

Swisslog – Status

Analyst and Media Conference

8 March 2007

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.

Content

- ▶ **Business activities**
- ▶ Financial situation 2006
- ▶ Conclusion and outlook

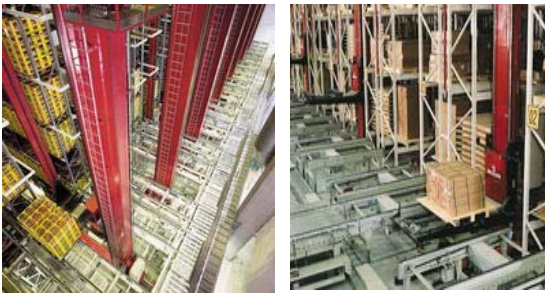
Overview 2006

- ▶ Strengthened market position
- ▶ Strong net sales increase
- ▶ Further improvement of operating result (EBITA)
- ▶ Negative result of Consulting Services/Wassermann
- ▶ Negative net result due to one-time effects
- ▶ Strengthened balance sheet

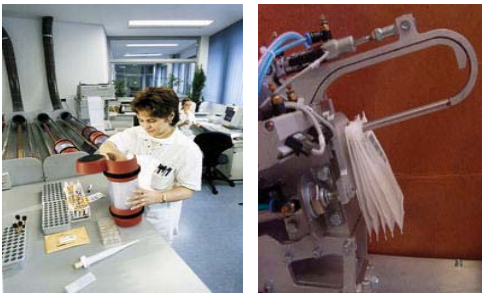
Overview Swisslog Group



Warehouse & Distribution Solutions (WDS)



Healthcare Solutions (HCS)



Consulting Services/ Wassermann (CSW)



Net sales 2006 (MCHF)	416 64%	220 34%	11 2%	647 100%
Employees	999	744	52	1 813

Group



Market environment 2006

Warehouse & Distribution Solutions

- ▶ Good overall market conditions, recovery of Europe
- ▶ Several competitive players in change of ownership situation
- ▶ Industry consolidation not started (yet)
- ▶ Swisslog amongst top 4 players in the industry

Healthcare Solutions

- ▶ Good overall market conditions driven by cost pressure in healthcare sector
- ▶ Competitive situation remains fragmented
- ▶ Swisslog's top position further strengthened

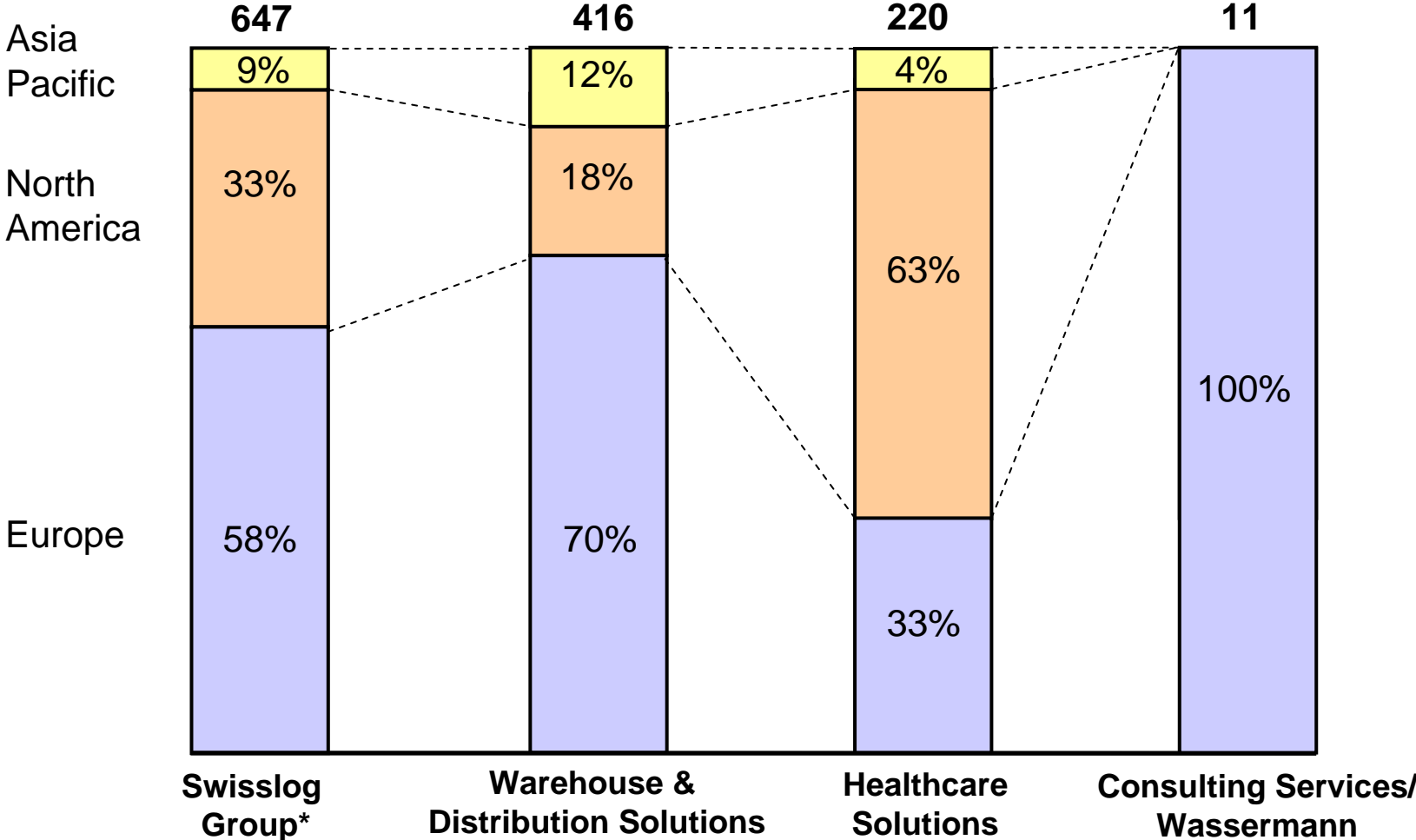
Financial overview – Swisslog Group

In MCHF	Swisslog Group		
	31.12.06	31.12.05	Diff. in %
Order intake	677.3	628.6	7.7%
Order backlog	538.0	510.8	5.3%
Net sales	646.9	556.4	16.3%
EBITDA	37.8	28.8	31.3%
EBITA	31.1	21.8	42.7%
<i>EBITA/net sales</i>	4.8%	3.9%	
EBIT	21.0	21.8	-3.7%
Employees	1 813	1 841	-1.5%

