swisslog

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Swisslog grows profitably

Buchs/Aarau, 6 March 2008 – **Swisslog continued its growth in the financial year 2007. Order intake and order backlog are at record-high levels while net sales and operating profit (EBITA) increased significantly. After a net loss in the previous year a positive net result was achieved. For the current year Swisslog anticipates an increase in net sales and a further improvement of operating profit (EBITA).**

"We have reached our financial and strategic goals. The continued growth on all levels demonstrates that we have positioned ourselves very favorably," CEO Remo Brunschwiler comments on the financial result for 2007. Order intake at MCHF 862.9 (+27.4%) and order backlog at MCHF 688.8 (+28.0%) reached record levels. Net sales grew by 9.4% to MCHF 707.6 (2006: MCHF 646.9) and operating profit (EBITA) by 10.9% to MCHF 34.5 (2006: MCHF 31.1) while EBIT improved by 64.3% to MCHF 34.5 (2006: 21.0). The marked difference for EBIT is due to the negative one-time effect recorded in the previous year. After deduction of interest expenses and taxes, a net profit of MCHF 18.8 remained (2006: MCHF –3.5).

The balance sheet was further strengthened: net cash grew to MCHF 45.5 (2006: MCHF 40.4) and equity stands at MCHF 156.4 (2006: MCHF 143.0), which corresponds to an increased equity ratio of 35.2% (2006: 32.8%). Total staff rose by 13.6% to 2 060 employees, with two thirds of the increase attributable to the acquisitions made.

High order backlog at Warehouse & Distribution Solutions

The division's order intake increased by 43.1% to MCHF 609.1 (2006: 425.5) thanks to, among other things, the major orders received by dm-drogerie markt, Target (four orders), B. Braun Melsungen, and Thurella. Order backlog grew by 41.8% to MCHF 524.2 (2006: MCHF 369.7) and net sales from MCHF 415.7 to MCHF 452.6 (+8.9%). Despite the growth in net sales, operating profit at EBITA level declined to MCHF 22.8 (2006: MCHF 23.2). The resulting reduction of the EBITA margin to 5.0% (2006: 5.6%) is due to the higher proportion of new business compared to customer support business. New business typically carries a lower margin than the support services that are performed after the realization of these projects. Based on the solid order backlog and strengthened position in important markets, Swisslog anticipates a positive development in the financial year 2008.

CEO Remo Brunschwiler, who has been leading the Warehouse & Distribution Solutions division on an interim basis since November 2007, will hand over the management to Daniel Fink as of 1 July 2008. Daniel Fink (46) has been working in different management positions for the international industrial group Georg Fischer AG in Europe, Asia, and the USA for the past 15 years, lastly as President of the group's piping business in Asia and Delegate of the Corporate CEO in China. He has broad experience in developing business units and is familiar with various business cultures.

Healthcare Solutions drives the improvement in EBITA

Order intake rose slightly to MCHF 241.5 (2006: MCHF 238.6) while net sales grew by 10.2% to MCHF 242.4 (2006: 220.0). Operating profit EBITA improved significantly by MCHF 4.1 to MCHF 23.1 (+ 21.6%). Moreover, the EBITA margin was increased from 8.6% to 9.5%. Only order backlog recorded a slight reduction to MCHF 158.1 (2006: MCHF 161.8) due to the weaker US dollar. According to Remo Brunschwiler, the division has clearly achieved the targeted improvement in operating results and has expanded its leading position in the core markets of North America and Europe. Swisslog forecasts a continued dynamic development along with improved profitability for 2008.

Consulting Services/Wassermann achieves the turnaround

With an EBITA of MCHF 0.1, the division achieved the turnaround after the negative operating result of MCHF –1.3 in the previous year. This was realized primarily thanks to a better utilization of capacities. Net sales also went up and reached MCHF 12.7 (2006: MCHF 11.4). For the current financial year, a continued improvement of results is expected.

