

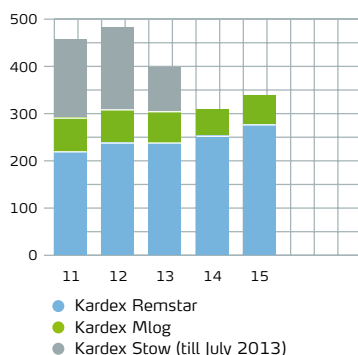
2015

Short Version
Annual Report

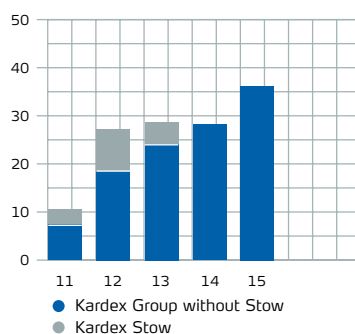
kardexgroup

Kardex Group at a glance

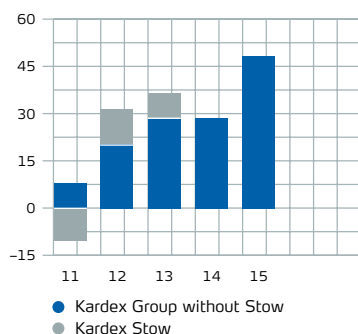
**Net revenues
by divisions**
in EUR millions



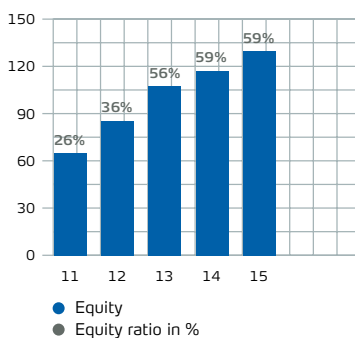
Operating result (EBIT)
in EUR millions



**Net cash flow from
operating activities**
in EUR millions



Equity and equity ratio
in EUR millions and in %



Highlights and key figures in 2015

Profitable growth continues

Kardex Group achieves double-digit EBIT margin

Strong free cash flow and ROCE

Kardex Remstar benefits from global demand for intra-logistics solutions

Kardex Mlog achieves the targeted EBIT margin range for the first time

Payouts to shareholders increased further

Key figures

EUR millions

1.1.–31.12.	2015		2014		+/-%
Bookings	350.1	103.4%	308.9	100.3%	13.3%
Order backlog (31.12.)	124.3	36.7%	107.8	35.0%	15.3%
Net revenues	338.5	100.0%	308.0	100.0%	9.9%
Gross Profit	122.0	36.0%	102.8	33.4%	18.7%
OPEX	85.7	25.3%	74.3	24.1%	15.3%
Operating result (EBIT)	36.3	10.7%	28.5	9.3%	27.4%
EBITDA	41.6	12.3%	34.6	11.2%	20.2%
Result for the period (net profit)	28.5	8.4%	23.8	7.7%	19.7%
Net cash flow from operating activities	48.2		28.3		70.3%
Free cash flow	42.7		23.7		80.2%
ROCE	45.2%		33.4%		35.3%
	31.12.2015		31.12.2014		+/-%
Net working capital	51.4		56.9		-9.7%
Net cash	112.3		85.1		32.0%
Equity/Equity ratio	129.4	58.7%	115.8	59.4%	11.7%
Employees (FTE)	1 509		1 480		2.0%

Report to the shareholders

Positive developments for the Kardex Group

The Kardex Group is looking back on another successful year. Both its divisions have benefited from robust markets, increased revenues and recorded positive profitability. Kardex Remstar is continuing its dynamic growth and reported a strong increase in demand from the USA in particular. Kardex Mlog harvested the fruits of its restructuring, recorded positive developments in all its segments and achieved the set margin targets. The operating result (EBIT) at Group level exceeded the 10% margin.

Significant currency influences

The annual result for 2015 incorporates significant currency effects. Bookings and consolidated revenues for Kardex Remstar were positively influenced by the strength of the US dollar against the euro, while costs converted into euros, which were incurred in US dollars and Swiss francs rose noticeably.

Healthy growth and improved operating result

At EUR 350.1 million, bookings by the Kardex Group were considerably above the previous year. This represents an increase of EUR 41.2 million or 13.3%, currency adjusted the growth amounts to 9.3%. Revenues of EUR 338.5 million exceeded last year's figure by 9.9% or 5.9% currency adjusted. Order backlog has increased in both divisions and are also clearly above the previous year at EUR 124.3 million (EUR 107.8 million). In line with turnover expansion, profitability increased at a over-proportional high rate. The gross margin reached 36.0% (33.4%). Currency adjusted, the operating costs for sales, marketing and administration were up 7.5% on the previous year. The operating result rose by 27.4% to EUR 36.3 million (EUR 28.5 million), which equates to a two-digit EBIT margin of 10.7% (9.3%). Although the tax level has increased to 20.8% (16.8%), it is still moderate. The annual profit of EUR 28.5 million achieved exceeds the previous year's result by 19.7%. Return on capital employed (ROCE) at 45.2% is well up on the previous year again (33.4%). The Group's headcount increased by 2.0% or 29 full-time equivalents since the beginning of the year to 1 509 employees.

