

Half-year Report 2007



KARDEX

REMSTAR

MEGAMAT

STOW

Kardex Remstar Group at a glance

Continued operations

EUR millions	1st half-year 2007	1st half-year 2006	+/- %
Bookings	228.8	216.0	+5.9
Backlog (30.06.2007/31.12.2006)	112.3	88.5	+26.9
Net revenues	196.2	182.7	+7.4
Operating result	17.4	9.3	+87.1
Operating result in %	8.9	5.1	
Operating result before depreciation	22.0	14.0	+57.1
Operating result before depreciation in %	11.2	7.7	
Net result	9.6	7.0	+37.1
Net result in %	4.9	3.8	
Capital expenditure	2.6	19.1	-86.4
Net cash flow from operating activities	21.9	9.8	+123.5
Net cash flow from operating activities in %	11.2	5.4	

EUR millions	30.06.2007	31.12.2006	+/- %
Net financial debt	62.3	65.8	-5.3
Equity	63.0	55.8	+12.9
Equity ratio in %	24.8	19.2	
Number of employees	1 862	1 832	+1.6

The figures apply solely to continued operations. Figures for the previous year were adjusted where necessary.

Continued operations

EUR millions	1st half-year 2007	1st half-year 2006	+/- %
KRM			
Bookings	130.3	129.7	+0.5
Segment net revenues	121.0	110.3	+9.7
Operating result	11.0	9.4	+17.0
Operating result in % of net revenues	9.1	8.5	
Number of employees (30.06.2007/31.12.2006)	1 285	1 270	+1.2
Stow			
Bookings	98.5	86.3	+14.1
Segment net revenues	75.7	73.5	+3.0
Operating result	4.6	0.6	+666.7
Operating result in % of net revenues	6.1	0.8	
Number of employees (30.06.2007/31.12.2006)	561	546	+2.7

Report of the Board of Directors



Leo Steiner
Chairman of the Board of Directors

Jos De Vuyst
Chief Executive Officer

Dear Shareholders,

Kardex achieves turnaround

In the first half of 2007, the Kardex Group achieved turnaround in its operations, improving its operating result by EUR 8.7 million. In the first six months of the current fiscal, Kardex reported a gratifying net result of EUR 8.3 million as against a loss of EUR -0.4 million 12 months previously. This result included a charge against the operating result of EUR -1.3 million from the sale of AFT Division effective as at 21 February 2007. The operating result (EBIT) of the continued operations increased by 87.1% to EUR 17.4 million. EBIT rose to 8.9%. The consolidated net revenues of the KRM Division (revenues share: 62%) and Stow (revenues share: 38%) rose by 7.4% to EUR 196.2 million, or 8.0% when adjusted for currency exchange factors. At EUR 228.8 million, bookings exceeded the comparable figure for the previous year by 5.9%. Earnings before tax increased by 69.0% to EUR 14.7 million and the net result for continued operations of EUR 9.6 million exceeded that of the previous year by 37.1%. Thanks to enhanced profitability, the Group's equity increased by a solid 12.9% from the 31 December 2006 figure to EUR 63.0 million at 30 June 2007, which boosted the equity ratio by 5.6 percentage points to 24.8%.

KRM: Strong sales and earnings growth intact

KRM, the world leader in dynamic storage and retrieval systems, continued to post sustained growth in the first half of 2007. Sales rose by 9.7% year-on-year to EUR 121.0 million and EBIT increased to EUR 11.0 million, a significant jump of 17.0%. Growth in KRM's EBIT margin was on target, posting an increase of 9.1%. Bookings rose to EUR 130.3 million, and KRM had an order backlog of EUR 70.4 million as at 30 June 2007. KRM continues to enjoy broad-based growth. Apart from Europe, the American market and in particular the emerging markets of Asia – most notably India and China – also recorded solid developments.

Stow: Sharp growth in profit after turnaround in operating results

Stow, the Group division operating in the highly fragmented static storage systems market, posted a notable increase in its EBIT margin of 6.1% in the first half of 2007, which is impressive evidence that Stow has achieved operational turnaround. The new Stow plant in Belgium has been operating at high capacity since the fourth quarter of last year; the huge improvements in efficiency in production and logistics have played a crucial role in the sharp jump in EBIT of more than 650% to EUR 4.6 million in the first half of the year. In the interests of improving its EBIT, Stow decided to focus consistently on selected quality projects, accepting the inevitable consequence of conservative revenue growth of 3.0% to EUR 75.7 million. Demand in the market for static storage systems is holding up well and bookings of EUR 98.5 million in the first six months were up by 14.1% period-on-period. As at 30 June 2007, Stow had a solid backlog of EUR 41.9 million. In the first half of 2007, the Stow Division demonstrated its ability to harness the solid business climate and robust growth in the logistics industry to its advantage, expanding its market position above all in the growth regions of Central and Eastern Europe and enhancing production efficiency and operating profit.