- ▶ Order intake and order backlog increased in WDS and HCS
- ▶ Net sales strongly increased in WDS and HCS
- ▶ Operating results improved by around MCHF 10
- ▶ EBITA margin up by 0.9% points
- ▶ Goodwill impairment of MCHF 10.1 at CSW

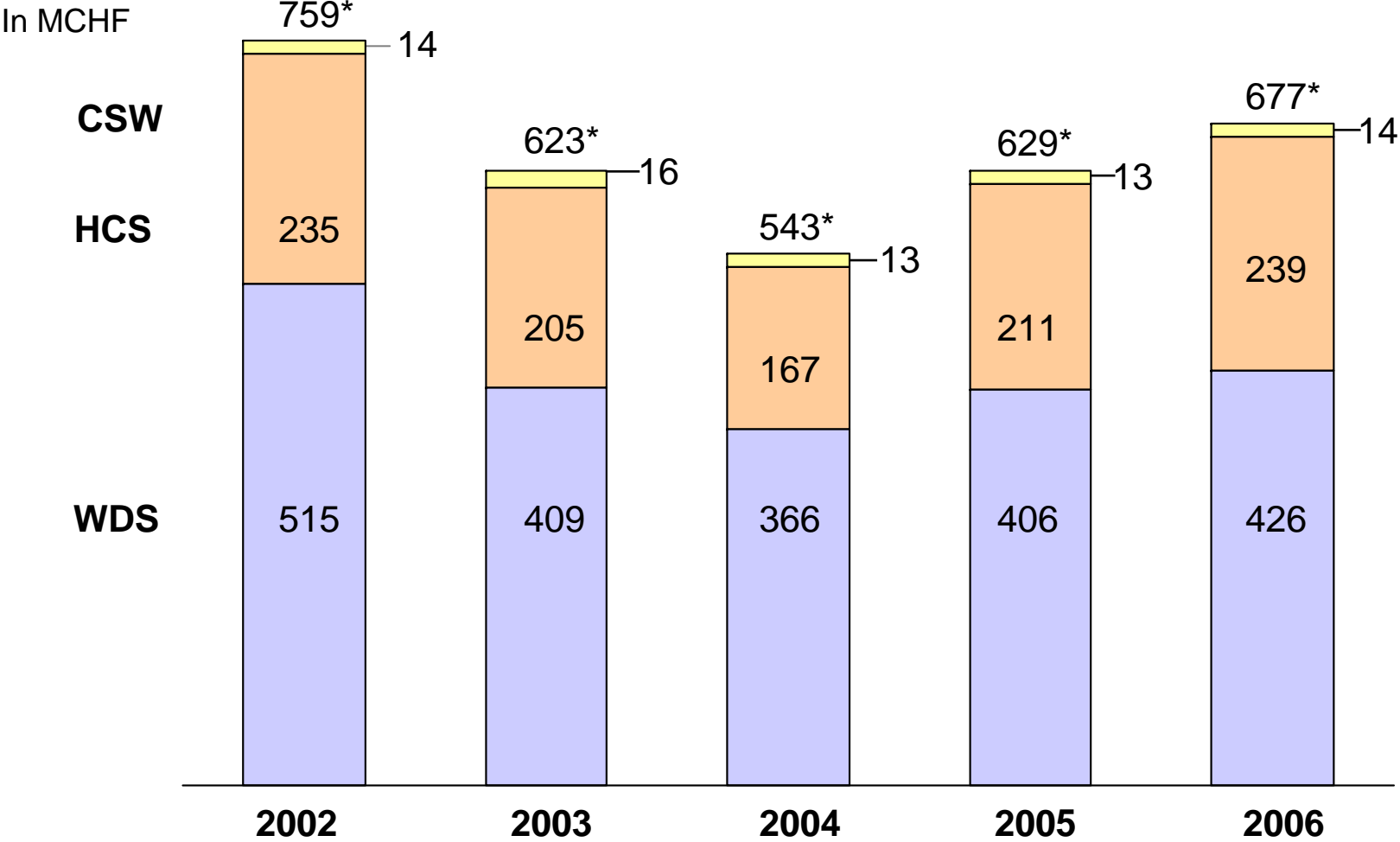
Geographic split of net sales 2006

In MCHF



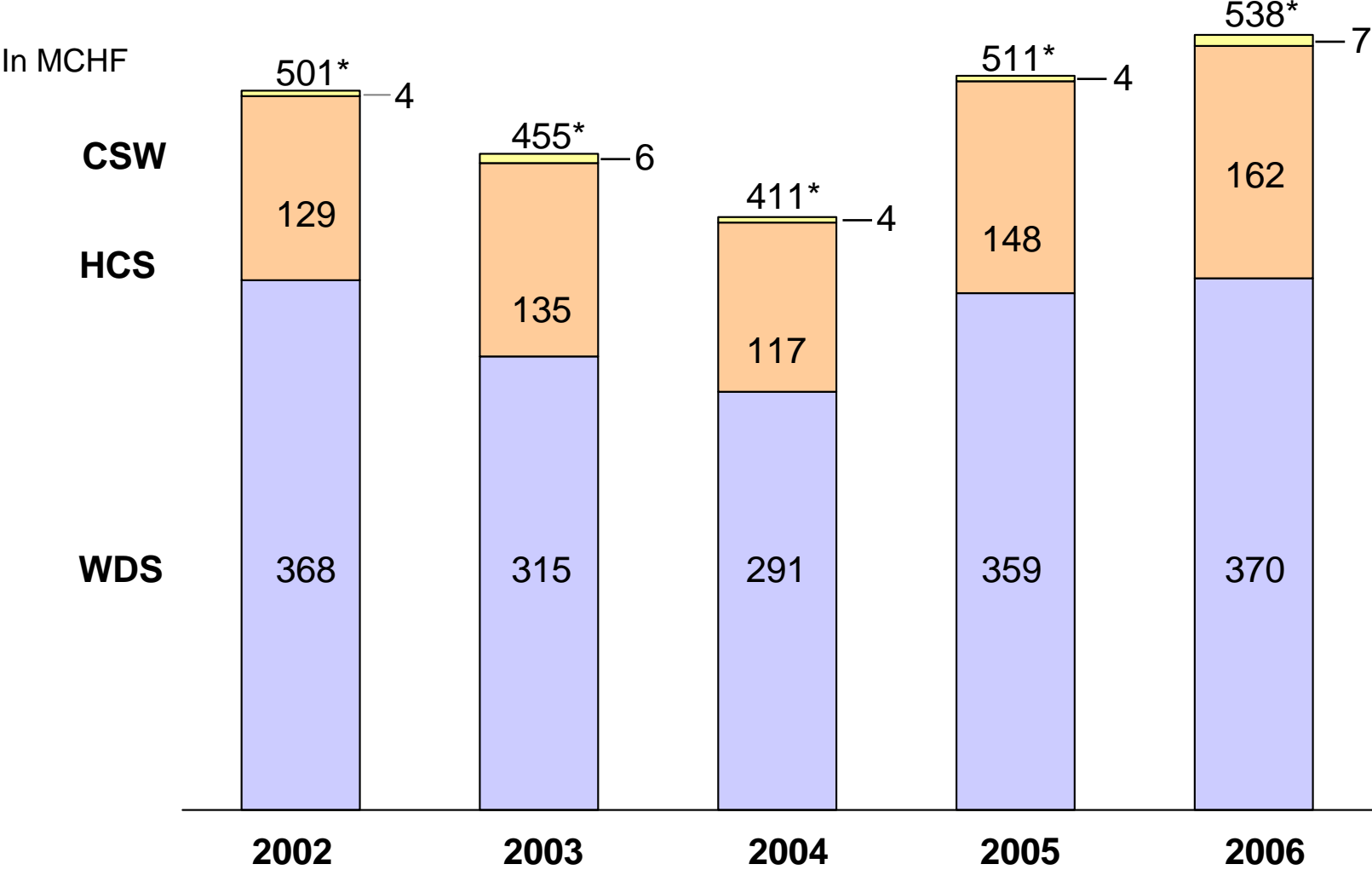
* 2005: Asia Pacific: 7%, North America: 36%, Europe: 57%

