

## Half-yearly Financial Report

January 1 – June 30, 2012

# GEA Group: Key IFRS figures

All figures as of the reporting date 2011 already include the acquisitions of CFS and Bock. Starting from the second quarter 2011, these acquisitions will be reported in the figures for the period.

(EUR million)	Q2 2012	Q2 <sup>1</sup> 2011	Change in %	Q1-Q2 2012	Q1-Q2 <sup>1</sup> 2011	Change in %
<b>Results of operations</b>						
Order intake	1,401.0	1,462.5	-4.2	2,945.9	2,704.7	8.9
Revenue	1,391.3	1,349.0	3.1	2,654.9	2,387.0	11.2
Order backlog	2,967.4	2,770.6	7.1	2,967.4	2,770.6	7.1
EBITDA pre purchase price allocation and one-offs <sup>2/3</sup>	143.1	135.7	5.5	243.9	227.6	7.1
EBITDA pre purchase price allocation <sup>3</sup>	143.1	135.7	5.5	208.1	227.6	-8.6
as % of revenue	10.3	10.1	–	7.8	9.5	–
EBITDA	142.6	116.0	23.0	207.5	207.9	-0.2
EBIT pre purchase price allocation and one-offs <sup>2/3</sup>	119.0	109.7	8.5	193.9	178.7	8.5
EBIT pre purchase price allocation <sup>3</sup>	119.0	109.7	8.5	158.2	178.7	-11.5
as % of revenue	8.6	8.1	–	6.0	7.5	–
EBIT	111.9	79.3	41.1	144.7	146.1	-1.0
as % of revenue	8.0	5.9	–	5.5	6.1	–
EBT	94.0	62.0	51.6	110.3	117.9	-6.4
Profit for the period	72.8	51.6	41.2	85.5	91.3	-6.4
<b>Net assets</b>						
Total assets	6,198.8	5,703.6	8.7	6,198.8	5,703.6	8.7
Equity	2,121.6	1,847.7	14.8	2,121.6	1,847.7	14.8
as % of total assets	34.2	32.4	–	34.2	32.4	–
Working capital (reporting date) <sup>4</sup>	764.3	707.3	8.1	764.3	707.3	8.1
Working capital (average) <sup>4/5</sup>	756.3	593.2	27.5	756.3	593.2	27.5
as % of revenue <sup>6</sup>	13.3	12.4	–	13.3	12.4	–
Net liquidity (+)/Net debt (-) <sup>7/8</sup>	-730.4	-698.9	-4.5	-730.4	-698.9	-4.5
Gearing in % <sup>7/9</sup>	34.4	37.8	–	34.4	37.8	–
<b>Financial position</b>						
Cash flow from operating activities	88.8	-15.6	–	-93.0	-147.7	37.0
Capital employed (reporting date) <sup>10</sup>	3,855.4	3,624.0	6.4	3,855.4	3,624.0	6.4
Capital employed (average) <sup>5/10</sup>	3,775.4	3,169.9	19.1	3,775.4	3,169.9	19.1
ROCE in % <sup>11/12</sup>	12.5	11.9	–	12.5	11.9	–
ROCE in % (goodwill adjusted) <sup>11/13</sup>	18.8	19.4	–	18.8	19.4	–
Capital expenditure on property, plant and equipment	26.1	41.4	-36.8	48.8	56.7	-14.0
Employees (reporting date) <sup>14</sup>	24,488	23,098	6.0	24,488	23,098	6.0
<b>GEA Shares <sup>15</sup></b>						
Earnings per share pre purchase price allocation	0.43	0.41	4.2	0.52	0.63	-17.7
Earnings per share	0.40	0.28	41.2	0.46	0.50	-6.4
Weighted average number of shares outstanding (million)	183.8	183.8	–	183.8	183.8	–

1) Amounts adjusted due to change in accounting policy for pension obligations and leasing obligations (see page 32 f.)

2) In 2012 before one-offs from GEA Food Solutions due to changes of estimation of 35.8 EUR million (Q1)

3) Before effects of purchase price allocations from revalued assets and liabilities

4) Working capital = inventories + trade receivables - trade payables - advance payments received

5) Average of the past 12 months

6) Working capital (average of the past 12 months) / revenue of the past 12 months

7) Including discontinued operations

8) Net liquidity/debt = cash and cash equivalents + marketable securities - liabilities to banks

9) Gearing = net debt (+) or net liquidity (-) / equity

10) Capital employed = noncurrent assets + working capital

11) ROCE = EBIT in the past 12 months (in 2010 before restructuring expenses) / capital employed (average of the past 12 months)

12) Capital employed including goodwill from the acquisition of the former GEA AG by the former Metallgesellschaft AG in 1999

13) Capital employed excluding goodwill from the acquisition of the former GEA AG by the former Metallgesellschaft AG in 1999

14) Full-time equivalents (FTE) excluding vocational trainees and inactive employment contracts

15) EUR

<b>Management Report</b>	2	Economic Environment
	2	Business Performance
	20	Outlook
	22	GEA Shares
<b>Consolidated Financial Statements</b>	24	Consolidated Balance Sheet
	26	Income Statement/ Statement of Comprehensive Income
	30	Cash Flow Statement
	31	Statement of Changes in Equity
	32	Notes to the Consolidated Financial Statements
	44	Assurance of the Legal Representatives
		Financial calendar/Imprint

# Management Report

## Economic Environment

Many business and economic indicators deteriorated slightly again in the second quarter of 2012 compared with the beginning of the year. The International Monetary Fund (IMF) reports increasing signs of a slowdown in growth not only in Europe and the U.S., but also in the major emerging economies, such as Brazil, China, and India ("World Economic Outlook Update", July 2012). In its "Economic Outlook" published in May 2012, the Organization for Economic Cooperation and Development (OECD) warns of a downturn in the eurozone due to the weak state of the economy and the problems in the financial system. It notes that the necessary process towards reform has begun, but that it is being hindered by continued slow economic growth.

The latest figures published by the German Engineering Federation (VDMA) also reveal that signals about future economic growth are relatively weak. May was the seventh successive month in which orders were down. The three-month period from March to May, which is less susceptible to short-term fluctuations, recorded an overall year-on-year drop of 6 percent in real terms. With a decline of 9 percent, domestic business was down significantly more sharply than export orders (down 5 percent).

## Business Performance

### Order Intake

GEA Group's order intake declined by 4.2 percent in the second quarter of 2012 to EUR 1,401.0 million (previous year: EUR 1,462.5 million). The decline in order intake of EUR 61.5 million compared with the second quarter of 2011 is almost exclusively attributable to medium-sized orders worth between EUR 5 million and EUR 15 million, which were down approximately EUR 64 million year-on-year. Adjusted for acquisitions, divestments, and exchange rate changes, order intake recorded an organic decline of 6.6 percent compared with the second quarter of 2011.

Compared with the first quarter of 2012, which had yielded the strongest quarterly figures since 2008, order intake declined by approximately EUR 144 million, or 9.3 percent, in the second quarter of 2012.

The GEA Process Engineering Segment secured major orders (larger than EUR 15 million) in the second quarter for a process line for a brewery in Ireland and a milk powder plant for a customer in Singapore, with a combined volume of approximately EUR 44 million. The GEA Heat Exchangers Segment booked a power plant order in Iraq for approximately EUR 28 million. In the prior-year period, GEA received three major orders with a combined volume of approximately EUR 63 million.

Order intake (EUR million)	Q2 2012	Q2 2011	Change (%)	Q1-Q2 2012	Q1-Q2 2011	Change (%)
GEA Food Solutions *	95.8	102.3	-6.4	193.2	102.3	88.8
GEA Farm Technologies	145.7	129.5	12.5	293.8	255.4	15.0
GEA Heat Exchangers	379.0	445.6	-15.0	785.0	821.1	-4.4
GEA Mechanical Equipment	233.2	230.1	1.3	472.0	449.3	5.0
GEA Process Engineering	401.2	426.2	-5.9	912.5	827.6	10.3
GEA Refrigeration Technologies	180.4	162.8	10.9	358.3	315.5	13.6
<b>Total</b>	<b>1,435.3</b>	<b>1,496.5</b>	<b>-4.1</b>	<b>3,014.8</b>	<b>2,771.2</b>	<b>8.8</b>
Other and consolidation	-34.2	-34.0	-0.8	-68.9	-66.6	-3.5
<b>GEA Group</b>	<b>1,401.0</b>	<b>1,462.5</b>	<b>-4.2</b>	<b>2,945.9</b>	<b>2,704.7</b>	<b>8.9</b>

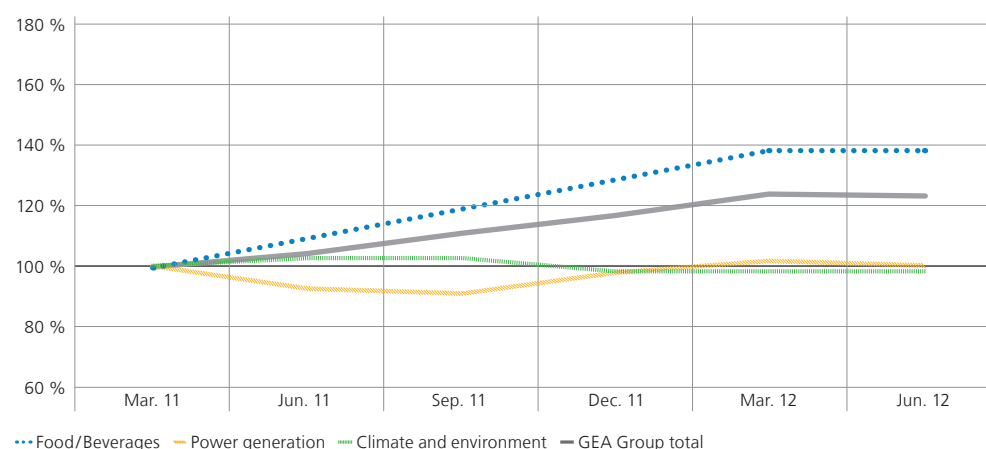
\*) Inclusion of GEA Food Solutions since 03/31/2011

The food and beverage sector accounted for 52.6 percent of GEA's worldwide operations. It accounted for 52.8 percent in the Western European region, 61.3 percent in North America, and 49.5 percent in the Asia/Pacific region. The energy end market had a 14.8 percent share of GEA's total order intake. The share of the chemical business amounted to 6.6 percent. The pharmaceutical customer industry slightly increased its share of GEA's business volume to 5.7 percent. The marine customer industry's share remained flat at 3.1 percent, while climate and environment increased its share to 12.1 percent.

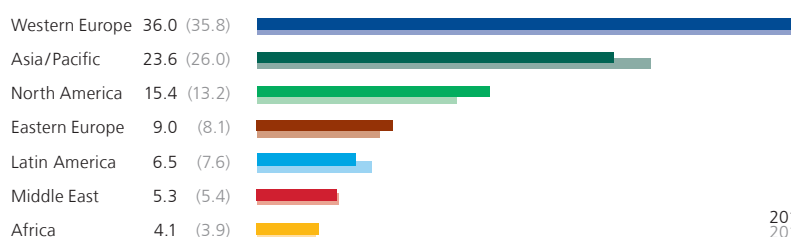
In the first half of 2012, order intake in the group increased by 8.9 percent to EUR 2,945.9 million (previous year: EUR 2,704.7 million). Acquisitions and other changes in the basis of consolidation in the first half of 2012 contributed 5.4 percent to the increase in order intake. Changes in exchange rates positively affected this figure by 2.4 percent. Order intake thus grew organically by 1.2 percent compared with the first half of 2011.

#### GEA Group order intake (Q1 - Q2): EUR 2,945.9 million (previous year EUR 2,704.7 million)

by sector (last twelve months, 3 most important industries)



by region (%; Q2/12 vs. Q2/11)



## GEA Food Solutions

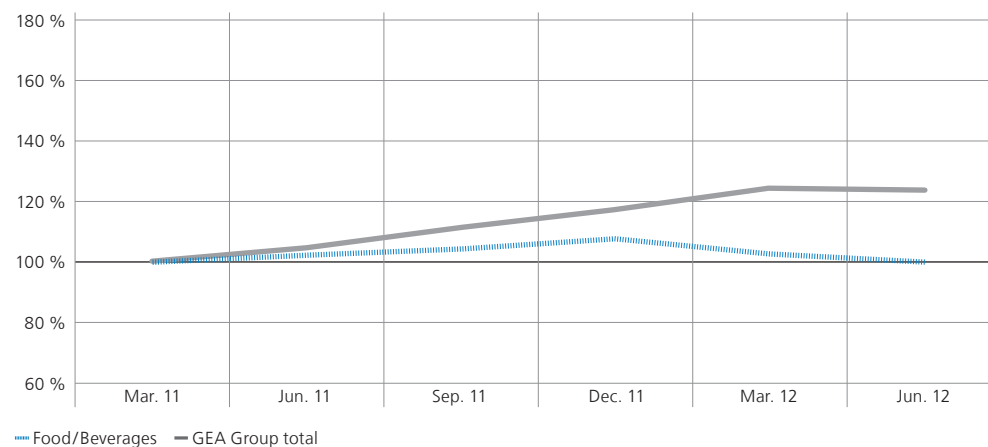
Order intake in the GEA Food Solutions Segment, which was included in consolidation for the first time in the second quarter of 2011, amounted to EUR 95.8 million in the second quarter of 2012. This was 6.4 percent below the figure for the prior-year period. Adjusted for the sale of the packaging materials business in the fourth quarter of 2011, the segment grew organically by 6.9 percent in the quarter under review.

The segment operates in the food and beverage end market, where it is active almost exclusively in the solid food customer industry. Its regional focus is on Western Europe.

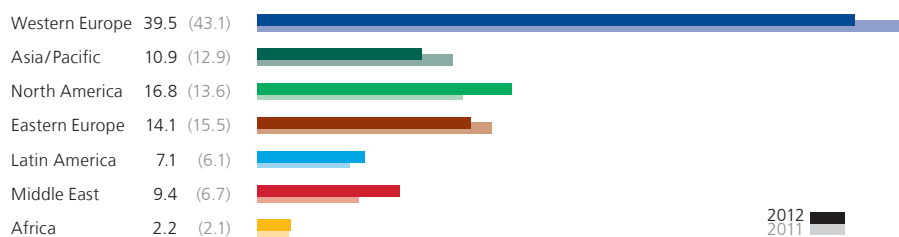
In the first half of 2012, the segment recorded an order intake of EUR 193.2 million. Presenting comparative changes as against the prior year has a low informative value because the segment was only included for three months in the first half of 2011.