AFT: Divestment process on schedule

After the sale of the AFT Division to the German Certina Group with effect from 21 February 2007, the divestment process continued as planned in the first half of the year. The outstanding guarantees – e.g. contract performance guarantees – in the initial amount of EUR 13.5 million were reduced in stages, and the residual guarantee risk for the Kardex Group amounted to EUR 5.1 million as at 30 June 2007. The guarantee obligations are expected to decline as planned in the third and fourth quarters as well. As things stand, adequate provision has been made for the guarantee risks related to the sale of AFT. The consolidated figures include an operating loss of EUR -1.3 million for AFT until its sale as at 21 February 2007.

Convertible bond: Issue successful

After the Annual General Meeting gave its approval on 24 May 2007 to the creation of conditional capital as a condition to issuing a convertible bond, on 28 June 2007 Kardex AG successfully issued a 2.25% convertible bond (2007–2011) in the amount of CHF 55 million redeemable at a conversion price of CHF 77.66 per share. Most of the funds raised from the convertible bond were used to repay bank loans.

Kardex's strategy: Focus on core strengths

The Board of Directors and the Executive Board of the Kardex Group have decided to continue the dual strategy with the two businesses KRM and Stow. In the short term, the Kardex Group will concentrate on further improving profitability and putting its financial structure on a solid basis. At the same time, the Group continues to evaluate investment projects, e.g. the development of new products, with a view to establishing a solid basis that will enable the Kardex Group with its KRM and Stow Divisions to generate rapid sustainable growth in the long term.

KRM, the world leader in dynamic storage and retrieval systems, seeks to continue revenue and profit growth with ongoing optimization of processes and structures and a consistent policy of market development, in particular in the USA and the emerging markets of Asia and Eastern Europe. In addition, KRM will focus on the rapid specific expansion of its service business and customized product solutions.

The Stow Division will continue to implement its "Operational Excellence Programme". Stow continues to optimize on an ongoing basis the process and cost potential of its investment in production capacity. Besides actively cultivating its existing markets, Stow is primarily focused on the rapid, selective expansion of its market position in Central and Eastern Europe and China.

Outlook

Given the robust demand in its most important markets, the Kardex Group expects that its business activities will continue to expand steadily in the second half of 2007.



Leo Steiner
Chairman of the Board of Directors



Jos De Vuyst
Chief Executive Officer

Consolidated income statement

EUR millions	1st half-year 2007	1st half-year 2006
Continued operations		
Net revenues	196.2	182.7
Cost of goods sold and services provided	-146.3	-136.8
Gross profit	49.9	45.9
Marketing and sales expenses	-22.7	-22.7
Administrative expenses	-11.3	-12.4
Development expenses	-1.5	-1.4
Other operating income	3.8	0.8
Other operating expenses	-0.8	-0.9
Operating result	17.4	9.3
Financial income	0.5	0.4
Financial expense	-3.2	-1.0
Result before tax	14.7	8.7
Income tax	-5.1	-1.7
Result from continued operations	9.6	7.0
Result from discontinued operation (after tax)	-1.3	-7.4
Net result	8.3	-0.4
Earnings per share for continued operations		
– basic (EUR)	1.71	1.24
– diluted (EUR)	1.71	1.24
Loss per share Group		
– basic (EUR)	1.47	-0.07
– diluted (EUR)	1.47	-0.07

The previous year's figures have been restated to reflect the presentation of the discontinued operation (cf. note 6).

