

21 March 2005

## Higher sales and profits for KRONES in 2004.

Executive Board expects further growth for the ongoing business year.

The machinery and plant manufacturer KRONES from Neutraubling, Germany, ended the 2004 business year as well with improved figures. With sales up by 6.2 % at 1.52 billion euros, the single-source vendor for beverage bottling/canning lines and packaging machinery consolidated its front-runner ranking worldwide.

In addition, a continually high level of demand for packaging solutions – traditionally from the beverage industry, but increasingly, too, from companies operating in the food, dairy product, chemical and pharmaceutical sectors – boosted KRONES' order bookings by 7.7 %, to reach 1.55 billion euros.

Profits rose by 2.3 %, though as expected the increase lagged behind the growth in sales, a result attributable to continually severe pressure on prices and more particularly to the higher costs for raw materials. Nonetheless, earnings were up again, at 61.8 million euros.

Orders on hand as per the reporting date of 31 December 2004 totalled 649 million euros, another new high, auguring well for further growth in sales during 2005, forecast at 5 to 10 per cent. For the ongoing business year, moreover, KRONES anticipates an overproportional rise in profits.

Sales and earnings will be boosted by the “Employment – Success - Future” pact, operative since the beginning of this year, in which KRONES reached an agreement with the workforce on longer and more flexible working hours. The Executive Board anticipates additional benefits from the change-over to new accounting procedures in line with the International Financial Reporting Standards (IFRS), which will replace the previously used German HGB standard for the consolidated financial statements.

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