



GEA Group Aktiengesellschaft

**2007 annual
financial statements**

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The aggregated management report is included in the consolidated financial statements of GEA Group Aktiengesellschaft, on pages 12-49 of the 2007 annual report.

The joint listing of the share ownership of GEA Group Aktiengesellschaft pursuant to § 285 Number 11 of the German Commercial Code (HGB) and § 313 Paragraph 2 Numbers 1 to 4 of the German Commercial Code (HGB) is lodged in the commercial register of the local Court of Bochum, and published pursuant to § 325 Paragraph 2 of the German Commercial Code (HGB) in the electronic Federal Gazette (Bundesanzeiger).

Directorships

held by members of the Executive Board

**Jürg Oleas, Düsseldorf / Hausen b. Brugg (Switzerland),
CEO - Chairman of the Executive Board**

- a) Lentjes GmbH, Ratingen,
Chairman of the Supervisory Board (until December 21, 2007)

- Lurgi AG, Frankfurt am Main,
Chairman of the Supervisory Board (until July 20, 2007)

- LL Plant Engineering AG, Ratingen,
Chairman of the Supervisory Board

- Westfalia Separator AG, Oelde,
Member of the Supervisory Board (since October 1, 2007 until February 13, 2008)

- b) Allianz Global Corporate & Specialty AG, Munich,
Member of the Advisory Board

- Deutsche Bank AG, Frankfurt am Main,
Member of the Central Regional Advisory Board

**Hartmut Eberlein, Bochum
CFO - Member of the Executive Board responsible for finance**

- a) GEA Beteiligungsgesellschaft AG, Bochum,
Chairman of the Supervisory Board

- Lurgi AG, Frankfurt am Main,
Member of the Supervisory Board (until July 20, 2007)

- Lentjes GmbH, Ratingen,
Member of the Supervisory Board (until December 21, 2007)

- Westfalia Separator AG, Oelde,
Member of the Supervisory Board (since October 1, 2007 until February 13, 2008)

- Zimmer AG, Frankfurt am Main,
Member of the Supervisory Board (until October 16, 2007)

- b) GEA North America, Inc., Delaware, USA,
Member of the Board of Directors (since February 1, 2008)

**Niels Graugaard, Düsseldorf
COO – Customized Systems, Process Equipment
Process Engineering (since August 1, 2007)**

- a) Westfalia Separator AG, Oelde,
Chairman of the Supervisory Board (since August 1, 2007 until February 13, 2008)

- b) GEA North America, Inc., Delaware, USA,
Member of the Board of Directors (since October 1, 2007)

- Grasso's Koninklijke Machinefabrieken N.V., 's-Hertogenbosch, Netherlands,
Member of the Supervisory Board (since October 1, 2007)

- Niro A/S, Søborg, Denmark,
Chairman of the Supervisory Board

- Niro-Bola A/S, Søborg, Denmark,
Chairman of the Board of Directors

- GEA Process Engineering China Ltd., Shanghai, PR China,
Member of the Board of Directors

- GEA Process Engineering Asia Ltd., Hong Kong, PR China,
Member of the Board of Directors

- GEA Liquid Processing Scandinavia A/S, Skanderborg, Denmark,
Member of the Board of Directors

- GEA Process Engineering (India) Private Limited, Vadodara, India,
Member of the Board of Directors

- GEA Process Engineering Italia S.p.a., Milan, Italy,
Chairman of the Board of Directors

- Procomac S.p.A., Sala Baganza, Italy,
Member of the Board of Directors (since April 11, 2007)

- Niro Japan Co. Ltd., Tokyo, Japan,
Chairman of the Board of Directors

- Tuchenhagen Japan Ltd., Osaka, Japan,
Member of the Board of Directors

- GEA Process Engineering (S.E.A) Pte. Ltd., Singapore,
Member of the Board of Directors

- GEA Process Engineering Ltd., Eastleigh, United Kingdom,
Member of the Board of Directors

- Niro Inc., Columbia, USA,
Member of the Board of Directors

a) Membership of statutory German supervisory boards

b) Membership of comparable German and foreign supervisory bodies of business enterprises

Directorships

held by members of the Supervisory Board

**Klaus Moll, Ludwigshafen,
COO – Plant Engineering (until July 20, 2007)**

- a) Lentjes GmbH, Ratingen,
Member of the Supervisory Board (until July 24, 2007)
- Otto Junker GmbH, Simmerath,
Chairman of the Supervisory Board
- Zimmer AG, Frankfurt am Main,
Chairman of the Supervisory Board (until July 24, 2007)
- b) Beijing Lurgi Engineering Consulting Co. Ltd., Beijing, China,
Chairman of the Board of Directors
- JJ-Lurgi Engineering Sdn. Bhd., Kuala Lumpur, Malaysia,
Chairman of the Board of Directors
- Lurgi Española S.A., Madrid, Spain,
Chairman of the Board of Directors
- Lurgi India Comp. Ltd., New Delhi, India,
Chairman of the Board of Directors
- Lurgi PSI Inc., Memphis, USA,
Chairman of the Board of Directors (until September 25, 2007)

**Peter Schenk, Bochum,
COO – Customized Systems, Process Equipment
Process Engineering (until September 30, 2007)**

- a) Lentjes GmbH, Ratingen,
Deputy Chairman of the Supervisory Board (until September 30, 2007)
- Lurgi AG, Frankfurt am Main,
Member of the Supervisory Board (until July 20, 2007)
- Westfalia Separator AG, Oelde,
Chairman of the Supervisory Board (until September 30, 2007)
- Zimmer AG, Frankfurt am Main,
Member of the Supervisory Board (until September 30, 2007)
- b) GEA North America, Inc., Delaware, USA,
Member of the Board of Directors (until September 30, 2007)
- Grasso's Koninklijke Machinefabrieken N.V.,
's-Hertogenbosch, Netherlands,
Member of the Supervisory Board (until September 30, 2007)
- Niro A/S, Søborg, Denmark,
Member of the Supervisory Board
Chairman of the Supervisory Board (until September 30, 2007)

**Dr. Jürgen Heraeus, Maintal,
Chairman of the Supervisory Board
Chairman of the Supervisory Board of Heraeus Holding GmbH**

- a) EPCOS AG, Munich,
Member of the Supervisory Board (until February 14, 2007)
- Heidelberger Druckmaschinen AG, Heidelberg,
Member of the Supervisory Board
- Heraeus Holding GmbH, Hanau,
Chairman of the Supervisory Board
- Lafarge Roofing GmbH, Oberursel,
Member of the Supervisory Board
- Messer Group GmbH, Sulzbach,
Chairman of the Supervisory Board
- b) Argor-Heraeus S.A., Mendrisio, Switzerland,
Chairman of the Board of Directors

**Reinhold Siegers *, Mönchengladbach,
Deputy Chairman of the Supervisory Board
Chairman of the Works Council of GEA Group Aktiengesellschaft**

**Dieter Ammer, Hamburg,
Chairman of the Management Board of Conergy AG**

- a) Beiersdorf AG, Hamburg,
Chairman of the Supervisory Board
- Conergy AG, Hamburg,
Chairman of the Supervisory Board (delegated to the Management Board since November 15, 2007)
- Heraeus Holding GmbH, Hanau,
Member of the Supervisory Board
- IKB Deutsche Industriebank AG, Düsseldorf,
Member of the Supervisory Board
- Tesa AG, Hamburg,
Member of the Supervisory Board
- Tchibo GmbH, Hamburg,
Chairman of the Supervisory Board (until June 15, 2007)