Positive development in both divisions

Kardex Remstar reported its best financial year to date, even though not all markets developed as expected. The strongest growth boost at nearly 9% in local currency came from the USA. While demand from central and northern European countries was good, southern Europe was still weak and growth in Asia was less than expected. The systematic investments in marketing and sales led to an 11.6% increase in bookings to EUR 280.4 million and a 9.0% rise in turnover to EUR 273.7 million. Despite the associated additional expenditure and more intensive efforts in software and product development, Kardex Remstar achieved an operating result of EUR 35.6 million (EUR 28.6 million), equivalent to an EBIT margin of 13.0% (11.4%).

After a demanding phase of refocussing and restructuring, Kardex Mlog is back to profitable growth. The business model adjusted in 2012 is increasingly proving its worth both in the market and in the strong increase in earnings. There was strong demand for efficient storage and retrieval systems and for the refurbishment of existing systems and services. This is reflected in a strong boost to growth and the achievement of the targeted profitability level (EBIT margin 4–6%). Overall, the result was an increase in bookings by 20.7% to EUR 69.9 million, revenues of EUR 64.9 million (+11.7%) and an operating result of EUR 3.3 million (+73.7%).

Healthy balance sheet despite high dividends

The balance sheet of the Kardex Group is solid with no debts and no potential depreciation risks due to goodwill or capitalised tax loss carryforwards. The equity capital remains at a comfortable 58.7 percent (31/12/2014: 59.4%). The Group's capital is efficiently employed, net working capital could be reduced from EUR 56.9 million to EUR 51.4 million despite increased volumes. Due to the high free cash flow of EUR 42.7 million, the cash level increased to EUR 112.3 million (+EUR 27.2 million since 31/12/2014). This despite the fact that the payout rate was increased in 2015 and, as a result, dividends of CHF 2.30 per share or a total of EUR 16.9 million was paid out to the shareholders. The financial reserves provide the flexibility required to avail of targeted opportunities to further strengthen the market position.

Increased payouts to shareholders again

The Board of Directors will propose to the General Meeting a payout of CHF 3.00 per share (CHF 2.30) to the shareholders. The payout will take the form of a reduction in the nominal value. The current nominal value of Kardex shares is CHF 10.35, which still leaves margin for further tax-free payouts.

Separation of strategic and operative management

The current management structure, with an Executive Director managing the Group at an operational level via an Executive Committee, was introduced in line with the reorganisation of the Kardex Group 2011 and has proven successful. Since then, the strategic direction has been successfully implemented. It has given the Kardex Group and its two divisions, Kardex Remstar and Kardex Mlog, the necessary stability for economic success.

The Board of Directors now wants to effect the complete separation between strategic and operative management again. Consequently, the function of the Executive Director will be dissolved as of the General Meeting, but continuity will still be ensured. In his new role as acting Vice Chairman of the Board of Directors, Felix Thöni will form an important link between the management and the Board of Directors.

Jens Fankhänel, Divisional Manager of Kardex Remstar since 2011, is additionally taking over responsibility as CEO of the Kardex Group as of 1 May 2016. Thomas Reist, formerly Head of Finance & Controlling for the holding company, will be appointed as CFO of the Kardex Group as of 1 May 2016. Hans-Jürgen Heitzer, Divisional Manager of Kardex Mlog, will continue to complete the Group management team of Kardex.

Outlook

The Kardex Group continues to expect long-term growing demand for intra-logistics solutions and wants to fully exploit the opportunities available on the market. Both divisions are in a good position: Kardex Remstar as the global market leader in its segment and Kardex Mlog as the leading provider in attractive niche markets. The Group has further growth potential both with respect to new applications for their product and logistics solutions and from a geographical perspective. Its stable service business also makes it well equipped to face economical fluctuations. The Board of Directors and the Executive Committee are therefore confident about the further development of the company despite the restricted visibility of its business development.

Thank you

We would like to thank our partners and customers for the very pleasing development of our cooperation, our shareholders for their confidence and all our employees for their great commitment to Kardex.



Philipp Buhofer
Chairman of the Board of Directors



Felix Thöni
Executive Director

Division Kardex Remstar

Dynamic growth continues

Kardex Remstar once again reported positive development for the 2015 financial year. In a challenging market environment, demand for dynamic storage and retrieval systems proved solid over the course of the year. The planned investments in marketing and sales have paid off. Overall leading to an 11.6% increase in bookings to EUR 280.4 million and a 9.0% rise in revenues to EUR 273.7 million and an operating result of EUR 35.6 million (+24.5%).

