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## Solid growth for Krones in the first half of 2007

Krones AG, Neutraubling, Germany, the world's market leader for beverage filling and packaging technology, progressed its thrust for growth in the first half of 2007.

Compared to the preceding year, sales rose by 14.5 % to reach 1,053.9 million euros. During the period under review, the company profited from general economic growth worldwide and the continuing boom in its chosen sector. The trend for beverages to be bottled increasingly in plastic containers (PET) continued unbroken during the period under review. Krones was swift to put the requisite corporate capabilities in place and is the world's market leader for PET lines.

Krones achieved significantly increased sales during the first six months of 2007 not only in boom regions like China and Russia, but also in South America and in Scandinavia.

Turnover in Germany, too, which in the period under review accounted for 19.5 % (preceding year: 15.8 %) of total revenues, was up on the previous year. In the USA and Western Europe, sales roughly maintained the preceding year's exceptionally high level during the first six months of 2007.

In the second quarter of 2007, Krones' sales, at €548.9 m, were 17.1 % up on the preceding year's equivalent figure.

### High growth in order bookings and backlog

Major orders from Germany and abroad saw order bookings improve during the year's first half by 17.8 % on a like-for-like basis, to 1,109.5 million euros. Order bookings in the months of April to June 2007 were 21.8 % up on the preceding year's figure.

On 30 June 2007, orders on hand at Krones totalled €802.3 m, 12.7 % up on the preceding year's figure. Compared to the end of 2006, the order book was fuller by €55.6 m. The high order backlog provides a more solid foundation for the company's corporate planning, and enables it to attach higher priority to profitability in the orders it accepts.

## Pretax earnings up by 25.7 %

Krones' earnings performance continued to improve during the first half of 2007. Earnings before taxes were up by 25.7 % compared to the first six months of 2006, at €75.7 m. The return on sales before taxes (EBT margin) reached 7.2 % (preceding year's period: 6.5 %), exceeding the original target of 7 %.

At €39.6 m, earnings before taxes were up on the preceding year's level by 33.3 % in the second quarter of 2007. The EBT margin reached 7.2 %.

Profits after taxes improved during the year's first half by 24.9 % to reach €47.6 m (preceding year: €38.1 m). On a quarterly comparison, the figure increased to €24.7 m in the year's second quarter, following €19.0 m in the equivalent period of 2006, a rise of 30 %.

Earnings per share in the first half of 2007 were €4.47 (preceding year: €3.57) and in the year's second quarter €2.31 (preceding year: €1.79).

## Outlook

With the sales and earnings achieved in the first half of 2007, Krones has come a good deal closer to its targets for the 2007 business year. The company is benefiting from the auspicious macro-economic climate. In addition, its strong position as a provider of holistically conceived job packages is paying off.

Krones anticipates that in the 2007 business year its sales will for the first time significantly exceed €2 bn. But the focus continues to be not only on sales growth alone, but also on profitability. Krones has already upgraded its corporate efficiency, and will be continually improving its internal processes.

In the ongoing business year, Krones is aiming for a significant improvement in earnings before taxes. Return on sales before taxes should reach more than 7 %. For the return on capital employed (ROCE), Krones is targeting 20 %.

The complete semi-annual report can be downloaded from [www.krones.com](http://www.krones.com).



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