

GEA Group reports strong earnings growth

- **EBIT of continuing operations up 41.6 per cent to EUR 422.2 million**
- **Consolidated net income EUR 283.5 million**
- **Earnings per share of EUR 1.72 on a comparable basis on continued operations**
- **Growth continues in January and February**

Bochum, March 13, 2008 – GEA Group Aktiengesellschaft generated earnings before interest and tax (EBIT) of EUR 422.2 million in 2007. This represents a 41.6 per cent, or EUR 124 million, improvement on the previous year (2006: EUR 298.2 million). All segments contributed to this growth. The EBIT margin was boosted by 126 basis points. "In the 2007 business year just passed, we concluded the restructuring of the Group with the completion of the disposals of Lurgi and Lentjes, and the new segmentation that came into effect as of January 1, 2008. We have significantly improved our business. We have exceeded the goals we set ourselves, both with respect to organic growth, and the higher EBIT margin. Our cardinal priority in the future will be to improve profitability, and the return on capital employed," commented Jürg Oleas, Chairman of the Executive Board of GEA Group Aktiengesellschaft.

The GEA Group created 984 new jobs as a result of organic growth, of which 263 positions are located in Germany. The Executive Board of GEA Group Aktiengesellschaft has also decided to make a special payment to all employees, with the exception of senior management, entailing a total payment of around EUR 4.1 million.

New orders and sales significantly above EUR 5 billion

The GEA Group reported 16.4 per cent growth in new orders to EUR 5,794.4 million (2006: EUR 4,977.9 million). The Group is benefiting from its increasingly global presence in dynamic growth markets such as Eastern Europe, Asia, and South America. Stable growth in industrial countries, however, has also contributed to this pleasing progress. Sales were also increased to significantly above EUR 5 billion in 2007. This growth to EUR 5,198.6 million (2006: EUR 4,346.2 million) represents an improvement of 19.6 per cent compared with the previous year. The order book rose by almost 30 per cent year-on-year.

Positive Group earnings

Earnings after tax on continued operations amounted to EUR 254.4 million. Earnings on discontinued operations were EUR 29.1 million. Consolidated net income for the year consequently amounts to EUR 283.5 million (2006: EUR -288.2 million).

Significant rise in earnings per share

Earnings per share from the continuing operations amounted to EUR 1.35, and those for the discontinued operations EUR 0.16. The total earnings per share, in other words, amounted to EUR 1.51. The figure for the continuing operations comparable with the previous year, and adjusted to reflect the change in the rate of corporate taxation, amounted to EUR 1.72, compared with EUR 1.00 in the previous year.

Higher investment and acquisition volumes

The GEA Group invested 2.7 per cent of its sales (EUR 139.4 million, 2006: EUR 100.0 million) in property, plant, and equipment, and intangible assets. In addition, companies with annual sales approaching EUR 200 million were acquired for a total enterprise value of around EUR 120 million.

Disposals of Lurgi und Lentjes completed

The disposal of the discontinued operations has been completed. The disposal gain for Lurgi was in line with expectations. The sale of Lentjes GmbH was completed at the end of the business year, following an in-depth antitrust review. However, further high losses were incurred on the current order flow in 2007, which is why earnings from the discontinued operations are only slightly positive.

GEA Group's workforce participates in profit

The GEA Group workforce grew by 984 employees in 2007 as a result of organic growth. The number of employees in Germany alone was up by a total of 263 to reach 6,714. Given the Group's successful growth, the Executive Board has decided to make a special payment to all employees, with the exception of the senior management level, entailing a total amount of around EUR 4.1 million. The payment is made in three categories depending on the average purchasing power in certain groups of countries.

Dividend payment resumed

The Executive and Supervisory Boards of GEA Group Aktiengesellschaft will propose to the Shareholders' General Meeting to pay a dividend of EUR 0.20 per share. The company assumes an even higher dividend will be paid for the 2008 financial year. Furthermore, a dividend equivalent to one third of consolidated annual net income is planned for the 2009 financial year.

Besides this, shares totalling EUR 100.3 million were repurchased, and withdrawn along with treasury shares already held. This corresponds to 5.3 per cent of the total shares outstanding at the start of 2007.

Business outlook

The Executive Board anticipates a further rise in new orders of between 5 and 10 per cent for 2008. The company assumes a sales growth of around 10 per cent, due to the high level of the order book. Growth in the first two months of 2008 confirms this expectation. Operating earnings in the core segments should continue to rise faster than sales. The GEA Group expects an increase for the core segments in the EBIT margin of 70 to 80 basis points. The overall positive growth will prospectively continue in 2009. Given continued revenue growth of 5 to 10 per cent, the Executive Board anticipates an EBIT margin of over 10 per cent for the core segments. The target gearing level of around 50 per cent underscores the Group's clear orientation to further interesting acquisitions, and potentially also further share repurchases for 2008 and 2009.

GEA Group 2007 consolidated data (in EUR millions)

	Q4 2007	Q4 2006	Q1-Q4 2007	Q1-Q4 2006
New Orders				
Customized Systems	251.6	221.7	1,027.7	877.8
Process Equipment	484.0	377.2	1,738.5	1,448.2
Process Engineering	1,064.6	754.3	2,666.0	2,264.2
Other	70.5	124.1	362.2	387.8
Total	1,870.7	1,477.2	5,794.4	4,977.9
Sales				
Customized Systems	286.0	261.9	995.9	827.1
Process Equipment	465.9	421.5	1,565.4	1,374.6
Process Engineering	709.0	599.0	2,242.7	1,773.5
Other	77.1	116.3	394.6	371.1
Total	1,538.0	1,398.7	5,198.6	4,346.2
EBIT				
Customized Systems	28.1	23.3	77.1	56.8
Process Equipment	76.4	56.5	208.0	154.0
Process Engineering	68.1	56.2	149.6	110.3
Other	-18.0	-17.3	-12.5	-23.0
Total	154.6	118.7	422.2	298.2
% of sales	10.1	8.5	8.1	6.9
Earnings before tax	144.7	105.3	370.5	253.7
Net income / loss	38.0	-141.8	283.5	-288.2
- Net income on continuing operations	157.9	96.8	254.4	187.4
- Net loss on discontinued operations	-119.9	-238.5	29.1	-475.6
Earnings per share (EUR)	0.20	-0.76	1.51	-1.53
- thereof on continuing operations	0.85	0.51	1.35	1.00
- thereof on discontinued operations	-0.65	-1.27	0.16	-2.53
Net position ¹⁾	61.3	492.0	61.3	492.0
Capital expenditures incl. finance leases	63.9	68.8	252.5	136.1
Employees at balance sheet date	19,560	17,473	19,560	17,473

¹⁾ In 2006 including Plant Engineering

GEA Group Aktiengesellschaft is an international technology group that focuses on the specialty mechanical engineering areas of process technology and components. The company reported sales of EUR 5.2 billion in 2007 and employed more than 19,500 people as of December 31, 2007. The GEA Group is a market and technology leader in 90 per cent of its business areas and is listed in the German MDAX share index (G1A, WKN 660200).