



# Insights 2008

Data, facts, performance  
at a glance

# The GEA Group



## **Focused and globally successful**

The GEA Group, headquartered in Bochum, Germany, is a globally successful technology group with more than 250 companies in 50 countries.

The Group is focused on the two basic engineering processes of heat exchange and mass transfer. GEA Group technologies are applied in the food, chemical and petrochemical industries, the energy sector and air treatment as well as the pharmaceutical and cosmetic industries. About one-third of the worldwide produced instant coffee is manufactured in plants made by the GEA Group and around every fourth liter of milk is produced or processed with GEA Group equipment. Every second liter of beer might well have passed through one of our components. The GEA Group is one of the world's market and technology leaders in 90 per cent of its businesses.

# Core technologies

Core technologies of the GEA Group							
	Heat exchange			Mass transfer			
	Heat	Cool	Freeze	Separate	Dry/dewater/distill	Pump/dose	Agglomerate/package
Milk	■	■	■	■	■	■	■
Beer	■	■	■	■	■	■	■
Juices/wines/ spirits	■	■	■	■	■	■	■
Fats/sugar/ coffee/cocoa	■	■	■	■	■	■	■
Starch	■	■	■	■	■	■	■
Pharmaceuticals/ cosmetics	■	■	■	■	■	■	■
Chemicals/ petrochemicals	■	■	■	■	■	■	■
Power generation	■	■	■	■	■	■	■
Air treatment	■	■	■	■	■	■	■
Other	■	■	■	■	■	■	■

## Well-positioned

The GEA Group continuously increases performance in markets with elementary growth drivers:

- Continuous growth in world population
- Rising incomes in emerging markets
- Growing demand for quality in food, drink and pharmaceuticals
- Increasing energy demand

# Company strategy



## **Close to the market and flexible**

Each operating company of the GEA Group acts as fast as any smaller competitor in the respective market, supported by the clear separation of operational and strategic tiers as well as fast decision-making.

Direct market orientation and flexibility of all operating companies are based on the structure of the GEA Group product range but also on professional decentralization management resulting in arms-length management and responsibility close to the market.

The GEA Group relies within its core competencies on a broad product program in addition to the largely modular construction of its products. Thus components, systems or processes in tailored combinations can be used in a multitude of non-cyclical and robust markets.

# Corporate structure

## GEA Group

### Energy and Farm Technology Segment

Thermal Engineering

Emission Control

Air Treatment

Farm Systems

### Process Technology Segment

Process Engineering

Pharma Systems

Process Equipment

Refrigeration

Mechanical Separation

### Efficient structures

The GEA Group is organized as a multilayered, segment-based holding group that is headed by GEA Group Aktiengesellschaft in Bochum, Germany, a publicly traded corporation that functions as a strategic management holding company. The decentralized organization is controlled from this holding by using precisely defined objectives. The activities are strategically geared to increase enterprise value focusing on profitability growth, which is an essential indicator for the operative excellence of the Group's companies.

The divisions combined in the two segments Energy and Farm Technology and Process Technology are positioned according to their core technologies. The divisions realize joint projects and thus make good use of synergies. The customer gets the best specialist from "his" GEA company. At the same time he can be sure that the overall process and its critical interfaces are understood in full, due to the know-how available within the GEA Group.

# Segment

## Energy and Farm Technology

[www.gea-energy.com](http://www.gea-energy.com)



### **Thermal Engineering**

The program of the Thermal Engineering Division includes products and systems for Direct Dry Cooling, Direct Condensing, Wet Cooling, Indirect Dry Cooling, Special Applications and Services. These tried and tested technologies are used by power station operators as well as by customers from the processing industry. Here, the main emphasis is on chemicals, refineries, petrochemicals, GTL and LNG plants. Many of our developments, e.g. the “plume-free” Heller® GEA cooling towers set standards throughout the world. In addition to the required efficiency and economy, the thing which our safety-orientated customers appreciate most is our complete dependability.

[www.geabischoff.com](http://www.geabischoff.com)



### **Emission Control**

The Emission Control division offers tailored system solutions to producers as well as general contractors of complete plants for the industries of non-ferrous metallurgy, chemistry, iron and steel, cement and glass. Part of the broad technology range are dust collection, dry and wet processes for removing gaseous pollutants from process gases, separating heavy metals, abating acid gas, dioxins and furans as well as other emission-relevant offgas components.

