



# Q III 10

Interim Financial Report for the 3rd Quarter,  
January 1 to September 30, 2010

# GEA Group: Key IFRS figures

(EUR million)	Q3 2010	Q3 2009	Change in %	Q1-Q3 2010	Q1-Q3 2009	Change in %
<b>Results of operations</b>						
Order intake	1,152.6	962.3	19.8	3,330.2	3,070.8	8.4
Revenue	1,124.7	1,060.8	6.0	3,128.0	3,219.2	-2.8
Order backlog	2,423.7	2,312.2	4.8	2,423.7	2,312.2	4.8
EBITDA before restructuring expenses	117.6	111.7	5.3	294.0	285.9	2.8
as % of revenue	10.5	10.5	-	9.4	8.9	-
EBITDA	86.7	87.9	-1.4	246.8	246.9	-0.0
EBIT before restructuring expenses	92.6	87.2	6.1	216.9	214.5	1.1
as % of revenue	8.2	8.2	-	6.9	6.7	-
EBIT	61.1	63.5	-3.8	169.1	175.4	-3.6
as % of revenue	5.4	6.0	-	5.4	5.4	-
EBT	49.5	49.3	0.5	128.0	133.3	-4.0
Profit after tax from continuing operations	35.3	36.0	-1.9	91.3	97.3	-6.2
Profit or loss after tax from discontinued operations	-0.0	-1.2	96.8	0.0	-1.4	-
Profit for the period	35.3	34.8	1.3	91.3	96.0	-4.9
<b>Net assets</b>						
Total assets	4,965.9	4,693.2	5.8	4,965.9	4,693.2	5.8
Equity	1,829.7	1,471.8	24.3	1,829.7	1,471.8	24.3
as % of total assets	36.8	31.4	-	36.8	31.4	-
Working capital (reporting date) <sup>1</sup>	566.4	656.9	-13.8	566.4	656.9	-13.8
Working capital (average) <sup>2</sup>	-	-	-	564.3	801.4	-29.6
as % of revenue <sup>3</sup>	-	-	-	13.1	17.2	-
Net debt <sup>4/5</sup>	97.4	214.1	-54.5	97.4	214.1	-54.5
Gearing in % <sup>4/6</sup>	5.3	14.5	-	5.3	14.5	-
<b>Financial position</b>						
Cash flow from operating activities	41.5	99.5	-58.2	40.9	225.7	-81.9
Capital employed (reporting date) <sup>7</sup>	2,940.0	2,802.0	4.9	2,940.0	2,802.0	4.9
Capital employed (average) <sup>2</sup>	-	-	-	2,906.4	2,932.6	-0.9
ROCE in % <sup>2/8/9</sup>	-	-	-	11.5	13.4	-
ROCE in % (goodwill adjusted) <sup>2/8/10</sup>	-	-	-	19.5	20.6	-
Capital expenditure on property, plant, and equipment	15.8	22.1	-28.5	46.4	86.2	-46.1
Employees (reporting date) <sup>11</sup>	20,421	20,708	-1.4	20,421	20,708	-1.4
<b>GEA shares <sup>12</sup></b>						
Earnings per share from continuing operations	0.19	0.19	-	0.49	0.53	-6.5
Earnings per share from discontinued operations	0.00	-0.01	-	0.00	-0.01	-
<b>Earnings per share</b>	<b>0.19</b>	<b>0.19</b>	<b>-</b>	<b>0.49</b>	<b>0.52</b>	<b>-5.2</b>
Weighted average number of shares outstanding (million)	183.8	183.8	-	183.8	183.8	-

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

2) Average of the past 12 months

3) Average working capital/revenue in the past 12 months

4) Including discontinued operations

5) Net debt = liabilities to banks - cash and cash equivalents - marketable securities

6) Gearing = net debt/equity

7) Capital employed = noncurrent assets + working capital

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

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

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

11) Full-time equivalents (FTEs) excluding vocational trainees and inactive employment contracts

12) EUR

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# Management Report

## Economic Environment

The structural problems exposed by the crisis are not yet over. In their fall report, leading German economic research institutes conclude that the recovery of the global economy has slowed in the course of 2010. The economies in both the U.S.A. and Japan lost significant momentum in the spring following strong growth in the six-month winter period. The euro zone is showing signs that the very high level of output growth seen in the second quarter will reduce considerably in the second half of the year. Since the spring, the expansion of production has also slowed in the emerging economies. In the course of the spring however, industrial production in Asia and Latin America again reached the level of growth seen in past years, while the industrialized nations still have a long way to go to match their pre-crisis levels.

The economic research institutes expect German real gross domestic product to grow by 3.5 percent in 2010 and by 2.0 percent in 2011. According to the institutes, the recovery in the European Union will be cautious, mainly due to the dampening effects of the restrictive fiscal policy. There is also no sign as yet of a sharp upturn in the U.S.A. because of continuing structural problems.

In conclusion, global gross domestic product should expand by 3.7 percent this year and 2.8 percent next year according to this forecast. International trade will increase by 12 percent year-on-year, with a 6.8 percent rise expected for next year. This roughly corresponds to the average for the past two decades.

According to the German Engineering Federation (VDMA), real order intake in the German mechanical and plant engineering sector was up 35 percent in the first eight months of the year. Domestic business plays an ever-increasing role in the upturn. A real 6 percent rise in production is expected for 2010. This means that the sector would again reach the level seen in 2005.

# Business Performance

## Order intake

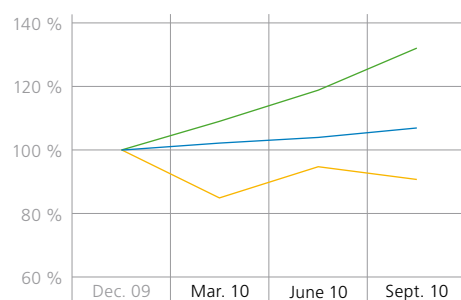
Order intake in Q3 2010 stabilized at the level recorded in the second quarter and almost reached the level recorded in the third quarter of 2008, the last quarter before the crisis. It has already increased by approximately 20 percent compared with the low in the third quarter of 2009. This represents the second significant quarterly year-on-year increase in a row since the beginning of the financial and economic crisis.

In the first nine months of 2010, order intake was up by 8.4 percent as against Q3 2009 to EUR 3,330.2 million (previous year: EUR 3,070.8 million). This growth resulted in particular from medium-sized orders between EUR 1 million and EUR 5 million, which increased by 39 percent.

Order intake (EUR million)	Q3 2010	Q3 2009	Change in %	Q1-Q3 2010	Q1-Q3 2009	Change in %
GEA Farm Technologies	115.0	94.9	21.2	332.2	290.9	14.2
GEA Heat Exchangers	404.1	365.0	10.7	1,106.8	1,117.4	-0.9
GEA Mechanical Equipment	191.9	158.6	21.0	558.6	515.7	8.3
GEA Process Engineering	321.7	254.0	26.6	996.4	813.7	22.5
GEA Refrigeration Technologies	148.9	114.3	30.3	427.0	396.4	7.7
<b>Total</b>	<b>1,181.6</b>	<b>986.7</b>	<b>19.8</b>	<b>3,421.1</b>	<b>3,134.1</b>	<b>9.2</b>
Other and consolidation	-29.0	-24.3	-19.0	-90.9	-63.2	-43.7
<b>GEA Group</b>	<b>1,152.6</b>	<b>962.3</b>	<b>19.8</b>	<b>3,330.2</b>	<b>3,070.8</b>	<b>8.4</b>

### GEA Group order intake: EUR 3,330.2 million (previous year: EUR 3,070.8 million)

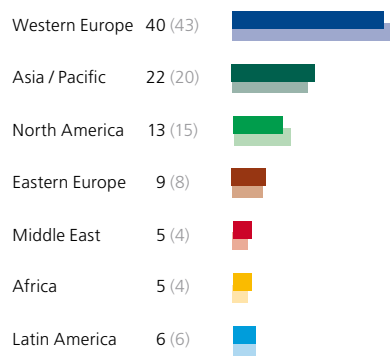
#### by sector<sup>1</sup>



— Food/Beverages — Energy  
— Climate and environment

1) Q4/2009-Q3/2010, last twelve months, 3 most important sectors

#### by region (in %)<sup>2</sup>



2) Cumulative figure for Q1-Q3/2010 versus prior-year period

2010  
2009

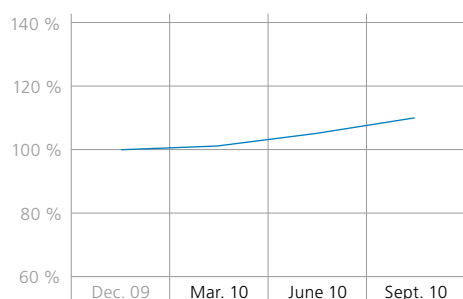
## GEA Farm Technologies

Order intake in the GEA Farm Technologies Segment increased by 21.2 percent year-on-year to EUR 115.0 million. The slight recovery in milk prices since the low recorded in summer 2009 continued. Overall, demand in the traditional markets for milking systems and barn equipment (Europe and North America) has risen slightly, although the price pressure remained unchanged. The markets in Brazil and China also performed well.

