Q1

Interim report for the period from 1 January to 31 March 2012

KRONES

Key figures at a glance		Q1 2012	Q1 2011	Change
Sales	€ million	648.6	606.7	+6.9%
New orders, cumulative, including Lifecycle Service	€ million	659.8	628.6	+5.0%
Orders on hand at 31 March, including Lifecycle Service	€ million	953.6	930.6	+2.5%
Capital expenditure for PP&E and intangible assets	€ million	15.6	15.1	+3.3%
Employees at 31 March				
Worldwide		11,598	10,621	+9.2%
Germany		8,950	8,307	+7.7%
Outside Germany		2,648	2,314	+14.4%
Earnings per share	€	0.74	0.82	–9.8%
EBITDA	€ million	50.5	50.9	–0.8%
EBIT	€ million	31.5	34.6	–9.0%
EBT	€ million	32.5	35.2	–7.7%
Net income	€ million	22.3	24.8	–10.1%

Dear shareholders and friends of KRONES,

KRONES began the year 2012 with great energy and a sense of excitement about the future. Confidence with respect to global economic development has increased since the start of the year and fears of a global recession have faded. And that has a positive impact on our business.

In the growth regions especially, KRONES has continued to be very successful. Customers from Asia, Africa, and the Middle East attended the major packaging and beverage industry trade fairs in Moscow and Dubai in droves in the first quarter. These customers showed great interest in our portfolio, which is reflected in our strong orders intake in the first quarter of 2012. At €659.8 million, new orders were up 5.0% on the year-earlier period. Sales revenue was up 6.9% compared with the first quarter of 2011, to €648.6 million. Although earnings before taxes were down from €35.2 million in the previous year to €32.5 million in the period from January to March 2012, we are well on our way to achieving our earnings target for the year 2012 as a whole.

Although the year has started well overall, economic setbacks can come at any time. There is certainly no dearth of possible triggers. The debt crisis and political uncertainties in major oil-producing countries like Iran have the potential to quickly dampen economic sentiment. For this reason, we are being cautious in our planning for the current year. We intend to improve earnings considerably on the back of a slight increase in sales revenue.

To achieve our targets, KRONES will continue to implement the »Value« strategy programme with vigour in 2012. While we pressed ahead with strategically growing our workforce in Germany in 2011, KRONES' investments in 2012 will focus on the worldwide Service Centres. This will enhance our competitiveness for the long term.

The Executive Board firmly believes that, with the outstanding dedication of the entire KRONES team, we are mastering the challenges of 2012 and further improving our market position.

Volker Kronseder
Chairman of the Executive Board

Economic environment

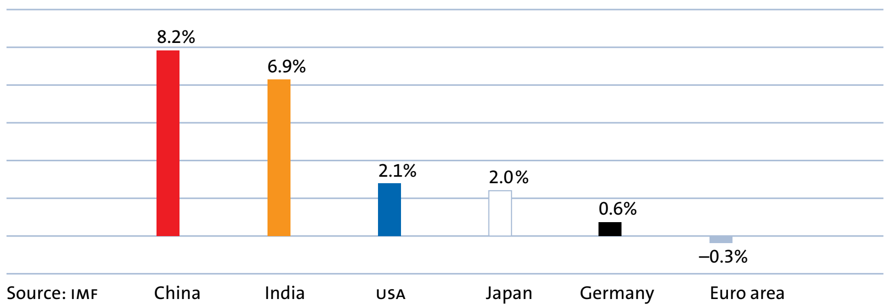
Euro area faces threat of recession in 2012

The world economy is expected to grow 3.5% in 2012.

The outlook for the world economy in 2012 is mixed. The object of greatest concern is the European economy, which is still in the throes of the sovereign debt crisis. In the first quarter of 2012, gross domestic product (GDP) in the euro area probably contracted by 0.2% on the previous quarter. For the year as a whole, experts with the International Monetary Fund (IMF) expect euro area GDP to decline 0.3%. The German economy is faring better. Important economic indicators such as the ifo index show that Germany's economy has recovered from its prior-quarter weakness in the first quarter of 2012. The IMF is forecasting German GDP growth of 0.6% for the year 2012 as a whole.

The USA, the world's largest economy, has improved progressively in recent months. The situation on the labour market is improving, which benefits private consumption, the most important pillar of the US economy. IMF economists expect the US economy to grow 2.1% this year. Japan's GDP is expected to grow at a similar rate (+2.0%) compared with last year. The IMF expects the world's emerging and developing economies to contribute the largest part to the global economy once again in 2012, although momentum there is decreasing noticeably. The IMF is forecasting 8.2% GDP growth for China in 2012 and 6.9% for India. In all, the IMF is predicting that the world economy will grow 3.5% in 2012 over the previous year.

Expected GDP growth rates for 2012



New orders down in the machinery sector

The VDMA expects output in the German machinery sector to be flat in 2012.

In February 2012, new orders in Germany's machinery sector fell short of the year-earlier period by 16%. A less volatile three-month comparison of the period from December 2011 to February 2012 shows an 11% decline in orders year-on-year. It should be noted here that the sector started the year 2011 with exceptionally strong growth and the year-earlier figure was therefore extremely high. For the year 2012 as a whole, the German Engineering Federation (VDMA) is standing by its earlier prediction that output in the sector will stagnate.

The VDMA expects the »food processing and packaging machinery« segment to fare better than the machinery sector as a whole since this segment is far less cyclical than other machinery segments.

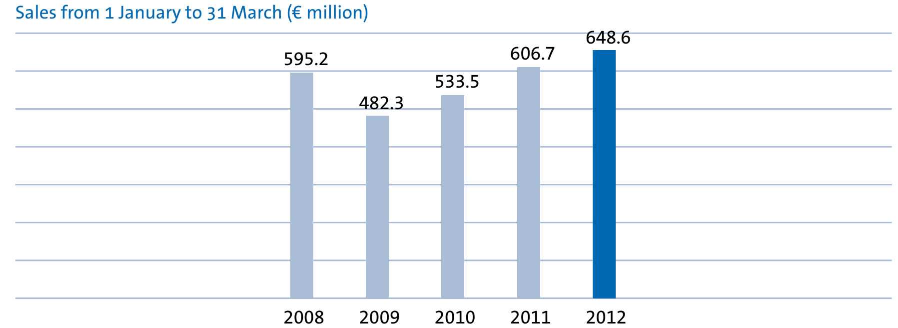
Sales

KRONES sales revenue up 6.9% in the first quarter

KRONES went into the financial year 2012 with the goal of increasing sales revenue by a moderate 2% to 4% over 2011. In the first three months of 2012, we have laid a good foundation for achieving this growth target. Sales revenue at KRONES was up 6.9% year-on-year in the period from January to March 2012, to €648.6 million (previous year: €606.7 million). The biggest contribution to growth came from the Eastern European and South American markets. International food and beverage companies are investing heavily in building and expanding capacities there since the economies and therefore consumer demand are growing rapidly.

Sales revenue improved year-on-year in all three of KRONES' segments (see page 12). In the reporting period, KRONES continued to benefit from its leading position in the market for machinery and lines for producing, filling, and packaging containers made of PET plastic. Customer demand for such products has been growing faster than demand for other products for years.

Sales from 1 January to 31 March (€ million)



Sales by region

Exports made up 86.7% of KRONES' sales revenue in the first quarter of 2012.

In the period from January to March 2012, KRONES' sales revenue generated in Germany improved 7.2% over the good year-earlier level, from €80.4 million to €86.2 million. Thus, the slight negative development of Germany's economic environment in recent months did not affect business at KRONES. Sales in Germany accounted for 13.3% of consolidated sales in the first quarter of 2012, which is up slightly from the year-earlier period (13.2%).

Sales generated in Europe (excluding Germany) were up 11.3% from €186.8 million the previous year to €208.0 million in the first three months of 2012. The biggest increase was in the areas included in our Eastern Europe sales region. In the first quarter of 2012, sales generated in Europe (excluding Germany) accounted for 32.1% of consolidated sales (previous year: 30.8%).

Outside Europe, the company generated sales revenue totalling €354.4 million in the reporting period, 4.4% more than in the year-earlier period (€339.5 million). KRONES achieved high sales growth in South America in the first three months of 2012. Sales on the US market were more or less unchanged compared to the year-earlier period. In the period from January to March 2012, we generated 54.6% of consolidated sales outside Europe (previous year: 56.0%).

