



**Balance Sheet Press Conference /
Analyst Meeting
on 27 April 2010 in Munich**

Welcome!



- The 2009 financial year

- Interim report for Q1 2010

- Outlook for 2010

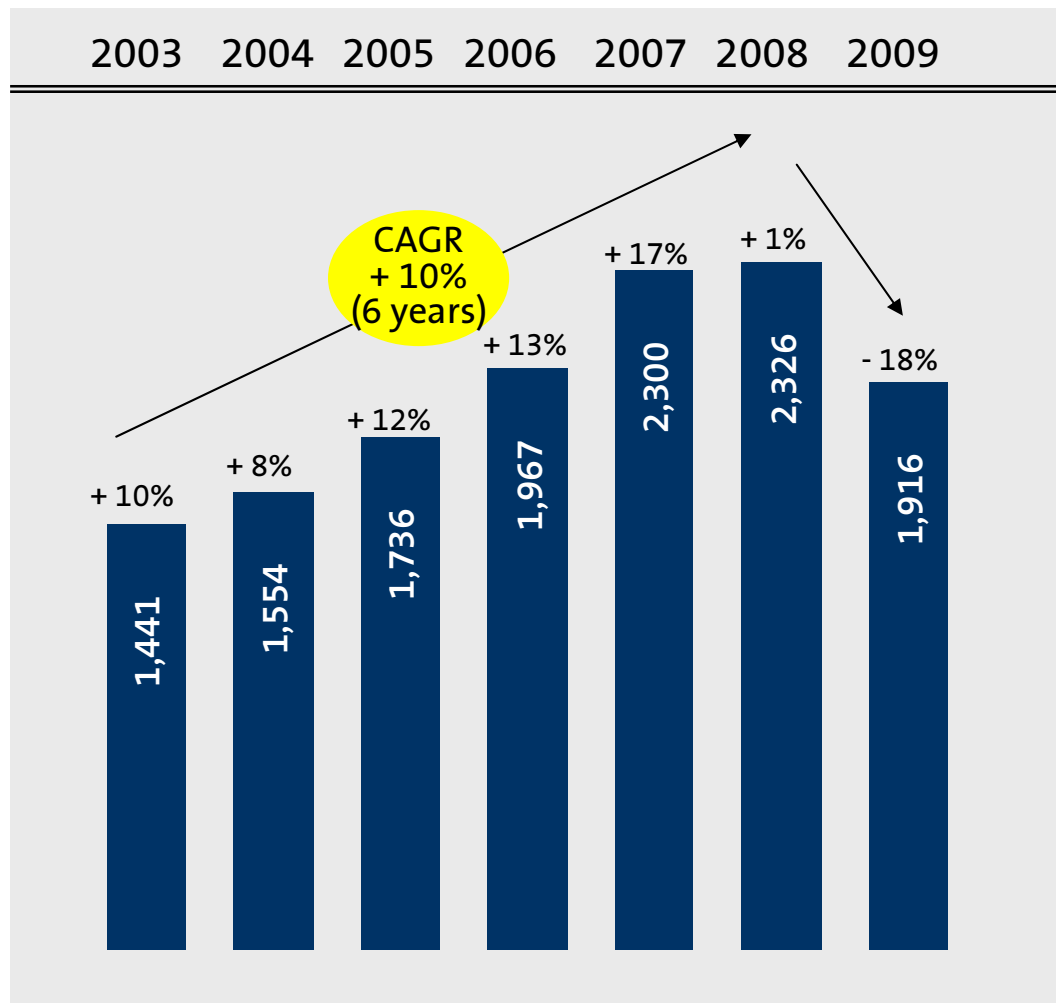
- The future is "Conversion"

Summary of the 2009 financial year


Global market	Global packing machinery market: –25%
Orders received	€1.92bn (–18%); previous year €2.33bn
Sales revenues	€1.86bn (–22%); previous year €2.38bn
Orders on hand (31.12.)	€0.88bn (+6%); previous year €0.84bn
EBT (operating, before ex. items)	–€26.1m (ROS = –1.4%); previous year +€156.1m
Group earnings	–€34.5m; previous year +€106.5m
Net cash (31.12.)	€135.5m (+25%); previous year +€108.4m
Dividend (proposed)	No dividend for 2009; previous year €0.60/share

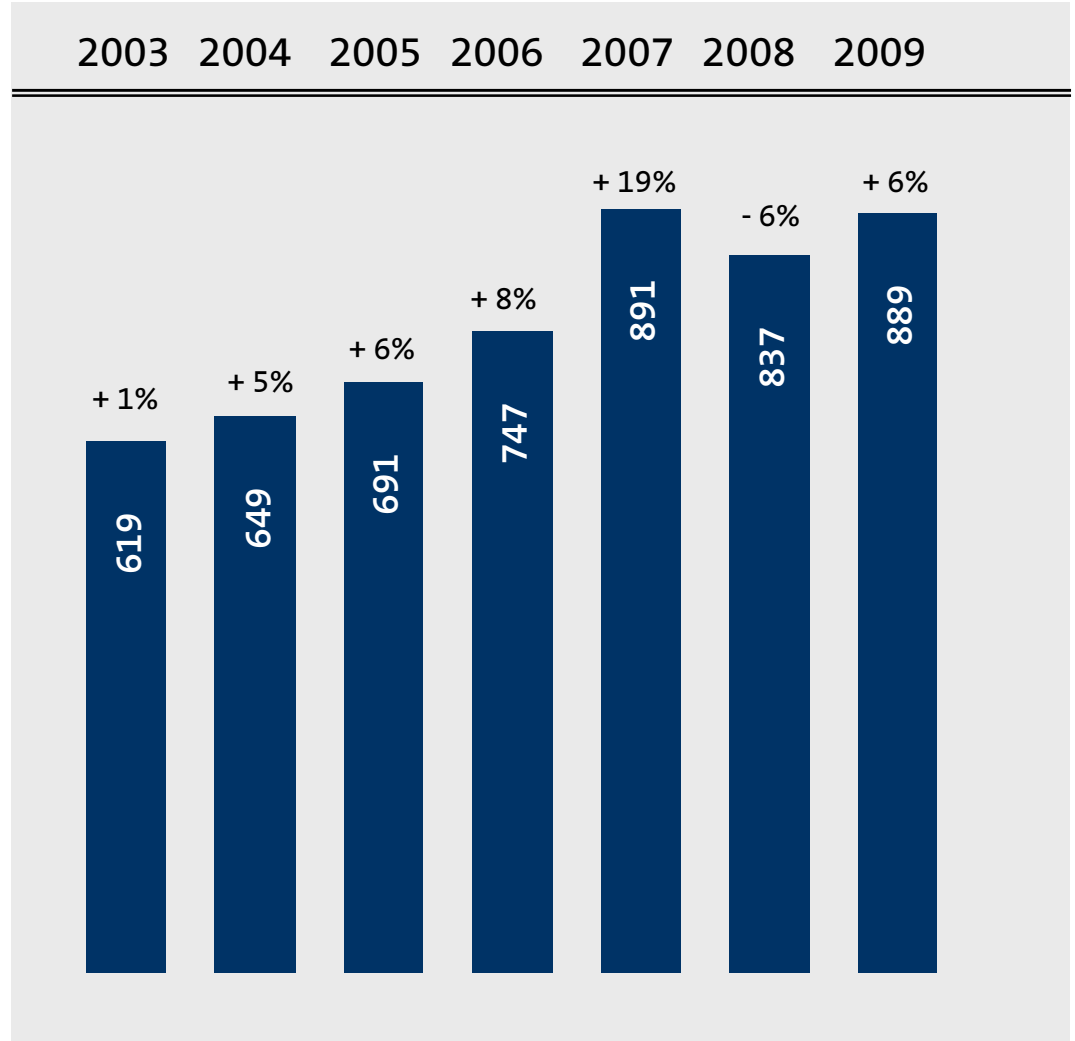
Group new orders (in € million)

Region	2008	2009
Central Europe	↓	→
Western Europe	→	↓
Eastern Europe	↓	↓
CIS/Central Asia	↗	↓
Middle East/Africa	↗	↓
China	↗	↗
Asia/Pacific	↗	↓
North and Central America	↓	↓
South America	↗	↓



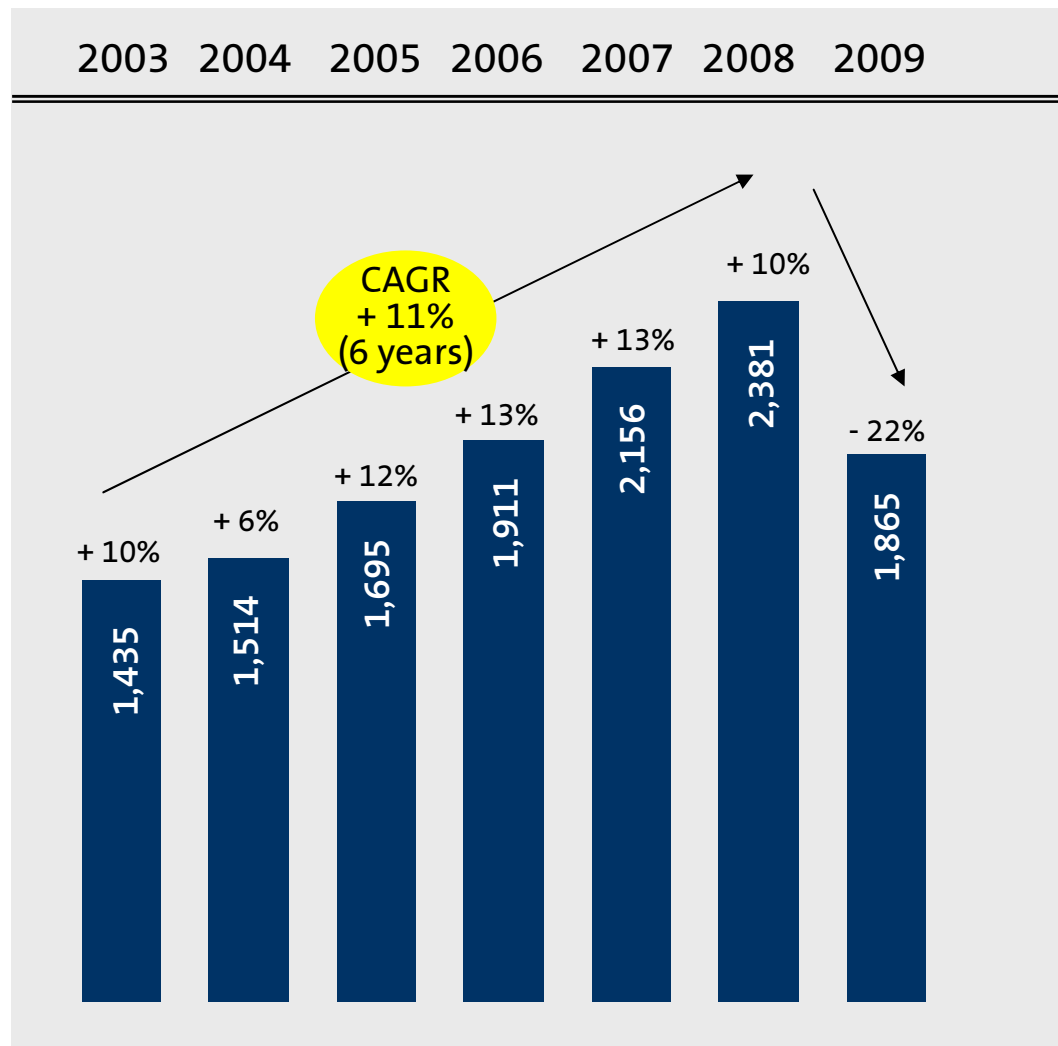
Group new orders, 31.12. (in € million)

AVT	<p>Filling and packaging technology</p> 
PT	<p>Process technology</p> 
MFT	<p>Material flow technology</p> 

