
# Quarterly Financial Report

January 1 – September 30, 2015

engineering for a better world

# Contents

# GEA maintains stable earnings margin despite economic slowdown

In the third quarter of 2015, the global economic slowdown had a negative impact on GEA's performance too, with group revenue 3.4 percent below the previous year's level. In the first nine months of the current fiscal year, however, revenue increased by 1.5 percent. Revenue in the Business Area Equipment grew by 0.9 percent during this period, while the Business Area Solutions posted growth of 1.9 percent. Service business generated growth in the region of 11 percent and now constitutes around 30 percent of overall revenue.

EBITDA in the third quarter fell to EUR 110 million, largely due to high non-recurring expenses and the lower revenue. Adjusted for non-recurring items totaling EUR 33 million, operating EBITDA amounted to EUR 144 million. The corresponding operating EBITDA margin remained at the previous year's level of 13.0 percent. By contrast, at EUR 381 million for the first nine months of the current fiscal year, operating EBITDA was above the previous year's level. The operating EBITDA margin rose to 11.7 percent, largely thanks to measures to improve efficiency already implemented.

Adjusted for non-recurring items, the cash flow driver margin for the last 12 months amounted to 10.7 percent at the end of the reporting period.

Towards the end of the third quarter, GEA succeeded in securing various major orders. Due to project scheduling, however, these orders will no longer affect fiscal year 2015.

# IFRS indicators of GEA

| (EUR million) | Q3 2015 | Q3 2014 | Change in % | Q1-Q3 2015 | Q1-Q3 2014 | Change in % |
|---|---|---|---|---|---|---|
| **Results of operations** | | | | | | |
| Order intake | 1,068.3 | 1,167.9 | –8.5 | 3,344.5 | 3,362.1 | –0.5 |
| Revenue | 1,106.6 | 1,146.0 | –3.4 | 3,263.1 | 3,214.3 | 1.5 |
| Operating EBITDA [1] | 143.7 | 149.0 | –3.6 | 381.2 | 362.2 | 5.2 |
| as % of revenue | 13.0 | 13.0 | – | 11.7 | 11.3 | – |
| Operating EBIT [1] | 122.6 | 130.2 | –5.9 | 321.2 | 306.3 | 4.8 |
| as % of revenue | 11.1 | 11.4 | – | 9.8 | 9.5 | – |
| EBIT | 83.1 | 115.4 | –28.0 | 129.8 | 272.8 | –52.4 |
| **Net assets** | | | | | | |
| Working capital intensity in % (average of the last 12 months) | | | | 12.6 | 12.1 | – |
| Net liquidity (+)/Net debt (-) | | | | 603.2 | –356.3 | – |
| **Financial position** | | | | | | |
| Cash flow dirver margin [2] | | | | 6.2 | 8.8 | – |
| ROCE in % (goodwill adjusted) [3] | | | | 14.5 | 23.2 | – |
| Full-time equivalents (reporting date) | | | | 18,000 | 18,281 | –1.5 |
| **GEA Shares** | | | | | | |
| Earnings per share (EUR) | 0.86 | 0.39 | > 100 | 0.96 | 1.05 | –9.2 |

1) Before effects of purchase price allocations and before non-recurring items (see page 44 f.)
2) Cash flow driver = EBITDA - Capital expenditure - Change in Working Capital (average of the last 12 months)
3) Capital employed excluding goodwill from the acquisition of the former GEA AG by former Metallgesellschaft AG in 1999 (average of the last 12 months)

"Unfortunately, the economic downturn left its mark on many areas in the course of the last quarter. In particular, the weakness of the milk markets and the postponement of several larger orders had a significant impact on our figures; this explains why we reduced our revenue forecast for the current fiscal year. That said, our strategic decision to introduce flatter hierarchies is to make the Group more cost-effective proved to be the correct move," says Jürg Oleas, Chairman of the Executive Board of GEA, in his appraisal of the current situation. "Thanks to a raft of measures to improve efficiency initiated or already implemented, we can corroborate our earnings forecast and even raise our expectations in terms of the relevant cash flow drivers. We are abiding by the previously advised dividend of at least EUR 0.70 per share."

GEA is still on schedule to implement its new group structure, developed as part of the "Fit for 2020" program. Several key milestones affecting Germany, the country with the most GEA employees, have been reached. Outside Germany, implementation is also progressing according to plan. By the end of the quarter under review, the workforce had been reduced by approximately 300 full-time equivalents as a result of the program.

Against a backdrop of ongoing weakness in the global economy – particularly in the emerging economies, including China – and a further reduction in IWF expectations for economic growth this year, GEA has reduced its growth target for revenue for the end of the quarter under review. The Group is now looking at a moderate decline in organic revenue (assuming unchanged exchange rates against 2014 and not including acquisition effects). The current forecast with regard to organic revenue implies moderate growth in reported revenue figures. We are still targeting operating EBITDA for fiscal year 2015 in the range of EUR 590 to EUR 640 million. Already implemented measures to improve the earnings situation, however, coupled with a reduction in the investment volume have now prompted the Group to raise its expectations for the cash flow driver margin slightly. Excluding the effects of acquisitions and non-recurring items, GEA is now expecting a value of between 9.5 and 10.0 percent in 2015, calculated as a ratio to revenue.

# Management Report

Since the financial report for the second quarter 2015, disclosure of the Group's course of business including the comparable prior-year figures has been presented in line with the new group structure for the two Business Areas Equipment and Solutions (cf. page 5 f. of the half-yearly financial report for 2015).

## Acquisitions

Following approval by the relevant antitrust authorities, GEA completed its takeover of Hilge, headquartered in Bodenheim, Germany. The acquisition has enabled GEA to expand its portfolio in the field of heavy-duty hygienic pumps and reinforce its position as a provider of system solutions for use in hygienic and aseptic process environments.

## Management

On September 23, 2015, the Supervisory Board of GEA Group Aktiengesellschaft appointed two long-standing GEA managers, the German Steffen Bersch and the Dane Niels Erik Olsen, to the company's Executive Board. Steffen Bersch is taking over the Business Area Equipment, while Niels Erik Olsen will be responsible for the Business Area Solutions. The appointments follow in the wake of the decision by previous Board member, Markus Hüllmann, to acquire and operate a company that is not in competition with GEA. He will be leaving the Group with effect from December 31, 2015. Thus, GEA will be managed by a team of five Executive Board members in the future.

## "Fit for 2020" program

GEA plan's to implement a new group structure are proceeding according to schedule. Key milestones along the path to implementing the target organization, some of which affect Germany, the country with the most GEA employees, have been reached. Negotiations with the Group Works Council concerning the measures and the options for managing restructuring in a socially responsible way have been concluded. Outside Germany, implementation is also progressing according to plan. By the end of the quarter under review, the workforce had been reduced by approximately 300 full-time equivalents as a result of the program.

# Report on Economic Position

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.

## Course of business

### Order intake

GEA's order intake fell by 8.5 percent to EUR 1,068.3 million in the third quarter of 2015 (previous year: EUR 1,167.9 million). Adjusted for the effects of exchange rate changes (+2.7 percent) and the acquisition of de Klokslag, Scan Vibro, Comas, and CMT (1.8 percent in total), the change in order intake was –13.0 percent. The Business Area Solutions in particular saw a weaker performance compared with the previous year due to the decline in major orders. By comparison, basic business (orders under EUR 1 million) remained on a stable footing.

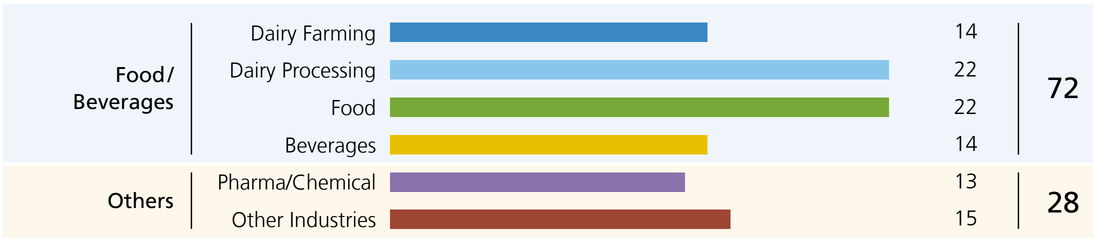
In the third quarter of 2015, GEA secured two major orders for beverage and dairy projects in Africa and Europe with a total volume of around EUR 97 million. In the comparable prior-year quarter, the group booked four major orders with a total volume of EUR 160 million.

| Order intake (EUR million) | Q3 2015 | Q3 2014 | Change in % | Adjusted growth in % | Q1-Q3 2015 | Q1-Q3 2014 | Change in % | Adjusted growth in % |
|---|---|---|---|---|---|---|---|---|
| BA Equipment | 546.9 | 564.7 | –3.2 | –6.2 | 1,706.4 | 1,709.3 | –0.2 | –5.3 |
| BA Solutions | 573.7 | 646.5 | –11.3 | –16.8 | 1,790.9 | 1,801.0 | –0.6 | –6.5 |
| **Total** | **1,120.6** | **1,211.2** | **–7.5** | **–11.9** | **3,497.3** | **3,510.4** | **–0.4** | **–5.9** |
| Consolidation/others | –52.3 | –43.3 | –20.8 | – | –152.8 | –148.2 | –3.1 | – |
| **GEA** | **1,068.3** | **1,167.9** | **–8.5** | **–13.0** | **3,344.5** | **3,362.1** | **–0.5** | **–6.2** |

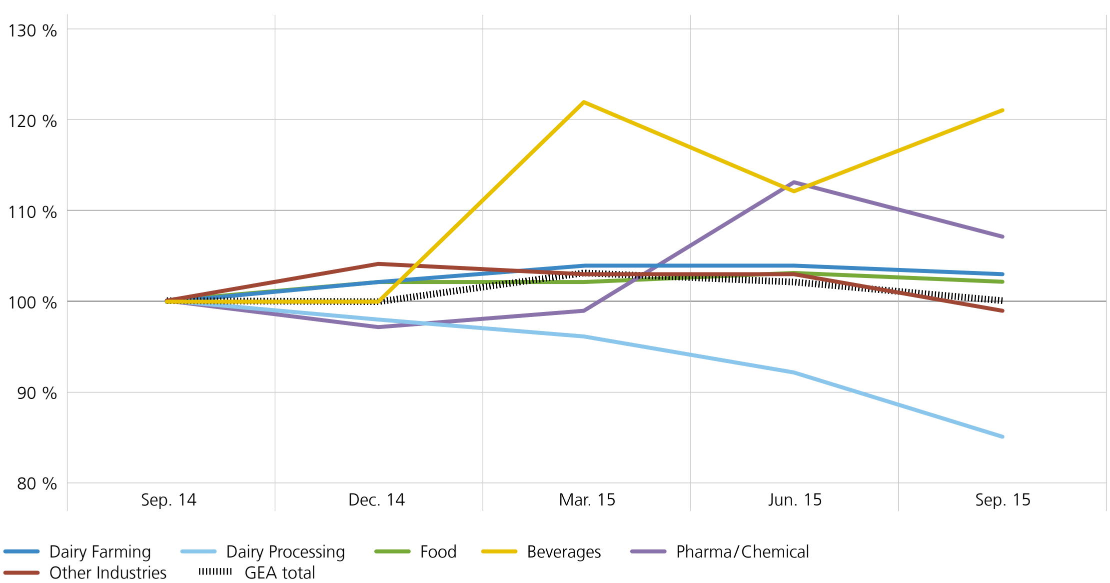
Group order intake fell slightly by 0.5 percent to EUR 3,344.5 million in the first nine months of fiscal year 2015 (previous year: EUR 3,362.1 million). Adjusted for currency translation effects (+4.9 percent) and acquisition effects (0.8 percent), the change was –6.2 percent.

The following charts provide a breakdown and show trends based on the last 12 months:

### Order intake applications
(in %, average last 12 months)




### GEA Order intake EUR 1,068.3 million (previous year EUR 1,167.9 million)
**by applications** (average last 12 months)



## Order backlog

The order backlog rose to EUR 2,148.4 million, up by EUR 110.8 million or 5.4 percent compared with December 31, 2014 (EUR 2,037.6 million). Exchange rate changes increased the value of the order backlog by EUR 16.7 million.

Around EUR 850 million of the order backlog as of September 30, 2015, is expected to be billed in the current fiscal year.

