0.66	0.33	102.2
of which on continued operations	0.39	0.33	20.2	0.66	0.49	33.4
of which on discontinued operations	0.00	-0.18	99.6	0.00	-0.17	99.5
Weighted average number of shares outstanding (million)	184.0	187.9	-2.1	184.0	187.9	-2.1

1) Working capital = inventories + trade receivables - trade liabilities - prepayments received

3) Net position = cash and cash equivalents + securities - bank debt

5) Free cash flow = cash flow from operating activities + cash flow from investing activities

7) Full-time equivalents (FTEs), excl. apprentices/trainees and inactive employees

2) Including Plant Engineering in 2007

4) Gearing = net position / equity

6) Investment = fixed assets + working capital

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# GEA Group's Shares

## Stock market performance of GEA Group shares

Equity market performance in the first half of 2008 was characterized by cross-sector share price weakness. A weak start of the year was followed by a slight recovery at the end of the first quarter. Negative trends re-emerged during the course of May and the German share indices have lost significant value since then. The German share index (DAX) has fallen around 20 percent between the start of the year and July 25, while the MDAX has performed somewhat better, and has fallen by around 16 percent.

Performance of GEA Group's share price against the MDAX



GEA Group Aktiengesellschaft's share outperformed the comparative MDAX index in a difficult market environment. The share fell to a low of EUR 18.25 on January 11, from which it rapidly recovered, however, and subsequently performed in line with its comparable index. The share started to outperform the MDAX from mid April, and has continued to do so. The GEA Group Aktiengesellschaft's share reached its high of EUR 26.90 on May 19, 2008, and closed at EUR 22.44 on June 30. Following the end of the quarter, the share reached EUR 21.35 on July 25. Due to its less cyclical end-markets, GEA performed better than the average in a highly volatile equity market.

GEA Group continues to rank on position 35 among all listed German companies when measured in terms of market capitalization. The company's market capitalization amounted to over EUR 4.1 billion at the end of the first half of 2008. The method to calculate market capitalization used by Deutsche Börse AG takes only the free float (81 percent) into account, which equates to EUR 3.5 billion at the end of the second quarter. Furthermore the company occupied position 37 in terms of trading volume at the end of June 2008 again (position 37 at the end of March 2008). At 1.4 million shares, average daily turnover during the first six months of 2008 was below the level of the comparable prior year turnover of 1.7 million shares. The vast majority of these trades were settled through the XETRA electronic trading system.

The company held no treasury shares as of June 30, 2008. There were 183,982,845 shares in issue at the end of June 2008, which is unchanged compared to December 31, 2007.

Participation in 18 roadshows and conferences, as well as 220 one-on-one meetings, since the start of the year continues to reflect the capital market's high degree of interest, and the intensive investor relations work the GEA Group is conducting.

## GEA Performance Share Plan

The long-term remuneration program, which the company set up very successfully in 2006 for the first and second level of management, will be extended to the third management level with the implementation of the third tranche in July this year. More than 70 percent of the managers participated in the second tranche.

## Dividend

After the suspension of a dividend payment for the 2006 financial year, the company has payed a dividend of 20 cents per share in 2008 for the 2007 financial year.

GEA Group Aktiengesellschaft's shares may be particularly attractive for German private investors. Since the dividend in its entirety is rendered from the contribution account for tax purposes (§ 27 of the German Corporation Tax Act [KStG]), payment is made without deduction of withholding tax on dividends and the solidarity surcharge. The dividend paid by GEA Group Aktiengesellschaft is consequently not subject to taxation for German shareholders, as a rule. For foreign shareholders the taxation conforms to the tax regulations of the relevant state of residence.

GEA strives to increase its dividend payment, and intends to distribute approximately one third of Group earnings for the 2009 financial year.

GEA Group's shares: Key performance indicators	Q2 2008	Q2 2007	Q1-Q2 2008	Q1-Q2 2007
Shares in issue at June 30 (million)	184.0	194.4	184.0	194.4
Number of shares at June 30 (million)	184.0	187.9	184.0	187.9
Share price at June 30 (EUR) <sup>1</sup>	22.44	25.81	22.44	25.81
Share price high (EUR)	26.90	25.81	26.90	25.81
Share price low (EUR)	21.68	20.30	18.25	16.23
Market capitalization at June 30 (EUR billion) <sup>2</sup>	4.13	5.02	4.13	5.02
Earnings per share (EUR)	0.39	0.15	0.66	0.33
of which on discontinued operations (EUR)	0.00	-0.18	0.00	-0.17

<sup>1)</sup> or on the last trading day of the reporting period

<sup>2)</sup> on the basis of shares in issue

# Management Report

## Overall Environment

In its “Economic Forecast 2008/2009” of June 24, 2008, the ifo Institute still regards global economic growth in spring 2008 as robust. Global gross domestic product (GDP) consequently continued to make solid gains. Ongoing uncertainty regarding the negative effects of the financial sector crisis, in parts marked corrections in real estate markets, higher inflation, and further sharp rises in oil prices, however, continue to slow growth.

According to the German Engineering Federation (VDMA), the order intake of German mechanical engineering companies between January and May exceeded the previous year’s already very high level by 6 percent in real terms. Following a slow start of 2008 accompanied by low rates of growth, the mechanical engineering industry achieved growth of 4 percent between March and May on a three-month comparison basis, which is less affected by short-term fluctuations. The Federation continues to anticipate production growth of 5 percent in 2008 for the entire sector.

Foreign markets relevant to the GEA Group in high-growth emerging economies such as Brazil, Russia, India, and China (BRIC) continued to experience good growth. Population growth and economic uptrend are providing the drivers for specialist mechanical engineering and process technology in key sales sectors such as the foodstuffs and beverages industries, milk production and processing, and the energy sector. The rising price of crude oil offers a long-term stimulus to the GEA Group: more input intensive production techniques – such as those for oil sands – have meanwhile become profitable. Besides components for refineries, several GEA divisions supply the process components required for the separation of oil and sand. Growth in the global market for liquid natural gas (LNG) is also having a positive impact. Major capacities for LNG processing are currently being established in the Middle East, Africa and Australia. Here GEA supplies various components for complex liquefaction technology. Transportation volumes, particularly by ship, are growing as a result of advancing globalization. GEA Group is also benefiting from this growth, and is supplying components, systems, and plant to leading companies around the world in the shipbuilding industry (among other equipments such as refrigeration technology, intercoolers for motors, and systems to provide fuel for turbines, and to treat oil residue).

