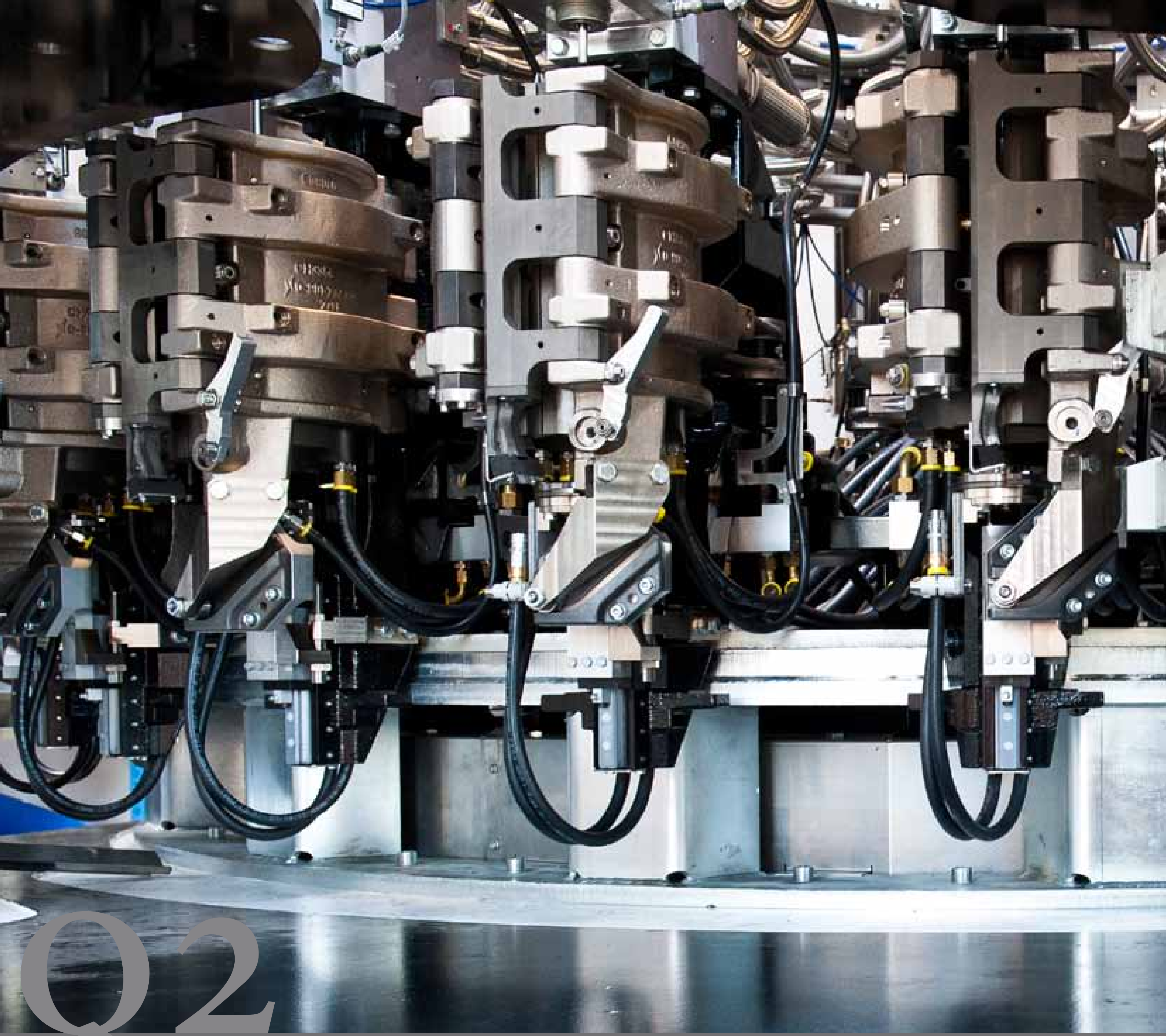


Q2

Interim report for the period from 1 January to 30 June 2012

KRONES

		Jan–June 2012	Jan–June 2011	Change
Sales	€ million	1,289.7	1,257.5	+2.6%
New orders, cumulative, including Lifecycle Service	€ million	1,327.8	1,323.4	+0.3%
Orders on hand at 30 June, including Lifecycle Service	€ million	980.4	974.6	+0.6%
Capital expenditure for PP&E and intangible assets	€ million	36.1	33.3	+8.4%
Employees at 30 June				
Worldwide		11,580	10,761	+7.6%
Germany		8,900	8,367	+6.4%
Outside Germany		2,680	2,394	+11.9%
EBITDA	€ million	100.7	103.3	–2.5%
EBIT	€ million	62.7	69.2	–9.4%
EBT	€ million	64.0	69.2	–7.5%
Net income	€ million	44.2	49.2	–10.2%
Earnings per share	€	1.47	1.62	–9.3%

Foreword by the Executive Board

Dear shareholders and friends of KRONES,

The uncertainty surrounding economic developments increased once again in the second quarter. Several euro summits were held in rapid succession, but the results of these meetings did nothing to calm the markets. Austerity measures and continued high interest rates in the countries of southern Europe have plunged those economies into recession. And that will have consequences for the rest of Europe.

This situation shows how important it was that KRONES took action already last year, through the »Value« strategy programme, to prepare for sharp market swings. This year, our focus within the Value programme, is on reducing production costs in all three segments and tapping additional potential in the profitable component and lifecycle business.

The slight decline in quarterly earnings is due to the fact that earnings were extremely strong in the year-earlier quarter. At €31.5 million, earnings before taxes were down 7.4% on the year-earlier figure. Nevertheless, KRONES' second-quarter business results are right on schedule. Earnings had slumped in the second half of 2011 and we do not expect that to happen this year. Therefore, we are confident that we will achieve the targets we have set for the year 2012 as a whole.

A strategy can only be successfully implemented if it is embraced by all employees and everyone pulls together. In this respect, KRONES can count on a highly qualified and motivated workforce to »create value together«.

Volker Kronseder
Chairman of the Executive Board

Economic environment

World economy faces increased threats

The world economy remains weak due to the euro area recession and slowing growth in the emerging markets.

The escalation of the European debt crisis during the second quarter of 2012 brought with it increased threats to the global economy. The biggest sources of concern in the euro area – Italy, Spain, and Greece – are now in recession. Urgent austerity measures to balance public budgets will likely further slow economic activity in Europe. According to calculations by the International Monetary Fund (IMF), euro area gross domestic product (GDP) for 2012 as a whole is expected to be 0.3% lower year-on-year. The relatively strong German economy will prevent the contraction from being worse. But even in Germany, the negative effects of the debt crisis have become increasingly apparent and are reflected in important economic indicators. The IMF expects Germany's GDP to grow 1.0% in 2012.

