



Press conference / analysts' meeting  
on 27 April 2011

Welcome!



Secure future and value retention. Excellent solutions and value creation. Good communications and esteem.

1 Financial year 2010

2 Interim Report Q1 2011  
The outlook for 2011

3 "Value"  
Strategic  
realignment 2011ff

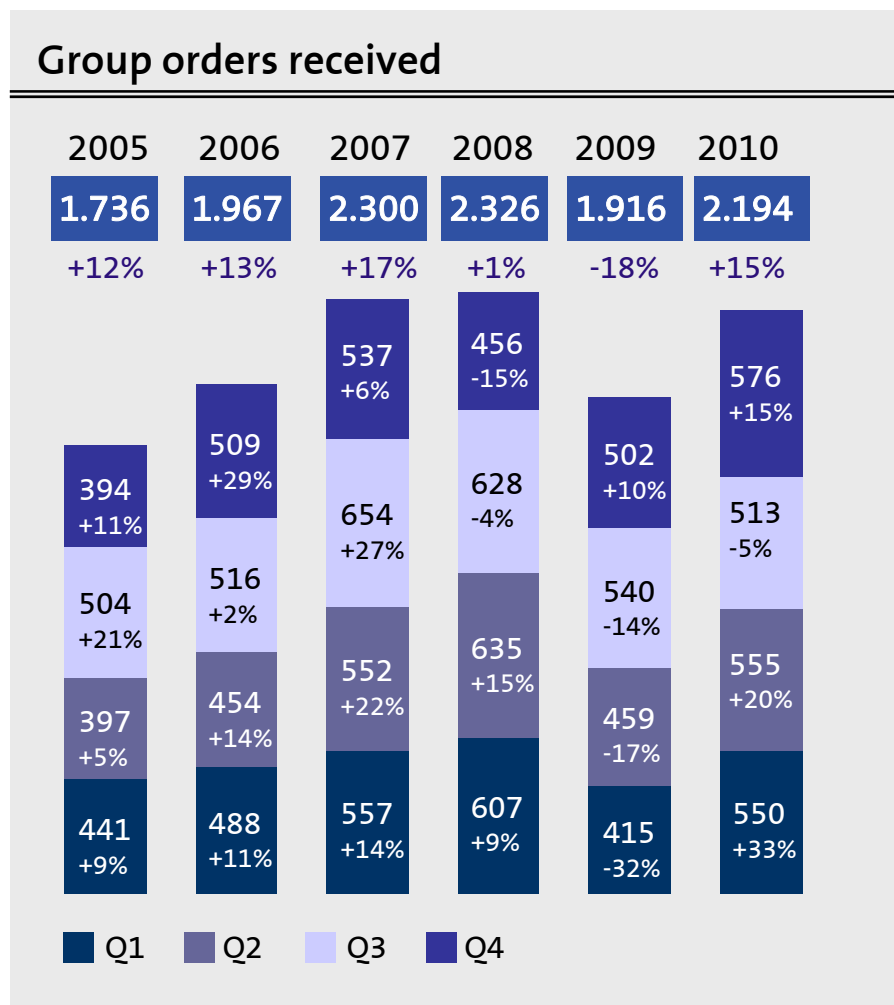
## Group figures 2008 – 2010 in summary

Financial year	2008	2009	2010
Sales revenues in €bn	2,38 (+ 11 %)	1,87 (- 22 %)	2,17 (+ 17 %)
Earnings before taxes (EBT) in €m	156 (+ 1 %)	- 39 (-)	71 (-)
Net income (after tax) in €m	107 (+ 5 %)	- 35 (-)	51 (-)
Dividend per share in €	0.60	0.00	0.40 proposed
Net financial position in €m (net cash on 31.12.)	108	136 (+ 51*)	147 (+ 67*)
Orders received in €bn	2.33 (+ 1 %)	1.92 (- 18 %)	2.19 (+ 15 %)
Order backlog in €bn (31.12.)	0.84 (- 6 %)	0.89 (+ 6 %)	0.91 (+ 2 %)
Capital expenditure (excluding R&D) in €m	81 (- 2 %)	65 (- 20 %)	56 (- 14 %)
Employees (31.12.)	10.333 (+ 8 %)	10.238 (- 1 %)	10.575 (+ 3 %)

\* Value of redeemed treasury shares on cut-off date

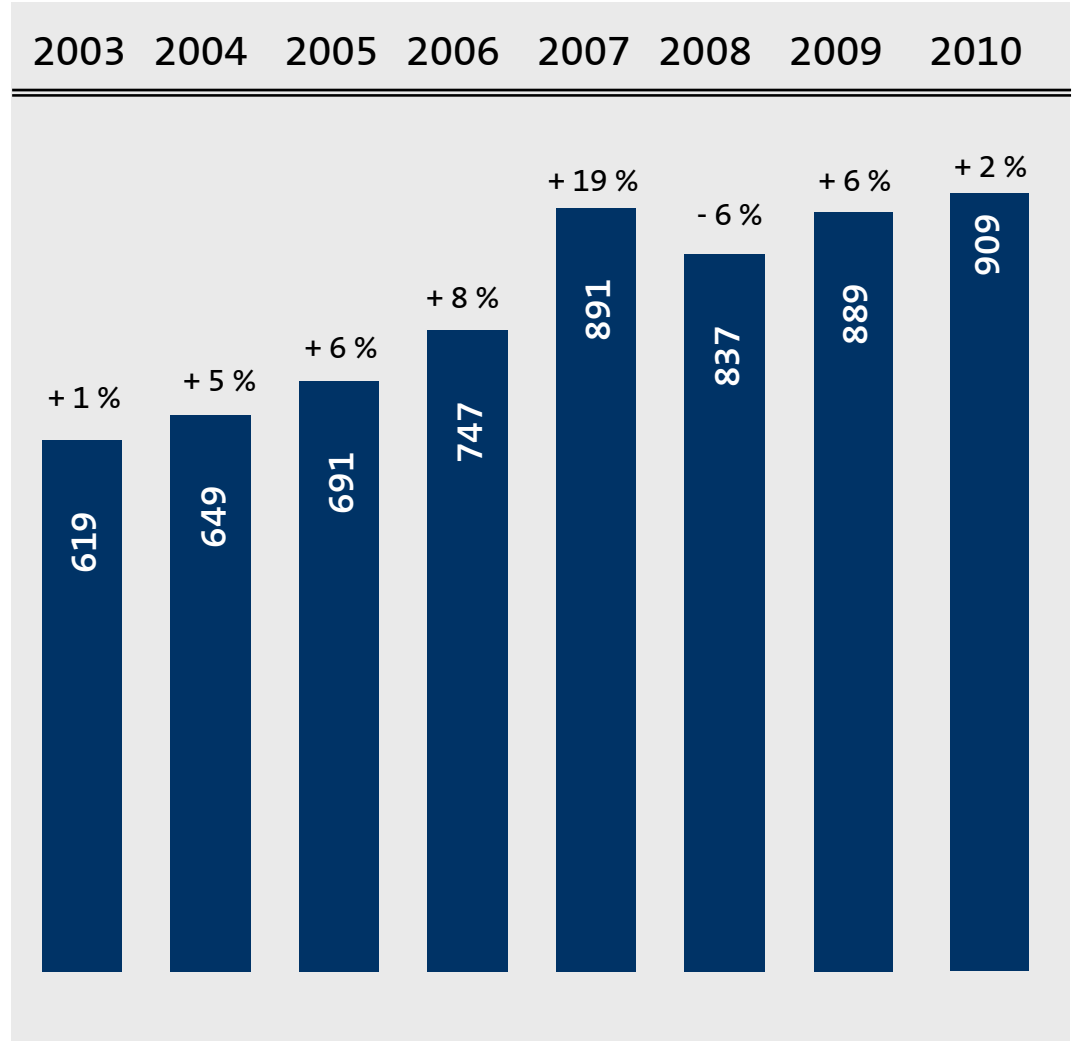
## Group orders received (in €m)

Region	2008	2009	2010
Central Europe	↘	→	↘
Western Europe	→	↘	↗
Eastern Europe	↘	↘	↗
CIS/Central Asia	↗	↘	↗
Middle East/Africa	↗	↘	↘
China	↗	↗	↗
Asia/Pacific	↗	↘	↗
North and Central America	↘	↘	↗
South America	↗	↘	↗



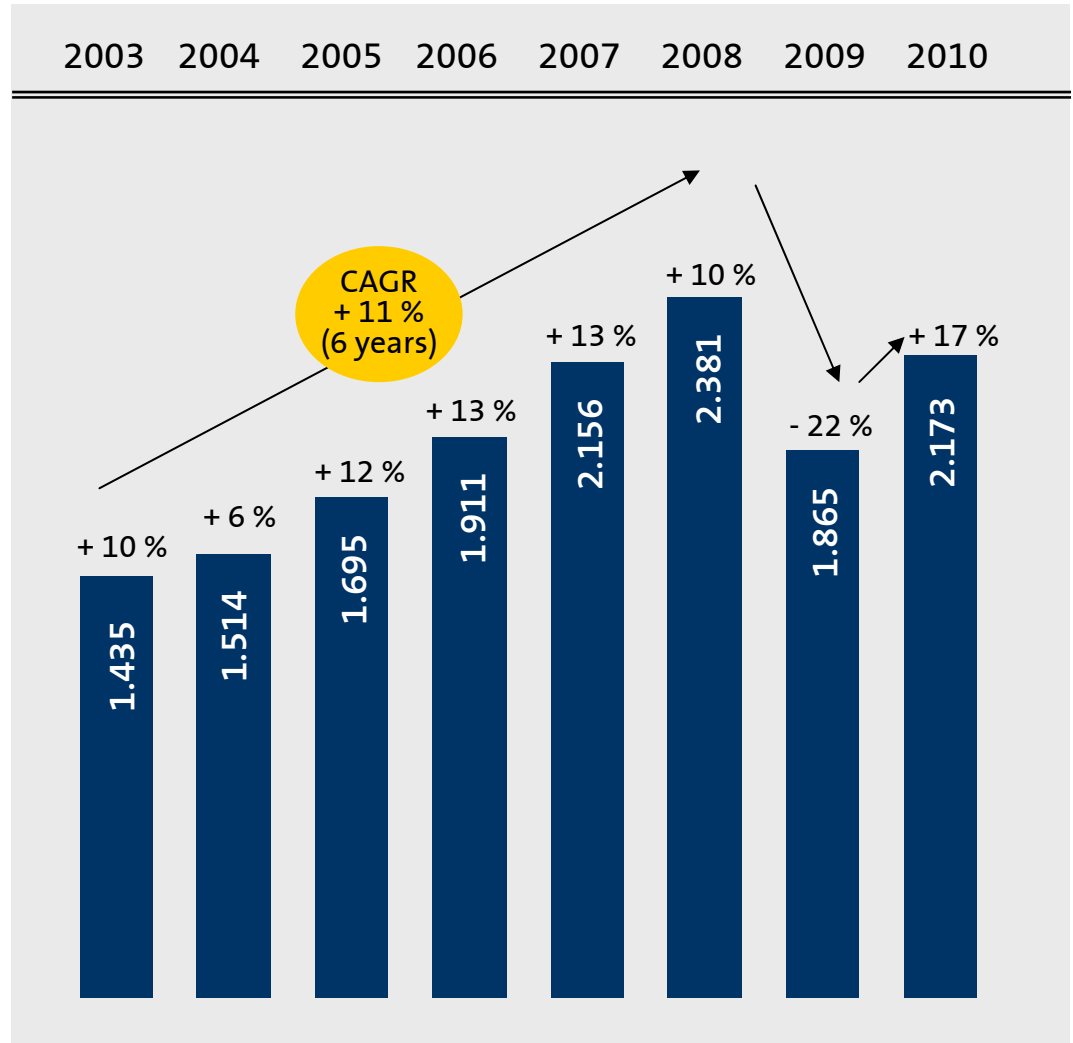
# Order backlog in group, 31.12. (in €m)

