



Q1.2004

		Q1 2004	Q1 2003	Change
Sales	million euro	387.8	367.0	5.7%
Profit after tax	million euro	16.3	15.9	2.5%
Cumulative orders received				
incl. Lifecycle service	million euro	405.7	376.0	7.9%
Orders on hand on March 31, 04				
incl. Lifecycle service	million euro	637.2	622.9	2.3%
Investments	million euro	7.7	12.6	-38.9%
Employees (as of March 31)				
KRONES domestic		7,230	7,256	-0.4%
KRONES GROUP		8,655	8,701	-0.5%
Earnings per share *	euro	1.55	1.51	2.6%
EBIT	million euro	26.8	28.3	-5.3%
Cash flow	million euro	25.8	25.6	0.8%

* Undiluted/diluted

Dear shareholders and business associates,

In the year of the Olympic summer games, KRONES had a good start. Considering the economic situation that is marked with a reluctance of enterprises to invest, and with a pricing pressure, we at KRONES present ourselves in good shape – showing once more, that we do master our discipline.

Fully in the olympic sense, KRONES' motto – not only for the year 2004 – is »faster, higher, farther«. Again, we want to be on the market faster than others to introduce our innovations, with a higher productivity we want to provide for growth, and we want to advance further into our new markets. For us, this means: to advance further on our success path. For you, our shareholders, who participate in this success in the form of increasing stock prices, and following the Olympic motto, it means: »Taking part is what counts.«



Volker Kronseder
Executive Chairman



Hans-Jürgen Thaus
Deputy Executive Chairman

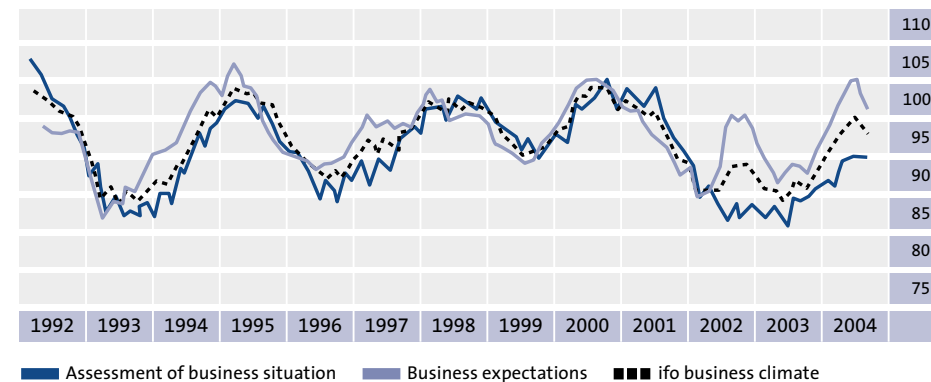
Dim economic business prospects

For Germany, the expected future trend has not been fulfilled in the first quarter of 2004. Instead, the concern about the further economic activity, tends to increase. In addition, German enterprises worry about the fact, that the economic recovery will soon be ended again due to the cessation of reforms for the job market, social and tax policy.

The German Institute of Economic Research (diw) only accounts for a »weak growth« in the first quarter of 2004. Compared to the previous quarter, the increase is only 0.2 percent. For the whole year, the diw downgraded the growth expectations for Germany to 1.4 percent. For the first quarter, the growth prospects also for the European region have become dull thus creating doubts about the economic forecast.

There are, however, restrained positive growth signals coming from the enterprises. In the first quarter, there was a noticeable upward trend with investment goods. The improved export expectations are included in the positive reports. Especially the Asian boom, as well as the economic situation in the United States, provides a great demand for investment products.

ifo Economic activity of the industrial economy* March 2004



* Processing trade, building main trade, wholesale and retail

Toward the end of the first quarter, the business climate 2004 has deteriorated. For the next months, the expectations for the economy have become very dim. Enterprises merely estimate the export development to be positive.

