



Conference Call
Half Year Results 2002, 15 August 2002
Juhani Anttila, CEO
Pekka Pylkäs, CFO

Highlights of first six months 2002

- Group order intake grew by 11.2% to CHF 530.1 million; segments Supply Chain Solutions and Software up 24.2% to CHF 353.6 million
- Order intake for second quarter up 88.6% compared to first quarter 2002; July orders of around CHF 70 million (July 2001: Around CHF 40 million) confirm positive trend
- Group sales grew 2.6% in local currencies; and remain with CHF 461.4 million at previous year's level after currency impact. Segments Solutions and Software up 9.7% to CHF 277.8 million; segments Material Flow Systems and Robotic Systems drop 9.2% to CHF 197.1 million
- Group EBITDA amounted to CHF 29.4 million (previous year: CHF 38.9 million) due to weak 1st quarter
- Strategic focus on growth segments and industries, on geographic diversification as well as on multi-site projects confirmed by business progress
- Negotiations on divestments in hardware segments and real estate at advanced stage
- Cost reduction programs initiated; refocus of outsourcing activities; annual reduction of cost base by CHF 40 million with full effect in 2003

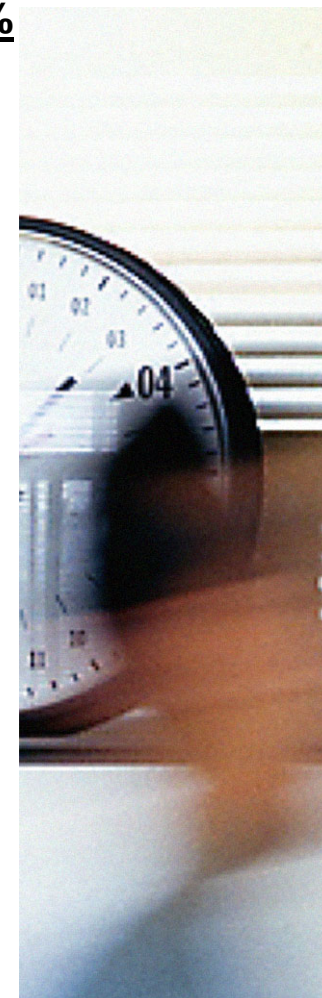


Group Results for the First 6 Months

In millions of CHF	<u>1.1. - 30.6.2002</u>	<u>1.1.-30.6.2001</u>	<u>Change in %</u>
Order intake	530.1	476.9	+11.2
Order backlog	578.0	503.6	+14.8
Net sales	461.4	460.3	+0.2
EBITDA	29.4	38.9	-24.4
Cash EPS in CHF	0.4	1.2	-65.3

Comment:

- ↪ Sales growth in local currencies 2.6%
- ↪ Characteristic for 1st half year 2002: Strong 2nd quarter after weak 1st quarter
- ↪ The higher capacity utilization in 2nd quarter could not compensate the weak 1st quarter, leaving EBITDA-level at CHF 29.4 million
- ↪ Net profit of CHF +4.4 million before goodwill amortization of CHF 17.3 million.
- ↪ Currency impact: Order intake: CHF -13 million; order backlog: CHF -31 million; sales: CHF -11 million; EBITDA: CHF -0.6 million



Growth in Solutions and Software segments Demanding environment for hardware segments

	Solutions and Software segments			Hardware segments MFS and Robotics		
	<u>1.1. - 30.6.02</u>	<u>1.1.- 30.6.01</u>	<u>%</u>	<u>1.1.- 30.6.02</u>	<u>1.1.- 30.6.01</u>	<u>%</u>
Order intake	353.6	284.8	+24.2	202.8	204.3	-0.7
Order backlog	453.5	356.1	+27.4	153.0	157.5	-2.8
Net sales	277.8	253.3	+9.7	197.1	217.0	-9.2
EBITDA	20.5	18.9	+8.5	8.9	20.0	-55.5
EBITA	16.2	14.9	+8.7	4.2	15.2	-72.4
Personnel	1 886	1 745	+8.1	1 917	1 977	-3.0



