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## Growth still firmly on course, but pressure on prices is intensifying

### KRONES keeps on growing

The specialists for beverage bottling/canning lines and packaging machinery from Neutraubling near Regensburg, Germany, booked orders totalling EUR 1,341.6 m during the first nine months of 2005, 11.8 % up on last year's comparable period.

The group received orders worth around EUR 120 m at the drinktec alone, the beverage industry's premier trade fair, held in Munich during September. At the drinktec, KRONES had impressively showcased its leading position on its chosen market and its own path-breaking innovations.

KRONES' sales, after nine months of the year, are 8.7 % up on the preceding year's figure, at EUR 1,207.1 m. The order backlog, too, which totalled EUR 783.5 m on the cut-off date of 30 September, exceeds the previous year's level by 11.3 %.

By reason of the continuing, indeed intensified price war, KRONES' earnings after taxes for the year's first nine months, at EUR 45.4 m, were 2.6 % down on a like-for-like basis. Nonetheless, the company is confident of finishing the 2005 business year with a strong final quarter, thus ending up with a slightly improved profit for the year.

KRONES is looking into the future with optimism. In terms of strategic coherence and streamlined business processes, the sector's innovation leader is well placed to prosper. The markets are growing, and there is plenty of expanding potential in the fields of plastics, aseptics and process technology. What is not predictable, however, is how things are going to develop in terms of the competitive environment. With the take-over of Simonazzi by the Tetra Laval/Sidel Group, the price-driven struggle for market shares has taken on a new dimension.

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KRONES will be doing everything possible to return to fair competition and a sensible level of pricing – in the expectation that its competitors, too, ultimately want to turn a profit. If the pressure on prices begins to ease, moreover, KRONES will emerge even stronger, thanks to its excellent productivity and profitability.

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You will also find this press release and the complete quarterly report for downloading on the internet under <http://www.krones.com>.