## Revenue

In general, the same regional and sector-specific trends apply to revenue as to order intake, albeit with different time lags. However, revenue is less volatile than order intake.

Group revenue in the third quarter of 2015 amounted to EUR 1,106.6 million, a decline of 3.4 percent compared with the prior-year figure (EUR 1,146.0 million). A 2.9 percent upwards adjustment for exchange rate movements, coupled with 1.6 percent for acquisition effects gave rise to an 8.0 percent fall in the adjusted revenue figure compared with the previous year.

The book-to-bill ratio, i.e. the ratio of order intake to revenue, was near on 1.0 in the third quarter of 2015.

| Sales (EUR million) | Q3 2015 | Q3 2014 | Change in % | Adjusted growth in % | Q1-Q3 2015 | Q1-Q3 2014 | Change in % | Adjusted growth in % |
|---|---|---|---|---|---|---|---|---|
| BA Equipment | 558.9 | 598.3 | –6.6 | –9.6 | 1,673.7 | 1,659.1 | 0.9 | –4.2 |
| BA Solutions | 594.4 | 594.9 | –0.1 | –6.0 | 1,733.3 | 1,700.4 | 1.9 | –4.9 |
| **Total** | **1,153.2** | **1,193.2** | **–3.4** | **–7.8** | **3,407.0** | **3,359.5** | **1.4** | **–4.5** |
| Consolidation/others | –46.7 | –47.3 | 1.2 | – | –144.0 | –145.2 | 0.8 | – |
| **GEA** | **1,106.6** | **1,146.0** | **–3.4** | **–8.0** | **3,263.1** | **3,214.3** | **1.5** | **–4.6** |

In the first nine months of fiscal year 2015, revenue in the Group increased by 1.5 percent to EUR 3,263.1 million (previous year: EUR 3,214.3 million). Exchange rate movements and acquisitions increased revenue by 5.2 percent and 0.9 percent respectively. The adjusted revenue change was thus –4.6 percent.

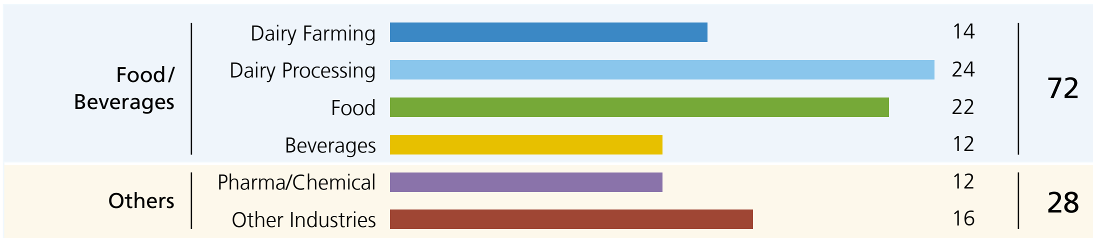
The decline in adjusted revenue affected the food and beverages end market (–3.5 percent) and, in particular, the pharma/chemical end market (–9.6 percent). At a regional level, it is attributable to North and Central Europe in particular, and to the Asia Pacific region. This was not fully offset by revenue growth in Germany, Austria, Switzerland (DACH) & Eastern Europe in particular. As before, the regions with the highest revenue figures are Asia Pacific (24 percent), DACH & Eastern Europe (20 percent), and North America (18 percent).

The share contributed by the service business, which saw currency-adjusted growth of 4.1 percent, rose significantly from 27.3 percent in the previous year to 29.9 percent.

The following charts provide a breakdown and show trends based on the last 12 months:

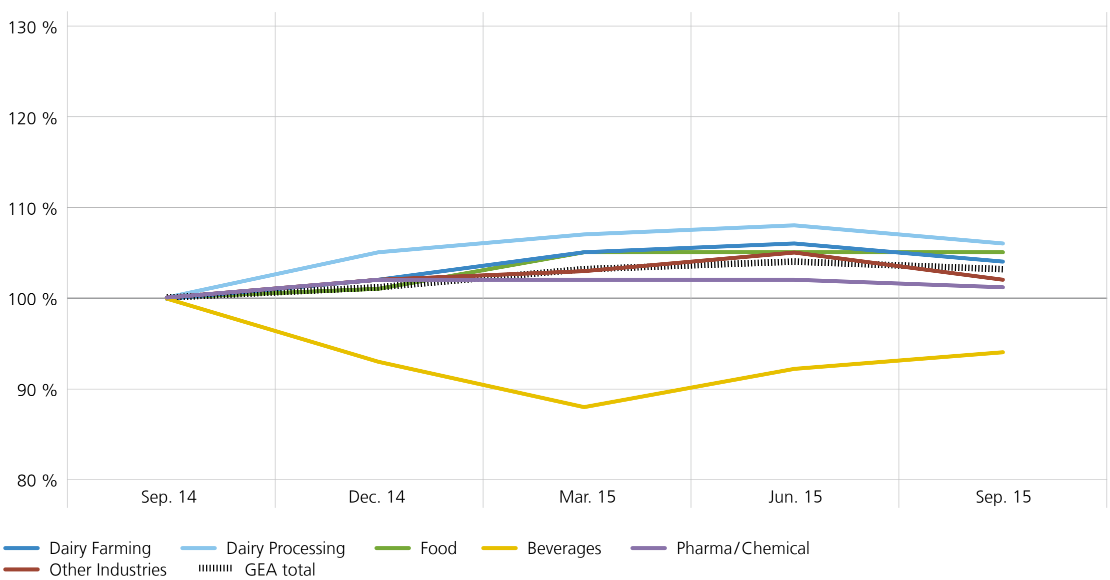
## Revenue applications

(in %, average last 12 months)

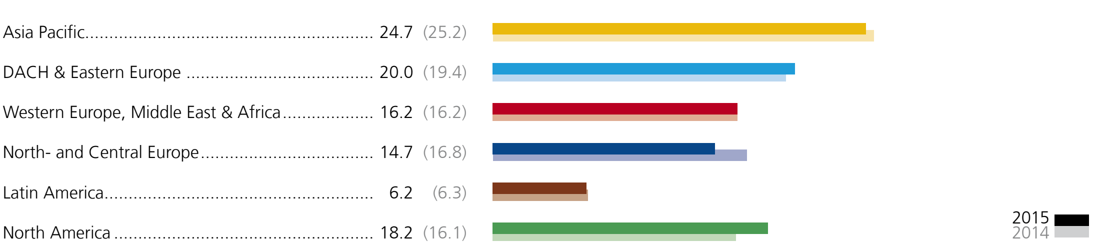



## GEA Revenue EUR 1,106.6 million (previous year EUR 1,146.0 million)

**by applications** (average last 12 months)




**by region** (%, average last 12 months)



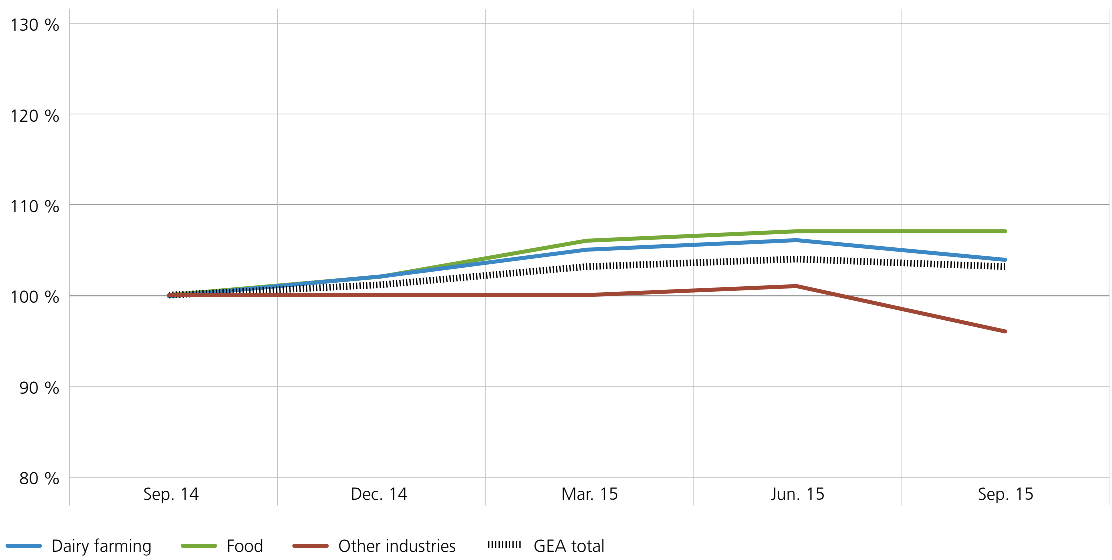
## Business Area Equipment

Revenue in the Business Area Equipment grew by 0.9 percent in the first nine months of fiscal year 2015. However, on a constant exchange rate basis, revenue declined by 4.2 percent. This was due in particular to the oil and gas industry within the other industries and – to a significantly lesser extent – to the pharma/chemical and dairy farming end markets. The Asia Pacific, North and Central Europe, and North America regions posted below-average overall performance, while Western Europe, the Middle East & Africa generated significant growth. The key sales regions are North America, DACH & Eastern Europe, and Asia Pacific which all enjoy a share of the revenue of over 20 percent.

The following charts provide a breakdown and show trends based on the last 12 months:

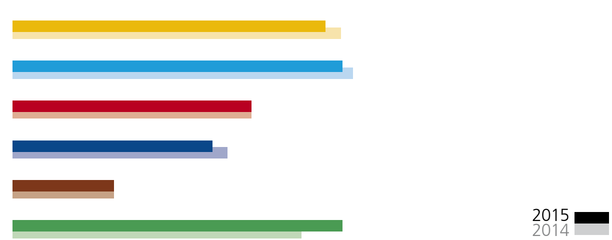
### Business Area Equipment Revenue EUR 558.9 million (previous year EUR 598.3 million)

**by applications** (average last 12 months, 3 most important applications, only exernal business)




**by region** (%, average last 12 months)

| | 2015 | 2014 |
|---|---|---|
| Asia Pacific | 20.7 | (21.7) |
| DACH & Eastern Europe | 21.8 | (22.5) |
| Western Europe, Middle East & Africa | 15.8 | (15.8) |
| North- and Central Europe | 13.2 | (14.2) |
| Latin America | 6.7 | (6.7) |
| North America | 21.8 | (19.1) |



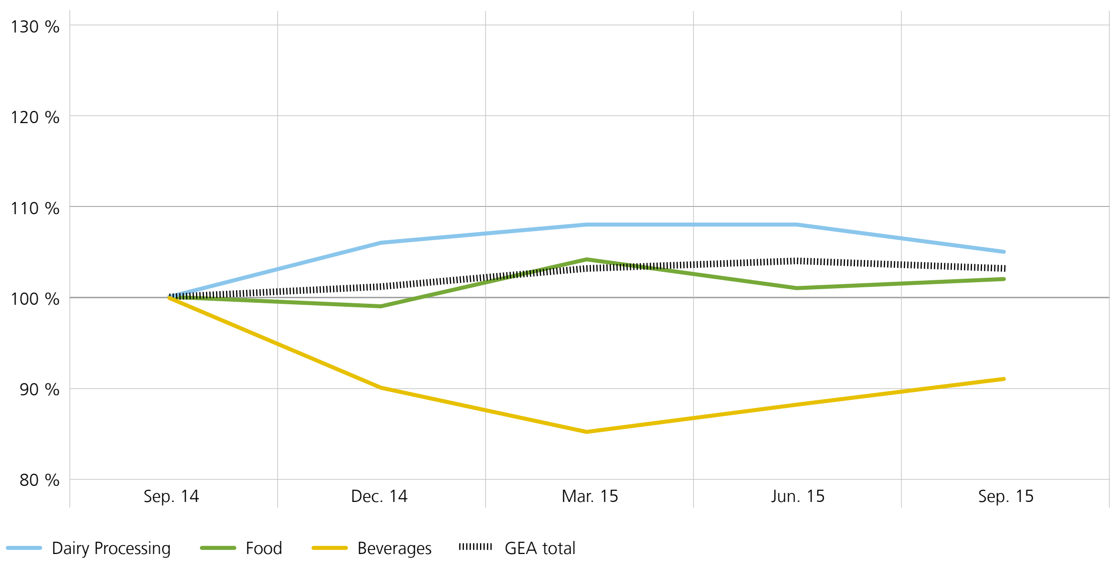
## Business Area Solutions

The Business Area Solutions grew by 1.9 percent in the first nine months of the current fiscal year. Adjusted for exchange rate and acquisition effects, revenue decreased by 4.9 percent. This development is mainly attributable to the food and beverages end market, in particular to the dairy processing customer industry, as well as to the pharma industry. At a regional level, adjusted revenue growth saw a particularly significant decline in North and Central Europe. The North America and Asia Pacific regions also saw a weaker performance, while DACH & Eastern Europe recorded highly gratifying adjusted revenue growth. The Asia Pacific region is clearly the strongest in this business area, with an almost 30 percent share of the revenue.

