



# Quarterly Financial Report

January 1 – March 31, 2015

# GEA Group: Key IFRS figures

(EUR million)	Q1 2015	Q1 2014	Change in %
<b>Results of operations</b>			
Order intake	1,127.5	1,024.3	10.1
Revenue	1,006.4	950.7	5.9
Order backlog	2,256.0	2,086.7	8.1
Operating EBITDA <sup>1</sup>	98.2	85.1	15.3
as % of revenue	9.8	9.0	—
EBITDA	93.0	83.0	12.1
Operating EBIT <sup>1</sup>	78.8	66.8	17.9
as % of revenue	7.8	7.0	—
EBIT	67.5	58.7	14.9
as % of revenue	6.7	6.2	—
EBT	55.7	40.4	38.0
Profit after tax from continuing operations	43.5	31.7	37.0
Profit or loss after tax from discontinued operations	-3.0	15.5	—
Profit for the period	40.5	47.2	-14.2
<b>Net assets</b>			
Total assets	5,900.6	6,331.6	-6.8
Equity	2,656.9	2,355.6	12.8
as % of total assets	45.0	37.2	—
Working capital (reporting date)	588.3	535.3	9.9
Working capital (average of the past 12 months)	559.8	512.6	9.2
as % of revenue (average of the past 12 months)	12.2	11.8	—
Net liquidity (+)/Net debt (-) (including discontinued operations) <sup>2</sup>	822.7	-432.4	—
<b>Financial position</b>			
Cash flow from operating activities	-55.6	-158.6	65.0
Cash flow driver <sup>3</sup>	410.7	404.3	1.6
as % of revenue (past 12 months)	9.0	9.3	—
Capital employed (reporting date)	2,860.4	2,711.7	5.5
Capital employed (average of the past 12 months)	2,769.4	2,691.9	2.9
ROCE in % (EBIT/Capital Employed) <sup>4</sup>	16.2	16.0	—
ROCE in % (goodwill adjusted) <sup>5</sup>	22.7	22.6	—
Capital expenditure on property, plant and equipment	17.1	18.9	-9.4
Full-time equivalents (reporting date) excluding vocational trainees and inactive employment contracts	18,161	17,998	0.9
<b>GEA Shares</b>			
Earnings per share from continuing operations (EUR)	0.23	0.16	37.0
Earnings per share (EUR)	0.21	0.25	-14.2
Weighted average number of shares outstanding (million)	192.5	192.5	—

1) Before effects of purchase price allocations and before one-offs (see page 12)

2) Net liquidity/debt = cash and cash equivalents + fixed deposits with a remaining period  $\leq$  1 year + marketable securities - liabilities to banks

3) Cash flow driver = EBITDA - Capital expenditure - Change in Working Capital (average of the past 12 months)

4) Capital employed including goodwill from the acquisition of the former GEA AG by the former Metallgesellschaft AG in 1999 (average of the past 12 months)

5) Capital employed excluding goodwill from the acquisition of the former GEA AG by the former Metallgesellschaft AG in 1999 (average of the past 12 months)

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# Management Report

The following explanation of the group's course of business relates to the group's four operating segments that have been allocated to continuing operations. The quarterly information contained in this management report is sourced from financial reports that were not audited or reviewed in accordance with the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act). All amounts have been rounded using standard rounding rules. Adding together individual amounts may therefore result in rounding differences in certain cases.

## Report on Economic Position

### Course of business

#### Order intake

GEA's order intake rose by 10.1 percent to EUR 1,127.5 million in the first quarter of 2015 (previous year: EUR 1,024.3 million). Adjusted for the effects of exchange rate changes (5.2 percent) and the acquisitions of de Klokslag and Scan Vibro (0.2 percent), organic growth in order intake amounted to 4.7 percent. The growth was attributable both to the basic business (orders below EUR 1 million) and to the higher volume of major orders. In the first quarter of 2015, the group won two major orders with an aggregate volume of EUR 82 million. These relate to a beverages project in Asia and a dairy powder plant for a customer in France. In the comparable prior-year quarter, the group booked one major order with a volume of EUR 22 million.

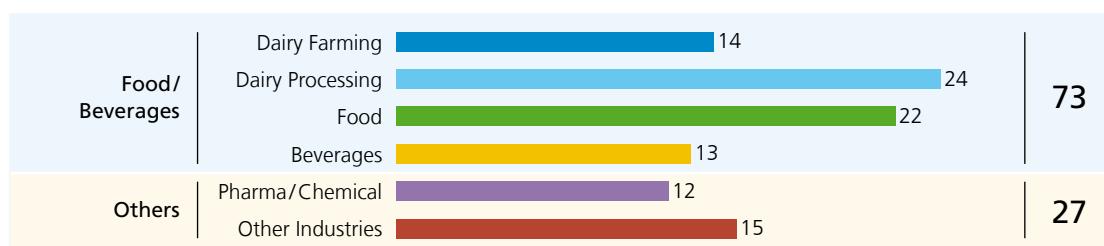
In the past quarter, the GEA Refrigeration Technologies Segment posted a new order intake record for a first quarter, partly due to currency-related factors. GEA Farm Technologies achieved the highest-ever figure for a single quarter.

Order intake (EUR million)	Q1 2015	Q1 2014	Change in %
GEA Farm Technologies	175.3	161.6	8.5
GEA Mechanical Equipment	330.3	339.1	-2.6
GEA Process Engineering	454.4	366.7	23.9
GEA Refrigeration Technologies	197.3	192.9	2.3
<b>Total</b>	<b>1,157.2</b>	<b>1,060.2</b>	<b>9.1</b>
Consolidation/other	-29.7	-36.0	17.3
<b>GEA Group</b>	<b>1,127.5</b>	<b>1,024.3</b>	<b>10.1</b>

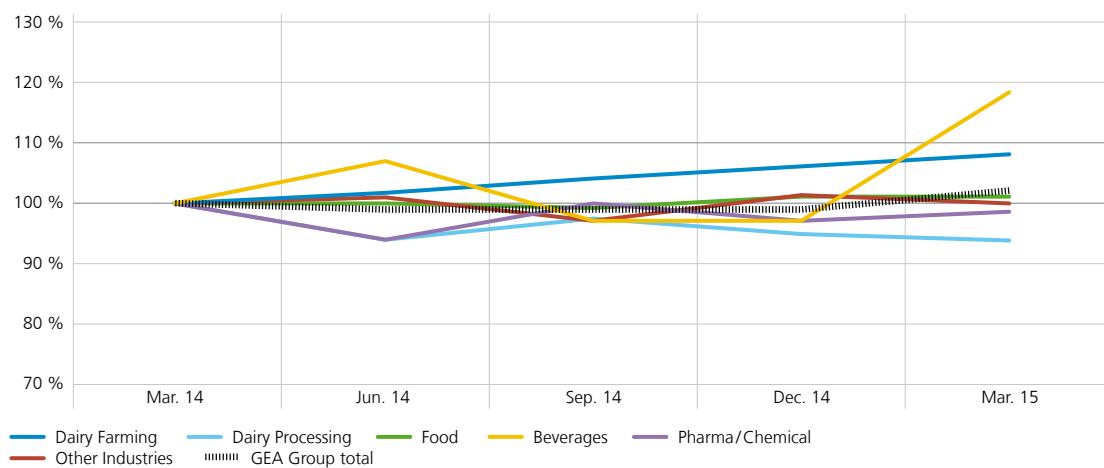
The increase in order intake of around EUR 100 million was primarily due to the beverages customer industry. The chemical industry also saw above-average growth of 26 percent. At a regional level, the increase mainly occurred in Western Europe and in the Asia-Pacific region, although North and Latin America and Africa also experienced positive development.

**Order intake by customer industries**

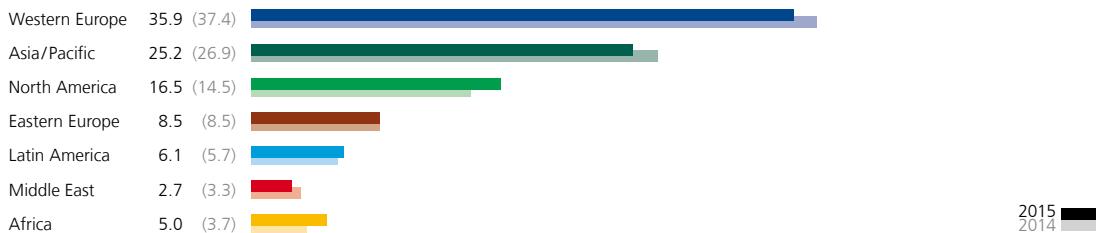
(% , average last 12 months)

**Order intake GEA Group EUR 1,127.5 million (previous year EUR 1,024.3 million)**

by sector (average last 12 months)



by region (% , average last 12 months)

2015  
2014

## Order backlog

The order backlog rose further to EUR 2,256.0 million, up by EUR 218.4 million or 10.7 percent compared with December 31, 2014 (EUR 2,037.6 million.) Exchange rate changes increased the order backlog by EUR 91.0 million.

Around EUR 1,640 million of the order backlog as of March 31, 2015, is billable in the current fiscal year.

Order backlog (EUR million)	03/31/2015	03/31/2014	Change in %
GEA Farm Technologies	125.1	114.3	9.4
GEA Mechanical Equipment	418.9	456.3	-8.2
GEA Process Engineering	1,421.6	1,267.9	12.1
GEA Refrigeration Technologies	311.5	272.2	14.4
<b>Total</b>	<b>2,277.1</b>	<b>2,110.8</b>	<b>7.9</b>
Consolidation/other	-21.1	-24.0	12.3
<b>GEA Group</b>	<b>2,256.0</b>	<b>2,086.7</b>	<b>8.1</b>

## 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.

At EUR 1,006.4 million, first-quarter group revenue exceeded EUR 1 billion for the first time in a first quarter. This corresponds to growth of 5.9 percent compared with the previous year (EUR 950.7 million), of which 6.2 percent was attributable to exchange rate movements and 0.5 percent to acquisition effects. Organic revenue thus declined slightly by 0.9 percent year-on-year. The share contributed by the service business, which grew by 14.7 percent, rose significantly from 28.8 percent in the previous year to 31.2 percent.

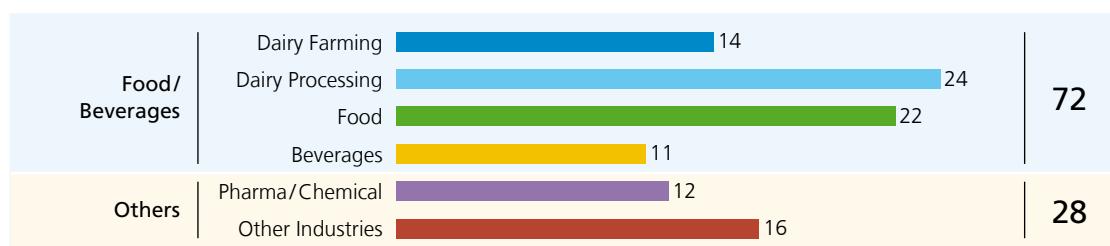
The book-to-bill ratio – i.e. the ratio of order intake to revenue – increased slightly in the first quarter of 2015, from 1.08 in the previous year to 1.12.