The US economy is faring better. But fears have increased there that Europe's troubles could have a negative impact on the US economy. IMF experts are forecasting 2.0% growth for the world's largest economy for 2012. In emerging economies like China, momentum has slowed. The IMF expects Chinese GDP growth of 8.0% in 2012, after 9.2% in the previous year. Nevertheless, the world's emerging and developing markets will once again contribute the largest part of the global economy this year. In all, the IMF is predicting 3.5% global economic growth for 2012.

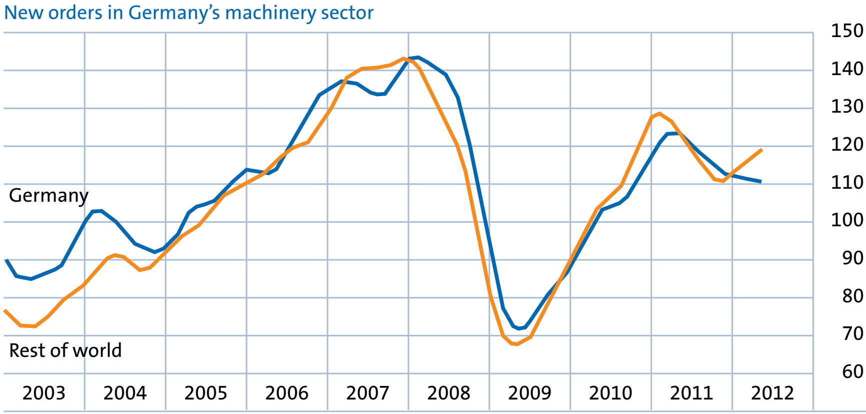
Fewer orders for German machinery sector

Output in Germany's machinery sector is likely to be flat in 2012.

The euro debt crisis has also left its mark on the machinery sector. In June 2012, the German Engineering Federation (VDMA) reported the seventh consecutive month of declining orders inflow. May orders were down 6% year-on-year in 2012. A less volatile three-month comparison of the period from March 2012 to May 2012 also shows a 6% decline in orders year-on-year.

The orders situation in the »packaging machinery« segment is better than in the machinery sector as a whole. According to the VDMA figures that are currently available, orders in this segment in the first three months of 2012 exceeded the year-earlier period by 25%.

New orders in Germany's machinery sector



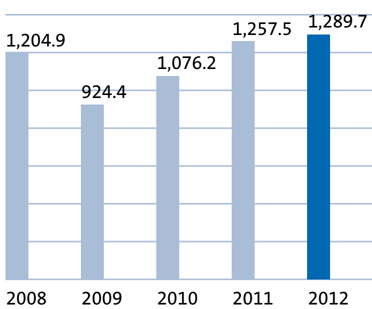
Price-adjusted index, 2010 basis = 100

Source: VDMA, 2 July 2012

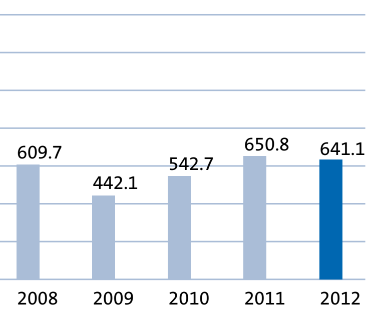
First-half sales up 2.6% to €1,289.7 million

Business at KRONES was exceptionally good in the first six months of 2011. Despite this high baseline, sales revenue in the period from January to June 2012 was up 2.6% year-on-year, from €1,257.5 million to €1,289.7 million. That puts us right on course to meet our targets and we are standing by our expectation of up to 4% revenue growth for the year as a whole. The fact that revenue in the second quarter of 2012 did not quite reach the very high year-earlier level – it was down 1.5% from €650.8 million to €641.1 million – does not change this prediction.

Sales from 1 January to 30 June (€ million)



Sales in Q2 (€ million)



Sales by region

Sales outside Europe increased 8.6% over the year-earlier period.

After a good first quarter, KRONES' business in Germany was slow in the second quarter of 2012. All told, sales in Germany were down 13.5% in the first half of 2012, from €161.7 million in the previous year to €139.7 million. The share of consolidated sales generated in Germany decreased from 12.8% in the previous year to 10.8%.

Sales generated in Europe (excluding Germany) were down slightly in the first half of 2012. Europe's increasingly weak economy did not make business easier for us, although our activities were hit harder in Western Europe than in Eastern Europe. In the period from January to June 2012, sales revenue was down 2.5% year-on-year from €361.9 million to €352.9 million. Sales in Europe (excluding Germany) accounted for 27.4% of consolidated sales in the first half (previous year: 28.8%).

We were able to increase sales revenue in the markets outside Europe in the first two quarters of 2012. Growth accelerated somewhat in the period from April to June. In all, first-half sales outside Europe increased 8.6% compared to the year-earlier period, from €733.9 million to €797.1 million. These figures reflect KRONES' strong position on the emerging markets, where the economies as a whole are faring better than in Europe. Sales outside Europe contributed 61.8% of consolidated sales in the first half of 2012 (previous year: 58.4%).

New orders and orders on hand

New orders up slightly on high year-earlier level

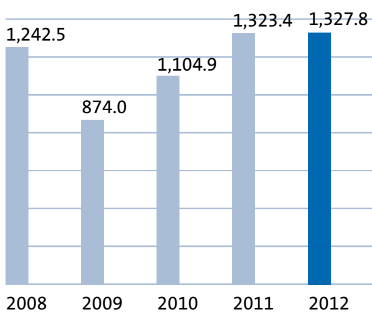
KRONES' new products are in high demand.

From January to June 2012, KRONES received orders totalling €1,327.8 million. That is 0.3% more than the high year-earlier figure of €1,323.4 million. During the reporting period, we benefited from our position as a full-service supplier capable of delivering a complete range of products and services from a single source. Our broad regional diversification also helps us to overcome periods of weak activity in individual regions.

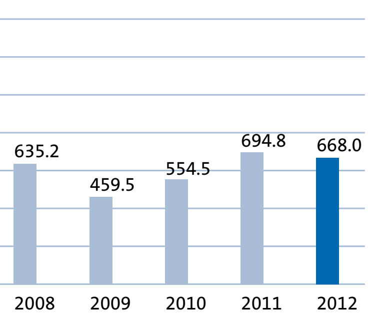
Product innovations from KRONES such as the new Modulfill modular generation of fillers, and the Contiform 3 stretch blow-moulder for producing plastic bottles have been well received among customers.

