

Organization Announcement: DEMATIC ACQUIRING SDI GROUP EUROPE

January 19, 2015

For internal use only

Dear Employees of Dematic and SDI Group Europe,

I am pleased to announce that Dematic Group has successfully completed the acquisition of FSU Investments Limited. FSU holds a majority stake in SDI Group Limited (SDI Group Europe), a supplier of garment on hanger and flat sorter technology in Europe, and Dematic Group also announced today its intention to make an offer for the remaining share capital in SDI Group Europe held by other shareholders. The purchase of SDI Group Europe will expand Dematic's global order fulfillment offerings in apparel, retail and e-commerce markets and this means that our two companies will now be united as one under the Dematic brand. Dematic is acquiring SDI Group Europe but the combined offering will be available to customers globally including in the US.

The acquisition of SDI group Europe's offerings will expand and further enhance Dematic solutions developed to enhance customers' responsiveness to the evolving requirements of omni-channel distribution, by improving operational efficiencies, increasing cost savings and optimizing supply chains.

Throughout the transition, our customers will remain our top priority. The combination of Dematic and SDI Group Europe enhances our focus on providing customers with critical industry solutions powered by a talented team of solution designers, project delivery and customer service specialists dedicated to ecommerce and apparel markets.

SDI Group Europe's products and services will now be available through Dematic for our current

English Version

You will find the following language versions of this announcement attached in PDF format:

Deutsche Version (PDF)

Versión española (PDF)

Version française (PDF)

Versione italiana (PDF)

Versão em Português (PDF)

customers and prospects . This acquisition offers our customers the combined strength of two customer organization infrastructures positioned to deliver responsive and dependable automated technology and software support around the globe.

Integrating SDI Group Europe into Dematic

The integration will be achieved by combining the organizations of both companies, and following the acquisition of SDI Group Europe, Andrea di Bella, currently the Managing Director for SDI Italy, Spain and Switzerland, will succeed Gordon Smith in the role of CEO, SDI Group Europe and take over responsibility for the business, working closely with the existing senior management team in UK, France, Italy, Spain, Germany, Switzerland, Benelux, Turkey and Poland. Gordon will remain in the business and act in a supporting role to Andrea during an initial transition phase. Andrea has a wealth of experience, having been with SDI Group for 17 years and has been integral in the management and partnership of many customer projects over the years.

A warm welcome to our new employees

This integration brings together a wealth of experience in the materials handling and automation industry and expands Dematic's global order fulfillment offerings in the apparel, retail and e-commerce markets. It also brings together the people from two well-known companies in the industry, and with them comes extensive industry knowledge, sales experience, project management, engineering, customer service, solution design and of course complementary products.

On behalf of all Dematic employees, in Europe, North America, South America and Asia-Pacific, I would like to offer a warm welcome to our new colleagues from SDI Group Europe. We are delighted that you are joining us to become part of our Dematic global team.

Our Customers

All SDI Group Europe products and services, will be

available through Dematic globally to current customers and prospects seeking to optimize their order fulfillment and distribution processes and solutions. In addition, the acquisition offers customers the combined strength of two customer service organization infrastructures positioned to deliver responsive and dependable automated technology and software support around the globe.

As well as our extensive number of European customer sites, Dematic has over 2,000 customer sites in North America, and is committed to its customers as they strive for enhanced operational performance. These newly combined SDI Group Europe and Dematic offerings for convey & sort; ASRS feed to sorters; garment on hanger crane storage; returns processing solutions; complete e-commerce solutions and full apparel solutions for flat and hanging garments; Dematic RapidPut; and the MonaLisa pouch sorter technology, will be available to all our new and existing North American customers along with our global customers under the Dematic brand. The addition of garment on hanger and flat sorter technologies, combined with a best in class returns processing solution, offers our customers a true single source modular, flexible and scalable solution provider and partner.

Both Dematic and SDI Group Europe will ensure that there is no disruption in our customer dealings with us. Together we have already formed action teams from both companies to better service customer needs from today and in the coming months.

We will be sending out a letter to all our customers explaining the acquisition but in some cases in addition it makes sense to speak directly with our customers. Your Managing Director and Sales Directors will discuss with their regional sales and business development teams which customers they feel this applies to.

Suppliers and Partners

Just as important to us are our suppliers and partners. We will ensure that all suppliers and

partners are informed about the acquisition and they will receive a letter and a point of contact to support them.

Press Enquiries

A press announcement has been sent out to the trade and financial press by region. If any employee at Dematic or SDI Group Europe are contacted with a press enquiry or an interview request this must be passed onto and handled by your Dematic Regional Marketing contact:

North and South America and Asia Pacific – Cheryl Falk

Email: cheryl.falk@dematic.com

Northern Europe – Angela Freke

Email : angela.freke@dematic.com

Central Europe – Jessica Heinz

Email: jessica.heinz@dematic.com

Southern Europe – Cheryl Falk

Email: cheryl.falk@dematic.com

Further communications to follow soon

In the weeks and months to follow, we will keep you updated periodically on the integration process. In the meantime we have produced Q & A's which are available to you which should answer any immediate questions you may have. However if after referring to these you still have concerns then please speak directly with your Line Manager, Directors or HR Manager, who will be able to support you.

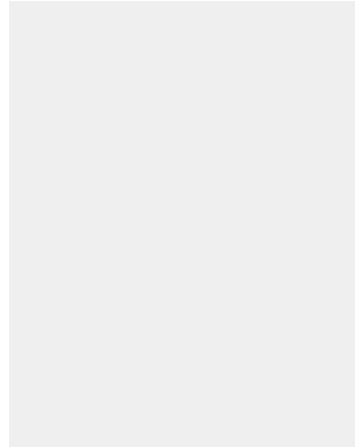
I ask you for your full support in working together to make this integration as seamless as possible and to ensure a successful future for both our employees and customers.

Yours faithfully,



Ulf Henriksson

Dematic President and CEO



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Dematic Organization Update

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