



Swisslog Management AG
Webereiweg 3
CH-5033 Buchs/Aarau
Tel. +41 (0)62 837 95 37 switchboard
Fax. +41 (0)62 837 95 55

MEDIA RELEASE

Swisslog Full Figures 2004: Balance sheet restructuring and difficult economic environment burden results

Buchs/Aarau, March 8, 2005 – The logistics company Swisslog finishes the 2004 fiscal year with a net profit of CHF 1.9 million (2003: CHF -245.0 million.). The 2004 fiscal year was characterized mainly by the balance sheet restructuring and the ongoing low demand for logistics solutions for automated warehouses, distribution centers and hospitals. Furthermore, the operating results were also affected by non-recurring restructuring costs and negative currency effects. Nevertheless, the company recorded an increase in order intake in the fourth quarter. In addition, Swisslog completed the divestment program initiated in April 2003 with the sale of the Transnorm group in June 2004.

"The past fiscal year has been characterized mainly by the financial restructuring of the company. But the continuing difficult economic environment in Europe has also had a negative impact on our financial results for 2004," comments Swisslog-CEO Remo Brunschwiler.

Swisslog's turnover (continuing activities) fell compared to the previous year by 10.8% to CHF 564.9 million. Reasons for this are the decline in order intake and negative currency effects. Turnover in the divisions "Warehouse & Distribution Solutions" and "Healthcare Solutions" fell to CHF 378.4 million (2003: CHF 439.0 million) and CHF 174.9 million (2003: CHF 187.5 million), respectively. The "Consulting Services" division managed to increase its turnover to CHF 15.9 million as against CHF 14.4 million in 2003.

Operating result below previous year's level

Results before interest, taxes, depreciation and goodwill-amortization (EBITDA) of the continuing activities are at CHF 17.9 million below the previous year's level of CHF 19.2 million. The operating result (EBITDA) in the "Warehouse & Distribution Solutions" division were with CHF 21.3 million slightly higher than last year (2003: CHF 20.4 million.). The operating result in the "Healthcare Solutions" division decreased to CHF 6.0 million (2003: CHF 16.9 million). The reasons for this decline were restructuring costs and operational losses of CHF 6.0 million in

Germany and the slower than expected market introduction of the PillPick drugs commissioning system, which led to a negative result impact of CHF 6.0 million due to over-capacity at the Italian production site and non-recurring market introduction costs. The "Consulting Services" division recorded an operating result of CHF 2.1 million (2003: CHF 2.6 million). The net profit of the Swisslog group of CHF 1.9 million includes a positive one-time effect of CHF 29.2 million, which arose from the changed conditions of the convertible bond.

Balance sheet restructuring and difficult economic environment burden order intake

The balance sheet restructuring in the first half of 2004 mainly had a negative effect on order intake and the associated order backlog. The order intake for the continuing activities fell from CHF 622.7 million in 2003 to CHF 542.7 million in 2004. Order intake in the "Warehouse & Distribution Solutions" division dropped to CHF 366.2 million, 10.5% lower than last year's level. Order backlog has – due to the larger orders received in the 4th quarter of 2004 – dropped more gently to CHF 290.5 million compared with CHF 314.8 million in 2003. The order intake in the "Healthcare Solutions" division amounts to CHF 166.8 million (2003: CHF 205.1 million) and order backlog stands at CHF 117.1 million (2003: CHF 134.7 million). The weak dollar rate had a considerable impact on the fall in results. In 2004, the "Consulting Services" division recorded an order intake of CHF 13.2 million (2003: 15.7 million) and order backlog of CHF 3.6 million (2003: CHF 6.1 million). " On the one hand, the forecasted economical upturn in Europe did not materialize. And on the other, damaged customer confidence due to the balance sheet restructuring affected order intake more than expected because of the long project lead times," explains Brunschwiler.

Customer confidence in Swisslog returns

Last year was a year of transition for Swisslog. The first priority was the successful completion of the balance sheet restructuring and to ensure the company's survival. "Orders from large customers such as Wal-Mart and AMAG, which we have only received in the last quarter, are an important indication that customer confidence in Swisslog is returning. This is reflected as well in the division "Healthcare Solutions" where we have sold two PillPick-systems at the beginning of this year. We are confident that we will generate more orders as a result of the regained customer confidence," says Brunschwiler. The company expects a slightly positive net result in 2005 even with the absence of the one-time financial gain.

