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Krones publishes provisional figures for the 2007 business year

New records for sales and earnings

Krones remains on course for growth in 2008 as well

Neutraubling, 13 March 2008 – In the 2007 business year, Krones AG, the world's market leader for beverage filling and packaging technology, has achieved new records for all significant statistics, according to the provisional figures. In comparison to the preceding year, sales were up by 12.8 % at 2,156.0 million euros, a steeper increase than originally anticipated. Order bookings rose by 16.9 % to reach 2,300.2 million euros. At 890.9 million euros (preceding year: 746.7 million euros), Krones possessed a comfortable order backlog on 31 December 2007.

The healthy growth in 2007 (the eighth record year in succession) was driven primarily by the continually buoyant demand for packaging machinery. The company also benefits from being able to offer the entire range of products and services required for building bottling and canning facilities. Internationally operating beverage conglomerates who are building numerous new factories in regions like Eastern Europe, South America, Asia and Africa, are particularly prominent users of Krones' full-service capabilities.

Profitability significantly upgraded – net income for the year exceeds 100 million euros

Krones invests substantial sums in its production operations, so as to work even more cost-efficiently. These initiatives bore fruit in 2007. The EBT margin, i.e. earnings before taxes in relation to sales, improved significantly from 5.7 % to 7.1 %. The company thus exceeded its targeted return for 2007. Pretax earnings rose by 40.1 % to reach 153.6 million euros.

For profits after taxes, Krones exceeded 100 million euros for the first time in 2007. At 101.8 million euros, profits were up by 31.4 % on the preceding year's level.

The ROCE (Return on Capital Employed) improved in 2007 from 16.1 % to 20.2 % and was thus above the originally targeted figure of at least 20 %.

A solidly based balance sheet underpins further growth

The capital structure continues to exhibit a highly favourable ratio between equity and outside capital. On the balance sheet cutoff date, the equity capital was up by 12.6 %, resulting in a capital-to-assets ratio of 42.0 % (preceding year: 42.7 %). In addition, on 31 December 2007 the company possessed liquid funds amounting to 53.8 million euros.

Outlook

As a long-term target, Krones aims to increase its revenues each year within a corridor of 5 to 10 %. Thanks to the company's good order situation in the initial months of the ongoing business year, and the auspicious outlook, the Executive Board expects the rise in sales during 2008 to reach the upper levels of the forecast corridor

Pretax earnings are set to increase at least in proportion to revenues. Since Krones is profiting from the reform of Germany's Corporation Tax Act, earnings after taxes will in 2008 rise by a higher percentage than earnings before taxes.

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