Competitive market environment

Intensive competition and sustained pressure on prices continued to dominate the market environment in 2015. At the same time, the growing intra-logistics market offers Kardex Remstar as market leader significant growth potential in industrial segments and regions, which have as yet been little penetrated. Increasing technological development is also evident in the intra-logistics sector. Currently, the biggest progress is being made with industry-specific applications, which once again underlined the reporting year.

Strong growth in the USA

In new business, bookings were up 12.0% and revenues by 8.8%. Especially the USA reached strong revenue growth. The excellent results in America were supported by the trend towards re-industrialisation and the strong US dollar. Despite this, Europe remains the most important sales region for Kardex Remstar, with a 71% share of sales in Europe a growth rate of 4.3% was achieved. As a direct result of local economic developments, turnover in India stagnated and was only slightly up in China.

Continuous growth in service business

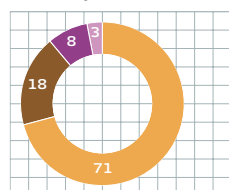
The service sector, which corresponds to 28.2% of total revenues, also recorded a further increase to EUR 77.2 million (EUR 71.9 million). The growing number of installations and further increases in efficiency also contributed to the improved results. Further potential in the service sector can be generated in the future by means of additional services or new service products.

Consolidated key figures for the Kardex Remstar Division

EUR millions	2015		2014		+/- %
Bookings	280.4	102.4%	251.2	100.1%	11.6%
Order backlog (31.12.)	86.5	31.6%	75.0	29.9%	15.3%
Segment net revenues	273.7	100.0%	251.0	100.0%	9.0%
Operating result (EBIT)	35.6	13.0%	28.6	11.4%	24.5%
EBITDA	40.2	14.7%	33.8	13.5%	18.9%
Employees (FTE on 31.12.)	1 256		1 242		

Net revenues by market regions – Kardex Remstar

Business year 2015 in %



- Europe
- Americas
- Asia/Pacific
- Middle East and Africa

Increased penetration of intra-logistics market

The OEM strategy implemented the previous year is also gaining in momentum resulting in the conclusion of further contracts. This new sales channel already contributes positively to profit. This trend is set to increase in the years to come with increasing volumes of our OEM partners.

Investments paying off

In the Kardex Remstar division, bookings increased by 11.6% (currency adjusted 6.7%) to EUR 280.4 million. Revenues rose by 9% (currency adjusted 4.2%) to a new record of EUR 273.7 million. The increased volumes were backed up by strategic investments in marketing and sales. The fresh, innovative new look at trade fairs also had the desired effect. Personnel costs increased by 8.7% to EUR 92.7 million, while expenditure on development was up 39.9% to EUR 8.8 million. Despite these increased expenses, the operating result was up based on higher profit contribution to EUR 35.6 million, which represents an EBIT margin of 13.0% (11.4%). The order backlog by the end of the reporting period was at EUR 86.5 million, up 15.3% on one year ago.

Attractive employer

The positive development of Kardex Remstar is also reflected in the number of full-time equivalents which increased by 14 to 1 256. It is striking that levels of fluctuation have been very low for many years, which underlines the attractiveness of the company as an employer. Once again in the reporting year, Kardex Remstar invested heavily in the skills of its employees.

Outlook for 2016

Good order backlog levels, operative performance and planned technical innovations are the cornerstones for positive development in the current 2016 financial year. Kardex Remstar is in a good position to continue to be a first-choice partner for intra-logistics customers and therefore to sustain profitable growth.

Division Kardex Mlog

Targeted EBIT margin range achieved

After a demanding phase of refocussing and restructuring, Kardex Mlog is back to profitable growth. The business model, which was adjusted in 2012, is now established both in the market and in financial terms and is reflected in a considerable growth momentum and the achievement of the profitability targets set. There was strong demand for high-quality automatic shelf retrieval devices and material flow systems and for the modernisation of existing systems and services. Overall, the result was an increase in bookings by 20.7% to EUR 69.9 million, revenues of EUR 64.9 million (+11.7%) and an operating result of EUR 3.3 million (+73.7%).

Strategic realignment bears fruit

The transformation process for the strategic alignment of Kardex Mlog initiated four years ago is paying off more and more. The focus on low-risk greenfield installations, refurbishment projects and standardised industry solutions with additional comprehensive after sales service, has significantly reduced complexity and led to a considerable improvement in risk profile. At a financial level, the turnaround was already apparent in 2013, confirmed in 2014 and showed profitable growth and further increased operating results in the 2015 financial year.

Turnover mix develops as planned

In a stable market environment, bookings increased by 21% to EUR 69.9 million and turnover increased by 11.7% to EUR 64.9 million close to. The German home market is still the most important sales region for Kardex Mlog. Good sales were also recorded in Benelux, Austria and Italy.

The turnover mix changed as desired. Refurbishment projects grew at an above average rate to 42% which now represent around one fifth of total turnover. At the same time, the component business was successfully expanded, as confirmed by the increase in turnover of EUR 3.5 million. In the system business, project risk assessment has become a key factor of success. Despite the fact that Kardex Mlog continues to act cautiously in this segment, an increase in turnover was achieved compared to the previous year. At the end of the reporting period, the order backlog amounted to EUR 37.9 million, representing an increase of 15.2% over the previous year.