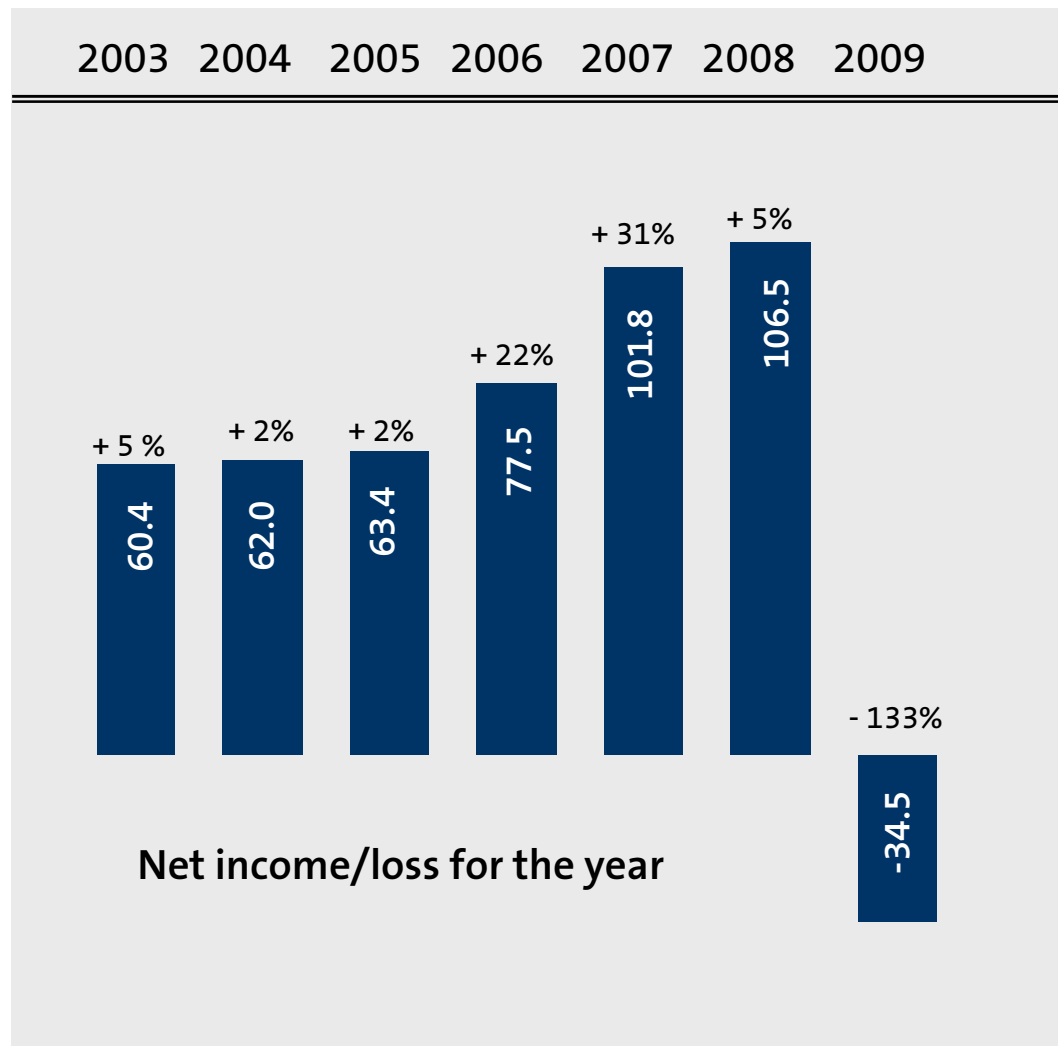
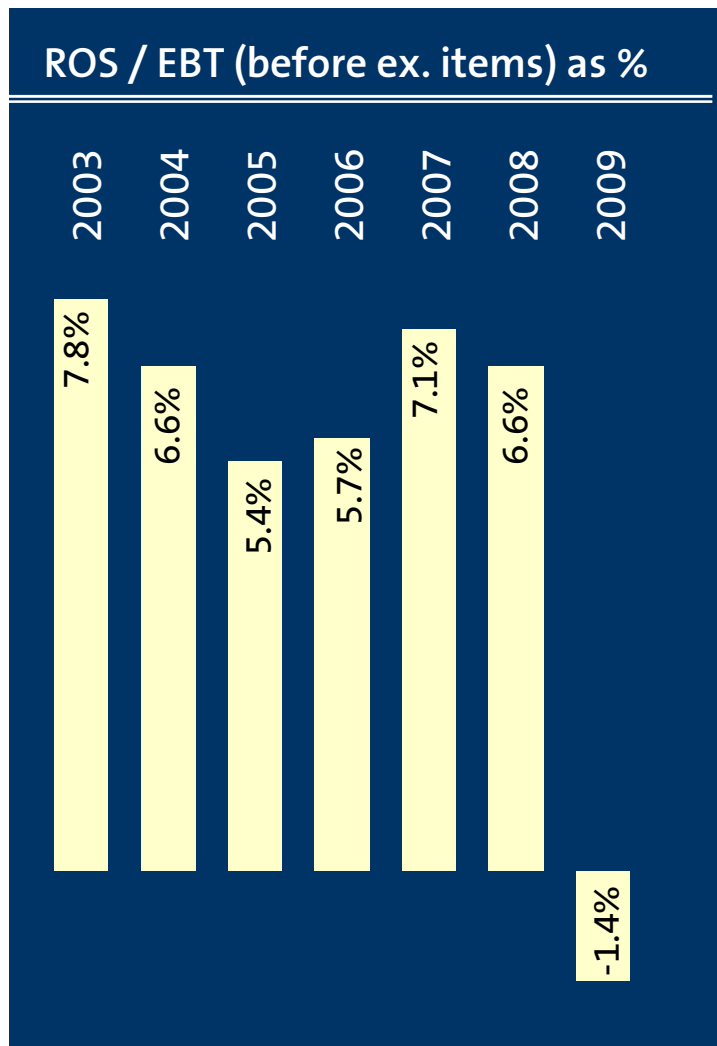


Development of group sales/segmentation (in € million)

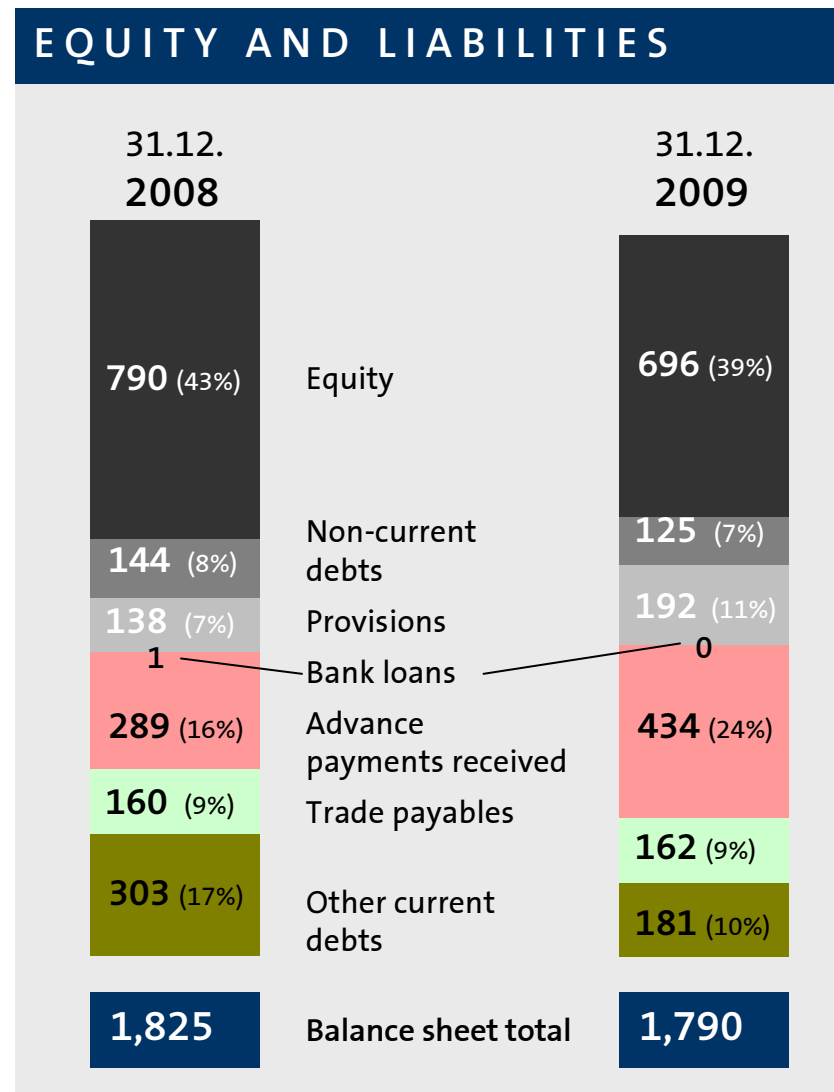
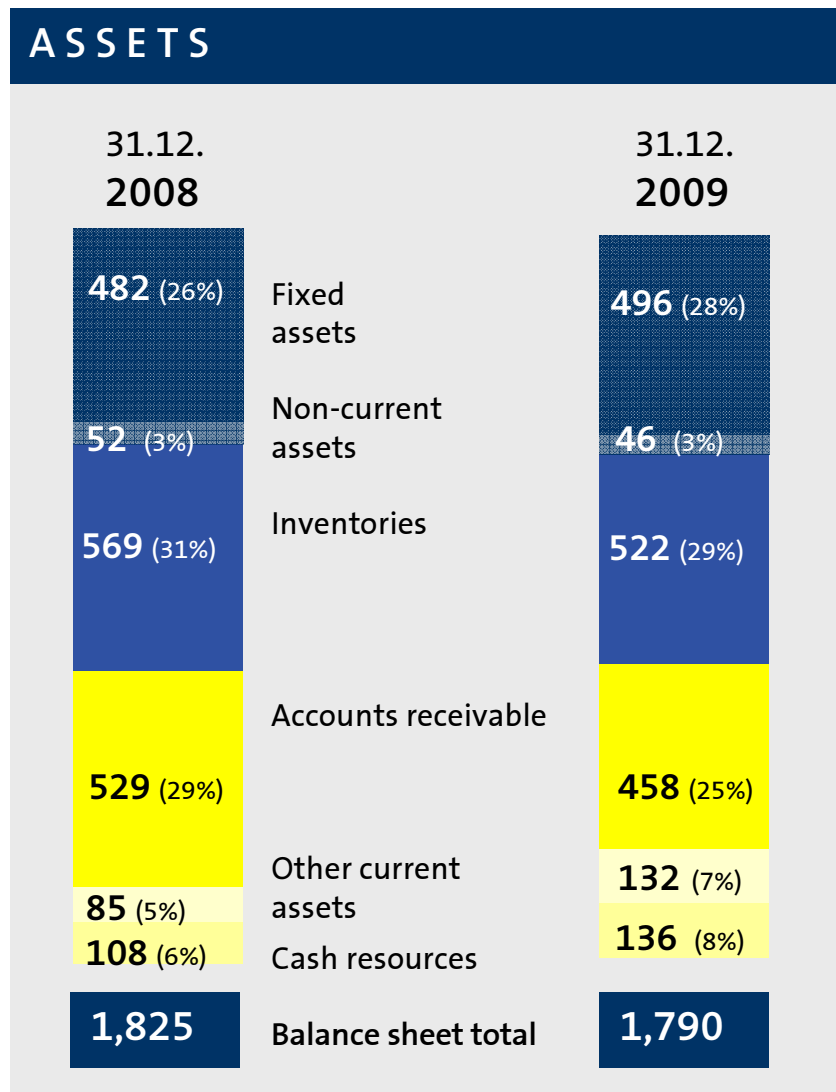
Segments	2008	2009
Machines and lines for product filling and decoration	+ 10% 1,982	- 24% 1,512
Machines and lines for beverages production/ process technology and material flow technology/ IT	+ 12% 310	- 12% 274
Machines and lines for the low output range (KOSME)	+ 20% 89	- 11% 79



Group earnings (in € million) and change in return

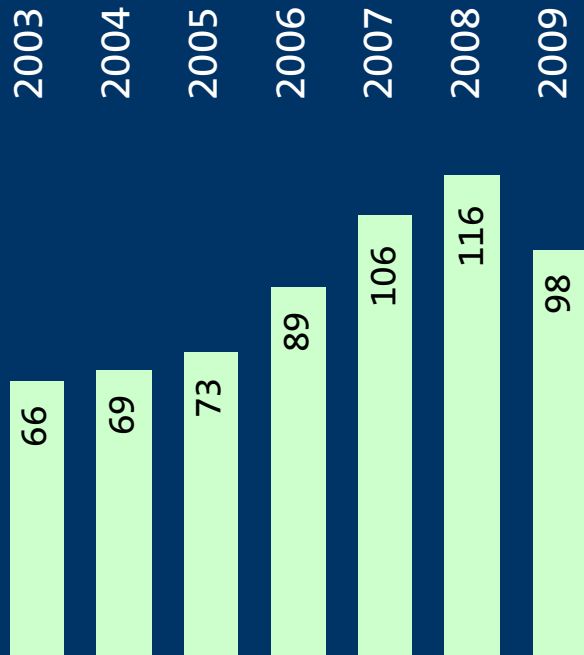


Group balance sheet (in € million)