# Business Performance

## Order intake

GEA Group Aktiengesellschaft raised its order intake by 8.6 percent in its core segments in the second quarter of 2008. In the first half of 2008 order intake was up by 8.5 percent year-on-year in the core segments. Order intake in the first two quarters increased by 9.9 percent compared to the first half of 2007, excluding the Thermal Engineering Division, which is the only division that is characterized by major orders besides the normal business, and consequently slightly distorts the overall picture from a short-term perspective.

Group order intake rose by 5.4 percent year-on-year during the reporting quarter. The cumulative Group order intake grew by 5.0 percent compared with the previous year's figure. The lower price level for zinc effected a fall of the order intake for Ruhr-Zink, which explains the decrease of order intake between Group and that of the core segments.

Order intake (EUR million)	Q2 2008	Q2 2007	Change (%)	Q1 - Q2 2008	Q1 - Q2 2007	Change (%)
Energy and Farm Technology	385.9	373.2	3.4	837.7	797.6	5.0
Process Technology	889.4	801.6	11.0	1,814.3	1,647.5	10.1
<b>Total</b>	<b>1,275.3</b>	<b>1,174.8</b>	<b>8.6</b>	<b>2,652.0</b>	<b>2,445.0</b>	<b>8.5</b>
"Other" and Consolidation	59.1	91.5	-35.4	126.9	202.6	-37.4
<b>GEA Group</b>	<b>1,334.5</b>	<b>1,266.3</b>	<b>5.4</b>	<b>2,778.9</b>	<b>2,647.6</b>	<b>5.0</b>

The greatest gains in terms of order intake were registered in the areas of milk production and processing, shipbuilding, as well as oil and gas treatment and processing.

The Farm Technologies, Process Engineering, and Mechanical Separation divisions benefited particularly in the milk area, which is experiencing strong growth, especially in emerging economies, as a result of the plant and components they offer for production and processing. GEA continues to profit from disproportionately high growth in the shipbuilding sector, mainly in China, and in particular in the feeder ship area, due to the plate heat exchangers supplied by the Process Equipment Division, and separators supplied by the Mechanical Separation Division.

Demand for components and plant for new oil production facilities and refineries, which is mainly driven by the rising oil price, are having an extremely positive impact on the order intake of the Mechanical Separation and Thermal Engineering divisions in the Middle East, Canada and the USA.

The order intake in the high-margin Farm Technologies, Process Equipment, and Mechanical Separation divisions grew by over 20 percent in the first half of this year on average base. The remaining divisions used the market environment to improve the EBIT margin by a more selective order acceptance.

In the Energy and Farm Technology Segment, order intake of the Air Treatment Division grew slightly in the second quarter once again. The division concentrates on the European market, where it particularly continues to benefit from the construction economy in Eastern Europe. Global growth in demand for milk resulted in a higher order intake in the Farm Technologies Division. In particular, the division won orders for major installations in CIS states, with additional opportunities for aftermarket business. The company Houle & Fils, which was acquired in the second quarter of 2007, also contributed to the organic increase of order intake. Second-quarter business in the Thermal Engineering Division was also characterized by a lower number of major orders. By contrast, however, there was strong growth in component business with smaller order volumes. The Emission Control Division is increasingly focusing on small orders entailing lower risk and higher margins. This is significantly improving the margin quality of the division's order intake.

In the Process Technology Segment, the Refrigeration Division reported significant rises in order intake in its component and service businesses. AeroFreeze, which was acquired as of June 1, 2007, also reported very good growth. The Process Equipment Division generated a high level of order intake in the heat-exchanger area in the marine industry, particularly for shipbuilding in Asia. The industrial heat exchangers area was positively impacted by strong growth in the energy sector. Within the Mechanical Separation Division, it was particularly shipbuilding, oil production, and energy that realized very strong rates of growth. The beverages industry also experienced strong demand, for example in the case of fruit juice, wine, and beer. Therefore the decline in bio-diesel projects in Germany was more than compensated. In the foodstuffs and beverages areas – particularly concerning products to process milk and coffee – the Process Engineering Division achieved very good growth, while the business with bioethanol plants declined. Pharma Systems Division is operating in a difficult market environment because major pharmaceuticals manufacturers introduced various cost-reduction programs in early 2008. This has initially had a negative impact on investment decisions for new plant in America and Europe. Adjustments of capacity have been introduced, and are beginning to take effect. However, the growth of the Pharma Systems Division affects consolidated growth only by one percentage point.

The "Other" Segment is affected by the lower price level for zinc. Ruhr-Zink reported significantly lower order intake in the first two quarters of 2008, accompanied by comparatively high production volumes. This is also the main reason for the difference in the strength of growth of the core business compared with the Group, where the growth of Ruhr-Zink is also included.

## Sales

Sales in the core segments increased by 11.9 percent in the second quarter of 2008. First-half sales were up by 15.4 percent year-on-year. Sales in the Group rose by 7.7 percent in the second quarter of 2008, and by 10.0 percent in the first half of 2008. Also in this case, the falling price of zinc is the main factor reducing the growth rate of the Group.

Sales (EUR million)	Q2 2008	Q2 2007	Change (%)	Q1-Q2 2008	Q1-Q2 2007	Change (%)
Energy and Farm Technology	447.1	409.0	9.3	810.2	748.1	8.3
Process Technology	844.6	745.6	13.3	1,602.0	1,342.3	19.4
<b>Total</b>	<b>1,291.6</b>	<b>1,154.5</b>	<b>11.9</b>	<b>2,412.2</b>	<b>2,090.4</b>	<b>15.4</b>
"Other" and Consolidation	58.3	98.6	-40.9	127.3	218.4	-41.7
<b>GEA Group</b>	<b>1,349.9</b>	<b>1,253.2</b>	<b>7.7</b>	<b>2,539.5</b>	<b>2,308.8</b>	<b>10.0</b>

In overall terms, GEA Group sales in established markets such as Europe and North America grow by circa 10 percent, despite unfavorable exchange rates. Sales growth was with nearly 25 percent above average in high-growth markets, especially in Latin America and the CIS states. The expansion of the sales network is consequently reaping rewards.

