Q2

Half-yearly Financial Report

January 1 – June 30, 2016

engineering for
a better world

Contents

GEA increases operating EBITDA margin to 12.6 percent

In the second quarter of 2016, GEA posted organic growth in order intake of 7.3 percent, up to EUR 1,222 million. While the situation in dairy farming remained challenging, performance in that customer industry was more than compensated by, in some cases, double-digit growth in other industries, for example, in food, where GEA's new group structure is now bearing fruit. After a relatively subdued first quarter of 2016 – and despite a good prior-year quarter in 2015 – revenue in the second quarter was on a par with the previous year.

The figures for operating EBITDA and the corresponding margin represent all-time highs for GEA, both for a second quarter (EUR 145.2 million and 12.6 percent respectively) as well as for the first six months of a year (EUR 239.1 million and 11.4 percent respectively). Adjusted for strategy projects, the cash flow driver margin for the last 12 months amounted to 11.1 percent, compared with 10.5 percent for the prior-year period.

"Robust order intake coupled with very good order-backlog figures are an excellent basis for realising our full-year targets, which we can confirm," said Jürg Oleas, Chairman of the Executive Board of GEA in his appraisal of the present situation.

IFRS key figures of GEA

(EUR million)	Q2 2016	Q2 2015	Change in %	Q1-Q2 2016	Q1-Q2 2015	Change in %
Results of operations						
Order intake	1,222.1	1,148.8	6.4	2,366.4	2,276.2	4.0
Revenue	1,156.9	1,150.1	0.6	2,098.1	2,156.5	–2.7
Operating EBITDA[1]	145.2	139.3	4.3	239.1	237.4	0.7
as % of revenue	12.6	12.1	–	11.4	11.0	–
Operating EBIT[1]	125.2	119.8	4.5	199.5	198.6	0.5
as % of revenue	10.8	10.4	–	9.5	9.2	–
EBIT	108.2	–20.9	–	167.2	46.6	> 100
Net assets						
Working capital intensity in % (average of the last 12 months)	13.2	12.3	–	13.2	12.3	–
Net liquidity (+)/Net debt (-)	613.8	603.4	1.7	613.8	603.4	1.7
Financial position						
Operating cash flow driver margin[2]	11.1	10.5	–	11.1	10.5	–
ROCE in % (goodwill adjusted)[3]	19.7	16.4	–	19.7	16.4	–
Full-time equivalents (reporting date)	17,153	17,975	–4.6	17,153	17,975	–4.6
GEA Shares						
Earnings per share (EUR)	0.43	–0.11	–	0.61	0.10	> 100

1) Before effects of purchase price allocations and adjustments (see page 42)
2) Cash flow driver = operating EBITDA – capital expenditure – change in Working Capital (average of the last 12 months)
3) Capital employed excluding goodwill from the acquisition of the former GEA AG by former Metallgesellschaft AG in 1999 (average of the last 12 months)

Management Report

Disclosure of the Group's course of business including the comparable prior-year figures is presented for the two Business Areas (BA) Equipment and Solutions. The quarterly information contained in this management report is sourced from financial reports that were not audited or reviewed in accordance with the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act). All amounts have been rounded using standard rounding rules. Adding together individual amounts may therefore result in rounding differences in certain cases.

Acquisitions

GEA concluded the acquisition of Imaforni Int'l S.p.A., which is headquartered in Verona, Italy, on April 1, 2016. The leading supplier of demanding industrial processing equipment and solutions for the biscuits industry has around 210 employees and generated revenue of some EUR 85 million in fiscal year 2015. As well as complementing the earlier acquisition of Comas, the incorporation of Imaforni will further strengthen GEA's application center bakery with industrial biscuit lines mainly for hard biscuits and crackers.

Management

Dr. Stephan Petri, formerly a member of the Executive Board, left the company with effect from June 30, 2016 by mutual consent with the Executive Board and the Supervisory Board in order to pursue new challenges outside of GEA. Dr. Petri's Executive Board responsibilities will become obsolete. His former duties, including the function of Labor Relations Director, were taken over by Jürg Oleas, Chairman of the Executive Board of GEA, with effect from July 1, 2016. Thus, GEA will be managed by a team of four Executive Board members in the future.

"Fit for 2020" program

GEA's plans to implement a new group structure are proceeding according to schedule. Around 90 percent of the planned job cuts had been realized or contractually agreed by the end of the second quarter of 2016. Most of the remaining measures relate to the ongoing outsourcing of shared service activities to service partners. The transfer of several administrative processes to shared service center locations in Eastern Europe and South-East Asia is in full swing.

Report on Economic Position

Course of business

Order intake

GEA's order intake of EUR 1,222.1 million in the second quarter of 2016 was an all-time high for a second quarter. Adjusted for exchange rate fluctuations and acquisition effects (–3.3 percent and 2.4 percent respectively), order intake increased by 7.3 percent compared with the prior-year quarter. Growth in orders in the range between EUR 5 million and EUR 15 million was above average, while the volume of basic business (orders up to EUR 1 million) was up again. While the situation in the dairy farming customer industry remained challenging, the result in that area of business was more than compensated by very significant growth in the food customer industry, in particular, due to GEA's new group structure evidently bearing fruit.

During the months of April through June this year, we secured two major contracts in Asia for a coffee project and for components for a refinery. These two projects had a combined order volume of around EUR 46 million. In the comparable prior-year quarter, the Group also posted two major orders with a total volume of EUR 55 million.

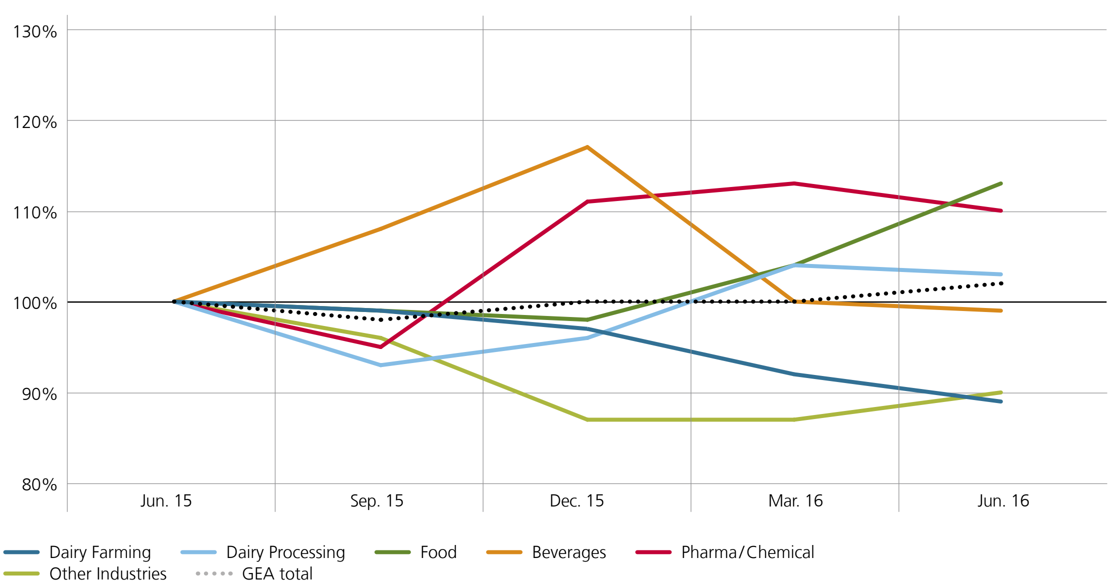
Order intake (EUR million)	Q2 2016	Q2 2015	Change in %	Adjusted growth in %	Q1-Q2 2016	Q1-Q2 2015	Change in %	Adjusted growth in %
BA Equipment	617.2	573.0	7.7	11.0	1,187.6	1,159.6	2.4	4.5
BA Solutions	658.6	628.9	4.7	3.4	1,280.8	1,217.2	5.2	4.4
Total	**1,275.9**	**1,201.9**	**6.2**	**7.0**	**2,468.4**	**2,376.7**	**3.9**	**4.4**
Consolidation/others	–53.8	–53.1	–1.2	–	–102.0	–100.5	–1.5	–
GEA	**1,222.1**	**1,148.8**	**6.4**	**7.3**	**2,366.4**	**2,276.2**	**4.0**	**4.6**

The order intake of EUR 2,366.4 for the first six months of 2016 was a new record for the first half of any financial year. This corresponds to growth of 4.0 percent compared with the previous year. Adjusted for currency translation effects (–2.8 percent) and acquisition effects (2.2 percent), growth amounted to 4.6 percent.

The following charts show trends in order intake and provide a breakdown of orders by applications based on the last 12 months:

Order intake GEA

by applications (average last 12 months)



Order intake* by applications GEA

	Change Q2/2016 to Q2/2015	Share of order intake
Dairy Farming	⬇	13%
Dairy Processing	↗	23%
Food	⬆	24%
Beverages	↘	12%
Food/Beverages	↗	**72%**
Pharma/Chemical	⬆	14%
Other Industries	⬇	14%
Others	➡	**28%**
Total	↗	**100%**

⬆ > 5 percentage points ↗ 1 to 5 percentage points ➡ 1 to –1 percentage points ↘ –1 to –5 percentage points ⬇ > –5 percentage points

*) Based on the last 12 months

Order backlog

The order backlog rose to EUR 2,359.0 million, up by more than EUR 300 million or around 15 percent compared with December 31, 2015.

Typically, around 60 percent of the order backlog as of June 30 of a given year can be billed in the current fiscal year.

Revenue

Up 0.6 percent on the prior-year figure, Group revenue in the second quarter of 2016 totaled EUR 1,156.9 million, a new record for a second quarter. A 3.1 percent downward adjustment for exchange rate movements, coupled with 3.8 percent for acquisition effects gave rise to revenue on a par with the previous year's figure. Weakness in the markets of the dairy farming and dairy processing customer industries was almost fully compensated by significant double-digit growth in the pharma/chemical and food customer industries.

The book-to-bill ratio, i.e. the ratio of order intake to revenue, was around 1.1 in the quarter under review.

