



## **Half-yearly Financial Report**

January 1 – June 30, 2014

# GEA Group: Key IFRS figures

(EUR million)	Q2 2014	Q2 <sup>1</sup> 2013	Change in %	Q1-Q2 2014	Q1-Q2 <sup>1</sup> 2013	Change in %
<b>Results of operations</b>						
Order intake	1,169.9	1,220.0	-4.1	2,194.2	2,315.1	-5.2
Revenue	1,117.7	1,064.6	5.0	2,068.3	1,988.7	4.0
Order backlog	2,137.2	2,085.3	2.5	2,137.2	2,085.3	2.5
Operating EBITDA <sup>2</sup>	128.0	118.4	8.1	213.2	190.8	11.7
as % of revenue	11.5	11.1	-	10.3	9.6	-
EBITDA	123.1	113.8	8.1	206.1	184.9	11.5
Operating EBIT <sup>2</sup>	109.3	101.0	8.3	176.1	156.4	12.6
as % of revenue	9.8	9.5	-	8.5	7.9	-
EBIT	98.7	90.4	9.1	157.4	138.5	13.7
as % of revenue	8.8	8.5	-	7.6	7.0	-
EBT	79.4	75.3	5.5	119.8	109.8	9.1
Profit after tax from continuing operations	62.4	58.7	6.3	94.2	86.5	8.8
Profit or loss after tax from discontinued operations	18.4	16.7	10.3	33.8	29.7	14.0
Profit for the period	80.8	75.4	7.2	128.0	116.2	10.1
<b>Net assets</b>						
Total assets	6,268.6	6,261.3	0.1	6,268.6	6,261.3	0.1
Equity	2,307.7	2,162.0	6.7	2,307.7	2,162.0	6.7
as % of total assets	36.8	34.5	-	36.8	34.5	-
Working capital (reporting date)	590.1	521.1	13.2	590.1	521.1	13.2
Working capital (average of the past 12 months)	524.4	505.4	3.8	524.4	505.4	3.8
as % of revenue (average of the past 12 months)	11.9	11.9	-	11.9	11.9	-
Net liquidity (+)/Net debt (-) (including discontinued operations)	-551.8	-580.4	4.9	-551.8	-580.4	4.9
<b>Financial position</b>						
Cash flow from operating activities	18.4	80.5	-77.1	-140.2	-31.5	< -100
Cash flow driver <sup>3</sup>	394.4	354.7	11.2	394.4	354.7	11.2
as % of revenue (past 12 months)	9.0	8.3	-	9.0	8.3	-
Capital employed (reporting date)	2,772.1	2,696.6	2.8	2,772.1	2,696.6	2.8
Capital employed (average of the past 12 months)	2,703.2	2,708.0	-0.2	2,703.2	2,708.0	-0.2
ROCE in % (EBIT/Capital Employed) <sup>4</sup>	16.2	13.4	-	16.2	13.4	-
ROCE in % (goodwill adjusted) <sup>5</sup>	22.9	19.3	-	22.9	19.3	-
Capital expenditure on property, plant and equipment	23.3	22.1	5.4	42.2	39.8	6.1
Full-time equivalents (reporting date) excluding vocational trainees and inactive employment contracts	18,186	17,438	4.3	18,186	17,438	4.3
<b>GEA Shares</b>						
Earnings per share pre purchase price allocation (EUR)	0.44	0.42	6.5	0.71	0.65	9.0
Earnings per share (EUR)	0.42	0.39	7.2	0.66	0.60	10.2
Weighted average number of shares outstanding (million)	192.5	192.5	-	192.5	192.5	-

1) Amounts adjusted due to classification of an operation as discontinued operation (see financial report Q1 2014)

2) Before effects of purchase price allocations and before one-offs (see page 48 f.)

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)

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# 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 half-yearly 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. The performance of the GEA Heat Exchangers Segment is presented separately in the section relating to discontinued operations (see page 20).

The quarterly information contained in this management report is sourced from financial reports that were not reviewed by an auditor. 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 second quarter of 2014 declined by 4.1 percent to EUR 1,169.9 million (previous year: EUR 1,220.0 million). Nevertheless, this is the second highest order intake in recent years, following the historic high recorded in the prior-year period. Organic growth (i.e., excluding the effects of exchange rate changes) was only slightly negative, at -1.5 percent. This slight decline is primarily attributable to the smaller volume of major projects, which impacted the GEA Process Engineering Segment in particular. In the reporting period, the GEA Process Engineering Segment booked four major orders (in excess of EUR 15 million) with a total value of EUR 123 million. These orders relate to a beverages project in Africa, a project for a cheese maker in the U.S.A., and two dairy projects in Ireland and France. In the comparable prior-year period, the GEA Process Engineering Segment had booked three major orders with a total volume of EUR 163 million. Another significant order worth nearly EUR 5 million was won by the GEA Farm Technologies Segment in China. It covers milking, cooling, and storage technologies, as well as barn equipment for two large dairy farms. The GEA Farm Technologies and GEA Refrigeration Technologies Segments generated double-digit organic growth rates in both the reporting period and the first six months, each hitting new order intake records for a single quarter.

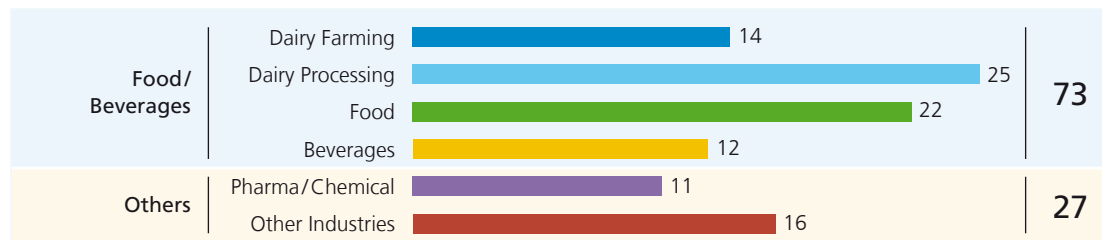
Order intake (EUR million)	Q2 2014	Q2 * 2013	Change in %	Q1-Q2 2014	Q1-Q2 * 2013	Change in %
GEA Farm Technologies	169.7	155.7	9.0	331.3	294.4	12.5
GEA Mechanical Equipment	329.1	346.4	-5.0	668.2	676.1	-1.2
GEA Process Engineering	500.9	570.0	-12.1	867.6	1,051.2	-17.5
GEA Refrigeration Technologies	204.1	181.2	12.7	397.0	359.1	10.6
<b>Total</b>	<b>1,203.9</b>	<b>1,253.2</b>	<b>-3.9</b>	<b>2,264.1</b>	<b>2,380.9</b>	<b>-4.9</b>
Consolidation/other	-33.9	-33.2	-2.2	-69.9	-65.8	-6.3
<b>GEA Group</b>	<b>1,169.9</b>	<b>1,220.0</b>	<b>-4.1</b>	<b>2,194.2</b>	<b>2,315.1</b>	<b>-5.2</b>

\*) Amounts adjusted due to classification of an operation as discontinued operation and due to the combination of GEA Food Solutions and GEA Mechanical Equipment (see financial report Q1 2014)

Order intake in the group declined by 5.2 percent to EUR 2,194.2 million in the first six months of 2014 (previous year: EUR 2,315.1 million). Adjusted for currency translation effects (-3.3 percent), organic growth was negative, at -2.0 percent.

### Order intake by customer industries

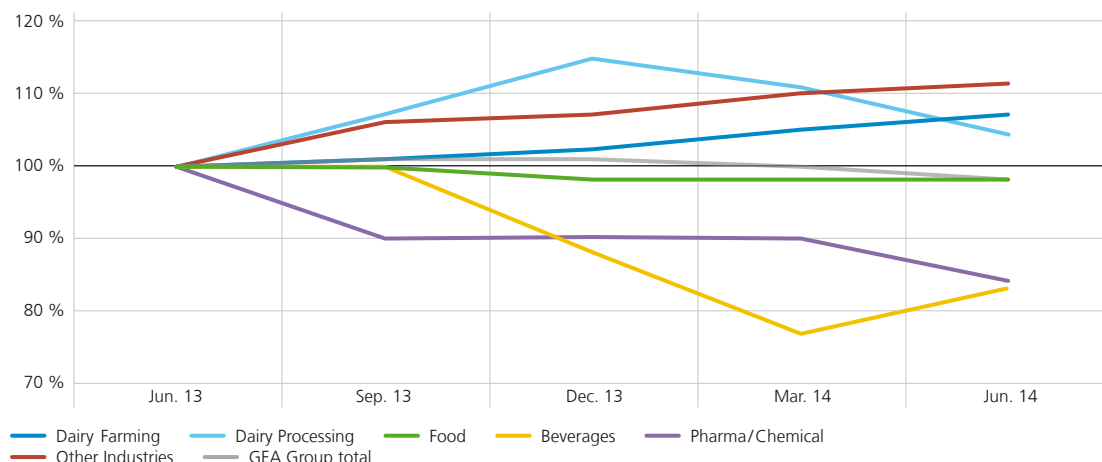
(%, average last 12 months)



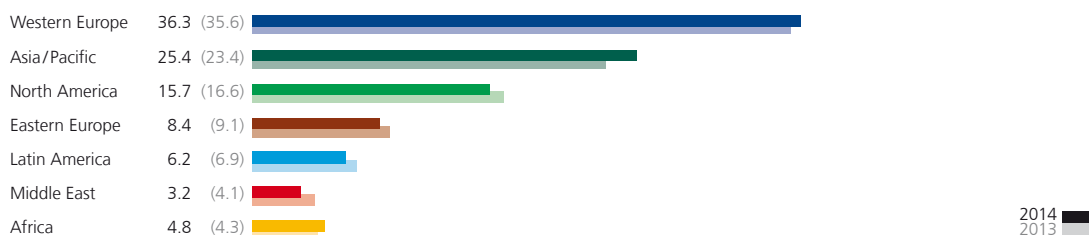
The decline in order intake of around EUR 120 million was primarily due to the dairy processing and beverages customer industries. At a regional level, this decrease mainly occurred in Europe as well as in the Asia/Pacific region. Driven by the excellent performance of the GEA Farm Technologies Segment, the share accounted for by the dairy farming customer industry rose from 13 percent to 15 percent.

### Q2 Order intake GEA Group EUR 1,169.9 million (previous year EUR 1,220.0 million)

by sector (average last 12 months)



by region (% , average last 12 months)



## Order backlog

The order backlog rose further to EUR 2,137.2 million, up by EUR 121.7 million or 6.0 percent compared with December 31, 2013 (EUR 2,015.5 million). Around EUR 1,300 million of the order backlog as of June 30, 2014, is billable in the current fiscal year.

Order backlog (EUR million)	06/30/2014	06/30/2013 *	Change in %
GEA Farm Technologies	129.8	120.9	7.4
GEA Mechanical Equipment	437.5	446.5	-2.0
GEA Process Engineering	1,304.7	1,269.5	2.8
GEA Refrigeration Technologies	288.1	268.8	7.2
<b>Total</b>	<b>2,160.1</b>	<b>2,105.7</b>	<b>2.6</b>
Consolidation/other	-22.9	-20.5	-11.9
<b>GEA Group</b>	<b>2,137.2</b>	<b>2,085.3</b>	<b>2.5</b>

\*) Amounts adjusted due to classification of an operation as discontinued operation and due to the combination of GEA Food Solutions and GEA Mechanical Equipment (see financial report Q1 2014)

## 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 second quarter of 2014, group revenue increased by 5.0 percent to EUR 1,117.7 million (previous year: EUR 1,064.6 million). Exchange rate developments impacted this figure by -3.0 percent. Organic revenue increased significantly by 8.0 percent year-on-year.

The book-to-bill ratio, the ratio of order intake to revenue, was 1.05 in the second quarter.

Revenue (EUR million)	Q2 2014	Q2 * 2013	Change in %	Q1-Q2 2014	Q1-Q2 * 2013	Change in %
GEA Farm Technologies	154.2	133.8	15.3	280.8	244.6	14.8
GEA Mechanical Equipment	340.4	334.0	1.9	650.5	632.1	2.9
GEA Process Engineering	469.1	435.6	7.7	859.8	830.0	3.6
GEA Refrigeration Technologies	189.0	189.2	-0.1	343.9	341.2	0.8
<b>Total</b>	<b>1,152.6</b>	<b>1,092.6</b>	<b>5.5</b>	<b>2,135.0</b>	<b>2,047.9</b>	<b>4.3</b>
Consolidation/other	-35.0	-28.0	-25.1	-66.7	-59.2	-12.6
<b>GEA Group</b>	<b>1,117.7</b>	<b>1,064.6</b>	<b>5.0</b>	<b>2,068.3</b>	<b>1,988.7</b>	<b>4.0</b>

\*) Amounts adjusted due to classification of an operation as discontinued operation and due to the combination of GEA Food Solutions and GEA Mechanical Equipment (see financial report Q1 2014)

In the first half of 2014, group revenue increased by 4.0 percent to EUR 2,068.3 million (previous year: EUR 1,988.7 million). Exchange rate developments impacted revenue by -3.0 percent. Organic revenue growth was 7.0 percent. All segments generated record revenue in this period.

