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MEDIA RELEASE

Swisslog first half-year 2005: increased order intake and order backlog - slightly negative net result

Buchs/Aarau, 23 August 2005 – The logistics company Swisslog closes the first half-year 2005 with a net profit of MCHF - 1.4 compared to MCHF 13.1 in the first half 2004. The half-year result 2004, however, included a one-time financial gain of MCHF 29.1. The first semester 2005 shows an increase in order intake and the associated order backlog, while turnover declined by approximately 13% in comparison to the same period last year. Swisslog expects a break-even result for the current business year.

The turnover of Swisslog (continuing activities) decreased during the first half-year to MCHF 267.0 as compared to MCHF 305.5 in the same period last year. Sales in the "Warehouse & Distribution Solutions" division dropped from MCHF 212.3 in the first half-year 2004 to MCHF 171.3 in the first semester 2005 due to the reduced order intake in 2004. The "Healthcare Solutions" division was able to slightly increase sales to MCHF 89.7 (2004: CHF 87.9 million). Sales of the "Consulting Services/Wassermann" division fell from MCHF 7.9 in the first semester 2004 to MCHF 7.0 in 2005.

Operating result on previous year's level

Earnings before interest, taxes, depreciation and goodwill-amortization (EBITDA) of the continuing activities are with MCHF 11.2 on last year's level. The operating result (EBITDA) of the "Warehouse & Distribution Solutions" division fell from MCHF 13.2 in the first semester 2004 to MCHF 7.8 in the same period 2005. The "Healthcare Solutions" division was able to increase its operating result (EBITDA) from MCHF 1.8 in the first half-year 2004 to MCHF 9.1 in 2005. "The last year result of the Healthcare Solutions division was burdened with restructuring and one-off costs," comments Swisslog-CEO Remo Brunschwiler. The third division "Consulting Services/Wassermann", recorded a decrease of MCHF 0.4 in its operating result to MCHF 0.6.

Increase in order intake

Order intake for Swisslog's continuing activities rose in the first half of 2005 to MCHF 281.3 as compared to MCH 231.7 during the same period last year. The associated order backlog amounted to MCHF 443.2 (2004: MCHF 378.1). Order intake for the "Warehouse & Distribution Solutions" division increased from MCHF 143.4 in the first semester 2004 to MCHF 169.2 in the first half-year 2005. The associated order backlog improved from MCHF 246.9 in 2004 to MCHF 303.5. "The demand for logistics solutions as offered by Swisslog is still on a low level in Continental Europe. The situation is different in North America, Australia, and England, where we experience an increasing demand for our solutions", says Brunschwiler. The "Healthcare Solutions" division was able to increase its order intake from MCHF 82.4 in the first semester 2004 to MCHF 105.3 in 2005. The order backlog rose from MCHF 126.2 to MCHF 138.1. "The higher order intake can be mainly attributed to our pneumatic tube and automated guided vehicle transport systems business. Also the sales for the PillPick drug commissioning system are now within our expectations, after a difficult market introduction in 2004," reports Brunschwiler. Order intake for the "Consulting Services/Wassermann" division dropped to MCHF 7.4 (2004: MCHF 8.2). Order backlog fell from MCHF 6.3 in 2004 to MCHF 2.0 this year.

Positive currency effects

Due to positive currency translation effects, Swisslog's equity ratio rose from 16% to 19% respectively from MCHF 68.4 to MCHF 73.9 as compared to 2004 year-end result.

Additional orders from major customers

Wal-Mart, the worldwide biggest retail chain has awarded to Swisslog in June 2005 a new distribution center in the USA. The order has been booked in June. Furthermore, Swisslog received an order from PepsiCo in August 2005 to build a new warehouse in England.

Outlook

"We expect the turnover for 2005 to reach last year's level. For the order intake and order backlog we expect a growing figure. Overall, we anticipate a break-even result for the fiscal year 2005", says Brunschwiler.

Calendar

March 7, 2006: Swisslog Full Figures 2005

May 17, 2006: Annual General Meeting Swisslog 2006

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About Swisslog

Swisslog is a global provider of integrated logistic solutions for warehouses, distribution centres and hospitals.

The comprehensive portfolio ranges from building complex warehouses and distribution centres including Swisslog's software, in-house logistics solutions for hospitals as well as software and consulting services in the field of supply chain management. Swisslog's solutions optimize the customer's production, logistics and distribution processes in order to increase their flexibility, responsiveness and quality of service, while minimizing logistics costs.