Continued growth of order intake



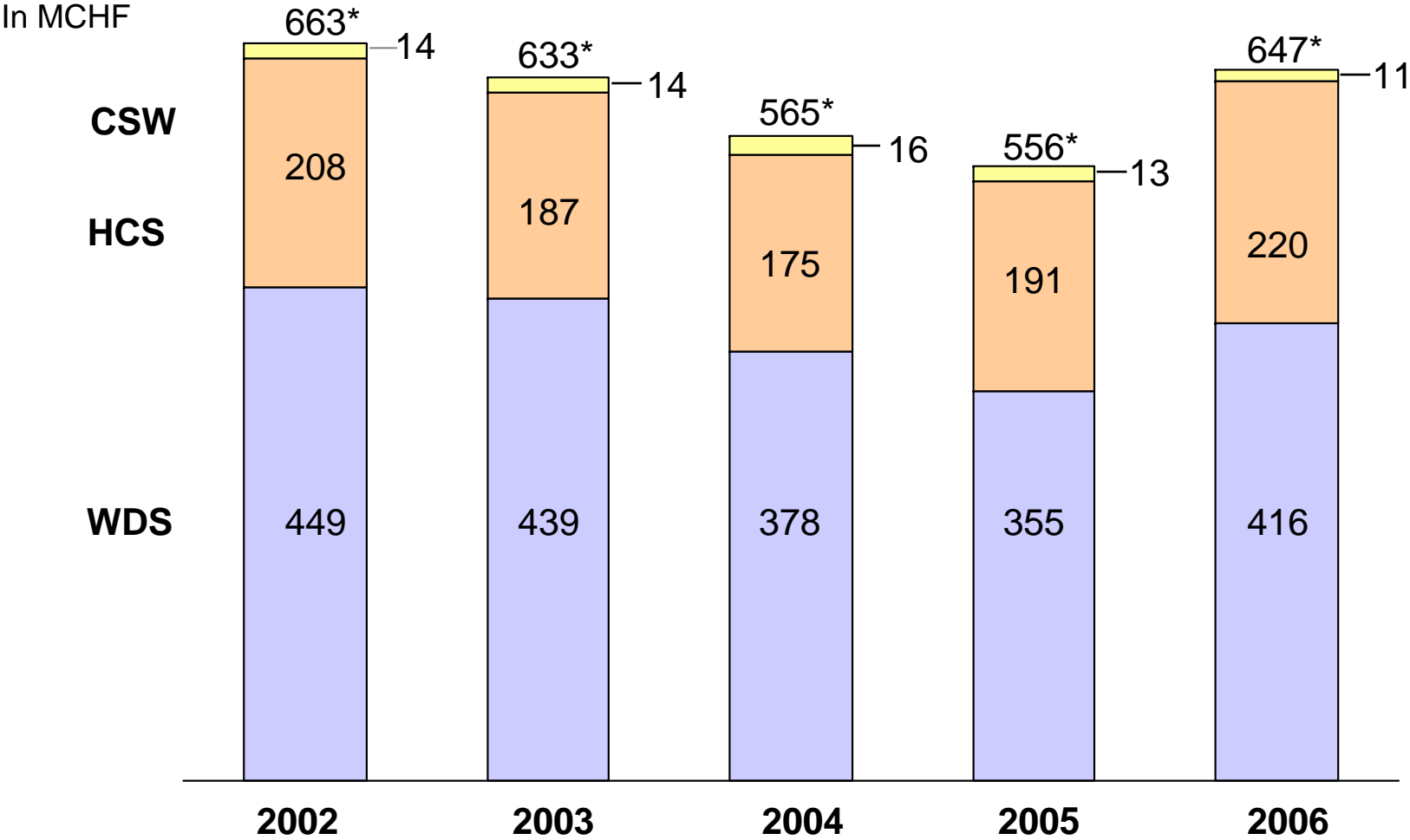
* After eliminations

Further increase of order backlog



* After eliminations

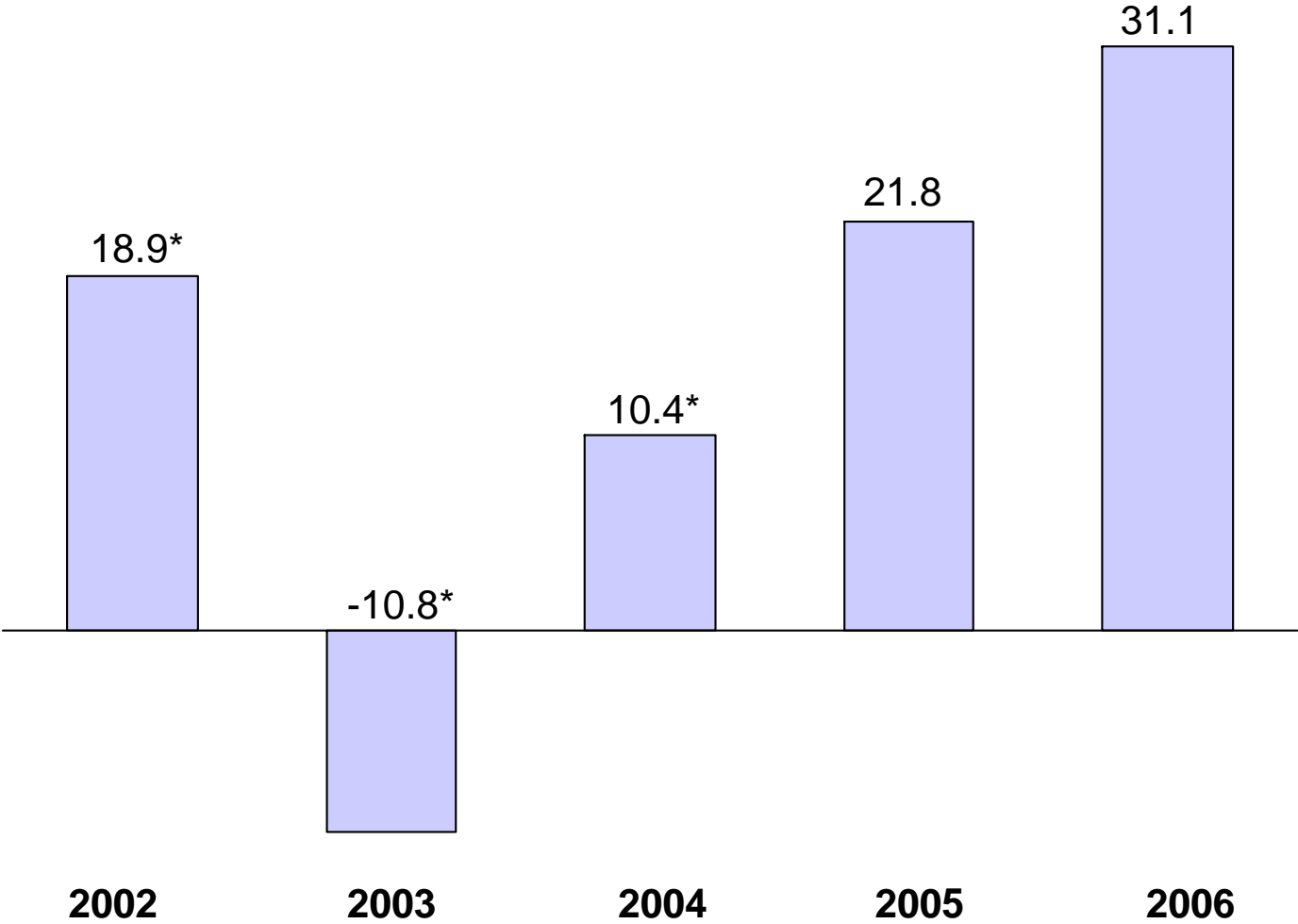
Return to growth path in net sales



* After eliminations

Continued improvement of EBITA

In MCHF

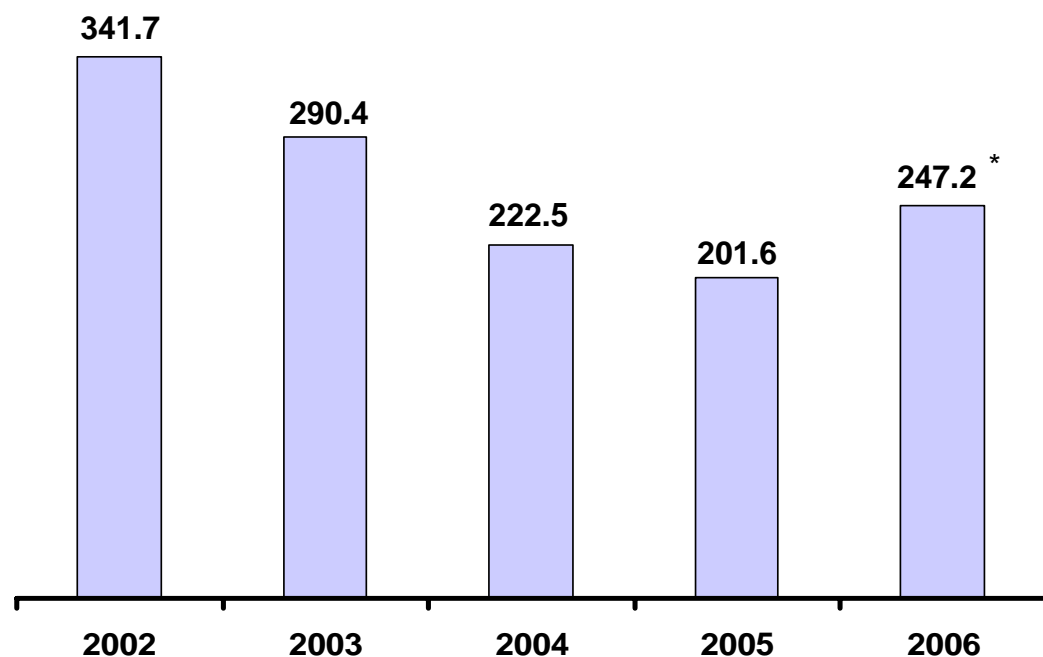


*Swisslog Continuing Operations



