

28 April 2005

Report for the 1<sup>st</sup> quarter of 2005

## KRONES' growth still vigorous in 2005

Quarterly financial statements feature IAS/IFRS accounting for the first time

With substantial increases in order bookings, sales and profits during the year's first three months, KRONES expects a successful business year in 2005, despite continuingly massive pressure from competitors and the high level of raw material prices.

The strategies adopted by the Neutraubling-based world market leader for beverage bottling, canning and packaging lines continue to prove highly successful.

In the first quarter of 2005, KRONES reports order bookings totalling EUR 441.5 m, up by 8.8 % over the previous year (EUR 405.7 m) on a like-for-like basis.

Consolidated sales at the group, with its 8,929 employees worldwide (preceding year: 8,655), rose by 5.5 % to reach EUR 404.5 m (preceding year: EUR 383.4 m).

KRONES' earnings after taxes, at EUR 17.6 m (preceding year: EUR 16.5 m), were up by 6.7 %. With pretax profits of EUR 29.3 m, the company's return on sales is 7.2 %.

The order books continue to be gratifyingly full. The order backlog on 31 March 2005, at EUR 686.0 m, was 7.7 % above the figure for 31 March 2004 (EUR 637.2 m) and corresponds to a full capacity utilisation period of approximately five and a half months.

KRONES expects further growth to be boosted by the new worktime model in force since the beginning of this year, which provides for longer and more flexible working hours.

Moreover, the planned incorporation into KRONES AG of the two existing subsidiaries Anton Steinecker GmbH, Freising (brewing technology) and Syskron GmbH, Neutraubling (information technology) will mean optimised production processes for the group, plus enhanced flexibility in terms of capacity utilisation and concomitantly significant cost savings.

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For 2005 as a whole, KRONES is anticipating organic growth inside a corridor of +5 % to +10 % compared to 2004.

Earnings will, on present trends, increase overproportionally to the growth in sales.

***Brief portrait of the KRONES Group***

*The KRONES Group, headquartered in Neutraubling, Upper Palatinate, Germany, plans, develops and manufactures machines and complete lines for filling and packaging applications in the beverage, food, chemical, pharmaceutical and cosmetics sectors. There are plants in Neutraubling, Nittenau, Flensburg, Freising and Rosenheim. Besides KRONES AG (MDAX), the group includes the production subsidiaries Steinecker (brewing technology), Sander Hansen (pasteurisers), Syskron (process automation) and Kosme (machines for the lower output range) and more than 40 companies abroad, which also assure the complete portfolio of services during a line's entire lifetime.*

You will also find this press release for downloading on the internet under <http://www.krones.com>.