Positive outlook for 2008

Based on the solid order backlog and the strengthened balance sheet, the preconditions for further profitable growth are met. Swisslog anticipates a net sales increase of 10 to 15% and a further improvement in operating profit EBITA:

Calendar

30 April 2008: General Meeting of Shareholders
19 May 2008: Investor Day
19 August 2008: Half-year result 2008

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About Swisslog

Swisslog is a global provider of integrated logistics solutions for warehouses, distribution centers, and hospitals. Its comprehensive services portfolio ranges from building complex warehouses and distribution centers to implementing Swisslog's own software. In addition Swisslog provides intra-company logistics solutions for hospitals as well as software and consulting services in the field of supply chain management.

Swisslog's solutions optimize customers' production, logistics and distribution processes in order to increase 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 2 000 staff in 20 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

SWISSLOG GROUP KEY FIGURES

MCHF	1.1.–31.12.2007	1.1.–31.12.2006
Order intake	862.9	677.3
Order backlog*	688.8	538.0
Net sales	707.6	646.9
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	41.5	37.8
Operating profit before impairment of goodwill (EBITA)	34.5	31.1
EBITA margin	*4.9%*	*4.8%*
Operating profit (EBIT)	34.5	21.0
Net result	18.8	–3.5
Equity*	156.4	143.0
Net cash/Net debt (–)*	45.5	40.4
Net working capital*	–19.5	–20.1
Employees*	2 060	1 813

* at year-end

CONDENSED CONSOLIDATED INCOME STATEMENT

MCHF	1.1.–31.12.2007	1.1.–31.12.2006
NET SALES	**707.6**	**646.9**
OPERATING PROFIT BEFORE DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF GOODWILL (EBITDA)	**41.5**	**37.8**
Depreciation and amortization	7.0	6.7
OPERATING PROFIT BEFORE IMPAIRMENT OF GOODWILL (EBITA)	**34.5**	**31.1**
Impairment of goodwill	0.0	10.1
OPERATING PROFIT (EBIT)	**34.5**	**21.0**
Financial income	3.7	5.0
Financial expense	–8.8	–19.9
RESULT BEFORE TAX	**29.4**	**6.1**
Income taxes	–10.6	–9.6
NET RESULT	**18.8**	**–3.5**
Attributable to:		
Equity holders of the parent	18.8	–3.5
EARNINGS PER SHARE	CHF	CHF
Basic earnings per share	0.07	–0.02

CONDENSED CONSOLIDATED BALANCE SHEET

MCHF	31.12.2007	31.12.2006
Non-current assets excluding goodwill	47.4	49.1
Goodwill	90.8	88.3
NON-CURRENT ASSETS	138.2	137.4
Inventories, trade and other receivables, prepayments	206.1	194.1
Marketable securities	19.2	15.9
Cash and cash equivalents	80.3	88.3
CURRENT ASSETS	305.6	298.3
TOTAL ASSETS	443.8	435.7
Equity attributable to equity holders of the parent	156.3	142.9
Minority interest	0.1	0.1
EQUITY	156.4	143.0
Convertible bonds	54.0	63.8
Other liabilities	10.1	12.6
NON-CURRENT LIABILITIES	64.1	76.4
Provisions	17.6	15.4
Other liabilities	205.7	200.9
CURRENT LIABILITIES	223.3	216.3
TOTAL EQUITY AND LIABILITIES	443.8	435.7

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MCHF	1.1.–31.12.2007	1.1.–31.12.2006
NET CASH FLOW FROM OPERATING ACTIVITIES	24.2	32.7
Thereof cash flow before working capital changes	23.8	23.7
Thereof cash flow from net current assets	0.4	9.0
NET CASH FLOW FROM INVESTING ACTIVITIES[1]	–13.8	–16.8
NET CASH FLOW FROM FINANCING ACTIVITIES	–17.7	–11.3
Currency translation differences on cash and cash equivalents	–0.7	–0.4
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	–8.0	4.2
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	88.3	84.1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	80.3	88.3

