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A strong first quarter for Krones, with a propitious outlook for 2007

Following a record year in 2006, Krones, Neutraubling, Germany, continued to perform strongly in the first quarter of 2007. Sales revenues, for example, rose by 11.8 % compared to the preceding year, to reach 505.0 million euros, with order bookings up by an impressive 14 %, at 557.1 million euros. At the end of March 2007, the order backlog at Krones totalled 798.8 million euros, 9.8 % above the preceding year's figure.

Pretax profits were 18.4 % up at 36.1 million euros. With a pretax return on sales of 7.1 %, we achieved our target figure of 7 % in the first quarter of 2007. Profits after tax rose by 19.9 % to reach 22.9 million euros, so that net earnings per share improved from the preceding year's figure of 1.79 euros to reach 2.17 euros in the year's first quarter.

Outlook

Since the prospects for the business cycle remain auspicious and our clients are investing substantial sums, we are targeting new records for sales revenues and profits in 2007. Over the year as a whole, we aim to upsize our sales revenues by between 7 % and 12 %, which will mean our sales will exceed 2 billion euros for the first time.

The principal focus, however, is on profitability rather than growth. We have already upgraded the firm's efficiency, and will be continuously improving the processes involved. The easing pressure on prices should accordingly provide a sustained boost to our profit margins. In the ongoing business year, Krones is targeting a pretax return on sales of 7.0 % (preceding year: 5.9 %).

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