The service business recorded growth of 3.3 percent (7.1 percent adjusted for exchange rate effects). Its share of total revenue fell slightly from 27.8 percent in the previous year to 27.6 percent.

## Revenue by customer industries

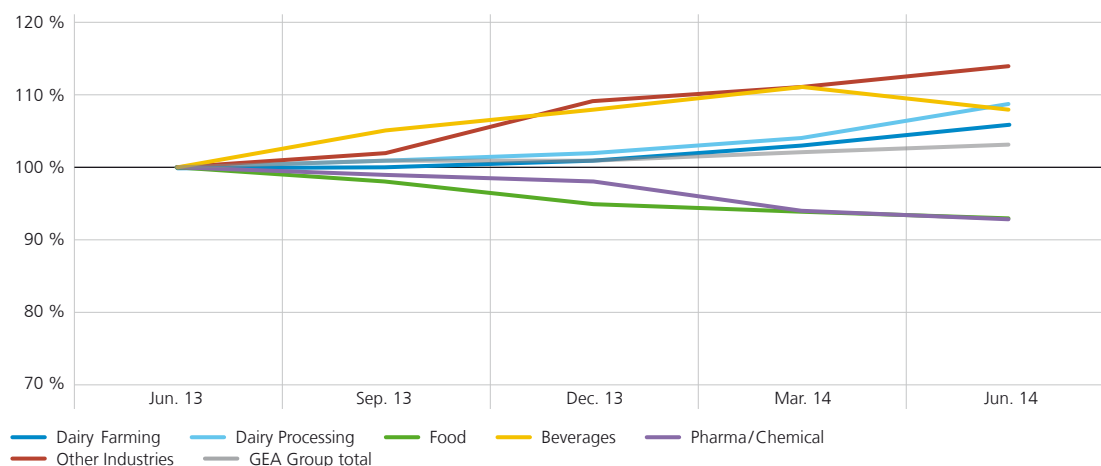
(%, average last 12 months)



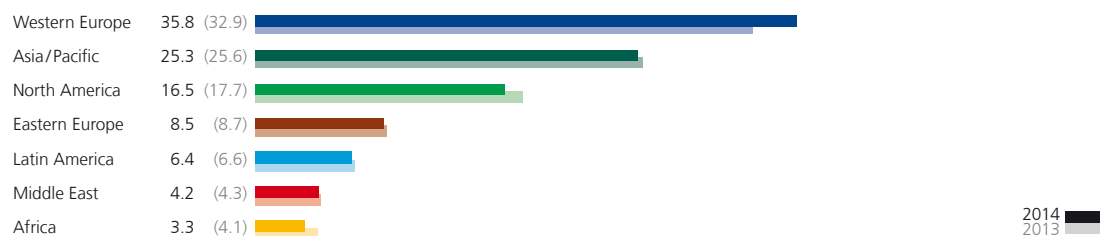
The growth in GEA Group's revenue was driven entirely by the food and beverages end market, which increased its share of GEA's business to more than 72 percent in the first six months of the year. The dairy farming and dairy processing customer industries increased their shares by 1.1 and 2.2 percentage points respectively, while the food customer industry's share declined by 1.7 percentage points. The pharma/chemical end market's share also saw a decline (–1.8 percentage points). In regional terms, Western Europe in particular grew significantly by 3.7 percentage points.

## Q2 GEA Group revenue EUR 1,117.7 million (previous year EUR 1,064.6 million)

by sector (average last 12 months)



by region (%, average last 12 months)



## GEA Farm Technologies Segment

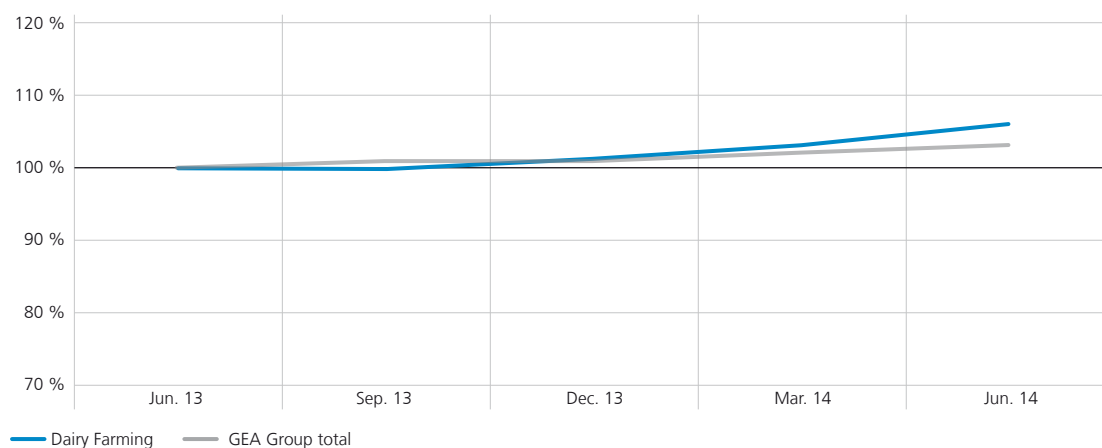
The trends affecting revenue in the GEA Farm Technologies Segment are largely the same as those governing order intake, as the order backlog usually amounts to only 6 to 10 weeks' revenues. At EUR 154.2 million, the segment posted its highest-ever revenue figure for a second quarter. Adjusted for the effect of exchange rate changes of –5.4 percent, organic growth in the past quarter amounted to an impressive 20.7 percent.

Revenue amounted to EUR 280.8 million in the first half of 2014 (previous year: EUR 244.6 million). Adjusted for exchange rate effects, revenue growth also amounted to an impressive 20.5 percent. The service business expanded by 6.3 percent (organic growth amounted to 12.8 percent). Its share of total revenue was 43.2 percent (previous year: 46.6 percent).

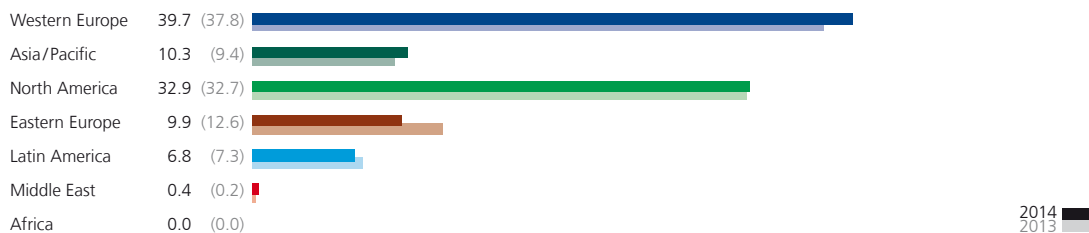
The segment operates exclusively in the dairy farming customer industry and revenue in the first six months of 2014 was focused on Western Europe (41 percent) and North America (36 percent). These regions were also the main sources of growth momentum in the first half of the year.

### Q2 GEA Farm Technologies revenue EUR 154.2 million (previous year EUR 133.8 million)

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



by region (% , average last 12 months)





## GEA Mechanical Equipment Segment

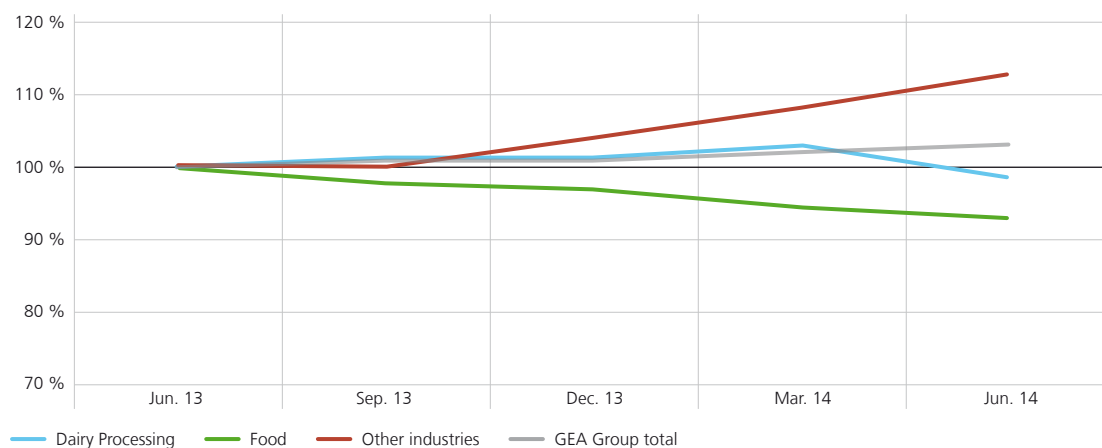
The GEA Mechanical Equipment Segment more than maintained the very healthy level seen in the previous year, with revenue of EUR 340.4 million in the second quarter (previous year: EUR 334.0 million). Adjusted for the effect of exchange rate changes of –2.1 percent, organic revenue growth amounted to 4.0 percent in the past quarter.

Revenue growth for the first half of the year amounted to 2.9 percent (5.2 percent based on constant exchange rates). The service business recorded growth of 2.2 percent (4.4 percent at constant exchange rates). Its share of total revenue remained virtually unchanged at 35.4 percent (previous year: 35.6 percent).

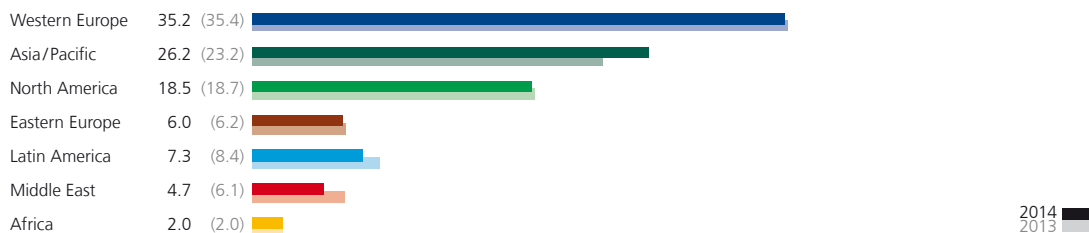
The segment's most important end market is the food and beverages sector, at around 65 percent. The third-party customer business in this end market is largely stable. Intragroup deliveries to the GEA Process Engineering Segment continued to provide significant growth momentum. The key growth region was Asia/Pacific, which grew by 19 percent, increasing its revenue share by 3.8 percentage points. By contrast, revenue in the Middle East declined (–2.0 percentage points).

### Q2 GEA Mechanical Equipment revenue EUR 340.4 million (previous year EUR 334.0 million)

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



by region (% , average last 12 months)



## GEA Process Engineering Segment

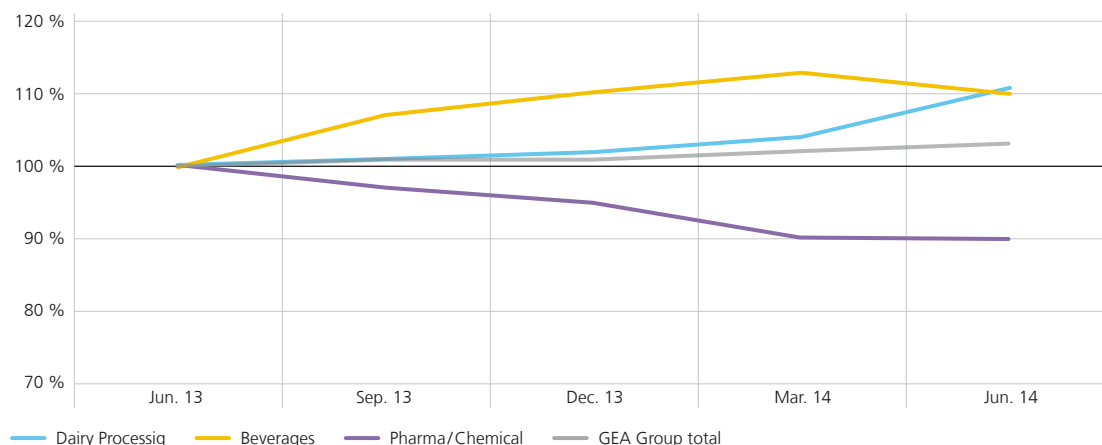
The GEA Process Engineering Segment hit a new record figure for second-quarter revenue, at EUR 469.1 million (previous year: EUR 435.6 million). Adjusted for the effect of negative exchange rate changes (–2.4 percent), organic growth amounted to a very strong 10.1 percent.

