Quarterly Financial Report

January 1 – March 31, 2014

engineering for a better world

GEA Group: Key IFRS figures

(EUR million)	Q1 2014	Q1 [1] 2013	Change in %
Results of operations			
Order intake	1,024.3	1,095.1	–6.5
Revenue	950.7	924.2	2.9
Order backlog	2,086.7	1,982.6	5.3
Operating EBITDA [2]	85.1	72.4	17.6
as % of revenue	9.0	7.8	–
EBITDA	83.0	71.1	16.8
Operating EBIT [2]	66.8	55.4	20.5
as % of revenue	7.0	6.0	–
EBIT	58.7	48.1	22.2
as % of revenue	6.2	5.2	–
EBT	40.4	34.6	16.8
Profit after tax from continuing operations	31.7	27.8	14.1
Profit or loss after tax from discontinued operations	15.5	13.0	18.8
Profit for the period	47.2	40.8	15.6
Net assets			
Total assets	6,331.6	6,376.3	–0.7
Equity	2,355.6	2,229.2	5.7
as % of total assets	37.2	35.0	–
Working capital (reporting date)	535.3	514.7	4.0
Working capital (average of the past 12 months)	512.6	511.5	0.2
as % of revenue (average of the past 12 months)	11.8	12.2	–
Net liquidity (+)/Net debt (-) (including discontinued operations)	–432.4	–494.0	12.5
Financial position			
Cash flow from operating activities	–158.6	–112.0	–41.7
Cash flow driver [3]	404.3	309.7	30.5
as % of revenue (past 12 months)	9.3	7.4	–
Capital employed (reporting date)	2,711.7	2,705.4	0.2
Capital employed (average of the past 12 months)	2,691.9	2,722.1	–1.1
ROCE in % (EBIT/Capital Employed) [4]	16.0	13.1	–
ROCE in % (goodwill adjusted) [5]	22.6	18.8	–
Capital expenditure on property, plant and equipment	18.9	17.7	7.1
Full-time equivalents (reporting date) excluding vocational trainees and inactive employment contracts	17,998	17,324	3.9
GEA Shares			
Earnings per share pre purchase price allocation (EUR)	0.27	0.24	13.0
Earnings per share (EUR)	0.25	0.21	15.7
Weighted average number of shares outstanding (million)	192.5	192.5	–

1) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.)
2) Before effects of purchase price allocations and before one-offs (see page 43)
3) Cash flow driver = EBITDA - Capital expenditure - Change in Working Capital (average of the past 12 months)
4) Capital employed including goodwill from the acquisition of the former GEA AG by the former Metallgesellschaft AG in 1999 (average of the past 12 months)
5) Capital employed excluding goodwill from the acquisition of the former GEA AG by the former Metallgesellschaft AG in 1999 (average of the past 12 months)

Management Report

German Accounting Standard 20 (GAS 20), "Group Management Report" was employed for the first time in the 2013 Annual Report. The majority of the resulting changes to the management report have also been applied to this quarterly report.

Since the food industry now accounts for nearly 75 percent of GEA's sales sectors, the revenue by customer industry has been revised. The milk business is now divided into milking/farming on the one hand and dairy processing on the other. Milking/farming comprises milking equipment as well as all other equipment for dairy farms, whereas dairy processing covers, for example, facilities for producing baby formula from dairy powder. The food and beverages industries are the other customer industries in the food business, as before. In addition, the breakdown into the two other major areas – pharma/chemical and other industries – has been preserved. The other customer industries primarily groups together the environmental, power generation, oil and gas, as well as marine industries. The reporting structure will be adapted in line with this as from this financial report.

The following explanation of the group's course of business relates initially to the Group's four operating segments that have been allocated to continuing operations. As already presented in the 2013 Annual Report, the GEA Food Solutions and GEA Mechanical Equipment operating segments were combined as of the beginning of fiscal year 2014. Therefore, starting with this quarterly report, the two segments are being reported as a single segment, GEA Mechanical Equipment. The performance of the GEA Heat Exchangers Segment is presented separately in the section relating to discontinued operations (see page 21f.).

The quarterly information contained in this management report is sourced from financial reports that were not audited or reviewed in accordance with the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act). All amounts have been rounded using standard rounding rules. Adding together individual amounts may therefore result in rounding differences in certain cases.

Report on Economic Position

Course of business

Order intake

Order intake in the group declined by 6.5 percent to EUR 1,024.3 million in the first quarter of 2014 (previous year: EUR 1,095.1 million). Organic growth fell by a mere 2.5 percent. This decline is attributable to the smaller number of major projects, which impacted the GEA Process Engineering Segment in particular. In the first quarter of 2014, the group booked just one major order with a volume of EUR 22 million. This was for a dairy powder plant in the Asia/Pacific region. By contrast, the segment's basic business was stable. The lack of major orders in the GEA Mechanical Equipment and GEA Refrigeration Technologies segments was supplemented by significant growth in their basic business. The GEA Farm Technologies Segment hit a new record figure for order intake in the past quarter.

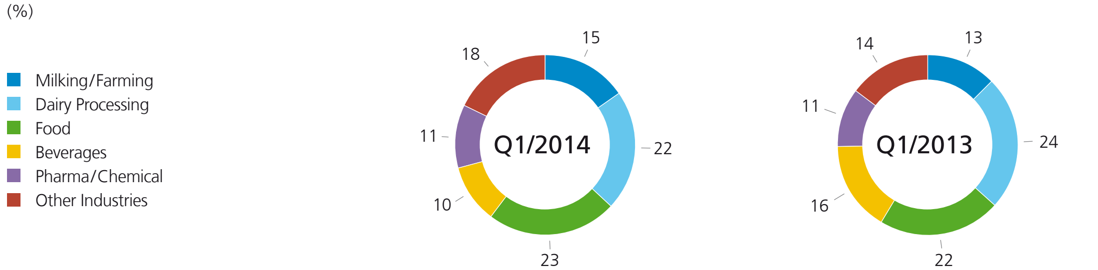
Order intake (EUR million)	Q1 2014	Q1 * 2013	Change in %
GEA Farm Technologies	161.6	138.8	16.5
GEA Mechanical Equipment	339.1	329.7	2.9
GEA Process Engineering	366.7	481.3	–23.8
GEA Refrigeration Technologies	192.9	177.9	8.4
Total	**1,060.2**	**1,127.6**	**–6.0**
Consolidation/other	–36.0	–32.6	–10.4
GEA Group	**1,024.3**	**1,095.1**	**–6.5**

*) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.) and due to the combination of GEA Food Solutions and GEA Mechanical Equipment (see page 40)

The decline in order intake of around EUR 70 million was primarily due to the dairy processing and beverages customer industries. At a regional level, the decrease mainly occurred in North and Latin America. The share of GEA's business accounted for by the beverages customer industry declined to 10 percent (previous year: 16 percent). However, it should be noted in this context that GEA received multiple major orders for breweries in the prior-year period.

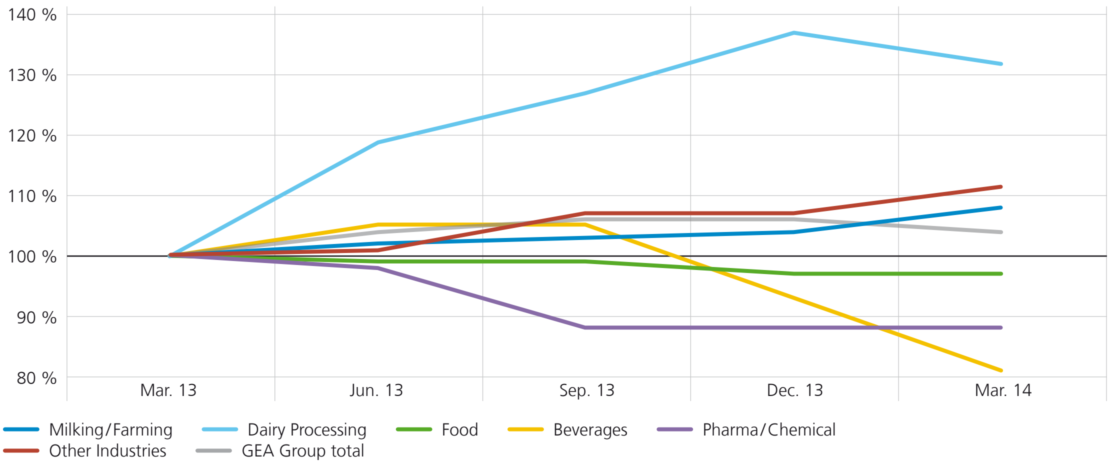
Order intake by customer industries

(%)

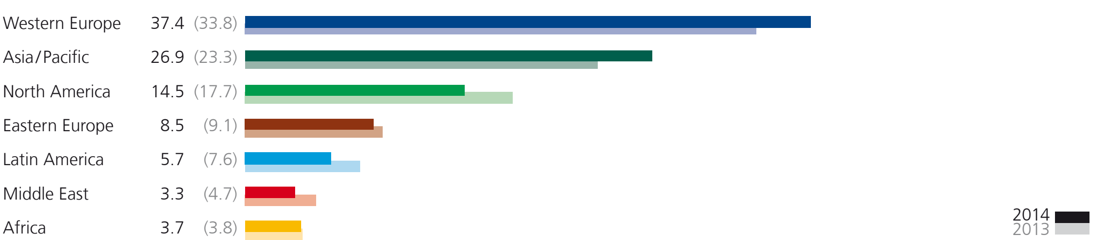


GEA Group order intake EUR 1,024.3 million (previous year EUR 1,095.1 million)

by sector (average last 12 months)



by region (%, average last 12 months)



Order backlog

The order backlog rose further to EUR 2,086.7 million, up by EUR 71.3 million or 3.5 percent compared with December 31, 2013 (EUR 2,015.5 million). The effects of exchange rate movements were insignificant.

Around EUR 1,600 million of the order backlog as of March 31, 2014, is billable in the current fiscal year.

Order backlog (EUR million)	03/31/2014	03/31/2013 *	Change in %
GEA Farm Technologies	114.3	107.8	6.1
GEA Mechanical Equipment	456.3	442.6	3.1
GEA Process Engineering	1,267.9	1,164.2	8.9
GEA Refrigeration Technologies	272.2	283.6	–4.0
Total	**2,110.8**	**1,998.2**	**5.6**
Consolidation/other	–24.0	–15.6	–54.0
GEA Group	**2,086.7**	**1,982.6**	**5.3**

*) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.) and due to the combination of GEA Food Solutions and GEA Mechanical Equipment (see page 40)

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 less volatile than order intake.

In the first quarter of 2014, group revenue increased by 2.9 percent to EUR 950.7 million (previous year: EUR 924.2 million). Exchange rate developments impacted this figure by –3.1 percent. Organic revenue thus increased significantly by 6.0 percent year-on-year.

The share contributed by the service business, which grew by 2.7 percent, remained unchanged at 28.8 percent (previous year: 28.8 percent).

The book-to-bill ratio – i.e., the ratio of order intake to revenue – was 1.1 in the first quarter of 2014, after 1.2 in the previous year.

