

Consolidated income statement

EUR millions	Jan. to June 2012	Proportion (%)	Jan. to June 2011	Proportion (%)
Net revenues	239.8	100.0 %	221.5	100.0 %
Cost of goods sold and services provided	-181.8	-75.8 %	-174.6	-78.8 %
Gross profit	58.0	24.2 %	46.9	21.2 %
Marketing and sales expenses	-28.5	-11.9 %	-28.1	-12.7 %
Administrative expenses	-16.1	-6.7 %	-14.3	-6.5 %
Development expenses	-2.6	-1.1 %	-2.8	-1.3 %
Other operating income	2.6	1.1 %	2.1	0.9 %
Other operating expenses	-1.1	-0.5 %	-1.1	-0.5 %
Operating result (EBIT)	12.3	5.1 %	2.7	1.2 %
Financial result, net	-1.4	-0.6 %	-3.7	-1.7 %
Result for the period before tax	10.9	4.5 %	-1.0	-0.5 %
Income tax expense	-1.8	-0.8 %	-0.2	-0.1 %
Result for the period	9.1	3.8 %	-1.2	-0.5 %
Result per share for the period, Kardex AG (EUR) ¹ :	1.17		-0.21	

¹ No dilutive effect occurred in 2012 and 2011, the diluted result per share is the same as the basic result per share (net result to average number of outstanding shares).

For reason of comparability, the figures and lay-out of last period are adjusted to Swiss GAAP FER.

Consolidated balance sheet

EUR millions	30.06.2012	31.12.2011
Property, plant and equipment	55.1	57.3
Intangible assets	5.0	5.5
Financial assets	7.8	7.3
Non-current assets	67.9	70.1
Inventories, work in progress	39.4	41.4
Trade accounts receivable	85.8	91.3
Other receivables	9.8	9.9
Prepaid expenses	4.4	2.9
Cash and cash equivalents	31.8	36.9
Current assets	171.2	182.4
Assets	239.1	252.5
Share capital	59.9	59.9
Capital reserves	84.2	84.2
Retained earnings incl. translation differences	-69.3	-79.5
Treasury shares	-0.1	-0.1
Equity	74.7	64.5
Non-current financial liabilities	27.8	41.9
Non-current provisions	21.1	21.1
Non-current liabilities	48.9	63.0
Trade accounts payable	51.8	55.7
Current financial liabilities	7.8	10.6
Current provisions	7.2	6.4
Accruals	24.9	27.2
Other current liabilities	23.8	25.1
Current liabilities	115.5	125.0
Liabilities	164.4	188.0
Equity and liabilities	239.1	252.5

Consolidated cash flow statement

EUR millions	Jan. to June 2012	Jan. to June 2011
Result for the period	9.1	-1.2
Depreciation on property, plant and equipment and amortization on intangible assets	5.3	5.1
Changes in pension assets, provisions and pension liabilities	0.3	0.1
Result on sale of property, plant, equipment and intangible assets	-	-0.1
Other non-cash items	-0.1	-0.5
Cash flow before change in net current assets	14.6	3.4
Change in trade receivables	6.5	-11.6
Change in inventories	2.5	-8.7
Change in other receivables, prepaid expenses and accrued income	-0.7	-2.4
Change in trade payables	-4.3	3.9
Change in other liabilities, accrued expenses and deferred income	-4.8	5.6
Net cash flow from operating activities	13.8	-9.8
Purchase of property, plant and equipment	-1.7	-2.2
Sale of property, plant and equipment	0.2	0.1
Purchase of intangible and financial assets	-0.5	-0.4
Sale of intangible and financial assets	-	0.3
Net cash flow used in investing activities	-2.0	-2.2
Free cash flow	11.8	-12.0
Acquisition of treasury shares	-0.1	-
Disposal of treasury shares	0.1	-
Repayment of convertible bond	-	-40.7
Currency swap on convertible bond	-	10.0
Changes in current financial liabilities	-2.9	8.5
Changes in non-current financial liabilities	-14.4	23.2
Net cash flow used in financing activities	-17.3	1.0
Effect of foreign currency translation differences on cash and cash equivalents	0.4	-0.3
Net change in cash and cash equivalents	-5.1	-11.3
Cash and cash equivalents at 1 January	36.9	42.8
Cash and cash equivalents at 30 June	31.8	31.5
Net change in cash and cash equivalents	-5.1	-11.3

For reason of comparability, the figures and lay-out of last period are adjusted to Swiss GAAP FER.