Innovation / research and development

Expense for innovation, R&D in € million



Priority innovation objectives

Reduction in the Total Costs of Ownership (TCO)
for customers

Reduction in the complexity
of machines and lines

enviro:
eco-friendly energy and media concept

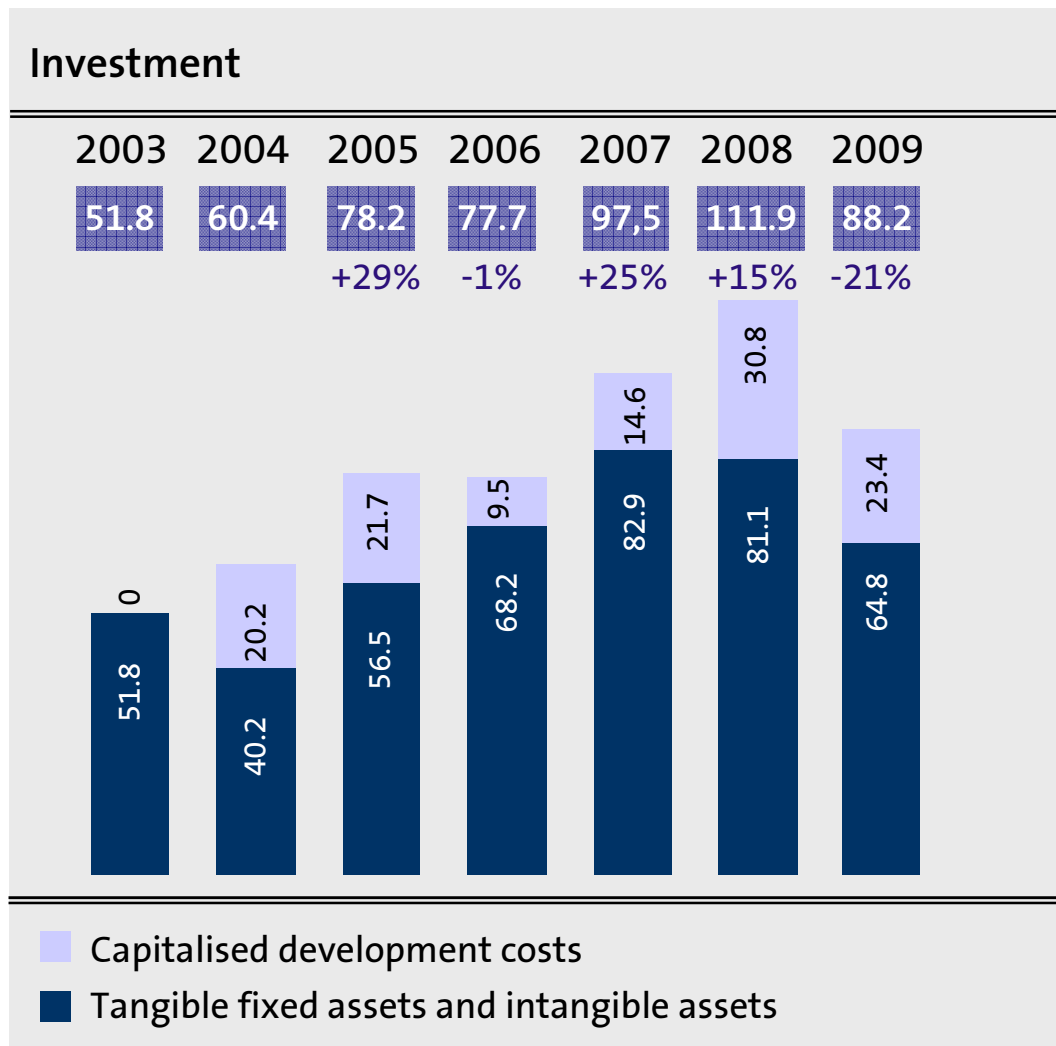
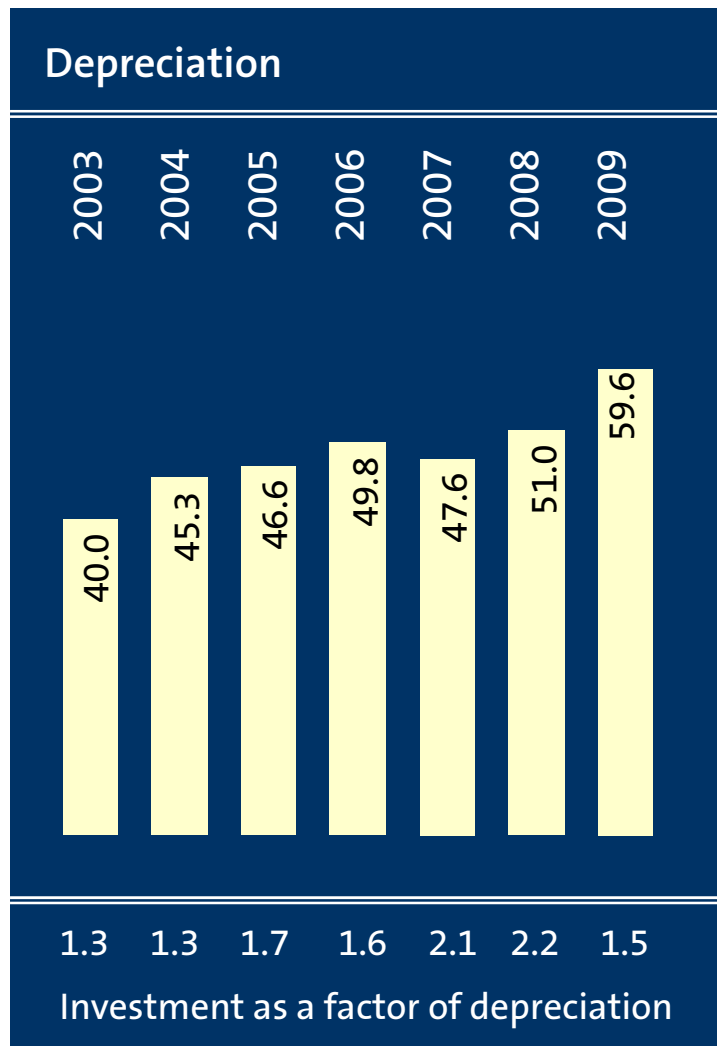
Process automation and simple user concepts
(human-machine interface)

Technologies for boosting process productivity

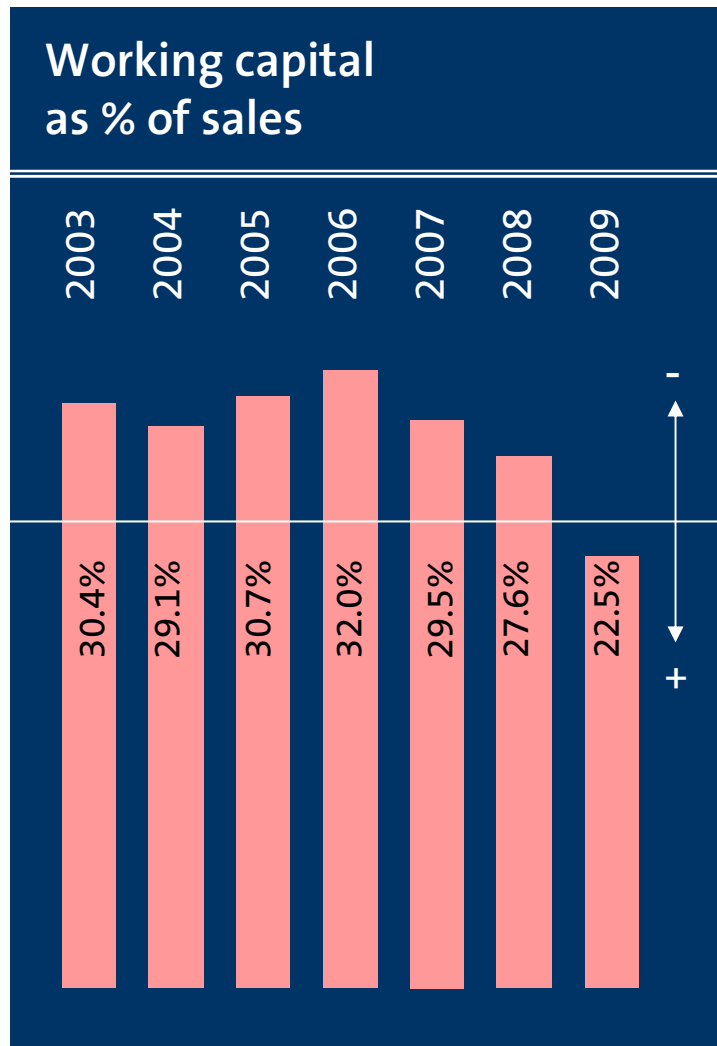
"End-to-end" line concepts: AVT-PT-MFT/ITS

Every year KRONES invests around 5% of
its sales revenues in R&D and innovation

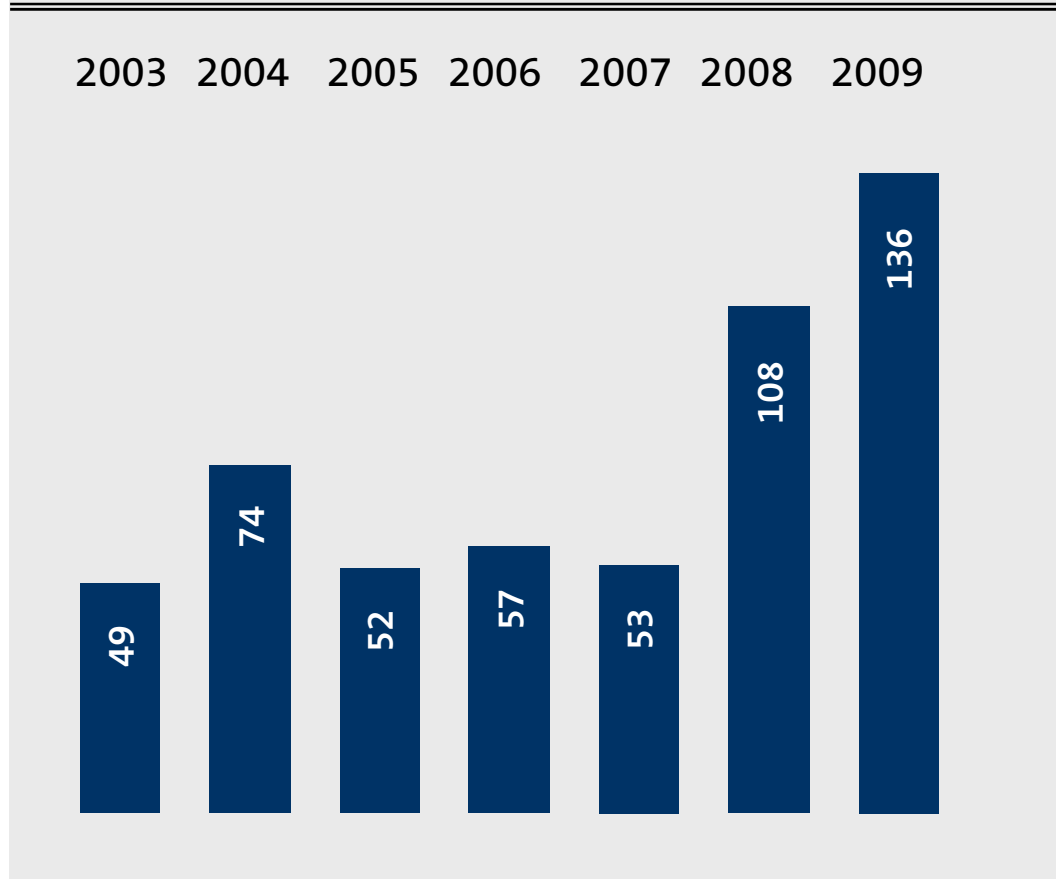
Investment and depreciation (in € million)



