

Ad-hoc release

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Krones raises earnings target for 2013 after strong second quarter

Krones, the world's market leader for beverage filling and packaging technology, accelerated its growth in the second quarter of 2013 despite the challenging macroeconomic environment. From April to June 2013, the company's revenue increased 8.3% to €694.1 million. Revenue rose 6.8% year-on-year in the first half of 2013, from €1,289.7 million to €1,377.5 million.

New orders were up 4.1% year-on-year to €1,382.8 million in the period from January to June 2013, due primarily to continued high demand from the emerging markets. At 30 June 2013, the company had an orders backlog of €1,004.6 million (previous year: €980.4 million).

Krones improved profitability considerably. In the first half of 2013, the company generated earnings before taxes (EBT) of €79.7 million. That is up 24.5% over the previous year. The EBT margin, the ratio of earnings before taxes to revenue, improved from 5.0% in the previous year to 5.8%. Net income improved 25.8% in the first half of 2013 to €55.6 million. As a result, earnings per share were up from €1.47 to €1.81.

Krones improved its return on capital employed (ROCE), that is the ratio of EBIT to average net tied-up capital, to 15.6% in the first half of 2013 (previous year: 13.2%). The company's equity ratio was 43.5% at the end of the first half (31 December 2012: 37.8%). Krones had no bank debt at the end of June and held net cash and cash equivalents (cash and cash equivalents less bank debt) of €128.6 million.

Outlook

The first successes as a result of measures taken under Value have Krones' earnings slightly better than planned at the end of the first half of 2013. For this reason, the Executive Board has raised its forecast for the EBT margin for the year 2013 as a whole to between 5.8% and 6.0% (previous forecast: over 5.5%). With that, Krones has made good progress this year toward its medium-term target of 7%. Because the overall economic outlook remains uncertain, the company is leaving its forecast for revenue growth for 2013 at 4%. Krones expects no support from price levels.

Krones is confident that it will achieve its third strategy target, ROCE of 15%, in 2013. The company's medium- to long-term target is 20%. Krones also expects free cash flow for the year 2013



as a whole to be improved over the previous year on higher earnings and lower working capital.

Details on the first half/second quarter of 2013 can be found in the quarterly report, which is available at www.krones.com.

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