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: 1 232 462, Telekurs: SLOG, Reuters: SLOG.S). For more information, visit: www.swisslog.com.

Swisslog Group key figures (unaudited)	1.1.–30.6.2005	1.1.–30.6.2004	1.1.–31.12.2004
MCHF			
Order intake	281.3	268.3	579.4
Order backlog*	443.2	378.1	410.6
Net sales	267.0	336.6	596.6
EBITDA	11.2	12.1	16.1
<i>EBITDA margin</i>	4.2%	3.6%	2.7%
EBIT	7.7	-0.9	-0.5
Net result	-1.4	13.1	1.9
Equity*	73.9	86.3	68.4
Net debt*	51.0	50.4	29.9
Net working capital*	-12.4	-10.1	-31.0
Employees*	1 862	1 913	1 858

* at the end of the period

Condensed consolidated income statement (unaudited)	1.1.–30.6.2005	1.1.–30.6.2004	1.1.–31.12.2004
MCHF			
CONTINUING OPERATIONS:			
Net sales	267.0	305.5	564.9
Earnings before interest, taxes, depreciation and amortization of goodwill (EBITDA)	11.2	11.2	17.9
Depreciation on tangible and intangible assets	3.5	3.8	7.5
Earnings before interest, taxes and amortization of goodwill (EBITA)	7.7	7.4	10.4
Impairment of goodwill	0.0	10.0	10.0
Provision for onerous contracts to acquire goodwill	0.0	-1.7	-1.7
Earnings before interest and taxes (EBIT)	7.7	-0.9	2.1
Financial income	1.6	37.2	38.2
Financial expense	-5.5	-15.0	-26.1
Result before taxes	3.8	21.3	14.2
Taxes	-5.2	-6.1	-8.1
Result continuing operations	-1.4	15.2	6.1
DISCONTINUED OPERATIONS:			
Result discontinued operations	0.0	-2.1	-4.2
NET RESULT	-1.4	13.1	1.9
Attributable to:			
Equity holders of the parent	-1.4	13.1	1.9
Earnings per share	CHF	CHF	CHF
Basic earnings per share continuing operations	-0.01	0.27	0.05
Basic earnings per share discontinued operations	0.00	-0.03	-0.03
Basic earnings per share	-0.01	0.24	0.02
Diluted earnings per share continuing operations	-0.01	0.27	0.05
Diluted earnings per share discontinued operations	0.00	-0.03	-0.03
Diluted earnings per share	-0.01	0.24	0.02

Condensed consolidated balance sheet (unaudited)	30.6.2005	30.6.2004	31.12.2004
MCHF			
Non-current assets excluding goodwill	50.6	58.1	55.7
Goodwill	99.2	98.2	94.0
Non-current assets	149.8	156.3	149.7
Inventories, trade and other receivables, prepayments	164.5	168.2	174.6
Cash, cash equivalents and marketable securities	73.3	68.1	91.0
Current assets	237.8	236.3	265.6
Total assets	387.6	392.6	415.3
Equity	73.7	85.6	68.2
Minority interests	0.2	0.7	0.2
Total equity	73.9	86.3	68.4
Non-current liabilities (excluding convertible bonds)	16.7	16.6	18.6
Convertible bonds	123.8	117.0	120.4
Non-current liabilities	140.5	133.6	139.0
Provisions	13.0	32.6	17.7
Short-term borrowings	0.1	1.2	0.3
Other current liabilities	160.1	138.9	189.9
Current liabilities	173.2	172.7	207.9
Total equity and liabilities	387.6	392.6	415.3

Condensed consolidated cash flow statement (unaudited)	1.1.–30.6.2005	1.1.–30.6.2004	1.1.–31.12.2004
MCHF			
Net cash flow from operating activities	-18.7	3.0	39.8
Thereof net cash flow before changes in net working capital	3.9	1.0	1.2
Thereof cash flow from net current assets	-22.6	2.0	38.6
Net cash flow from investing activities	5.4	10.5	1.1
Net cash flow from financing activities	-0.4	5.2	1.1
Net cash flow from discontinued operations	0.0	0.7	-2.8
Currency translation impact on cash and cash equivalents	1.6	-0.3	-1.3
Net change in cash and cash equivalents	-12.1	19.1	37.9
Cash and cash equivalents at beginning of period	85.4	47.5	47.5
Cash and cash equivalents at end of period	73.3	66.6	85.4