Compared with the exceptionally strong second quarter of last year, new orders were down 3.9% in the period from April to June 2012, from €694.8 million to €668.0 million. This slight drop was within our expectations.

New orders from 1 January to 30 June (€ million)



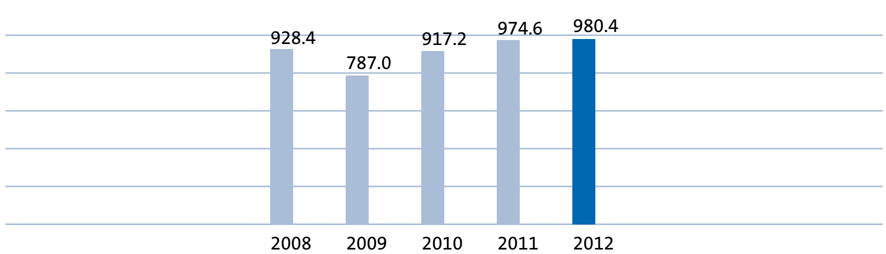
New orders in Q2 (€ million)



KRONES' orders backlog totalled €980.4 million at the end of June

KRONES started 2012 with an orders backlog of €942.4 million. At the end of June, the company had orders on hand totalling €980.4 million (previous year: €974.6 million). That gives us a solid basis from which to achieve our growth target for 2012 as a whole and to balance our capacity utilisation.

Orders on hand at 30 June (€ million)



Consolidated net income at six-month mark still below previous year

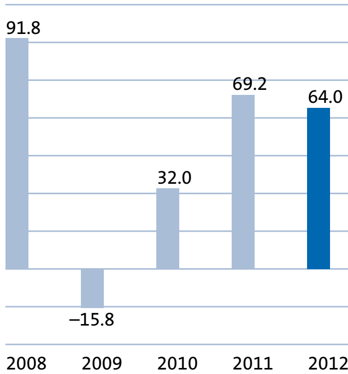
One of KRONES' goals for 2012 is to increase consolidated net income over the previous year. Although earnings were lower in the first two quarters of 2012 than in the first half of 2011, we are nevertheless on track to achieve our goal. Our earnings situation had worsened progressively over the second half of 2011. Despite the difficult economic environment, we still expect to generate better earnings in the second half of 2012 than we did in the same period of last year.

From January to June 2012, earnings before taxes (EBT) were down 7.5% year-on-year, from €69.2 million to €64.0 million. The pre-tax return on sales (the ratio of earnings before taxes to sales – ROS) was 5.0% in the first half of 2012 (year-earlier period: 5.5%). We are targeting a pre-tax return on sales of more than 5.0% for the year as a whole. At €44.2 million, first-half earnings after taxes were down 10.2% from the year-earlier period (€49.2 million). Earnings per share were down from €1.62 to €1.47.

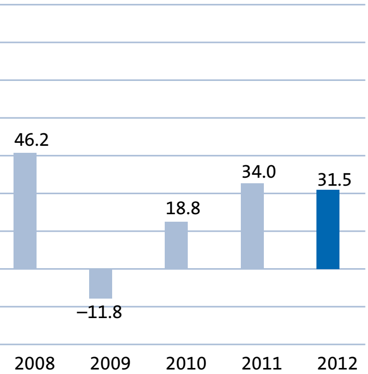
Exceptionally strong first-half performance in 2011 is the reason for the lower EBT, ROS, and earnings per share figures in the reporting period.

Although earnings were down at mid-year, KRONES is right on schedule for the year 2012 as a whole.

Earnings before taxes (EBT) from 1 January to 30 June (€ million)

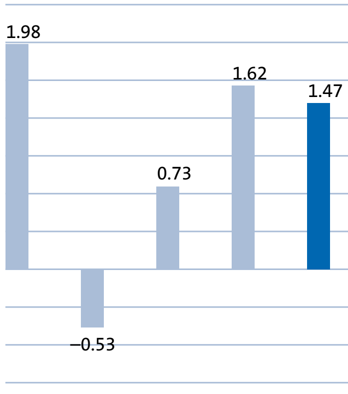


Earnings before taxes (EBT) in Q2 (€ million)

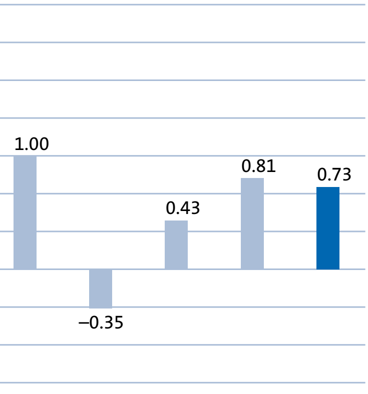


In the second quarter of 2012, earnings before taxes were down 7.4% from €34.0 million in the second quarter of 2011 to €31.5 million. Consolidated net income for the period from April to June 2012 came to €21.9 million (previous year: € 24.4 million). Earnings per share declined from €0.81 in the second quarter of 2011 to €0.73 € in the second quarter of 2012.

Earnings per share from 1 January to 30 June (€)



Earnings per share in Q2 (€)



KRONES Group earnings structure

€ million	2012 1 Jan–30 June	2011 1 Jan–30 June	Change
Sales revenue	1,289.7	1,257.5	+2.6%
Changes in inventories of finished goods and work in progress	–15.3	–1.6	–
Total operating performance	**1,274.4**	**1,255.9**	**+1.5%**
Goods and services purchased	–619.3	–628.1	–1.4%
Personnel expenses	–406.0	–390.8	+3.9%
Other operating income (expenses) and own work capitalised	–148.4	–133.7	+11.0%
EBITDA	100.7	103.3	–2.5%
Depreciation and amortisation on non-current assets	–38.0	–34.1	+11.4%
EBIT	62.7	69.2	–9.4%
Financial income	1.3	0.0	–
EBT	64.0	69.2	–7.5%
Income tax	–19.8	–20.0	–1.0%
Consolidated net income	**44.2**	**49.2**	**–10.2%**

The lower expenditure for goods and services purchased reflects progress achieved under the Value programme.