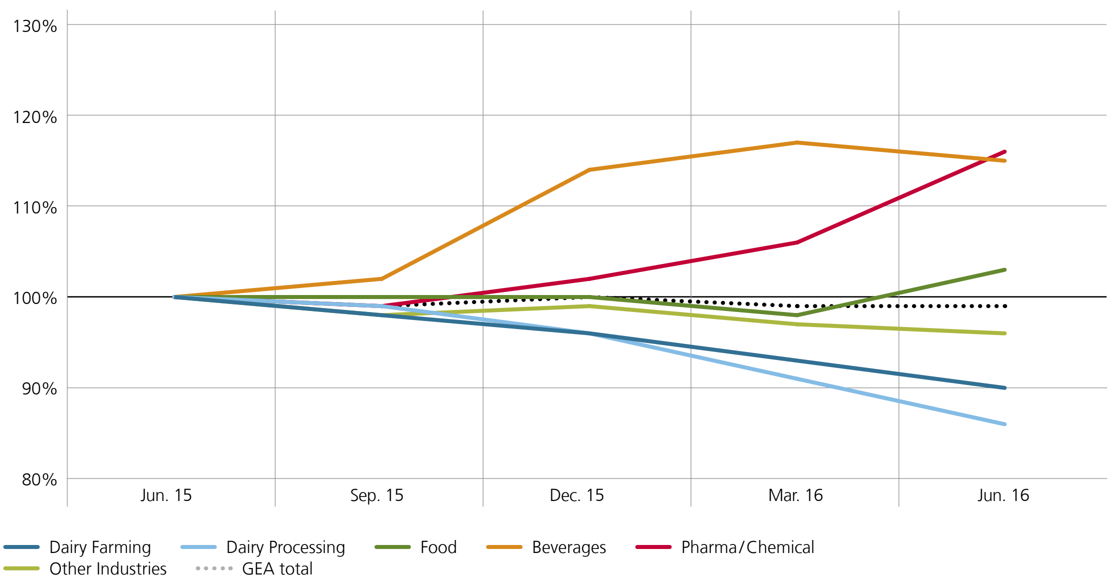
Revenue (EUR million)	Q2 2016	Q2 2015	Change in %	Adjusted growth in %	Q1-Q2 2016	Q1-Q2 2015	Change in %	Adjusted growth in %
BA Equipment	570.9	587.9	–2.9	–0.8	1,061.7	1,114.8	–4.8	–3.5
BA Solutions	633.7	612.9	3.4	–0.1	1,129.2	1,139.0	–0.9	–3.0
Total	**1,204.6**	**1,200.8**	**0.3**	**–0.5**	**2,190.9**	**2,253.8**	**–2.8**	**–3.2**
Consolidation/others	–47.7	–50.7	5.9	–	–92.7	–97.3	4.7	–
GEA	**1,156.9**	**1,150.1**	**0.6**	**–0.1**	**2,098.1**	**2,156.5**	**–2.7**	**–3.1**

GEA's revenue in the first half of 2016 amounted to EUR 2,098.1 million, a decline of 2.7 percent compared with the prior-year figure. Exchange rate movements encumbered revenue by 2.5 percent, while acquisitions increased revenue by 2.8 percent. The adjusted revenue change was thus –3.1 percent.

The following charts show trends in revenue and provide a breakdown of revenue by application and region based on the last 12 months:

Revenue GEA

by applications (average last 12 months)



Revenue* by applications GEA

	Change Q2/2016 to Q2/2015	Share of revenue
Dairy Farming	↓	13%
Dairy Processing	↓	21%
Food	↗	23%
Beverages	↑	14%
Food/Beverages	↘	**71%**
Pharma/Chemical	↑	14%
Other Industries	↘	15%
Others	↗	**29%**
Total	↘	**100%**

↑ > 5 percentage points ↗ 1 to 5 percentage points → 1 to –1 percentage points ↘ –1 to –5 percentage points ↓ > –5 percentage points

*) Based on the last 12 months

Revenue* by regions GEA

	Change Q2/2016 to Q2/2015	Share of revenue
Asia Pacific		24%
DACH & Eastern Europe		21%
Western Europe, Middle East & Africa		17%
North- & Central Europe		15%
Latin America		6%
North America		18%
Total		**100%**

> 5 percentage points 1 to 5 percentage points 1 to –1 percentage points –1 to –5 percentage points > –5 percentage points

*) Based on the last 12 months

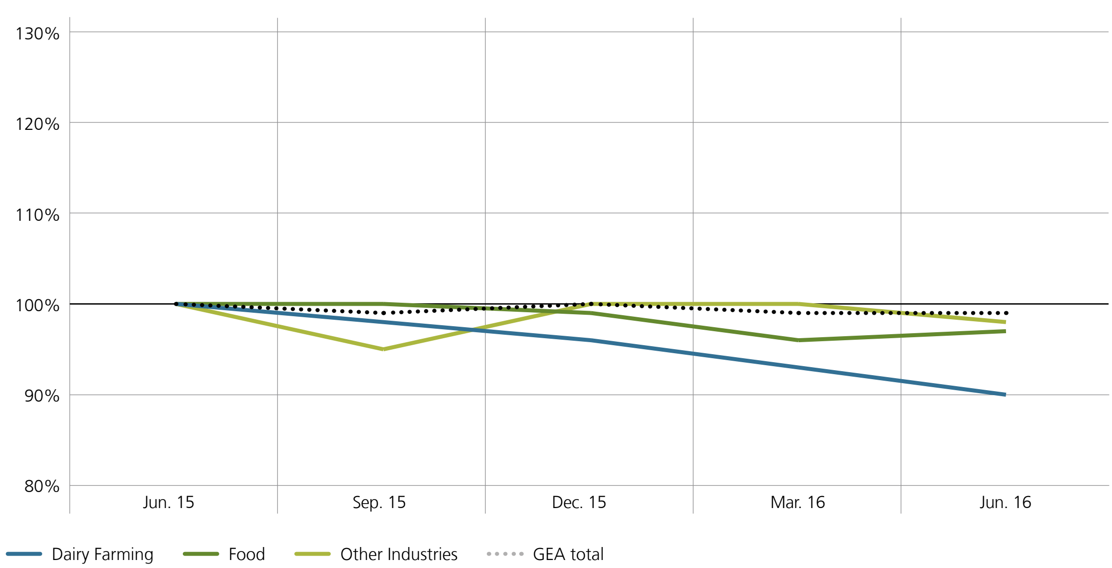
Business Area Equipment

Revenue in the Business Area Equipment fell by 4.8 percent in the first half of 2016. On a constant exchange rate basis and adjusted for the Hilge acquisition, revenue declined by 3.5 percent.

The following charts show trends in revenue and provide a breakdown of revenue by applications and regions based on the last 12 months:

Revenue Business Area Equipment

by applications (average last 12 months, 3 most important applications, only external business)



Revenue* by applications Business Area Equipment

	Change Q2/2016 to Q2/2015	Share of revenue (BA)
Dairy Farming	⇩	28%
Dairy Processing	⇨	10%
Food	↘	30%
Beverages	⇧	6%
Food/Beverages	↘	**74%**
Pharma/Chemical	⇧	6%
Other Industries	↘	19%
Others	⇨	**26%**
Total	↘	**100%**

⇧ > 5 percentage points ↗ 1 to 5 percentage points ⇨ 1 to –1 percentage points ↘ –1 to –5 percentage points ⇩ > –5 percentage points

*) Based on the last 12 months; only external business

Revenue* by regions Business Area Equipment

	Change Q2/2016 to Q2/2015	Share of revenue (BA)
Asia Pacific	⇩	20%
DACH & Eastern Europe	↘	21%
Western Europe, Middle East & Africa	⇧	17%
North- & Central Europe	↘	13%
Latin America	⇩	5%
North America	↗	24%
Total	↘	**100%**

⇧ > 5 percentage points ↗ 1 to 5 percentage points ⇨ 1 to –1 percentage points ↘ –1 to –5 percentage points ⇩ > –5 percentage points

*) Based on the last 12 months; only external business

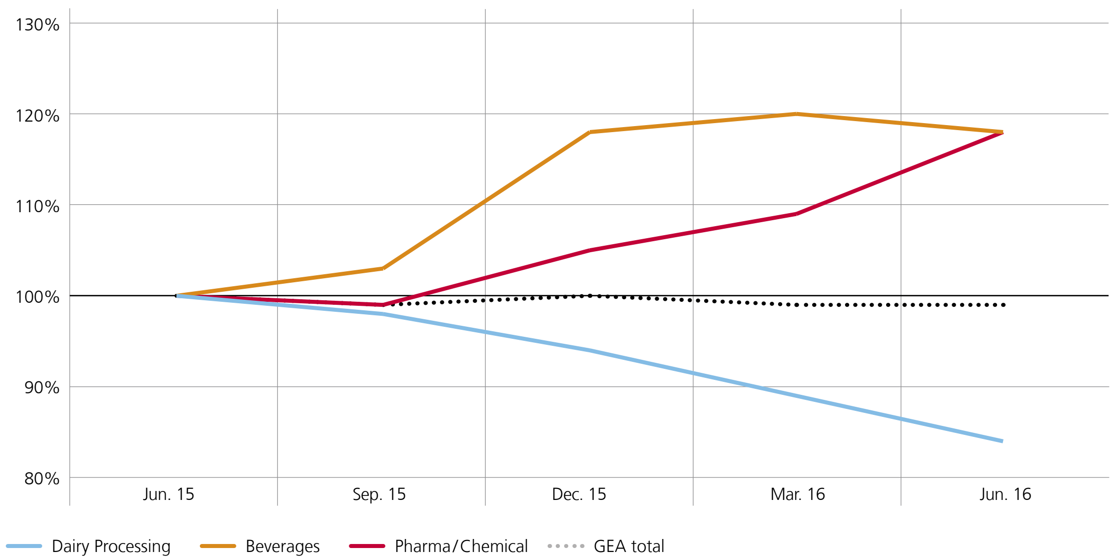
Business Area Solutions

Revenue in the Business Area Solutions also fell in the first six months of 2016, down 0.9 percent on the prior-year period. Adjusted for exchange rate and acquisition effects, revenue decreased by 3.0 percent.

The following charts show trends in revenue and provide a breakdown of revenue by applications and regions based on the last 12 months:

Revenue Business Area Solutions

by applications (average last 12 months, 3 most important applications, only external business)



Revenue* by applications Business Area Solutions	Change Q2/2016 to Q2/2015	Share of revenue (BA)
Dairy Farming	–	–
Dairy Processing	↓	31%
Food	↑	17%
Beverages	↑	20%
Food/Beverages	↘	**68%**
Pharma/Chemical	↑	20%
Other industries	↓	12%
Others	↑	**32%**
Total	↗	**100%**

↑ > 5 percentage points ↗ 1 to 5 percentage points → 1 to –1 percentage points ↘ –1 to –5 percentage points ↓ > –5 percentage points

*) Based on the last 12 months; only external business

Revenue* by regions Business Area Solutions	Change Q2/2016 to Q2/2015	Share of revenue (BA)
Asia Pacific	↘	27%
DACH & Eastern Europe	↑	20%
Western Europe, Middle East & Africa	↗	17%
North- & Central Europe	↓	17%
Latin America	↗	6%
North America	↓	13%
Total	↗	**100%**

↑ > 5 percentage points ↗ 1 to 5 percentage points → 1 to –1 percentage points ↘ –1 to –5 percentage points ↓ > –5 percentage points

*) Based on the last 12 months; only external business

Results of operations, financial position and net assets

Results of operations

During the first half of 2016, the definition of operative earnings as used by the management for controlling purposes was defined more precisely in the context of the guidelines on alternative performance measures published by the European Securities and Markets Authority (ESMA): As in previous years, figures for operating results were adjusted for items which, in the opinion of the management, do not reflect GEA's financial performance in the respective period. This relates, on the one hand, to adjustments for purchase price allocation effects that were determined for all significant past acquisitions, and, on the other, to the adjustment of expenses for strategic projects (see page 42).

