

# K A R D E X

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## **Kardex Remstar International Group rectifies AFT's goodwill position.**

Following its announcement of 14 May 2006, Kardex AG's Board of Directors wishes to clarify the situation regarding the revised version of its financial statements for 2005.

The reappraisal of projects being handled by the AFT Division (Industrial Automation and Conveyor Technology) and examination of the remaining items in the statements is largely complete. As far as we are able to tell at the moment, the correction necessary, before any adjustment for goodwill, will be within the previously announced range of EUR 20.0 to 25.0 million.

The in-depth analysis and comprehensive documentation of projects that are, in some respects, enormously complex has taken more time than initially expected. Kardex Management has been substantially assisted in this task by a team of specialists from KPMG. The causes of the irregularities in the AFT Division have been identified as miscalculations, overly optimistic estimates on margins, defective project management and controlling, as well as quality and design errors.

Findings made in the course of revising the 2005 consolidated financial statements and the way in which these have affected estimates of future results have also prompted the Board of Directors to adjust the AFT Division's medium-term planning. The impairment test carried out as part of the new medium-term planning has resulted in AFT's goodwill, put at EUR 21.0 million in the statements, being written off completely.

The audit of the Kardex Remstar Group's consolidated financial statements by Ernst & Young is still under way. The Board of Directors will issue another statement as soon as the revised figures or other significant findings are available. The Annual General Meeting is scheduled for the end of August 2006. A precise date will be announced and invitations sent out as soon as the audit is complete.

Operations at the KRM (Dynamic Storage and Retrieval Systems) and Stow (Static Storage Systems) divisions continue to develop encouragingly. At the end of May 2006, KRM's incoming orders were up by 21% and sales by 19% over the previous year. At the end of May, Stow reported a 36% increase in orders and 33% higher sales.

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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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