KRONES' business volume increased slightly from January to June 2012. Sales revenue was up 2.6% to €1,289.7 million in the reporting period and total operating performance improved a further 1.5% over the extremely strong first half of 2011 to €1,274.4 million. KRONES' earnings performance in the first half of 2012 did not quite match the high year-earlier level. Expenditure for goods and services purchased improved in the first half of 2012. At €619.3 million, our biggest expense item was 1.4% smaller than in the year-earlier period despite the higher total operating performance. Several measures from our Value programme as well as our product mix had a positive impact here. As a result, the ratio of goods and services purchased to total operating performance decreased from 50.0% in the year-earlier period to 48.6% in the first half of 2012.

Personnel expenses grew 3.9% to €406.0 million in the reporting period. The higher figure reflects the large increase in our workforce over the previous year. However, more balanced capacity utilisation kept the increase in personnel expenses under control. As a result, the ratio of personnel expenses to total operating performance rose only slightly, from 31.1% in the year-earlier period to 31.9% in the first half of 2012. The net of other operating income and expenses and own work capitalised increased 11.0% to –€148.4 million (previous year: –€133.7 million). The ratio of this figure to total operating performance was 11.6% (previous year: 10.7%). The net of other operating income and expenses and own work capitalised includes travel expenses as well as freight costs. This item, along with personnel expenses and higher depreciation and amortisation of non-current assets (€3.9 million more year-on-year) is responsible for the slight decrease in earnings performance in the first half of 2012.

Earnings before interest and taxes (EBIT) dropped from €69.2 million to €62.7 million in the reporting period. With financial income at €1.3 million (previous year: €0.0 million), earnings before taxes (EBT) came to €64.0 million after €69.2 million in the year-earlier period. Because the tax rate rose from 28.9% to 30.9%, the percentage decrease in consolidated net income was larger than the percentage decrease in earnings before taxes.

Cash flow

KRONES Group cash flow

€ million	2012 1 Jan–30 June	2011 1 Jan–30 June	Change
EBT	**64.0**	**69.2**	**–5.2**
Cash flow from operating activities	–54.8	–105.5	+50.7
Cash flow from investing activities	–33.9	–28.4	–5.5
Free cash flow	**–88.7**	**–133.9**	**+45.2**
Cash flow from financing activities	80.6	81.3	–0.7
Net change in cash and cash equivalents	–8.1	–52.6	+44.5
Change in cash and cash equivalents arising from exchange rates	0.3	0.3	±0.0
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	**117.7**	**95.1**	**+22.6**

KRONES improved free cash flow by €45.2 million in the first half.

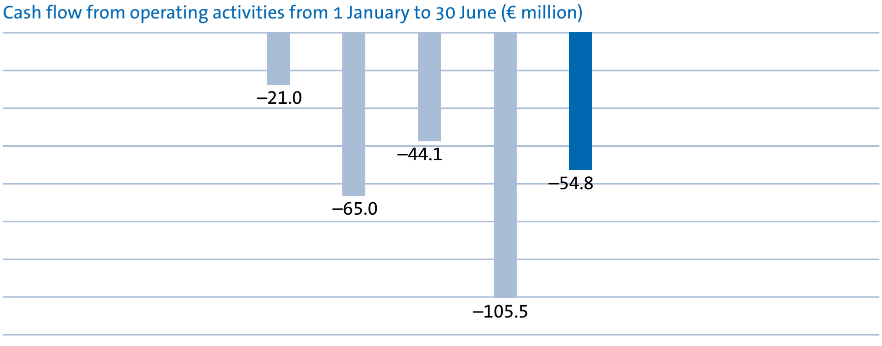
In the period from January to June 2012, KRONES' cash flow from operating activities improved by €50.7 million over the year-earlier period to –€54.8 million. That is because KRONES built up less working capital in the reporting period. While this item had increased by €224.1 million in the first half of last year, it rose by only €150.1 million in the first half of 2012.

The ratio of working capital to sales decreased to 27.4%, from 29.3% in the year-earlier period, and thus remained within our target of under 30%.

KRONES invested €36.1 million (previous year: €33.3 million) in property, plant and equipment and intangible assets during the reporting period, primarily in new equipment and machinery, information technology, and in expanding our Service Centres. Free cash flow (cash flow from operating activities less capital expenditure) came to –€88.7 million for the first half of 2012, a €45.2 million improvement on the year-earlier figure of –€133.9 million. In our business, it is not unusual for free cash flow to be negative at various points throughout the year. However, we expect free cash flow to be positive for the year 2012 as a whole.

At €80.6 million, cash flow from financing activities was slightly lower than the year-earlier figure of €81.3 million due to the higher dividend payment. All told, KRONES had cash and cash equivalents of €117.7 million at 30 June 2012 (previous year: €95.1 million).

Cash flow from operating activities from 1 January to 30 June (€ million)



Assets and capital structure

KRONES Group asset and capital structure

€ million	30 June 2012	31 Dec 2011	31 Dec 2010	31 Dec 2009
Non-current assets	606	597	569	542
of which fixed assets	554	555	519	496
Current assets	1,510	1,443	1,317	1,248
of which cash and equivalents	118	125	147	136
Equity	813	785	759	696
Total debt	1,303	1,255	1,127	1,094
Non-current liabilities	141	134	125	125
Current liabilities	1,162	1,121	1,002	969
Total assets	**2,116**	**2,040**	**1,886**	**1,790**

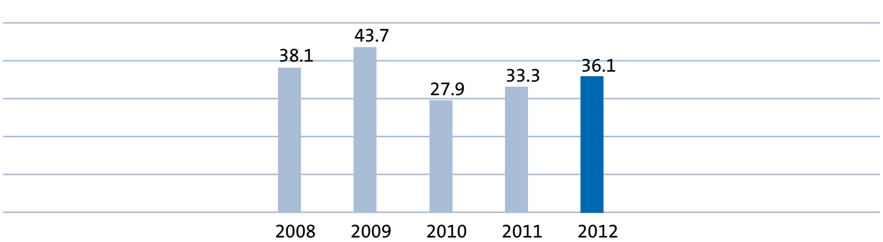
KRONES has very comfortable levels of equity and liquidity.

At 30 June 2011, KRONES had total assets amounting to €2,116.4 million, which is 3.8% more than at the end of 2011. The main reason for the increase was the larger business volume in the first half of 2012, which entailed higher receivables from customers.

Non-current assets were up slightly in the first half. At 30 June 2012, KRONES had non-current assets totalling €606.3 million (31 December 2011: €597.2 million). Within this figure, property, plant and equipment, intangible assets, and non-current financial assets totalled €553.8 million (31 December 2011: €554.6 million), of which €435.5 million were property, plant and equipment. Intangible assets, which consist primarily of development costs that must be capitalised, were up to €115.7 million at 30 June 2012 (31 December 2011: €110.7 million).