Service business still growing

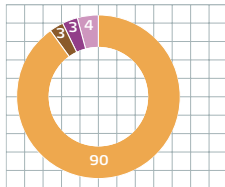
Kardex Mlog has installed over 900 systems to date and offers sustainable maintenance of these systems throughout the whole term with optimal customer

Consolidated key figures for the Kardex Mlog Division

EUR millions	2015		2014		+/- %
Bookings	69.9	107.7%	57.9	99.7%	20.7%
Order backlog (31.12.)	37.9	58.4%	32.9	56.6%	15.2%
Segment net revenues	64.9	100.0%	58.1	100.0%	11.7%
Operating result (EBIT)	3.3	5.1%	1.9	3.3%	73.7%
EBITDA	3.9	6.0%	2.6	4.5%	50.0%
Employees (FTE on 31.12.)	246		231		

Net revenues by market regions – Kardex Mlog

Business year 2015 in %



- Germany
- Austria
- Benelux
- Other

benefits. Therefore, solid demand for maintenance support resulted in a raise in turnover, which was up 2.3% to EUR 13.1 million, representing a more than 20% proportion of total turnover. Regular software updates and upgrades and the Kardex Mlog hotline, with a guaranteed telephone response time of less than one hour by a qualified contact person, are valuable to customers. 96% of all cases can be resolved via telephone and remote support. Downtimes are minimised without the need for a specialist to be sent on site.

EBIT margin reaches 5.1%

The increased sales volumes can be attributed to more intensive marketing efforts and increased strengthening of the sales organisation. Operating costs remain the same as the previous year despite mandatory pay increases. At the same time, the operating result was considerably higher thanks to volume effects and considerable efficiency improvements. After an improvement in the operative margin of 4.2% in the first half of the year, the trend became even stronger in the second half of the year. An EBIT of EUR 3.3 million was achieved for the whole year. This corresponds to an EBIT margin of 5.1%, which hits the target range of 4–6% for the first time since the integration of Mlog into the Kardex Group (2010). At Kardex Mlog, currency effects only play a minor role and had no major influence on the results.

Promising innovations

In order to help its customers reduce the costs of outgoing goods on a sustainable basis whilst increasing delivery flexibility and quality, Kardex Mlog reconfigured the dynamic sorting buffer MSequence and presented it at the most important trade fair in the industry, Logimat. The MMove Cross Drive, which allows quick manoeuvring around in the racking system of a warehouse, was also launched in 2014 and was well received by the market.

Outlook for 2016

Kardex Mlog plans to continue its profitable growth into the 2016 financial year. Further optimisation of the product mix and life cycle management will be considered just as important as investments into development projects. This should guarantee future growth and a sustainable EBIT margin in the target range of 4–6%.

Segment reporting 2015 /

Income statement

EUR millions	Operating segments				Kardex Group
	Kardex Remstar	Kardex Mlog	Kardex AG Zurich (Holding)	Eliminations	
Net revenues, third party					
– Europe	193.9	64.8	–	–	258.7
– Americas	49.9	–	–	–	49.9
– Asia/Pacific	21.5	–	–	–	21.5
– Middle East and Africa	8.4	–	–	–	8.4
Total net revenues, third party	273.7	64.8	–	–	338.5
Net revenues, with other operating segments	–	0.1	–	–0.1	–
Net revenues	273.7	64.9	–	–0.1	338.5
Cost of goods sold and services provided	–163.8	–52.8	–	0.1	–216.5
Gross profit	109.9	12.1	–	–	122.0
Gross profit margin	40.2%	18.6%			36.0%
Marketing and sales expenses	–40.5	–4.7	–	–	–45.2
Administrative expenses	–23.0	–3.4	–4.6	2.0	–29.0
R&D expenses	–8.8	–0.5	–	–	–9.3
Other operating income	0.9	0.3	2.0	–2.0	1.2
Other operating expenses	–2.9	–0.5	–	–	–3.4
Operating result (EBIT)	35.6	3.3	–2.6	–	36.3
EBIT margin	13.0%	5.1%			10.7%
Financial result, net					–0.3
Result for the period before tax					36.0
Income tax expense					–7.5
Result for the period					28.5
Depreciation and amortization	4.6	0.6	0.1	–	5.3
EBITDA	40.2	3.9	–2.5	–	41.6
EBITDA margin	14.7%	6.0%			12.3%