In the first nine months of the year, the segment's order intake rose by 14.2 percent to EUR 332.2 million.

GEA Farm Technologies order intake EUR: 332.2 million (previous year: 290.9 million)

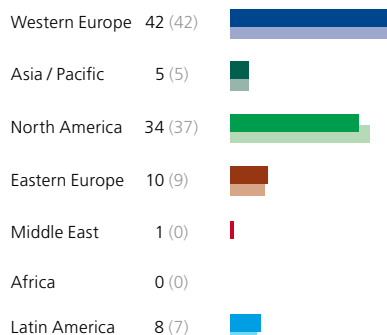
by sector<sup>1</sup>



— Food / Beverages

1) Q4/2009-Q3/2010, last twelve months

by region (in %)<sup>2</sup>



2) Cumulative figure for Q1-Q3/2010 versus prior-year period

2010  
2009

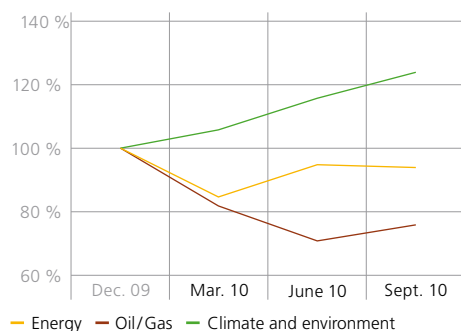
## GEA Heat Exchangers

Order intake in the GEA Heat Exchangers Segment increased by 10.7 percent to EUR 404.1 million in the third quarter of 2010. Growth in the air cooler and plate heat exchanger product areas in particular contributed to this encouraging trend. Order intake was further lifted by three major orders from the gas and steam power plants sector. Overall, however, the power plants business and demand from the oil and gas industries were weak, with the exception of Brazil.

At EUR 1,106.8 million, order intake in the first nine months of 2010 was on a level with the previous year.

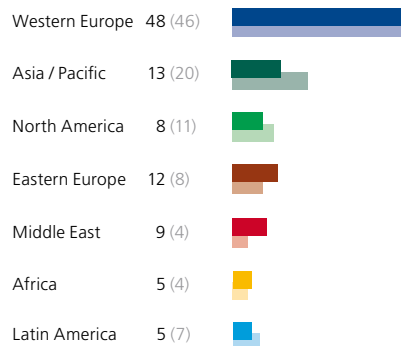
**GEA Heat Exchangers order intake: EUR 1,106.8 million (previous year: EUR 1,117.4 million)**

by sector<sup>1</sup>



1) Q4/2009-Q3/2010, last twelve months, 3 most important sectors

by region (in %)<sup>2</sup>



2) Cumulative figure for Q1-Q3/2010 versus prior-year period

2010  
2009

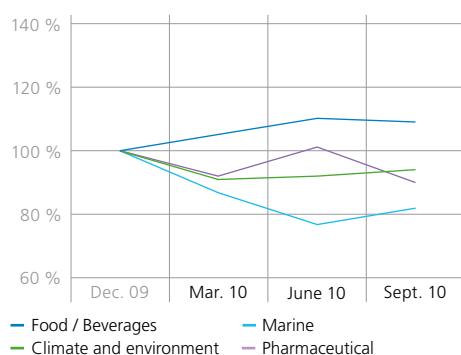
**GEA Mechanical Equipment**

Order intake in the GEA Mechanical Equipment Segment increased by 21.0 percent to EUR 191.9 million in the third quarter. For the first time, two major orders were again recorded from the power plant industry and for a large effluent treatment plant (each worth more than EUR 5 million). Growth in the flow components and homogenizers product areas was particularly pronounced, especially in North America and the Asia/Pacific. The picture was mixed in the mechanical separation area. While the process business recorded positive growth, the standard business – in particular in the marine and oil and gas sectors – remained weak. Oil exploration investments were delayed due to the oil disaster in the Gulf of Mexico.

In the first nine months of 2010, the segment recorded 8.3 percent growth in order intake to EUR 558.6 million. Small orders of less than EUR 1 million increased by 15 percent, while orders with a volume of more than EUR 1 million declined by 42 percent.

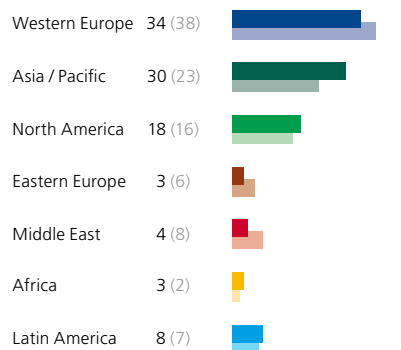
**GEA Mechanical Equipment order intake: EUR 558.6 million (previous year: EUR 515.7 million)**

by sector<sup>1</sup>



1) Q4/2009-Q3/2010, last twelve months, 4 most important sectors

by region (in %)<sup>2</sup>



2) Cumulative figure for Q1-Q3/2010 versus prior-year period

2010  
2009

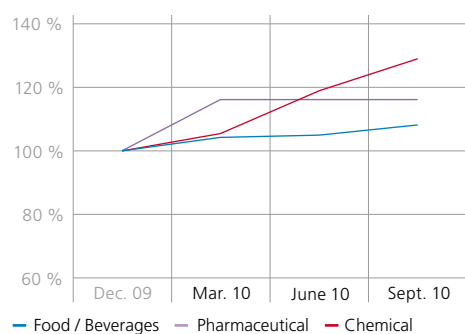
## GEA Process Engineering

In the GEA Process Engineering Segment, order intake of EUR 321.7 million was up 26.6 percent above prior-year quarter. A major order worth in excess of EUR 30 million for a milk powder plant in Vietnam is the predominant feature of the overall strong business in Asia, in particular in China, in the liquid processing and bottling plants areas. The pharmaceutical sector recorded signs of recovery in some regions. Major orders were again received in the emission control product area.

The cumulative order intake rose by 22.5 percent to EUR 996.4 million. This increase related exclusively to orders between EUR 1 million and EUR 5 million, whose volume practically doubled.

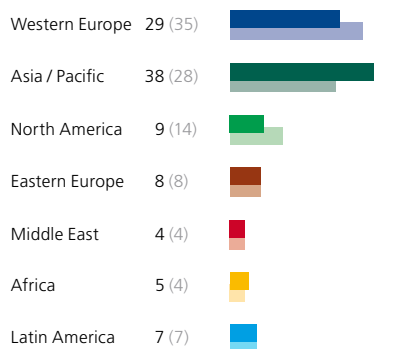
### GEA Process Engineering order intake: EUR 996.4 million (previous year: EUR 813.7 million)

by sector<sup>1</sup>



1) Q4/2009-Q3/2010, last twelve months, 3 most important sectors

by region (in %)<sup>2</sup>



2) Cumulative figure for Q1-Q3/2010 versus prior-year period

2010  
2009

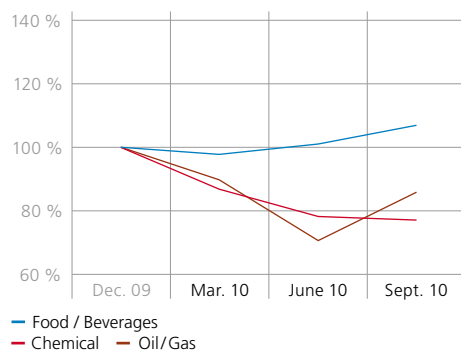
## GEA Refrigeration Technologies

At EUR 148.9 million, order intake in the GEA Refrigeration Technologies Segment was up quarter-on-quarter for the second quarter in a row, at 30.3 percent. Demand in the food sector picked up worldwide, with the exception of Western Europe. A major order worth EUR 10 million was recorded for the oil and gas industry in the U.S.A. The debate about climate change is boosting investment in energy-efficient systems that use environmentally-friendly refrigerants. The freezing technology segment recorded dynamic growth again following a decline in the previous year, with a focus on North America.

At EUR 427.0 million in the first nine months, the segment surpassed its prior-year order intake by 7.7 percent. The cumulative value therefore exceeded the previous year for the first time since the crisis.

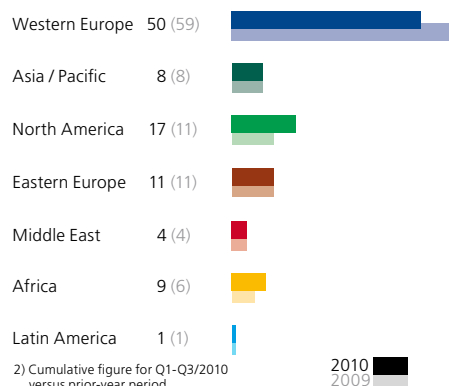
### GEA Refrigeration Technologies order intake EUR: 427.0 million (previous year: EUR 396.4 million)

by sector<sup>1</sup>



1) Q4/2009-Q3/2010, last twelve months, 3 most important sectors

by region (in %)<sup>2</sup>



2) Cumulative figure for Q1-Q3/2010 versus prior-year period

## Revenue

In general, the same regional and sector-specific trends apply to revenue as to order intake, although with different time lags. Until the fall of fiscal year 2009, for example, the decline in the business volume had a less pronounced effect on revenue than on order intake because of the comparatively healthy order backlog. However, this time lag means that the upturn in order intake is not yet reflected in revenue in fiscal year 2010.