<b>AVT</b>	<p>Filling and Packaging Technology</p> 
<b>PT</b>	<p>Process Technology</p> 
<b>MFT</b>	<p>Material Handling Systems</p> 



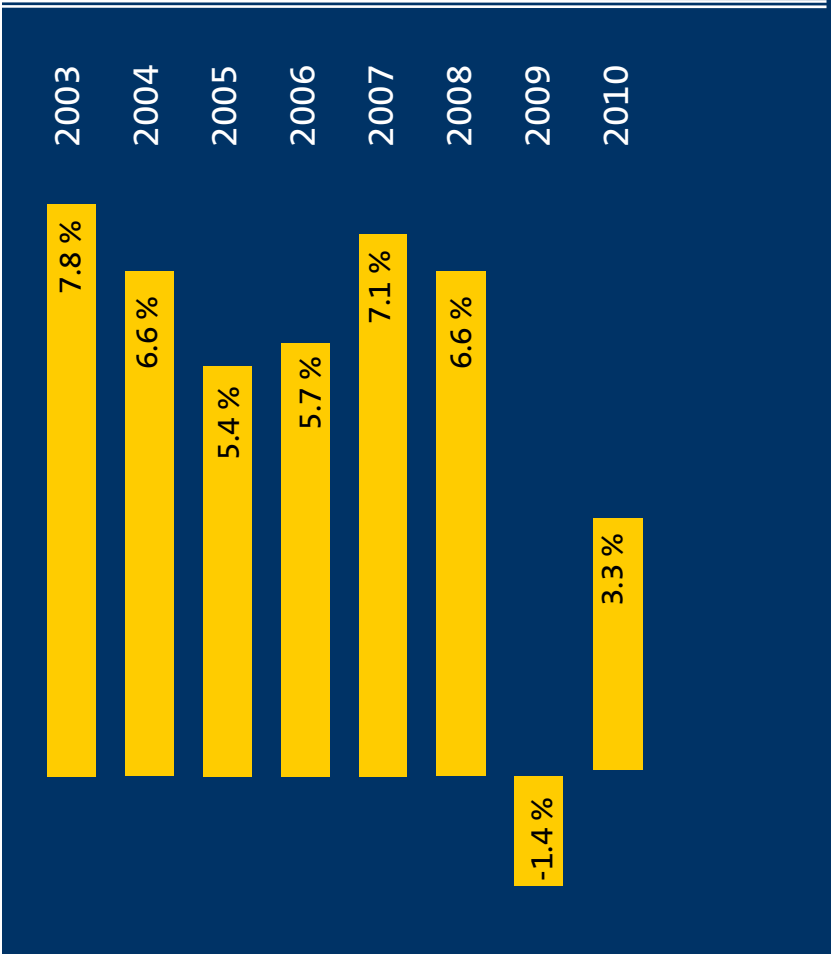
## Sales performance/segmentation in the group (in €m)

Segments	2008	2009	2010
Machines and lines for product bottling and decoration	+10 % 1.982	-24 % 1.512	+23 % 1.860
Machines and lines for beverage production/ process technology and material handling systems/ IT	+12 % 310	-12 % 274	-15 % 232
Machines and lines for the mid-performance range (KOSME)	+20 % 89	-11 % 79	+2 % 81



# Consolidated earnings (in €m) and return on sales

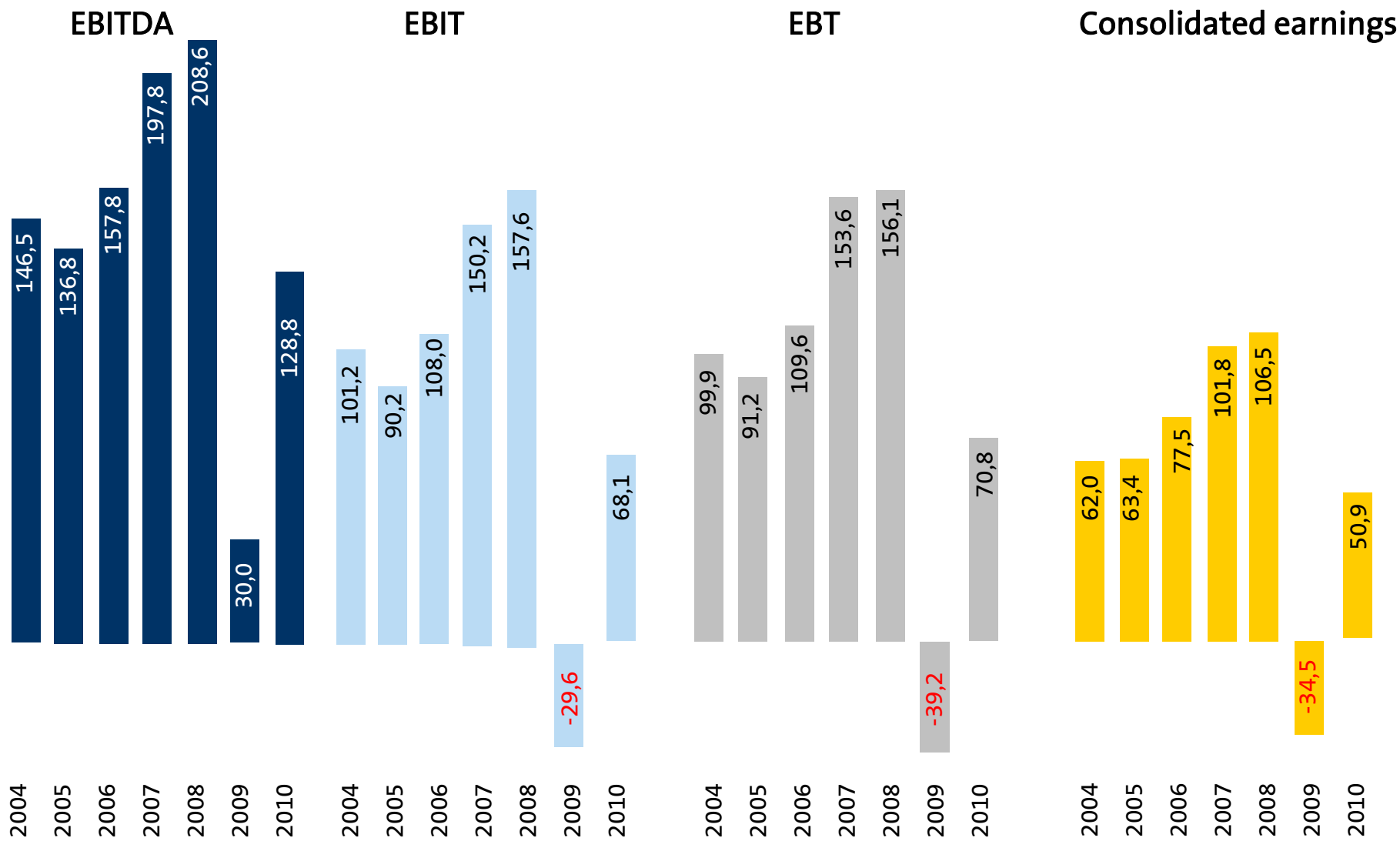
ROS / EBT (before extraordinary items) in %



2003 2004 2005 2006 2007 2008 2009 2010



# Financial performance of the KRONES group in €m



# Consolidated balance sheet (in €m)

## ASSETS

	31.12. 2008	31.12. 2009	31.12. 2010	
Fixed assets	482 (26%)	496 (28%)	519 (28%)	
Non-current assets	52 (3%)	46 (3%)	50 (3%)	
Inventories	569 (31%)	522 (29%)	584 (31%)	
Trade receivables	529 (29%)	458 (25%)	505 (27%)	
Other current assets	85 (5%)	132 (7%)	81 (3%)	
Cash and cash equivalents	108 (6%)	136 (8%)	147 (8%)	
<b>Total</b>	<b>1.825</b>	<b>1.790</b>	<b>1.886</b>	

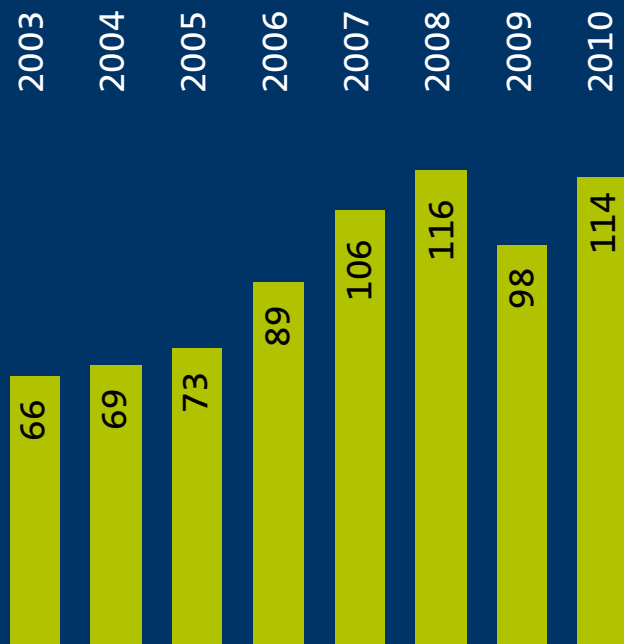
## EQUITY AND LIABILITIES

	31.12. 2008	31.12. 2009	31.12. 2010	
Equity	790 (43%)	696 (39%)	759* (40%)	
Non-current liabilities	29 (2%)	11 (1%)	11 (1%)	
provisions	254 (14%)	306 (17%)	269 (14%)	
Bank loans	1	0	0	
Advance payments received	289 (16%)	434 (24%)	435 (23%)	
Trade payables	160 (9%)	162 (9%)	174 (9%)	
Other current liabilities	302 (16%)	181 (10%)	238 (13%)	
<b>Balance sheet total</b>	<b>1.825</b>	<b>1.790</b>	<b>1.886</b>	

\* excluding €67m in redeemed shares on 31.12.2010

## Innovation / Research & Development

### Expense for innovation, R&D in €m



### Primary innovation aims

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

Reduction in the complexity of the machines and lines  
Consistent orientation of the production and assembly structures to the less complex modular products

"enviro": Reduction in the use of energy and media

Realisation of new product concepts (see Interpack 5/2011)

Process automation and simple operator concept to enhance line availability

All-in-one solutions (PT-AVT-MFT/ITS) for the supply chain of our customers

**KRONES invests some 5 % of its sales revenues in R&D and innovation every year**

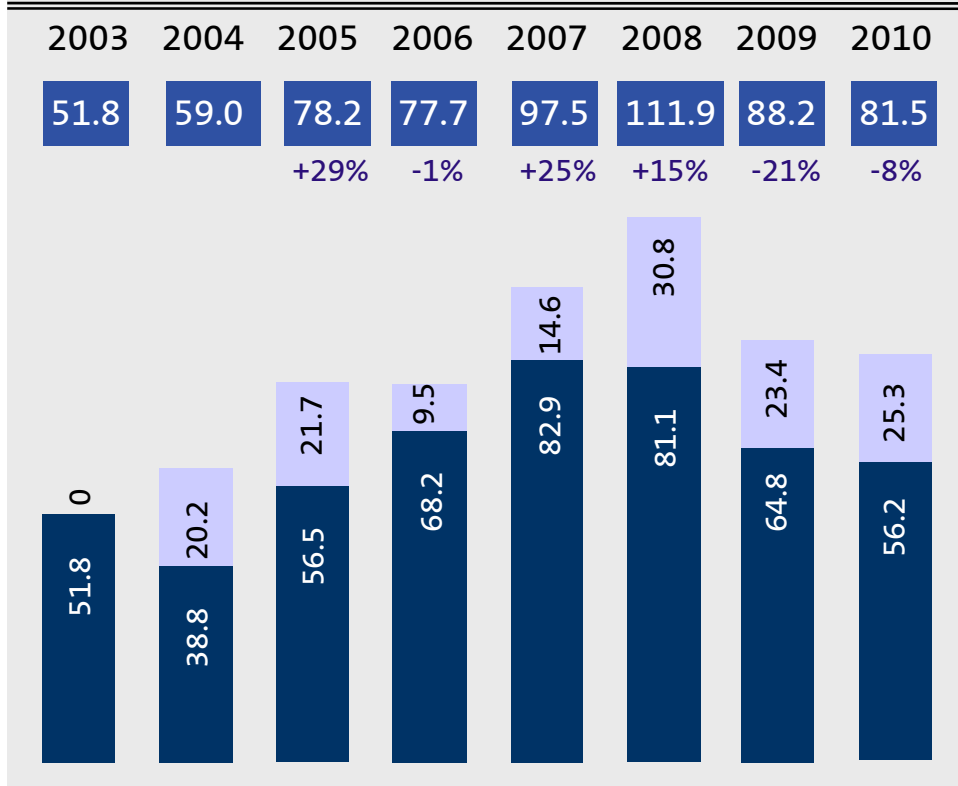
# Capital expenditure, depreciation, amortisation and write-downs (in €m)