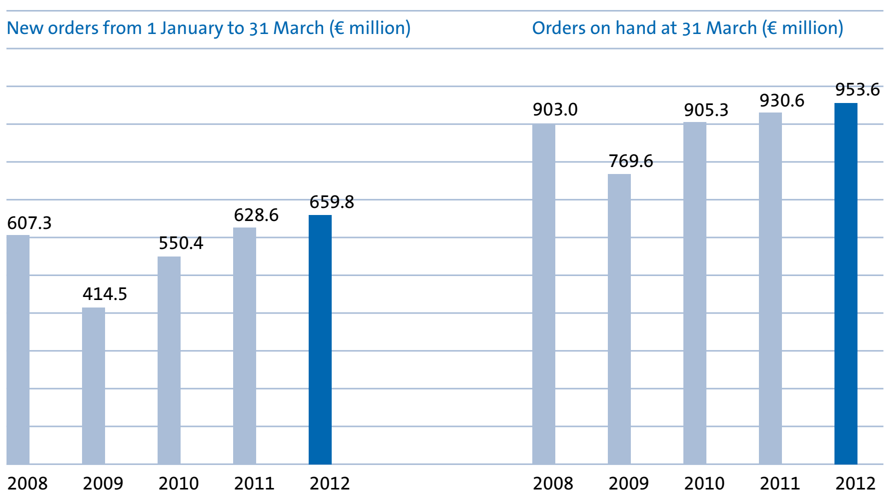
Krones posts nearly €660 million in new orders

Demand for products and services from Krones in the first quarter of 2012 was even higher than in the year-earlier period. At €659.8 million, new orders in the period from January to March 2012 were up 5.0% on the previous year's figure of €628.6 million. This increase reflects the generally strong business trend in the sector. It also shows the good reception among customers of Krones' many new and resource-saving products. Keeping the total cost of ownership, which consists largely of ongoing operating costs, as low as possible is an increasingly important selling point for our customers.

New orders were up 5.0% year-on-year in the first quarter of 2012.

Comfortable orders backlog increases planning security

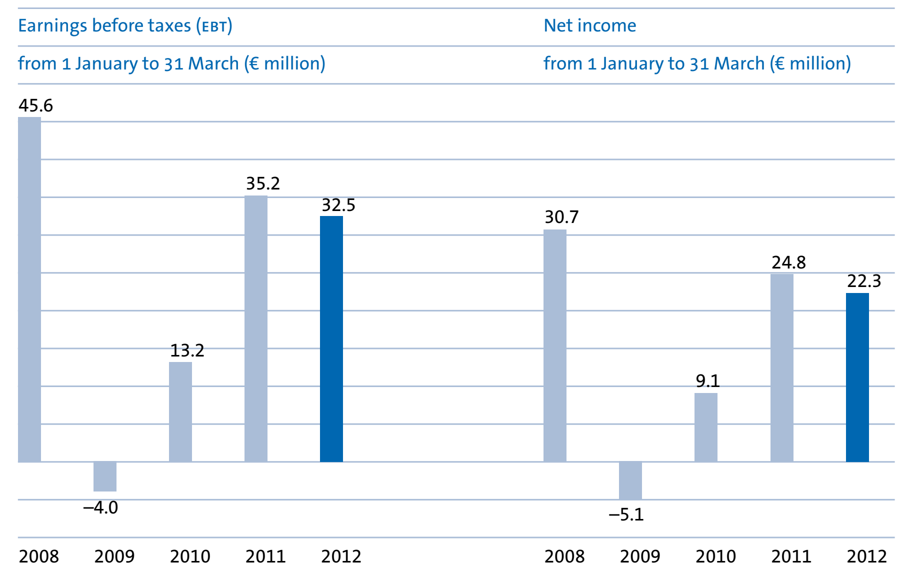
Krones aims to further improve production processes and shorten throughput times. Despite our successes in this area, our orders backlog had increased 2.5% at 31 March 2012 to €953.6 million (previous year: €930.6 million) due to the strong inflow of new orders. The large orders cushion gives us additional planning security for the year 2012 as a whole and serves as a good basis for achieving our revenue target.



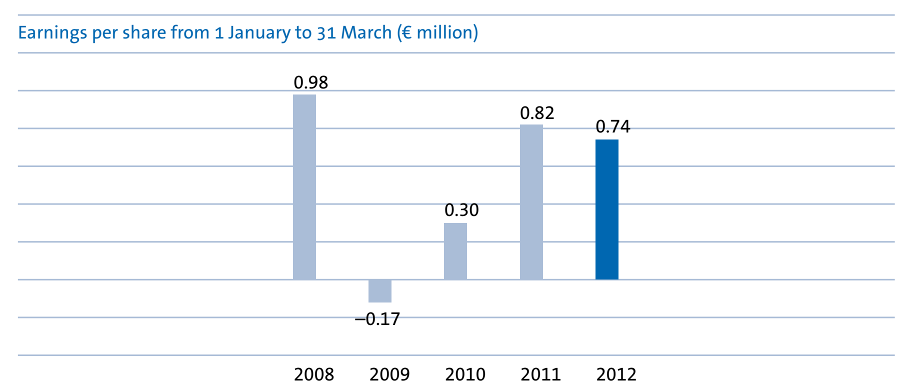
Consolidated net income down year-on-year in the first quarter

From January to March 2012, Krones generated €32.5 million in earnings before taxes. That is 7.7% less than the high year-earlier figure of €35.2 million. The pre-tax return on sales (ROS) – the ratio of earnings before taxes to sales – was 5.0% in the first quarter of 2012 (previous year: 5.8%). Despite the slight decrease, earnings in the first quarter are on target for the year 2012 as a whole. That is because, after a strong first half of last year, earnings had deteriorated in the third and fourth quarters. Increasingly positive effects of the »Value« strategy programme are another reason we expect earnings performance in the upcoming quarters to exceed the corresponding year-earlier levels.

Earnings at Krones in the first quarter of 2012 did not quite match the high year-earlier level.



Net income was down 10.1% in the first quarter of 2012 compared with the year-earlier period, from €24.8 million to €22.3 million. Thus, earnings per share come to €0.74 (previous year: €0.82) based on 30.17 million shares in circulation, excluding the approximately 1.4 million treasury shares.



KRONES Group earnings structure

€ million	2012 1 Jan – 31 Mar	2011 1 Jan – 31 Mar	Change
Sales revenue	648.6	606.7	+6.9%
Changes in inventories of finished goods and work in progress	–18.1	22.8	–
Total operating performance	**630.5**	**629.5**	**+0.2%**
Goods and services purchased	–306.3	–319.8	–4.2%
Personnel expenses	–206.0	–192.3	+7.1%
Other operating income (expenses) and own work capitalised	–67.7	–66.5	+1.8%
EBITDA	50.5	50.9	–0.8%
Depreciation and amortisation on non-current assets	–19.0	–16.3	+16.6%
EBIT	31.5	34.6	–9.0%
Financial income	1.0	0.6	+66.7%
EBT	32.5	35.2	–7.7%
Income tax	–10.2	–10.4	–1.9%
Consolidated net income	**22.3**	**24.8**	**–10.1%**

Analysis of the abridged income statement enables us to see why KRONES' earnings in the first quarter of 2012 did not quite match the year-earlier period. Although sales revenue was up 6.9% to €648.6 million in the reporting period, total operating performance was virtually unchanged at €630.5 million (previous year: €629.5 million).

Alongside actions taken under the »Value« programme, our product mix also had a positive impact on the biggest expense item, goods and services purchased, in the first three months of 2012. At €306.3 million, this expense item was down 4.2% compared to the year-earlier period. With total operating performance largely unchanged, the ratio of goods and services purchased to total operating performance decreased from 50.8% in the year-earlier period to 48.6% in the first quarter of 2012.

Personnel expenses were up 7.1% in the period from January to March 2012, from €192.3 million a year earlier to €206.0 million. This figure reflects the group's larger workforce, which grew by approximately 890 people to 11,335 at 31 March 2012. Although we expect only moderate workforce growth this year, we did considerable hiring in 2011 for strategic reasons. The ratio of personnel expenses to total operating performance rose from 30.6% a year earlier to 32.7%. The net of other operating income and expenses and own work capitalised increased only slightly, to –€67.7 million (previous year: –€66.5 million). The ratio of this figure to total operating performance was 10.7% (previous year: 10.6%).