New group and statutory auditors

The Board of Directors of Swisslog Holding AG will propose Ernst & Young AG, Zurich as the new group and statutory auditors of Swisslog to the annual general meeting on May 18, 2005.

Calendar

May 18, 2005: Swisslog Annual General Meeting

August 23, 2005: Half-year report 2005

Contacts

Swisslog Management AG

Nicole Schöwel

Head Corporate Communications

Tel.: +41 (0)62 837 95 36

Fax: +41 (0)62 837 95 55

E-mail: nicole.schowel@swisslog.com

URL: www.swisslog.com

About Swisslog

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

The comprehensive portfolio ranges from building of complex warehouses and distribution centers including Swisslog's software, in-house logistics solutions for hospitals as well as consulting services in the field of supply chain management. With years of experience in the development and implementation of integrated logistics 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 1 850 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: SLOG.S). For more information, visit: www.swisslog.com.

Condensed consolidated income statement	1.1.–31.12.2004	1.1.–31.12.2003
in million CHF		
CONTINUING OPERATIONS:		
Net sales	564.9	633.2
Earnings before interest, taxes, depreciation and amortisation of goodwill (EBITDA)	17.9	19.2
Depreciation and impairment on tangible and intangible assets	7.5	30.0
Earnings before interest, taxes and amortisation of goodwill (EBITA)	10.4	-10.8
Amortisation of goodwill, impairment of goodwill	10.0	68.0
Provision for onerous contracts to acquire goodwill	-1.7	17.0
Earnings before interest and taxes (EBIT)	2.1	-95.8
Impairment of investment and convertible bond CPS Color	0.0	-40.4
Financial income	38.2	1.9
Financial expense	-26.1	-38.3
Result before taxes	14.2	-172.6
Taxes	-8.1	-19.5
Minority interests	0.0	0.9
Result continuing operations	6.1	-191.2
Result discontinuing operations	-4.2	-53.8
Net result	1.9	-245.0
	CHF	CHF
Earnings per share (basic)	0.02	-14.09
Earnings per share (diluted)	0.02	-14.09

Condensed consolidated balance sheet	31.12.2004	31.12.2003
in million CHF		
Non-current assets excluding goodwill	55.7	93.6
Goodwill	94.0	108.8
Non-current assets	149.7	202.4
Inventories, trade and other receivables, prepayments	174.6	189.2
Marketable securities	5.6	0.9
Cash and cash equivalents	85.4	47.5
Current assets	265.6	237.6
Total assets	415.3	440.0
Shareholders' equity	68.2	-122.4
Minority interest	0.2	0.7
Non-current liabilities (excluding convertible bond)	18.6	30.7
Convertible bond	120.4	142.4
Non-current liabilities	139.0	173.1
Provisions	17.7	35.3
Short-term borrowings	0.3	185.4
Other current liabilities	189.9	167.9
Current liabilities	207.9	388.6
Total shareholders' equity and liabilities	415.3	440.0

Condensed consolidated cash flow statement	1.1.–31.12.2004	1.1.–31.12.2003
in million CHF		
Net cash flow from operating activities	39.8	51.9
Thereof net cash flow before changes in net working capital	1.2	13.2
Thereof net cash flow after changes in net working capital	38.6	38.7
Net cash flow from investing activities	1.1	-13.9
Net cash flow from financing activities	1.1	-18.2
Net cash flow from discontinuing activities	-2.8	-4.1
Impact of currency translation	-1.3	-4.2
Net change in cash and cash equivalents	37.9	11.5
Cash and cash equivalents at beginning of period	47.5	36.0
Cash and cash equivalents at end of period	85.4	47.5

Condensed consolidated statement of changes in shareholders' equity

in million CHF	Share capital	Premium	Fair value and other reserves			Retained earnings	Shareholders' equity
			Equity convertible bonds	Currency translation differences	Other		
As at 1.1.2003	30.3	98.7	14.6	-40.7	0.1	-7.2	95.8
Net result 2003						-245.0	-245.0
Release of share premium		-39.3				39.3	
Fair value gains/losses (-) from securities					-0.2		-0.2
Fair value gains/losses (-) from cash flow hedges					-0.3		-0.3
Treasury shares						0.3	0.3
Goodwill transfer to income statement						12.4	12.4
Currency translation differences				14.6			14.6
As at 31.12.2003	30.3	59.4	14.6	-26.1	-0.4	-200.2	-122.4
As at 1.1.2004	30.3	59.4	14.6	-26.1	-0.4	-200.2	-122.4
Net result 2004						1.9	1.9
Financial restructuring	-28.5	-48.3	-14.6			288.2	196.8
Fair value gains/losses (-) from securities					0.2		0.2
Fair value gains/losses (-) from cash flow hedges					-0.1		-0.1
Treasury shares						-0.2	-0.2
Currency translation differences				-8.0			-8.0
As at 31.12.2004	1.8	11.1	0.0	-34.1	-0.3	89.7	68.2