Warehouse & Distribution Solutions – New Business

Net sales
in MCHF



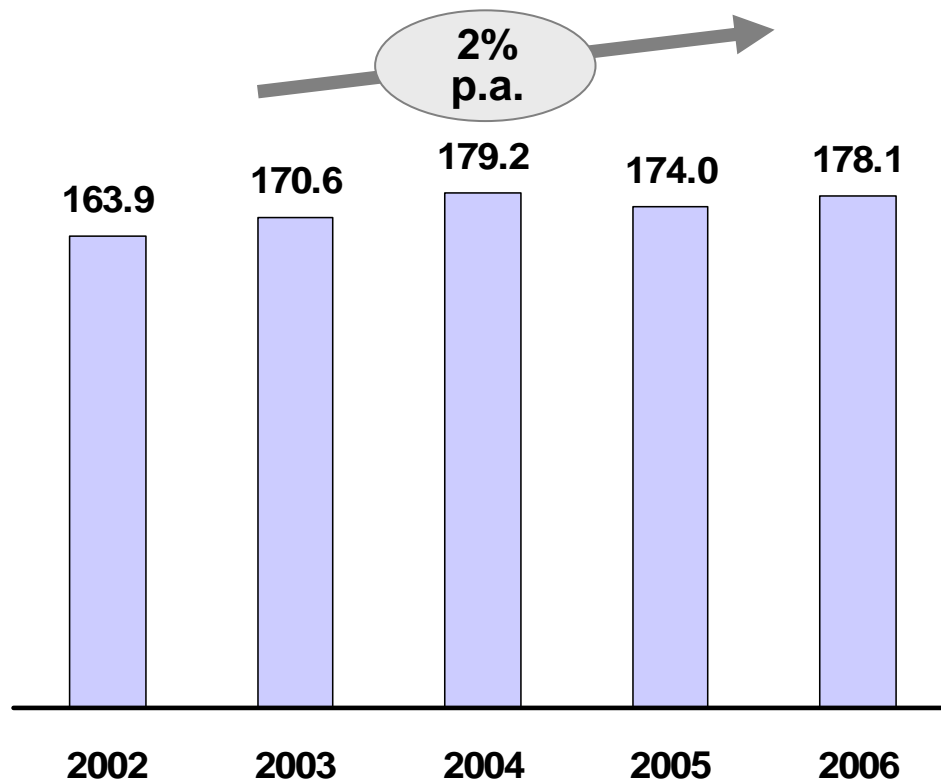
Actions for profitable growth

- ▶ Full exploitation of business opportunities from existing key accounts (e.g. Wal-Mart, Target)
- ▶ Start hardware equipment sourcing in China
- ▶ Maintain strong focus on “operational excellence”

* Major orders in 2006: People’s Bank of China, Lindex, Quinn Radiators, Target, Coca-Cola Amatil

