

# K A R D E X

**MEDIA SERVICE**

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## **First half of 2004 – Kardex Remstar International Group**

**– Results within the scope of the prior-year period**

**– Strong second half of the year expected**

Overall, the consolidated financial figures reported by the Kardex Remstar Group for the first six months of 2004 are within the magnitude of the same previous-year period. For the materials handling specialist, there are parallels in the business trend as well: expectations of a perceptible improvement of earnings are focused on the second half of the year. Within Kardex Remstar, however, there have been some significant changes.

With total revenues closing at CHF 270.9 million (+0.9%), consolidated sales remained at the prior-year level despite the fact that the Industrial Automation and Conveyor Technology division (AFT) contributed CHF 14.0 million less (-17%) than in the same period a year ago. As expected after the extraordinary revenue surge in 2003 (+47.3%), the AFT division was not able to hold this momentum. But it is all the more reassuring that the three other divisions were able to offset the revenue gap.

Steel prices are at historic highs and the incremental cost could not immediately be rolled over to customers. This has had a noticeable impact on margins. Nonetheless, EBIT increased by 9.6% from CHF 6.0 million to CHF 6.6 million. EBITA (+7.8%) and EBITDA (+1.7%) rose as well.

Currency translation losses, due mainly to the weak US dollar, hampered net income growth. On a positive note, the three main divisions all made a contribution to the operating profit, and Special-Purpose Handling Systems (STE) achieved a break-even result after having posted losses in the past years.

## **Consolidated key figures for the first half of 2004**

	Jan – Jun 04 (TCHF)	Jan – Jun 03 (TCHF)	Change in %
Total revenues	270 919	268 501	+0.9
EBIT	6 601	6 021	+9.6
EBITA	9 035	8 382	+7.8
EBITDA	15 648	15 381	+1.7
Income before tax	2 807	3 688	-23.9
Income after tax	467	1 260	-62.9
Cash flow *)	9 514	10 620	-10.4

\*) Income after tax and before minority interests, including depreciation and amortization.

# K A R D E X

## **Business intensified at all levels**

Globally increasing demand has encouraged the intensification of sales, installation, and service activities in the European, American, and Asian markets. At the same time, internal processes were further optimized. Kardex Remstar's Stow plants in Belgium and China are models of cost leadership in manufacturing and accordingly, the other production facilities operated by Kardex Remstar are now being tuned to achieve higher levels of cost-effectiveness. The emphasis is presently on the main KRM plant in Bellheim.

## **Profit outlook for 2004**

For financial 2004, the group management expects consolidated income in the magnitude of about CHF 10 million (previous year CHF 8 million) after restructuring costs of some CHF 3 million for the main KRM plant in Bellheim. The demand for services rendered by KRM, Stow, and Storage Engineering has picked up, as reflected in a considerable increase of new orders (book to bill 1.13) and order backlogs. In the meantime, it has been possible to roll over massive commodity cost increases to prices, and this has improved margins. The AFT division will also generate better margins and thus more than offset the expected decline in revenues, especially as a result of the progressive integration of the factory in South Korea and the assembly plant in China.

## **Kardex gains new status on the stock market**

During the first half of 2004, Kardex AG implemented significant changes and now presents itself to investors with a new and surveyable structure:

- Abolishment of non-voting shares (PS)
- Introduction of unified shares
- Increased liquidity of shares with a 1:5 stock split
- Termination of controlling majority by Industrieholding Cham AG
- Approx. CHF 60 million in new funds through a merger with Tuxedo Invest AG
- Stronger equity capital base
- Equity ratio over 40% again

## **Important dates in 2005**

Media conference: Tuesday, April 26, 2005, 9 a.m., Zunfthaus zum Rüden, Zurich  
Analysts meeting: Tuesday, April 26, 2005, 11 a.m., Zunfthaus zum Rüden, Zurich  
Annual General Meeting: Monday, May 23, 2005, 11 a.m., Lake Side Casino Zürichhorn, Zurich

## **Kardex Remstar International Group**

Australia, Austria, Belgium, China, Cyprus, Czech Republic, Finland, France, Germany, Great Britain, Greece, India, Ireland, Italy, Mexico, Netherlands, Norway, Poland, Portugal, Singapore, South Korea, Spain, Switzerland, Taiwan, United Arab Emirates, USA.

## **Parent company**

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