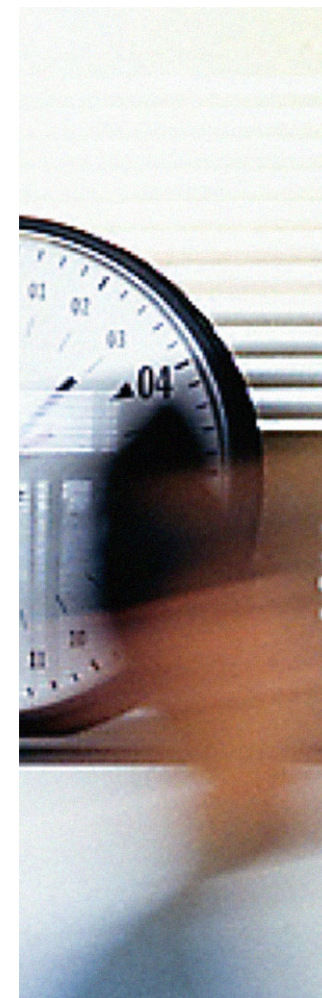
Strong second quarter indicates positive momentum

in million CHF	1st Quarter			2nd Quarter		
	<u>2002</u>	<u>2001</u>	<u>%</u>	<u>2002</u>	<u>2001</u>	<u>%</u>
Order intake	183.7	255.0	-28.0	346.5	216.8	59.8
Order backlog	528.6	540.6	-2.2	578.0	503.8	14.7
Net sales	172.4	208.5	-17.3	289.0	247.5	16.8
EBITDA	-1.3	5.6	-123.2	30.7	33.4	-8.1
EBITA	-6.3	1.1	-672.7	26.7	28.9	-7.6

in million CHF	2002		
	<u>Q1</u>	<u>Q2</u>	<u>%</u>
Order intake	183.7	346.5	88.6
Order backlog	528.6	578.0	9.3
Net sales	172.4	289.0	67.6
EBITDA	-1.3	30.7	2461.5
EBITA	-6.3	26.7	523.8

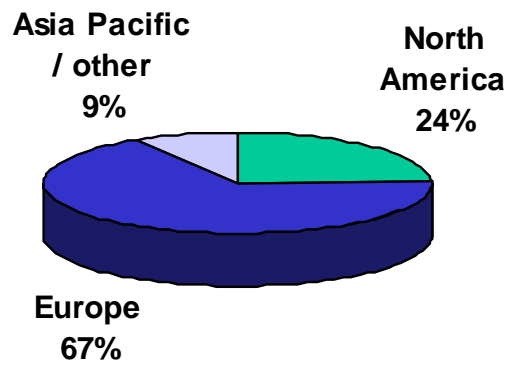
Comment:

- ↪ Decision-making delays experienced in 4th quarter of 2001 continued into 1st quarter of 2002
- ↪ Strong 2nd quarter was confirmed by July order intake of around CHF 70 million (around CHF 40 million in July 2001)