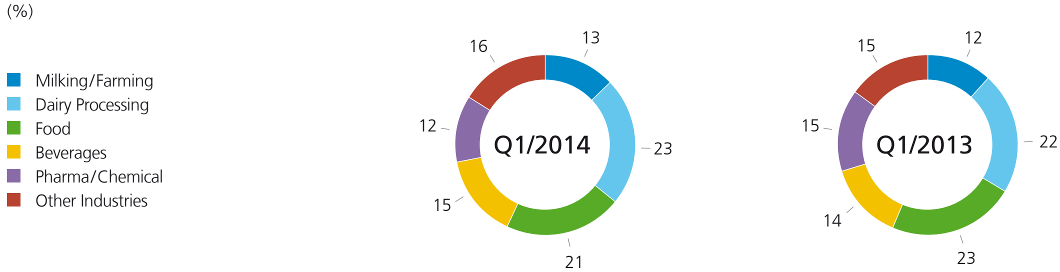
Revenue (EUR million)	Q1 2014	Q1 * 2013	Change in %
GEA Farm Technologies	126.6	110.8	14.3
GEA Mechanical Equipment	310.0	298.1	4.0
GEA Process Engineering	390.7	394.3	–0.9
GEA Refrigeration Technologies	154.9	152.1	1.9
Total	**982.3**	**955.4**	**2.8**
Consolidation/other	–31.7	–31.2	–1.5
GEA Group	**950.7**	**924.2**	**2.9**

*) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.) and due to the combination of GEA Food Solutions and GEA Mechanical Equipment (see page 40)

The food and beverages end market increased its share of GEA's business by 2.0 percentage points to 72 percent. By contrast, the share accounted for by the pharma/chemical customer industry decreased by 2.7 percentage points. In regional terms, Western Europe in particular grew significantly by 3.6 percentage points.

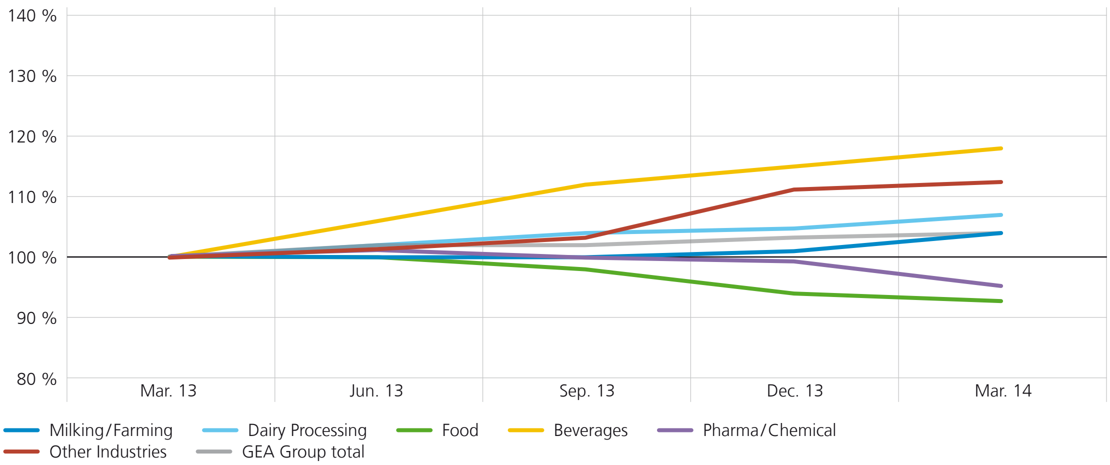
Revenue by customer industries

(%)

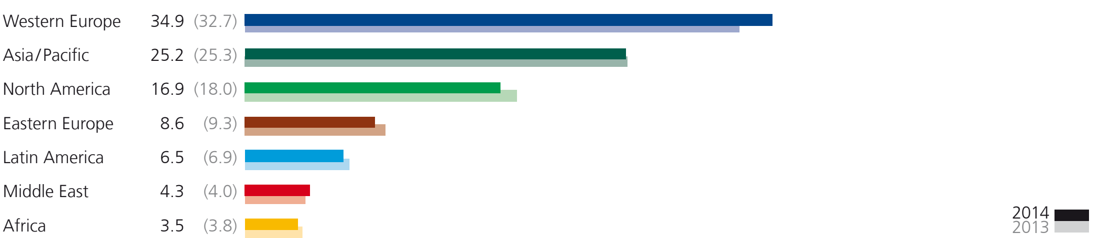


GEA Group revenue EUR 950.7 million (previous year EUR 924.2 million)

by sector (average last 12 months)



by region (%, average last 12 months)



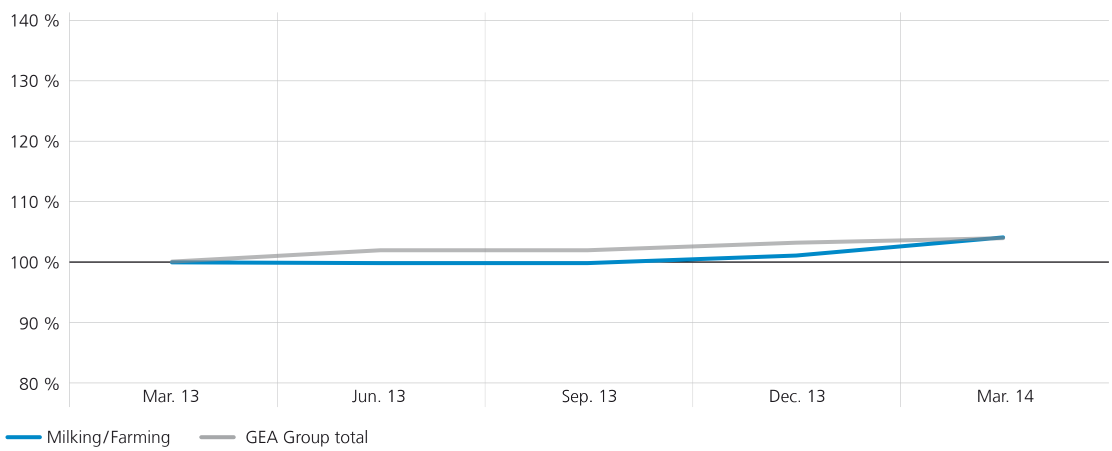
GEA Farm Technologies Segment

The trends affecting revenue in the GEA Farm Technologies Segment are largely the same as those governing order intake, as the order backlog usually amounts to only 6 to 10 weeks' revenues. With revenue of EUR 126.6 million, the segment posted its highest-ever figure for a first quarter. Adjusted for the effect of exchange rate changes of –6.0 percent, organic growth in the past quarter amounted to an impressive 20.2 percent. The service business expanded by 9.9 percent in the quarter under review. Its share of total revenue was 46.1 percent (previous year: 48.0 percent).

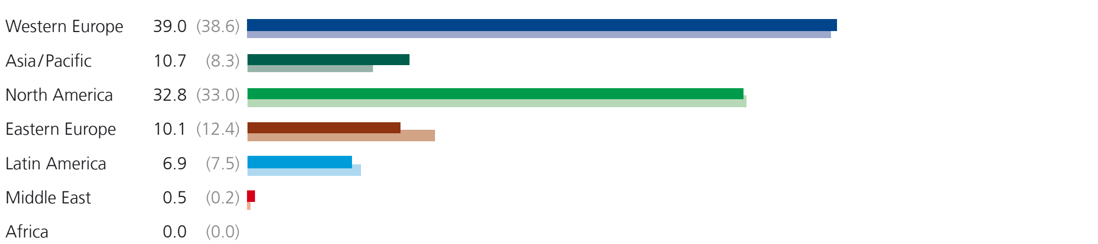
The segment operates exclusively in the milking/farming production customer industry and revenue in the first quarter of 2014 was focused on Western Europe (42 percent) and North America (36 percent). These regions were also the main sources of momentum in the quarter under review.

GEA Farm Technologies revenue EUR 126.6 million (previous year EUR 110.8 million)

by sector (average last 12 months, only external business)



by region (%, average last 12 months)



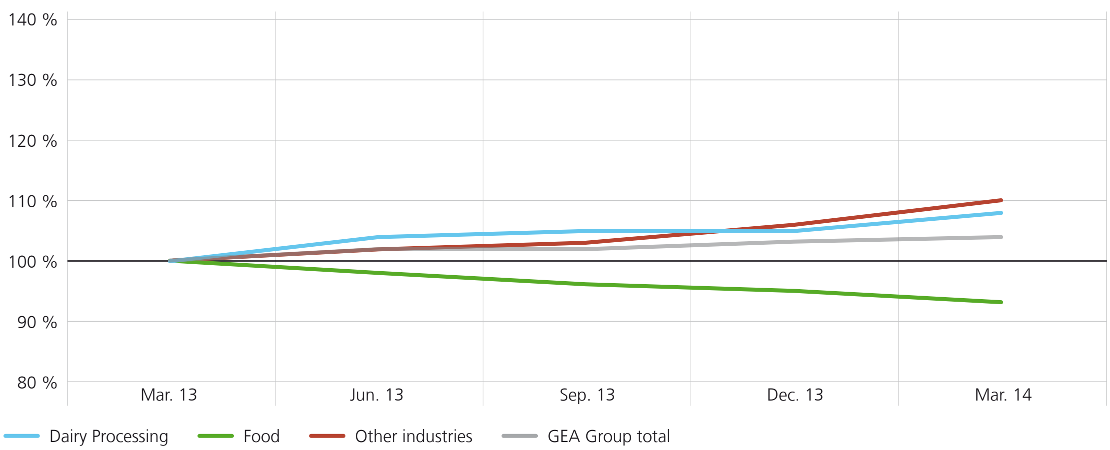
GEA Mechanical Equipment Segment

The GEA Mechanical Equipment Segment again exceeded its very strong prior-year level – by 4.0 percent – generating revenue of EUR 310.0 million in the first quarter, after EUR 298.1 million in the previous year. Adjusted for the effect of exchange rate changes of –2.5 percent, organic revenue growth amounted to an encouraging 6.5 percent in the past quarter. The service business recorded growth of 3.8 percent, while its share of total revenue remained almost unchanged at 36.6 percent (previous year: 36.7 percent).

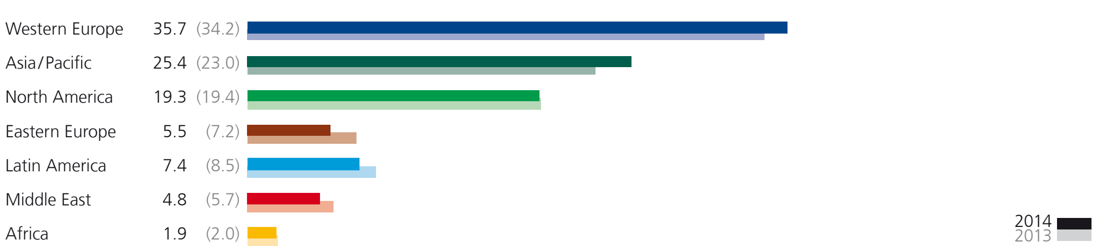
The segment's most important end market is the food and beverages sector, at 65 percent. The third-party customer business in this end market is largely stable. Intragroup deliveries to the GEA Process Engineering Segment provided significant momentum. The key growth regions were North America and the Asia/Pacific region, which grew by 25 and 27 percent respectively, increasing their revenue shares by 3.9 and 4.4 percentage points. By contrast, revenue in the Middle East declined (–4.0 percentage points).

GEA Mechanical Equipment revenue EUR 310.0 million (previous year EUR 298.1 million)

by sector (average last 12 months, 3 most important industries, only external business)



by region (%, average last 12 months)



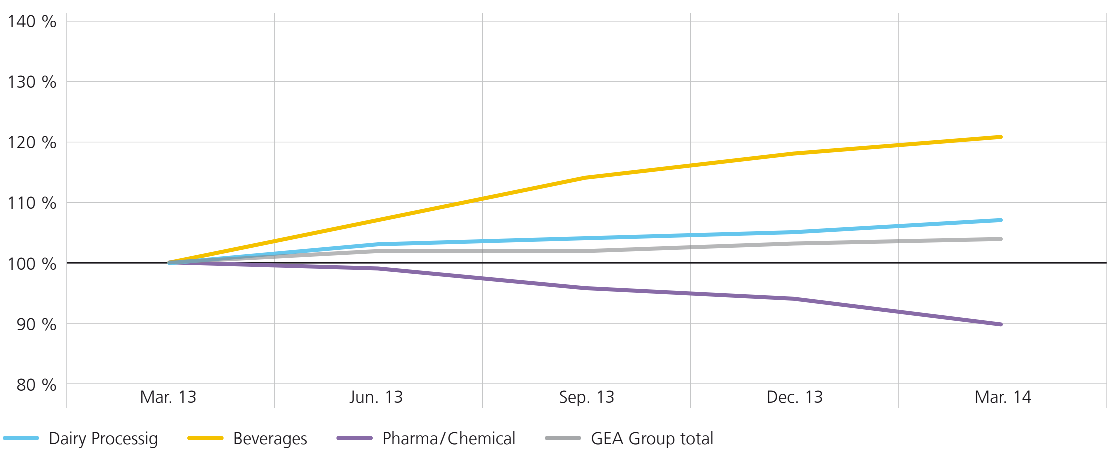
GEA Process Engineering Segment

The GEA Process Engineering Segment recorded revenue roughly on a level with the previous year, at EUR 390.7 million. Adjusted for the effect of negative exchange rate changes (–2.4 percent), organic growth amounted to just 1.5 percent for billing reasons. Revenue in the service business decreased by 5.2 percent in the quarter under review, taking its share of total revenue from 14.9 percent down to 14.3 percent.