Sales (EUR million)	Q1 2015	Q1 2014	Change in %
GEA Farm Technologies	140.9	126.6	11.3
GEA Mechanical Equipment	317.5	310.0	2.4
GEA Process Engineering	391.4	390.7	0.2
GEA Refrigeration Technologies	184.7	154.9	19.2
<b>Total</b>	<b>1,034.5</b>	<b>982.3</b>	<b>5.3</b>
Consolidation/other	-28.1	-31.7	11.4
<b>GEA Group</b>	<b>1,006.4</b>	<b>950.7</b>	<b>5.9</b>

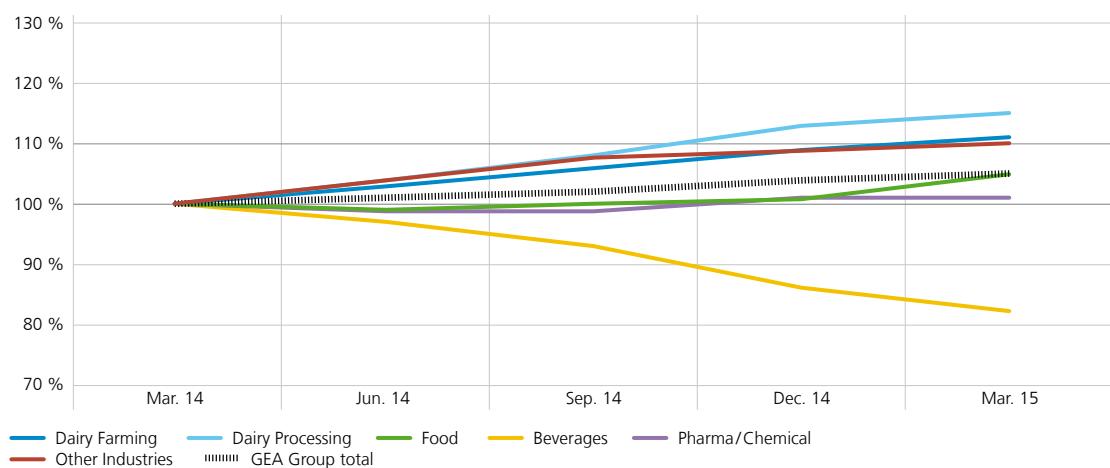
Revenue growth of EUR 55 million was due in particular to the food and beverages end market, which saw an increase of over 7 percent. Its share of GEA's business amounted to 73 percent. Almost all regions contributed to the revenue growth, with the highest increases being recorded in Western Europe and North America.

**Revenue by customer industries**

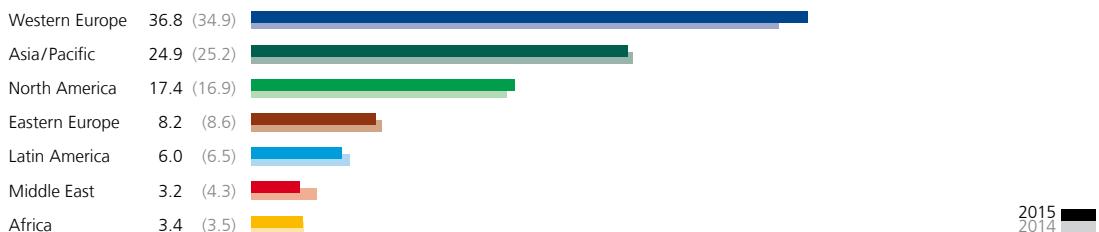
(% , average last 12 months)

**GEA Group revenue EUR 1,006.4 million (previous year EUR 950.7 million)**

by sector (average last 12 months)



by region (% , average last 12 months)



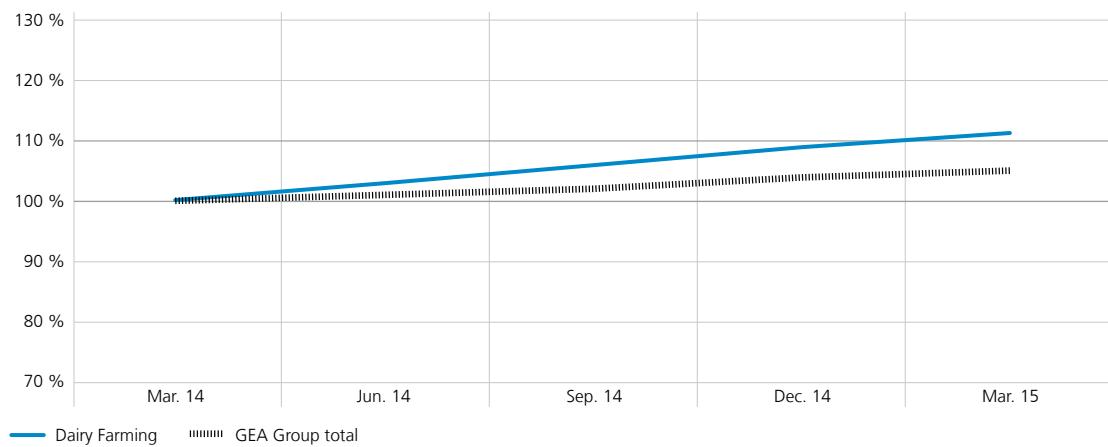
## GEA Farm Technologies Segment

The trends affecting revenue in the GEA Farm Technologies Segment are largely the same as those governing order intake, as the order backlog usually amounts to only 6 to 10 weeks' revenues. With revenue of EUR 140.9 million, the segment again posted its highest-ever figure for a first quarter. Adjusted for the effect of exchange rate changes of 8.0 percent, organic growth amounted to 3.3 percent in the past quarter. The service business expanded by 18.5 percent in the quarter under review. At 49.1 percent, its share of total revenue was significantly above the prior-year figure of 46.1 percent.

The segment operates exclusively in the milk production customer industry and revenue in the first quarter of 2015 was focused on North America (42 percent) and Western Europe (37 percent). North America was the main source of momentum in the quarter under review.

### GEA Farm Technologies revenue EUR 140.9 million (previous year EUR 126.6 million)

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



by region (%), average last 12 months



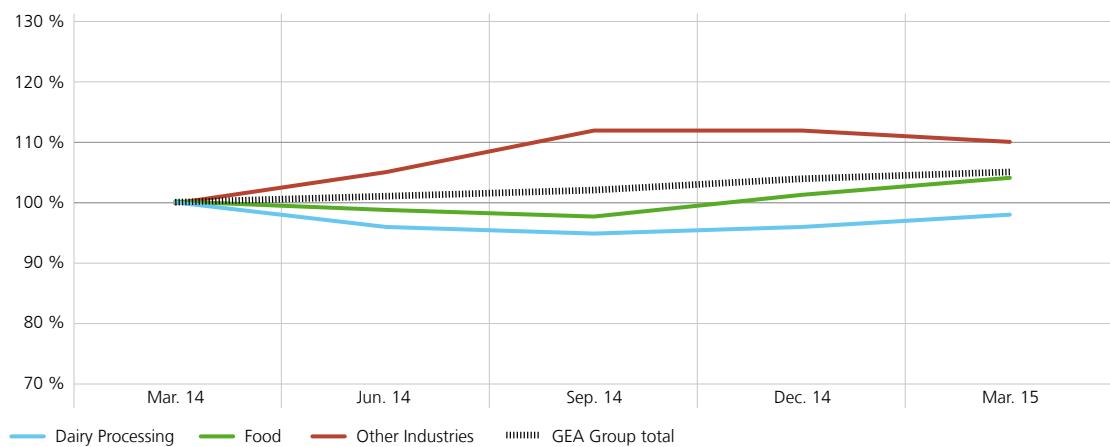
## GEA Mechanical Equipment Segment

The GEA Mechanical Equipment Segment again exceeded its very strong prior-year level – by 2.4 percent – generating revenue of EUR 317.5 million in the first quarter, after EUR 310.0 million in the previous year. Adjusted for the effect of exchange rate changes of 4.9 percent, organic revenue growth amounted to –2.5 percent in the past quarter. The service business recorded growth of 10.4 percent, with its share of total revenue increasing appreciably to 39.5 percent (previous year: 36.6 percent).

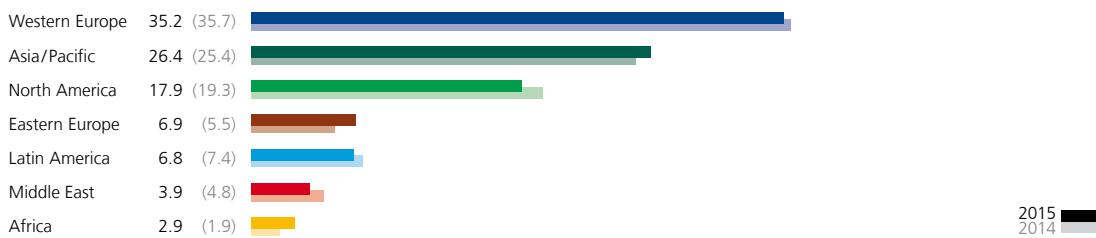
The food and beverages end market recorded above-average growth of 11 percent, lifting its share of total segment revenue to almost 69 percent. Revenue from the food customer industry made a particular contribution to this performance. The key growth regions were Europe, Africa and the Middle East. By contrast, no growth was recorded in North America.

### GEA Mechanical Equipment revenue EUR 317.5 million (previous year EUR 310.0 million)

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



by region (%) (average last 12 months)



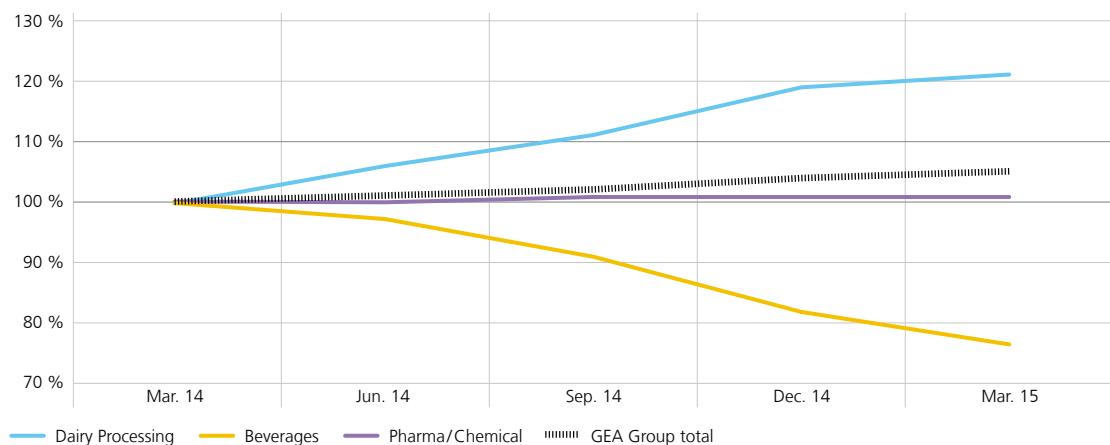
## GEA Process Engineering Segment

At EUR 391.4 million, revenue in the GEA Process Engineering Segment matched the healthy prior-year figure of EUR 390.7 million. Adjusted for acquisition effects (1.2 percent) and positive exchange rate changes (5.9 percent), organic growth amounted to -6.9 percent. Service revenue increased sharply by 25.6 percent in the quarter under review. As a result, its share of total revenue also grew very significantly, increasing from 14.3 percent to 17.9 percent.