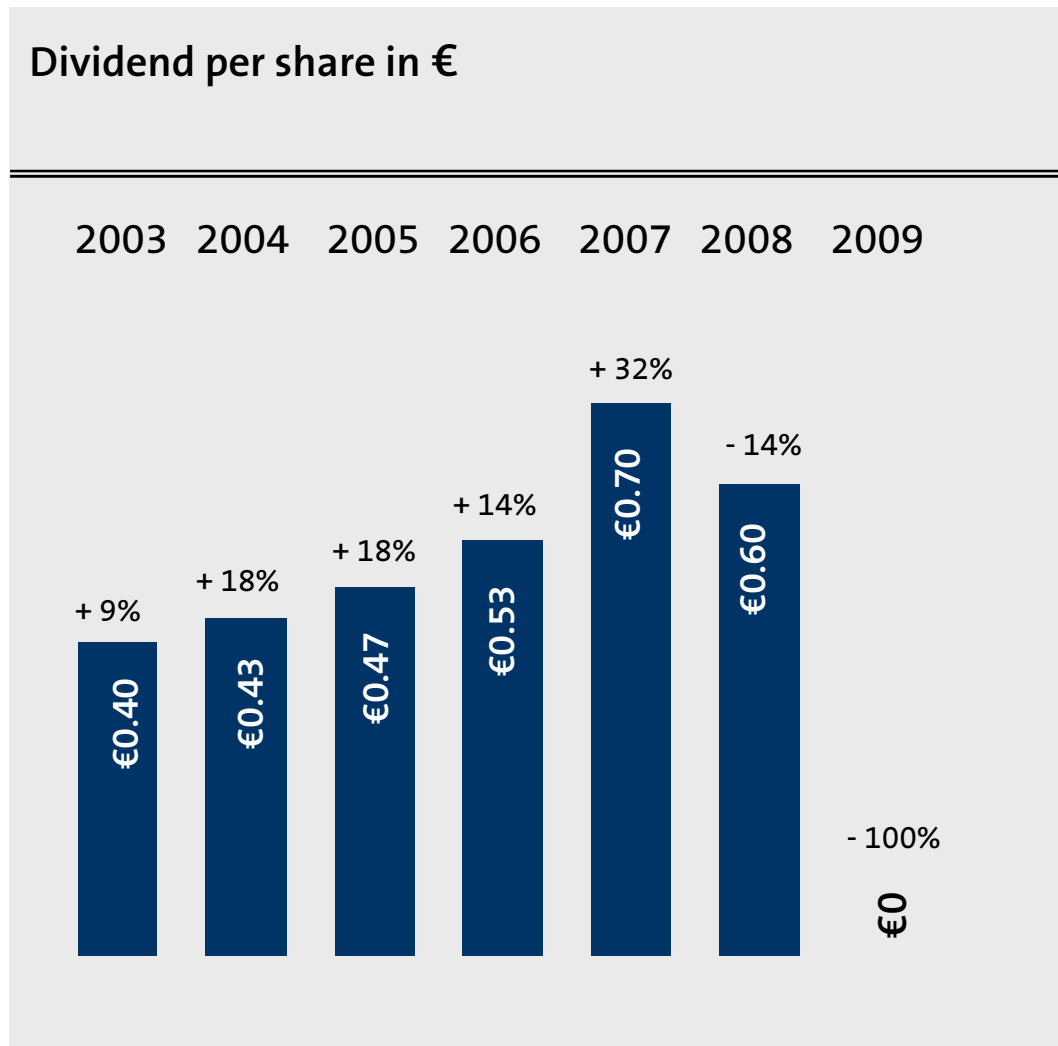
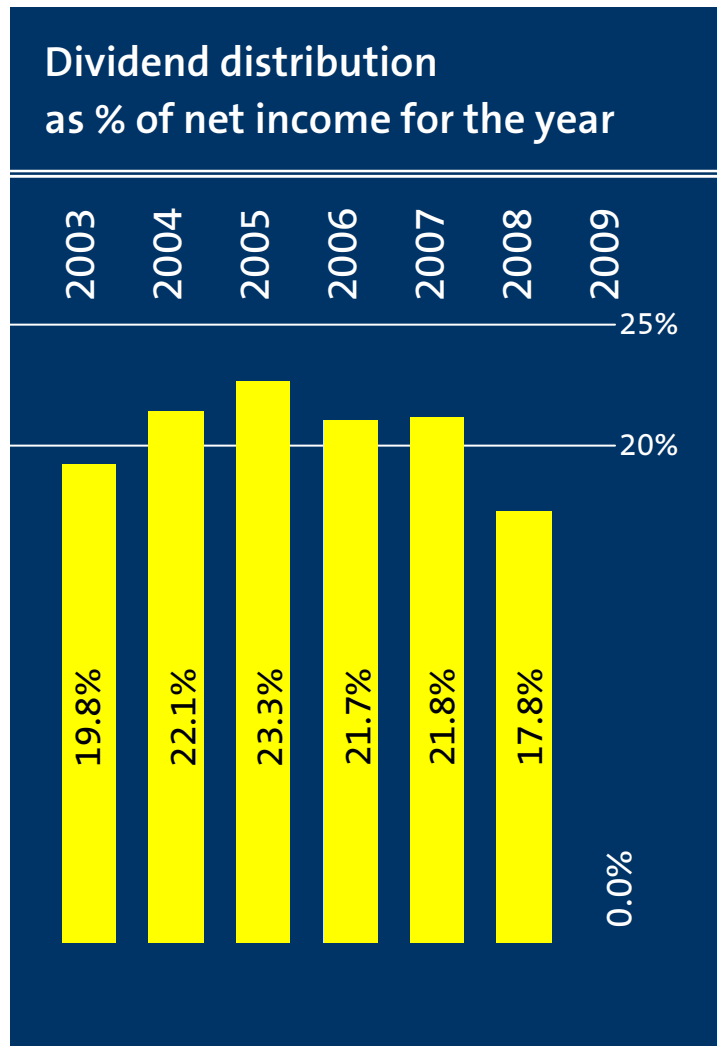
Working capital and financing



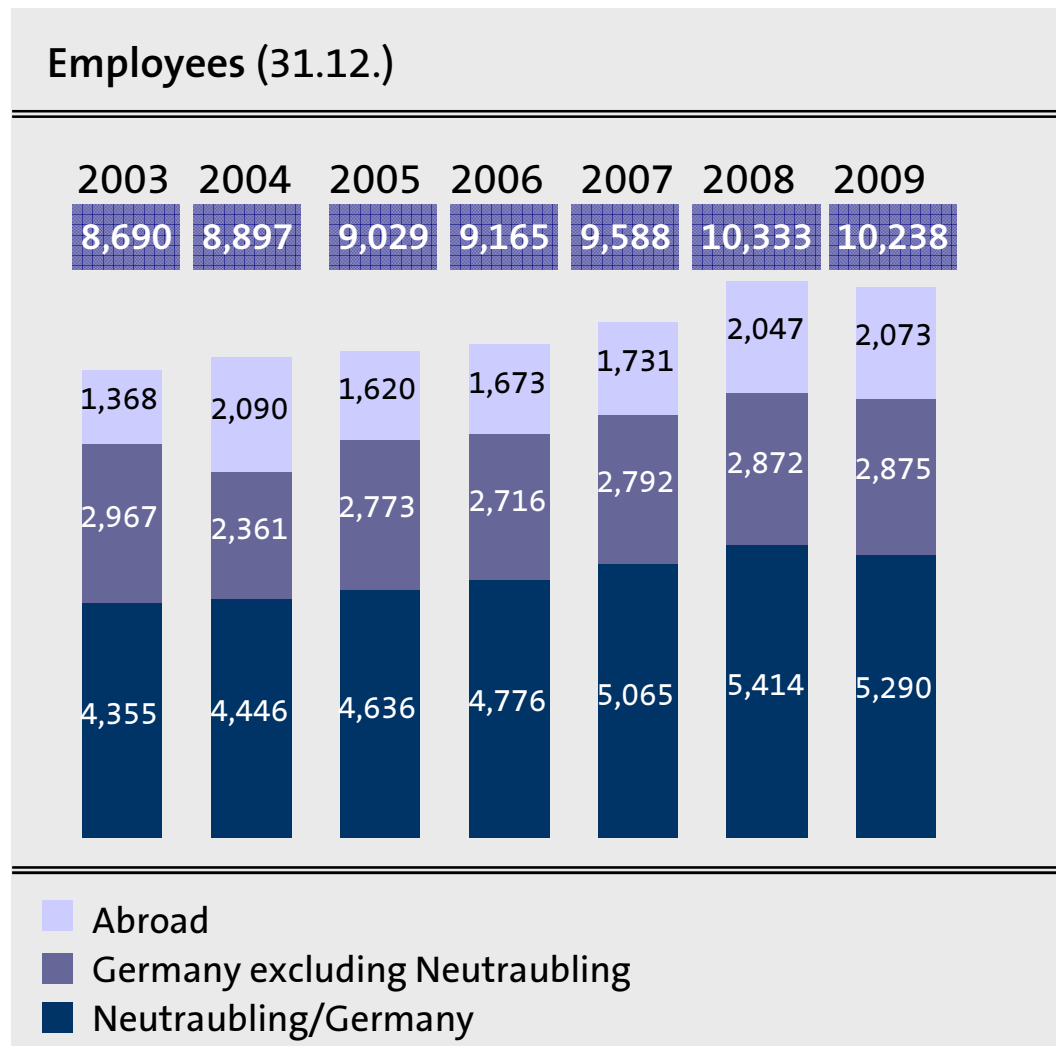
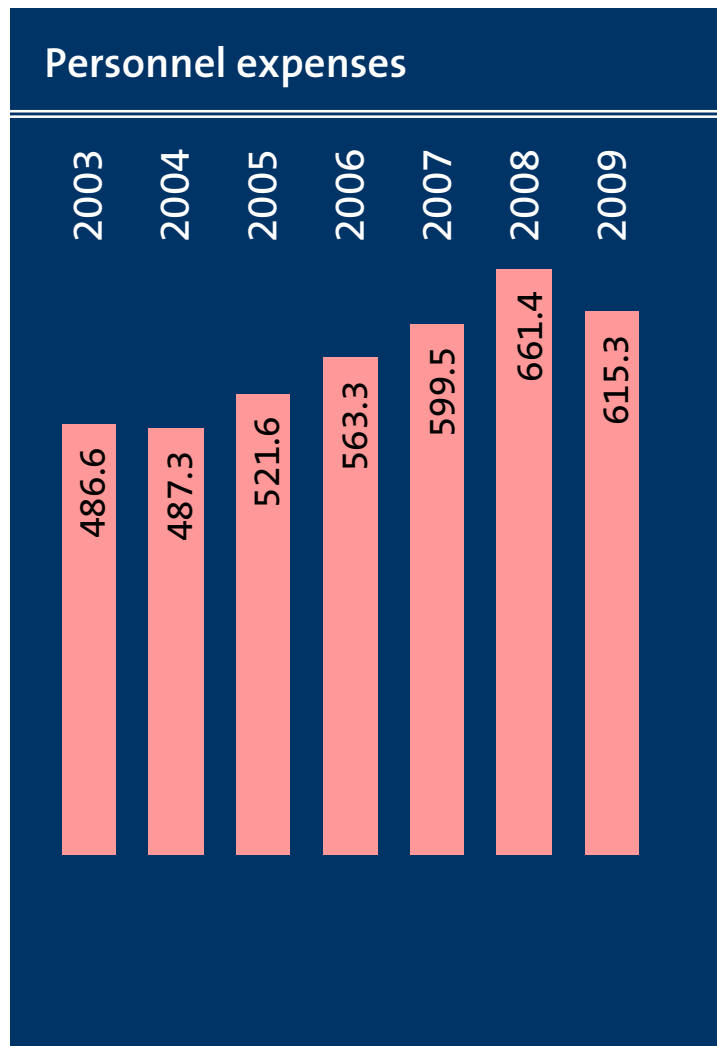
Net financial position (net cash in € million (cash less bank liabilities))



Dividend distribution and dividend policy



Employee numbers and personnel expenses (in € million)





