

### **GEA Group with above average growth in high-margin components business**

- **Order intake of the core segments grows by 6.9 percent in the first three quarters, sales increases by 11.2 percent and EBIT up by 30 percent**
- **Third-quarter EBIT margin above 10 percent**
- **Full-year outlook: Sales increase of 10 percent and EBIT margin of 10 percent in the core segments**

Bochum, October 31, 2008 – GEA Group Aktiengesellschaft successfully continued its strong business performance in the third quarter. Despite taking a more selective approach to accepting orders, GEA Group raised its order intake by 6.3 percent in the third quarter in its core segments, excluding the Thermal Engineering Division. The company once again registered its greatest gains in terms of order intake in the high-margin areas of milk production and processing, components for specialty shipbuilding, and oil and gas treatment and processing. September's growth rate of significantly more than 25 percent, in particular, confirmed the especially gratifying growth of the high-margin component businesses Farm Technologies, Process Equipment, and Mechanical Separation. Sales in the core segments rose 4.2 percent overall in the third quarter of 2008. Core segment sales were up 11.2 percent year-on-year at the end of the first three quarters. Earnings before interest and tax (EBIT) in core segments grew 30.7 percent to EUR 140.8 million in the third quarter. The EBIT margin in the core segments consequently improved by 218 basis points, rising from 8.6 percent to 10.7 percent.

"In view of the current tense global economic situation, the continued excellent development of our business reflects how we have positioned the Group to pursue a stable and successful path over the last few years. Since early 2008, we have concentrated mainly on highly profitable medium and smaller sized orders in those markets in which we continue to experience solid growth. The rise in orders achieved by our core business should consequently be seen in an even more positive light. The success of our portfolio management is evident in the significant rise in the EBIT margin from our core business," commented Jürg Oleas, CEO of GEA Group Aktiengesellschaft.

GEA Group's order backlog reached a level of EUR 2,823.8 million at the end of the third quarter. A further point of particular note in this area as well is the impressive growth of the highly profitable Farm Technologies, Process Equipment, and Mechanical Separation divisions. The order backlog of these divisions increased by 43 percent compared to December 31, 2007.

### **Excellent results burdened by discontinued operations**

Net income from discontinued operations totaled EUR 82.1 million in the third quarter, following EUR -3.8 million last year. The earnings increase was 43.5 percent when adjusted for the previous quarter's extraordinary effect resulting from a tax adjustment of EUR -61.0 million. Independently of the successful core business, additional expenses from discontinued operations place a burden on the Group. These charges related to Ruhr-Zink arise from the write-down of assets to the estimated net disposal price. An additional effect results from an increase in provisions due to the disposal of Lentjes. The overall effect of the Group amounted to EUR -126.5 million in the third quarter. In overall terms, a consolidated net loss of EUR 44.4 million was generated in the third quarter. The cumulative consolidated net income amounted to EUR 77.6 million.

### **Continued stable growth in the future**

The growing population of the world will use ever greater quantities of energy, and consume greater volumes of processed foods. The chemicals, petrochemicals, and pharmaceuticals areas will also benefit from population growth. This overall trend is also being strengthened prospectively by the above average growth in living standards in large parts of Asia and South America. In addition, many GEA Group products improve energy efficiency, which is why further positive effects are anticipated. This leads GEA to anticipate continued stable demand in its markets, despite the slowdown expected in some areas of the mechanical engineering sector. This forecast is underpinned by globally leading food manufacturers and energy producers, most of which are already GEA customers. GEA Group's order intake will be consciously characterized by fewer major projects, and more orders for components, in the future, due to GEA Group's active portfolio management. Although this results in lower nominal growth overall, it is accompanied simultaneously by improved order intake margins.