For the first time, revenue in the third quarter of 2010 was 6.0 percent higher than in the same period of the previous year, at EUR 1,124.7 million (EUR 1,060.8 million). In the second quarter of 2010, it had still been 3.5 percent lower.

Group revenue in the first nine months of 2010 was still down 2.8 percent on the previous year at EUR 3,128.0 million (EUR 3,219.2 million), and thus 6.1 percent lower than order intake.

Revenue (EUR million)	Q3 2010	Q3 2009	Change in %	Q1-Q3 2010	Q1-Q3 2009	Change in %
GEA Farm Technologies	119.8	112.0	6.9	311.8	297.1	5.0
GEA Heat Exchangers	361.6	372.0	-2.8	1,073.3	1,180.2	-9.1
GEA Mechanical Equipment	193.1	163.8	17.9	523.5	543.6	-3.7
GEA Process Engineering	330.9	278.1	19.0	886.3	830.8	6.7
GEA Refrigeration Technologies	139.7	148.2	-5.8	392.4	407.4	-3.7
<b>Total</b>	<b>1,145.1</b>	<b>1,074.2</b>	<b>6.6</b>	<b>3,187.3</b>	<b>3,259.1</b>	<b>-2.2</b>
Other and consolidation	-20.4	-13.4	-52.6	-59.3	-39.9	-48.7
<b>GEA Group</b>	<b>1,124.7</b>	<b>1,060.8</b>	<b>6.0</b>	<b>3,128.0</b>	<b>3,219.2</b>	<b>-2.8</b>

## Order backlog

At EUR 2,423.7 million, the order backlog as of September 30, 2010 was 4.8 percent above the prior-year reporting date (EUR 2,312.2 million) due to the increase in demand since the fourth quarter of 2009 and exchange rate movements. It rose by EUR 259.5 million or 12.0 percent compared with December 31, 2009 (EUR 2,164.1 million). Around EUR 950 million of the order backlog as of September 30, 2010 can be invoiced in fiscal year 2010.

Order backlog (EUR million)	09/30/2010	09/30/2009	Change in %
GEA Farm Technologies	80.6	77.2	4.3
GEA Heat Exchangers	1,071.3	1,142.6	-6.2
GEA Mechanical Equipment	306.1	285.2	7.3
GEA Process Engineering	788.9	627.9	25.6
GEA Refrigeration Technologies	205.9	196.7	4.7
<b>Total</b>	<b>2,452.8</b>	<b>2,329.6</b>	<b>5.3</b>
Other and consolidation	-29.1	-17.4	-67.1
<b>GEA Group</b>	<b>2,423.7</b>	<b>2,312.2</b>	<b>4.8</b>

## Results of operations

Overall, GEA again faced pronounced buyers' markets in almost all customer industries in the first nine months of 2010. Nevertheless, the group remains committed to its conscious order selection policy in terms of price quality and contract terms. Earnings were boosted by the capacity adjustment measures implemented in the previous year. Despite ongoing price pressure in the markets, the gross margin was again slightly above the previous year, at 28.9 percent. This also reflected the greater proportion attributable to the less exposed service business.

Earnings before interest, tax, depreciation, and amortization (EBITDA) amounted to EUR 86.7 million in the reporting period (previous year: EUR 87.9 million). As a result, the EBITDA margin fell by 58 basis points to 7.7 percent of revenue. After adjustment for restructuring expenses, EBITDA rose 5.3 percent, in line with the volume.

At EUR 246.8 million in the first nine months of 2010, EBITDA matched the prior-year figure, and even exceeded it by EUR 8.1 million adjusted for restructuring expenses. As a result, the EBITDA margin improved by 22 basis points to 7.9 percent; adjusted, it was up by 52 basis points to 9.4 percent.

EBITDA/EBITDA margin (EUR million)	Q3 2010	Q3 2009	Change in %	Q1-Q3 2010	Q1-Q3 2009	Change in %
GEA Farm Technologies	11.0	10.2	7.6	19.0	17.0	11.6
as % of revenue	9.2	9.1	-	6.1	5.7	-
GEA Heat Exchangers	18.7	35.2	-46.9	74.2	101.4	-26.8
as % of revenue	5.2	9.5	-	6.9	8.6	-
GEA Mechanical Equipment	28.9	26.6	8.7	79.0	76.3	3.5
as % of revenue	15.0	16.2	-	15.1	14.0	-
GEA Process Engineering	22.8	11.2	> 100	57.4	35.5	61.8
as % of revenue	6.9	4.0	-	6.5	4.3	-
GEA Refrigeration Technologies	7.2	3.9	85.5	18.4	15.9	15.7
as % of revenue	5.1	2.6	-	4.7	3.9	-
<b>Total</b>	<b>88.5</b>	<b>87.0</b>	<b>1.7</b>	<b>248.0</b>	<b>246.1</b>	<b>0.8</b>
as % of revenue	<b>7.7</b>	<b>8.1</b>	<b>-</b>	<b>7.8</b>	<b>7.6</b>	<b>-</b>
Other and consolidation	-1.8	0.9	-	-1.2	0.8	-
<b>GEA Group</b>	<b>86.7</b>	<b>87.9</b>	<b>-1.4</b>	<b>246.8</b>	<b>246.9</b>	<b>-0.0</b>
as % of revenue	<b>7.7</b>	<b>8.3</b>	<b>-</b>	<b>7.9</b>	<b>7.7</b>	<b>-</b>
<b>Restructuring expenses</b>	<b>31.0</b>	<b>23.7</b>	<b>30.4</b>	<b>47.2</b>	<b>39.0</b>	<b>21.0</b>
<b>GEA Group before restructuring expenses</b>	<b>117.6</b>	<b>111.7</b>	<b>5.3</b>	<b>294.0</b>	<b>285.9</b>	<b>2.8</b>
as % of revenue	<b>10.5</b>	<b>10.5</b>	<b>-</b>	<b>9.4</b>	<b>8.9</b>	<b>-</b>

Earnings before interest and tax (EBIT) and the EBIT margin were both down year-on-year in the reporting period. By contrast, after adjustment for restructuring expenses of EUR 31.5 million (previous year: EUR 23.7 million), the EBIT margin was on a level with the previous year. The rise in restructuring expenses mainly resulted from increased expenses of EUR 19.7 million (previous year: EUR 10.4 million) in the GEA Heat Exchangers Segment.

At EUR 169.1 million, EBIT in the first nine months of the year was down EUR 6.3 million on the prior-year figure, but up EUR 2.4 million adjusted for restructuring expenses. The EBIT margin remained unchanged at 5.4 percent. For the nine-month period, restructuring expenses amounted to EUR 47.8 million (previous year: EUR 39.0 million), resulting in the adjusted EBIT margin rising by 27 basis points to 6.9 percent.

EBIT/EBIT margin (EUR million)	Q3 2010	Q3 2009	Change in %	Q1-Q3 2010	Q1-Q3 2009	Change in %
GEA Farm Technologies	7.7	7.4	3.7	9.3	9.3	-0.2
as % of revenue	6.4	6.6	-	3.0	3.1	-
GEA Heat Exchangers	8.9	26.0	-65.9	45.0	75.0	-40.0
as % of revenue	2.5	7.0	-	4.2	6.4	-
GEA Mechanical Equipment	24.6	22.7	8.7	66.2	64.9	2.1
as % of revenue	12.8	13.8	-	12.6	11.9	-
GEA Process Engineering	19.1	7.8	> 100	46.4	24.9	86.1
as % of revenue	5.8	2.8	-	5.2	3.0	-
GEA Refrigeration Technologies	5.0	1.7	> 100	11.8	9.4	25.7
as % of revenue	3.6	1.1	-	3.0	2.3	-
<b>Total</b>	<b>65.3</b>	<b>65.5</b>	<b>-0.4</b>	<b>178.7</b>	<b>183.5</b>	<b>-2.6</b>
<b>as % of revenue</b>	<b>5.7</b>	<b>6.1</b>	<b>-</b>	<b>5.6</b>	<b>5.6</b>	<b>-</b>
Other and consolidation	-4.2	-2.1	< -100	-9.7	-8.1	-19.1
<b>GEA Group</b>	<b>61.1</b>	<b>63.5</b>	<b>-3.8</b>	<b>169.1</b>	<b>175.4</b>	<b>-3.6</b>
<b>as % of revenue</b>	<b>5.4</b>	<b>6.0</b>	<b>-</b>	<b>5.4</b>	<b>5.4</b>	<b>-</b>
<b>Restructuring expenses</b>	<b>31.5</b>	<b>23.7</b>	<b>32.7</b>	<b>47.8</b>	<b>39.0</b>	<b>22.4</b>
<b>GEA Group before restructuring expenses</b>	<b>92.6</b>	<b>87.2</b>	<b>6.1</b>	<b>216.9</b>	<b>214.5</b>	<b>1.1</b>
<b>as % of revenue</b>	<b>8.2</b>	<b>8.2</b>	<b>-</b>	<b>6.9</b>	<b>6.7</b>	<b>-</b>

Profit before tax (EBT) was EUR 49.5 million in the reporting period, on a level with the previous year. In the first nine months of 2010, EBT declined by EUR 5.3 million year-on-year to EUR 128.0 million due to the EUR 8.7 million increase in restructuring expenses.