However, KRONES is in a good position

KRONES profited well from these positive developments in Asia and the United States – in the form of a large order from the American Brewery Group Anheuser Busch, as well as from one of the largest orders in our history – coming from the brewery Beer Thai in Thailand.

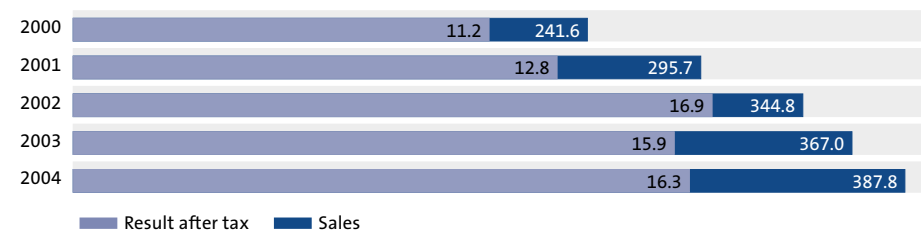
For 2004 as well, KRONES keep on sticking to their future plans and growth targets without any change.

The incoming orders over the last weeks make us confident that the price war, which began strongly in 2003, will not continue to intensify. We will keep on availing ourselves of the opportunities in the market, and we will stick to our tenor, not to acquire orders at any price.

For quite some time, the increasing globalisation, and the stronger competition have been pushing us to optimise all the fields of our enterprise. We always confronted new challenges with new answers. We even managed to extend our leading position. In addition, the continuously inappropriate economic and tariff policy in this country have increasingly affected our business. For more than five centuries now, KRONES has been strongly attached to the production region Germany, with emphasis on Bavaria. Considering the competition, it will become increasingly more difficult over the medium-term, to invest into a region, which continuously loses international competitiveness. – This is, where we are looking for new answers.

We keep sticking to our future plans and growth targets without any change. The success factors, on which we will also build in 2004, are: Consistent market orientation, technological leadership, process know-how, and productivity. Once again, the figures of the first quarter confirm this assessment.

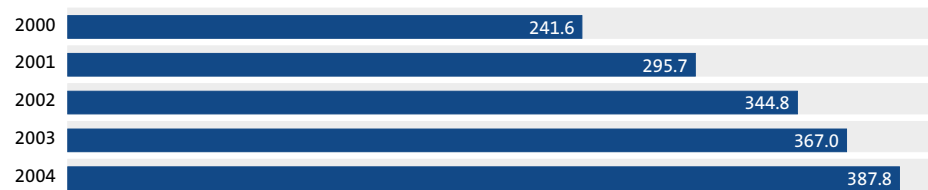
Group sales and result on March 31, in million euro



Sales rise by six percent

In the first quarter of 2004, sales of the KRONES GROUP rose by 6 percent to 387.8 million euro, when compared with a comparable period of the previous year. (2003: 367.0 million euro). A significant growth is shown in the field of »Life-Cycle Services«. It includes retrofitting, re-designs of machines, machine maintenance, spare parts delivery, consulting, and other services.

Group sales on March 31, in million euro



In addition to our traditionally strongest segment »Machines and lines for product filling and decoration« our segment »Machines and lines for the low output range (KOSME)« contributed again significantly to our sales.

The Group segment which was traditionally the strongest paid a fundamental contribution to the strong turnover and good profit. »Machines and lines for product filling and decoration« show a plus in sales of 6.4 percent amounting to 338.2 million euro (previous year: 317.8 million euro), and increased their surplus by 4.8 percent to 15.4 million euro (previous year 14.7 million euro). This corresponds to a return on sales of 4.6 %.

In the segment »Machines and lines for beverage production/process technology« KRONES suffered a fall in sales of 5.9 percent amounting to 33.7 million euro (previous year: 35.8 million euro). The return on sales fell to 0.6 percent; last year's figures for the same period amounted to 1.7 percent.