## Depreciation, amortisation, and write-downs



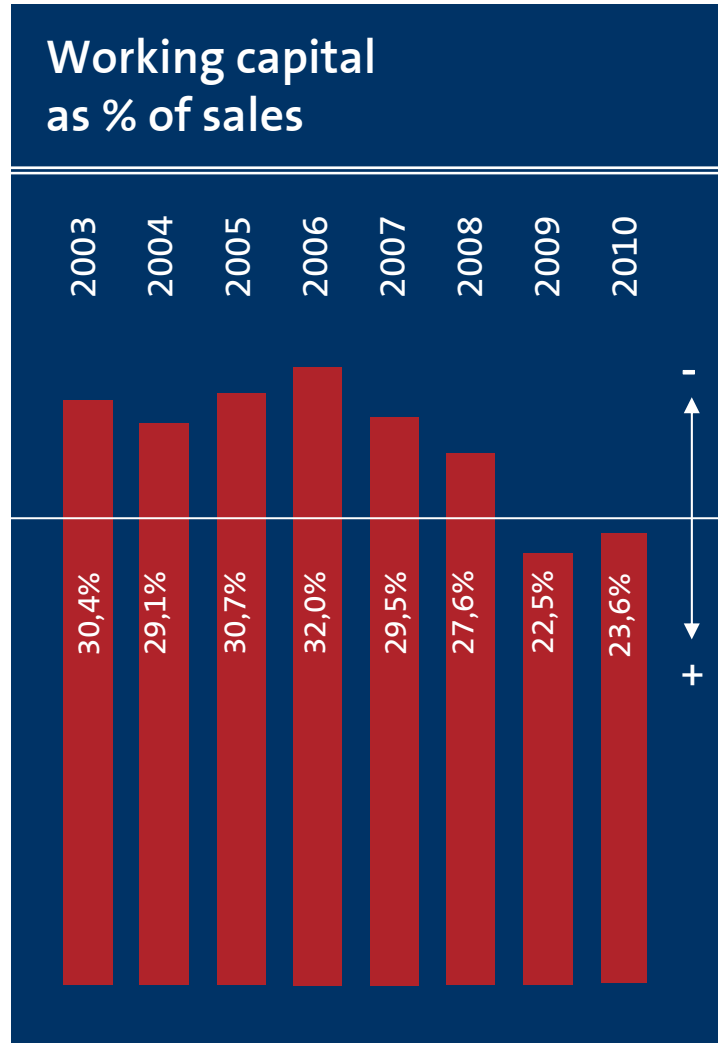
1.3 1.3 1.7 1.6 2.0 2.2 1.5 1.3  
Ratio of capital expenditure to tax depreciation

## Capital expenditure

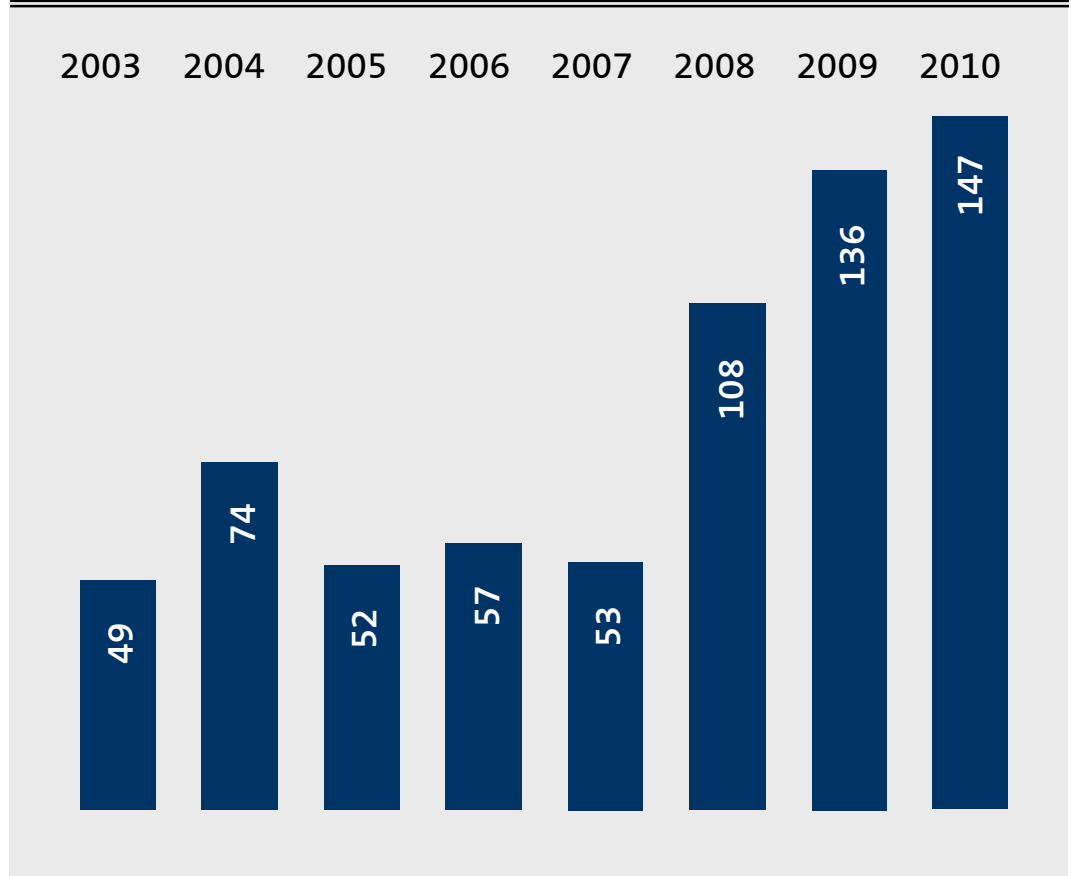


■ Capitalised development costs  
■ Property, plant and equipment and intangible assets

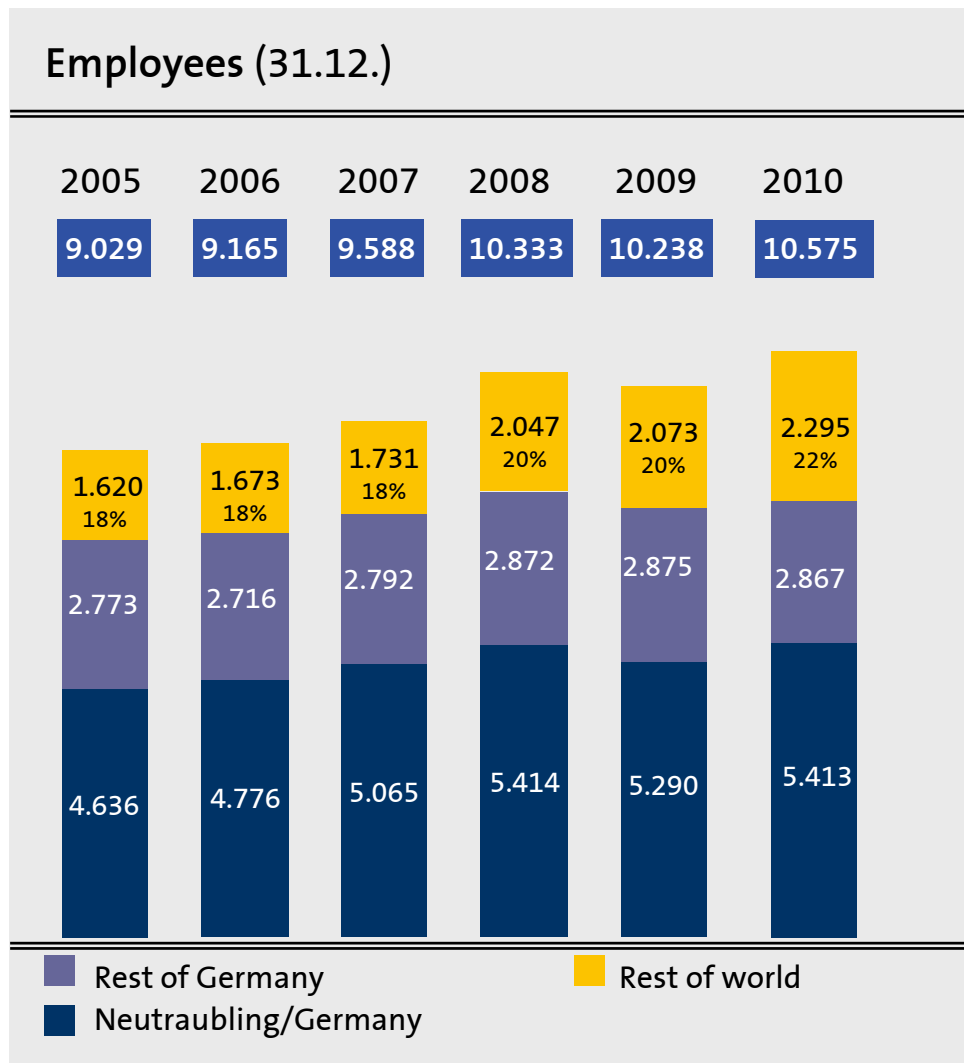
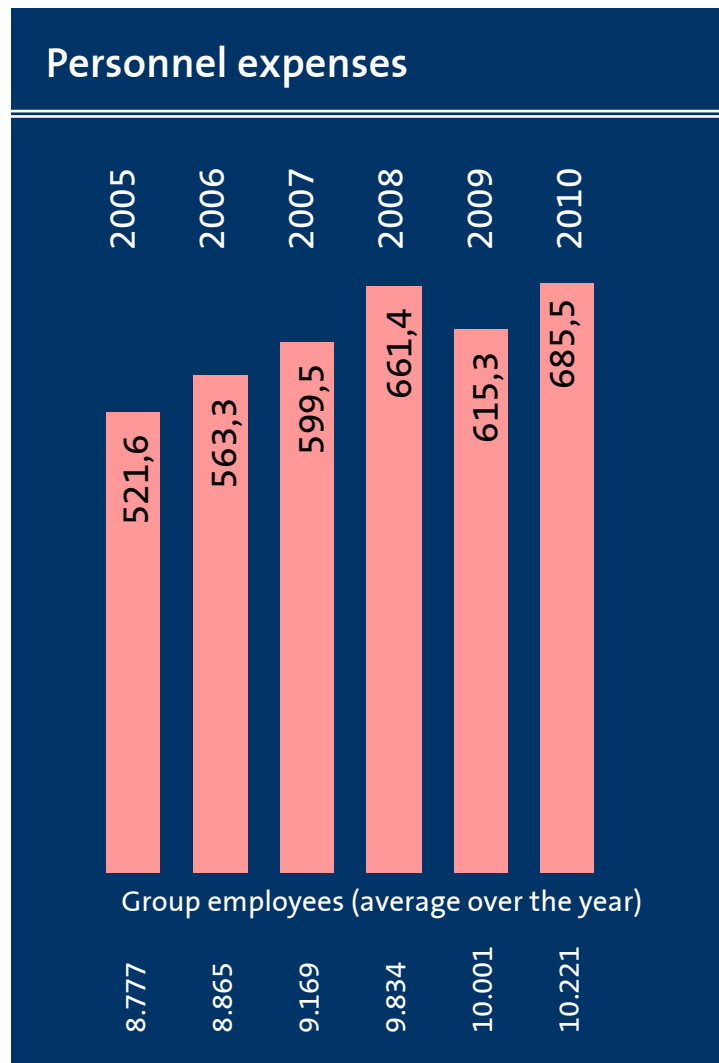
## Working capital and financing