The following charts provide a breakdown and show trends based on the last 12 months:

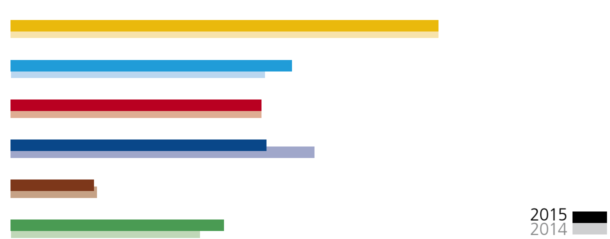
### Business Area Solutions Revenue EUR 594.4 million (previous year EUR 594.9 million)

**by applications** (average last 12 months, 3 most important applications, only external business)




**by region** (%, average last 12 months)

| | 2015 | (2014) |
|---|---|---|
| Asia Pacific | 28.3 | (28.3) |
| DACH & Eastern Europe | 18.6 | (16.8) |
| Western Europe, Middle East & Africa | 16.6 | (16.6) |
| North- and Central Europe | 16.9 | (20.1) |
| Latin America | 5.5 | (5.7) |
| North America | 14.1 | (12.5) |



# 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 reorganization and 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 (EBIT) for the first nine months of fiscal year 2015 were adjusted for non-recurring expenses of EUR 172.3 million (previous year: EUR 16.1 million.) These items include restructuring expenses of EUR 127.5 million. In addition, in 2014 the operating result was adjusted for income from the measurement of non-current provisions of EUR 4.5 million. Furthermore, for the previous year there was an adjustment of the service fee and trademark fee, which were previously charged to GEA Heat Exchangers (sold in 2014). These expenses amounted to EUR 3.4 million in the first nine months of the previous year.

In the third quarter of the year under review, EBITDA declined by EUR 29.6 million to EUR 110.4 million (previous year: EUR 140.0 million), due in particular to high non-recurring expenses and lower revenue. The EBITDA margin fell accordingly, from 12.2 percent in the prior-year quarter to 10.0 percent. Adjusted for non-recurring items totaling EUR 33.2 million, operating EBITDA amounted to EUR 143.7 million. This was down EUR 5.3 million, or 3.6 percent, on the figure from the previous year (EUR 149.0 million). Despite the fall in revenue, the operating EBITDA margin remained at the previous year's level of 13.0 percent.

At EUR 209.9 million, EBITDA for the first nine months of the current fiscal year was EUR 136.2 million lower than the prior-year's figure (EUR 346.1 million), due to high non-recurring expenses in the second quarter. The EBITDA margin thus fell from 10.8 percent to 6.4 percent. By contrast, at EUR 381.2 million, operating EBITDA was EUR 19.0 million higher than the previous year's figure (EUR 362.2 million). The operating EBITDA margin rose by 40 basis points to 11.7 percent, largely thanks to measures to improve efficiency already implemented.

The following table shows operating EBITDA and the operating EBITDA margin per business area:

| Operating EBITDA/operating EBITDA margin * (EUR million) | Q3 2015 | Q3 2014 | Change in % | Q1-Q3 2015 | Q1-Q3 2014 | Change in % |
|---|---|---|---|---|---|---|
| BA Equipment | 92.4 | 90.5 | 2.1 | 244.2 | 219.5 | 11.3 |
| as % of revenue | 16.5 | 15.1 | – | 14.6 | 13.2 | – |
| BA Solutions | 51.9 | 60.3 | –14.0 | 142.2 | 152.3 | –6.6 |
| as % of revenue | 8.7 | 10.1 | – | 8.2 | 9.0 | – |
| **Total** | **144.3** | **150.8** | **–4.3** | **386.5** | **371.8** | **4.0** |
| **as % of revenue** | **12.5** | **12.6** | **–** | **11.3** | **11.1** | **–** |
| Consolidation/others | –0.5 | –1.7 | 68.9 | –5.3 | –9.6 | 44.6 |
| **GEA** | **143.7** | **149.0** | **–3.6** | **381.2** | **362.2** | **5.2** |
| **as % of revenue** | **13.0** | **13.0** | **–** | **11.7** | **11.3** | **–** |

*) Before effects of purchase price allocations and before non-recurring items (see page 44 f.)

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

| Reconciliation of operating EBITDA to EBIT (EUR million) | Q3 2015 | Q3 2014 | Change in % | Q1-Q3 2015 | Q1-Q3 2014 | Change in % |
|---|---|---|---|---|---|---|
| **Operating EBITDA** | **143.7** | **149.0** | **–3.6** | **381.2** | **362.2** | **5.2** |
| Depreciation of property, plant and equipment, investment property, and amortization of intangible assets | –21.1 | –18.8 | –12.3 | –60.0 | –55.9 | –7.4 |
| **Operating EBIT** | **122.6** | **130.2** | **–5.9** | **321.2** | **306.3** | **4.8** |
| Depreciation and amortization on capitalization of purchase price allocation | –6.5 | –5.8 | –12.3 | –18.9 | –17.4 | –8.6 |
| Realization of step-up amounts on inventories | –0.1 | – | – | –0.2 | – | – |
| Non-recurring items | –32.9 | –9.1 | < -100 | –172.3 | –16.1 | < -100 |
| **EBIT** | **83.1** | **115.4** | **–28.0** | **129.8** | **272.8** | **–52.4** |

The reconciliation of EBITDA to EBIT is as follows:

| Reconciliation EBITDA to EBIT (EUR million) | Q3 2015 | Q3 2014 | Change in % | Q1-Q3 2015 | Q1-Q3 2014 | Change in % |
|---|---|---|---|---|---|---|
| **EBITDA** | **110.4** | **140.0** | **–21.1** | **209.9** | **346.1** | **–39.4** |
| Depreciation of property, plant and equipment, investment property, and amortization of intangible assets | –27.3 | –24.6 | –11.1 | –80.1 | –73.2 | –9.4 |
| **EBIT** | **83.1** | **115.4** | **–28.0** | **129.8** | **272.8** | **–52.4** |

The following table shows operating EBIT and the operating EBIT margin per business area:

| Operating EBIT/operating EBIT margin * (EUR million) | Q3 2015 | Q3 2014 | Change in % | Q1-Q3 2015 | Q1-Q3 2014 | Change in % |
|---|---|---|---|---|---|---|
| BA Equipment | 78.1 | 77.8 | 0.3 | 203.9 | 182.2 | 11.9 |
| as % of revenue | 14.0 | 13.0 | – | 12.2 | 11.0 | – |
| BA Solutions | 46.6 | 55.7 | –16.3 | 127.4 | 138.6 | –8.1 |
| as % of revenue | 7.8 | 9.4 | – | 7.3 | 8.2 | – |
| **Total** | **124.7** | **133.5** | **–6.6** | **331.3** | **320.8** | **3.3** |
| **as % of revenue** | **10.8** | **11.2** | **–** | **9.7** | **9.5** | **–** |
| Consolidation/others | –2.1 | –3.3 | 36.2 | –10.1 | –14.5 | 30.2 |
| **GEA** | **122.6** | **130.2** | **–5.9** | **321.2** | **306.3** | **4.8** |
| **as % of revenue** | **11.1** | **11.4** | **–** | **9.8** | **9.5** | **–** |

*) Before effects of purchase price allocations and before non-recurring items (see page 44 f.)

EBIT in the third quarter of 2015 amounted to EUR 83.1 million, down from EUR 115.4 million in the prior-year period. The EBIT margin thus fell from 10.1 percent to 7.5 percent. Operating EBIT, which is adjusted for purchase-price allocation effects of EUR 6.5 million (previous year: EUR 5.8 million) and for non-recurring items of EUR 32.9 million (previous year: EUR 9.1 million), fell by almost 6 percent to EUR 122.6 million (previous year: EUR 130.2 million). Accordingly, the operating EBIT margin contracted by around 30 basis points to 11.1 percent of revenue.

EBIT for the first nine months of the year was EUR 143.1 million lower than the prior-year's figure (EUR 272.8 million) due to high non-recurring expenses. At 4.0 percent of revenue, the EBIT margin was significantly below the prior-year level (8.5 percent). By contrast, at EUR 321.2 million, operating EBIT was EUR 14.8 million higher than the previous year's figure (EUR 306.3 million). At 9.8 percent of revenue, the operating EBIT margin was also higher than the prior-year level (9.5 percent), largely due to the measures to improve efficiency already implemented. GEA's operating EBITDA margin and its operating EBIT margin reached record levels for the first three quarters of a fiscal year.

| Key figures: Results of operations (EUR million) | Q3 2015 | Q3 2014 | Change in % | Q1-Q3 2015 | Q1-Q3 2014 | Change in % |
|---|---|---|---|---|---|---|
| Revenue | 1,106.6 | 1,146.0 | –3.4 | 3,263.1 | 3,214.3 | 1.5 |
| Operating EBITDA * | 143.7 | 149.0 | –3.6 | 381.2 | 362.2 | 5.2 |
| EBITDA pre purchase price allocation | 110.5 | 140.0 | –21.1 | 210.0 | 346.1 | –39.3 |
| EBITDA | 110.4 | 140.0 | –21.1 | 209.9 | 346.1 | –39.4 |
| Operating EBIT * | 122.6 | 130.2 | –5.9 | 321.2 | 306.3 | 4.8 |
| EBIT pre purchase price allocation | 89.7 | 121.2 | –26.0 | 148.8 | 290.2 | –48.7 |
| EBIT | 83.1 | 115.4 | –28.0 | 129.8 | 272.8 | –52.4 |
| Interest | 10.6 | 20.1 | –47.1 | 31.6 | 57.7 | –45.3 |
| EBT | 72.5 | 95.3 | –23.9 | 98.2 | 215.1 | –54.4 |
| Income taxes | 10.1 | 20.4 | –50.7 | 15.7 | 46.0 | –65.9 |
| Profit after tax from continuing operations | 62.4 | 74.9 | –16.7 | 82.5 | 169.1 | –51.2 |
| Profit/loss after tax from discontinued operations | 102.7 | –0.3 | – | 101.4 | 33.6 | > 100 |
| Profit for the period | 165.2 | 74.6 | > 100 | 183.9 | 202.6 | –9.2 |

*) Before effects of purchase price allocations and before non-recurring items (see page 44 f.)

Net interest income in the first nine months amounted to EUR –31.6 million, after EUR –57.7 million in the same period of the previous year. The EUR 26.1 million improvement is attributable on the one hand to changes in the discount rate used to measure non-current provisions, and on the other to lower bank interest expenses due to the repayment of financial liabilities using proceeds from the sale of the former GEA Heat Exchangers Segment.

EBT amounted to EUR 72.5 million in the third quarter of 2015, EUR 22.8 million lower than the previous year's figure (EUR 95.3 million). The corresponding EBT margin amounted to 6.6 percent, after 8.3 percent in the previous year.

In the first nine months, EBT fell to EUR 98.2 million (previous year: EUR 215.9 million.) The corresponding EBT margin amounted to 3.0 percent (previous year: 6.7 percent).

An income tax rate of 16.0 percent is expected for fiscal year 2015 and this figure was also used as the basis for calculating tax expenditure for the first 9 months of the year. This results in a tax expense of EUR 10.1 million for the quarter under review (previous year: EUR 20.4 million) and overall tax expense of EUR 15.7 million since the start of the year (previous year: EUR 46.0 million).

Income on discontinued operations includes the settling of legal disputes in connection with the former business activities of mg technologies ag. In the previous year, income on discontinued operations was almost wholly attributable to the GEA Heat Exchangers Segment.

Consolidated profit amounted to EUR 165.2 million in the third quarter of 2015 (previous year: EUR 74.6 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 0.86 (previous year: EUR 0.39).