**Ahmad M.A. Bastaki, Safat, Kuwait,
Executive Director, Office of the Managing Director,
Kuwait Investment Authority**

**Rainer Gröbel *, Sulzbach/Taunus,
Departmental Head, IG Metall, Management Board**

- a) Schunk GmbH, Heuchelheim,
Deputy Chairman of the Supervisory Board

**Klaus Hunger *, Herne,
Works Council of GEA Maschinenkühltechnik GmbH**

Michael Kämpfert *, Duisburg,
Head of Personnel at GEA Group Aktiengesellschaft

Dr. Dietmar Kuhnt, Essen,
Former Chairman of the Management Board of RWE AG

- a) Allianz Versicherungs AG, Munich,
 Member of the Supervisory Board

- BDO Deutsche Warentreuhand AG, Hamburg,
 Member of the Supervisory Board

- Dresdner Bank AG, Frankfurt am Main,
 Member of the Supervisory Board

- Hapag-Lloyd AG, Hamburg,
 Member of the Supervisory Board

- HOCHTIEF AG, Essen,
 Member of the Supervisory Board

- TUI AG, Hanover,
 Member of the Supervisory Board

- b) COMSTAR-United Telesystems, Moscow, Russia,
 Member of the Board of Directors

Kurt-Jürgen Löw *, Ebernahn
Chairman of the Works Council of Westfalia Industry GmbH

- a) Westfalia Separator AG, Oelde,
 Member of the Supervisory Board (until February 13, 2008)

Dr. Helmut Perlet, Munich,
Member of the Management Board of Allianz SE

- a) Allianz Deutschland AG, Munich,
 Member of the Supervisory Board

- Allianz Global Corporate & Specialty AG, Munich,
 Deputy Chairman of the Supervisory Board

- Allianz Global Investors AG, Munich ,
 Member of the Supervisory Board

- Allianz Investment Management SE, Munich,
 Deputy Chairman of the Supervisory Board (since May 23, 2007)

- Dresdner Bank AG, Frankfurt am Main,
 Member of the Supervisory Board

- b) Allianz Life Insurance Company of North America, Minneapolis, USA,
 Chairman of the Board of Directors

- Fireman's Fund Ins. Co., Novato, USA,
 Chairman of the Board of Directors

- Allianz of America Inc. and AZOA Corp., Novato, USA,
 Chairman of the Board of Directors (since April 18, 2007)

- Lloyd Adriatico S.p.A., Trieste, Italy,
 Member of the Board of Directors (until January 31, 2008)

- Allianz S.p.A., Milan, Italy,
 Member of the Board of Directors (since October 1, 2007)

- Riunione Adriatico di Sicurtà S.p.A., Milan, Italy,
 Member of the Board of Directors (until September 30, 2007)

Joachim Stöber *, Biebergemünd,
Executive Secretary of the Management Board of IG Metall

- a) Pierburg GmbH, Neuss,
 Deputy Chairman of the Supervisory Board

- Rheinmetall AG, Düsseldorf,
 Deputy Chairman of the Supervisory Board

Louis Graf von Zech, Frankfurt am Main,
Member of the Supervisory Board of BHF-Bank Aktiengesellschaft

- a) Cocomore AG, Frankfurt am Main,
 Member of the Supervisory Board

- Sto AG, Stühlingen,
 Member of the Supervisory Board (until June 27, 2007)

- ZRT/Zertus GmbH, Hamburg,
 Deputy Chairman of the Supervisory Board

- b) BHF-BANK International S.A., Luxemburg,
 Chairman of the Supervisory Board (since March 2, 2007)

- BHF-BANK Jersey Ltd., Great Britain,
 Member of the Board of Directors

- BHF-BANK Zurich, Switzerland,
 Chairman of the Supervisory Board (until December 31, 2007)

- Frankfurt-Trust Investment-Gesellschaft mbH, Frankfurt am Main,
 Deputy Chairman of the Supervisory Board

Supervisory Board committees of GEA Group Aktiengesellschaft

Mediation Committee pursuant to § 27 Paragraph 3 of the German Codetermination Act (MitbestG)

Dr. Jürgen Heraeus, Chairman
 Dr. Helmut Perlet
 Reinhold Siegers *
 Klaus Hunger *

Chairman's Committee

Dr. Jürgen Heraeus, Chairman
 Dr. Helmut Perlet
 Reinhold Siegers *
 Rainer Gröbel *

Audit Committee

Dr. Dietmar Kuhnt, Chairman
 Dr. Jürgen Heraeus
 Kurt-Jürgen Löw *
 Joachim Stöber *

Nomination Committee

Dr. Jürgen Heraeus, Chairman
 Dr. Dietmar Kuhnt
 Dr. Helmut Perlet

* Employee representatives

a) Membership of statutory German supervisory boards

b) Membership of comparable German and foreign supervisory bodies of business enterprises

Annual financial statements

Consolidated Balance Sheet

as of December 31, 2007

Assets (K EUR)	Note No.	12/31/2007	12/31/2006
Intangible assets		239	496
Property, plant, and equipment		7,028	15,810
Shares in associated companies		2,133,060	2,126,495
Loans to associated companies		191,284	19,100
Financial investments		2,324,344	2,145,595
Fixed assets	1	2,331,611	2,161,901
Receivables due from associated companies		542,642	376,833
Receivables due from companies in which an equity interest is held		0	44
Other assets		37,040	25,107
Receivables and other assets	2	579,682	401,984
Securities	3	436	65,912
Bank deposits and checks		160,686	140,818
Current assets		740,804	608,714
Prepayments and accrued income		576	850
Total assets		3,072,991	2,771,465

Equity and liabilities (K EUR)	Note No.	12/31/2007	12/31/2006
Subscribed capital (conditional capital K EUR 3,212; previous year: K EUR 3,212)		496,890	496,890
Additional paid-in capital		250,779	250,779
Retained earnings		66,202	65,262
Unappropriated retained earnings		36,796	3,755
Equity	4	850,667	816,686
Provisions	5	274,189	436,501
Bank borrowings		162,400	18,600
Trade payables		1,071	1,629
Liabilities due to associated companies		1,778,820	1,484,769
Liabilities due to companies in which an equity interest is held		914	60
Other liabilities		4,748	13,084
Liabilities	6	1,947,953	1,518,142
Accruals and deferred income		182	136
Total equity and liabilities		3,072,991	2,771,465

Consolidated Income Statement for the 2007 financial year

(K EUR)	Note No.	2007	2006
Other operating income	8	50,106	53,762
Personnel expense	9	-25,819	-22,321
Depreciation/amortization	10	-6,991	-9,830
Other operating expenses	11	-64,416	-149,360
Income from investments in affiliates	12	293,079	153,698
Net interest result	13	-46,093	-25,558
Profit from ordinary activities		199,866	391
Income tax		-2,234	146
Net income for the year		197,632	537
Profit carried forward from the previous year		3,755	3,218
Withdrawal from the treasury share reserve		65,262	0
Offset with shares acquired for cancellation		-163,651	0
Addition to other revenue reserves		-66,202	0
Unappropriated retained earnings		36,796	3,755

Schedule of changes in fixed assets

(K EUR)	Cost			Status as of 12/31/2007
	Status as of 12/31/2006	Additions	Disposals	
Intangible assets				
Concessions, commercial trade rights and similar rights as well as licenses to such rights and assets	1,637	0	0	1,637
Total	1,637	0	0	1,637
Property, plant, and equipment				
Land, quasi-property rights and constructions, including constructions on third-party land	56,542	35	-19,545	37,032
Technical plant and machinery	1,468	0	0	1,468
Other plant, operating, and business equipment	5,631	248	-54	5,825
Plant under construction and prepayments for plant	0	324	0	324
Total	63,641	607	-19,599	44,649
Financial investments				
Shares in associated companies	2,336,458	25,213	-16,113	2,345,558
Loans to associated companies	19,100	178,884	-6,700	191,284
Investments in affiliates	4,475	0	-4,475	0
Total	2,360,033	204,097	-27,288	2,536,842
Fixed assets	2,425,311	204,704	-46,887	2,583,128

Depreciation/amortization							
Status as of 12/31/2006	Additions	Disposals	Write-ups	Status as of 12/31/2007	Residual carrying value as of 12/31/2007	Residual carrying value as of 12/31/2006	
1,141	257	0	0	1,398	239	496	
1,141	257	0	0	1,398	239	496	
41,727	2,740	-13,127	0	31,340	5,692	14,815	
1,468	0	0	0	1,468	0	0	
4,636	214	-37	0	4,813	1,012	995	
0	0	0	0	0	324	0	
47,831	2,954	-13,164	0	37,621	7,028	15,810	
209,963	2,586	-51	0	212,498	2,133,060	2,126,495	
0	0	0	0	0	191,284	19,100	
4,475	0	-4,475	0	0	0	0	
214,438	2,586	-4,526	0	212,498	2,324,344	2,145,595	
263,410	5,797	-17,690	0	251,517	2,331,611	2,161,901	

Notes to the financial statements

Preliminary comments concerning the annual financial statements

As a strategic management holding company, GEA Group Aktiengesellschaft performs the management function within the GEA Group. These functions comprise centralized financial management, Group accounting, Group financial planning and reporting, the overarching coordination of strategic, tax, legal, and personnel issues, as well as supply management, Group communications, investor relations, mergers & acquisitions, and auditing. GEA Group Aktiengesellschaft maintains profit and loss transfer agreements with key subsidiaries in Germany. Business progress, the commercial position, and the opportunities and risks pertaining to future developments of the GEA Group Aktiengesellschaft are consequently directly dependent on the business progress of the Group companies.