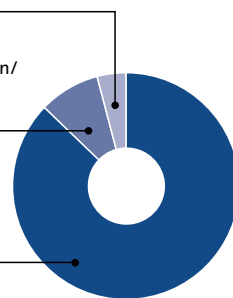
With »Machines and lines for the lower output range (KOSME)« we had an increase in sales of 18.7 percent amounting to 15.9 million euro (previous year: 13.4 million euro). The result rose from 0.6 to 0.7 million euro. The return on sales remained almost unchanged.

KRONES GROUP sales in segments on March 31, in million euro

Machines and lines in the low output range (KOSME)
4.1% (€ 15.9 mio.)

Machines and lines for beverage production/process technology
8.7% (€ 33.7 mio.)

Machines and lines for product filling and decoration
87.2% (€ 338.2 mio.)

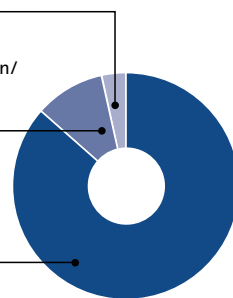


Sales on 31.03.2004: € 387.8 mio.

Machines and lines in the low output range (KOSME)
3.7% (€ 13.4 mio.)

Machines and lines for beverage production/process technology
9.7% (€ 35.8 mio.)

Machines and lines for product filling and decoration
86.6% (€ 317.8 mio.)



Sales on 31.03.2003: € 367.0 mio.

Orders received

With respect to orders received, we are noticing a revival of investment among our customers. In the first three months, the incoming orders for the current business year rose by 7.9 percent amounting to 405.7 million euro, when compared to a comparable period of the previous year (376.0 million euro). The great demand for machines and lines from KRONES signal a good business development for this year.

KRONES GROUP orders received on March 31, in million euro



A great demand for products from KRONES signal a good business development for this year.

Orders on hand

By the appointed day March 31, 2004, the orders on hand of the KRONES GROUP amounted to 637.2 million euro (March 31, 2003: 622.9 million euro). Compared with the previous years, this value remained constant, however, it has to be assessed higher due to a faster production process, which results from additional process optimisations. The orders on hand correspond to an approximate workload of five months.

KRONES GROUP orders on hand on March 31, in million euro



Full order books secure a sufficient work load for the next five months.

Profit development progressing as planned

The result after taxes in the amount of 16.3 million euro for the first quarter 2004 means a profit increase of 2.5 percent – and this with the background of a significantly worse price situation than in comparable quarters of previous years.

KRONES GROUP profit after tax on March 31, in million euro



Results and financial status

Compared with the first quarter of the previous year with a growth in sales of 5.7 percent, the balance sheet total of the KRONES GROUP had a sales increase of 1.3 percent amounting to 882.0 million euro (Dec. 31, 2003: 870.4 million euro). Thanks to the higher trade volume, the current assets grew by 2.1 percent to 608.3 million euro (Dec. 31, 2003: 595.7 million euro).

With regard to the source of the funds, the advantageous relation between equity and debt capital remained. The equity ratio rose to 51.5 percent (Dec. 31, 2003: 50.0 percent). This is still proof of an extremely sound financial structure. The Groups liabilities decreased by 9.0 million euro to 148.2 million euro (Dec. 31, 2003: 157.2 million euro). This corresponds to 16.8 percent of the balance-sheet total; merely 6.0 million euro of which were owed to the banks.

Provisions rose by 0.7 percent to 278.8 million euro (Dec. 31, 2003: 276.9 million euro).

On March 31, 2004, the Group had net liquid assets in the amount of 39.7 million euro, thus giving us further, and sufficient room for manoeuvre.