Earnings before interest and taxes were down from €34.6 million to €31.5 million, due in part to increased personnel expenses as well as increased depreciation and amortisation on non-current assets. In the first quarter of 2012, depreciation and amortisation totalled €19.0 million, which is up €2.7 million on the year-earlier period. KRONES had a positive financial result of €1.0 million for the reporting period (previous year: +€0.6 million). Because the tax rate rose from 29.6% to 31.4%, consolidated net income was down more sharply than earnings before taxes.

KRONES Group cash flow

€ million	2012 1 Jan – 31 Mar	2011 1 Jan – 31 Mar	Change € million
EBT	**32.5**	**35.2**	**–2.7**
Cash flow from operating activities	–55.9	–26.8	–29.1
Cash flow from investing activities	–14.4	–12.5	–1.9
Free cash flow	**–70.3**	**–39.3**	**–31.0**
Cash flow from financing activities	33.6	–0.4	+34.0
Net change in cash and cash equivalents	–36.7	–39.7	+3.0
Change in cash and cash equivalents arising from exchange rates	0.4	0.3	+0.1
Cash and cash equivalents at the beginning of the period	125.5	147.4	–21.9
Cash and cash equivalents at the end of the period	**89.2**	**108.0**	**–18.8**

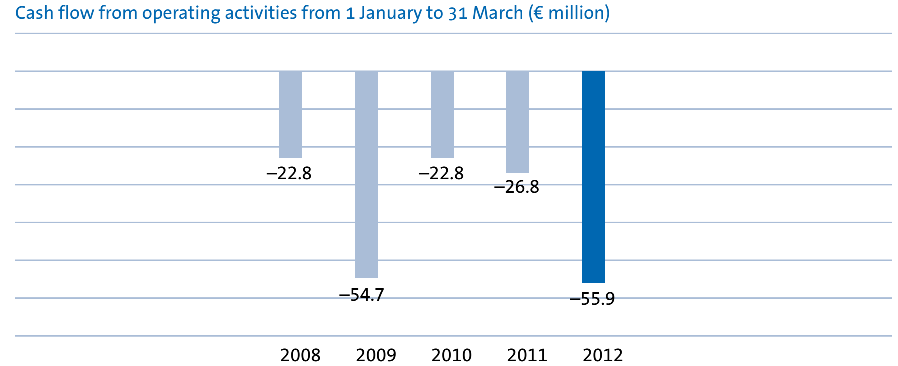
The higher business volume in the first three months of 2012 resulted in an increase in working capital. Receivables, inventories, and other assets increased by only €85.7 million (previous year: €138.9 million) while liabilities decreased considerably, by €72.4 million (previous year: increase of €31.8 million). The sum of these figures was up from €107.1 million in the first three months of last year to €158.1 million in the reporting period. At 27.1%, the ratio of working capital to sales was up in the first quarter compared with the year-earlier ratio (26.2%). The fact that earnings adjusted for non-cash expenses and income improved from €84.4 million in the year-earlier period to €104.8 million in the first quarter of this year had a positive effect. In all, cash flow from operating activities amounted to –€55.9 million (previous year: –€26.8 million).

KRONES invested €15.6 million (previous year: €15.1 million) in property, plant and equipment and intangible assets during the reporting period, primarily in new equipment and machinery, information technology, and our Service Centres. Free cash flow – that is, cash flow from operating activities less capital expenditure – was –€70.3 million for the period from January to March 2012 (previous year: –€39.3 million). In our business, it is not unusual for free cash flow to be negative at various points throughout the year. We expect free cash flow to be positive for the year 2012 as a whole.

In KRONES' business, it is not unusual for free cash flow to be negative at various points throughout the year.

Our use of short-term bank debt resulted in an increase in cash flow from financing activities in the first quarter to €33.6 million (previous year: –€0.4 million). At 31 March 2012, KRONES had cash and cash equivalents totalling €89.2 million (previous year: €108.0 million).

Cash flow from operating activities from 1 January to 31 March (€ million)



KRONES Group asset and capital structure

€ million	31 Mar 2012	31 Dec 2011	31 Dec 2010	31 Dec 2009
Non-current assets	594	597	569	542
of which fixed assets	552	555	519	496
Current assets	1,489	1,443	1,317	1,248
of which cash and equivalents	89	125	147	136
Equity	810	785	759	696
Total debt	1,273	1,255	1,127	1,094
Non-current liabilities	137	134	125	125
Current liabilities	1,136	1,121	1,002	969
Total assets	**2,083**	**2,040**	**1,886**	**1,790**

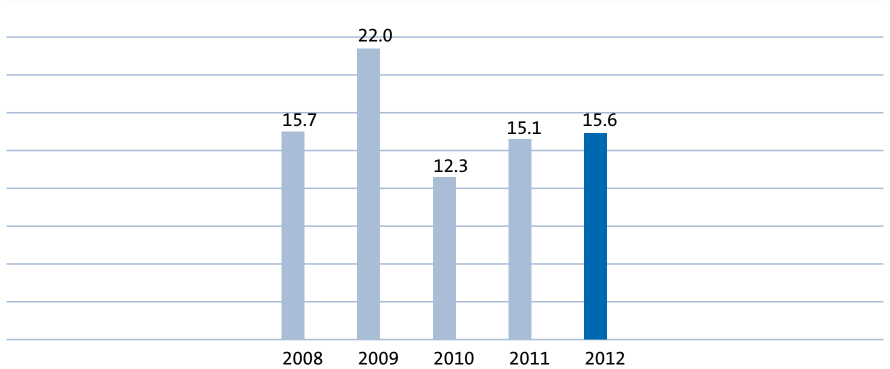
At €2,083.0 million, KRONES' total assets at 31 March 2012 were up 2.1% from the end of 2011. The main reason for the increase was the larger business volume in the first quarter, which entailed higher receivables from customers.

KRONES has a very sound financial and capital structure.

Non-current assets were down slightly in the first quarter, totalling €593.5 million at 31 March 2012 (31 December 2011: €597.2 million). Property, plant and equipment, intangible assets, and non-current financial assets (referred to collectively as »fixed assets« in this report) totalled €551.7 million (31 December 2011: €554.6 million). Of this, €435.7 million were property, plant and equipment (31 December 2011: €441.3 million). The intangible assets, which amounted to €113.4 million at the end of the first quarter (31 December 2011: €110.7 million), are primarily development costs that must be capitalised.

At the end of the reporting period, current assets totalled €1,489.5 million, which is 3.3% more than at 31 December 2011. Although KRONES reduced inventories by €7.6 million to €635.2 million in the period from January to March 2012, trade receivables increased from €567.8 million to €666.4 million due to the higher business volume and to cut off reasons at the reporting date. Cash and cash equivalents decreased by €36.3 million to €89.2 million in the first three months. Such decreases throughout the year are not uncommon.

Capital expenditure for PP&E and intangible assets from 1 January to 31 March (€ million)

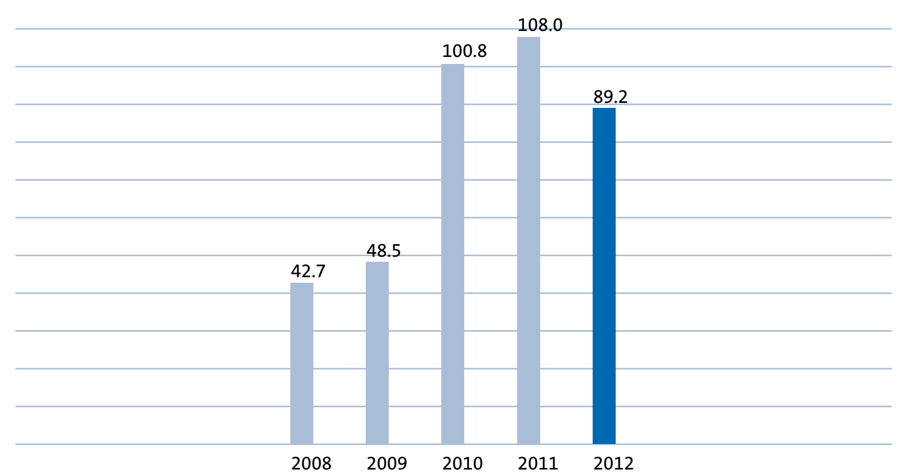


KRONES' non-current liabilities, consisting largely of provisions for pensions and other personnel provisions, amounted to €136.6 million at 31 March 2012 (31 December 2011: €133.6 million). The company had no non-current bank debt at the end of the first quarter of 2012.