Operating EBITDA for the first half of 2016 was adjusted for expenses for strategy projects totaling EUR 16.0 million (previous year: EUR 137.9 million).

Thanks, in particular, to savings made, but also to the contribution made by acquisitions, GEA's operating EBITDA in the second quarter of the year under review was EUR 6.0 million above the level of the previous year. The operating EBITDA margin improved further from 12.1 percent to 12.6 percent.

Despite a 2.7 percent fall in revenue volume, operating EBITDA in the first half of the year was slightly above the previous year's level, in particular due to savings from the "Fit for 2020" program and the contribution made by acquisitions. The operating EBITDA margin amounted to 11.4 percent compared with 11.0 percent in the previous year. The figures for both operating EBITDA and corresponding margin represent all-time highs for GEA for a second quarter and the first six months of a year.

The following table shows operating EBITDA and the operating EBITDA margin per business area:

Operating EBITDA/operating EBITDA margin* (EUR million)	Q2 2016	Q2 2015	Change in %	Q1-Q2 2016	Q1-Q2 2015	Change in %
BA Equipment	86.0	84.5	1.9	158.3	151.8	4.3
as % of revenue	15.1	14.4	–	14.9	13.6	–
BA Solutions	61.7	58.1	6.2	88.2	90.4	–2.4
as % of revenue	9.7	9.5	–	7.8	7.9	–
Total	**147.8**	**142.6**	**3.6**	**246.5**	**242.2**	**1.8**
Consolidation/others	–2.5	–3.3	23.5	–7.4	–4.8	–55.6
GEA	**145.2**	**139.3**	**4.3**	**239.1**	**237.4**	**0.7**
as % of revenue	**12.6**	**12.1**	**–**	**11.4**	**11.0**	**–**

*) Before effects of purchase price allocations and adjustments (see page 42)

The following table shows the reconciliation of EBITDA before purchase price allocation and adjustments (operating EBITDA) through EBITDA and EBIT to EBIT before purchase price allocation and adjustments (operating EBIT):

Reconciliation of operating EBITDA to operating EBIT (EUR million)	Q2 2016	Q2 2015	Change in %	Q1-Q2 2016	Q1-Q2 2015	Change in %
Operating EBITDA*	**145.2**	**139.3**	**4.3**	**239.1**	**237.4**	**0.7**
Realization of step-up amounts on inventories	–0.4	–0.1	–	–0.6	–0.1	–
Adjustments	–7.5	–132.8	–	–16.0	–137.9	–
EBITDA	**137.3**	**6.4**	**> 100**	**222.5**	**99.4**	**> 100**
Depreciation of impairment losses on property, plant, and equipment, and investment property, and amortization of and impairment losses on intangible assets and goodwill, as reported in the statement of changes in noncurrent assets	–29.2	–27.3	–	–55.3	–52.8	–
EBIT	**108.2**	**–20.9**	**–**	**167.2**	**46.6**	**> 100**
Depreciation and amortization on capitalization of purchase price allocation	9.1	6.3	–	15.7	12.4	–
Realization of step-up amounts on inventories	0.4	0.1	–	0.6	0.1	–
Adjustments	7.5	134.3	–	16.0	139.4	–
Operating EBIT*	**125.2**	**119.8**	**4.5**	**199.5**	**198.6**	**0.5**

*) Before effects of purchase price allocations and adjustments (see page 42)

The following table shows operating EBIT and the operating EBIT margin per business area:

Operating EBIT/operating EBIT margin* (EUR million)	Q2 2016	Q2 2015	Change in %	Q1-Q2 2016	Q1-Q2 2015	Change in %
BA Equipment	72.1	71.5	0.8	131.1	125.8	4.2
as % of revenue	12.6	12.2	–	12.3	11.3	–
BA Solutions	57.1	53.3	7.2	79.0	80.7	–2.2
as % of revenue	9.0	8.7	–	7.0	7.1	–
Total	**129.2**	**124.8**	**3.6**	**210.0**	**206.5**	**1.7**
Consolidation/others	–4.0	–5.0	18.6	–10.6	–8.0	–32.2
GEA	**125.2**	**119.8**	**4.5**	**199.5**	**198.6**	**0.5**
as % of revenue	**10.8**	**10.4**	**–**	**9.5**	**9.2**	**–**

*) Before effects of purchase price allocations and adjustments (see page 42)

Key figures: Results of operations (EUR million)	Q2 2016	Q2 2015	Change in %	Q1-Q2 2016	Q1-Q2 2015	Change in %
Revenue	1,156.9	1,150.1	0.6	2,098.1	2,156.5	–2.7
Operating EBITDA*	145.2	139.3	4.3	239.1	237.4	0.7
EBITDA	137.3	6.4	> 100	222.5	99.4	> 100
Operating EBIT*	125.2	119.8	4.5	199.5	198.6	0.5
EBIT	108.2	–20.9	–	167.2	46.6	> 100
Interest	6.5	9.2	–29.2	23.2	20.9	10.8
EBT	101.7	–30.1	–	144.0	25.7	> 100
Income taxes	19.3	–6.6	–	27.4	5.7	> 100
Profit after tax from continuing operations	82.4	–23.4	–	116.6	20.0	> 100
Profit/loss after tax from discontinued operations	0.4	1.7	–74.2	0.5	–1.3	–
Profit for the period	82.8	–21.8	–	117.1	18.7	> 100

*) Before effects of purchase price allocations and adjustments (see page 42)

The EUR 2.3 million increase in interest burden in the first half of the year was primarily due to the measurement of liabilities arising from share-based payments and to lower interest income due to the decline in interest rates. By contrast, the lower interest payments on liabilities to banks had a positive effect on the result.

An income tax rate of 19.0 percent is expected for fiscal year 2016 and this figure was also used as the basis for calculating the tax expenditure for the first six months of the year.

At EUR 0.5 million, discontinued operations generated a slight gain in the first half of 2016. With regard to this item, the negative impact of further changes in the discount rate used to measure the non-current provisions set up for the former mining activities of mg technologies ag was offset by income from a settlement concluded by Lentjes. In the previous year, the EUR 1.3 million loss reported by discontinued operations was primarily the result of currency effects when measuring financial liabilities from the sale of GEA's former Heat Exchangers Segment.

Consolidated profit amounted to EUR 82.8 million in the quarter under review (previous year: EUR –21.8 million). Based on the unchanged average number of shares compared with the previous year (192,495,476), this corresponds to earnings per share of EUR 0.43 (previous year: EUR –0.11).

In the first six months of the year, consolidated profit amounted to EUR 117.1 million (previous year: EUR 18.7 million). This corresponds to earnings per share of EUR 0.61 (previous year: EUR 0.10).

Financial position

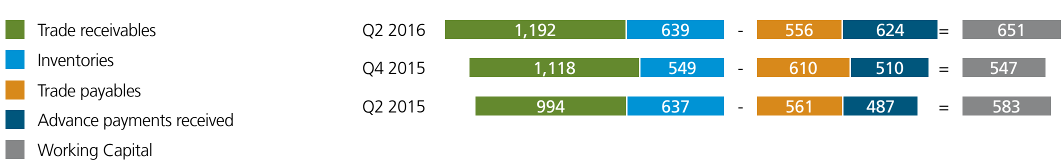
Net liquidity including discontinued operations continued to improve compared with the prior-year period, increasing from EUR 603.4 million to EUR 613.8 million.

Overview of net liquidity incl. discontinued operations (EUR million)	06/30/2016	12/31/2015	06/30/2015
Cash and cash equivalents	558.0	1,174.2	790.4
Fixed deposits with a remaining period ≤ 1 year	200.0	200.0	200.0
Securities	1.0	37.0	37.0
Liabilities to banks	145.2	146.5	147.4
Bonds	–	282.7	276.6
Net liquidity (+)/Net debt (-)	**613.8**	**982.0**	**603.4**

Guarantee lines – which are mainly used for contract performance, advance payments, and warranties – of EUR 1,444.3 million (December 31, 2015: EUR 1,463.4 million) were available to GEA as of the reporting date, of which EUR 466.0 million (December 31, 2015: EUR 481.4 million) had been utilized.

Change in Working Capital (continued operations)

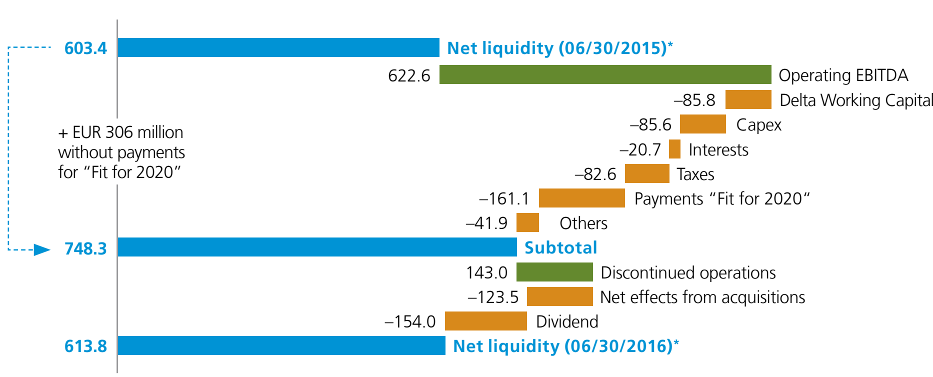
(EUR million)



The key factors responsible for the change in net liquidity (including discontinued operations) are shown for the last 12 months in the following chart:

Change in net liquidity

(EUR million)



*) Including fixed deposits with a remaining period ≤ 1 year (EUR 200 million)

The consolidated cash flow statement can be summarized as follows:

Overview of cash flow statement (EUR million)	Q1-Q2 2016	Q1-Q2 2015	Change absolute
Cash flow from operating activities	–71.9	–13.3	–58.7
Cash flow from investing activities	–91.4	–125.4	34.0
Free cash flow	**–163.3**	**–138.7**	**–24.6**
Cash flow from financing activities	–460.6	–255.6	–204.9
Net cash flow from discontinued operations	2.4	–20.2	22.6
Change in unrestricted cash and cash equivalents	–623.1	–405.0	–218.2

Cash flow from operating activities attributable to continuing operations amounted to EUR –71.9 million since the start of the year, EUR 58.7 million below the previous year's level. Here, cash outflows for the "Fit for 2020" program and the effect of changes in other operating assets and liabilities could not be fully compensated by the marked increase in EBITDA and a lower rise in working capital.

The sale of an EONIA bond worth EUR 37.0 million produced an improvement in cash flow from investing activities from EUR –125.4 million in the previous year to EUR –91.4 million in the period under review.

Cash flow from financing activities attributable to continued operations reflected the dividend payout (EUR 154.0 million) and, in particular, the timely repayment of the bullet bond (EUR 274.7 million). In the previous year, this balance-sheet item also included the dividend payout, in addition to the repayment ahead of schedule of the EUR 100.0 million loan from the European Investment Bank (EIB).