In the Energy and Farm Technology Segment, the Air Treatment Division had further on a great advantage from the good order situation in the construction industry in the second quarter. Catch-up demand in the Eastern European region, in particular, continues to make itself felt in this respect. However, the filters business also experienced very positive growth. The Farm Technologies Division realized the highest organic rate of growth within the segment. Sales growth in percentage was significantly double-digit as a result of an expanded sales network, and the division's excellent market position. There is growing customer interest in high-quality milk production and processing systems particularly in Latin America. The Thermal Engineering Division was also up year-on-year. Major orders received in 2007 will first have an impact over the years. The decline in the Emission Control Division is due to the concentration on smaller orders with higher-margins.

The Process Technology Segment also reported a significant rise in sales in the second quarter. High rates of growth were recorded in the high-margin component business. The Refrigeration Division reported growing sales for refrigeration plant for the oil, gas, and chemicals industries. The marine, energy as well as oil and gas markets experienced good growth in the Process Equipment Division. The Mechanical Separation Division achieved rising sales with complete process lines. The escalating price of oil makes it increasingly profitable for the division's customers to use GEA's highly efficient technology to additionally develop challenging oil resources. The Process Engineering Division continued to benefit from strong demand for process lines for foodstuffs, coffee, or milk processing, because of constantly rising demand from BRIC countries, as a result of purchasing power.

The Pharma Systems Division also registered a year-on-year decline in sales in the second quarter due to the fact that major pharmaceuticals companies in Europe and the US are currently cutting back on investments.

Within the “Other” Segment, Ruhr-Zink reported significantly lower sales because of the falling price of zinc.

## Order backlog

Because of the large volume of the order intake in 2007, the GEA Group’s order backlog as of June 30, 2008 was up by 15.6 percent compared with June 30, 2007. It rose by EUR 171.1 million, or 6.3 percent, to EUR 2,869.8 million compared with December 31, 2007 (EUR 2,698.7 million).

Order backlog (EUR million)	06/30/2008	06/30/2007	Change (%)
Energy and Farm Technology	1,222.2	1,050.0	16.4
Process Technology	1,640.1	1,423.2	15.2
<b>Total</b>	<b>2,862.3</b>	<b>2,473.1</b>	<b>15.7</b>
“Other” and Consolidation	7.6	9.2	-17.9
<b>GEA Group</b>	<b>2,869.8</b>	<b>2,482.4</b>	<b>15.6</b>

## Result of operations

The Group’s focus on margin quality is having a growing impact on profitability. The gross profit margin in the core segments was raised by 70 basis points in the first half of the year. The EBIT margin in the core segments rose by 90 basis points on a cumulative basis, despite negative currency effects and higher raw material prices.

Earnings before interest and tax (EBIT) in the core segments grew by 25.3 percent to EUR 123.3 million in the second quarter. The EBIT margin in the core segments consequently rose by 102 basis points, from 8.5 percent to 9.5 percent. At EUR 110.7 million, GEA Group’s EBIT significantly outstripped the previous year period’s earnings (EUR 95.6 million). The Group EBIT margin was up by 57 basis points to 8.2 percent during the reporting quarter. EBIT in the core segments grew by EUR 46.4 million to EUR 205.9 million in the first half year. The increase of the EBIT margin within the Group amounted to 47 basis points.

In the Energy and Farm Technology Segment, earnings from the Air Treatment Division improved in a gratifying manner in the second quarter of 2008 after production problems with central ventilation equipment had been solved. The Farm Technologies and Emission Control divisions also significantly increased their EBIT margins. Despite a slight rise compared with the prior year period, earnings in the Thermal Engineering Division were affected by first-half sales that temporarily experienced only moderate growth. In overall terms, all

Q2 2008 (EUR million)	EBIT Q2 2008	EBIT margin (%)	EBIT Q2 2007	EBIT margin (%)	Change in EBIT (%)
Energy and Farm Technology	37.6	8.4	30.0	7.3	25.3
Process Technology	85.7	10.2	68.4	9.2	25.3
<b>Total</b>	<b>123.3</b>	<b>9.5</b>	<b>98.4</b>	<b>8.5</b>	<b>25.3</b>
"Other" and Consolidation	-3.6	-6.1	1.4	1.5	-346.7
Holding	-9.1	-	-4.3	-	-112.8
<b>GEA Group</b>	<b>110.7</b>	<b>8.2</b>	<b>95.6</b>	<b>7.6</b>	<b>15.8</b>

Q1 - Q2 2008 (in EUR million)	EBIT Q1 - Q2 2008	EBIT margin (%)	EBIT Q1 - Q2 2007	EBIT margin (%)	Change in EBIT (%)
Energy and Farm Technology	57.6	7.1	47.4	6.3	21.7
Process Technology	148.3	9.3	112.2	8.4	32.2
<b>Total</b>	<b>205.9</b>	<b>8.5</b>	<b>159.5</b>	<b>7.6</b>	<b>29.1</b>
"Other" and Consolidation	-3.6	-2.8	9.7	4.4	-137.4
Holding	-14.6	-	-9.4	-	-55.4
<b>GEA Group</b>	<b>187.7</b>	<b>7.4</b>	<b>159.9</b>	<b>6.9</b>	<b>17.4</b>

divisions of this segment improved their margins, by a total of 107 basis points to 8.4 percent, in the second quarter of 2008, and by 78 basis points to 7.1 percent in the first half of 2008.

The Process Technology Segment also reported a significant improvement in performance in the reporting quarter. Rising incomes in growth regions lead to increased demand for processed foodstuffs and beverages. The Refrigeration Division once again improved its earnings and EBIT margin, particularly for components. The earnings improvement of the Process Equipment Division reflected good growth in all areas. This pleasing level of growth is also supported by a higher level of business activities in the US and Asia. The Mechanical Separation Division introduced the "Best-Fit" program, which entails using standardized decanters in various applications. This feeds through to shorter delivery times, accompanied by improved prices. The raised EBIT of the division is another result of stronger service business. The Process Engineering Division also covered a strong improvement in earnings. Strong demand for the division's plant, and particularly its process lines, is allowing it to continue to focus on improvements in margins and earnings. By contrast, the Pharma Systems Division anticipates no significant short-term improvement in earnings due to restraints in investment volume evident across the entire pharmaceutical sector. In this segment too, all divisions improved their margins further, with the exception of the Pharma Systems Division. The segment overall reported an EBIT margin of 10.2 percent (+98 basis points) in the second quarter of 2008, and of 9.3 percent in the first half-year (+90 basis points).

The expected group tax rate for 2008 amounts to 27.2 percent, following 30.2 percent in the previous year.