Warehouse & Distribution Solutions – Customer Support

Net sales
in MCHF*

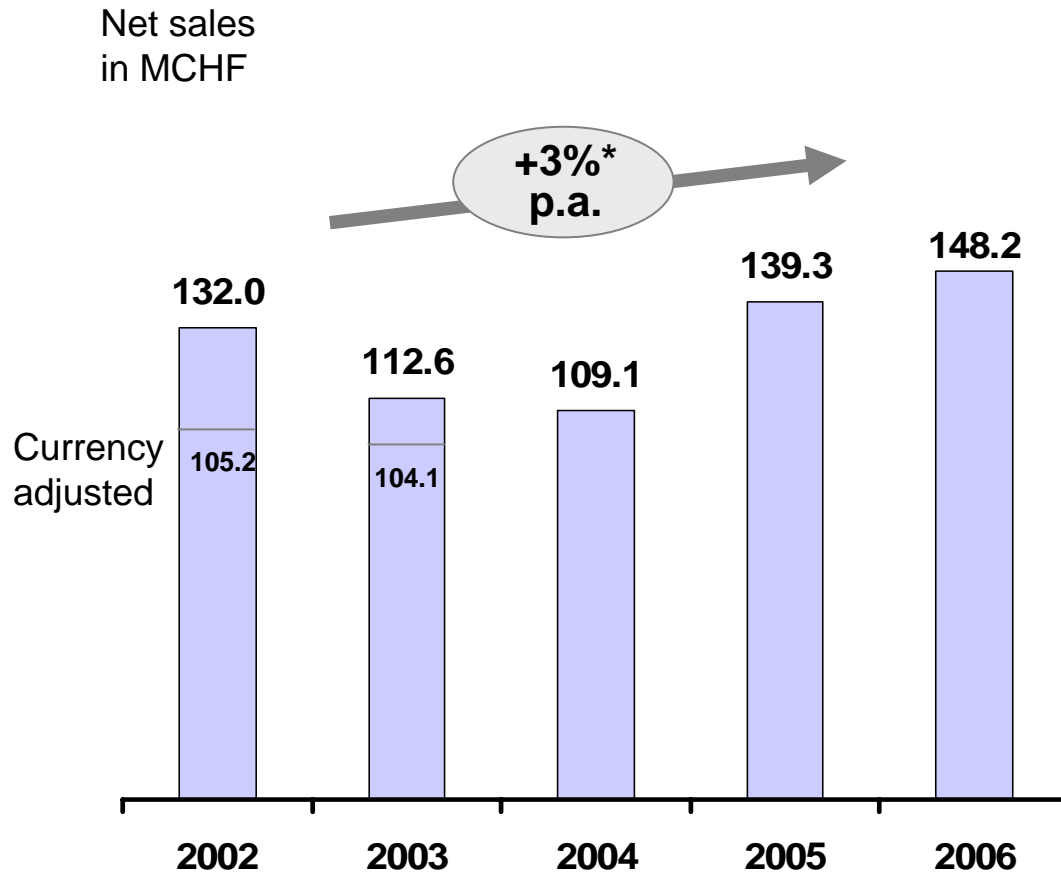


Actions for profitable growth

- ▶ Promotion of system operation business
- ▶ Full exploitation of opportunities for software upgrade/migration
- ▶ Expansion of software support services
- ▶ Build-up of software support center in Malaysia

