



Q1
08

Interim Report for the 1st Quarter,
January 1 to March 31, 2008

GEA Group: key IFRS figures

(EUR million)	Q1 2008	Q1 2007	Change (%)
Results of operations			
Order intake	1,444.4	1,381.3	4.6
Sales	1,189.6	1,055.6	12.7
of which outside Germany	978.4	824.9	18.6
of which in Germany	211.2	230.7	-8.4
Order backlog	2,834.1	2,463.9	15.0
EBITDA	97.6	81.4	20.0
EBIT	77.1	64.3	19.8
% of sales	6.5	6.1	-
Earnings before tax	68.0	51.8	31.2
Net income on continued operations	49.5	31.6	56.3
Net income on discontinued operations	-	1.4	-100.0
Net income	49.5	33.0	49.9
Net assets			
Total assets	4,764.2	5,222.7	-8.8
Equity	1,435.0	1,283.9	11.8
% of total assets	30.1	24.6	-
Working Capital (balance sheet date) ¹	746.0	687.5	8.5
Net position ^{2/3}	-54.6	362.4	-115.1
Gearing (%) ^{2/4}	3.8	-28.2	-
Financial position			
Cash flow from operating activities	-82.0	-118.7	30.9
Free cash flow ⁵	-120.8	-129.9	7.0
Investment (balance sheet date) ⁶	2,728.7	2,493.3	9.4
Capital expenditure including finance leases	40.0	15.0	166.3
Employees ⁷			
Employees (balance sheet date)	20,128	17,897	12.5
of which in Germany	6,953	6,578	5.7
of which outside Germany	13,175	11,319	16.4
GEA Group's share (EUR)			
Share price (balance sheet date)	21.30	20.72	2.8
Earnings per share	0.27	0.18	52.3
of which on continued operations	0.27	0.17	58.9
of which on discontinued operations	-	0.01	-100.0
Weighted average number of shares outstanding (million)	184.0	187.9	-2.1

1) Working capital = inventories + trade receivables - trade liabilities - prepayments received

2) Including Plant Engineering in 2007

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

4) Gearing = net position / equity

5) Free cash flow = cash flow from operating activities + cash flow from investing activities

6) Investment = fixed assets + Working Capital

7) Full-time equivalents (FTEs), excl. apprentices/trainees and inactive employees

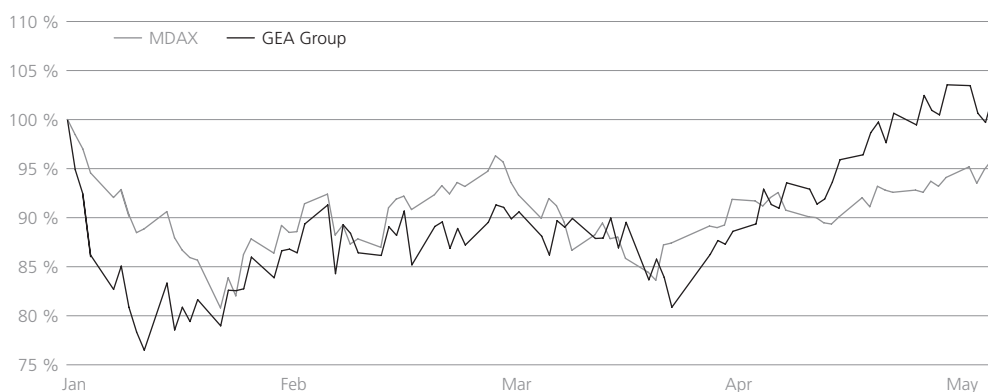
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GEA Group's Shares

Stock market performance of GEA Group shares

The equity market initially continued its negative trend in 2008. Mechanical engineering stocks were particularly affected, despite high order backlog levels. In this environment, the GEA Group Aktiengesellschaft share fell to a low of EUR 18.25 on January 11, 2008. Subsequent to this, the share outperformed the MDAX, and closed at EUR 21.30 on March 31. Following the end of the first quarter, the share reached EUR 25.09 on May 2, thereby outperforming the MDAX.

Performance of GEA Group's share price against the MDAX



The company's market capitalization amounted to over EUR 3.9 billion at the end of the first quarter of 2008. The method to calculate market capitalization used by Deutsche Börse AG takes only the free float (82 percent) into account, which equates to EUR 3.1 billion at the end of the first quarter. This places GEA Group Aktiengesellschaft at position number 35 among all listed German corporations (position 38 at the end of December 2007). The company occupied position 37 in terms of trading volume at the end of March 2008 (position 38 at the end of December 2007). The average daily turnover with 1.7 million shares during the first three months of 2008 was almost at exactly the same level of the comparable prior year turnover of 1.8 million shares. The vast majority of these trades was settled through the XETRA electronic trading system.

The company held no treasury shares as of March 31, 2008. There were 183,982,845 shares in issue at the end of March 2008.

Participation in 4 roadshows and conferences, as well as 69 one-on-one meetings, continues to reflect the capital market's high degree of interest, and the intensive investor relations work the GEA Group is conducting.