Cash flow drivers

The adjusted cash flow driver margin for the last 12 months amounted to 11.1 percent, compared with 10.5 percent for the prior-year period.

Operating cash flow driver/operating cash flow driver margin (EUR million)	06/30/2016
Operating EBITDA (last 12 months)	622.6
Capital expenditure on property, plant and equipment (last 12 months)	–85.6
Change in Working Capital (average of the last 12 months)	–31.2
Operating Cash flow driver (Operating EBITDA - Capex -/+Change in Working Capital)	**505.8**
as % of revenue (last 12 months)	**11.1**

Net assets

Condensed balance sheet (EUR million)	06/30/2016	as % of total assets	12/31/2015	as % of total assets	Change in %
Assets					
Non-current assets	2,992.0	51.5	2,873.9	46.9	4.1
thereof goodwill	1,497.7	25.8	1,431.5	23.4	4.6
thereof deferred taxes	503.6	8.7	491.1	8.0	2.5
Current assets	2,812.9	48.5	3,247.3	53.1	–13.4
thereof cash and cash equivalents	558.0	9.6	1,174.2	19.2	–52.5
thereof assets held for sale	5.6	0.1	8.1	0.1	–31.6
Total assets	**5,804.9**	**100.0**	**6,121.2**	**100.0**	**–5.2**
Equity and liabilities					
Equity	2,743.9	47.3	2,844.2	46.5	–3.5
Non-current liabilities	1,360.8	23.4	1,272.6	20.8	6.9
thereof financial liabilities	175.5	3.0	177.0	2.9	–0.9
thereof deferred taxes	128.7	2.2	111.2	1.8	15.8
Current liabilities	1,700.1	29.3	2,004.4	32.7	–15.2
thereof financial liabilities	20.8	0.4	300.7	4.9	–93.1
Total equity and liabilities	**5,804.9**	**100.0**	**6,121.2**	**100.0**	**–5.2**

The reduction in total assets compared with December 31, 2015 is due in particular to the decrease in cash funds. By contrast, inventories, trade receivables and – due to acquisitions made – goodwill all posted increases.

Compared with December 31, 2015, equity fell by EUR 100.3 million to EUR 2,743.9 million. Although the consolidated profit of EUR 117.1 million served to bolster equity, this indicator was reduced by a dividend payout of EUR 154.0 million and the effect of a change in the interest rate applied to the measurement of pension obligations (EUR 45.7 million) and from currency translation (EUR 17.0 million).

The above-mentioned effects from the measurement of pension obligations were the prime cause of the EUR 88.2 million rise in non-current liabilities towards the end of 2015. Primarily due to the timely repayment of the bullet bond, current liabilities were EUR 304.3 million below the figure for December 31, 2015. Within this balance-sheet item, effects arising from the utilization of provisions for personnel expenses and lower trade payables were almost completely offset by a rise in the volume of advance payments received.

Employees

Employees* by region	06/30/2016		12/31/2015		06/30/2015	
DACH & Eastern Europe	6,385	37.2%	6,667	38.0%	6,726	37.4%
North & Central Europe	2,970	17.3%	3,118	17.8%	3,249	18.1%
Asia Pacific	2,926	17.1%	2,901	16.5%	3,067	17.1%
Western Europe, Middle East & Africa	2,769	16.1%	2,664	15.2%	2,529	14.1%
North America	1,744	10.2%	1,829	10.4%	2,025	11.3%
Latin America	361	2.1%	355	2.0%	379	2.1%
Total	**17,153**	**100.0%**	**17,533**	**100.0%**	**17,975**	**100.0%**

*) Full-time equivalents (FTE) excluding vocational trainees and inactive employment contracts

Research and development

Research and development (R&D) expenses* (EUR million)	Q2 2016	Q2 2015	Change in %	Q1-Q2 2016	Q1-Q2 2015	Change in %
R&D expenses adjusted	20.8	21.1	–1.7	41.8	41.0	2.1
R&D ratio (as % of revenue)	1.8	1.8	–	2.0	1.9	–

*) Incl. refunded expenses (contract costs)

Report on Risks and Opportunities

There was no significant change in the overall assessment of risks and opportunities in the reporting period compared with the position presented in the 2015 Annual Report.

All in all, from today's perspective, there are no risks to the continued existence of GEA as a going concern. Sufficient provisions have been recognized for known risks, in line with the relevant requirements.

Report on Expected Developments

Economic environment in 2016/2017

In its current "World Economic Outlook Update" (July 2016), the International Monetary Fund (IMF) again slightly revised down its growth forecast for the global economy. According to the forecast, the world economy is set to grow by just 3.1 percent this year, and by 3.4 percent in 2017. Thus, the latest predictions are both 0.1 percentage points below the forecasts submitted in April 2016. Should the general economic environment suffer further cooling, the Fund does not rule out even weaker growth of just 2.8 percent for each of the two years in question.

Above all, the Brexit vote in the UK referendum had fueled market anxieties and this was now hampering investments. The UK's decision to leave the EU had come at a time of weak growth for the global economy anyway. Experts predict that the repercussions in the USA and China will be far less severe than in Europe. Without the Brexit vote, the IMF would have raised its forecasts slightly for 2016 and 2017 in the euro area as well as for 2017 for the world economy.

Business outlook

The forecast is made under the assumption that there will be no further slowdown in global economic growth and no significant exchange rate fluctuations. Acquisitions made in 2016 are not included in the calculation of the key performance indicators. Moreover, the indicators will continue to be adjusted for expenses for strategy projects (see page 42). Expected savings from group restructuring are already included in the forecast.

Revenue

GEA is aiming to generate moderate revenue growth in 2016. This forecast is largely due to lower growth in capital goods that is expected in light of lower growth rates in the emerging markets. Although the significant fall in oil prices will generate growth momentum – with the exception of the oil processing industry and in the oil producing countries – the necessary structural reforms in some countries and the ongoing high geopolitical risk are perceived as having a negative impact on global economic growth.

Earnings

Regarding the operating EBITDA, GEA is expecting between EUR 645 million and EUR 715 million (previous year: EUR 621 million) for the current fiscal year.

Cash flow driver margin

With respect to our operating cash flow drivers, i.e. the net amount of operating EBITDA, the change in working capital, and capital expenditure, we are aiming for a ratio to revenue of between 10.0 percent and 11.0 percent in 2016.

Summary

All told, provided that there is no further slowdown in the global economy, GEA expects the Group as a whole to record moderate growth. The continual increase in profitability together with the ongoing focus on liquidity generation should help to ensure that we have the financial leeway to successfully implement the strategic growth targets. With regard to the distribution ratio, our objective is to keep distributing between 40 and 50 percent of net income to our shareholders.

Düsseldorf, July 26, 2016

The Executive Board

GEA Shares

Both the DAX and the MDAX fell by around three percent in the second quarter of the year. This was triggered first and foremost by the Brexit vote in the UK referendum at the end of the second quarter. The financial markets reacted to the somewhat unexpected decision of the United Kingdom to leave the EU with significant price markdowns.

The GEA share shed 2 percent of its value over the quarter to close the period under review at EUR 42.27. Thus, in the second quarter of 2016, GEA shares outperformed the DAX and MDAX by 1 percentage point respectively, these indices closing the quarter at 9,680 and 19,843 points respectively. This was, however, 2 percentage points worse than the performance of the respective benchmark – the STOXX® Europe TMI Industrial Engineering index (closing price of 361.58).

In the space of a year, GEA's market capitalization rose by 5.7 percent as of June 30, 2016, while the benchmark index fell by 5.6 percent.

GEA shares compared to STOXX ® Europe TMI Industrial Engineering

(Reporting date 06/30/2016)	Change in market capitalization (percentage points)*
Last 3 months	-1.8
Last 6 months	9.9
Last 9 months	13.0
Last 12 months	11.3
Last 24 months	19.0
Last 36 months	39.3
Last 48 months	72.1

> 10 percentage points · 3 to 10 percentage points · 3 to –3 percentage points · –3 to –10 percentage points · > –10 percentage points

*) Based on shares issues by GEA Group Aktiengesellschaft as on the particular reporting date

Key performance indicators for GEA shares (prices: XETRA closing prices)	Q2 2016	Q2 2015	Q1-Q2 2016	Q1-Q2 2015
Shares issued (June 30, million)[1]	192.5	192.5	192.5	192.5
Weighted average number of shares outstanding (million)	192.5	192.5	192.5	192.5
Share price (June 30, EUR)[1]	42.27	40.01	42.27	40.01
High (EUR)	43.85	46.82	43.85	46.82
Low (EUR)	39.46	40.01	33.68	35.07
Market capitalization (June 30, EUR billion)[2]	8.1	7.7	8.1	7.7
Average daily trading volume (million)	0.4	0.4	0.4	0.4
Earnings per share (EUR)	0.43	–0.11	0.61	0.10

1) Or on the last trading day of reporting period
2) Based on shares issued

Shareholders with an equity interest of over 5% in accordance with disclosures received under the WpHG (German Securities Trading Act)	06/30/2016
Kuwait Investment Office	8.9
Sun Life Financial Inc.	5.1

Consolidated Financial Statements

for the 2nd Quarter of 2016

Consolidated Balance Sheet
as of June 30, 2016

Assets (EUR thousand)	06/30/2016	12/31/2015	Change in %
Property, plant and equipment	500,012	508,072	–1.6
Investment property	7,676	7,736	–0.8
Goodwill	1,497,653	1,431,515	4.6
Other intangible assets	425,079	382,359	11.2
Equity-accounted investments	17,018	16,631	2.3
Other non-current financial assets	40,986	36,454	12.4
Deferred taxes	503,550	491,119	2.5
Non-current assets	**2,991,974**	**2,873,886**	**4.1**
Inventories	638,513	548,623	16.4
Trade receivables	1,192,434	1,118,081	6.7
Income tax receivables	29,130	26,082	11.7
Other current financial assets	389,235	372,289	4.6
Cash and cash equivalents	558,021	1,174,150	–52.5
Assets held for sale	5,551	8,121	–31.6
Current assets	**2,812,884**	**3,247,346**	**–13.4**
Total assets	**5,804,858**	**6,121,232**	**–5.2**

Equity and liabilities (EUR thousand)	06/30/2016	12/31/2015	Change in %
Subscribed capital	520,376	520,376	–
Capital reserve	1,217,861	1,217,861	–
Retained earnings	879,972	962,515	–8.6
Accumulated other comprehensive income	125,156	142,877	–12.4
Non-controlling interests	553	570	–3.0
Equity	**2,743,918**	**2,844,199**	**–3.5**
Non-current provisions	142,420	145,160	–1.9
Non-current employee benefit obligations	847,947	775,594	9.3
Non-current financial liabilities	175,466	177,009	–0.9
Other non-current liabilities	66,271	63,708	4.0
Deferred taxes	128,712	111,170	15.8
Non-current liabilities	**1,360,816**	**1,272,641**	**6.9**
Current provisions	131,814	130,607	0.9
Current employee benefit obligations	167,621	244,235	–31.4
Current financial liabilities	20,810	300,735	–93.1
Trade payables	556,045	610,315	–8.9
Income tax liabilities	31,737	40,743	–22.1
Other current liabilities	792,097	677,757	16.9
Current liabilities	**1,700,124**	**2,004,392**	**–15.2**
Total equity and liabilities	**5,804,858**	**6,121,232**	**–5.2**