### GEA Food Solutions order intake (Q2/2012): EUR 193.2 million

Q2/12 by sector (last twelve months)



by region (%; Q2/12 vs. Q2/11)



### GEA Farm Technologies

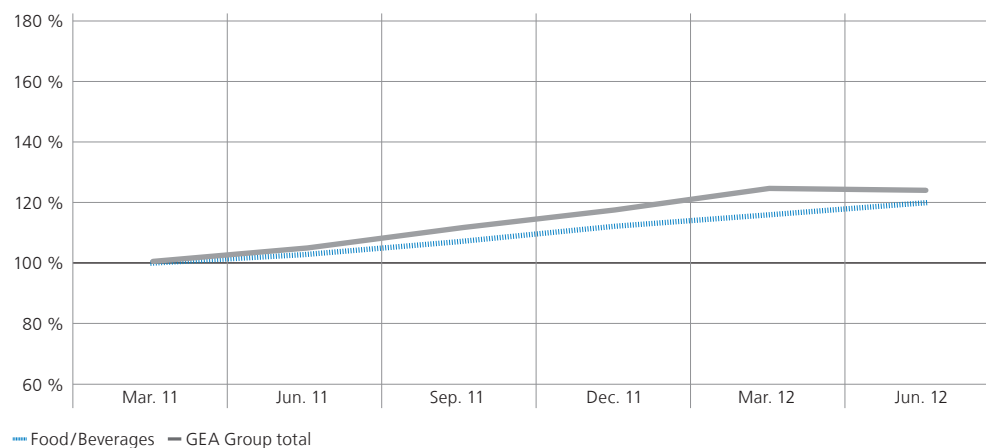
Order intake in the GEA Farm Technologies Segment increased by 12.5 percent year-on-year to EUR 145.7 million. Adjusted for the effect of exchange rate movements of 3.9 percent, organic growth amounted to 8.6 percent.

The segment operates almost exclusively in the dairy industry and its sales are focused on Western Europe and North America. All key sales regions contributed to growth.

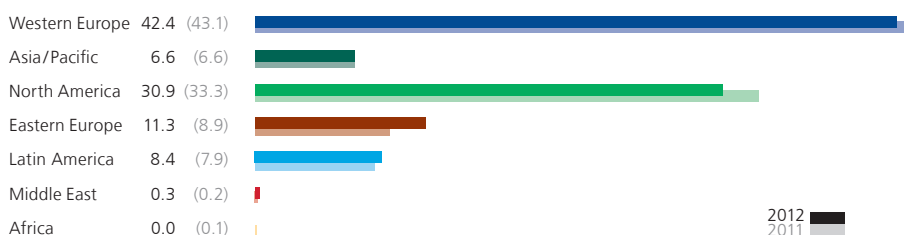
In the first half of 2012, order intake in the segment increased by 15.0 percent to EUR 293.8 million (previous year: EUR 255.4 million). Adjusted for the effect of exchange rate movements of 2.9 percent, organic growth amounted to 12.1 percent.

#### GEA Farm Technologies order intake (Q1 - Q2): EUR 293.8 million (previous year EUR 255.4 million)

by sector (last twelve months)



by region (%; Q2/12 vs. Q2/11)



## GEA Heat Exchangers

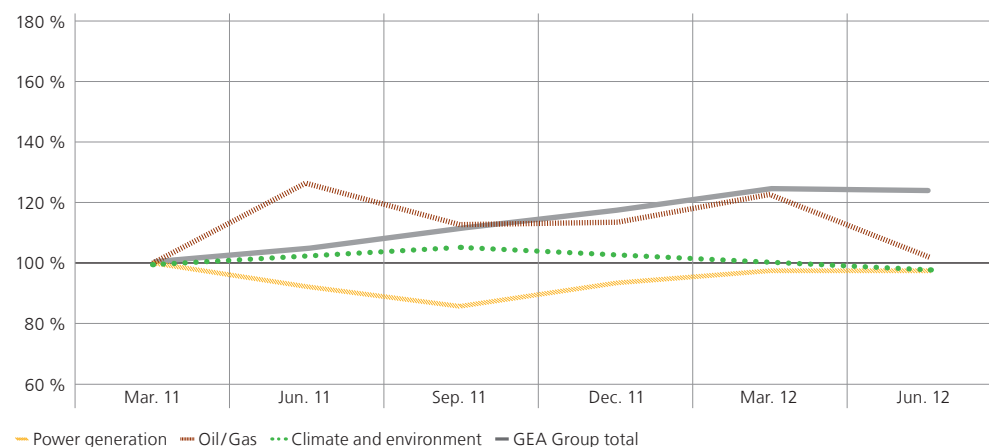
Order intake in the GEA Heat Exchangers Segment declined by 15.0 percent to EUR 379.0 million in the second quarter of 2012. This was mainly the result of a lack of major orders. Adjusted for the effect of exchange rate changes of 1.6 percent, negative organic growth amounted to 16.5 percent.

With a share of 45.3 percent (down 4.5 percentage points), energy is by far the segment's largest end market. However, the power plant business remained weak overall, and demand from the oil and gas industry in particular in the Middle East and Latin America saw a sharp decline. In this segment, changes in the breakdown for the regions are often the result of individual major orders received. This is particularly evident when comparing quarterly figures.

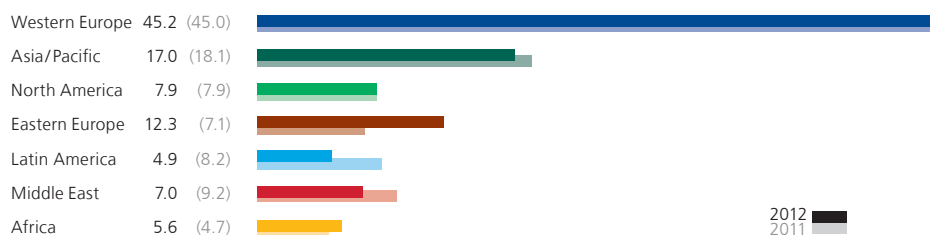
In the first half of 2012, order intake in the segment declined by 4.4 percent to EUR 785.0 million (previous year: EUR 821.1 million). Adjusted for the effect of exchange rate changes of 1.3 percent and changes from acquisitions of 3.3 percent, negative organic growth amounted to 9.0 percent.

### GEA Heat Exchangers order intake (Q1 - Q2): EUR 785.0 million (previous year EUR 821.1 million)

by sector (last twelve months, 3 most important industries)



by region (%; Q2/12 vs. Q2/11)





## GEA Mechanical Equipment

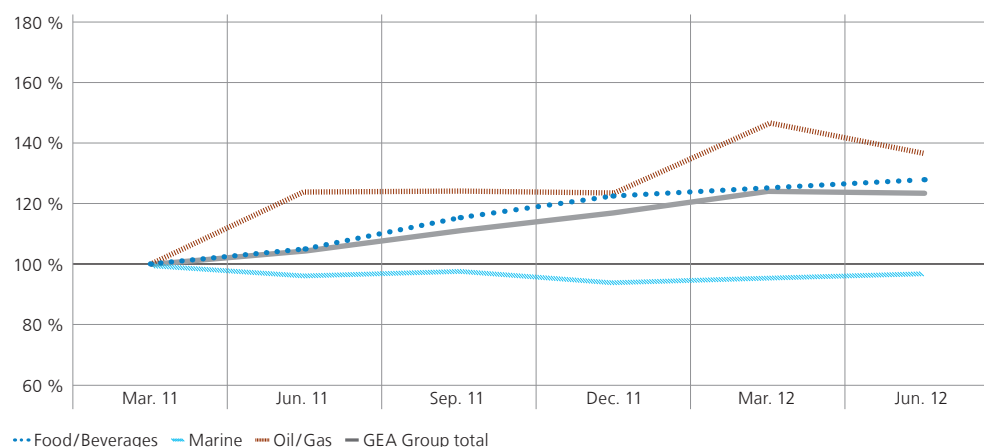
Order intake in the GEA Mechanical Equipment Segment rose to EUR 233.2 million in the second quarter of 2012, a year-on-year increase of 1.3 percent. The EUR 3.1 million increase was driven exclusively by smaller orders worth less than EUR 1 million, which account for around 90 percent of total business and increased by 7.2 percent. Adjusted for the effect of exchange rate changes of 2.7 percent and changes in the basis of consolidation of 1.7 percent, negative organic growth amounted to 3.1 percent.

The food and beverage sector, the largest end market by far, rose faster than the total volume at 8 percent, reaching a share of 57.5 percent (previous year: 53.7 percent). The share of the energy end market, where several biodiesel orders for Latin America had been recorded in the prior year, declined to 10.1 percent (previous year: 15.6 percent). The marine sector remained flat, with its share holding steady at 12.5 percent (previous year: 12.1 percent).

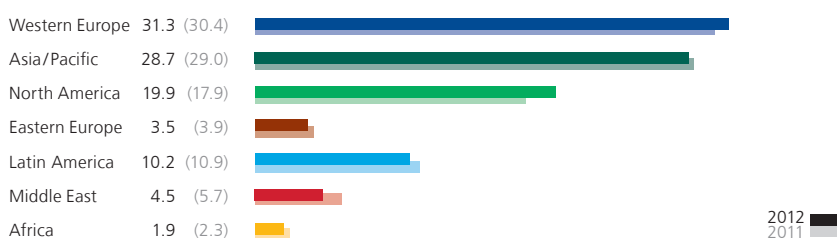
In the first half of 2012, order intake in the segment increased by 5.0 percent to EUR 472.0 million (previous year: EUR 449.3 million). Adjusted for the effect of exchange rate movements of 2.0 percent and changes in the basis of consolidation of 1.0 percent due to acquisitions, organic growth amounted to 2.1 percent.

### GEA Mechanical Equipment order intake (Q1 - Q2): EUR 472.0 million (previous year EUR 449.3 million)

by sector (last twelve months, 3 most important industries)



by region (%; Q2/12 vs. Q2/11)



## GEA Process Engineering

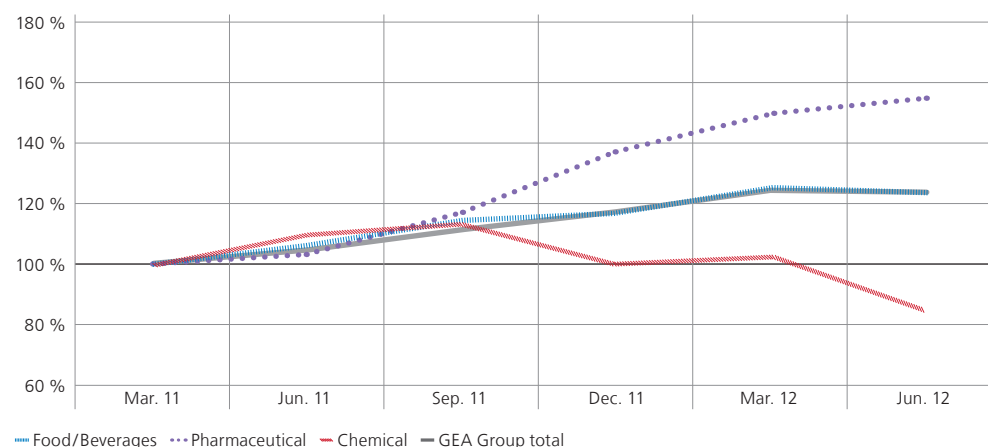
The GEA Process Engineering Segment recorded a decline in its order intake in the second quarter of 2012 by 5.9 percent year-on-year to EUR 401.2 million (previous year: EUR 426.2 million). The EUR 25.0 million decline in volume was mainly attributable to medium-sized orders worth between EUR 5 million and EUR 15 million. Standard business involving orders of less than EUR 1 million remained virtually constant. The two largest orders related to a process line for a brewery in Ireland and a milk powder plant for a customer in Singapore, with a combined amount of approximately EUR 44 million. Adjusted for the effect of exchange rate changes of 3.4 percent and changes in the basis of consolidation of 1.0 percent, negative organic growth amounted to 10.3 percent.

Among the customer industries, the food and beverage end market declined by 7 percent, thus decreasing its share of the total volume by 0.9 percentage points to 63.6 percent. Both the increase in volume in Western Europe and the decreases in volume in Latin America and Asia/Pacific related to major orders. The pharmaceutical sector rose faster than the total volume by 10 percent, most significantly in Western Europe, while Asia/Pacific declined. The pharmaceutical sector's share now accounts for a total of 16.7 percent, up from 14.3 percent in the prior-year quarter. The chemical sector became significantly weaker, especially in North America. It now accounts for 9.4 percent share, after 15.2 percent in the previous year.

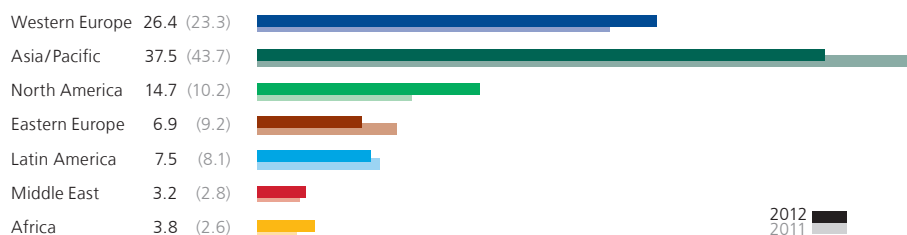
In the first half of 2012, order intake in the segment increased by 10.3 percent to EUR 912.5 million (previous year: EUR 827.6 million). Adjusted for the effect of exchange rate movements of 3.5 percent and changes in the basis of consolidation of 1.4 percent, organic growth amounted to 5.4 percent.