In the food and beverages end market, the beverages customer industry recorded a decline while the dairy processing customer industry saw strong growth. The other customer industries also recorded significant growth in the environment sector. In regional terms, there was growth in the Asia/Pacific region in particular. 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).

### GEA Process Engineering revenue EUR 391.4 million (previous year EUR 390.7 million)

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



by region (%, average last 12 months)



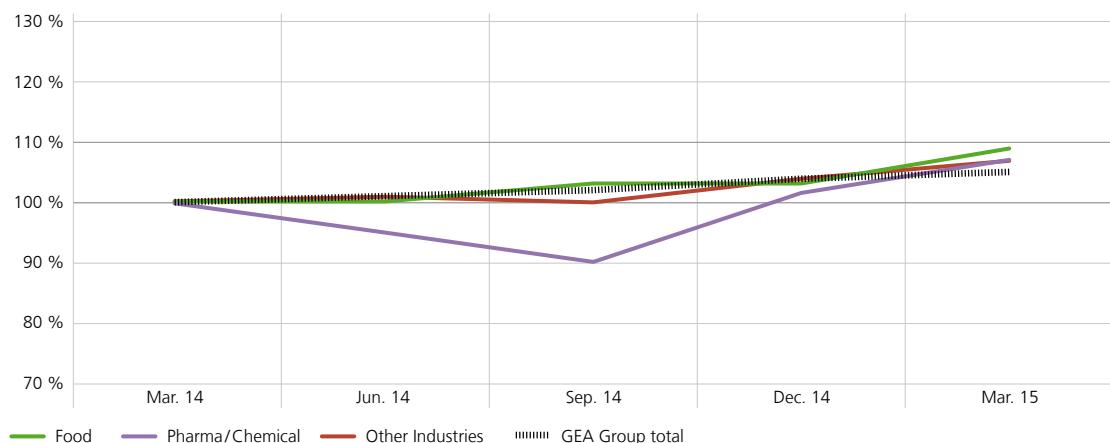
## GEA Refrigeration Technologies Segment

The GEA Refrigeration Technologies Segment posted a new record figure for first-quarter revenue, at EUR 184.7 million. Year-on-year growth amounted to an outstanding 19.2 percent. Adjusted for the effect of exchange rate changes of 6.9 percent, organic growth also amounted to a very healthy 12.3 percent. Service revenue increased significantly, growing by 16.8 percent. However, the share contributed by the service business decreased slightly from 29.5 percent to 28.9 percent due to the even stronger growth in the new machine business.

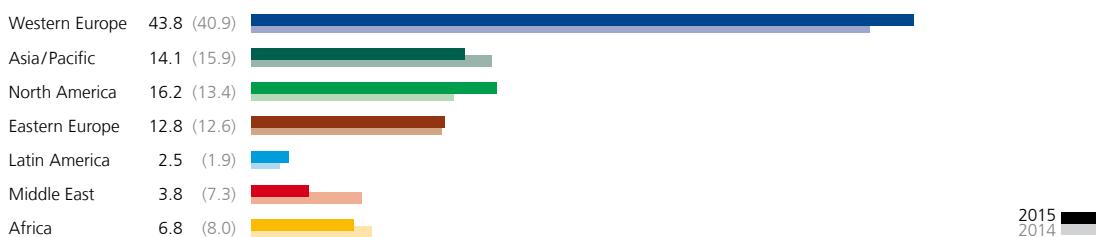
A significant growth driver was the food customer industry in the food and beverages end market. There was also strong growth in the pharma/chemical customer industry. The key growth regions in the first quarter were Western Europe, Eastern Europe, and North America, each with growth rates of well above 20 percent.

### GEA Refrigeration Technologies revenue EUR 184.7 million (previous year EUR 154.9 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 service fees and trademark fees for the fiscal year 2014, as required in accordance with IFRSs.

The key earnings figures for the first quarter of 2015 were adjusted overall for nonrecurring expenses of EUR 5.1 million. These items included strategic projects (EUR 1.7 million, compared with the prior-year figure of EUR 1.4 million), and various restructuring and capacity adjustment measures in the segments (EUR 3.4 million, compared with the prior-year figure of EUR 0.0 million). Also, for the previous year the service fees and trademark fees previously charged to GEA Heat Exchangers had to be allocated to the continuing operations, including the holding company, in accordance with IFRSs. These amounted to a total of EUR 0.7 million in the first quarter of the previous year.

EBITDA in the first quarter of 2015 amounted to EUR 93.0 million, up 12.1 percent on the prior-year figure of EUR 83.0 million. This corresponds to an EBITDA margin of 9.2 percent and a year-on-year rise of over 50 basis points (previous year: 8.7 percent). Adjusted for nonrecurring items in the amount of EUR 5.1 million, operating EBITDA amounted to EUR 98.2 million, up EUR 13.0 million or 15.3 percent on the previous year (EUR 85.1 million). As a result, the operating EBITDA margin improved by a further 80 basis points to 9.8 percent of revenue. Both operating EBITDA and the operating EBITDA margin again set new records for a first quarter.

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

Operating EBITDA/operating EBITDA margin * (EUR million)	Q1 2015	Q1 2014	Change in %
GEA Farm Technologies	9.3	6.1	52.4
as % of revenue	6.6	4.8	–
GEA Mechanical Equipment	47.6	42.1	13.1
as % of revenue	15.0	13.6	–
GEA Process Engineering	26.5	30.2	-12.4
as % of revenue	6.8	7.7	–
GEA Refrigeration Technologies	16.7	12.4	35.2
as % of revenue	9.1	8.0	–
<b>Total</b>	<b>100.1</b>	<b>90.8</b>	<b>10.3</b>
<b>as % of revenue</b>	<b>9.7</b>	<b>9.2</b>	<b>–</b>
Consolidation/other	-2.0	-5.7	65.5
<b>GEA Group</b>	<b>98.2</b>	<b>85.1</b>	<b>15.3</b>
<b>as % of revenue</b>	<b>9.8</b>	<b>9.0</b>	<b>–</b>

\* ) Before effects of purchase price allocations and before one-offs (see page 12)

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

Reconciliation of operating EBITDA to EBIT (EUR million)	Q1 2015	Q1 2014	Change in %
<b>Operating EBITDA</b>	<b>98.2</b>	<b>85.1</b>	<b>15.3</b>
Depreciation of property, plant and equipment, investment property, and amortization of intangible assets	-19.4	-18.3	-5.8
<b>Operating EBIT</b>	<b>78.8</b>	<b>66.8</b>	<b>17.9</b>
Depreciation and amortization on capitalization of purchase price allocation	-6.1	-5.9	-3.2
Realization of step-up amounts on inventories	-0.1	-	-
One-offs	-5.1	-2.1	< -100
<b>EBIT</b>	<b>67.5</b>	<b>58.7</b>	<b>14.9</b>

The reconciliation of EBITDA to EBIT is as follows:

Reconciliation EBITDA to EBIT (EUR million)	Q1 2015	Q1 2014	Change in %
<b>EBITDA</b>	<b>93.0</b>	<b>83.0</b>	<b>12.1</b>
Depreciation of property, plant and equipment, investment property, and amortization of intangible assets	-25.5	-24.3	-5.2
<b>EBIT</b>	<b>67.5</b>	<b>58.7</b>	<b>14.9</b>

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

Operating EBIT/operating EBIT margin * (EUR million)	Q1 2015	Q1 2014	Change in %
GEA Farm Technologies	6.1	3.1	99.2
as % of revenue	4.3	2.4	-
GEA Mechanical Equipment	39.5	34.5	14.3
as % of revenue	12.4	11.1	-
GEA Process Engineering	22.5	26.6	-15.4
as % of revenue	5.8	6.8	-
GEA Refrigeration Technologies	14.2	10.0	42.5
as % of revenue	7.7	6.4	-
<b>Total</b>	<b>82.3</b>	<b>74.1</b>	<b>10.9</b>
<b>as % of revenue</b>	<b>8.0</b>	<b>7.5</b>	<b>-</b>
Consolidation/other	-3.5	-7.4	52.4
<b>GEA Group</b>	<b>78.8</b>	<b>66.8</b>	<b>17.9</b>
<b>as % of revenue</b>	<b>7.8</b>	<b>7.0</b>	<b>-</b>

\*) Before effects of purchase price allocations and before one-offs (see page 12)

EBIT rose by almost 15 percent in the first quarter to EUR 67.5 million (previous year: EUR 58.7 million). The EBIT margin improved by over 50 basis points to 6.7 percent (previous year: 6.2 percent). Operating EBIT, which is adjusted for purchase price allocation effects of EUR 6.2 million (previous year: EUR 5.9 million) and nonrecurring items of EUR 5.1 million (previous year: EUR 2.1 million), increased by almost 18 percent to EUR 78.8 million (previous year: EUR 66.8 million). The operating EBIT margin improved by 80 basis points to 7.8 percent of revenue.

Key figures: Results of operations (EUR million)	Q1 2015	Q1 2014	Change in %
Revenue	1,006.4	950.7	5.9
Operating EBITDA *	98.2	85.1	15.3
EBITDA before purchase price allocation	93.1	83.0	12.1
EBITDA	93.0	83.0	12.1
Operating EBIT *	78.8	66.8	17.9
EBIT before purchase price allocation	73.7	64.7	13.9
EBIT	67.5	58.7	14.9
Interest	11.8	18.3	-35.9
EBT	55.7	40.4	38.0
Income taxes	12.3	8.7	41.6
Profit after tax from continuing operations	43.5	31.7	37.0
Profit/loss after tax from discontinued operations	-3.0	15.5	-
Profit for the period	40.5	47.2	-14.2

\*) Before effects of purchase price allocations and before one-offs (see page 12)

Net interest income amounted to EUR -11.8 million in the first quarter of 2015, after EUR -18.3 million in the prior-year quarter. The EUR 6.6 million improvement is attributable on the one hand to changes in the discount rate used to measure non-current and pension provisions, and on the other to lower bank interest expenses due to the repayment of financial liabilities using proceeds from the sale of the GEA Heat Exchangers Segment.