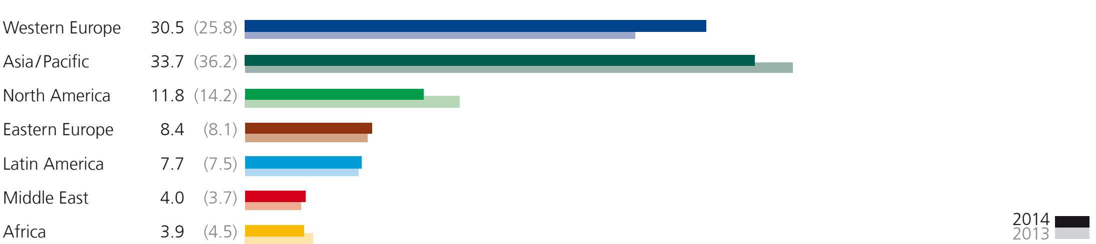
The food and beverages end market grew by 8 percent, lifting its share by a clear 6.2 percentage points to 74 percent. In contrast, the trend in the pharma/chemical customer industry was negative and its share of revenue decreased by 4.1 percentage points. In regional terms, significant growth was realized in Western and Eastern Europe, in contrast to weaker development in North America and the Asia/Pacific region. At 36 percent, Western Europe accounts for the largest portion of the segment's revenue, followed by the Asia/Pacific region (31 percent).

GEA Process Engineering revenue EUR 390.7 million (previous year EUR 394.3 million)

by sector (average last 12 months, 3 most important industries, only external business)



by region (%, average last 12 months)



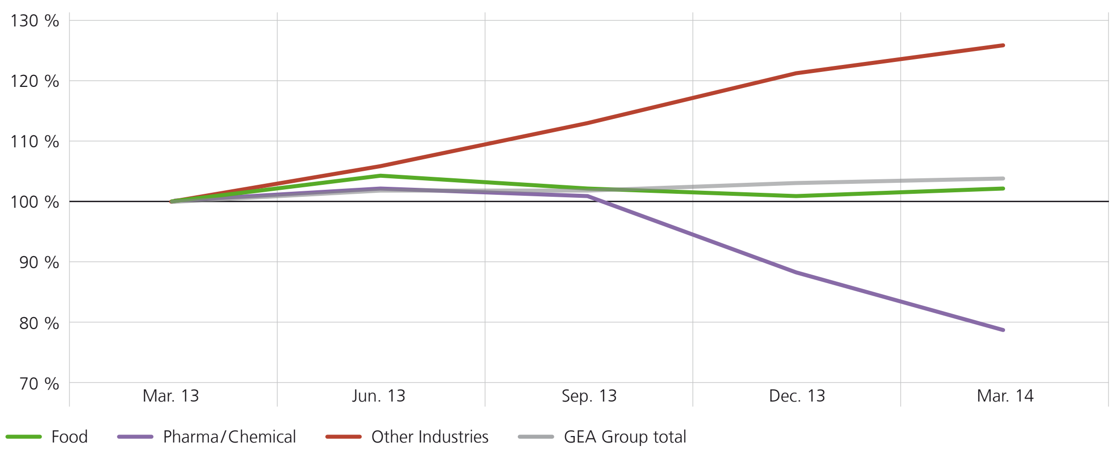
GEA Refrigeration Technologies Segment

The GEA Refrigeration Technologies Segment hit a new record figure for first-quarter revenue, at EUR 154.9 million. Year-on-year growth amounted to 1.9 percent. Adjusted for the effect of exchange rate changes of –3.4 percent, organic growth was a healthy 5.3 percent. Revenue in the service business grew by 1.8 percent. This corresponds to an unchanged 29.5 percent share of total revenue.

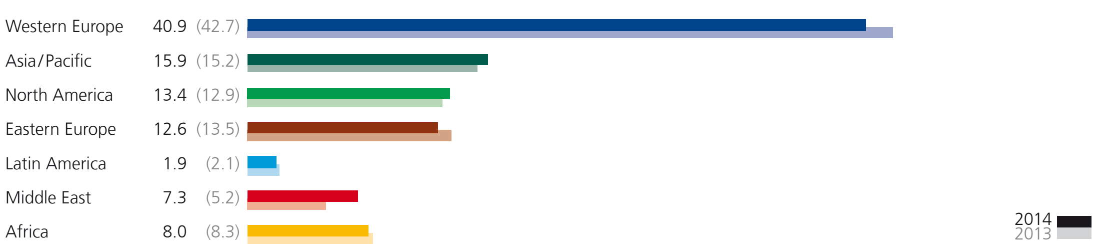
While the food and beverages end market's share of revenue remained unchanged overall, the pharma/chemical customer industry saw a declining trend. The other industries reported positive momentum. The key growth regions in the first quarter were North America and the Asia/Pacific region, with growth rates of well above 30 percent and over 15 percent respectively. These regions increased their share of revenue by 3.8 percentage points and 1.6 percentage points.

GEA Refrigeration Technologies revenue EUR 154.9 million (previous year EUR 152.1 million)

by sector (average last 12 months, 3 most important industries, only external business)



by region (%, average last 12 months)



Results of operations, financial position and net assets

Results of operations

GEA remains committed to its policy of consciously selecting orders on the basis of their price quality and contract terms. This is reflected in the multi-stage approval process for major customer projects.

Whenever operating profit is referred to in the following, this relates on the one hand to the adjustment of the purchase price allocation effects that were determined for all material past acquisitions, and on the other hand to the adjustment of expenses for strategic projects and the allocation of management fees and trademark fees required in accordance with IFRSs.

The key earnings figures for the first quarter of 2014 were adjusted overall for nonrecurring expenses of EUR 2.1 million. These expenses are attributable to strategic projects (EUR 1.4 million), as well as the fact that management fees and trademark fees previously allocated to GEA Heat Exchangers now have to be allocated to the continuing operations including the holding company in accordance with IFRSs. In the past quarter, these fees amounted to EUR 0.7 million (previous year: EUR 1.0 million; see page 43 f.).

EBITDA in the first quarter of 2014 amounted to EUR 83.0 million, up 16.8 percent on the figure for the previous year of EUR 71.1 million. This corresponds to an EBITDA margin of 8.7 percent and a year-on-year rise of 104 basis points (previous year: 7.7 percent). Adjusted for nonrecurring items of EUR 2.1 million, operating EBITDA amounted to EUR 85.1 million, up EUR 12.7 million on the prior year (EUR 72.4 million). As a result, the operating EBITDA margin improved by a further 112 basis points to 9.0 percent of revenue. The operating EBITDA as well as the operating EBITDA margin are on new record levels for a first quarter.

The following table shows operating EBITDA and the corresponding EBITDA margin per segment:

Operating EBITDA/operating EBITDA margin [1] (EUR million)	Q1 2014	Q1 [2] 2013	Change in %
GEA Farm Technologies	6.1	3.1	99.6
as % of revenue	4.8	2.8	–
GEA Mechanical Equipment	42.1	38.6	9.2
as % of revenue	13.6	12.9	–
GEA Process Engineering	30.2	29.4	2.6
as % of revenue	7.7	7.5	–
GEA Refrigeration Technologies	12.4	9.6	29.1
as % of revenue	8.0	6.3	–
Total	**90.8**	**80.7**	**12.6**
as % of revenue	**9.2**	**8.4**	**–**
Consolidation/other	–5.7	–8.3	31.3
GEA Group	**85.1**	**72.4**	**17.6**
as % of revenue	**9.0**	**7.8**	**–**

1) Before effects of purchase price allocations and before one-offs (see page 43)
2) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.) and due to the combination of GEA Food Solutions and GEA Mechanical Equipment (see page 40)

The following table shows the reconciliation of EBITDA before purchase price allocation and nonrecurring items (operating EBITDA) through EBIT before purchase price allocation and nonrecurring items (operating EBIT) to EBIT for continuing operations:

Reconciliation of operating EBITDA to EBIT (EUR million)	Q1 2014	Q1 * 2013	Change in %
Operating EBITDA	**85.1**	**72.4**	**17.6**
Depreciation of property, plant and equipment, investment property, and amortization of intangible assets	–18.3	–16.9	–8.3
Operating EBIT	**66.8**	**55.4**	**20.5**
Depreciation and amortization on capitalization of purchase price allocation	–5.9	–6.1	1.8
Realization of step-up amounts on inventories	–	–0.3	–
One-offs	–2.1	–1.0	< -100
EBIT	**58.7**	**48.1**	**22.2**

*) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.)

The reconciliation of EBITDA to EBIT is as follows:

Reconciliation EBITDA to EBIT (EUR million)	Q1 2014	Q1 * 2013	Change in %
EBITDA	**83.0**	**71.1**	**16.8**
Depreciation of property, plant and equipment, investment property, and amortization of intangible assets	–24.3	–23.0	–5.6
EBIT	**58.7**	**48.1**	**22.2**

*) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.)

The following table shows operating EBIT and the EBIT margin per segment:

Operating EBIT/operating EBIT margin 1 (EUR million)	Q1 2014	Q1 2 2013	Change in %
GEA Farm Technologies	3.1	0.1	> 100
as % of revenue	2.4	0.1	–
GEA Mechanical Equipment	34.5	32.7	5.6
as % of revenue	11.1	11.0	–
GEA Process Engineering	26.6	25.7	3.6
as % of revenue	6.8	6.5	–
GEA Refrigeration Technologies	10.0	7.3	36.0
as % of revenue	6.4	4.8	–
Total	**74.1**	**65.8**	**12.6**
as % of revenue	**7.5**	**6.9**	**–**
Consolidation/other	–7.4	–10.4	29.1
GEA Group	**66.8**	**55.4**	**20.5**
as % of revenue	**7.0**	**6.0**	**–**

1) Before effects of purchase price allocations and before one-offs (see page 43)
2) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.) and due to the combination of GEA Food Solutions and GEA Mechanical Equipment (see page 40)

EBIT rose by more than 22 percent in the first quarter to EUR 58.7 million (previous year: EUR 48.1 million). The EBIT margin improved by 98 basis points to 6.2 percent (previous year: 5.2 percent). Operating EBIT, which is adjusted for purchase price allocation effects of EUR 5.9 million (previous year: EUR 6.3 million) and nonrecurring items of EUR 2.1 million (previous year: EUR 1.0 million), increased by more than 20 percent to EUR 66.8 million (previous year: 55.4 million). The operating EBIT margin improved by 103 basis points to 7.0 percent of revenue.

