

Ad hoc release

Krones remains optimistic

Neutraubling, Germany, 26.10.11 – Krones, the world’s market leader for beverage filling and packaging technology, progressed its growth curve during the first three quarters of 2011. From January to September 2011 the company’s sales rose by 14.6 % compared to the preceding year, from 1,583.0 m euros to 1,814.2 m euros. Order bookings rose by 17.0 %, from 1,617.7 m euros in the preceding year to 1,892.7 m euros. Krones’ order backlog at the end of September was 987.3 m euros (preceding year: 923.2 m euros).

Earnings before taxes (EBT) rose in the first three quarters of 2011 from 47.0 m euros in the previous year to 84.1 m euros. This means the EBT margin, the result before taxes in proportion to total turnover, was 4.6 % (preceding year: 3.0 %). After taxes, 59.3 m euros (preceding year: 31.9 m euros) from January to September. Earnings per share were 1.97 euros, following 1.05 euros in the preceding year.

Outlook

Following the first three quarters of 2011, Krones has moved closer to its target of increasing sales by more than 10 % compared to the preceding year, and exceeding the previous record figure from 2008 of around 2,381 m euros. In the “Value” strategic programme, the company has mapped out medium-term growth targets. Krones can achieve these goals only if the company possesses sufficient properly qualified staff. This is why this year Krones has significantly upsized its workforce, not least through extensive hirings of skilled and motivated temporary workers. This will adversely affect earnings in the short term. Nonetheless, Krones AG’s Executive Board anticipates that in 2011 as a whole the result will show a significant improvement compared to the preceding year, and that a pretax return on sales of about 5 % (preceding year: 3.3 %) can be achieved.

From today’s perspective, it is difficult to predict how the world economy will develop in 2012. Because our customers are from the non-cyclical consumer goods sector, Krones is not heavily dependent on economic cycles. Therefore, assuming that the global economy does not deteriorate further, the company still believes to achieve its target of increasing earnings in all of our segments in 2012 and generating a pre-tax total return on sales of around 7 %.

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