Segment reporting 2014 /

Income statement

EUR millions	Operating segments				Kardex Group
	Kardex Remstar	Kardex Mlog	Kardex AG Zurich (Holding)	Eliminations	
Net revenues, third party					
– Europe	185.9	55.7	–	–	241.6
– Americas	38.5	0.1	–	–	38.6
– Asia/Pacific	19.2	–	–	–	19.2
– Middle East and Africa	7.2	1.4	–	–	8.6
Total net revenues, third party	250.8	57.2	–	–	308.0
Net revenues, with other operating segments	0.2	0.9	–	–1.1	–
Net revenues	251.0	58.1	–	–1.1	308.0
Cost of goods sold and services provided	–158.8	–47.5	–	1.1	–205.2
Gross profit	92.2	10.6	–	–	102.8
Gross profit margin	36.7%	18.2%			33.4%
Marketing and sales expenses	–35.4	–4.5	–	–	–39.9
Administrative expenses	–21.1	–3.2	–4.0	1.8	–26.5
R&D expenses	–6.3	–0.7	–	–	–7.0
Other operating income	1.0	0.1	1.8	–1.8	1.1
Other operating expenses	–1.8	–0.4	0.3	–0.1	–2.0
Operating result (EBIT)	28.6	1.9	–1.9	–0.1	28.5
EBIT margin	11.4%	3.3%			9.3%
Financial result, net					0.1
Result for the period before tax					28.6
Income tax expense					–4.8
Result for the period					23.8
Depreciation and amortization	5.2	0.7	0.2	–	6.1
EBITDA	33.8	2.6	–1.7	–0.1	34.6
EBITDA margin	13.5%	4.5%			11.2%

Consolidated balance sheet

EUR millions	31.12.2015	31.12.2014
Property, plant and equipment	24.8	24.6
Intangible assets	2.0	2.6
Financial assets	7.1	4.6
Non-current assets	33.9	31.8
Inventories and work in progress	15.2	17.6
Trade accounts receivable	48.0	48.1
Other receivables	8.7	10.5
Prepaid expenses	2.1	2.0
Cash and cash equivalents	112.5	85.1
Current assets	186.5	163.3
Assets	220.4	195.1
Share capital	56.4	59.9
Capital reserves	31.1	34.4
Retained earnings and Translation differences	41.9	21.5
Equity	129.4	115.8
Non-current provisions	17.7	16.4
Non-current liabilities	17.7	16.4
Trade accounts payable	11.8	10.7
Current financial liabilities	0.2	–
Current provisions	8.3	6.5
Accruals	34.4	28.2
Other current liabilities	18.6	17.5
Current liabilities	73.3	62.9
Liabilities	91.0	79.3
Equity and liabilities	220.4	195.1

Consolidated cash flow statement

EUR millions	2015	2014
Result for the period	28.5	23.8
Depreciation and amortization	5.3	6.1
Changes in provisions and pension liabilities	3.1	0.6
Other non-cash items	-1.5	-0.3
Change in accounts receivable	1.1	2.3
Change in inventories and work in progress	3.0	1.6
Change in other receivables and prepaid expenses	1.7	-2.7
Change in accounts payable	0.9	-3.9
Change in other current liabilities and accruals	6.1	0.8
Net cash flow from operating activities	48.2	28.3
Purchase of property, plant and equipment	-4.1	-4.1
Sale of property, plant and equipment	0.1	0.1
Purchase of intangible assets	-0.5	-0.7
Purchase of financial assets	-1.0	-
Sale of financial assets	-	0.3
Acquisition of organizations	-	-0.2
Net cash flow from investing activities	-5.5	-4.6
Free cash flow	42.7	23.7
Acquisition of treasury shares	-0.2	-0.2
Disposal of treasury shares	0.2	0.2
Change in current financial liabilities	0.2	-
Change in non-current financial liabilities	-	-2.1
Dividend paid	-12.1	-16.8
Reduction of nominal value	-4.8	-
Net cash flow from financing activities	-16.7	-18.9
Effect of foreign currency translation differences on cash and cash equivalents	1.4	1.2
Net change in cash and cash equivalents	27.4	6.0
Cash and cash equivalents at 1 January	85.1	79.1
Cash and cash equivalents at 31 December	112.5	85.1
Net change in cash and cash equivalents	27.4	6.0

Information on the Kardex share

Share capital and capital structure

	2015	2014	2013	2012	2011
Par value per share (CHF)	10.35	11.00	11.00	11.00	11.00
Total registered shares	7 730 000	7 730 000	7 730 000	7 730 000	7 730 000
Number of treasury shares	-	-	-	21 500	3 149
Number of dividend-bearing shares	7 730 000	7 730 000	7 730 000	7 708 500	7 726 851
Registered capital (CHF 1 000)	80 006	85 030	85 030	85 030	85 030
Conditional capital (CHF 1 000)	-	-	-	-	-
Authorized capital (CHF 1 000)	-	-	-	-	7 823
Total voting rights	7 730 000	7 730 000	7 730 000	7 708 500	7 726 851

Key stock exchange figures per share

CHF	2015	2014	2013	2012	2011
Share price high	82.00	47.55	44.35	26.70	32.00
Share price low	40.20	37.60	23.05	11.65	10.60
Closing rate	78.00	46.25	39.20	24.40	11.95
Ø volume per trading day (no. of shares)	16 528	14 719	23 239	30 242	11 617
Market capitalization – CHF millions (31.12.)	602.94	357.51	303.02	188.61	92.37