Consolidated profit, almost all of which was allocated to the shareholders of GEA Group Aktiengesellschaft, amounts to EUR 183.9 million since the start of the year compared with EUR 202.6 million in the previous year. The non-recurring expenses incurred in the course of the current fiscal year were partly offset by income on discontinued operations. As a result, earnings per share amounted to EUR 0.96 after EUR 1.05 in the previous year.

## Financial position

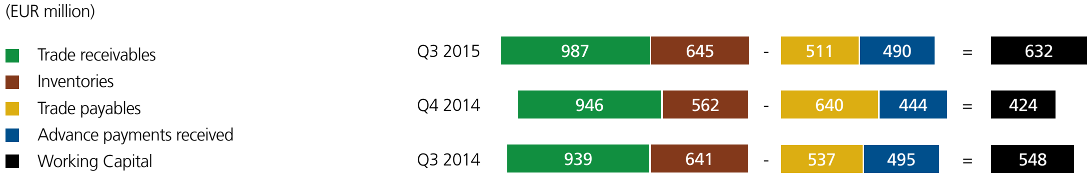
Net debt including discontinued operations was fully repaid compared with the prior-year period. Net liquidity amounted to EUR 603.2 million as of September 30, 2015, due in particular to the EUR 1,059.3 million cash inflow from the sale of the GEA Heat Exchangers Segment. This represented an increase of EUR 959.5 million as against September 30, 2014 (net debt of EUR 356.3 million).

| Overview of net liquidity incl. discontinued operations (EUR million) | 09/30/2015 | 12/31/2014 | 09/30/2014 |
|---|---|---|---|
| Cash and cash equivalents | 872.0 | 1,195.9 | 588.5 |
| Fixed deposits with a remaining period > 3 months ≤ 1 year | 120.0 | 200.0 | – |
| Securities | 37.0 | 37.0 | – |
| Liabilities to banks | 146.2 | 246.9 | 538.3 |
| Bonds | 279.6 | 282.2 | 406.4 |
| **Net liquidity (+)/Net debt (-)** | **603.2** | **903.7** | **–356.3** |

Cash and cash equivalents were reduced to EUR 872.0 million as of September 30, 2015, compared with EUR 1,195.9 million as of the end of the previous year. Liabilities to banks (EUR 56.2 million), from the bond issue (EUR 279.6 million, including accrued interest), and from the borrower's note loans (EUR 90.0 million, including accrued interest) totaled EUR 425.8 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 1,581.5 million (December 31, 2014: EUR 1,732.3 million) were available to GEA as of the reporting date, of which EUR 461.4 million (December 31, 2014: EUR 462.1 million) had been utilized.

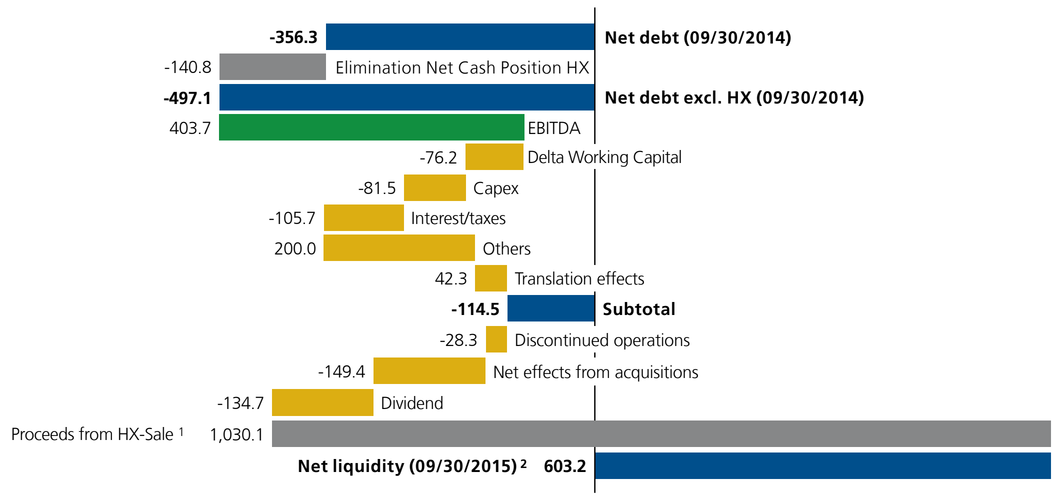
### Change in Working Capital
(EUR million)



The key factors responsible for the change in net debt including discontinued operations are shown for the last 12 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 > 3 months ≤ 1 year (EUR 120 million)

The Others item mainly comprises restructuring expenses already recognized in EBITDA that have not yet had a cash effect.

The consolidated cash flow statement can be summarized as follows:

| Overview of cash flow statement (EUR million) | Q1-Q3 2015 | Q1-Q3 2014 | Change absolute |
|---|---|---|---|
| Cash flow from operating activities | 49.8 | 46.2 | 3.6 |
| Cash flow from investing activities | –79.7 | –59.0 | –20.8 |
| **Free cash flow** | **–30.0** | **–12.8** | **–17.2** |
| Cash flow from financing activities | –268.6 | –194.6 | –74.0 |
| Net cash flow from disposal group GEA Heat Exchangers | –1.7 | –2.3 | 0.6 |
| Net cash flow other discontinued operations | –21.3 | –7.8 | –13.5 |
| Change in unrestricted cash and cash equivalents | –323.0 | –208.2 | –114.7 |

Cash flow from operating activities attributable to continuing operations since the start of the year amounted to EUR 49.8 million, a slight increase compared with the previous year (EUR 46.2 million.) The lower EBITDA figure – a result of high non-recurring expenses – was offset fully, mainly by the increase in provisions and other operating assets and liabilities. The change in working capital gave rise to only a minor burden on cash flow.

Cash flow from investing activities attributable to continuing operations amounted to EUR –79.7 million in the first nine months of the fiscal year, mainly as a result of the inflow of liquidity arising from the maturity of several deposits, and payments made in respect of the de Klokslag, Comas, CMT and Hilge acquisitions (previous year: EUR –59.0 million).

Cash flow from financing activities attributable to continuing operations reflects, in particular, the EUR 100.0 million early repayment of the loan from the European Investment Bank (EIB) and the dividend payment of EUR 134.7 million. As a result, the figure fell to EUR –268.6 million in the first 9 months of 2015, compared with EUR –194.6 million in the previous year.

Cash flow from discontinued operations amounted to EUR –23.0 million in the first three quarters 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 –10.1 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, 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 6.2 percent. EBITDA already included EUR 205.9 million in non-recurring items for this period. Adjusted for these effects, the cash flow driver margin would amount to 10.7 percent.

| Cash flow driver/Cash flow driver margin<br>(EUR million) | 09/30/2015 |
|---|---|
| EBITDA (last 12 months) | 403.7 |
| Capital expenditure on property, plant and equipment (last 12 months) | 81.5 |
| Change in Working Capital (average of the last 12 months) | 38.5 |
| **Cash flow driver<br>(EBITDA - Capex -/+Change in Working Capital)** | **283.7** |
| **as % of revenue (last 12 months)** | **6.2** |

## Net assets

| Condensed balance sheet (EUR million) | 9/30/2015 | as % of total assets | 12/31/2014 | as % of total assets | Change in % |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Non-current assets | 2,819.3 | 48.4 | 2,714.8 | 46.5 | 3.8 |
| thereof goodwill | 1,432.9 | 24.6 | 1,330.0 | 22.8 | 7.7 |
| thereof deferred taxes | 445.3 | 7.6 | 469.3 | 8.0 | –5.1 |
| Current assets | 3,008.7 | 51.6 | 3,117.2 | 53.5 | –3.5 |
| thereof cash and cash equivalents | 872.0 | 15.0 | 1,195.9 | 20.5 | –27.1 |
| thereof assets held for sale | 7.4 | 0.1 | 5.6 | 0.1 | 31.9 |
| **Total assets** | **5,828.0** | **100.0** | **5,832.0** | **100.0** | **–0.1** |
| **Equity and liabilities** | | | | | |
| Equity | 2,651.0 | 45.5 | 2,527.2 | 43.3 | 4.9 |
| Non-current liabilities | 1,288.1 | 22.1 | 1,558.4 | 26.7 | –17.3 |
| thereof financial liabilities | 179.7 | 3.1 | 456.1 | 7.8 | –60.6 |
| thereof deferred taxes | 137.4 | 2.4 | 118.6 | 2.0 | 15.9 |
| Current liabilities | 1,888.9 | 32.4 | 1,746.4 | 29.9 | 8.2 |
| thereof financial liabilities | 302.1 | 5.2 | 133.5 | 2.3 | > 100 |
| **Total equity and liabilities** | **5,828.0** | **100.0** | **5,832.0** | **100.0** | **–0.1** |

Total assets as of September 30, 2015, contracted only very slightly by EUR 4.1 million to EUR 5,828.0 million in comparison with the figure as of December 31, 2014. This reduction in total assets is due in particular to the decrease in cash funds. By contrast, intangible assets, other receivables, inventories, and trade receivables all increased. The ratio of non-current to current assets shifted slightly in favor of non-current assets as against the end of 2014.

Equity increased significantly, up EUR 123.8 million to EUR 2,651.0 million. This improved thanks to consolidated profit of EUR 183.9 million, currency translation effects, and effects from the actuarial measurement of pension obligations (amounting to EUR 72.7 million overall). Contrasted with the dividend payment of EUR 134.7 million. The equity ratio improved by 2.2 percentage points compared with that of December 31, 2014, to 45.5 percent.

Non-current liabilities were significantly reduced to EUR 1,288.1 million, in particular as a result of the reclassification of the bond in the amount of EUR 274.2 million for maturity reasons. By contrast, at EUR 1,888.9 million as of the reporting date, current liabilities were up EUR 142.4 million on the figure for December 31, 2014 (EUR 1,746.4 million). On the one hand, this balance sheet item reflects the above-mentioned reclassification of the bond for maturity reasons, and the restructuring provisions recognized in particular in the second quarter of 2015; on the other, trade payables were reduced and the EUR 100.0 million loan from the European Investment Bank (EIB) was repaid early.

## Employees

There were 18,000 employees as of September 30, 2015. This represents a decrease of 243 employees compared with December 31, 2014 (18,243). Changes in the basis of consolidation increased the number of employees by 476. The fall in the number of employees (719 FTEs) adjusted for effects from changes in the basis of consolidation affected all regions. The largest declines were recorded in the Asia Pacific region, and in North America. In Germany, the number of employees fell at a lower rate. There were no major shifts in the regional breakdown as against December 31, 2014.

| Employees * by region | 09/30/2015 | | 12/31/2014 | | 09/30/2014 | |
|---|---|---|---|---|---|---|
| Asia Pacific | 2,969 | 16.5% | 3,188 | 17.5% | 3,189 | 17.4% |
| DACH & Eastern Europe | 6,807 | 37.8% | 6,773 | 37.1% | 6,826 | 37.3% |
| Western Europe, Middle East & Africa | 2,722 | 15.1% | 2,589 | 14.2% | 2,594 | 14.2% |
| North and Central Europe | 3,197 | 17.8% | 3,216 | 17.6% | 3,185 | 17.4% |
| Latin America | 365 | 2.0% | 387 | 2.1% | 393 | 2.1% |
| North America | 1,942 | 10.8% | 2,090 | 11.5% | 2,094 | 11.5% |
| **Total** | **18,000** | **100.0%** | **18,243** | **100.0%** | **18,281** | **100.0%** |

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

## Research and development

In the first nine months of 2015, direct expenses for research and development (R&D) before restructuring expenses amounted to EUR 61.7 million, compared with EUR 60.7 million in the comparable prior-year period. These figures include refunded expenses (contract costs), which are reported in the cost of sales and which totaled EUR 9.3 million (previous year: EUR 7.7 million.) At 1.9 percent of revenue, the R&D ratio was on a par with the previous year.

| Research and development (R&D) expenses (EUR million) | Q3 2015 | Q3 2014 | Change in % | Q1-Q3 2015 | Q1-Q3 2014 | Change in % |
|---|---|---|---|---|---|---|
| Refunded expenses (contract costs) | 3.0 | 2.8 | 4.6 | 9.3 | 7.7 | 20.4 |
| Non-refunded R&D expenses before restructuring expenses | 8.8 | 16.6 | –47.2 | 52.4 | 53.0 | –1.1 |
| **Total R&D expenses** | **11.7** | **19.5** | **–39.7** | **61.7** | **60.7** | **1.6** |
| **R&D ratio (as % of revenue)** | **1.1** | **1.7** | **–** | **1.9** | **1.9** | **–** |

# 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, with the following exception in the area of opportunities:

The legal dispute in connection with the failed spin-off of part of the former business activities of mg technologies ag in 2004 was resolved by means of a settlement.

