

SWISSLOG – ANNUAL RESULT

Analyst and Media Conference

Zurich, 6 March 2008

swisslog

DISCLAIMER

This document contains certain forward-looking statements, recognizable by the use of words such as "expects", "anticipates", "future" or similar expressions or by discussion of strategies, plans or intentions, etc. Various factors, known and unknown risks and imponderabilities, many of which are beyond our control, may cause actual developments and results to differ substantially in the future from those reflected in forward-looking statements contained in this document. Against the background of such uncertainties, readers should not rely on forward-looking statements. Swisslog assumes no responsibility to update forward-looking statements or to adapt them to future events or developments.

CONTENT

- **Business activities**
- Financial situation 2007
- Conclusion and outlook

- Order intake and order backlog on record high level
- Substantial increase of net sales
- Further improvement of operating result (EBITA)
- Strong improvement of net result
- Good cash flow from operating activities
- Acquisitions of Accalon (WDS) and Collett (HCS)
- Addition of 247 new employees (160 from acquisitions)
- Further strengthening of balance sheet

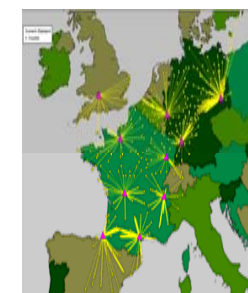
Swisslog

Provider of logistics solutions for warehouses, distribution centers and hospitals

Warehouse & Distribution Solutions (WDS)

Healthcare Solutions (HCS)

Consulting Services/ Wassermann (CSW)



Group

Net sales 2007 (MCHF)

453
64%

242
34%

13
2%

708
100%

Employees

1 210

783

47

2 060

swisslog

Warehouse & Distribution Solutions

- Good overall market conditions, no signs of slowdown
- High competitive intensity reflected in continued price pressure
- Several competitors in change-of-ownership situation
- First steps in industry consolidation
- Swisslog with strengthened position 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 (increased market share)

FINANCIAL OVERVIEW – SWISSLOG GROUP

Chapter 1

Business activities

in MCHF	31.12.07	31.12.06	Diff. in %	
Order intake	862.9	677.3	27.4%	■ Record-high order intake
Order backlog	688.8	538.0	28.0%	■ Record-high order backlog
Net sales	707.6	646.9	9.4%	■ Further increase of net sales
EBITDA	41.5	37.8	9.8%	■ Continuous improvement of operating result
EBITA	34.5	31.1	10.9%	■ Unchanged EBITA margin due to larger share of new business versus customer support business
<i>EBITA/net sales</i>	4.9%	4.8%		
EBIT	34.5	21.0	64.3%	
Net result	18.8	- 3.5	637.1%	■ Strongly improved net result
Employees	2 060	1 813	13.6%	■ Addition of employees: acquisitions (+160), organic growth (+87)