GEA Group's shares: Key performance indicators	Q1	Q1
	2008	2007
Shares in issue at March 31 (million)	184.0	194.4
Number of shares at March 31 (million)	184.0	187.9
Share price at March 31 (EUR) ¹	21.30	20.72
Share price high (EUR)	22.61	20.72
Share price low (EUR)	18.25	16.23
Market capitalization at March 31 (EUR billion) ²	3.92	4.02
Earnings per share (EUR)	0.27	0.18
of which on discontinued operations (EUR)	-	0.01

1) or on the last trading day of the reporting period

2) on the basis of shares in issue

Prices: XETRA closing prices

GEA Performance Share Plan

The company has had a long-term remuneration program for executives of the first and second management levels – excluding Executive Board members – since 2006. To take part in this program, executives must invest their own money in GEA Group AG shares equivalent to 20 percent of their allotted performance shares, and then hold these shares throughout the three-year term of the program. At the end of the period, which will occur for the first time on June 30, 2009, the number of performance shares will be attributed based on the performance of GEA Group Aktiengesellschaft relative to the MDAX. The number of performance shares issued will then be multiplied by the average share price of GEA Group Aktiengesellschaft over the last three months of the program. The value calculated from this process represents the amount to be paid out. Over 70 percent of senior managers have participated in this program, consequently expressing their high degree of identification with the company. Due to this high level of participation, the Executive Board has decided to extend the program to the next management level.

Management Report

Acquisitions

GEA Group acquired the air-cooled heat-exchanger business of the German company NEMA AirFin GmbH, Netzschkau, as of January 1, 2008. The company generated sales of almost EUR 25 million with 165 employees in 2007. Heat-exchangers produced in Netzschkau supplement the product range of the Thermal Engineering Division.

GEA Group acquired the French company Univalve, Schiltigheim, with effect from January 1, 2008. Univalve provides an extensive range of valves, including single-seated valves, double-seated valves, and sterile valves, as well as double-seated valves with leakage cavities. The acquisition of Univalve will allow GEA Group to offer its customers a broader range of specialty valves in the future.

GEA Group acquired the Canadian company ViEX, Newmarket, in February 2008. ViEX specializes in fully welded plate heat-exchangers. These are primarily used in the chemical and petrochemical industry, as well as for oil and gas production applications. The company generated sales of around EUR 8 million with approximately 50 employees in 2007. The production of ViEX supplements the production of the Process Equipment Division's factory in York, Pennsylvania, which was opened in 2007. Hence, all types of plate heat-exchangers (brazed, gasketed, and fully welded) can now be produced and sold directly in North America.

GEA Group acquired the British company P.S.S.P Fabrications Ltd., Willenhall, as of March 31, 2008. Besides sales, overhaul, and servicing for standard cooling towers, the company also develops, manufactures, and installs odor control systems. The company generated sales of around EUR 5 million with 39 employees in 2007.

Overall Environment

The consequences of the US real estate crisis are burdening the global economy. This was the conclusion reached by leading economic research institutes in their "Economic Outlook Spring 2008". Price inflation has also accelerated considerably in recent months. Besides the continued rise in the price of crude oil, foodstuff prices have also become significantly more expensive. The rate of global economic expansion is nevertheless still substantial since production in emerging economies continues to experience high growth.

The German Engineering Federation (VDMA) foresees an unbroken growth trend for the German mechanical engineering industry. The Association recently announced that order intake rose by 10 percent in real terms in February compared with the same month of the previous year. For March, by contrast, the Association reported a real decline of 5 percent in order intake compared with March in the previous year. However, the VDMA justifies this decline by pointing to the extraordinarily strong performance in March 2007 (growth of 47 percent), as well as the loss of 3 working days due to the early date of Easter this year. Consequently, the Association does not regard the March 2008 figures as a signal of a new trend. The German mechanical engineering sector reported a 4 percent real increase in orders in the first quarter of 2008 compared with the first quarter of 2007. In particular, domestic business, which was up by 12 percent in February, exceeded the Association's expectations. However, the foreign business of the export-oriented sector continued to report growth of 9 percent, despite the appreciation of the euro relative to the dollar. Following the relatively sharp decline in the domestic business compared with foreign business in March, growth at a level of 1 percent was still reported in this area for the first three months of the year. There were a total of 5 percent more orders for the German mechanical engineering industry from abroad during the period January to March 2008. The level and range of order backlog also reports constant growth, which is why the Association regards 2008 production growth of 5 percent compared with the record 2007 year as already secured.

Business Performance

Order intake

The GEA Group raised order intake in its core divisions by 8.4 percent during the first three months to EUR 1,376.7 million (2007: EUR 1,270.3 million). All divisions with high-margin components businesses increased order intake at double-digit percentage rates. Total order intake from the core divisions excluding Thermal Engineering was up by 10 percent compared with the first quarter of the previous year. This was accompanied by a significant improvement in the expected gross margin. Acquired companies achieved an order intake of EUR 63.3 million in the first quarter of 2008.