The segment generated EUR 859.8 million in revenue in the first six months of 2014 (previous year: EUR 830.0 million). Growth amounted to 3.6 percent (6.0 percent after adjustment for exchange rate effects). Revenue in the service business grew by 0.9 percent in the first half of the year (organic growth amounted to 4.2 percent), with its share of total revenue decreasing slightly from 14.4 percent to 14.0 percent.

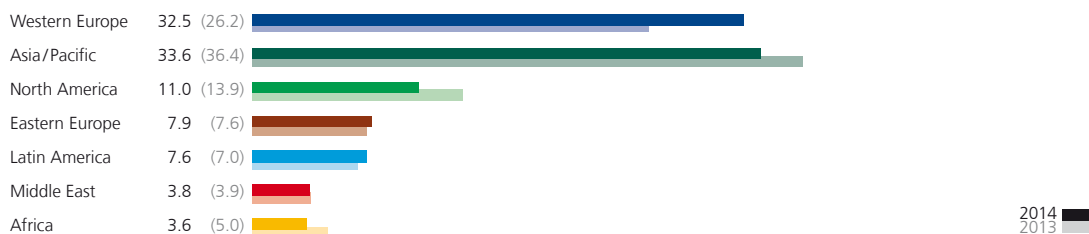
The food and beverages end market grew by almost 10 percent, lifting its share by 4.0 percentage points to 74 percent. In contrast, the trend in the pharma/chemical customer industry was negative and its share of revenue decreased by 2.9 percentage points. In regional terms, strong growth was seen in Western Europe. By contrast, the trend in North America was weaker. At 36 percent, Western Europe accounts for the largest portion of the segment's revenue, followed by the Asia/Pacific region (32 percent). It should be noted in this context that many investments in Western Europe are currently being driven by the demand for food in Asia.

### Q2 GEA Process Engineering revenue EUR 469.1 million (previous year EUR 435.6 million)

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



by region (% , average last 12 months)



## GEA Refrigeration Technologies Segment

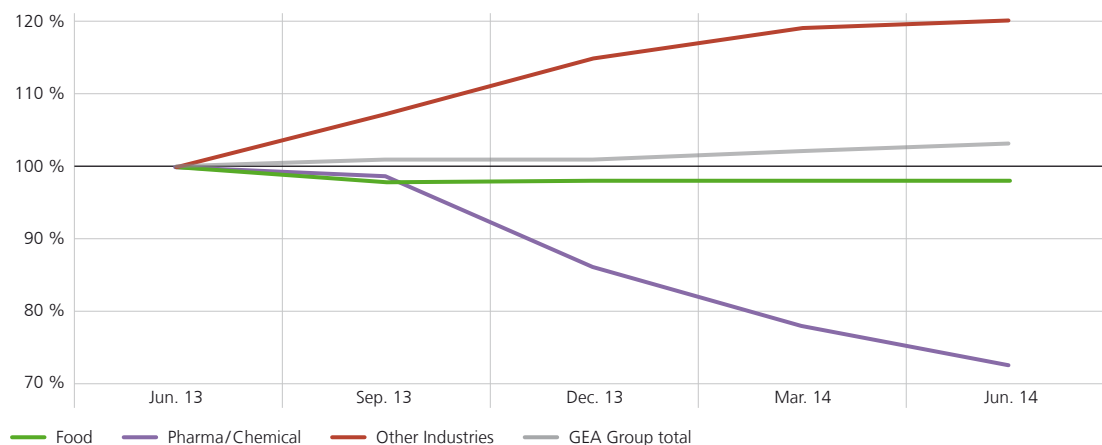
The GEA Refrigeration Technologies Segment generated revenue of EUR 189.0 million in the second quarter, on a level with the previous year (EUR 189.2 million). Adjusted for the effect of exchange rate changes of –3.6 percent, organic revenue growth amounted to 3.5 percent.

In the first half of 2014, revenue in the segment amounted to EUR 343.9 million (previous year: EUR 341.2 million). Adjusted for exchange rate changes (–3.5 percent), organic growth amounted to 4.3 percent. Revenue in the service business grew by 5.6 percent (7.6 percent based on constant exchange rates), increasing its share of total revenue from 27.3 percent to 28.6 percent.

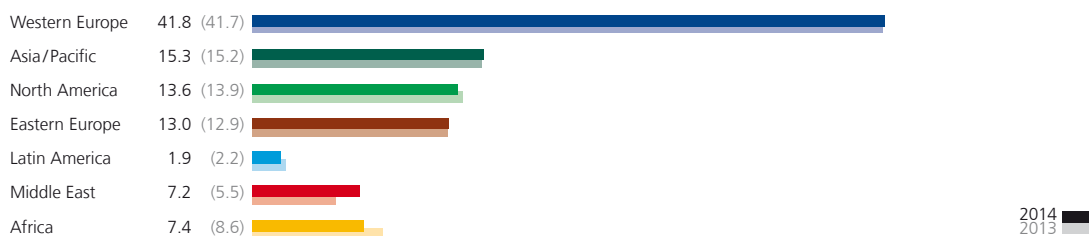
While the share of revenue accounted for by the end market food and beverages and other industries increased, the pharma/chemical customer industry saw a declining trend. The key growth region was North America, where the share of revenue increased by 2.1 percentage points.

### Q2 GEA Refrigeration Technologies revenue EUR 189.0 million (previous year EUR 189.2 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 half of 2014 were adjusted overall for nonrecurring expenses of EUR 7.1 million (previous year: EUR 5.6 million). These expenses are attributable to strategic projects (EUR 5.1 million, against the prior-year figure of EUR 2.4 million), as well as to 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 first half of the year, these fees amounted to EUR 2.0 million (previous year: EUR 3.3 million; see page 48 f.).

EBITDA in the second quarter of 2014 amounted to EUR 123.1 million, up EUR 9.2 million on the figure for the previous year of EUR 113.8 million. This corresponds to an EBITDA margin of 11.0 percent – a year-on-year rise of 32 basis points. Adjusted for nonrecurring items of EUR 5.0 million (previous year: EUR 4.6 million), operating EBITDA amounted to EUR 128.0 million (previous year: EUR 118.4 million). The figure for operating EBITDA already contains EUR –3.5 million in adjustments for exchange rate effects. The operating EBITDA margin amounted to 11.5 percent, up from the figure of 11.1 percent for the same quarter of the previous year.

At EUR 206.1 million, operating EBITDA for the first half of the year was up EUR 21.2 million, or 11.5 percent, on the figure for the previous year (EUR 184.9 million). The EBITDA margin rose by 67 basis points to 10.0 percent. Operating EBITDA, which already includes adjustments of EUR –5.5 million for exchange rate effects, improved by EUR 22.4 million to EUR 213.2 million (previous year: EUR 190.8 million). At 10.3 percent, the operating EBITDA margin was up 71 basis points year-on-year.

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

Operating EBITDA/operating EBITDA margin <sup>1</sup> (EUR million)	Q2 2014	Q2 <sup>2</sup> 2013	Change in %	Q1-Q2 2014	Q1-Q2 <sup>2</sup> 2013	Change in %
GEA Farm Technologies	13.1	8.5	53.6	19.2	11.6	65.8
as % of revenue	8.5	6.4	–	6.8	4.7	–
GEA Mechanical Equipment	48.4	48.3	0.3	90.5	86.9	4.3
as % of revenue	14.2	14.5	–	13.9	13.7	–
GEA Process Engineering	48.8	45.0	8.5	79.0	74.4	6.2
as % of revenue	10.4	10.3	–	9.2	9.0	–
GEA Refrigeration Technologies	19.9	16.8	18.5	32.3	26.4	22.4
as % of revenue	10.5	8.9	–	9.4	7.7	–
<b>Total</b>	<b>130.2</b>	<b>118.5</b>	<b>9.9</b>	<b>221.0</b>	<b>199.2</b>	<b>11.0</b>
as % of revenue	11.3	10.8	–	10.4	9.7	–
Consolidation/other	–2.2	–0.1	< -100	–7.9	–8.4	6.5
<b>GEA Group</b>	<b>128.0</b>	<b>118.4</b>	<b>8.1</b>	<b>213.2</b>	<b>190.8</b>	<b>11.7</b>
<b>as % of revenue</b>	<b>11.5</b>	<b>11.1</b>	<b>–</b>	<b>10.3</b>	<b>9.6</b>	<b>–</b>

1) Before effects of purchase price allocations and before one-offs (see page 48 f.).

2) Amounts adjusted due to classification of an operation as discontinued operation and due to the combination of GEA Food Solutions and GEA Mechanical Equipment (see financial report Q1 2014)

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)	Q2 2014	Q2 * 2013	Change in %	Q1-Q2 2014	Q1-Q2 * 2013	Change in %
<b>Operating EBITDA</b>	<b>128.0</b>	<b>118.4</b>	<b>8.1</b>	<b>213.2</b>	<b>190.8</b>	<b>11.7</b>
Depreciation of property, plant and equipment, investment property, and amortization of intangible assets	-18.7	-17.5	-7.2	-37.1	-34.4	-7.7
<b>Operating EBIT</b>	<b>109.3</b>	<b>101.0</b>	<b>8.3</b>	<b>176.1</b>	<b>156.4</b>	<b>12.6</b>
Depreciation and amortization on capitalization of purchase price allocation	-5.7	-6.0	4.6	-11.6	-12.0	3.2
Realization of step-up amounts on inventories	-	0.0	-	-	-0.3	-
One-offs	-5.0	-4.6	-8.3	-7.1	-5.6	-26.0
<b>EBIT</b>	<b>98.7</b>	<b>90.4</b>	<b>9.1</b>	<b>157.4</b>	<b>138.5</b>	<b>13.7</b>

\*) Amounts adjusted due to classification of an operation as discontinued operation (see financial report Q1 2014)

The reconciliation of EBITDA to EBIT is as follows:

Reconciliation EBITDA to EBIT (EUR million)	Q2 2014	Q2 * 2013	Change in %	Q1-Q2 2014	Q1-Q2 * 2013	Change in %
<b>EBITDA</b>	<b>123.1</b>	<b>113.8</b>	<b>8.1</b>	<b>206.1</b>	<b>184.9</b>	<b>11.5</b>
Depreciation of property, plant and equipment, investment property, and amortization of intangible assets	-24.4	-23.4	-4.2	-48.7	-46.4	-4.9
<b>EBIT</b>	<b>98.7</b>	<b>90.4</b>	<b>9.1</b>	<b>157.4</b>	<b>138.5</b>	<b>13.7</b>

\*) Amounts adjusted due to classification of an operation as discontinued operation (see financial report Q1 2014)

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

Operating EBIT/operating EBIT margin <sup>1</sup> (EUR million)	Q2 2014	Q2 <sup>2</sup> 2013	Change in %	Q1-Q2 2014	Q1-Q2 <sup>2</sup> 2013	Change in %
GEA Farm Technologies	10.0	5.5	81.3	13.1	5.6	> 100
as % of revenue	6.5	4.1	-	4.6	2.3	-
GEA Mechanical Equipment	40.8	42.0	-3.0	75.3	74.7	0.8
as % of revenue	12.0	12.6	-	11.6	11.8	-
GEA Process Engineering	45.0	41.2	9.1	71.6	66.9	7.0
as % of revenue	9.6	9.5	-	8.3	8.1	-
GEA Refrigeration Technologies	17.4	14.3	21.1	27.3	21.7	26.1
as % of revenue	9.2	7.6	-	7.9	6.3	-
<b>Total</b>	<b>113.1</b>	<b>103.1</b>	<b>9.7</b>	<b>187.3</b>	<b>168.9</b>	<b>10.9</b>
<b>as % of revenue</b>	<b>9.8</b>	<b>9.4</b>	<b>-</b>	<b>8.8</b>	<b>8.2</b>	<b>-</b>
Consolidation/other	-3.8	-2.2	-75.6	-11.2	-12.5	11.0
<b>GEA Group</b>	<b>109.3</b>	<b>101.0</b>	<b>8.3</b>	<b>176.1</b>	<b>156.4</b>	<b>12.6</b>
<b>as % of revenue</b>	<b>9.8</b>	<b>9.5</b>	<b>-</b>	<b>8.5</b>	<b>7.9</b>	<b>-</b>

1) Before effects of purchase price allocations and before one-offs (see page 48 f.)

