

*Ad-hoc press release*

## Krones achieves turnaround with a substantial plus

Neutraubling, Germany, 28 July 2010 – With the global economy showing a definite recovery since the beginning of this year, the investment backlog in the beverage and packaging industries is now beginning to translate into actual orders. And Krones, as the world's market leader for beverage filling and packaging technology, reaped the benefit during the year's first half. Order bookings, for example, rose by 26.4 % to reach 1,104.9 million euros. In the year's second quarter, orders exceeded the preceding year's equivalent figure by 20.8 %. Sales climbed in the year's first six months by 16.4 % to reach 1,076.2 million euros, with growth accelerating in the second quarter to 22.8 %.

The order backlog, totalling 917.2 million euros at the end of June 2010, is 130.2 million euros up on the preceding year's equivalent figure, and in the months ahead will continue to assure good capacity utilisation.

In terms of profitability, too, Krones has achieved turnaround. From January to June 2010, the company reported earnings before taxes (EBT) totalling 32.0 million euros, following a minus of 15.8 million euros in the previous year. From April to June, Krones achieved EBT of 18.8 million euros. Earnings after taxes during the year's first two quarters increased from minus 16.0 million euros in the preceding year to 22.1 million euros. Per share, this corresponds to a result of 0.73 euros (preceding year: minus 0.53 euros).

Krones' financial and capital structure, with an equity ratio of almost 39 %, and net liquidity of 67.9 million euros on 30 June (preceding year: net debt of 58.4 million euros) continues to be thoroughly sound, constituting a solid foundation for further growth.

### Significantly improved prospects for 2010 as a whole

During the first half of 2010, Krones achieved turnaround, and for the 2010 business year as a whole expects sales to grow by 10 to 15 %, reaching 2.10 to 2.15 billion euros. While the Executive Board were relatively cautious in formulating this target at the beginning of this year, they are meanwhile confident of completing 2010 in the upper portion of this prediction range.



The company is equally confident that in terms of consolidated earnings, too, the turnaround achieved in the year's first half will be progressed, and that in 2010 as a whole a respectable profit can be earned. It is highly probable that earnings in the second half of 2010 will exceed the figure for the year's first six months.

For the 2011 business year, assuming there is no change in the situational framework, Krones expects the upturn to continue.

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