

15 May 2006 / No. 64

Kardex Remstar Group postpones 2006 General Meeting

The Kardex Remstar International Group and its three divisions, KRM (Dynamic Storage and Retrieval Systems), Stow (Static Storage Systems) and AFT (Industrial Automation and Conveyor Technology), applied for and announced the suspension of trading in Kardex shares for Friday, 12 May 2006.

In the course of an ongoing overhaul of the strategy and processes practised by the AFT Division, management uncovered a number of serious errors in the assessment of various projects. These errors will lead to considerable adjustments in the Group's financial statements for 2005 and, possibly, of the individual financial statement for Kardex AG. In view of these facts, the financial statements for 2005 will have to be drawn up again and re-audited. The Board of Directors has therefore decided today to postpone the General Meeting scheduled for 22 May 2006. It will now probably take place in the second half of August 2006.

As far as the Board of Directors and the Executive Board can judge on the basis of the facts as they stand today, the necessary adjustments will probably amount from EUR 20 to EUR 25 million. Apart from this, goodwill for the AFT Division, which currently stands at EUR 21 million in the financial statements, will likewise require reassessment and possible adjustment. These adjustments will mainly affect figures for 2004 and 2005 and should have little impact on the financial statements for 2006.

Inspecting the more than 100 projects currently in progress in the AFT Division has proved to be very time-consuming. This is because the projects tend to be extremely complex and international, and some of them have been running over several years. Since the changes in management in autumn 2005, the systems have undergone considerable improvement and human resources have been strengthened.

The delegate of the Board of Directors and long-time CEO, Richard Flury, who handed over his position of CEO to Jos de Vuyst with effect from 1 January 2006, will stand down from the Board of Directors at the General Meeting.

Nothing has changed to affect positive forecasts for the development of the Group's two larger divisions, KRM and Stow. As announced at the Analysts' meeting on 27 April 2006, the KRM Division reported a 27.3% increase in incoming orders for the first quarter of 2006 compared with last year and a 20.8% rise in sales. In the case of the Stow Division, the figures are 47.4% and 26.6%, respectively.

The Board of Directors will provide further information as soon as it is in possession of other significant findings. The new Annual Report for 2005 will be available by the time invitations to the General Meeting are sent out.

Telephone conference

You have the chance to address your questions directly to Messrs. Jos de Vuyst (CEO) and Rolf Juninger (CFO) in a telephone conference on 15 May 2006, between 10 and 10.30 a.m.

Tel. no. +41 (0)52 267 07 21 (please be sure to call punctually)

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Kardex Remstar International Group

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