KRONES GROUP balance sheet structure in million euro

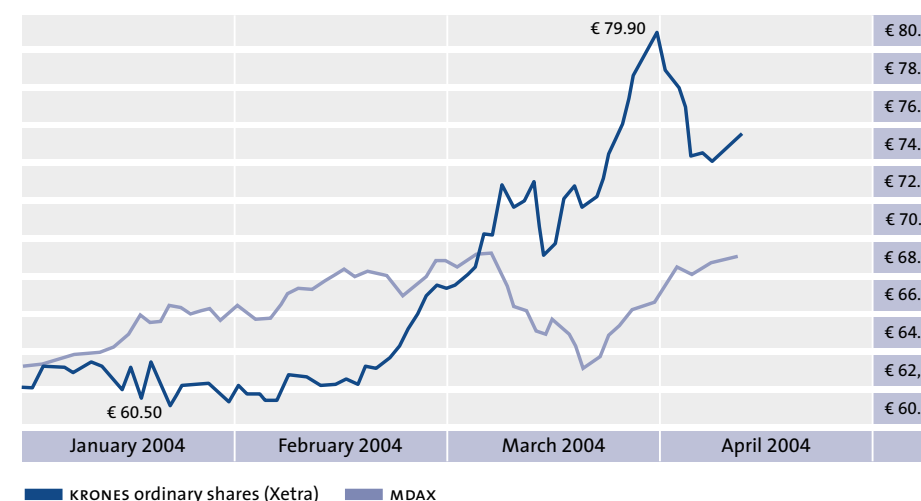
	March 31, 2004	Dec. 31, 2003	Dec. 31, 2002	Dec. 31, 2001	Dec. 31, 2000
Assets					
Fixed assets	271	272	250	206	182
Inventories	155	150	165	143	102
Receivables, other assets	410	392	355	315	293
Liquid assets	46	56	36	62	66
Liabilities					
Equity capital	454	435	409	381	338
Provisions	279	277	271	230	186
Financial liabilities	6	6	1	2	3
Other liabilities	143	152	125	113	116
Balance-sheet total	882	870	806	726	643

The KRONES shares – on a long-lasting high

A good end-of-year account in 2003, further excellent business perspectives, and the prospect, that the members of the KRONES Annual General Meeting will agree to change the KRONES preference share to an ordinary share – therefore the share's liquidity, its emphasis in MDAX, and its attractiveness for shareholders would increase – stimulated the price of the KRONES shares significantly.

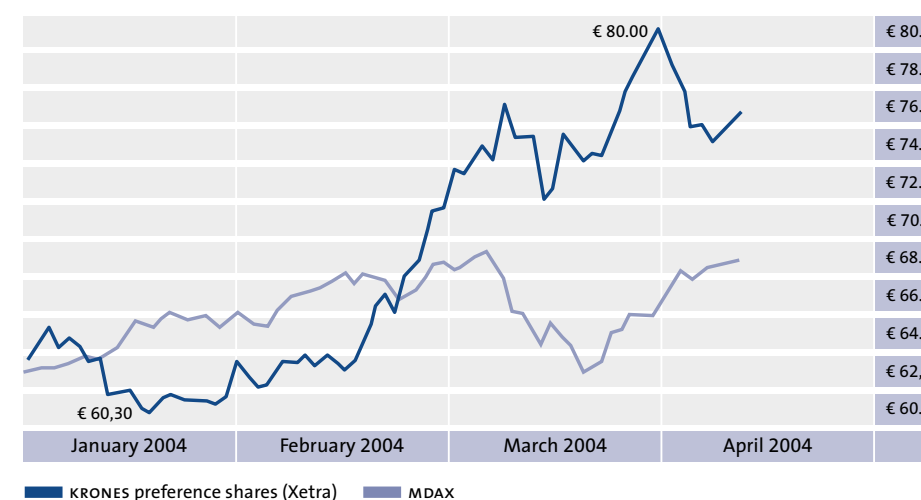
At the end of trading on March 31, the ordinary share and the preference share amounted to 79.90 and 80.00 euro thus reaching their annual peaks. In the course of trading, the preferences even exceeded the 80 euro mark. Compared with the opening prices of January 2, this means an ordinary share price increase of more than 24 percent, and an increase of more than 25 percent for the preference share.