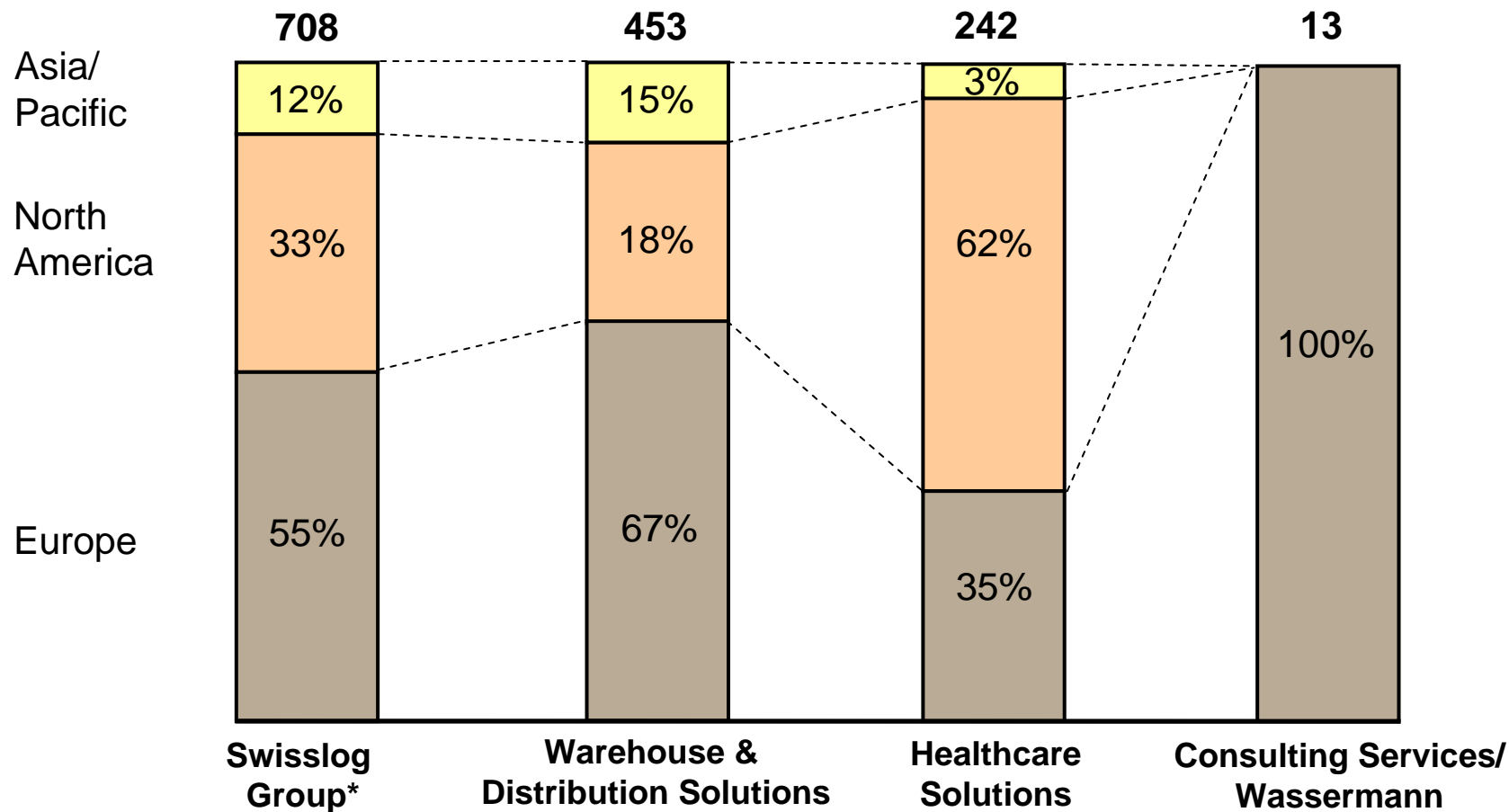
swisslog

GEOGRAPHIC SPLIT OF NET SALES 2007

Chapter 1

Business activities

in MCHF



* 2006: Asia/Pacific: 9%, North America: 33%, Europe: 58%

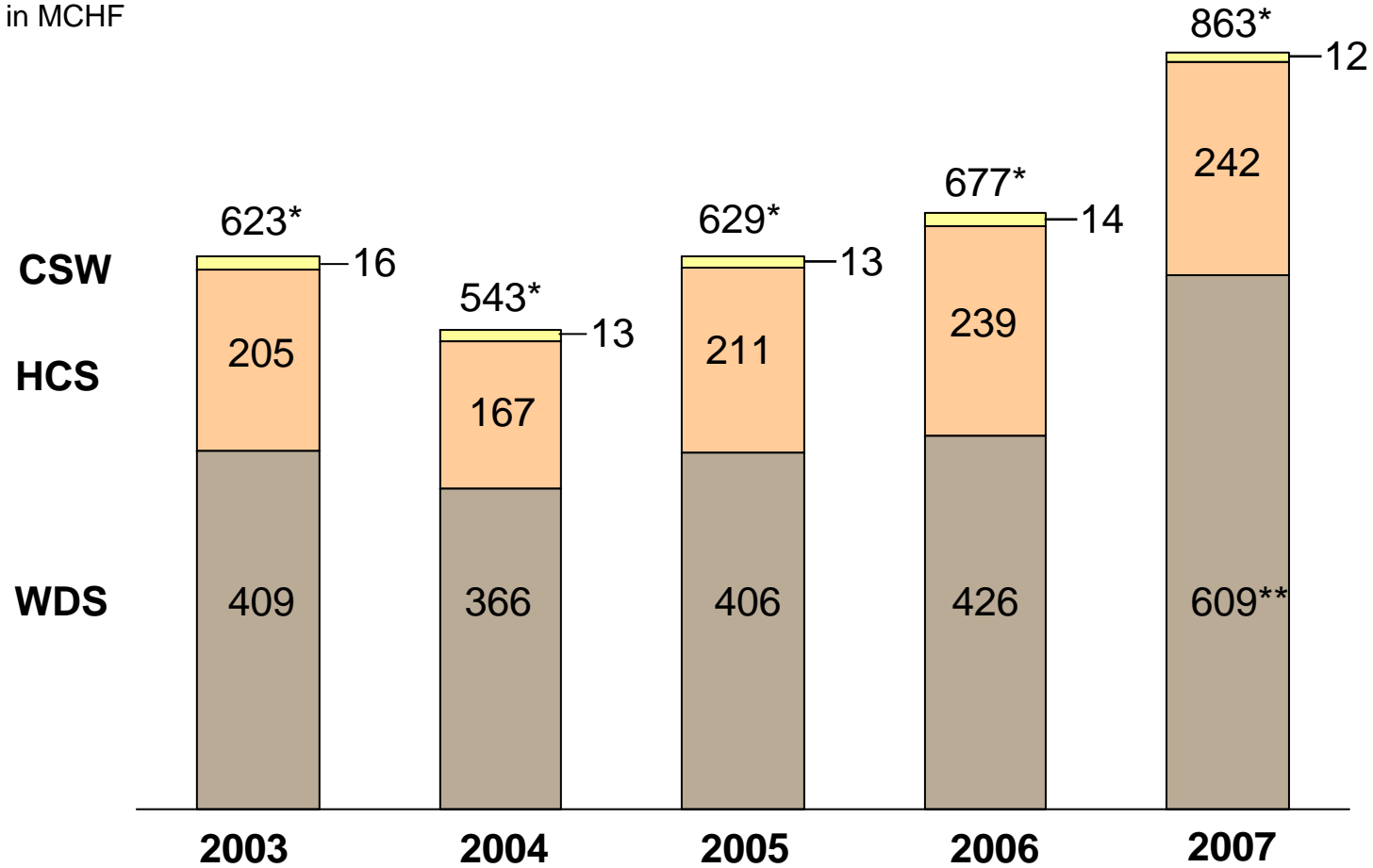