Order intake (EUR million)	Q1 2008	Q1 2007	Change (absolute)	Change (%)
Energy and Farm Technology	451.8	424.3	27.5	6.5
Process Technology	924.9	845.9	79.0	9.3
Total	1,376.7	1,270.3	106.5	8.4
"Other" and Consolidation	67.7	111.1	-43.4	-39.0
GEA Group	1,444.4	1,381.3	63.1	4.6

In the Energy and Farm Technology Segment, the Thermal Engineering Division generated an order intake of around EUR 220 million which is slightly above the already very high level achieved in the previous year. The business was characterized by the fact that, although fewer major orders were awarded overall, the division more than compensated for this through higher growth of smaller orders. More major orders are expected to be received again in the second half of the year. Although the Emission Control Division significantly reduced its order intake as a result of the fact that it was no longer accepting turnkey orders, it nevertheless thereby improved its expected margin. The Air Treatment Division, which concentrates on the European market, continued to benefit from the construction economy in the first quarter, particularly in Eastern Europe and Turkey, and achieved a growth of order intake in the low double digits. Global growth in demand for milk resulted in a marked rise in order intake in the Farm Technologies Division. The company Houle & Fils, which was acquired in the second quarter of 2007, contributed to the increase of order intake. Excluding Thermal Engineering, the segment achieved a 12.5 percent increase of order intake.

In the Process Technology Segment, the Process Engineering Division no longer accepted any major bioethanol projects with relatively low depth of value-creation, which will prospectively lead to better margins in the future. Excellent growth was realized in the food and beverages areas, particularly concerning products for processing milk and coffee. Pharma Systems is operating in a difficult market environment since most major pharmaceuticals manufacturers introduced various cost-reduction programs in early 2008. This had an impact on investment decisions in America and Europe. However, the decrease in the Pharma Systems Division reduced the order intake in the core segments only by around one percentage point. The Process Equipment Division reported a high level of order intake in the marine industry, particularly in the heat-exchanger area. Good growth in order intake in the energy sector continues to have a favorable impact on order intake for industrial heat-exchangers. Transformer oil coolers, generator coolers, and coolers for large electrical motors were the main drivers of the business. Continued growth in Asian countries, but also in Brazil and Russia, had a favorable effect on business. The Refrigeration Division reported good growth of order intake, particularly for refrigeration plant for the oil, gas, and chemical industries, as well as in its service business. Besides petrochemicals, the division experiences constant growth in the foodstuffs area. Last year's acquisition of Aerofreeze is also performing very well. Within the Mechanical Separation Division's area of business, particularly the areas of shipbuilding and oil production reported very strong growth. However, orders were also at a high level in the milk processing and beverages industry areas, such as, for example, fruit juice production.

The “Other” Segment is affected by the lower price level for zinc. Although Ruhr-Zink produced almost exactly the same volume as in the previous year’s first quarter, the company consequently reported significantly lower order intake in the first quarter of 2008.

Sales

Sales in the core segments were up by around 20 percent (2007: +23 percent). This demonstrates the stable growth of GEA’s business. Acquired companies generated EUR 58.5 million of sales in the first quarter.

Sales (EUR million)	Q1 2008	Q1 2007	Change (absolute)	Change (%)
Energy and Farm Technology	363.2	339.2	24.0	7.1
Process Technology	757.4	596.7	160.7	26.9
Total	1,120.6	935.9	184.7	19.7
“Other” and Consolidation	69.0	119.7	-50.8	-42.4
GEA Group	1,189.6	1,055.6	134.0	12.7

In the Energy and Farm Technology Segment, sales in the Thermal Engineering Division were at the previous year’s high level. Major orders seen in 2007 in this division will start to have an impact on sales over the course of the next few years. The Air Treatment Division benefited from the good level of orders in the construction business. The Eastern European region, in particular, is catching up in this respect. The Farm Technology Division reported the highest rate of growth within the segment. Sales growth was significant as a result of an expanded sales network, and the division’s excellent market position. Particularly in South America the interest of the customer in high-quality milk production and processing systems is growing.

By contrast, the Process Technology Segment reported a much higher rate of sales growth in the first quarter. High growth rates were registered in almost all industrial, component-based applications. The Process Engineering Division continued to report strong demand for process lines for foodstuffs or milk processing. Demand for these applications is strong as a result of the constant rise in demand from BRIC countries (Brazil, Russia, India, and China), and particularly Brazil in this case. This rising demand reflects the growing purchasing power of such countries. The Pharma Systems Division registered a decline in sales in the first quarter due to the fact that major pharmaceutical companies in Europe and the US are currently cutting back on investments. Within the Process Equipment Division, it was particularly sales in the area of valves, pumps, and homogenizers that were particularly favorably affected. The Mechanical Separation Division reported rising sales with complete process lines. The rising price of oil makes it increasingly profitable for the division’s customers to use GEA’s highly efficient technology to also develop challenging oil resources.

Within the “Other” Segment, Ruhr-Zink reported significantly lower sales than in the prior year’s period. Zinc prices, which have in part fallen sharply since 2007, are the reason for this decline.

Order backlog

The order backlog position as of March 31, 2008 was once again significantly ahead of the comparable prior year figure as a result of the rapid growth of order intake in 2007. It rose by EUR 135.4 million, respectively 5.0 percent, compared with December 31, 2007 (EUR 2,698.7 million).

Order backlog (EUR million)	03/31/2008	03/31/2007	Change (absolute)	Change (%)
Energy and Farm Technology	1,255.7	1,093.9	161.8	14.8
Process Technology	1,571.6	1,352.5	219.1	16.2
Total	2,827.3	2,446.5	380.9	15.6
“Other” and Consolidation	6.7	17.5	-10.7	-61.4
GEA Group	2,834.1	2,463.9	370.2	15.0

Results of operations

GEA Group earnings before interest and tax (EBIT) in the first quarter of 2008 significantly outpaced earnings in the same period of the previous year. EBIT in the core segments was increased by 35.1 percent. The EBIT margin in the core segments consequently rose by 83 basis points, from 6.5 percent to 7.4 percent.