Key figures: Results of operations (EUR million)	Q1 2014	Q1 [1] 2013	Change in %
Revenue	950.7	924.2	2.9
Operating EBITDA [2]	85.1	72.4	17.6
EBITDA pre purchase price allocation	83.0	71.3	16.4
EBITDA	83.0	71.1	16.8
Operating EBIT [2]	66.8	55.4	20.5
EBIT pre purchase price allocation	64.7	54.4	18.9
EBIT	58.7	48.1	22.2
Interest	18.3	13.5	35.9
EBT	40.4	34.6	16.8
Income taxes	8.7	6.8	27.9
Profit after tax from continuing operations	31.7	27.8	14.1
Profit/loss after tax from discontinued operations	15.5	13.0	18.8
Profit for the period	47.2	40.8	15.6

1) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.)
2) Before effects of purchase price allocations and before one-offs (see page 43)

Net interest income amounted to EUR –18.3 million in the first quarter of 2014, after EUR –13.5 million in the prior-year quarter. The change of EUR –4.8 million is mainly attributable to the changes in the discount rate used to measure noncurrent provisions. The interest expense on employee benefit obligations remained almost unchanged year-on-year. The other components of net interest income resulted in a EUR 3.2 million reduction overall in the negative impact on earnings.

EBT in the first quarter of 2014 amounted to EUR 40.4 million, EUR 5.8 million higher than the previous year's figure (EUR 34.6 million). The corresponding EBT margin improved by 51 basis points to 4.2 percent.

The income tax expense was EUR 8.7 million in the reporting period (previous year: EUR 6.8 million). This corresponds to a tax rate of 21.4 percent, after 19.6 percent in the prior-year quarter.

Discontinued operations generated a profit of EUR 15.5 million (previous year: EUR 13.0 million), which was almost completely attributable to the GEA Heat Exchangers Segment. Further disclosures on the business performance of the GEA Heat Exchangers Segment can be found in the chapter entitled "Performance of Discontinued Operations" (see page 21f.).

Consolidated profit amounted to EUR 47.2 million in the first quarter of 2014 (previous year: EUR 40.8 million). Taking into account the unchanged average number of shares compared with the previous year (192,495,476), this corresponds to earnings per share of EUR 0.25 (previous year: EUR 0.21).

Financial position

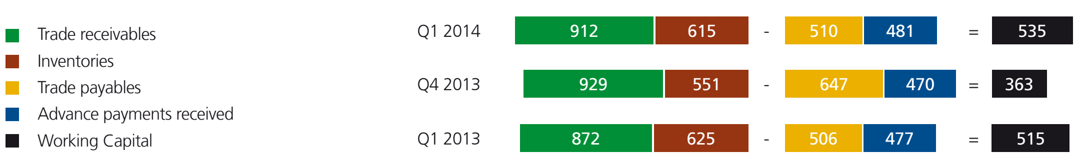
Net debt (including discontinued operations) narrowed year-on-year by EUR 61.5 million to EUR 432.4 million as of March 31, 2014 (March 31, 2013: EUR 494.0 million).

Overview of net liquidity incl. discontinued operations (EUR million)	03/31/2014	12/31/2013	03/31/2013
Cash and cash equivalents	552.9	795.8	581.4
Liabilities to banks	570.7	564.1	661.3
Bonds	414.6	410.2	414.0
Net liquidity (+)/Net debt (-)	**–432.4**	**–178.6**	**–494.0**

Including discontinued operations, cash and cash equivalents plus marketable securities decreased to EUR 552.9 million as of March 31, 2014, compared with EUR 795.8 million as of the end of the previous year. Liabilities to banks (EUR 269.7 million), from the bond issue (EUR 414.6 million, including accrued interest), and from the borrower's note loans (EUR 301.0 million, including accrued interest) amounted to a total of EUR 985.3 million at the reporting date (December 31, 2013: EUR 974.3 million).

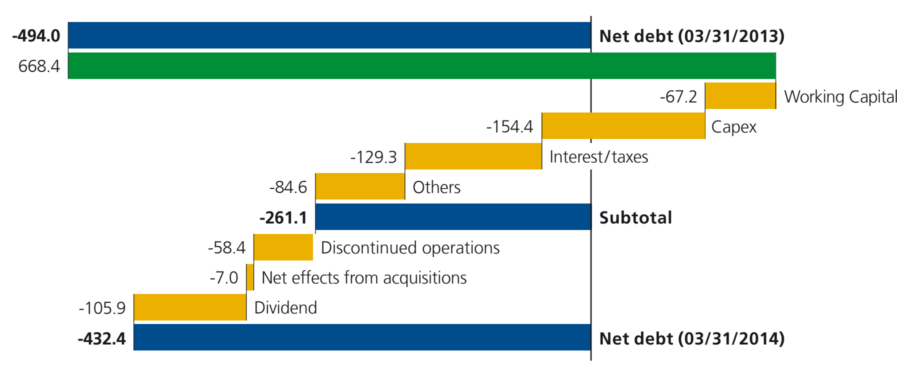
Guarantee lines – which are mainly for contract performance, advance payments, and warranties – of EUR 1,856.0 million (December 31, 2013: EUR 1,886.4 million) were available to GEA Group (including the GEA Heat Exchangers Segment) as of the reporting date, of which EUR 683.5 million (December 31, 2013: EUR 707.9 million) had been utilized.

Change in Working Capital
(EUR million)



The key factors responsible for the change in net debt (including discontinued operations) are shown as averages for the past twelve months in the following chart:

Change in net liquidity / net debt *
(EUR million)



*) last 12 months

The consolidated cash flow statement can be summarized as follows:

Overview of cash flow statement (EUR million)	Q1 2014	Q1 * 2013	Change absolute
Cash flow from operating activities	–158.6	–112.0	–46.6
Cash flow from investing activities	–17.9	–15.0	–2.9
Free cash flow	**–176.6**	**–127.0**	**–49.6**
Cash flow from financing activities	–2.5	–6.4	3.9
Net cash flow from disposal group GEA Heat Exchangers	–61.8	–21.1	–40.7
Net cash flow other discontinued operations	–1.2	–1.6	0.4
Change in unrestricted cash and cash equivalents	–243.7	–156.1	–87.6

*) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.)

Cash flow from operating activities attributable to continuing operations amounted to EUR –158.6 million in the quarter under review, widening by EUR 46.6 million compared with the previous year (EUR –112.0 million). This was primarily attributable to the increase in working capital of EUR 14.7 million, the EUR –19.9 million change in provisions, and the EUR –18.6 million change in other operating assets and liabilities. The EUR 12.0 million increase in EBITDA had a partially offsetting effect.

Cash flow from investing activities attributable to continuing operations declined slightly by EUR 2.9 million in the quarter under review, from EUR –15.0 million to EUR –17.9 million.

By contrast, cash flow from financing activities attributable to continuing operations improved by EUR 3.9 million, rising to EUR –2.5 million in the first quarter of 2014 compared with EUR –6.4 million in the previous year.

Cash flow from discontinued operations amounted to EUR –63.0 million in the first quarter of 2014, comprising EUR –58.5 million from operating activities, EUR –4.2 million from investing activities, and EUR –0.3 million from financing activities. Cash flow from discontinued operations was thus EUR 40.3 million lower than the prior-year figure of EUR –22.7 million.

Cash flow drivers

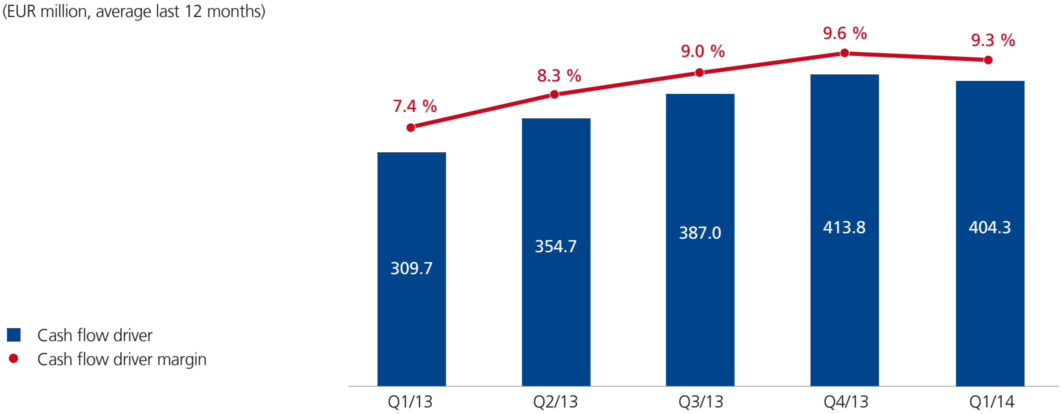
GEA Group's overriding goal is to sustainably increase its enterprise value by growing profitably. In order to create the requisite financial scope for this and to focus the group even more closely on cash flow generation, a new key performance indicator – the "cash flow driver margin" – was introduced in fiscal year 2012 and was also incorporated into the management bonus system.

GEA defines the cash flow driver margin as the net amount of reported EBITDA, the change in average working capital, and capital expenditure on property, plant and equipment as well as intangible assets, calculated as a ratio to revenue.

Cash flow driver/Cash flow driver margin (EUR million)	03/31/2014
EBITDA (last 12 months)	527.1
Capital expenditure on property, plant and equipment (last 12 months)	121.8
Change in Working Capital (average of the past 12 months)	1.1
Cash flow driver (EBITDA - Capex -/+Change in Working Capital)	**404.3**
as % of revenue (past 12 months)	**9.3**

Cash flow driver / Cash flow driver margin

(EUR million, average last 12 months)



Net assets

Condensed balance sheet (EUR million)	03/31/2014	as % of total assets	12/31/2013	as % of total assets	Change in %
Assets					
Non-current assets	2,569.4	40.6	2,577.8	39.9	–0.3
thereof goodwill	1,314.3	20.8	1,312.6	20.3	0.1
thereof deferred taxes	389.2	6.1	385.8	6.0	0.9
Current assets	3,762.2	59.4	3,886.8	60.1	–3.2
thereof cash and cash equivalents	464.7	7.3	683.5	10.6	–32.0
thereof assets held for sale	1,611.2	25.4	1,605.8	24.8	0.3
Total assets	**6,331.6**	**100.0**	**6,464.6**	**100.0**	**–2.1**
Equity and liabilities					
Equity	2,355.6	37.2	2,315.7	35.8	1.7
Non-current liabilities	1,855.5	29.3	1,855.9	28.7	–0.0
thereof financial liabilities	956.6	15.1	957.8	14.8	–0.1
thereof deferred taxes	99.3	1.6	98.8	1.5	0.5
Current liabilities	2,120.6	33.5	2,293.0	35.5	–7.5
thereof financial liabilities	75.3	1.2	67.9	1.0	11.0
thereorf liabilities held for sale	584.3	9.2	619.9	9.6	–5.7
Total equity and liabilities	**6,331.6**	**100.0**	**6,464.6**	**100.0**	**–2.1**

Total assets as of March 31, 2014, declined by EUR 133.0 million or 2.1 percent as against December 31, 2013, to EUR 6,331.6 million. This reduction in total assets is due to the decrease in cash funds in particular. By contrast, inventories and receivables from tax authorities increased. The structure of noncurrent and current assets shifted slightly towards noncurrent assets.

The EUR 39.9 million increase in equity can be explained by the consolidated profit of EUR 47.2 million on the one hand, and negative currency translation effects of EUR 5.1 million on the other. The equity ratio therefore improved by 1.4 percentage points compared with the end of 2013 (35.8 percent) to 37.2 percent.

Noncurrent liabilities amounted to EUR 1,855.5 million at the reporting date, hardly changing as against December 31, 2013. At EUR 1,536.3 million as of the reporting date, current liabilities excluding liabilities held for sale were down EUR 136.9 million on the figure for December 31, 2013 (EUR 1,673.2 million). The reduction in trade payables was the main reason for this.

Liabilities held for sale declined by EUR 35.6 million as against December 31, 2013, to EUR 584.3 million.

Employees

There were 17,998 employees as of March 31, 2014 (excluding the GEA Heat Exchangers Segment). This represents an increase of 248 employees compared with December 31, 2013 (17,750 employees), including 65 in Germany and 88 in the Asia/Pacific region. Changes in the basis of consolidation increased the number of employees by 24.