Key figures: Results of operations (EUR million)	Q3 2010	Q3 2009	Change in %	Q1-Q3 2010	Q1-Q3 2009	Change in %
Revenue	1,124.7	1,060.8	6.0	3,128.0	3,219.2	-2.8
EBITDA before restructuring expenses	117.6	111.7	5.3	294.0	285.9	2.8
EBITDA	86.7	87.9	-1.4	246.8	246.9	-0.0
EBIT before restructuring expenses	92.6	87.2	6.1	216.9	214.5	1.1
EBIT	61.1	63.5	-3.8	169.1	175.4	-3.6
EBT	49.5	49.3	0.5	128.0	133.3	-4.0
Income taxes	14.2	13.3	6.8	36.7	36.0	2.1
Profit after tax from continuing operations	35.3	36.0	-1.9	91.3	97.3	-6.2
Profit or loss after tax from discontinued operations	-0.0	-1.2	96.8	0.0	-1.4	-
GEA Group profit for the period	35.3	34.8	1.3	91.3	96.0	-4.9

The Group tax rate was 28.7 percent in the reporting period (previous year: 27.0 percent). The change in the tax rate is primarily attributable to the expiry of tax holidays in Asia in particular.

As in the previous year, discontinued operations did not affect GEA Group's profit for the third quarter or the first nine months of 2010.

Profit for the first nine months amounted to EUR 91.3 million (previous year: EUR 96.0 million). This corresponds to earnings per share of EUR 0.49, after EUR 0.52 in the comparable prior-year period.

## Financial position

Net liquidity as of December 31, 2009 (EUR 47.1 million) deteriorated by EUR 144.5 million, resulting in net debt of EUR 97.4 million as of September 30, 2010. The increase in working capital impacted net liquidity by EUR 84.7 million. Net debt thus fell by EUR 116.7 million compared with the prior-year quarter. Despite the rise in the order backlog, it should be emphasized that working capital fell by EUR 90.5 million. Based on rolling annual revenue, this corresponds to a 415 basis point improvement to 13.1 percent.

## Change in working capital\*

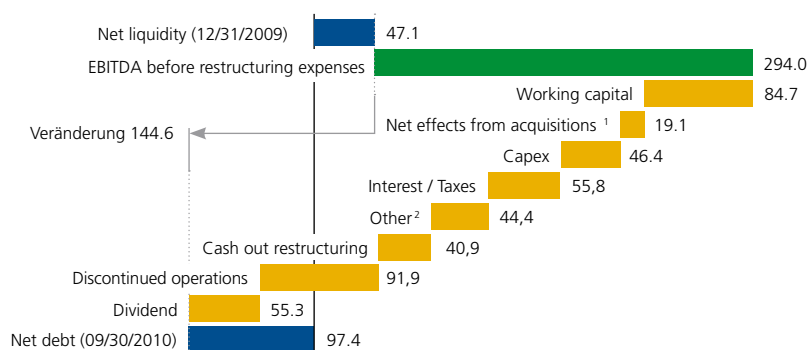
(EUR million)

		Trade receivables	Inventories		Trade payables	Advance payments received	=	Working capital
	Q3 2010	1,075	617	-	546	580	=	566
	Q2 2010	1,061	632	-	551	587	=	555
	Q4 2009	1,064	566	-	625	523	=	482
	Q3 2009	1,059	645	-	530	517	=	657

\* Continued operations only

## Net liquidity/net debt

(EUR million)



1) including debt assumed

2) Including changes in basis of consolidation and exchange rate effects

Overview of cash flow statement/net debt (EUR million)	Q1-Q3 2010	Q1-Q3 2009	Change (absolute)	Change in %
Cash flow from operating activities	40.9	225.7	-184.8	-81.9
Cash flow from investing activities	-137.6	-251.5	113.9	45.3
<b>Free cash flow</b>	<b>-96.7</b>	<b>-25.7</b>	<b>-71.0</b>	<b>&lt;-100</b>
Cash flow from financing activities	-57.0	-119.2	62.1	52.1
Change in unrestricted cash and cash equivalents	-133.0	-137.8	4.9	3.5
Cash and cash equivalents	372.3	296.9	75.4	25.4
Securities	-	0.2	-0.2	-
Liabilities to banks	469.6	511.2	-41.6	-8.1
<b>Net debt</b>	<b>97.4</b>	<b>214.1</b>	<b>-116.7</b>	<b>-54.5</b>
Gearing (%)	5.3	14.5	-	-

## Net assets

Total assets at September 30, 2010 decreased by EUR 28.5 million compared with December 31, 2009. Whereas noncurrent assets recorded an increase of EUR 4.1 million, current assets declined by EUR 32.5 million. The decrease related mainly to cash and cash equivalents (EUR 119.7 million), while inventories rose by EUR 51.2 million and trade receivables by EUR 10.8 million.

On the equity and liabilities side, provisions were down by EUR 127.0 million overall, EUR 96.3 million of which was attributable to payments for obligations relating to the plant engineering activities sold in 2007. The EUR 79.2 million decline in trade payables contrasts with a EUR 56.3 million increase in advance payments, which therefore completely financed the rise in inventories.

Equity rose by EUR 94.7 million. EUR 53.2 million of this increase is attributable to the translation of financial statements prepared in foreign currencies. The equity ratio rose by 2.1 percentage points to 36.8 percent as of September 30, 2010.

Condensed balance sheet (EUR million)	09/30/2010	as % of total assets	12/31/2009	as % of total assets	Change in %
<b>Assets</b>					
Noncurrent assets	2,707.3	54.5	2,703.2	54.1	0.2
of which goodwill	1,542.8	31.1	1,530.9	30.7	0.8
of which deferred taxes	318.1	6.4	321.9	6.4	-1.2
Current assets	2,255.7	45.4	2,288.2	45.8	-1.4
Assets held for sale	2.9	0.1	3.0	0.1	-4.5
<b>Total assets</b>	<b>4,965.9</b>	<b>100.0</b>	<b>4,994.4</b>	<b>100.0</b>	<b>-0.6</b>
<b>Equity and liabilities</b>					
Equity	1,829.7	36.8	1,735.0	34.7	5.5
Noncurrent liabilities	1,001.3	20.2	999.9	20.0	0.1
of which deferred taxes	78.2	1.6	74.4	1.5	5.1
Current liabilities	2,134.8	43.0	2,259.5	45.2	-5.5
<b>Total equity and liabilities</b>	<b>4,965.9</b>	<b>100.0</b>	<b>4,994.4</b>	<b>100.0</b>	<b>-0.6</b>

## Employees

There were 20,421 employees as of September 30, 2010, practically the same level as of June 30, 2010. This represents a decrease of 272 employees compared with December 31, 2009. Adjusted for 212 additions resulting from acquisitions and initial consolidation, the headcount decreased by 484. This decline, which primarily affected Europe and Americas, reflects the results of the restructuring measures in particular in the GEA Heat Exchangers Segment, as well as the capacity adjustments initiated in 2009 due to the decline in order intake.

The decline in the headcount by 287 as against September 30, 2009 comprises the addition of 516 employees from changes in the scope of consolidation and the reduction in the workforce by 803 due to capacity and restructuring measures.

Employees * by segment	09/30/2010		12/31/2009		09/30/2009	
GEA Farm Technologies	1,979	9.7%	1,918	9.3%	1,952	9.4%
GEA Heat Exchangers	7,378	36.1%	7,590	36.7%	7,636	36.9%
GEA Mechanical Equipment	3,446	16.9%	3,519	17.0%	3,450	16.7%
GEA Process Engineering	4,477	21.9%	4,545	22.0%	4,502	21.7%
GEA Refrigeration Technologies	2,874	14.1%	2,857	13.8%	2,908	14.0%
<b>Total</b>	<b>20,153</b>	<b>98.7%</b>	<b>20,429</b>	<b>98.7%</b>	<b>20,448</b>	<b>98.7%</b>
Other	267	1.3%	264	1.3%	260	1.3%
<b>GEA Group</b>	<b>20,421</b>	<b>100.0%</b>	<b>20,693</b>	<b>100.0%</b>	<b>20,708</b>	<b>100.0%</b>

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

Employees * by region	09/30/2010		12/31/2009		09/30/2009	
Western Europe	13,120	64.2%	13,568	65.6%	13,867	67.0%
Asia/Pacific	2,485	12.2%	2,339	11.3%	2,015	9.7%
North America	2,148	10.5%	2,224	10.7%	2,228	10.8%
Eastern Europe	1,393	6.8%	1,271	6.1%	1,271	6.1%
Latin America	556	2.7%	665	3.2%	694	3.4%
Africa	520	2.5%	407	2.0%	409	2.0%
Middle East	200	1.0%	219	1.1%	225	1.1%
<b>Total</b>	<b>20,421</b>	<b>100,0%</b>	<b>20,693</b>	<b>100,0%</b>	<b>20,708</b>	<b>100,0%</b>

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

## Research and development

In the first nine months of 2010, research and development (R&D) expenses amounted to EUR 55.3 million, after EUR 56.8 million in the comparable prior-year period. This means that the R&D ratio remained unchanged at 1.8 percent of revenue.