2) Amounts adjusted due to classification of an operation as discontinued operation and due to the combination of GEA Food Solutions and GEA Mechanical Equipment (see financial report Q1 2014)

In the second quarter, EBIT rose by EUR 8.3 million to EUR 98.7 million (previous year: EUR 90.4 million). At 8.8 percent of revenue, the EBIT margin was up 34 basis points year-on-year. Operating EBIT increased from EUR 101.0 million in the previous year to EUR 109.3 million in the quarter under review. The operating EBIT margin improved year-on-year by 30 basis points to 9.8 percent of revenue.

In the first half of 2014, EBIT rose by EUR 18.9 million (13.7 percent) to EUR 157.4 million (previous year: EUR 138.5 million). The EBIT margin improved by 65 basis points to 7.6 percent of revenue (previous year: 7.0 percent). Operating EBIT increased to EUR 176.1 million (previous year: EUR 156.4 million). The operating EBIT margin amounted to 8.5 percent of revenue, up from the prior-year figure of 7.9 percent.

Key figures: Results of operations (EUR million)	Q2 2014	Q2 <sup>1</sup> 2013	Change in %	Q1-Q2 2014	Q1-Q2 <sup>1</sup> 2013	Change in %
Revenue	1,117.7	1,064.6	5.0	2,068.3	1,988.7	4.0
Operating EBITDA <sup>2</sup>	128.0	118.4	8.1	213.2	190.8	11.7
EBITDA pre purchase price allocation	123.1	113.8	8.1	206.1	185.2	11.3
EBITDA	123.1	113.8	8.1	206.1	184.9	11.5
Operating EBIT <sup>2</sup>	109.3	101.0	8.3	176.1	156.4	12.6
EBIT pre purchase price allocation	104.4	96.4	8.3	169.0	150.8	12.1
EBIT	98.7	90.4	9.1	157.4	138.5	13.7
Interest	19.3	15.1	27.3	37.6	28.6	31.3
EBT	79.4	75.3	5.5	119.8	109.8	9.1
Income taxes	17.0	16.5	2.6	25.6	23.3	10.0
Profit after tax from continuing operations	62.4	58.7	6.3	94.2	86.5	8.8
Profit/loss after tax from discontinued operations	18.4	16.7	10.3	33.8	29.7	14.0
Profit for the period	80.8	75.4	7.2	128.0	116.2	10.1

1) Amounts adjusted due to classification of an operation as discontinued operation (see financial report Q1 2014)

2) Before effects of purchase price allocations and before one-offs (see page 48 f.)

Net interest income amounted to EUR –37.6 million in the first half of 2014, down from EUR –28.6 million in the previous year. The change of EUR –9.0 million is mainly attributable to the changes in the discount rate used to measure noncurrent provisions. The other components of net interest income resulted in a EUR 6.1 million reduction overall in the negative impact on earnings.

EBT in the second quarter of 2014 amounted to EUR 79.4 million, EUR 4.1 million higher than the figure for the previous year (EUR 75.3 million). At 7.1 percent, the EBT margin improved slightly year-on-year.

In the first six months of 2014, EBT increased to EUR 119.8 million (previous year: EUR 109.8 million). The corresponding EBT margin improved by 27 basis points to 5.8 percent.

An income tax rate of 21.4 percent is expected for fiscal year 2014; the tax expense for the first half of 2014 was calculated using this figure. On this basis, the income tax expense was EUR 17.0 million in the second quarter (previous year: EUR 16.5 million) and EUR 25.6 million in the first half of the year (previous year: EUR 23.3 million).

Discontinued operations generated a profit of EUR 18.4 million in the quarter under review (previous year: EUR 16.7 million).

Profit on discontinued operations amounted to EUR 33.8 million in the first half of 2014 (previous year: EUR 29.7 million). The GEA Heat Exchangers Segment accounted for EUR 34.0 million of this amount (previous year: EUR 35.5 million). Further disclosures on the business performance of the GEA Heat Exchangers Segment and the other companies can be found in the chapter entitled “Performance of Discontinued Operations” (see page 20 f.).

Consolidated profit for the second quarter of 2014 amounted to EUR 80.8 million (previous year: EUR 75.4 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 0.42 (previous year: EUR 0.39).

In the first six months of 2014, consolidated profit amounted to EUR 128.0 million (previous year: EUR 116.2 million). EUR 127.9 million of this amount (previous year: EUR 116.1 million) is attributable to GEA Group Aktiengesellschaft shareholders. This corresponds to earnings per share of EUR 0.66 (previous year: EUR 0.60).

## Financial position

Net debt (including discontinued operations) narrowed year-on-year by EUR 28.7 million to EUR 551.8 million as of June 30, 2014 (June 30, 2013: EUR 580.4 million).

Overview of net liquidity incl. discontinued operations (EUR million)	06/30/2014	12/31/2013	06/30/2013
Cash and cash equivalents	391.6	795.8	448.1
Liabilities to banks	541.3	564.1	627.2
Bonds	402.0	410.2	401.4
<b>Net liquidity (+)/Net debt (-)</b>	<b>-551.8</b>	<b>-178.6</b>	<b>-580.4</b>

Including discontinued operations, cash and cash equivalents decreased to EUR 391.6 million as of June 30, 2014, compared with EUR 795.8 million as of the end of the previous year. Liabilities to banks (EUR 239.8 million), from the bond issue (EUR 402.0 million, including accrued interest), and from the borrower's note loans (EUR 301.6 million, including accrued interest) amounted to a total of EUR 943.3 million as of the reporting date (December 31, 2013: EUR 974.3 million).

Guarantee lines – which are mainly for contract performance, advance payments, and warranties – of EUR 1,883.9 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 656.1 million (December 31, 2013: EUR 707.9 million) had been utilized.

## Change in Working Capital

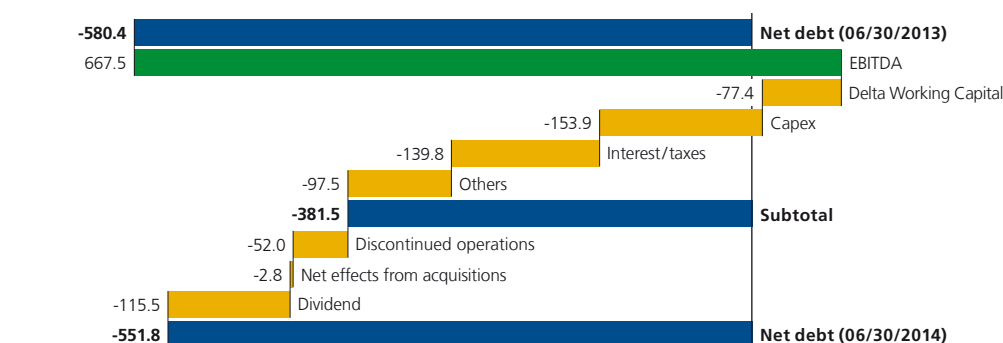
(EUR million)

Trade receivables	Q2 2014	943	623	-	517	459	=	590
Inventories	Q4 2013	929	551	-	647	470	=	363
Trade payables	Q2 2013	936	623	-	542	495	=	521
Advance payments received								
Working Capital								

The key factors responsible for the change in net debt (including discontinued operations) are shown 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-Q2 2014	Q1-Q2 * 2013	Change absolute
Cash flow from operating activities	-140.2	-31.5	-108.7
Cash flow from investing activities	-33.9	-38.7	4.9
<b>Free cash flow</b>	<b>-174.1</b>	<b>-70.3</b>	<b>-103.8</b>
Cash flow from financing activities	-167.1	-161.4	-5.7
Net cash flow from disposal group GEA Heat Exchangers	-59.4	-37.4	-22.0
Net cash flow other discontinued operations	-6.2	-13.1	6.9
Change in unrestricted cash and cash equivalents	-405.9	-292.5	-113.4

\*) Amounts adjusted due to classification of an operation as discontinued operation (see financial report Q1 2014)

Cash flow from operating activities attributable to continuing operations amounted to EUR -140.2 million in the first half of the year, widening by EUR 108.7 million compared with the previous year (EUR -31.5 million). The decline was primarily attributable to the EUR 50.8 million increase in working capital, the EUR -45.9 million change in other operating assets and liabilities, the EUR 21.7 million increase in tax payments, and the EUR -14.0 million change in provisions. The EUR 21.2 million increase in EBITDA had a partially offsetting effect.

Cash flow from investing activities attributable to continuing operations showed a EUR 4.9 million improvement, increasing from EUR -38.7 million to EUR -33.9 million.

Cash flow from financing activities attributable to continued operations declined by EUR 5.7 million in the quarter under review. Including the EUR 9.6 million higher dividend payment, the figure for the first six months of 2014 amounted to EUR -167.1 million, compared with the prior-year figure of EUR -161.4 million.

Cash flow from discontinued operations amounted to EUR -65.6 million in the first half of 2014, comprising EUR -44.2 million from operating activities, EUR -19.2 million from investing activities, and EUR -2.2 million from financing activities. Cash flow from discontinued operations was thus EUR 15.1 million lower than the prior-year figure of EUR -50.5 million.



## Cash flow drivers

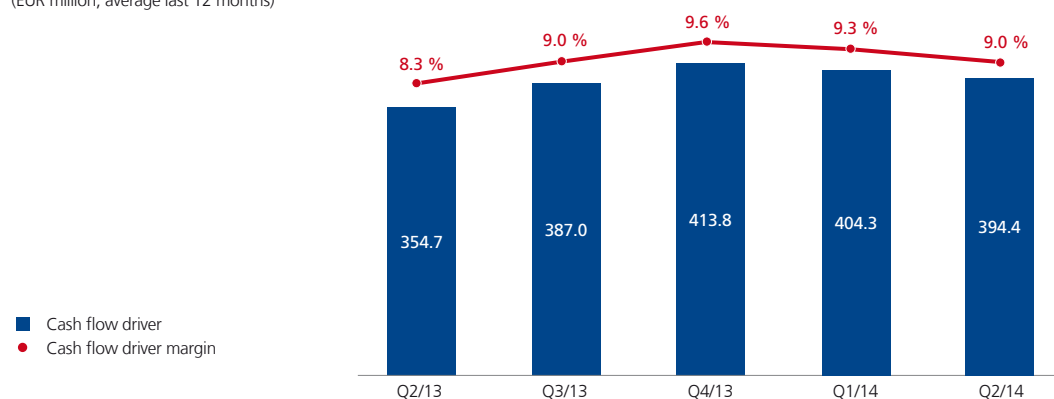
GEA Group's overriding goal is to sustainably increase its enterprise value by growing profitably. In order to create the requisite financial scope for this and to focus the group even more closely on cash flow generation, a new key performance indicator – the “cash flow driver margin” – was introduced 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 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)	06/30/2014
EBITDA (last 12 months)	536.4
Capital expenditure on property, plant and equipment (last 12 months)	122.9
Change in Working Capital (average of the past 12 months)	19.0
<b>Cash flow driver (EBITDA - Capex +/- Change in Working Capital)</b>	<b>394.4</b>
<b>as % of revenue (past 12 months)</b>	<b>9.0</b>

## Cash flow driver / Cash flow driver margin

(EUR million, average last 12 months)



## Net assets

Condensed balance sheet (EUR million)	06/30/2014	as % of total assets	12/31/2013	as % of total assets	Change in %
<b>Assets</b>					
Non-current assets	2,592.1	41.4	2,577.8	39.9	0.6
thereof goodwill	1,317.3	21.0	1,312.6	20.3	0.4
thereof deferred taxes	406.9	6.5	385.8	6.0	5.5
Current assets	3,676.5	58.6	3,886.8	60.1	-5.4
thereof cash and cash equivalents	293.3	4.7	683.5	10.6	-57.1
thereof assets held for sale	1,655.0	26.4	1,605.8	24.8	3.1
<b>Total assets</b>	<b>6,268.6</b>	<b>100.0</b>	<b>6,464.6</b>	<b>100.0</b>	<b>-3.0</b>
<b>Equity and liabilities</b>					
Equity	2,307.7	36.8	2,315.7	35.8	-0.3
Non-current liabilities	1,876.6	29.9	1,855.9	28.7	1.1
thereof financial liabilities	930.9	14.8	957.8	14.8	-2.8
thereof deferred taxes	101.0	1.6	98.8	1.5	2.3
Current liabilities	2,084.3	33.3	2,293.0	35.5	-9.1
thereof financial liabilities	58.3	0.9	67.9	1.0	-14.0
thereof liabilities held for sale	600.0	9.6	619.9	9.6	-3.2
<b>Total equity and liabilities</b>	<b>6,268.6</b>	<b>100.0</b>	<b>6,464.6</b>	<b>100.0</b>	<b>-3.0</b>

Total assets as of June 30, 2014, declined by EUR 196.0 million or 3.0 percent as against December 31, 2013, to EUR 6,268.6 million. This reduction in total assets is due to the decrease in cash funds in particular. By contrast, inventories and assets held for sale increased. The ratio of noncurrent to current assets continued to shift slightly in favor of noncurrent assets.

