

February 2, 2006 / No. 61

Kardex Remstar International Group:

Significantly higher revenues. Better-than-average results for the KRM and Stow Divisions. Losses posted by AFT. Income (IFRS) approximately the same as 2004.

Although the two Divisions Dynamic Storage and Retrieval Systems (KRM) and Static Storage Systems (Stow) both far exceeded their revenue and income targets for 2005, the Group still failed to achieve the improvement in income for which it was aiming. The reason for this was the operating losses reported by the Industrial Automation and Conveyor Technology Division (AFT) amounting to around EUR 11 million, which first began to manifest themselves in the late autumn of 2005.

While the KRM and Stow Divisions succeeded in boosting the efficiency of their production facilities, sales volumes, margins and EBIT, AFT faced an uphill struggle against the difficult conditions prevailing in the automobile industry. AFT's customers in this sector continued to put pressure on lead times and prices. This was aggravated by the industry's uncompromising stance on negotiations regarding additional services and the cancellation of follow-up orders. AFT's management was clearly not equal to the deteriorating situation. Wrong decisions and errors of judgement resulted in additional costs and, on many projects, negative margins. The Group therefore decided to part company with AFT's Chief Executive and other members of senior management before the year was over.

Provisional results for individual segments (IFRS)

in EUR million	Revenues			Incoming orders			EBIT		
	2005	2004		2005	2004		2005	2004	
KRM Division	191	180	+ 6%	204	177	+15%	15	9	+ 67%
Stow Division	125	109	+15%	128	108	+19%	7	1	+600%
AFT Division	115	98	+17%	111	93	+19%	-11	3	-467%

With a high volume of orders at the end of 2005, the KRM and Stow Divisions got off to an excellent start in the new year and are expecting significant increases in revenues and income for 2006. Group CEO Jos de Vuyst, assisted by a new team, has taken over direct responsibility for AFT. He is confident that a revised strategy, more efficient engineering, lower procurement costs and improved project management will enable the company to make the turnaround. Nevertheless, with regard to the market situation, the priority here must be on improving EBIT rather than on increasing revenues.

In view of the promising outlook for the KRM and Stow Divisions and the measures introduced at AFT, Group management firmly believes the company will post improved revenue and income figures at the end of 2006.

Important dates in 2006

Media release

"Consolidated Financial Statements
of the Kardex Remstar Group":

Mid-March 2006

Media conference:

Thursday, April 27, 2006, 9 a.m.,
Zunfthaus zum Rüden, Zurich

Analysts' meeting:

Thursday, April 27, 2006, 11 a.m.,
Zunfthaus zum Rüden, Zurich

Annual General Meeting:

Monday, May 22, 2006, 11 a.m.,
Lake Side Casino Zürichhorn, Zurich

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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, USA.

Parent company

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