Research and development expenses (EUR million)	Q3 2010	Q3 2009	Change in %	Q1-Q3 2010	Q1-Q3 2009	Change in %
Refunded expenses (contract costs)	2.5	3.5	-28.1	7.5	11.4	-33.7
Non-refunded R&D expenses	16.3	15.1	8.3	47.8	45.5	5.1
<b>Total R&amp;D expenses</b>	<b>18.9</b>	<b>18.6</b>	<b>1.4</b>	<b>55.3</b>	<b>56.8</b>	<b>-2.7</b>
<b>R&amp;D ratio (as % of revenue)</b>	<b>1.7</b>	<b>1.8</b>	<b>-</b>	<b>1.8</b>	<b>1.8</b>	<b>-</b>

## Acquisitions

GEA Farm Technologies Segment's presence in New Zealand was strengthened on September 13 by the acquisition of Farmers Industries Limited (FIL). FIL has been active in the field of farm services since it was founded in 1978. The company, which is based in Mount Maunganui, New Zealand, last year reported annual revenue of approximately EUR 11 million and had around 40 employees.

## Report on risks and opportunities

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

The overall assessment of risks and opportunities did not change significantly in the reporting period compared with the situation described in the interim report on the second quarter of 2010 in the "Report on risks and opportunities."

## Report on Post-Balance Sheet Date Events

The GEA Heat Exchangers Segment acquired Mashimpeks Ltd., which is based in Moscow and has sold and installed GEA heat exchangers in Russia for more than a decade. Last year the company reported annual revenue of approximately EUR 14 million. This acquisition has not yet been finalized as approval by the Russian authorities is still pending.

# Outlook

## Economy

In their fall report, the German economic research institutes forecast that the pace of economic growth in the industrialized nations will slow in 2011. They do not expect the U.S.A. to fall back into recession despite the recent slowdown in its recovery, because investment in equipment remains stimulated by high profits and low interest rates, and consumer spending also continues to show a moderate upward trend. According to the institutes' report, the extremely restrictive fiscal policy in the European Union will dampen the recovery. However, the economies that are well positioned on the Asian export markets will continue to profit from the high pace of growth in this region.

As there will be no sharp upturn in the global economy overall, inflation will not accelerate significantly, says the report. Prices for commodities and energy sources are expected to remain high in relation to those for industrial goods, and therefore to boost the economy in producer countries such as Brazil and Russia. Global output is forecast to grow by 2.8 percent in 2011, compared with 3.7 percent in 2010. A 6.8 percent increase in global output is anticipated in 2011, which roughly corresponds to the average for the past two decades.

At the same time, however, economic researchers point to a large number of risks that could affect the continued recovery of the global economy:

- The increased uncertainty that has dominated sentiment on the international financial markets since spring 2010,
- Currency market intervention that may be caused in future by turbulence on the foreign exchange markets,
- The fact that the majority of economic policy options have already been exhausted in view of structural problems that could prove more serious than previously estimated,
- The global economy's dependence on the pace of growth in Asia and in particular China, which could be impacted by friction due to the structural change that the country is having to manage and the consequences of a potential real estate bubble.

## Business

Based on the order intake trends in the first nine months of 2010, we do not see any reason to change our statements on how business will continue to develop in 2010. We are therefore confirming our previous outlook.

As expected, a detailed analysis of all operating segments as part of the reorganization and GEA Group's systematic focus on margins identified additional potential for cost savings, also outside the GEA Heat Exchangers Segment. Including the reorganization in the GEA Heat Exchangers Segment, one-time expenses totaling up to EUR 120 million are expected from the measures needed to leverage potential.

From today's perspective, the Executive Board expects to be able to propose a dividend payment for fiscal year 2010 to the Supervisory Board and the Annual General Meeting that is not below the previous year's level.

Bochum, October 29, 2010

GEA Group Aktiengesellschaft

The Executive Board

# GEA Shares

Uncertainty about future global economic trends, in particular in the U.S.A. and China, again led to ongoing highly volatile price movements on the international equities markets as well as on the German stock exchange in the third quarter. The DAX closed at 6,229 points and the MDAX at 8,768 points on September 30.

GEA Group Aktiengesellschaft's shares reached their high for the reporting period of EUR 18.77 on July 26, 2010 and closed at EUR 18.34 on September 30, 2010. GEA shares therefore increased by 17.8 percent in the first nine months. In the past twelve months, they have recorded gains of 28.6 percent – clearly beating the DAX (9.8 percent) and the MDAX (19.2 percent).

GEA Group shares versus the MDAX *			
Past 3 months	+ 2.2	percentage points	
Past 6 months	- 0.2	percentage points	
Past 12 months	+ 9.4	percentage points	
Past 24 months	+ 8.2	percentage points	
Past 36 months	- 10.5	percentage points	

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

Change year-on-year \* Based on the closing prices as of September 30, 2010

Key performance indicators for GEA Group shares (prices: XETRA closing prices)	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009
Shares issued (September 30, million)	183.8	183.8	183.8	183.8
Share price (September 30, EUR) <sup>1</sup>	18.34	14.26	18.34	14.26
High (EUR)	18.77	14.65	18.77	14.65
Low (EUR)	15.50	9.59	13.60	7.34
Market capitalization (September 30, EUR billion) <sup>2</sup>	3.4	2.6	3.4	2.6
Average daily trading volume (million)	-	-	0.9	1.2
Earnings per share	0.19	0.19	0.49	0.52

1) or on the last trading day of the 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)	09/30/2010
BlackRock	9.99
Kuwait Investment Office	8.3
Amundi	5.1



# Consolidated Financial Statements for the 3rd Quarter of 2010

## Consolidated Balance Sheet

as of September 30, 2010

Assets (EUR thousand)	09/30/2010	12/31/2009	Change in %
Property, plant, and equipment	598,856	607,919	-1.5
Investment property	20,978	22,694	-7.6
Goodwill	1,542,779	1,530,861	0.8
Other intangible assets	163,568	159,219	2.7
Equity-accounted investments	11,718	10,784	8.7
Other noncurrent financial assets	51,351	49,863	3.0
Deferred taxes	318,054	321,861	-1.2
<b>Noncurrent assets</b>	<b>2,707,304</b>	<b>2,703,201</b>	<b>0.2</b>
Inventories	617,280	566,129	9.0
Trade receivables	1,074,458	1,063,659	1.0
Income tax receivables	18,872	21,303	-11.4
Other current financial assets	172,790	145,114	19.1
Cash and cash equivalents	372,278	491,979	-24.3
<b>Current assets</b>	<b>2,255,678</b>	<b>2,288,184</b>	<b>-1.4</b>
<b>Assets held for sale</b>	<b>2,868</b>	<b>3,004</b>	<b>-4.5</b>
<b>Total assets</b>	<b>4,965,850</b>	<b>4,994,389</b>	<b>-0.6</b>

Equity and liabilities (EUR thousand)	09/30/2010	12/31/2009	Change in %
Subscribed capital	496,890	496,890	-
Capital reserves	1,268,709	1,268,656	0.0
Retained earnings	52,249	16,909	> 100
Accumulated other comprehensive income/loss	10,845	-47,997	-
Noncontrolling interests	1,029	548	87.8
<b>Equity</b>	<b>1,829,722</b>	<b>1,735,006</b>	<b>5.5</b>
Noncurrent provisions	166,883	175,682	-5.0
Noncurrent employee benefit obligations	487,773	491,727	-0.8
Noncurrent financial liabilities	259,372	247,124	5.0
Other noncurrent liabilities	9,071	10,908	-16.8
Deferred taxes	78,216	74,411	5.1
<b>Noncurrent liabilities</b>	<b>1,001,315</b>	<b>999,852</b>	<b>0.1</b>
Current provisions	395,349	513,543	-23.0
Current employee benefit obligations	179,093	171,453	4.5
Current financial liabilities	260,010	238,950	8.8
Trade payables	545,947	625,104	-12.7
Income tax liabilities	31,075	44,500	-30.2
Other current liabilities	723,339	665,981	8.6
<b>Current liabilities</b>	<b>2,134,813</b>	<b>2,259,531</b>	<b>-5.5</b>
<b>Total equity and liabilities</b>	<b>4,965,850</b>	<b>4,994,389</b>	<b>-0.6</b>