(EUR million)	EBIT Q1 2008	EBIT margin (%)	EBIT Q1 2007	EBIT margin (%)	Change in EBIT (absolute)
Energy and Farm Technology	20.1	5.5	17.4	5.1	2.7
Process Technology	62.5	8.3	43.8	7.3	18.8
Total	82.6	7.4	61.1	6.5	21.4
“Other” and Consolidation	-0.1	-0.1	8.3	6.9	-8.3
Holding	-5.5	-	-5.1	-	-0.4
GEA Group EBIT	77.1	6.5	64.3	6.1	12.8

In the Energy and Farm Technology Segment, earnings in the Thermal Engineering Division, despite reporting a slight year-on-year rise, were affected by a temporary stagnation in sales growth in the first quarter. Investments made in Qatar and China in 2007 have however already had a positive impact on the division's earnings. Earnings of the Air Treatment Division improved in a gratifying manner now that production problems with central ventilation equipment have been solved to a large extent. In overall terms, all divisions in this segment improved their margins.

Key figures on results of operations (EUR million)	Q1 2008	Q1 2007	Change (absolute)	Change (%)
Sales	1,189.6	1,055.6	134.0	12.7
EBITDA	97.6	81.4	16.2	20.0
EBIT	77.1	64.3	12.8	19.8
Earnings before tax	68.0	51.8	16.2	31.2
Income taxes	-18.5	-20.1	1.7	8.2
Net income from continued operations	49.5	31.6	17.8	56.3
Net income on discontinued operations	-	1.4	-1.4	-100.0
Net income	49.5	33.0	16.5	49.9

The Process Technology Segment reported a significant improvement in performance. Rising incomes in BRIC countries and other regions result in increased general demand for processed foodstuffs and beverages. The Process Engineering Division is excellently positioned in these areas, and is benefiting from its strong market position. By contrast, the Pharma Systems Division anticipates no earnings improvement before the second half of the year due to the restraints in investment volume evident across the entire pharmaceutical sector. Restructuring costs related to the adjustment of capacities have also burdened earnings in this area. Earnings in the Process Equipment Division are extraordinarily pleasing, a situation that is further underpinned by a greater level of activity in the USA and Asia. The Mechanical Separation Division raised EBIT, particularly as a result of stronger service business. The new "BestFit" program, whereby standardized decanters are used in various applications, and which results in shorter delivery times accompanied by better prices, offers interesting growth potential for the division. In this segment too, all divisions improved their margins further, with the exception of the Pharma Systems Division.

The expected tax rate now amounts to 27.2 percent, following 38.9 percent in the previous year. The change of the tax rate results from the 2008 German Corporate Tax Reform among other effects.

Consolidated net income amounted to EUR 49.5 million in the first quarter (2007: EUR 33.0 million). Consolidated net income corresponds to earnings of EUR 0.27 per share in the first quarter of 2008, following EUR 0.18 in the comparable period in the previous year.

Financial position

The net position declined by EUR 115.9 million compared with December 31, 2007. The largest cash payments relate to a higher level of working capital, investment activity, as well as outgoing payments in connection with disposals. Gearing amounts to 3.8 percent.

Summary cash flow statement (EUR million)	Q1 2008	Q1 2007	Change (absolute)	Change (%)
Cash flow from operating activities	-82.0	-118.7	36.6	30.9
Cash flow from investing activities	-38.7	-11.2	-27.5	-246.1
Free cash flow	-120.8	-129.9	9.1	7.0
Cash flow from financing activities	69.4	90.5	-21.1	-23.3
Net position (adjusted)	-54.6	362.4	-416.9	-115.1
Gearing in %	3.8	-28.2	-	-

Net assets

Total assets as of March 31, 2008 have remained virtually unchanged compared with December 31, 2007. Non-current assets were almost unchanged, while current assets reported a slight rise. This increase in current assets basically reflects higher levels of inventories. Trade receivables showed a slight decline. On the equity and liabilities side of the balance sheet, there was a limited degree of transfer of current liabilities into non-current liabilities.

Summary balance sheet (EUR million)	03/31/2008	as % of total assets	12/31/2007	as % of total assets	Change (absolute)	Change (%)
Assets						
Non-current assets	2,352.1	49.4	2,349.0	49.5	3.1	0.1
of which goodwill	1,294.2	27.2	1,299.7	27.4	-5.4	-0.4
of which deferred taxes	357.8	7.5	364.9	7.7	-7.1	-2.0
Current assets	2,395.5	50.3	2,382.3	50.2	13.2	0.6
Assets held for sale	16.7	0.4	16.7	0.4	0.0	-0.1
Total assets	4,764.2	100.0	4,748.0	100.0	16.3	0.3
Equity and liabilities						
Equity	1,435.0	30.1	1,413.7	29.8	21.3	1.5
Non-current liabilities	861.8	18.1	857.3	18.1	4.5	0.5
of which deferred taxes	99.5	2.1	87.2	1.8	12.3	14.1
Current liabilities	2,467.4	51.8	2,477.0	52.2	-9.5	-0.4
Total equity and liabilities	4,764.2	100.0	4,748.0	100.0	16.3	0.3

Employees

The number of employees was 20,128 at the end of the first quarter of 2008 (March 31). This represents an increase of 568 employees compared with December 31, 2007. It reflects both external and organic growth in both segments. The acquisition of NEMA AirFin added 165 employees to the GEA Group. Other changes in the scope of consolidation increased the number of employees by 91. An additional 312 employees were engaged as a result of organic growth (73 of which were in Germany).