Current assets amounted to €1,510.1 million at the end of the reporting period, 4.7% more than at 31 December 2011. Inventories were up only slightly, from €642.8 million to €646.1 million while trade receivables increased €72.5 million to €640.3 million. Cash and cash equivalents decreased from €125.5 million to €117.7 million during the reporting period. For more on this topic, please see our discussion of cash flow on page 9.

Capital expenditure for PP&E and intangible assets from 1 January to 30 June (€ million)

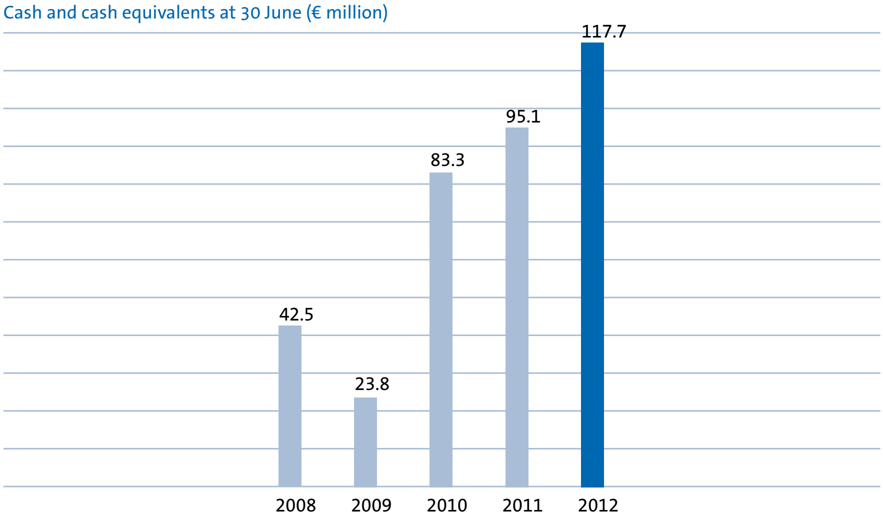


KRONES' non-current liabilities, consisting largely of provisions for pensions and other personnel provisions, increased to €141.5 million at 30 June 2012 (31 December 2011: €133.6 million). The company had no non-current bank debt at 30 June 2012.

Current liabilities were up €41.6 million compared with the end of the year 2011 to €1,162.3 million. Trade payables were lower while advances received were higher. KRONES had current bank debt totalling €99.5 million at the end of the first half. As a result, the company's net cash and cash equivalents (cash and cash equivalents less bank debt) at 30 June 2012 amounted to €18.2 million.

Our positive first-half earnings brought equity up from €785.5 million at the reporting date for 2011 to €812.6 million at the end of June 2012. Our equity ratio was 38.4% at 30 June (31 December 2011: 38.5%). Thus, KRONES still has an extremely robust financial and capital structure overall.

Cash and cash equivalents at 30 June (€ million)



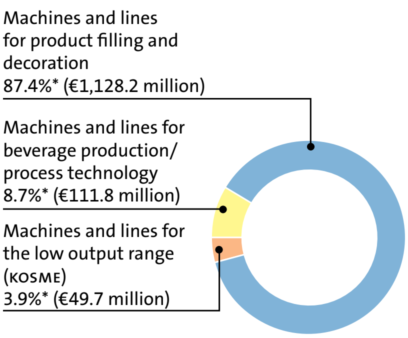
KRONES employs 11,580

New hiring at KRONES in the period from January through June 2012 was primarily for the service business. In all, the company's workforce grew from 11,389 to 11,580 in the first half. At the end of June, KRONES employed 8,900 people in Germany (previous year: 8,367) and 2,680 outside Germany (previous year: 2,394). At 30 June 2012, 376 young people were in training at KRONES. Sixty (60) trainees successfully completed their training with the 2011/2012 winter exams.

KRONES continued to hire new employees in the first half of 2012, primarily for our service business.

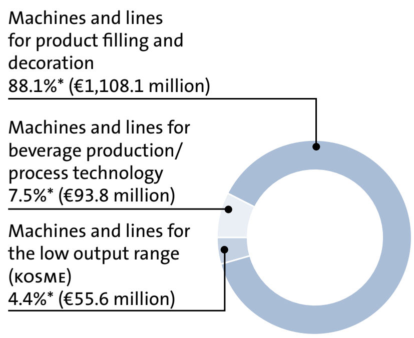
Report from the segments

Sales by segment from 1 Jan to 30 June 2012



* Share of consolidated sales of €1,289.7 million

Sales by segment from 1 Jan to 30 June 2011



* Share of consolidated sales of €1,257.5 million

Segment revenue

In the first half of 2012, sales revenue in the »machines and lines for product filling and decoration« segment was up 1.8% year-on-year from €1,108.1 million to €1,128.2 million. We expect growth in our core segment to accelerate somewhat in the second half of 2012. Machines and lines for filling and packaging beverages and liquid foods into plastic containers account for the largest share of sales revenue generated here. The segment contributed 87.4% of consolidated sales in the first half of 2012 (previous year: 88.1%).

Sales in the »machines and lines for beverage production/process technology« segment were up 19.2% to €111.8 million in the first six months of 2012, from €93.8 million in the year-earlier period. The segment's strong revenue growth was driven in part by orders from the previous year that yielded revenue during the reporting period. The segment contributed 8.7% of consolidated sales in the first half of 2012 (previous year: 7.5%).

The »machines and lines for beverage production/process technology« segment made strong gains.

Sales revenue in the »machines and lines for the low output range (KOSME)« segment was down 10.6% from €55.6 million in the year-earlier period to €49.7 million in the first half of 2012. We are confident that KOSME's business will remain stable in the second half and revenue will not decline as it did in the year-earlier period. The segment's share of consolidated sales decreased year-on-year from 4.4% to 3.9% in the first half of 2012.

Segment earnings

Earnings before taxes in our core segment were up year-on-year in the second quarter.

Earnings performance in the »machines and lines for product filling and decoration« segment improved in the second quarter of 2012 compared with the first three months of 2012. At €38.7 million, second-quarter earnings also exceeded the year-earlier figure of €37.7 million. However, at €75.3 million, earnings before taxes at the end of the first half were down 4.1% from the year-earlier period (€78.5 million). The pre-tax return on sales (the ratio of earnings before taxes to segment revenue) decreased from 7.1% a year earlier to 6.7% in the first half of 2012.