## Consolidated Income Statement

for the period July 1 - September 30, 2010

(EUR thousand)	Q3 2010	Q3 2009	Change in %
Revenue	1,124,654	1,060,837	6.0
Cost of sales	794,916	750,096	6.0
<b>Gross profit</b>	<b>329,738</b>	<b>310,741</b>	<b>6.1</b>
Selling expenses	117,362	116,054	1.1
General and administrative expenses	109,869	108,170	1.6
Other income	58,745	34,641	69.6
Other expenses	101,144	60,370	67.5
Share of profit or loss of equity-accounted investments	926	174	> 100
Other financial income	28	2,511	-98.9
Other financial expenses	-	-	-
<b>Earnings before interest and tax (EBIT)</b>	<b>61,062</b>	<b>63,473</b>	<b>-3.8</b>
Interest income	3,557	2,427	46.6
Interest expense	15,092	16,605	-9.1
<b>Profit before tax from continuing operations</b>	<b>49,527</b>	<b>49,295</b>	<b>0.5</b>
Income taxes	14,219	13,310	6.8
<b>Profit after tax from continuing operations</b>	<b>35,308</b>	<b>35,985</b>	<b>-1.9</b>
<b>Profit or loss after tax from discontinued operations</b>	<b>-38</b>	<b>-1,183</b>	<b>96.8</b>
<b>Profit for the period</b>	<b>35,270</b>	<b>34,802</b>	<b>1.3</b>
of which attributable to GEA Group shareholders	35,015	34,629	1.1
of which attributable to noncontrolling interests	255	173	47.4

(EUR)	Q3 2010	Q3 2009	Change in %
Earnings per share from continuing operations	0.19	0.19	-
Earnings per share from discontinued operations	0.00	-0.01	-
<b>Earnings per share</b>	<b>0.19</b>	<b>0.19</b>	<b>-</b>
<b>Weighted average number of shares outstanding (million)</b>	<b>183.8</b>	<b>183.8</b>	<b>-</b>
<b>Diluted earnings per share *</b>	<b>0.18</b>	<b>0.19</b>	<b>-5.1</b>

\* On basis of the settlement proposal by the Dortmund Regional Court concerning the award proceedings (see Annual report 2009 page 207)

## Consolidated Statement of Comprehensive Income

for the period July 1 - September 30, 2010

(EUR thousand)	Q3 2010	Q3 2009	Change in %
<b>Profit for the period</b>	<b>35,270</b>	<b>34,802</b>	<b>1.3</b>
Exchange differences on translating foreign operations	-69,775	-12,340	< -100
Available-for-sale financial assets	-14	-1	< -100
Cash flow hedges	10,947	2,508	> 100
<b>Other comprehensive income</b>	<b>-58,842</b>	<b>-9,833</b>	<b>&lt; -100</b>
<b>Total comprehensive income</b>	<b>-23,572</b>	<b>24,969</b>	-
of which attributable to GEA Group shareholders	-23,758	25,024	-
of which attributable to noncontrolling interests	186	-55	-

## Consolidated Income Statement for the period January 1 - September 30, 2010

(EUR thousand)	Q1 - Q3 2010	Q1 - Q3 2009	Change in %
Revenue	3,127,996	3,219,225	-2.8
Cost of sales	2,225,067	2,297,084	-3.1
<b>Gross profit</b>	<b>902,929</b>	<b>922,141</b>	<b>-2.1</b>
Selling expenses	346,733	356,611	-2.8
General and administrative expenses	333,359	335,774	-0.7
Other income	165,780	105,954	56.5
Other expenses	221,876	163,326	35.8
Share of profit or loss of equity-accounted investments	1,493	668	> 100
Other financial income	835	2,511	-66.7
Other financial expenses	-	155	-
<b>Earnings before interest and tax (EBIT)</b>	<b>169,069</b>	<b>175,408</b>	<b>-3.6</b>
Interest income	10,298	11,342	-9.2
Interest expense	51,329	53,421	-3.9
<b>Profit before tax from continuing operations</b>	<b>128,038</b>	<b>133,329</b>	<b>-4.0</b>
Income taxes	36,747	35,999	2.1
<b>Profit after tax from continuing operations</b>	<b>91,291</b>	<b>97,330</b>	<b>-6.2</b>
<b>Profit or loss after tax from discontinued operations</b>	<b>3</b>	<b>-1,360</b>	<b>-</b>
<b>Profit for the period</b>	<b>91,294</b>	<b>95,970</b>	<b>-4.9</b>
of which attributable to GEA Group shareholders	90,482	95,444	-5.2
of which attributable to noncontrolling interest	812	526	54.4
(EUR)			
Earnings per share from continuing operations	0.49	0.53	-6.5
Earnings per share from discontinued operations	0.00	-0.01	-
<b>Earnings per share</b>	<b>0.49</b>	<b>0.52</b>	<b>-5.2</b>
<b>Weighted average number of shares outstanding (million)</b>	<b>183.8</b>	<b>183.8</b>	<b>-</b>
<b>Diluted earnings per share *</b>	<b>0.46</b>	<b>0.52</b>	<b>-11.1</b>

\* On basis of the settlement proposal by the Dortmund Regional Court concerning the award proceedings (see Annual report 2009 page 207)

## Consolidated Statement of Comprehensive Income

for the period January 1 - September 30, 2010

(EUR thousand)	Q1 - Q3 2010	Q1 - Q3 2009	Change in %
<b>Profit for the period</b>	<b>91,294</b>	<b>95,970</b>	<b>-4.9</b>
Exchange differences on translating foreign operations	53,188	-11,073	-
Available-for-sale financial assets	-11	26	-
Cash flow hedges	5,533	7,461	-25.8
<b>Other comprehensive income</b>	<b>58,710</b>	<b>-3,586</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>150,004</b>	<b>92,384</b>	<b>62.4</b>
of which attributable to GEA Group shareholders	149,324	92,073	62.2
of which attributable to noncontrolling interests	680	311	> 100

## Consolidated Cash Flow Statement for the period January 1 - September 30, 2010

(EUR thousand)	Q1-Q3 2010	Q1-Q3 2009
Profit for the period	91,294	95,970
plus income taxes	36,747	35,999
minus/plus profit or loss after tax from discontinued operations	-3	1,360
Profit before tax from continuing operations	128,038	133,329
Net interest income	41,031	42,079
<b>Earnings before interest and tax (EBIT)</b>	<b>169,069</b>	<b>175,408</b>
Depreciation, amortization, impairment losses, and reversal of impairment losses on noncurrent assets	77,735	71,480
Other noncash income and expenses	4,006	-637
Employee benefit obligations	-30,532	-28,480
Change in provisions	-23,084	-27,985
Losses on disposal of noncurrent assets	-1,793	-1,527
Change in inventories including unbilled PoC receivables *	-50,525	96,250
Change in trade receivables	73,610	245,352
Change in trade payables	-107,753	-199,688
Change in other operating assets and liabilities	-29,011	-22,579
Tax payments	-39,302	-52,705
Net cash flow from operating activities of discontinued operations	-1,520	-29,153
<b>Cash flow from operating activities</b>	<b>40,900</b>	<b>225,736</b>
Proceeds from disposal of noncurrent assets	8,210	2,601
Payments to acquire property, plant, and equipment, and intangible assets	-46,087	-86,202
Payments to acquire noncurrent financial assets	-3,970	-3,352
Interest and dividend income	6,218	7,731
Payments to acquire subsidiaries and other businesses	-11,319	-25,823
Proceeds from sale of companies	-25	1,287
Cash flows from disposal of discontinued operations	-96,276	-147,497
Net cash flow from investing activities of discontinued operations	5,644	-226
<b>Cash flow from investing activities</b>	<b>-137,605</b>	<b>-251,481</b>
Dividend payments	-55,337	-73,643
Change in finance leases	-2,010	-1,136
Proceeds from finance loans	11,068	10,193
Proceeds from borrower's note loan	19,484	-
Repayments of finance loans	-10,083	-28,741
Interest payments	-20,350	-26,098
Net cash flow from financing activities of discontinued operations	181	267
<b>Cash flow from financing activities</b>	<b>-57,047</b>	<b>-119,158</b>
Effect of exchange rate changes and other changes on cash and cash equivalents	20,792	7,063
<b>Change in unrestricted cash and cash equivalents</b>	<b>-132,960</b>	<b>-137,840</b>
Unrestricted cash and cash equivalents at beginning of period	488,057	431,106
<b>Unrestricted cash and cash equivalents at end of period</b>	<b>355,097</b>	<b>293,266</b>
Restricted cash and cash equivalents	17,181	3,658
<b>Cash and cash equivalents reported in the balance sheet</b>	<b>372,278</b>	<b>296,924</b>