The EUR 8.0 million decline in equity as against December 31, 2013, is attributable to the consolidated profit of EUR 128.0 million and currency translation effects of EUR 11.5 million on the one hand, and to the dividend payment of EUR 115.5 million and actuarial losses from the measurement of pensions (EUR 31.4 million) on the other. The equity ratio increased by 1.0 percentage points compared with the end of 2013 to 36.8 percent as a result of the reduction in total assets.

As of the reporting date, noncurrent liabilities amounted to EUR 1,876.6 million. This represents a EUR 20.8 million increase compared with December 31, 2013. Provisions increased, while liabilities to banks were reclassified to current liabilities for maturity reasons. Current liabilities excluding liabilities associated with assets held for sale decreased to EUR 1,484.3 million, down EUR 188.9 million on the figure for December 31, 2013. The EUR 129.2 million reduction in trade payables was the main reason for this.

Liabilities held for sale declined by EUR 19.8 million as against December 31, 2013, to EUR 600.0 million.

## Employees

There were 18,186 employees as of June 30, 2014 (excluding the GEA Heat Exchangers Segment). This represents an increase of 436 employees compared with December 31, 2013 (17,750 employees), including 114 in Germany and 164 in the Asia/Pacific region. Changes in the basis of consolidation increased the number of employees by 26.

Employees <sup>1</sup> by segment	06/30/2014		12/31/2013 <sup>2</sup>		06/30/2013 <sup>3</sup>	
GEA Farm Technologies	2,368	13.0%	2,293	12.9%	2,297	13.2%
GEA Mechanical Equipment	5,998	33.0%	5,878	33.1%	5,799	33.3%
GEA Process Engineering	6,122	33.7%	5,949	33.5%	5,739	32.9%
GEA Refrigeration Technologies	3,410	18.8%	3,325	18.7%	3,298	18.9%
<b>Total</b>	<b>17,898</b>	<b>98.4%</b>	<b>17,445</b>	<b>98.3%</b>	<b>17,133</b>	<b>98.3%</b>
Other	288	1.6%	305	1.7%	304	1.7%
<b>GEA Group</b>	<b>18,186</b>	<b>100.0%</b>	<b>17,750</b>	<b>100.0%</b>	<b>17,438</b>	<b>100.0%</b>

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 financial report Q1 2014)

3) Amounts adjusted due to classification of an operation as discontinued operation and due to the combination of GEA Food Solutions and GEA Mechanical Equipment (see financial report Q1 2014)

There were no major shifts in the regional breakdown as against December 31, 2013, although the share of employees accounted for by the high-growth Asia/Pacific region has continued to rise.

Employees <sup>1</sup> by region	06/30/2014		12/31/2013		06/30/2013 <sup>2</sup>	
Western Europe	11,396	62.7%	11,230	63.3%	11,103	63.7%
Asia/Pacific	3,233	17.8%	3,069	17.3%	2,901	16.6%
North America	2,047	11.3%	1,964	11.1%	1,983	11.4%
Eastern Europe	678	3.7%	673	3.8%	653	3.7%
Latin America	400	2.2%	387	2.2%	379	2.2%
Africa	365	2.0%	361	2.0%	355	2.0%
Middle East	68	0.4%	66	0.4%	64	0.4%
<b>Total</b>	<b>18,186</b>	<b>100.0%</b>	<b>17,750</b>	<b>100.0%</b>	<b>17,438</b>	<b>100.0%</b>

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 financial report Q1 2014)

As of the end of the second quarter of 2014, GEA Group employed 463 vocational trainees compared with 426 at the same date in the previous year. In Germany, the vocational trainee ratio stood at a good 5.7 percent (previous year: 5.6 percent). This shows how important first-rate vocational training is to GEA, which considers 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 half of 2014, direct expenses for research and development (R&D) amounted to EUR 41.2 million, compared with EUR 36.7 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 4.9 million (previous year: EUR 6.0 million). The R&D ratio amounted to 2.0 percent of revenue (previous year: 1.8 percent).

Research and development (R&D) expenses (EUR million)	Q2 2014	Q2 * 2013	Change in %	Q1-Q2 2014	Q1-Q2 * 2013	Change in %
Refunded expenses (contract costs)	2.4	3.1	-21.9	4.9	6.0	-19.1
Non-refunded R&D expenses	18.5	16.0	15.4	36.3	30.7	18.4
<b>Total R&amp;D expenses</b>	<b>20.9</b>	<b>19.1</b>	<b>9.3</b>	<b>41.2</b>	<b>36.7</b>	<b>12.2</b>
<b>R&amp;D ratio (as % of revenue)</b>	<b>1.9</b>	<b>1.8</b>	<b>-</b>	<b>2.0</b>	<b>1.8</b>	<b>-</b>

\*) Amounts adjusted due to classification of an operation as discontinued operation (see financial report Q1 2014)

## Performance of Discontinued Operations

### GEA Heat Exchangers

(EUR million)	Q2 2014	Q2 2013	Change in %	Q1-Q2 2014	Q1-Q2 2013	Change in %
Order intake	350.0	363.5	-3.7	749.7	725.4	3.3
Order backlog *	874.8	846.5	3.3	874.8	846.5	3.3
Sales	355.7	385.9	-7.8	667.2	704.0	-5.2
Operating EBITDA	32.7	37.6	-12.9	58.6	63.7	-8.0
as % of revenue	9.2	9.7	-	8.8	9.0	-
Employees *	7,212	7,292	-1.1	7,212	7,292	-1.1

\*) Reporting date

### Order intake

Order intake in the GEA Heat Exchangers Segment was EUR 749.7 million in the first half of 2014, an increase of 3.3 percent compared with the prior-year period. Adjusted for the negative effect of exchange rate changes (-3.5 percent), organic growth amounted to 6.9 percent.

### Order backlog

The order backlog rose by EUR 69.7 million or 8.7 percent compared with December 31, 2013 (EUR 805.1 million), to EUR 874.8 million.

### Revenue

The GEA Heat Exchangers Segment's revenue declined by 5.2 percent to EUR 667.2 million in the first six months (previous year: EUR 704.0 million). Adjusted for the effect of exchange rate changes of -2.8 percent, organic growth was negative, at -2.5 percent.

### Results of operations

The GEA Heat Exchangers Segment's operating EBITDA was EUR 58.6 million in the first six months, down EUR 5.1 million on the prior-year period (EUR 63.7 million), primarily due to the decline in revenue. The operating EBITDA margin was 8.8 percent of revenue, down from 9.0 percent in the previous year.

### Employees

The number of employees in the GEA Heat Exchangers Segment amounted to 7,212 as of June 30, 2014, a slight increase of 11 employees compared with 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 first six months of 2014. The prior-year figures include expenses of EUR 9.4 million relating to a decision by the French competition authority, as well as offsetting tax effects.

## 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 requirements.

## Report on Expected Developments

### Economic environment in 2014

In its World Economic Outlook Update (July 2014), the International Monetary Fund (IMF) again made a slight downward adjustment to its 2014 growth forecast for the global economy. In comparison with its previous forecast (April 2014), the legacy of the weak first quarter, particularly in the United States and in several important emerging markets, the continuing crisis between Russia and Ukraine and the associated sanctions as well as the situation in Middle East are having an even greater impact on the economy than had already been assumed in April. The IMF remarks especially that increased geopolitical risks could lead to sharply higher oil prices. The IMF is now expecting the global economy to grow by 3.4 percent in 2014, against the 3.6 percent growth figure forecast in April. Growth in 2013 was 3.2 percent.

Growth in the U.S.A. is expected to be just 1.7 percent, more than one point lower than previously predicted. The IMF also reduced its forecast for the eurozone by 0.1 point to 1.1 percent. However, it lifted the forecast for Germany slightly from 1.7 percent to 1.9 percent. For the emerging markets the outlook is also less optimistic. For these economies, growth is now projected to decrease to 4.6 percent in 2014. The April growth forecast had been 4.9 percent. China's macroeconomic growth is expected to reach 7.4 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, July 28, 2014






The Executive Board

## GEA Shares

The international stock markets continued their rally in the second quarter to reach new highs, driven by the European Central Bank's continuing expansionary monetary policy measures. The STOXX® Europe TMI Industrial Engineering posted a record 364 points on May 14, 2014, while the DAX broke through the 10,000 point mark for the first time in its history, closing at an all-time high of 10,029 points on June 10. The MDAX also hit a record 17,168 points on June 10. The resurgent crisis in Iraq and weaker economic data from the eurozone weighed down the stock markets at the end of the quarter and led to profit taking. The STOXX® Europe TMI Industrial Engineering index closed at 350 points on June 30, a gain of 1.2 percent since the year began. The DAX closed the quarter at 9,833 points, up 2.9 percent on the start of the year. The MDAX ended the second quarter on 16,816 points, a gain of 1.5 percent since the year began.

GEA Group Aktiengesellschaft's shares outperformed the stock market rally, particularly in June, almost fully offsetting their 4.1 percent decline in the first quarter. They closed at EUR 34.58 on June 30, a decrease of only 0.1 percent since the start of the year.

GEA Group shares compared to STOXX® Europe TMI Industrial Engineering				
Balance sheet date (06/30/2014)	Share development		Market capitalization	
Last 3 months	+5.8 %		+5.8 %	
Last 6 months	-1.3 %		-1.3 %	
Last 9 months	+12.2 %		+12.2 %	
Last 12 months	+14.7 %		+14.7 %	
Last 24 months	+30.3 %		+38.1 %	
Last 36 months	+27.5 %		+34.2 %	

 > 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 2014	Q2 2013	Q1-Q2 2014	Q1-Q2 2013
Shares issued (June 30, million) *	192.5	192.5	192.5	192.5
Share price (June 30, EUR) *	34.58	27.23	34.58	27.23
High (EUR)	35.23	29.24	35.91	29.24
Low (EUR)	30.42	24.66	30.42	24.66
Market capitalization (June 30, EUR billion) *	6.7	5.2	6.7	5.2
Average daily trading volume (million)	–	–	0.4	0.5
Earnings per share pre purchase price allocation (EUR)	0.44	0.42	0.71	0.65
Earnings per share (EUR)	0.42	0.39	0.66	0.60

\*) Or on the last trading day of reporting period

Shareholders with an equity interest of over 5% in accordance with disclosures received under the WpHG (German Securities Trading Act)	06/30/2014
Kuwait Investment Office	7.9





# **Consolidated Financial Statements for the 2nd Quarter of 2014**

## Consolidated Balance Sheet as of June 30, 2014

Assets (EUR thousand)	06/30/2014	12/31/2013	Change in %
Property, plant and equipment	490,413	490,420	-0.0
Investment property	11,231	13,448	-16.5
Goodwill	1,317,262	1,312,554	0.4
Other intangible assets	314,342	319,840	-1.7
Equity-accounted investments	14,770	13,690	7.9
Other non-current financial assets	37,205	42,068	-11.6
Deferred taxes	406,924	385,822	5.5
<b>Non-current assets</b>	<b>2,592,147</b>	<b>2,577,842</b>	<b>0.6</b>
Inventories	623,380	551,055	13.1
Trade receivables	942,636	929,156	1.5
Income tax receivables	16,721	8,332	> 100
Other current financial assets	145,493	108,939	33.6
Cash and cash equivalents	293,265	683,520	-57.1
Assets held for sale	1,654,995	1,605,786	3.1
<b>Current assets</b>	<b>3,676,490</b>	<b>3,886,788</b>	<b>-5.4</b>
<b>Total assets</b>	<b>6,268,637</b>	<b>6,464,630</b>	<b>-3.0</b>

Equity and liabilities (EUR thousand)	06/30/2014	12/31/2013	Change in %
Subscribed capital	520,376	520,376	–
Capital reserve	1,218,087	1,218,073	0.0
Retained earnings	608,659	627,612	–3.0
Accumulated other comprehensive income	–42,103	–53,026	–20.6
Non-controlling interests	2,642	2,667	–0.9
<b>Equity</b>	<b>2,307,661</b>	<b>2,315,702</b>	<b>–0.3</b>
Non-current provisions	134,126	123,777	8.4
Non-current employee benefit obligations	708,813	672,711	5.4
Non-current financial liabilities	930,858	957,785	–2.8
Other non-current liabilities	1,804	2,834	–36.3
Deferred taxes	101,043	98,779	2.3
<b>Non-current liabilities</b>	<b>1,876,644</b>	<b>1,855,886</b>	<b>1.1</b>
Current provisions	162,408	170,651	–4.8
Current employee benefit obligations	127,847	152,644	–16.2
Current financial liabilities	58,339	67,868	–14.0
Trade payables	517,293	646,529	–20.0
Income tax liabilities	26,098	32,038	–18.5
Other current liabilities	592,304	603,446	–1.8
Liabilities held for sale	600,043	619,866	–3.2
<b>Current liabilities</b>	<b>2,084,332</b>	<b>2,293,042</b>	<b>–9.1</b>
<b>Totally equity and liabilities</b>	<b>6,268,637</b>	<b>6,464,630</b>	<b>–3.0</b>