Condensed consolidated statement of changes in equity (unaudited)

MCHF	Share capital	Premium	Fair value and other reserves			Retained earnings	Minority interests	Total Equity
			Equity convertible bonds	Currency translation differences	Other			
Balance at 1.1.2004	30.3	59.4	14.6	-26.1	-0.4	-200.2	0.7	-121.7
Net result								
1.1.–30.6.2004						13.1		13.1
Issue of share capital	-28.5	10.5	-14.6			228.8		196.2
Fair value gains/losses								
(-) from cash flow hedges					0.2			0.2
Treasury shares						-0.1		-0.1
Currency translation differences				-1.4				-1.4
Balance at 30.6.2004	1.8	69.9	0.0	-27.5	-0.2	41.6	0.7	86.3
Balance at 1.1.2005	1.8	11.1	0.0	-34.1	-0.3	89.7	0.2	68.4
Net result								
1.1.–30.6.2005						-1.4		-1.4
Issue of share capital								0.0
Fair value gains/losses								
(-) from cash flow hedges								0.0
Treasury shares								0.0
Currency translation differences				6.9				6.9
Balance at 30.6.2005	1.8	11.1	0.0	-27.2	-0.3	88.3	0.2	73.9

Condensed Segment results (unaudited)	1.1.–30.6.2005	1.1.–30.6.2004	1.1.–31.12.2004
MCHF			
Warehouse & Distribution Solutions			
Order intake	169.2	143.4	366.2
Order backlog*	303.5	246.9	290.5
Net sales	171.3	212.3	378.4
EBITDA	7.8	13.2	21.3
<i>EBITDA margin</i>	4.6%	6.2%	5.6%
EBIT	6.5	11.6	18.1
Employees*	1 027	1 065	1 041
Consulting Services/Wassermann			
Order intake	7.4	8.2	13.2
Order backlog*	2.0	6.3	3.6
Net sales	7.0	7.9	15.9
EBITDA	0.6	1.0	2.1
<i>EBITDA margin</i>	8.6%	12.4%	13.2%
EBIT	0.0	-8.0	-7.3
Employees*	69	60	67
Healthcare Solutions			
Order intake	105.3	82.4	166.8
Order backlog*	138.1	126.2	117.1
Net sales	89.7	87.9	174.9
EBITDA	9.1	1.8	6.0
<i>EBITDA margin</i>	10.1%	2.0%	3.4%
EBIT	7.5	0.3	3.1
Employees*	747	761	727
Headquarter			
Order intake	0.0	0.0	0.0
Order backlog*	0.0	0.0	0.0
Net sales	0.0	0.0	0.0
EBITDA	-6.3	-4.8	-11.5
<i>EBITDA margin</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
EBIT	-6.3	-4.8	-11.8
Employees*	19	27	23
Eliminations			
Order intake	-0.6	-2.3	-3.5
Order backlog*	-0.4	-1.3	-0.6
Net sales	-1.0	-2.6	-4.3
EBITDA	0.0	0.0	0.0
<i>EBITDA margin</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
EBIT	0.0	0.0	0.0
Employees*	0	0	0
Total continuing operations			
Order intake	281.3	231.7	542.7
Order backlog*	443.2	378.1	410.6
Net sales	267.0	305.5	564.9
EBITDA	11.2	11.2	17.9
<i>EBITDA margin</i>	4.2%	3.7%	3.2%
EBIT	7.7	-0.9	2.1
Employees*	1 862	1 913	1 858

* at the end of the period

Continuation next page.

Condensed Segment results (unaudited)	1.1.–30.6.2005	1.1.–30.6.2004	1.1.–31.12.2004
MCHF			
Discontinued operations			
Order intake	0.0	38.5	38.1
Order backlog*	0.0	0.0	0.0
Net sales	0.0	32.9	32.6
EBITDA	0.0	0.9	-1.8
<i>EBITDA margin</i>	<i>n.a.</i>	<i>2.7%</i>	<i>-5.5%</i>
EBIT	0.0	0.0	-2.6
Employees*	0	0	0
Eliminations			
Order intake	0.0	-1.9	-1.4
Order backlog*	0.0	0.0	0.0
Net sales	0.0	-1.8	-0.9
EBITDA	0.0	0.0	0.0
<i>EBITDA margin</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
EBIT	0.0	0.0	0.0
Employees*	0	0	0
Total Group			
Order intake	281.3	268.3	579.4
Order backlog*	443.2	378.1	410.6
Net sales	267.0	336.6	596.6
EBITDA	11.2	12.1	16.1
<i>EBITDA margin</i>	<i>4.2%</i>	<i>3.6%</i>	<i>2.7%</i>
EBIT	7.7	-0.9	-0.5
Employees*	1 862	1 913	1 858