The separation from the Plant Engineering business was concluded with the sale of Lurgi AG, Frankfurt am Main to the Air Liquide Group, Paris/France, and of Lentjes GmbH, Ratingen, to A-Tec Industries Group, Vienna/Austria, during the 2007 financial year. The sales were effected through GEA Group Aktiengesellschaft subsidiaries so that the disposal gains had an impact via the existing profit transfer agreements within the income from investments in affiliates item of GEA Group Aktiengesellschaft.

In order to provide an easier overview, individual items in the balance sheet and income statement of GEA Group Aktiengesellschaft are summarized, and explained separately in the notes to the financial statements. Other tax is reported among other operating expenses.

Accounting principles

Fixed assets

Intangible assets are measured at cost, and are either amortized on a scheduled basis using the straight-line method, or recognized at fair value, whichever is the lower.

Tangible fixed assets are recognized at cost, and adjusted to reflect scheduled depreciation. Useful lives are always estimated based on tax depreciation tables. Buildings are depreciated both on a straight-line basis, and on a stepped, declining-balance basis. As a rule, useful lives of between five and 50 years are applied as the basis for scheduled, straight-line depreciation of buildings, depending on their utilization. Useful lives of predominantly between three and 13 years are applied for other plant and operating and

office equipment. Assets of minor value are fully written off in the year of their addition, and are reported as disposals in the schedule of fixed assets.

Financial investments are recognized at cost.

Extraordinary write-downs are performed to tangible fixed assets and financial investments when it appears they have been prospectively permanently impaired. If required, extraordinary write-downs are also applied to financial investments also in the instance of temporary impairment. A corresponding write-up is performed if the reason for the impairment no longer applies.

Current assets

Receivables and other assets are recognized at nominal value. Identifiable risks are recognized through specific adjustments.

Securities are measured at the lower of either cost, or stock exchange or market prices.

Bank deposits and holdings of checks are recognized at nominal values.

Pursuant to § 250 Paragraph 1 of the German Commercial Code (HGB), prepayments and accrued income include expenses incurred before the reporting date that represent expense for a given time following this date.

Provisions, liabilities

Actuarial principles are used to measure provisions for pension obligations and quasi-pension, direct obligations arising from the transfer of health fund contributions for employees following retirement (in accordance with the relevant applicable guidelines). This always entails using present values for tax purposes pursuant to § 6a of the German Income Tax Act (EStG) using a discount rate of 6 percent and Professor K. Heubeck's 2005 G mortality tables. Pension obligations acquired as a result of the merger of the former GEA Aktiengesellschaft as of January 1, 2005 are measured at cost in accordance with IAS 2005, which are retained minus utilization until measurement according to § 6a of the German Income Tax Act (EStG) results in a higher valuation.

All miscellaneous provisions are recognized at the amount required according to good commercial judgment; they reflect all identifiable risks and contingent liabilities. Provisions containing an interest portion are discounted.

Liabilities are recognized at repayment amount.

Foreign currency conversion

Receivables and liabilities denominated in foreign currencies are converted using the rate applying on the transaction date or, to the extent that they are not hedged using forward currency transactions, measured at the relevant lower or higher exchange rate applying on the reporting date.

Notes to the balance sheet and income statement

1. Fixed assets

Changes in fixed assets are presented in the schedule of changes in fixed assets.

Write-downs to financial investments of K EUR 2,586 relate to write-downs applied to investments in affiliates, since the carrying values were not covered by the corresponding capitalized value of potential earnings.

The list of share ownership is published in the electronic Federal Gazette (Bundesanzeiger), pursuant to § 325 Paragraph 2 of the German Commercial Code (HGB).

2. Receivables and other assets

Receivables and other assets (K EUR)	12/31/2007	12/31/2006
Receivables due from associated companies	542,642	376,833
(of which with a residual maturity of over one year)	(0)	(0)
(of which trade receivables)	(0)	(0)
Receivables due from companies in which an equity interest is held	0	44
Other assets	37,040	25,107
(of which with a residual maturity of over one year)	(3)	(3)
Total	579,682	401,984
(of which with a residual maturity of over one year)	(3)	(3)

Other assets contain mainly a piece of land with buildings that is intended for sale (K EUR 13,017, previous year: K EUR 10,380), and the asset value of reinsurance policies (K EUR 10,037, previous year: K EUR 8,716), and receivables due from tax authorities (K EUR 12,438, previous year: K EUR 3,720).

3. Securities

Securities (K EUR)	12/31/2007	13/31/2006
Treasury shares	0	65,262
Other securities	436	650
(of which miscellaneous securities)	(436)	(650)
Total	436	65,912

At the start of the financial year, GEA Group Aktiengesellschaft held 6,421,002 ordinary shares with a share of the issued share capital of K EUR 16,415 (3.3 percent).

Of these holdings, 6,231,002 treasury shares were cancelled without capital reduction in 2007. In addition, 190,000 treasury shares from these holdings were sold via the capital market in December 2007, generating proceeds of K EUR 4,456, since these were originally intended for an employee participation program, and could not be cancelled.

The company also acquired a further 4,152,771 treasury shares for cancellation between September and December 2007, with a share of the issued share capital of K EUR 10,968 (2.2 percent) (purchase costs: K EUR 100,319). GEA Group Aktiengesellschaft also cancelled these shares without capital reduction in December 2007.

GEA Group Aktiengesellschaft holds no treasury shares as of December 31, 2007.

Other securities include securities to hedge valuation credits in the age-related part-time "Blockmodell", which have been pledged.

4. Equity

Subscribed capital

The subscribed capital of GEA Group Aktiengesellschaft remained unchanged at K EUR 496,890,369 as of December 31, 2007. The issued share-base consists of 183,982,845 non-par value bearer shares (previous year: 194,366,618). The shares are fully paid in.

Following the calling-in of shares performed in 2007, each share accounts for a rounded notional EUR 2.70 of the issued capital (previous year: EUR 2.56).

Approved capital

Approved capital	Resolution of Annual General Meeting	Expiring on	Amount EUR
Approved capital I	April 30, 2007	April 29, 2012	77,000,000
Approved capital II	June 21, 2004	June 20, 2009	48,000,000
Approved capital III	June 21, 2004	June 20, 2009	123,000,000
Total			248,000,000

Approved capital I allows the Executive Board, with Supervisory Board approval, to increase the issued capital through the issue, on one or more occasions, of new no-par value shares against cash contributions and, pursuant to § 5 Paragraph 4 of the company's bylaws, in doing so to determine a starting date for profit participation other than that stipulated by law. The Executive Board is authorized, with Supervisory Board approval, to exclude shareholders' subscription rights for residual amounts. The Executive Board is also authorized, with the approval of the Supervisory Board, to determine further details relating to the capital increase from Approved Capital I, as well as the terms of the share issue.