### GEA Process Engineering order intake (Q1 - Q2): EUR 912.5 million (previous year EUR 827.6 million)

by sector (last twelve months, 3 most important industries)



by region (%; Q2/12 vs. Q2/11)



2012  
2011

## GEA Refrigeration Technologies

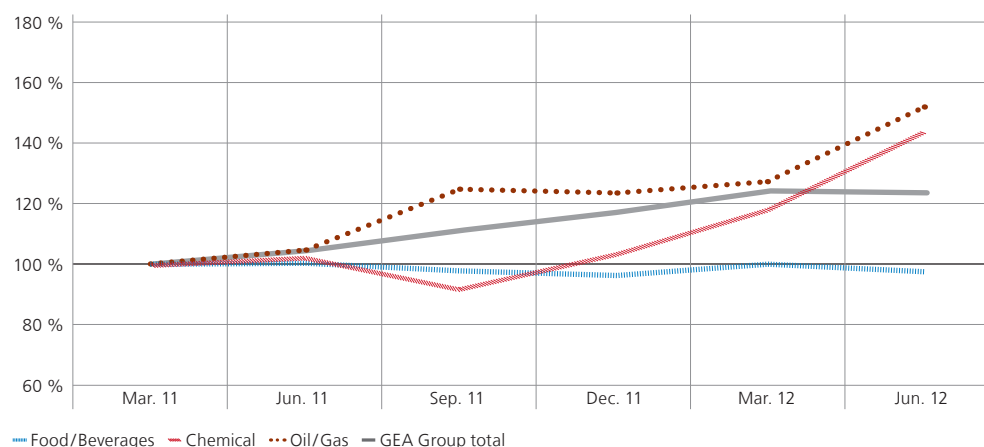
In the GEA Refrigeration Technologies Segment, order intake in the second quarter of 2012 amounted to EUR 180.4 million, an increase of 10.9 percent over the prior-year quarter (EUR 162.8 million). Adjusted for the effect of exchange rate movements of 3.6 percent, organic growth amounted to 7.2 percent.

The growth in the second quarter was primarily attributable to an order for a plastic factory in Saudi Arabia. Orders smaller than EUR 1 million declined slightly; these orders account for around 75 percent of the business in this segment. The end markets continue to be dominated by the food and beverage sector, which has a share of 55.0 percent, although this was down 10.7 percentage points year-on-year, in part as an effect of the major order mentioned earlier. The energy business recovered in North America and in the Middle East. Its share of the segment's order intake rose by 4.3 percentage points to 9.3 percent. As a result of the major order in Saudi Arabia, the chemical business also increased its share to 11.3 percent (previous year: 6.0 percent).

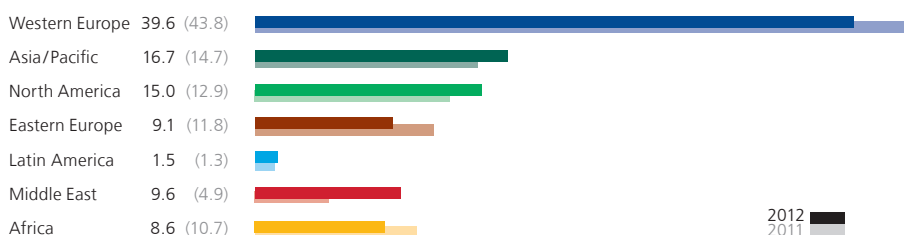
In the first half of 2012, order intake in the segment increased by 13.6 percent to EUR 358.3 million (previous year: EUR 315.5 million). Adjusted for the effect of exchange rate movements of 2.5 percent and changes in the basis of consolidation of 5.3 percent from the acquisition of GEA Bock, organic growth amounted to 5.8 percent.

GEA Refrigeration Technologies order intake (Q1 - Q2): EUR 358.3 million (previous year EUR 315.5 million)

by sector (last twelve months, 3 most important industries)



by region (%; Q2/12 vs. Q2/11)



## Revenue

In general, the same regional and sector-specific trends apply to revenue as to order intake, although with different time lags. However, revenue is proving to be significantly less volatile than order intake. Revenue began to pick up in 2010, albeit six months after order intake. Since the second quarter of 2011, the year-on-year growth rates for order intake and revenue have been roughly equal.

In the second quarter of 2012, group revenue increased overall by 3.1 percent to EUR 1,391.3 million (previous year: EUR 1,349.0 million). The effect of exchange rate movements amounted to 2.7 percent. Organic revenue for the second quarter of 2012 was thus up 0.6 percent year-on-year.

The service business – which turns in a significantly steadier performance than the more volatile project business – grew by 16.0 percent, faster than the segments as a whole. Its share of total revenue in the quarter under review amounted to 22.0 percent (previous year: 19.6 percent).

Revenue (EUR million)	Q2 2012	Q2 2011	Change (%)	Q1-Q2 2012	Q1-Q2 2011	Change (%)
GEA Food Solutions <sup>1</sup>	101.6	103.3	-1.6	154.3	103.3	49.4
GEA Farm Technologies	133.1	118.3	12.5	250.8	217.9	15.1
GEA Heat Exchangers	404.3	390.9	3.4	794.0	729.0	8.9
GEA Mechanical Equipment	217.6	207.8	4.7	434.2	399.4	8.7
GEA Process Engineering	401.2	385.1	4.2	774.4	685.9	12.9
GEA Refrigeration Technologies	165.2	166.6	-0.8	314.8	299.4	5.1
<b>Total</b>	<b>1,423.1</b>	<b>1,372.0</b>	<b>3.7</b>	<b>2,722.6</b>	<b>2,434.9</b>	<b>11.8</b>
Other <sup>2</sup> and consolidation	-31.8	-23.0	-38.1	-67.7	-47.9	-41.3
<b>GEA Group</b>	<b>1,391.3</b>	<b>1,349.0</b>	<b>3.1</b>	<b>2,654.9</b>	<b>2,387.0</b>	<b>11.2</b>

1) Inclusion of GEA Food Solutions since 03/31/2011

2) Information reported only in 2011

In the first half of 2012, group revenue increased by 11.2 percent to EUR 2,654.9 million (previous year: EUR 2,387.0 million) and was thus 9.9 percent lower than order intake. The share contributed by the service business in this period amounted to 22.2 percent (previous year: 20.7 percent).

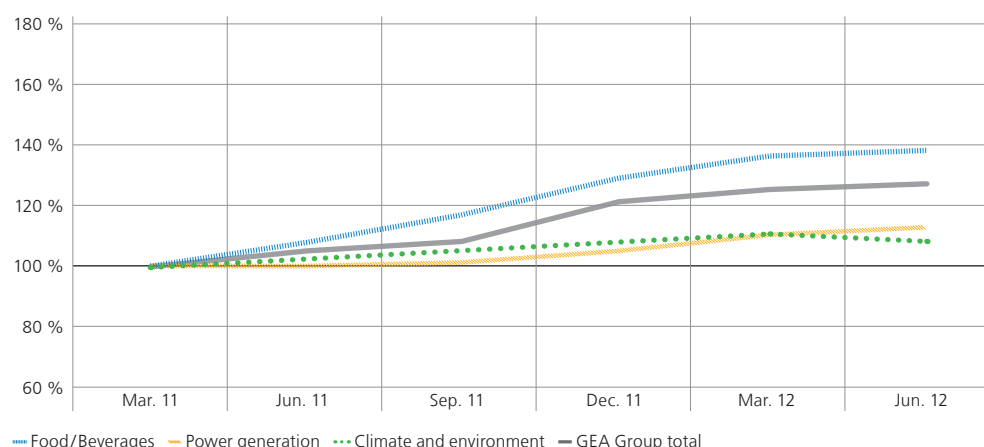
Acquisitions and divestments contributed a total of 3.3 percentage points to revenue growth. The effects of exchange rate changes amounted to 2.1 percent. Organic revenue for the first half of 2012 was thus up 5.9 percent year-on-year.

Changes in estimates negatively impacted revenue in the GEA Food Solutions Segment by EUR 42.0 million in the first quarter of 2012. These are explained in greater detail in the notes to the consolidated financial statements (see page 38 f.).

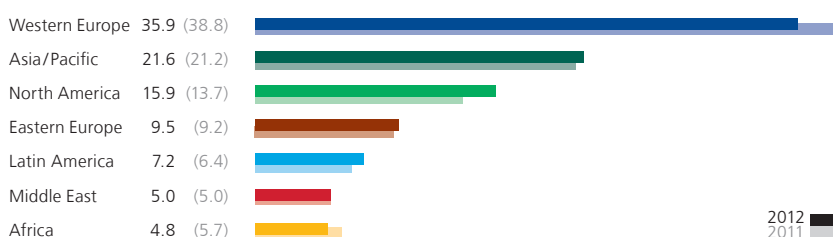
The percentage regional breakdown of revenue changed in line with the different rates of economic growth in the regions. However, structural changes in revenue are substantially less pronounced than in order intake.

## GEA Group Revenue (Q1-Q2): EUR 2,654.9 million (previous year EUR 2,387.0 million)

by sector (last twelve months, 3 most important industries)



by region (%; Q2/12 vs. Q2/11)



## Order Backlog

The order backlog amounted to EUR 2,967.4 million as of June 30, 2012. This represents an increase of EUR 290.2 million, or 10.8 percent, compared with December 31, 2011 (EUR 2,677.3 million). Exchange rate movements had a positive effect of approximately EUR 25 million. The book-to-bill ratio in the quarter under review was around 1.01 (previous year: 1.08). The order intake rose by 7.1 percent compared with June 30, 2011 (EUR 2,770.6 million). Around EUR 1,800 million of the order backlog as of June 30, 2012, is billable in the current fiscal year.

Order backlog (EUR million)	06/30/2012	06/30/2011	Change (%)
GEA Food Solutions	111.2	109.2	1.8
GEA Farm Technologies	117.3	92.5	26.8
GEA Heat Exchangers	1,074.1	1,135.4	-5.4
GEA Mechanical Equipment	341.7	322.0	6.1
GEA Process Engineering	1,104.5	927.4	19.1
GEA Refrigeration Technologies	245.8	206.6	19.0
<b>Total</b>	<b>2,994.7</b>	<b>2,793.1</b>	<b>7.2</b>
Other and consolidation	-27.3	-22.5	-21.2
<b>GEA Group</b>	<b>2,967.4</b>	<b>2,770.6</b>	<b>7.1</b>

The order backlog represents a volume of 6.0 months (previous year: 6.1 months) for an order intake for the first half of the fiscal year. This figure also only changed marginally year-on-year in the individual segments. In line with the different types of business, the order backlog is between 8.2 months and 7.3 months in the GEA Heat Exchangers and GEA Process Engineering Segments, respectively, and up to 2.4 months in the GEA Farm Technologies Segment.

## Result of operations

GEA remains committed to its policy of consciously selecting orders with reference to their price quality and contract terms. In the energy end market in particular, GEA was again faced with pronounced buyers' markets in fiscal 2012 to date.

In the second quarter of 2012, EBITDA rose by 23.0 percent to EUR 142.6 million (previous year: EUR 116.0 million). As a result, the EBITDA margin increased by 165 basis points, from 8.6 percent to 10.3 percent of revenue.

EBITDA/EBITDA margin (EUR million)	Q2 2012	Q2 <sup>1</sup> 2011	Change EBITDA (%)	Q1-Q2 2012	Q1-Q2 <sup>1</sup> 2011	Change EBITDA (%)
GEA Food Solutions <sup>2</sup>	-0.8	-13.2	94.2	-43.9	-13.2	< -100
as % of revenue	–	–	–	–	–	–
GEA Farm Technologies	11.3	8.4	33.6	16.3	13.4	21.0
as % of revenue	8.5	7.1	–	6.5	6.2	–
GEA Heat Exchangers	35.9	35.3	1.6	68.5	64.9	5.6
as % of revenue	8.9	9.0	–	8.6	8.9	–
GEA Mechanical Equipment	44.5	44.6	-0.4	84.7	77.3	9.5
as % of revenue	20.4	21.5	–	19.5	19.4	–
GEA Process Engineering	39.4	31.2	26.5	59.6	51.2	16.4
as % of revenue	9.8	8.1	–	7.7	7.5	–
GEA Refrigeration Technologies	13.4	14.3	-6.4	24.3	23.2	5.0
as % of revenue	8.1	8.6	–	7.7	7.7	–
<b>Total</b>	<b>143.7</b>	<b>120.7</b>	<b>19.1</b>	<b>209.5</b>	<b>216.8</b>	<b>-3.4</b>
<b>as % of revenue</b>	<b>10.1</b>	<b>8.8</b>	<b>–</b>	<b>7.7</b>	<b>8.9</b>	<b>–</b>
Other and consolidation	-1.1	-4.7	77.4	-1.9	-8.9	78.3
<b>GEA Group</b>	<b>142.6</b>	<b>116.0</b>	<b>23.0</b>	<b>207.5</b>	<b>207.9</b>	<b>-0.2</b>
<b>as % of revenue</b>	<b>10.3</b>	<b>8.6</b>	<b>–</b>	<b>7.8</b>	<b>8.7</b>	<b>–</b>

1) Amounts adjusted due to change in accounting policy for pension obligations and leasing obligations (see page 32 f.)

2) Inclusion of GEA Food Solutions since 03/31/2011

The following table shows the reconciliation of EBITDA before purchase price allocation and nonrecurring factors to EBIT:

Reconciliation of EBITDA before purchase price allocation and one-offs to EBIT (EUR million)	Q2 2012	Q2 <sup>*</sup> 2011	Change (%)	Q1-Q2 2012	Q1-Q2 <sup>*</sup> 2011	Change (%)
<b>EBITDA pre PPA and one-offs</b>	<b>143.1</b>	<b>135.7</b>	<b>5.5</b>	<b>243.9</b>	<b>227.6</b>	<b>7.1</b>
Depreciation of property, plant and equipment, investment property, and amortization of intangible assets	-24.1	-26.0	7.3	-49.9	-48.9	-2.0
<b>EBIT pre PPA and one-offs</b>	<b>119.0</b>	<b>109.7</b>	<b>8.5</b>	<b>193.9</b>	<b>178.7</b>	<b>8.5</b>
Depreciation and amortization on capitalization of purchase price allocation	-6.6	-10.7	38.0	-12.9	-12.9	-0.2
Realization of step-up amounts on inventories	-0.4	-19.7	97.8	-0.6	-19.7	97.1
One-offs	–	–	–	-35.8	–	–
<b>EBIT</b>	<b>111.9</b>	<b>79.3</b>	<b>41.1</b>	<b>144.7</b>	<b>146.1</b>	<b>-1.0</b>

\*) Amounts adjusted due to change in accounting policy for pension obligations and leasing obligations (see page 32 f.)