Consolidated Income Statement
April 1 – June 30, 2016

(EUR thousand)	Q2 2016			Q2 2015			Change in %
	Excluding restructuring	Restructuring expenses	Total	Excluding restructuring	Restructuring expenses	Total	
Revenue	1,156,936	–	**1,156,936**	1,150,135	–	**1,150,135**	0.6
Cost of sales	796,306	–2,659	**793,647**	779,032	56,160	**835,192**	–5.0
Gross margin	**360,630**	**2,659**	**363,289**	**371,103**	**–56,160**	**314,943**	**15.4**
Selling expenses	130,141	–1,648	**128,493**	130,706	19,266	**149,972**	–14.3
Research and development expenses	14,200	–295	**13,905**	18,053	8,958	**27,011**	–48.5
General and administrative expenses	116,468	33	**116,501**	130,371	25,695	**156,066**	–25.4
Other income	88,886	–	**88,886**	70,892	–	**70,892**	25.4
Other expenses	85,946	–106	**85,840**	68,683	5,620	**74,303**	15.5
Share of profit or loss of equity-accounted investments	769	–	**769**	426	–	**426**	80.5
Other financial income	–	–	**–**	206	–	**206**	–
Other financial expenses	38	–	**38**	–	–	**–**	–
Earnings before interest and tax (EBIT)	**103,492**	**4,675**	**108,167**	**94,814**	**–115,699**	**–20,885**	**–**
Interest income			**1,569**			**2,821**	–44.4
Interest expense			**8,066**			**11,997**	–32.8
Profit before tax from continuing operations			**101,670**			**–30,061**	**–**
Income taxes			**19,317**			**–6,613**	> 100
Profit after tax from continuing operations			**82,353**			**–23,448**	**–**
Profit or loss after tax from discontinued operations			**427**			**1,658**	**–74.2**
Profit for the period			**82,780**			**–21,790**	–
of which attributable to shareholders of GEA Group AG			**82,784**			**–21,788**	–
of which attributable to non-controlling interests			**–4**			**–2**	–100.0

(EUR)	Q2 2016	Q2 2015	
Basic and diluted earnings per share from continuing operations	0.43	–0.12	–
Basic and diluted earnings per share from discontinued operations	0.00	0.01	–74.2
Basic and diluted earnings per share	**0.43**	**–0.11**	**–**
Weighted average number of ordinary shares used to calculate basic and diluted earnings per share (million)	**192.5**	**192.5**	**–**

Consolidated Statement of Comprehensive Income
April 1 – June 30, 2016

(EUR thousand)	Q2 2016	Q2 2015	Change in %
Profit for the period	**82,780**	**–21,790**	**–**
Items, that will not be reclassified to profit or loss in the future:			
Actuarial gains/losses on pension and other post-employment benefit obligations	–24,747	70,909	–
Items, that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations	33,817	–52,040	–
Result of available-for-sale financial assets	81	–	–
Result of cash flow hedges	–1,132	3,119	–
Other comprehensive income	**8,019**	**21,988**	**–63.5**
Total comprehensive income	**90,799**	**198**	**> 100**
of which attributable to GEA Group AG shareholders	90,803	200	> 100
of which attributable to non-controlling interests	–4	–2	–100.0

Consolidated Income Statement
January 1 – June 30, 2016

(EUR thousand)	Q1-Q2 2016			Q1-Q2 2015			Change in %
	Excluding restructuring	Restructuring expenses	**Total**	Excluding restructuring	Restructuring expenses	**Total**	
Revenue	2,098,148	–	**2,098,148**	2,156,500	–	**2,156,500**	–2.7
Cost of sales	1,442,406	–7,196	**1,435,210**	1,470,743	56,160	**1,526,903**	–6.0
Gross margin	**655,742**	**7,196**	**662,938**	**685,757**	**–56,160**	**629,597**	**5.3**
Selling expenses	252,460	–3,174	**249,286**	254,729	19,266	**273,995**	–9.0
Research and development expenses	29,629	–1,020	**28,609**	34,629	8,958	**43,587**	–34.4
General and administrative expenses	228,613	–2,423	**226,190**	237,706	25,695	**263,401**	–14.1
Other income	174,430	–	**174,430**	205,953	–	**205,953**	–15.3
Other expenses	165,883	1,283	**167,166**	204,092	5,620	**209,712**	–20.3
Share of profit or loss of equity-accounted investments	1,152	–	**1,152**	944	–	**944**	22.0
Other financial income	–	–	**–**	814	–	**814**	–
Other financial expenses	75	–	**75**	–	–	**–**	–
Earnings before interest and tax (EBIT)	**154,664**	**12,530**	**167,194**	**162,312**	**–115,699**	**46,613**	**> 100**
Interest income			**3,255**			**5,834**	–44.2
Interest expense			**26,439**			**26,766**	–1.2
Profit before tax from continuing operations			**144,010**			**25,681**	**> 100**
Income taxes			**27,362**			**5,650**	> 100
Profit after tax from continuing operations			**116,648**			**20,031**	**> 100**
Profit or loss after tax from discontinued operations			**459**			**–1,328**	**–**
Profit for the period			**117,107**			**18,703**	**> 100**
thereof attributable to shareholders of GEA Group AG			**117,112**			**18,705**	> 100
thereof attributable to non-controlling interests			**–5**			**–2**	< -100

(EUR)	Q1-Q2 2016	Q1-Q2 2015	
Basic and diluted earnings per share from continuing operations	0.61	0.10	> 100
Basic and diluted earnings per share from discontinued operations	0.00	–0.01	–
Basic and diluted earnings per share	**0.61**	**0.10**	**> 100**
Weighted average number of ordinary shares used to calculate basic and diluted earnings per share (million)	**192.5**	**192.5**	**–**

Consolidated Statement of Comprehensive Income
January 1 – June 30, 2016

(EUR thousand)	Q1-Q2 2016	Q1-Q2 2015	Change in %
Profit for the period	**117,107**	**18,703**	**> 100**
Items, that will not be reclassified to profit or loss in the future:			
Actuarial gains/losses on pension and other post-employment benefit obligations	–45,659	18,247	–
Items, that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations	–17,008	90,907	–
Result of available-for-sale financial assets	241	393	–38.7
Result of cash flow hedges	–954	1,684	–
Other comprehensive income	**–63,380**	**111,231**	**–**
Total comprehensive income	**53,727**	**129,934**	**–58.7**
thereof attributable to GEA Group AG shareholders	53,732	129,936	–58.6
thereof attributable to non-controlling interests	–5	–2	< -100

Consolidated Cash Flow Statement
January 1 – June 30, 2016

(EUR thousand)	Q1-Q2 2016	Q1-Q2 2015
Profit for the period	117,107	18,703
plus income taxes	27,362	5,650
plus/minus profit or loss after tax from discontinued operations	–459	1,328
Profit before tax from continuing operations	144,010	25,681
Net interest income	23,184	20,932
Earnings before interest and tax (EBIT)	**167,194**	**46,613**
Depreciation, amortization, impairment losses, and reversal of impairment losses on non-current assets	55,330	52,817
Other non-cash income and expenses	12,436	6,918
Employee benefit obligations from defined benefit pension plans	–25,054	–20,222
Change in provisions and other employee benefit obligations	–81,018	59,854
Losses and disposal of non-current assets	–671	–378
Change in inventories including unbilled construction contracts*	–81,635	–97,716
Change in trade receivables	30,480	82,606
Change in trade payables	–61,417	–124,739
Change in other operating assets and liabilities	–54,747	16,690
Tax payments	–32,824	–35,706
Cash flow from operating activities of continued operations	**–71,926**	**–13,263**
Cash flow from operating activities of discontinued operations	3,447	–17,037
Cash flow from operating activities	**–68,479**	**–30,300**
Proceeds from disposal of non-current assets	1,690	1,182
Payments to acquire property, plant and equipment, and intangible assets	–30,202	–35,321
Payments from non-current financial assets	–629	–
Proceeds from current financial assets	37,000	–
Interest income	1,792	3,639
Dividend income	–	2,323
Payments to acquire subsidiaries and other businesses	–101,014	–97,220
Cash flow from investing activities of continued operations	**–91,363**	**–125,397**
Cash flow from investing activities of discontinued operations	–1,044	–3,132
Cash flow from investing activities	**–92,407**	**–128,529**
Dividend payments	–153,996	–134,747
Payments from finance leases	–1,783	–2,116
Payments/proceeds from finance loans	–8,097	2,417
Proceeds from bond issue	–274,739	–
Repayments of finance loans	–	–100,000
Interest payments	–21,938	–21,162
Cash flow from financing activities of continued operations	**–460,553**	**–255,608**
Cash flow from financing activities of discontinued operations	3	–
Cash flow from financing activities	**–460,550**	**–255,608**
Effect of exchange rate changes on cash and cash equivalents	–1,704	9,464
Change in unrestricted cash and cash equivalents	**–623,140**	**–404,973**
Unrestricted cash and cash equivalents at beginning of period	1,172,778	1,194,437
Unrestricted cash and cash equivalents at end of period	**549,638**	**789,464**
Restricted cash and cash equivalents	8,383	893
Cash and cash equivalents reported in the balance sheet	**558,021**	**790,357**

*) Including advanced payments received

Consolidated Statement of Changes in Equity
as of June 30, 2016

(EUR thousand)	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income: Translation of foreign operations	Accumulated other comprehensive income: Result of available-for-sale financial assets	Accumulated other comprehensive income: Result of cash flow hedges	**Equity attributable to shareholders of GEA Group AG**	Non-controlling interests	**Total**
Balance at Jan. 1, 2015 (192,495,476 shares)	**520,376**	**1,217,861**	**737,094**	**57,315**	**–997**	**–5,002**	**2,526,647**	**560**	**2,527,207**
Profit for the period	–	–	18,705	–	–	–	**18,705**	–2	**18,703**
Other comprehensive income	–	–	18,247	90,907	393	1,684	**111,231**	–	**111,231**
Total comprehensive income	–	–	36,952	90,907	393	1,684	**129,936**	–2	**129,934**
Redemption of treasury shares	–	–	–	–	–	–	**–**	–	**–**
Dividend payment by GEA Group AG	–	–	–134,747	–	–	–	**–134,747**	–	**–134,747**
Change in other non-controlling interests	–	–	–	–	–	–	**–**	2	**2**
Balance at June 30, 2015 (192,495,476 shares)	**520,376**	**1,217,861**	**639,299**	**148,222**	**–604**	**–3,318**	**2,521,836**	**560**	**2,522,396**
Balance at Jan. 1, 2016 (192,495,476 shares)	**520,376**	**1,217,861**	**962,515**	**144,527**	**–234**	**–1,416**	**2,843,629**	**570**	**2,844,199**
Profit for the period	–	–	117,112	–	–	–	**117,112**	–5	**117,107**
Other comprehensive income	–	–	–45,659	–17,008	241	–954	**–63,380**	–	**–63,380**
Total comprehensive income	–	–	71,453	–17,008	241	–954	**53,732**	–5	**53,727**
Redemption of treasury shares	–	–	–	–	–	–	**–**	–	**–**
Dividend payment by GEA Group AG	–	–	–153,996	–	–	–	**–153,996**	–	**–153,996**
Change in other non-controlling interests	–	–	–	–	–	–	**–**	–12	**–12**
Balance at June 30, 2016 (192,495,476 shares)	**520,376**	**1,217,861**	**879,972**	**127,519**	**7**	**–2,370**	**2,743,365**	**553**	**2,743,918**

Notes to the Consolidated Financial Statements

1. Reporting principles

Basis of presentation

The interim financial statements of GEA Group Aktiengesellschaft and the interim financial statements of the subsidiaries included in the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) and related Interpretations issued by the International Accounting Standards Board (IASB), as adopted by the EU for interim financial reporting in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and the Council on the application of international accounting standards. In accordance with IAS 34, the interim financial report does not contain all the information and disclosures required by IFRSs for full-year consolidated financial statements.