1 Including cash outflow on acquisitions

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MCHF	Share capital	Share premium	Fair value and other reserves		Retained earnings	Minority interest	Equity
			Currency translation differences	Other			
AT 31 DECEMBER 2005	1.8	11.1	–24.3	0.0	91.5	0.1	80.2
Net result 2006					–3.5		–3.5
Change in fair value on available-for-sale financial assets				0.2			0.2
Issue of share capital	0.7	72.5					73.2
Costs from issuance of share capital		–3.6					–3.6
Currency translation differences			–3.5				–3.5
AT 31 DECEMBER 2006	2.5	80.0	–27.8	0.2	88.0	0.1	143.0
Net result 2007					18.8		18.8
Change in fair value on available-for-sale financial assets				0.4			0.4
Price premium for the purchase of minority interests					–1.8		–1.8
Currency translation differences			–4.0				–4.0
AT 31 DECEMBER 2007	2.5	80.0	–31.8	0.6	105.0	0.1	156.4

CONDENSED INFORMATION BY SEGMENT

MCHF	1.1.–31.12.2007	1.1.–31.12.2006	Change in %
WAREHOUSE & DISTRIBUTION SOLUTIONS			
Order intake	609.1	425.5	43.1
Order backlog*	524.2	369.7	41.8
Net sales	452.6	415.7	8.9
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	26.2	26.3	–0.4
Operating profit before impairment of goodwill (EBITA)	22.8	23.2	–1.7
EBITA margin	*5.0%*	*5.6%*	*n.a.*
Operating profit (EBIT)	22.8	23.2	–1.7
Employees*	1 210	999	21.1
HEALTHCARE SOLUTIONS			
Order intake	241.5	238.6	1.2
Order backlog*	158.1	161.8	–2.3
Net sales	242.4	220.0	10.2
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	26.3	21.6	21.8
Operating profit before impairment of goodwill (EBITA)	23.1	19.0	21.6
EBITA margin	*9.5%*	*8.6%*	*n.a.*
Operating profit (EBIT)	23.1	19.0	21.6
Employees*	783	744	5.2
CONSULTING SERVICES/WASSERMANN			
Order intake	12.4	13.6	–8.8
Order backlog*	6.5	6.6	–1.5
Net sales	12.7	11.4	11.4
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	0.4	–0.3	n.a.
Operating profit before impairment of goodwill (EBITA)	0.1	–1.3	n.a.
EBITA margin	*0.8%*	*–11.4%*	*n.a.*
Operating profit (EBIT)	0.1	–11.4	n.a.
Employees*	47	52	–9.6
HEADQUARTERS/HOLDINGS			
Order intake	0.0	0.0	n.a.
Order backlog*	0.0	0.0	n.a.
Net sales	0.0	0.2	n.a.
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	–11.4	–9.8	n.a.
Operating profit before impairment of goodwill (EBITA)	–11.5	–9.8	n.a.
EBITA margin	*n.a.*	*n.a.*	*n.a.*
Operating profit (EBIT)	–11.5	–9.8	n.a.
Employees*	20	18	11.1

* at year-end

CONDENSED INFORMATION BY SEGMENT (CONT.)

MCHF	1.1.–31.12.2007	1.1.–31.12.2006	Change in %
ELIMINATIONS			
Order intake	–0.1	–0.4	
Order backlog*	0.0	–0.1	
Net sales	–0.1	–0.4	
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	0.0	0.0	
Operating profit before impairment of goodwill (EBITA)	0.0	0.0	
EBITA margin	*n.a.*	*n.a.*	
Operating profit (EBIT)	0.0	0.0	
Employees*	0	0	
TOTAL GROUP			
Order intake	862.9	677.3	27.4
Order backlog*	688.8	538.0	28.0
Net sales	707.6	646.9	9.4
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	41.5	37.8	9.8
Operating profit before impairment of goodwill (EBITA)	34.5	31.1	10.9
EBITA margin	*4.9%*	*4.8%*	*n.a.*
Operating profit (EBIT)	34.5	21.0	64.3
Employees*	2 060	1 813	13.6

* at year-end