## Consolidated Income Statement for the period April 1 – June 30, 2014

(EUR thousand)	Q2 2014	Q2 * 2013	Change in %
Revenue	1,117,656	1,064,581	5.0
Cost of sales	777,523	738,194	5.3
<b>Gross profit</b>	<b>340,133</b>	<b>326,387</b>	<b>4.2</b>
Selling expenses	117,120	116,115	0.9
Research and development expenses	18,469	16,011	15.4
General and administrative expenses	114,578	113,782	0.7
Other income	35,205	35,371	-0.5
Other expenses	27,053	25,809	4.8
Share of profit or loss of equity-accounted investments	625	172	> 100
Other financial income	-74	188	-
<b>Earnings before interest and tax (EBIT)</b>	<b>98,669</b>	<b>90,401</b>	<b>9.1</b>
Interest income	1,170	1,181	-0.9
Interest expense	20,445	16,321	25.3
<b>Profit before tax from continuing operations</b>	<b>79,394</b>	<b>75,261</b>	<b>5.5</b>
Income taxes	16,974	16,540	2.6
<b>Profit after tax from continuing operations</b>	<b>62,420</b>	<b>58,721</b>	<b>6.3</b>
<b>Profit or loss after tax from discontinued operations</b>	<b>18,367</b>	<b>16,652</b>	<b>10.3</b>
<b>Profit for the period</b>	<b>80,787</b>	<b>75,373</b>	<b>7.2</b>
of which attributable to shareholders of GEA Group AG	80,719	75,305	7.2
of which attributable to non-controlling interests	68	68	-

(EUR)			
Basic and diluted earnings per share from continuing operations	0.32	0.30	6.3
Basic and diluted earnings per share from discontinued operations	0.10	0.09	10.3
<b>Earnings per share</b>	<b>0.42</b>	<b>0.39</b>	<b>7.2</b>
<b>Weighted average number of ordinary shares used to calculate basic and diluted earnings per share (million)</b>	<b>192.5</b>	<b>192.5</b>	<b>-</b>

\*) Amounts adjusted due to classification of an operation as discontinued operation (see financial report Q1 2014)

## Consolidated Statement of Comprehensive Income

for the period April 1 – June 30, 2014

(EUR thousand)	Q2 2014	Q2 2013	Change in %
<b>Profit for the period</b>	<b>80,787</b>	<b>75,373</b>	<b>7.2</b>
<b>Items, that will not be reclassified to profit or loss in the future:</b>			
Actuarial gains/losses on pension and other post-employment benefit obligations	-30,741	604	-
<b>Items, that will be reclassified subsequently to profit or loss when specific conditions are met:</b>			
Exchange differences on translating foreign operations	16,547	-39,728	-
Result of available-for-sale financial assets	17	-	-
Result of cash flow hedges	1,009	2,432	-58.5
<b>Other comprehensive income</b>	<b>-13,168</b>	<b>-36,692</b>	<b>64.1</b>
<b>Total comprehensive income</b>	<b>67,619</b>	<b>38,681</b>	<b>74.8</b>
of which attributable to GEA Group AG shareholders	67,530	38,547	75.2
of which attributable to non-controlling interests	89	134	-33.6

## Consolidated Income Statement for the period January 1 – June 30, 2014

(EUR thousand)	Q1-Q2 2014	Q1-Q2 * 2013	Change in %
Revenue	2,068,316	1,988,734	4.0
Cost of sales	1,437,090	1,385,325	3.7
<b>Gross profit</b>	<b>631,226</b>	<b>603,409</b>	<b>4.6</b>
Selling expenses	229,944	223,813	2.7
Research and development expenses	36,326	30,680	18.4
General and administrative expenses	224,317	222,783	0.7
Other income	85,491	87,186	-1.9
Other expenses	72,229	76,602	-5.7
Share of profit or loss of equity-accounted investments	1,099	296	> 100
Other financial income	2,403	1,469	63.6
<b>Earnings before interest and tax (EBIT)</b>	<b>157,403</b>	<b>138,482</b>	<b>13.7</b>
Interest income	3,089	3,308	-6.6
Interest expense	40,698	31,942	27.4
<b>Profit before tax from continuing operations</b>	<b>119,794</b>	<b>109,848</b>	<b>9.1</b>
Income taxes	25,636	23,313	10.0
<b>Profit after tax from continuing operations</b>	<b>94,158</b>	<b>86,535</b>	<b>8.8</b>
<b>Profit or loss after tax from discontinued operations</b>	<b>33,840</b>	<b>29,675</b>	<b>14.0</b>
<b>Profit for the period</b>	<b>127,998</b>	<b>116,210</b>	<b>10.1</b>
of which attributable to shareholders of GEA Group AG	127,928	116,123	10.2
of which attributable to non-controlling interests	70	87	-19.5

(EUR)			
Basic and diluted earnings per share from continuing operations	0.49	0.45	8.8
Basic and diluted earnings per share from discontinued operations	0.18	0.15	14.0
<b>Basic and diluted earnings per share</b>	<b>0.66</b>	<b>0.60</b>	<b>10.2</b>
<b>Weighted average number of ordinary shares used to calculate basic and diluted earnings per share (million)</b>	<b>192.5</b>	<b>192.5</b>	<b>-</b>

\*) Amounts adjusted due to classification of an operation as discontinued operation (see financial report Q1 2014)

## Consolidated Statement of Comprehensive Income for the period January 1 – June 30, 2014

(EUR thousand)	Q1-Q2 2014	Q1-Q2 2013	Change in %
<b>Profit for the period</b>	<b>127,998</b>	<b>116,210</b>	<b>10.1</b>
<b>Items, that will not be reclassified to profit or loss in the future:</b>			
Actuarial gains/losses on pension and other post-employment benefit obligations	-31,384	98	-
<b>Items, that will be reclassified subsequently to profit or loss when specific conditions are met:</b>			
Exchange differences on translating foreign operations	11,442	-15,828	-
Result of available-for-sale financial assets	-1,264	50	-
Result of cash flow hedges	733	415	76.6
<b>Other comprehensive income</b>	<b>-20,473</b>	<b>-15,265</b>	<b>-34.1</b>
<b>Total comprehensive income</b>	<b>107,525</b>	<b>100,945</b>	<b>6.5</b>
of which attributable to GEA Group AG shareholders	107,467	100,709	6.7
of which attributable to non-controlling interests	58	236	-75.4

## Consolidated Cash Flow Statement for the period January 1 – June 30, 2014

(EUR thousand)	Q1-Q2 2014	Q1-Q2 <sup>1</sup> 2013
Profit for the period	127,998	116,210
plus income taxes	25,636	23,313
minus profit or loss after tax from discontinued operations	-33,840	-29,675
Profit before tax from continuing operations	119,794	109,848
Net interest income	37,609	28,634
<b>Earnings before interest and tax (EBIT)</b>	<b>157,403</b>	<b>138,482</b>
Depreciation, amortization, impairment losses, and reversal of impairment losses on non-current assets	48,687	46,410
Other non-cash income and expenses	7,360	5,163
Employee benefit obligations	-19,793	-19,762
Change in provisions	-35,334	-21,327
Losses and disposal of non-current assets	-442	-827
Change in inventories including unbilled construction contracts <sup>2</sup>	-76,129	-65,455
Change in trade receivables	-14,054	-51,354
Change in trade payables	-132,359	-54,903
Change in other operating assets and liabilities	-27,749	18,125
Tax payments	-47,806	-26,077
<b>Cash flow from operating activities of continued operations</b>	<b>-140,216</b>	<b>-31,525</b>
Cash flow from operating activities of discontinued operations	-44,241	-21,700
<b>Cash flow from operating activities</b>	<b>-184,457</b>	<b>-53,225</b>
Proceeds from disposal of non-current assets	1,881	1,673
Payments to acquire property, plant and equipment, and intangible assets	-39,196	-39,775
Payments to acquire non-current financial assets	-278	3
Interest income	2,477	2,626
Dividend income	1,465	1,127
Payments to acquire subsidiaries and other businesses	-213	-4,382
<b>Cash flow from investing activities of continued operations</b>	<b>-33,864</b>	<b>-38,728</b>
Cash flow from investing activities of discontinued operations	-19,151	-20,766
<b>Cash flow from investing activities</b>	<b>-53,015</b>	<b>-59,494</b>
Dividend payments	-115,497	-105,873
Payments from finance leases	-2,565	-2,405
Proceeds from finance loans	16,353	24,765
Repayments of finance loans	-45,547	-49,882
Interest payments	-19,872	-28,016
<b>Cash flow from financing activities of continued operations</b>	<b>-167,128</b>	<b>-161,411</b>
Cash flow from financing activities of discontinued operations	-2,164	-8,030
<b>Cash flow from financing activities</b>	<b>-169,292</b>	<b>-169,441</b>
Effect of exchange rate changes on cash and cash equivalents	869	-10,296
<b>Change in unrestricted cash and cash equivalents</b>	<b>-405,895</b>	<b>-292,456</b>
Unrestricted cash and cash equivalents at beginning of period	794,313	735,981
<b>Unrestricted cash and cash equivalents at end of period</b>	<b>388,418</b>	<b>443,525</b>
<b>Restricted cash and cash equivalents</b>	<b>3,143</b>	<b>4,569</b>
<b>Cash and cash equivalents total</b>	<b>391,561</b>	<b>448,094</b>
less cash and cash equivalents classified as „held for sale“	-98,296	-
<b>Cash and cash equivalents reported in the balance sheet</b>	<b>293,265</b>	<b>448,094</b>

1) Amounts adjusted due to classification of an operation as discontinued operation (see financial report Q1 2014)

2) Including advanced payments received



## Consolidated Statement of Changes in Equity as of June 30, 2014

(EUR thousand)	Accumulated other comprehensive income						Equity attributable to shareholders of GEA Group AG	Non-controlling interests	Total
	Subscribed capital	Capital reserves	Retained earnings	Translation of foreign operations	Result of available-for-sale financial assets	Result of cash flow hedges			
<b>Balance at Jan. 1, 2013 (192,495,476 shares)</b>	<b>520,376</b>	<b>1,217,864</b>	<b>398,159</b>	<b>29,993</b>	<b>487</b>	<b>-2,520</b>	<b>2,164,359</b>	<b>2,552</b>	<b>2,166,911</b>
Profit for the period	–	–	116,123	–	–	–	116,123	87	116,210
Other comprehensive income	–	–	98	-15,977	50	415	-15,414	149	-15,265
Total comprehensive income	–	–	116,221	-15,977	50	415	100,709	236	100,945
Dividend payment by GEA Group AG	–	–	-105,873	–	–	–	-105,873	–	-105,873
Change in other non-controlling interests	–	230	–	–	–	–	230	-261	-31
Share-based payments	–	22	–	–	–	–	22	–	22
<b>Balance at June 30, 2013 (192,495,476 shares)</b>	<b>520,376</b>	<b>1,218,116</b>	<b>408,507</b>	<b>14,016</b>	<b>537</b>	<b>-2,105</b>	<b>2,159,447</b>	<b>2,527</b>	<b>2,161,974</b>
<b>Balance at Jan. 1, 2014 (192,495,476 shares)</b>	<b>520,376</b>	<b>1,218,073</b>	<b>627,612</b>	<b>-53,677</b>	<b>262</b>	<b>389</b>	<b>2,313,035</b>	<b>2,667</b>	<b>2,315,702</b>
Profit for the period	–	–	127,928	–	–	–	127,928	70	127,998
Other comprehensive income	–	–	-31,384	11,454	-1,264	733	-20,461	-12	-20,473
Total comprehensive income	–	–	96,544	11,454	-1,264	733	107,467	58	107,525
Dividend payment by GEA Group AG	–	–	-115,497	–	–	–	-115,497	–	-115,497
Change in other non-controlling interests	–	–	–	–	–	–	–	-83	-83
Share-based payments	–	14	–	–	–	–	14	–	14
<b>Balance at June 30, 2014 (192,495,476 shares)</b>	<b>520,376</b>	<b>1,218,087</b>	<b>608,659</b>	<b>-42,223</b>	<b>-1,002</b>	<b>1,122</b>	<b>2,305,019</b>	<b>2,642</b>	<b>2,307,661</b>

# 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.

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.