## Energy and Farm Technology

[www.gea-airtreatment.com](http://www.gea-airtreatment.com)



### **Air Treatment**

The product range of the Air Treatment division includes central and decentral solutions for heating, cooling and ventilation systems. Application fields are for example hotels, public buildings, retail and commercial real estate, leisure facilities and production halls. Complete air-conditioning and clean-room systems are available for the pharmaceutical, computer and electronic industries as well as hospitals.

[www.westfaliasurge.com](http://www.westfaliasurge.com)



### **Farm Systems**

The Farm Systems division is focused on technologies around milk production and storage. Farm Systems accompanies the whole milk production processes at the customers worldwide, including stable hygiene, cooling technology and veterinary care. The performance range is individually adapted to all herd sizes as well as customer requirements, together with for example state-of-the-art computer-controlled feeding and herd management technology. In addition WestfaliaSurge offers customers professional manure technologies including the design of complete, environmental friendly systems.

# Segment

## Process Technology

[www.niro.com](http://www.niro.com)

[www.tuchenhagen.de](http://www.tuchenhagen.de)

[www.gea-wiegand.com](http://www.gea-wiegand.com)



### **Process Engineering**

The Process Engineering division, under the management holding company Niro A/S, Copenhagen, Denmark, is a leading global supplier of industrial powder and thermal separation technologies. Dryers for the production of powder, evaporators and distillation plants are products designed to meet individual customer requirements in the food (particularly dairy), drinks, chemical and pharmaceutical industries.

[www.geapharmasystems.com](http://www.geapharmasystems.com)



### **Pharma Systems**

The Pharma Systems division supplies the pharmaceutical industry worldwide with state-of-the-art solutions for processing pharmaceutically active substances – from active ingredient processing up to the production of solid and liquid-sterile dosage forms. The portfolio of Pharma Systems includes leading brands of the industry. Pharma Systems' activities range from R&D cooperation with customers (supply of R&D plants and stand-alone units) up to the installation of completely integrated production systems.

## Process Technology

[www.geaag-ped.com](http://www.geaag-ped.com)



### **Process Equipment**

The Process Equipment division manufactures heat exchangers and special components for various industrial processes. Activities include thermal technology, together with the liquid processing equipment and homogenizer business.

[www.grasso-global.com](http://www.grasso-global.com)



### **Refrigeration**

The Refrigeration division is active in the field of industrial cooling, both of processes and products. Quality-assured processing and storage of food, for example in slaughterhouses, cold stores and on ships, are the principal areas of activity. However, the products are also used in the leisure industry, for example on ice-skating rinks or in indoor ski facilities.

[www.westfalia-separator.com](http://www.westfalia-separator.com)



### **Mechanical Separation**

Under the brand name “Westfalia Separator” the Mechanical Separation division supplies solutions for over 2,500 applications, including for example food and drink, chemicals, pharmaceuticals as well as shipbuilding and environmental engineering. Separators and decanters are centrifuges used to separate solids from liquids with or without simultaneous breakdown of a liquid mixture.

# Engineering excellence



560 hectares of growth,  
leading-edge technology  
and future

New standards for project management  
and engineering





### **Burj Dubai – supreme building services engineering**

Part of the superlatives of this around 705-meter high building will be – next to exclusive restaurants, shops, relaxation areas, pools and library – an air-conditioning plant that will cool outside temperatures of up to 45°C and provide an ideal climate for the building's residents and visitors. Twelve cooling towers made by the GEA Group help cool the vast quantities of water. They have been selected for their extremely space-saving design and because they work efficiently, in a noise-reduced and water-saving way. The units recycle over 95 per cent of the water passing through them.

“The Palm Jumeirah” was born as a vision in 2001 and carried out in front of Dubai’s skyline after five years as a man-made island shaped like a palm tree with 78 kilometers of coastline, space for 4,000 luxury residences, beachfront villas, exclusive shops, restaurants and office buildings. This project realized by investors from more than 50 countries stands for 560 hectares of prestige, growth, leading-edge technology and future – jutting out five kilometers into the sea on millions of cubic meters of positioned sand with about 10 per cent of the global oil reserves beneath.

“The Palm Jumeirah” not only defines luxury in a new way. Temperatures of over 40°C, the delicate ecosystem of the surrounding sea and a good 1.5 billion people living within a 3-hour flight radius demand ambitious solutions regarding building services engineering, infrastructure and environmental technology. As far as climate technology and air treatment, cooling processes or waste water treatment are concerned, the companies of the GEA Group succeed through excellence in project management and engineering. GEA Group products and process engineering solutions save water, energy as well as waste management expenditures and efficiently contribute to the protection of the marine ecosystem.