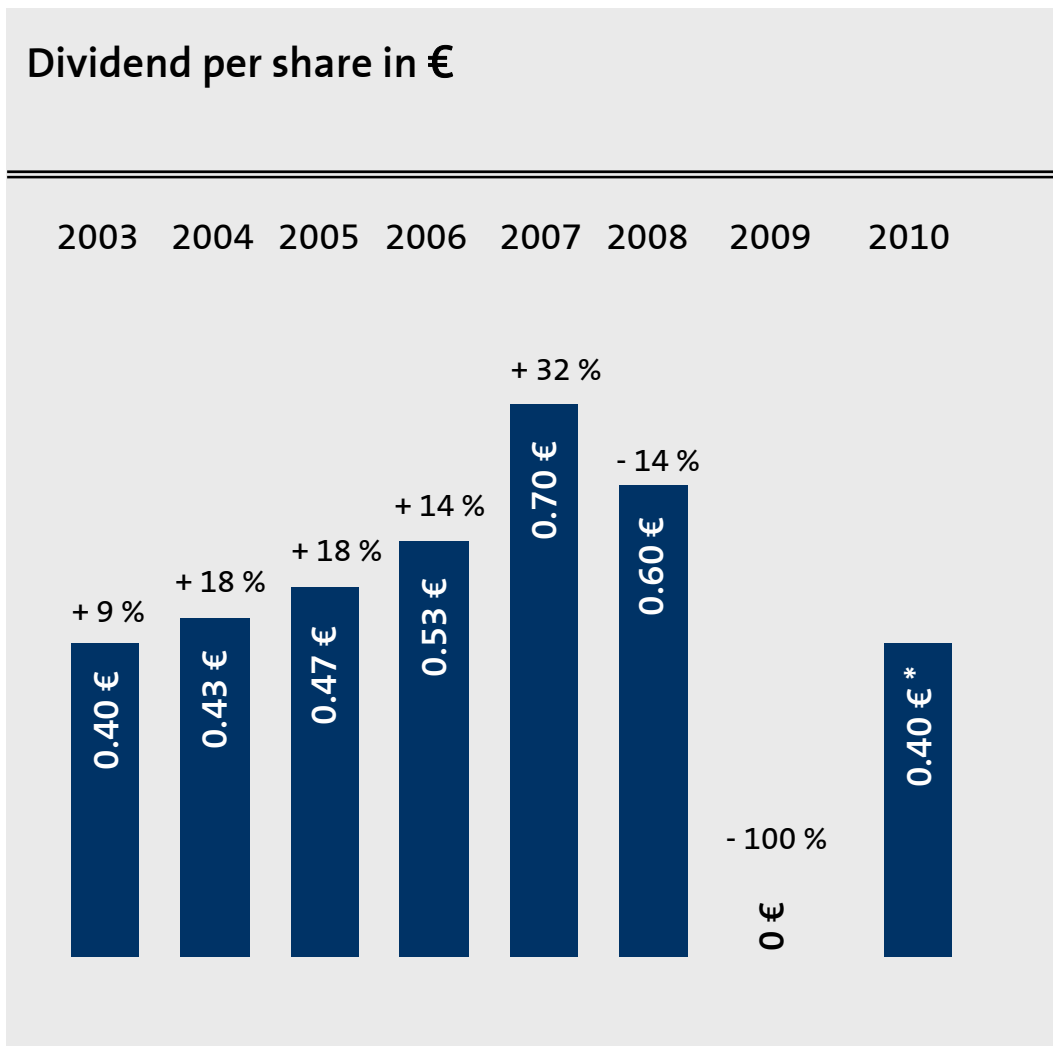
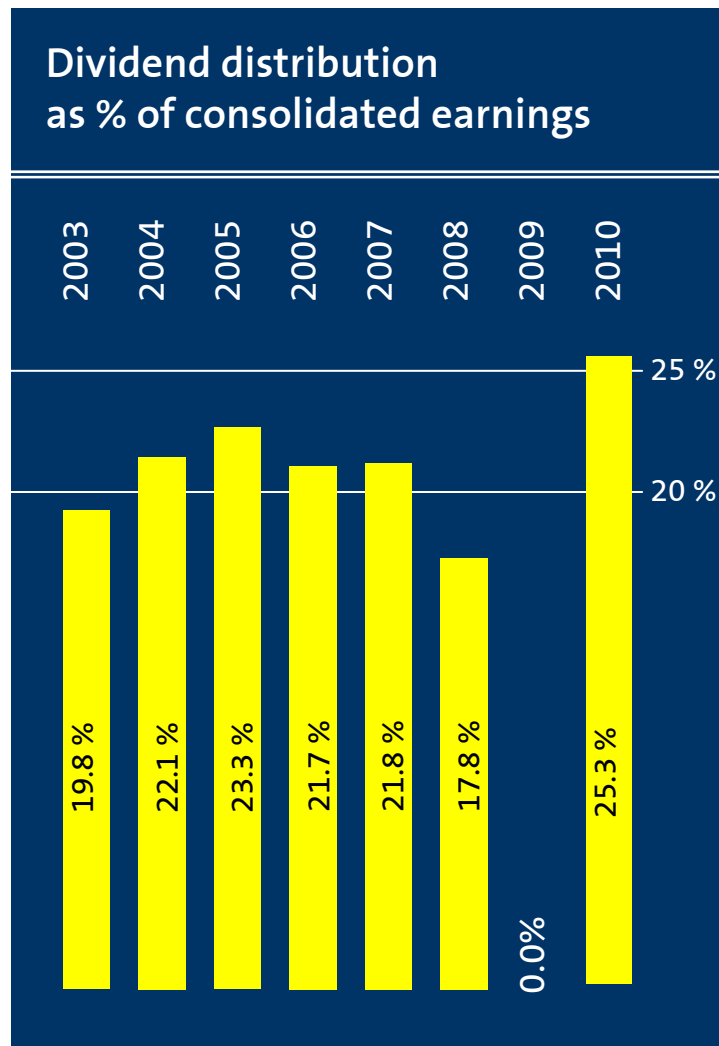
### Net financial position (net cash) in €m (Cash and cash equivalents less bank liabilities)