Key figures per share¹

CHF	2015	2014	2013	2012	2011
Earnings per share (EPS) ² – basic	3.94	3.74	4.95	3.34	0.59
Earnings per share (EPS) ² – diluted	3.94	3.74	4.95	3.34	0.59
Price earning ratio (closing rate)	19.79	12.34	7.93	7.32	24.97
Dividend	-	1.65	1.25	1.20	-
Extraordinary dividend	-	-	1.40	4.00	-
Reduction of nominal value ³	3.00	0.65	-	-	-
Equity	18.10	18.01	16.89	13.35	10.20

¹ From May 2010 until July 2013, the Kardex Group consisted of the divisions Kardex Remstar, Kardex Stow and Kardex Mlog. As of July 2013 the Kardex Stow Division no longer belongs to the Group. These changes affect the comparison of the key figures per share.

² Calculated by the generally accepted method (net result/average number of outstanding shares).

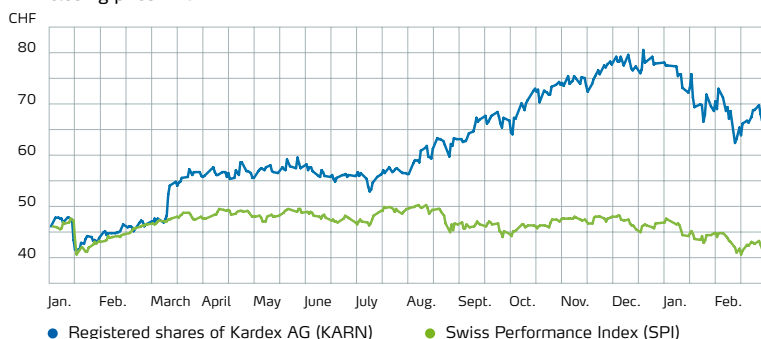
³ 2015: Reimbursement by reduction of the nominal value as proposed to the Annual General Meeting to be held on 21 April 2016.

The registered shares of Kardex AG are traded by the Swiss Reporting Standard of SIX Swiss Exchange in Zurich, Switzerland. They are contained in the SPI (Swiss Performance Index). Stock exchange symbol: KARN; Swiss securities number: 10083728; ISIN number: CH0100837282; Bloomberg: KARN SW Equity; Reuters: KARN.S. Current prices can be seen at www.kardex.com.

Share price performance

Kardex AG (Holding) share

On SIX Swiss Exchange 1 January 2015 to 29 February 2016 based on the daily closing price in CHF



The value of the Kardex share rose by 68.6% from CHF 46.25 to CHF 78.00 in 2015. In the year under review Kardex paid in May an ordinary dividend from capital contribution of CHF 1.65 per share and a reimbursement by reduction of the nominal value of CHF 0.65 per share in July. The capital contribution reserve have been reimbursed completely to the shareholders. The overall performance for the year was 73.6%.

Shareholder structure

As at 31 December 2015, there were 1 739 shareholders (1 566) entered in the share register. The following shareholders held 3% or more of the outstanding share capital of Kardex AG at year end:

	31.12.2015	31.12.2014
BURU Holding and Philipp Buhofer	23.7%	23.6%
JP Morgan Asset Management	5.0%	5.0%

Based on the proposal of the Board of Directors to the Annual General Meeting up to 75% of the net profit (based on the consolidated group result) shall be paid out to the shareholders.

Extract of the Corporate Governance Report

Group structure

The Kardex Group is divided into the two divisions or segments Kardex Remstar and Kardex Mlog.

The Kardex Group is led by the Board of Directors and the Executive Committee, which is headed by Felix Thöni as Executive Director. Additional members of the Executive Committee are the heads of division of Kardex Remstar and Kardex Mlog. The Executive Committee is assisted by the Head of Finance and Controlling of the holding company, although he is not a formal member.

Board of Directors

Philipp Buhofer
(1959, Swiss citizen)
Since 2004

Walter T. Vogel
(1957, Swiss citizen)
Since 2006

Jakob Bleiker
(1957, Swiss citizen)
Since 2012

Ulrich Jakob Looser
(1957, Swiss citizen)
Since 2012

Felix Thöni
(1959, Swiss citizen)
Since 2011

Functions / Committees

Chairman of the Board
Audit Committee
Compensation and
Nomination Committee

Vice Chairman of the Board
Compensation and
Nomination Committee

Member
Chairman Audit Committee

Member
Chairman Compensation and
Nomination Committee

Member

Executive Committee

Felix Thöni
(1959, Swiss citizen)
President of the Executive Committee

Jens Fankhänel
(1965, German citizen)
Head of Kardex Remstar

Hans-Jürgen Heitzer
(1962, German citizen)
Head of Kardex Mlog

New management structure as of 1 May 2016

The current management structure, with an Executive Director managing the Group at an operational level via an Executive Committee, was introduced in line with the reorganisation of the Kardex Group 2011 and has proven successful. Since then, the strategic direction has been successfully implemented. It has given the Kardex Group and its two divisions, Kardex Remstar and Kardex Mlog, the necessary stability for economic success.