At €1,136.4 million, current liabilities were up slightly from the end of 2011 (€1,120.7 million). Advances received were up while trade payables were down. KRONES had current bank debt totalling €34.0 million at the end of the first quarter of 2012.

Due to the positive quarterly earnings figure, equity was up from the end of 2011, from €785.5 million to €810.0 million. As a result, our equity ratio was 38.9% at 31 March 2012 (31 December 2011: 38.5%). With net cash and cash equivalents (cash and cash equivalents less bank debt) of €55.2 million at the end of the reporting period, KRONES therefore still has an extremely robust financial and capital structure.

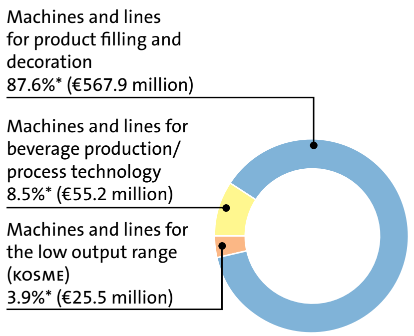
Cash and cash equivalents at 31 March (€ million)



KRONES employed 11,598 people worldwide at the end of March 2012

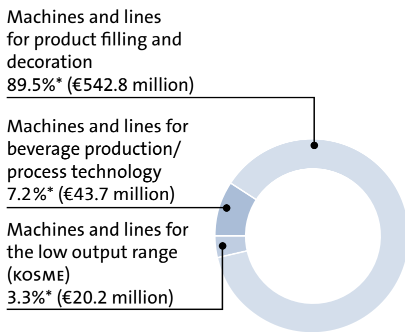
Last year we hired a large number of new employees in order to avoid a future shortage of skilled workers and to ensure that we have the manpower to meet our medium-term growth targets. At the end of March 2012, KRONES' workforce worldwide totalled 11,598 people, 977 more than a year earlier. Of these, 8,950 were in Germany (previous year: 8,307) and 2,648 were outside Germany (previous year: 2,314) at the end of the reporting period. KRONES was training 437 young people at 31 March 2012.

Sales by segment from 1 Jan to 31 Mar 2012



* Share of consolidated sales of €648.6 million

Sales by segment from 1 Jan to 31 Mar 2011



* Share of consolidated sales of 606.7 million

Segment revenue

Sales in our core segment, »machines and lines for product filling and decoration«, increased 4.6% to €567.9 million in the first three months of 2012 (previous year: €542.8 million). The largest portion of sales revenue was generated with machines and lines for filling and packaging beverages and foods in plastic. KRONES is the world's leading supplier in this area. Our core segment contributed 87.6% of consolidated sales in the first quarter of 2012 (previous year: 89.5%).

Sales in our »machines and lines for beverage production/process technology« segment in the period from January to March 2012 were up 26.3% over the year-earlier period, from €43.7 million to €55.2 million. KRONES' process technology business is benefiting especially from rising demand from the international brewing industry. The segment's contribution to consolidated sales in the first three months of 2012 grew from 7.2% a year ago to 8.5%.

The biggest percentage increase in sales revenue in the reporting period came in the »machines and lines for beverage production/process technology« segment.

Business in our smallest segment, »machines and lines for the low output range (KOSME)«, picked up considerably in the first quarter of 2012. At €25.5 million, sales in the reporting period were up 26.2% from the year-earlier figure of €20.2 million. Demand for KOSME products was highest in Eastern Europe, where KOSME has long had a strong presence. The segment's contribution to consolidated sales increased year-on-year, from 3.3% to 3.9% in the first quarter of this year.

Segment earnings

The strategic expansion of our workforce affected earnings in KRONES' core segment.

Earnings in our »machines and lines for product filling and decoration« segment in the first quarter of 2012 were negatively affected by the large increase in our workforce. However, we have taken this short-term burden to earnings into account as a necessary investment in protecting KRONES from an impending shortage of skilled workers. At €36.6 million, earnings before taxes (EBT) for the first three months of 2012 were down €4.2 million year-on-year. In the period from January to March 2012, the pre-tax return on sales (ROS) – the ratio of EBT to segment sales – worsened from 7.5% for the same period of last year to 6.4%.

The »machines and lines for beverage production/process technology« segment is strategically important for KRONES as a full-service supplier. After posting a large loss in the fourth quarter of 2011 (EBT: –€12.9 million), KRONES intensified efforts to substantially improve the segment's earnings performance. These efforts began to bear fruit in the first quarter of 2012. EBT was –€1.8 million (previous year: –€1.9 million).

The strong increase in sales revenue in our smallest segment, »machines and lines for the low output range (KOSME)«, in the reporting period had a positive effect on earnings there. Earnings before taxes improved by €1.4 million year-on-year to –€2.3 million. With that, KOSME was still in the red in the first three months of 2012. However, we are confident that, over the next few quarters, we will achieve further progress and make the segment profitable in the medium term.

Product filling and decoration		2012 1 Jan – 31 Mar	2011 1 Jan – 31 Mar
EBT	€ million	36.6	40.8
ROS	%	6.4	7.5

Beverage production/process technology		2012 1 Jan – 31 Mar	2011 1 Jan – 31 Mar
EBT	€ million	–1.8	–1.9
ROS	%	–3.3	–4.4

KOSME		2012 1 Jan – 31 Mar	2011 1 Jan – 31 Mar
EBT	€ million	–2.3	–3.7
ROS	%	–9.0	–18.3

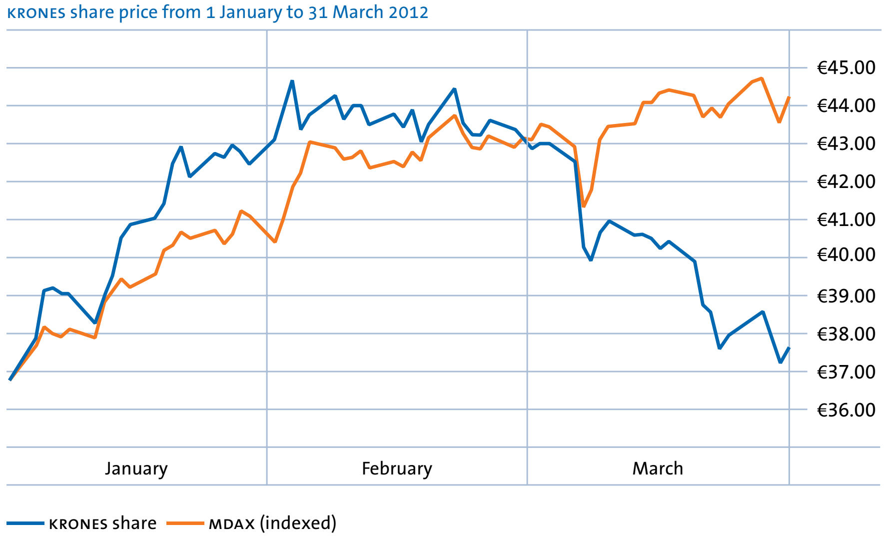
Stock markets rally in the first quarter

The bulls dominated the international stock markets from January to March 2012. Investors gained confidence in the economy and bet on corporate profits increasing further in the current environment. That fuelled demand for shares, as did continued low interest rates and the large volume of liquidity that central banks have been injecting into the markets. Policymakers also contributed to the stock market rally with their rescue package for Greece and €800 billion euro safety net.

The first quarter of 2012 was the best first quarter since 1998 for Germany's benchmark share index, the DAX. The index rose nearly 18% to 6,947 points. Because the shares of several European banks and insurers developed poorly, the Euro Stoxx 50 underperformed the DAX, closing the quarter up 6.9%. The Dow Jones Industrial Average advanced by around 8% in the first quarter of 2012. Japan's Nikkei index jumped almost 20% in the period from January to March 2012. Share prices soared after Japan's central bank announced plans to pump liquidity into the markets.

KRONES share posts slight gains

KRONES share price from 1 January to 31 March 2012



After a strong start to 2012, our share came under pressure and underperformed the MDAX by a considerable margin.