EBT amounted to EUR 55.7 million in the first quarter of 2015, EUR 15.3 million higher than the previous year's figure (EUR 40.4 million). The corresponding EBT margin improved by almost 130 basis points to 5.5 percent.

The income tax expense was EUR 12.3 million in the reporting period (previous year: EUR 8.7 million). This corresponds to a tax rate of 22.0 percent, after 21.4 percent in the prior-year quarter.

Discontinued operations generated a loss of EUR 3.0 million. Currency effects when measuring financial liabilities from the sale of the GEA Heat Exchangers Segment and changes in the discount rate used to measure non-current provisions relating to former mining activities had a material negative impact on earnings. In previous year, the profit from discontinued operations in the amount of EUR 15.5 million was almost exclusively attributable to the GEA Heat Exchangers Segment.

Consolidated profit amounted to EUR 40.5 million in the first quarter of 2015 (previous year: EUR 47.2 million). Based on the unchanged average number of shares compared with the previous year (192,495,476), this corresponds to earnings per share of EUR 0.21 (previous year: EUR 0.25). In terms of continuing operations, earnings per share increased by almost 40 percent to EUR 0.23 from EUR 0.16 in the prior-year period.

## Financial position

Net debt including discontinued operations was fully repaid compared with the prior-year period. Net liquidity amounted to EUR 822.7 million as of March 31, 2015, due in particular to the EUR 1,059.3 million cash inflow from the sale of the GEA Heat Exchangers Segment. This represents an increase of EUR 1,255.1 million as against March 31, 2014 (net debt of EUR 432.4 million).

Overview of net liquidity incl. discontinued operations (EUR million)	03/31/2015	12/31/2014	03/31/2014
Cash and cash equivalents	1,022.9	1,195.9	552.9
Fixed deposits with a remaining period ≤ 1 year	200.0	200.0	–
Securities	37.0	37.0	–
Liabilities to banks	152.0	246.9	570.7
Bonds	285.2	282.2	414.6
<b>Net liquidity (+)/Net debt (-)</b>	<b>822.7</b>	<b>903.7</b>	<b>-432.4</b>

Cash and cash equivalents were reduced to EUR 1,022.9 million as of March 31, 2015, compared with EUR 1,195.9 million as of the end of the previous year. Liabilities to banks (EUR 60.9 million), from the bond issue (EUR 285.2 million, including accrued interest), and from the borrower's note loans (EUR 91.2 million, including accrued interest) amounted to a total of EUR 437.3 million as of the reporting date (December 31, 2014: EUR 529.1 million).

Guarantee lines – which are mainly for contract performance, advance payments, and warranties – of EUR 1,676.8 million (December 31, 2014: EUR 1,732.3 million) were available to GEA Group as of the reporting date, of which EUR 479.6 million (December 31, 2014: EUR 462.1 million) had been utilized.

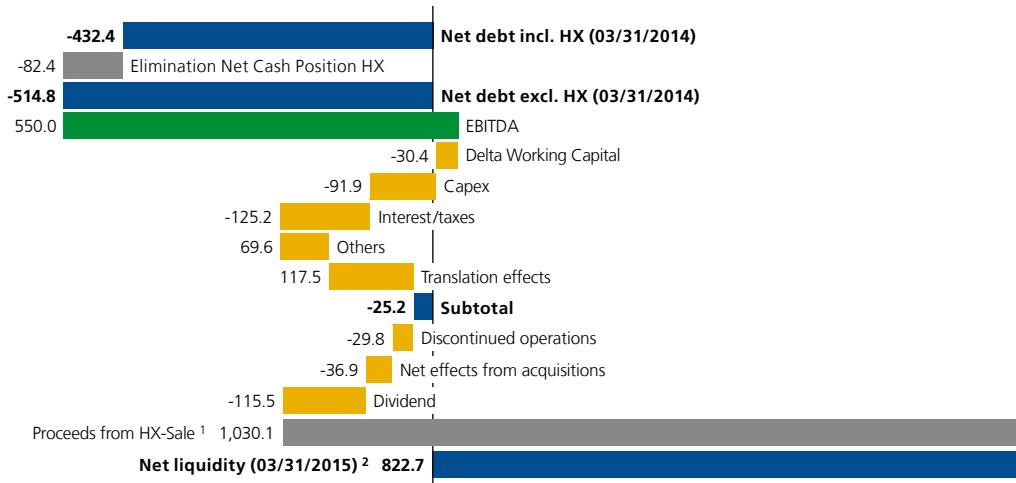
## Change in Working Capital

(EUR million)

■ Trade receivables	Q1 2015	987	651	-	537	513	=	588
■ Inventories	Q4 2014	946	562	-	640	444	=	424
■ Trade payables								
■ Advance payments received	Q1 2014	912	615	-	510	481	=	535
■ Working Capital								

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

### Change in net liquidity/net debt, including discontinued operations (EUR million)



1) Net after payment of transaction costs

2) Including fixed deposits with a remaining period  $\leq$  1 year (EUR 200 million)

The consolidated cash flow statement can be summarized as follows:

Overview of cash flow statement (EUR million)	Q1 2015	Q1 2014	Change absolute
Cash flow from operating activities	-55.6	-158.6	103.1
Cash flow from investing activities	-15.8	-17.9	2.1
<b>Free cash flow</b>	<b>-71.4</b>	<b>-176.6</b>	<b>105.2</b>
Cash flow from financing activities	-97.6	-2.5	-95.1
Net cash flow from disposal group GEA Heat Exchangers	-	-61.8	61.8
Net cash flow other discontinued operations	-17.8	-1.2	-16.6
Change in unrestricted cash and cash equivalents	-172.2	-243.7	71.5

Cash flow from operating activities attributable to continuing operations amounted to EUR -55.6 million in the quarter under review, narrowing by EUR 100 million compared with the previous year (EUR -158.6 million). This improvement was primarily due to the EUR 10.0 million growth in EBITDA, the slighter increase in working capital (down by EUR 28.5 million), and the EUR 64.4 million rise in other operating assets and liabilities.

Cash flow from investing activities attributable to continuing operations amounted to EUR -15.8 million in the reporting period, roughly level with the prior-year figure of EUR -17.9 million.

Cash flow from financing activities reflects in particular the EUR 100.0 million early repayment of the loan from the European Investment Bank (EIB). As a result, the figure widened to EUR -97.6 million in the first quarter of 2015, compared with EUR -2.5 million in the previous year.

Cash flow from discontinued operations amounted to EUR -17.8 million in the first quarter of 2015, which was almost exclusively attributable to cash flow from operating activities. Cash flow from discontinued operations in the prior-year period amounted to EUR -63.0 million.

## Cash flow drivers

GEA's overriding goal is to sustainably increase its enterprise value by growing profitably. The cash flow driver margin is a key group performance indicator that is used to create the necessary financial scope for this and to focus the group even more closely on cash flow generation. It is also incorporated into the bonus system.

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

The cash flow driver margin for the last 12 months amounted to 9.0 percent. EBITDA already included EUR 53.7 million in nonrecurring items for this period.

Cash flow driver/Cash flow driver margin (EUR million)	03/31/2015
EBITDA (last 12 months)	550.0
Capital expenditure on property, plant and equipment (last 12 months)	92.0
Change in Working Capital (average of the past 12 months)	47.2
<b>Cash flow driver (EBITDA - Capex -/+Change in Working Capital)</b>	<b>410.7</b>
<b>as % of revenue (past 12 months)</b>	<b>9.0</b>

## Net assets

Condensed balance sheet (EUR million)	03/31/2015	as % of total assets	12/31/2014	as % of total assets	Change in %
<b>Assets</b>					
Non-current assets	2,794.4	47.4	2,714.8	46.5	2.9
thereof goodwill	1,355.7	23.0	1,330.0	22.8	1.9
thereof deferred taxes	515.0	8.7	469.3	8.0	9.7
Current assets	3,106.3	52.6	3,117.2	53.5	-0.4
thereof cash and cash equivalents	1,022.9	17.3	1,195.9	20.5	-14.5
thereof assets held for sale	6.8	0.1	5.6	0.1	21.9
<b>Total assets</b>	<b>5,900.6</b>	<b>100.0</b>	<b>5,832.0</b>	<b>100.0</b>	<b>1.2</b>
<b>Equity and liabilities</b>					
Equity	2,656.9	45.0	2,527.2	43.3	5.1
Non-current liabilities	1,644.3	27.9	1,558.4	26.7	5.5
thereof financial liabilities	458.5	7.8	456.1	7.8	0.5
thereof deferred taxes	124.6	2.1	118.6	2.0	5.0
Current liabilities	1,599.4	27.1	1,746.4	29.9	-8.4
thereof financial liabilities	53.6	0.9	133.5	2.3	-59.8
<b>Total equity and liabilities</b>	<b>5,900.6</b>	<b>100.0</b>	<b>5,832.0</b>	<b>100.0</b>	<b>1.2</b>

Total assets as of March 31, 2015, increased slightly by EUR 68.6 million or 1.2 percent as against December 31, 2014, to EUR 5,900.6 million. This increase in total assets is due in particular to higher inventories, trade receivables, intangible assets, and deferred tax assets. By contrast, cash and cash equivalents decreased. The ratio of non-current to current assets continued to shift slightly in favor of non-current assets as against the end of 2014.

The EUR 129.7 million increase in equity can be explained in particular by the consolidated profit of EUR 40.5 million, as well as the positive currency translation effects and the actuarial measurement of pension obligations (amounting to EUR 90.2 million overall).

The equity ratio therefore improved by 1.7 percentage points compared with the end of 2014 (43.3 percent) to 45.0 percent.

As of the reporting date, non-current liabilities amounted to EUR 1,644.3 million. This corresponds to an increase of EUR 85.9 million as against December 31, 2014, which is attributable to higher pension provisions in particular. At EUR 1,599.4 million as of the reporting date, current liabilities were down EUR 147.0 million on the figure for December 31, 2014 (EUR 1,746.4 million). This was due in particular to the reduction in trade payables and the EUR 100.0 million early repayment of the loan from the EIB.

## Employees

There were 18,161 employees as of March 31, 2015. This represents a decrease of 82 employees compared with December 31, 2014 (18,243). Changes in the basis of consolidation increased the number of employees by 90. The decrease in employee numbers was seen in almost all regions. The largest declines were recorded in North America and in the Asia-Pacific region. The number of employees in Germany also fell slightly.