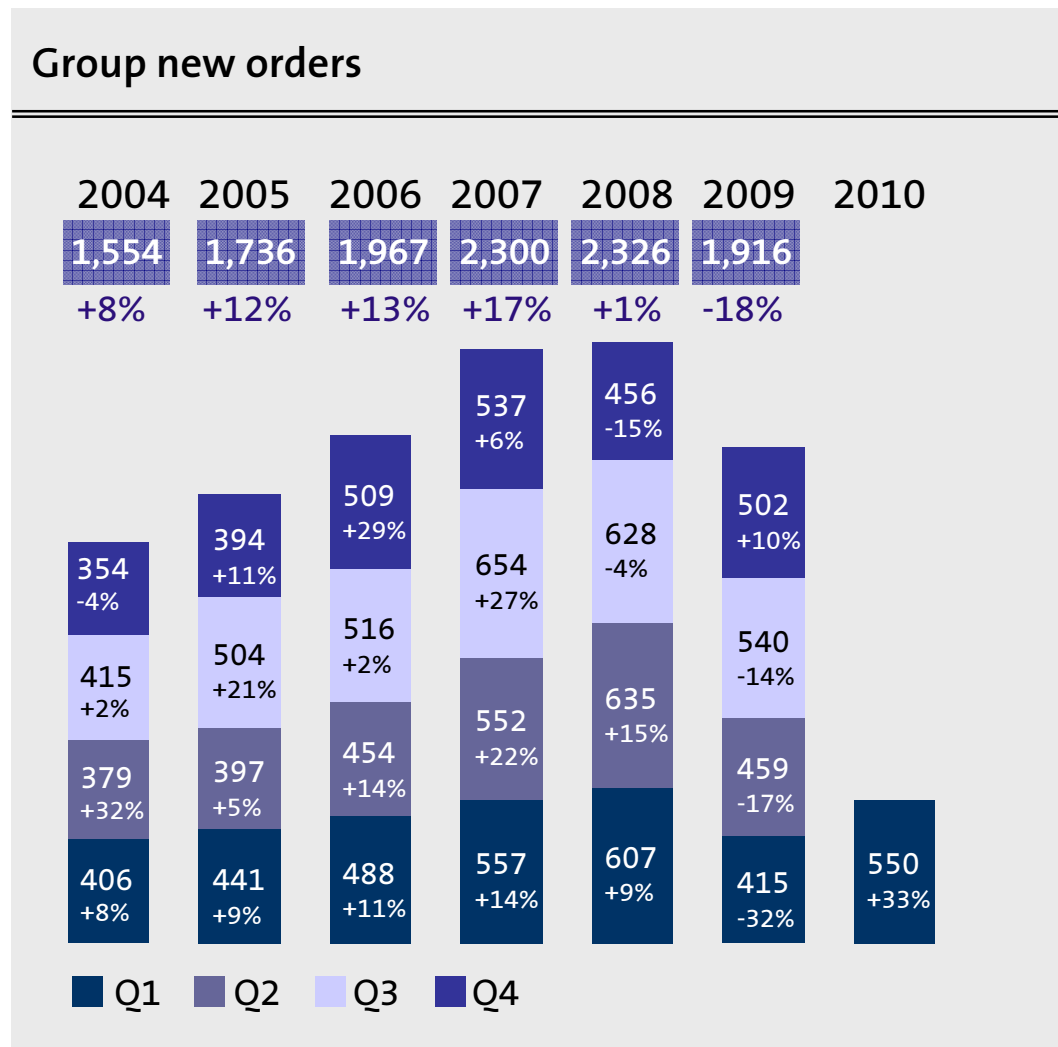
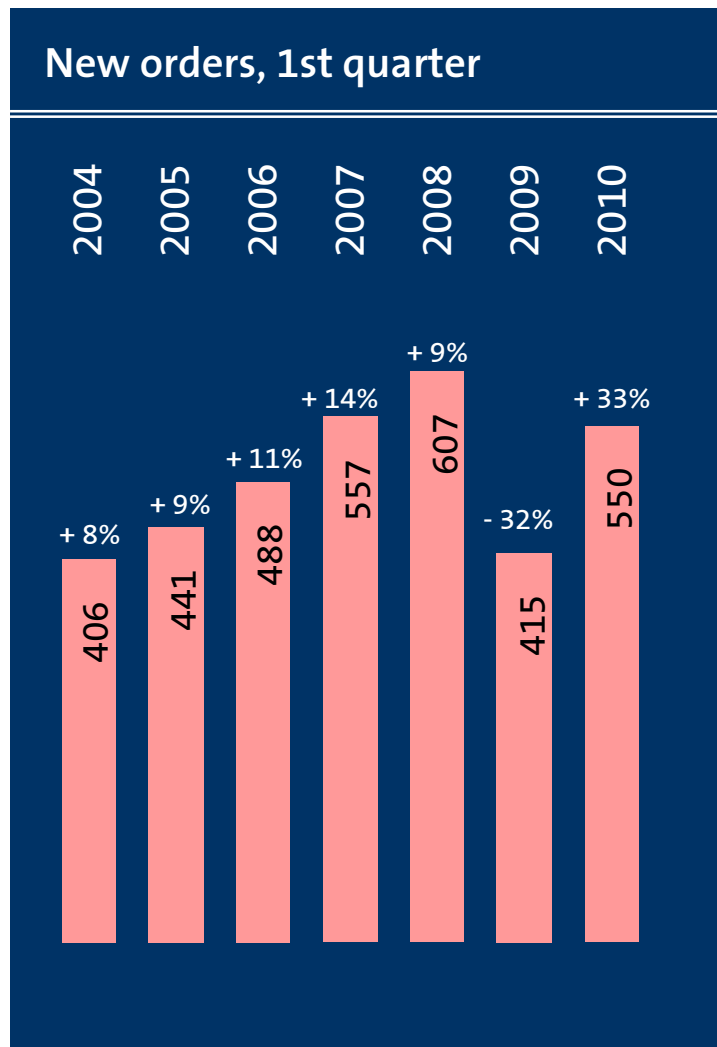
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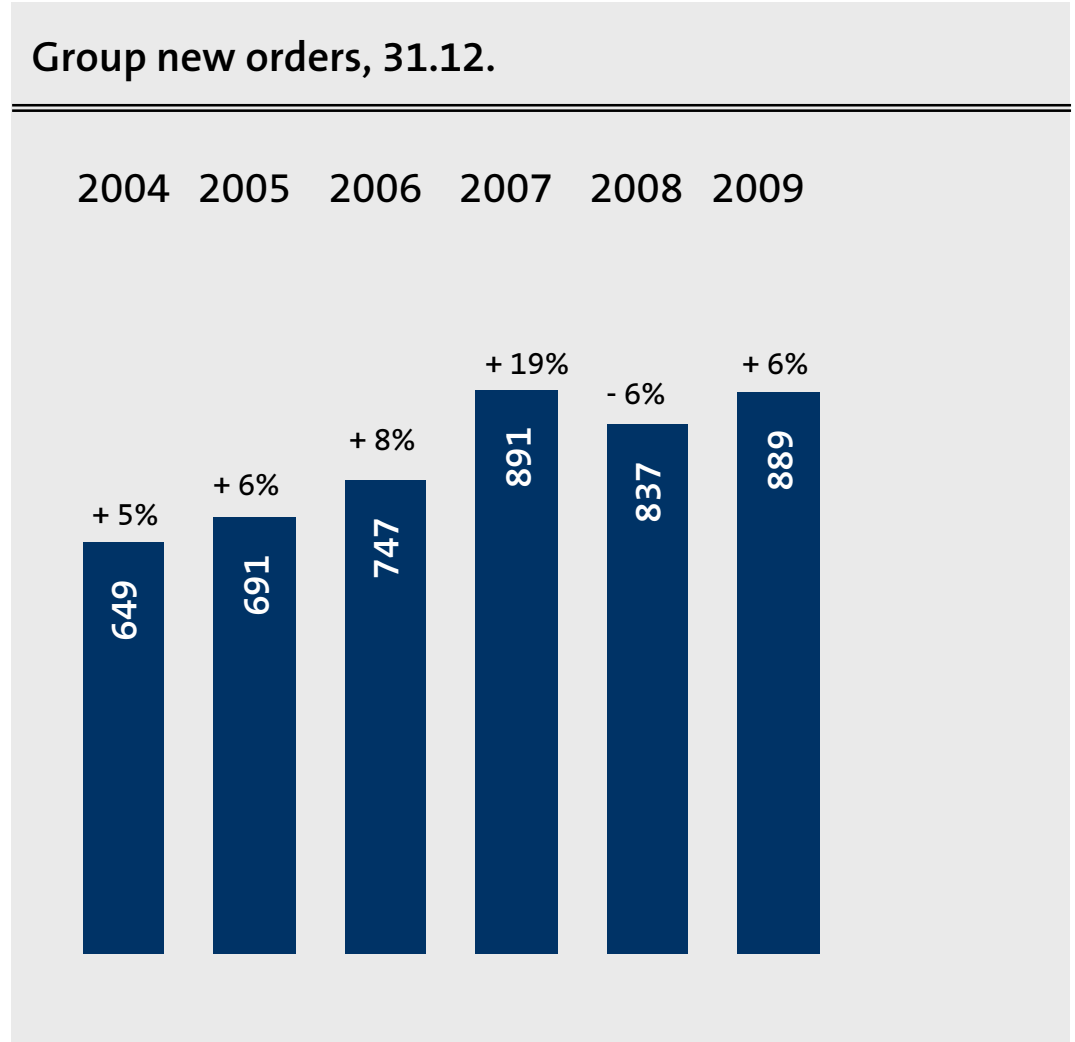
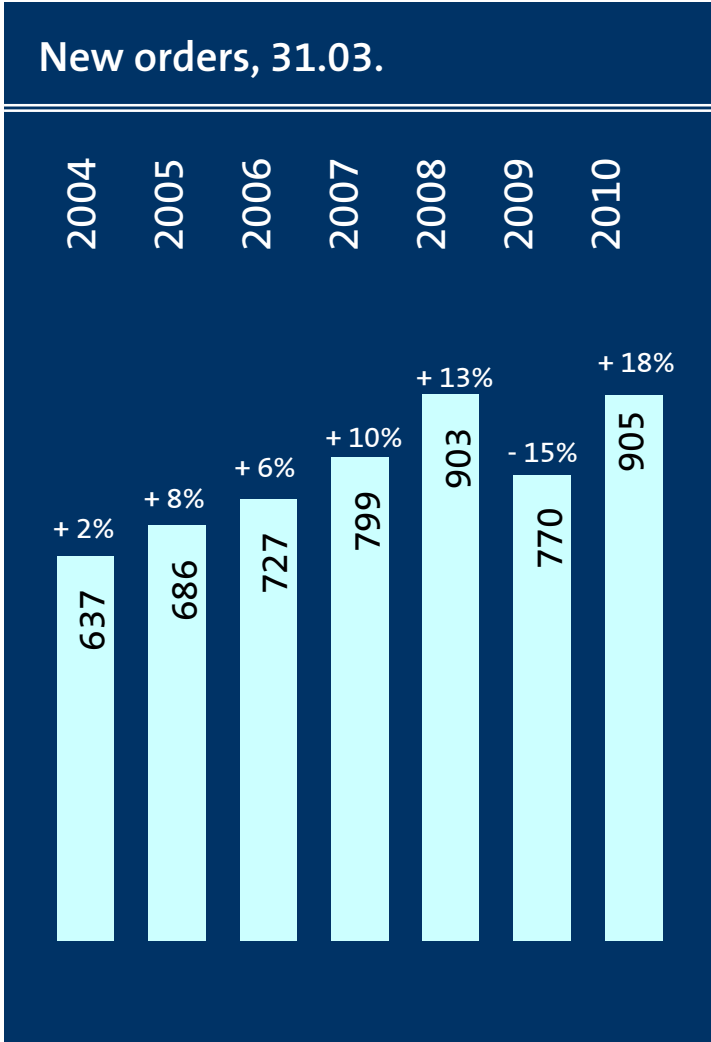
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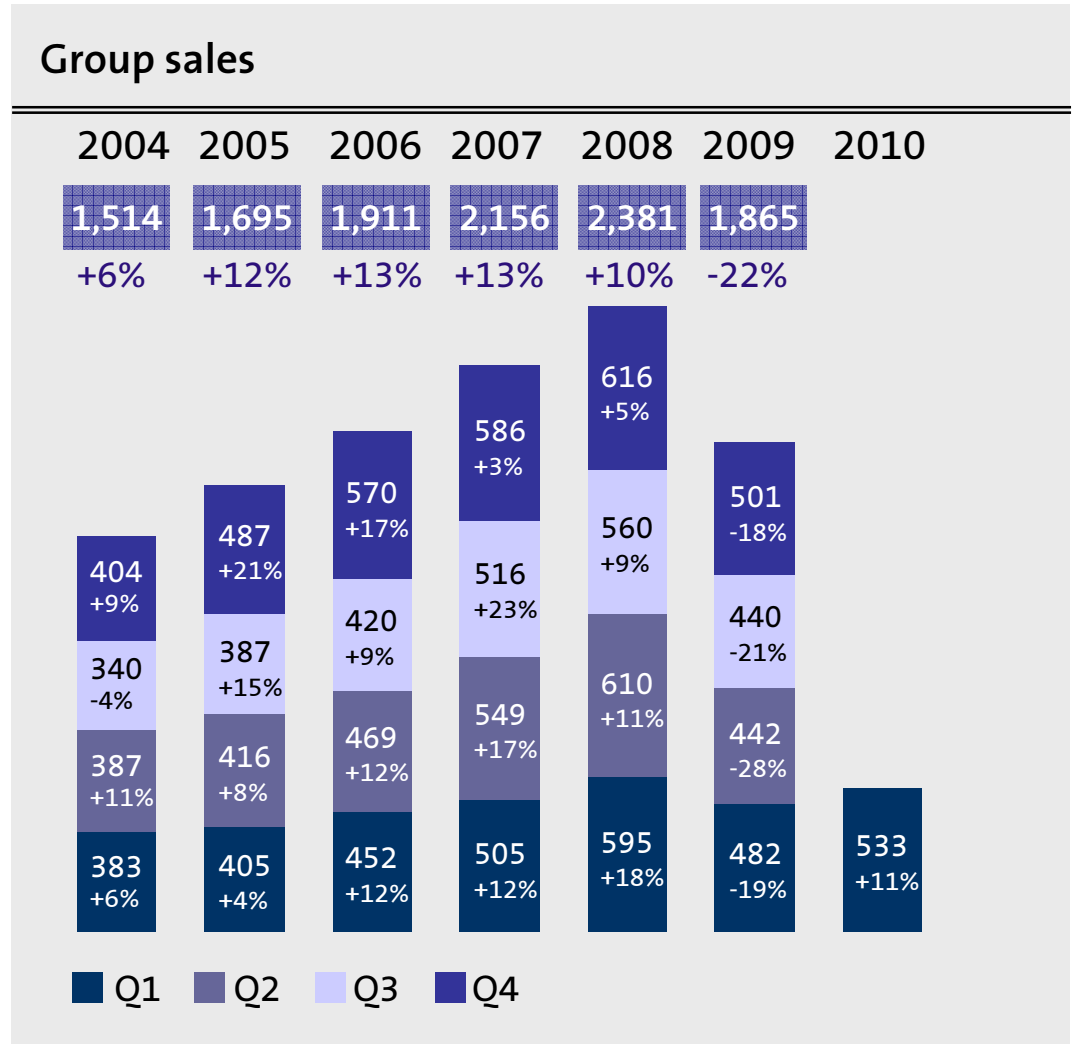
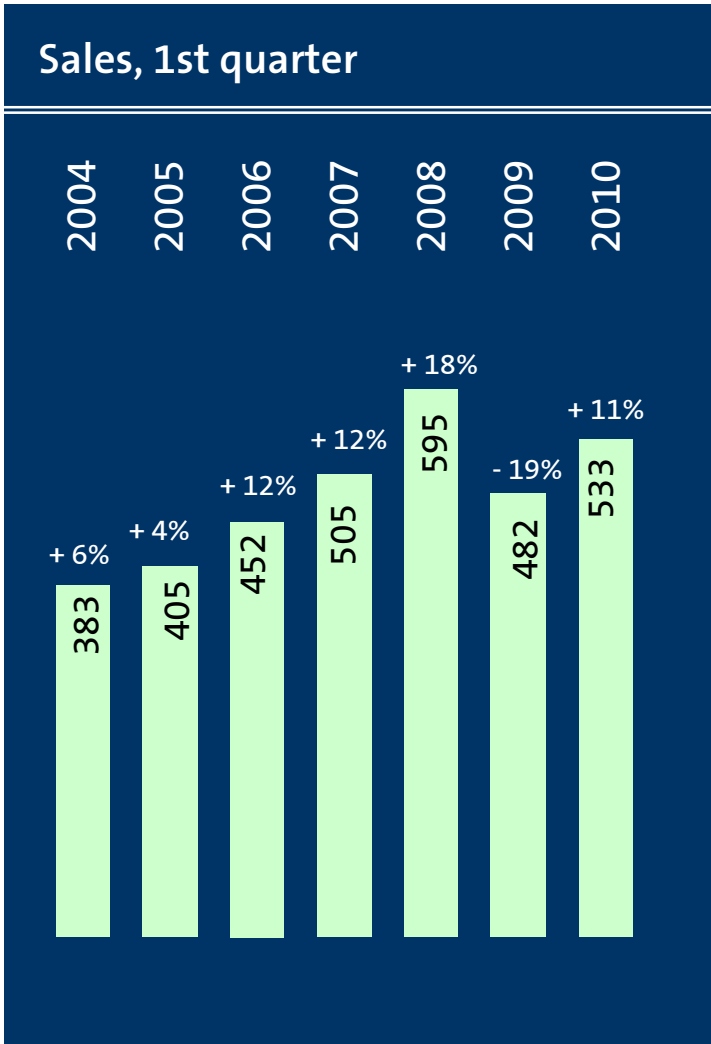
Interim report for Q1 2010: group new orders (in € million)