Employees [1] by segment	03/31/2014		12/31/2013 [2]		03/31/2013 [3]	
GEA Farm Technologies	2,331	12.9%	2,293	12.9%	2,346	13.5%
GEA Mechanical Equipment	5,945	33.0%	5,878	33.1%	5,766	33.3%
GEA Process Engineering	6,023	33.5%	5,949	33.5%	5,612	32.4%
GEA Refrigeration Technologies	3,389	18.8%	3,325	18.7%	3,294	19.0%
Total	**17,688**	**98.3%**	**17,445**	**98.3%**	**17,017**	**98.2%**
Other	310	1.7%	305	1.7%	306	1.8%
GEA Group	**17,998**	**100.0%**	**17,750**	**100.0%**	**17,324**	**100.0%**

1) Full-time equivalents (FTE) excluding vocational trainees and inactive employment contracts
2) Amounts adjusted due to the combination of GEA Food Solutions and GEA Mechanical Equipment (see page 40)
3) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.) and due to the combination of GEA Food Solutions and GEA Mechanical Equipment (see page 40)

There were no major shifts in the regional breakdown as against December 31, 2013.

Employees [1] by region	03/31/2014		12/31/2013		03/31/2013 [2]	
Western Europe	11,320	62.9%	11,230	63.3%	11,110	64.1%
Asia/Pacific	3,157	17.5%	3,069	17.3%	2,806	16.2%
North America	2,005	11.1%	1,964	11.1%	1,967	11.4%
Eastern Europe	688	3.8%	673	3.8%	647	3.7%
Latin America	399	2.2%	387	2.2%	377	2.2%
Africa	364	2.0%	361	2.0%	355	2.0%
Middle East	65	0.4%	66	0.4%	62	0.4%
Total	**17,998**	**100.0%**	**17,750**	**100.0%**	**17,324**	**100.0%**

1) Full-time equivalents (FTE) excluding vocational trainees and inactive employment contracts
2) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.)

As of the end of the first quarter of 2014, GEA Group employed 474 vocational trainees compared with 434 at the same date in the previous year. In Germany, the vocational trainee ratio rose slightly from 5.8 percent in the previous year to a good 5.9 percent. This shows how important first-rate vocational training is to GEA; consider it a key investment in the future of our employees and of our company. As in the past, the vocational training level exceeds GEA Group's own needs.

Research and development

In the first quarter of 2014, direct expenses for research and development (R&D) amounted to EUR 20.3 million, compared with EUR 17.6 million in the prior-year period. These figures include refunded expenses (contract costs), which are reported in the cost of sales and which totaled EUR 2.4 million (previous year: EUR 2.9 million). The R&D ratio amounted to 2.1 percent of revenue (previous year: 1.9 percent).

Research and development (R&D) expenses (EUR million)	Q1 2014	Q1 * 2013	Change in %
Refunded expenses (contract costs)	2.4	2.9	–16.2
Non-refunded R&D expenses	17.9	14.7	21.7
Total R&D expenses	**20.3**	**17.6**	**15.5**
R&D ratio (as % of revenue)	**2.1**	**1.9**	**–**

*) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.)

Performance of Discontinued Operations

GEA Heat Exchangers

(EUR million)	Q1 2014	Q1 2013
Order intake	399.7	361.9
Order backlog *	878.8	979.3
Sales	311.4	318.1
Operating EBITDA	25.8	26.1
as % of revenue	8.3	8.2
Employees *	7,194	7,286

*) Reporting date

Order intake

Order intake in the GEA Heat Exchangers Segment rose by 10.4 percent in the reporting period compared with the prior-year quarter, to EUR 399.7 million. Adjusted for the effect of exchange rate changes (–4.3 percent), organic growth amounted to 14.8 percent.

The largest single orders in the first quarter of 2014 – three projects for the oil and gas industry in North and South America – amounted to a total of more than EUR 50 million. In the prior-year period, one major order with a volume of nearly EUR 24 million was booked.

Order backlog

The order backlog rose by EUR 73.7 million or 9.2 percent compared with December 31, 2013 (EUR 805.1 million), to EUR 878.8 million.

Revenue

The GEA Heat Exchangers Segment's revenue declined by 2.1 percent to EUR 311.4 million (previous year: EUR 318.1 million). Adjusted for the effect of exchange rate changes of –3.2 percent, organic growth amounted to 1.1 percent.

Results of operations

The GEA Heat Exchangers Segment's operating EBITDA remained almost constant in the reporting period at EUR 25.8 million despite the lower revenue year-on-year. The corresponding operating EBITDA margin improved by 9 basis points to 8.3 percent.

Employees

The number of employees in the GEA Heat Exchangers Segment amounted to 7,194 as of March 31, 2014, 7 fewer than on December 31, 2013 (7,201 employees).

Other companies

Other companies classified as discontinued operations did not have a material impact overall on consolidated profit in the reporting period.

Report on Post-Balance Sheet Date Events

On April 16, 2014, GEA sold the GEA Heat Exchangers Segment to funds advised by Triton. The sale is based on an enterprise value of around EUR 1.3 billion. The transaction is still subject to approval by the relevant antitrust authorities. The transaction is expected to close at the end of 2014.

On April 16, 2014, GEA Group Aktiengesellschaft's Annual General Meeting approved the proposal by the Supervisory Board and Executive Board to pay a dividend of EUR 0.60 per share for fiscal year 2013.

Report on Risks and Opportunities

There was no significant change in the overall assessment of risks and opportunities in the reporting period compared with the position presented in the 2013 Annual Report.

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

Report on Expected Developments

Economic environment in 2014

In its current World Economic Outlook (April 2014), the International Monetary Fund (IMF) lowered its 2014 growth forecast for the global economy slightly. While expectations for the industrialized nations were left unchanged compared with the last forecast in January 2014, the estimates for emerging markets such as Russia, Brazil, and South Africa were revised downwards. According to the IMF, economic activity in these countries was disappointing at the start of the year, even though they still contributed more than two-thirds to global economic growth.

Overall, the IMF believes that the risks of growth have decreased somewhat since the beginning of the year. This excludes the threat of political risks, such as the crisis between Ukraine and Russia in particular. Nevertheless, the IMF anticipates that the global economy will pick up in 2014 and 2015. Following growth of 3.0 percent in 2013, the global economy is likely to expand by 3.6 percent in the current year and by 3.9 percent next year. This is 0.1 percentage points lower in each case than in the last forecast in January. Key growth drivers in the industrialized nations according to the IMF will be the weaker fiscal headwinds as a result of a less strict austerity program and the loose monetary policy still being pursued by the central banks. The emerging markets are likely to benefit from growing demand in the developed nations. China's overall economic growth is expected to exceed 7.5 percent in 2014.

Business outlook

Provided that there is no slowdown in global economic growth and that exchange rates remain the same as in 2013, and excluding the effect of acquisitions and nonrecurring items, we are aiming for our key performance indicators to develop as follows in the current fiscal year:

Revenue

We expect GEA Group's segments to register moderate revenue growth overall in fiscal year 2014, with the notable exception of GEA Process Engineering, which will grow more strongly than the other segments due to its very healthy order intake in the previous year.

Earnings

We expect operating EBITDA to reach EUR 550 million to EUR 590 million during the period, compared with EUR 530 million in fiscal year 2013. All of GEA Group's segments will contribute to this year-on-year increase. The term "operating" means that the earnings figures are adjusted for the effects of the remeasurement of assets added due to acquisitions, as well as expenses that are nonrecurring in terms of their type or amount.

Cash flow driver margin

With respect to our cash flow drivers, i.e., the net amount of EBITDA, the change in working capital, and capital expenditure, we are aiming for a ratio to revenue of between 9.0 percent and 9.5 percent in 2014, after 9.6 percent in 2013.

Provided that there is no slowdown in the global economy, we expect the group to achieve moderate organic growth. The further increase in profitability together with the ongoing focus on liquidity generation should help ensure we have the financial leeway to successfully implement our strategic growth targets.

Düsseldorf, May 6, 2014

The Executive Board

GEA Shares

The international stock markets initially continued their rally in the first quarter of 2014, pushing the DAX (9,743 points), the MDAX (16,947 points), and the STOXX® Europe TMI Industrial Engineering index (359 points) to new historic highs on January 17. Increasing concerns about the Crimea crisis in particular and about economic growth in China resulted in both the DAX and the MDAX giving up all of their gains by to the end of the quarter. The DAX closed at 9,556 points on March 31, practically unchanged as against the beginning of the year. The MDAX closed the quarter at 16,462 points, down 0.7 percent on the start of the year. The STOXX® Europe TMI Industrial Engineering index ended the first quarter on 356 points, a gain of 3 percent since the year began.

GEA shares also rose on the back of the stock market rally at the start of the year, reaching EUR 35.91 on January 22, a new high for the last two decades. Profit taking as a result of the outlook for full-year 2014 that was announced on February 6 put GEA shares under pressure briefly. In March, the shares lost a disproportionate amount of ground during the market correction of cyclical stocks in particular, closing at EUR 33.18 on March 31, 2014. This corresponds to a decrease of 4.1 percent since the start of the year.

GEA Group shares compared to STOXX ® Europe TMI Industrial Engineering

Balance sheet date (03/31/2014)	Share development	Market capitalization *	
Last 3 months	-7.2	-7.2	perentage points
Last 6 months	+5.9	+5.9	perentage points
Last 9 months	+7.7	+7.7	perentage points
Last 12 months	+22.5	+22.5	perentage points
Last 24 months	+4.2	+10.3	perentage points
Last 36 months	+26.9	+33.7	perentage points

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

*) Based on shares issued by GEA Group Aktiengesellschaft as of the particular reporting date

Key performance indicators for GEA Group shares (prices: XETRA closing prices)	Q1 2014	Q1 2013
Shares issued (March 31, million)	192.5	192.5
Weighted average number of shares outstanding (million)	192.5	192.5
Share price (March 31, EUR) [1]	33.18	25.71
High (EUR)	35.91	27.72
Low (EUR)	32.50	25.35
Market capitalization (March 31, EUR billion) [2]	6.4	4.9
Average daily trading volume (million)	0.4	0.5
Earnings per share pre purchase price allocation (EUR)	0.27	0.24
Earnings per share (EUR)	0.25	0.21

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)	03/31/2014
Kuwait Investment Office	7.9

Consolidated Financial Statements

for the 1st Quarter of 2014

Consolidated Balance Sheet
as of March 31, 2014

Assets (EUR thousand)	03/31/2014	12/31/2013	Change in %
Property, plant and equipment	489,358	490,420	–0.2
Investment property	11,204	13,448	–16.7
Goodwill	1,314,329	1,312,554	0.1
Other intangible assets	313,963	319,840	–1.8
Equity-accounted investments	14,037	13,690	2.5
Other non-current financial assets	37,352	42,068	–11.2
Deferred taxes	389,158	385,822	0.9
Non-current assets	**2,569,401**	**2,577,842**	**–0.3**
Inventories	614,639	551,055	11.5
Trade receivables	911,815	929,156	–1.9
Income tax receivables	12,018	8,332	44.2
Other current financial assets	147,845	108,939	35.7
Cash and cash equivalents	464,700	683,520	–32.0
Assets held for sale	1,611,217	1,605,786	0.3
Current assets	**3,762,234**	**3,886,788**	**–3.2**
Total assets	**6,331,635**	**6,464,630**	**–2.1**