All in all, from today's perspective, there are no risks to the continued existence of GEA 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 Update (October 2015), the International Monetary Fund (IMF) once again adjusted its 2015 growth forecast for the global economy downwards in comparison with the previous version published in July 2015. Accordingly, the global economy is expected to grow by just 3.1 percent, i.e. 0.2 percentage points down on the rate predicted beforehand. As a result, growth is set to lag even further behind the previous year's level (3.4 percent).

According to the forecast, growth in the emerging markets is set to slow further due to weak commodity prices. Moreover, the downturn in the Chinese economy – the biggest economy in the world after the USA – was having far greater repercussions for the international stage than previously anticipated (the Chinese economy grew by 6.8 percent compared with 7.4 percent in 2014). This was reflected in a slump in prices for metals and other commodities, as well as in declining Chinese imports.

In light of these trends, the IWF is forecasting growth of just 4.0 percent for the emerging economies (compared with 4.6 percent in the previous year). With regard to the industrialized nations, although expectations continue to be of modest year-on-year expansion, the figure now stands at just 2.0 percent (previous year: 1.8 percent).

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

In the milk production and processing market, which is of particular importance to GEA, the volume of milk produced worldwide increased permanently throughout 2014 due to high milk prices and the comparatively low cost of feed. At the same time, however, demand for milk products in the global marketplace declined significantly, especially in China and Russia due to the ongoing import restrictions. This transient imbalance in the global marketplace saw milk prices fall sharply in 2015, with repercussions for investments in milk production and processing plant. Recent weeks have witnessed a gradual realignment of the market, with milk production growing much more hesitantly and signs of a rise in milk prices. Viewed in the long term, however, global milk consumption is likely to expand as the world population increases in size and affluence.

## Business outlook

Against a backdrop of ongoing weakness in the global economy – particularly in the emerging economies, including China – and a further reduction in IWF expectations for economic growth this year, GEA also reduced its growth target for revenue in the quarter under review. Measures to improve the earnings situation, however, coupled with a reduction in the capital expenditure volume enabled the Group to raise expectations slightly for the cash flow driver margin in this Report on Expected Developments.

Provided that another significant downturn in the global economy does not materialize, the Group is now looking to meet the following targets in terms of key performance indicators in the current fiscal year:

## Revenue

As early as at the end of September, the Group adjusted its forecast for organic revenue issued at the start of the year (assuming unchanged exchange rates against 2014 and not including acquisition effects) to the extent that it is now forecasting a moderate decline. The current forecast with regard to organic revenue implies moderate growth in reported revenue figures.

## Earnings

Assuming unchanged exchange rates against 2014 and not including the effects of acquisitions and nonrecurring items, we are still targeting operating EBITDA for fiscal year 2015 of between EUR 590 and EUR 640 million.

## Cash flow driver margin

GEA has now raised its expectations slightly with regard to the cash flow driver margin (the net amount of reported EBITDA, change in working capital, and capital expenditure). Calculated as a ratio to revenue, the Group is now targeting a value of between 9.5 and 10.0 percent in 2015, this assuming stable exchange rates in 2014 and excluding the effects of acquisitions and nonrecurring items.

## Summary

All told, provided that there is no further significant slowdown in the global economy, GEA expects the Group as a whole to record moderate growth. Stable profitability, together with the ongoing focus on liquidity generation, should help ensure that there is the financial leeway to successfully implement the strategic growth targets. With regard to the distribution ratio, the 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 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” program.

Düsseldorf, October 27, 2015

The Executive Board

# GEA Shares

In the third quarter, the stock markets became increasingly uncertain with regard to growth prospects in the emerging economies, in particular China, so that the positive trend on the international stock markets in the previous quarters came to a standstill.

The GEA share shed 15 percent of its value over the quarter, closing the period under review at EUR 34.04. With a plus of 0.2 percentage points over the STOXX® Europe TMI Industrial Engineering index (closing price of 325.09), the performance of the GEA share virtually mirrored that of its benchmark. Over the same period, however, the GEA share was outperformed by the DAX and MDAX (by 3 and 13 percentage points respectively), these indices closing the quarter at 9,660 and 19,280 points respectively.

In the space of a year, GEA's market capitalization had fallen by around 1 percent as of September 30, 2015, while the benchmark index fell by 4 percent.

**GEA shares compared to STOXX ® Europe TMI Industrial Engineering**

| (Balance sheet date 09/30/2015) | Market capitalization* | | |
|---|---|---|---|
| Last 3 months: | 0.2 | ➡ | percentage points |
| Last 6 months: | -4.5 | ↘ | percentage points |
| Last 9 months: | -2.4 | ➡ | percentage points |
| Last 12 months: | 2.8 | ➡ | percentage points |
| Last 24 months: | 17.6 | ⬆ | percentage points |
| Last 36 months: | 34.2 | ⬆ | percentage points |

⬆ > 10 percentage points ↗ 3 to 10 percentage points ➡ 3 to -3 percentage points ↘ -3 to -10 percentage points ⬇ > -10 percentage points

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

| Key performance indicators for GEA shares (prices: XETRA closing prices) | Q3 2015 | Q3 2014 | Q1-Q3 2015 | Q1-Q3 2014 |
|---|---|---|---|---|
| Shares issued (September 30, million) 1 | 192.5 | 192.5 | 192.5 | 192.5 |
| Weighted average number of shares outstanding (million) | 192.5 | 192.5 | 192.5 | 192.5 |
| Share price (September 30, EUR) 1 | 34.04 | 34.54 | 34.04 | 34.54 |
| High (EUR) | 41.29 | 35.52 | 46.82 | 35.91 |
| Low (EUR) | 31.34 | 31.96 | 31.34 | 30.42 |
| Market capitalization (September 30, EUR billion) 2 | 6.6 | 6.6 | 6.6 | 6.6 |
| Average daily trading volume (million) | 0.5 | 0.3 | 0.4 | 0.4 |
| Earnings per share (EUR) | 0.86 | 0.39 | 0.96 | 1.05 |

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) | 09/30/2015 |
|---|---|
| Kuwait Investment Office | 7.9 |

# Consolidated Financial Statements

# for the 3rd Quarter of 2015

# Consolidated Balance Sheet
## as of September 30, 2015

| Assets<br>(EUR thousand) | 9/30/2015 | 12/31/2014 | Change<br>in % |
|---|---|---|---|
| Property, plant and equipment | 510,989 | 498,758 | 2.5 |
| Investment property | 11,484 | 12,483 | –8.0 |
| Goodwill | 1,432,910 | 1,329,972 | 7.7 |
| Other intangible assets | 365,868 | 325,557 | 12.4 |
| Equity-accounted investments | 15,354 | 15,293 | 0.4 |
| Other non-current financial assets | 37,370 | 63,433 | –41.1 |
| Deferred taxes | 445,303 | 469,301 | –5.1 |
| **Non-current assets** | **2,819,278** | **2,714,797** | **3.8** |
| Inventories | 645,004 | 561,875 | 14.8 |
| Trade receivables | 987,014 | 945,755 | 4.4 |
| Income tax receivables | 22,798 | 17,531 | 30.0 |
| Other current financial assets | 474,530 | 390,625 | 21.5 |
| Cash and cash equivalents | 871,977 | 1,195,858 | –27.1 |
| Assets held for sale | 7,368 | 5,585 | 31.9 |
| **Current assets** | **3,008,691** | **3,117,229** | **–3.5** |
| **Total assets** | **5,827,969** | **5,832,026** | **–0.1** |

| Equity and liabilities (EUR thousand) | 9/30/2015 | 12/31/2014 | Change in % |
|---|---|---|---|
| Subscribed capital | 520,376 | 520,376 | – |
| Capital reserve | 1,217,861 | 1,217,861 | – |
| Retained earnings | 805,646 | 737,094 | 9.3 |
| Accumulated other comprehensive income | 106,577 | 51,316 | > 100 |
| Non-controlling interests | 576 | 560 | 2.9 |
| **Equity** | **2,651,036** | **2,527,207** | **4.9** |
| Non-current provisions | 137,787 | 131,592 | 4.7 |
| Non-current employee benefit obligations | 767,651 | 793,565 | –3.3 |
| Non-current financial liabilities | 179,715 | 456,072 | –60.6 |
| Other non-current liabilities | 65,484 | 58,566 | 11.8 |
| Deferred taxes | 137,430 | 118,598 | 15.9 |
| **Non-current liabilities** | **1,288,067** | **1,558,393** | **–17.3** |
| Current provisions | 139,885 | 148,828 | –6.0 |
| Current employee benefit obligations | 260,094 | 170,637 | 52.4 |
| Current financial liabilities | 302,141 | 133,474 | > 100 |
| Trade payables | 511,338 | 639,719 | –20.1 |
| Income tax liabilities | 24,350 | 35,649 | –31.7 |
| Other current liabilities | 651,058 | 618,119 | 5.3 |
| **Current liabilities** | **1,888,866** | **1,746,426** | **8.2** |
| **Totaly equity and liabilities** | **5,827,969** | **5,832,026** | **–0.1** |

# Consolidated Income Statement
## July 1 – September 30, 2015

| (EUR thousand) | Q3 2015 | | | Q3 2014 | Change in % |
|---|---|---|---|---|---|
| | Excluding restructuring | Restructuring expenses | **Total** | | |
| Revenue | 1,106,559 | – | **1,106,559** | 1,145,996 | –3.4 |
| Cost of sales | 751,197 | 1,438 | **752,635** | 785,257 | –4.2 |
| **Gross profit** | **355,362** | **–1,438** | **353,924** | **360,739** | **–1.9** |
| Selling expenses | 121,396 | 3,490 | **124,886** | 118,665 | 5.2 |
| Research and development expenses | 17,740 | 16 | **17,756** | 16,648 | 6.7 |
| General and administrative expenses | 123,905 | 5,297 | **129,202** | 114,865 | 12.5 |
| Other income | 71,486 | – | **71,486** | 67,649 | 5.7 |
| Other expenses | 69,474 | 1,557 | **71,031** | 63,544 | 11.8 |
| Share of profit or loss of equity-accounted investments | 600 | – | **600** | 225 | > 100 |
| Other financial income | 2 | – | **2** | 524 | –99.6 |
| **Earnings before interest and tax (EBIT)** | **94,935** | **–11,798** | **83,137** | **115,415** | **–28.0** |
| Interest income | | | **3,387** | 1,419 | > 100 |
| Interest expense | | | **14,015** | 21,506 | –34.8 |
| **Profit before tax from continuing operations** | | | **72,509** | **95,328** | **–23.9** |
| Income taxes | | | **10,060** | 20,401 | –50.7 |
| **Profit after tax from continuing operations** | | | **62,449** | **74,927** | **–16.7** |
| **Profit or loss after tax from discontinued operations** | | | **102,744** | **–285** | **–** |
| **Profit for the period** | | | **165,193** | **74,642** | **> 100** |
| of which attributable to shareholders of GEA Group AG | | | **165,190** | 74,562 | > 100 |
| of which attributable to non-controlling interests | | | **3** | 80 | –96.3 |

| (EUR) | Q3 2015 | Q3 2014 | Change in % |
|---|---|---|---|
| Basic and diluted earnings per share from continuing operations | 0.32 | 0.39 | –16.6 |
| Basic and diluted earnings per share from discontinued operations | 0.53 | –0.00 | – |
| **Earnings per share** | **0.86** | **0.39** | **> 100** |
| **Weighted average number of ordinary shares used to calculate basic and diluted earnings per share (million)** | **192.5** | **192.5** | **–** |

