

KARDEX

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Kardex Remstar International Group: Projected par value payback.

In 2005, all three divisions in the Kardex Remstar Group contributed towards an impressive increase in total revenues. Consolidated sales rose by 11.6% from EUR 395.5 million to EUR 441.2 million. While EBIT also increased very encouragingly in the Dynamic Storage and Retrieval Systems (KRM) and Static Storage Systems (Stow) Divisions, the Industrial Automation and Conveyor Technology Division (AFT) suffered an unexpectedly large operating loss, the full extent of which only became apparent in the fourth quarter. As explained in the media release of 2 February 2006, AFT had to contend with major external and internal difficulties, which resulted in the negative divisional result. Despite the problems at AFT, consolidated Group profit was slightly higher than last year but was well below expectations.

Consolidated key figures for 2005 in euros (IFRS)

EUR million	Group *)			KRM			AFT			Stow		
	2005	2004	%	2005	2004	%	2005	2004	%	2005	2004	%
Bookings	454.6	389.5	+16.7	204.0	177.4	+15.0	111.0	93.3	+19.0	127.9	107.8	+18.6
Order backlog 31.12.	120.9	109.9	+10.0	51.6	37.2	+38.7	43.3	47.4	-8.6	21.5	20.8	+3.4
Sales	441.2	395.5	+11.6	191.5	179.8	+6.5	115.0	98.5	+16.8	125.2	109.2	+14.7
EBIT	12.0	13.0	-7.7	14.6	9.0	+62.2	-10.6	3.2	-431.3	6.9	1.1	+527.3
EBITDA	22.2	25.4	-12.6	20.3	14.6	+39.0	-9.2	5.8	-258.6	9.7	4.9	+98.0
Result before tax	9.3	7.8	+19.2									
Result after tax	5.3	5.0	+6.0									

*) The Group figures also include results for the Special-Purpose Handling Systems Division (STE), which will flow into the main divisions from 2006 onward.

In the KRM Division, rationalization measures at the Bellheim facility and investments in product and software development and in distribution are beginning to pay dividends. An impressive rise in sales led to a disproportionately high increase in EBIT.

The AFT Division, which is mainly involved in projects and the automobile industry, was confronted with difficult conditions. Increasing pressure on prices, higher procurement costs and errors of judgment on the part of management led to this unexpectedly poor result. The Group parted company with the CEO and responsible management before the end of the year.

The Stow Division reported a double-digit increase in sales and a significant advance on EBIT. The secret of Stow's success lies not only in its storage shelving systems and distribution but also in its rationalized series production. In order to cope with increasing volumes, an almost fully automated factory started up operations in Belgium in January 2006. Another factory in China is currently being planned.

Outlook

The KRM and Stow Divisions started the new year with high order books. The AFT Division, now under the management of Group CEO Jos De Vuyst, is working hard at the turnaround, whereby there is a firm foundation on which to build in the form of popular products, loyal customers and some highly regarded reference projects. In view of the division's unsatisfactory profitability, AFT's strategy will also be overhauled this year. Group management hopes to present an improved operating result for 2006.

Election of the Board of Directors

At the General Meeting on 22 May 2006, Michael Funk and Dr Peter Isler will be retiring from the Board. The General Meeting will be asked to approve the election of Walter T. Vogel of Maienfeld/GR, a graduate engineer from the Swiss Federal Institute of Technology and CEO of Von Roll Holding AG, Zurich, as a member of the Board of Directors.

Par value payback

The Board of Directors will ask the General Meeting to approve non-payment of a dividend for 2005. Instead, it will propose a par value payback of CHF 0.75 per share. The par value of Kardex stock, currently CHF 13.50, would thus be reduced to CHF 12.75.

Important dates in 2006

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| Media conference: | Thursday, 27 April 2006, 9 a.m., Zunfthaus zum Rüden, Zurich |
| Analysts' meeting: | Thursday, 27 April 2006, 11 a.m., Zunfthaus zum Rüden, Zürich |
| General Meeting: | Monday, 22 May 2006, 11 a.m., Lake Side Casino Zürichhorn, Zürich |

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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, Sweden, Switzerland, Taiwan, United Arab Emirates, USA.

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