Consolidated balance sheet

EUR millions	30.06.2007	31.12.2006	30.06.2006
Property, plant and equipment	65.0	67.1	74.3
Goodwill	28.8	28.8	28.8
Other intangible assets	3.6	3.7	5.8
Financial assets	0.7	0.6	0.4
Deferred tax assets	5.8	5.8	4.7
Non-current assets	103.9	106.0	114.0
Inventories and construction contracts	43.2	38.0	80.6
Trade accounts receivable	77.3	85.8	78.8
Income tax receivables	0.2	0.2	1.4
Other receivables and prepaid expenses	10.8	8.1	11.4
Cash and cash equivalents	18.3	23.7	21.3
Assets held for sale	–	28.8	–
Current assets	149.8	184.6	193.5
Assets	253.7	290.6	307.5
Share capital	48.7	48.7	48.7
Reserves	14.3	7.1	40.4
Treasury shares	–	–	–
Equity	63.0	55.8	89.1
Non-current financial liabilities	54.9	23.6	30.7
Pension liabilities	6.9	6.1	6.6
Deferred tax liabilities	4.3	2.9	4.0
Non-current provisions	0.6	0.7	2.0
Other non-current liabilities	0.1	0.2	0.4
Non-current liabilities	66.8	33.5	43.7
Trade accounts payable	53.0	50.1	75.6
Current financial liabilities	25.7	65.9	57.2
Income tax payables	4.7	2.9	2.6
Current provisions	9.1	8.0	2.5
Other current liabilities and accruals	31.4	31.9	36.8
Liabilities related to assets held for sale	–	42.5	–
Current liabilities	123.9	201.3	174.7
Liabilities	190.7	234.8	218.4
Equity and liabilities	253.7	290.6	307.5

Consolidated cash flow statement

EUR millions	1st half-year 2007	1st half-year 2006
Operating result (incl. discontinued operation)	16.3	3.8
Depreciation and impairment losses on property, plant and equipment, and intangible assets	4.6	5.5
Changes in provisions and pension liabilities	2.5	-0.7
Other non-cash items	1.2	-0.8
Cash flow before change in net current assets	24.6	7.8
Change in net current assets	-2.5	-17.8
Cash flow from operating activities	22.1	-10.0
Taxes paid	-1.7	-2.1
Net cash flow from operating activities	20.4	-12.1
Purchase of property, plant and equipment	-1.7	-7.6
Sale of property, plant and equipment	0.1	0.1
Purchase of intangible and financial assets	-0.6	-1.0
Sale of intangible and financial assets	-	0.1
Sale of business operation	-17.8	-
Interest received	0.2	0.1
Net cash flow from investing activities	-19.8	-8.3
Increase in long-term financial liabilities	33.5	1.1
Repayment of long-term financial liabilities	-2.6	-0.4
Increase in current financial liabilities	3.4	-
Decrease in current financial liabilities	-41.6	19.0
Interest paid	-2.9	-2.2
Net cash flow from financing activities	-10.2	17.5
Effect of exchange rate changes on cash and cash equivalents	-0.1	-0.4
Net change in cash and cash equivalents	-9.7	-3.3
Cash and cash equivalents at 1 January	28.0	24.6
Cash and cash equivalents at 30 June	18.3	21.3
– thereof continued operations	18.3	18.5
– thereof discontinued operation	-	2.8
Net change in cash and cash equivalents, Group	-9.7	-3.3

Consolidated statement of changes in equity

EUR millions	Share capital ³	Capital reserves	Retained earnings	Cumulative trans- lation differences	Total reserves	Treasury shares ²	Equity
31 December 2005	48.7	79.3	-38.7	1.0	41.6	-	90.3
Exchange rate differences ¹	-	-	-	-0.8	-0.8	-	-0.8
Income and expense recognized directly in equity	-	-	-	-0.8	-0.8	-	-0.8
Net result for first half-year	-	-	-0.4	-	-0.4	-	-0.4
Total recognized income and expense	-	-	-0.4	-0.8	-1.2	-	-1.2
Treasury shares ²	-	-	-	-	-	-	-
30 June 2006	48.7	79.3	-39.1	0.2	40.4	-	89.1
Exchange rate differences ¹	-	-	-	-0.5	-0.5	-	-0.5
Income and expense recognized directly in equity	-	-	-	-0.5	-0.5	-	-0.5
Result for second half-year	-	-	-32.8	-	-32.8	-	-32.8
Total recognized income and expense	-	-	-32.8	-0.5	-33.3	-	-33.3
Treasury shares ²	-	-	-	-	-	-	-
31 December 2006	48.7	79.3	-71.9	-0.3	7.1	-	55.8
Exchange rate differences ¹	-	-	-	-1.1	-1.1	-	-1.1
Income and expense recognized directly in equity	-	-	-	-1.1	-1.1	-	-1.1
Result for first half-year 2007	-	-	8.3	-	8.3	-	8.3
Total recognized income and expense	-	-	8.3	-1.1	7.2	-	7.2
Treasury shares ²	-	-	-	-	-	-	-
30 June 2007	48.7	79.3	-63.6	-1.4	14.3	-	63.0

¹ This item also includes the exchange rate differences arising from net investments in foreign operations less deferred tax.