Consolidated net income totaled EUR 72.5 million in the second quarter (previous year: EUR 28.2 million). Consolidated net income corresponds to earnings of EUR 0.39 per share in the second quarter of 2008, following EUR 0.15 in the comparable previous year period. The corresponding figures for the first half of 2008 are EUR 122.0 million (previous year: EUR 61.2 million) and EUR 0.66 (previous year: EUR 0.33).

Key figures on results of operations (EUR million)	Q2	Q2	Change	Q1-Q2	Q1-Q2	Change
	2008	2007	(%)	2008	2007	(%)
Sales	1,349.9	1,253.2	7.7	2,539.5	2,308.8	10.0
EBITDA	132.2	113.9	16.1	229.8	195.3	17.7
EBIT	110.7	95.6	15.8	187.7	159.9	17.4
Earnings before tax	99.8	81.4	22.6	167.7	133.2	26.0
Income taxes	-27.1	-20.1	-35.2	-45.6	-40.2	-13.4
Net income on continued operations	72.6	61.3	18.5	122.1	93.0	31.4
Net loss on discontinued operations	-0.1	-33.1	99.6	-0.1	-31.7	99.5
Net income	72.5	28.2	156.8	122.0	61.2	99.2

## Financial position

The net position declined by EUR 222.6 million to EUR -161.3 million compared with December 31, 2007. The cash outflows were due to higher working capital reflecting an increased level of business activity, investments, and outgoing payments relating to disposals. Despite this, working capital relative to sales was reduced. Gearing consequently amounts to 10.9 percent as of June 30 (previous year: -12.2 percent).

Reconciliation net position (EUR million)	
12/31/2007	61.3
EBITDA	229.8
Increase in working capital	-159.9
Capital expenditure in tangible and intangible assets	-62.2
Impact of acquisitions on net position	-20.1
Dividend payment	-36.8
Payments relating to disposed operations	-75.6
Others	-97.8
06/30/2008	-161.3

## Net assets

Total assets as of June 30, 2008 have remained virtually unchanged compared with December 31, 2007. Non-current assets were almost unchanged, while current assets once again reported a slight rise. Compared with June 30, 2007, the rise in inventories at 8.5 percent fell short of the increase in the order backlog, at 15.6 percent. Trade receivables are at the same level as at the end of the previous financial year. On the equity and liabilities side of the balance sheet, besides the increase in equity, there was a limited degree of transfer of non-current liabilities to current liabilities.

Summary balance sheet (EUR million)	06/30/2008	in % of total assets	12/31/2007	in % of total assets	Change (%)
<b>Assets</b>					
Non-current assets	2,362.6	49.2	2,349.0	49.5	0.6
of which goodwill	1,295.5	27.0	1,299.7	27.4	-0.3
of which deferred taxes	347.3	7.2	364.9	7.7	-4.8
Current assets	2,426.4	50.5	2,382.3	50.2	1.9
Assets held for sale	17.4	0.4	16.7	0.4	3.8
<b>Total assets</b>	<b>4,806.4</b>	<b>100.0</b>	<b>4,748.0</b>	<b>100.0</b>	<b>1.2</b>
<b>Equity and liabilities</b>					
Equity	1,484.5	30.9	1,413.7	29.8	5.0
Non-current liabilities	826.3	17.2	857.3	18.1	-3.6
of which deferred taxes	104.3	2.2	87.2	1.8	19.6
Current liabilities	2,495.5	51.9	2,477.0	52.2	0.8
<b>Total equity and liabilities</b>	<b>4,806.4</b>	<b>100.0</b>	<b>4,748.0</b>	<b>100.0</b>	<b>1.2</b>

## Employees

The number of employees was 20,372 at the end of the second quarter of 2008. This represents an increase of 812 compared with December 31, 2007. It reflects external as well as organic growth in both segments. Changes in the scope of consolidation increased the number of employees by 276. An additional 536 employees were engaged as a result of organic growth, 161 of whom worked in Germany.

Employees (balance sheet date) *	06/30/2008	06/30/2007
Energy and Farm Technology	6,692	6,032
Process Technology	13,230	12,534
<b>Total</b>	<b>19,922</b>	<b>18,566</b>
Other	450	443
<b>GEA Group</b>	<b>20,372</b>	<b>19,009</b>

\* Full-time equivalents (FTEs), excl. apprentices/trainees and inactive employees

## Research and development

Research and development expenses amounted to EUR 39.1 million in the first six months of 2008, following EUR 34.8 million in the comparable period of the previous year. This is equivalent to 1.5 percent of sales in both years.

Research and development (R&D) costs (EUR million)	Q2 2008	Q2 2007	Change (%)	Q1-Q2 2008	Q1-Q2 2007	Change (%)
Customer-funded (reimbursed)	4.9	4.8	3.3	10.5	10.3	2.6
Group-funded (non-reimbursed)	16.0	12.6	26.5	28.6	24.5	16.6
<b>Total R&amp;D costs</b>	<b>20.9</b>	<b>17.4</b>	<b>20.1</b>	<b>39.1</b>	<b>34.8</b>	<b>12.5</b>
<b>R&amp;D ratio (% of sales)</b>	<b>1.5</b>	<b>1.4</b>	<b>-</b>	<b>1.5</b>	<b>1.5</b>	<b>-</b>

## Risk position

Overall monitoring of legal risks during the reporting period is in essence unchanged compared with the status depicted in the 2007 annual report, with the exception of the instances listed below.

In the Polyamid 2000 AG case, the Higher Regional Court of Frankfurt am Main rejected the appeal of the insolvency administrator in its decision of April 18, 2008, and an appeal to the Federal High Court of Justice was not permitted. The insolvency administrator has meanwhile lodged an appeal against such discussion with the Federal High Court of Justice.

The court proceeding connected with the squeeze out resolution of the Shareholders' General Meeting of the former GEA AG on April 28, 2005 was concluded with the court-recorded settlement of July 2, 2008. The settlement entails a rise in the cash compensation from EUR 43.33 (per preference share) and EUR 48.15 (per ordinary share) to an uniform amount of EUR 53.00 plus interest.

Alltogether, from a current point of view there are no risks that might jeopardize the continued existence of the GEA Group. Sufficient provisions according to relevant regulations have been accounted for identified risks.