Reconciliation EBITDA to EBIT (EUR million)	Q2 2012	Q2 * 2011	Change (%)	Q1-Q2 2012	Q1-Q2 * 2011	Change (%)
<b>EBITDA</b>	<b>142.6</b>	<b>116.0</b>	<b>23.0</b>	<b>207.5</b>	<b>207.9</b>	<b>-0.2</b>
Depreciation of property, plant and equipment, investment property, and amortization of intangible assets	-30.7	-36.7	16.2	-62.8	-61.8	-1.7
<b>EBIT</b>	<b>111.9</b>	<b>79.3</b>	<b>41.1</b>	<b>144.7</b>	<b>146.1</b>	<b>-1.0</b>

\*) Amounts adjusted due to change in accounting policy for pension obligations and leasing obligations (see page 32 f.)

EBIT increased by 41.1 percent to EUR 111.9 million (previous year: EUR 79.3 million) in the second quarter of 2012. As a result, the EBIT margin increased by 216 basis points to 8.0 percent of revenue.

Adjusted for purchase price allocation effects of EUR 7.1 million (previous year: EUR 30.4 million), operating EBIT rose by EUR 9.3 million or 8.5 percent and the operating EBIT margin by 42 basis points to 8.6 percent.

EBIT/EBIT margin pre purchase price allocation (EUR million)	Q2 2012	Q2 <sup>1</sup> 2011	Change EBIT (%)	Q1-Q2 2012	Q1-Q2 <sup>1</sup> 2011	Change EBIT (%)
GEA Food Solutions <sup>2</sup>	-1.9	4.0	–	-47.0	4.0	–
as % of revenue	–	3.8	–	–	3.8	–
GEA Farm Technologies	8.3	5.6	47.9	10.2	7.7	32.2
as % of revenue	6.2	4.7	–	4.1	3.5	–
GEA Heat Exchangers	27.6	26.5	4.2	51.6	47.2	9.2
as % of revenue	6.8	6.8	–	6.5	6.5	–
GEA Mechanical Equipment	40.9	40.5	1.0	77.2	69.0	11.8
as % of revenue	18.8	19.5	–	17.8	17.3	–
GEA Process Engineering	35.8	27.6	29.5	52.3	44.1	18.5
as % of revenue	8.9	7.2	–	6.8	6.4	–
GEA Refrigeration Technologies	11.1	12.3	-9.6	19.8	19.4	2.3
as % of revenue	6.7	7.4	–	6.3	6.5	–
<b>Total</b>	<b>121.7</b>	<b>116.4</b>	<b>4.6</b>	<b>164.1</b>	<b>191.5</b>	<b>-14.3</b>
<b>as % of revenue</b>	<b>8.6</b>	<b>8.5</b>	<b>–</b>	<b>6.0</b>	<b>7.9</b>	<b>–</b>
Other and consolidation	-2.7	-6.7	59.7	-5.9	-12.8	53.7
<b>GEA Group</b>	<b>119.0</b>	<b>109.7</b>	<b>8.5</b>	<b>158.2</b>	<b>178.7</b>	<b>-11.5</b>
<b>as % of revenue</b>	<b>8.6</b>	<b>8.1</b>	<b>–</b>	<b>6.0</b>	<b>7.5</b>	<b>–</b>

1) Amounts adjusted due to change in accounting policy for pension obligations and leasing obligations (see page 32 f.)

2) Inclusion of GEA Food Solutions since 03/31/2011

Net interest income of EUR –18.0 million (previous year: EUR -17.3 million) in the second quarter includes EUR 7.7 million (previous year: also EUR 7.7 million) of discount unwinding expenses relating to provisions. The decline in net interest income in the quarter under review, a total of EUR 0.6 million, is essentially the result of the increase in debt.

Including purchase price allocation effects, EBT was EUR 94.0 million or 6.8 percent of revenue in the reporting period, up EUR 32.0 million or 216 basis points on the previous year (EUR 62.0 million).

Key figures: Results of operations (EUR million)	Q2 2012	Q2 * 2011	Change (%)	Q1-Q2 2012	Q1-Q2 * 2011	Change (%)
Revenue	1,391.3	1,349.0	3.1	2,654.9	2,387.0	11.2
EBITDA pre purchase price allocation and one-offs	143.1	135.7	5.5	243.9	227.6	7.1
EBITDA pre purchase price allocation	143.1	135.7	5.5	208.1	227.6	-8.6
EBITDA	142.6	116.0	23.0	207.5	207.9	-0.2
EBIT pre purchase price allocation and one-offs	119.0	109.7	8.5	193.9	178.7	8.5
EBIT pre purchase price allocation	119.0	109.7	8.5	158.2	178.7	-11.5
EBIT	111.9	79.3	41.1	144.7	146.1	-1.0
EBT	94.0	62.0	51.6	110.3	117.9	-6.4
Income taxes	21.1	10.4	> 100	24.8	26.5	-6.4
Profit after tax from continuing operations	72.8	51.6	41.2	85.5	91.3	-6.4
Profit/loss after tax from discontinued operations	–	–	–	–	–	–
Profit for the period	72.8	51.6	41.2	85.5	91.3	-6.4

\*) Amounts adjusted due to change in accounting policy for pension obligations and leasing obligations (see page 32 f.)

An income tax rate of 22.5 percent is expected for fiscal year 2012; the tax expense for the first half of 2012 was calculated on the basis of this figure.

As in the previous year, discontinued operations did not have any significant impact on consolidated profit.

Consolidated profit in the second quarter thus amounted to EUR 72.8 million (previous year: EUR 51.6 million). This corresponds to earnings per share of EUR 0.40 in the second quarter of 2012, after EUR 0.28 in the comparable prior-year period.

## Financial position

Safeguarding liquidity and centralized financial management have been a top priority for GEA Group since the crisis on the financial markets began in 2008. GEA Group's financial position continues to be stable. Even allowing for the two significant acquisitions in the previous year, GEA Group continues to have sufficient financing options for its future business development.

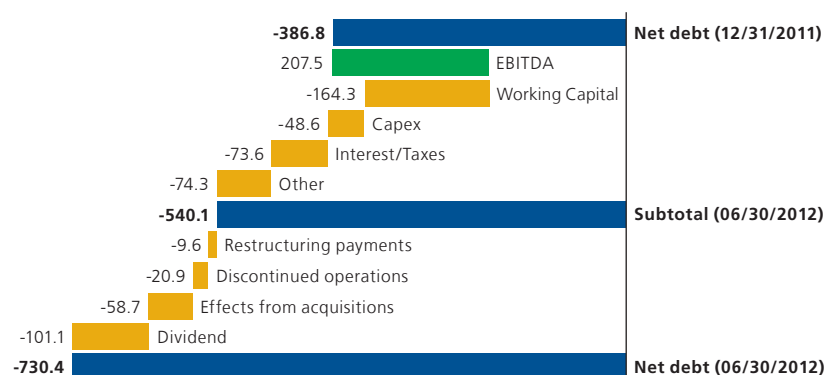
Net debt as of December 31, 2011, (EUR 386.8 million) widened by EUR 343.6 million to EUR 730.4 million as of June 30, 2012. This represents a EUR 31.5 million increase compared with June 30, 2011 (EUR 698.9 million).

Overview of net liquidity (EUR million)	06/30/2012	12/31/2011	06/30/2011
Cash and cash equivalents	292.9	432.4	274.0
Liabilities to banks	622.5	410.1	572.7
Bonds	400.7	409.1	400.2
<b>Net liquidity (+)/Net debt (-)</b>	<b>-730.4</b>	<b>-386.8</b>	<b>-698.9</b>
Gearing (%)	34.4	17.9	37.8



## Change in net liquidity/Net debt

(EUR million)



## Change in working capital \*

(EUR million)

Trade receivables	Q2 2012	1,278	848	-	691	671	=	764
Inventories								
Trade payables	Q1 2012	1,323	805	-	677	680	=	772
Advance payments received								
Working capital	Q4 2011	1,357	743	-	903	620	=	577
	Q2 2011	1,169	765	-	652	574	=	707

\*) Including GEA Food Solutions

Guarantee lines for contract performance, advance payments, and warranties amounting to EUR 2,010.2 million (December 31, 2011: EUR 2,069.7 million) were available to GEA Group, of which EUR 749.7 million (December 31, 2011: EUR 747.6 million) had been utilized.

Overview of cash flow statement (EUR million)	Q1-Q2 2012	Q1-Q2 2011	Change absolute
Cash flow from operating activities	-93.0	-147.8	54.7
Cash flow from investing activities	-123.8	-221.8	98.0
<b>Free cash flow</b>	<b>-216.8</b>	<b>-369.6</b>	<b>152.8</b>
Cash flow from financing activities	78.0	96.1	-18.1
Change in unrestricted cash and cash equivalents	-136.5	-287.6	151.1

Cash flow from operating activities amounted to EUR -93.0 million in the first half of 2012, up EUR 54.7 million on the previous year (EUR -147.8 million). Among other things, this is attributable to the EUR 5.8 million decrease in consolidated profit, the EUR 25.0 million lower growth in working capital, as well as the EUR 5.0 million decrease in the utilization of provisions.

Cash flow from investing activities increased by EUR 98.0 million in the first half of 2012, from EUR -221.8 million to EUR -123.8 million. This was due in particular to the EUR 95.6 million decrease in payments for acquisitions, while cash outflows for property, plant and equipment, and intangible assets declined by EUR 8.0 million.

Cash flow from financing activities amounted to EUR 78.0 million in the first half of 2012, compared with EUR 96.1 million in the previous year. This EUR 18.1 million decline is primarily a result of the EUR 13.1 million increase in interest payments.

## Net assets

Total assets as of June 30, 2012, declined by EUR 26.5 million or 0.4 percent as against December 31, 2011, to EUR 6,198.8 million. On one hand, this reduction in total assets is attributable to the decrease in cash; acquisitions and the increase in business volume had an offsetting effect.

The structure of noncurrent and current assets only changed slightly on the asset side of the balance sheet. Noncurrent assets rose by EUR 61.8 million, primarily in goodwill and other intangible assets as a result of the acquisitions, while current assets decreased by EUR 101.4 million. This decrease related in particular to receivables and cash, which declined by EUR 79.7 million and EUR 139.5 million, respectively, whereas inventories increased by EUR 104.7 million.

This decrease in equity of EUR 42.0 million largely represents the balance of the consolidated profit of EUR 85.5 million on one hand, and the dividend payment of EUR 101.1 million on the other. Effects arising from the translation of foreign currency financial statements had a positive impact of EUR 20.5 million and changes to discount rates used to measure pension obligations had a negative impact of EUR 47.9 million. The equity ratio decreased by 0.5 percentage points compared with the end of 2011 (34.8 percent) to 34.2 percent.

The main reasons for the EUR 142.5 million increase in noncurrent liabilities were the first drawdown of the second credit line in the amount of EUR 56.0 million from the Kreditanstalt für Wiederaufbau (KfW), as well as increased pension obligations as a result of changes to discount rates. As of the reporting date, current liabilities were down EUR 126.9 million on the figure for December 31, 2011. This is attributable to the EUR 212.9 million decrease in trade payables on one hand, and the EUR 126.3 million increase in current financial liabilities on the other. The decrease in provisions of EUR 28.5 million is attributable to payments relating to obligations associated with the plant engineering activities sold in 2007 in the amount of EUR 20.9 million.

Condensed balance sheet (EUR million)	06/30/2012	as % of total assets	12/31/2011	as % of total assets	Change (%)
<b>Assets</b>					
Non-current assets	3,529.4	56.9	3,467.6	55.7	1.8
thereof goodwill	1,933.7	31.2	1,900.1	30.5	1.8
thereof deferred taxes	429.0	6.9	398.9	6.4	7.6
Current assets	2,651.1	42.8	2,752.5	44.2	-3.7
thereof cash and cash equivalents	292.9	4.7	432.4	6.9	-32.3
Assets held for sale	18.3	0.3	5.1	0.1	> 100
<b>Total assets</b>	<b>6,198.8</b>	<b>100.0</b>	<b>6,225.2</b>	<b>100.0</b>	<b>-0.4</b>
<b>Equity and liabilities</b>					
Equity	2,121.6	34.2	2,163.6	34.8	-1.9
Non-current liabilities	1,811.8	29.2	1,669.3	26.8	8.5
thereof financial liabilities	879.2	14.2	813.8	13.1	8.0
thereof deferred taxes	152.0	2.5	145.9	2.3	4.2
Current liabilities	2,265.4	36.5	2,392.3	38.4	-5.3
thereof financial liabilities	220.4	3.6	94.1	1.5	> 100
<b>Total equity and liabilities</b>	<b>6,198.8</b>	<b>100.0</b>	<b>6,225.2</b>	<b>100.0</b>	<b>-0.4</b>

## Research and Development

In the first half of 2012, direct expenses for research and development (R&D) increased by 31.0 percent to EUR 51.5 million, after EUR 39.4 million in the comparable prior-year period. These figures also include refunded expenses (contract costs), which are reported in the production costs. These contract costs amounted to EUR 6.9 million (previous year: EUR 7.5 million). The R&D ratio amounted to a total of 1.9 percent of revenue (previous year: 1.6 percent).

Research and development (R&D) expenses (EUR million)	Q2 2012	Q2 2011	Change (%)	Q1-Q2 2012	Q1-Q2 2011	Change (%)
Refunded expenses (contract costs)	3.4	4.0	-15.3	6.9	7.5	-8.7
Non-refunded R&D expenses	23.1	18.0	28.3	44.7	31.8	40.4
<b>Total R&amp;D expenses</b>	<b>26.5</b>	<b>22.1</b>	<b>20.3</b>	<b>51.5</b>	<b>39.4</b>	<b>31.0</b>
<b>R&amp;D ratio (as % of revenue)</b>	<b>1.9</b>	<b>1.6</b>	<b>-</b>	<b>1.9</b>	<b>1.6</b>	<b>-</b>

Also included here are order-related engineering services provided by our development engineers, who are largely responsible for ensuring that our customers worldwide receive a solution that is based on a standardized process or product but nonetheless tailored to their specific requirements. These are not recognized as R&D expenses but are also included in the cost of sales.