# Number of employees and personnel expenses (in €m)



## Dividend distribution and dividend policy



\* Dividend proposal to the AGM



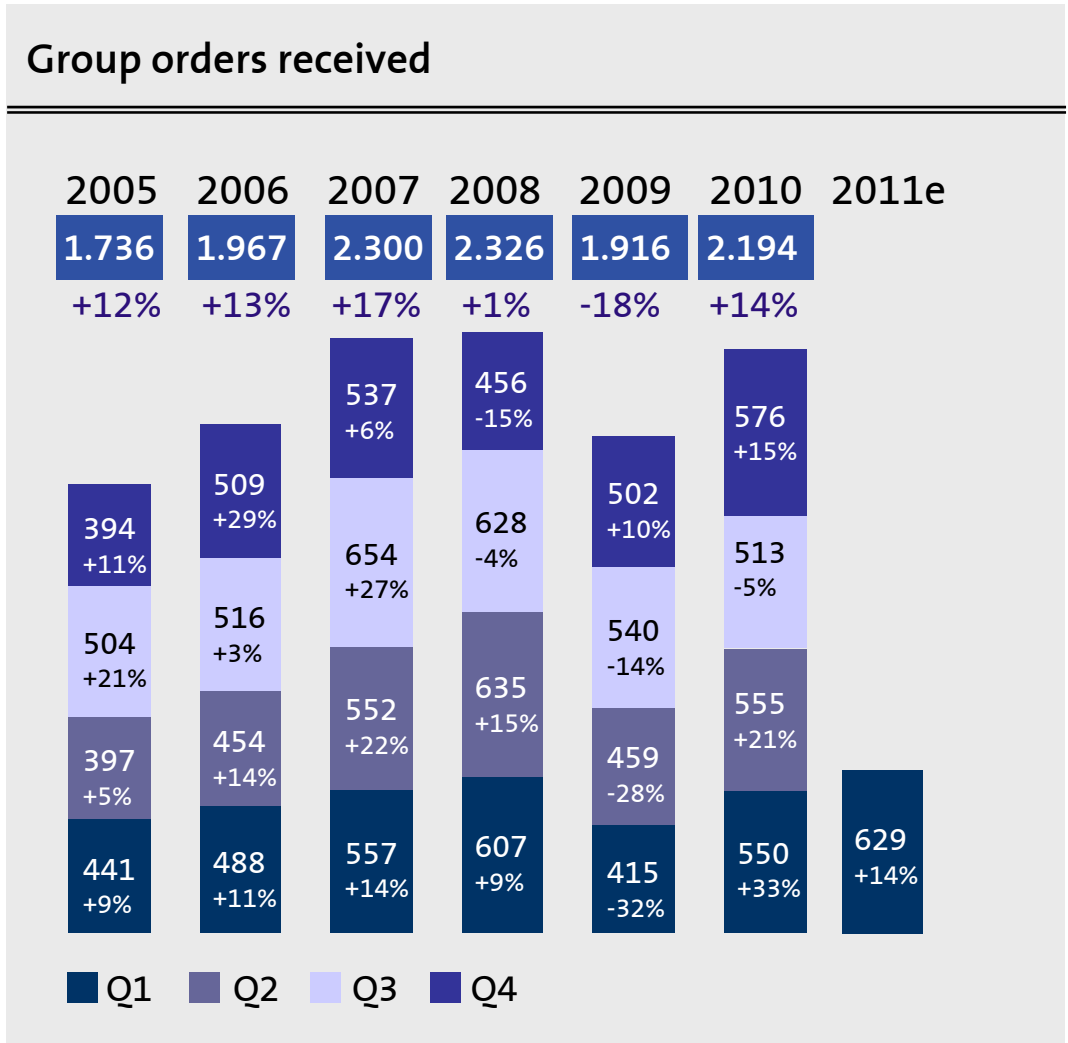
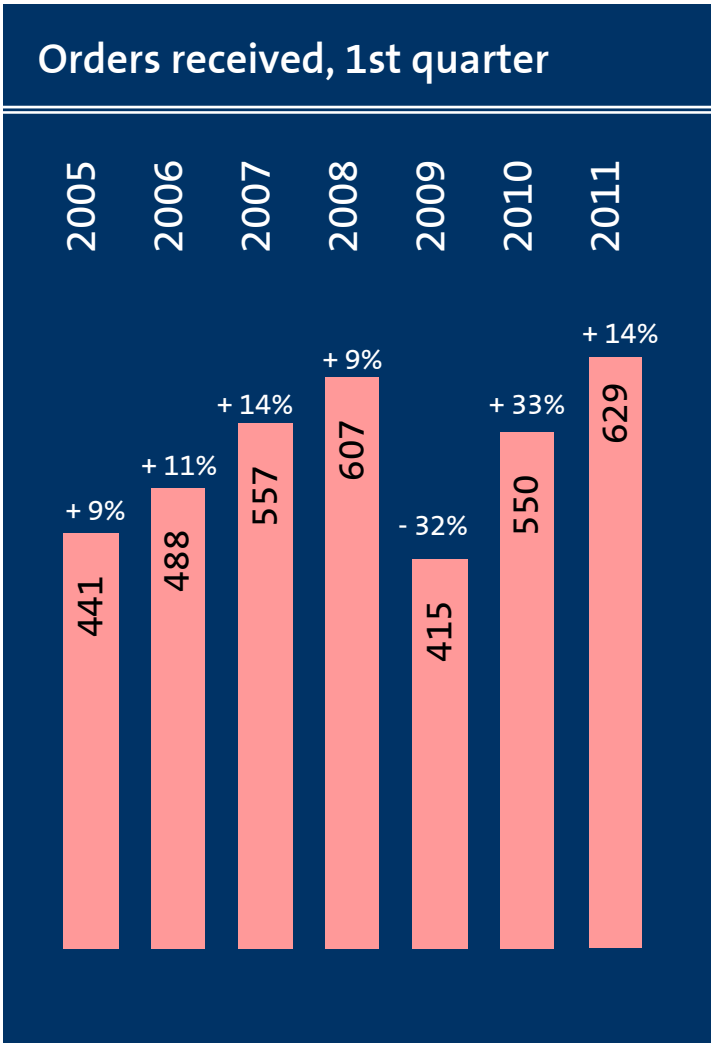
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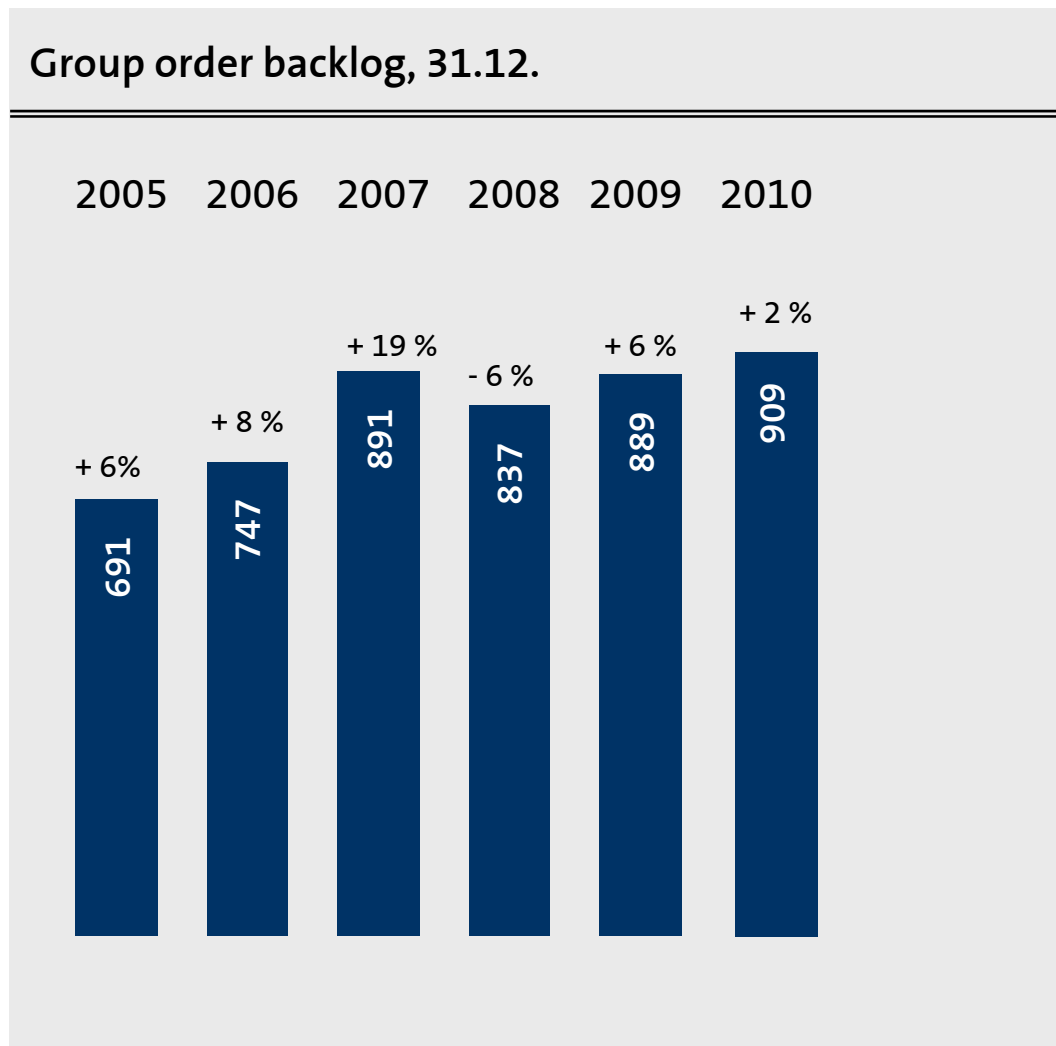
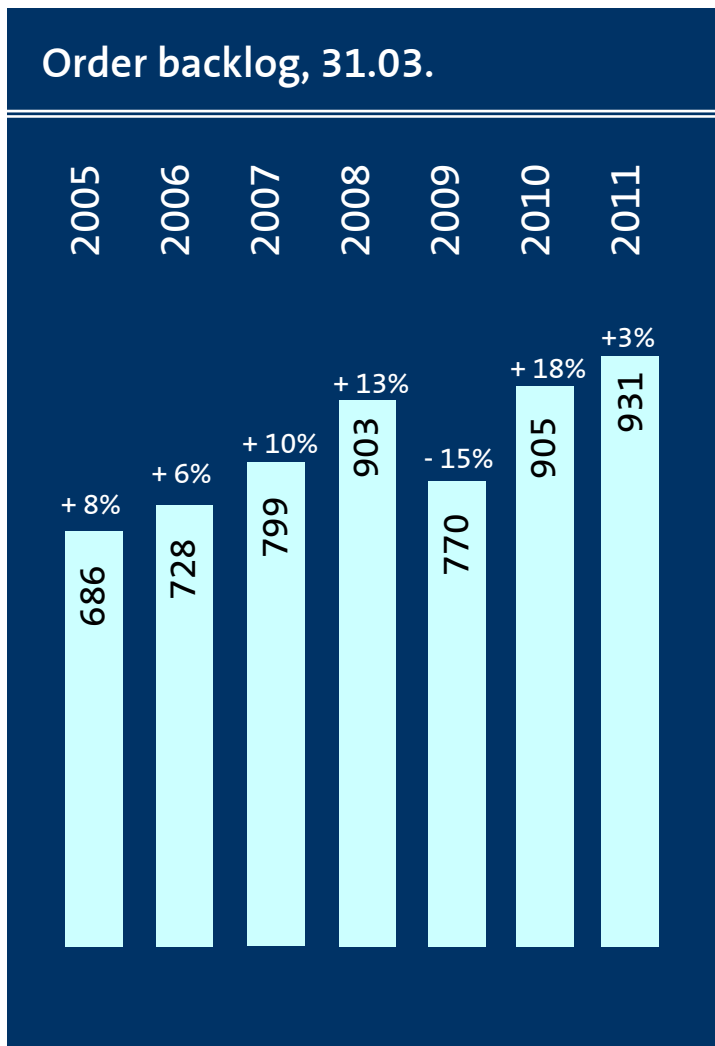
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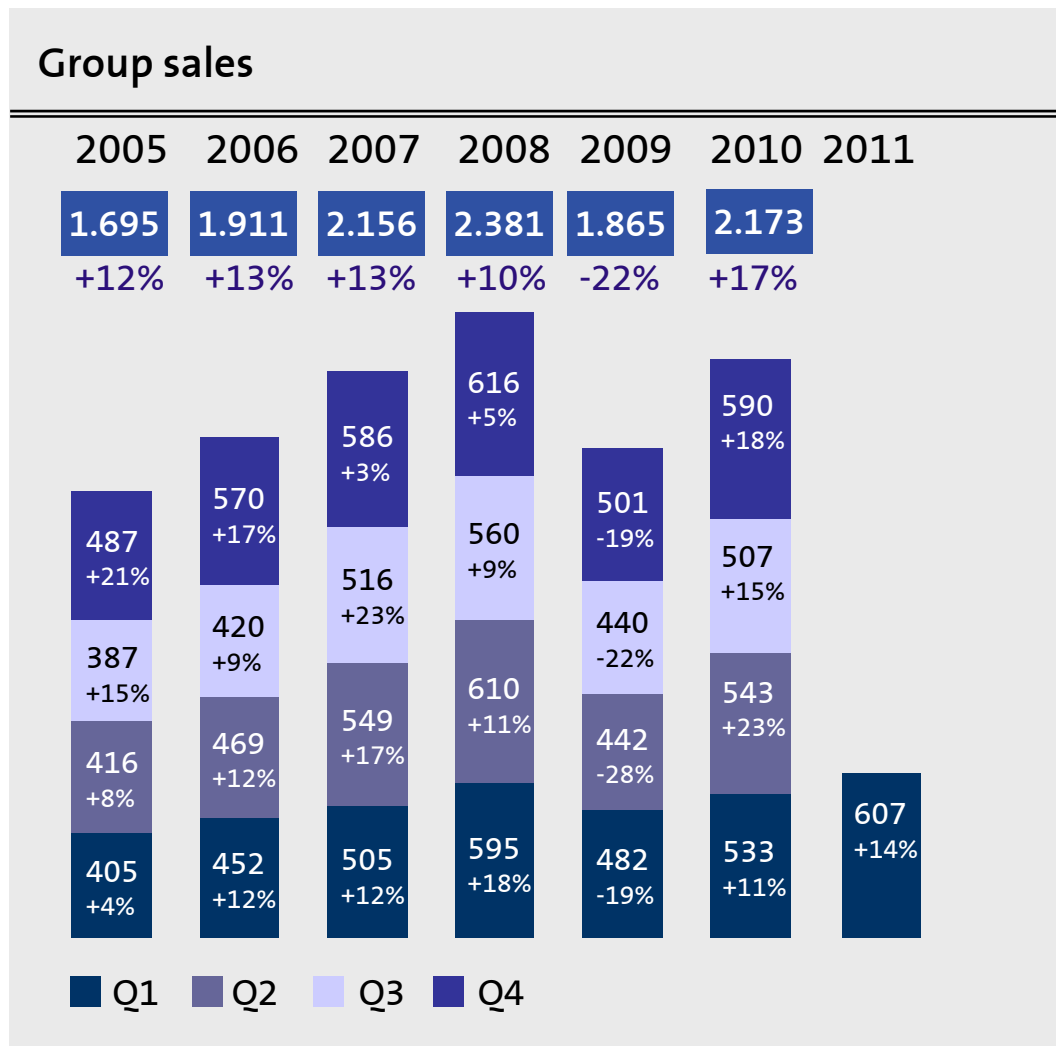
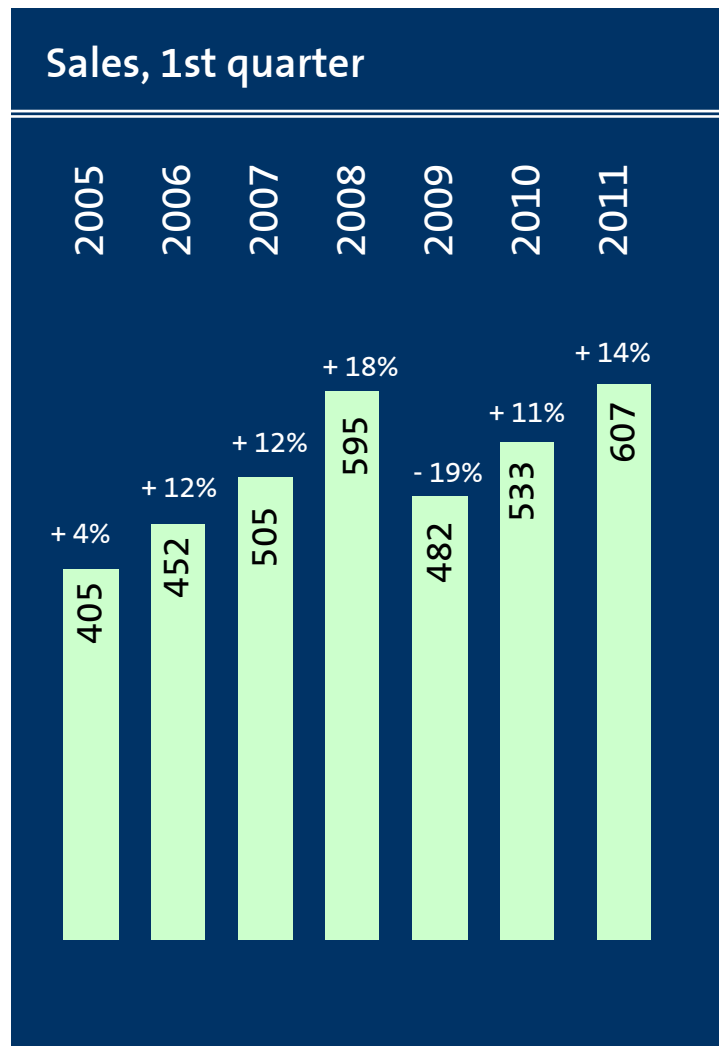
# Interim Report 1st Quarter 2011: Group orders received (in €m)