² In the course of financial 2007, Kardex AG purchased no treasury shares (2006: 2.7 thousand. The total holding of treasury shares was used in financial 2006 to compensate the Board of Directors.)

³ 5,627,453 bearer shares at par value CHF 13.50.

Notes to the consolidated interim financial statements

1. General information

The consolidated financial statements of the Kardex Remstar Group include Kardex AG (referred to as the "Company") and its subsidiaries (referred to collectively as the "Group"). Kardex AG is the Group's parent company, a limited company under Swiss law, which is registered and domiciled in Zurich, Switzerland. The Company is listed on the SWX Swiss Exchange.

The unaudited consolidated Half-year Report as at 30 June 2007 has been drawn up in accordance with the accounting principles set out in the 2006 annual financial statements and complies with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

As of 1 January 2007, various new International Financial Reporting Standards (IFRS) and revisions of existing International Accounting Standards (IAS) of the International Accounting Standard Board (IASB) entered into force. These new and revised standards do not materially influence the half-year financial statements presented here.

The half-year financial statements presented here are an update of the financial position as stated at 31 December 2006 and should be read in conjunction with the information published in the 2006 Annual Report.

2. Significant estimates

Preparing the consolidated financial statements requires management to make estimates and assumptions that affect reported earnings, expenses, assets, liabilities and contingent liabilities at the date of the financial statements. If these estimates and assumptions, made by management to the best of their knowledge at that date, subsequently transpire to diverge from the facts, the original estimates and assumptions are adjusted for the reporting period in which the circumstances changed. The comparative information has, where necessary, been reclassified or extended.

2.1 Impairment of non-current assets

Apart from the periodic assessment of goodwill, the value of tangible assets and intangible assets is also reassessed when their carrying amount may no longer be covered as a result of events or changed circumstances. If such a situation arises, the value of the asset that could be recovered on the basis of expected future earnings is calculated. This is equivalent either to the present value of expected net future cash flows or the expected net sales price. If these values are lower than the current carrying amount, the latter is reduced to the same level as the newly calculated value. This impairment is recognized in the income statement. Assumptions important in these calculations are growth rates, margins and discount rates. The cash flows effectively achieved may differ considerably from the projected and discounted future values. Furthermore, an asset's useful life may decrease or its value impaired if property, plant and equipment are put to a different use, production facilities are relocated or relinquished or the medium-term inflow of revenues is lower than expected.

2.2 Employee retirement benefit plans

Kardex maintains various types of employee retirement benefit plans. The majority of the company's employees are covered by these plans. In order to measure liabilities and expense, it is first necessary to establish from an economic point of view whether the plans are defined contribution or defined benefit plans. In the case of defined benefit plans, assumptions are made in order to estimate future developments. These include assumptions and estimates regarding the discount rates, the expected return on plan assets in the various countries and expected wage increase rates. The actuaries also use statistical data, such as mortality tables and staff turnover rates in the actuarial calculations they perform with a view to determining employee benefit obligations. If these parameters shift as a result of changes in the economic situation or new conditions in the markets, subsequent results may differ significantly from the actuarial reports and calculations. In the medium term, these can have a considerable influence on the expenses and income pertaining to employee retirement benefit plans.

2.3 Provisions for warranties and onerous contracts

In the course of their day-to-day operations, Group companies may become involved in litigation. Provisions for pending cases are made on the basis of the realistic expected cash outflow as indicated by the information available. Depending on the outcome of these cases, claims against the Group may arise that are not covered, or not completely covered, by provisions or insurance policies.

2.4 Income tax

Income tax liabilities are measured based on the current interpretation of tax laws in force in the countries in question, the accuracy of these calculations being confirmed (or otherwise) by the final assessment or following an audit by the tax authorities. The latter can result in significant changes to the actual tax expense. Furthermore, the assessment regarding the capitalization of tax loss carryforwards requires a critical estimation of the probability of their being able to be set off against future profits, which are dependent on many different influences and developments.