## Employees

There were 24,488 employees as of June 30, 2012. This represents an increase of 654 compared with December 31, 2011 (23,834 employees). Excluding the 110 employees from acquisitions and other changes in the basis of consolidation, the number of employees increased by 544, including 392 employees in Asia/Pacific. This reflects the continued buoyant situation on the labor market in general. Overall, the share of the workforce in Western Europe decreased by a further 1.2 percentage points, but increased in the growth regions of Asia/Pacific and Eastern Europe by 1.2 and 0.3 percentage points, respectively. The share of the workforce in China has now reached 9.7 percent.

Compared with June 30, 2011 (23,098 employees), the number of employees increased by 1,390. Adjusted for additions resulting from acquisitions and disposals resulting from divestments, there was a net increase of 117 employees; adjusted for other changes in the basis of consolidation, the increase in the workforce amounted to 1,273 employees, including a total of 769 in Asia/Pacific. In percentage terms, the largest fall was in Western Europe, where a decline of 2.9 percentage points was recorded. By contrast, the number of employees rose in particular in Asia/Pacific (2.8 percentage points) and Eastern Europe (0.7 percentage points).

Employees * by segment	06/30/2012		12/31/2011		06/30/2011	
GEA Food Solutions	1,880	7.7%	1,836	7.7%	1,910	8.3%
GEA Farm Technology	2,299	9.4%	2,184	9.2%	2,109	9.1%
GEA Heat Exchangers	7,496	30.6%	7,679	32.2%	7,414	32.1%
GEA Mechanical Equipment	3,878	15.8%	3,614	15.2%	3,520	15.2%
GEA Process Engineering	5,428	22.2%	5,093	21.4%	4,764	20.6%
GEA Refrigeration Technologies	3,211	13.1%	3,147	13.2%	3,118	13.5%
<b>Total</b>	<b>24,191</b>	<b>98.8%</b>	<b>23,554</b>	<b>98.8%</b>	<b>22,836</b>	<b>98.9%</b>
Other	296	1.2%	281	1.2%	263	1.1%
<b>GEA Group</b>	<b>24,488</b>	<b>100.0%</b>	<b>23,834</b>	<b>100.0%</b>	<b>23,098</b>	<b>100.0%</b>

\*) Full-time equivalents (FTE) excluding vocational trainees and inactive employment contracts

Employees * by region	06/30/2012		12/31/2011		06/30/2011	
Western Europe	14,951	61.1%	14,837	62.3%	14,765	63.9%
Asia/Pacific	3,818	15.6%	3,426	14.4%	2,948	12.8%
North America	2,433	9.9%	2,382	10.0%	2,333	10.1%
Eastern Europe	1,901	7.8%	1,782	7.5%	1,634	7.1%
Latin America	724	3.0%	716	3.0%	679	2.9%
Africa	516	2.1%	520	2.2%	525	2.3%
Middle East	145	0.6%	172	0.7%	215	0.9%
<b>Total</b>	<b>24,488</b>	<b>100.0%</b>	<b>23,834</b>	<b>100.0%</b>	<b>23,098</b>	<b>100.0%</b>

\*) Full-time equivalents (FTE) excluding vocational trainees and inactive employment contracts

## Expansion of the Executive Board

GEA Group Aktiengesellschaft's Supervisory Board resolved on March 8, 2012, to expand the Executive Board of GEA Group Aktiengesellschaft by one new member to four members, and appointed Dr. Stephan Petri, previously Head of Legal at the company, as a new member of the Executive Board effective June 1, 2012. On the Executive Board, Dr. Petri is responsible for Human Resources, Legal/Compliance, and Other Companies. This means that he will also perform the function of Labor Relations Director.

## Report on Post-Balance Sheet Date Events

The settlement in the award proceedings described in the 2011 Annual Report took effect on June 11, 2012, after the contingent capital was entered in the commercial register. This terminates the award proceedings. As part of the capital increases needed to implement this settlement, the first tranche of new shares was issued to entitled shareholders on July 16, 2012. This tranche comprised 2,093,945 new shares. Two more tranches are scheduled to be issued by the end of the year. The award proceedings related to the control and profit transfer agreement dating from 1999 between GEA Group Aktiengesellschaft (at that time: Metallgesellschaft AG) and the former GEA AG, which was later merged with it. Under the settlement, GEA Group Aktiengesellschaft has followed the court's suggestion and undertaken to pay increased compensation in shares and a higher cash settlement.

## Report on Risks and Opportunities

Excluding the following exceptions, there was no significant change in the overall assessment of risks and opportunities in the reporting period compared with the position presented in the 2011 Annual Report and in the interim report on the first quarter of 2012.

In the legal action brought by Panda Energy International, Inc. against GEA Group Aktiengesellschaft in the U.S.A., GEA Group Aktiengesellschaft is also asserting claims against Panda Ethanol, Inc. arising from assigned rights that GEA acquired in the course of the insolvency proceedings by the project company against Panda Ethanol, Inc. In May 2012, the New York District Court dismissed the claim in the first instance. GEA has appealed this decision.

In June 2012, several other companies along with GEA Group Aktiengesellschaft received a statement of objections ("Notification de griefs") from the French competition authority ("Autorité de la concurrence"). The statement of objections summarizes the status of competition investigations, inter alia as regards practices implemented between 1997 and 2003 by a former subsidiary of GEA Group involved in the chemical business in France. It is beyond dispute that GEA Group Aktiengesellschaft was not involved in the events and transactions that are being

investigated. Nevertheless, according to French competition law, the (former) parent company may also be held liable under certain circumstances for competition violations committed by a subsidiary. Whether and to what extent a fine may be imposed on GEA Group Aktiengesellschaft cannot be estimated at this time.

In connection with a major order, a subcontractor in South Africa asserted substantial out-of-court claims in July 2012 against the GEA company that had been contracted. Based on its current analysis, GEA believes that the alleged additional costs or claims should either be borne by the subcontractor itself, or that the amounts are inflated or insufficiently specified. Furthermore, even if the amounts were to be substantiated, they could largely be recharged. Overall, based on GEA's current assessment, with the asserted claims the project's risk/reward profile has remained in substance unchanged for GEA.

The settlement in the award proceedings described in the 2011 Annual Report took effect on June 11, 2012, when the contingent capital was entered in the commercial register. This terminated the award proceedings. By issuing shares in three tranches, implementation of the settlement will take until the end of the year.

All in all, from today's perspective, there are no risks to the continued existence of GEA Group as a going concern. Sufficient provisions according to the relevant regulations have been recognized for known risks.

## Outlook

### Economy

After various business and economic indicators declined slightly in the second quarter of 2012 as compared with the beginning of the year, economic forecasts have also become more cautious again.

In its "World Economic Outlook Update" (July 2012), the International Monetary Fund (IMF) is predicting global economic growth of 3.5 percent for 2012, a decrease of 0.1 percentage points on the April 2012 forecast. The IMF is now expecting growth of 3.9 percent for 2013, a drop of 0.2 percent compared with April. This decline can be explained to a large extent by the IMF's prediction for a widespread, and in some cases significant, slowdown in economic growth in 2012 and 2013 in Europe and the United States, as well as in the major emerging economies – the BRICS countries – which have so far been experiencing dynamic growth. The slowdown is attributable to a trend towards low investment as well as weak labor market and productivity data. In addition,

this lowered forecast reflects uncertainty as to whether Europe will make the appropriate political decisions. As a result of the debt crisis, the IMF continues to expect a slight recession for the eurozone, whose economy is forecast to contract by 0.3 percent in 2012. By contrast, growth forecasts for Germany are 0.4 percent more optimistic than they were in April, with the experts predicting growth of 1.0 percent in 2012. They are predicting growth of 1.4 percent for Germany in 2013. The IMF expects emerging economies to grow by an average of 5.6 percent in the current year. In China, growth of 8.0 percent is forecast for 2012.

VDMA, the German Engineering Federation, is expecting order trends in German engineering to recover starting in mid-2012, following the weak first half-year. In its June forecast, VDMA largely reaffirms its forecast in February 2012, which predicted output for 2012 to remain constant.

## GEA Group Business

Assuming that economic conditions do not deteriorate further, we are reiterating our previous business outlook for 2012.

Specifically, we aim to lift our order intake by at least 5 percent in 2012. Revenue should also increase by at least 5 percent. The breakdown of sales by customer industry is likely to continue to shift in favor of the food industry.

In terms of price quality, we expect the market environment to be unchanged as against 2011. Adjusted for nonrecurring effects related to GEA Food Solutions, we are still aiming to achieve an operating EBIT margin of at least the level of the previous year, which was 9.7 percent for the group as a whole, including the GEA Food Solutions Segment, before adjustment for purchase price allocation effects.

Düsseldorf, July 30, 2012













GEA Group Aktiengesellschaft

The Executive Board

# GEA Shares

The stock markets continued to be dominated by the European sovereign debt crisis in the second quarter. The DAX reached its high for the second quarter on April 2 at 7,057 points. Both the MDAX and the STOXX® Europe TMI Industrial Engineering peaked on April 27 at 10,910 and 292 points, respectively. The debate about extending the bailout packages for certain European countries caused the stock markets to plunge at the beginning of May and saw the DAX close the quarter at 6,416 points, the MDAX at 10,344 points, and the STOXX® Europe TMI Industrial Engineering at 260 points. This represents an 8.8 percent increase for the DAX as against December 30, 2011, and increases of 16.3 percent and 3.0 percent for the other two indices.

On April 2, GEA shares not only reached their high for the year, at EUR 26.28, but also their highest level since November 2007. GEA's share price came under pressure as a result of lower than expected earnings figures for the first quarter, which were released on May 8. The continuing downward trend in global stock markets put additional pressure on GEA shares in the remaining quarter. This led to a low of EUR 19.69 on June 4. GEA shares closed at EUR 20.97 on June 29, a decrease of 4.0 percent since the beginning of the year.

GEA Group shares (Balance sheet date 06/30/2012) compared to STOXX® Europe TMI Industrial Engineering  MDAX 			
Past 3 months	-9.6 	-15.6 	percentage points
Past 6 months	-7.0 	-20.3 	percentage points
Past 12 months	+1.3 	-9.7 	percentage points
Past 24 months	+14.4 	-1.4 	percentage points
Past 36 months	+20.2 	+14.6 	percentage points

 > 10 percentage points    3 to 10 percentage points    3 to -3 percentage points    -3 to -10 percentage points    > -10 percentage points

Key performance indicators for GEA Group shares (Prices: XETRA closing prices)	Q2 2012	Q2 2011	Q1-Q2 2012	Q1-Q2 2011
Shares issued (June 30, million)	183.8	183.8	183.8	183.8
Share price (June 30, EUR) <sup>1</sup>	20.97	24.69	20.97	24.69
High (EUR)	26.28	25.08	26.28	25.08
Low (EUR)	19.69	22.58	19.69	20.48
Market capitalization (June 30, EUR billion) <sup>2</sup>	3.9	4.5	3.9	4.5
Average daily trading volume (million)	–	–	0.7	0.8
Earnings per share (EUR)	0.40	0.28	0.46	0.50

1) Or on the last trading day of reporting period

2) Based on shares issued

Shareholders with an equity interest of over 5% in accordance with disclosures received under the WpHG (German Securities Trading Act)	06/30/2012
Black Rock	9.99
Kuwait Investment Office	8.3



# **Consolidated Financial Statements for the 2nd Quarter of 2012**

## Consolidated Balance Sheet

as of June 30, 2012

Assets (EUR thousand)	06/30/2012	12/31/2011	Change (%)
Property, plant and equipment	702,859	727,472	-3.4
Investment property	10,836	11,837	-8.5
Goodwill	1,933,739	1,900,147	1.8
Other intangible assets	387,292	359,576	7.7
Equity-accounted investments	12,892	13,448	-4.1
Other non-current financial assets	52,725	56,254	-6.3
Deferred taxes	429,048	398,884	7.6
<b>Non-current assets</b>	<b>3,529,391</b>	<b>3,467,618</b>	<b>1.8</b>
Inventories	847,581	742,899	14.1
Trade receivables	1,277,859	1,357,546	-5.9
Income tax receivables	19,734	15,882	24.3
Other current financial assets	213,070	203,769	4.6
Cash and cash equivalents	292,864	432,401	-32.3
<b>Current assets</b>	<b>2,651,108</b>	<b>2,752,497</b>	<b>-3.7</b>
<b>Assets held for sale</b>	<b>18,272</b>	<b>5,116</b>	<b>&gt; 100</b>
<b>Total assets</b>	<b>6,198,771</b>	<b>6,225,231</b>	<b>-0.4</b>

Equity and liabilities (EUR thousand)	06/30/2012	12/31/2011	Change (%)
Subscribed capital	496,890	496,890	–
Capital reserve	1,333,391	1,333,359	0.0
Retained earnings	225,069	288,660	-22.0
Accumulated other comprehensive income	65,091	43,657	49.1
Non-controlling interests	1,146	1,026	11.7
<b>Equity</b>	<b>2,121,587</b>	<b>2,163,592</b>	<b>-1.9</b>
Non-current provisions	127,101	132,407	-4.0
Non-current employee benefit obligations	630,658	560,073	12.6
Non-current financial liabilities	879,223	813,808	8.0
Other non-current liabilities	22,791	17,166	32.8
Deferred taxes	152,015	145,850	4.2
<b>Non-current liabilities</b>	<b>1,811,788</b>	<b>1,669,304</b>	<b>8.5</b>
Current provisions	324,489	353,029	-8.1
Current employee benefit obligations	159,001	203,765	-22.0
Current financial liabilities	220,379	94,086	> 100
Trade payables	690,399	903,334	-23.6
Income tax liabilities	39,189	51,525	-23.9
Other current liabilities	831,939	786,596	5.8
<b>Current liabilities</b>	<b>2,265,396</b>	<b>2,392,335</b>	<b>-5.3</b>
<b>Totally equity and liabilities</b>	<b>6,198,771</b>	<b>6,225,231</b>	<b>-0.4</b>