\*) including advance payments received

## Consolidated Statement of Changes in Equity as of September 30, 2010

(EUR thousand)	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income			Equity attributable to shareholders of GEA Group AG	Non-controlling interests	Total
				Translation of foreign operations	Available-for-sale financial assets	Cash flow hedges			
<b>Balance at Dec. 31, 2008</b> <b>(183,807,845 shares)</b>	<b>496,890</b>	<b>1,079,610</b>	<b>-69,689</b>	<b>-42,716</b>	<b>-25</b>	<b>-11,984</b>	<b>1,452,086</b>	<b>3,319</b>	<b>1,455,405</b>
Total comprehensive income	-	-	160,623	702	34	5,992	167,351	671	168,022
Dividend payment by GEA Group AG	-	-	-73,523	-	-	-	-73,523	-	-73,523
Change in other noncontrolling interests	-	-	-	-	-	-	-	-3,442	-3,442
Share-based payment	-	46	-	-	-	-	46	-	46
Award proceedings	-	189,000	-502	-	-	-	188,498	-	188,498
<b>Balance at Dec. 31, 2009</b> <b>(183,807,845 shares)</b>	<b>496,890</b>	<b>1,268,656</b>	<b>16,909</b>	<b>-42,014</b>	<b>9</b>	<b>-5,992</b>	<b>1,734,458</b>	<b>548</b>	<b>1,735,006</b>
Total comprehensive income	-	-	90,482	53,320	-11	5,533	149,324	680	150,004
Dividend payment by GEA Group AG	-	-	-55,142	-	-	-	-55,142	-	-55,142
Change in other noncontrolling interests	-	-	-	-	-	-	-	-199	-199
Share-based payment	-	53	-	-	-	-	53	-	53
Award proceedings	-	-	-	-	-	-	-	-	-
<b>Balance at September 30, 2010 (183,807,845 shares)</b>	<b>496,890</b>	<b>1,268,709</b>	<b>52,249</b>	<b>11,306</b>	<b>-2</b>	<b>-459</b>	<b>1,828,693</b>	<b>1,029</b>	<b>1,829,722</b>

# Notes to the Consolidated Financial Statements

## 1. Reporting principles

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

With the exception of the pronouncements effective as of January 1, 2010, the accounting policies applied to the accompanying interim financial statements are the same as those applied as of December 31, 2009 and are described in detail on pages 116 to 136 of the 2009 Annual Report containing GEA Group's IFRS consolidated financial statements.

No other IFRS pronouncements were required to be applied in the third quarter in addition to the Standards applied for the first time in the first half year.

No new IFRS pronouncements were issued by the IASB in the third quarter.

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 recurring deterioration in the global economy, movements in exchange rates and interest rates, as well as material litigation and changes in environmental or other legislation. Production errors, the loss of key customers, and rising borrowing costs may also adversely affect the Group's future performance.

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.

## 2. Basis of consolidation

The consolidated group changed as follows in the third quarter of 2010:

	Number of companies
<b>Consolidated group as of June 30, 2010</b>	<b>312</b>
German companies (including GEA Group AG)	63
Foreign companies	249
Initial consolidation	1
Mergers	8
Liquidations	1
<b>Consolidated group as of September 30, 2010</b>	<b>304</b>
German companies (including GEA Group AG)	56
Foreign companies	248

Including the changes in the first half year, the number of companies included in the consolidated Group declined by 14 as against December 31, 2009.

A total of 92 subsidiaries (December 31, 2009: 103) were not consolidated since their effect on the Group's results of operations, financial position, and net assets is not material even when viewed in the aggregate. The decline in unconsolidated subsidiaries from 103 as of December 31, 2009 to 92 as of September 30, 2010 is due to 7 liquidations, 3 mergers, and 3 initial consolidations. 2 companies were added. One company was deconsolidated and one company acquired.

### 3. Disposals

GEA Group sold its 100 percent interest in GEA Grenco Køleteknik A/S, Skanderborg/Denmark, in the third quarter. The company's net assets were as follows at the date of disposal:

(EUR thousand)	2010
Noncurrent assets	101
Current assets	3,426
Liabilities	3,345
<b>Net assets before noncontrolling interests and accumulated other comprehensive income</b>	<b>181</b>
less noncontrolling interests	-
less accumulated other comprehensive income	-
<b>Net assets after noncontrolling interests and accumulated other comprehensive income</b>	<b>181</b>
Selling price	181
<b>Gain/loss on disposal</b>	<b>-</b>
Cash and cash equivalents disposed	-25
<b>Net cash flow from disposal</b>	<b>-25</b>

The selling price in the amount of EUR 181 thousand was paid in October 2010.

### 4. Acquisitions

GEA Group acquired 2 companies in the third quarter. On September 13, 2010, the GEA Farm Technologies Segment acquired all the shares of Farmers Industries Limited, Mount Maunganui/New Zealand. The company specializes in developing, producing, and selling consumables in the milking industry. It employed 41 people at the acquisition date and generated revenue of around EUR 11 million in the past fiscal year. The acquisition strengthens GEA's product portfolio in New Zealand as well as in the noncyclical consumables business.

On September 15, the GEA Process Engineering Segment acquired the activities of the Air Pollution Control Division (APC) of ACC Limited, Thane/India. The division, which has 25 employees, supplied technology for waste gas dust extraction at the ACC Group's cement plants and industrial power stations. The acquisition allows the segment to expand its activities in the field of emission control.

GEA Group acquired the following preliminary assets and liabilities as a result of its acquisitions:

(EUR thousand)	Carrying amount	Fair value
Noncurrent assets	1,944	5,298
Current assets	4,246	4,307
<b>Total assets</b>	<b>6,191</b>	<b>9,605</b>
Noncurrent liabilities	721	1,746
Current liabilities	3,138	3,138
<b>Total liabilities</b>	<b>3,859</b>	<b>4,883</b>
<b>Net assets acquired</b>	<b>2,332</b>	<b>4,722</b>
Acquisition costs		5,971
<b>Difference</b>		<b>1,249</b>

Total acquisition costs amounted to EUR 5,971 thousand. The preliminary identified net assets amount to EUR 4,722 thousand, producing preliminary goodwill of EUR 1,249 thousand. There is particular uncertainty surrounding the measurement of intangible assets. The acquisition-related costs of around EUR 556 thousand are reported under other expenses.

If Farmers Industries Limited had been acquired as of January 1, 2010, it would have contributed around EUR 8 million to consolidated revenue and generated a profit of around EUR 300 thousand.

The acquisitions led to the following cash outflows:

(EUR thousand)	Q3 2010	Q3 2009
Acquisition costs	5,971	-
less noncash consideration	413	-
<b>Purchase price paid</b>	<b>5,558</b>	-
Acquisition-related costs	135	-
less cash acquired	-	-
<b>Net cash used in acquisitions</b>	<b>5,693</b>	-

Payments to acquire subsidiaries and other businesses totaled EUR 11,049 thousand in the period to September 30, 2010 (previous year: EUR 22,728 thousand). The corresponding figure reported in the cash flow statement is EUR 11,319 thousand (previous year: EUR 25,823 thousand). The difference relates to the inclusion of previously unconsolidated subsidiaries in the amount of EUR 20 thousand (previous year: EUR 129 thousand) as well as a contingent purchase price payment of EUR 290 thousand (previous year: EUR 2,966 thousand) for an acquisition from the previous year.

## 5. Balance sheet disclosures

The decline in current provisions is mainly attributable to payments in the amount of EUR 96,276 thousand for risks resulting from the sale of the former Lentjes and Lurgi business units.

The increase in noncurrent financial liabilities relates to the agreement of a further borrower's note loan in the amount of EUR 20,000 thousand, due in August 2013. The terms are the same as those for the borrower's note loan placed in August 2008 that has now been partially extended. The borrower's note loans bear interest at 110 basis points above 3M Euribor until August 2011 and 160 basis points thereafter.

## 6. Income statement and statement of comprehensive income disclosures

Restructuring expenses amounted to EUR 31,517 thousand in the third quarter (previous year: EUR 23,746 thousand). Restructuring expenses were EUR 47,786 thousand (previous year: EUR 39,043 thousand) in the first nine months of 2010. The increase of EUR 24,104 thousand in other income and EUR 40,774 thousand in other expenses related mainly to exchange rate gains and losses. These items nearly offset each other overall.

The Group tax rate was 28.7 percent in the reporting period (previous year: 27.0 percent). The increase in the tax rate is primarily attributable to the expiry of tax holidays in Asia in particular.

The decline in exchange differences on translating foreign operations to EUR -69,775 thousand in the third quarter (previous year: EUR -12,340 thousand) resulted mainly from the reduction of the US dollar against the euro. From January to September 2010 the US dollar achieved an increase against the euro so that the exchange differences on translating foreign operations rises to EUR 53,188 thousand (previous year: -11,073 thousand)

## 7. Cash flow disclosures

The cash inflow from discontinued operations totaling EUR 4,305 thousand relates exclusively to Ruhr-Zink and is due primarily to the sale of parts of the company's noncurrent assets.

The difference between the newly agreed borrower's note loan amounting to EUR 20,000 thousand and the cash inflows of EUR 19,484 thousand is attributable to the transaction costs, which include the costs for the partial prolongation of the borrower's note loan placed in August 2008.

## 8. Segment reporting

As a result of the reorganization adopted by the Supervisory Board on September 22, 2009, the group has been organized into five operating segments since January 1, 2010. The activities which are not allocated to the operating segment are presented in “Other”. Together they form the six segments of the segment reporting.