Employees (balance sheet date) *	03/31/2008	03/31/2007
Energy and Farm Technology	6,597	5,719
Process Technology	13,097	11,726
Total	19,694	17,445
Other	434	452
GEA Group	20,128	17,897

* Full-time equivalents (FTEs), excl. apprentices/trainees and inactive employees

Research and development

Research and development expenses amounted to EUR 18.2 million in the first quarter of 2008, following EUR 17.4 million in the comparable period of the previous year. This is equivalent to 1.5 percent of sales.

Research and development (R&D) costs (EUR million)	Q1 2008	Q1 2007	Change (%)
Customer-funded (reimbursed)	5.6	5.5	1.9
Group-funded (non-reimbursed)	12.6	11.9	6.1
Total R&D costs	18.2	17.4	4.8
R&D ratio (% of sales)	1.5	1.6	-

Risk position

The Groups risk profile has improved significantly as a result of the sale of the Plant Engineering business, although some risks have remained with the GEA Group, which may result in further charges.

Mechanical engineering continued to report good growth during 2008. The level of order intake ensured that the segments were fully employed.

There has been no significant change in the overall assessment of ongoing litigation during the reporting period compared with what was presented in the “Report on opportunities and risks” in the 2007 annual report. In the Polyamid 2000 AG case, the Higher Regional Court of Frankfurt am Main rejected the appointment of the insolvency administrator in its decision of April 18, 2008, and an appeal was not permitted.

All in all, from today’s viewpoint, there are no risks that might jeopardize the GEA Group as an ongoing concern. Sufficient provisions according to relevant regulations have been formed for identified risks. No new information was available as of March 31, 2008 compared with the 2007 annual report.

Events after the balance sheet date

At its meeting on April 23, 2008, the Supervisory Board of GEA Group Aktiengesellschaft appointed Dr. Helmut Schmale, 51, as a member of the Executive Board of GEA Group Aktiengesellschaft with effect as of April 1, 2009. He is President of GEA’s Thermal Engineering Division. Dr. Helmut Schmale will take over as CFO after the Annual General Meeting on April 22, 2009. Dr. Schmale is the successor of Hartmut Eberlein, who wishes to devote more time to his private life in the future. On March 11, 2008, the Supervisory Board consequently extended Mr Eberlein’s Executive Board mandate, which was set to expire at the end of 2008, until the end of the ordinary Annual General Meeting to be held on April 22, 2009. Dr. Helmut Schmale has been employed at GEA since early 1993. He has since held various management positions, and moved to join the divisional management of the Energy Technology area (now known as the Thermal Engineering Division) in October 1997, where he was active as CFO. Dr. Schmale has been divisional president and CEO of GEA’s Thermal Engineering Division since April 2004.

The Annual General Meeting on April 23, 2008 gave its approval to the proposal of the supervisory and executive boards to distribute a dividend of EUR 0.20 per dividend-entitled ordinary share for the 2007 financial year just passed.

The Process Equipment Division was further strengthened by the acquisition of the Dutch company Bloksma B.V., Almere. Bloksma produces intercoolers for large marine engines, oil coolers for industrial applications, double-pipe coolers for various industrial processes, and for marine engines. The company has a workforce of around 160 employees. Sales in 2007 were over EUR 30 million. The transaction will be completed following the approval of the relevant anti-trust authorities.

Outlook

Economy

According to the joint forecasts issued by the leading economic research institutes in spring 2008, the global economy will experience a temporary slowdown during the forecast period 2008 and 2009 due to significant negative factors. However, the institutes believe loss of growth will be limited. They do not anticipate a marked recession in the USA, which means they are also not expecting significant setbacks in the global economy. There are no indications of recession in the Eurozone. However, growth in the Eurozone economy will be less than its long-term trend rate. According to the spring 2008 forecast, the growth of the real global Gross Domestic Product of prospectively 2.7 percent this year will be somewhat less than in previous years (3.6 percent in 2007). Growth of 2.9 percent is anticipated for 2009.

The German Engineering Federation (VDMA) continues to see no sign of a slowdown in the mechanical engineering sector. Following excellent growth in 2007, the Association continues to expect production growth of 5 percent for 2008. Domestic demand remains strong, and, despite the strength of the euro, and the related burden placed on exports to the US, export business is very robust. These negative factors are nevertheless more than offset by stronger export demand from China and India, the Middle East, and Russia.

The most important sales markets of the GEA Group will continue to grow at annual rates of 7 to 8 percent. The foodstuffs and beverages industries, pharmaceuticals, the energy sector, as well as chemicals and petrochemicals will be largely driven by global population growth and rising household incomes, particularly in emerging economies. Advancing globalization is resulting in a decline in global poverty, as well as a significant expansion of the middle class. The associated rise in demand for processed foods, pharmaceuticals, and energy, leads to growing demand for the process technology offered by the GEA Group.