The accompanying consolidated financial statements and Group management report on the second quarter has not been audited in accordance with section 317 of the Handelsgesetzbuch (HGB – German Commercial Code) or reviewed by an auditor. The Executive Board released them for publication on July 26, 2016.

The interim financial statements have been prepared in euros (EUR). All amounts, including the comparative figures, are presented in thousands of euros (EUR thousand), except for the segment information. All amounts have been rounded using standard rounding rules. Adding together individual amounts may therefore result in a difference in the order of EUR 1 thousand in certain cases.

With the exception of the pronouncements applicable for the first time as of January 1, 2016, the accounting policies applied to the accompanying interim financial statements are the same as those applied as of December 31, 2015, and are described in detail on pages 128 to 148 of the Annual Report containing GEA's IFRS consolidated financial statements.

The following accounting standards were applied for the first time in fiscal year 2016:

Amendments to IAS 1 "Presentation of Financial Statements" – Disclosure Initiative – issued by the IASB in December 2014

The amendments are attributable to an IASB initiative to improve the presentation and disclosure requirements in existing standards. They clarify that disclosures are generally only required if their content is not immaterial. In addition, they clarify how shares in the other comprehensive income of equity-accounted companies should be presented in the statement of comprehensive income. The amendments also extend the requirements on the aggregation and disaggregation of line items in the balance sheet and statement of comprehensive income. Lastly, they ease the rigid requirements regarding the structure of the notes, so that these can now be structured in a way that takes better account of their relevance for the individual company. The initial application of these new requirements had no effect on the interim financial statements.

Amendments to IAS 19 "Employee Benefits" – "Defined Benefit Plans: Employee Contributions" – issued by the IASB in November 2013

The amendments concern requirements relating to contributions from employees or third parties that are linked to service and clarify the corresponding requirements for attributing such contributions to periods of service. In addition, the accounting for contributions that are independent of the number of years of service has been simplified.

The initial application had no effect on the interim financial statements.

Improvements to IFRSs 2010-2012 Cycle – amendments under the IASB's annual improvements project – published by the IASB in December 2013

The improvements to IFRSs published in 2013 under the IASB's annual project gave rise to minor amendments to seven standards in total. The initial application had no effect on the interim financial statements.

Improvements to IFRSs 2012 – 2014 Cycle – amendments under the IASB's annual improvements project – published by the IASB in September 2014

The improvements to IFRSs published under the IASB's annual project gave rise to minor amendments to four standards in total. The initial application had no effect on the interim financial statements.

The IASB issued the following new accounting pronouncements in the reporting period:

Amendments to IFRS 2 "Share-based Payment" – Classification and measurement of share-based payment transactions – published by the IASB in June 2016

The amendments to IFRS 2 serve to clarify the classification and measurement of share-based payment transactions. The clarifications address the issue of how vesting conditions affect the measurement of cash-settled share-based payments. Furthermore the classification of certain share-based payment transactions and how changes in the classification should be accounted for are addressed.

GEA does not expect the implementation of the amendments to IFRS 2 to materially affect its financial reporting.

Subject to their endorsement by the EU, the amendments will be required to be applied for fiscal years beginning on or after January 1, 2018; earlier application is permitted.

Interim financial reporting principles

These interim financial statements present a true and fair view of the Company's results of operations, financial position, and net assets in the reporting period.

Preparation of interim financial statements requires management to make certain estimates and assumptions that may affect the Company's assets, liabilities, provisions, and deferred tax assets and liabilities, as well as its income and expenses. Although management makes such estimates and assumptions carefully and in good faith, actual amounts may differ from the estimates used in the interim financial statements.

Factors that may cause amounts to fall below expectations include a deterioration in the global economic situation, movements in exchange rates and interest rates, as well as material litigation and changes in environmental or other legislation. Errors in internal operating processes, the loss of key customers, and rising borrowing costs may also adversely affect the Group's future performance.

2. Basis of consolidation

The consolidated group changed as follows in the second quarter of 2016:

	Number of companies
Consolidated group as of March 31, 2016	**220**
German companies (including GEA Group AG)	36
Foreign companies	184
Initial consolidation	4
Merger	1
Consolidated group as of June 30, 2016	**223**
German companies (including GEA Group AG)	36
Foreign companies	187

A total of 49 subsidiaries (March 31, 2016: 49) were not consolidated since their effect on the Group's net assets, financial position, and results of operations is not material even when viewed in the aggregate.

3. Acquisitions

3.1 Companies acquired

GEA acquired the following company by way of share deal in the second quarter of 2016:

Business	Head office	Acquisition Date	Percentage of voting interest (%)	Consideration transferred (EUR thousand)
Imaforni S.p.A.	Colognola ai Colli, Verona (Italy)	April 1, 2016	100.0	153,478

On April 1, 2016, GEA concluded the acquisition of Italian group Imaforni, acquiring all shares of Imaforni's holding company, Imaforni S.p.A.

Imaforni is a leading supplier of demanding industrial processing equipment and solutions for the biscuits industry and is allocated to the Business Area Solutions. The takeover will further strengthen GEA's application center bakery with industrial biscuit lines mainly for hard biscuits and crackers. This acquisition is another step towards realizing its application strategy and to improve GEA's leading position in advanced process technology for the food industry. The transaction costs incurred in connection with the acquisition in the current fiscal year 2016 amounted to EUR 264 thousand. The transaction costs associated with the acquisition are reported in other expenses.

3.2 Consideration transferred

The consideration transferred is composed as follows:

Business (EUR thousand)	Cash	Contingent consideration	**Total**
Imaforni S.p.A.	153,478	–	153,478

3.3 Assets acquired and liabilities assumed

The following assets were acquired and liabilities assumed through the acquisition of the corporate group:

Fair value (EUR thousand)	Imaforni S.p.A.
Property, plant and equipment	1,604
Intangible assets	57,436
Other non-current assets	2
Non-current assets	**59,042**
Inventories	4,720
Trade receivables	24,956
Other current assets	2,272
Cash and cash equivalents	52,464
Current assets	**84,412**
Total assets	**143,454**
Other non-current liabilities	2,907
Deferred taxes	16,092
Non-current liabilities	**18,999**
Trade payables	14,614
Income tax liabilities	2,696
Other current liabilities	23,952
Current liabilities	**41,262**
Total liabilities	**60,261**
Net assets acquired	**83,193**
of which attributable to GEA Group AG	83,193
of which attributable to non-controlling interests	–
Acquisition cost	153,478
Goodwill of GEA Group AG	70,285

The fair value and gross amount of the receivables acquired are calculated as follows:

Trade receivables (EUR thousand)	Gross amount	Contractual Cashflows not expected to be collectable	Fair value
Imaforni S.p.A.	25,292	–336	24,956

Purchase price allocation with respect to the identification and measurement of the assets acquired and liabilities assumed is provisional. There is particular uncertainty regarding the identification and measurement of intangible assets.

The goodwill arising from the acquisition of EUR 70,285 thousand is attributable to the strengthening of GEA's general competitive position, advantages from expected synergies and future market developments, and the expertise of the workforce.

3.4 Effects on consolidated revenue and consolidated profit

Since its acquisition, the Imaforni corporate group has contributed to consolidated revenue and consolidated profit after tax as follows:

(EUR thousand)	Revenue	Profit for the period
Imaforni S.p.A.	22,491	1,488

If the corporate group had been acquired as of January 1, 2016, consolidated revenue in the reporting period would have been EUR 2,139,563 thousand, and the corresponding consolidated profit after tax EUR 118,121 thousand.

3.5 Cash outflows

The acquisition of the Imaforni corporate group resulted in the following cash outflows:

(EUR thousand)	Q2 2016
Consideration transferred	153,478
less cash acquired	–52,464
Net cash used in acquisition	**101,014**

Outflows of EUR 101,014 thousand from acquisitions were recognized in the cash flow statement for the first half of 2016.

3.6 Acquisitions in the previous year

Allocation of the purchase price for Comas, a company acquired in the previous year, was finalized in the second quarter of 2016. No further amendments above and beyond the adjustments reported in the consolidated financial statements as of December 31, 2015 transpired.

The second quarter of 2016 also saw allocation of the purchase price for CMT, a company also acquired in the previous year, finalized with some minor adjustments. These resulted in a reduction in the goodwill in respect of CMT of EUR 1,600 thousand to EUR 10,761 thousand.

4. Balance sheet disclosures

Cash credit lines

The cash credit lines were composed of the following items as of June 30, 2016:

(EUR thousand)	Maturity	06/30/2016 approved	06/30/2016 utilized	12/31/2015 approved	12/31/2015 utilized
GEA Bond	April 2016	–	–	274,739	274,739
European Investment Bank	July 2017	50,000	50,000	50,000	50,000
Borrower's note loan (2017)	September 2017	90,000	90,000	90,000	90,000
Syndicated credit line ("club deal")	August 2020	650,000	–	650,000	–
Various (bilateral) credit lines including accured interest	Maximum of 1 year or "until further notice"	134,497	5,214	134,611	14,391
Total		**924,497**	**145,214**	**1,199,350**	**429,130**

Bond repayment

On April 21, 2016, GEA repaid the outstanding amount of EUR 274,739 thousand on the bond issued on April 14, 2011.

Financial instruments

The following tables provide an overview of the composition of financial instruments as of June 30, 2016, by class within the meaning of IFRS 7 as well as by measurement category. The tables also include financial assets and liabilities, as well as derivatives that are included in recognized hedging relationships but do not belong to any of the IAS 39 measurement categories.