The KRONES share benefited little from the stock market rally in the first quarter. The share price developed well through early February, climbing to almost €45 and thus rising by roughly one-fifth of its value over the start of the year. At the end of March 2012, the share price was back down to €37.62, just 2.3% higher than at the start of the year. Germany's MDAX mid-cap index, which also includes KRONES, gained around 20% in the first three months of 2012.

Clearly, investors were uneasy about the legal disputes involving KRONES in the US, about which we had released information at the end of January 2012. Moreover, many investors were holding off on buying until first-quarter 2012 results were out.

Risk management system is being implemented and is always evolving

KRONES is exposed to a variety of risks that are inextricably linked with doing business globally. We continuously monitor all significant business processes to identify risks early and to actively manage and limit them. An internal monitoring and control system with which we record, analyse, and assess all relevant risks is an integral part of KRONES' risk management system. Our risk management system consists of the following modules: risk analysis, risk monitoring, and risk planning and management.

Risk analysis

In order to identify risks early, we continuously monitor all business activities. We conduct a profitability analysis on all of our quotes before accepting any order. For orders that exceed a specified volume, we also conduct a multi-dimensional risk analysis. Apart from profitability, we also individually record and evaluate financing risks, technological risks, and scheduling and other contractual risks before accepting an order. Thus, risk management at KRONES begins before risks arise.

Risk monitoring

We use a variety of interlinked controlling processes to monitor risks within the KRONES Group. Regular comprehensive reports from the individual business units keep the Executive Board and other decision-makers apprised of all possible risks and deviations from company planning in a timely manner.

Risk planning and control

We use the following tools to plan our business activities and control risk within our internal control system: annual planning, medium-term planning, strategic planning, rolling forecasts, monthly and quarterly reports, capital expenditure planning, production planning, capacity planning, project controlling, accounts receivable management, exchange rate hedges, and insurance policies.

Threats

Viewed from today's perspective, KRONES is not exposed to any risks that threaten the company's continued existence. A detailed discussion of the risks faced by the company and a detailed description of our risk management can be found in the consolidated management report beginning on page 94 of our 2011 Annual Report. There have been no material changes with respect to the company's key risks since the statements made in the annual report.

KRONES targets continued earnings growth in 2012

We are cautiously optimistic about the outlook for the global economy in 2012. The markets in Asia, South America, Africa, and the Middle East continue to offer good prospects for growth. The North American market, which recovered moderately in 2011, is expected to contribute a similar part to KRONES' business in 2012 as it did in 2011. By contrast, the euro area markets are showing considerable capital expenditure restraint due to the euro and sovereign debt crises.

Therefore, our focus for 2012 will be on making the cost structures in our core segment, bottling and packaging machinery, more efficient in order to achieve long-term profitability, even in price-sensitive markets. We also intend to make our structures more flexible so that we can better react to future volatilities on the global markets.

Looking at the development of KRONES' markets and the continuing uncertain economic outlook, we expect sales growth in 2012 to be a moderate 2% to 4%. The pre-tax return on sales, the ratio of earnings before taxes to sales, will exceed 5% in 2012.

Despite the decline in earnings, our figures for the first quarter put us right on schedule. Because of the increasingly positive effects of the »Value« strategy programme and the weaker business trend in the second half of 2011, earnings in each subsequent quarter will significantly outperform its year-earlier quarter.

From today's perspective and provided that the positive global economic trend continues, we expect to return to our target sales growth corridor of 5% to 7% on average and to further increase our return on sales in 2013.

KRONES Group statement of financial position

Assets € million	31 March 2012		31 December 2011	
Intangible assets	113.4		110.7	
Property, plant and equipment	435.7		441.3	
Non-current financial assets	2.6		2.6	
Fixed assets	**551.7**		554.6	
Deferred tax assets	11.8		13.5	
Trade receivables	17.0		17.4	
Income tax receivables	8.1		8.0	
Other assets	4.9		3.7	
Non-current assets		**593.5**		597.2
Inventories	635.2		642.8	
Trade receivables	666.4		567.8	
Current income tax receivables	4.6		4.5	
Other assets	94.1		102.0	
Cash and cash equivalents	89.2		125.5	
Current assets		**1,489.5**		1,442.6
Total		**2,083.0**		2,039.8

Equity and liabilities € million	31 March 2012		31 December 2011	
Equity		**810.0**		785.5
Provisions for pensions	83.7		82.3	
Deferred tax liabilities	7.2		3.9	
Other provisions	31.2		32.3	
Liabilities to banks	0.0		0.0	
Other financial liabilities	2.7		7.0	
Other liabilities	11.8		8.1	
Non-current liabilities		**136.6**		133.6
Other provisions	179.3		176.1	
Provisions for taxes	13.9		10.7	
Liabilities to banks	34.0		0.0	
Advances received	471.0		443.5	
Trade payables	158.1		201.3	
Current income tax liabilities	0.1		0.2	
Other financial liabilities	17.3		34.7	
Other liabilities and accruals	262.7		254.2	
Current liabilities		**1,136.4**		1,120.7
Total		**2,083.0**		2,039.8

Separate income statement for the KRONES Group

€ million	2012 1 January – 31 March	2011 1 January – 31 March	Change %
Sales revenue	**648.6**	606.7	+6.9
Changes in finished goods inventories and work in progress	–18.1	22.8	
Total operating performance	**630.5**	629.5	+0.2
Goods and services purchased	–306.3	–319.8	–4.2
Personnel expenses	–206.0	–192.3	+7.1
Other operating income (expenses) and own work capitalised	–67.7	–66.5	+1.8
Depreciation and amortisation on non-current assets	–19.0	–16.3	+16.6
EBIT	**31.5**	34.6	–9.0
Financial income (expense)	1.0	0.6	+66.7
Earnings before taxes	**32.5**	35.2	–7.7
Income tax	–10.2	–10.4	–1.9
Consolidated net income	**22.3**	24.8	–10.1
Profit (loss) share of non-controlling interests	0.0	0.1	
Profit (loss) share of KRONES Group shareholders	22.3	24.7	
Earnings per share (diluted/basic) in €	0.74	0.82	

Statement of cash flows for the KRONES Group

€ million	2012 1 January – 31 March	2011 1 January – 31 March
Earnings before taxes	**32.5**	35.2
Depreciation and amortisation (reversals)	19.0	16.3
Increase in provisions	51.8	27.7
Deferred tax item changes recognised in profit or loss	1.6	5.2
Interest expenses and interest income	–0.4	–0.2
Gains and losses from the disposal of non-current assets	0.0	–0.2
Other non-cash expenses and income	0.3	0.4
Increase in inventories, trade receivables, and other assets not attributable to investing or financing activities	–85.7	–138.9
Decrease (previous year: increase) in trade payables and other liabilities not attributable to investing or financing activities	–72.4	31.8
Cash generated from operating activities	**–53.3**	–22.7
Interest paid	0.3	–0.3
Income tax paid and refunds received	–2.9	–3.8
Cash flow from operating activities	**–55.9**	–26.8
Cash payments to acquire intangible assets	–7.9	–6.0
Proceeds from the disposal of intangible assets	0.1	0.1
Cash payments to acquire property, plant and equipment	–7.7	–9.1
Proceeds from the disposal of property, plant and equipment	0.5	1.9
Cash payments to acquire non-current financial assets	–0.1	0.0
Interest received	0.2	0.2
Dividends received	0.5	0.4
Cash flow from investing activities	**–14.4**	–12.5
Proceeds from new borrowing	34.0	0.0
Cash payments to pay lease liabilities	–0.4	–0.4
Cash flow from financing activities	**33.6**	–0.4
Net change in cash and cash equivalents	–36.7	–39.7
Change in cash and cash equivalents arising from exchange rates	0.4	0.3
Cash and cash equivalents at the beginning of the period	**125.5**	147.4
Cash and cash equivalents at the end of the period	**89.2**	108.0