Equity and liabilities (EUR thousand)	03/31/2014	12/31/2013	Change in %
Subscribed capital	520,376	520,376	–
Capital reserve	1,218,073	1,218,073	–
Retained earnings	674,178	627,612	7.4
Accumulated other comprehensive income	–59,655	–53,026	12.5
Non-controlling interests	2,637	2,667	–1.1
Equity	**2,355,609**	**2,315,702**	**1.7**
Non-current provisions	129,259	123,777	4.4
Non-current employee benefit obligations	668,690	672,711	–0.6
Non-current financial liabilities	956,556	957,785	–0.1
Other non-current liabilities	1,696	2,834	–40.2
Deferred taxes	99,252	98,779	0.5
Non-current liabilities	**1,855,453**	**1,855,886**	**–0.0**
Current provisions	167,838	170,651	–1.6
Current employee benefit obligations	129,959	152,644	–14.9
Current financial liabilities	75,342	67,868	11.0
Trade payables	510,045	646,529	–21.1
Income tax liabilities	25,719	32,038	–19.7
Other current liabilities	627,413	603,446	4.0
Liabilities held for sale	584,257	619,866	–5.7
Current liabilities	**2,120,573**	**2,293,042**	**–7.5**
Totaly equity and liabilities	**6,331,635**	**6,464,630**	**–2.1**

Consolidated Income Statement
for the period January 1 – March 31, 2014

(EUR thousand)	Q1 2014	Q1 * 2013	Change in %
Revenue	950,660	924,153	2.9
Cost of sales	659,567	647,131	1.9
Gross profit	**291,093**	**277,022**	**5.1**
Selling expenses	112,824	107,698	4.8
Research and development expenses	17,857	14,669	21.7
General and administrative expenses	109,739	109,001	0.7
Other income	50,286	51,815	–3.0
Other expenses	45,176	50,793	–11.1
Share of profit or loss of equity-accounted investments	474	124	> 100
Other financial income	2,477	1,281	93.4
Earnings before interest and tax (EBIT)	**58,734**	**48,081**	**22.2**
Interest income	1,919	2,127	–9.8
Interest expense	20,253	15,621	29.7
Profit before tax from continuing operations	**40,400**	**34,587**	**16.8**
Income taxes	8,662	6,773	27.9
Profit after tax from continuing operations	**31,738**	**27,814**	**14.1**
Profit or loss after tax from discontinued operations	**15,473**	**13,023**	**18.8**
Profit for the period	**47,211**	**40,837**	**15.6**
of which attributable to shareholders of GEA Group AG	47,209	40,818	15.7
of which attributable to non-controlling interests	2	19	–89.5

(EUR)			
Basic and diluted earnings per share from continuing operations	0.16	0.14	14.1
Basic and diluted earnings per share from discontinued operations	0.08	0.07	18.8
Basic and diluted earnings per share	**0.25**	**0.21**	**15.7**
Weighted average number of ordinary shares used to calculate basic and diluted earnings per share (million)	**192.5**	**192.5**	**–**

*) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.)

Consolidated Statement of Comprehensive Income
for the period January 1 – March 31, 2014

(EUR thousand)	Q1 2014	Q1 2013	Change in %
Profit for the period	**47,211**	**40,837**	**15.6**
Items, that will not be reclassified to profit or loss in the future:			
Actuarial gains/losses on pension and other post-employment benefit obligations	–643	–506	–27.1
Items, that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations	–5,105	23,900	–
Result of available-for-sale financial assets	–1,281	50	–
Result of cash flow hedges	–276	–2,017	86.3
Other comprehensive income	**–7,305**	**21,427**	**–**
Total comprehensive income	**39,906**	**62,264**	**–35.9**
of which attributable to GEA Group AG shareholders	39,937	62,162	–35.8
of which attributable to non-controlling interests	–31	102	–

Consolidated Cash Flow Statement
for the period January 1 – March 31, 2014

(EUR thousand)	Q1 2014	Q1 2013 [1]
Profit for the period	47,211	40,837
plus income taxes	8,662	6,773
minus profit or loss after tax from discontinued operations	–15,473	–13,023
Profit before tax from continuing operations	40,400	34,587
Net interest income	18,334	13,494
Earnings before interest and tax (EBIT)	**58,734**	**48,081**
Depreciation, amortization, impairment losses, and reversal of impairment losses on non-current assets	24,298	22,984
Other non-cash income and expenses	2,187	2,858
Employee benefit obligations	–9,878	–9,800
Change in provisions	–30,496	–10,553
Losses and disposal of non-current assets	–121	–350
Change in inventories including unbilled construction contracts [2]	–61,591	–30,303
Change in trade receivables	18,837	–16,461
Change in trade payables	–127,799	–109,066
Change in other operating assets and liabilities	–12,347	6,288
Tax payments	–20,461	–15,669
Cash flow from operating activities of continued operations	**–158,637**	**–111,991**
Cash flow from operating activities of discontinued operations	–58,456	–21,792
Cash flow from operating activities	**–217,093**	**–133,783**
Proceeds from disposal of non-current assets	658	762
Payments to acquire property, plant and equipment, and intangible assets	–18,985	–17,561
Interest income	396	729
Cash flow from investing activities of continued operations	**–17,931**	**–15,015**
Cash flow from investing activities of discontinued operations	–4,195	–3,141
Cash flow from investing activities	**–22,126**	**–18,156**
Payments from finance leases	–1,166	–1,403
Proceeds from finance loans	3,803	3,320
Repayments of finance loans	–3,500	–3,500
Interest payments	–1,638	–4,809
Cash flow from financing activities of continued operations	**–2,501**	**–6,392**
Cash flow from financing activities of discontinued operations	–318	2,214
Cash flow from financing activities	**–2,819**	**–4,178**
Effect of exchange rate changes on cash and cash equivalents	–1,658	–14
Change in unrestricted cash and cash equivalents	**–243,696**	**–156,131**
Unrestricted cash and cash equivalents at beginning of period	794,313	735,981
Unrestricted cash and cash equivalents at end of period	**550,617**	**579,850**
Restricted cash and cash equivalents	**2,282**	**1,506**
Cash and cash equivalents total	**552,899**	**581,356**
less cash and cash equivalents classified as „held for sale“	–88,199	–
Cash and cash equivalents reported in the balance sheet	**464,700**	**581,356**

1) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.)
2) Including advanced payments received

Consolidated Statement of Changes in Equity
as of March 31, 2014

				Accumulated other comprehensive income					
(EUR thousand)	Subscribed capital	Capital reserves	Retained earnings	Translation of foreign operations	Result of available-for-sale financial assets	Result of cash flow hedges	**Equity attributable to shareholders of GEA Group AG**	Non-controlling interests	**Total**
Balance at Jan. 1, 2013 (192,495,476 shares)	**520,376**	**1,217,864**	**398,159**	**29,993**	**487**	**–2,520**	**2,164,359**	**2,552**	**2,166,911**
Profit for the period	–	–	40,818	–	–	–	**40,818**	19	**40,837**
Other comprehensive income	–	–	–506	23,817	50	–2,017	**21,344**	83	**21,427**
Total comprehensive income	–	–	40,312	23,817	50	–2,017	**62,162**	102	**62,264**
Change in other non-controlling interests	–	230	–	–	–	–	**230**	–250	**–20**
Share-based payments	–	11	–	–	–	–	**11**	–	**11**
Balance at March 31, 2013 (192,495,476 shares)	**520,376**	**1,218,105**	**438,471**	**53,810**	**537**	**–4,537**	**2,226,762**	**2,404**	**2,229,166**
Balance at Jan. 1, 2014 (192,495,476 shares)	**520,376**	**1,218,073**	**627,612**	**–53,677**	**262**	**389**	**2,313,035**	**2,667**	**2,315,702**
Profit for the period	–	–	47,209	–	–	–	**47,209**	2	**47,211**
Other comprehensive income	–	–	–643	–5,072	–1,281	–276	**–7,272**	–33	**–7,305**
Total comprehensive income	–	–	46,566	–5,072	–1,281	–276	**39,937**	–31	**39,906**
Change in other non-controlling interests	–	–	–	–	–	–	**–**	1	**1**
Share-based payments	–	–	–	–	–	–	**–**	–	**–**
Balance at March 31, 2014 (192,495,476 shares)	**520,376**	**1,218,073**	**674,178**	**–58,749**	**–1,019**	**113**	**2,352,972**	**2,637**	**2,355,609**

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 first quarter have not been audited in accordance with section 317 of the Handelsgesetzbuch (HGB – German Commercial Code) or reviewed by an auditor.

With the exception of the pronouncements effective as of January 1, 2014, the accounting policies applied to the accompanying interim financial statements are the same as those applied as of December 31, 2013, and are described in detail on pages 118 to 139 of the Annual Report containing GEA Group's IFRS consolidated financial statements.

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.

The following accounting standards were applied for the first time in the reporting period:

IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", consequential amendments to IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" – issued by the IASB in May 2011

In the first quarter of 2014, GEA Group retrospectively applied IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", and the consequential amendments to IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures."

IFRS 10 replaces the consolidation requirements of IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation – Special Purpose Entities." The new IFRS 10 affects the definition of the basis of consolidation. As was previously required by IAS 27, consolidated financial statements must include those entities that are controlled by the parent. The definition of control in IFRS 10 differs from that used in IAS 27. Under IFRS 10, control exists when an investing entity is exposed, or has rights, to variable returns from involvement with the investee on the one hand, and has the ability to affect those returns through its power over the investee on the other.

IFRS 11 "Joint Arrangements" supersedes IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Nonmonetary Contributions by Venturers". In contrast to IAS 31, accounting for joint arrangements under IFRS 11 depends not on the legal form of the arrangement but on the nature of the rights and duties arising under the arrangement. IFRS 11 makes a distinction between joint operations and joint ventures. Under IFRSs, joint ventures now have to be accounted for using the equity method. The previous option to account for joint ventures using proportionate consolidation has been removed.

IFRS 12 "Disclosure of Interests in Other Entities" revises the disclosure requirements for all types of interests in other entities, including joint arrangements, associates, structured entities, and off-balance sheet vehicles.

Initial application of the new requirements did not affect the interim financial statements. The disclosures introduced by the new requirements are presented in the notes to the (full-year) consolidated financial statements, or where there are items that are required to be disclosed.

Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" – issued by the IASB in June 2013

In the reporting period, GEA Group applied the amended IAS 39 "Financial Instruments: Recognition and Measurement." Pursuant to the transition requirements, initial application was retrospective. As a result of the amendments to IAS 39, derivatives continue to be designated as hedging instruments in a hedging relationship when the hedging instrument is novated to a central counterparty. For this to apply, the central counterparty must become involved as a result of legal or regulatory requirements. The amendments to IAS 39 had no impact on the interim financial statements.

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. Errors in internal operating processes, 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 first quarter of 2014:

	Number of companies
Consolidated Group as of January 1, 2014	**287**
German companies (including GEA Group AG)	49
Foreign companies	238
Initial consolidation	1
Deconsolidation	1
Consolidated Group as of March 31, 2014	**287**
German companies (including GEA Group AG)	49
Foreign companies	238

A total of 70 subsidiaries (January 1, 2014: 70) 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. Assets held for sale, liabilities held for sale, and discontinued operations

GEA Heat Exchangers Segment

Following a comprehensive technological and strategic review of GEA Group's segments, the Executive Board of GEA Group Aktiengesellschaft initiated the sale of the GEA Heat Exchangers Segment (GEA HX) in June 2013 with the agreement of the Supervisory Board.

The GEA HX Segment has one of the largest heat exchanger portfolios in the world and provides products and systems for numerous applications and areas of use, ranging from air conditioning systems to cooling towers. There is however only a limited potential for synergies between GEA HX and the other segments in GEA Group's portfolio due to the differing business profiles.

The Executive Board of GEA Group Aktiengesellschaft expects the disposal of the GEA HX Segment to take place in fiscal year 2014.

As the GEA HX segment has been allocated to discontinued operations, income and expenses from this segment are reported in the income statement under profit or loss after tax from discontinued operations. The prior-year comparatives in the income statement were adjusted accordingly. The assets and liabilities of the GEA HX disposal group are reported in the balance sheet as of March 31, 2014, under "assets held for sale" and "liabilities held for sale". In accordance with IFRSs, noncurrent assets cease to be depreciated from the date of their classification as held for sale.