3. Scope of consolidation

An overview of all the Group's subsidiaries is given in note 4.31 of the 2006 Annual Report. On 22 December 2006, Kardex signed an agreement to sell its AFT Division (Industrial Automation and Conveyor Technology). Since agreement could not be reached with the prospective purchaser on the terms of closing, the AFT Division was sold on much the same conditions to Certina Holding AG, a German company, with effect from 21 February 2007. The following companies are included in the sale (see also note 6):

- AFT Benelux nv, Zandhoven, Belgium
- AFT Automation and Conveying Systems (Shanghai) Co. Ltd., Shanghai, China
- AFT Automatisierungs- und Fördertechnik GmbH & Co. KG, Schopfheim, Germany
- AFT Verwaltungs GmbH, Schopfheim, Germany
- AFT Immobilien GmbH, Schopfheim, Germany
- AFT Förderanlagen Bautzen GmbH & Co. KG, Bautzen, Germany
- AFT Automation and Conveying Systems UK, Ltd., Telford Shropshire, UK
- AFT Automatizacion y Sistemas de Transportacion de Mexico S.A. de C.V., Mexico
- Dreier Systemtechnik AG, Reinach, Switzerland
- LT Engineering AG, Reinach, Switzerland
- Seo Kwang AFT Co.Ltd., Kyeonggi-Do, South Korea
- AFT Automation and Conveying Systems Ltd., Auburn Hills, Michigan, USA

4. Segment reporting

The business activities of the Group are divided among three divisions: KRM, AFT and Stow. In contrast to the 2006 Half-year Report, in this Report the results for the AFT Division are shown under the position "discontinued operations". Furthermore, two small subsidiaries shown under Stow and one subsidiary shown under the AFT Division in the 2006 Half-year Report are now reported under the KRM Division. Where necessary, the previous year's figures in the segment reporting have been adjusted.

5. Seasonality

All Group divisions are subject to seasonal fluctuations as a result of the investment cycle. Capital expenditures for investment goods and final acceptance for construction contracts are typically placed in the second half of the year. This tends to result in lower net revenues and segment results for the first half-year.

6. Discontinued operations

On 22 December 2006, Kardex signed an agreement to sell the AFT Division (Industrial Automation and Conveyor Technology).

In accordance with IFRS 5, assets held for sale at 31 December 2006 are measured at the lower of carrying amount and fair value less costs to sell and presented separately under current assets (assets held for sale). The result from the discontinued operation is presented separately in the income statement.

The income statement for the previous year and the notes pertaining to them have been restated as necessary. The previous year's amounts in the notes relating to items in the balance sheet at 30 June 2006 have not been restated and include the assets and liabilities of the AFT Division.

Assets held for sale and related liabilities

EUR millions	31.12.2006
Property, plant and equipment	2.9
Inventories and construction contracts	10.0
Trade accounts receivable	10.0
Other current assets	5.9
Total assets	28.8
Non-current liabilities	2.6
Current liabilities	39.9
Total liabilities	42.5

Additional information about the discontinued operation

EUR millions	30.06.2007	31.12.2006	30.06.2006
Net revenues	7.9	76.1	40.0
Expenses	-9.2	-97.6	-47.3
Result from valuation of assets held for sale at fair value less costs to sell (incl. expense for warranty provisions)	-	-25.0	-
Goodwill impairment	-	-	-
Result before tax	-1.3	-46.5	-7.3
Income tax	-	-0.2	-0.1
Result from discontinued operation	-1.3	-46.7	-7.4
Loss per share, basic (EUR)	-0.24	-8.31	-1.31
Loss per share, diluted (EUR)	-0.24	-8.31	-1.31
Net cash flow from operating activities	-1.5	-25.0	-21.9
Net cash flow from investing activities	-	0.1	-
Net cash flow from financing activities	-0.8	27.0	26.0

7. Segment reporting

Segment reporting as at 30 June 2007

	KRM ¹	Stow ¹	Other/ Finance ¹	Elimina- tions	Con- tinued opera- tions	AFT (discon- tinued)	Elimina- tions	Group
EUR millions								
Bookings	130.3	98.5	–	–	228.8	9.2	–	238.0
Order backlog	70.4	41.9	–	–	112.3	–	–	112.3
Net revenues, third party	121.0	75.2	–	–	196.2	7.9	–	204.1
Net revenues, with other divisions	–	0.5	–	–0.5	–	–	–	–
Segment net revenues	121.0	75.7	–	–0.5	196.2	7.9	–	204.1
Operating result	11.0	4.6	1.8	–	17.4	–1.1	–	16.3
In % of segment net revenues	9.1	6.1	–	–	8.9	–	–	8.0
Operating result before depreciation, amortization and impairment	13.5	6.7	1.8	–	22.0	–1.1	–	20.9
In % of segment net revenues	11.2	8.9	–	–	11.2	–	–	10.2
Capital expenditure	1.5	1.1	–	–	2.6	–	–	2.6
Depreciation and amortization of property, plant and equipment and intangible assets	2.5	2.1	–	–	4.6	–	–	4.6
Employees	1 285	561	16	–	1 862	–	–	1 862