Authorized capital II allows the Executive Board, with Supervisory Board approval, to increase the issued capital through the issue, on one or more occasions, of new no-par value shares against cash contributions and, pursuant to § 5 Paragraph 4 of the company's bylaws, in doing so to determine a starting date for profit participation other than that stipulated by law. The Executive Board is authorized, with Supervisory Board approval, to exclude shareholders' subscription rights for residual amounts. Furthermore, the Executive Board is authorized, with Supervisory Board approval, to exclude subscription rights unless the issue price of the new shares is substantially below the market price of shares in the company issued under the same terms and conditions at the time the issue price was determined. This exclusion of subscription rights pursuant to §§ 203 Paragraph 1, 186 Paragraph 3 Clause 4 of the German Stock Corporation Act (AktG) is limited, however, to a total of 10 percent of the share capital of the company registered in the commercial register when Approved Capital II is utilized for the first time, taking into account treasury shares that have been acquired on the basis of a corresponding authorization by the Shareholders' General Meeting up to the time of the issue of the new shares, and which have been sold during the duration of Approved Capital II pursuant to §§ 71 Paragraph 1 No. 8, 186 Paragraph 3 Clause 4 of the German Stock Corporation Act (AktG).

Approved capital III allows the Executive Board, with Supervisory Board approval, to increase the issued capital through the issue, on one or more occasions, of new no-par value shares against cash contributions and, pursuant to § 5 Paragraph 4 of the company's bylaws, in doing so to determine a starting date for profit participation other than that stipulated by law. Furthermore, the Executive Board is authorized, with Supervisory Board approval, to decide on the exclusion of subscription rights and to determine the further details of the capital increase and the conditions governing the issuance of shares.

Conditional capital

Conditional capital (EUR)	12/31/2007	12/31/2006
Settlement claimant GEA shareholders pursuant to § 305 of the German Stock Corporation Act (AktG)	3,210,619	3,210,619
Convertible participatory capital	1,278	1,278
Total	3,211,897	3,211,897

By resolution of the Extraordinary Shareholders' General Meeting of August 20, 1999, the conditional capital was increased by a total of EUR 101,804,881 million, divided into up to 39,822,608 bearer shares. The conditional capital increase was used to grant compensation in the form of shares of the former mg technologies ag to external shareholders of the former GEA Aktiengesellschaft, Bochum, following the conclusion of a control and profit transfer agreement between these two companies. An appeal still pending before the district court in Dortmund is to rule on the appropriateness of the cash payment and compensation specified in the control and profit transfer agreement. The conditional capital increase will only be carried out to the extent that the external shareholders of the former GEA Aktiengesellschaft existing prior to the squeeze-out utilize any right they may have to compensation once the court has issued its final ruling on the appeal.

Please refer to the notes relating to the participatory capital reported under other liabilities with respect to the conditional capital connected with the convertible participatory capital.

Additional paid-in capital

The additional paid-in capital continues to amount to EUR 250,778,647.

It does not include any other additional payments pursuant to § 272 Paragraph 2 No. 4 of the German Commercial Code (HGB).

Retained earnings

Retained earnings change as follows during 2007:

Retained earnings (EUR)	12/31/2007	12/31/2006
Reserve for treasury shares	0	65,262,359
Other retained earnings	66,201,728	0
Total	66,201,728	65,262,359

The treasury share reserve was dissolved after the cancellation and sale of treasury shares.

According to § 23 Paragraph 2 of the bylaws of GEA Group Aktiengesellschaft, the supervisory and executive boards are permitted to transfer amounts to the revenue reserves when determining the annual financial statements, as long as these do not in total exceed half of issued share capital. The executive and supervisory boards have transferred an amount of EUR 66,201,728 to other retained earnings pursuant to § 58 Paragraph 2 Clause 2 of the German Stock Corporation Act (AktG).

5. Provisions

Provisions (K EUR)	12/31/2007	12/31/2006
Provisions for pensions and similar obligations	67,025	59,139
Tax provisions	10,444	8,515
Guarantees and warranties	81,032	252,306
Legal consultancy and litigation costs	36,754	39,440
Provisions for environmental protection, cleanup, and follow-up costs from mining	32,042	33,023
Outstanding supplier invoices	13,007	12,419
Miscellaneous provisions	33,885	31,659
Other provisions	196,720	368,847
Total	274,189	436,501

Provisions for pensions and similar obligations are always measured using present values for tax purposes pursuant to § 6a of the German Income Tax Act (EStG). In the case of the pension provisions transferred as of January 1, 2005, no addition is performed if the present value for tax purposes calculated pursuant to § 6a of the German Income Tax Act (EStG) is less than the obligation entered on the liability side of the balance sheet.

A joint and several liability also exists with respect to mg Altersversorgung GmbH arising from the assumption of debt relating to the pension obligations of GEA Group Aktiengesellschaft towards a particular group of pensioners, surviving dependants, and members of staff with non-forfeitable expectancies of pensions who have left the company. Please refer to the notes relating to contingent liabilities for further details.

GEA Group Aktiengesellschaft has become liable for tax payment due to the positive result of the fiscal body of companies, and due to the restricted potential to offset this with existing tax loss carryforwards (minimum taxation). This results in a rise in the tax provisions.

Among other things, provisions for guarantees and warranties include GEA Group Aktiengesellschaft risk provisions arising from disposal processes, which were concluded in 2007. As with the results from the sales processes themselves, the change in provisions as primarily had an impact within the result from investments in affiliates.

6. Liabilities

Liabilities (K EUR)	12/31/2007 total	of which < 1 year	of which 1-5 years	of which > 5 Years	12/31/2006 total	of which < 1 year	of which 1-5 years	of which > 5 years
Bank borrowings	162,400	156,200	6,200	0	18,600	6,200	12,400	0
Trade payables	1,071	1,071	0	0	1,629	1,629	0	0
Liabilities due to associated companies	1,778,820	1,772,327	6,493	0	1,484,769	1,478,276	6,493	0
(of which trade receivables)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Liabilities due to companies in which an equity interest is held	914	914	0	0	60	60	0	0
Other liabilities	4,748	4,748	0	0	13,084	13,084	0	0
(of which from tax)	(344)	(344)	(0)	(0)	(7,172)	(7,172)	(0)	(0)
(of which as part of social security)	(100)	(100)	(0)	(0)	(0)	(0)	(0)	(0)
Total	1,947,953	1,935,260	12,693	0	1,518,142	1,499,249	18,893	0

Liabilities due to associated companies include liabilities arising from Group cash pooling.

The convertible participatory capital of K EUR 1 (previous year: K EUR 1) is reported among other liabilities due to its subordinate significance, as in the previous year. The nominal value of the participatory right amounts to EUR 256 (DM 500). The participatory rights grant entitlement to an annual distribution equivalent to the dividend attributable to shares of the same nominal value, and participate in liquidation proceeds to the extent of their nominal value. They do not participate in any losses. The convertible participatory rights entitle the holders to exchange their rights into the company's ordinary shares on a 1:1 basis. The conditional capital increases may be performed only to the extent that bearers of convertible participatory rights utilize their conversion rights.

7. Contingencies and other financial obligations

Contingencies

Obligations from guarantees outstanding as of December 31, 2007 of K EUR 1,581,448 (previous year: K EUR 1,063,092) mainly result from the granting of guarantees for plant engineering projects, as well as from agreements forming part of the third-party financing of subsidiaries. The increase relative to the previous year mainly arises from the higher level of business volumes of various subsidiaries. They also contain the joint and several liability for pension obligations of a former subsidiary, as well as for pension obligations of K EUR 58,517 (previous year: K EUR 60,389), as per the valuation as of December 31 2007, for which mg Altersversorgung GmbH and GEA Group Aktiengesellschaft are joint and severally liable. In this connection, GEA Group Aktiengesellschaft has provided warranty to mg Altersversorgung GmbH to finance the company in such a way that it is in a position at all times to satisfy the pension obligations it has acquired by way of assumption of debt. There are no contingencies with respect to associated companies.

Other financial obligations

Other financial obligations (K EUR)	12/31/2007	12/31/2006
Committed but unused credit lines	155,262	144,493
(of which due to associated companies)	(155,262)	(144,493)
Rental and lease agreements	2,531	1,482
(of which due to associated companies)	(1,521)	(688)
Service agreements and miscellaneous	10,330	11,387
(of which due to associated companies)	(864)	(1,200)
Total	168,123	157,362

Other financial obligations are recognized at the amount required for their satisfaction.