Statement of changes in equity for the KRONES Group

€ million	Parent company							Non-controlling interests	Group equity
	Share capital	Capital reserves	Profit reserves	Currency differences in equity	Other reserves	Group retained earnings	Equity	Equity	
At 1 January 2011	**40.0**	**66.6**	**389.1**	**8.0**	**–0.6**	**254.9**	**758.0**	**0.9**	**758.9**
Consolidated net income 3 months 2011						24.7	**24.7**	0.1	**24.8**
Currency differences				4.1			**4.1**		**4.1**
Hedge accounting					2.2		**2.2**		**2.2**
At 31 March 2011	**40.0**	**66.6**	**389.1**	**12.1**	**1.6**	**279.6**	**789.0**	**1.0**	**790.0**
Dividend payment (€0.40 per share)						–12.1	**–12.1**		**–12.1**
Consolidated net income 9 months 2011						19.0	**19.0**	0.0	**19.0**
Withdrawals from profit reserves			–25.0			25.0	**0.0**		**0.0**
Allocation to profit reserves			0.5			–0.5	**0.0**		**0.0**
Allocation to capital reserves		0.2				–0.2	**0.0**		**0.0**
Changes in the consolidated group							**0.0**	–1.0	**–1.0**
Currency differences				–3.2			**–3.2**		**–3.2**
Hedge accounting					–7.2		**–7.2**		**–7.2**
At 31 December 2011	**40.0**	**66.8**	**364.6**	**8.9**	**–5.6**	**310.8**	**785.5**	**0.0**	**785.5**
Consolidated net income 3 months 2012						22.3	**22.3**	0.0	**22.3**
Currency differences				–0.9			**–0.9**		**–0.9**
Hedge accounting					3.1		**3.1**		**3.1**
At 31 March 2012	**40.0**	**66.8**	**364.6**	**8.0**	**–2.5**	**333.1**	**810.0**	**0.0**	**810.0**

Statement of comprehensive income

€ million	2012 1 January – 31 March	2011 1 January – 31 March
Consolidated net income	22.3	24.8
Exchange differences on translation	–0.9	4.1
Available-for-sale financial instruments		
Derivative financial instruments	3.1	2.2
Other comprehensive income	2.2	6.3
Total comprehensive income	**24.5**	31.1
of which attributable to non-controlling interests	0.0	0.1
of which attributable to KRONES Group shareholders	24.5	31.0

Segment reporting

		Machines and lines for product filling and decoration		Machines and lines for beverage production/ process technology		Machines and lines for the low output range (KOSME)		KRONES Group	
		2012 1 Jan – 31 Mar	2011 1 Jan – 31 Mar	2012 1 Jan – 31 Mar	2011 1 Jan – 31 Mar	2012 1 Jan – 31 Mar	2011 1 Jan – 31 Mar	2012 1 Jan – 31 Mar	2011 1 Jan – 31 Mar
Sales revenue	€ million	567.9	542.8	55.2	43.7	25.5	20.2	648.6	606.7
EBT	€ million	36.6	40.8	–1.8	–1.9	–2.3	–3.7	32.5	35.2
Return on sales		6.4%	7.5%	–3.3%	–4.4%	–9.0%	–18.3%	5.0%	5.8%
Employees at 31 March*		10,189	9,321	662	643	484	479	11,335	10,443

*Consolidated group

General disclosures

Legal basis

The consolidated financial statements of KRONES AG (»KRONES Group«) for the period ended 31 March 2012 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB), London, applicable at the end of the reporting period, including the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) as adopted by the European Union. No early application was made of IFRSs that had not yet entered into force or their interpretations.

Non-controlling interests in group equity, if applicable, are presented on the statement of financial position as a special item within equity. Profit or loss shares attributable to non-controlling interests, if applicable, are recognised on the separate income statement and the statement of comprehensive income as part of consolidated net income. If applicable, the shares of consolidated net income attributed to the owners of the parent company and to non-controlling interests are presented separately.

If applicable, non-controlling interests have been added to the statement of changes in equity.

The following explanatory notes comprise disclosures and remarks that, under IFRSs, must be included as notes to the consolidated financial statements in addition to the statement of financial position, the separate income statement and statement of comprehensive income, the statement of changes in equity, and the statement of cash flows.

The »nature of expense« method has been used for the separate income statement. The group's reporting currency is the euro.

Consolidated group

Besides KRONES AG, the consolidated financial statements for the period ended 31 March 2012 include all material domestic and foreign subsidiaries in which KRONES AG holds more than 50% of the voting rights.

KRONES acquired another 50% stake in KONPLAN S.R.O., Prague, Czech Republic, in the financial year 2012. Moreover, KRONES Makina Sanayi ve Ticaret Ltd. Sirketi, Istanbul, Turkey, was established and acquisition accounting was done to include it in the consolidated group.

The first-time consolidation of the new shares was effected at the time of establishment.

KRONES AG holds a direct 100% stake in these companies.

Consolidation principles

The separate financial statements of the companies included in the consolidated financial statements are prepared in accordance with uniform accounting policies and were all prepared as of the end of the reporting period of the consolidated financial statements.

Capital consolidation is performed in accordance with IFRS 3 (»Business combinations«), under which all business combinations must be accounted for using the »purchase method« of accounting, whereby the acquired assets and liabilities are to be recognised at fair value.

Goodwill that arose before 1 January 2004 is still recognised in reserves.

If applicable, shares in the equity of subsidiaries that are not held by the parent company are reported as »non-controlling interests«.

Inter-company receivables, liabilities, provisions, revenues, and expenses between consolidated companies are eliminated in the consolidation accounting.

This also applies for inter-company profits from deliveries effected or services rendered between group companies provided the amounts from these transactions are still held by the group at the end of the reporting period.

Currency translation

The functional currency for KRONES AG is the euro.

The financial statements of the consolidated companies that are denominated in a foreign currency are translated on the basis of the functional currency concept under IAS 21 using a modified closing rate method. Because the subsidiaries primarily operate independently in the economic environment of their respective countries, the functional currency is always the relevant local currency for each subsidiary. In the consolidated financial statements, assets and liabilities are therefore translated at the closing rate as at the end of the reporting period, while income and expenses from the financial statements of subsidiaries are translated at average annual rates.

Any exchange differences resulting from translation using these different rates in the statement of financial position and the separate income statement and statement of comprehensive income are recognised directly in other comprehensive income. Exchange differences resulting from the translation of equity using historical exchange rates are also recognised in other comprehensive income.

In the separate financial statements of KRONES AG and its subsidiaries, receivables and liabilities in foreign currencies are translated using the exchange rate at the time of the transaction and exchange differences are recognised in profit or loss at the closing rate. Non-monetary items in foreign currencies are stated at historical cost.

Exchange rate differences compared with the previous year arising from capital consolidation are recognised outside profit or loss (in equity) in other profit reserves.

The exchange rates of those currencies that have a material impact on the group's financial statements have moved against the euro as follows:

		Closing rate		Average rate	
		31 Mar 2012	31 Mar 2011	2012	2011
US dollar	USD	1.333	1.293	1.311	1.367
British pound	GBP	0.833	0.837	0.835	0.854
Swiss franc	CHF	1.205	1.217	1.208	1.287
Danish krone	DKK	7.440	7.434	7.435	7.455
Canadian dollar	CAD	1.329	1.319	1.314	1.348
Japanese yen	JPY	109.410	100.070	103.940	112.390
Brazilian real	BRL	2.431	2.414	2.318	2.280
Chinese renminbi (yuan)	CNY	8.397	8.144	8.269	8.994
Mexican peso	MXN	17.033	18.073	17.031	16.501
Ukrainian hryvnia	UAH	10.712	10.363	10.520	10.869
South African rand	ZAR	10.247	10.476	10.171	9.567
Kenyan shilling	KES	110.735	110.223	110.254	112.460
Nigerian naira	NGN	210.270	209.840	208.775	209.748
Russian ruble	RUB	39.237	41.687	39.597	40.024
Thai baht	THB	41.134	40.829	40.625	41.738
Indonesian rupiah	IDR	12,192.200	11,730.600	11,884.950	12,166.920
Angolan kwanza	AOA	126.787	122.920	124.831	127.291
Turkish lira	TRY	2.375	2.446	2.357	2.158

Accounting policies

The separate financial statements of KRONES AG and its domestic and foreign subsidiaries have been prepared using uniform accounting policies, in accordance with IAS 27.

Some discretion has been used in preparing the consolidated financial statements, particularly in terms of measurement of non-current assets, inventories, receivables, pension provisions, and provisions, because their preparation requires some critical estimates and forecasts.