¹ The items in the column Other/Finance refer mainly to income and expenses as well as assets and liabilities of head office and other items that cannot be assigned to specific business units. Furthermore, two small subsidiaries shown under Stow and one subsidiary shown under the AFT Division in the 2006 Half-year Report are now reported under the KRM Division.

Segment reporting as at 30 June 2006

	KRM	Stow	Other/ Finance	Elimina- tions	Con- tinued opera- tions	AFT (discon- tinued)	Elimina- tions	Group
EUR millions								
Bookings	129.7	86.3	–	–	216.0	39.1	–	255.1
Order backlog	72.0	44.7	–	–	116.7	44.1	–	160.8
Net revenues, third party	110.3	72.9	–	–0.5	182.7	40.0	–	222.7
Net revenues, with other divisions	–	0.6	–	–0.6	–	–	–	–
Segment net revenues	110.3	73.5	–	–1.1	182.7	40.0	–	222.7
Operating result	9.4	0.6	–0.4	–0.3	9.3	–5.8	0.3	3.8
In % of segment net revenues	8.5	0.8	–	–	5.1	–	–	1.7
Operating result before depreciation, amortization and impairment	12.1	2.6	–0.4	–0.3	14.0	–5.0	0.3	9.3
In % of segment net revenues	11.0	3.5	–	–	7.7	–	–	4.2
Capital expenditure	5.3	13.8	–	–	19.1	0.1	–	19.2
Depreciation and amortization of property, plant and equipment and intangible assets	2.7	2.0	–	–	4.7	0.8	–	5.5
Employees	1 243	523	14	–	1 780	332	–	2 112

8. Financial liabilities

On 29 June 2007, Kardex AG issued a 2.25% convertible bond with a nominal value of CHF 55.0 million and used the proceeds to repay existing bank loans. Bondholders may exercise their conversion rights at any time during the term to maturity, i.e. between 29 June 2007 and 29 June 2011. One bond with a par value of CHF 1000 entitles the holder to 12.88 Kardex shares on conversion. Under certain conditions the conversion price may change (see convertible bond prospectus of 26 June 2007, pp. 29–34).

The carrying amount of the bond of CHF 55.0 million as at 30 June 2007 also includes the conversion right, which as an embedded derivative, is stated at market value as of the balance sheet date. Until maturity or the exercise of the conversion right, the difference between the issue value of the bond and the market value of the conversion right on the day of issue will be equal to the amortized cost. The convertible bond is hedged with an interest rate and foreign currency swap.

9. Capital commitments

EUR millions	30.06.2007	30.06.2006
Property, plant and equipment	0.2	–
Total capital commitments	0.2	–

The capital commitments at 30 June 2007 apply exclusively to continued operations.

10. Contingent liabilities

EUR millions	30.06.2007	31.12.2006
Total contingent liabilities	0.5	2.1

EUR 1.5 million of contingent liabilities at 31 December 2006 apply to the discontinued operation.

11. Related parties

Related parties include members of the Management Board and Board of Directors, important shareholders and companies under their control. There are no outstanding receivables from or liabilities towards these persons. No transactions of any significance were carried out with related parties or companies during the year under review or the previous year. Any such transactions that did take place were carried out under normal market conditions.

12. Events after the balance sheet date

No events have taken place since the balance sheet date which would require an adjustment of the carrying values of the Group's assets and liabilities as disclosed here.

13. Release for Publication

The Board of Directors approved these consolidated half-year financial statements on 6 August 2007.

Dates for 2008

Annual Media Conference

Tuesday, 11 March 2008
Hotel Widder, Zurich

Annual General Meeting

Tuesday, 22 April 2008
Swiss Television/tv productioncenter zürich ag, Zurich

The Half-year Report is published in English and German.
The German version is binding.

All statements in this report, other than those based on historical fact, are forward-looking and provide no guarantee of future performance. They are subject to risks and uncertainties which include, but are not restricted to, future global economic conditions, currency exchange rates, legal requirements, market conditions, the activities of the competition as well as other factors that are beyond the Group's control.

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