

GEA prepared for 2009 market trends

- **EBIT up by 25.7 percent to EUR 504.2 million in 2008**
- **EBIT margin improved to 10.4 percent in core segments**
- **Earnings per share from continuing operations up by 50 percent to EUR 1.89**
- **Dividend doubled to EUR 0.40**
- **Order intake in the first two months of 2009 significantly better than the German mechanical engineering industry**

Bochum, March 12, 2009 – GEA Group Aktiengesellschaft concluded a challenging 2008 with record Group earnings before interest and tax (EBIT) of EUR 504.2 million. This result reflects a marked increase in the Group margin of 148 basis points and 9.7 percent, and a further increase in revenue of 6.7 percent. At 10.4 percent, the EBIT margin on the core business significantly exceeded the target level of 10 percent. The daily input of the Group's employees forms the key foundation for the overall success of the company. This is why all employees, excluding the senior management, will receive an extraordinary profit participation bonus of around 1 percent of earnings before tax (EBT) 2008.

"In 2008, our mechanical engineering business achieved revenue of over EUR 5 billion for the first time. Naturally, we also started to take steps in 2008 to counter the decline in earnings anticipated from the general economic trends. I regard the further development and implementation of measures to secure our business performance as the key tasks for all GEA managers in 2009," commented Jürg Oleas, CEO of GEA Group Aktiengesellschaft. These measures include a cutback on overtime, temporary help and short-term employment contracts, further flexibility with respect to working hours, and short-time working. Layoffs among permanent employees will also be implemented. Administration and sales costs will be adjusted to reflect a drop in business volumes. Some locations have already been closed or amalgamated in order to boost productivity. GEA has conducted a further review of the investments in property, plant and equipment that have been planned to date, or have either been postponed or entirely cancelled, in order to adapt to the recession. Overall, from today's perspective, the Executive Board anticipates restructuring expenses of up to EUR 40 million in 2009.

Earnings remain our focus

The 8.0 percent decline in Group order intake in 2008 reflects a sharp drop in volumes of major orders in the bioethanol/biodiesel and breweries. The 2007 fiscal year was characterized by two major power plant orders from South Africa with a total volume of approximately EUR 340 million. The Group's current order backlog reflects good margin quality, which is particularly due to the fact that the high-margin components business in the food manufacturing industry area has experienced stable business trends. GEA will continue to proceed according to the principle of preferring margin to volume in 2009. The comparative robustness of GEA's sales

markets is evidenced by the fact that the approximately 20 percent decline in its January and February 2009 order intake was significantly better than the drop registered by the German mechanical engineering industry, which amounted to 42 percent in January according to the German Engineering Federation (VDMA).

Healthy foundation

GEA's financial position remains stable. The Group has no short-term refinancing requirement, and also has sufficient room for financial maneuver for its future corporate growth. Cash flow from operating activities reached EUR 388.9 million in 2008, on the basis of IFRS accounting. The Group's net debt amounts to EUR 60.2 million, which represents gearing of 4.1 percent. GEA Group has access to unrestricted cash and overnight deposits of EUR 431.7 million. A marked reduction in working capital will support the Group's operating cash flow in 2009.

Portfolio rationalization concluded

The five-year portfolio rationalization process has been concluded with the closure of Ruhr-Zink at the end of the last business year. A total of 20 companies from the chemicals, automotive supply industry, plant engineering, the steel and boiler construction as well as trading and zinc smelting industries were either sold or closed over this period. Over the same timeframe, GEA acquired 30 companies of which almost 80 percent address the food manufacturing and beverages industries or the energy sector as their main sales markets. This leaves GEA well positioned to continue to grow in these comparatively stable markets.

Projects in discontinued operations to be delivered to customers in 2009

Besides the charges arising from the closure of Ruhr-Zink, the main items requiring recognition in the annual financial statements were once again significant expenses for legacy orders in the plant engineering business. Prospectively, all remaining orders, where GEA Group is still exposed to risk at both Lurgi and Lentjes, will nevertheless be delivered in 2009, and will transfer to their warranty phases. Corresponding provisions were already formed in 2008 for the cash outflows of EUR 350 million to EUR 400 million expected in 2009.

Dividend doubled for 2008, but lower business volumes expected in 2009

GEA foresees no recovery in the current economic situation in 2009, which has prompted it to launch the measures described above. A reduction in the outstanding result achieved in 2008 will prove unavoidable in 2009, in terms of both volumes and margins. The current order backlog supports earnings as a result of the good margins on the orders that have been received. The order backlog has even risen slightly following the first two months of 2009. On a longer-term view, and following a normalization of the macroeconomic environment, the total Group EBIT margin should rise from today's 9.7 percent to over 10 percent, allowing the distribution of a dividend equivalent to around one third of Group net income. The Executive and Supervisory Boards of GEA Group are proposing to the Annual General Meeting the payment of a dividend of EUR 0.40 per share for the 2008 fiscal year.

GEA Group financial data (in EUR million)

	Q4 2008	Q4 2007	Q1-Q4 2008	Q1-Q4 2007
Order intake				
Energy and Farm Technology ¹	410.8	829.6	1,645.6	1,991.2
Process Technology	703.4	964.8	3,346.6	3,432.1
Other	-0.9	-1.9	-8.3	-6.4
Total¹	1,113.3	1,792.5	4,983.9	5,417.0
Revenue				
Energy and Farm Technology	529.6	496.6	1,818.6	1,648.3
Process Technology	904.2	961.9	3,338.1	3,159.0
Other	4.1	9.0	22.3	48.8
Total	1,438.0	1,467.5	5,179.0	4,856.0
EBIT				
Energy and Farm Technology	59.0	55.4	165.5	139.8
Process Technology	129.5	118.8	369.7	301.7
Other	-11.3	-21.0	-31.0	-40.4
Total	177.1	153.1	504.2	401.1
% of revenue	12.3	10.4	9.7	8.3
Earnings before tax	166.0	143.6	458.8	351.6
Net income on continued operations	135.8	155.2	349.0	237.2
Net income / loss on discontinued operations	-112.5	-117.2	-248.0	46.3
Net income	23.4	38.0	101.0	283.5
Earnings per share on continued operations ²	0.73	0.83	1.89	1.26
Earnings per share on discontinued operations ²	-0.61	-0.63	-1.35	0.25
Earnings per share²	0.12	0.20	0.54	1.51
Net position ^{3/4}	-60.2	61.3	-60.2	61.3
Capital expenditures	72.2	53.7	165.6	129.3
Employees at balance sheet date ⁵	21,327	19,344	21,327	19,344

¹⁾ Including large order contracts from South Africa totalling approximately 340 million in 2007

²⁾ In EUR

³⁾ Including discontinued operations

⁴⁾ Net position = cash and cash equivalents + securities - bank debt

⁵⁾ Full-time equivalents (FTEs), excl. Apprentices/trainees and inactive employees

Rounding differences possible

GEA Group Aktiengesellschaft is one of the largest pure mechanical engineering groups in Germany. As an internationally operating technology group, it concentrates on specialty mechanical engineering with a focus on process technology and components. Group revenue amounted to EUR 5.2 billion in fiscal year 2008. The Group generated about 50 percent of this revenue from the high-growth food manufacturing and beverages industries. The company employed a workforce of over 21,000 staff members in 50 countries as of December 31, 2008. GEA Group is a market and technology leader in 90 percent of its business areas. GEA Group is listed in the MDAX index (G1A, WKN 660200).