The assets and liabilities of the GEA HX disposal group as of March 31, 2014, are outlined in the table below:

(EUR thousand)	03/31/2014	12/31/2013
Property, plant and equipment	266,920	255,378
Investment property	281	281
Goodwill	523,615	524,423
Other intangible assets	45,945	44,771
Equity-accounted investments	6,466	6,466
Other non-current financial assets	9,559	8,265
Deferred taxes	43,714	46,412
Inventories	161,021	142,285
Trade receivables	409,660	403,516
Income tax receivables	4,995	4,225
Other current financial assets	44,314	44,709
Cash and cash equivalents	88,199	112,257
Assets held for sale	**1,604,689**	**1,592,988**
Non-current provisions	10,528	10,516
Non-current employee benefit obligations	28,552	27,718
Non-current financial liabilities	12,777	5,178
Other non-current liabilities	672	470
Deferred taxes	29,131	26,716
Current provisions	80,622	81,703
Current employee benefit obligations	33,657	38,220
Current financial liabilities	7,992	4,300
Trade payables	187,544	233,131
Income tax liabilities	10,419	9,220
Other current liabilities	182,363	182,694
Liabilities held for sale	**584,257**	**619,866**

The results of the discontinued operation GEA HX are as follows:

(EUR thousand)	Q1 2014	Q1 2013
Revenue	311,444	318,096
Other revenue	8,919	6,316
Expenses	297,002	306,305
Profit or loss before tax from discontinued operations	**23,361**	**18,107**
Income taxes	7,841	5,084
Profit or loss after tax from discontinued operations	**15,520**	**13,023**
of which attributable to shareholders of GEA Group AG	15,520	13,023
of which attributable to non-controlling interests	–	–

4. Balance sheet disclosures

Cash credit lines

The cash credit lines were composed of the following items as of March 31, 2014:

(EUR thousand)	Maturity	03/31/2014 approved	03/31/2014 utilized	12/31/2013 approved	12/31/2013 utilized
GEA Bond	April 2016	400,000	400,000	400,000	400,000
Kreditanstalt für Wiederaufbau (KfW) (2016/05)	May 2016	60,000	60,000	60,000	60,000
Kreditanstalt für Wiederaufbau (KfW) (2016/12)	December 2016	38,500	38,500	42,000	42,000
European Investment Bank	July 2017	150,000	150,000	150,000	150,000
Borrower's note loan (2017)	September 2017	300,000	300,000	300,000	300,000
Syndicated credit line („club deal")	August 2018	650,000	–	650,000	–
Various (bilateral) credit lines including accured interest	Maximum of 1 year or „until further notice"	152,112	36,814	138,182	22,277
Total		**1,750,612**	**985,314**	**1,740,182**	**974,277**

Financial instruments

The following tables provide an overview of the composition of financial instruments as of March 31, 2014, by class within the meaning of IFRS 7 as well as by measurement category. The tables also include financial assets and liabilities, as well as derivatives that are included in recognized hedging relationships but do not belong to any of the IAS 39 measurement categories.

(EUR thousand)	Carrying amount 03/31/2014	Measurement in accordance with IAS 39			Measurement in accordance with other IFRSs	Fair value 03/31/2014
		Amortized cost	Fair value through profit or loss	Fair value recognized in other comprehensive income		
Assets						
Trade receivables	911,815	636,288	–	–	275,527	911,815
of which PoC receivables	275,527	–	–	–	275,527	275,527
Income tax receivables	12,018	–	–	–	12,018	12,018
Cash and cash equivalents	464,700	464,700	–	–	–	464,700
Other financial assets	185,197	75,087	2,153	13,619	94,338	185,197
of which derivatives included in hedging relationships	5,765	–	–	5,765	–	5,765
By IAS 39 measurement category						
Loans and receivables	1,150,312	1,150,312	–	–	–	1,150,312
of which cash and cash equivalents	464,700	464,700	–	–	–	464,700
of which trade receivables	636,288	636,288	–	–	–	636,288
of which other financial assets	49,324	49,324	–	–	–	49,324
Available-for-sale investments	33,617	25,763	–	7,854	–	33,617
Financial assets at fair value through profit or loss (derivatives not included in a recognized hedging relationship)	2,153	–	2,153	–	–	2,153
Liabilities						
Trade payables	510,045	510,045	–	–	–	510,045
Financial liabilities	1,031,898	980,667	9,829	5,595	35,807	1,078,339
of which liabilities under finance leases	35,807	–	–	–	35,807	35,807
of which derivatives included in hedging relationships	5,595	–	–	5,595	–	5,595
Income tax liabilities	25,719	–	–	–	25,719	25,719
Other financial liabilities	629,109	72,203	–	–	556,906	629,109
By IAS 39 measurement category						
Financial liabilities at amortized cost	1,562,915	1,562,915	–	–	–	1,609,356
of which trade payables	510,045	510,045	–	–	–	510,045
of which bonds and other securitized liabilities	715,620	715,620	–	–	–	756,519
of which liabilities to banks	263,917	263,917	–	–	–	269,459
of which loan liabilities to unconsolidated subsidiaries	1,130	1,130	–	–	–	1,130
of which other liabilities to affiliated companies	22,837	22,837	–	–	–	22,837
of which other liabilities	49,366	49,366	–	–	–	49,366
Financial liabilities at fair value through profit or loss (derivatives not included in a hedging relationship)	9,829	–	9,829	–	–	9,829

(EUR thousand)	Carrying amount 12/31/2013	Measurement in accordance with IAS 39 Amortized cost	Fair value through profit or loss	Fair value recognized in other comprehensive income	Measurement in accordance with other IFRSs	Fair value 12/31/2013
Assets						
Trade receivables	929,156	663,580	–	–	265,576	929,156
of which PoC receivables	265,576	–	–	–	265,576	265,576
Income tax receivables	8,332	–	–	–	8,332	8,332
Cash and cash equivalents	683,520	683,520	–	–	–	683,520
Other financial assets	151,007	64,383	4,809	16,025	65,790	151,007
of which derivatives included in hedging relationships	6,450	–	–	6,450	–	6,450
By IAS 39 measurement category						
Loans and receivables	1,384,075	1,384,075	–	–	–	1,384,075
of which cash and cash equivalents	683,520	683,520	–	–	–	683,520
of which trade receivables	663,580	663,580	–	–	–	663,580
of which other financial assets	36,975	36,975	–	–	–	36,975
Available-for-sale investments	36,983	27,408	–	9,575	–	36,983
Financial assets at fair value through profit or loss (derivatives not included in a recognized hedging relationship)	4,809	–	4,809	–	–	4,809
Liabilities						
Trade payables	646,529	646,529	–	–	–	646,529
Financial liabilities	1,025,653	972,464	10,985	6,006	36,198	1,076,221
of which liabilities under finance leases	36,198	–	–	–	36,198	36,198
of which derivatives included in hedging relationships	6,006	–	–	6,006	–	6,006
Income tax liabilities	32,038	–	–	–	32,038	32,038
Other financial liabilities	606,280	59,748	–	–	546,532	606,280
By IAS 39 measurement category						
Financial liabilities at amortized cost	1,678,741	1,678,741	–	–	–	1,729,309
of which trade payables	646,529	646,529	–	–	–	646,529
of which bonds and other securitized liabilities	710,578	710,578	–	–	–	755,341
of which liabilities to banks	260,756	260,756	–	–	–	266,561
of which loan liabilities to unconsolidated subsidiaries	1,130	1,130	–	–	–	1,130
of which other liabilities to affiliated companies	22,047	22,047	–	–	–	22,047
of which other liabilities	37,701	37,701	–	–	–	37,701
Financial liabilities at fair value through profit or loss (derivatives not included in a hedging relationship)	10,985	–	10,985	–	–	10,985

Financial assets and liabilities that are measured at fair value, or for which a fair value is disclosed in the notes to the consolidated financial statements, are required to be categorized according to the fair value hierarchy described in the following. Categorization within the levels of the fair value hierarchy is based on the measurement of the underlying inputs:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical financial assets and liabilities.

Level 2 inputs: quoted market prices that are observable as direct (prices) or indirect (derived from prices) inputs used to measure fair value and that are not quoted prices as defined by Level 1.

Level 3 inputs: inputs that are not based on observable market data.

The following table shows the categorization of financial assets and financial liabilities into the three-level fair value hierarchy:

Recurring fair value measurements	03/31/2014				12/31/2013			
	Carrying amount	Fair value			Carrying amount	Fair value		
(EUR thousand)		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets measured at fair value								
Derivatives included in hedging relationships	5,765	–	5,765	–	6,450	–	6,450	–
Derivatives not included in hedging relationships	2,153	–	2,153	–	4,809	–	4,809	–
Available-for-sale financial assets valued at fair value	7,854	–	–	7,854	9,575	–	–	9,575
Financial liabilities measured at fair value								
Derivatives included in hedging relationships	5,595	–	5,595	–	6,006	–	6,006	–
Derivatives not included in hedging relationships	9,829	–	9,829	–	10,985	–	10,985	–
Financial liabilities not measured at fair value								
Bonds	414,624	439,189	–	–	410,220	438,866	–	–
Promissory note bonds	300,996	–	317,330	–	300,358	–	316,475	–
Liabilities to banks	263,917	–	269,459	–	260,756	–	266,561	–

There were no transfers in between the levels of the fair value hierarchy in the first three months of fiscal year 2014.

The fair value of the bond is calculated on the basis of quoted bid prices on an active market and is therefore categorized within Level 1. The fair value includes the interest deferred as of the reporting date.

The fair value of derivatives is calculated using quoted exchange rates and yield curves observable in the market. Accordingly, these are categorized within Level 2 of the fair value hierarchy.

The fair value of borrower's note loans and liabilities to banks is measured on the basis of the yield curve, taking into account credit spreads. They are therefore categorized within Level 2 of the fair value hierarchy. The interest deferred as of the reporting date is included in the fair values.

The fair values of trade receivables, cash and cash equivalents, and other financial receivables and liabilities essentially correspond to the carrying amounts; this is due to the predominantly short remaining maturities.

A receivable relating to the former raw material activities of Metallgesellschaft AG that had previously been written off was allocated to Level 3 financial instruments; its fair value is determined by means of a present value calculation on the basis of the debtor's payment plan.

5. Consolidated income statement disclosures

The taxes recognized were calculated for continuing operations for the reporting period using an estimated tax rate of 21.4 percent (previous year: 19.6 percent)

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

Exchange differences on translating foreign operations

The change in exchange differences on translating foreign operations amounted to EUR –5,105 thousand in the period under review (previous year: EUR 23,900 thousand) and resulted primarily from the decline of the U.S. dollar and the Chinese renminbi against the euro. In the prior-year quarter, exchange differences on translating foreign operations moved in the opposite direction due to a rise in the U.S. dollar against the euro.

7. Segment reporting

7.1 Change in the structure of the operating segments

In January 2014, the Executive Board of GEA Group Aktiengesellschaft decided to combine its operating segments GEA Food Solutions and GEA Mechanical Equipment effective as of the beginning of fiscal year 2014. Production of machinery for preparing, marinating, processing, cutting, and packaging meat, poultry, fish, cheese, and other foods, which formed part of the GEA Food Solutions Segment, is now combined with the activities of GEA Mechanical Equipment in one segment so as to better exploit existing synergies.

The group‘s operating segments were therefore reorganized in the reporting period: Since the beginning of 2014, GEA Food Solutions has no longer been one of GEA Group’s operating segments. The activities of the former GEA Food Solutions and GEA Mechanical Equipment Segments are now reported together under the segment name GEA Mechanical Equipment. The prior-period information was adjusted in line with the amended reporting structure.

