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**Kardex Remstar International Group**

### **Kardex: Strong EBIT gain and significantly improved balance sheet structure**

The Kardex Group increased net revenues in the 2007 fiscal year by 11.4% to EUR 422.5 million (2006: EUR 379.1 million). The continued operations, KRM (Dynamic Storage and Retrieval Systems) and Stow (Static Storage Systems), both achieved record net revenues and bookings. The order backlog grew 21.8% to EUR 107.8 million (EUR 88.5 million). The Kardex Group's operating result showed a substantial improvement on the previous year's figure. Operating income for the continued operations amounted to EUR 35.2 million (EUR 18.6 million). Thanks to these operational improvements and the positive tax effects of the sale of the AFT Division, the net result for the entire Group increased to EUR 21.8 million (EUR -33.2 million). Net debt decreased by 41.5% to EUR 38.5 million (EUR 65.8 million) and equity rose by EUR 18.4 million to EUR 74.2 million (EUR 55.8 million), representing an equity ratio of 29.4% (19.2%).

#### **Record net revenues and bookings**

The Kardex Group looks back on a successful business year, with a further gain in net revenues, and a renewed increase in bookings in both divisions. The consolidated net revenues of the Kardex Group's continued operations outstripped the comparable figure for 2006 by 11.4%, reaching EUR 422.5 million (EUR 379.1 million); adjusted for exchange rate effects the increase was 12.3%. Bookings were up 12.4% to EUR 436.2 million (EUR 388.0 million), while the order backlog exceeded the previous year's by 21.8% at EUR 107.8 million (EUR 88.5 million). KRM contributed 59.8% (61.5%) to the Group's net revenues, while Stow accounted for 40.2% (38.5%).

#### **Significantly higher profitability**

Strong net revenue growth, determined cost management and continuing advances in productivity led to a significant increase in profitability. The operating profit (EBIT) of the continued operations grew 89.2% to EUR 35.2 million (EUR 18.6 million) and the EBIT margin improved to 8.3% (4.9%). The continued operations' net result also saw a significant gain, up 71.1% to EUR 23.1 million (EUR 13.5 million). Including the effects (EUR -1.3 million) of the discontinued AFT Division, the Kardex Group's consolidated net result was EUR 21.8 million (EUR -33.2 million).

### **Equity basis strongly reinforced**

The balance sheet was strengthened substantially. Equity increased by EUR 18.4 million from the previous year to EUR 74.2 million (31 December 2006: EUR 55.8 million), and the Kardex Group had an equity ratio of 29.4% (19.2%) on 31 December 2007. With a much-reduced net debt of EUR 38.5 million (EUR 65.8 million), the gearing ratio was 51.9% (117.9%). Since the equity ratio target set by the Board of Directors has not yet been reached, the Board of Directors will be proposing to the General Meeting of 22 April 2008 that no dividend be paid. The Board of Directors intends to make dividend payments again next year.

### **Improved cash flow**

The consolidated cash flow statement shows cash flow from operating activities of EUR 51.1 million (EUR -9.3 million). It is gratifying that net current assets were successfully reduced despite the increase in net revenues. The cash outflows, mainly associated with the disposal of AFT, led to net cash flow from investing activities of EUR -22.0 million (EUR -14.2 million). Net cash flow from financing activities, comprising primarily the issue of a convertible bond and the repayment of current financial liabilities, came to EUR -31.8 million (EUR 27.0 million).

### **Changes in the Board of Directors**

Following the decision of Dr Rudolf Huber not to seek re-election to the Board of Directors of Kardex AG (Holding), the General Meeting of 22 April 2008 will be asked to approve the appointment of David J. Schnell, a financial expert, from Berg in the canton of St. Gallen, resident in Uster. The Board of Directors regrets Dr Huber's decision and thanks him for his valuable support during the past few years, which have been crucial in the development of the Kardex Group.

### **Outlook**

The Kardex Group will continue to pursue a dual strategy in 2008, focusing mainly on sustainable organic growth with a further increase in profitability in the KRM and Stow Divisions and ongoing strengthening of the financing structure. Based on the solid order backlog at the start of the year and continuing strong demand in the first weeks of fiscal year 2008, the Kardex Group's management is optimistic in regard to the outlook for net revenues and profit.

**The detailed Annual Report 2007 can be downloaded from [www.kri-group.ch](http://www.kri-group.ch)**

## Kardex Group

Key figures		2007	2006
Bookings continued operations	EUR m	436.2	388.0
Order backlog continued operations (31.12.)	EUR m	107.8	88.5
Net revenues continued operations	EUR m	422.5	379.1
Operating result continued operations	EUR m	35.2	18.6
<i>in % of net revenues</i>	%	8.3	4.9
Result from continued operations	EUR m	23.1	13.5
<i>in % of net revenues</i>	%	5.5	3.6
Earnings per share of continued operations (basic)	EUR	4.11	2.40
Group result	EUR m	21.8	-33.2
Earnings per share Group (basic)	EUR	3.87	-5.91
Total assets	EUR m	252.2	290.6
Total equity	EUR m	74.2	55.8

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## Calendar of events 2008

22 April 2008 Annual General Meeting

## Kardex Remstar International Group

Australia, Austria, Belgium, China, Cyprus, Czech Republic, Finland, France, Germany, Greece, Hungary, India, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Russia, Singapore, Slovakia, Spain, Sweden, Switzerland, Taiwan, UK, USA.