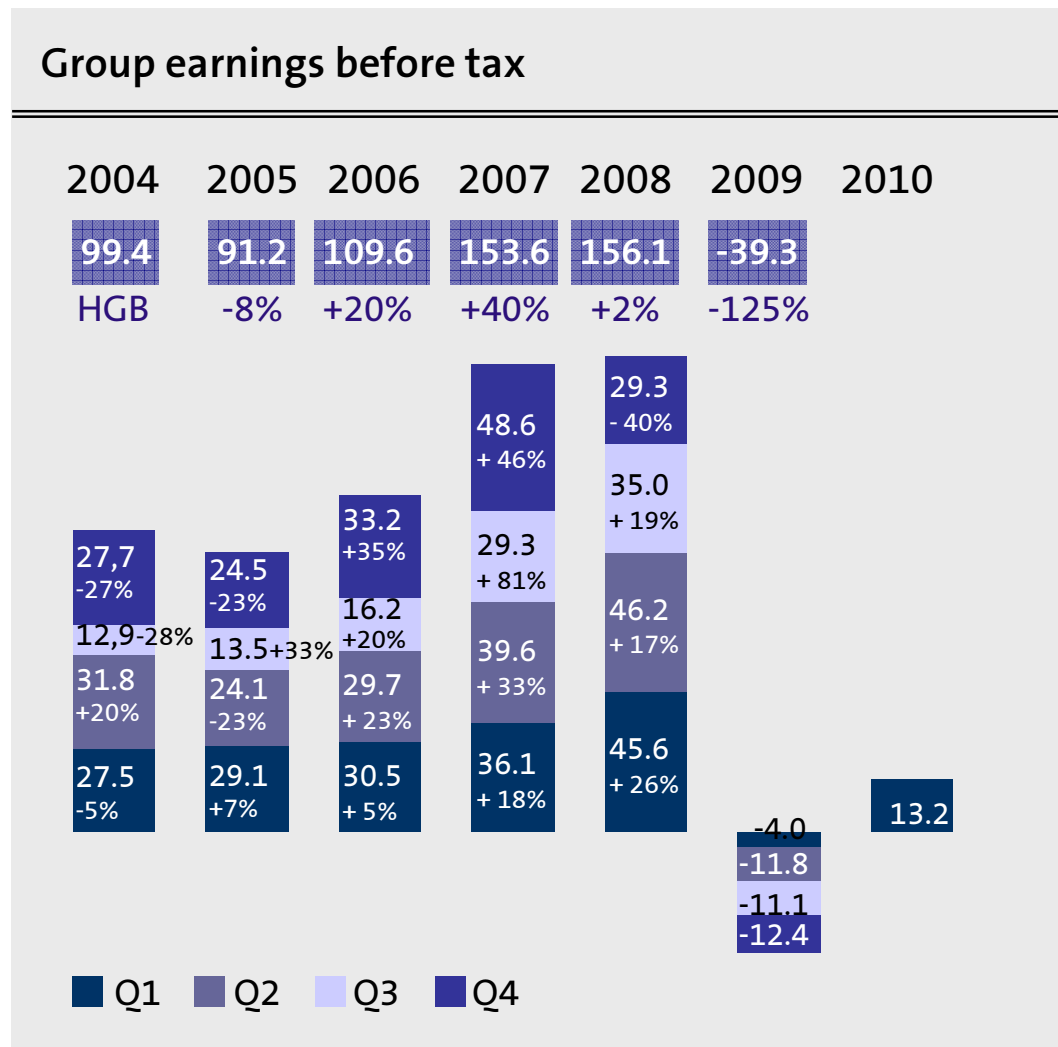
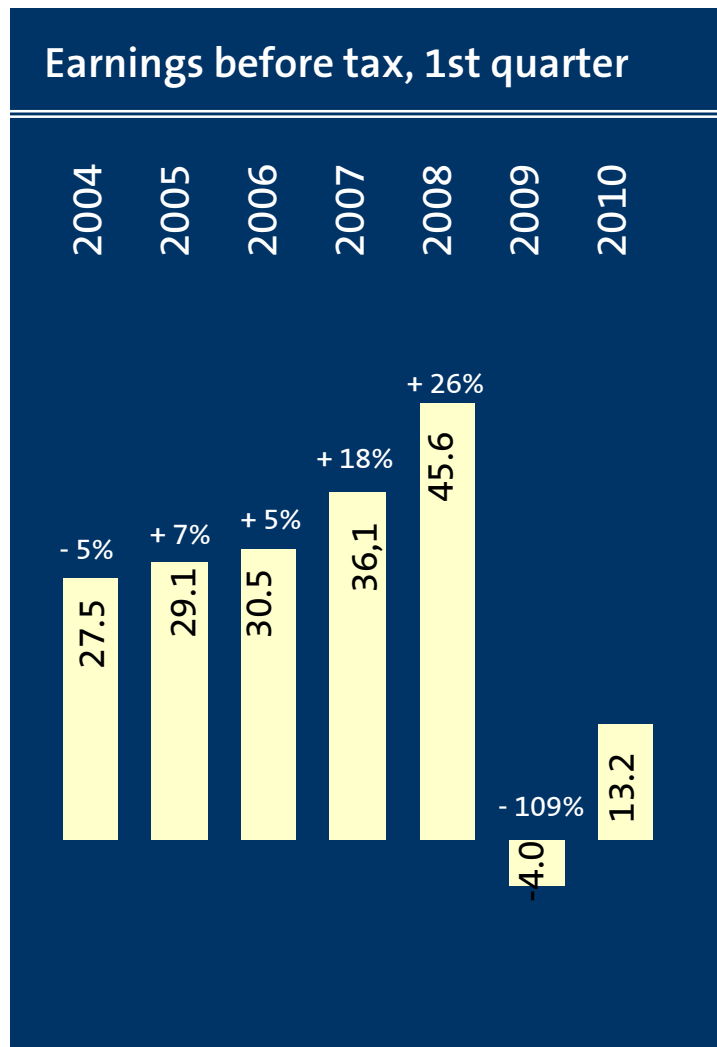
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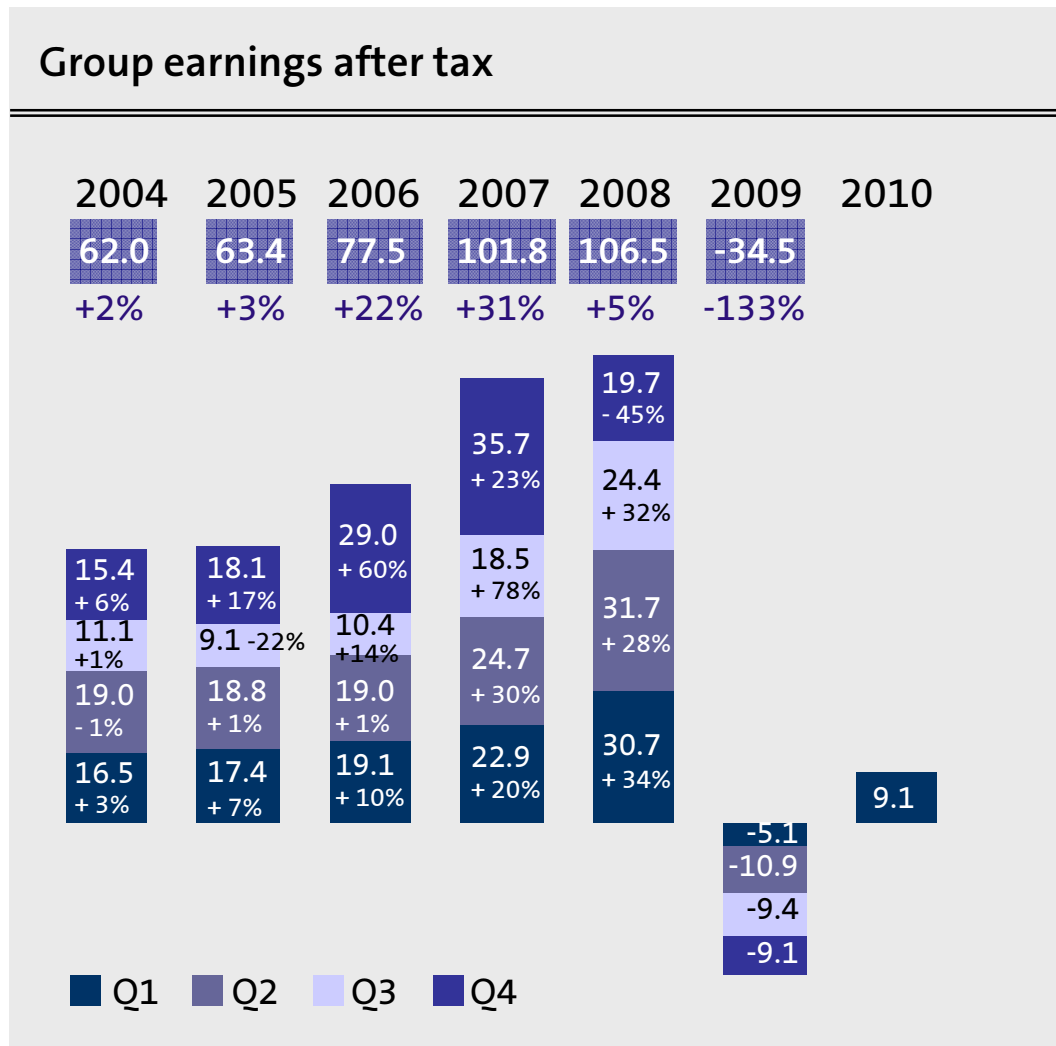
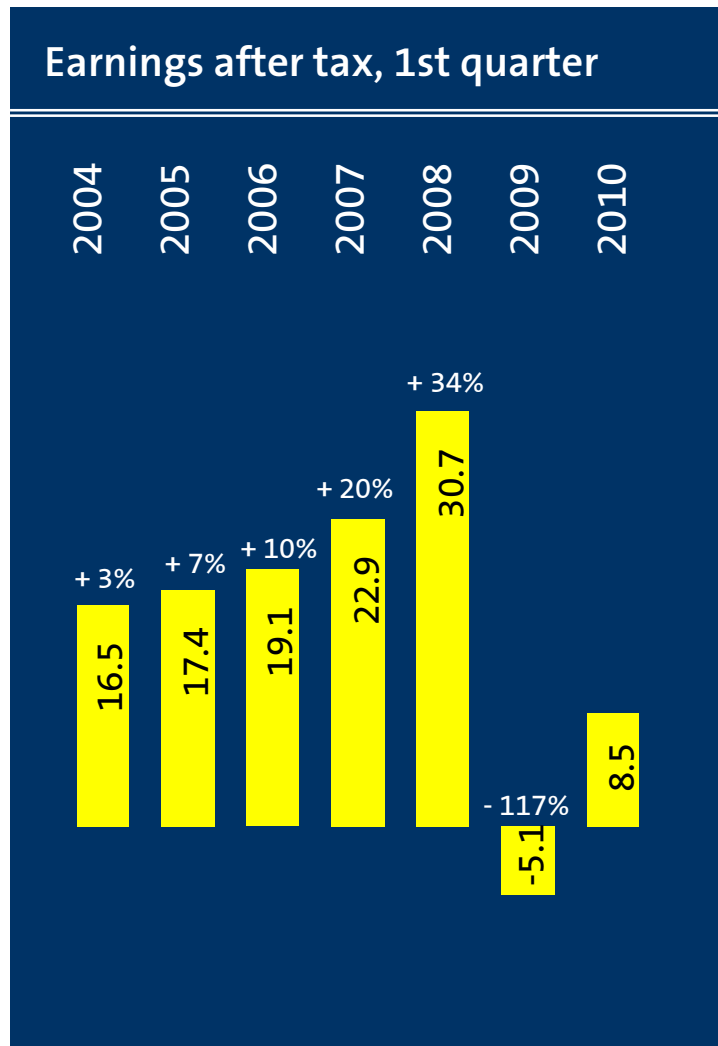
Interim report for Q1 2010: group sales (in € million)