## Events after the balance sheet date

The Farm Technologies Division was strengthened on July 11 through the acquisition of Norbco Inc., Westmoreland, in the State of New York, USA. Norbco Inc. has so far been the sole and exclusive supplier of conventional heavy- and medium-duty milking parlor stalls to GEA WestfaliaSurge Inc. In addition to parlor stalls, Norbco is a manufacturer and distributor of farm equipment including ventilation equipment, cow mattresses, barn curtains, barn cleaners and free stalls, all with a distinct focus on cow comfort. The company employs a workforce of around 100 employees, and 2007 sales amounted to over USD 30 million.

# Outlook

## Economy

According to leading economic institutes, the global economy will start to lose momentum and slow down in 2008 and 2009 due to significant negative factors. However, this loss of momentum will be limited, which is why the global economy is not expected to undergo a sharp decline. According to the ifo Institute, real GDP in industrial countries will still rise by 1.9 percent in 2008 (previous year: 2.5 percent), and by 1.4 percent in 2009. Following a rate of 7.6 percent in 2007, economic growth in emerging economies will weaken initially to 6.3 percent in 2008, followed by 6.1 percent in 2009. Growth in the Eurozone economy in 2008 and 2009 will also be less than its long-term trend rate. Here too, real GDP will rise by only 2.0 percent in 2008, and 1.5 percent in 2009.

The German Engineering Federation (VDMA) sees no sign of a significant slowdown in the mechanical engineering sector so far. General process equipment plant for agricultural technology continues to be in strong demand. Export-led stimuli are coming primarily from states producing raw materials and emerging economies. These countries are investing massively in plant to further process their raw materials, as well as for the high-growth consumer goods industry. The Association is concerned about the sharp rise in raw material prices, which is slowing growth in industrial countries. Following excellent growth in 2007, the Association continues to expect production growth of 5 percent for 2008. Domestic demand remains high, and export business is very robust across the world. The export business is firstly feeling the burden of the strong euro. These negative factors are nevertheless more than offset by stronger export demand from China, India, the Middle East, and Russia.

The most important sales markets of the GEA Group will continue to grow at annual rates of 7 to 8 percent. The foodstuffs and beverages industries, the energy sector, chemicals/petrochemicals, and the pharmaceuticals industry are being favored in general by the continuous rise in global standards of living, particularly in emerging economies, available household incomes, and global population growth. Advancing globalization is resulting in a decline in global poverty, as well as a significant expansion of the middle class. The associated rise in demand for processed foods, pharmaceuticals, and energy, as well as measures to improve energy efficiency, are feeding through to growing demand for the process technology offered by the GEA Group.

## Business outlook

The growing population of the world will consume more and more energy, and consume increasingly high-quality foodstuffs. This trend is also strengthened by the disproportionate growth in living standards in large parts of Asia and South America. Many GEA products also contribute to energy efficiency, which is why further positive effects are anticipated. This provides GEA with a robust market environment with very small influences by economic cycles.

While order intake is declining significantly in some branches of the mechanical engineering sector, and further weakness is anticipated in these areas, we are seeing stable demand accompanied by further increases in order intake in our markets, particularly for machines to produce higher quality foodstuffs, and in the energy sector.

Our stable portfolio allows us to confirm the targets we have communicated so far for our core business in essence, despite an overall environment that is currently less positive.

Order intake will rise by 5 to 10 percent in 2008, with the exception of the Thermal Engineering Division. End-customers of the Thermal Engineering Division continue to delay the projecting of large orders. The high-margin divisions will continue to grow at an above-average rate.

Sales will grow by around 10 percent in 2008 and by 5-10 percent in 2009, driven by the high level of our order backlog. We now anticipate an increase in the EBIT margin in our core segments of 80 to 90 basis points in 2008 due to the improvement in profitability that has continued in the second quarter. The EBIT margin of our core segments will amount to over 10 percent in 2009. Around 3 percent of sales will be invested in property, plant and equipment.

The GEA Group Aktiengesellschaft is aiming to increase its dividend payment to around one third of consolidated earnings for fiscal year 2009. The intention is that net debt, excluding pension liabilities, will reach 40-50 percent of consolidated equity (gearing) over the same period.

Bochum, July 31, 2008

GEA Group Aktiengesellschaft

The Executive Board

# Financial Statements for the 2nd Quarter of 2008

## Consolidated Balance Sheet

at June 30, 2008

Assets (EUR thousand)	06/30/2008	12/31/2007	Change (%)
Property, plant and equipment	509,910	486,037	4.9
Investment property	43,251	44,666	-3.2
Goodwill	1,295,539	1,299,650	-0.3
Other intangible assets	94,516	95,869	-1.4
Investments in enterprises reported at equity	11,378	14,585	-22.0
Other non-current financial assets	60,775	43,237	40.6
Deferred taxes	347,252	364,910	-4.8
<b>Non-current assets</b>	<b>2,362,621</b>	<b>2,348,954</b>	<b>0.6</b>
Inventories	754,122	674,691	11.8
Trade receivables	1,263,723	1,241,541	1.8
Income tax receivables	15,859	11,186	41.8
Other current financial assets	220,687	175,706	25.6
Cash and cash equivalents	172,018	279,162	-38.4
<b>Current assets</b>	<b>2,426,409</b>	<b>2,382,286</b>	<b>1.9</b>
<b>Assets held for sale</b>	<b>17,352</b>	<b>16,713</b>	<b>3.8</b>
<b>Total assets</b>	<b>4,806,382</b>	<b>4,747,953</b>	<b>1.2</b>

			Change
			(%)
<b>Equity and liabilities</b>			
(EUR thousand)	06/30/2008	12/31/2007	
Issued capital	496,890	496,890	-
Additional paid-in capital	1,079,610	1,079,610	-
Retained earnings	-45,893	-130,398	64.8
Accumulated other comprehensive income	-50,006	-35,932	-39.2
Minority interest	3,916	3,508	11.6
<b>Equity</b>	<b>1,484,517</b>	<b>1,413,678</b>	<b>5.0</b>
Non-current provisions	181,184	231,568	-21.8
Non-current obligations to employees	509,707	513,370	-0.7
Non-current financial liabilities	24,907	20,874	19.3
Other non-current liabilities	6,184	4,284	44.4
Deferred taxes	104,344	87,219	19.6
<b>Non-current liabilities</b>	<b>826,326</b>	<b>857,315</b>	<b>-3.6</b>
Current provisions	573,789	606,770	-5.4
Current obligations to employees	148,525	168,006	-11.6
Current financial liabilities	338,689	223,388	51.6
Trade payables	604,897	763,015	-20.7
Income tax liabilities	52,995	54,653	-3.0
Other current liabilities	776,644	661,128	17.5
<b>Current liabilities</b>	<b>2,495,539</b>	<b>2,476,960</b>	<b>0.8</b>
<b>Total equity and liabilities</b>	<b>4,806,382</b>	<b>4,747,953</b>	<b>1.2</b>