# Consolidated Statement of Comprehensive Income
## July 1 – September 30, 2015

| (EUR thousand) | Q3 2015 | Q3 2014 | Change in % |
|---|---|---|---|
| **Profit for the period** | **165,193** | **74,642** | **> 100** |
| | | | |
| **Items, that will not be reclassified to profit or loss in the future:** | | | |
| Actuarial gains/losses on pension and other post-employment benefit obligations | 1,158 | –23,742 | – |
| | | | |
| **Items, that will be reclassified subsequently to profit or loss when specific conditions are met:** | | | |
| Exchange differences on translating foreign operations | –36,567 | 82,242 | – |
| Result of available-for-sale financial assets | 6 | –14 | – |
| Result of cash flow hedges | –1,162 | –7,419 | 84.3 |
| **Other comprehensive income** | **–36,565** | **51,067** | **–** |
| **Total comprehensive income** | **128,628** | **125,709** | **2.3** |
| of which attributable to GEA Group AG shareholders | 128,625 | 125,538 | 2.5 |
| of which attributable to non-controlling interests | 3 | 171 | –98.2 |

# Consolidated Income Statement
## January 1 – September 30, 2015

| (EUR thousand) | Q1-Q3 2015 | | | Q1-Q3 2014 | Change in % |
|---|---|---|---|---|---|
| | Excluding restructuring | Restructuring expenses | **Total** | | |
| Revenue | 3,263,059 | – | **3,263,059** | 3,214,312 | 1.5 |
| Cost of sales | 2,221,940 | 57,598 | **2,279,538** | 2,222,347 | 2.6 |
| **Gross profit** | **1,041,119** | **–57,598** | **983,521** | **991,965** | **–0.9** |
| Selling expenses | 376,125 | 22,756 | **398,881** | 348,609 | 14.4 |
| Research and development expenses | 52,369 | 8,974 | **61,343** | 52,974 | 15.8 |
| General and administrative expenses | 361,611 | 30,992 | **392,603** | 339,182 | 15.7 |
| Other income | 277,439 | – | **277,439** | 153,140 | 81.2 |
| Other expenses | 273,566 | 7,177 | **280,743** | 135,773 | > 100 |
| Share of profit or loss of equity-accounted investments | 1,544 | – | **1,544** | 1,324 | 16.6 |
| Other financial income | 816 | – | **816** | 2,927 | –72.1 |
| **Earnings before interest and tax (EBIT)** | **257,247** | **–127,497** | **129,750** | **272,818** | **–52.4** |
| Interest income | | | **9,221** | 4,508 | > 100 |
| Interest expense | | | **40,781** | 62,204 | –34.4 |
| **Profit before tax from continuing operations** | | | **98,190** | **215,122** | **–54.4** |
| Income taxes | | | **15,710** | 46,037 | –65.9 |
| **Profit after tax from continuing operations** | | | **82,480** | **169,085** | **–51.2** |
| **Profit or loss after tax from discontinued operations** | | | **101,416** | **33,555** | **> 100** |
| **Profit for the period** | | | **183,896** | **202,640** | **–9.2** |
| thereof attributable to shareholders of GEA Group AG | | | **183,895** | 202,490 | –9.2 |
| thereof attributable to non-controlling interests | | | **1** | 150 | –99.3 |

| (EUR) | Q1-Q3 2015 | Q1-Q3 2014 | Change in % |
|---|---|---|---|
| Basic and diluted earnings per share from continuing operations | 0.43 | 0.88 | –51.2 |
| Basic and diluted earnings per share from discontinued operations | 0.53 | 0.17 | > 100 |
| **Basic and diluted earnings per share** | **0.96** | **1.05** | **–9.2** |
| **Weighted average number of ordinary shares used to calculate basic and diluted earnings per share (million)** | **192.5** | **192.5** | **–** |

# Consolidated Statement of Comprehensive Income
## January 1 – September 30, 2015

| (EUR thousand) | Q1-Q3 2015 | Q1-Q3 2014 | Change in % |
|---|---|---|---|
| **Profit for the period** | **183,896** | **202,640** | **–9.2** |
| | | | |
| **Items, that will not be reclassified to profit or loss in the future:** | | | |
| Actuarial gains/losses on pension and other post-employment benefit obligations | 19,405 | –55,126 | – |
| | | | |
| **Items, that will be reclassified subsequently to profit or loss when specific conditions are met:** | | | |
| Exchange differences on translating foreign operations | 54,340 | 93,684 | –42.0 |
| Result of available-for-sale financial assets | 399 | –1,278 | – |
| Result of cash flow hedges | 522 | –6,686 | – |
| **Other comprehensive income** | **74,666** | **30,594** | **> 100** |
| **Total comprehensive income** | **258,562** | **233,234** | **10.9** |
| thereof attributable to GEA Group AG shareholders | 258,561 | 233,005 | 11.0 |
| thereof attributable to non-controlling interests | 1 | 229 | –99.6 |

# Consolidated Cash Flow Statement
## January 1 – September 30, 2015

| (EUR thousand) | Q1-Q3 2015 | Q1-Q3 2014 |
|---|---|---|
| Profit for the period | 183,896 | 202,640 |
| plus income taxes | 15,710 | 46,037 |
| minus profit or loss after tax from discontinued operations | –101,416 | –33,555 |
| Profit before tax from continuing operations | 98,190 | 215,122 |
| Net interest income | 31,560 | 57,696 |
| **Earnings before interest and tax (EBIT)** | **129,750** | **272,818** |
| Depreciation, amortization, impairment losses, and reversal of impairment losses on non-current assets | 80,097 | 73,171 |
| Other non-cash income and expenses | 11,091 | 7,424 |
| Employee benefit obligations from defined benefit pension plans | –30,723 | –29,487 |
| Change in provisions and other employee benefit obligations | 77,042 | –11,854 |
| Losses and disposal of non-current assets | –688 | –1,165 |
| Change in inventories including unbilled construction contracts * | –108,909 | –63,136 |
| Change in trade receivables | 69,698 | 21,272 |
| Change in trade payables | –155,081 | –136,172 |
| Change in other operating assets and liabilities | 29,080 | –18,726 |
| Tax payments | –51,579 | –67,974 |
| **Cash flow from operating activities of continued operations** | **49,778** | **46,171** |
| Cash flow from operating activities of discontinued operations | –18,740 | 11,875 |
| **Cash flow from operating activities** | **31,038** | **58,046** |
| Proceeds from disposal of non-current assets | 3,837 | 3,008 |
| Payments to acquire property, plant and equipment, and intangible assets | –51,853 | –64,119 |
| Proceeds/Payments from current financial assets | 79,996 | –420 |
| Interest income | 5,531 | 3,848 |
| Dividend income | 2,424 | 2,649 |
| Payments to acquire subsidiaries and other businesses | –119,664 | – |
| **Cash flow from investing activities of continued operations** | **–79,729** | **–58,959** |
| Cash flow from investing activities of discontinued operations | –4,310 | –21,560 |
| **Cash flow from investing activities** | **–84,039** | **–80,519** |
| Dividend payments | –134,747 | –115,497 |
| Payments from finance leases | –3,105 | –3,827 |
| Proceeds from finance loans | 1,435 | 3,685 |
| Repayments of finance loans | –107,510 | –49,047 |
| Interest payments | –24,698 | –29,936 |
| **Cash flow from financing activities of continued operations** | **–268,625** | **–194,622** |
| Cash flow from financing activities of discontinued operations | 46 | –379 |
| **Cash flow from financing activities** | **–268,579** | **–195,001** |
| Effect of exchange rate changes on cash and cash equivalents | –1,375 | 9,225 |
| **Change in unrestricted cash and cash equivalents** | **–322,955** | **–208,249** |
| Unrestricted cash and cash equivalents at beginning of period | 1,194,437 | 794,313 |
| **Unrestricted cash and cash equivalents at end of period** | **871,482** | **586,064** |
| Restricted cash and cash equivalents | 495 | 2,402 |
| **Cash and cash equivalents total** | **871,977** | **588,466** |
| less cash and cash equivalents classified as held for sale | – | –150,762 |
| **Cash and cash equivalents reported in the balance sheet** | **871,977** | **437,704** |

*) Including advanced payments received

# Consolidated Statement of Changes in Equity
## as of September 30, 2015

| (EUR thousand) | Subscribed capital | Capital reserves | Retained earnings | Accumulated other comprehensive income: Translation of foreign operations | Accumulated other comprehensive income: Result of available-for-sale financial assets | Accumulated other comprehensive income: Result of cash flow hedges | **Equity attributable to shareholders of GEA Group AG** | Non-controlling interests | **Total** |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at Jan. 1, 2014 (192,495,476 shares)** | **520,376** | **1,218,073** | **627,612** | **–53,677** | **262** | **389** | **2,313,035** | **2,667** | **2,315,702** |
| Profit for the period | – | – | 202,490 | – | – | – | **202,490** | 150 | **202,640** |
| Other comprehensive income | – | – | –55,126 | 93,605 | –1,278 | –6,686 | **30,515** | 79 | **30,594** |
| Total comprehensive income | – | – | 147,364 | 93,605 | –1,278 | –6,686 | **233,005** | 229 | **233,234** |
| Redemption of treasury shares | – | – | – | – | – | – | **–** | – | **–** |
| Dividend payment by GEA Group AG | – | – | –115,514 | – | – | – | **–115,514** | – | **–115,514** |
| Change in other non-controlling interests | – | – | – | – | – | – | **–** | –83 | **–83** |
| Share-based payments | – | 21 | – | – | – | – | **21** | – | **21** |
| **Balance at September 30, 2014 (192,495,476 shares)** | **520,376** | **1,218,094** | **659,462** | **39,928** | **–1,016** | **–6,297** | **2,430,547** | **2,813** | **2,433,360** |
| **Balance at Jan. 1, 2015 (192,495,476 shares)** | **520,376** | **1,217,861** | **737,094** | **57,315** | **–997** | **–5,002** | **2,526,647** | **560** | **2,527,207** |
| Profit for the period | – | – | 183,895 | – | – | – | **183,895** | 1 | **183,896** |
| Other comprehensive income | – | – | 19,405 | 54,340 | 399 | 522 | **74,666** | – | **74,666** |
| Total comprehensive income | – | – | 203,300 | 54,340 | 399 | 522 | **258,561** | 1 | **258,562** |
| Redemption of treasury shares | – | – | – | – | – | – | **–** | – | **–** |
| Dividend payment by GEA Group AG | – | – | –134,747 | – | – | – | **–134,747** | – | **–134,747** |
| Change in other non-controlling interests | – | – | – | – | – | – | **–** | 15 | **15** |
| Share-based payments | – | – | – | – | – | – | **–** | – | **–** |
| **Balance at September 30, 2015 (192,495,476 shares)** | **520,376** | **1,217,861** | **805,646** | **111,655** | **–598** | **–4,480** | **2,650,460** | **576** | **2,651,036** |

# 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, 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.

In September 2015, the IASB postponed the date of initial application of the new standard on revenue recognition (IFRS 15) by one year. Thus, subject to endorsement by the EU, IFRS 15 must be applied for fiscal years beginning on or after January 1, 2018.

### 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 third quarter of 2015:

| | Number of companies |
|---|---|
| **Consolidated Group as of June 30, 2015** | **221** |
| German companies (including GEA Group AG) | 34 |
| Foreign companies | 187 |
| Initial consolidation | 2 |
| **Consolidated Group as of September 30, 2015** | **223** |
| German companies (including GEA Group AG) | 36 |
| Foreign companies | 187 |

A total of 47 subsidiaries (June 30, 2015: 48) 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

In the third quarter of 2015, the GEA Group took over the following company:

| Business | Head office | Acquisition Date | Percentage of voting interest (%) | Consideration transferred (EUR thousand) |
|---|---|---|---|---|
| Hilge GmbH & Co. KG | Bodenheim/Germany | September 30, 2015 | 94.0 | 24,138 |

On September 30, 2015, following approval by the relevant antitrust authorities, the GEA Group completed the purchase of Hilge GmbH & Co. KG (Hilge), which is headquartered in Bodenheim, Germany. The takeover was effected by means of a share deal in combination with the acquisition of various stand-alone inventory assets. The acquisition has enabled GEA to expand its portfolio in the field of heavy-duty hygienic pumps and reinforce its position as a provider of system solutions for use in hygienic and aseptic process environments. The transaction costs associated with the acquisition amounted to EUR 385 thousand, of which EUR 105 thousand were incurred in 2014.

The transaction costs associated with the acquisitions are reported in other expenses.