Employees * by segment	03/31/2015	12/31/2014	03/31/2014
GEA Farm Technologies	2,383	13.1%	2,419
GEA Mechanical Equipment	5,903	32.5%	5,927
GEA Process Engineering	6,123	33.7%	6,125
GEA Refrigeration Technologies	3,464	19.1%	3,482
<b>Total</b>	<b>17,873</b>	<b>98.4%</b>	<b>17,953</b>
Other	288	1.6%	291
<b>GEA Group</b>	<b>18,161</b>	<b>100.0%</b>	<b>18,243</b>

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

There were no major shifts in the regional breakdown as against December 31, 2014.

Employees * by region	03/31/2015	12/31/2014	03/31/2014
Western Europe	11,399	62.8%	11,379
Asia/Pacific	3,267	18.0%	3,309
North America	2,023	11.1%	2,068
Eastern Europe	670	3.7%	665
Latin America	384	2.1%	390
Africa	354	1.9%	364
Middle East	65	0.4%	68
<b>Total</b>	<b>18,161</b>	<b>100.0%</b>	<b>18,243</b>

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

As of the end of the first quarter of 2015, GEA Group employed 506 vocational trainees compared with 474 at the same date in the previous year. In Germany, the vocational trainee ratio rose from 5.9 percent in the previous year to 6.2 percent.

## Research and development

In the first quarter of 2015, direct expenses for research and development (R&D) amounted to EUR 19.8 million, compared with EUR 20.3 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 3.3 million (previous year: EUR 2.4 million.) The R&D ratio remained almost unchanged, at 2.0 percent of revenue (previous year: 2.1 percent).

Research and development (R&D) expenses (EUR million)	Q1 2015	Q1 2014	Change in %
Refunded expenses (contract costs)	3.3	2.4	33.9
Non-refunded R&D expenses	16.6	17.9	-7.2
<b>Total R&amp;D expenses</b>	<b>19.8</b>	<b>20.3</b>	<b>-2.2</b>
<b>R&amp;D ratio (as % of revenue)</b>	<b>2.0</b>	<b>2.1</b>	<b>-</b>

## “Fit for 2020” initiative

The future organization that GEA is aiming to implement was designed on the basis of an in-depth analysis of the current structure of GEA as a whole, in line with the blueprint concept presented in August 2014. The planned structure of the two Business Areas Equipment and Solutions, the Global Corporate Center, and the foreign subsidiaries was then finalized as far as possible in the first quarter of 2015. The future structure of the Shared Service Center was also planned in detail. In addition, senior management levels were appointed and integrated into the further implementation of the initiative.

## Report on Post-Balance Sheet Date Events

After the end of the reporting period, GEA announced further details of the measures planned under the “Fit for 2020” program and the related higher potential savings. It is expected that the new, more streamlined and less complex group structure with fewer hierarchical levels, which has now been defined in detail, will lead to annual savings of at least EUR 125 million starting in fiscal year 2017. The planned measures include a workforce reduction of approximately 1,450 full-time equivalents. As of the March 31, 2015, reporting date, it was not necessary to recognize any restructuring provisions. It is not yet possible to estimate the amount of the expected restructuring expenses with sufficient reliability, as these will largely depend on the outcome of the ongoing negotiations with the employee representatives.

On April 16, 2015, GEA Group Aktiengesellschaft’s Annual General Meeting approved the proposal by the Supervisory Board and Executive Board to pay a dividend of EUR 0.70 per share for fiscal year 2014, up from EUR 0.60 per share.

## 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 2014 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 2015

In its current World Economic Outlook (April 2015), the International Monetary Fund (IMF) kept its 2015 growth forecast for the global economy virtually unchanged as against the previous version published in January 2015. It states that, at 3.5 percent, the global economy is expected to grow at a slightly faster pace in 2015 than in the previous year (3.4 percent). The expectation is that growth will continue to slow in the emerging markets, most notably in China (6.8 percent growth following 7.4 percent in 2014), while the industrialized nations will see moderate economic expansion, primarily in the U.S.A. (growth of 3.1 percent, up on the 2014 figure of 2.4 percent). For the U.S.A. itself, the IMF's economists have revised their forecast downward by 0.5 percent in comparison with the figure published in January. By contrast, the forecast for the eurozone was increased by 0.3 percent to 1.5 percent, up slightly on the prior-year figure of 0.9 percent.

In summary, it can be stated that moderate global economic growth is expected in 2015.

### Business outlook

Provided that there is no slowdown in global economic growth and that exchange rates remain the same as in 2014, 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

GEA Group is aiming to generate moderate organic revenue growth in 2015. The GEA Mechanical Equipment and GEA Process Engineering Segments are expected to record slight to moderate growth, while the GEA Refrigeration Technologies Segment should see above-average growth.

## **Earnings**

Including the savings already expected in 2015 under the “Fit for 2020” initiative, we are aiming for operating EBITDA of between EUR 590 million and EUR 640 million in the fiscal year 2015.

## **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 2015.

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. With regard to the distribution ratio, our long-term objective is to distribute between 40 and 50 percent of net income to our shareholders.

In line with its current assessment, GEA expects that, assuming it meets the forecast for the operating business, the dividend for the fiscal year 2015 will not be less than the EUR 0.70 per share resolved last year, independent of expenses from the “Fit for 2020” initiative.

Düsseldorf, May 11, 2015

The Executive Board

## GEA Shares

European shares experienced a fresh rally in the first quarter, buoyed by the European Central Bank's bond-buying program; GEA shares hit a new all-time high of EUR 45.40 on March 25, 2015.

GEA shares rose by 23 percent during the quarter to a closing price of EUR 45.04, outpacing the benchmark STOXX® Europe TMI Industrial Engineering index (which closed at 405.97) by 4 percentage points. The shares were up 1 percentage point on the DAX and MDAX over the same period, which closed the quarter at 11,966.17 and 20,684.63 points respectively.

In the space of a year, GEA's market capitalization had risen by around 36 percent as of March 31, 2015, almost 22 percent above the benchmark index.

GEA Group shares compared to STOXX® Europe TMI Industrial Engineering				
Balance sheet date (03/31/2015)	Market capitalization *			
Last 3 months:	Mcap:	+4.0		percentage points
Last 6 months:	Mcap:	+10.9		percentage points
Last 9 months:	Mcap:	+14.3		percentage points
Last 12 months:	Mcap:	+21.7		percentage points
Last 24 months:	Mcap:	+53.6		percentage points
Last 36 months:	Mcap:	+40.8		percentage points

 > 10 percentage points  3 bis 10 percentage points  3 bis -3 percentage points  -3 bis -10 percentage points  > -10 percentage points

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

	Q1 2015	Q1 2014
Key performance indicators for GEA Group shares (prices: XETRA closing prices)		
Shares issued (March 31, million) <sup>1</sup>	192.5	192.5
Weighted average number of shares outstanding (million)	192.5	192.5
Share price (March 31, EUR) <sup>1</sup>	45.04	33.18
High (EUR)	45.40	35.91
Low (EUR)	35.07	32.50
Market capitalization (March 31, EUR billion) <sup>2</sup>	8.7	6.4
Average daily trading volume (million)	0.4	0.4
Earnings per share from continuing operations (EUR)	0.23	0.16
Earnings per share (EUR)	0.21	0.25

1) Or on the last trading day of reporting period

2) Based on shares issued

Shareholders with an equity interest of over 5% in accordance with disclosures received under the WpHG (German Securities Trading Act)	03/31/2015
Kuwait Investment Office	7.9

**Consolidated Financial Statements  
for the 1st Quarter of 2015**

## Consolidated Balance Sheet

as of March 31, 2015

Assets (EUR thousand)	03/31/2015	12/31/2014	Change in %
Property, plant and equipment	508,530	498,758	2.0
Investment property	11,956	12,483	-4.2
Goodwill	1,355,730	1,329,972	1.9
Other intangible assets	348,106	325,557	6.9
Equity-accounted investments	15,050	15,293	-1.6
Other non-current financial assets	40,034	63,433	-36.9
Deferred taxes	514,965	469,301	9.7
<b>Non-current assets</b>	<b>2,794,371</b>	<b>2,714,797</b>	<b>2.9</b>
Inventories	650,708	561,875	15.8
Trade receivables	987,467	945,755	4.4
Income tax receivables	18,741	17,531	6.9
Other current financial assets	419,666	390,625	7.4
Cash and cash equivalents	1,022,887	1,195,858	-14.5
Assets held for sale	6,808	5,585	21.9
<b>Current assets</b>	<b>3,106,277</b>	<b>3,117,229</b>	<b>-0.4</b>
<b>Total assets</b>	<b>5,900,648</b>	<b>5,832,026</b>	<b>1.2</b>

Equity and liabilities (EUR thousand)	03/31/2015	12/31/2014	Change in %
Subscribed capital	520,376	520,376	–
Capital reserve	1,217,861	1,217,861	–
Retained earnings	724,925	737,094	-1.7
Accumulated other comprehensive income	193,221	51,316	> 100
Non-controlling interests	562	560	0.4
<b>Equity</b>	<b>2,656,945</b>	<b>2,527,207</b>	<b>5.1</b>
Non-current provisions	132,805	131,592	0.9
Non-current employee benefit obligations	866,370	793,565	9.2
Non-current financial liabilities	458,461	456,072	0.5
Other non-current liabilities	62,109	58,566	6.0
Deferred taxes	124,557	118,598	5.0
<b>Non-current liabilities</b>	<b>1,644,302</b>	<b>1,558,393</b>	<b>5.5</b>
Current provisions	147,182	148,828	-1.1
Current employee benefit obligations	147,499	170,637	-13.6
Current financial liabilities	53,642	133,474	-59.8
Trade payables	538,013	639,719	-15.9
Income tax liabilities	30,739	35,649	-13.8
Other current liabilities	682,326	618,119	10.4
<b>Current liabilities</b>	<b>1,599,401</b>	<b>1,746,426</b>	<b>-8.4</b>
<b>Total equity and liabilities</b>	<b>5,900,648</b>	<b>5,832,026</b>	<b>1.2</b>

**Consolidated Income Statement**  
for the period January 1 – March 31, 2015

(EUR thousand)	Q1 2015	Q1 2014	Change in %
Revenue	1,006,365	950,660	5.9
Cost of sales	691,711	659,567	4.9
<b>Gross profit</b>	<b>314,654</b>	<b>291,093</b>	<b>8.1</b>
Selling expenses	124,023	112,824	9.9
Research and development expenses	16,576	17,857	-7.2
General and administrative expenses	107,335	109,739	-2.2
Other income	135,061	50,286	> 100
Other expenses	135,409	45,176	> 100
Share of profit or loss of equity-accounted investments	518	474	9.3
Other financial income	608	2,477	-75.5
<b>Earnings before interest and tax (EBIT)</b>	<b>67,498</b>	<b>58,734</b>	<b>14.9</b>
Interest income	3,013	1,919	57.0
Interest expense	14,769	20,253	-27.1
<b>Profit before tax from continuing operations</b>	<b>55,742</b>	<b>40,400</b>	<b>38.0</b>
Income taxes	12,263	8,662	41.6
<b>Profit after tax from continuing operations</b>	<b>43,479</b>	<b>31,738</b>	<b>37.0</b>
<b>Profit or loss after tax from discontinued operations</b>	<b>-2,986</b>	<b>15,473</b>	<b>–</b>
<b>Profit for the period</b>	<b>40,493</b>	<b>47,211</b>	<b>-14.2</b>
thereof attributable to shareholders of GEA Group AG	40,493	47,209	-14.2
thereof attributable to non-controlling interests	–	2	–