Condensed Segment results	1.1.–31.12.2004	1.1.–31.12.2003	Change in %
in million CHF			
Warehouse & Distribution Solutions			
Order intake	366.2	409.3	-10.5
Order backlog*	290.5	314.8	-7.7
Net sales	378.4	439.0	-13.8
EBITDA	21.3	20.4	4.4
<i>EBITDA margin</i>	5.6%	4.6%	
EBIT	18.1	-9.0	n.a.
Employees*	1,041	1,135	-8.3
Consulting Services			
Order intake	13.2	15.7	-15.9
Order backlog*	3.6	6.1	-41.0
Net sales	15.9	14.4	10.4
EBITDA	2.1	2.6	-19.2
<i>EBITDA margin</i>	13.2%	18.1%	
EBIT	-7.3	-30.1	n.a.
Employees*	67	62	8.1
Healthcare Solutions			
Order intake	166.8	205.1	-18.7
Order backlog*	117.1	134.7	-13.1
Net sales	174.9	187.5	-6.7
EBITDA	6.0	16.9	-64.5
<i>EBITDA margin</i>	3.4%	9.0%	
EBIT	3.1	-24.3	n.a.
Employees*	727	749	-2.9
Headquarter			
Order intake	0.0	0.0	n.a.
Order backlog*	0.0	0.0	n.a.
Net sales	0.0	0.0	n.a.
EBITDA	-11.5	-20.7	n.a.
<i>EBITDA margin</i>	n.a.	n.a.	
EBIT	-11.8	-32.4	n.a.
Employees*	23	32	-28.1
Eliminations			
Order intake	-3.5	-7.4	n.a.
Order backlog*	-0.6	-0.6	n.a.
Net sales	-4.3	-7.7	n.a.
EBITDA	0.0	0.0	n.a.
<i>EBITDA margin</i>	n.a.	n.a.	
EBIT	0.0	0.0	n.a.
Employees*	0	0	n.a.

Condensed Segment results (cont.)	1.1.–31.12.2004	1.1.–31.12.2003	Change in %
in million CHF			
Total continuing operations			
Order intake	542.7	622.7	-12.8
Order backlog*	410.6	455.0	-9.8
Net sales	564.9	633.2	-10.8
EBITDA	17.9	19.2	-6.8
<i>EBITDA margin</i>	3.2%	3.0%	
EBIT	2.1	-95.8	n.a.
Employees*	1,858	1,978	-6.1
Discontinuing operations			
Order intake	38.1	168.1	-77.3
Order backlog*	0.0	13.6	n.a.
Net sales	32.6	169.6	-80.8
EBITDA	-1.8	-26.7	n.a.
<i>EBITDA margin</i>	-5.5%	-15.7%	
EBIT	-2.6	-50.3	n.a.
Employees*	0	358	n.a.
Eliminations			
Order intake	-1.4	-15.1	n.a.
Order backlog*	0.0	-0.7	n.a.
Net sales	-0.9	-32.0	n.a.
EBITDA	0.0	0.0	n.a.
<i>EBITDA margin</i>	0.0%	0.0%	
EBIT	0.0	0.0	n.a.
Employees*	0	0	n.a.
Total Group			
Order intake	579.4	775.7	-25.3
Order backlog*	410.6	467.9	-12.2
Net sales	596.6	770.8	-22.6
EBITDA	16.1	-7.5	n.a.
<i>EBITDA margin</i>	2.7%	-1.0%	
EBIT	-0.5	-146.1	n.a.
Employees*	1,858	2,336	-20.5

* at the end of the period

The accounts of the Swisslog Group are drawn up in accordance with International Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the regulations of SWX Swiss Exchange, Zurich.

This document contains specific forward-looking statements, e.g. statements including terms such as "believe", "expect" or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of the Swisslog Group and those explicitly presumed in these statements. Against the background of these uncertainties, readers should not rely on forward-looking statements. Swisslog Holding AG assumes no responsibility to update forward-looking statements or adapt them to future events or developments.