7.2 Operating segments

GEA Group's business activities are divided into the following six segments:

GEA Farm Technologies Segment (GEA FT)

GEA Farm Technologies is one of the world's leading manufacturers of integrated product solutions for profitable milk production and livestock farming. The segment's combined expertise in the areas of milking and milk-cooling technology, automatic feeding systems, manure management systems, and barn equipment provides modern farming with a complete range of products and solutions. Services and animal hygiene solutions round off its profile as a full-line systems provider for farms of all sizes. The segment's sales strategy is built upon a global network of specialist dealers and sales and service partners.

GEA Heat Exchangers Segment (GEA HX)

GEA Heat Exchangers provides products and systems for numerous areas of use, ranging from air conditioning systems to cooling towers, boasting what is probably the largest portfolio of heat exchangers worldwide. The segment supplies optimal single-source solutions for a large number of applications and also offers customers professional support with project planning. The GEA Heat Exchangers Segment was allocated to discontinued operations at the end of fiscal year 2013 (see section 3).

GEA Mechanical Equipment Segment (GEA ME)

GEA Mechanical Equipment specializes in separators, decanters, valves, pumps, and homogenizers – high-quality process engineering components that ensure seamless processes and cost-effective production in almost all major areas of industry worldwide. Process technology for secondary food processing and packaging extends the product portfolio, with the offering ranging from individual machines to end-to-end production lines. Such equipment helps reduce customer production costs and protect the environment in a sustainable manner.

GEA Process Engineering Segment (GEA PE)

GEA Process Engineering specializes in the design and development of process solutions for the dairy, brewing, food, pharma, and chemical industries. The segment is an acknowledged market and technology leader in its business areas: liquid processing, concentration, industrial drying, powder processing and handling, and emission control.

GEA Refrigeration Technologies Segment (GEA RT)

GEA Refrigeration Technologies is a market leader in the field of industrial refrigeration technology. The segment develops, manufactures, and installs innovative key components and technical solutions for its customers. To ensure complete customer satisfaction, GEA Refrigeration Technologies also offers a broad range of maintenance and other services. Its product range comprises the following core components: reciprocating and screw compressors, valves, chillers, ice generators, and freezing systems.

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.

7.3 Presentation of segment reporting

The figures for the segments attributable to continuing operations are presented first in segment reporting. These are then aggregated in the consolidated balance sheet and the income statement following consolidation and reclassifications in the "GEA Group" column. The "GEA HX" column contains the figures for the GEA HX Segment, which has been allocated to discontinued operations. These are adjusted for consolidation adjustments and reclassifications and are aggregated in the group figures for all segments in the "GEA Group including GEA HX" column. Depreciation and amortization of noncurrent assets, which under IFRS 5 must cease as of the date of classification as held for sale, are included for the GEA HX disposal group in the amount of EUR 8.8 million in the "GEA HX" and "GEA Group incl. GEA HX" columns.

(EUR million)	GEA FT	GEA ME	GEA PE	GEA RT	Other	Consolidation/ Reclassification	**GEA Group**	GEA HX [1]	Consolidation/ Reclassification	**GEA Group incl. GEA HX**
Q1 2014										
Order Intake	161.6	339.1	366.7	192.9	–	–36.0	**1,024.3**	399.7	–8.9	**1,415.1**
External revenue	126.5	279.5	390.1	154.5	–	–	**950.7**	302.5	–	**1,253.1**
Intersegment revenue	0.1	30.5	0.7	0.4	–	–31.7	**–**	9.0	–9.0	**–**
Total revenue	126.6	310.0	390.7	154.9	–	–31.7	**950.7**	311.4	–9.0	**1,253.1**
Operating EBITDA [2]	6.1	42.1	30.2	12.4	–5.7	–	**85.1**	25.8	–0.4	**110.6**
as % of revenue	4.8	13.6	7.7	8.0	–	–	**9.0**	8.3	–	**8.8**
EBITDA	6.1	42.1	30.2	12.4	–7.8	–	**83.0**	25.8	–2.2	**106.7**
Operating EBIT [2]	3.1	34.5	26.6	10.0	–7.4	–	**66.8**	17.6	–0.4	**84.1**
as % of revenue	2.4	11.1	6.8	6.4	–	–	**7.0**	5.7	–	**6.7**
EBIT	2.3	30.5	26.0	9.4	–9.5	–	**58.7**	17.0	–2.2	**73.6**
as % of revenue	1.8	9.8	6.6	6.1	–	–	**6.2**	5.5	–	**5.9**
ROCE in % [3]	13.8	17.4	74.8	23.8	–	–	**22.6**	18.1	–	**21.0**
Working Capital (reporting date) [4]	147.3	327.2	–31.4	88.1	6.2	–2.0	**535.3**	233.3	0.8	**769.3**
Additions to property, plant and equipment and intangible assets	2.7	8.9	2.1	4.0	2.3	–0.5	**19.5**	4.0	–	**23.5**
Depreciation and amortization	3.8	11.6	4.3	3.0	1.7	–	**24.3**	8.8	–	**33.1**
Q1 2013 [5]										
Order Intake	138.8	329.7	481.3	177.9	–	–32.6	**1,095.1**	361.9	–9.9	**1,447.1**
External revenue	110.8	269.5	393.9	150.0	–	–	**924.2**	308.6	–	**1,232.7**
Intersegment revenue	0.0	28.6	0.5	2.1	–	–31.2	**–**	9.5	–9.5	**–**
Total revenue	110.8	298.1	394.3	152.1	–	–31.2	**924.2**	318.1	–9.5	**1,232.7**
Operating EBITDA [2]	3.1	38.6	29.4	9.6	–8.3	–	**72.4**	26.1	–	**98.5**
as % of revenue	2.8	12.9	7.5	6.3	–	–	**7.8**	8.2	–	**8.0**
EBITDA	2.8	38.6	29.4	9.6	–9.3	–	**71.1**	26.0	1.0	**98.1**
Operating EBIT	0.1	32.7	25.7	7.3	–10.4	–	**55.4**	17.8	–	**73.2**
as % of revenue	0.1	11.0	6.5	4.8	–	–	**6.0**	5.6	–	**5.9**
EBIT	–0.9	28.7	25.0	6.8	–11.5	–	**48.1**	17.1	1.0	**66.2**
as % of revenue	–0.8	9.6	6.3	4.5	–	–	**5.2**	5.4	–	**5.4**
ROCE in % [3]	12.6	12.8	62.4	20.6	–	–	**18.8**	18.8	–	**19.2**
Working Capital (reporting date) [4]	161.6	287.9	–15.9	93.3	–11.6	–0.6	**514.7**	217.4	–6.2	**725.9**
Additions to property, plant and equipment and intangible assets	2.2	8.7	3.5	2.1	1.5	–	**18.0**	2.4	–	**20.4**
Depreciation and amortization	3.7	9.9	4.4	2.8	2.2	–	**23.0**	8.9	–	**31.9**

1) Reported under discontinued operations
2) Before effects of purchase price allocations and before one-offs (see page 43)
3) ROCE = EBIT in the past 12 months / (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 = noncurrent assets + working capital
4) Working capital = inventories + trade receivables - trade payables - advance payments received
5) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.) and due to the combination of GEA Food Solutions and GEA Mechanical Equipment (see page 40)

Reconciliation of sales according to segment reporting to sales (EUR million)	Q1 2014	Q1 * 2013
Sales GEA incl. GEA HX	1,253.1	1,232.7
less sales GEA HX	–311.4	–318.1
plus sales GEA HX with continued operations	9.0	9.5
Sales	**950.7**	**924.2**

*) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 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 2013 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), and "profit or loss before tax" (EBT). These measures correspond to the amounts presented in the income statement with the exception that reclassifications to profit or loss from discontinued operations are disregarded and noncurrent assets of the GEA HX disposal group continued to be depreciated or amortized (in the amount of EUR 8.8 million) following their classification as held for sale.

Management also monitors EBITDA and EBIT after adjustment 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 cost of sales, which 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.

When calculating operating EBIT, management adjusts the figure for earnings effects that it believes will not be incurred to the same extent in future fiscal years ("nonrecurring items"). Operating EBIT of GEA Group for the first quarter of 2014 was thus adjusted for nonrecurring items totaling EUR 2.1 million. Nonrecurring items comprise EUR 1.4 million for strategic projects, largely due to consulting expenses, and the contingent allocation in accordance with IFRS 5 of management and trademark fees totaling EUR 0.7 million to continuing operations, i.e., to the other segments including the holding company. In addition, nonrecurring expenses of EUR 2.5 million were recognized in profit or loss from discontinued operations in connection with preparations for the separation of the GEA HX Segment. Operating EBIT for the first quarter of 2013 was also adjusted for the contingent allocation in accordance with IFRS 5 of management and trademark fees totaling EUR 1.0 million to continuing operations, i.e., to the other segments including the holding company.

The following tables show the reconciliation of EBITDA before purchase price allocation and nonrecurring items to EBIT and of EBITDA to EBIT:

Reconciliation of Operating EBITDA according to segment reporting to EBIT (EUR million)	Q1 2014	Q1 * 2013
Operating EBITDA GEA incl. GEA HX	**110.6**	**98.5**
Depreciation of property, plant, and equipment, investment property, and amortization of intangible assets	–26.5	–25.2
Operating EBIT GEA incl. GEA HX	**84.1**	**73.2**
Depreciation and amortization on capitalization of purchase price allocation	–6.6	–6.6
Realization of step-up amounts on inventories	–	–0.3
One-offs	–3.9	–0.1
EBIT GEA incl. GEA HX	73.6	66.2
less EBIT GEA HX	–17.0	–17.1
Consolidation	2.2	–1.0
EBIT	**58.7**	**48.1**

*) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.)

Reconciliation of EBITDA according to segment reporting to EBITDA (EUR million)	Q1 2014	Q1 * 2013
EBITDA GEA incl. GEA HX	**106.7**	**98.1**
less EBITDA GEA HX	–25.8	–26.0
Consolidation	2.2	–1.0
EBITDA	**83.0**	**71.1**

*) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 f.)

Reconciliation EBITDA to EBIT (EUR million)	Q1 2014	Q1 * 2013	Change in %
EBITDA	**83.0**	**71.1**	**16.8**
Depreciation of property, plant and equipment, investment property, and amortization of intangible assets	–24.3	–23.0	–5.6
EBIT	**58.7**	**48.1**	**22.2**

*) Amounts adjusted due to classification of an operation as discontinued operation (see page 34 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 2013 Annual Report.

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

Reconciliation of working capital to total assets (EUR million)	03/31/2014	03/31/2013
Working capital (reporting date) GEA incl. GEA HX	**769.3**	**725.9**
Working capital (reporting date) of Ruhr-Zink	–0.0	0.0
Non-current assets	2,569.4	3,483.9
Income tax receivables	12.0	22.3
Other current financial assets	147.8	182.5
Cash and cash equivalents	464.7	581.4
Assets held for sale	1,611.2	18.6
plus trade payables	510.0	686.6
plus advance payments in respect of orders and construction contracts	198.4	327.4
plus gross amount due to customers for contract work	282.7	347.7
minus working capital held for sale (reporting date) GEA HX	–233.3	–
Consolidation	–0.8	–
Total assets	**6,331.6**	**6,376.3**

8. Related party transactions

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

9. Events after the end of the reporting period

On April 16, 2014, GEA Group entered into an agreement for the sale of the GEA Heat Exchangers Segment to funds advised by Triton. The transaction is still subject to approval by the relevant antitrust authorities. The transaction is expected to be completed at the end of 2014.

On April 16, 2014, GEA Group Aktiengesellschaft's Annual General Meeting approved the proposal by the Supervisory Board and Executive Board to pay a dividend of EUR 0.60 per share for fiscal year 2013.

Financial Calendar

July 28, 2014 **Half-yearly Financial Report for the period to June 30, 2014**

October 28, 2014 **Quarterly Financial Report for the period to September 30, 2014**

The GEA Group Stock: Key data

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Bloomberg code	G1A.GR
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American Depository Receipts (ADR)

CUSIP	361592108
Symbol	GEAGY
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.

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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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