ORDER INTAKE DEVELOPMENT

Chapter 1

Business activities

in MCHF



* After eliminations

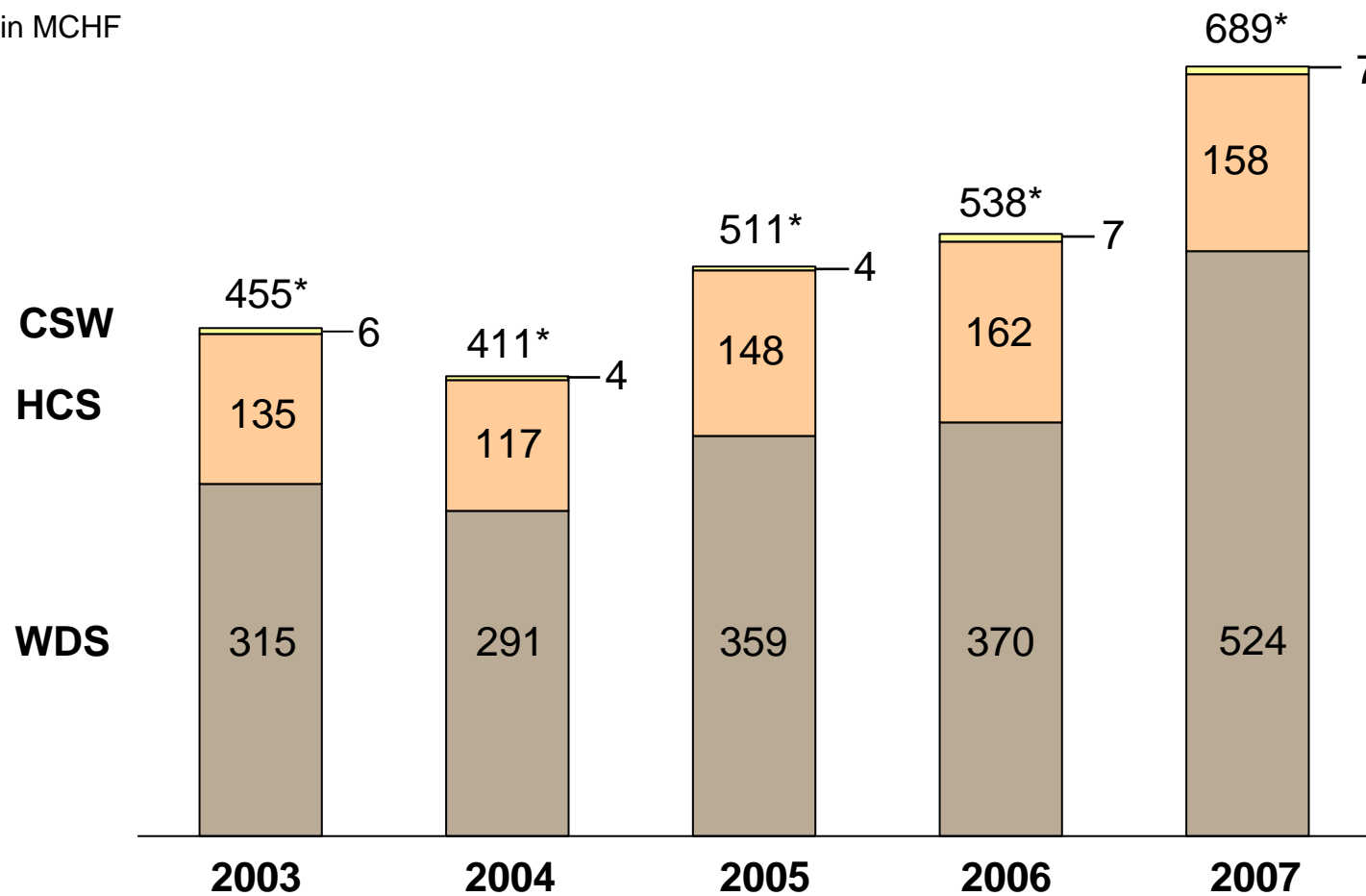
** MCHF 210 from dm-drogerie markt

ORDER BACKLOG DEVELOPMENT

Chapter 1