Notes to the consolidated interim financial statements

1. General information

The unaudited consolidated interim financial statements of the Kardex Group include Kardex AG and its subsidiaries (referred to collectively as the "Group"). Kardex AG is the Group's parent company, a limited company under Swiss law, which is registered and domiciled in Zurich, Switzerland. Kardex AG is listed on the SIX Swiss Exchange.

The Group's half-year statements are prepared in compliance with Swiss GAAP FER 12 (Swiss Accounting and Reporting Recommendations) for interim reports. The half-year financial statements should be read in conjunction with the consolidated financial statements compiled for the financial year ending 31 December 2011 as they represent an up-date of the last complete set of financial statements.

The Board of Directors approved these consolidated interim financial statements on 21 August 2012 and released them for publication.

2. Significant accounting policies

Change in accounting framework

International Financial Reporting Standards (IFRS) were applied in the years from 2005 until 2010. Owing to the increasing complexity of the IFRS provisions, constant amendments, and therefore the amount of work and cost involved in reporting, the Group decided to convert its consolidated financial accounting to Swiss GAAP FER (FER). For the 2011 financial year, the Group's financial statements were published in accordance with FER for the first time.

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2011.

The comparative amounts for the consolidated income statement and the consolidated cash flow statement in these consolidated interim financial statements were restated in order to reflect the change in accounting framework.

Reconciliation IFRS to FER

The effects of the adjustments on the consolidated interim income statement of the comparative period are summarized below:

EUR millions	Jan. to June 2011
Result for the period (IFRS)	-2.3
Restatement of pension plan expenses	0.3
Restatement amortization of intangible assets from business combinations	1.8
Restatement of deferred income tax	-1.0
Result for the period (FER)	-1.2

Explanatory notes to the consolidated interim financial statements

1. Segment reporting

The Kardex Group comprises three business segments. Kardex Remstar develops, produces, sells and services dynamic storage, retrieval and distribution systems worldwide. Kardex Stow develops, produces and sells static storage systems in Europe and China, while Kardex Mlog develops, produces, sells and services stacker cranes, conveyor technology, as well as automated warehouse and materials handling systems, primarily in Germany.

Segment reporting at 30 June 2012/Income statement

EUR millions	Operating segments					Eliminations	Kardex Group
	Kardex Remstar	Kardex Stow	Kardex Mlog	Kardex AG Zurich			
Net revenues, third party							
– Europe, Middle East and Africa	86.9	80.0	35.3	–	–	–	202.2
– Asia/Pacific	7.4	6.1	–	–	–	–	13.5
– Americas	22.9	1.2	–	–	–	–	24.1
Total net revenues, third party	117.2	87.3	35.3	–	–	–	239.8
Net revenues, with other operating segments	0.1	1.4	0.4	–	–1.9	–	–
Net revenues	117.3	88.7	35.7	–	–1.9	–	239.8
Cost of goods sold and services provided	–77.3	–73.6	–32.8	–	1.9	–	–181.8
Gross profit	40.0	15.1	2.9	–	–	–	58.0
Gross profit margin	34.1%	17.0%	8.1%	–	–	–	24.2%
Marketing and sales expenses	–17.9	–8.2	–2.4	–	–	–	–28.5
Administrative expenses	–10.0	–2.7	–1.8	–2.9	1.3	–	–16.1
Development expenses	–2.2	–0.3	–0.1	–	–	–	–2.6
Other operating income	1.4	1.0	0.3	1.4	–1.5	–	2.6
Other operating expense	–0.5	–0.4	–0.2	–0.2	0.2	–	–1.1
Operating result (EBIT)	10.8	4.5	–1.3	–1.7	–	–	12.3
EBIT margin	9.2%	5.1%	–3.6%	–	–	–	5.1%
Depreciation and amortization	3.0	1.9	0.3	0.1	–	–	5.3
EBITDA	13.8	6.4	–1.0	–1.6	–	–	17.6
EBITDA margin	11.8%	7.2%	–2.8%	–	–	–	7.3%
Number of employees on 30 June (full-time equivalents)	1180	622	258	8	–	–	2068

Eliminations concern intra-Group transactions.