In the »machines and lines for beverage production/process technology« segment, earnings before taxes declined from –€4.4 million in the year-earlier period to –€7.5 million in the first six months of 2012. Second-quarter earnings in this segment were negatively affected by the fact that unprofitable orders from 2011 were invoiced in the second quarter of 2012. For the year 2012 as a whole, we intend to improve sustainably on the segment's 2011 earnings (EBT 2011: –€19.3 million).

In the »machines and lines for the low output range (KOSME)« segment, KRONES' 2012 target is to halve the loss generated in 2011 (EBT 2011: –€15.0 million) and to break even in the fourth quarter of 2012. Given the results of the first half of 2012, we are confident that we will achieve this goal. Despite the decline in sales revenue, earnings before taxes in this segment improved from –€4.9 million in the previous year to –€3.8 million.

Product filling and decoration		2012 1 Jan–30 June	2011 1 Jan–30 June
EBT	€ million	75.3	78.5
ROS	%	6.7	7.1

Beverage production/process technology		2012 1 Jan–30 June	2011 1 Jan–30 June
EBT	€ million	–7.5	–4.4
ROS	%	–6.7	–4.6

KOSME		2012 1 Jan–30 June	2011 1 Jan–30 June
EBT	€ million	–3.8	–4.9
ROS	%	–7.6	–8.8

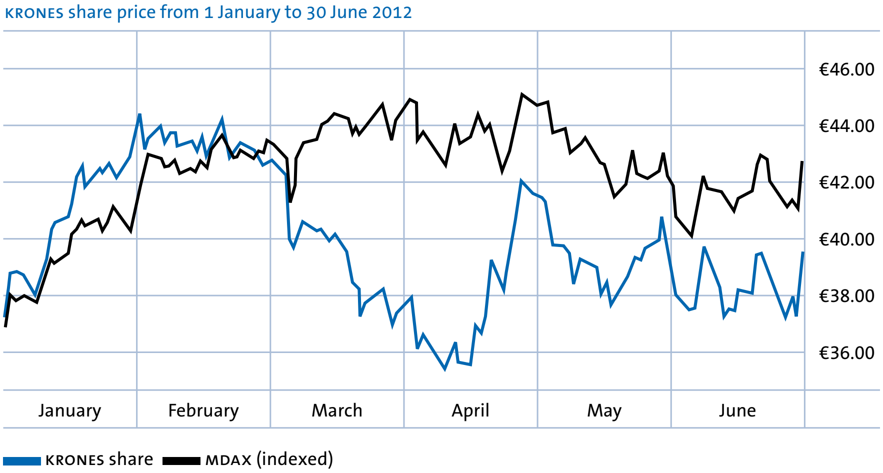
Share prices came under pressure in the second quarter

After a strong start to the year, the stock markets worldwide dropped in the second quarter of 2012. The biggest factor here was the European debt crisis, which escalated from April to June. The threat of a Greek exit from the euro – or even a possible breakup of the entire euro zone – fuelled fears among investors. Profit warnings from companies that were already suffering under the consequences of the debt crisis also spoiled investors' appetites for buying stocks. More and more, they sold off shares and sought refuge in ostensible safe havens such as German government bonds.

Germany's benchmark share index, the DAX, lost around 8% in this negative environment in the period from April to June 2012. With that, the index gave back a large portion of its first-quarter gains. The DAX closed the period just 8.8% higher than it had opened the year, with around 6,400 points at the end of June. The EURO STOXX closed the first half of 2012 down 2.2%. This loss reflects the poor performance of European financial stocks. The Dow Jones Industrial Average in the US rose 5.4% in the first half.

KRONES share outperforms MDAX in second quarter

KRONES share price from 1 January to 30 June 2012



KRONES' share has not performed quite as well as the MDAX since the start of the year.

KRONES' share price started 2012 with strong gains, climbing to nearly €45 by early February. However, those gains were lost in March. One reason for the reversal may be that some investors were uneasy about the legal disputes involving KRONES in the US. The share price began to rise again after the release of first-quarter 2012 results and the outlook for the rest of the year. Our share performed far better than Germany's MDAX midcap index in the second quarter. The MDAX dropped 3.3% in the period from April to June while KRONES' share price rose 5.7%. In all, KRONES' share gained 8.2% in the first six months of 2012, to €39.77. The MDAX rose 16.2% in the same period.

KRONES held its annual shareholders' meeting on 13 June. All resolutions on the agenda were adopted by a large majority. For the financial year 2011, shareholders received a dividend of €0.60 per share, €0.20 more than for the previous year.

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 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 risk monitoring and 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. In the reporting period, there were no material changes with respect to the statements made in the annual report regarding the company's key risks.

Outlook

KRONES is on course to meet its targets

The outlook for the global economy worsened in the second quarter of 2012. In Europe in particular, the debt crisis dampened economic activity. By contrast, the emerging and developing markets continue to offer strong prospects for growth. KRONES generates around 60% of consolidated sales in the emerging markets. Looking at the development of KRONES' markets and the uncertain economic outlook, we expect sales to increase by as much as 4% year-on-year in 2012.

Price quality is unlikely to improve in the second half. For this reason, we will continue to focus 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 and to expand our profitable after-sales service business.

KRONES intends to achieve a substantial year-on-year increase in consolidated net income in 2012. Our first-half figures have us on course to achieve this goal as we expect earnings in the second half of 2012 to be much improved over the year-earlier period. We expect the pre-tax return on sales (the ratio of earnings before taxes to sales) to exceed 5% for the year 2012 as a whole (previous year: 3.0%).

The IMF is forecasting a slight improvement in the global economy in 2013 over its estimates for 2012. However, this prediction is fraught with uncertainties and assumes that the euro debt crisis will not escalate further. For this reason, we will step up our efforts to once again achieve growth within our medium-term target corridor of sales growth between 5% and 7% on average in 2013 and to further improve our pre-tax return on sales.