## 3.2 Consideration paid

The consideration paid is composed as follows:

| Business (EUR thousand) | Cash | Contingent consideration | **Total** |
|---|---|---|---|
| Hilge GmbH & Co. KG | 24,138 | – | **24,138** |

## 3.3 Assets acquired and liabilities assumed

The following assets were acquired and liabilities assumed through the acquisition of Hilge:

| Fair value<br>(EUR thousand) | Hilge GmbH &<br>Co. KG |
|---|---|
| Property, plant and equipment | 12,452 |
| Intangible assets | 15,826 |
| **Non-current assets** | **28,278** |
| Inventories | 6,948 |
| Other current assets | 1,693 |
| Cash and cash equivalents | 1,771 |
| **Current assets** | **10,412** |
| **Total assets** | **38,690** |
| Other non-current liabilities | 20,294 |
| Deferred taxes | 5,708 |
| **Non-current liabilities** | **26,002** |
| Trade payables | 205 |
| Other current liabilities | 2,054 |
| **Current liabilities** | **2,259** |
| **Total liabilities** | **28,261** |
| **Net assets acquired** | **10,429** |
| of which attributable to GEA Group AG | 10,414 |
| of which attributable to non-controlling interests | 15 |
| Acquisition cost | 24,138 |
| Goodwill of GEA Group AG | 13,724 |

On the date of acquisition, no significant impairments on trade receivables were identified on Hilge's books.

Purchase price allocation with respect to the identification and measurement of the assets acquired and liabilities assumed is provisional. There is particular uncertainty regarding the identification and measurement of intangible assets.

Goodwill from the acquisition is likely to amount to EUR 13,724 thousand and can be attributed to the strengthening of GEA Group's general competitive position, benefits from expected synergies and future market developments, and the expertise of the workforce.

## 3.4 Effects on consolidated profit

As it was effected on the balance sheet date, the acquisition of Hilge has yet to have any effect on consolidated revenue or consolidated profit. Had the company been purchased on January 1, 2015, consolidated revenue for the first three quarters of 2015 would have amounted to EUR 3,277,313 thousand, and the corresponding consolidated profit after tax EUR 184,327 thousand.

## 3.5 Cash outflows

The acquisition of Hilge resulted in the following cash outflows:

| (EUR thousand) | Q3 2015 |
|---|---|
| Consideration transferred | 24,138 |
| less cash acquired | –1,771 |
| **Net cash used in acquisition** | **22,367** |

Outflows of EUR 119,664 thousand from acquisitions were recognized in the cash flow statement for the first three quarters of 2015. The difference of EUR 97,297 thousand is attributable to purchase price considerations effected in the second quarter of 2015 and to earlier company acquisitions (EUR 93,864 thousand and EUR 3,433 thousand respectively).

# 4. Balance sheet disclosures

### Cash credit lines

The cash credit lines were composed of the following items as of September 30, 2015:

| (EUR thousand) | Maturity | 09/30/2015 approved | 09/30/2015 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 2020 | 650,000 | – | 650,000 | – |
| Various (bilateral) credit lines including accured interest | Maximum of 1 year or "until further notice" | 127,054 | 11,060 | 140,682 | 14,367 |
| **Total** | | **1,191,793** | **425,799** | **1,305,421** | **529,106** |

### Financial instruments

The following tables provide an overview of the composition of financial instruments as of September 30, 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.

| (EUR thousand) | Carrying amount 09/30/2015 | Measurement in accordance with IAS 39 Amortized cost | Fair value through profit or loss | Fair value recognized in other comprehensive income | Measurement in accordance with other IFRSs | Fair value 09/30/2015 |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Trade receivables | 987,014 | 652,396 | – | – | 334,618 | 987,014 |
| of which PoC receivables | 334,618 | – | – | – | 334,618 | 334,618 |
| Income tax receivables | 22,798 | – | – | – | 22,798 | 22,798 |
| Cash and cash equivalents | 871,977 | 871,977 | – | – | – | 871,977 |
| Other financial assets | 511,900 | 361,038 | 6,468 | 48,857 | 95,537 | 511,900 |
| of which derivatives included in hedging relationships | 2,916 | – | – | 2,916 | – | 2,916 |
| **By IAS 39 measurement category** | | | | | | |
| Loans and receivables | 1,862,312 | 1,862,312 | – | – | – | 1,862,312 |
| of which cash and cash equivalents | 871,977 | 871,977 | – | – | – | 871,977 |
| of which trade receivables | 652,396 | 652,396 | – | – | – | 652,396 |
| of which other financial assets | 337,939 | 337,939 | – | – | – | 337,939 |
| Available-for-sale investments | 69,040 | 23,099 | – | 45,941 | – | 69,040 |
| Financial assets at fair value through profit or loss (derivatives not included in a recognized hedging relationship) | 6,468 | – | 6,468 | – | – | 6,468 |
| **Liabilities** | | | | | | |
| Trade payables | 511,338 | 511,338 | – | – | – | 511,338 |
| Financial liabilities | 481,856 | 427,157 | 10,842 | 9,761 | 34,096 | 492,376 |
| of which liabilities under finance leases | 34,096 | – | – | – | 34,096 | 34,096 |
| of which derivatives included in hedging relationships | 9,761 | – | – | 9,761 | – | 9,761 |
| Income tax liabilities | 24,350 | – | – | – | 24,350 | 24,350 |
| Other financial liabilities | 716,542 | 146,955 | 6,097 | – | 563,490 | 715,707 |
| **By IAS 39 measurement category** | | | | | | |
| Financial liabilities at amortized cost | 1,091,547 | 1,091,547 | – | – | – | 1,101,232 |
| of which trade payables | 511,338 | 511,338 | – | – | – | 511,338 |
| of which bonds and other securitized liabilities | 369,564 | 369,564 | – | – | – | 379,411 |
| of which liabilities to banks | 56,235 | 56,235 | – | – | – | 56,908 |
| of which loan liabilities to unconsolidated subsidiaries | 1,358 | 1,358 | – | – | – | 1,358 |
| of which other liabilities to affiliated companies | 23,931 | 23,931 | – | – | – | 23,931 |
| of which other liabilities | 123,024 | 123,024 | – | – | – | 122,189 |
| Financial liabilities at fair value through profit or loss (derivatives not included in a hedging relationship and contingent consideration) | 16,939 | – | 16,939 | – | – | 16,939 |

| (EUR thousand) | Carrying amount 12/31/2014 | Measurement in accordance with IAS 39: Amortized cost | Fair value through profit or loss | Fair value recognized in other comprehensive income | Measurement in accordance with other IFRSs | Fair value 12/31/2014 |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| 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 |
| **By IAS 39 measurement category** | | | | | | |
| 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 |
| **Liabilities** | | | | | | |
| 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 | 152,949 | 7,137 | – | 516,599 | 676,898 |
| **By IAS 39 measurement category** | | | | | | |
| 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 | 128,783 | 128,783 | – | – | – | 128,996 |
| Financial liabilities at fair value through profit or loss (derivatives not included in a hedging relationship and contingent consideration) | 18,582 | – | 18,582 | – | – | 18,582 |

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 | 09/30/2015 | | | | 12/31/2014 | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | Fair value | | | Carrying amount | Fair value | | |
| (EUR thousand) | | Level 1 | Level 2 | Level 3 | | Level 1 | Level 2 | Level 3 |
| **Financial assets measured at fair value** | | | | | | | | |
| Derivatives included in hedging relationships | 2,916 | – | 2,916 | – | 4,453 | – | 4,453 | – |
| Derivatives not included in hedging relationships | 6,468 | – | 6,468 | – | 16,558 | – | 16,558 | – |
| Available-for-sale financial assets valued at fair value | 8,941 | – | – | 8,941 | 8,518 | – | – | 8,518 |
| Other financial assets | 37,000 | 37,000 | – | – | 37,036 | 37,036 | – | – |
| **Financial liabilities measured at fair value** | | | | | | | | |
| Derivatives included in hedging relationships | 9,761 | – | 9,761 | – | 12,923 | – | 12,923 | – |
| Derivatives not included in hedging relationships | 10,842 | – | 10,842 | – | 11,445 | – | 11,445 | – |
| Contingent consideration | 6,097 | – | – | 6,097 | 7,137 | – | – | 7,137 |
| **Financial liabilities not measured at fair value** | | | | | | | | |
| Bonds | 279,595 | 285,539 | – | – | 282,202 | 295,810 | – | – |
| Promissory note bonds | 89,968 | – | 93,871 | – | 90,541 | – | 95,222 | – |
| Liabilities to banks | 56,235 | – | 56,908 | – | 156,377 | – | 157,245 | – |
| Other financial liabilities | 76,175 | – | – | 75,340 | 76,987 | – | – | 77,200 |

There were no transfers between the levels of the fair value hierarchy in the first nine 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 former GEA Heat Exchangers Segment, which was completed in 2014, 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 commodities 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.

Financial liabilities resulting from contingent purchase price considerations are also assigned to Level 3 of the fair value hierarchy. The fair value of these liabilities is determined by means of present value calculations, taking into account various inputs that are not observable in the market, and that are based in particular on corporate planning, as specified in the respective purchase price clauses.

# 5. Consolidated income statement disclosures

### Restructuring expenses relating to the "Fit for 2020" program

The "Fit for 2020" program is a constituent part of the company's strategic reorientation effort. It aims to bring about substantial savings and promote further growth by optimizing the company's organizational structure. For example, the development and manufacturing of products and the provision of process solutions have been bundled in two new business areas – Equipment and Solutions. This new structure with business areas of roughly equal size and strength promises greater operational synergies across technologies and applications, and helps achieve functional excellence by standardizing processes. For GEA's customers this means one country organization per country as a central point of contact offering the entire product portfolio and all services on a local basis. The planned measures include a net workforce reduction of approximately 1,450 full-time equivalents.

In the third quarter of 2015, restructuring provisions amounting to EUR 11.8 million were recorded for the "Fit for 2020" program. Restructuring provisions were recognized insofar as the relevant criteria applicable in the individual countries or locations were met. The restructuring provisions disclosed as of September 30 amounted to EUR 118.9 million.

### Income tax expense

The income taxes disclosed for continuing operations in the interim reporting period were calculated using an estimated tax rate of 16.0 percent (previous year: 21.4 percent). The change in the tax rate compared with the previous quarter is related to the positive result on discontinued operations.

### Income on discontinued operations

Income on discontinued operations includes the settling of legal disputes in connection with the former business activities of mg technologies ag. The contingent asset with regard to the failed spin-off of former business activities in 2004 has thus been eliminated.

# 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 54,340 thousand in the period under review (previous year: EUR 93,684 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 same direction due to a rise in the U.S. dollar against the euro.

# 7. Segment reporting

## 7.1 Change in the structure of the operating segments

Following intensive preparations, GEA's new group structure – which was developed as part of its "Fit for 2020" program – was implemented on June 8, 2015. As part of this new structure, the development and manufacturing of products and the provision of process solutions have been bundled in two new business areas – Equipment and Solutions.

The Group's operating segments were reorganized accordingly during the reporting period. Thus, the former GEA Mechanical Equipment and GEA Farm Technologies segments were allocated to the Business Area Equipment, while GEA Process Engineering now belongs to the Business Area Solutions. The former GEA Refrigeration Technologies Segment was split between the Business Areas Equipment and Solutions, with the goodwill attributable to the former segment being reallocated based on the relative values as of the reorganisation date. The administrative functions bundled in the Global Corporate Center and the Shared Service Center do not represent independent operating segments.

The administrative functions bundled in the Global Corporate Center and the Shared Service Center do not constitute independent operating segments. Their income and expenses and assets and liabilities are charged to the business areas, if allocatable. Activities that are not part of core business are not disclosed in the data of the business areas. This includes investment property held for sale, pension obligations, and liabilities related to discontinued operations. The former GEA Heat Exchangers Segment, which was sold on October 31, 2014, is also not an operating segment. 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 two business areas:

**Business Area Equipment**

The Business Area Equipment brings together all activities that relate to standardized and in part customer-specific equipment offerings. In general, the products are manufactured in large quantities as part of large-scale series production on a standardized and modular basis. Typical products of the business area include separators, valves, pumps, homogenizers and refrigeration compressors. The product range also extends to automatic feeding systems, slurry engineering, and dairy parlour equipment.