The Board of Directors now wants to effect the complete separation between strategic and operative management again. Consequently, the function of the Executive Director will be dissolved as of the General Meeting, but continuity will still be ensured. In his new role as acting Vice Chairman of the Board of Directors, Felix Thöni will form an important link between the management and the Board of Directors.

Jens Fankhänel, Divisional Manager of Kardex Remstar since 2011, is additionally taking over responsibility as CEO of the Kardex Group as of 1 May 2016.

Thomas Reist, formerly Head of Finance & Controlling for the holding company, will be appointed as CFO of the Kardex Group as of 1 May 2016. Hans-Jürgen Heitzer, Divisional Manager of Kardex Mlog, will continue to complete the Group management team of Kardex.

“one share – one vote”

The 7 730 000 registered shares of Kardex AG have a nominal value of CHF 10.35 each. Each registered share corresponds to one vote at the General Meeting (“one share – one vote” principle) and is eligible for dividends. The right to apply the special rules concerning treasury shares held by the company is reserved, particularly in relation to the exception from the entitlement to dividends.

Registration rules

The registered shares of Kardex AG may be purchased by any legal or natural person. Nominee registrations are permitted. The purchasing of shares is subject to the following limitations on nominee registrations:

The company may refuse registration as a shareholder with voting rights in the share register if upon request the purchaser does not expressly declare that they hold the shares in their own name and for their own account. The Board of Directors is entitled to delete an entry in the share register with retroactive effect from the date of that entry if such entry was based on false information. It may hear the shareholder or beneficiary in question in advance. In each case, the shareholder or beneficiary in question must be immediately informed of the deletion.

Shareholders’ participation rights

On 31 December 2015, there were 1 739 shareholders entered in the share register. A majority of them had their registered office or domicile in Switzerland. Each Kardex AG registered share entitles the holder to one vote at the General Meeting. There are no voting right restrictions. Furthermore, any shareholder has the right to have his shares represented at the General Meeting by a proxy authorized in writing.

Shareholders representing at least 1% of the shares issued may request in writing that items be added to the agenda, specifying the proposed resolutions. Such items must be submitted to the Board of Directors in writing at least 40 days before the General Meeting.

Duty to make an offer upon change of control

In accordance with § 4 of the company’s Articles of Incorporation, a purchaser of Kardex AG shares is only obliged to make a public offer under the terms of article 32 (the statutory opting-up clause) of the Swiss Federal Act on Stock Exchanges and Securities Trading (SESTA) if his holding exceeds 49% of the company’s voting stock.

Statutory auditors

PricewaterhouseCoopers AG, Zurich, have been the statutory auditors of Kardex AG since 2014.