* Segment sales including internal sales

Healthcare Solutions - Pneumatic Tube Systems



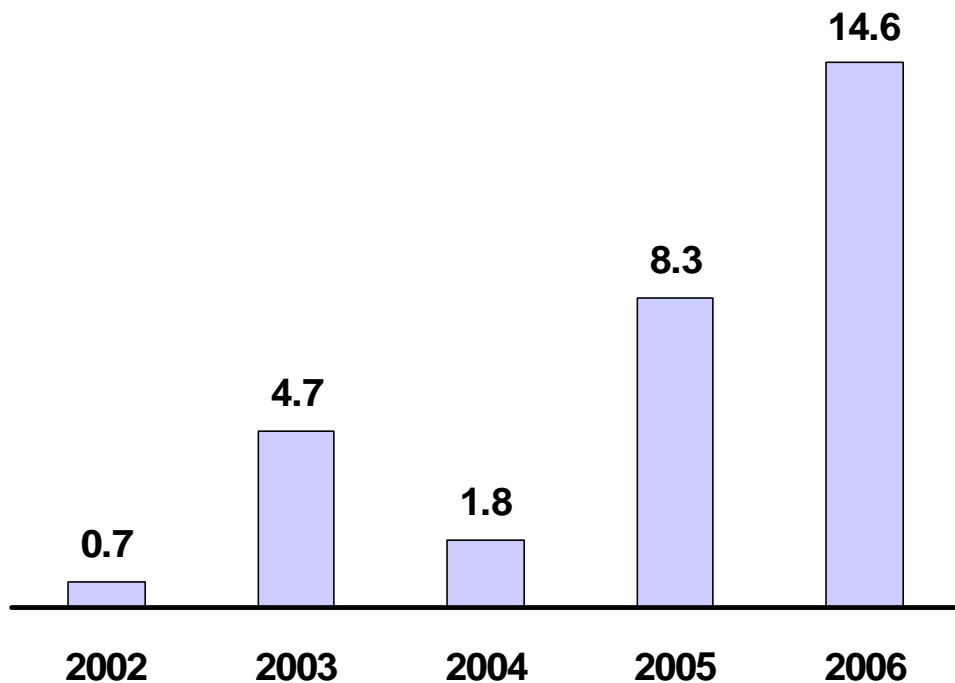
*Currency adjusted +9% p.a.

Actions for profitable growth

- ▶ Implementation of profit optimization program in North America
- ▶ Acquisition of local players to strengthen market position in Europe
- ▶ Further development of agency network with focus on Eastern Europe and Asia

Healthcare Solutions - PillPick

Net sales
in MCHF



Actions for profitable growth

- ▶ Optimization of performance/cost ratio of PillPick system
- ▶ Securing of position in Europe against potential competitors
- ▶ Use of reference installations in core markets (USA and Europe)
- ▶ Realization of first installation in Asia

Content

- ▶ Business activities
- ▶ **Financial situation 2006**
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Highlights 2006 - Swisslog Group

- ▶ Order intake growth continued in all divisions (+7.7%)
- ▶ Net sales substantially increased in WDS and HCS (+16.3%)
- ▶ EBITA significantly improved (+42.7%)
- ▶ Net result negative due to one-time effects (goodwill impairment MCHF 10.1, partial repurchase of convertible bonds MCHF 8.0)
- ▶ Balance sheet strengthened; equity ratio of 32.8%
- ▶ Operational cash flow of MCHF 32.7

Financial overview – Warehouse & Distribution Solutions

In MCHF	WDS		
	31.12.06	31.12.05	Diff. in %
Order intake	425.5	405.7	4.9%
Order backlog	369.7	359.0	3.0%
Net sales	415.7	354.8	17.2%
EBITDA	26.3	22.1	19.0%
EBITA	23.2	19.3	20.2%
<i>EBITA/net sales</i>	5.6%	5.4%	
EBIT	23.2	19.3	20.2%
Employees	999	1 004	-0.5%

- ▶ Increased order intake from existing and new customers
- ▶ Higher net sales based on orders received in 2005
- ▶ Improved operating results due to increased net sales
- ▶ EBITA margin only slightly improved due to changed mix between new business and customer support

Financial overview – Healthcare Solutions

In MCHF	HCS		
	31.12.06	31.12.05	Diff. in %
Order intake	238.6	211.4	12.9%
Order backlog	161.8	147.9	9.4%
Net sales	220.0	191.2	15.1%
EBITDA	21.6	20.1	7.5%
EBITA	19.0	17.1	11.1%
<i>EBITA/net sales</i>	8.6%	8.9%	
EBIT	19.0	17.1	11.1%
Employees	744	744	0.0%

- ▶ Order intake, order backlog and net sales continued to increase in Europe and North America
- ▶ Operating results improved due to higher net sales
- ▶ EBITA margin slightly reduced due to changed product mix, cost overruns in project execution and legal fees related to patent infringement claim

Financial overview – Consulting Services/Wassermann

In MCHF	CSW		
	31.12.06	31.12.05	Diff. in %
Order intake	13.6	12.9	5.4%
Order backlog	6.6	4.2	57.1%
Net sales	11.4	12.6	-9.5%
EBITDA	- 0.3	- 0.9	66.7%
EBITA	- 1.3	- 2.0	35.0%
<i>EBITA/net sales</i>	<i>-11.4%</i>	<i>-15.9%</i>	
EBIT	- 11.4	- 2.0	<i>n.a.</i>
Employees	52	71	-26.8%

- ▶ Increased order intake and order backlog
- ▶ Reduced net sales
- ▶ Lower net sales compensated with reduced costs
- ▶ Reduced number of employees