## Consolidated Income Statement for the period April 1 – June 30, 2012

(EUR thousand)	Q2 2012	Q2 <sup>1</sup> 2011	Change (%)
Revenue	1,391,258	1,348,970	3.1
Cost of sales	975,586	983,809	-0.8
<b>Gross profit</b>	<b>415,672</b>	<b>365,161</b>	<b>13.8</b>
Selling expenses	158,182	145,733	8.5
Research and development expenses	23,123	18,026	28.3
General and administrative expenses	126,158	124,417	1.4
Other income	56,850	45,867	23.9
Other expenses	53,174	43,397	22.5
Share of profit or loss of equity-accounted investments	54	-148	–
Other financial income	–	36	–
<b>Earnings before interest and tax (EBIT)</b>	<b>111,939</b>	<b>79,343</b>	<b>41.1</b>
Interest income	2,900	3,431	-15.5
Interest expense	20,850	20,765	0.4
<b>Profit before tax from continuing operations</b>	<b>93,989</b>	<b>62,009</b>	<b>51.6</b>
Income taxes	21,148	10,423	> 100
<b>Profit after tax from continuing operations</b>	<b>72,841</b>	<b>51,586</b>	<b>41.2</b>
<b>Profit or loss after tax from discontinued operations</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Profit for the period</b>	<b>72,841</b>	<b>51,586</b>	<b>41.2</b>
of which attributable to shareholders of GEA Group AG	72,772	51,548	41.2
of which attributable to non-controlling interests	69	38	81.6

(EUR)			
Earnings per share from continuing operations	0.40	0.28	41.2
Earnings per share from discontinued operations	–	–	–
<b>Earnings per share</b>	<b>0.40</b>	<b>0.28</b>	<b>41.2</b>
<b>Weighted average number of shares outstanding (million)</b>	<b>183.8</b>	<b>183.8</b>	<b>–</b>

(EUR)			
Diluted earnings per share from continuing operations	0.37	0.26	40.2
Diluted earnings per share from discontinued operations	–	–	–
<b>Diluted earnings per share <sup>2</sup></b>	<b>0.37</b>	<b>0.26</b>	<b>40.2</b>
<b>Weighted average number of ordinary shares used to calculate diluted earnings per share (million)</b>	<b>197.2</b>	<b>195.9</b>	<b>0.7</b>

1) Amounts adjusted due to change in accounting policy for pension obligations and leasing obligations (see page 32 f.)

2) On basis of settlement proposal by GEA Group Aktiengesellschaft (previous year: on basis of settlement proposal by the Dortmund Regional Court concerning the award proceedings)

## Consolidated Statement of Comprehensive Income

for the period April 1 – June 30, 2012

(EUR thousand)	Q2 2012	Q2 * 2011	Change (%)
<b>Profit for the period</b>	<b>72,841</b>	<b>51,586</b>	<b>41.2</b>
Exchange differences on translating foreign operations	38,783	-8,833	–
Result of available-for-sale financial assets	–	-749	–
Result of cash flow hedges	-2,378	460	–
Actuarial gains/losses on pension and other post-employment benefit obligations	-31,224	–	–
<b>Other comprehensive income</b>	<b>5,181</b>	<b>-9,122</b>	<b>–</b>
<b>Total comprehensive income</b>	<b>78,022</b>	<b>42,464</b>	<b>83.7</b>
of which attributable to GEA Group AG shareholders	77,997	42,438	83.8
of which attributable to non-controlling interests	25	26	-3.8

\*) Amounts adjusted due to change in accounting policy for pension obligations and leasing obligations (see page 32 f.)

## Consolidated Income Statement for the period January 1 – June 30, 2012

(EUR thousand)	Q1-Q2 2012	Q1-Q2 <sup>1</sup> 2011	Change (%)
Revenue	2,654,915	2,386,961	11.2
Cost of sales	1,902,060	1,715,318	10.9
<b>Gross profit</b>	<b>752,855</b>	<b>671,643</b>	<b>12.1</b>
Selling expenses	314,687	263,808	19.3
Research and development expenses	44,668	31,819	40.4
General and administrative expenses	257,605	236,450	8.9
Other income	127,263	97,524	30.5
Other expenses	118,685	91,329	30.0
Share of profit or loss of equity-accounted investments	200	238	-16.0
Other financial income	37	136	-72.8
<b>Earnings before interest and tax (EBIT)</b>	<b>144,710</b>	<b>146,135</b>	<b>-1.0</b>
Interest income	6,586	8,740	-24.6
Interest expense	40,968	37,015	10.7
<b>Profit before tax from continuing operations</b>	<b>110,328</b>	<b>117,860</b>	<b>-6.4</b>
Income taxes	24,824	26,519	-6.4
<b>Profit after tax from continuing operations</b>	<b>85,504</b>	<b>91,341</b>	<b>-6.4</b>
<b>Profit or loss after tax from discontinued operations</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Profit for the period</b>	<b>85,504</b>	<b>91,341</b>	<b>-6.4</b>
of which attributable to shareholders of GEA Group AG	85,370	91,169	-6.4
of which attributable to non-controlling interests	134	172	-22.1

(EUR)			
Earnings per share from continuing operations	0.46	0.50	-6.4
Earnings per share from discontinued operations	–	–	–
<b>Earnings per share</b>	<b>0.46</b>	<b>0.50</b>	<b>-6.4</b>
<b>Weighted average number of shares outstanding (million)</b>	<b>183.8</b>	<b>183.8</b>	<b>–</b>

(EUR)			
Diluted earnings per share from continuing operations	0.43	0.47	-7.0
Diluted earnings per share from discontinued operations	–	–	–
<b>Diluted earnings per share <sup>2</sup></b>	<b>0.43</b>	<b>0.47</b>	<b>-7.0</b>
<b>Weighted average number of ordinary shares used to calculate diluted earnings per share (million)</b>	<b>197.2</b>	<b>195.9</b>	<b>0.7</b>

1) Amounts adjusted due to change in accounting policy for pension obligations and leasing obligations (see page 32 f.)

2) On basis of settlement proposal by GEA Group Aktiengesellschaft (previous year: on basis of settlement proposal by the Dortmund Regional Court concerning the award proceedings)

## Consolidated Statement of Comprehensive Income

for the period January 1 – June 30, 2012

(EUR thousand)	Q1-Q2 2012	Q1-Q2 * 2011	Change (%)
<b>Profit for the period</b>	<b>85,504</b>	<b>91,341</b>	<b>-6.4</b>
Exchange differences on translating foreign operations	20,489	-54,049	–
Result of available-for-sale financial assets	–	-749	–
Result of cash flow hedges	936	6,166	-84.8
Actuarial gains/losses on pension and other post-employment benefit obligations	-47,867	12,249	–
<b>Other comprehensive income</b>	<b>-26,442</b>	<b>-36,383</b>	<b>27.3</b>
<b>Total comprehensive income</b>	<b>59,062</b>	<b>54,958</b>	<b>7.5</b>
of which attributable to GEA Group AG shareholders	58,937	54,846	7.5
of which attributable to non-controlling interests	125	112	11.6

\*) Amounts adjusted due to change in accounting policy for pension obligations and leasing obligations (see page 32 f.)

## Consolidated Cash Flow Statement

for the period January 1 – June 30, 2012

(EUR thousand)	Q1-Q2 2012	Q1-Q2 <sup>1</sup> 2011
Profit for the period	85,504	91,341
plus income taxes	24,824	26,519
Profit before tax from continuing operations	110,328	117,860
Net interest income	34,382	28,275
<b>Earnings before interest and tax (EBIT)</b>	<b>144,710</b>	<b>146,135</b>
Depreciation, amortization, impairment losses, and reversal of impairment losses on non-current assets	62,816	61,790
Other non-cash income and expenses	5,752	-364
Employee benefit obligations	-19,664	-19,696
Change in provisions	-58,209	-63,208
Losses and disposal of non-current assets	-677	-800
Change in inventories including unbilled construction contracts <sup>2</sup>	24,508	-95,061
Change in trade receivables	36,750	-43,834
Change in trade payables	-225,544	-50,435
Change in other operating assets and liabilities	-17,366	-49,046
Tax payments	-45,831	-28,312
Net cash flow from operating activities of discontinued operations	-287	-4,943
<b>Cash flow from operating activities</b>	<b>-93,042</b>	<b>-147,774</b>
Proceeds from disposal of non-current assets	1,633	5,063
Payments to acquire property, plant and equipment, and intangible assets	-48,590	-56,589
Payments to acquire non-current financial assets	–	-3
Interest income	2,054	2,624
Dividend income	660	1,376
Payments to acquire subsidiaries and other businesses	-58,748	-154,305
Payments for disposal of discontinued operations	-20,816	-20,011
<b>Cash flow from investing activities</b>	<b>-123,807</b>	<b>-221,845</b>
Dividend payments	-101,094	-73,523
Payments from finance leases	-2,853	-2,644
Proceeds from finance loans	275,015	484,116
Proceeds from bond issue	–	397,224
Repayments of finance loans	-62,819	-691,823
Interest payments	-30,456	-17,403
Net cash flow from financing activities of discontinued operations	225	145
<b>Cash flow from financing activities</b>	<b>78,018</b>	<b>96,092</b>
Effect of exchange rate changes on cash and cash equivalents	2,324	-14,091
<b>Change in unrestricted cash and cash equivalents</b>	<b>-136,507</b>	<b>-287,617</b>
Unrestricted cash and cash equivalents at beginning of period	426,674	552,731
<b>Unrestricted cash and cash equivalents at end of period</b>	<b>290,167</b>	<b>265,114</b>
Restricted cash and cash equivalents	2,697	8,899
<b>Cash and cash equivalents reported in the balance sheet</b>	<b>292,864</b>	<b>274,013</b>

1) Amounts adjusted due to change in accounting policy for pension obligations and leasing obligations (see page 32 f.)

2) Including advance payments received



## Consolidated Statement of Changes in Equity

as of June 30, 2012

(EUR thousand)	Sub-scribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income			Equity attributable to shareholders of GEA Group AG	Non-controlling interests	Total
				Translation of foreign operations	Result of available-for-sale financial assets	Result of cash flow hedges			
<b>Balance at Jan. 1, 2011</b> <b>(183,807,845 shares)</b>	<b>496,890</b>	<b>1,268,728</b>	<b>93,754</b>	<b>35,424</b>	<b>–</b>	<b>-1,273</b>	<b>1,893,523</b>	<b>1,809</b>	<b>1,895,332</b>
Adjustments and corrections *	–	–	-27,716	-10	–	–	<b>-27,726</b>	–	<b>-27,726</b>
<b>Adjusted balance at Jan. 1, 2011</b>	<b>496,890</b>	<b>1,268,728</b>	<b>66,038</b>	<b>35,414</b>	<b>–</b>	<b>-1,273</b>	<b>1,865,797</b>	<b>1,809</b>	<b>1,867,606</b>
Income *	–	–	91,169	–	–	–	<b>91,169</b>	172	<b>91,341</b>
Other comprehensive income *	–	–	12,249	-53,989	-749	6,166	<b>-36,323</b>	-60	<b>-36,383</b>
Total comprehensive income *	–	–	103,418	-53,989	-749	6,166	<b>54,846</b>	112	<b>54,958</b>
Dividend payment by GEA Group Aktiengesellschaft	–	–	-73,523	–	–	–	<b>-73,523</b>	–	<b>-73,523</b>
Change in other noncontrolling interests	–	–	626	–	–	–	<b>626</b>	-2,040	<b>-1,414</b>
Share-based payments	–	33	–	–	–	–	<b>33</b>	–	<b>33</b>
<b>Balance at June 30, 2011</b> <b>(183,807,845 shares) *</b>	<b>496,890</b>	<b>1,268,761</b>	<b>96,558</b>	<b>-18,575</b>	<b>-749</b>	<b>4,893</b>	<b>1,847,778</b>	<b>-119</b>	<b>1,847,659</b>
<b>Balance at Jan. 1, 2012</b> <b>(183,807,845 shares)</b>	<b>496,890</b>	<b>1,333,359</b>	<b>288,660</b>	<b>49,585</b>	<b>759</b>	<b>-6,687</b>	<b>2,162,566</b>	<b>1,026</b>	<b>2,163,592</b>
Income	–	–	85,370	–	–	–	<b>85,370</b>	134	<b>85,504</b>
Other comprehensive income	–	–	-47,867	20,498	–	936	<b>-26,433</b>	-9	<b>-26,442</b>
Total comprehensive income	–	–	37,503	20,498	–	936	<b>58,937</b>	125	<b>59,062</b>
Dividend payment by GEA Group Aktiengesellschaft	–	–	-101,094	–	–	–	<b>-101,094</b>	–	<b>-101,094</b>
Change in other noncontrolling interests	–	–	–	–	–	–	–	-5	<b>-5</b>
Share-based payments	–	32	–	–	–	–	<b>32</b>	–	<b>32</b>
<b>Balance at June 30, 2012</b> <b>(183,807,845 shares)</b>	<b>496,890</b>	<b>1,333,391</b>	<b>225,069</b>	<b>70,083</b>	<b>759</b>	<b>-5,751</b>	<b>2,120,441</b>	<b>1,146</b>	<b>2,121,587</b>

\*) Amounts adjusted due to change in accounting policy for pension obligations and leasing obligations (see page 32 f.)

# Notes to the Consolidated Financial Statements

## 1. Reporting principles

### Basis of presentation

The interim financial statements of GEA Group Aktiengesellschaft and the interim financial statements of the subsidiaries included in the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) and related Interpretations issued by the International Accounting Standards Board (IASB), as adopted by the EU for interim financial reporting in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and the Council on the application of international accounting standards. In accordance with IAS 34, the interim financial report does not contain all the information and disclosures required by IFRSs for full-year consolidated financial statements.

The accompanying consolidated financial statements and Group management report on the second quarter have not been audited in accordance with section 317 of the Handelsgesetzbuch (HGB – German Commercial Code) or reviewed by an auditor in accordance with the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act).