KRONES ordinary share on March 31, 2004



At the end of the first quarter, the KRONES ordinary and preference share climbed to their annual best marks.

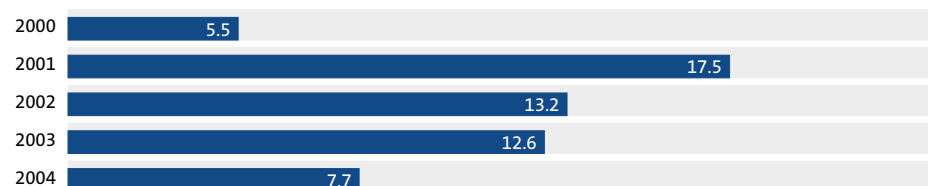
KRONES preference share on March 31, 2004



Investments

Main emphasis of our investments will remain on measures for process optimisation and increased productivity. In order to secure our profitability sustainably, and to expand our technological leadership, we put special effort in »technical innovation« and engineering.

Investments in million euros on March 31



Slight decrease in number of employees

On March 31, 2004, the KRONES GROUP employed 8,655 people worldwide, 46 or 0.5 % less than on the same date of the previous year (8,701 employees). At the end of the first quarter of 2004, 7,230 people were employed in our factories in Germany and 1,425 in our foreign subsidiaries. Due to of the strained economic situation of the markets, KRONES started to work with the company's natural personnel fluctuation during the beginning of the year 2003 and no longer filled any positions which became available. Thus the total number of employees was first reduced, however it increased slightly when including the KOSME GROUP (311 employees on March 31 2004; previous year: 302) and has only decreased now, when compared with last year's status.

Employees worldwide (on March 31)



Milk does it for KRONES

Now, KRONES increasingly prove themselves as a system provider for the dairy industry. Today, our extensive know-how in all segments for the production, bottling, and packaging of pet containers, as well as the capacity to deliver complete lines, is globally used by the dairy industry. The fact, that the strongly increasing market for dairy products with extended shelf life (esl products) is setting higher hygiene requirements for filling, made us design two special filling systems for milk.

KRONES can enter a worldwide market with these two new special filling systems for the dairy industry.

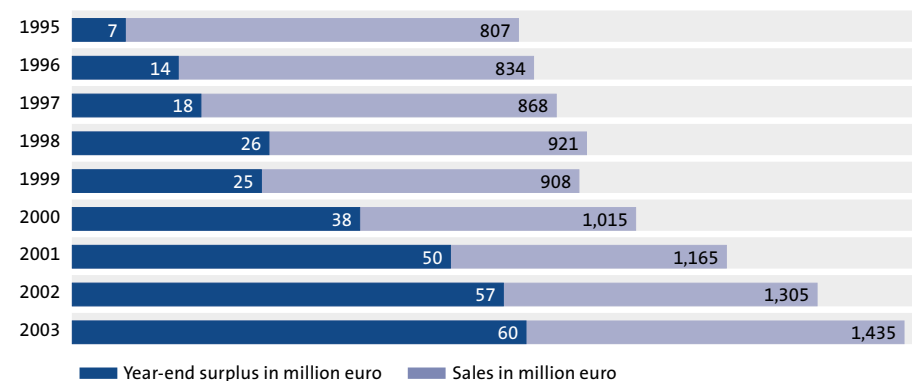
Our newly developed weight filling system – with an hourly output of 48,000 litres, the largest worldwide – meets the requirements for Hygienic Designs acc. to the EHEDG guidelines (European Hygienic Engineering & Design Group) thus representing the leading technology with respect to automation and cleaning possibility. Simultaneously to the weight filling system, we developed a volumetric filling system especially for milk, with which the products can be filled into pet bottles aseptically.

By increasingly entering the dairy industry, which belongs to the the food industry, a global and huge market opens for KRONES. For several bottling lines from the international dairy industry, operation started already in 2004.