### GEA Farm Technologies

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

### GEA Heat Exchangers

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

### GEA Mechanical Equipment

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

### GEA Process Engineering

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

### GEA Refrigeration Technologies

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

### Other

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

(in Mio. EUR)	GEA Farm Technologies	GEA Heat Exchangers	GEA Mechanical Equipment	GEA Process Engineering	GEA Refrigeration Technologies	Other	Consolidation	<b>GEA Group</b>
<b>Q3 2010</b>								
Order intake	115.0	404.1	191.9	321.7	148.9	-	-29.0	<b>1,152.6</b>
External revenue	119.7	355.0	174.3	329.9	139.4	6.4	-	<b>1,124.7</b>
Intersegment revenue	0.1	6.7	18.8	1.0	0.3	-	-26.8	-
Total revenue	119.8	361.6	193.1	330.9	139.7	6.4	-26.8	<b>1,124.7</b>
EBITDA	11.0	18.7	28.9	22.8	7.2	-1.8	-	<b>86.7</b>
EBIT before restructuring expenses	7.7	28.6	33.5	19.4	7.1	-3.7	-	<b>92.6</b>
as % of revenue	6.5	7.9	17.3	5.8	5.1	-	-	<b>8.2</b>
Restructuring expenses	0.1	19.7	8.8	0.2	2.1	0.6	-	<b>31.5</b>
EBIT	7.7	8.9	24.6	19.1	5.0	-4.2	-	<b>61.1</b>
as % of revenue	6.4	2.5	12.8	5.8	3.6	-	-	<b>5.4</b>
Investments in property, plant, and equipment and intangible assets	1.9	6.1	2.0	2.4	1.8	1.5	-	<b>15.8</b>
Depreciation and amortization	3.3	9.8	4.2	3.7	2.2	2.4	-	<b>25.6</b>
<b>Q3 2009</b>								
Order intake	94.9	365.0	158.6	254.0	114.3	-	-24.3	<b>962.3</b>
External revenue	111.8	365.8	149.9	278.1	147.9	7.3	-0.0	<b>1,060.8</b>
Intersegment revenue	0.2	6.2	13.9	0.1	0.3	-0.1	-20.5	-
Total revenue	112.0	372.0	163.8	278.1	148.2	7.2	-20.5	<b>1,060.8</b>
EBITDA	10.2	35.2	26.6	11.2	3.9	0.9	-	<b>87.9</b>
EBIT before restructuring expenses	7.9	36.4	24.5	17.6	2.9	-2.1	-	<b>87.2</b>
as % of revenue	7.1	9.8	15.0	6.3	1.9	-	-	<b>8.2</b>
Restructuring expenses	0.6	10.4	1.8	9.8	1.2	-	-	<b>23.7</b>
EBIT	7.4	26.0	22.7	7.8	1.7	-2.1	-	<b>63.5</b>
as % of revenue	6.6	7.0	13.8	2.8	1.1	-	-	<b>6.0</b>
Investments in property, plant, and equipment and intangible assets	1.2	8.4	4.8	3.7	1.9	2.2	-	<b>22.1</b>
Depreciation and amortization	2.8	9.1	3.9	3.4	2.2	3.0	-	<b>24.5</b>

(EUR million)	GEA Farm Technologies	GEA Heat Exchangers	GEA Mechanical Equipment	GEA Process Engineering	GEA Refrigeration Technologies	Other	Consolidation	GEA Group
<b>Q1 - Q3 2010</b>								
Order intake	332.2	1,106.8	558.6	996.4	427.0	-	-90.9	<b>3,330.2</b>
External revenue	311.5	1,054.4	466.8	883.9	391.0	20.4	-	<b>3,128.0</b>
Intersegment revenue	0.3	18.8	56.7	2.5	1.3	-	-79.7	-
Total revenue	311.8	1,073.3	523.5	886.3	392.4	20.4	-79.7	<b>3,128.0</b>
EBITDA	19.0	74.2	79.0	57.4	18.4	-1.2	-	<b>246.8</b>
EBIT before restructuring expenses	9.7	77.1	76.7	47.2	14.7	-8.6	-	<b>216.9</b>
as % of revenue	3.1	7.2	14.7	5.3	3.7	-	-	<b>6.9</b>
Restructuring expenses	0.4	32.0	10.5	0.9	2.9	1.1	-	<b>47.8</b>
EBIT	9.3	45.0	66.2	46.4	11.8	-9.7	-	<b>169.1</b>
as % of revenue	3.0	4.2	12.6	5.2	3.0	-	-	<b>5.4</b>
ROCE in % <sup>1</sup>	6.5	18.5	35.3	34.6	11.2	-	-	<b>19.5</b>
Working Capital (reporting date) <sup>2</sup>	136.3	218.3	178.6	-9.9	56.5	-13.1	-0.3	<b>566.4</b>
Investments in property, plant, and equipment and intangible assets	8.6	12.9	5.5	8.7	4.8	5.9	-	<b>46.4</b>
Depreciation and amortization	9.7	29.2	12.8	11.1	6.6	8.4	-	<b>77.7</b>
<b>Q1 - Q3 2009</b>								
Order intake	290.9	1,117.4	515.7	813.7	396.4	-	-63.3	<b>3,070.8</b>
External revenue	296.6	1,161.4	504.4	830.2	406.5	20.1	-	<b>3,219.2</b>
Intersegment revenue	0.5	18.9	39.1	0.6	0.9	0.0	-60.0	-
Total revenue	297.1	1,180.2	543.6	830.8	407.4	20.1	-60.0	<b>3,219.2</b>
EBITDA	17.0	101.4	76.3	35.5	15.9	0.8	-	<b>246.9</b>
EBIT before restructuring expenses	12.0	93.5	66.8	38.9	11.4	-8.1	-	<b>214.5</b>
as % of revenue	4.0	7.9	12.3	4.7	2.8	-	-	<b>6.7</b>
Restructuring expenses	2.6	18.5	1.9	14.0	2.0	-	-	<b>39.0</b>
EBIT	9.3	75.0	64.9	24.9	9.4	-8.1	-	<b>175.4</b>
as % of revenue	3.1	6.4	11.9	3.0	2.3	-	-	<b>5.4</b>
ROCE in % <sup>1</sup>	12.7	20.8	28.4	30.4	10.3	-	-	<b>20.6</b>
Working Capital (reporting date) <sup>2</sup>	133.6	244.3	217.5	-15.4	81.2	-2.7	-1.6	<b>656.9</b>
Investments in property, plant, and equipment and intangible assets	7.9	37.8	15.1	9.4	11.5	4.5	-	<b>86.2</b>
Depreciation and amortization	7.7	26.4	11.5	10.6	6.5	8.9	-	<b>71.5</b>

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

2) Working capital = inventories + trade receivables – trade payables – advance payments received

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

In accordance with the internal management system, the profitability of the individual group segments is measured using “earnings before interest, tax, depreciation, and amortization” (EBITDA), “earnings before interest and tax” (EBIT), and the EBIT margin.

The following table shows the reconciliation of EBITDA to EBIT:

Reconciliation of EBITDA to EBIT (EUR million)	Q3 2010	Q3 2009	Change in %	Q1-Q3 2010	Q1-Q3 2009	Change in %
<b>EBITDA</b>	<b>86.7</b>	<b>87.9</b>	<b>-1.4</b>	<b>246.8</b>	<b>246.9</b>	<b>-0.0</b>
Depreciation of property, plant, and equipment, investment property, and amortization of intangible assets	-25.6	-24.5	-4.7	-77.7	-71.5	-8.8
Impairment losses on property, plant, and equipment, investment property, intangible assets, and goodwill	-	-	-	-	-	-
<b>EBIT</b>	<b>61.1</b>	<b>63.5</b>	<b>-3.8</b>	<b>169.1</b>	<b>175.4</b>	<b>-3.6</b>

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

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

The recognition and measurement policies for segment assets and liabilities, and hence for working capital as well, are the same as those used in the group and described in the accounting policies section of the 2009 Annual Report.

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

Reconciliation of working capital to total assets (EUR million)	09/30/2010	09/30/2009
<b>Working capital (reporting date)</b>	<b>566.4</b>	<b>656.9</b>
Working capital (reporting date) of Ruhr-Zink	-0.1	-0.8
Noncurrent assets	2.707.0	2.471.9
Income tax receivables	18.9	14.7
Other current financial assets	172.8	187.6
Cash and cash equivalents	372.3	296.9
Assets held for sale	2.9	18.6
plus trade payables	545.9	531.2
plus advance payments in respect of orders and construction contracts	243.9	195.6
plus gross amount due to customers for contract work	335.5	320.9
<b>Total assets</b>	<b>4,965.9</b>	<b>4,693.2</b>

## 9. Related party transactions

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





# Financial Calendar

March 10, 2011	Annual Press Conference / Analysts Meeting on the 2010 Fiscal Year
April 21, 2011	Annual Shareholders' Meeting for 2010
May 06, 2011	Interim Financial Report for the period to March 31, 2011
July 29, 2011	Half-yearly Financial Report for the period to June 30, 2011

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

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<a href="http://www.geagroup.com">www.geagroup.com</a>		

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This report includes forward-looking statements on GEA Group Aktiengesellschaft, its subsidiaries and associates, and on the economic and political conditions that may influence the business performance of the GEA Group. All these statements are based on assumptions made by the Executive Board using information available to it at the time. Should these assumptions prove to be wholly or partly incorrect, or should further risks arise, actual business performance may differ from that expected. The Executive Board therefore cannot assume any liability for the statements made. Rounding differences may occur in the tables due to calculatory reasons.

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

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