(EUR thousand)	Carrying amount 06/30/2016	Measurement in accordance with IAS 39: Amortized cost	Fair value through profit or loss	Fair value recognized in other comprehensive income	Measurement in accordance with other IFRSs	Fair value 06/30/2016
Assets						
Trade receivables	1,192,434	761,984	–	–	430,450	1,192,434
of which PoC receivables	430,450	–	–	–	430,450	430,450
Income tax receivables	29,130	–	–	–	29,130	29,130
Cash and cash equivalents	558,021	558,021	–	–	–	558,021
Other financial assets	430,221	323,021	3,227	13,560	90,413	430,221
of which derivatives included in hedging relationships	2,243	–	–	2,243	–	2,243
By IAS 39 measurement category						
Loans and receivables	1,620,122	1,620,122	–	–	–	1,620,122
of which cash and cash equivalents	558,021	558,021	–	–	–	558,021
of which trade receivables	761,984	761,984	–	–	–	761,984
of which other financial assets	300,117	300,117	–	–	–	300,117
Available-for-sale investments	34,221	22,904	–	11,317	–	34,221
Financial assets at fair value through profit or loss (derivatives not included in a recognized hedging relationship)	3,227	–	3,227	–	–	3,227
Liabilities						
Trade payables	556,045	556,045	–	–	–	556,045
Financial liabilities	196,276	145,608	10,370	6,774	33,524	199,521
of which liabilities under finance leases	33,524	–	–	–	33,524	33,524
of which derivatives included in hedging relationships	6,774	–	–	6,774	–	6,774
Income tax liabilities	31,737	–	–	–	31,737	31,737
Other liabilities	858,368	140,820	3,047	–	714,501	858,134
By IAS 39 measurement category						
Financial liabilities at amortized cost	842,473	842,473	–	–	–	845,484
of which trade payables	556,045	556,045	–	–	–	556,045
of which bonds and other securitized liabilities	91,846	91,846	–	–	–	94,652
of which liabilities to banks	53,368	53,368	–	–	–	53,807
of which loan liabilities to unconsolidated subsidiaries	394	394	–	–	–	394
of which other liabilities to affiliated companies	24,760	24,760	–	–	–	24,760
of which other liabilities	116,060	116,060	–	–	–	115,826
Financial liabilities at fair value through profit or loss (derivatives not included in a hedging relationship and contingent consideration)	13,417	–	13,417	–	–	13,417

(EUR thousand)	Carrying amount 12/31/2015	Measurement in accordance with IAS 39: Amortized cost	Fair value through profit or loss	Fair value recognized in other comprehensive income	Measurement in accordance with other IFRSs	Fair value 12/31/2015
Assets						
Trade receivables	1,118,081	781,209	–	–	336,872	1,118,081
of which PoC receivables	336,872	–	–	–	336,872	336,872
Income tax receivables	26,082	–	–	–	26,082	26,082
Cash and cash equivalents	1,174,150	1,174,150	–	–	–	1,174,150
Other financial assets	408,743	285,362	7,576	46,311	69,494	408,743
of which derivatives included in hedging relationships	–	–	–	–	–	–
By IAS 39 measurement category						
Loans and receivables	2,218,975	2,218,975	–	–	–	2,218,975
of which cash and cash equivalents	1,174,150	1,174,150	–	–	–	1,174,150
of which trade receivables	781,209	781,209	–	–	–	781,209
of which other financial assets	263,616	263,616	–	–	–	263,616
Available-for-sale investments	68,057	21,746	–	46,311	–	68,057
Financial assets at fair value through profit or loss (derivatives not included in a recognized hedging relationship)	7,576	–	7,576	–	–	7,576
Liabilities						
Trade payables	610,315	610,315	–	–	–	610,315
Financial liabilities	477,744	429,332	12,307	2,296	33,809	485,453
of which liabilities under finance leases	33,809	–	–	–	33,809	33,809
of which derivatives included in hedging relationships	2,296	–	–	2,296	–	2,296
Income tax liabilities	40,743	–	–	–	40,743	40,743
Other liabilities	741,465	139,221	6,097	–	596,147	740,200
By IAS 39 measurement category						
Financial liabilities at amortized cost	1,178,868	1,178,868	–	–	–	1,185,312
of which trade payables	610,315	610,315	–	–	–	610,315
of which bonds and other securitized liabilities	373,261	373,261	–	–	–	380,437
of which liabilities to banks	55,869	55,869	–	–	–	56,402
of which loan liabilities to unconsolidated subsidiaries	202	202	–	–	–	202
of which other liabilities to affiliated companies	25,959	25,959	–	–	–	25,959
of which other liabilities	113,262	113,262	–	–	–	111,997
Financial liabilities at fair value through profit or loss (derivatives not included in a hedging relationship and contingent consideration)	18,404	–	18,404	–	–	18,404

Financial assets and liabilities that are measured at fair value, or for which a fair value is disclosed in the notes to the consolidated financial statements, are required to be categorized according to the fair value hierarchy described in the following. Categorization within the levels of the fair value hierarchy is based on the measurement of the underlying inputs:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical financial assets and liabilities.

Level 2 inputs: quoted market prices that are observable as direct (prices) or indirect (derived from prices) inputs used to measure fair value and that are not quoted prices as defined by Level 1.

Level 3 inputs: inputs that are not based on observable market data.

The following table shows the categorization of financial assets and financial liabilities into the three-level fair value hierarchy:

Recurring fair value measurements	06/30/2016				12/31/2015			
	Carrying amount	Fair value			Carrying amount	Fair value		
(EUR thousand)		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets measured at fair value								
Derivatives included in hedging relationships	2,243	–	2,243	–	–	–	–	–
Derivatives not included in hedging relationships	3,227	–	3,227	–	7,576	–	7,576	–
Available-for-sale financial assets valued at fair value	10,317	–	–	10,317	9,311	–	–	9,311
Other financial assets	–	–	–	–	37,000	37,000	–	–
Financial liabilities measured at fair value								
Derivatives included in hedging relationships	6,774	–	6,774	–	2,296	–	2,296	–
Derivatives not included in hedging relationships	10,370	–	10,370	–	12,307	–	12,307	–
Contingent consideration	3,047	–	–	3,047	6,097	–	–	6,097
Financial liabilities not measured at fair value								
Bonds	–	–	–	–	282,666	286,043	–	–
Promissory note bonds	91,847	–	94,653	–	90,595	–	94,394	–
Liabilities to banks	53,368	–	53,807	–	55,869	–	56,402	–
Other financial liabilities	75,055	–	–	74,821	76,208	–	–	74,943

There were no transfers between the levels of the fair value hierarchy in the first six months of fiscal year 2016.

The fair value of the bond and the other financial assets is calculated on the basis of quoted bid prices on an active market and is therefore categorized within Level 1. The fair value includes the interest deferred as of the reporting date.

The fair value of derivatives was calculated using quoted exchange rates and yield curves observable in the market. Accordingly, these are categorized within Level 2 of the fair value hierarchy.

The fair value of borrower's note loans and liabilities to banks is measured on the basis of the yield curve, taking into account credit spreads. They are therefore categorized within Level 2 of the fair value hierarchy. The interest deferred as of the reporting date is included in the fair values.

The fair values of trade receivables, cash and cash equivalents, and other financial receivables essentially correspond to the carrying amounts; this is due to the predominantly short remaining maturities.

Certain other financial liabilities resulting from the sale of the GEA's former Heat Exchangers Segment, which was completed in 2014, are categorized within Level 3 of the fair value hierarchy, since their fair value is measured on the basis of the present value of future cash outflows expected on the basis of contractual obligations associated with the sale.

A receivable relating to the former mining activities of Metallgesellschaft AG that had previously been written off was allocated to Level 3 financial instruments; its fair value is determined by means of a present value calculation on the basis of the debtor's payment plan.

Financial liabilities resulting from contingent purchase price considerations are also assigned to Level 3 of the fair value hierarchy. The fair value of these liabilities is determined by means of present value calculations, taking into account various inputs that are not observable in the market, and that are based in particular on corporate planning, as specified in the respective purchase price clauses.

5. Consolidated income statement disclosures

Restructuring expenses relating to the "Fit for 2020" program

The "Fit for 2020" program is a constituent part of the company's strategic reorientation effort. It aims to bring about substantial savings and promote further growth by optimizing the company's organizational structure. For example, the development and manufacturing of products and the provision of process solutions have been bundled in two new Business Areas (BA) – Equipment and Solutions. This new structure with business areas of roughly equal size and strength promises greater operational synergies across technologies and applications, and helps achieve functional excellence by standardizing processes. For GEA's customers this means one country organization per country as a central point of contact offering the entire product portfolio and all services on a local basis. The planned measures include a net workforce reduction of approximately 1,450 full-time equivalents.

In the first half of 2016, negative restructuring expenses of EUR 12.5 million (previous year: restructuring expenses of EUR 115.7 million) were recorded in respect of the "Fit for 2020" program. The income carried in the first half of 2016 was primarily due to lower-than-expected expenses for contractual redundancy payments. The restructuring provisions recognized as of June 30, 2016 amounted to EUR 49.1 million (previous year: EUR 110.9 million).

Income tax expense

The income taxes disclosed for continuing operations in the interim reporting period were calculated using an estimated tax rate of 19.0 percent (previous year: 22.0 percent).

6. Statement of comprehensive income and consolidated statement of changes in equity disclosures

Exchange differences on translating foreign operations

The change in exchange differences on translating foreign operations amounted to EUR –17,008 thousand in the first half of 2016 (previous year: EUR 90,907 thousand) and resulted primarily from the fall in the value of the U.S. dollar and the Chinese renminbi against the euro. In the prior-year period, exchange differences on translating foreign operations moved in the opposite direction, mainly as a result of a rise in the value of the U.S. dollar and the renminbi against the euro.

7. Segment reporting

GEA's business activities are divided into the following two business areas:

Business Area Equipment

The Business Area Equipment brings together all activities ranging from customer-specific to largely standardized equipment offerings. The products are mainly manufactured as part of series production on a standardized and modular basis. Typical products of the business area include separators, valves, pumps, homogenizers, and refrigeration equipment such as compressors. The portfolio of equipment also includes process technology for food processing and packaging. The product range also extends to dairy equipment, feeding systems, and slurry engineering.

Business Area Solutions

The Business Area Solutions brings together all group activities that largely consist of marketing customer-specific and modular solutions, and projects. This business area tailors its products and services to the specific application or customer requirements. The offering mainly comprises the design and development of process solutions for the dairy processing, brewing, food and beverages, pharma, and chemical industries.