Outlook

In 2004, we will continue to expand our leading position in the world market for beverage bottling lines and packaging systems. We are expecting a turnover increase between five and ten percent; these figures mean, that we are within the growth corridor, which we set for ourselves for several years. For 2004, this means a sales increase of far more than 1.5 billion euro.

Sales and result development





Interim balance of the KRONES GROUP

Basis of our accounting procedure

The KRONES AG quarter Group end-of-year results have been prepared in accordance with the rules laid down in Volume Three of the HGB and AktG laws.

The consolidation, accounting and evaluation methods used correspond to those used in the Group end-of-year report from Dec. 31, 2003.

Expenditures and revenues which are to be added on to the earnings from normal business activities, which are not seasonal and not normally produced until the end of the business year, are considered in the interim report to a degree which is proportionate to the period.

The interim report is in compliance with the principles of the DRS 6 regulations.

Companies embraced by consolidation

They incorporate the year-end results of five domestic and sixteen foreign subsidiaries (full consolidation).

The sub-group KOSME was included in 2003.

Because of their minor significance for the portrayal of the Group's assets, finances and results, the seventeen direct and three indirect subsidiaries are not embraced by the consolidated accounts.

KRONES Group balance sheet as at March 31, 2004

Assets	March 31, 04	Dec 31, 03
	million euro	million euro
Intangible assets	14.4	14.0
Tangible assets	230.5	232.0
Financial assets	25.8	25.8
Fixed assets	270.7	271.8
Inventories	154.9	150.2
Accounts receivable (trade debtors)	380.9	368.3
Due from affiliated companies	7.1	10.1
Other assets	19.7	11.1
Short-term securities	0.7	0.7
Liquid assets	45.0	55.3
Current assets	608.3	595.7
Prepayments and accrued income	3.0	2.9
Balance-sheet total	882.0	870.4

Liabilities	March 31, 04	Dec 31, 03
	million euro	million euro
Equity capital	453.9	435.1
Provisions	278.8	276.9
Liabilities to banks	6.0	5.9
Accounts payable	72.7	80.7
Liabilities to affiliated companies	11.5	11.8
Other liabilities	58.0	58.8
Liabilities	148.2	157.2
Prepayments and accrued income	1.1	1.2
Balance-sheet total	882.0	870.4

KRONES GROUP profit-and-loss account for the first quarter of 2004

	2004	2003	Change
	01.01.–31.03.	01.01.–31.03.	
	Mio. €	Mio. €	%
Sales revenues	387.8	367.0	5.7%
Stock movement	3.6	4.3	
Overall performance	391.4	371.3	5.4%
Sales input	-182.7	-164.1	11.3%
Gross profit	208.7	207.2	0.7%
Personnel expenses	-121.7	-118.4	2.8%
Balance of other operating revenues/expenditures	-50.7	-50.8	-0.2%
Depreciation and fixed assets	-9.5	-9.7	-2.1%
Financial result	0.4	0.2	100%
Profit from normal business activity	27.2	28.5	-4.6%
Tax on earnings	-10.9	-12.6	-13.5%
Profit after tax	16.3	15.9	2.5%