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.

The following accounting standards were applied for the first time in fiscal year 2014:

### **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 half 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 first half of the year, 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.

The IASB issued the following new accounting pronouncements in the second quarter of 2013:

### **IFRS 15 “Revenue from Contracts with Customers” – issued by the IASB in May 2014**

The new standard integrates the existing revenue recognition requirements and establishes a single revenue recognition model. IFRS 15 applies to the recognition of contracts with customers for the provision of services and the sale of goods and thus also covers the recognition of construction contracts, which were previously governed by IAS 11.

The new integrated revenue recognition model provides a five-step framework for determining the amount of revenue and the timing of revenue recognition:

1. Identification of the contract with the customer
2. Identification of separate performance obligations
3. Determination of the total transaction price
4. Allocation of the transaction price to the separate performance obligations
5. Recognition of revenue when a performance obligation is satisfied

A performance obligation is deemed to be satisfied when control over the goods sold or services provided is transferred to the customer. The accounting treatment differs depending on whether control passes at a point in time or over time. If control is transferred to the customer over time, revenue is recognized based on the stage of completion, provided this can be reasonably measured.

GEA Group is currently assessing the impact of the new requirements. At present, GEA Group does not believe that the new requirements will have a significant impact on the group's net assets, financial position, and results of operations. However, the timing of revenue recognition may change for certain orders.

In addition, IFRS 15 introduces extensive disclosures on revenue recognition.

Subject to endorsement by the EU, IFRS 15 must be applied for fiscal years beginning on or after January 1, 2017. Earlier application of the requirements is permitted. Initial application is retrospective, with certain practical expedients permitted under IFRS 15.

### 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

There was no change in the basis of consolidation in the second quarter of 2014 compared with the previous quarter:

	Number of companies
<b>Consolidated Group as of June 30, 2014</b>	<b>287</b>
German companies (including GEA Group AG)	49
Foreign companies	238

A total of 70 subsidiaries (March 31, 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. On April 16, 2014, GEA Group entered into an agreement for the sale of the GEA HX Segment to funds advised by Triton. The transaction, which is expected to be completed by the end of 2014, is still subject to approval by the relevant antitrust authorities.

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 selling price for the GEA HX segment is based on an enterprise value of around EUR 1.3 billion as of the December 31, 2013, reporting date. The purchase price will not be adjusted to reflect any profit generated by GEA HX between that date and completion of the transaction. Consequently, the profit or loss recorded by GEA HX after December 31, 2013, will be to the economic advantage or detriment of the purchaser on completion of the transaction.

Due to the agreement entered into for the sale of the GEA HX segment, GEA Group's rights to transfer assets or distribute dividends from this segment are restricted.

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 June 30, 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 June 30, 2014, are outlined in the table below:

(EUR thousand)	06/30/2014	12/31/2013
Property, plant and equipment	273,676	255,378
Investment property	281	281
Goodwill	524,731	524,423
Other intangible assets	47,747	44,771
Equity-accounted investments	6,466	6,466
Other non-current financial assets	6,490	8,265
Deferred taxes	47,222	46,412
Inventories	159,154	142,285
Trade receivables	417,589	403,516
Income tax receivables	9,843	4,225
Other current financial assets	56,577	44,709
Cash and cash equivalents	98,296	112,257
<b>Assets held for sale</b>	<b>1,648,072</b>	<b>1,592,988</b>
Non-current provisions	10,370	10,516
Non-current employee benefit obligations	30,926	27,718
Non-current financial liabilities	12,990	5,178
Other non-current liabilities	1,210	470
Deferred taxes	37,484	26,716
Current provisions	77,983	81,703
Current employee benefit obligations	34,940	38,220
Current financial liabilities	8,668	4,300
Trade payables	199,167	233,131
Income tax liabilities	11,359	9,220
Other current liabilities	174,946	182,694
<b>Liabilities held for sale</b>	<b>600,043</b>	<b>619,866</b>

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

(EUR thousand)	Q2 2014	Q2 2013	Change in %	Q1-Q2 2014	Q1-Q2 2013	Change in %
Sales	355,708	385,900	-7,8	667,152	703,996	-5.2
Other revenue	7,222	1,762	> 100	16,083	8,078	99.1
Expenses	335,159	358,151	-6,4	632,103	664,456	-4.9
<b>Profit or loss before tax from discontinued operations</b>	<b>27,771</b>	<b>29,511</b>	<b>-5,9</b>	<b>51,132</b>	<b>47,618</b>	<b>7.4</b>
Income taxes	9,340	7,033	32,8	17,181	12,117	41.8
<b>Profit or loss after tax from discontinued operations</b>	<b>18,431</b>	<b>22,478</b>	<b>-18,0</b>	<b>33,951</b>	<b>35,501</b>	<b>-4.4</b>
of which attributable to shareholders of GEA Group AG	18,360	22,397	-18,0	33,880	35,420	-4.3
of which attributable to non-controlling interests	71	81	-12,3	71	81	-12.3

## 4. Balance sheet disclosures

### Cash credit lines

The cash credit lines were composed of the following items as of June 30, 2014:

(EUR thousand)	Maturity	06/30/2014 approved	06/30/2014 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	40,000	40,000	60,000	60,000
Kreditanstalt für Wiederaufbau (KfW) (2016/12)	December 2016	35,000	35,000	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 accrued interest	Maximum of 1 year or „until further notice“	141,794	18,267	138,182	22,277
<b>Total</b>		<b>1,716,794</b>	<b>943,267</b>	<b>1,740,182</b>	<b>974,277</b>

### Financial instruments

The following tables provide an overview of the composition of financial instruments as of June 30, 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)	Measurement in accordance with IAS 39					Fair value 06/30/2014
	Carrying amount 06/30/2014	Amortized cost	Fair value through profit or loss	Fair value recognized in other comprehensive income	Measurement in accordance with other IFRSs	
<b>Assets</b>						
Trade receivables	942,636	682,188	–	–	260,448	942,636
of which PoC receivables	260,448	–	–	–	260,448	260,448
Income tax receivables	16,721	–	–	–	16,721	16,721
Cash and cash equivalents	293,265	293,265	–	–	–	293,265
Other financial assets	182,698	66,097	3,008	13,965	99,628	182,698
of which derivatives included in hedging relationships	5,743	–	–	5,743	–	5,743
<b>By IAS 39 measurement category</b>						
Loans and receivables	1,015,721	1,015,721	–	–	–	1,015,721
of which cash and cash equivalents	293,265	293,265	–	–	–	293,265
of which trade receivables	682,188	682,188	–	–	–	682,188
of which other financial assets	40,268	40,268	–	–	–	40,268
Available-for-sale investments	34,041	25,819	–	8,222	–	34,041
Financial assets at fair value through profit or loss (derivatives not included in a recognized hedging relationship)	3,008	–	3,008	–	–	3,008
<b>Liabilities</b>						
Trade payables	517,293	517,293	–	–	–	517,293
Financial liabilities	989,197	937,769	9,500	6,405	35,523	1,031,900
of which liabilities under finance leases	35,523	–	–	–	35,523	35,523
of which derivatives included in hedging relationships	6,405	–	–	6,405	–	6,405
Income tax liabilities	26,098	–	–	–	26,098	26,098
Other financial liabilities	594,108	62,869	–	–	531,239	594,108
<b>By IAS 39 measurement category</b>						
Financial liabilities at amortized cost	1,517,931	1,517,931	–	–	–	1,560,634
of which trade payables	517,293	517,293	–	–	–	517,293
of which bonds and other securitized liabilities	703,564	703,564	–	–	–	741,453
of which liabilities to banks	233,074	233,074	–	–	–	237,888
of which loan liabilities to unconsolidated subsidiaries	1,131	1,131	–	–	–	1,131
of which other liabilities to affiliated companies	21,603	21,603	–	–	–	21,603
of which other liabilities	41,266	41,266	–	–	–	41,266
Financial liabilities at fair value through profit or loss (derivatives not included in a hedging relationship)	9,500	–	9,500	–	–	9,500



(EUR thousand)	Measurement in accordance with IAS 39					Fair value 12/31/2013
	Carrying amount 12/31/2013	Amortized cost	Fair value through profit or loss	Fair value recognized in other comprehensive income	Measurement in accordance with other IFRSs	
<b>Assets</b>						
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
<b>By IAS 39 measurement category</b>						
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
<b>Liabilities</b>						
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
<b>By IAS 39 measurement category</b>						
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  (EUR thousand)	06/30/2014				12/31/2013			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>								
Derivatives included in hedging relationships	5,743	–	5,743	–	6,450	–	6,450	–
Derivatives not included in hedging relationships	3,008	–	3,008	–	4,809	–	4,809	–
Available-for-sale financial assets valued at fair value	8,222	–	–	8,222	9,575	–	–	9,575
<b>Financial liabilities measured at fair value</b>								
Derivatives included in hedging relationships	6,405	–	6,405	–	6,006	–	6,006	–
Derivatives not included in hedging relationships	9,500	–	9,500	–	10,985	–	10,985	–
<b>Financial liabilities not measured at fair value</b>								
Bonds	401,987	425,504	–	–	410,220	438,866	–	–
Promissory note bonds	301,577	–	315,949	–	300,358	–	316,475	–
Liabilities to banks	233,074	–	237,888	–	260,756	–	266,561	–

There were no transfers between the levels of the fair value hierarchy in the first six 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 during the interim reporting period were calculated for continuing operations using an estimated tax rate of 21.4 percent (previous year: 21.2 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 16,547 thousand in the reporting period (previous year: EUR -39,728 thousand) and resulted primarily from the rise of the U.S. dollar against the euro. By contrast, in the first quarter both the U.S. dollar and the Chinese renminbi had declined against the euro. Overall, the exchange differences on translating foreign operations in the period from January 1 to June 30, 2014, were less significant than in the reporting period, at EUR 11,442 thousand (previous year: EUR -15,828).

## 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 a single segment so as to better exploit existing synergies.

The group's operating segments were therefore reorganized: 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 to reflect the amended reporting structure.

### 7.2 Operating segments

GEA Group's business activities are divided into the following six operating 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 high-quality process engineering components and process technology solutions that ensure seamless processes and cost-effective production in almost all major areas of industry worldwide. In addition to separators, decaners, valves, pumps, and homogenizers, the segment's product range includes machines used in food preparation, marination, processing, slicing, and packaging. 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 also included for the GEA HX disposal group 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 <sup>1</sup>	Consolidation/ Reclassification	GEA Group incl. GEA HX
<b>Q2 2014</b>										
Order Intake	169.7	329.1	500.9	204.1	–	–33.9	<b>1,169.9</b>	350.0	–10.0	<b>1,510.0</b>
External revenue	152.9	308.9	468.3	187.6	–	–	<b>1,117.7</b>	348.8	–	<b>1,466.4</b>
Intersegment revenue	1.3	31.6	0.7	1.4	–	–35.0	–	6.9	–6.9	–
Total revenue	154.2	340.4	469.1	189.0	–	–35.0	<b>1,117.7</b>	355.7	–6.9	<b>1,466.4</b>
Operating EBITDA <sup>2</sup>	13.1	48.4	48.8	19.9	–2.2	–	<b>128.0</b>	32.7	–0.5	<b>160.3</b>
as % of revenue	8.5	14.2	10.4	10.5	–	–	<b>11.5</b>	9.2	–	<b>10.9</b>
EBITDA	13.1	48.4	48.8	19.9	–7.1	–	<b>123.1</b>	32.7	–4.3	<b>151.5</b>
Operating EBIT <sup>2</sup>	10.0	40.8	45.0	17.4	–3.8	–	<b>109.3</b>	24.4	–0.5	<b>133.3</b>
as % of revenue	6.5	12.0	9.6	9.2	–	–	<b>9.8</b>	6.9	–	<b>9.1</b>
EBIT	9.3	37.0	44.3	16.8	–8.8	–	<b>98.7</b>	23.8	–4.3	<b>118.2</b>
as % of revenue	6.0	10.9	9.5	8.9	–	–	<b>8.8</b>	6.7	–	<b>8.1</b>
Additions to property, plant and equipment and intangible assets	3.7	8.9	4.9	3.4	2.4	–	<b>23.4</b>	6.0	–	<b>29.4</b>
Depreciation and amortization	3.8	11.4	4.5	3.0	1.6	–	<b>24.4</b>	8.9	–	<b>33.3</b>
<b>Q2 2013<sup>3</sup></b>										
Order Intake	155.7	346.4	570.0	181.2	–	–33.2	<b>1,220.0</b>	363.5	–9.6	<b>1,574.0</b>
External revenue	133.7	307.8	435.1	188.0	–	–	<b>1,064.6</b>	377.4	–	<b>1,441.9</b>
Intersegment revenue	0.1	26.2	0.5	1.1	–	–28.0	–	8.5	–8.5	–
Total revenue	133.8	334.0	435.6	189.2	–	–28.0	<b>1,064.6</b>	385.9	–8.5	<b>1,441.9</b>
Operating EBITDA <sup>2</sup>	8.5	48.3	45.0	16.8	–0.1	–	<b>118.4</b>	37.6	–	<b>156.0</b>
as % of revenue	6.4	14.5	10.3	8.9	–	–	<b>11.1</b>	9.7	–	<b>10.8</b>
EBITDA	8.5	48.3	45.0	16.8	–4.7	–	<b>113.8</b>	36.3	2.2	<b>152.4</b>
Operating EBIT <sup>2</sup>	5.5	42.0	41.2	14.3	–2.2	–	<b>101.0</b>	29.0	–	<b>129.9</b>
as % of revenue	4.1	12.6	9.5	7.6	–	–	<b>9.5</b>	7.5	–	<b>9.0</b>
EBIT	4.8	38.1	40.6	13.8	–6.8	–	<b>90.4</b>	27.1	2.2	<b>119.7</b>
as % of revenue	3.6	11.4	9.3	7.3	–	–	<b>8.5</b>	7.0	–	<b>8.3</b>
Additions to property, plant and equipment and intangible assets	3.1	13.3	2.9	2.5	1.6	–	<b>23.4</b>	6.3	–	<b>29.7</b>
Depreciation and amortization	3.7	10.2	4.4	3.0	2.1	–	<b>23.4</b>	9.2	–	<b>32.6</b>

1) Reported under discontinued operations

2) Before effects of purchase price allocations from revalued assets and liabilities and before one-offs (see page 48 f.)

