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Report for the 1st half of 2005

KRONES' growth still vigorous

KRONES progressed its thrust for growth according to plan during the first half of 2005. The specialists for beverage bottling/canning lines and packaging machinery from Neutraubling near Regensburg, Germany, increased their order bookings to reach EUR 837.9 m, up by 6.8 % compared to the preceding year's equivalent period. Sales revenues rose by 6.5 % to reach EUR 820.6 m, and orders on hand as per 30 June totalled EUR 666.3 m, 5.9 % up on the previous year's figure. KRONES expects growth to be further boosted by the drinktec, the world's premier trade fair for the beverage industry, to be held in Munich this September.

The group's after-tax profits in the first six months of the year, at EUR 36.5 m, were 2.8 % up on the preceding year's level. Profits on ordinary activities came to 53.5 m, a decrease of 9.8 %. This, as already announced, was largely attributable to a major loss-making order at a subsidiary. In its core bottling and packaging line operations, by contrast, KRONES achieved pre-tax profits of EUR 55.9 m, a return of sales of 8.0 %.

For the year as a whole KRONES is expecting sales to show a rise of 5 to 10 % and is targeting a further increase in profits. Despite incipient concentration on the market, KRONES sees itself as well placed for achieving these goals.

With the new corporate capabilities in terms of process engineering now launched, and the integration of the former subsidiary Steinecker completed, the preconditions are in place for leaner, more efficient process sequences and risk minimisation. Moreover, the plant agreement in force since the beginning of this year, following an introductory phase, will make its own contribution towards further improving the corporate cost structure.



Brief portrait: the KRONES Group

The KRONES Group is headquartered in Neutraubling/Upper Palatinate, Germany; it plans, develops and manufactures machines and complete lines for bottling, canning and packaging processes in the beverage, food, chemical, pharmaceutical and cosmetic industries. It operates plants in Neutraubling, Nittenau, Flensburg, Freising and Rosenheim.

Besides KRONES AG (M-DAX), the group also includes the subsidiaries, Sander Hansen (pasteurisers) and Kosme (machines for the lower output range), plus more than 40 companies abroad, which ensure comprehensive service support during a line's entire lifetime. With a payroll of 8,890, the group's turnover in 2004 totalled a good 1.55 billion euros.

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