#### **Efficient environmental technology**

The delicate ecosystem demands optimal waste water treatment, which is mastered by an underground waste water treatment plant. At the heart of the plant is a highly efficient GEA decanter dewatering the sludge and ensuring clean water.

# GEA Group in figures

## Selected key figures for 2007

	in EUR millions
New Orders	5,794.4
Sales	5,198.6
thereof international	4,240.7
thereof domestic	957.9
EBIT	422.2
Earnings before tax*	370.5
Net income	283.5
Equity ratio (in per cent)	29.8
Net position	61.3
Free cash flow	72.3
Capital expenditure	2,621.2
Capital expenditure on research and development	72.6
Employees (at December 31)**	19,560
thereof international	12,846
thereof domestic	6,714

\* from continued operations

\*\* excluding trainees and apprentices

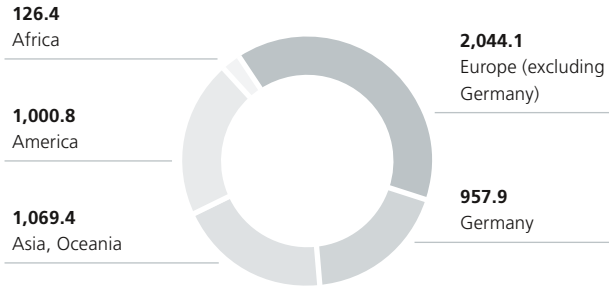
## Outlook

The GEA Group also anticipates an order intake increase for the largely robust business portfolio in the financial year 2008. A rise in sales is expected in 2008 due to the large amount of orders on hand. The operating results of the core segments will continue to grow disproportionately to sales and the GEA Group estimates the EBIT margin to improve in 2008.

By today's standards the overall positive development will continue in 2009.

# Operating globally

## Sales by region in 2007 (in EUR million)



### International orientation and markets

As a global player, the GEA Group now generates around 80 per cent of its sales from outside Germany. The GEA Group has a presence in all growth regions worldwide and acts internationally as one of the leading partners and market drivers in the key technologies of process engineering.

Thus the GEA Group supplies above all efficiency-raising, high-end systems for the production of sophisticated products in the highly industrialized markets of Europe and the U.S. However, the growth markets in the BRIC countries (Brazil, Russia, India and China) have a basic supplies character. Their extraordinarily high growth potentials, above all in the fields of food and pharmaceuticals, require the development and creation of state-of-the-art technologies on the spot – with products and services complying with the highest international standards.

# GEA Group chronicle

## History consolidated

1881	Metallgesellschaft AG (MG) established as a metals trading company.
1882-1914	MG becomes a global player represented on all continents. Investments in mines and metallurgical plants. Metallurgische Gesellschaft (Lurgi) founded.
1918	Large proportion of foreign investments lost in the First World War. Start of chemicals trading.
1920	Gesellschaft für Entstaubungsanlagen (GEA), a company producing dedusting equipment, founded.
1939-1945	Extensive destruction of MG and GEA production facilities.
1945-1980	Following reconstruction, numerous product innovations ensure increasing commercial success.
1989	GEA goes public.
1991-1995	More intense acquisition activity in GEA (including Grasso, Niro, Westfalia Separator and Tuchenhagen). GEA sales increase to EUR 2 billion with 17,000 employees.
1992	MG enters the field of special chemistry with the acquisition of Dynamit Nobel AG. The MG Group has 63,000 employees generating sales of around EUR 13 billion.
1993	Heavy losses on oil transactions in the U.S. plunge MG into a crisis.
1994	Start of a fundamental realignment of the MG Group turning it into an innovative technology group. Up to 1996 disposal of around 300 companies in the Group. Focus on engineering and chemicals.
1999	Metallgesellschaft acquires GEA AG.
2000	Metallgesellschaft AG becomes mg technologies ag.
2003	Strategic realignment of the Group focusing on specialty mechanical engineering, especially process engineering and equipment, and on plant engineering.
2004	Disposal of the Chemicals division: sale of four of the five business units in Dynamit Nobel AG.
2005	Change in company name from mg technologies ag to GEA Group Aktiengesellschaft. Disposal of the Dynamit Nobel Plastics business unit.
2007	Sale of Plant Engineering Segment.
2008	New segmentation of divisions.



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