Business outlook

We expect sales to grow in all divisions of the Energy and Farm Technology Segment. The envisaged completion of the high level of orders in the order backlog, particularly in the Thermal Engineering Division, is a key factor behind this growth. We are also assuming strong sales growth in the Process Technology Segment.

While the Executive Board of the GEA Group is expecting an economic slowdown, particularly in North America, it is not anticipating global recession. To this extent, an increase of 5 to 10 percent of order intake for 2008 continues to be expected, reflecting the fact that GEA's portfolio of businesses enjoys a large degree of independence from the business cycle. We are assuming sales growth of around 10 percent before acquisitions, due to the high level of order backlog. Operating earnings in the core segments will continue to grow faster than sales, consequently allowing for a 70 to 80 basis point improvement in the EBIT margin. It is expected that the overall positive growth will continue in 2009. Given continued sales growth of 5 to 10 percent, the Executive Board anticipates an EBIT margin of over 10 percent for the core segments by 2009.

As part of the medium-term financial planning, the Executive Board expects net debt (excluding pension provisions) to amount to around 40 to 50 percent of consolidated equity, given an adjusted investment ratio equivalent to 3 percent of sales, continued acquisition activity, or, potentially, share repurchases, and an increase in the dividend.

This business outlook is confirmed due to the company's successful start in the 2008 financial year, as well as acquisitions that have already been realized.

Bochum, May 8, 2008

GEA Group Aktiengesellschaft

The Executive Board

Financial Statements for the 1st Quarter of 2008

Consolidated Balance Sheet

at March 31, 2008

Assets (EUR thousand)	03/31/2008	12/31/2007	Change (%)
Property, plant and equipment	492,556	486,037	1.3
Investment property	43,956	44,666	-1.6
Goodwill	1,294,230	1,299,650	-0.4
Other intangible assets	95,114	95,869	-0.8
Investments in enterprises reported at equity	13,633	14,585	-6.5
Other non-current financial assets	54,798	43,237	26.7
Deferred taxes	357,773	364,910	-2.0
Non-current assets	2,352,060	2,348,954	0.1
Inventories	739,309	674,691	9.6
Trade receivables	1,216,757	1,241,541	-2.0
Income tax receivables	20,946	11,186	87.3
Other current financial assets	191,236	175,706	8.8
Cash and cash equivalents	227,231	279,162	-18.6
Current assets	2,395,479	2,382,286	0.6
Assets held for sale	16,703	16,713	-0.1
Total assets	4,764,242	4,747,953	0.3

Equity and liabilities (EUR thousand)	03/31/2008	12/31/2007	Change (%)
Issued capital	496,890	496,890	-
Additional paid-in capital	1,079,610	1,079,610	-
Retained earnings	-81,162	-130,398	37.8
Accumulated other comprehensive loss/income	-62,852	-35,932	-74.9
Minority interest	2,489	3,508	-29.0
Equity	1,434,975	1,413,678	1.5
Non-current provisions	226,415	231,568	-2.2
Non-current obligations to employees	510,180	513,370	-0.6
Non-current financial liabilities	18,445	20,874	-11.6
Other non-current liabilities	7,263	4,284	69.5
Deferred taxes	99,544	87,219	14.1
Non-current liabilities	861,847	857,315	0.5
Current provisions	563,562	606,770	-7.1
Current obligations to employees	165,641	168,006	-1.4
Current financial liabilities	298,312	223,388	33.5
Trade payables	627,328	763,015	-17.8
Income tax liabilities	56,434	54,653	3.3
Other current liabilities	756,143	661,128	14.4
Current liabilities	2,467,420	2,476,960	-0.4
Total equity and liabilities	4,764,242	4,747,953	0.3

Consolidated Income Statement

January 1 - March 31, 2008

(EUR thousand)	Q1 2008	Q1 2007	Change (%)
Sales	1,189,604	1,055,617	12.7
Cost of sales	-872,472	-784,760	-11.2
Gross profit	317,132	270,857	17.1
Selling expenses	-113,535	-104,769	-8.4
Administrative expenses	-116,045	-98,540	-17.8
Other income	31,938	15,800	102.1
Other expenses	-42,631	-19,097	-123.2
Net income on enterprises reported at equity	194	41	373.2
Earnings before interest and tax (EBIT)	77,053	64,292	19.8
Interest and similar income	4,583	2,934	56.2
Interest expense and similar charges	-13,681	-15,438	11.4
Earnings before tax on continued operations	67,955	51,788	31.2
Income taxes	-18,484	-20,146	8.2
of which current taxes	-10,037	-8,868	-13.2
of which deferred taxes	-8,447	-11,278	25.1
Net income on continued operations	49,471	31,642	56.3
Net income on discontinued operations	-	1,362	-100.0
Net income	49,471	33,004	49.9
of which minority interest	235	-12	> 1,000
of which attributable to shareholders of GEA Group Aktiengesellschaft	49,236	33,016	49.1

(EUR)			
Basic earnings per share	0.27	0.18	52.3
of which on continued operations	0.27	0.17	58.9
of which on discontinued operations	-	0.01	-100.0
Weighted average number of shares outstanding (million)	184.0	187.9	-2.1