**Business Area Solutions**

The Business Area Solutions brings together all Group activities that largely consist of marketing customer-specific and modular solutions, and projects. This business area tailors its products and services to the specific application or customer requirements. The offering mainly comprises the design and development of process solutions for the dairy processing, brewing, food, pharma, and chemical industries.

| (EUR million) | BA-E | BA-S | **Total** | Consolidation/ others | **GEA** |
|---|---|---|---|---|---|
| **Q3 2015** | | | | | |
| Order Intake | 546.9 | 573.7 | **1,120.6** | –52.3 | **1,068.3** |
| External revenue | 515.8 | 590.7 | **1,106.6** | 0.0 | **1,106.6** |
| Intersegment revenue | 43.0 | 3.7 | **46.7** | –46.7 | **–** |
| Total revenue | 558.9 | 594.4 | **1,153.2** | –46.7 | **1,106.6** |
| Operating EBITDA * | 92.4 | 51.9 | **144.3** | –0.5 | **143.7** |
| as % of revenue | 16.5 | 8.7 | **12.5** | – | **13.0** |
| EBITDA | 90.4 | 45.1 | **135.5** | –25.1 | **110.4** |
| Operating EBIT * | 78.1 | 46.6 | **124.7** | –2.1 | **122.6** |
| as % of revenue | 14.0 | 7.8 | **10.8** | – | **11.1** |
| EBIT | 72.3 | 37.6 | **109.8** | –26.7 | **83.1** |
| as % of revenue | 12.9 | 6.3 | **9.5** | – | **7.5** |
| Additions to property, plant and equipment and intangible assets | 54.1 | 4.7 | **58.8** | 0.8 | **59.6** |
| Depreciation and amortization | 18.2 | 7.5 | **25.7** | 1.6 | **27.3** |
| **Q3 2014** | | | | | |
| Order Intake | 564.7 | 646.5 | **1,211.2** | –43.3 | **1,167.9** |
| External revenue | 554.3 | 591.7 | **1,146.0** | – | **1,146.0** |
| Intersegment revenue | 44.0 | 3.2 | **47.3** | –47.3 | **–** |
| Total revenue | 598.3 | 594.9 | **1,193.2** | –47.3 | **1,146.0** |
| Operating EBITDA * | 90.5 | 60.3 | **150.8** | –1.7 | **149.0** |
| as % of revenue | 15.1 | 10.1 | **12.6** | – | **13.0** |
| EBITDA | 85.7 | 58.6 | **144.3** | –4.3 | **140.0** |
| Operating EBIT * | 77.8 | 55.7 | **133.5** | –3.3 | **130.2** |
| as % of revenue | 13.0 | 9.4 | **11.2** | – | **11.4** |
| EBIT | 68.2 | 53.1 | **121.4** | –5.9 | **115.4** |
| as % of revenue | 11.4 | 8.9 | **10.2** | – | **10.1** |
| Additions to property, plant and equipment and intangible assets | 20.0 | 4.2 | **24.2** | 1.5 | **25.7** |
| Depreciation and amortization | 17.5 | 5.5 | **23.0** | 1.6 | **24.6** |

*) Before effects of purchase price allocations from revalued assets and liabilities and before non-recurring items (see page 44 f.)

| (EUR million) | BA-E | BA-S | **Total** | Consolidation/ others | **GEA** |
|---|---|---|---|---|---|
| **Q1 - Q3 2015** | | | | | |
| Order Intake | 1,706.4 | 1,790.9 | **3,497.3** | –152.8 | **3,344.5** |
| External revenue | 1,541.8 | 1,721.3 | **3,263.1** | 0.0 | **3,263.1** |
| Intersegment revenue | 131.9 | 12.1 | **144.0** | –144.0 | **–** |
| Total revenue | 1,673.7 | 1,733.3 | **3,407.0** | –144.0 | **3,263.1** |
| Operating EBITDA [1] | 244.2 | 142.2 | **386.5** | –5.3 | **381.2** |
| as % of revenue | 14.6 | 8.2 | **11.3** | – | **11.7** |
| EBITDA | 182.5 | 107.9 | **290.4** | –80.5 | **209.9** |
| Operating EBIT [1] | 203.9 | 127.4 | **331.3** | –10.1 | **321.2** |
| as % of revenue | 12.2 | 7.3 | **9.7** | – | **9.8** |
| EBIT | 126.9 | 88.2 | **215.1** | –85.3 | **129.8** |
| as % of revenue | 7.6 | 5.1 | **6.3** | – | **4.0** |
| ROCE in % [2] | 15.2 | 42.8 | **–** | – | **14.5** |
| Segment assets | 3,540.1 | 2,703.2 | **6,243.3** | –415.3 | **5,828.0** |
| Segment liabilities | 1,650.2 | 1,696.7 | **3,346.9** | –170.0 | **3,176.9** |
| Working Capital (reporting date) [3] | 558.4 | 81.4 | **639.8** | –7.9 | **631.9** |
| Additions to property, plant and equipment and intangible assets | 79.9 | 143.0 | **223.0** | 3.1 | **226.0** |
| Depreciation and amortization | 55.6 | 19.7 | **75.3** | 4.8 | **80.1** |
| **Q1 - Q3 2014** | | | | | |
| Order Intake | 1,709.3 | 1,801.0 | **3,510.4** | –148.2 | **3,362.1** |
| External revenue | 1,523.4 | 1,690.9 | **3,214.3** | – | **3,214.3** |
| Intersegment revenue | 135.8 | 9.4 | **145.2** | –145.2 | **–** |
| Total revenue | 1,659.1 | 1,700.4 | **3,359.5** | –145.2 | **3,214.3** |
| Operating EBITDA [1] | 219.5 | 152.3 | **371.8** | –9.6 | **362.2** |
| as % of revenue | 13.2 | 9.0 | **11.1** | – | **11.3** |
| EBITDA | 214.7 | 150.7 | **365.3** | –19.3 | **346.1** |
| Operating EBIT [1] | 182.2 | 138.6 | **320.8** | –14.5 | **306.3** |
| as % of revenue | 11.0 | 8.2 | **9.5** | – | **9.5** |
| EBIT | 162.7 | 134.3 | **297.0** | –24.2 | **272.8** |
| as % of revenue | 9.8 | 7.9 | **8.8** | – | **8.5** |
| ROCE in % [2] | 17.3 | 60.4 | **–** | – | **23.2** |
| Segment assets | 2,991.5 | 2,401.1 | **5,392.6** | 1,173.0 | **6,565.6** |
| Segment liabilities | 1,484.9 | 1,387.5 | **2,872.4** | 1,259.9 | **4,132.3** |
| Working Capital (reporting date) [3] | 532.0 | 19.3 | **551.2** | –3.0 | **548.2** |
| Additions to property, plant and equipment and intangible assets | 50.0 | 12.9 | **62.9** | 5.7 | **68.6** |
| Depreciation and amortization | 52.0 | 16.4 | **68.4** | 4.9 | **73.2** |

1) Before effects of purchase price allocations and before non-recurring items (see page 44 f.)
2) ROCE = EBIT/capital employed; EBIT and capital employed both calculated as the average for the last 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 = noncurrent assets + working capital
3) Working capital = inventories + trade receivables - trade payables - advance payments received

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 two business areas is measured using earnings before interest, tax, depreciation, amortization and impairment losses, and reversals of impairment (EBITDA), earnings before interest and tax (EBIT), and profit or loss before tax (EBT). These measures correspond to the figures presented in the income statement except that reclassifications to profit or loss from discontinued operations are disregarded and the non-current assets of the former GEA Heat Exchangers Segment were still depreciated or amortized following their classification as held for sale. The continued depreciation and amortization amounted to EUR 27.0 million in the first nine quarters of fiscal year 2014.

Management also looks at operating EBITDA and operating EBIT. These indicators are adjusted for effects arising from the revaluation of assets received in the course of company acquisitions. 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. In addition, management eliminates earnings effects that it believes will not be incurred to the same extent in future fiscal years ("non-recurring items"). Operating EBIT for the first nine months of fiscal year 2015 was thus adjusted for non-recurring items totaling EUR 172.3 million (previous year: EUR 16.1 million.) Non-recurring items comprise EUR 168.0 million (previous year: EUR 17.2 million) of expenses for strategic projects, of which EUR 127.5 million (previous year: EUR 0.0 million) was attributable to restructuring expenses. In addition, personnel expenses of EUR 4.3 million for employees who left the company and were not replaced (previous year: EUR 0.0 million) were identified as non-recurring items. Furthermore, in the previous year, income from the revaluation of non-current provisions amounting to EUR 4.5 million and the expense arising from the allocation in accordance with IFRS 5 of service and trademark fees totaling EUR 3.4 million to continuing operations, i.e., to the business areas, were classified as non-recurring items.

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 to EBIT (EUR million) | Q3 2015 | Q3 2014 | Change in % | Q1-Q3 2015 | Q1-Q3 2014 | Change in % |
|---|---|---|---|---|---|---|
| **Operating EBITDA according to segment reporting** | **144.3** | **150.8** | **–4.3** | **386.5** | **371.8** | **4.0** |
| Depreciation of property, plant and equipment, investment property, and amortization of intangible assets | –19.5 | –17.2 | –13.5 | –55.2 | –51.0 | –8.3 |
| **Operating EBIT according to segment reporting** | **124.7** | **133.5** | **–6.6** | **331.3** | **320.8** | **3.3** |
| Depreciation and amortization on capitalization of purchase price allocation | –6.5 | –5.8 | –12.3 | –18.9 | –17.4 | –8.6 |
| Realization of step-up amounts on inventories | –0.1 | – | – | –0.2 | – | – |
| Non-recurring items | –8.4 | –6.4 | –30.3 | –97.1 | –6.4 | < -100 |
| **EBIT according to segment reporting** | **109.8** | **121.4** | **–9.5** | **215.1** | **297.0** | **–27.6** |
| **Operating EBITDA others** | **–0.6** | **102.5** | **–** | **–5.1** | **96.7** | **–** |
| Depreciation of property, plant and equipment, investment property, and amortization of intangible assets | –1.6 | –1.6 | 0.7 | –4.8 | –4.9 | 2.1 |
| **Operating EBIT others** | **–2.2** | **100.9** | **–** | **–9.8** | **91.8** | **–** |
| Non-recurring items others | –24.6 | –2.6 | < -100 | –75.2 | –9.7 | < -100 |
| **EBIT others** | **–26.7** | **98.3** | **–** | **–85.1** | **82.1** | **–** |
| Consolidation | 0.0 | –104.2 | – | –0.2 | –106.3 | 99.8 |
| **EBIT** | **83.1** | **115.4** | **–28.0** | **129.8** | **272.8** | **–52.4** |

| Reconciliation EBITDA to EBIT (EUR million) | Q3 2015 | Q3 2014 | Change in % | Q1-Q3 2015 | Q1-Q3 2014 | Change in % |
|---|---|---|---|---|---|---|
| **EBITDA** | **110.4** | **140.0** | **–21.1** | **209.9** | **346.1** | **–39.4** |
| Depreciation of property, plant and equipment, investment property, and amortization of intangible assets | –27.3 | –24.6 | –11.1 | –80.1 | –73.2 | –9.4 |
| **EBIT** | **83.1** | **115.4** | **–28.0** | **129.8** | **272.8** | **–52.4** |

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 assets and liabilities of the business areas, 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) | 9/30/2015 | 9/30/2014 |
|---|---|---|
| **Working capital (reporting date) according to segment reporting** | **639.8** | **551.2** |
| Non-current assets | 2,533.6 | 2,371.1 |
| Income tax receivables | 25.5 | 17.1 |
| Other current financial assets | 1,789.8 | 1,209.0 |
| Cash and cash equivalents | 210.2 | 168.4 |
| Assets held for sale | 1.2 | 1.2 |
| plus trade payables | 554.5 | 581.4 |
| plus advance payments in respect of orders and construction contracts | 225.2 | 199.6 |
| plus gross amount due to customers for contract work | 263.5 | 293.6 |
| **Total assets according to segment reporting** | **6,243.3** | **5,392.6** |
| plus total assets others | 4,252.8 | 3,028.8 |
| Consolidation | –4,668.1 | –1,855.7 |
| **Total assets** | **5,828.0** | **6,565.6** |

## 8. Related party transactions

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

# Financial Calendar

| | |
|---|---|
| **February 4, 2016** | **Release of preliminary figures 2015** |
| **March 10, 2016** | **Annual Report 2015** |
| **April 20, 2016** | **Annual Shareholders' Meeting for 2015** |
| **May 9, 2016** | **Quarterly Financial Report for the period to March 31, 2016** |
| **July 28, 2016** | **Half-yearly Financial Report for the period to June 30, 2016** |
| **October 28, 2016** | **Quarterly Financial Report for the period to September 30, 2016** |

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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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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