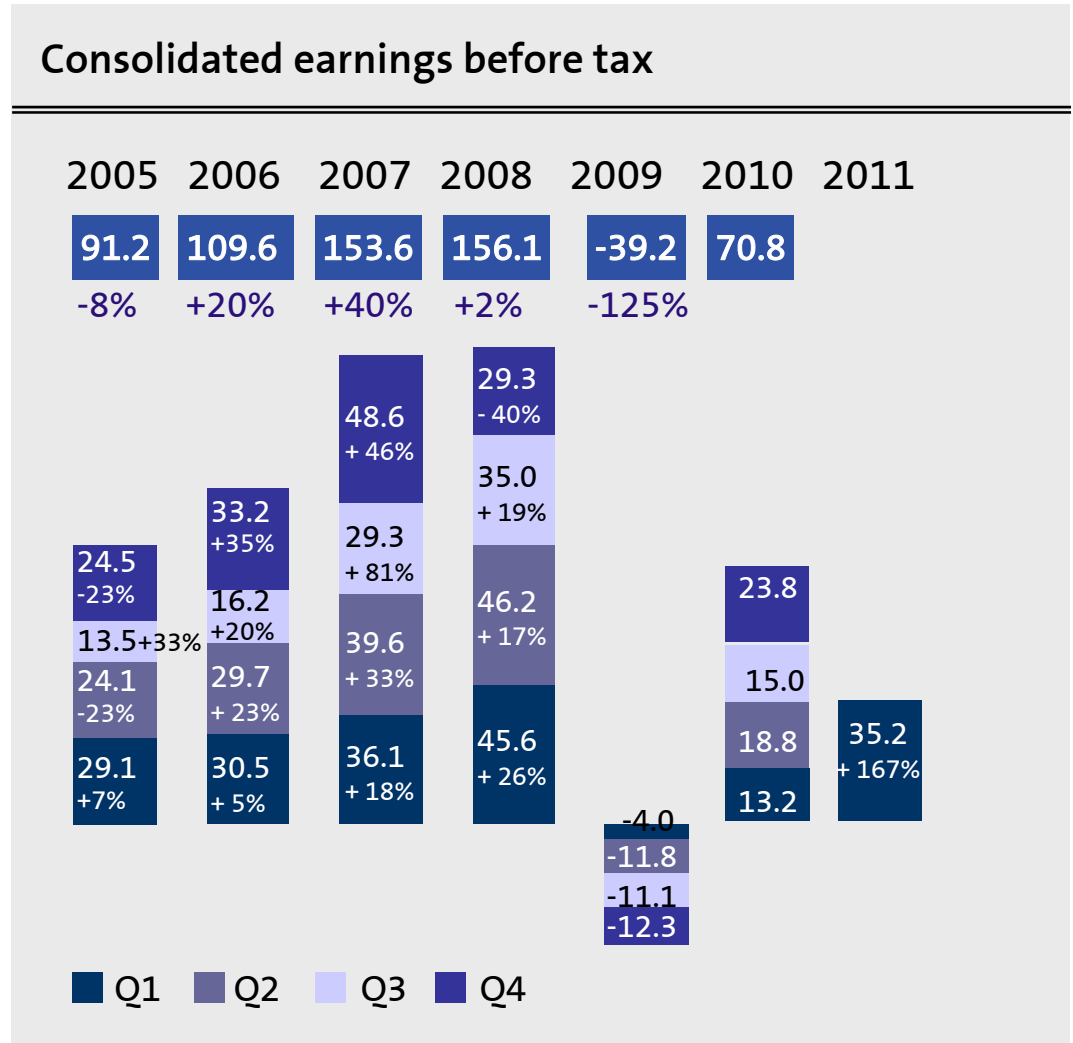
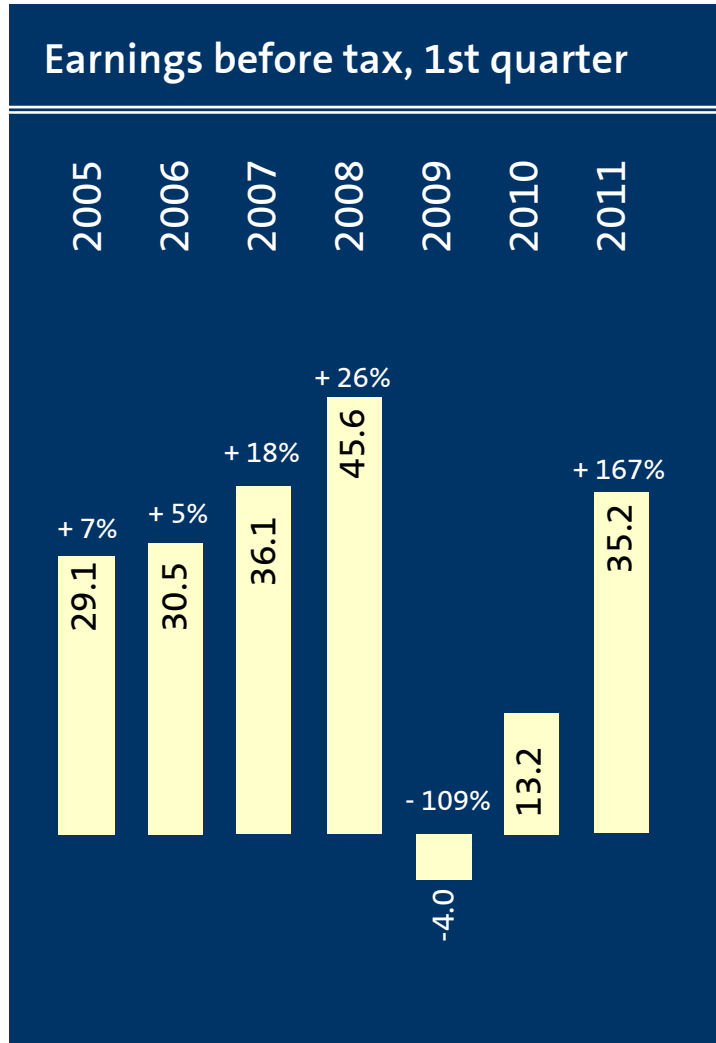
# Interim Report 1st Quarter 2011: Group order backlog (in €m)



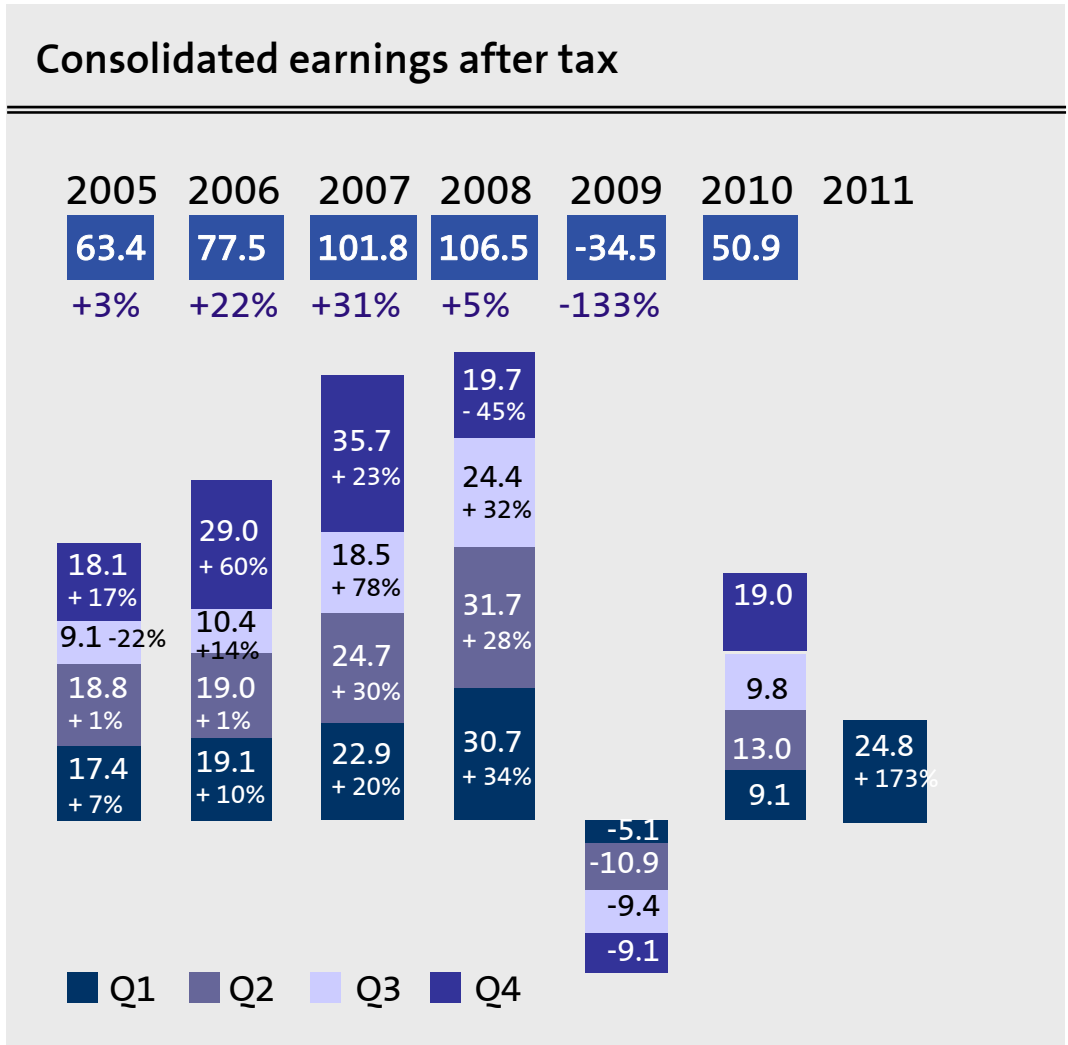
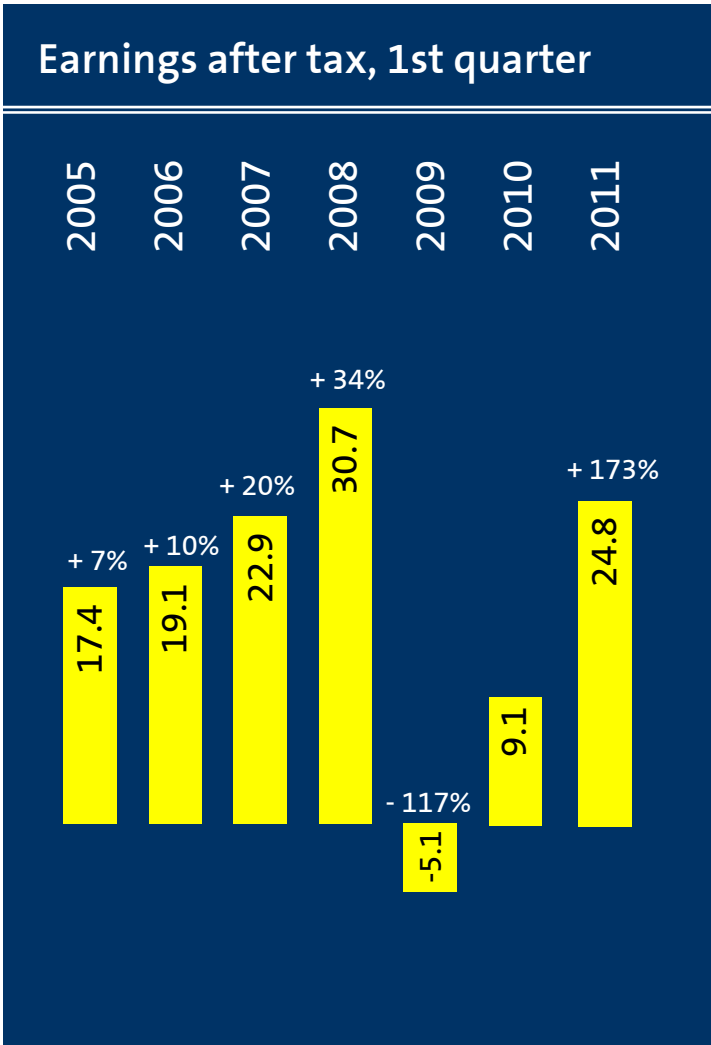
# Interim Report 1st Quarter 2011: Group sales (in €m)