**Kardex Tool Storage
and Material Handling**

Shuttle XP
Kardex Remstar

Megamat RS
Kardex Remstar

Horizontal
Kardex Remstar

**Kardex Warehousing
and Small Parts Storage**

Megamat RS
Kardex
Remstar

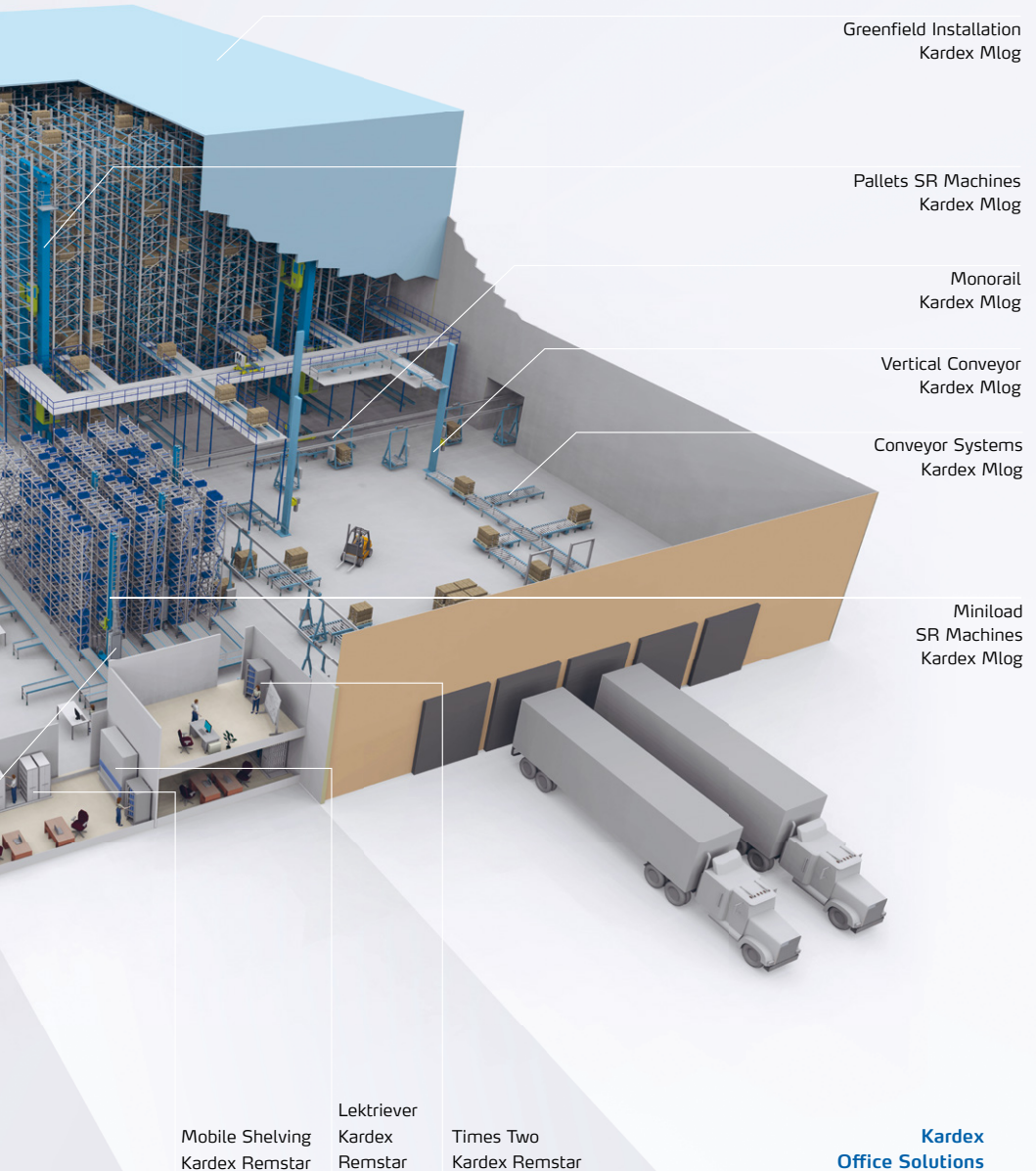
Shuttle XP
Kardex
Remstar

Service
Kardex Mlog and
Kardex Remstar

Conveyor
Systems
Kardex Mlog

Miniload SR
Machines
Kardex Mlog

Kardex High Bay Storage and Conveyor Systems



Kardex
Office Solutions

About us

The Kardex Group is a global industry partner for intra-logistic solutions and a leading supplier of automated storage solutions and materials handling systems. The Group consists of the two entrepreneurially managed divisions Kardex Remstar and Kardex Mlog.

Kardex Remstar develops, produces and maintains shuttles and dynamic storage and retrieval systems, and Kardex Mlog offers integrated materials handling systems and automated high bay warehouses.

The two divisions are partners for their customers over the entire lifecycle of a product or solution. This begins with an assessment of customer requirements and continues via the planning, realization and implementation of customer-specific systems through to ensuring a high level of availability and low lifecycle costs by means of customer-oriented lifecycle management.

Around 1 500 employees in over 30 countries worldwide work for the companies of the Kardex Group.

Kardex AG has been listed on the SIX Swiss Exchange since 1987.

Contact

Kardex AG
Thomas Reist, Head of Finance & Controlling
Edwin van der Geest, Investor Relations
Tel. +41 44 419 44 79
investor-relations@kardex.com

Contact share register

ShareCommService AG
Europastrasse 29
CH-8152 Glattbrugg
Tel. +41 44 809 58 53

Corporate calendar

2016 Annual General Meeting	21 April 2016
2016 Interim Report	11 August 2016
2017 Media and analysts' conference	08 March 2017
2017 Annual General Meeting	20 April 2017
2017 Interim Report	10 August 2017

This is a short version of the Kardex AG Annual Report. Please find the full version on www.kardex.com in the investor relations/financial reports section.

The Group publishes this short version of the Annual Report in English and German.

Published by

Kardex AG, Zurich

Counsel, Text

Dynamics Group AG, Zurich

Concept and Realisation

Dynamics Group AG, Zurich

Print

Neidhart + Schön AG, Zurich

This communication contains statements that constitute "forward-looking statements". In this communication, such forward-looking statements include, without limitation, statements relating to our financial condition, results of operations and business and certain of our strategic plans and objectives. Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors which are beyond Kardex's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the actions of governmental regulators and other risk factors detailed in Kardex's past and future filings and reports and in past and future filings, press releases, reports and other information posted on Kardex Group companies' websites. Readers are cautioned not to put undue reliance on forward-looking statements, which speak only of the date of this communication. Kardex disclaims any intention or obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Kardex Group
Thurgauerstrasse 40
8050 Zurich
Switzerland

phone: +41 44 419 44 44
fax: +41 44 419 44 18
investor-relations@kardex.com

www.kardex.com