## Consolidated Income Statement

April 1 - June 30, 2008

(EUR thousand)	Q2 2008	Q2 2007	Change (%)
Sales	1,349,922	1,253,161	7.7
Cost of sales	-997,291	-930,696	-7.2
<b>Gross profit</b>	<b>352,631</b>	<b>322,465</b>	<b>9.4</b>
Selling expenses	-118,170	-107,362	-10.1
Administrative expenses	-115,931	-109,486	-5.9
Other income	21,807	7,099	207.2
Other expenses	-29,904	-17,816	-67.8
Net income on enterprises reported at equity	329	635	-48.2
Other financial income	290	33	778.8
Other financial expenses	-387	-	-100.0
<b>Earnings before interest and tax (EBIT)</b>	<b>110,665</b>	<b>95,568</b>	<b>15.8</b>
Interest and similar income	9,149	3,186	187.2
Interest expense and similar charges	-20,032	-17,369	-15.3
<b>Earnings before tax on continued operations</b>	<b>99,782</b>	<b>81,385</b>	<b>22.6</b>
Income taxes	-27,140	-20,072	-35.2
of which current taxes	-21,409	-12,494	-71.4
of which deferred taxes	-5,731	-7,578	24.4
<b>Net income on continued operations</b>	<b>72,642</b>	<b>61,313</b>	<b>18.5</b>
<b>Net loss on discontinued operations</b>	<b>-145</b>	<b>-33,080</b>	<b>99.6</b>
<b>Net income</b>	<b>72,497</b>	<b>28,233</b>	<b>156.8</b>
of which minority interest	431	-46	> 1,000
of which attributable to shareholders of GEA Group Aktiengesellschaft	72,066	28,279	154.8

(EUR)			
<b>Basic earnings per share</b>	<b>0.39</b>	<b>0.15</b>	<b>160.3</b>
of which on continued operations	0.39	0.33	20.2
of which on discontinued operations	0.00	-0.18	99.6
<b>Weighted average number of shares outstanding (million)</b>	<b>184.0</b>	<b>187.9</b>	<b>-2.1</b>

## Consolidated Income Statement

January 1 - June 30, 2008

(EUR thousand)	Q1 - Q2 2008	Q1 - Q2 2007	Change (%)
Sales	2,539,526	2,308,778	10.0
Cost of sales	-1,869,763	-1,715,456	-9.0
<b>Gross profit</b>	<b>669,763</b>	<b>593,322</b>	<b>12.9</b>
Selling expenses	-231,705	-212,131	-9.2
Administrative expenses	-231,976	-208,026	-11.5
Other income	53,745	22,899	134.7
Other expenses	-72,535	-36,913	-96.5
Net income on enterprises reported at equity	523	676	-22.6
Other financial income	290	33	778.8
Other financial expenses	-387	-	-100.0
<b>Earnings before interest and tax (EBIT)</b>	<b>187,718</b>	<b>159,860</b>	<b>17.4</b>
Interest and similar income	13,732	6,120	124.4
Interest expense and similar charges	-33,713	-32,807	-2.8
<b>Earnings before tax on continued operations</b>	<b>167,737</b>	<b>133,173</b>	<b>26.0</b>
Income taxes	-45,624	-40,218	-13.4
of which current taxes	-31,446	-21,362	-47.2
of which deferred taxes	-14,178	-18,856	24.8
<b>Net income on continued operations</b>	<b>122,113</b>	<b>92,955</b>	<b>31.4</b>
<b>Net loss on discontinued operations</b>	<b>-145</b>	<b>-31,718</b>	<b>99.5</b>
<b>Net income</b>	<b>121,968</b>	<b>61,237</b>	<b>99.2</b>
of which minority interest	666	-58	> 1,000
of which attributable to shareholders of GEA Group Aktiengesellschaft	121,302	61,295	97.9

(EUR)			
<b>Basic earnings per share</b>	<b>0.66</b>	<b>0.33</b>	<b>102.2</b>
of which on continued operations	0.66	0.49	33.4
of which on discontinued operations	0.00	-0.17	99.5
<b>Weighted average number of shares outstanding (million)</b>	<b>184.0</b>	<b>187.9</b>	<b>-2.1</b>

## Consolidated Cash Flow Statement

January 1 - June 30, 2008

	Q1 - Q2 2008	Q1 - Q2 2007
(EUR thousand)		
Net income	121,968	61,237
Plus income taxes	45,624	40,218
Plus net loss on discontinued operations	145	31,718
Earnings before tax on continued operations	167,737	133,173
Net interest expense	19,981	26,687
<b>Earnings before interest and tax (EBIT)</b>	<b>187,718</b>	<b>159,860</b>
Depreciation, amortization, impairment and reversal of impairment on non-current assets	42,111	35,422
Other non-cash income and expenses	2,160	-382
Obligations to employees	-17,403	-11,561
Change in provisions	-91,361	-1,498
Gains/losses on disposal of non-current assets	-841	-165
Change in inventories, including unbilled PoC receivables <sup>1</sup>	-15,474	-49,337
Change in trade receivables	5,440	-30,037
Change in trade payables	-161,661	-94,423
Change in other operating assets and liabilities	-33,553	-21,659
Tax payments	-34,059	-18,043
Net cash flow from operating activities of discontinued operations	-	-101,824
<b>Cash flow from operating activities</b>	<b>-116,923</b>	<b>-133,647</b>
Proceeds from disposal of non-current assets	6,775	3,233
Cash payments for the purchase of property, plant and equipment and intangible assets	-62,239	-45,754
Cash payments for the purchase of non-current financial assets	-9,774	-2,061
Interest and dividend income	3,951	3,708
Cash payments for acquisitions	-8,742	-77,692
Net cash flow from investing activity relating to discontinued operations	-	880
<b>Cash flow from investing activities</b>	<b>-70,029</b>	<b>-117,686</b>
Dividend paid by GEA Group AG for previous year	-36,797	-
Change in finance lease liabilities	-832	-775
Cash receipts from finance facilities	127,127	538,447
Cash payments for redemption of finance facilities, inclusive bonds	-	-31,580
Interest payments	-6,815	-19,463
Net cash flow from financing activities of discontinued operations	-	-205,115
<b>Cash flow from financing activities</b>	<b>82,683</b>	<b>281,514</b>
Exchange-rate-related and other changes in cash and cash equivalents	-3,577	-4,745
<b>Change in unrestricted cash and cash equivalents</b>	<b>-107,846</b>	<b>25,436</b>
Unrestricted cash and cash equivalents at beginning of the year	272,717	252,240
<b>Unrestricted cash and cash equivalents at end of the year</b>	<b>164,871</b>	<b>277,676</b>
Restricted cash and cash equivalents	7,147	3,428
<b>Cash and cash equivalents reported on the face of the balance sheet</b>	<b>172,018</b>	<b>281,104</b>

