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# The future in focus

## Krone maintains sales revenue at 1.6 billion euros

Spelle, December 2015. Despite difficult market conditions, including the impact of the Russian crisis and the expiration of EU milk production quotas, the Krone Group generated sales of about 1.6 billion euros in the fiscal year 2014/2015 - a result that is slightly higher than the previous year. Domestic sales for the Krone Group rose to 482.5 million euros, reflecting an increase of 23.7 million euros or 5.2% over the previous year. About 32.0% of the domestic sales were accounted for by the agricultural machinery division and 68.0% by the commercial trailer business. This means that the Krone Group generated 29.4% of its sales in Germany, which marks a slight increase over the previous year (28.2%). By comparison, sales in markets outside Germany declined slightly by -1.0% from 11.8 million euros to 1,155.8 million euros. About 34.6% of the export sales were accounted for by the agricultural machinery division and 65.4% by the commercial trailer division, reflecting a slight decline to 70.6% from 71.8% in the previous year. The trailer division as a whole reports sales revenues of around 1.1 billion euros, which is on the same level as the previous year. Selling 30.3% of its products within Germany, the division generated 328 million euros on the German market, thus achieving a growth of more than 8%. Sales in foreign markets amounted to 755.9 million euros (previously 775.8 million euros), with the Western European markets accounting for 45.5% (previously 43.1%) and Eastern Europe for 21.4% (previously 24.1%). Despite the difficult market conditions in the last fiscal year, the Krone agricultural machinery division has been able to generate slightly higher sales over the previous year of 554.5 million euros (previous 547.9 million euros). 27.9% of these sales were generated in Germany (from 28.5% in the previous year), while Western European markets contributed 32.2% (previously 31.9%), Eastern Europe 11.3% (previously 12.8%) North America 20.5% (previously 16.2%) the rest of world 8.1% (previously 10.6%). On account of the annual surplus of 37.2 million euros, equity capital increased from 354.0 million euros to 388.5 million euros on the balance sheet date. The equity ratio decreased from 46.4% to 45.9% on account of the higher balance sheet total. The Group currently has 672.4 million euros (previously 614.3 million euros) available in the form of medium and long-term capital. This covers both fixed assets and the entire stock assets as well as all receivables. **Investing in future growth**

After the machinery factory at Spelle underwent a major reorganization and redesign, the plans are to apply similar treatment to the commercial trailer division. The Progress 2020 project will synchronize the five commercial trailer and axle production sites (Werlte, Lübtheen, Herzlake, Dinklage (all in Germany), and Tire (Turkey), thereby maximizing the division's efficiency, product quality and data communication. Moreover, construction work has been initiated at the Werlte and Dinklage sites. In addition, Krone will continue making further investments to strengthen the farm machinery and trailer sales networks. The initiative aims to position the company closer to its customers in new and existing markets and to strengthen existing customer relationships. The Aftersales Service and All-in-Krone Trailer campaigns marked two 'lighthouse projects' in 2014/2015 and were well received throughout the industry. The average number of persons employed around the world (permanent staff) by the Krone Group increased to 3,097 (previous year: 2,614) during the fiscal year 2014/2015. This figure includes 220 apprentices (previously 203). The rise in employee numbers is partly accounted for by the employment of a number of temporary workers. "The expiration of EU milk production quotas and the consequences of the Russian Ukrainian crisis have both had an impact on Krone. "Considering these factors, we are indeed satisfied with how business developed in the 2014/2015 fiscal year," says Managing Director Bernard Krone. "Nevertheless, we are currently experiencing fierce competition in both markets – agricultural machinery and commercial trailers. Besides, our sales have shown a steady growth in the past few years and logically, this trend cannot be expected to continue every year.

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Consequently, the Group’s projections for the current fiscal year are moderate and anticipate a decrease in sales by a single-digit percentage.” The Krone Company
A privately owned company, Krone is one of the market leaders in the commercial trailer and farming equipment markets. The Krone commercial trailer product portfolio comprises flatbed and box semi-trailers, skeletals, swap systems, trailers and bodies. The agricultural machinery business focusses on the production of forage harvesting equipment - disc mowers, rotary tedders, rotary rakes, forage wagons, round balers and big balers, as well as the self-propelled Big M high-capacity mower conditioner and the SP Big X forage harvester.

**If you have any questions, please do not hesitate to contact me.:**
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