KRONES Group statement of financial position

Assets € million	30 June 2012		31 December 2011	
Intangible assets	115.7		110.7	
Property, plant and equipment	435.5		441.3	
Non-current financial assets	2.6		2.6	
Fixed assets	**553.8**		**554.6**	
Deferred tax assets	11.8		13.5	
Trade receivables	27.4		17.4	
Income tax receivables	8.1		8.0	
Other assets	5.2		3.7	
Non-current assets		**606.3**		**597.2**
Inventories	646.1		642.8	
Trade receivables	640.3		567.8	
Current income tax receivables	4.7		4.5	
Other assets	101.3		102.0	
Cash and cash equivalents	117.7		125.5	
Current assets		**1,510.1**		**1,442.6**
Total		**2,116.4**		**2,039.8**

Equity and liabilities € million	30 June 2012		31 December 2011	
Equity		**812.6**		**785.5**
Provisions for pensions	85.2		82.3	
Deferred tax liabilities	9.6		3.9	
Other provisions	31.0		32.3	
Liabilities to banks	0.0		0.0	
Other financial liabilities	5.2		7.0	
Other liabilities	10.5		8.1	
Non-current liabilities		**141.5**		**133.6**
Other provisions	177.0		176.1	
Provisions for taxes	7.6		10.7	
Liabilities to banks	99.5		0.0	
Advances received	485.1		443.5	
Trade payables	135.7		201.3	
Current income tax liabilities	0.3		0.2	
Other financial liabilities	15.9		34.7	
Other liabilities and accruals	241.2		254.2	
Current liabilities		**1,162.3**		**1,120.7**
Total		**2,116.4**		**2,039.8**

Separate income statement for the KRONES Group

€ million	2012 1 January – 30 June	2011 1 January – 30 June	Change %
Sales revenue	**1,289.7**	**1,257.5**	**+2.6**
Changes in finished goods inventories and work in progress	–15.3	–1.6	
Total operating performance	**1,274.4**	**1,255.9**	**+1.5**
Goods and services purchased	–619.3	–628.1	–1.4
Personnel expenses	–406.0	–390.8	+3.9
Other operating income (expenses) and own work capitalised	–148.4	–133.7	+11.0
Depreciation and amortisation on non-current assets	–38.0	–34.1	+11.4
EBIT	**62.7**	**69.2**	**–9.4**
Financial income (expense)	1.3	0.0	
Earnings before taxes	**64.0**	**69.2**	**–7.5**
Income tax	–19.8	–20.0	–1.0
Consolidated net income	**44.2**	**49.2**	**–10.2**
Profit (loss) share of non-controlling interests	0.0	0.2	
Profit (loss) share of KRONES Group shareholders	44.2	49.0	
Earnings per share (diluted/basic) in €	1.47	1.62	

€ million	2012 Q2	2011 Q2	Change %
Sales revenue	**641.1**	**650.8**	**–1.5**
Changes in finished goods inventories and work in progress	2.8	–24.4	
Total operating performance	**643.9**	**626.4**	**+2.8**
Goods and services purchased	–313.0	–308.3	+1.5
Personnel expenses	–200.0	–198.5	+0.8
Other operating income (expenses) and own work capitalised	–80.7	–67.2	+20.1
Depreciation and amortisation on non-current assets	–19.0	–17.8	+6.7
EBIT	**31.2**	**34.6**	**–9.8**
Financial income (expense)	0.3	–0.6	
Earnings before taxes	**31.5**	**34.0**	**–7.4**
Income tax	–9.6	–9.6	0.0
Consolidated net income	**21.9**	**24.4**	**–10.2**
Profit (loss) share of non-controlling interests	0.0	0.1	
Profit (loss) share of KRONES Group shareholders	21.9	24.3	
Earnings per share (diluted/basic) in €	**0.73**	**0.81**	

Statement of cash flows for the KRONES Group

€ million	2012 1 January – 30 June	2011 1 January – 30 June
Earnings before taxes	64.0	69.2
Depreciation and amortisation (reversals)	38.0	34.1
Decrease (previous year: increase) in provisions	–1.9	10.6
Deferred tax item changes recognised in profit or loss	6.9	10.9
Interest expenses and interest income	–0.3	1.3
Gains and losses from the disposal of non-current assets	–0.1	–0.1
Other non-cash expenses and income	0.2	0.8
Increase in inventories, trade receivables, and other assets not attributable to investing or financing activities	–96.0	–173.3
Decrease in trade payables and other liabilities not attributable to investing or financing activities	–54.1	–50.8
Cash generated from operating activities	–43.3	–97.3
Interest paid	2.0	–1.1
Income tax paid and refunds received	–13.5	–7.1
Cash flow from operating activities	**–54.8**	**–105.5**
Cash payments to acquire intangible assets	–17.0	–12.9
Proceeds from the disposal of intangible assets	0.2	0.1
Cash payments to acquire property, plant and equipment	–19.1	–20.4
Proceeds from the disposal of property, plant and equipment	0.8	2.3
Cash payments to acquire non-current financial assets	–0.1	0.0
Interest received	0.3	1.3
Dividends received	1.0	1.2
Cash flow from investing activities	**–33.9**	**–28.4**
Cash payments to company owners	–18.1	–12.1
Proceeds from new borrowing	99.5	94.2
Cash payments to pay lease liabilities	–0.8	–0.8
Cash flow from financing activities	**80.6**	**81.3**
Net change in cash and cash equivalents	**–8.1**	**–52.6**
Change in cash and cash equivalents arising from exchange rates	0.3	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	**117.7**	**95.1**

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**
Dividend payment (€0.40 per share)						–12.1	–12.1		–12.1
Consolidated net income H1 2011						49.0	49.0	0.2	49.2
Currency differences				–7.9			–7.9		–7.9
Hedge accounting					1.7		1.7		1.7
At 30 June 2011	**40.0**	**66.6**	**389.1**	**0.1**	**1.1**	**291.8**	**788.7**	**1.1**	**789.8**
Consolidated net income H2 2011						–5.3	–5.3	–0.1	–5.4
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				8.8			8.8		8.8
Hedge accounting					–6.7		–6.7		–6.7
At 31 December 2011	**40.0**	**66.8**	**364.6**	**8.9**	**–5.6**	**310.8**	**785.5**	**0.0**	**785.5**
Dividend payment (€0.60 per share)						–18.1	–18.1		–18.1
Consolidated net income H1 2012						44.2	44.2	0.0	44.2
Currency differences				–0.7			–0.7		–0.7
Hedge accounting					1.7		1.7		1.7
At 30 June 2012	**40.0**	**66.8**	**364.6**	**8.2**	**–3.9**	**336.9**	**812.6**	**0.0**	**812.6**

Statement of comprehensive income

€ million	2012 1 January – 30 June	2011 1 January – 30 June
Consolidated net income	44.2	49.2
Exchange differences on translation	–0.7	–7.9
Available-for-sale financial instruments		
Derivative financial instruments	1.7	1.7
Other comprehensive income	1.0	–6.2
Total comprehensive income	**45.2**	**43.0**
of which attributable to non-controlling interests	0.0	0.2
of which attributable to KRONES Group shareholders	45.2	42.8