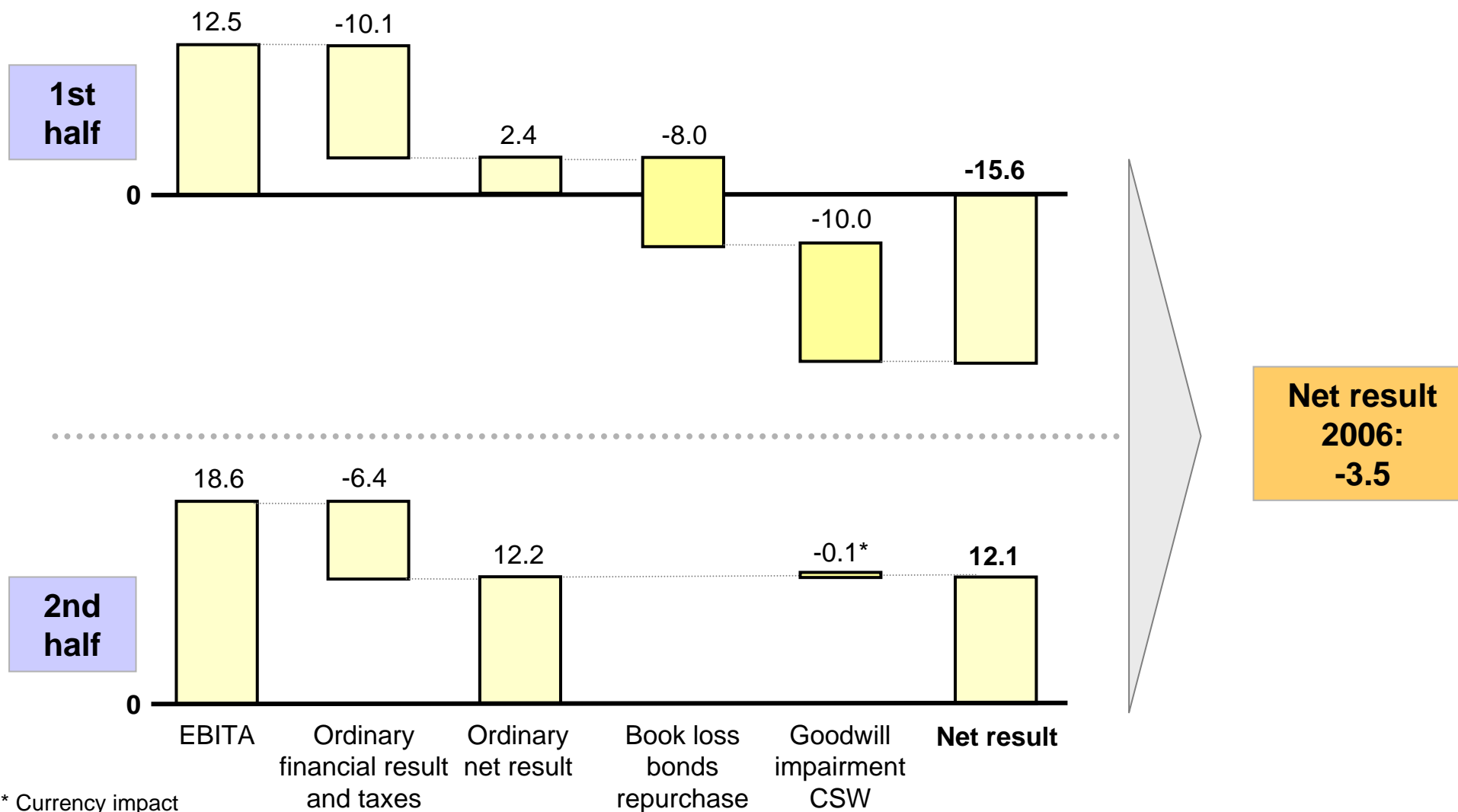
Swisslog Group – Income statement

In MCHF	1.1.-31.12.2006	1.1.-31.12.2005	<i>Diff. in %</i>
Net sales	646.9	556.4	16.3%
EBITDA	37.8	28.8	31.3%
Depreciation	-6.7	-7.0	-4.3%
EBITA	31.1	21.8	42.7%
Goodwill Impairment	-10.1	0.0	<i>n.a.</i>
EBIT	21.0	21.8	-3.7%
Net financial result	-14.9	-8.8	-69.3%
Taxes	-9.6	-11.2	14.3%
Net result	-3.5	1.8	-294.4%

- ▶ One-time charges with negative effect on the income statement:
 - Goodwill impairment of MCHF 10.1
 - Book loss in financial result of MCHF 8.0 from partial repurchase of convertible bonds

Impact of negative one-time effects on net result in 2006

in MCHF



Swisslog Group – Balance sheet

In MCHF	31.12.06	31.12.05	Diff. in %
Non-current assets excluding goodwill	49.1	49.1	0.0%
Goodwill	88.3	100.9	-12.5%
Non-current assets	137.4	150.0	-8.4%
Inventories, trade and other receivables, prepayments	194.1	197.9	-1.9%
Cash, cash equivalents and marketable securities	104.2	84.1	23.9%
Current assets	298.3	282.0	5.8%
TOTAL assets	435.7	432.0	0.9%
Equity	143.0	80.2	78.3%
Non-current liabilities (excluding convertible bonds)	12.6	13.9	-9.4%
Convertible bonds	63.8	127.0	-49.8%
Non-current liabilities	76.4	140.9	-45.8%
Provisions	15.4	11.5	33.9%
Other current liabilities	200.9	199.4	0.8%
Current liabilities	216.3	210.9	2.6%
TOTAL equity and liabilities	435.7	432.0	0.9%
Net working capital	-20.1	-9.5	
Net cash/net debt (-)	40.4	-42.9	

Strengthened balance sheet and improved financial ratios:

- Equity 32.8% of balance sheet total
- Net cash MCHF 40.4
- Tangible net worth MCHF 54.7 (equity less goodwill)

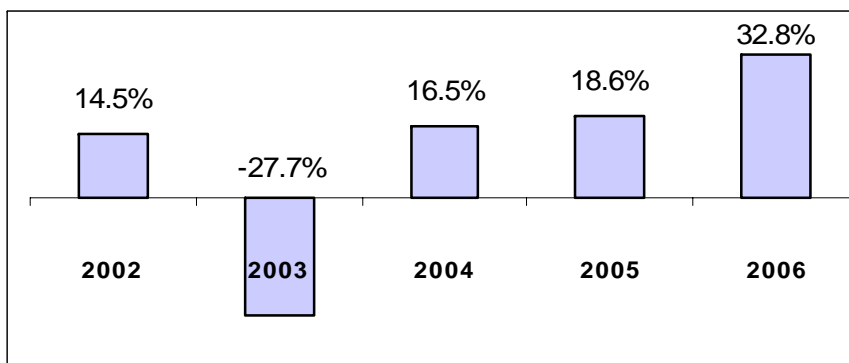
Swisslog Group – Cash flow statement

In MCHF	1.1.-31.12.2006	1.1.-31.12.2005
Net cash flow from operating activities	32.7	-3.3
Cash flow before working capital changes	23.7	19.1
Cash flow from net current assets	9.0	-22.4
Net cash flow from investments	-16.8	4.7
Net cash flow from financing activities	-11.3	-4.8
Currency translation differences	-0.4	2.1
Net decrease/increase in cash and cash equivalents	4.2	-1.3
Cash and cash equivalents at beginning of year	84.1	85.4
Cash and cash equivalents at end of year	88.3	84.1