GEA Group Aktiengesellschaft has concluded master agreements with various banks concerning the provision of collateral ("guarantee credit master agreements") for its own obligations and those of Group companies with a total volume of EUR 1,955.7 million (previous year: EUR 1,842.6 million). If Group companies utilize these master agreements, GEA Group Aktiengesellschaft is jointly and severally liable together with the relevant Group company. As of the reporting date, Group companies had utilized guarantee credit master agreements to an amount of EUR 901.3 million (previous year: EUR 918.2 million).

Derivative financial instruments

As part of the hedging of currency and interest-rate risks, GEA Group Aktiengesellschaft concludes forward currency and interest-rate hedging transactions with banks for its own foreign currency transactions as well as for those of Group companies.

If GEA Group Aktiengesellschaft concludes hedging transactions for subsidiaries, a corresponding Group-internal hedging transaction is concluded between GEA Group Aktiengesellschaft and the relevant subsidiary. Expenses and income arising from hedging transactions concluded by GEA Group Aktiengesellschaft for subsidiaries are consequently borne in economic terms by the relevant subsidiaries.

The foreign currency transactions of the GEA Group Aktiengesellschaft include receivables and liabilities denominated in foreign currencies, as well as fixed-contract transactions in foreign currencies. Since the underlying and hedging transactions correspond in terms of key parameters such as the foreign currency, amount, and due date, micro-hedges are formed for this purpose in each individual case as part of compensatory measurement. This means the effect of the hedging transaction is reflected in the recognition of the underlying transaction.

Interest-rate hedging transactions were concluded to hedge loans with Group companies. In these cases, currencies, amounts, and terms are congruent. A micro-hedge was formed in each case for this purpose as part of compensatory measurement.

(K EUR)	Nominal values 12/31/2007 (Gross volumes)	Fair market values of derivatives as of 12/31/2007		Nominal values 12/31/2006 (Gross volumes)	Fair market values of derivatives as of 12/31/2006	
		Positive market values	Negative market values		Positive market values	Negative market values
Currency-related transactions						
Forward currency transactions	531,883	11,266	12,284	1,054,285	16,043	16,213
Transactions with banks	328,112	10,350	2,521	558,405	13,492	2,759
Transactions with Group companies	203,771	916	9,763	495,880	2,551	13,454
Hedging transactions						
Interest-rate swap transactions	20,454	289	190	0	0	0
Transactions with banks	10,227	0	190	0	0	0
Transactions with Group companies	10,227	289	0	0	0	0
Interest/currency swap transactions	38,038	0	2,703	0	0	0
Transactions with banks	38,038	0	2,703	0	0	0
Total	590,375	11,555	15,177	1,054,285	16,043	16,213

The carrying value of the above-listed derivative financial instruments amounts to EUR 0 due to the micro-hedges that have been formed.

Currency-related transactions

Fair values are derived from market data and finance-mathematical valuation models. The forward currency transactions are measured using the fixing price of the European Central Bank on the measurement date. The swap rates relevant for calculating market values in the relevant currencies, as well as the interest-rate structure, are made available by a recognized financial services provider. The forward market rates are calculated by applying the swap rate to the fixing price of the European Central Bank compared with the agreed forward rates. In order to calculate the market value, the difference between the agreed forward price and the forward market price is multiplied by the nominal volume, and discounted on the basis of the interest-rate structure as of the measurement date.

Hedging transactions

Interest-rate hedges are measured at fair value by discounting expected future cash flows. Applicable market interest rates are used for the residual maturities of the transactions.

Interest/currency swaps are measured at fair value in a way analogous to the fair valuation of interest-rate swaps, by discounting future cash flows arising from the contracts. Besides the applicable relevant market interest rates applying as of the reporting date, such measurements are based on the exchange rates of the relevant foreign currency in which the cash flows are denominated.

8. Other operating income

Other operating income (K EUR)	2007	2006
Income from passed-on charges and ancillary transactions	21,178	18,318
Income from the release of provisions	10,527	25,273
Income from the release of value impairments	5,708	277
Rental and lease income	3,543	3,432
Income from mergers	0	1,620
Miscellaneous operating income	9,150	4,842
Total	50,106	53,762

Other operating income includes income unrelated to the accounting period of K EUR 17,953 (previous year: K EUR 26,969). This mainly results from the release of provisions.

9. Personnel expense

Personnel expense (K EUR)	2007	2006
Wages and salaries	22,140	18,873
Social contributions, and pension and benefit expenses (of which for pensions)	3,679 (2,422)	3,448 (2,163)
Total	25,819	22,321

10. Depreciation/amortization

Depreciation/amortization in the reporting year of K EUR 6,991 (previous year: K EUR 9,830) includes extraordinary write-downs of K EUR 5,762 (previous year: K EUR 8,246) applied to land and buildings. Of the extraordinary write-downs, K EUR 3,780 (previous year: K EUR 0) were attributable to current assets.

11. Other operating expenses

Other operating expenses (K EUR)	2007	2006
Surveying and consultancy costs	22,328	16,384
Third-party supplies and services	8,980	6,941
Travel costs, other personnel expense	5,932	1,298
Rents, leases	2,821	2,997
IT expense	2,317	1,839
Insurance expense	1,954	3,815
Repairs, maintenance	1,127	1,001
Miscellaneous operating expenses	18,957	115,085
Total	64,416	149,360

The increase in surveying and consultancy costs mainly results from disposals performed in the reporting year.

Among other things, miscellaneous operating expenses include an addition to provisions for contingent liabilities, follow-up costs relating to mining, expenses arising from Group-internal innovation contests, costs relating to the Annual General Meeting, the annual report, and further general administration costs.

12. Income from investments in affiliates

Income from investments in affiliates (K EUR)	2007	2006
Income from profit transfer agreements	330,276	199,853
Expenses from loss transfers	-214,222	-254,025
Income from affiliates	179,611	196,500
(of which from associated companies)	(179,611)	(196,500)
Income from write-ups to financial investments	0	70,101
Write-downs applied to financial investments	-2,586	-7,675
Expenses from settlement obligations pursuant to capital contribution agreements	0	-51,056
Total	293,079	153,698

Income from profit transfer agreements mainly contains profits transferred from Westfalia Separator AG, GEA Ecoflex GmbH, GEA Energietechnik Betriebs- und Anlagenbau GmbH, WestfaliaSurge GmbH, GEA Air Treatment GmbH, and Tuchenhausen GmbH.

Expenses arising from the assumption of losses mainly contained losses assumed from LL Plant Engineering AG, mg vermögensverwaltung GmbH, and mg Altersversorgung GmbH.

Income from investments in affiliates contained distributions from associated companies totaling K EUR 179,611 (previous year: K EUR 3,500). The previous year also included income from the deposits of investments in affiliates at market values amounting to K EUR 193,000.

Expenses reported in the previous year arising from settlement obligations pursuant to capital contribution agreements relate to the termination of the trust structure in the 2006 financial year.

13. Net interest result

Net interest result (K EUR)	2007	2006
Income from loans made from financial investments	2,319	1,202
(of which from associated companies)	(2,319)	(1,202)
Other interest and similar income	29,865	22,488
(of which from associated companies)	(24,797)	(20,367)
Interest and similar expenses	-78,277	-49,248
(of which to associated companies)	(-55,382)	(-37,385)
(of which interest portion arising from additions to pension provisions)	(-3,396)	(-3,374)
(of which compound interest applied to long-term provisions)	(-1,706)	(-998)
Total	-46,093	-25,558

Other notes

Number of employees

Year-average by number of employment contracts	2007	2006
Salaried employees	107	110
Industrial workers	0	0

Reporting date by number of employment contracts	2007	2006
Salaried employees	108	111
Industrial workers	0	0

The above-mentioned figures do not include trainees and Executive Board members.