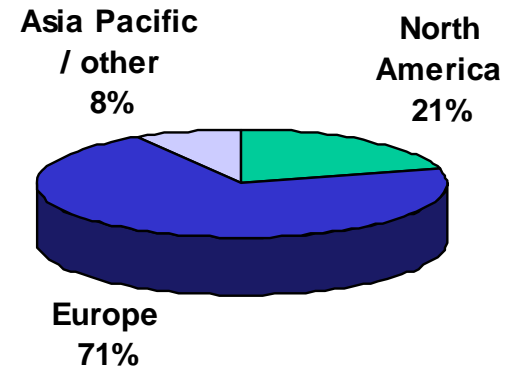


Focus on key industries and growth outside of Europe

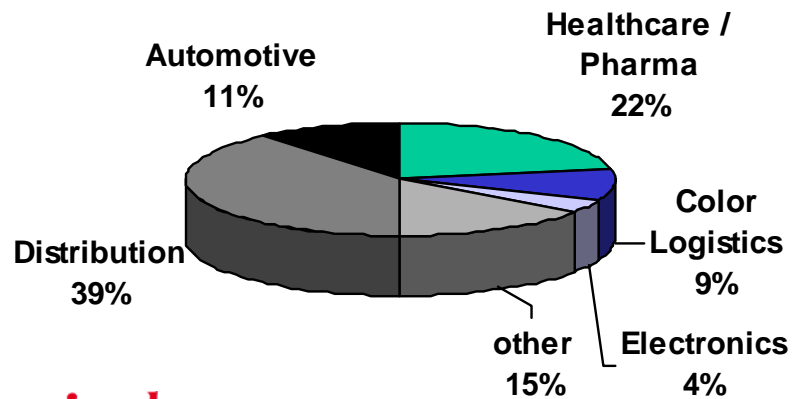
Jan. - June 2002



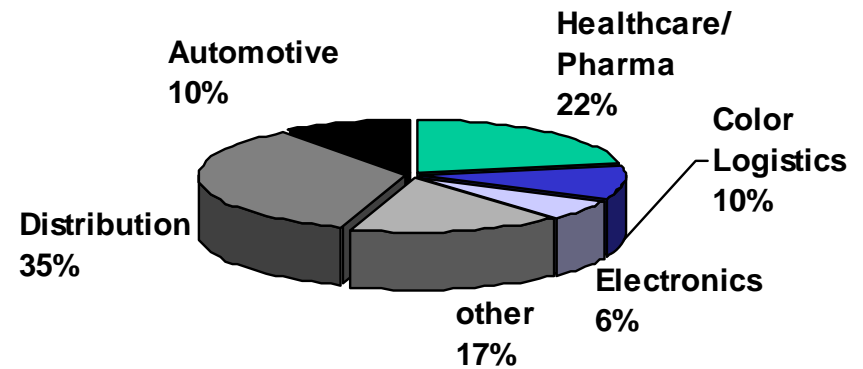
Year 2001



Jan. - June 2002



Year 2001



Segment Information: Supply Chain Solutions 1st half of 2002

In millions of CHF	<u>1.1. - 30.6.2002</u>	<u>1.1.-30.6.2001</u>	<u>Change %</u>
Order intake	292.2	234.8	+24.4
Order backlog	396.5	309.6	+28.1
Net sales	227.7	204.5	+11.3
EBITDA	16.1	11.1	+45.2
EBITA	13.6	8.4	+62.7
Working Capital	-0.2	13.9	-101.0

Comment:

- Strong order intake from existing customers and first multi-site projects
- Improved profitability



Segment Information: Supply Chain Software in 1st half of 2002

In millions of CHF	<u>1.1. - 30.6.2002</u>	<u>1.1.-30.6.2001</u>	<u>Change %</u>
Order intake	95.6	68.7	+39.2
Order backlog	91.6	66.0	+38.8
Net sales	77.3	64.1	+20.6
EBITDA	4.4	7.8	-43.3
EBITA	2.6	6.5	-60.3
Working Capital	2.6	16.7	- 84.4

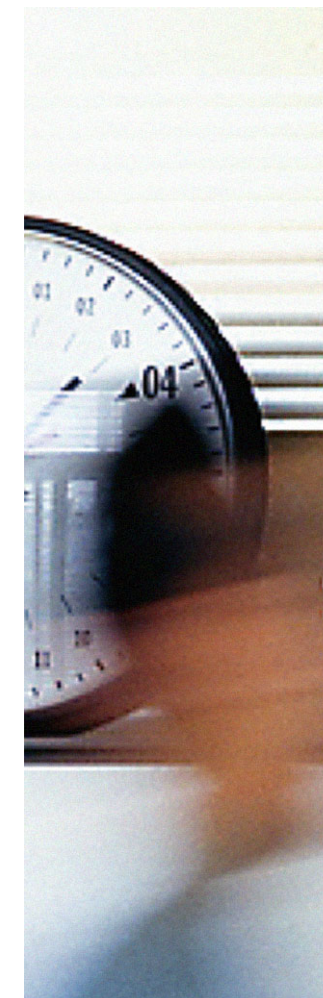
Comment:

- Confirmed position as worldwide no. 1 in warehouse management software for automated applications
- Market share gain in the manual applications market
- Weak 1st quarter caused by under-utilization; second quarter EBITDA of CHF 4.5 million due to improved utilization



Segment Information: Supply Chain Material Flow Systems in 1st half 2002

In millions of CHF	<u>1.1. - 30.6.2002</u>	<u>1.1.-30.6.2001</u>	<u>Change %</u>
Order intake	150.2	127.8	17.5
Order backlog	131.0	134.2	-2.4
Net sales	135.6	135.0	+0.4
EBITDA	2.5	8.5	-70.5
EBITA	-0.1	6.0	-101.4
Working Capital	63.6	66.8	-4.5



Comment:

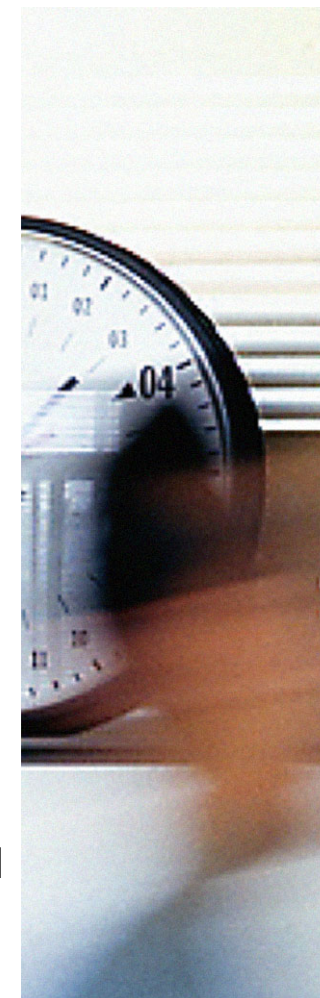
- Strong net sales 2nd quarter 2002 after two weak quarters (4th 2001 and 1st quarter 02)
- Healthcare products contribute significantly to order intake
- EBITDA in 2nd quarter CHF 4.6 million

Segment Information: Supply Chain Robotic Systems in 1st half of 2002

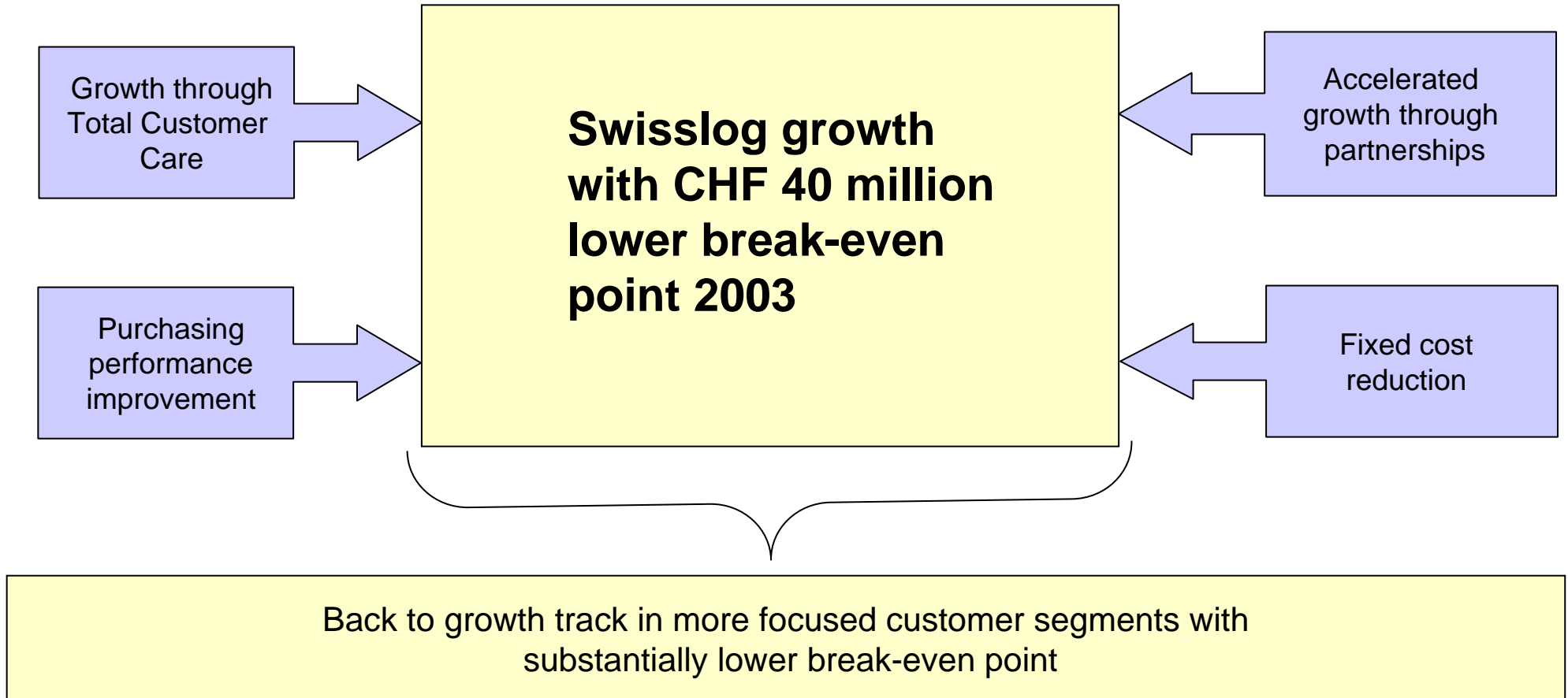
In millions of CHF	<u>1.1. - 30.6.2002</u>	<u>1.1.-30.6.2001</u>	<u>Change %</u>
Order intake	52.6	76.5	-31.2
Order backlog	22.0	23.2	-5.2
Net sales	61.5	82.0	-25.0
EBITDA	6.4	11.5	-44.4
EBITA	4.3	9.2	-53.4
Working Capital	33.3	40.7	-18.2