Interim report for Q1 2010: group earnings before tax (in € million)



Interim report for Q1 2010: group earnings after tax (in € million)





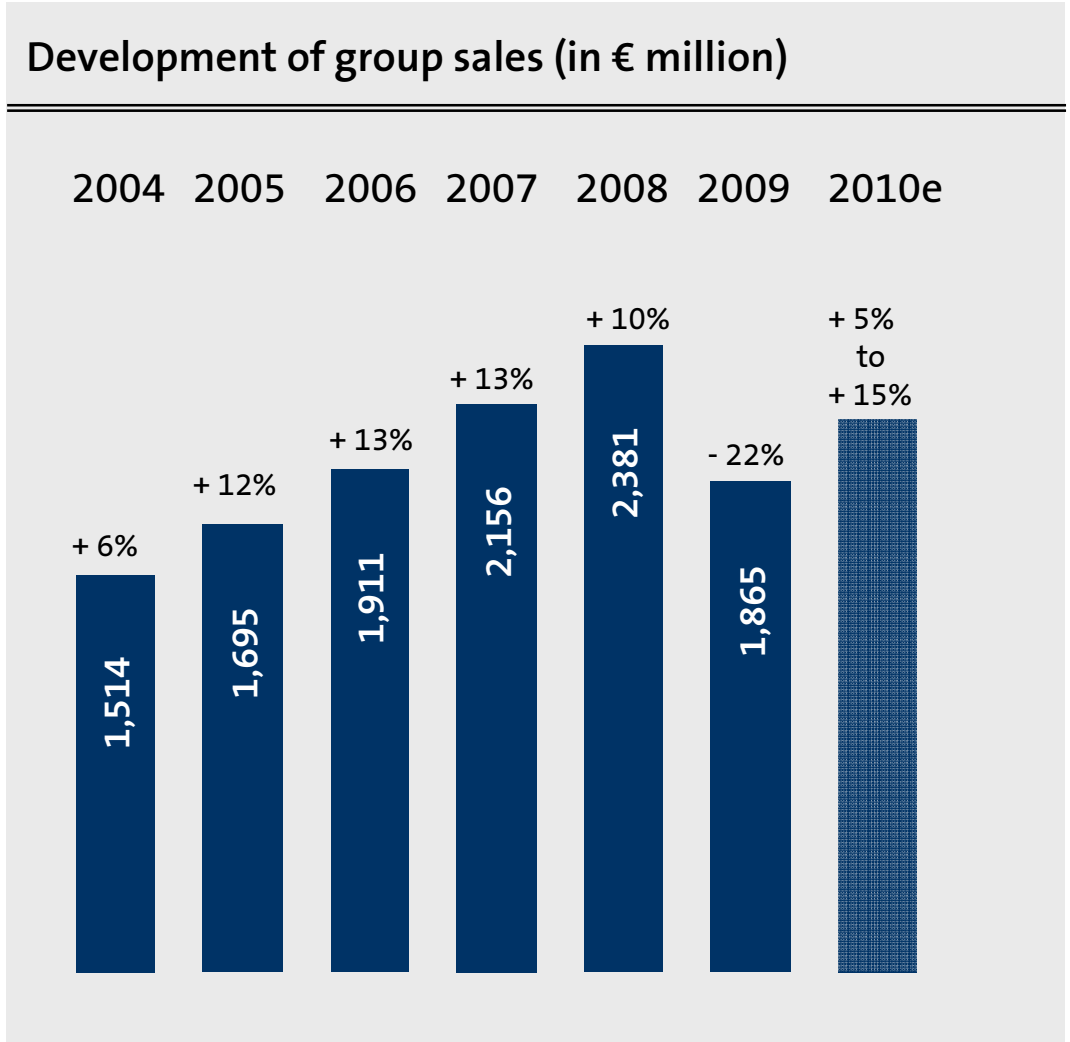
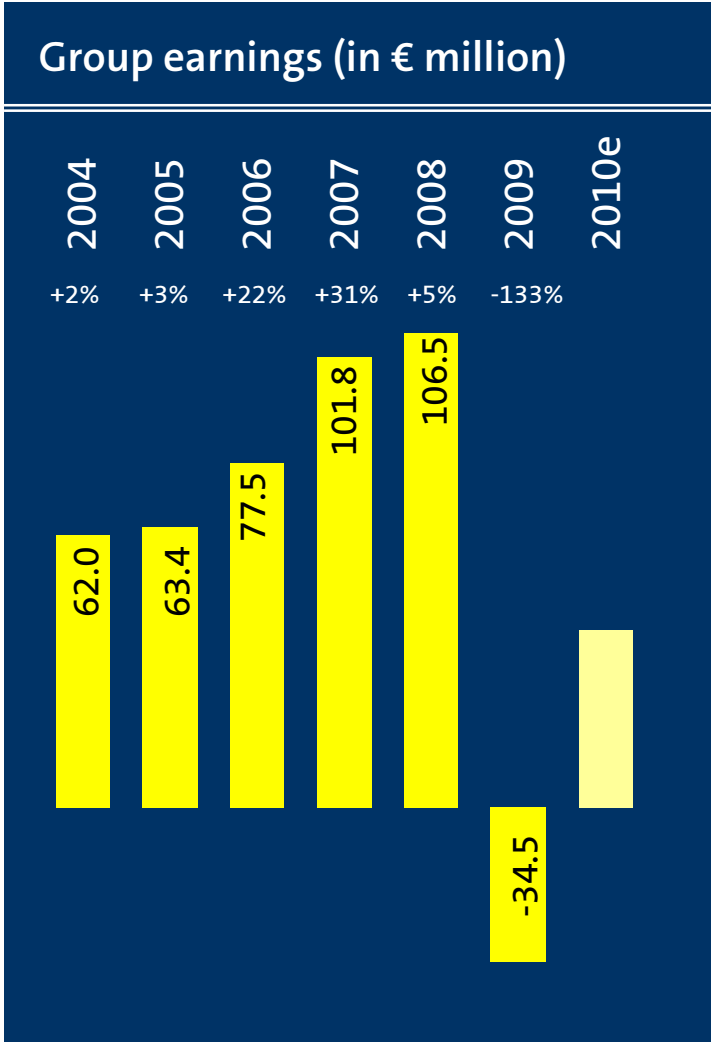
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Outlook for 2010





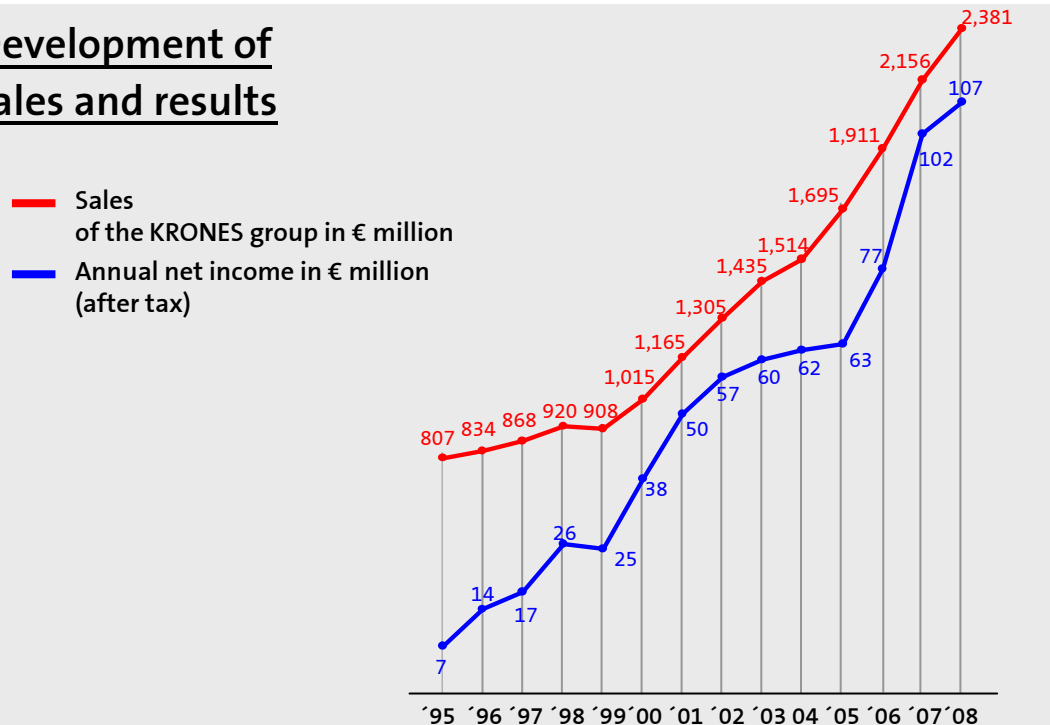
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Strategic realignment 1998 → start of the "KRONES Impulse Programme"