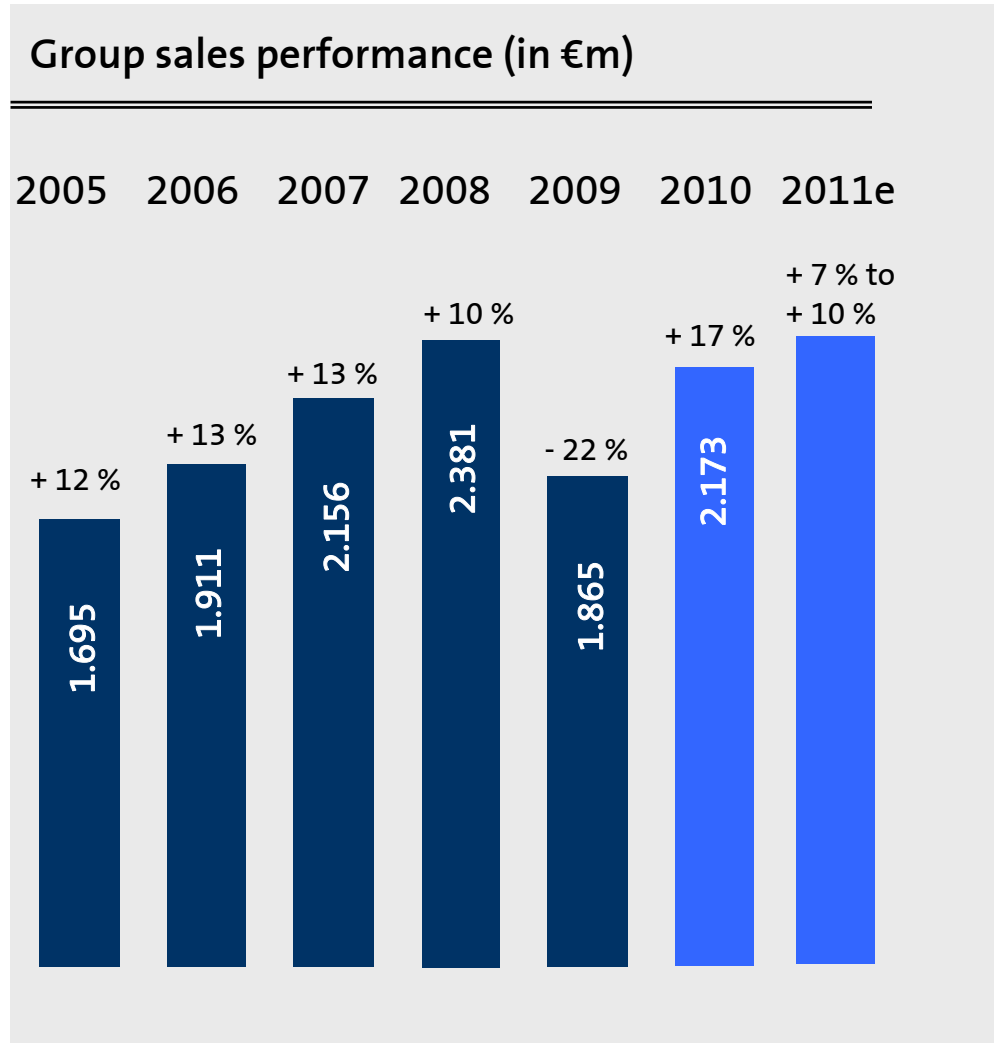
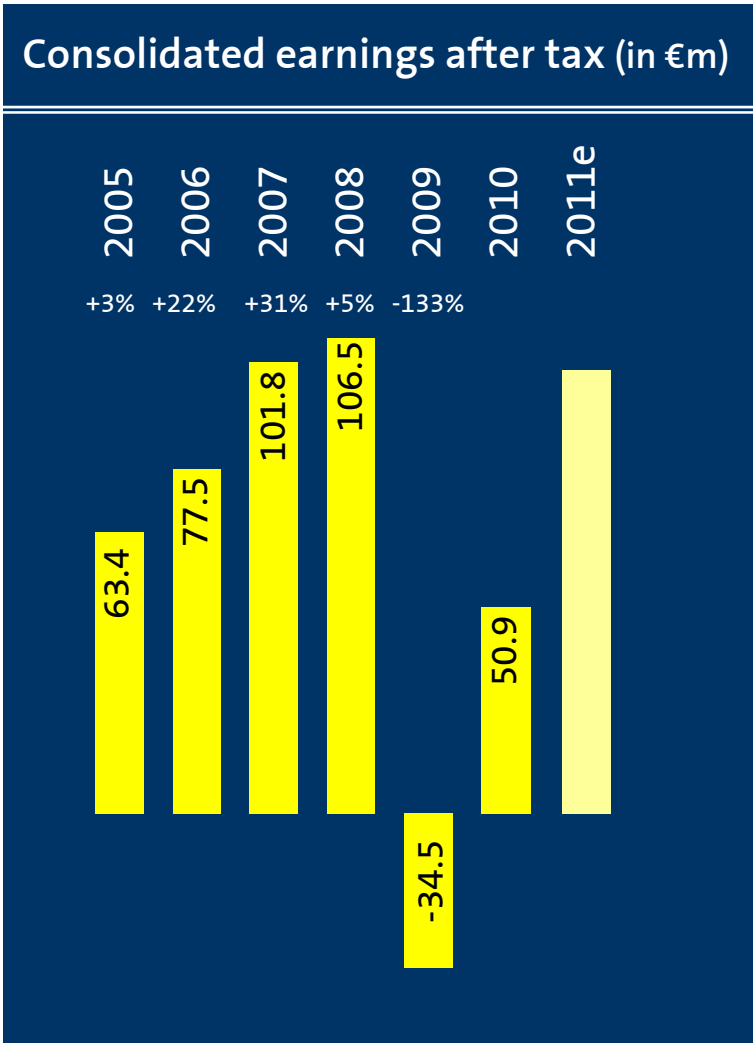
# Interim Report 1st Quarter 2011: Consolidated earnings before tax (in €m)



# Interim Report 1st Quarter 2011: Consolidated earnings after tax (in €m)



# The outlook for 2011





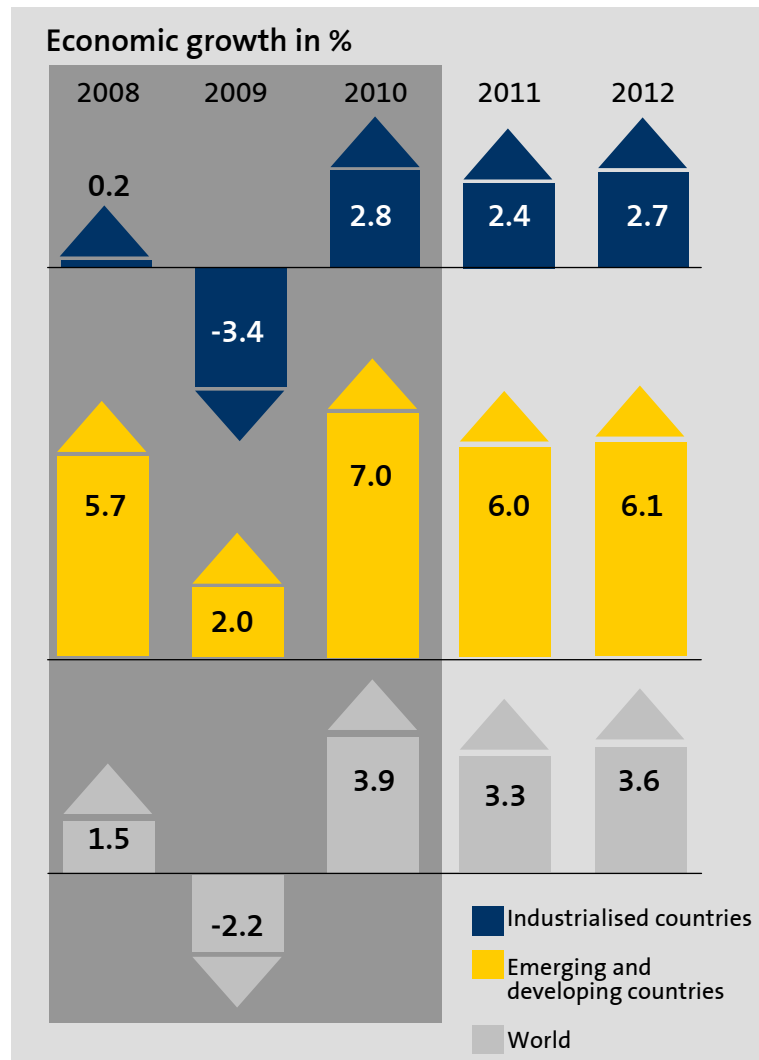
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## Global economy in 2011 and 2012 continuing to grow



- Upturn effects and strong recovery in 2010 after collapse in 2009, stimulus programmes coming to an end
- Experts expect further growth for 2011 and 2012
- Emerging and developing countries continue to be the engines for global growth

The global economic crisis seems to have passed  
Nevertheless, a certain lack of confidence prevails.  
The crisis has shown how deceptive forecasts are and  
how susceptible the closely interlocked global economy  
is to shocks and reversals of trends.

(from "think:act", Roland Berger 02/2011)

Source: Weltbank (21.01.11), Globus VB-4022

## The future of the global economy / dependencies

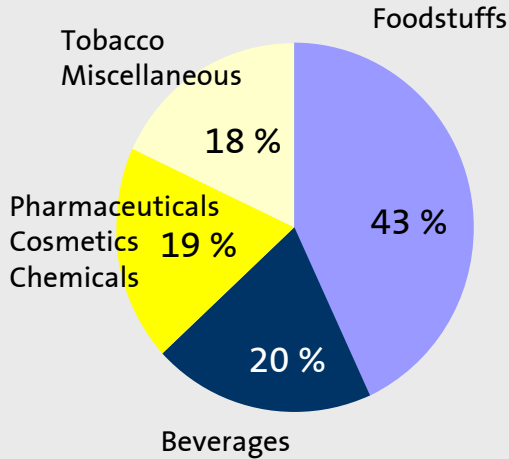
- Volatility
- Trend reversals
- Uncertainty

**The crisis will accelerate some changes much more sharply than previously assumed.**

- Global development
  - Open, unclear, optimistic to critical
  - No reliable trends/forecasts that offer a clear direction
- Dependencies
  - Global economic growth / risks and opportunities (bubbles)
  - Monetary policy (inflation, deflation?)
  - Currency policy (exchange rates, exchange rate manipulation?)
  - Increasing protectionism
  - Financial markets (no new regulations that could prevent another crash of the financial system)
  - Lending to businesses (Basel III)
  - Raw materials, procurement market, energy, environment, etc. (shortages, rising prices)
  - Sharp rises in household and public-sector debt (debt crises → deficit reduction / debt redemption)
  - EURO (European convergence), "rescue parachute"
  - Political stability (e.g. MENA region, etc.)