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 January– 30 June	2011 1 January– 30 June	2012 1 January– 30 June	2011 1 January– 30 June	2012 1 January– 30 June	2011 1 January– 30 June	2012 1 January– 30 June	2011 1 January– 30 June
Sales revenue € million	1,128.2	1,108.1	111.8	93.8	49.7	55.6	1,289.7	1,257.5
EBT € million	75.3	78.5	–7.5	–4.4	–3.8	–4.9	64.0	69.2
Return on sales	6.7%	7.1%	–6.7%	–4.6%	–7.6%	–8.8%	5.0%	5.5%
Employees at 30 June*	10,164	9,454	660	646	487	477	11,311	10,577

*Consolidated group

Notes to the consolidated financial statements of the KRONES Group

General disclosures

Legal basis

The consolidated financial statements of KRONES AG (»KRONES Group«) for the period ended 30 June 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 30 June 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	
		30 Jun 2012	31 Dec 2011	2012	2011
US dollar	USD	1.258	1.293	1.298	1.403
British pound	GBP	0.807	0.837	0.823	0.868
Swiss franc	CHF	1.202	1.217	1.205	1.270
Danish krone	DKK	7.433	7.434	7.435	7.456
Canadian dollar	CAD	1.288	1.319	1.305	1.371
Japanese yen	JPY	99.970	100.070	103.505	114.914
Brazilian real	BRL	2.612	2.414	2.416	2.288
Chinese renminbi (yuan)	CNY	7.993	8.144	8.194	9.174
Mexican peso	MXN	16.909	18.073	17.190	16.684
Ukrainian hryvnia	UAH	10.163	10.363	10.433	11.181
South African rand	ZAR	10.366	10.476	10.295	9.667
Kenyan shilling	KES	105.609	110.223	109.142	118.075
Nigerian naira	NGN	205.240	209.840	206.671	216.827
Russian ruble	RUB	40.425	41.687	39.686	40.151
Thai baht	THB	39.916	40.829	40.366	42.644
Indonesian rupiah	IDR	11,815.800	11,730.600	11,905.000	12,267.549
Angolan kwanza	AOA	119.936	122.920	123.669	130.767
Turkish lira	TRY	2.285	2.446	2.337	2.204

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
* ZF FRIEDRICHSHAFEN AG

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

Klaus Gerlach**
Senior Vice President
Material Management
Since 13 June 2012

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**
Senior Vice President
Sales LCS
Until 13 June 2012

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
Operations and Service

Thomas Ricker
Technology, 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.

Responsibility Statement

»To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the group, and the interim consolidated management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group over the remainder of the financial year.«

Neutraubling, July 2012

Volker Kronseder
Chairman of the
Executive Board

Christoph Klenk

Rainulf Diepold

Werner Frischholz

Thomas Ricker

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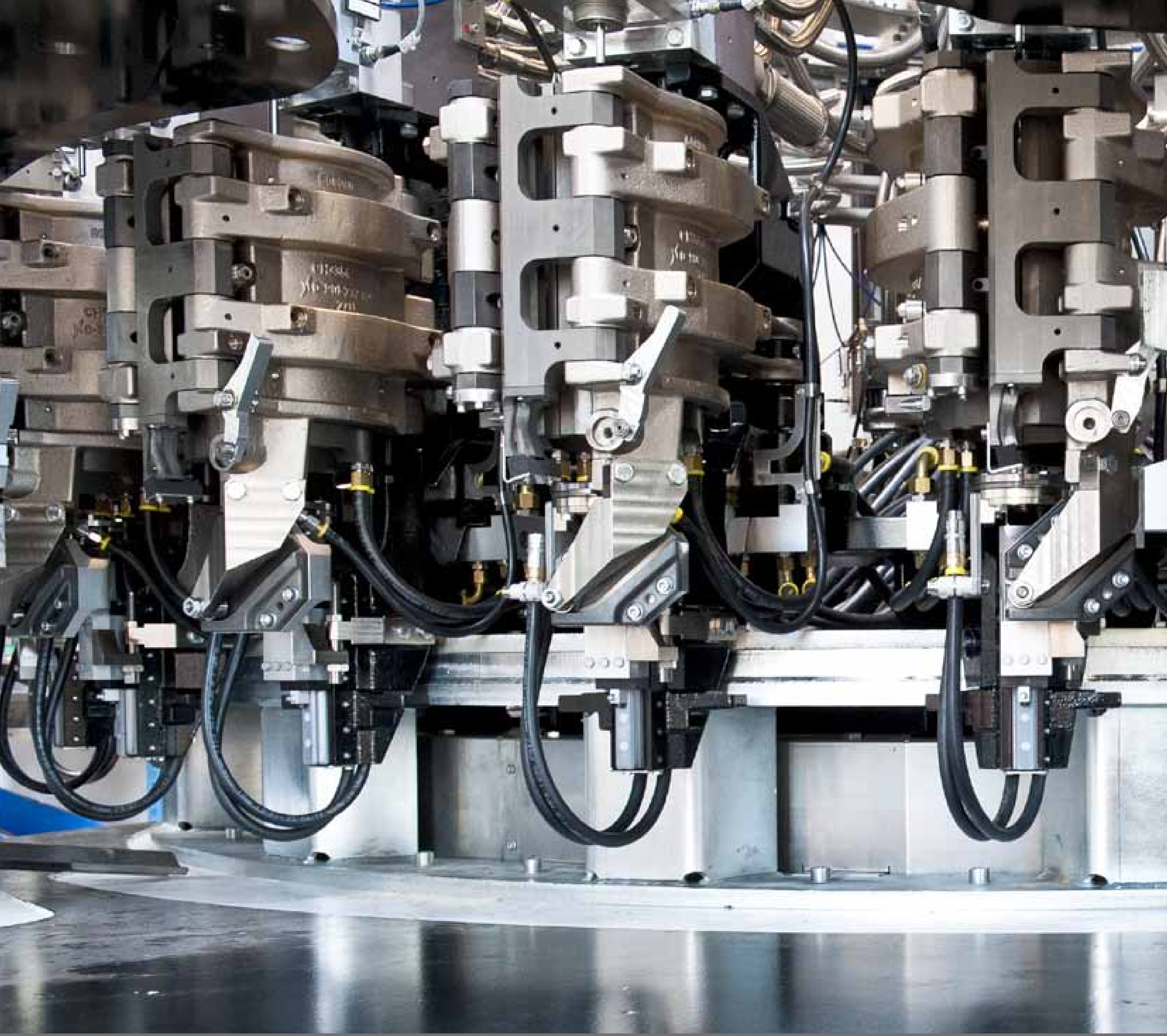

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