Consolidated Cash Flow Statement

January 1 - March 31, 2008

(EUR thousand)	Q1 2008	Q1 2007
Net income	49,471	33,004
Plus income taxes	18,484	20,146
Plus net income on discontinued operations	-	-1,362
Earnings before tax on continued operations	67,955	51,788
Net interest expense	9,098	12,504
Earnings before interest and tax (EBIT)	77,053	64,292
Depreciation, amortization, impairment and reversal of impairment on non-current assets	20,552	17,087
Other non-cash income and expenses	1,278	-41
Obligations to employees	-8,380	-6,244
Change in provisions	-51,079	6,065
Gains/losses on disposal of non-current assets	-77	-178
Change in inventories, including unbilled PoC receivables ¹	-22,984	-3,290
Change in trade receivables	53,675	7,756
Change in trade payables	-137,697	-128,637
Change in other operating assets and liabilities	3,017	-32,281
Tax payments	-17,406	-10,315
Net cash flow from operating activities of discontinued operations	-	-32,880
Cash flow from operating activities	-82,048	-118,666
Proceeds from disposal of non-current assets	2,138	2,662
Cash payments for the purchase of property, plant and equipment and intangible assets	-26,464	-14,934
Cash payments for the purchase of non-current financial assets	-9,298	-765
Interest and dividend income	1,872	1,726
Cash payments for acquisitions	-6,979	-
Net cash flow from investing activity relating to discontinued operations	-	119
Cash flow from investing activities	-38,731	-11,192
Change in finance lease liabilities	-434	-376
Cash receipts from finance facilities	74,423	295,494
Interest payments	-4,605	-7,407
Net cash flow from financing activities of discontinued operations	-	-197,233
Cash flow from financing activities	69,384	90,478
Exchange-rate-related and other changes in cash and cash equivalents	-7,133	-7,756
Change in unrestricted cash and cash equivalents	-58,528	-47,136
Unrestricted cash and cash equivalents at beginning of the year	272,717	252,240
Unrestricted cash and cash equivalents at end of the year	214,189	205,104
Restricted cash and cash equivalents	13,042	2,970
Cash and cash equivalents reported on the face of the balance sheet	227,231	208,074

1) Including prepayments received

Consolidated Statement of Changes in Equity at March 31, 2008

(EUR thousand)	Issued capital	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income/loss	Treasury shares	Minority interest	Total
Balance at 12/31/2006 (187,945,616 shares)	496,890	1,077,076	-249,149	327	-65,263	1,582	1,261,463
Net income			283,513				283,513
Minority interest			-1,113			1,113	-
Accumulated other comprehensive income/loss				-36,259		-30	-36,289
Total income and expense for the year							247,224
of which minority interest							1,083
of which attributable to shareholders of GEA Group AG							246,141
Withdrawal of treasury shares			-163,650		63,331		-100,319
Sales of treasury shares		2,534			1,932		4,466
Change in other minority interest						843	843
Balance at 12/31/2007 (183,982,845 shares)	496,890	1,079,610	-130,398	-35,932	-	3,508	1,413,678
Net income			49,471				49,471
Minority interest			-235			235	-
Accumulated other comprehensive income/loss				-26,920		-20	-26,940
Total income and expense for the year							22,531
of which minority interest							215
of which attributable to shareholders of GEA Group AG							22,316
Change in other minority interest						-1,234	-1,234
Balance at 03/31/2008 (183,982,845 shares)	496,890	1,079,610	-81,162	-62,852	-	2,489	1,434,975

(EUR thousand)	Cumulative translation adjustment	Available-for-sale securities	Hedge accounting	Total
Balance at 12/31/2006	-5,657	205	5,779	327
Accumulated other comprehensive income/loss	-36,139	-178	58	-36,259
Balance at 12/31/2007	-41,796	27	5,837	-35,932
Accumulated other comprehensive income/loss	-33,189	1	6,268	-26,920
Balance at 03/31/2008	-74,985	28	12,105	-62,852

Notes to the Consolidated Financial Statements

1 Reporting principles

These interim consolidated financial statements of GEA Group Aktiengesellschaft, and the interim single-entity financial statements of the subsidiaries included in the consolidated financial statements, have been prepared in accordance with International Financial Reporting Standards (IFRS), the relevant interpretations of the International Accounting Standards Board (IASB), and Regulation No. 2002/ of the European Parliament and Council regarding the application of International Accounting Standards to interim financial reporting in the EU. This interim report does not contain all information and notes that IFRS stipulates as requisite for year-end consolidated financial statements.

These consolidated first-quarter financial statements and Group management report have been neither audited in accordance with § 317 of the German Commercial Code (HGB) nor submitted for review by a certified public auditor.

The accounting principles applied in these interim financial statements are the same as those applied as of December 31, 2007, and are described in detail on pages 71 to 85 of the GEA Group annual report.

The GEA Group is applying IFRS 8 “Operating Segments” voluntarily for the first time for the 2008 financial year, in accordance with regulations concerning first-time application. IFRS 8 stipulates the financial information that a company is required to provide concerning its operating segments. IFRS 8 replaces IAS 14 “Segment Reporting”, and follows the so-called management approach in terms of segmental demarcation and reporting. This means that segmental information is now disclosed on the basis of internal reporting.