Auditors' fees

The fees reported as expense for the auditor in the financial year pursuant to § 285 of the German Commercial Code (HGB) Number 17 totaled K EUR 660 (previous year: K EUR 1,427). These are split as follows:

Auditors' fees (K EUR)	2007	2006
Audit of financial statements (parent company and consolidated financial statements)	430	803
Other certification services	210	592
Tax consultancy services	20	32
Total	660	1,427

Financial Statements

As the parent company of the GEA Group, GEA Group Aktiengesellschaft prepares its own consolidated financial statements according to IFRS. The annual financial statements, and the management report of GEA Group Aktiengesellschaft, which is aggregated with the Group management report, as well as the consolidated financial statements for the GEA Group for the 2007 financial year, have all been issued with auditors' certificates, and have been published in the electronic Federal Gazette (Bundesanzeiger). They are available at www.gea-group.com under the menu item "Investor Relations". The financial statements can also be ordered from GEA Group Aktiengesellschaft, Dorstener Str. 484, 44809 Bochum.

Shareholder structure

Disclosure pursuant to § 160 Paragraph 1 Number 8 of the German Stock Corporation Act (AktG)

In a letter dated December 29, 2003, **Allianz Aktiengesellschaft**, Königinstraße 28, 80802 Munich, communicated to us pursuant to §§ 21 Paragraph 1, 22 Paragraph 1 Clause 1 Number 1, 24 of the German Securities Trading Act (WpHG) that: Due to a group-internal transfer of shares, the voting right share of Aiolos Vermögensverwaltungsgesellschaft mbH, Königinstraße 28, 80802 Munich, exceeded the thresholds of 5 percent and 10 percent of the voting rights in mg technologies ag on December 23, 2003, and amounted at this time to 10.08 percent.

The voting right share of Dresdner Bank Aktiengesellschaft, Jürgen-Ponto-Platz 1, 60301 Frankfurt am Main, exceeded the threshold of 10 percent of the voting rights on December 23, 2003, and amounted at this time to 10.08 percent. These voting rights are attributable to Dresdner Bank Aktiengesellschaft pursuant to § 22 Paragraph 1 Clause 1 Number 1 of the German Securities Trading Act (WpHG).

The voting right share of Allianz Finanzbeteiligungs GmbH, Königinstraße 28, 80802 Munich, exceeded the threshold of 10 percent on December 23, 2003, and amounted at this time to 10.08 percent. These voting rights are attributable to Allianz Finanzbeteiligungs GmbH pursuant to § 22 Paragraph 1 Clause 1 Number 1 of the German Securities Trading Act (WpHG).

The voting right share of Allianz AG, Königinstraße 28, 80802 Munich, in GEA Group Aktiengesellschaft (formerly mg technologies ag) has not changed in a manner that requires reporting, as evidenced by the letter of December 29, 2003.

With a letter of April 3, 2002, Kuwait Investment Office, London, Kuwait Investment Authority, State of Kuwait, communicated pursuant to § 41 Paragraph 2 Clause 1 of the German Securities Trading Act (WpHG), that the State of Kuwait Investment Authority, Kuwait Investment Office, London, as Agent of the **Government of the State of Kuwait**,

owned 7.859 percent of the voting rights (15,170,102 votes) in mg technologies ag on April 1, 2002. The sole owner of the above-mentioned voting rights, and shareholder, is the Government of the State of Kuwait, Kuwait, represented by the Kuwait Investment Authority, Kuwait Investment Office, London, as Agent. The calculation of the percentage ownership at that time is based on our information, whereby the number of ordinary shares in issue until April 1, 2002 amounted to 193,019,996. We received no communication from the Kuwait Investment Office in the reporting year.

TIAA-CREF Investment Management, LLC, 730 Third Avenue, New York, NY 10017, USA, an investment management company founded according to the law of the State of New York, informed us as follows on April 27, 2007: The voting right share of TIAA-CREF Investment Management, LLC in GEA Group Aktiengesellschaft fell below the 3 percent threshold on April 25, 2007, and consequently amounted to 2.96 percent, corresponding to 5,762,523 of a total of 194,366,618 voting rights in GEA Group Aktiengesellschaft. All these voting rights were attributed to TIAA-CREF Investment Management, LLC pursuant to § 22 Paragraph 1 Clause 1 Number 6 of the German Securities Trading Act (WpHG) as a result of shares held by the College Retirement Equities Fund, New York, USA.

The College Retirement Equities Fund, 730 Third Avenue, New York, NY 10017, USA, an investment company founded according to the law of the State of New York, informed us as follows on April 27, 2007:

The voting right share of the College Retirement Equities Fund in GEA Group Aktiengesellschaft fell below the 3 percent threshold on April 25, 2007, and consequently amounted to 2.96 percent, corresponding to 5,762,523 of a total of 194,366,618 voting rights in GEA Group Aktiengesellschaft.

Mr. Charles Jobson, Boston, USA, communicated to us in another letter of May 20 90,007 that his share had fallen below the 3 percent threshold of voting rights in GEA Group Aktiengesellschaft on February 2, 2007. On February 2, 2007, the number of shares held amounted to 6,024,159, which corresponds to a share of 3.1 percent of the voting rights.

All of the above-mentioned voting rights are held by funds administered by Delta Partners, LLC, Boston, USA, – which are the sole property of Mr. Charles Jobson – and are attributable to Mr. Charles Jobson pursuant to § 22 Paragraph 1 Clause 1 Number 6 of the German Securities Trading Act (WpHG). None of the funds exceeds the 3 percent threshold on its own part.

The TIAA Board of Overseers, New York, USA, a not-for-profit company founded according to the law of the State of New York, communicated to us in a letter of July 9, 2007 that its voting rights share in GEA Group AG, Bochum, fell below the 3 percent threshold on July 5, 2007, and consequently amounted to 2.88 percent of the voting rights, correspond-

ing to 5,612,278 and a total of 194,366,618 voting rights in GEA Group Aktiengesellschaft. All voting rights were attributed to TIAA Board of Overseers pursuant to § 22 Paragraph 1 Clause 1 Number 6 in combination with Clauses 2 and 3 of the German Securities Trading Act (WpHG).

The **Teachers Insurance and Annuity Association of America**, New York, USA, a life insurance company founded according to the law of the State of New York, communicated to us in a letter of July 9, 2007 that its voting rights share in GEA Group AG, Bochum, fell below the 3 percent threshold on July 5, 2007, and consequently amounted to 2.88 percent of the voting rights, corresponding to 5,612,278 and a total of 194,366,618 voting rights in GEA Group Aktiengesellschaft. All voting rights were attributed to Teachers Insurance and Annuity Association of America pursuant to § 22 Paragraph 1 Clause 1 Number 6 in combination with Clauses 2 and 3 of the German Securities Trading Act (WpHG).

Fidelity International informed us as follows on November 30, 2007:

The voting right share of **FMR LLC**, 82 Devonshire Street, Boston, Massachusetts 02109, USA, in GEA Group AG, Dorstener Strasse 484, 44809 Bochum, Germany, fell below the 3 percent threshold on November 26, 2007, and now amounted to 3.19 percent (6,009,672 shares). The voting rights are attributed to FMR. LLC pursuant to § 22 (1) 2 of the German Securities Trading Act (WpHG) in combination with § 22 (1) 1 Number 6 of the German Securities Trading Act (WpHG).

Fidelity International communicated to us in a letter of January 14, 2008 that the voting right share of **Fidelity Management & Research Company**, 82 Devonshire Street, Boston, Massachusetts 02109, USA, in GEA Group Aktiengesellschaft, Bochum, exceeded the 3 percent threshold on January 9, 2008, and consequently amounted to 3.05 percent of the voting rights, corresponding to 5,607,000 voting rights in GEA Group Aktiengesellschaft. All voting rights were attributed to Fidelity Management & Research Company pursuant to § 22 Paragraph 1 Clause 1 Number 6 of the German Securities Trading Act (WpHG).

Hermes Focus Asset ManagementK EUROpe Limited communicated to answer the letter of January 15, 2008 that the voting right share of Hermes European Focus Fund I, Lloyds Chambers, 1 Portsoken Street, London E1 8HZ, United Kingdom, in GEA Group Aktiengesellschaft, Bochum, exceeded the 3 percent threshold on January 9, 2008, and consequently amounted to 3.007 percent of the voting rights, corresponding to 5,658,122 voting rights in GEA Group Aktiengesellschaft.

Note concerning the shareholder structure:

As a result of the cancellation of treasury shares without capital reduction, the number of voting rights changed during the 2007 financial year.