1) Including prepayments received

## Consolidated Statement of Changes in Equity

at June 30, 2008

(EUR thousand)	Issued capital	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income/loss	Treasury shares	Minority interest	Total
<b>Balance at 12/31/2006</b>							
(187,945,616 shares)	496,890	1,077,076	-249,149	327	-65,263	1,582	1,261,463
Net income			283,513				283,513
Minority interest			-1,113			1,113	-
Accumulated other comprehensive income/loss				-36,259		-30	-36,289
Total income and expense for the year							247,224
of which minority interest							1,083
of which attributable to shareholders							
of GEA Group AG							246,141
Withdrawal of treasury shares			-163,650		63,331		-100,319
Sales of treasury shares		2,534			1,932		4,466
Change in other minority interest						843	843
<b>Balance at 12/31/2007</b>							
(183,982,845 shares)	496,890	1,079,610	-130,398	-35,932	-	3,508	1,413,678
Net income			121,968				121,968
Minority interest			-666			666	-
Accumulated other comprehensive income/loss				-14,074		-128	-14,202
Total income and expense for the year							107,766
of which minority interest							538
of which attributable to shareholders							
of GEA Group AG							107,228
Dividend			-36,797				-36,797
Change in other minority interest						-130	-130
<b>Balance at 06/30/2008</b>							
(183,982,845 shares)	496,890	1,079,610	-45,893	-50,006	-	3,916	1,484,517

(EUR thousand)	Cumulative translation adjustment	Available-for-sale securities	Hedge accounting	Total
Accumulated other comprehensive income/loss				
Balance at 12/31/2006	-5,657	205	5,779	327
Accumulated other comprehensive income/loss	-36,139	-178	58	-36,259
Balance at 12/31/2007	-41,796	27	5,837	-35,932
Accumulated other comprehensive income/loss	-21,035	-	6,961	-14,074
<b>Balance at 06/30/2008</b>	<b>-62,831</b>	<b>27</b>	<b>12,798</b>	<b>-50,006</b>

# Notes to the Consolidated Financial Statements

## 1 Reporting principles

These interim consolidated financial statements of GEA Group Aktiengesellschaft, and the interim single-entity financial statements of the subsidiaries included in the consolidated financial statements, have been prepared in accordance with International Financial Reporting Standards (IFRS), the relevant interpretations of the International Accounting Standards Board (IASB), and Regulation No. 1606/2002 of the European Parliament and Council regarding the application of International Accounting Standards to interim financial reporting in the EU. This interim report does not contain all information and notes that IFRS stipulates as requisite for year-end consolidated financial statements.

These consolidated second-quarter financial statements and Group management report have been neither audited in accordance with § 317 of the German Commercial Code (HGB) nor submitted for review by a certified public auditor.

The accounting principles applied in these interim financial statements are the same as those applied as of December 31, 2007, and are described in detail on pages 71 to 85 of the GEA Group annual report.

Since the first quarter, the GEA Group is applying IFRS 8 "Operating Segments" voluntarily for the first time for the 2008 financial year, in accordance with regulations concerning first-time application. IFRS 8 stipulates the financial information that a company is required to provide concerning its operating segments. IFRS 8 replaces IAS 14 "Segment Reporting", and follows the so-called management approach in terms of segmental demarcation and reporting. This means that segmental information is now disclosed on the basis of internal reporting.

Besides this, no new IFRS accounting regulations were applied for the first time in 2008.

In addition to the amended standards published during the first quarter, IFRS 3 “Business Combinations” and IAS 27 “Consolidated and Separate Financial Statements”, the IASB published its “Improvements to IFRSs” on May 22, 2008 which is a collection of amendments as a result of the annual improvement process project. This standard contained a total of 35 amendments to various existing International Financial Reporting Standards (IFRS). The amendments are split into two parts:

- The first part contains amendments relating to accounting, i.e. questions concerning presentation, recognition, and measurement.
- The second part contains amendments to terminology, or editorial modifications that have minimal impact on accounting.

Unless determined otherwise for individual amendments in the standard, the amendments are to be applied prospectively for financial years commencing on or after January 1, 2009. Earlier application is permitted. The GEA Group currently assumes that the application of the amended versions will have no significant impact on the presentation of its financial statements.

These interim financial statements convey a true and fair view of the company’s net assets, financial position, and results of operations.

The preparation of these interim financial statements requires estimates and assumptions to be made that have an impact on the company’s assets, liabilities, provisions, deferred tax assets and liabilities, and income and expenses. Although such estimates and assumptions are made carefully and in good faith, it cannot be excluded that the actual amounts that arise may differ from estimates used in these interim financial statements.

Factors that may cause these amounts to differ from the projections include a deterioration in the global economy, movements in exchange rates and interest rates, significant litigation, and changes in environmental or other legislation. Production errors, the loss of key customers, as well as a change in the company’s financing, may also negatively impact the Group’s future success.

These interim financial statements have been prepared in euros. All amounts, including the figures for the comparable previous period – with the exception of segmental reporting – are stated in thousands of euros (K EUR). All amounts have been rounded. Differences between the sum of individual values and the total value could consequently be in the order of EUR 1,000.

## 2 Scope of consolidation

One newly founded company and one subsidiary that had previously not been consolidated were consolidated for the first time in the second quarter. These additions are offset by three companies that have been deconsolidated, reflecting two mergers and one liquidation.

In the case of the specialty refrigeration manufacturer Bloksma B.V., Almere/Netherlands, which was acquired in April, anti-trust approval is still outstanding, which means the purchase cannot yet be concluded.

Including the modifications during the first quarter, the scope of consolidation has increased by three companies compared with December 31, 2007.