3) Amounts adjusted due to classification of an operation as discontinued operation and due to the combination of GEA Food Solutions and GEA Mechanical Equipment (see financial report Q1 2014)

(EUR million)	GEA FT	GEA ME	GEA PE	GEA RT	Other	Consolidation/ Reclassification	GEA Group	GEA HX <sup>1</sup>	Consolidation/ Reclassification	GEA Group incl. GEA HX
<b>Q1 - Q2 2014</b>										
Order Intake	331.3	668.2	867.6	397.0	–	–69.9	<b>2,194.2</b>	749.7	–18.9	<b>2,925.0</b>
External revenue	279.4	588.3	858.4	342.1	–	–	<b>2,068.3</b>	651.2	–	<b>2,719.6</b>
Intersegment revenue	1.4	62.1	1.4	1.8	–	–66.7	–	15.9	–15.9	–
Total revenue	280.8	650.5	859.8	343.9	–	–66.7	<b>2,068.3</b>	667.2	–15.9	<b>2,719.6</b>
Operating EBITDA <sup>2</sup>	19.2	90.5	79.0	32.3	–7.9	–	<b>213.2</b>	58.6	–0.8	<b>270.9</b>
as % of revenue	6.8	13.9	9.2	9.4	–	–	<b>10.3</b>	8.8	–	<b>10.0</b>
EBITDA	19.2	90.5	79.0	32.3	–14.9	–	<b>206.1</b>	58.6	–6.5	<b>258.2</b>
Operating EBIT <sup>2</sup>	13.1	75.3	71.6	27.3	–11.2	–	<b>176.1</b>	42.1	–0.8	<b>217.4</b>
as % of revenue	4.6	11.6	8.3	7.9	–	–	<b>8.5</b>	6.3	–	<b>8.0</b>
EBIT	11.5	67.5	70.3	26.3	–18.2	–	<b>157.4</b>	40.8	–6.5	<b>191.7</b>
as % of revenue	4.1	10.4	8.2	7.6	–	–	<b>7.6</b>	6.1	–	<b>7.0</b>
ROCE in % <sup>3</sup>	15.2	17.0	76.5	24.8	–	–	<b>22.9</b>	17.5	–	<b>20.8</b>
Working Capital (reporting date) <sup>4</sup>	157.2	328.4	3.3	100.9	2.9	–2.6	<b>590.1</b>	228.3	0.5	<b>818.9</b>
Additions to property, plant and equipment and intangible assets	6.4	17.8	7.0	7.4	4.6	–0.5	<b>42.9</b>	10.0	–	<b>52.9</b>
Depreciation and amortization	7.7	23.0	8.7	6.0	3.3	–	<b>48.7</b>	17.8	–	<b>66.4</b>
<b>Q1 - Q2 2013<sup>5</sup></b>										
Order Intake	294.4	676.1	1,051.2	359.1	–	–65.8	<b>2,315.1</b>	725.4	–19.4	<b>3,021.1</b>
External revenue	244.5	577.3	829.0	338.0	–	–	<b>1,988.7</b>	685.9	–	<b>2,674.7</b>
Intersegment revenue	0.2	54.8	1.0	3.2	–	–59.2	–	18.1	–18.1	–
Total revenue	244.6	632.1	830.0	341.2	–	–59.2	<b>1,988.7</b>	704.0	–18.1	<b>2,674.7</b>
Operating EBITDA <sup>2</sup>	11.6	86.9	74.4	26.4	–8.4	–	<b>190.8</b>	63.7	–	<b>254.5</b>
as % of revenue	4.7	13.7	9.0	7.7	–	–	<b>9.6</b>	9.0	–	<b>9.5</b>
EBITDA	11.3	86.9	74.4	26.4	–14.0	–	<b>184.9</b>	62.3	3.2	<b>250.4</b>
Operating EBIT	5.6	74.7	66.9	21.7	–12.5	–	<b>156.4</b>	46.8	–	<b>203.2</b>
as % of revenue	2.3	11.8	8.1	6.3	–	–	<b>7.9</b>	6.6	–	<b>7.6</b>
EBIT	3.8	66.7	65.6	20.6	–18.3	–	<b>138.5</b>	44.2	3.2	<b>185.9</b>
as % of revenue	1.6	10.6	7.9	6.0	–	–	<b>7.0</b>	6.3	–	<b>7.0</b>
ROCE in % <sup>3</sup>	11.6	13.1	66.6	21.8	–	–	<b>19.3</b>	19.2	–	<b>19.6</b>
Working Capital (reporting date) <sup>4</sup>	159.3	292.5	–16.7	88.3	–1.5	–0.8	<b>521.1</b>	234.8	–3.6	<b>752.3</b>
Additions to property, plant and equipment and intangible assets	5.3	21.9	6.5	4.6	3.1	–	<b>41.4</b>	8.7	–	<b>50.0</b>
Depreciation and amortization	7.4	20.1	8.8	5.8	4.3	–	<b>46.4</b>	18.1	–	<b>64.5</b>

1) Reported under discontinued operations

2) Before effects of purchase price allocations and before one-offs (see page 48 f.)

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 and due to the combination of GEA Food Solutions and GEA Mechanical Equipment (see financial report Q1 2014)

Reconciliation of sales according to segment reporting to sales (EUR million)	Q2 2014	Q2 * 2013	Change in %	Q1-Q2 2014	Q1-Q2 * 2013	Change in %
<b>Sales GEA incl. GEA HX</b>	<b>1,466.4</b>	<b>1,441.9</b>	<b>1.7</b>	<b>2,719.6</b>	<b>2,674.7</b>	<b>1.7</b>
less sales GEA HX	-355.7	-385.9	7.8	-667.2	-704.0	5.2
plus sales GEA HX with continued operations	6.9	8.5	-18.7	15.9	18.1	-11.9
<b>Sales</b>	<b>1,117.7</b>	<b>1,064.6</b>	<b>5.0</b>	<b>2,068.3</b>	<b>1,988.7</b>	<b>4.0</b>

\*) Amounts adjusted due to classification of an operation as discontinued operation (see financial report Q1 2014)

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 following their classification as held for sale. The continued depreciation and amortization amounted to EUR 17.8 million in the first half of the year.

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 also 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 for the first half of 2014 was thus adjusted for nonrecurring items totaling EUR 7.1 million (previous year: EUR 5.6 million). Nonrecurring items comprise EUR 5.1 million (previous year: EUR 2.4 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 2.0 million (previous year: EUR 3.3 million) to continuing operations, i.e., to the other segments including the holding company. In addition, nonrecurring expenses of EUR 7.7 million (previous year: EUR 0.0 million) were recognized in profit or loss from discontinued operations in connection with preparations for the separation of the GEA HX Segment.



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)	Q2 2014	Q2 * 2013	Change in %	Q1-Q2 2014	Q1-Q2 * 2013	Change in %
<b>Operating EBITDA GEA incl. GEA HX</b>	<b>160.3</b>	<b>156.0</b>	<b>2.8</b>	<b>270.9</b>	<b>254.5</b>	<b>6.5</b>
Depreciation of property, plant, and equipment, investment property, and amortization of intangible assets	-27.0	-26.1	-3.6	-53.6	-51.3	-4.3
<b>Operating EBIT GEA incl. GEA HX</b>	<b>133.3</b>	<b>129.9</b>	<b>2.6</b>	<b>217.4</b>	<b>203.2</b>	<b>7.0</b>
Depreciation and amortization on capitalization of purchase price allocation	-6.3	-6.5	3.3	-12.9	-13.1	2.1
Realization of step-up amounts on inventories	-	0.0	-	-	-0.3	-
One-offs	-8.8	-3.7	< -100	-12.8	-3.8	< -100
<b>EBIT GEA incl. GEA HX</b>	<b>118.2</b>	<b>119.7</b>	<b>-1.3</b>	<b>191.7</b>	<b>185.9</b>	<b>3.1</b>
less EBIT GEA HX	-23.8	-27.1	12.2	-40.8	-44.2	7.7
Consolidation	4.3	-2.2	-	6.5	-3.2	-
<b>EBIT</b>	<b>98.7</b>	<b>90.4</b>	<b>9.1</b>	<b>157.4</b>	<b>138.5</b>	<b>13.7</b>

\*) Amounts adjusted due to classification of an operation as discontinued operation (see financial report Q1 2014)

Reconciliation of EBITDA according to segment reporting to EBITDA (EUR million)	Q2 2014	Q2 * 2013	Change in %	Q1-Q2 2014	Q1-Q2 * 2013	Change in %
<b>EBITDA GEA incl. GEA HX</b>	<b>151.5</b>	<b>152.4</b>	<b>-0.6</b>	<b>258.2</b>	<b>250.4</b>	<b>3.1</b>
less EBITDA GEA HX	-32.7	-36.3	9.9	-58.6	-62.3	6.0
Consolidation	4.3	-2.2	-	6.5	-3.2	-
<b>EBITDA</b>	<b>123.1</b>	<b>113.8</b>	<b>8.1</b>	<b>206.1</b>	<b>184.9</b>	<b>11.5</b>

\*) Amounts adjusted due to classification of an operation as discontinued operation (see financial report Q1 2014)

Reconciliation EBITDA to EBIT (EUR million)	Q2 2014	Q2 * 2013	Change in %	Q1-Q2 2014	Q1-Q2 * 2013	Change in %
<b>EBITDA</b>	<b>123.1</b>	<b>113.8</b>	<b>8.1</b>	<b>206.1</b>	<b>184.9</b>	<b>11.5</b>
Depreciation of property, plant and equipment, investment property, and amortization of intangible assets	-24.4	-23.4	-4.2	-48.7	-46.4	-4.9
<b>EBIT</b>	<b>98.7</b>	<b>90.4</b>	<b>9.1</b>	<b>157.4</b>	<b>138.5</b>	<b>13.7</b>

\*) Amounts adjusted due to classification of an operation as discontinued operation (see financial report Q1 2014)

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)	06/30/2014	06/30/2013
<b>Working capital (reporting date) GEA incl. GEA HX</b>	<b>818.9</b>	<b>752.3</b>
Working capital (reporting date) of Ruhr-Zink	-0.0	0.0
Non-current assets	2,592.1	3,443.2
Income tax receivables	16.7	24.5
Other current financial assets	145.5	183.7
Cash and cash equivalents	293.3	448.1
Assets held for sale	1,655.0	17.7
plus trade payables	517.3	729.5
plus advance payments in respect of orders and construction contracts	192.4	298.3
plus gross amount due to customers for contract work	266.2	348.3
minus working capital held for sale (reporting date) GEA HX	-228.3	-
Consolidation	-0.5	-
<b>Total assets</b>	<b>6,268.6</b>	<b>6,245.5</b>

## 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 28, 2014

The Executive Board



Jürg Oleas



Dr. Helmut Schmale



Markus Hüllmann



Dr. Stephan Petri

# Financial Calendar

**October 28, 2014****Quarterly Financial Report for the period to September 30, 2014****The GEA Group Stock: Key data**

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

**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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