(EUR million)	BA Equipment	BA Solutions	Others	Consolidation	GEA
Q2 2016					
Order Intake	617.2	658.6	–	–53.8	**1,222.1**
External revenue	528.1	628.8	–	–	**1,156.9**
Intersegment revenue	42.8	4.9	–	–47.7	**–**
Total revenue	570.9	633.7	–	–47.7	**1,156.9**
Operating EBITDA*	86.0	61.7	–3.0	0.5	**145.2**
as % of revenue	15.1	9.7	–	–	**12.6**
EBITDA	88.5	62.5	–14.2	0.5	**137.3**
Operating EBIT*	72.1	57.1	–4.5	0.5	**125.2**
as % of revenue	12.6	9.0	–	–	**10.8**
EBIT	69.6	53.8	–15.7	0.5	**108.2**
as % of revenue	12.2	8.5	–	–	**9.3**
Additions to property, plant and equipment and intangible assets	12.6	134.9	1.7	–	**149.3**
Depreciation and amortization	19.0	8.6	1.5	–	**29.2**
Q2 2015					
Order Intake	573.0	628.9	–	–53.1	**1,148.8**
External revenue	541.6	608.6	–	–	**1,150.1**
Intersegment revenue	46.3	4.4	–	–50.7	**–**
Total revenue	587.9	612.9	–	–50.7	**1,150.1**
Operating EBITDA*	84.5	58.1	–2.5	–0.8	**139.3**
as % of revenue	14.4	9.5	–	–	**12.1**
EBITDA	27.6	31.1	–51.5	–0.8	**6.4**
Operating EBIT*	71.5	53.3	–4.2	–0.8	**119.8**
as % of revenue	12.2	8.7	–	–	**10.4**
EBIT	8.1	24.9	–53.2	–0.8	**–20.9**
as % of revenue	1.4	4.1	–	–	**–1.8**
Additions to property, plant and equipment and intangible assets	12.5	107.1	1.7	–	**121.2**
Depreciation and amortization	19.4	6.2	1.7	–	**27.3**

*) Before effects of purchase price allocations and after adjustments (see page 42)

(EUR million)	BA Equipment	BA Solutions	Others	Consolidation	GEA
Q1 - Q2 2016					
Order Intake	1,187.6	1,280.8	–	–102.0	**2,366.4**
External revenue	977.4	1,120.7	–	–	**2,098.1**
Intersegment revenue	84.3	8.4	–	–92.7	**–**
Total revenue	1,061.7	1,129.2	–	–92.7	**2,098.1**
Operating EBITDA[1]	158.3	88.2	–8.9	1.5	**239.1**
as % of revenue	14.9	7.8	–	–	**11.4**
EBITDA	161.0	85.0	–25.0	1.5	**222.5**
Operating EBIT[1]	131.1	79.0	–12.0	1.5	**199.5**
as % of revenue	12.3	7.0	–	–	**9.5**
EBIT	123.7	70.1	–28.1	1.5	**167.2**
as % of revenue	11.6	6.2	–	–	**8.0**
ROCE in %[2]	19.3	31.9	–	–	**19.7**
Segment assets	3,569.9	2,958.4	3,568.1	–4,291.5	**5,804.9**
Segment liabilities	1,660.8	1,640.0	2,225.1	–2,465.0	**3,060.9**
Working Capital (reporting date)[3]	557.9	98.8	1.6	–6.9	**651.4**
Additions to property, plant and equipment and intangible assets	22.6	138.4	6.7	–4.0	**163.6**
Depreciation and amortization	37.3	14.9	3.1	–	**55.3**
Q1 - Q2 2015					
Order Intake	1,159.6	1,217.2	–	–100.5	**2,276.2**
External revenue	1,025.9	1,130.6	–	–	**2,156.5**
Intersegment revenue	88.9	8.4	–	–97.3	**–**
Total revenue	1,114.8	1,139.0	–	–97.3	**2,156.5**
Operating EBITDA[1]	151.8	90.4	–4.5	–0.3	**237.4**
as % of revenue	13.6	7.9	–	–	**11.0**
EBITDA	92.0	62.9	–55.2	–0.3	**99.4**
Operating EBIT[1]	125.8	80.7	–7.7	–0.3	**198.6**
as % of revenue	11.3	7.1	–	–	**9.2**
EBIT	54.6	50.7	–58.4	–0.3	**46.6**
as % of revenue	4.9	4.4	–	–	**2.2**
ROCE in %[2]	15.0	51.0	–	–	**16.4**
Segment assets	3,697.6	2,617.9	4,315.6	–4,923.5	**5,707.7**
Segment liabilities	1,848.8	1,627.2	2,748.3	–3,039.0	**3,185.3**
Working Capital (reporting date)[3]	546.1	40.2	–4.7	1.4	**582.9**
Additions to property, plant and equipment and intangible assets	25.9	138.3	2.3	–	**166.5**
Depreciation and amortization	37.4	12.2	3.2	–	**52.8**

1) Before effects of purchase price allocations and after adjustments (see page 42)
2) ROCE = EBIT/capital employed; EBIT and capital employed both calculated as the average for the last 12 months and before effects relating to goodwill from the acquisition of the former GEA AG by the former Metallgesellschaft AG in 1999; capital employed = noncurrent assets + working capital
3) Working capital = inventories + trade receivables – trade payables – advance payments received

Order intake is recognized on the basis of legally valid contracts. Intersegment revenue is calculated using standard market prices.

In accordance with the internal management system as described in the 2015 Annual Report, the profitability of the two business areas is measured using earnings before interest, tax, depreciation, amortization and impairment losses, and reversals of impairment (EBITDA), earnings before interest and tax (EBIT), and profit or loss before tax (EBT), as presented in the income statement, irrespective of reclassification to profit or loss from discontinued operations.

Impairment losses include all impairment losses on property, plant, and equipment, intangible assets, and investment property.

Of restructuring expenses totaling EUR –12.5 million (previous year EUR 115.7 million), EUR –11.3 million (previous year EUR 59.6 million) was attributable to the Business Area Equipment, EUR –3.3 million (previous year EUR 24.8 million) to the Business Area Solutions, and EUR 2.1 million (previous year EUR 31.3 million) to "Other companies".

The definition of operative earnings as used by the management for controlling purposes has been defined more precisely in the context of the guidelines on alternative performance measures published by the European Securities and Markets Authority (ESMA) as follows: As in previous years, the figures for operating EBITDA and operating EBIT are adjusted for items which, in the opinion of the management, do not reflect GEA's financial performance in the respective period. This relates, on the one hand, to adjustments for purchase price allocation effects that were determined for all significant past acquisitions, and, on the other, to the adjustment of expenses for strategic projects. These include restructuring expenses, expenses for external consultants, acquisitions costs for scheduled and completed business combinations as well as other external and internal costs directly attributable to the projects. In the reporting period, strategy projects comprised the "Fit for 2020" program including implementation of the Shared Service Center, and several projects relating to business combinations.

In accordance with this definition, operating EBIT for the first half of 2016 was adjusted for expenses for strategic projects totaling EUR 16.0 million (previous year: EUR 139.4 million). The adjustments consist of expenses amounting to EUR 15.0 million (previous year: EUR 135.1 million) for the "Fit for 2020" program. Amongst others these expenses include restructuring expenses of EUR –12.5 million (previous year: EUR 115.7 million) and expenses for the implementation of the Shared Service Center in the amount of EUR 8.4 million (previous year: EUR 0 million). The other expenses for strategic projects amounting to EUR 1.0 million are attributable to scheduled and completed business combinations (previous year: EUR 0 million). Moreover, in the previous year, personnel expenses of EUR 4.3 million were adjusted in respect of employees who left the company during that fiscal year and were not replaced.

The following tables show the reconciliation of EBITDA before purchase price allocation and adjustments, and of EBITDA to EBIT:

Reconciliation of operating EBITDA to EBIT (EUR million)	Q2 2016	Q2 2015	Change in %	Q1-Q2 2016	Q1-Q2 2015	Change in %
Operating EBITDA	**145.2**	**139.3**	**4.3**	**239.1**	**237.4**	**0.7**
Depreciation of property, plant and equipment, investment property, and amortization of intangible assets	–20.1	–19.5	–	–39.6	–38.9	–
Operating EBIT	**125.2**	**119.8**	**4.5**	**199.5**	**198.6**	**0.5**
Depreciation and amortization on capitalization of purchase price allocation	–9.1	–6.3	–	–15.7	–12.4	–
Realization of step-up amounts on inventories	–0.4	–0.1	–	–0.6	–0.1	–
Adjustments	–7.5	–134.3	–	–16.0	–139.4	–
EBIT	**108.2**	**–20.9**	**–**	**167.2**	**46.6**	**> 100**

Reconciliation EBITDA to EBIT (EUR million)	Q2 2016	Q2 2015	Change in %	Q1-Q2 2016	Q1-Q2 2015	Change in %
EBITDA	**137.3**	**6.4**	**> 100**	**222.5**	**99.4**	**> 100**
Depreciation of property, plant and equipment, investment property, and amortization of intangible assets	–29.2	–27.3	–6.9	–55.3	–52.8	–4.8
EBIT	**108.2**	**–20.9**	**–**	**167.2**	**46.6**	**> 100**

A reconciliation of EBIT to profit or loss before income tax is contained in the income statement.

ROCE is regularly used to assess how effectively the capital invested in business operations is being used.

The recognition and measurement policies for assets and liabilities of the business areas, and hence also for working capital, are the same as those used in the group and described in the accounting policies section of the 2015 Annual Report.

The following table shows the reconciliation of working capital to total assets:

Reconciliation of working capital to total assets (EUR million)	06/30/2016	06/30/2015
Working capital (reporting date)	**651.4**	**582.9**
Working capital (reporting date) of Ruhr-Zink	–0.2	–0.7
Non-current assets	2,992.0	2,847.6
Income tax receivables	29.1	20.1
Other current financial assets	389.2	411.9
Cash and cash equivalents	558.0	790.4
Assets held for sale	5.6	7.2
plus trade payables	556.0	561.9
plus advance payments in respect of orders and construction contracts	301.2	219.4
plus gross amount due to customers for contract work	322.5	267.1
Total assets	**5,804.9**	**5,707.7**

8. Related party transactions

There were no material related party transactions with an effect on the results of operations, financial position, and net assets.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the material opportunities and risks associated with the expected development of the group for the remaining months of the fiscal year.

Düsseldorf, July 26, 2016

The Executive Board

Jürg Oleas | Dr. Helmut Schmale | Steffen Bersch | Niels Erik Olsen

Financial Calendar

October 28, 2016 .... Quarterly Financial Report for the period to September 30, 2016

Communication, Marketing & Branding

Phone +49 (0)211 9136-1492
Fax +49 (0)211 9136-31492
Mail pr@gea.com

Investor Relations

Phone +49 (0)211 9136-1082
Fax +49 (0)211 9136-31082
Mail ir@gea.com

The GEA Stock: Key data

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Bloomberg code	G1A.GR
Xetra	G1A.DE

American Depository Receipts (ADR)

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Sponsor	Deutsche Bank Trust Company Americas
ADR-Level	1
Ratio	1:1

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Note regarding the rounding of figures
Due to the commercial rounding of figures and percentages, small deviations may occur.

Note to the Quarterly Financial Report
The Quarterly Financial Report is the English translation of the original German version; in case of deviations between these two, the German version prevails.

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GEA Group Aktiengesellschaft
Peter-Müller-Straße 12
40468 Düsseldorf
Germany
Phone: +49 211 9136-0