Besides this, no new IFRS accounting regulations were applied for the first time in the interim reporting period just passed.

In January 2008, the IASB published amendments to IFRS 3 “Business Combinations” and IAS 27 “Consolidated and Separate Financial Statements”. The main amendments are as follows:

- the requirement to measure acquired assets, liabilities, and equity uniformly at fair value
- the recognition of transaction costs through the income statement
- the option to allocate goodwill proportionally to minority interests, as well as
- the recognition of changes in shareholdings without impact on the income statement once control has been achieved

These regulations are to be applied prospectively for financial years starting on or after July 1, 2009. Early, voluntary application is possible. The GEA Group currently assumes that the application of the amended versions will have no significant impact on the presentation of its financial statements.

These interim financial statements convey a true and fair view of the company’s net assets, financial position, and results of operations.

The preparation of these interim financial statements requires estimates and assumptions to be made that have an impact on the company’s assets, liabilities, provisions, deferred tax assets and liabilities, and income and expenses. Although such estimates and assumptions are made carefully and in good faith, it cannot be excluded that the actual amounts that arise may differ from estimates used in these interim financial statements.

Factors that may cause these amounts to differ from the projections include a deterioration in the global economy, movements in exchange rates and interest rates, significant litigation, and changes in environmental or other legislation. Production errors, the loss of key customers, as well as a change in the company’s financing, may also negatively impact the Group’s future success.

These interim financial statements have been prepared in euros. All amounts, including the figures for the comparable previous period, are presented in thousands of euros (K EUR) unless stated otherwise. All amounts have been rounded. Differences between the sum of individual values and the total value could consequently be in the order of EUR 1,000.

2 Scope of consolidation

Besides seven subsidiaries that were previously not consolidated, the business of NEMA AirFin GmbH, Netzschkau, which was acquired by the Thermal Engineering Division, was consolidated the first time in the first quarter. Acquisition costs totaled K EUR 5,000. A preliminary purchase price allocation gives rise to an addition to goodwill of K EUR 318.

Three companies were merged with other companies, and one company was deconsolidated. The scope of consolidation as of March 31, 2008 has consequently expanded by four companies compared with December 31, 2007.

3 Discontinued operations

Operations discontinued in previous periods had no impact on consolidated net income in the first quarter of 2008.

The result from discontinued operations in the previous year is composed of the current income from the divisions Lurgi and Lentjes, that were sold in 2007.

4 Taxes

Tax reported during the interim reporting period was estimated using an expected tax rate of 27.2 percent (2007: 38.9 percent).

5 Segment reporting

The Group has been split according to Executive Board level areas of responsibility since January 1, 2008:

- Energy and Farm Technology
- Process Technology
- Other

The Group is broken down into sub-areas, which the executive and supervisory boards regularly use to assess profitability, and which are used as the basis for decision-making.

A detailed description of business operations, as well as the products and services offered by the individual operating segments, can be found on pages 47 and 48 of the 2007 annual report (IFRS consolidated financial statements) of the GEA Group.

Segmental assets and earnings for the first quarter are as follows:

Segment information (EUR million)	Energy and Farm Technology	Process Technology	Other	Consolidation	Total
Q1 2008					
Sales	362.6	755.6	71.4	-	1,189.6
Intersegment sales	0.6	1.8	-	-2.4	-
Total sales	363.2	757.4	71.4	-2.4	1,189.6
EBIT	20.1	62.5	-5.5	-	77.1
Segment earnings before tax (EBT)	18.3	59.5	-9.9	-	68.0
Segment assets	1,494.3	3,170.7	1,923.8	-1,824.6	4,764.2
Q1 2007					
Sales	337.6	591.8	126.2	-	1,055.6
Intersegment sales	1.5	4.9	3.8	-10.2	-
Total sales	339.2	596.7	130.0	-10.2	1,055.6
EBIT	17.4	43.8	3.1	-	64.3
Segment earnings before tax (EBT)	15.8	42.9	-6.9	-	51.8
Segment assets	1,463.6	2,734.8	2,965.4	-1,941.1	5,222.7

The accounting principles used to the recognition and measurement of segmental assets are the same as those applying for the Group, and are described in the accounting principles section of the 2007 annual report. The benchmark of profitability for both the Group and its segments is EBIT (earnings before interest and tax) and EBT (earnings before tax), as presented in the income statement.

Intersegment sales are based on market prices.

6 Events following the end of the interim reporting period

The Process Equipment Division was further strengthened by the acquisition of the Dutch company Bloksma B.V., Almere. Bloksma produces intercoolers for large marine engines, oil coolers for industrial applications, double-pipe coolers for various industrial processes, and for marine engines. The company has a workforce of around 160 employees. Sales in 2007 were over EUR 30 million. The transaction will be completed following the approval of the relevant anti-trust authorities.

This interim report is a translation of the German original. Only the German version is legally binding.

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

Financial Calendar

July 31, 2008	Interim Report for the period to June 30, 2008
October 31, 2008	Interim Report for the period to September 30, 2008

GEA Group's shares: key data

SIN	660 200
ISIN	DE0006602006
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Bloomberg code	G1A.GR
Xetra	G1A.DE

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