Intangible assets

Acquired and internally generated intangible assets, excluding goodwill, are capitalised pursuant to IAS 38 if it is sufficiently probable that the use of the asset will result in a future economic benefit and the cost of the asset can be reliably determined. They are stated at cost and amortised systematically on a straight-line basis over their estimated useful lives. The amortisation of intangible assets is carried out over a useful life of between three and five years and is recognised under »Depreciation and amortisation of intangible assets and property, plant and equipment«.

Research and development expenditure

Development expenditure of the KRONES Group is capitalised at cost to the extent that costs can be allocated clearly and the technical feasibility and a future economic benefit as a result of their use are probable. According to IAS 38, research expenditure cannot be capitalised and is, therefore, recognised as an expense directly in profit or loss. Borrowing costs are capitalised as cost.

Goodwill

There is no goodwill in these consolidated accounts.

Property, plant and equipment

Property, plant and equipment are accounted for at cost less scheduled depreciation on a straight-line basis over their estimated useful lives. The cost of internally generated plant and equipment comprises all costs that are directly attributable to the production process and an appropriate portion of overheads.

A revaluation of property, plant, and equipment pursuant to IAS 16 was not carried out.

Scheduled depreciation is based on the following useful lives, which are applied uniformly throughout the group:

Useful life	In years
Buildings	14 – 50
Technical equipment and machinery	5 – 18
Furniture and fixtures and office equipment	3 – 15

In figuring the useful lives, the different components of an asset with significantly different costs were taken into account.

Government grants are only recognised if there is reasonable assurance that the conditions attaching to them will be complied with and the grants will be received.

Government grants related to assets are deducted from the cost of the asset and recognised in profit and loss in the subsequent periods in the proportions in which depreciation expense on those assets is recognised.

Leases

Leases in which the KRONES Group, as the lessee, bears substantially all the risks and rewards incidental to ownership of the leased asset are treated as finance leases pursuant to IAS 17 upon inception of the lease. The leased asset is recognised as a non-current asset at fair value or, if lower, at the present value of the minimum lease payments. The leased asset is depreciated systematically using the straight-line method over the shorter of the »lease term« and its »useful life«. Payment obligations for future lease instalments are recognised under »other liabilities«.

In the case of operating leases, the leased assets are treated as assets belonging to the lessor since the lessor bears the risks and rewards.

Financial instruments

Financial instruments under IAS 39 used by KRONES consist of the following:

- Non-current financial assets
- Financial instruments held for trading (derivative financial instruments)
- Available-for-sale financial instruments
- Financial receivables and liabilities

For the measurement categories, the carrying amounts correspond to the fair values.

The non-current financial assets are not traded on the market and are therefore recognised at amortised cost.

The fair values and carrying amounts are based on customary market rates and observable ongoing market transactions (Level 2 under IFRS 7.27A).

Transactions against cash settlement are accounted for using the settlement date. Derivative financial instruments are accounted for using the trade date.

Net gains and losses include impairments and measurement changes for derivative financial instruments and are explained in the notes to the relevant measurement categories.

Pursuant to IAS 39, the classes under IFRS 7 also include cash proceeds and liabilities from finance leases in addition to the categories listed above.

Disclosures about risk reporting as specified under IFRS 7 are included in the risk report within the consolidated management report.

Non-current financial assets

Non-current financial assets other than securities are recognised at cost, less impairment losses. Non-current securities are classified as »available for sale« and recognised at fair value in other comprehensive income. No assets are classified as »held to maturity«.

Moreover, the »fair value option« provided for under IAS 39 is not applied to any items on the consolidated statement of financial position for the KRONES Group.

Derivative financial instruments

The derivative financial instruments used within the KRONES Group are used to hedge against currency risks from operating activities.

The primary category of currency risk at KRONES is transaction risk arising from exchange rates and cash flows in foreign currencies. The currencies materially affected by this are the US dollar, Australian dollar, Canadian dollar, and British pound.

Within the hedging strategy, 100% of items denominated in foreign currencies are generally hedged. The primary hedging instruments used for this are forward exchange contracts and, occasionally, swaps, including currency swaps.

The strategy objective is to minimise currency risk by using hedging instruments that are viewed as highly effective, thus hedging the exchange rate and achieving planning security.

The derivative financial instruments are measured at fair value at the end of the reporting period. The fair values are determined using Level 2 inputs under IFRS 7.27a. Gains and losses from the measurement are recognised as profit or loss on the separate income statement and the statement of comprehensive income unless the conditions for hedge accounting are met.

The derivative financial instruments for which hedge accounting is applied comprise forward currency contracts and currency swaps whose changes in fair value are recognised as a »fair value hedge« in profit or loss or a »cash flow hedge« as part of equity. In the case of cash flow hedges, to mitigate currency risks from existing underlying transactions, changes in fair value are initially recognised directly in equity and subsequently reclassified to profit and loss when the hedged item affects profit or loss. These derivative financial instruments are measured on the basis of the relevant commercial bank's forward rates.

They are derecognised only when substantially all risks and rewards of ownership are transferred.

Receivables and other assets

Receivables and other assets, with the exception of derivative financial instruments, are assets that are not held for trading. They are recognised at amortised cost. Receivables with maturities of over one year that bear no or lower-than-market interest are discounted. Impairments are recognised to take account for all identifiable risks. The indicators used for this are the ageing of the receivables and the customer's business situation.

Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes those costs that are directly related to the units of production and an appropriate portion of fixed and variable production overheads. The portion of overheads is determined on the basis of normal capacity of the production facilities. Selling costs and general administrative costs are not included in the costs of inventories. For inventory risks arising from increased storage periods or reduced usability, write-downs are made on the inventories.

For the sake of convenience in measuring materials and supplies, the FiFo and weighted average cost formulas are applied.

Construction contracts for specific customers

Construction contracts for specific customers are recognised by reference to the stage of completion pursuant to IAS 11 (»percentage of completion method«). Under this method, contract revenue for the line and machinery portion is recognised in accordance with the percentage of physical completion of the lines and machines at the end of the reporting period. The percentage of completion for the assembly and installation portion corresponds to the ratio of contract costs incurred up to the end of the reporting period to the total costs calculated for the assembly and installation portion. Construction contracts that are ongoing at the end of the reporting period are recognised under trade receivables.

Deferred tax items

Deferred tax assets and liabilities are recognised using the statement of financial position-oriented »liability method«, which involves recognising deferred tax items for all temporary differences between the tax base of an asset or liability and its carrying amount on the statement of financial position under IFRSs and for consolidation procedures recognised in profit or loss.

The deferred tax items are computed on the basis of the national income tax rates that apply in the individual countries at the time of realisation. Changes in the tax rates are taken into account if there is sufficient certainty that they will occur. Where permissible under law, deferred tax assets and liabilities have been offset.

Provisions for pensions

Provisions for pensions are calculated using the »projected unit credit method« pursuant to IAS 19. Under this method, known vested benefits at the end of the reporting period as well as expected future increases in pensions and salaries are taken into account with due consideration to relevant factors that will affect the benefit amount, which are estimated on a prudent basis. The provision is calculated on the basis of actuarial valuations that take into account biometric factors.

Actuarial gains and losses are only recognised as income or expenses if the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceeded the greater of:

a) 10% of the present value of the defined benefit obligation at that date (before deducting plan assets); and

b) 10% of the fair value of any plan assets at that date.

Other provisions

Other provisions are recognised when the group has an obligation to a third party as a result of a past event, an outflow is probable, and a reliable estimate of the amount of the obligation can be made. Measurement of these provisions is computed at fully attributable costs or on the basis of the most probable expenditures needed to settle the obligation.

Provisions with a residual term of more than one year are recognised at the present value of the probable expenditures needed to settle the obligation at the end of the reporting period.

Financial liabilities

For initial recognition, in accordance with IAS 39, financial liabilities are measured at the cost that is equal to the fair value of the consideration received. Transaction costs are included in this initial measurement of financial liabilities. After initial recognition, all financial liabilities are measured at amortised cost.

Sales revenue

With the exception of those contracts that are measured according to IAS 11, sales revenue is recognised, in accordance with the criteria laid out under IAS 18, when the significant risks and rewards of ownership are transferred, when a price is agreed or can be determined, and economic benefit from the sale of goods is sufficiently probable.

Sales revenue is reported less reductions.

Segment reporting

KRONES reports on three operating segments, which are the strategic business units. They are organised by product divisions and services and managed separately due to the different technologies they cover. The Executive Board, as the chief operating decision maker, manages the company as a whole on the basis of monthly reports from the segments.