The issued share capital is split into 183,982,845 ordinary shares pursuant to § 4 Paragraph 2 of the bylaws of GEA Group Aktiengesellschaft.

Erklärung zum Corporate-Governance-Kodex

On November 27, 2007 the executive and supervisory boards issued an updated declaration of compliance pursuant to § 161 of the German Stock Corporation Act (AktG), and posted it on the company's website, where it can be accessed permanently by shareholders.

Executive and supervisory boards

The members of the executive and supervisory boards are listed in a separate annex.

Executive Board remuneration

The remuneration paid to the members of the Executive Board is composed of both performance-related and non-performance-related components.

The non-performance-related basic remuneration is a fixed amount paid as a monthly salary. Executive Board members also receive pension subsidies, and non-monetary compensation, consisting mainly of the fiscal value of company car use, reimbursement of the costs of running two households, removal costs, and accident insurance contributions. As a rule, pension subsidies are granted up to a maximum of half of the substantiated maximum amount of statutory pension insurance. In the case of Mr. Graugaard, who was appointed to the Executive Board as of August 1, 2007, this amount is equivalent to 12.5 percent of his fixed salary, in line with his previous contractual arrangements. This represents a notional reconciliation with the statutory pension insurance regulations currently in force in Denmark. Mr. Graugaard has not received a pension commitment from the company.

Performance-related remuneration consists of a bonus. The bonus is generally determined by the achievement of profit-related and personal targets that are specified in individual agreements. The performance targets basically depend on pre-tax earnings in combination with the EBIT margin (EBIT = earnings before interest and tax), and on the performance of the company's share relative to the MDAX share index. The bonus for Executive Board member Mr. Moll, who stood down from his position, was fixed for the full business year on the basis of the change-of-control clause agreed with Mr. Moll, and using the related minimum amount (EUR 425,000). It was paid to him on a pro rata basis until the end of his period of office (July 20, 2007).

Executive Board members may be granted an additional discretionary bonus if their individual performance adds exceptional value for the company's shareholders. The company's Supervisory Board decides whether such a discretionary bonus should be granted and, if so, its level. Mr. Moll was ordered an additional discretionary bonus of K EUR 1,100 on this basis for his performance during the reporting year.

The Chairman of the Executive Board, Mr. Oleas, enjoys a contractual pension commitment with an individually agreed fixed amount. This pension is paid if his Executive Board contract ends on or after his 62nd birthday, or if he becomes unable to work. Mr. Oleas receives his pension if his employment contract has run for at least 15 years, and ends before the above preconditions are met. In this event, or if he becomes permanently unable to work, his pension is paid as a transitional measure until he reaches his 62nd birthday; this amount is reduced by the full amount of any severance payment and – up to his 62nd birthday – any other income from activities commenced after he left the company, but by no more than half of the transitional pension payment for the year in question. If Mr. Oleas' contract as an Executive Board member ends before one of the above-mentioned preconditions is met, he will be entitled to a pro-rata annual pension that is calculated based on a maximum possible service period of 180 months. A pension that is being paid is adjusted every year in line with the consumer price index.

All members of the Executive Board are entitled to make their own contributions to a pension scheme in the form of deferred compensation. There is no employer subsidy.

The company is obligated to honor non-forfeitable pension expectancies for Mr. Moll and Mr. Schenk, who stood down during the course of the business year. In Mr. Moll's case, this relates to a contractually agreed non-forfeitable pension expectancy arising from the retirement pension pledged in his contract of employment. In Mr. Schenk's case, it relates to a non-forfeitable pension expectancy arising from his contractually agreed retirement pension, and from his participation in the deferred compensation pension scheme, which the company is obligated to honor in line with the German Company Pension Act.

The company has set aside pension reserves to cover the future entitlements of Executive Board members.

The Chairperson of the Executive Board is entitled to give unilateral notice in the instance that the Supervisory Board wishes to revoke his appointment as Chairperson of the Executive Board. If he or she chooses to exercise this option to give unilateral notice and to step down from the Executive Board, he or she is entitled to continue to receive his fixed salary for the remaining months of his contractual period of office, to a maximum of eight months, however.

With respect to a change-of-control, the following rule applies for all members of the Executive Board: if Executive Board members are removed as Executive Board members of the company, or their contracts as Executive Board members are terminated by mutual consent within six months of the change-of-control: the bonuses paid for the respective finan-

cial year – where legally permissible, especially pursuant to § 87 Paragraph 1 of the German Stock Corporation Act (AktG) – will amount to at least K EUR 850 gross for Mr. Oleas, at least K EUR 510 gross for Mr. Eberlein, and to at least K EUR 467.5 gross for Mr. Graugaard. A change-of-control within this meaning is deemed to have occurred as soon as the company is notified that an investor holds 50 percent (or 75 percent) or more of the company's voting capital as per § 21 of the German Securities Trading Act (WpHG), or an affiliation agreement is concluded with the company as a controlled enterprise as per §§ 291 ff of the German Stock Corporation Act (AktG), or either a subordination of a dependent entity as per § 319 of the German Stock Corporation Act (AktG), or a change in the company's legal form as per the Conversion Act become legally effective.

The total remuneration paid to the current Executive Board members of GEA Group in Gesellschaft amounted to K EUR 7,535 in the reporting in (previous year: K EUR 6,401) and, in addition to a fixed payment of K EUR 2,828 (previous year: K EUR 3,001), contained a variable bonus of K EUR 4,707 (previous year: K EUR 3,400).

The tables below provide details of the base salary, bonus, other forms of remuneration, and the pension entitlements for each member of the Executive Board.

The table below shows the remuneration paid to each member of the Executive Board in 2007, and the previous year's comparison:

(EUR)	Fixed salary	Bonus	Payment-in-kind	Pension subsidies	Total
Jürg Oleas	1,020,000.00	1,500,000.00	94,223.11	--	2,614,223.11
Previous year	1,020,000.00	1,000,000.00	61,092.29	--	2,081,092.29
Hartmut Eberlein	500,000.04	800,000.00	14,806.56	6,268.56	1,321,075.16
Previous year	400,000.08	900,000.00	14,929.80	6,142.56	1,321,072.44
Niels Graugaard ¹⁾	229,166.70	322,916.67	38,329.15	28,645.85	619,058.37
Previous year	--	--	--	--	--
Klaus Moll ²⁾	376,559.16	1,334,041.10	34,970.76	3,471.30	1,749,042.32
Previous year	680,000.04	500,000.00	55,517.77	6,142.56	1,241,660.37
Peter Schenk ³⁾	450,000.00	750,000.000	26,639.37	4,701.42	1,231,340.79
Previous year	600,000.00	1,000,000.00	25,696.97	6,142.56	1,631,839.53
Summe	2,575,725.90	4,706,957.77	208,968.95	43,087.13	7,534,739.75
Previous year	2,700,000.12	3,400,000.00	157,236.83	18,427.68	6,275,664.63
Sonstiges	--	--	--	--	--
Previous year ⁴⁾	124,999.92	--	--	507.00	125,506.92
Insgesamt	2,575,725.90	4,706,957.77	208,968.95	43,087.13	7,534,739.75
Previous year	2,825,000.04	3,400,000.00	157,236.83	18,934.68	6,401,171.55

1) Mr. Graugaard was appointed as a regular member of the Executive Board with effect as of August 1, 2007.

2) Mr. Moll's Executive Board mandate ended on July 20, 2007

3) Mr. Schenk's Executive Board mandate ended on September 30, 2007

4) The figures shown under „Other“ in the previous year relate to the back-payment of Mr. Schenk's base salary for the entire 2005 financial year in May 2006, and to the back-payment of Mr. Eberlein's pension allowance for December 2005.

Executive Board's individual loan stock rights and pension entitlements in 2007

(EUR)	Pension commitment p.a. (Status 12/31/2007) (Annual entitlement at time of takeover)	Invested annual pension entitlements as of 12/31/2007
Jürg Oleas	220,000.00	97,777.78
Hartmut Eberlein ¹⁾	24,899.92	24,899.92
Niels Graugaard ²⁾	--	--
Klaus Moll ³⁾	108,000.00	108,000.00
Peter Schenk ⁴⁾	119,769.72	119,769.72
Total	472,669.64	350,447.42

1) Mr. Eberlein's pension entitlement is based solely on the contributions he pays into a pension scheme in the form of deferred compensation

2) No pension commitment was granted to Mr. Graugaard.