(EUR)	0.23	0.16	37.0
Basic and diluted earnings per share from continuing operations	0.23	0.16	37.0
Basic and diluted earnings per share from discontinued operations	-0.02	0.08	–
<b>Basic and diluted earnings per share</b>	<b>0.21</b>	<b>0.25</b>	<b>-14.2</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>

**Consolidated Statement of Comprehensive Income**  
**for the period January 1 – March 31, 2015**

(EUR thousand)	Q1 2015	Q1 2014	Change in %
<b>Profit for the period</b>	<b>40,493</b>	<b>47,211</b>	<b>-14.2</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	-52,662	-643	< -100
<b>Items, that will be reclassified subsequently to profit or loss when specific conditions are met:</b>			
Exchange differences on translating foreign operations	142,947	-5,105	-
Result of available-for-sale financial assets	393	-1,281	-
Result of cash flow hedges	-1,435	-276	< -100
<b>Other comprehensive income</b>	<b>89,243</b>	<b>-7,305</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>129,736</b>	<b>39,906</b>	<b>&gt; 100</b>
thereof attributable to GEA Group AG shareholders	129,736	39,937	> 100
thereof attributable to non-controlling interests	-	-31	-

## Consolidated Cash Flow Statement

### for the period January 1 – March 31, 2015

(EUR thousand)	01/01/2015 - 03/31/2015	01/01/2014 - 12/31/2014
Profit for the period	40,493	47,211
plus income taxes	12,263	8,662
minus profit or loss after tax from discontinued operations	2,986	-15,473
Profit before tax from continuing operations	55,742	40,400
Net interest income	11,756	18,334
<b>Earnings before interest and tax (EBIT)</b>	<b>67,498</b>	<b>58,734</b>
Depreciation, amortization, impairment losses, and reversal of impairment losses on non-current assets	25,601	24,298
Other non-cash income and expenses	-730	2,187
Employee benefit obligations	-10,241	-9,878
Change in provisions	-30,300	-30,496
Losses and disposal of non-current assets	-139	-121
Change in inventories including unbilled construction contracts *	-55,765	-61,591
Change in trade receivables	66,175	18,837
Change in trade payables	-152,452	-127,799
Change in other operating assets and liabilities	52,074	-12,347
Tax payments	-17,271	-20,461
<b>Cash flow from operating activities of continued operations</b>	<b>-55,550</b>	<b>-158,637</b>
Cash flow from operating activities of discontinued operations	-15,709	-58,456
<b>Cash flow from operating activities</b>	<b>-71,259</b>	<b>-217,093</b>
Proceeds from disposal of non-current assets	985	658
Payments to acquire property, plant and equipment, and intangible assets	-17,137	-18,985
Interest income	1,873	396
Dividend income	1,697	-
Payments to acquire subsidiaries and other businesses	-3,259	-
<b>Cash flow from investing activities of continued operations</b>	<b>-15,841</b>	<b>-17,931</b>
Cash flow from investing activities of discontinued operations	-2,122	-4,195
<b>Cash flow from investing activities</b>	<b>-17,963</b>	<b>-22,126</b>
Payments from finance leases	-1,058	-1,166
Proceeds from finance loans	7,875	3,803
Repayments of finance loans	-100,000	-3,500
Interest payments	-4,462	-1,638
<b>Cash flow from financing activities of continued operations</b>	<b>-97,645</b>	<b>-2,501</b>
Cash flow from financing activities of discontinued operations	48	-318
<b>Cash flow from financing activities</b>	<b>-97,597</b>	<b>-2,819</b>
Effect of exchange rate changes on cash and cash equivalents	14,615	-1,658
<b>Change in unrestricted cash and cash equivalents</b>	<b>-172,204</b>	<b>-243,696</b>
Unrestricted cash and cash equivalents at beginning of period	1,194,437	794,313
<b>Unrestricted cash and cash equivalents at end of period</b>	<b>1,022,233</b>	<b>550,617</b>
Restricted cash and cash equivalents	654	2,282
<b>Cash and cash equivalents total</b>	<b>1,022,887</b>	<b>552,899</b>
less cash and cash equivalents classified as held for sale	-	-88,199
<b>Cash and cash equivalents reported in the balance sheet</b>	<b>1,022,887</b>	<b>464,700</b>

\*) Including advanced payments received

## Consolidated Statement of Changes in Equity as of March 31, 2015

(EUR thousand)	Accumulated other comprehensive income							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>Equity attributable to shareholders of GEA Group AG</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	—	—	47,209	—	—	—	<b>47,209</b>	2	<b>47,211</b>
Other comprehensive income	—	—	-643	-5,072	-1,281	-276	<b>-7,272</b>	-33	<b>-7,305</b>
Total comprehensive income	—	—	46,566	-5,072	-1,281	-276	<b>39,937</b>	-31	<b>39,906</b>
Change in other non-controlling interests	—	—	—	—	—	—	—	1	1
<b>Balance at March 31, 2014 (192,495,476 shares)</b>	<b>520,376</b>	<b>1,218,073</b>	<b>674,178</b>	<b>-58,749</b>	<b>-1,019</b>	<b>113</b>	<b>2,352,972</b>	<b>2,637</b>	<b>2,355,609</b>
<b>Balance at Jan. 1, 2015 (192,495,476 shares)</b>	<b>520,376</b>	<b>1,217,861</b>	<b>737,094</b>	<b>57,315</b>	<b>-997</b>	<b>-5,002</b>	<b>2,526,647</b>	<b>560</b>	<b>2,527,207</b>
Profit for the period	—	—	40,493	—	—	—	<b>40,493</b>	—	<b>40,493</b>
Other comprehensive income	—	—	-52,662	142,947	393	-1,435	<b>89,243</b>	—	<b>89,243</b>
Total comprehensive income	—	—	-12,169	142,947	393	-1,435	<b>129,736</b>	—	<b>129,736</b>
Change in other non-controlling interests	—	—	—	—	—	—	—	2	2
<b>Balance at March 31, 2015 (192,495,476 shares)</b>	<b>520,376</b>	<b>1,217,861</b>	<b>724,925</b>	<b>200,262</b>	<b>-604</b>	<b>-6,437</b>	<b>2,656,383</b>	<b>562</b>	<b>2,656,945</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 first 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, 2015, the accounting policies applied to the accompanying interim financial statements are the same as those applied as of December 31, 2014, and are described in detail on pages 128 to 149 of the Annual Report containing GEA Group's IFRS consolidated financial statements.

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

### **Improvements to IFRSs 2013 – amendments under the IASB's annual improvement project – issued by the IASB in December 2013**

In the reporting period, GEA Group applied the Improvements to IFRSs 2013 for the first time. The improvements result from the IASB's annual improvements process, which is designed to make minor amendments to standards and interpretations (Annual Improvements Cycle), and comprise minor amendments to a total of four standards. Initial application of the new requirements did not affect the interim financial statements.

### **Amendments to IAS 19 "Employee benefits" – "Defined Benefit Plans: Employee Contributions" – issued by the IASB in November 2013**

The amendments concern requirements relating to contributions from employees or third parties that are linked to service and clarify the corresponding requirements for attributing such contributions to periods of service. In addition, the accounting for contributions that are independent of the number of years of service has been simplified. Initial application of the new requirements did not affect the interim financial statements.

### **Interim financial reporting principles**

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

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

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

## 2. Basis of consolidation

The consolidated group changed as follows in the first quarter of 2015:

	Number of companies
<b>Consolidated Group as of January 1, 2015</b>	<b>216</b>
German companies (including GEA Group AG)	35
Foreign companies	181
Initial consolidation	3
Merger	3
Deconsolidation	1
<b>Consolidated Group as of March 31, 2015</b>	<b>215</b>
German companies (including GEA Group AG)	34
Foreign companies	181

A total of 50 subsidiaries (January 1, 2015: 51) were not consolidated since their effect on the Group's net assets, financial position, and results of operations is not material even when viewed in the aggregate.

## 3. Acquisitions

### 3.1 Companies acquired

GEA Group completed the acquisition of Dutch group de Klokslag on January 2. All shares of the companies de Klokslag Automatisierung B.V., de Klokslag Engineering B.V., and de Klokslag Machinefabrik B.V. were acquired. In addition, rights to certain technologies were individually acquired.

Business	Head Office	Acquisition Date	Percentage of voting interest (%)	Consideration transferred (EUR thousand)
de Klokslag Group	Bolsward/Netherlands	January 2, 2015	100.0	29,713

The de Klokslag group companies are among the leading manufacturers of large-scale equipment for semi-hard cheese production and have been allocated to the Process Engineering segment. The Company, which has 89 employees, generated revenue of EUR 38,246 thousand in fiscal year 2014. As a result of this acquisition, GEA is now a full solution provider in this growing segment of the milk industry.

The transaction costs associated with the acquisition amount to EUR 428 thousand, of which EUR 28 thousand was incurred in the reporting period and EUR 400 thousand in the previous year. The transaction costs associated with the acquisition are reported in other expenses.

### 3.2 Consideration paid

The consideration paid is composed as follows:

Business (EUR thousand)	Cash	Contingent consideration	Total
de Klokslag Group	26,713	3,000	<b>29,713</b>

The purchase price of EUR 29,713 thousand includes a contingent purchase consideration, the fair value of which was EUR 3,000 thousand at the acquisition date. The amount of the contingent purchase consideration is dependent on the consolidated earnings before interest and tax of the de Klokslag companies in fiscal years 2015 to 2017, which must exceed a specified minimum amount for payment to be made. Based on the business plans, it is expected that the maximum amount will be payable.