Segment 1 comprises machines and lines for product filling and decoration. Segment 2 comprises machines and lines for beverage production and process technology. Segment 3 comprises machines and lines for the low output range.

The accounting policies used are the same as those described under »General disclosures« above.

Segment performance is measured on the basis of internal reports made to the Executive Board, in particular, segment revenues and segment EBT.

Intrasegment transfers are conducted under the same conditions as transfers among third parties. Intersegment revenues are negligible.

Shareholdings

Name and location of the company	Share in capital held by KRONES AG %*
neusped Neutraublinger Speditions-GmbH, Neutraubling, Germany	100.00
KIC KRONES Internationale Cooperations-Gesellschaft mbH, Neutraubling, Germany	100.00
ecomac Gebrauchtmaschinen GmbH, Neutraubling, Germany	100.00
MAINTEC Service GmbH, Collenberg/Main, Germany	100.00
S.A. KRONES N.V., Louvain-la-Neuve, Belgium	100.00
KRONES Nordic ApS, Holte, Denmark	100.00
KRONES S.A.R.L., Lyon, France	100.00
KRONES UK Ltd., Bolton, UK	100.00
KRONES S.R.L., Garda (VR), Italy	100.00
KOSME S.R.L., Roverbella, Italy	100.00
KRONES Nederland B.V., Bodegraven, Netherlands	100.00
KOSME Gesellschaft mbH, Sollenau, Austria	100.00
KRONES Spólka z.o.o., Warsaw, Poland	100.00
KRONES Portugal Equipamentos Industriais Lda., Barcarena, Portugal	100.00
KRONES O.O.O., Moscow, Russian Federation	100.00
KRONES Romania Prod. S.R.L., Bucharest, Romania	100.00
KRONES AG, Buttwil, Switzerland	100.00
KRONES Iberica, S. A., Barcelona, Spain	100.00
KRONES S.R.O., Prague, Czech Republic	100.00
KONPLAN S.R.O., Pilsen, Czech Republic	100.00
KRONES Makina Sanayi ve Tikaret Ltd. Sirketi, Istanbul, Turkey	100.00
KRONES Ukraine LLC, Kiev, Ukraine	100.00
MAINTEC Service eood, Sofia, Bulgaria	100.00
MAINTEC Service Ges.m.b.H., Dorf an der Pram, Austria	100.00
KRONES Angola – Representacoes, Comercio e Industria, Lda., Luanda, Angola	100.00
KRONES Surlatina S. A., Buenos Aires, Argentina	100.00
KRONES do Brazil Ltda., São Paulo, Brazil	100.00
KRONES S. A., São Paulo, Brazil	100.00
KRONES Machinery (Taicang) Co. Ltd., Taicang, China	100.00
KRONES Trading (Taicang) Co. Ltd., Taicang, China	100.00
KRONES Asia Ltd., Hong Kong, China	100.00
KRONES India Pvt. Ltd., Bangalore, India	100.00
PT. KRONES Machinery Indonesia, Jakarta, Indonesia	100.00
KRONES Japan Co. Ltd., Tokyo, Japan	100.00
KRONES Machinery Co. Ltd., Brampton, Ontario, Canada	100.00
KRONES LCS Center East Africa Limited, Nairobi, Kenya	100.00
KRONES Andina Ltda., Bogotá, Colombia	100.00
KRONES Korea Ltd., Seoul, Korea	100.00
KRONES Mex S. A. DE C. V., Mexico D. F., Mexico	100.00
KRONES LCS Center West Africa Limited, Lagos, Nigeria	100.00
KRONES Southern Africa (Prop.) Ltd., Johannesburg, South Africa	100.00
KRONES (Thailand) Co. Ltd., Bangkok, Thailand	100.00
KRONES, Inc., Franklin, Wisconsin, USA	100.00
Maquinarias KRONES de Venezuela S. A., Caracas, Venezuela	100.00

* Direct and indirect shareholdings.

Members of the Supervisory Board and the Executive Board

Following fulfilment of the requirements for application of the German Codetermination Act [Mitbestimmungsgesetz] of 1976 in 1987, the Supervisory Board was extended from six to twelve members. Pursuant to § 8 (1) of the articles of association, six members are elected by the shareholders in accordance with the German Stock Corporation Act (§§ 96 (1) and 101). Six members are elected by the employees pursuant to §§ 1 (1) and 7 (1) Sentence 1 No. 1 of the Codetermination Act.

Supervisory Board

Ernst Baumann
Chairman of the Supervisory Board

Werner Schrödl**
Chairman of the Central Works Council
Deputy Chairman of the Supervisory Board

Dr. Klaus Heimann**
Director of the Youth, Training and Qualification Policy Division of IG METALL

Dr. Jochen Klein
Managing director of I-Invest GmbH
* DÖHLER GMBH
HOYER GMBH

Norman Kronseder
Farmer and forester
* BAYERISCHE FUTTERSAATBAU GMBH

Philipp Graf von und zu Lerchenfeld
Member of the Bavarian Landtag, Dipl.-Ing. agr., auditor and tax consultant

Dr. Alexander Nerz
Attorney

Johann Robold**
Member of the Works Council

Anton Schindlbeck**
Head of sales for LCS

Petra Schadeberg-Herrmann
Managing partner at KROMBACHER FINANCE GMBH, SCHAWEI GMBH, DIVERSUM HOLDING GMBH & CO. KG

Jürgen Scholz**
1st authorised representative and treasurer of the IG METALL administrative office in Regensburg
* INFINEON TECHNOLOGIES AG

Josef Weitzer**
Deputy Chairman of the Works Council
* SPARKASSE REGENSBURG

Executive Board

Volker Kronseder
Chairman
Human Resources and Corporate Communications

Christoph Klenk
Finance and Information Management

Rainulf Diepold
Sales and Marketing

Werner Frischholz
Materials Management, Production, and Service

Thomas Ricker
Engineering, Research and Development

* Other Supervisory Board seats held, pursuant to § 125 (1), Sentence 3 of the German Stock Corporation Act
** Elected by the employees
In addition, each of the Group companies is the responsibility of two members of the Executive Board.

Glossary

Affiliated companies	See subsidiaries
Cash flow	All inflows and outflows of cash and cash equivalents during a period.
Corporate governance	Responsible corporate management and supervision that is oriented toward long-term value creation.
DAX	Deutscher Aktienindex (DAX). Index containing the 30 biggest German companies (based on market capitalisation and trading volume).
Deferred tax items	Temporary differences between the taxes calculated on the results reported on tax statements and those calculated on the results recognised in the financial statements under IFRS. The purpose is to show the tax expense in relation to the result under IFRS.
EBITDA	Earnings before interest, taxes, depreciation and amortisation.
EBIT	Earnings before interest and taxes.
EBT	Earnings before taxes.
Equity	Funds made available to the company by the owners by way of contribution and/or investment plus retained earnings (or losses).
Free float	Portion of the total number of shares outstanding that is available to the public for trading.
IFRS	International Financial Reporting Standards. Accounting standards issued by the International Accounting Standards Board (IASB) that are harmonised and applied internationally.
Market capitalisation	The value of a company based on the market price of issued and outstanding ordinary shares. Calculated by multiplying the share price by the number of shares.
MDAX	Index that contains the 50 biggest German and non-German companies (based on market capitalisation and trading volume) in the traditional sectors after those included in the DAX.
Net cash and equivalents	Cash and highly liquid securities under current assets less liabilities to banks.
Non-current assets	Assets which are intended to permanently serve the business operations.
Return on equity before taxes	Ratio of earnings before taxes to average equity.
ROCE	Ratio of EBIT to average capital employed (total assets less interest-free liabilities and other provisions).
ROS	Return on sales. Ratio of earnings before taxes to sales.
Statement of cash flows	Statement of inflows and outflows of cash that shows the sources and uses of funds within the financial year.
Subsidiaries	All companies that are controlled, directly or indirectly, by a parent company due to majority interest and/or common management.
Total debt	Combined term for the provisions, liabilities, and deferred income stated on the liabilities side of the statement of financial position.
Working capital to sales	Working capital (trade receivables plus inventories and prepayments less corresponding liabilities) in relation to sales revenue.
XETRA trading system	Electronic stock market trading system.

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