Growth strategy

- Increase in productivity
- Improved utilisation of regular markets
- Capture of new markets
- Systems business/engineering
- New technologies
- Quality leadership
- Services/downstream business
- Sensible acquisitions

Development of sales and results



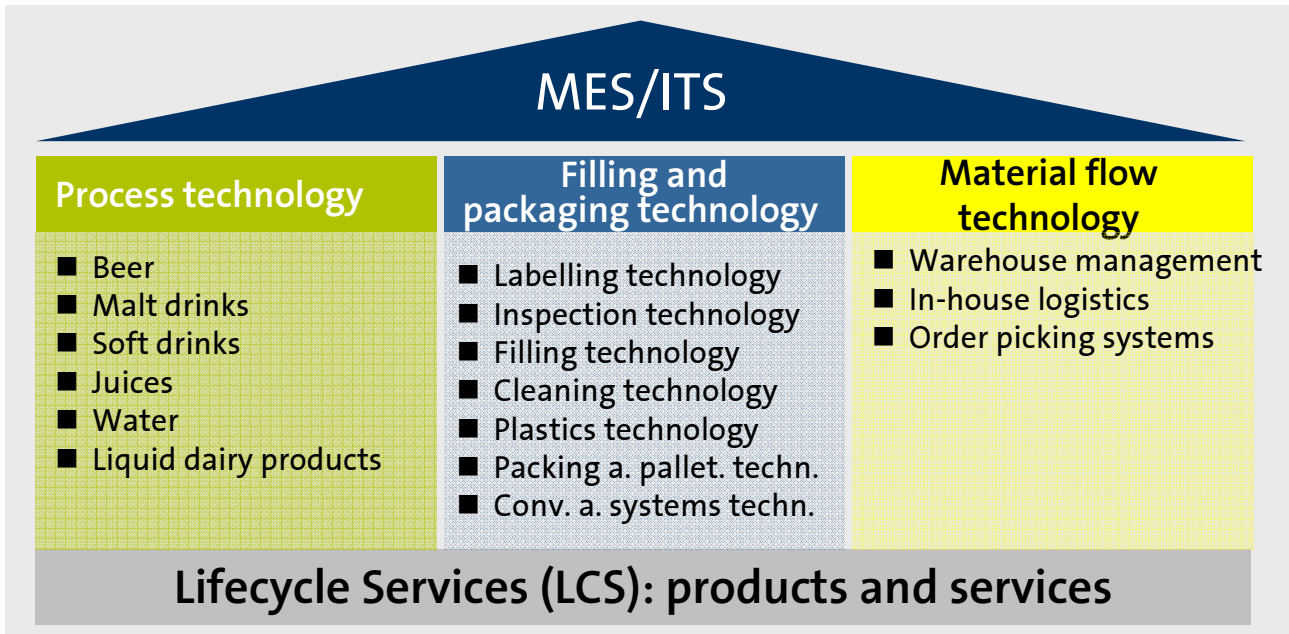
Economic objectives of "Impulse"

- Growth in sales + 5 to + 10% p.a.
- EBT > 7.0%
- Return on capital (ROCE) > 20.0%
- Working capital (WC) < 30.0%



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Growth in sales	-1.5	11.8	14.8	12.0	9.1	5.5	12.0	12.7	12.8	10.4
EBT	4.9	6.4	7.8	7.8	7.8	6.6	5.4	5.7	7.1	6.6
Return on capital (ROCE)	13.6	16.0	21.6	22.8	22.5	18.0	14.7	16.1	20.2	19.1
Working capital (WC)	36.6	32.8	28.4	31.8	30.4	29.1	30.7	32.0	29.5	27.6

Strategically "fully" positioned



Our business model and our clear corporate strategy have proven their worth.

KRONES' clear strategic alignment as a systems supplier continues to apply without restriction.
Objective: To control the complete supply chain of the customer as a "one-stop shop"

Crisis strategy 2009 → "Rethink and reform"



It is not that KRONES is in crisis, but that the crisis has come to KRONES.

- Measures delivering rapid results
 - More flexible working hours
 - Reduction in temporary workers
 - Insourcing
 - "Variabilisation" of fixed costs
 - Strict cost management
 - Safeguarding/strengthening of finances
 - Optimisation of working capital etc.

- Quick wins
 - About €142m in savings achieved in 2009

The change in global conditions demands a crisis strategy (2009) following by a modified realignment (2010 ff) along the lines of a "rethink and reform"
→ "Conversion Programme"

Global general economic developments/factors



The crisis
is changing
the world.

■ Global development

- Open, unclear, optimistic to critical
- No reliable trends or forecasts that offer a clear sense of direction

■ Factors

- Global economic growth / risks and opportunities
- Monetary policy (inflation?)
- Currency policy (exchange rates, manipulation of exchange rates?)
- Protectionism, increasing
- Financial markets (no new regulations that could prevent another crash of the financial systems)
- Raw materials, procurement market, energy, environment, etc.
- Labour market (unemployment, social risks)
- Sharp rise in public-sector and personal debt levels (debt crises → debt reduction / debt redemption)

"Conversion" targets for 2010 ff



Rethink
and
rebuild

- Roadmap for the years ahead
- Learn how to deal with the new (exogenous) uncertainty and make the company "weatherproof" in light of an unpredictable and variable general economic climate
- Develop new instruments and "boundary markers" in order to give clear guidance in uncertain times to employees unsettled by the crisis
- Realise a holistic restructuring concept alongside a realignment of the corporate strategy
- Bring about a transformation in the company (like "Impulse" from 1999) that will return KRONES to long-term success

Implement a sustainable, long-term concept for the future of KRONES under changed global conditions

New entrepreneurial challenges/operative restructuring



**We are working
together to
design change.**

- Renewed volatility in the sales markets
- Ensure ability to respond to rapid sea-changes in trends
- Operative restructuring
 - Process cost optimisation
 - Process performance optimisation
 - Flexibilisation of fixed costs/personnel costs
 - Avoidance of orders/projects with a poor risk-return profile
 - Ensure cashflow/independence from banks and hence long-term financing
 - But: stick to long-term, forward-looking personnel policy, HR development, staff training

Strategic restructuring/strategic growth

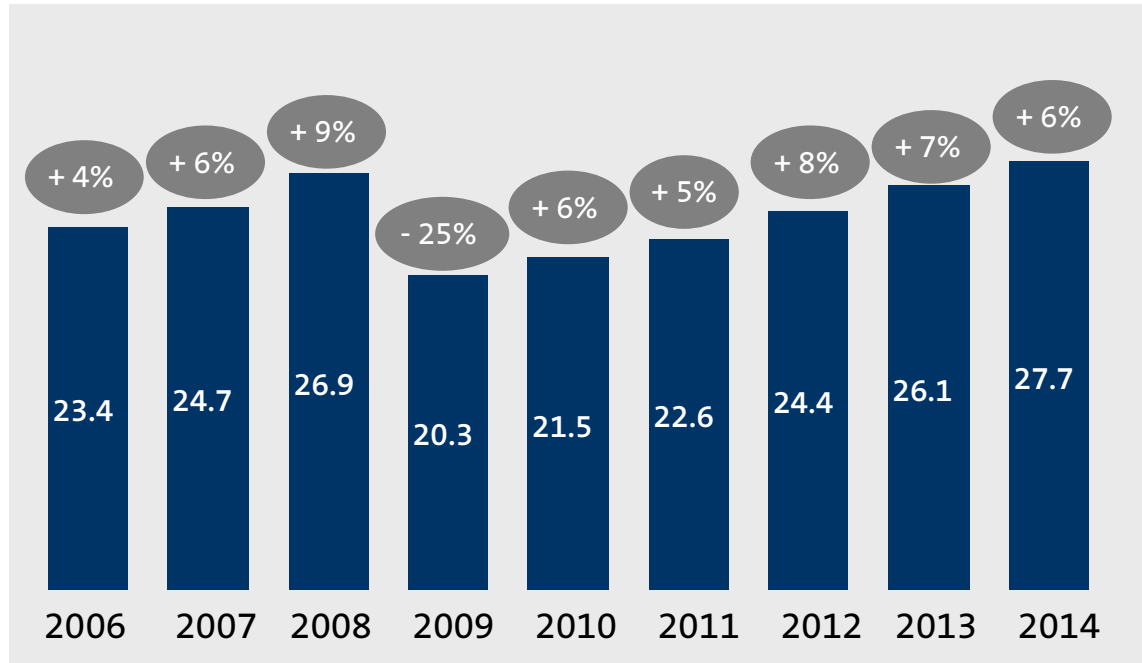
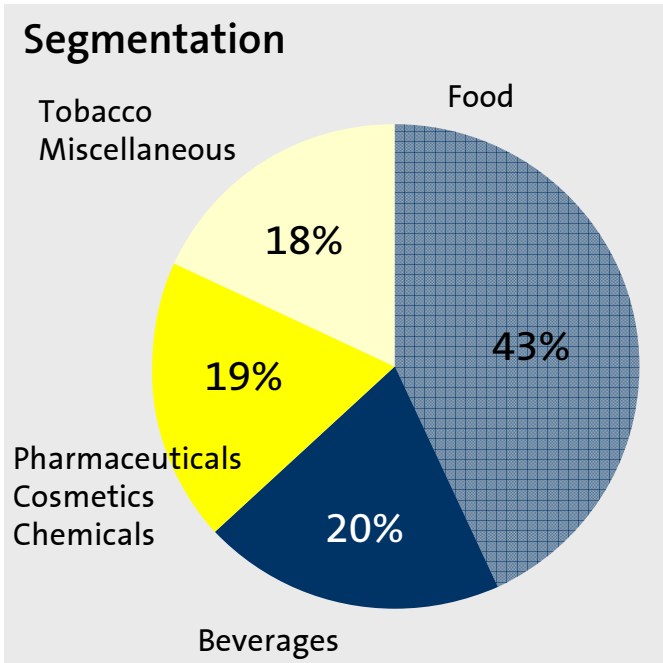


- **Strategic restructuring**
 - Reduction of complexity and its consequences
 - Focused expansion of innovation management
 - Change/determine areas lacking a strategic fit
 - Improved energy efficiency

**Solutions that
shape the
future**

- **Strategic growth**
 - Seize opportunities to deliver promising growth prospects with profitability even in economically difficult times
 - Further optimisation of the global supply chain
 - Optimisation of sales effectiveness

Development of the packing machine market worldwide (in € million)



Source: Freedonia, Euromonitor, VDMA, Roland Berger, press, KRONES

- In the crisis year 2009 the market for packing machines collapsed by about a quarter worldwide compared with 2008
- It will not be possible to return to the levels of the boom year 2008 until the medium to long term (2013/2014)
- KRONES will – as in the past – grow faster than the market

Long-term growth trends fundamentally remain unbroken



**Fully focused
on the targets!**

- KRONES products and services are consumer-oriented ("eating and drinking")
- Dynamic growth in the world population (currently 6.8 billion people, growing by 80 million annually)
- Improvement in the standard of living, particularly in the developing world
- Steady rise in demand for finished products
- Increasing demand for hygienically unobjectionable beverages/water and high-quality foodstuffs
- Growing diversity of beverages (new nutritional trends and lifestyle products in industrialised nations)
- Rising complexity (customer differentiation at the point of sale generates a huge increase in the number of different containers and forms of packing)

**We are fighting with dedication, intelligence and creativity
for the future success of KRONES**



Thank you very much!



Press releases

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