3) The company is contractually obliged to honor a non-forfeitable expectancy of a pension to Mr. Moll at the level stated in the above table.

4) The company is statutorily obliged to honor a non-forfeitable expectancy of a pension to Mr. Schenk at the level stated in the above table.

Remuneration paid to former members of the Executive Board and their surviving dependants

Former members of the Executive Board and their surviving dependants received remuneration of K EUR 2,126 (2006: K EUR 2,810) from GEA Group Aktiengesellschaft, and payments of K EUR 5,717 (2006: K EUR 6,317) from the GEA Group. GEA Group Aktiengesellschaft accrued IFRS pension reserves of K EUR 28,191 (previous year: K EUR 25,790) for former members of the Executive Board and their surviving dependants; the GEA Group accrued pension reserves of K EUR 54,852 (previous year: K EUR 53,318) for these persons.

Remuneration paid to the Supervisory Board

Expenses incurred for the Supervisory Board amounted to K EUR 670 in 2007 (2006: K EUR 726). According to § 15 Paragraph 1 of the company's bylaws, each member of the Supervisory Board receives a fixed annual payment of K EUR 30, payable after the end of each year, in addition to reimbursement of out-of-pocket expenses. The chairperson of the Supervisory Board receives two-and-a-half times this amount, and the deputy chairperson one and-a-half times this amount. According to § 15 Paragraph 2 of the company's bylaws, each member of the Chairperson's Committee and the Audit Committee receives K EUR 25. The chairperson of each of these committees receives twice this amount. No separate remuneration is, or was, paid to members of the Mediation Committee. Members who join or leave the Supervisory Board or its committees during the year are paid only pro rata temporis for the period of their membership. The remuneration paid to members of the Supervisory Board contains no performance-related element.

The individual details of remuneration, including its relevant components, for members of the Supervisory Board, the Chairperson's Committee, and the Audit Committee are listed below in the following table, including both 2007 and previous year's figures:

(EUR)	Supervisory Board remuneration	Chairman's Committee remuneration	Audit Committee remuneration	Totals for 2007
Dr. Heraeus	75,000.00	50,000.00	25,000.00	150,000.00
Previous year	75,000.00	50,000.00	25,000.00	150,000.00
Siegers	45,000.00	25,000.00		70,000.00
Previous year	45,000.00	25,000.00		70,000.00
Ammer	30,000.00			30,000.00
Previous year	30,000.00	8,493.15		38,493.15
Bastaki	30,000.00			30,000.00
Previous year	30,000.00			30,000.00
Delaveaux *				0.00
Previous year	10,191.78		8,493.15	18,684.93
Erler *				0.00
Previous year	2,547.95			2,547.95
Gröbel	30,000.00	25,000.00		55,000.00
Previous year	30,000.00	25,000.00		55,000.00
Dr. Happel *				0.00
Previous year	10,191.78	8,493.15		18,684.93
Hunger	30,000.00			30,000.00
Previous year	30,000.00	4,931.51		34,931.51
Kämpfert	30,000.00			30,000.00
Previous year	26,958.90			26,958.90
Prof. Krebs *				0.00
Previous year	2,547.95			2,547.95
Kruse *				0.00
Previous year	10,191.78			10,191.78
Dr. Kuhnt	30,000.00		50,000.00	80,000.00
Previous year	30,000.00		50,000.00	80,000.00
Löw	30,000.00		25,000.00	55,000.00
Previous year	26,958.90		16,575.34	43,534.24
Dr. Perlet	30,000.00	25,000.00		55,000.00
Previous year	30,000.00	16,575.34		46,575.34
Dr. Rittstieg *				0.00
Previous year	10,191.78			10,191.78
von Sperber *				0.00
Previous year	2,547.95			2,547.95
Stöber	30,000.00		25,000.00	55,000.00
Previous year	30,000.00		25,000.00	55,000.00
Graf von Zech	30,000.00			30,000.00
Previous year	30,000.00			30,000.00
Summe	420,000.00	125,000.00	125,000.00	670,000.00
Previous year	462,328.77	138,493.15	125,068.49	725,890.41

* Stepped down from the Supervisory Board in FY 2006.

Board members of GEA Group Aktiengesellschaft were granted no advances, loans, or guarantees. No remuneration or benefits were paid to members of the Supervisory Board for personal services rendered, such as consultancy, mediation or agency services. Employee representatives from the GEA Group Aktiengesellschaft received their normal salaries for their activities.

Proposal for the application of earnings

GEA Group Aktiengesellschaft reported net income for the year of EUR 197.6 million as of December 31, 2007. After the release of the treasury share reserve (EUR 65.3 million), the offsetting with shares acquired for cancellation (EUR 163.7 million), and the transfer to the other retained earnings (EUR 66.2 million, and taking into account the profit carried forward from the previous year (EUR 3.7 million), unappropriated retained earnings of EUR 36,796,569.00 are reported.

The executive and supervisory boards propose to the Annual General Meeting to distribute a dividend of EUR 36,796,569.00, corresponding to EUR 0.20 per share, from the unappropriated retained earnings of EUR 36,796,569.00 for the 2007 financial year.

Bochum, March 4, 2008

The Executive Board



Jürg Oleas



Hartmut Eberlein



Niels Graugaard

Assurance of the legal representatives

We assure that, according to the best of our knowledge, the annual financial statements convey a true and fair view of the asset, financing, and earnings positions of GEA Group Aktiengesellschaft in accordance with the applicable accounting principles, that the business performance, including the earnings position, of GEA Group Aktiengesellschaft are represented in the management report, which was aggregated with the Group management report, in such a way that a true and fair view is conveyed, and that the key opportunities and risks pertaining to the future development of GEA Group Aktiengesellschaft are described.

Bochum, March 4, 2008

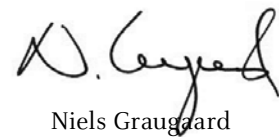
The Executive Board



Jürg Oleas



Hartmut Eberlein



Niels Graugaard

Independent Auditors' Report

We have audited the annual financial statements – comprising the balance sheet, income statement, and notes to the financial statements – in the light of the bookkeeping, and the management report of GEA Group Aktiengesellschaft, Bochum, which is aggregated with the Group management report, for the financial year from January 1 to December 31, 2007. The bookkeeping and the preparation of the annual financial statements, and of the aggregated management report according to German commercial law, and the supplementary provisions of the company bylaws, are the responsibility of the Executive Board of the company. Our responsibility is to express an opinion on the consolidated financial statements and the aggregated management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 of the German Commercial Code (HGB), and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (German Institute of Auditors). These standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the financial position and financial performance in the annual financial statements in accordance with proper bookkeeping principles, and in the management report, are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company, and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the internal control system relating to the accounting system, and the evidence supporting the disclosures in the bookkeeping, annual financial statements, and the management report, are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles applied, key Executive Board estimates, as well as an appraisal of the overall presentation of the annual financial statements and of the management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has led to no reservations.

In our opinion, based on the findings of our audit, the annual financial statements of GEA Group Aktiengesellschaft, Bochum, comply with legal requirements, and the supplementary provisions of the company bylaws, and convey a true and fair presentation of the company's assets, financing, and profitability in keeping with the principles of proper accounting. The parent company management report, which has been aggregated with the Group management report, is consistent with the consolidated financial statements and, as a whole, provides a suitable view of the company's position, and suitably presents the opportunities and risks pertaining to future development.

Frankfurt am Main, March 4, 2008

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

(Kompenhans)
Public Certified Auditor

(Dr. Buhleier)
Public Certified Auditor

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These Annual financial statements are a translation of the German original.
Only the German version is legally binding.

This annual report includes forward-looking statements relating to GEA Group AG, its subsidiaries, and affiliate companies, and relating to 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 cannot therefore assume any liability for the statements made.

