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MEDIA RELEASE

Swisslog to focus on core business and increased operational efficiency following poor 2002

Buchs / Aarau, March 4, 2003 – Logistics specialist Swisslog closes fiscal year 2002 with a net result of CHF -47.8 million. To improve the earnings and balance sheet situation, the new management headed by CEO Remo Brunschwiler focuses the activities on the two core businesses "Warehouse & Distribution Solutions" and "Healthcare". Moreover, the efficiency of the company will be raised by implementing cost-cutting, organizational, and other operational measures.

Reviewing fiscal year 2002, Konrad Peter, Chairman of the Board says: "For Swisslog, the past year was dominated by a difficult market environment. While the strategically relevant segments Supply Chain Solutions and Supply Chain Software performed well, the Material Flow Systems segment in particular experienced a sharp drop in earnings. In addition to that, the net result was negatively impacted by restructuring charges."

The net debt reduction of CHF 13.9 million to CHF 288.9 million (2001: CHF 302.8 million) is clearly below the target of roughly CHF 100 million Swisslog set for 2002. This is due to the fact that the sale of the color logistics unit was paid only partly in cash and the planned divestitures of real estate were delayed.

In the light of these facts, the new CEO, Remo Brunschwiler, having resumed his position on March 1, announces to intensify the efforts to cut costs and increase efficiency: "We cannot yet give any detailed targets," Mr. Brunschwiler states, "we are still defining all measures to be taken. But we will very actively and rigorously work on increasing our operational efficiency and on lowering our costs." At the same time, efforts introduced in 2002 to divest non-core businesses will be accelerated. "We will focus on our fields of expertise "Warehouse & Distribution Solutions" and "Healthcare"," Mr. Brunschwiler announces.

The individual measures are to be defined in close cooperation with the board of directors over the course of the next few weeks and to be implemented without delay thereafter. "I wasn't brought in to develop great new visions," CEO Brunschwiler says. "My job is to make sure that

the strategy to focus our business is vigorously followed and that we cut our costs dramatically and increase operational and organizational efficiency." Mr. Brunschweiler does, however, warn against excessive expectations for the current year. "2003 will be anything but easy. It will take until 2004 for our optimization programs and focus process to have full impact on the operating result and the balance sheet."

In the 2002 fiscal year, Swisslog sales increased by 1.0% to CHF 948.6 million (CHF 938.9 million). Order intake increased by 1.7% to CHF 1'028.2 million (CHF 1'010.6 million) and order backlog by 5.1% to CHF 563.3 million (CHF 536.1 million). The Swisslog group operating result (EBITDA) for 2002 fell to CHF 39.4 million (CHF 63.4 million). The net result of CHF -47.8 million (2001: CHF -27.0 million) in 2002 includes restructuring and one-off costs of CHF 14.7 million. The "Supply Chain Solutions" segment noted sales growth of 15.2% to CHF 474.1 million (CHF 411.6 million) and the "Supply Chain Software" segment grew by 23.7% to CHF 182.9 million (CHF 147.8 million). Both segments were each able to raise the EBITDA margin to 6.9%. Business in "Material Flow Systems" and "Robotic Systems" was unsatisfactory. Both segments are planned to be sold.

The goodwill impairment test conducted in connection with the year-end report confirmed the value of the goodwill shown in the balance sheet. With the divestment of the Color Logistics unit in December of last year and the ordinary goodwill amortization undertaken every year, goodwill was lowered vis-à-vis the previous year by CHF 92.1 million to CHF 177.9 million (CHF 270.0 million).

Pekka Pylkäs, CFO of Swisslog, has decided to leave the company by the end of March 2003. The Board of Directors thanks Pekka Pylkäs for his many years of dedication for Swisslog. Ad interim, the deputy of the CFO will take over his duties.

Financial Calendar:

May 14, 2003: Annual General Meeting
August 18, 2003: Half-Year report

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About Swisslog

Swisslog is a global provider of integrated logistics solutions for the optimization of production and distribution processes. Swisslog's solutions increase their customers' flexibility, responsiveness, productivity and quality of service, while minimizing logistics costs.

The comprehensive portfolio ranges from consulting, logistics solutions, and software to automation technology. With years of experience in the development, implementation and operation of comprehensive supply chain solutions, Swisslog provides the expertise that customers in more than 50 countries around the world rely on.

Headquartered in Buchs/Aarau, Switzerland, Swisslog currently employs around 3,400 staff in 23 countries worldwide. The group's parent company, Swisslog Holding AG, is listed on SWX Swiss Exchange (security number: 1232462, Telekurs: SLOG, Reuters: SLOGn.S). For more information, visit: www.swisslog.com.