



K A R D E X

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Kardex Remstar International Group: First half of 2002 Balanced result thanks to improved second quarter

Contrary to all expectations, the precarious state of the world economy shows no sign of improvement. Industry as a whole is extremely cautious about any form of capital investment. The Kardex Remstar Group's half-yearly result is below target and can only be termed unsatisfactory. However, against the backdrop of the world economic scenario and compared with a number of companies in a similar position, there have been positive aspects to it all. During the second quarter, at least, the Group managed to compensate for the CHF 1.9 million loss posted in the first three months of the year so "Income after tax" balanced out. Generally speaking, all the figures were influenced by the addition of the STOW Group, acquired and consolidated with effect from April 1 last year. The newly introduced write-down of goodwill also necessitated an adjustment of the previous year's figures.

During the first half of 2002, the Kardex Remstar Group pushed up sales by 19.5% to CHF 275 million. Without STOW, sales would have been down by 6.3%. In the same period, the level of incoming orders increased by 6%. Again, however, if STOW is excluded, orders show a 17.3% downturn.

The Group's main three lines of business – Dynamic Storage and Retrieval Systems (KRM), Industrial Automation and Conveyor Technology (AFT) and Static Storage Systems (STOW) – generated a (pre-tax) profit margin of 3–4%. The Special-Purpose Handling Systems division suffered from low-level sales and posted a loss for the first half of 2002. Apart from this, overall profitability was pushed down by the burden of interest on capital raised to finance the STOW acquisition and exchange rate-linked losses.

Key consolidated figures for the first half of 2002

	Jan. – June 01 (TCHF) restated	Jan. – June 02 (TCHF)	Change in %
Total revenues	230 417	275 359	+19.5
Operating result	12 496	7 055	-43.5
Income before tax	11 065	2 788	-74.8
Income after tax (before minority interests)	8 450	514	-93.9
Income after tax (after minority interests)	8 450	42	-99.5
Cash-Flow *)	13 999	9 084	-35.1

*) Income after tax and before minority interests, including depreciation of fixed assets and amortization of goodwill.



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A strategy with a sharp competitive edge

The Kardex Remstar Group aims to consolidate and further extend its worldwide market positions even during periods of economic hardship. In order to successfully combat the trend towards falling prices and lower margins, the Group is constantly developing new products and further automating production processes as well as looking into and implementing other ways of cutting costs. However, restructuring measures involving job cuts may well take time to implement because of the difference in legal requirements that apply from one country to another.

Outlook

The Kardex Remstar International Group does not expect any new impetus to come from the market for the time being. Management is doing everything possible to achieve a positive result for the whole of fiscal 2002 with profits at least equivalent to last year's.

Important dates in 2003

Media conference:

Wednesday, April 30, 2003, 9 a.m., Zunfthaus zum Rüden, Zurich

Analysts' meeting:

Wednesday, April 30, 2003, 11 a.m., Zunfthaus zum Rüden, Zurich

Annual General Meeting:

Tuesday, May 27, 2003, 11 a.m., Bernhard-Theater, Zurich