Analysis of KRONES GROUP capital and reserves as of March 31, 2004

Evolution	Parent company						Minority shareholders			Group	
	Subscrib. capital	Capital reserves	Revenue reserves	Currency differences	Group profit brought forward	Current Group profit	Equity capital	Shares in capital	Shares in result	Equity capital	Equity capital
of equity capital				in equity cap.							
	€	€	€	€	€	€	€	€	€	€	€
As of 31st December 2002	26,922	103,703	224,970	-15,453	11,342	57,313	408,797	1	-	1	408,798
Carried forward to new account	-	-	-	-	57,313	-57,313	-	-	-	-	-
Group year-end-surplus for the first quarter of 2003	-	-	-	-	-	15,900	15,900	-	-	-	15,900
Currency differences	-	-	-	-1,953	-388	-	-2,341	-	-	-	-2,341
As of 31st March 2003	26,922	103,703	224,970	-17,406	68,267	15,900	422,356	1	-	1	422,357
Dividend payments	-	-	-	-	-10,889	-	-10,889	-	-	-	-10,889
Group year-end-surplus April – December 2003	-	-	-	-	-	42,740	42,740	-	1,781	1,781	44,521
Allocations to revenue reserves	-	-	44,751	-	-44,751	-	-	-	-	-	-
Currency differences	-	-	-	-3,214	-682	-	-3,896	-	-	-	-3,896
Changes in consolidated group	-	-	-17,086	-	-	-	-17,086	126	-	126	-16,960
As of 31st December 2003	26,922	103,703	252,635	-20,620	11,945	58,640	433,225	127	1,781	1,908	435,133
Carried forward to new account	-	-	-	-	58,640	-58,640	-	-	-	-	-
Group year-end-surplus for the first quarter of 2004	-	-	-	-	-	15,994	15,994	-	306	306	16,300
Currency differences	-	-	-	2,020	492	-	2,512	-	-	-	2,512
As of 31st March 2004	26,922	103,703	252,635	-18,600	71,077	15,994	451,731	127	2,087	2,214	453,945

KRONES GROUP funds statement as of March 31, 2004

	2004	2003
	3 months	3 months
	million euro	million euro
Periodic profit	16.3	15.9
Depreciations on fixed assets	9.5	9.7
Increase in provisions and accruals	1.9	0.5
Other non-transactional expenditure items and results	-0.9	-1.2
Profit from the sale of fixed assets	-0.3	-0.4
Increase in inventories, accounts receivable and other assets not attributable to investment or financing activity	-23.0	-34.4
Decrease in accounts payable and other liabilities not attributable to investment or financing activity	-9.2	-3.8
Cash flow from current trade activities	-5.7	-13.7
Receipts from sales of the fixed assets	0.9	0.7
Moneys paid out for investment in tangible assets	-5.9	-11.2
Moneys paid out for investment in intangible assets	-1.8	-1.4
Moneys paid out for investment in financial assets	0.0	0.0
Moneys paid out for the acquisition of consolidated companies and other business units	0.0	0.0
Cash flow from investment	-6.8	-11.9
Moneys paid out to company owners and holders	0.0	0.0
Increase/redemption of loans and (financial) credits	0.1	-0.9
Cash flow from financial activities	0.1	-0.9
Change in liquid funds	-12.4	-26.5
Changes to liquid funds due to exchange rates, consolidation and evaluation	2.1	-3.9
Liquid fund at the beginning of period on January 1st	56.0	36.2
Liquid fund at the end of period on March 31st	45.7	5.8

Segment reporting KRONES GROUP as of March 31, 2004

	Machines and lines for beverage production/ process technology		Machines and lines for product bottling and decoration		Machines and lines for the lower output range (KOSME)		KRONES GROUP	
	2004 3 months mio. €	2003 3 months mio. €	2004 3 months mio. €	2003 3 months mio. €	2004 3 months mio. €	2003 3 months mio. €	2004 3 months mio. €	2003 3 months mio. €
Sales revenues	33.7	35.8	338.2	317.8	15.9	13.4	387.8	367.0
Net income	0.2	0.6	15.4	14.7	0.7	0.6	16.3	15.9
Employees (on March 31)	581	587	7,763	7,812	311	302	8,655	8,701
Return on sales	0.6%	1.7%	4.6%	4.6%	4.4%	4.5%	4.2%	4.3%

Financial diary

April 28, 2004	Balance Sheet Press Conference
June 23, 2004	Annual General Meeting
August 2004	30th June, Interim Report
November 2004	30th September, Interim Report
April 2005	Balance Sheet Press Conference

Detailed schedules can be found on our Website.

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The Quarterly Report is also available in German.
A copy will be posted on request. You will also find it
on our website under the heading Investor Relations.



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