The GEA Group Executive Board largely confirms the targets it has communicated to date for its core business, despite the currently rather negative sentiment in the economic environment. GEA Group anticipates a slightly higher level of order intake in 2008 than in 2007, excluding the Thermal Engineering Division. The order intake of this Division was characterized by a significant major order last year. The Executive Board expects overall sales growth of around 10 percent, whereby the EBIT margin should reach 10 percent in the core segments. The current gearing target of 40 to 50 percent of consolidated equity is being reduced to 30 percent in the present situation. Investments in property, plant, and equipment will be continued without cutbacks, however. This is impressively demonstrated by an approximately EUR 160 million investment program for the Mechanical Separation Division that was newly launched in early October. The acquisition strategy of primarily acquiring small and medium-sized companies is also being pursued further. In this connection, GEA has now acquired over EUR 180 million of annual sales volume since the start of the year, entailing the acquisition of eight promising companies. Due to current uncertainties in the financial markets the share repurchase program that was launched on October 6, 2008 has been suspended for the time being.

### GEA Group consolidated data for Q3 2008 (EUR millions)

	Q3 2008	Q3 2007	Q1-Q3 2008	Q1-Q3 2007
<b>New Orders</b>				
Energy and Farm Technology	397.1	364.0	1,234.8	1,161.6
Process Technology	828.9	797.9	2,643.2	2,467.4
Other/Holding	-2.5	-1.4	-7.4	-4.4
<b>Total</b>	<b>1,223.5</b>	<b>1,160.5</b>	<b>3,870.6</b>	<b>3,624.5</b>
<b>Sales</b>				
Energy and Farm Technology	478.7	403.5	1,288.9	1,151.6
Process Technology	831.9	854.8	2,433.9	2,197.1
Other/Holding	7.4	6.0	18.1	39.7
<b>Total</b>	<b>1,318.0</b>	<b>1,264.3</b>	<b>3,741.0</b>	<b>3,388.5</b>
<b>EBIT</b>				
Energy and Farm Technology	48.9	37.1	106.5	84.4
Process Technology	91.9	70.7	240.2	182.9
Other/Holding	-9.1	-9.3	-19.7	-19.3
<b>Total</b>	<b>131.8</b>	<b>98.5</b>	<b>327.1</b>	<b>248.0</b>
% of sales	10.0	7.8	8.7	7.3
<b>Earnings before tax</b>	<b>116.5</b>	<b>83.9</b>	<b>292.8</b>	<b>208.0</b>
Net income / loss on continued operations	82.1	-3.8	213.1	82.0
Net income / loss on discontinued operations	-126.5	188.1	-135.5	163.5
<b>Net income / loss</b>	<b>-44.4</b>	<b>184.3</b>	<b>77.6</b>	<b>245.5</b>
Earnings per share on continued operations <sup>1</sup>	0.45	-0.02	1.16	0.43
Earnings per share on discontinued operations <sup>1</sup>	-0.69	1.00	-0.74	0.87
<b>Earnings per share <sup>1</sup></b>	<b>-0.24</b>	<b>0.98</b>	<b>0.42</b>	<b>1.30</b>
Net position <sup>2/3</sup>	-229.6	109.0	-229.6	109.0
Capital expenditures incl. finance leases	32.5	35.0	93.4	75.6
Employees at balance sheet date <sup>4</sup>	21,084	19,016	21,084	19,016

<sup>1)</sup> EUR

<sup>2)</sup> Including Plant Engineering and Ruhr-Zink in 2007 / including Ruhr-Zink in 2008

<sup>3)</sup> Net position = cash and cash equivalents + securities - bank debt

<sup>4)</sup> Full-time equivalents (FTEs), excl. Apprentices/trainees and inactive employees

GEA Group Aktiengesellschaft is Germany's largest listed mechanical engineering group. As an internationally operating technology group, the company concentrates on specialty mechanical engineering with a focus on process technology and components. Consolidated sales amounted to EUR 5.2 billion in 2007. The Group generated over 50 percent of its sales in the high-growth food processing and beverages industries. The company's workforce comprised over 21,000 employees based in 50 countries as of September 30, 2008. The GEA Group ranks as a market and technology leader in 90 percent of its business areas. GEA Group is listed in the German MDAX share index (G1A, WKN 660200).