* at the end of the period

Notes to the half-year financial report ended 30 June, 2005 (unaudited)

1. Basis of preparation

The unaudited half-year financial report of Swisslog Holding AG and its subsidiaries has been prepared in accordance with the accounting policies set out in International Accounting Standard 34 (Interim Financial Reporting) and the 2004 financial report. The half-year financial report should be read in conjunction with the 2004 financial report, as this is an update of already disclosed information. The board of directors authorized the half-year financial report for issue on 15 August 2005.

The International Accounting Standards Board (IASB) has adopted new rules and changed existing standards of the International Financial Accounting Standards (IFRS) effective from 1 January 2005. In the following the major changes for Swisslog Group are outlined:

IAS 1: Presentation of Financial Statements

The minority interests are included in the Group's equity in the balance sheet instead of being presented as a separate category in the balance sheet and in the statement of changes in equity. In the income statement the minority interests are no longer deducted from the Group's net result.

IFRS 2: Share-based Payment

As of 1 January 2005 the cost of stock option plans to employees will be charged to the income statement (before directly to equity). However, as the Group has not issued any stock option plans after 7 November 2002, no restatement of prior year figures is necessary.

IFRS 3: Business Combinations, IAS 36: Impairment of Assets, IAS 38: Intangible Assets

The net book value of goodwill is not amortized as of 1 January 2004, but subject to impairment test annually or at any indication for impairment. The Group adopted IFRS 3 together with IAS 36 and IAS 38 retrospectively as of 1 January 2004.

2. Major foreign currency exchange rates

Currency	Country	Unit	Income statement			Balance sheet		
			30.6.05	31.12.04	30.6.04	30.6.05	31.12.04	30.6.04
EUR	Europe	1	1.5465	1.5465	1.5549	1.5428	1.5459	1.5230
GBP	UK	1	2.2600	2.2756	2.3040	2.3195	2.1982	2.2870
USD	USA	1	1.2126	1.2429	1.2678	1.2669	1.1348	1.2512

3. Settlement legal dispute

In the second quarter of 2005 the major legal dispute has been settled. A provision of MCHF 1.0 was set up for this dispute in 2004. The conditions agreed in the settlement caused additional costs of MCHF 0.4, which have been recorded in the income statement in the first half of 2005. No contingent liabilities related to this legal dispute exist anymore (MCHF 20.7 were reported as of 31 December 2004).

4. Discontinued operations

Swisslog completed the divestment process with the sale of the Transnorm Group in 2004. In 2005 no further divestments are initiated or planned. Therefore, the reporting of discontinued operations has been ceased as of 1 January 2005.

5. Goodwill Consulting Services/Wassermann

The operational results of Consulting Services/Wassermann were behind plan in the first quarter of 2005. In the last three months the results developed positively and are expected to continue in the same way for the remainder of the year. The deviation to the plan – caused in the first quarter – will not be fully compensated until the end of the year. Therefore, the goodwill of Consulting Services/Wassermann has been tested for impairment. The impairment test confirmed the goodwill at 30 June 2005. The revised forecast 2005 expects lower cash flows and therefore reduced the value in use by MCHF 0.9 but still exceed the carrying amount by MCHF 2.4 (before MCHF 3.3 at 31 December 2004). The underlying assumptions are still based on an average growth rate of net sales of 10.4% p.a. for the years 2005 to 2009. A deviation of the net sales targets could cause changes in value in use. The periodical goodwill impairment test will be made towards the end of the year.

The total amount of goodwill increased due to currency translation differences by MCHF 5.2 compared to 31 December 2004.

6. Bank-guarantee facilities

The banks have in principle agreed on the terms of a prolongation of the guarantee facilities. According to this agreement the bank-guarantee facilities will be extended – with modified covenants – by one year until 30 June 2007.

7. Net cash flow from investing activities

The major part of the net cash flow from investing activities of MCHF 5.4 in the first half of 2005, is related to the disposal of the marketable securities (marketable securities at 30.6.05 MCHF 0.0; at 30.6.04 MCHF 1.5; at 31.12.04 MCHF 5.6).

Disclaimer

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.