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Kardex Remstar International Group: Strong second half and higher order intake

As expected, the Industrial Automation and Conveyor Technology Division, which mainly supplies project contractors and the automobile industry, failed to equal its record sales of 2003. The difference was CHF 52.3 million, or 24.7%. Despite this, with revenues for 2004 totalling CHF 613.7 million, the Kardex Remstar Group as a whole managed to maintain sales at the same level as in the previous year. Two other divisions, Static Storage Systems (Stow) and Dynamic Storage and Retrieval Systems (KRM), both posted substantial increases in sales and were able to compensate for the shortfall. Stow generated 27.9% higher revenues while KRM managed 7.2%. The Group's smallest division, Special-Purpose Handling Systems (STE), reported a 1.8% drop in revenues.

The Group also achieved its targeted profit figures (after tax) and, at CHF 10.5 million, these were 27.3% higher than in the previous year. The three largest divisions all contributed to this profit – even AFT, despite the fall-off in revenues. STE closed «fam», a small conveyor technology operation, and as a result posted a relatively insignificant reduction in profit. Apart from profits, other key figures showed significant improvements. EBIT was up by 17.0%, EBITA by 13.9%, EBITDA by 6.7% and pre-tax income by 10.2%. These results were against a backdrop that included a difficult market environment, sharp rises in the price of steel and a weaker US dollar.

Consolidated key figures for 2004

	Jan. – Dec. 04 (TCHF)	Jan. – Dec. 03 (TCHF)	Change in %
Total revenues	613 687	613 491	–
EBIT	23 008	19 668	+ 17,0
EBITA	27 858	24 454	+ 13,9
EBITDA	41 959	39 311	+ 6,7
Income before tax	16 230	14 728	+ 10,2
Income after tax	10 467	8 222	+ 27,3
Cashflow *)	29 418	25 386	+ 15,9

*) Income after tax, including depreciation on fixed assets and amortization of goodwill.

K A R D E X

Outlook

The Kardex Remstar Group is expecting substantial growth for 2005. This is suggested by market developments in Asia and Eastern Europe, but more importantly by the surge in order inflow, which was around 10% higher than in 2003 and on December 31, 2004, had generated a 14.8% increase in the order backlog.

The Stow Division has planned investments of around CHF 40 million in Belgium and China with a view to expanding production capacity by about 50,000 tonnes per year. This is in response to increasing demand from Europe, Asia and the Pacific Rim.

The Group's solid balance sheet figures are also highly promising. As a result of the merger with Tuxedo during the first half of 2004, shareholders' equity now stands at around 45%. Another reason for optimism is the solution found for the position of the Chief Executive Officer. Jos De Vuyst, COO of the Kardex Remstar Group since January 1, 2005, will be assuming responsibility for overall management from Richard Flury with effect from January 1, 2006.

CFO succession issue settled

Kardex AG's Board of Directors is pleased to announce that a successor for the job of CFO has also been found internally. Rolf Juninger (1969), who has held a senior post in Corporate Finance with the Kardex Group since 2000, will be taking on this highly responsible position with effect from July 1, 2005. It means that the Group's young and dynamic financial team will be headed by an eminently well qualified and experienced specialist who played a major and important role during the introduction of IFRS. His predecessor, Dr. Georges Pasche, will be available for special assignments until the end of 2005.

Par value payback

The Board of Directors will ask the Annual General Meeting to approve non-payment of a dividend for 2004 and to carry forward net income to the next year's accounts. Instead, the Board will request a par value payback of CHF -.74 per share. The par value of Kardex stock, currently CHF 14.24, would thus be reduced to CHF 13.50.

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, Hungary, India, Ireland, Italy, Mexico, Netherlands, Norway, Poland, Portugal, Singapore, Slovakia, South Korea, Spain, Switzerland, Taiwan, United Arab Emirates, USA.

Parent company

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