### 3.3 Assets acquired and liabilities assumed

The following assets were acquired and liabilities assumed through the acquisition of the de Klokslag group:

(EUR thousand)	Fair value
Property, plant and equipment	947
Intangible assets	19,749
Other non-current financial assets	5
<b>Non-current assets</b>	<b>20,701</b>
Inventories	878
Trade receivables	3,183
Other current financial assets	4,798
Cash and cash equivalents	3,824
<b>Current assets</b>	<b>12,683</b>
<b>Total assets</b>	<b>33,384</b>
Deferred taxes	4,981
<b>Non-current liabilities</b>	<b>4,981</b>
Current Provisions	442
Current financial liabilities	214
Trade payables	3,103
Income tax liabilities	395
Other current liabilities	943
<b>Current liabilities</b>	<b>5,097</b>
<b>Total liabilities</b>	<b>10,078</b>
<b>Net assets acquired</b>	<b>23,306</b>
of which attributable to GEA Group AG	23,306
of which attributable to non-controlling interests	–
Acquisition cost	29,713
Goodwill of GEA Group AG	6,407

The fair value and gross amount of the receivables acquired are calculated as follows:

Receivables (EUR thousand)	Gross amount	Contractual Cashflows not expected to be collectable	Fair value
de Klokslag Group	8,199	218	7,981

Purchase price allocation with respect to the identification and measurement of the assets acquired and liabilities assumed is provisional.

The goodwill arising from the acquisition in the expected amount of EUR 6,407 thousand is attributable to the strengthening of GEA Group's general competitive position, advantages from expected synergies and future market developments, and the expertise of the workforce.

### 3.4 Effects on consolidated profit

Since its acquisition, the de Klokslag group has contributed to consolidated revenue and consolidated profit after tax as follows:

(EUR thousand)	Sales	Profit for the period
de Klokslag Group	3,644	77

### 3.5 Cash outflows

The acquisition of the de Klokslag group resulted in the following cash outflows:

(EUR thousand)	2015	2014
Consideration transferred	4,713	25,000
less contingent consideration	-3,000	-
<b>Purchase price paid</b>	<b>1,713</b>	<b>25,000</b>
less cash acquired	-3,824	-
<b>Net cash used in acquisition</b>	<b>-2,111</b>	<b>25,000</b>

Outflows of EUR 1,713 thousand (previous year: EUR 25,000 thousand) from acquisitions were recognized in the cash flow statement. The outflows in the previous year are attributable to the prepayment of part of the purchase price.

## 4. Balance sheet disclosures

### Cash credit lines

The cash credit lines were composed of the following items as of March 31, 2015:

(EUR thousand)	Maturity	03/31/2015 approved	03/31/2015 utilized	12/31/2014 approved	12/31/2014 utilized
GEA Bond	April 2016	274,739	274,739	274,739	274,739
European Investment Bank	July 2017	50,000	50,000	150,000	150,000
Borrower's note loan (2017)	September 2017	90,000	90,000	90,000	90,000
Syndicated credit line („club deal“)	August 2019	650,000	-	650,000	-
Various (bilateral) credit lines including accrued interest	Maximum of 1 year or „until further notice“	139,597	22,527	140,682	14,367
<b>Total</b>		<b>1,204,336</b>	<b>437,266</b>	<b>1,305,421</b>	<b>529,106</b>

## Financial instruments

The following tables provide an overview of the composition of financial instruments as of March 31, 2015, 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.

	Measurement in accordance with IAS 39					
	(EUR thousand)	Carrying amount 03/31/2015	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	987,467	681,987	–	–	305,480	987,467
of which PoC receivables	305,480	–	–	–	305,480	305,480
Income tax receivables	18,741	–	–	–	18,741	18,741
Cash and cash equivalents	1,022,887	1,022,887	–	–	–	1,022,887
Other financial assets	459,700	283,635	19,108	57,935	99,022	459,700
of which derivatives included in hedging relationships	11,016	–	–	11,016	–	11,016
<b>By IAS 39 measurement category</b>						
Loans and receivables	1,964,346	1,964,346	–	–	–	1,964,346
of which cash and cash equivalents	1,022,887	1,022,887	–	–	–	1,022,887
of which trade receivables	681,987	681,987	–	–	–	681,987
of which other financial assets	259,472	259,472	–	–	–	259,472
Available-for-sale investments	71,082	24,163	–	46,919	–	71,082
Financial assets at fair value through profit or loss (derivatives not included in a recognized hedging relationship)	19,108	–	19,108	–	–	19,108
<b>Liabilities</b>						
Trade payables	538,013	538,013	–	–	–	538,013
Financial liabilities	512,103	438,907	16,151	22,390	34,655	526,446
of which liabilities under finance leases	34,655	–	–	–	34,655	34,655
of which derivatives included in hedging relationships	22,390	–	–	22,390	–	22,390
Income tax liabilities	30,739	–	–	–	30,739	30,739
Other financial liabilities	744,435	143,440	–	–	600,995	744,803
<b>By IAS 39 measurement category</b>						
Financial liabilities at amortized cost	1,120,360	1,120,360	–	–	–	1,135,071
of which trade payables	538,013	538,013	–	–	–	538,013
of which bonds and other securitized liabilities	376,392	376,392	–	–	–	389,809
of which liabilities to banks	60,874	60,874	–	–	–	61,800
of which loan liabilities to unconsolidated subsidiaries	1,641	1,641	–	–	–	1,641
of which other liabilities to affiliated companies	25,412	25,412	–	–	–	25,412
of which other liabilities	118,028	118,028	–	–	–	118,396
Financial liabilities at fair value through profit or loss (derivatives not included in a hedging relationship)	16,151	–	16,151	–	–	16,151

(EUR thousand)	Measurement in accordance with IAS 39					
	Carrying amount 12/31/2014	Amortized cost	Fair value through profit or loss	Fair value recognized in other comprehensive income	Measurement in accordance with other IFRSs	Fair value 12/31/2014
<b>Assets</b>						
Trade receivables	945,755	691,440	–	–	254,315	945,755
of which PoC receivables	254,315	–	–	–	254,315	254,315
Income tax receivables	17,531	–	–	–	17,531	17,531
Cash and cash equivalents	1,195,858	1,195,858	–	–	–	1,195,858
Other financial assets	454,058	282,643	16,558	50,006	104,851	454,058
of which derivatives included in hedging relationships	4,453	–	–	4,453	–	4,453
<b>By IAS 39 measurement category</b>						
Loans and receivables	2,145,183	2,145,183	–	–	–	2,145,183
of which cash and cash equivalents	1,195,858	1,195,858	–	–	–	1,195,858
of which trade receivables	691,440	691,440	–	–	–	691,440
of which other financial assets	257,885	257,885	–	–	–	257,885
Available-for-sale investments	70,311	24,758	–	45,553	–	70,311
Financial assets at fair value through profit or loss (derivatives not included in a recognized hedging relationship)	16,558	–	16,558	–	–	16,558
<b>Liabilities</b>						
Trade payables	639,719	639,719	–	–	–	639,719
Financial liabilities	589,546	530,249	11,445	12,923	34,929	608,703
of which liabilities under finance leases	34,929	–	–	–	34,929	34,929
of which derivatives included in hedging relationships	12,923	–	–	12,923	–	12,923
Income tax liabilities	35,649	–	–	–	35,649	35,649
Other financial liabilities	676,685	160,086	–	–	516,599	676,898
<b>By IAS 39 measurement category</b>						
Financial liabilities at amortized cost	1,330,054	1,330,054	–	–	–	1,349,424
of which trade payables	639,719	639,719	–	–	–	639,719
of which bonds and other securitized liabilities	372,743	372,743	–	–	–	391,032
of which liabilities to banks	156,377	156,377	–	–	–	157,245
of which loan liabilities to unconsolidated subsidiaries	1,129	1,129	–	–	–	1,129
of which other liabilities to affiliated companies	24,166	24,166	–	–	–	24,379
of which other liabilities	135,920	135,920	–	–	–	136,133
Financial liabilities at fair value through profit or loss (derivatives not included in a hedging relationship)	11,445	–	11,445	–	–	11,445

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)	03/31/2015			12/31/2014		
	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	11,016	–	11,016	–	4,453	–
Derivatives not included in hedging relationships	19,108	–	19,108	–	16,558	–
Available-for-sale financial assets valued at fair value	9,883	–	–	9,883	8,518	–
Other financial assets	37,036	37,036	–	37,036	37,036	–
<b>Financial liabilities measured at fair value</b>						
Derivatives included in hedging relationships	22,390	–	22,390	–	12,923	–
Derivatives not included in hedging relationships	16,151	–	16,151	–	11,445	–
<b>Financial liabilities not measured at fair value</b>						
Bonds	285,235	296,662	–	–	282,202	295,810
Promissory note bonds	91,158	–	93,148	–	90,541	–
Liabilities to banks	60,874	–	61,800	–	156,377	–
Other financial liabilities	79,108	–	–	79,476	76,987	–
						77,200

There were no transfers between the levels of the fair value hierarchy in the first three months of fiscal year 2015.

The fair value of the bond and the other financial assets 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 essentially correspond to the carrying amounts; this is due to the predominantly short remaining maturities.

Certain other financial liabilities resulting from the sale of the GEA HX Segment are categorized within Level 3 of the fair value hierarchy, since their fair value is measured on the basis of the present value of future cash outflows expected on the basis of contractual obligations associated with the sale.

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

## 5. Consolidated income statement disclosures

The taxes recognized were calculated for continuing operations for the reporting period using an estimated tax rate of 22.0 percent (previous year: 21.4 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 142,947 thousand in the period under review (previous year: EUR -5,105 thousand) and resulted primarily from the rise of the U.S. dollar and the Chinese renminbi against the euro. In the prior-year quarter, exchange differences on translating foreign operations moved in the opposite direction due to a decline in the U.S. dollar and the renminbi against the euro.

## 7. Segment reporting

### 7.1 Operating segments

GEA Group's business activities are divided into the following five 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 Mechanical Equipment Segment (GEA ME)

GEA Mechanical Equipment specializes in separators, decanters, valves, pumps, and homogenizers – high-quality process engineering components that ensure seamless processes and cost-effective production in almost all major areas of industry worldwide. Process technology for secondary food

processing and packaging extends the product portfolio, with the offering ranging from individual machines to end-to-end production lines. Such equipment helps reduce customer production costs and protect the environment in a sustainable manner.

#### **GEA Process Engineering Segment (GEA PE)**

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

#### **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.

## **7.2 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. Segment reporting for fiscal year 2014 also includes the figures for the GEA Heat Exchangers Segment (GEA HX), which was allocated to discontinued operations at the end of fiscal year 2013. GEA HX 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 sale of the GEA HX Segment was completed on October 31, 2014. The figures for GEA HX are presented in the “GEA HX” column and are adjusted for consolidation adjustments and reclassifications, and aggregated in the group figures for all segments in the “GEA Group including GEA HX” column. Depreciation and amortization of non-current assets, which under IFRS 5 must cease as of the date of classification as held for sale, are included for the GEA HX disposal group in the amount of EUR 8.8 million in the “GEA HX” and “GEA Group incl. GEA HX” columns.