Comment:

- ↪ Color logistics affected by weak North and South American paint industry demand
- ↪ Robotic applications for food & beverage industry finds growing market demand
- ↪ Electronics industry continued to postpone orders

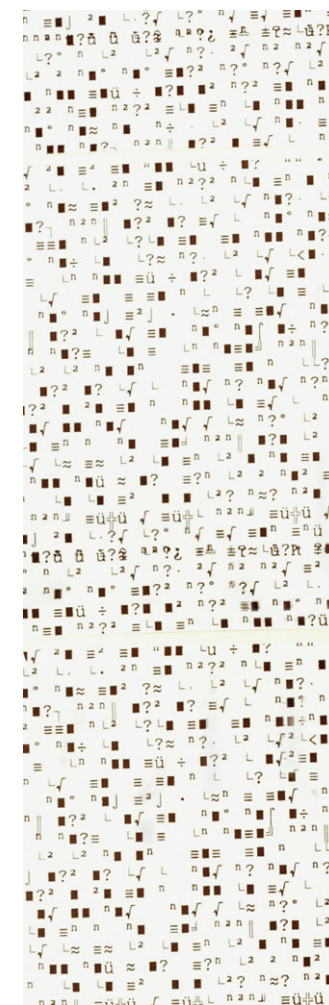


Internal initiatives to bring Swisslog back to profitable growth



Balance sheet

	<u>30.06.2002</u>	<u>30.06.2001</u>	<u>31.12.2001</u>
Non-current assets excluding Goodwill	143.6	154.1	156.6
Goodwill	249.7	284.4	270.0
Non-current assets	393.3	438.5	426.6
Inventories, receivables, prepayments	392.6	357.1	366.2
Cash and cash equivalents	54.2	13.3	71.5
Current assets	446.8	370.4	437.7
Total assets	840.1	808.9	864.3
Shareholder's equity	142.8	165.1	169.8
Minority interest	3.1	1.9	2.9
Non-current liabilities interest bearing	348.8	277.9	349.8
other non-current liabilities	41.9	48.7	44.9
Provisions	18.0	17.5	26.4
Short-term borrowings	11.3	68.3	24.5
Other current liabilities	274.2	229.5	246.0
Total equity and liabilities	840.1	808.9	864.3

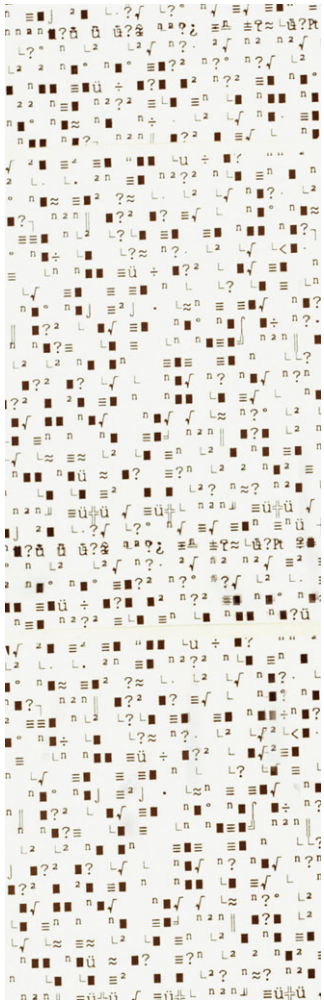


Working capital calculations

	31.12.00	30.06.01	31.12.01	30.06.02
Current Receivables	291.2	275.3	294.9	318.5
Inventories and work in progress	68.2	81.8	71.3	74.1
Non interest bearing short term liab.	<u>232.1</u>	<u>229.5</u>	<u>246.0</u>	<u>274.2</u>
Total Working Capital	127.3	127.6	120.2	118.4
Days of Working Capital	50	48	47	46

Comment:

- Constant reduction of working capital
- Growth segments Solutions and Software are working capital low
- Swisslog benefits from customer prepayments (characteristic for Swisslog industry)



Outlook

- Based on strong order backlog end of June as well as on solid order intake in July net sales and EBITDA is planned to be higher than 2001
- With running cost reduction program and the business momentum EBITDA margin of 10% in 2004 (2000: 9.6%) is targeted
- Negotiations on divestments in hardware segments and real estate at advanced stage
- Cost reduction programs in implementation