The accounting policies applied to the accompanying interim financial statements are the same as those applied as of December 31, 2011, and are described in detail on pages 98 to 118 of the 2011 Annual Report containing GEA Group's IFRS consolidated financial statements.

In the second quarter, there were no new IFRSs that were applicable to interim financial reporting.

These interim financial statements have been prepared in euros (EUR). All amounts, including the comparative figures, are presented in thousands of euros (EUR thousand), except for the segment information. All amounts have been rounded using standard rounding rules. Adding together individual amounts may therefore result in a difference in the order of EUR 1 thousand in certain cases.

### Changes in accounting policies

As described below, certain accounting policies were already modified in the financial statements as of December 31, 2011. As a result of these changes, the amounts for the second quarter of 2011 were also adjusted.

Effective December 31, 2011, GEA Group started using the present value of the defined benefit obligation at the reporting date to account for pension obligations. In previous years, GEA Group did not account for gains and losses from changes in actuarial assumptions in the year in which they arose; instead, where actuarial gains and losses exceeded 10 percent of the higher of either the present value of the defined benefit obligation or the plan assets at the reporting date, they were allocated over the beneficiaries' average remaining working life and recognized in income (corridor method). As a result of the change in accounting policy, actuarial gains and losses are recognized in other comprehensive income and reported in retained earnings after adjustment for tax effects. The change enhances the transparency of GEA Group's net assets and financial position, first, because liabilities are now recognized at fair value and, second, because the move anticipates the effect on financial reporting of the amendments to IAS 19.

A further change relates to the accounting treatment for a real estate lease. Previously the lease had been classified as an operating lease. The change in the assessment led to it being classified as a finance lease. This resulted in an increase in the amounts recognized for land and buildings and the related leasing obligation. Since assets leased for use are depreciated using the straight-line method and the lease liability is measured using the effective interest method, the depreciation and interest expenses required to be offset at inception of the lease in the case of a finance lease exceed the rental expense required to be disclosed in the case of an operating lease.

The changes were applied retrospectively in accordance with IAS 8.22 and IAS 8.42. The effects on the second quarter of 2011 of the change in accounting policy for pensions and of the revised assessment of the lease are evident from the following tables.

### Pensions

(EUR thousand)	06/30/2011	
Other financial assets	-4,605	
Non-current employee benefit obligations	10,605	
Deferred taxes	4,731	
Retained earnings	-11,130	

(EUR thousand)	Q2 2011	Q1-Q2 2011
EBIT	330	660
EBT	330	660
Profit for the period	275	466
Other comprehensive income	-	12,249

### Leases

(EUR thousand)	06/30/2011	
Property, plant and equipment	26,918	
Other financial assets	-3,481	
Non-current financial liabilities	28,813	
Current financial liabilities	3,017	
Deferred taxes	2,670	
Retained earnings	-4,422	

(EUR thousand)	Q2 2011	Q1-Q2 2011
EBIT	357	721
EBT	-386	-768
Other comprehensive income	-278	-550

Furthermore, effective from the third quarter of 2011, revenue from the companies in the Other segment, which was previously presented in the revenue item, is reported under other income. As a result, the expenses associated with this revenue are now reported under other expenses, as opposed to cost of sales. Due to reasons of materiality the amounts for the second quarter of 2011 were not adjusted for this change in presentation.

### Interim financial reporting principles

These interim financial statements present a true and fair view of the Company's results of operations, financial position, and net assets in the reporting period.

Preparation of interim financial statements requires management to make certain estimates and assumptions that may affect the Company's assets, liabilities, provisions, and deferred tax assets and liabilities, as well as its income and expenses. Although management makes such estimates and assumptions carefully and in good faith, actual amounts may differ from the estimates used in the interim financial statements.

Factors that may cause amounts to fall below expectations include a deterioration in the global economic situation, movements in exchange rates and interest rates, as well as material litigation and changes in environmental or other legislation. Production errors, the loss of key customers, and rising borrowing costs may also adversely affect the Group's future performance.

## 2. Basis of consolidation

The consolidated group changed as follows in the second quarter of 2012:

	Number of companies
<b>Consolidated Group as of March 31, 2012</b>	<b>306</b>
German companies (including GEA Group AG)	56
Foreign companies	250
Initial consolidation	5
Merger	7
Liquidation	2
Deconsolidation	2
<b>Consolidated Group as of June 30, 2012</b>	<b>300</b>
German companies (including GEA Group AG)	53
Foreign companies	247

The consolidated group decreased by six companies compared with March 31, 2012. Five companies were included for the first time in the consolidated group, and seven companies were removed due to mergers. Two companies were deconsolidated due to their minor significance, and another two companies were liquidated.

A total of 75 subsidiaries (March 31, 2012: 75) were not consolidated since their effect on the Group's net assets, financial position, and results of operations is not material even when viewed in the aggregate.

## 3. Acquisitions

### 3.1 Companies acquired

GEA Group acquired the following company in the second quarter of 2012:

Business	Place	Acquisition Date	Percentage of voting interest (%)	Consideration transferred (EUR thousand)
Aseptomag Holding AG	Kirchberg/Switzerland	April 24, 2012	100.0	42,289

With the acquisition of Aseptomag, GEA has acquired one of the world's leading suppliers of aseptic and hygienic valves, valve modules, and system solutions, whose customers are mostly dairy, beverage, and food companies, but also include the pharmaceutical, chemical, and cosmetic industries. The company is allocated to the GEA Mechanical Equipment segment and in fiscal year 2011 it generated revenue of EUR 13,164 thousand with a workforce of 35 employees. This acquisition will help GEA expand its expertise in the fast-growing area of sterile and aseptic applications and increase its components offering for its core market – food.

### 3.2 Consideration transferred

Business	Cash (EUR thousand)	Cash consideration (EUR thousand)	Total (EUR thousand)
Aseptomag Holding AG	41,682	607	42,289

GEA is obliged to make an additional purchase price payment, the level of which depends on Aseptomag's earnings before interest and tax for fiscal years 2012 to 2014. The additional purchase price need only be paid if average earnings before interest and tax for these fiscal years exceed a certain minimum amount. The additional purchase price payment amounts to between zero and EUR 2,496 thousand. Based on its business planning and on current assessments, GEA expects to make an additional purchase price payment of EUR 726 thousand in 2015. This corresponds to a fair value of EUR 607 thousand.

Patrik Denoth, a former shareholder of Aseptomag, has been appointed as managing director of Aseptomag Holding AG. Since the terms of this employment are customary in the market, the employment is being accounted for separately from the acquisition.

### 3.3 Assets and liabilities acquired

GEA Group acquired the following assets and liabilities as a result of its acquisition in the reporting period:

(EUR thousand)	Fair Value
Property, plant and equipment	54
Intangible assets	20,859
<b>Non-current assets</b>	<b>20,913</b>
Inventories	4,218
Trade receivables	2,446
Other current financial assets	945
Cash and cash equivalents	2,583
<b>Current assets</b>	<b>10,192</b>
<b>Total assets</b>	<b>31,105</b>
Deferred taxes	5,908
<b>Non-current liabilities</b>	<b>5,908</b>
Current Provisions	509
Current financial liabilities	28
Trade payables	680
Other current financial liabilities	1,170
<b>Current liabilities</b>	<b>2,387</b>
<b>Total liabilities</b>	<b>8,295</b>
<b>Net assets acquired</b>	<b>22,810</b>
Acquisition cost	42,289
Goodwill of GEA Group AG	19,479

Total acquisition costs amounted to EUR 42,289 thousand. Net assets amounted to EUR 22,810 thousand, producing goodwill of EUR 19,479 thousand, which represents the purchase price components that could not be classified separately during purchase price allocation. These mainly comprise synergies arising from the use of GEA's sales organization and from the own manufacture of vendor parts.

The acquisition has been accounted for on a preliminary basis. There is particular uncertainty surrounding the measurement of intangible assets. In accordance with IFRS 3, purchase price allocation may be adjusted within one year of the acquisition date on the basis of definitive information.

The fair value of trade receivables acquired amounted to EUR 2,446 thousand, which equates to their contractual principal amounts.

The transaction costs for the acquisition amounted to EUR 226 thousand, of which EUR 86 thousand was incurred in fiscal year 2011 and EUR 140 thousand in the first two quarters of 2012. They are reported under other expenses.

### 3.4 Effects on consolidated profit

Since its acquisition on April 24, 2012, Aseptomag has generated revenue of EUR 2,100 thousand and contributed EUR 201 thousand to consolidated profit. If the company had been acquired as of January 1, 2012, it would have contributed EUR 6,418 thousand to consolidated revenue, and consolidated profit would have been reduced by EUR 295 thousand.

### 3.5 Net cash outflow

The acquisition led to the following cash flow effects:

(EUR thousand)	Q2 2012
Consideration transferred	42,289
Acquisition-related costs	226
less contingent consideration	-607
<b>Purchase price paid including acquisition-related costs</b>	<b>41,908</b>
less cash acquired	2,583
<b>Net cash used in acquisition</b>	<b>39,325</b>

Payments to acquire subsidiaries totaled EUR 57,557 thousand in the period to June 30, 2012 (previous year: EUR 154,821 thousand). The corresponding figure reported in the cash flow statement is EUR 58,748 thousand (previous year: EUR 154,305 thousand). The difference of EUR 1,191 thousand (previous year: EUR -516 thousand) results from purchase price payments of EUR 1,283 thousand for acquisitions in fiscal year 2011, as well as from an increase in cash of EUR 92 thousand due to the consolidation of two previously unconsolidated companies. In the previous year, the difference compared with the cash flow statement arose for the following reason: On the one hand, there was an increase in cash of EUR 1,170 thousand from accounting adjustments relating to an acquisition, and of EUR 1,518 thousand from the inclusion of a previously unconsolidated company. On the other hand, cash funds were reduced by payments of acquisition-related costs in the amount of EUR 477 thousand and a cash outflow of EUR 1,695 thousand from the acquisition of noncontrolling interests.

## 4. Balance sheet disclosures

The cash credit lines were composed of the following items as of June 30, 2012:

(EUR thousand)	Maturity	06/30/2012 approved	06/30/2012 utilized	12/31/2011 approved	12/31/2011 utilized
GEA Bond	April 2016	400,000	400,000	400,000	400,000
Borrower's note loan	August 2013	128,000	128,000	128,000	128,000
Syndicated credit line 2 (club deal)	June 2015	650,000	150,000	650,000	–
European Investment Bank	July 2017	150,000	150,000	150,000	150,000
Development Loan Corporation	May 2016	80,000	80,000	90,000	90,000
	December 2016	56,000	56,000	56,000	–
Various (bilateral) credit lines including accrued interest	Maximum of 1 year or "until further notice"	202,121	59,272	228,688	51,214
<b>Total</b>		<b>1,666,121</b>	<b>1,023,272</b>	<b>1,702,688</b>	<b>819,214</b>

## 5. Income statement disclosures

The taxes recognized in the first half of 2012 were calculated using an estimated tax rate of 22.5 percent (previous year: 22.5 percent).

### Changes in estimates

In the first quarter of 2012, the estimates used to account for the GEA Food Solutions segment were revised. This was necessary primarily as a result of the reorganization of production. The resulting changes in estimates reflect new information, as well as the experience gained in this new segment and the views of its new management. In light of this it is not assumed that these changes in estimates will have any significant effects on GEA's future IFRS financial statements.

Estimates relating to the stage of completion reached for construction contracts in progress were amended in respect of the recognition of construction contracts in the GEA Food Solutions segment in the first quarter of 2012. The reduction in revenue of EUR 42.0 million and cost of sales of EUR 21.1 million arising from this change in estimates reduced consolidated profit before interest and taxes by EUR 20.9 million.

In addition, estimates concerning existing customer risks and risks relating to production locations were modified in the first quarter of 2012, resulting in a total additional expense of EUR 14.9 million. This expense is attributable mainly to increases in provisions for warranties and follow-up costs, as well as write-downs of outstanding trade receivables and surplus inventories. EUR 9.0 million of the additional expense is included in production costs and EUR 5.9 million is included in other expenses.

## 6. Statement of comprehensive income and consolidated statement of changes in equity disclosures

The change in exchange differences on translating foreign operations amounted to EUR 38,783 thousand (previous year: EUR -8,833 thousand) in the second quarter and resulted primarily from the appreciation of the U.S. dollar against the euro. Overall, the period from January to June 2012 also saw a rise in the U.S. dollar against the euro. Hence, there are exchange differences on foreign currency translation in this period in the amount of EUR 20,489 thousand (previous year: EUR -54,049 thousand).

GEA Group Aktiengesellschaft paid a dividend of EUR 0.55 per share on April 25, 2012. For 183,807,845 GEA shares, this represents a total dividend payment of EUR 101,094 thousand.



## 7. Segment reporting

The group is divided into six global operating segments and the Other segment. The main activities are as follows:

### GEA Food Solutions (GEA FS)

GEA Food Solutions (until December 31, 2011, GEA Convenience Food Technologies) is a manufacturer of machinery for preparing, marinating, further processing, cutting, and packaging meat, poultry, fish, cheese, and other foods. The segment's offering ranges from individual machines through to end-to-end production lines.

### GEA Farm Technologies (GEA FT)

As a full-line supplier for livestock farming, GEA Farm Technologies offers milking and refrigeration technology, feeding systems, and animal hygiene products to ensure profitable milk production. Barn equipment, professional manure management systems, and farm services round off the segment's profile as a systems provider for all farm sizes.

### GEA Heat Exchangers (GEA HX)

GEA Heat Exchangers encompasses all of the group's heat exchanger activities. With its finned-tube, shell-tube, and plate heat exchangers, as well as wet and dry cooling systems, and air conditioning and treatment systems, the segment offers a comprehensive range of products for all conceivable applications. It focuses in particular on markets in the energy sector, as well as air conditioning and environmental technology.

### GEA Mechanical Equipment (GEA ME)

GEA Mechanical Equipment offers high-quality process equipment in the form of separators, decanters, and homogenizers, as well as pumps and valves. Among other applications, these products are used in food processing, the pharmaceutical industry, biotechnology, the chemical industry, marine applications, the mineral oil industry, energy generation, and environmental technology.

