



Media Information

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Kardex Remstar International Group

Kardex Group posts record result in financial year 2008

Much improved result – balance sheet and equity basis strengthened decisively – proposal for par value reduction of CHF 2.50 per share.

Financial year 2008 saw the Kardex Group increase its net revenues by 8.9% to EUR 460.0 million (2007: EUR 422.5 million). Adjusted for exchange rate effects the increase amounted to 9.6%. At EUR 449.2 million, bookings were up by 3.0% on the previous year (EUR 436.2 million). At the end of the financial year, Kardex Group had sound order books of EUR 99.4 million (EUR 107.8 million). Despite an increase in investment in marketing and distribution, the operating result (EBIT) was lifted by 20.2% to EUR 42.3 million (EUR 35.2 million); the EBIT margin rose to 9.2% (8.3%). In financial year 2008, the Group's result stood at EUR 33.0 million (EUR 21.8 million). The Board of Directors will submit a proposal to the Annual General Meeting on April 21, 2009, to reduce the par value by CHF 2.50 per share (to CHF 11.00).

Kardex (KRM) Division posts record result

In financial year 2008, the Kardex (KRM) Division posted net revenues of EUR 257.5 million (EUR 252.7 million), representing an increase of 1.9%. After adjustment for exchange rate effects the increase came to 3.6%. The Eurozone countries once again generated the largest share of revenues at 57.9%, with the rest of Europe accounting for 22.4%, the US markets 12.4% and the Asia and Pacific Rim region 7.3%. The Kardex (KRM) Division increased its operating result (EBIT) by 17.5% to EUR 28.9 million (EUR 24.6 million), while the EBIT margin improved to 11.2% (9.7%). The completion of the "2to1" project on schedule, with the full integration of the two corporate units Kardex and Megamat, has already been making a growing contribution toward a sustainable increase in profitability. In December 2008 the takeover of the assets of Kardex Systems Inc., previously a competitor in North America, not only strengthened the position of Kardex (KRM) in the US market, but means that Kardex (KRM) can now operate worldwide under the global Kardex brand and has its own production operations in the US dollar area. During the first three quarters of 2008, Kardex (KRM) recorded good levels of demand, particularly in the Eurozone, in the Asia and Pacific Rim region – including China, Australia and Malaysia, and in the markets of India and the Gulf States. The uncertainty in the fourth quarter of 2008 led to an increasingly volatile order pattern and to a decline in market visibility. At EUR 251.6 million (EUR 258.2 million), the Kardex (KRM) Division's 2008 bookings were only 2.6% lower than the previous year's record level, and at the end of the financial year Kardex (KRM) had orders of EUR 66.8 million (EUR 71.9 million).

Stow Division sees increase in profitability

The Stow Division posted outstanding results in financial year 2008. Revenues increased 19.9% to EUR 205.2 million (EUR 171.2 million). The operating result increased by a steeper 62.2% to

EUR 15.9 million (EUR 9.8 million), while the EBIT margin underwent a further improvement to 7.7% (5.7%). The positive performance of the Stow Division during the year under review, and in particular the increase in profitability, received crucial support from the systematic application of further process optimization measures as part of the "Synergy" operational excellence program. With its modern production site in Belgium, the new plant that opened in China in April 2008, and the integration of the production capacity of a former supplier in the Czech Republic during the course of the financial year, Stow is one of the world's leading manufacturers of static storage systems. During the year under review Stow expanded its strong position in its core geographical regions, posting 57.8% of sales in the Eurozone, 33.7% in the rest of Europe and 8.5% in the markets of Asia and the Pacific Rim. Stow recorded bookings of EUR 197.6 million (EUR 178.0 million), exceeding its 2007 figure by 11.0% despite a lull in December. At the end of the financial year, Stow's order books stood at EUR 32.6 million (EUR 35.9 million).

Balance sheet and equity basis greatly reinforced

The balance sheet of the Kardex Group was once again strengthened in financial year 2008. Despite higher net revenues, rising commodity prices and significant investments, it proved possible to generate a substantial free cash flow. This cash was used to reduce current financial liabilities to EUR 6.7 million (EUR 13.5 million). With net debt once again significantly scaled back to EUR 25.4 million (EUR 38.5 million) – the past two years have seen net debt reduced by a total of EUR 40.4 million – the gearing ratio still came to 0.24 (0.52). Equity increased by EUR 33.1 million (EUR 18.4 million) to EUR 107.3 million (EUR 74.2 million) in the year under review. This means that equity has nearly doubled over the past two years. The equity ratio also improved to 38.5% (29.4%).

Outlook

Thanks to gratifying order books at the end of financial year 2008, a strengthened financing structure and successfully implemented sustainable process and structure optimization measures, the Kardex Group is well positioned to successfully meet volatile demand in financial year 2009 and to continue expanding its position in the medium term. The successful dual strategy with the two Divisions Kardex (KRM) and Stow will continue to be systematically pursued.

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Kardex Group

Key figures		2008	2007
Bookings continued operations	EUR m	449.2	436.2
Order backlog continued operations (31.12.)	EUR m	99.4	107.8
Net revenues continued operations	EUR m	460.0	422.5
Operating result (EBIT) continued operations	EUR m	42.3	35.2
<i>in % of net revenues</i>	%	9.2	8.3
Result from continued operations	EUR m	33.0	23.1
<i>in % of net revenues</i>	%	7.2	5.5
Earnings per share of continued operations (basic)	EUR	5.94	4.11
Group result	EUR m	33.0	21.8
Earnings per share Group (basic)	EUR	5.94	3.87
Total assets	EUR m	278.6	252.3
Total equity	EUR m	107.3	74.2
<i>Equity ratio</i>	%	38.5	29.4
Par value reduction ¹⁾	CHF	2.50	–
<i>Payout ratio</i>	%	26.9	–
<i>Yield</i>	%	8.3	–

¹⁾ Proposal to the Annual General Meeting on April 21, 2009

The detailed Annual Report 2008 can be downloaded from www.kri-group.com.

Agenda

April 21, 2009 Annual General Meeting

Kardex Remstar International Group

Australia, Austria, Belgium, China, Cyprus, Czech Republic, Finland, France, Germany, Hungary, India, Ireland, Italy, Malaysia, Netherlands, Norway, Poland, Portugal, Russia, Sweden, Switzerland, Singapore, Slovakia, Spain, Turkey, UK, USA.

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