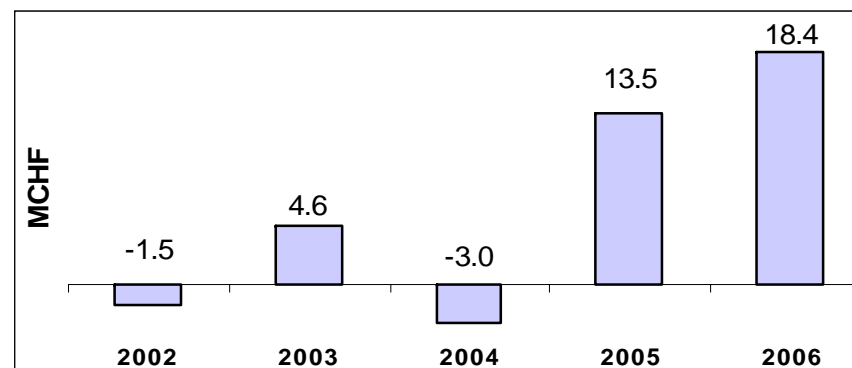
- ▶ Cash flow from operating activities strongly improved (before and after working capital changes)
- ▶ Cash flow from investments include shift from cash to marketable securities (MCHF 15.9)
- ▶ Cash flow from financing activities mainly related to the capital market transactions: MCHF 69.6 cash in from capital increase, MCHF -76.6 cash out for partial repurchase of convertible bonds

Swisslog Group – Financial ratios

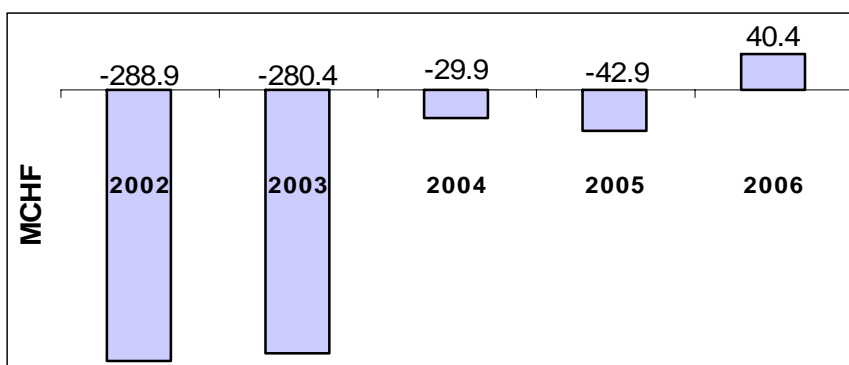
Equity ratio



Free cash flow*



Net cash/net debt (-)



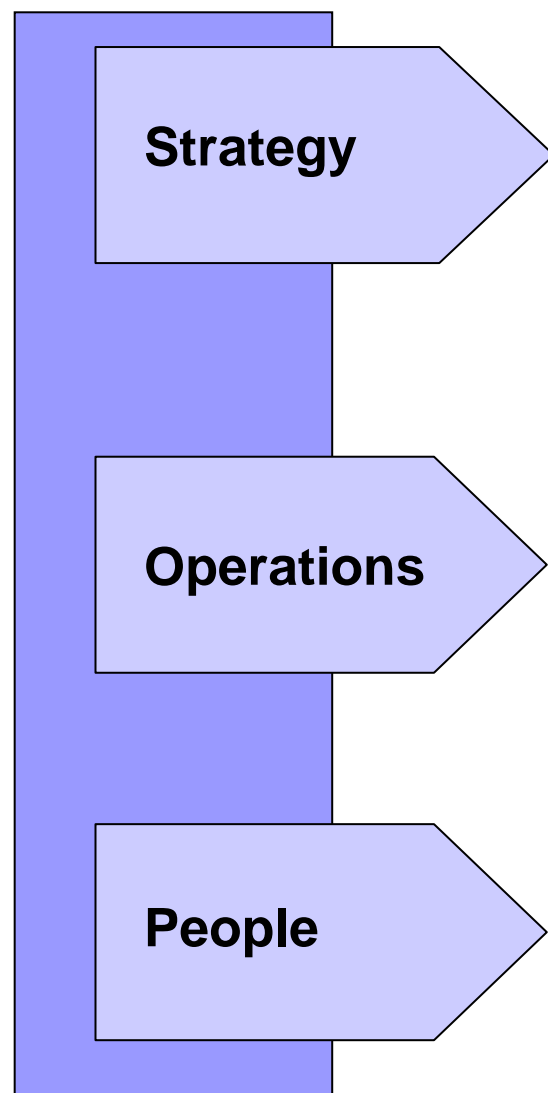
► Credit rating improved due to improved financial and performance driven ratios

*Free cash flow: Cash flow from operating activities before working capital changes minus investments in tangible and intangible assets

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Agenda 2007



- ▶ Overall strategy based on 2 pillars (WDS and HCS) has proven successful, no major changes required
- ▶ Acquisition of hardware equipment company to improve competitiveness and margins of WDS for lower complexity projects
- ▶ Round-up acquisitions to strengthen core business of HCS

- ▶ Focus on profitable organic growth in all divisions
- ▶ Implementation of design-to-cost programs in all product centers
- ▶ Strengthening of innovation management
- ▶ Implementation of profit optimization program in HCS North America

- ▶ Anchoring of core values: Clarity, Collaboration, Commitment, Competence
- ▶ Strengthening of HR management
- ▶ Strengthening of recruitment activities

Conclusion and outlook

Conclusion:

- ▶ Swisslog's market position has been further strengthened
- ▶ Overall financial and operating performance was good in 2006

Outlook 2007:

- ▶ Based on the order backlog at year-end and a positive economic environment, a net sales growth of 5%-10% is expected
- ▶ Higher net sales will allow to further improve the operating profit (EBITA)
- ▶ The increased operating profit and lower financial expenses will lead to a positive net result

Mid-term targets:

- ▶ Organic net sales growth of around 5% p.a.
- ▶ EBITA margin between 6%-7%
- ▶ Exploitation of regained entrepreneurial degrees of freedom

Events

- ▶ 16 May 2007: General Assembly
- ▶ 29 May 2007: Investor's Day
- ▶ 21 August 2007: Half-year results