### GEA Process Engineering (GEA PE)

GEA Process Engineering specializes in the design and installation of process lines for the food and beverage industries, the pharmaceutical and chemical industries, and for cosmetics. Gas cleaning plants round off this segment's product portfolio.

### GEA Refrigeration Technologies (GEA RT)

GEA Refrigeration Technologies is active in the field of industrial refrigeration technology. Its activities comprise the development, production, installation, and maintenance of refrigeration technology systems in a wide variety of industries, the production of reciprocating and screw processors for refrigeration, and the development and production of state-of-the-art freezing equipment for processing chilled and frozen foods.

### Other

The "Other" segment comprises the companies with business activities that do not form part of the core business. In addition to the holding and service companies, it contains companies that report investment property held for sale, pension obligations, and residual mining obligations.

(EUR million)	GEA FS	GEA FT	GEA HX	GEA ME	GEA PE	GEA RT	Other	Consolidation	GEA Group
<b>Q2 2012</b>									
Order Intake	95.8	145.7	379.0	233.2	401.2	180.4	–	-34.2	<b>1,401.0</b>
External Revenue	101.6	133.0	397.2	196.3	400.2	163.0	–	–	<b>1,391.3</b>
Intersegment revenue	–	0.1	7.2	21.3	1.0	2.2	–	-31.8	–
Total revenue	101.6	133.1	404.3	217.6	401.2	165.2	–	-31.8	<b>1,391.3</b>
EBITDA pre PPA	-0.8	11.3	35.9	44.9	39.4	13.4	-1.1	–	<b>143.1</b>
EBITDA	-0.8	11.3	35.9	44.5	39.4	13.4	-1.1	–	<b>142.6</b>
EBIT pre PPA	-1.9	8.3	27.6	40.9	35.8	11.1	-2.7	–	<b>119.0</b>
as % of revenue	-1.8	6.2	6.8	18.8	8.9	6.7	–	–	<b>8.6</b>
EBIT	-5.3	7.5	27.0	39.9	35.0	10.6	-2.8	–	<b>111.9</b>
as % of revenue	-5.2	5.7	6.7	18.3	8.7	6.4	–	–	<b>8.0</b>
Additions to property, plant and equipment and intangible assets	1.9	2.5	4.7	52.8	2.3	2.6	1.8	–	<b>68.6</b>
Depreciation and amortization	4.5	3.8	8.9	4.6	4.5	2.8	1.7	–	<b>30.7</b>
<b>Q2 2011*</b>									
Order Intake	102.3	129.5	445.6	230.1	426.2	162.8	–	-34.0	<b>1,462.5</b>
External Revenue	103.3	118.2	384.3	186.5	384.7	165.7	6.2	–	<b>1,349.0</b>
Intersegment revenue	–	0.1	6.6	21.3	0.4	0.9	–	-29.2	–
Total revenue	103.3	118.3	390.9	207.8	385.1	166.6	6.2	-29.2	<b>1,349.0</b>
EBITDA pre PPA	6.2	8.4	35.3	44.6	31.2	14.5	-4.7	–	<b>135.7</b>
EBITDA	-13.2	8.4	35.3	44.6	31.2	14.3	-4.7	–	<b>116.0</b>
EBIT pre PPA	4.0	5.6	26.5	40.5	27.6	12.3	-6.7	–	<b>109.7</b>
as % of revenue	3.8	4.7	6.8	19.5	7.2	7.4	-106.9	–	<b>8.1</b>
EBIT	-22.6	5.0	25.7	40.3	27.2	10.6	-6.7	–	<b>79.3</b>
as % of revenue	-21.9	4.2	6.6	19.4	7.1	6.4	–	–	<b>5.9</b>
Additions to property, plant and equipment and intangible assets	21.7	2.0	6.1	20.8	3.9	1.7	3.0	–	<b>59.1</b>
Depreciation and amortization	9.5	3.5	9.7	4.4	4.0	3.7	2.0	–	<b>36.7</b>

\*) Amounts adjusted due to change in accounting policy for pension obligations and leasing obligations (see page 32 f.)

(EUR million)	GEA FS <sup>1</sup>	GEA FT	GEA HX	GEA ME	GEA PE	GEA RT	Other	Consolidation	GEA Group
<b>Q1-Q2 2012</b>									
Order Intake	193.2	293.8	785.0	472.0	912.5	358.3	–	-68.9	<b>2,945.9</b>
External Revenue	154.3	250.7	780.3	386.5	772.9	310.2	–	–	<b>2,654.9</b>
Intersegment revenue	–	0.1	13.7	47.7	1.6	4.5	–	-67.7	–
Total revenue	154.3	250.8	794.0	434.2	774.4	314.8	–	-67.7	<b>2,654.9</b>
EBITDA pre PPA and one-offs <sup>2</sup>	-8.1	16.3	68.5	85.2	59.6	24.3	-1.9	–	<b>243.9</b>
EBITDA pre PPA	-43.9	16.3	68.5	85.2	59.6	24.3	-1.9	–	<b>208.1</b>
EBITDA	-43.9	16.3	68.5	84.7	59.6	24.3	-1.9	–	<b>207.5</b>
EBIT pre PPA and one-offs <sup>2</sup>	-11.2	10.2	51.6	77.2	52.3	19.8	-5.9	–	<b>193.9</b>
EBIT pre PPA	-47.0	10.2	51.6	77.2	52.3	19.8	-5.9	–	<b>158.2</b>
as % of revenue	-30.5	4.1	6.5	17.8	6.8	6.3	–	–	<b>6.0</b>
EBIT	-53.8	8.7	50.4	75.8	50.9	18.7	-6.1	–	<b>144.7</b>
as % of revenue	-34.8	3.5	6.3	17.5	6.6	6.0	–	–	<b>5.5</b>
ROCE in % <sup>3</sup>	-8.9	10.8	17.8	45.1	53.0	19.2	–	–	<b>18.8</b>
Working Capital (reporting date) <sup>4</sup>	78.2	148.4	243.9	206.5	7.6	86.8	-4.5	-2.6	<b>764.3</b>
Additions to property, plant and equipment and intangible assets	6.7	5.9	11.1	71.9	4.7	4.6	3.5	–	<b>108.5</b>
Depreciation and amortization	9.9	7.5	18.1	8.9	8.7	5.6	4.1	–	<b>62.8</b>
<b>Q1-Q2 2011 <sup>5</sup></b>									
Order Intake	102.3	255.4	821.1	449.3	827.6	315.5	–	-66.6	<b>2,704.7</b>
External Revenue	103.3	217.8	715.6	356.5	685.1	297.5	11.2	–	<b>2,387.0</b>
Intersegment revenue	–	0.1	13.4	42.9	0.8	1.9	–	-59.1	–
Total revenue	103.3	217.9	729.0	399.4	685.9	299.4	11.2	-59.1	<b>2,387.0</b>
EBITDA pre PPA	6.2	13.4	64.9	77.3	51.2	23.5	-8.9	–	<b>227.6</b>
EBITDA	-13.2	13.4	64.9	77.3	51.2	23.2	-8.9	–	<b>207.9</b>
EBIT pre PPA	4.0	7.7	47.2	69.0	44.1	19.4	-12.8	–	<b>178.7</b>
as % of revenue	3.8	3.5	6.5	17.3	6.4	6.5	-114.0	–	<b>7.5</b>
EBIT	-22.6	6.5	45.9	68.6	43.2	17.4	-12.9	–	<b>146.1</b>
as % of revenue	-21.9	3.0	6.3	17.2	6.3	5.8	-115.4	–	<b>6.1</b>
ROCE in % <sup>3</sup>	-13.1	9.5	16.3	45.9	45.2	20.3	–	–	<b>19.4</b>
Working Capital (reporting date) <sup>4</sup>	49.4	137.2	255.7	197.1	-18.7	83.6	2.6	0.4	<b>707.3</b>
Additions to property, plant and equipment and intangible assets	488.8	7.0	17.9	23.2	6.6	46.8	5.6	–	<b>595.6</b>
Depreciation and amortization	9.5	6.9	19.0	8.7	7.9	5.8	4.0	–	<b>61.8</b>

1) Inclusion of GEA Food Solutions since 3/31/2011

2) One-offs from GEA Food Solutions due to changes of estimation (see page 38)

3) ROCE = EBIT in the past 12 months (in 2010 before restructuring expenses) / (capital employed - goodwill from the acquisition of the former GEA AG by the former Metallgesellschaft in 1999 (both at average of the past twelve months)); capital employed = non-current assets + working capital

4) Working capital = inventories + trade receivables - trade payables - advance payments received

5) Amounts adjusted due to change in accounting policy for pension obligations and leasing obligations (see page 32 f.)

Order intake is recognized on the basis of legally valid contracts. Intersegment revenue is calculated using standard market prices.

In accordance with the internal management system as described in the 2011 Annual Report, the profitability of the individual group segments is measured using earnings before interest, tax, depreciation, and amortization ("EBITDA"), earnings before interest and tax ("EBIT") as presented in the income statement, and the EBIT margin.

In addition, management monitors EBITDA and EBIT also adjusted for effects resulting from the remeasurement of the assets acquired as part of a business combination ("before purchase price allocation"). These effects relate on the one hand to the revalued amount of inventories recognized as production costs that reduces earnings, and on the other to the amortization of the revalued amount from the measurement of property, plant and equipment and intangible assets at fair value.

The following table shows the reconciliation of EBITDA before purchase price allocation and nonrecurring factors to EBIT:

Reconciliation of EBITDA before purchase price allocation and one-offs to EBIT (EUR million)	Q2 2012	Q2 <sup>1</sup> 2011	Change (%)	Q1-Q2 2012	Q1-Q2 <sup>1</sup> 2011	Change (%)
<b>EBITDA pre PPA and one-offs</b>	<b>143.1</b>	<b>135.7</b>	<b>5.5</b>	<b>243.9</b>	<b>227.6</b>	<b>7.1</b>
Depreciation of property, plant and equipment, investment property, and amortization of intangible assets	-24.1	-26.0	7.3	-49.9	-48.9	-2.0
<b>EBIT pre PPA and one-offs</b>	<b>119.0</b>	<b>109.7</b>	<b>8.5</b>	<b>193.9</b>	<b>178.7</b>	<b>8.5</b>
Depreciation and amortization on capitalization of purchase price allocation	-6.6	-10.7	38.0	-12.9	-12.9	-0.2
Realization of step-up amounts on inventories	-0.4	-19.7	97.8	-0.6	-19.7	97.1
One-offs <sup>2</sup>	–	–	–	-35.8	–	–
<b>EBIT</b>	<b>111.9</b>	<b>79.3</b>	<b>41.1</b>	<b>144.7</b>	<b>146.1</b>	<b>-1.0</b>

1) Amounts adjusted due to change in accounting policy for pension obligations and leasing obligations (see page 32 f.)

2) One-offs from GEA Food Solutions due to changes of estimation (see page 38)

Reconciliation EBITDA to EBIT (EUR million)	Q2 2012	Q2 <sup>*</sup> 2011	Change (%)	Q1-Q2 2012	Q1-Q2 <sup>*</sup> 2011	Change (%)
<b>EBITDA</b>	<b>142.6</b>	<b>116.0</b>	<b>23.0</b>	<b>207.5</b>	<b>207.9</b>	<b>-0.2</b>
Depreciation of property, plant and equipment, investment property, and amortization of intangible assets	-30.7	-36.7	16.2	-62.8	-61.8	-1.7
<b>EBIT</b>	<b>111.9</b>	<b>79.3</b>	<b>41.1</b>	<b>144.7</b>	<b>146.1</b>	<b>-1.0</b>

<sup>\*</sup>) Amounts adjusted due to change in accounting policy for pension obligations and leasing obligations (see page 32 f.)

A reconciliation of EBIT to profit or loss before income tax is contained in the income statement.

ROCE is regularly used to assess how effectively the capital invested in business operations is being used.

The recognition and measurement policies for segment assets and liabilities, and hence also for working capital, are the same as those used in the group and described in the accounting policies section of the 2011 Annual Report.

The following table shows the reconciliation of working capital to total assets:

Reconciliation of working capital to total assets (EUR million)	06/30/2012	06/30/2011 *
<b>Working capital (reporting date)</b>	<b>764.3</b>	<b>707.3</b>
Working capital (reporting date) of Ruhr-Zink	-0.1	-0.1
Non-current assets	3,529.4	3,272.0
Income tax receivables	19.7	20.5
Other current financial assets	213.1	200.3
Cash and cash equivalents	292.9	274.0
Assets held for sale	18.3	3.2
plus trade payables	690.4	652.1
plus advance payments in respect of orders and construction contracts	297.1	242.6
plus gross amount due to customers for contract work	373.8	331.6
<b>Total assets</b>	<b>6,198.8</b>	<b>5,703.6</b>

\*) Amounts adjusted due to change in accounting policy for pension obligations and leasing obligations (see page 32 f.)

## 8. Related party transactions

There were no material related party transactions with an effect on the results of operations, financial position, and net assets.

## Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the material opportunities and risks associated with the expected development of the group for the remaining months of the fiscal year.

Düsseldorf, July 30, 2012

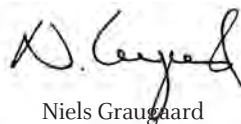
The Executive Board



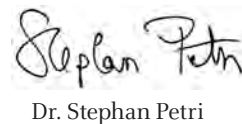
Jürg Oleas



Dr. Helmut Schmale



Niels Graugaard



Dr. Stephan Petri







# Financial Calendar

October 29, 2012      Quarterly Financial Report for the period to September 30, 2012

March 11, 2013      Annual Report 2012

## The GEA Group Stock: Key data

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

## American Depositary Receipts (ADR)

CUSIP	361592108
Bloomberg code	GEAGY:US
Sponsor	Deutsche Bank Trust Company Americas
ADR-Level	1
Ratio	1:1

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This 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.

Rounding differences may occur in the tables due to calculatory reasons.

This report is a translation of the German original; in the event of variances, the German version shall take precedence over the English translation.

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*We live our values.*

Excellence • Passion • Integrity • Responsibility • GEA-versity

GEA Group is a global engineering company with multi-billion euro sales and operations in more than 50 countries. Founded in 1881 the company is one of the largest providers of innovative equipment and process technology. GEA Group is listed in the STOXX® Europe 600 Index.



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