(EUR million)	GEA FT	GEA ME	GEA PE	GEA RT	Other	Consolidation/ Reclassification	GEA Group	GEA HX <sup>1</sup>	Consolidation/ Reclassification	GEA Group incl. GEA HX
<b>Q1 2015</b>										
Order Intake	175.3	330.3	454.4	197.3	–	-29.7	<b>1,127.5</b>	–	–	<b>1,127.5</b>
External revenue	140.6	291.0	390.8	184.0	–	–	<b>1,006.4</b>	–	–	<b>1,006.4</b>
Intersegment revenue	0.3	26.5	0.6	0.7	–	-28.1	–	–	–	–
Total revenue	140.9	317.5	391.4	184.7	–	-28.1	<b>1,006.4</b>	–	–	<b>1,006.4</b>
Operating EBITDA <sup>2</sup>	9.3	47.6	26.5	16.7	-2.0	–	<b>98.2</b>	–	0.3	<b>98.5</b>
as % of revenue	6.6	15.0	6.8	9.1	–	–	<b>9.8</b>	–	–	<b>9.8</b>
EBITDA	9.1	44.9	26.4	16.3	-3.6	–	<b>93.0</b>	–	–	<b>93.0</b>
Operating EBIT <sup>2</sup>	6.1	39.5	22.5	14.2	-3.5	–	<b>78.8</b>	–	0.3	<b>79.1</b>
as % of revenue	4.3	12.4	5.8	7.7	–	–	<b>7.8</b>	–	–	<b>7.8</b>
EBIT	5.1	32.9	21.5	13.2	-5.2	–	<b>67.5</b>	–	–	<b>67.5</b>
as % of revenue	3.6	10.4	5.5	7.1	–	–	<b>6.7</b>	–	–	<b>6.7</b>
ROCE in % <sup>3</sup>	17.6	17.1	72.9	30.0	–	–	<b>22.7</b>	–	–	<b>22.7</b>
Working Capital (reporting date) <sup>4</sup>	158.5	329.2	20.3	88.5	-7.9	-0.2	<b>588.3</b>	–	–	<b>588.3</b>
Additions to property, plant and equipment and intangible assets	5.7	5.4	30.4	3.1	0.6	–	<b>45.2</b>	–	–	<b>45.2</b>
Depreciation and amortization	4.0	12.0	4.9	3.1	1.5	–	<b>25.5</b>	–	–	<b>25.5</b>
<b>Q1 2014</b>										
Order Intake	161.6	339.1	366.7	192.9	–	-36.0	<b>1,024.3</b>	399.7	-8.9	<b>1,415.1</b>
External revenue	126.5	279.5	390.1	154.5	–	–	<b>950.7</b>	302.5	–	<b>1,253.1</b>
Intersegment revenue	0.1	30.5	0.7	0.4	–	-31.7	–	9.0	-9.0	–
Total revenue	126.6	310.0	390.7	154.9	–	-31.7	<b>950.7</b>	311.4	-9.0	<b>1,253.1</b>
Operating EBITDA <sup>2</sup>	6.1	42.1	30.2	12.4	-5.7	–	<b>85.1</b>	25.8	-0.4	<b>110.6</b>
as % of revenue	4.8	13.6	7.7	8.0	–	–	<b>9.0</b>	8.3	–	<b>8.8</b>
EBITDA	6.1	42.1	30.2	12.4	-7.8	–	<b>83.0</b>	25.8	-2.2	<b>106.7</b>
Operating EBIT	3.1	34.5	26.6	10.0	-7.4	–	<b>66.8</b>	17.6	-0.4	<b>84.1</b>
as % of revenue	2.4	11.1	6.8	6.4	–	–	<b>7.0</b>	5.7	–	<b>6.7</b>
EBIT	2.3	30.5	26.0	9.4	-9.5	–	<b>58.7</b>	17.0	-2.2	<b>73.6</b>
as % of revenue	1.8	9.8	6.6	6.1	–	–	<b>6.2</b>	5.5	–	<b>5.9</b>
ROCE in % <sup>3</sup>	13.8	17.4	74.8	23.8	–	–	<b>22.6</b>	18.1	–	<b>21.0</b>
Working Capital (reporting date) <sup>4</sup>	147.3	327.2	-31.4	88.1	6.2	-2.0	<b>535.3</b>	233.3	0.8	<b>769.3</b>
Additions to property, plant and equipment and intangible assets	2.7	8.9	2.1	4.0	2.3	-0.5	<b>19.5</b>	4.0	–	<b>23.5</b>
Depreciation and amortization	3.8	11.6	4.3	3.0	1.7	–	<b>24.3</b>	8.8	–	<b>33.1</b>

1) Reported under discontinued operations

2) Before effects of purchase price allocations and before one-offs (see page 40)

3) ROCE = EBIT/capital employed; EBIT and capital employed both calculated as the average for the past 12 months and before effects relating to goodwill from the acquisition of the former GEA AG by the former Metallgesellschaft AG in 1999; capital employed = non-current assets + working capital

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

	Q1 2015	Q1 2014
Reconciliation of sales according to segment reporting to sales (EUR million)		
Sales GEA incl. GEA HX	1,006.4	1,253.1
less sales GEA HX	–	–311.4
plus sales GEA HX with continued operations	–	9.0
<b>Sales</b>	<b>1,006.4</b>	<b>950.7</b>

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 2014 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 non-current assets of the GEA HX disposal group in the amount of EUR 8.8 million continued to be depreciated or amortized following their classification as held for sale.

Management also monitors EBITDA and EBIT after adjustment for effects resulting from the remeasurement of the assets acquired as part of a business combination (“before purchase price allocation”). These effects relate on the one hand to the revalued amount of inventories recognized as cost of sales, which reduces earnings, and on the other to the amortization of the revalued amount from the measurement of property, plant, and equipment, and intangible assets at fair value.

When calculating operating EBIT, management adjusts the figure for earnings effects that it believes will not be incurred to the same extent in future fiscal years (“nonrecurring items”). Operating EBIT for the first quarter of 2015 was thus adjusted for nonrecurring items totaling EUR 5.1 million (previous year: EUR 2.1 million). Nonrecurring items comprise EUR 1.7 million (previous year: EUR 1.4 million) of expenses for strategic projects and personnel expenses of EUR 3.4 million for employees who left the Company and were not replaced (previous year: EUR 0.0 million). The expense arising from the allocation in accordance with IFRS 5 of service and trademark fees totaling EUR 0.0 million (previous year: EUR 0.7 million) to continuing operations, i.e., to the other segments including the holding company, was also identified as a nonrecurring item. In addition, profit or loss from discontinued operations includes nonrecurring expenses in the total amount of EUR 0.3 million (previous year: EUR 2.5 million) in connection with 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)	Q1 2015	Q1 2014	Change in %
<b>Operating EBITDA GEA incl. GEA HX</b>	<b>98.5</b>	<b>110.6</b>	<b>-11.0</b>
Depreciation of property, plant, and equipment, investment property, and amortization of intangible assets	-19.4	-26.5	26.9
<b>Operating EBIT GEA incl. GEA HX</b>	<b>79.1</b>	<b>84.1</b>	<b>-5.9</b>
Depreciation and amortization on capitalization of purchase price allocation	-6.1	-6.6	6.6
Realization of step-up amounts on inventories	-0.1	-	-
One-offs	-5.4	-3.9	-36.9
<b>EBIT GEA incl. GEA HX</b>	<b>67.5</b>	<b>73.6</b>	<b>-8.2</b>
less EBIT GEA HX	-	-17.0	-
Consolidation	-	2.2	-
<b>EBIT</b>	<b>67.5</b>	<b>58.7</b>	<b>14.9</b>

Reconciliation of EBITDA according to segment reporting to EBITDA (EUR million)	Q1 2015	Q1 2014	Change in %
<b>EBITDA GEA incl. GEA HX</b>	<b>93.0</b>	<b>106.7</b>	<b>-12.8</b>
less EBITDA GEA HX	-	-25.8	-
Consolidation	-	2.2	-
<b>EBITDA</b>	<b>93.0</b>	<b>83.0</b>	<b>12.1</b>

Reconciliation EBITDA to EBIT (EUR million)	Q1 2015	Q1 2014	Change in %
<b>EBITDA</b>	<b>93.0</b>	<b>83.0</b>	<b>12.1</b>
Depreciation of property, plant and equipment, investment property, and amortization of intangible assets	-25.5	-24.3	-5.2
<b>EBIT</b>	<b>67.5</b>	<b>58.7</b>	<b>14.9</b>

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 2014 Annual Report.

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

Reconciliation of working capital to total assets (EUR million)	03/31/2015	03/31/2014
<b>Working capital (reporting date) GEA incl. GEA HX</b>	<b>588.3</b>	<b>769.3</b>
Working capital (reporting date) of Ruhr-Zink	-0.8	-0.0
Non-current assets	2,794.4	2,569.4
Income tax receivables	18.7	12.0
Other current financial assets	419.7	147.8
Cash and cash equivalents	1,022.9	464.7
Assets held for sale	6.8	1,611.2
plus trade payables	538.0	510.0
plus advance payments in respect of orders and construction contracts	226.2	198.4
plus gross amount due to customers for contract work	286.4	282.7
minus working capital held for sale (reporting date) GEA HX	-	-233.3
Consolidation	-	-0.8
<b>Total assets</b>	<b>5,900.6</b>	<b>6,331.6</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.

## 9. Events after the end of the reporting period

After the end of the reporting period, GEA announced further details of the measures planned under the "Fit for 2020" program and the related higher potential savings. It is expected that the new, more streamlined and less complex group structure with fewer hierarchical levels, which has now been defined in detail, will lead to annual savings of at least EUR 125 million starting in fiscal year 2017. The planned measures include a workforce reduction of approximately 1,450 full-time equivalents. As of the March 31, 2015, reporting date, it was not necessary to recognize any restructuring provisions. It is not yet possible to estimate the amount of the expected restructuring expenses with sufficient reliability, as these will largely depend on the outcome of the ongoing negotiations with the employee representatives.

On April 16, 2015, GEA Group Aktiengesellschaft's Annual General Meeting approved the proposal by the Supervisory Board and Executive Board to pay a dividend of EUR 0.70 per share for fiscal year 2014.

# Financial Calendar

**July 29, 2015**      **Half-yearly Financial Report for the period to June 30, 2015**

**October 27, 2015**      **Quarterly Financial Report for the period to September 30, 2015**

The GEA Group Stock: Key data

American Depository Receipts (ADR)

WKN	660 200	CUSIP	361592108
ISIN	DE0006602006	Symbol	GEAGY
Reuters code	G1AG.DE	Sponsor	Deutsche Bank Trust Company Americas
Bloomberg code	G1A.GR	ADR-Level	1
Xetra	G1A.DE	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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**Imprint**

Published by

GEA Group Aktiengesellschaft  
Peter-Müller-Straße 12  
40468 Düsseldorf  
Germany  
[www.gea.com](http://www.gea.com)

Design

[www.kpad.de](http://www.kpad.de)

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



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Excellence • Passion • Integrity • Responsibility • GEA-versity

GEA 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 is listed in the STOXX® Europe 600 Index.

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