Segment reporting at 30 June 2011/Income statement (restated)

EUR millions	Operating segments					
	Kardex Remstar	Kardex Stow	Kardex Mlog	Kardex AG Zurich	Eliminations	Kardex Group
Net revenues, third party						
– Europe, Middle East and Africa	80.4	74.3	33.4	–	–	188.1
– Asia/Pacific	7.3	7.6	–	–	–	14.9
– Americas	18.5	–	–	–	–	18.5
Total net revenues, third party	106.2	81.9	33.4	–	–	221.5
Net revenues, with other operating segments	–	0.2	–	–	–0.2	–
Net revenues	106.2	82.1	33.4	–	–0.2	221.5
Cost of goods sold and services provided	–73.8	–70.4	–30.6	–	0.2	–174.6
Gross profit	32.4	11.7	2.8	–	–	46.9
Gross profit margin	30.5%	14.3%	8.4%			21.2%
Marketing and sales expenses	–17.9	–7.4	–3.0	–	0.2	–28.1
Administrative expenses	–9.0	–2.8	–1.7	–2.7	1.9	–14.3
Development expenses	–1.9	–0.7	–0.2	–	–	–2.8
Other operating income	0.6	1.2	0.5	1.9	–2.1	2.1
Other operating expense	–0.1	–0.8	–0.2	–	–	–1.1
Operating result (EBIT)	4.1	1.2	–1.8	–0.8	–	2.7
EBIT margin	3.9%	1.5%	–5.4%			1.2%
Depreciation and amortization	2.9	1.8	0.3	0.1	–	5.1
EBITDA	7.0	3.0	–1.5	–0.7	–	7.8
EBITDA margin	6.6%	3.7%	–4.5%			3.5%
Number of employees on 30 June (full-time equivalents)	1 292	584	249	11	–	2 136

Eliminations concern intra-Group transactions.

2. Significant changes

Compared to the beginning of the year, the balance sheet total decreased by 5.3%, on the assets side the trade accounts receivable decreased by EUR 5.5 million and cash by EUR 5.1 million. On the liability side the early repayment of the loan in the amount of EUR 13.0 million reduced the non-current financial liabilities significantly. Thereby, the net debt could be reduced from EUR 15.6 million at prior year-end to EUR 3.8 million as per end of June 2012.

The closure of the Remstar plant in Lewistown (USA) affected the EBIT negatively with EUR 1.0 million. Kardex AG had additional costs in the amount of EUR 0.7 million in connection with the strategic reorientation of the Stow Division. In Spain, Kardex Remstar won a claim concerning unfair competitions. Kardex Remstar USA sold their remaining service contracts to local dealers. These two transactions resulted in a positive one time EBIT-effect of EUR 1.4 million.

The financial expense decreased by EUR 2.3 million due to the early repayment of the non-current bank loans, reduction of the risk premium of the syndicated loan, generally lower interest rate level and the repayment of the convertible bond in June 2011.

The Kardex Group as a whole showed a low tax rate of 17.0% (prior period -15.4%, restated) mainly due to the utilization of unrecognized tax loss carryforwards.

3. Earnings per share

	30.06.2012	30.06.2011
Number of outstanding shares at the beginning of the interim period	7 726 851	5 612 089
Purchases of treasury shares	-7 000	-
Disposals of treasury shares	6 709	1 891
Number of outstanding shares at the end of the interim period	7 726 560	5 613 980
Weighted average number of outstanding shares	7 727 430	5 612 730
Net result Group (EUR)	9 053 000	-1 152 000
Basic earnings per share (EUR)	1.17	-0.21
Diluted earnings per share (EUR)	1.17	-0.21

4. Contingent liabilities

The Group is currently involved in various litigations arising in the course of business. The Group does not anticipate that the outcome of these proceedings, either individually or in sum, will have a material effect on its financial or income situation.

5. Events after the balance sheet date

No events have taken place between 30 June 2012 and 21 August 2012 that would require an adjustment of the carrying amounts of assets and liabilities of the Group or need to be disclosed here.