## 3 Discontinued operations

The after-tax result from discontinued operations of K EUR -145 is the balance of various adjustments to provisions for risks arising from share purchase agreements in connection with the business areas that have been sold, and to provisions for lawsuits.

The result from discontinued operations in the previous year is composed of the current financial year earnings from the in 2007 divested divisions Energy and Environment (Lentjes), Gas-to-Chemicals, and Synthetic Fuels and Biofuels (Lurgi).

## 4 Taxes

The recognized tax expenses for the interim reporting period is based on an estimated annual tax rate of 27.2 percent (previous year: 30.2 percent).

## 5 Segment reporting

The Group has been split according to Executive Board level areas of responsibility since January 1, 2008:

- Energy and Farm Technology
- Process Technology
- Other

The Group is broken down into sub-areas, which the executive and supervisory boards regularly used to assess profitability, and which are used as the basis for decision-making.

A detailed description of business operations, as well as the products and services offered by the individual operating segments, can be found on pages 47 and 48 of the 2007 annual report (IFRS consolidated financial statements) of the GEA Group.

Segmental assets and earnings for the second quarter are as follows:

Segment information (EUR million)	Energy and Farm Technology	Process Technology	Other	Consolidation	<b>Total</b>
<b>Q2 2008</b>					
Sales	446.5	842.1	61.3	-	<b>1,349.9</b>
Intersegment sales	0.6	2.5	-	-3.0	-
Total sales	447.1	844.6	61.3	-3.0	<b>1,349.9</b>
EBIT	37.6	85.7	-12.6	-	<b>110.7</b>
Segment earnings before tax (EBT)	35.7	82.4	-18.4	-	<b>99.8</b>
<b>Q2 2007</b>					
Sales	408.4	739.2	105.6	-	<b>1,253.2</b>
Intersegment sales	0.6	6.4	2.6	-9.6	-
Total sales	409.0	745.6	108.2	-9.6	<b>1,253.2</b>
EBIT	30.0	68.4	-2.8	-	<b>95.6</b>
Segment earnings before tax (EBT)	27.8	67.0	-13.4	-	<b>81.4</b>
<b>Q1 - Q2 2008</b>					
Sales	809.1	1,597.7	132.7	-	<b>2,539.5</b>
Intersegment sales	1.2	4.3	-	-5.5	-
Total sales	810.2	1,602.0	132.7	-5.5	<b>2,539.5</b>
EBIT	57.6	148.3	-18.2	-	<b>187.7</b>
Segment earnings before tax (EBT)	54.1	141.9	-28.3	-	<b>167.7</b>
Segment assets	1,562.6	3,184.9	1,895.4	-1,836.5	<b>4,806.4</b>
<b>Q1 - Q2 2007</b>					
Sales	746.0	1,331.0	231.8	-	<b>2,308.8</b>
Intersegment sales	2.1	11.3	6.4	-19.8	-
Total sales	748.1	1,342.3	238.2	-19.8	<b>2,308.8</b>
EBIT	47.4	112.2	0.3	-	<b>159.9</b>
Segment earnings before tax (EBT)	43.6	109.9	-20.3	-	<b>133.2</b>
Segment assets	1,516.1	3,110.5	3,091.3	-2,088.3	<b>5,629.7</b>

The accounting principles used to the recognition and measurement of segmental assets are the same as those applying for the Group, and are described in the accounting principles section of the 2007 annual report. The benchmark of profitability for both the Group and its segments is EBIT (earnings before interest and tax) and EBT (earnings before tax), as presented in the income statement.

Intersegment sales are based on market prices.

## 6 Transactions with related parties

Transactions with related parties have no material impact on the company's net assets, financial position, and results of operations.

## 7 Events following the end of the interim reporting period

The Farm Technologies Division was strengthened on July 11 through the acquisition of Norbco Inc., Westmoreland, in the State of New York, USA. Norbco Inc. has so far been the sole and exclusive supplier of conventional heavy- and medium-duty milking parlor stalls to GEA WestfaliaSurge Inc. In addition to parlor stalls, Norbco is a manufacturer and distributor of farm equipment including ventilation equipment, cow mattresses, barn curtains, barn cleaners and free stalls, all with a distinct focus on cow comfort. The company employs a workforce of around 100 employees, and 2007 sales amounted to over USD 30 million.

# Assurance of the legal representatives

We assure that, according to the best of our knowledge, these consolidated financial statements convey a true and fair view of the Group's asset, financing and earnings positions in accordance with the applicable accounting principles, that the Group's business performance, including its earnings and position, are represented in such a way in the Group management report, which is aggregated with the parent company's management report, that a true and fair view is conveyed and that the key opportunities and risks pertaining to the Group's future development are described.

Bochum, July 31, 2008

The Executive Board



Jürg Oleas



Hartmut Eberlein



Niels Graugaard

This interim report is a translation of the German original. Only the German version is legally binding.

This interim report includes forward-looking statements on GEA Group Aktiengesellschaft, its subsidiaries and associates, and on the economic and political conditions that may influence the business performance of the GEA Group. All these statements are based on assumptions made by the Executive Board using information available to it at the time. Should these assumptions prove to be wholly or partly incorrect, or should further risks arise, actual business performance may differ from that expected. The Executive Board therefore cannot assume any liability for the statements made.



# Financial Calendar

October 31, 2008	Interim Report for the period to September 30, 2008
March 12, 2009	Financial Statements Press Conference / analysts' Meeting for 2008
April 22, 2009	Annual Shareholders' Meeting for 2008
May 8, 2009	Interim Report for the period to March 31, 2009
July 30, 2009	Half-yearly Financial Report for the period to June 30, 2009
October 29, 2009	Interim Report for the period to September 30, 2009

## GEA Group's shares: key data

SIN	660 200
ISIN	DE0006602006
Reuters code	G1AG.DE
Bloomberg code	G1A.GR
Xetra	G1A.DE

GEA Group Aktiengesellschaft  
Dorstener Str. 484  
44809 Bochum  
Germany  
[www.geagroup.com](http://www.geagroup.com)

Corporate Communications  
Tel. +49 (0) 234 980-1081  
Fax +49 (0) 234 980-1087  
Email [kommunikation@geagroup.com](mailto:kommunikation@geagroup.com)

Investor Relations  
Tel. +49 (0) 234 980-1490  
Fax +49 (0) 234 980-1087  
Email [investor.relations@geagroup.com](mailto:investor.relations@geagroup.com)