

Ad-hoc release

Krones makes a loss in the first half of 2009

Neutraubling, Germany, 29 July 2009 – The figures at Krones, the world’s market leader for beverage filling and packaging technology, were hit by the cyclical downtrend in the first half of 2009. From January to June 2009, sales fell by 23.3 % on a like-for-like comparison, to 924.4 million euros. The company’s order bookings in the year’s first half fell by 29.7 % to 874.0 million euros. In the year’s second quarter, order bookings were up by 11 % compared to the first three months of the ongoing business year. On 30 June 2009, the order backlog totalled 787.0 million euros (31 Dec. 2008: 837.4 million euros).

Due to the less-than-easy market conditions and the concomitantly severe decrease in sales, Krones’ pretax result in the year’s first half fell on a like-for-like basis from 91.8 to minus 15.8 million euros. After taxes, the loss came to 16.0 million euros. The cost-cutting initiatives, part of the company’s extensive “Conversion” programme, were already beginning to bite in the period under review. The programme’s full effect will be felt as the year proceeds.

Outlook

There are initial indications that the macro-economic situational framework is at least no longer deteriorating. But the situation is precarious, the imponderabilities are huge. This means it would be irresponsible to predict the group’s consolidated result for 2009. Krones is still proceeding on the assumption that the worldwide financial and economic crisis will continue to have a significant effect on the firm’s sales and results for the rest of this year. With its extensive “Conversion” package of initiatives, the company is able to compensate for a fall in sales of more than 20 %. However, the purchasing restraint being exhibited by its customers, and the concomitant difficulty of forecasting price developments, constitute an additional burden on potential results. Overall, from today’s perspective, the company expects to make a loss in the 2009 business year.

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