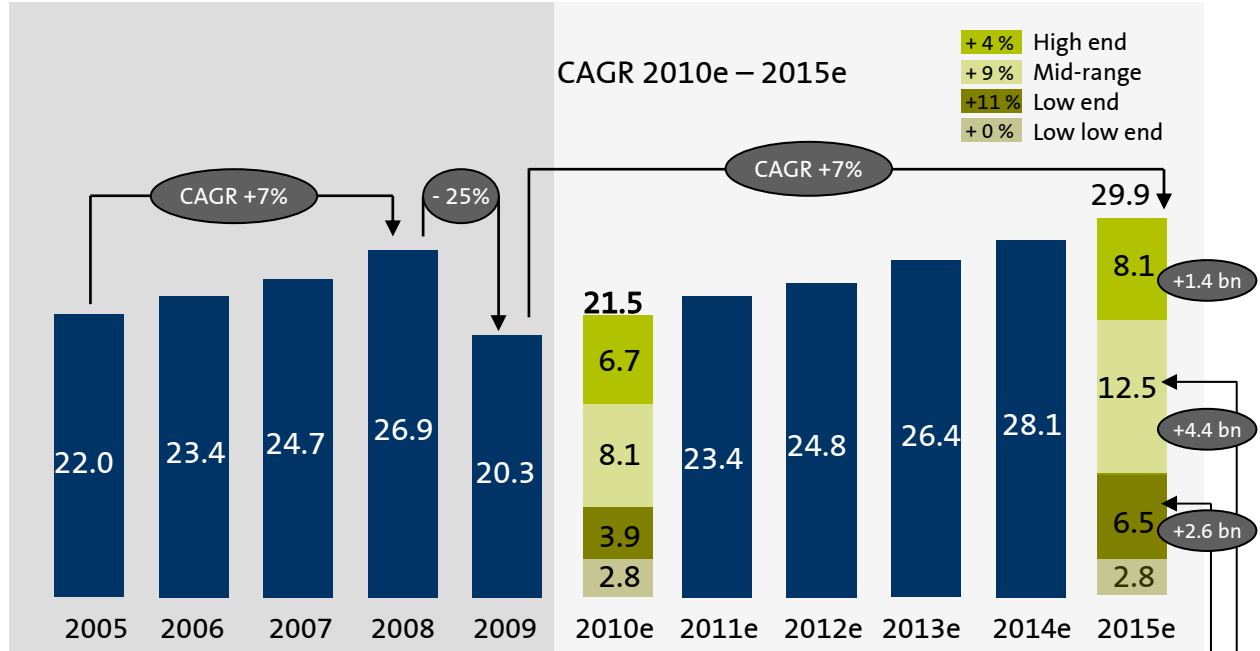
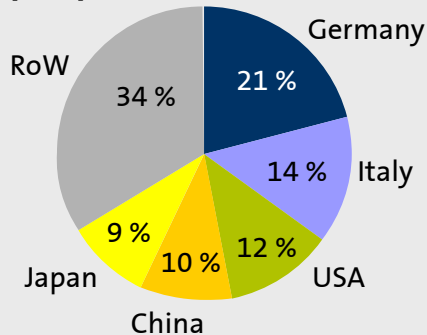
# Production of packaging machines (NM only) 2005 – forecast 2015e (in €bn)

## Production (new machines) Segmentation (2008)



approx. 375,000 employees worldwide

## Top 5 producers (2010)



- One of the differentiating factors in mature consumer markets are lines and energy efficiency (= room for high-tech solutions 24x7)
- (Still) local Chinese equipment (large home market) is simpler technology, but sufficient in many applications
- Competition set to become much tougher in the mid-range sector

Sources: Freedonia, Euromonitor, VDMA, Roland Berger, Oliver Wyman, press, KRONES, research project, automation technology

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## Long-term growth trends essentially secure

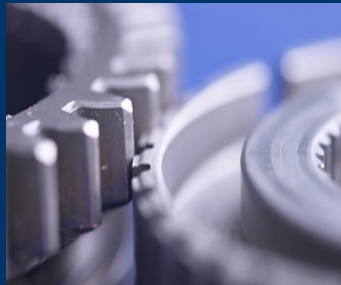


- **KRONES products and services consumer-oriented** ("eating and drinking")
- **Dynamic growth in world population => 7 billion people** (6.93 billion people at the end of 2010; + 80 million people from population growth p.a.)
- **Rising standard of living, especially in emerging countries**
- **Steady rise in demand for end products**
- **Rising demand for perfectly hygienic beverages/water and high-quality foodstuffs**
- **Growing diversity in beverages** (new nutritional trends & lifestyle products in industrialised countries)
- **Growing complexity** (customer differentiation at the point of sale generates a huge increase in the number of containers and packaging forms available)

**Clear aims  
in our sights!**

**We are engaged with commitment, intelligence and creativity  
for the future success of KRONES**

# Strategic realignment 2011-2015



The ability of a company to adapt must always be greater than the speed at which its environment changes.

Roland Berger \* 1937  
Management consultant

Strategic level  
"Target system"

Operational level  
"Operating system"

Emotional level  
"Management system"

**1 Status quo**

**2 Analysis**  
Future developments, challenges

**3 Strategy, goals, planning 2011 - 2015**

**4 Sales management**  
Market, customer, products, innovation

**5 Cost management**  
Processes, productivity, costs, profitability

**6 Resource optimisation**  
Risk/opportunity management, attractiveness, flexibility

**7 Personnel management**  
Management, motivation, communication, skills, identity, corporate culture

**8 Value engineering (creating value)**  
want → can → do

Target

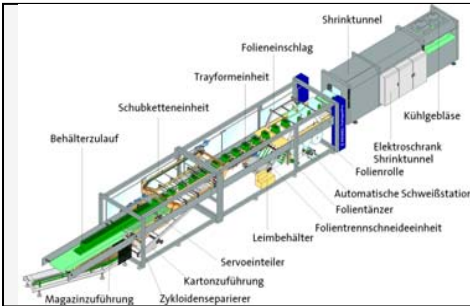
hard facts  
Figures  
Data  
Facts

soft facts

## Operative system → sales management



**Value**  
Commitment to  
common values



**Sales  
management**

- Market
- Customer
- Innovation
- Products



### Strategic goals

Secure and expand world market leadership and innovation leadership

### Strategic challenges

How can we best meet the expectations and requirements of our customers and at the same time improve our competitiveness and results?

→ Achieve and maintain top-rate performances

# Operative system → cost management



**Value**  
 Commitment to  
 common values

## Strategic goals

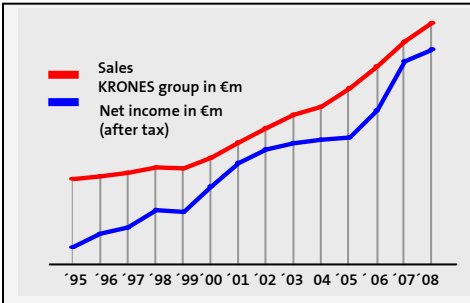
Get whole group and organisation  
 fit for economic excellence



## Cost management

## Strategic challenges

How can we improve our efficiency  
 and productivity, optimise our  
 costs and deliver lasting  
 improvements in profitability?



- Processes
- Productivity
- Profitability
- Reduction in complexity

→ Plan economic success,  
 shape it together  
 and achieve it

## Operative system → resource management



# Value

Commitment to  
common values

### Strategic goals

Ensure attractiveness  
and forward compatibility  
Make appropriate use of resources



### Resource optimisation

- Risk/opportunity management
- Resource optimisation
- Attractiveness
- Flexibility

### Strategic challenges

How can we continue to improve  
our ability to seize opportunities  
and shape the challenges  
ahead of us?

→ Controlling risks, seizing  
opportunities and making best  
use of limited resources



## Management system → personnel management



# Value

Commitment to  
common values



## Personnel management

- Employees
- Management
- Communication
- Corporate culture / values



### Strategic goals

Attract, develop and retain  
the best managerial staff

### Strategic challenges

How can we motivate, appropriately  
manage, mobilise, encourage  
and develop our staff?

→ It's all about a commitment  
to common values for  
staff and management

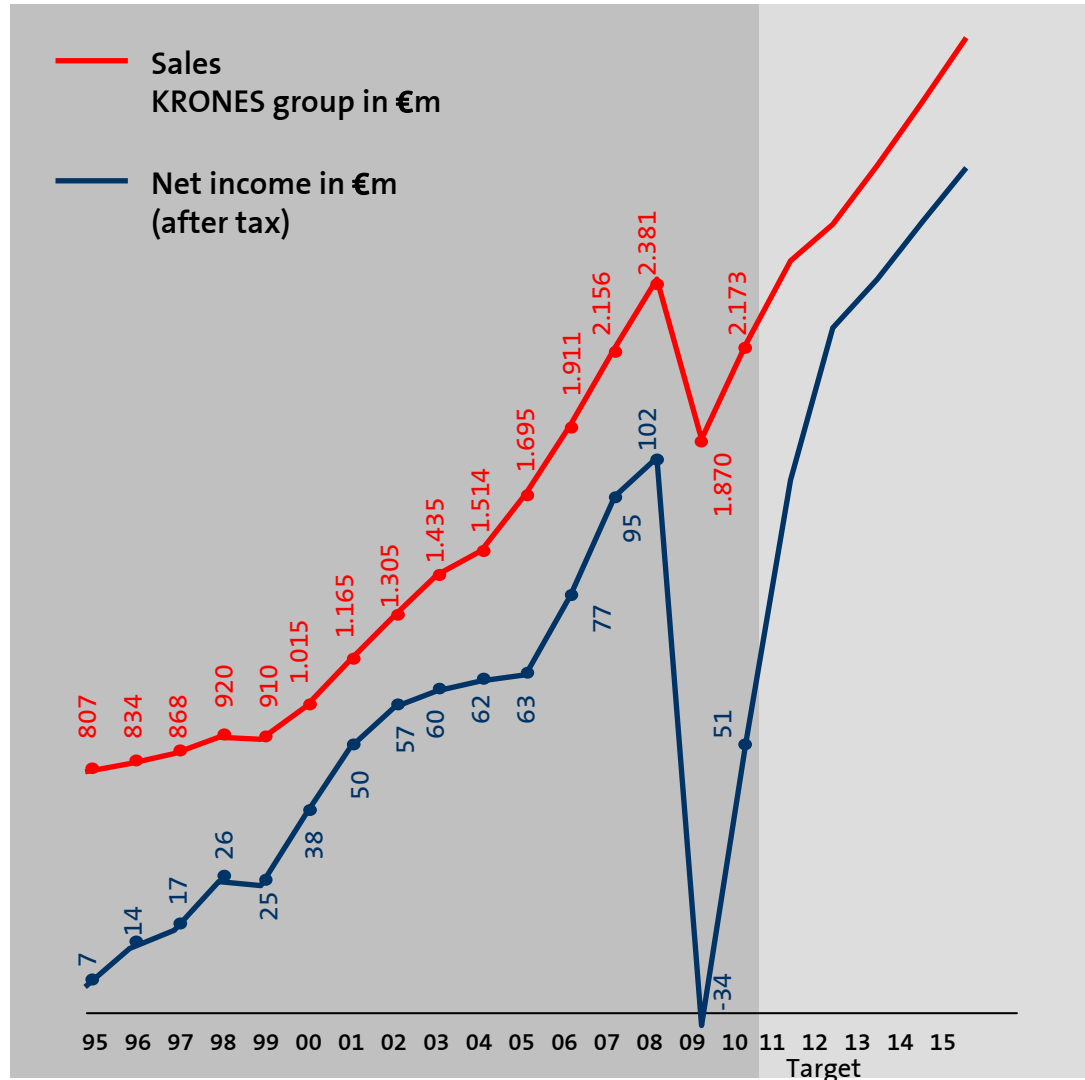
# KRONES group Sales and earnings performance in €m 1995 – 2010 (ACTUAL), 2011 – 2015 forecast

Value 



The ability of a company to adapt must always be greater than the speed at which its environment changes.

Roland Berger \* 1937  
Management consultant





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**Thank you!**