



Media information

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Kardex Group

Positive operating result in fiscal 2009 despite difficult environment

Revenues and bookings down significantly on previous year. High one-off restructuring costs – Prepared for sustainable development

As a result of the economic crisis within the overall market for automated storage systems, in fiscal 2009 the Kardex Group, with its two divisions Kardex (KRM) (58.2% of revenues) and Stow (41.8% of revenues), posted a decline of 25.5% (24.7% after adjustment for currency translation effects) in revenues to EUR 342.9 million (previous year: EUR 460.0 million). Adjusted for acquisition effects, the consolidated revenues of the Kardex Group were down 28.2% on the previous year. Countries which felt the impact of the crisis particularly keenly were Spain, the UK and Germany in western Europe, and Poland, the Czech Republic and Russia in eastern Europe. In China too, revenues were significantly lower than in the previous year. By contrast, sales trends were positive in Switzerland, the Netherlands and the US, where Kardex USA Inc. benefited decisively from government orders in the office segment. Kardex USA Inc., which was consolidated for the first time since its acquisition in December 2008, and the business area taken over from Norwegian company Element Storage Systems AS in May 2009 contributed a total of EUR 13.0 million to Group revenues in fiscal 2009. At EUR 322.3 million (EUR 449.2 million), the bookings of the Kardex Group were down 28.3% on the previous year. At the end of fiscal 2009, the order backlog was 20.6% lower year-on-year at EUR 78.9 million (EUR 99.4 million).

Kardex (KRM) division

As a result of the severe global economic downturn, the segment revenues of the Kardex (KRM) division, which focuses on the development, production and maintenance of automatic storage, retrieval and distribution systems, declined by 22.5% (or by 22.6% in local currencies and by 27.4% after adjustment for acquisitions) to EUR 199.6 million (EUR 257.5 million). At EUR 180.9 million (EUR 251.6 million) bookings were down 28.1% on the previous year, and at the end of the financial year the order backlog showed a year-on-year decrease of 27.8% at EUR 48.2 million (EUR 66.8 million). One point which deserves to be highlighted, is the gratifying performance of the service business of Kardex (KRM), which proved extremely robust in the 2009 financial year even in a contracting economy.

Stow division

At EUR 143.5 million (EUR 205.2 million), the segment revenues of the Stow division, which manufactures static storage shelving of the type used by general logistics contractors and logistics service providers, were down 30.1% year-on-year (28.3% after adjustment for currency translation effects) owing to the sharp decline in global demand for consumer and capital goods. At EUR 141.4 million (EUR 197.6 million), bookings were 28.4% lower year-on-year. At the end of the financial year the order backlog amounted to EUR 30.7 million (EUR 32.6 million), which represents a decline of just 5.8%.

Positive operating result (EBIT) despite substantial restructuring costs

As a result of the swift and resolute measures taken by the Board of Directors and management to bring cost structures into line with the sharp fall in demand precipitated by the economic downturn – measures which included short-time working hours in our factories and selective downsizing at distribution companies – the Kardex Group is expecting a positive operating result (EBIT) for the 2009 financial year despite significantly lower revenues and substantial non-recurring costs arising from the restructuring programs. The detailed results for 2009 will be published on March 16, 2010 at the Annual Media Conference.

Outlook

The European markets for consumer and capital goods are showing initial signs of a slight recovery at a low level. Even so, a setback over the coming months cannot be ruled out. However, given the systematic implementation of organizational adjustments, including the functional structures introduced in both divisions and the cost-cutting programs set in train, even in a tough market environment the Kardex Group is well prepared to achieve a positive operating result (EBIT), while taking advantage of a recovery in demand and expanding its strong market position on a sustainable basis.

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Calendar of events

March 16, 2010 Publication of 2009 annual financial statements
April 27, 2010 2010 General Meeting

Kardex Group

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

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