Business activities

in MCHF



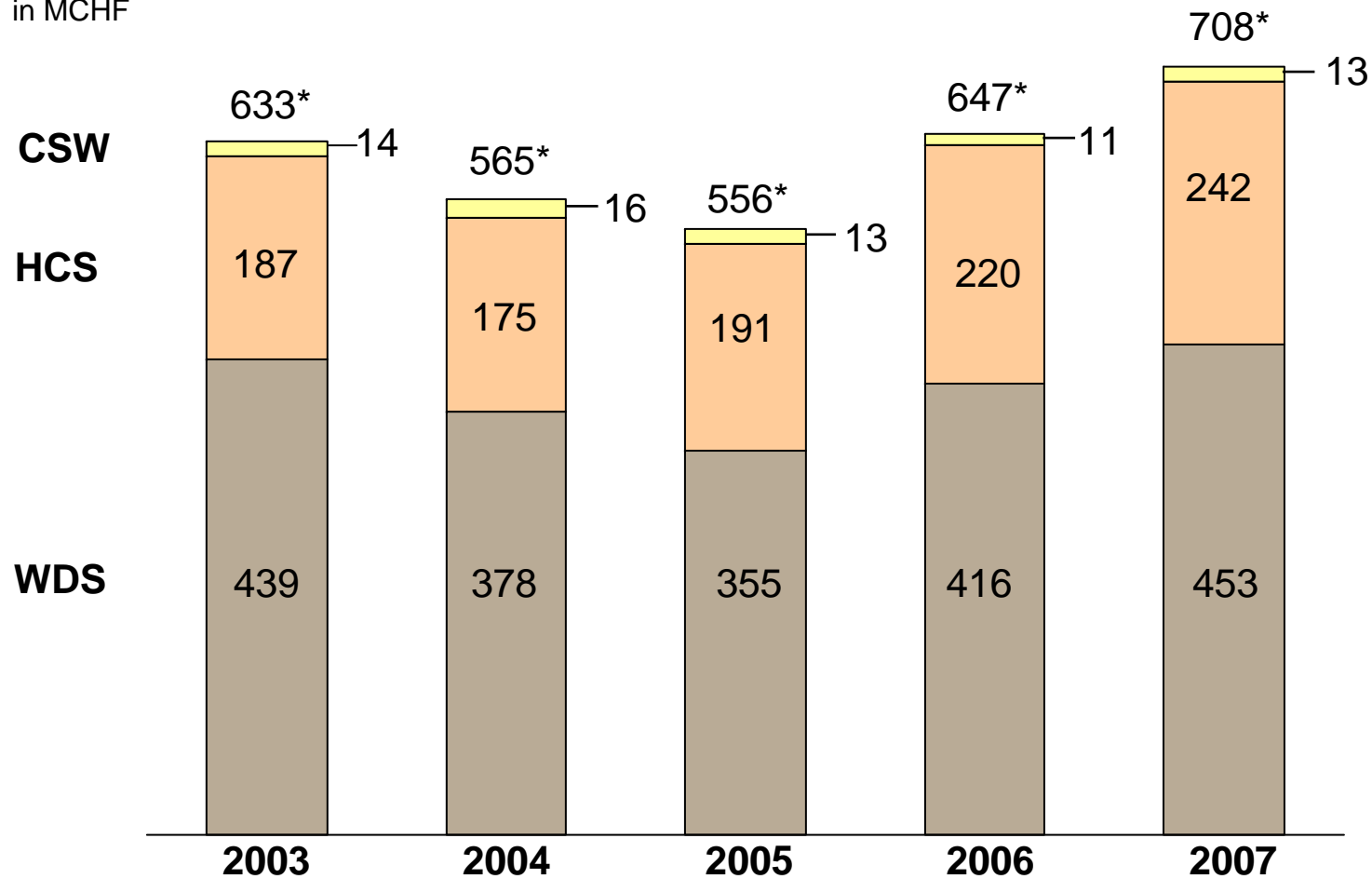
* After eliminations

NET SALES DEVELOPMENT

Chapter 1

Business activities

in MCHF



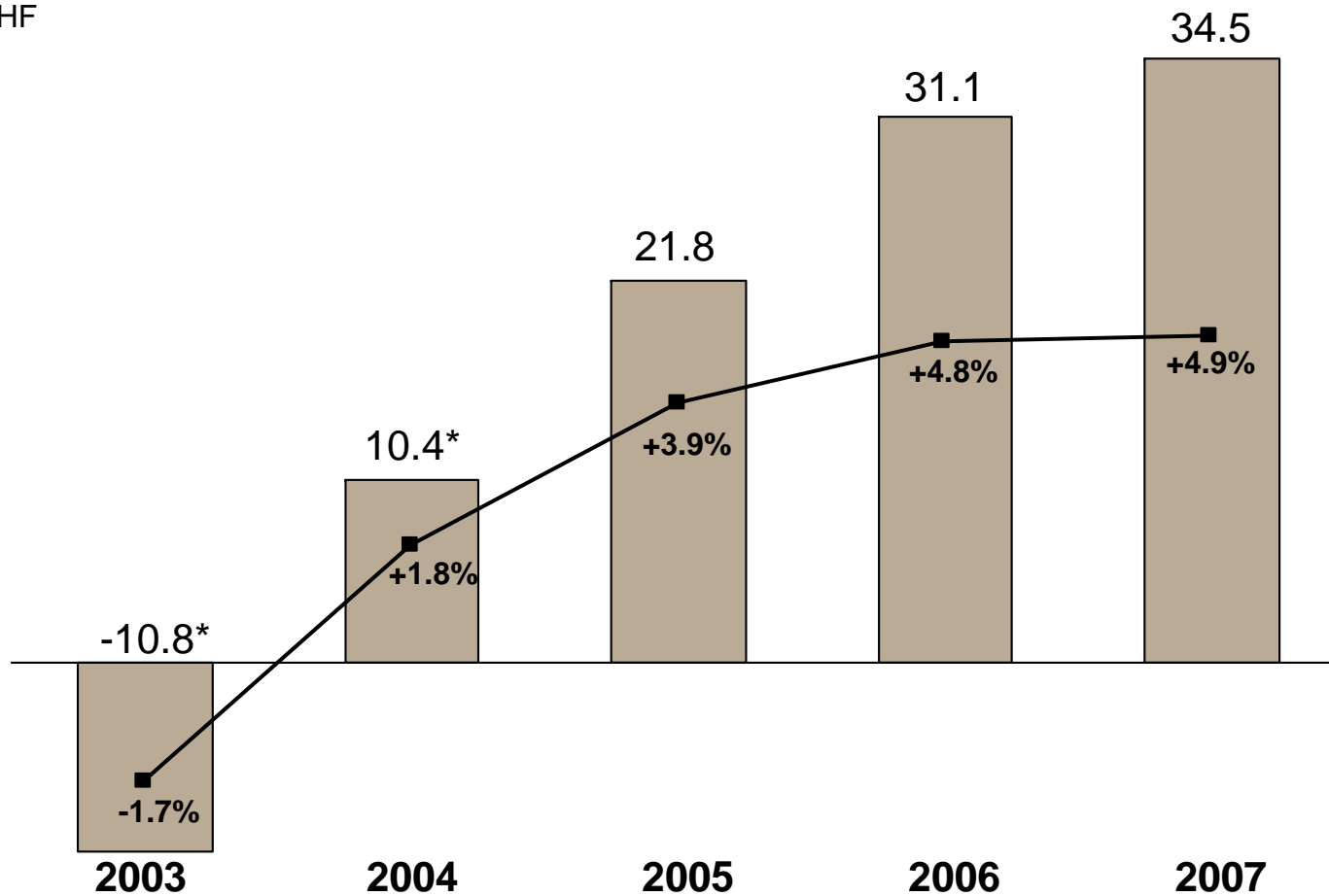
* After eliminations

EBITA AND EBITA MARGIN DEVELOPMENT

Chapter 1

Business activities

in MCHF



* Swisslog Continuing Operations

WAREHOUSE & DISTRIBUTION SOLUTIONS

Chapter 1

Business activities

in MCHF	31.12.07	31.12.06	Diff. in %
Order intake	609.1	425.5	43.1%
Order backlog	524.2	369.7	41.8%
Net sales	452.6	415.7	8.9%
EBITDA	26.2	26.3	-0.4%
EBITA	22.8	23.2	-1.7%
<i>EBITA/net sales</i>	5.0%	5.6%	
EBIT	22.8	23.2	-1.7%
Employees	1 210	999	21.1%

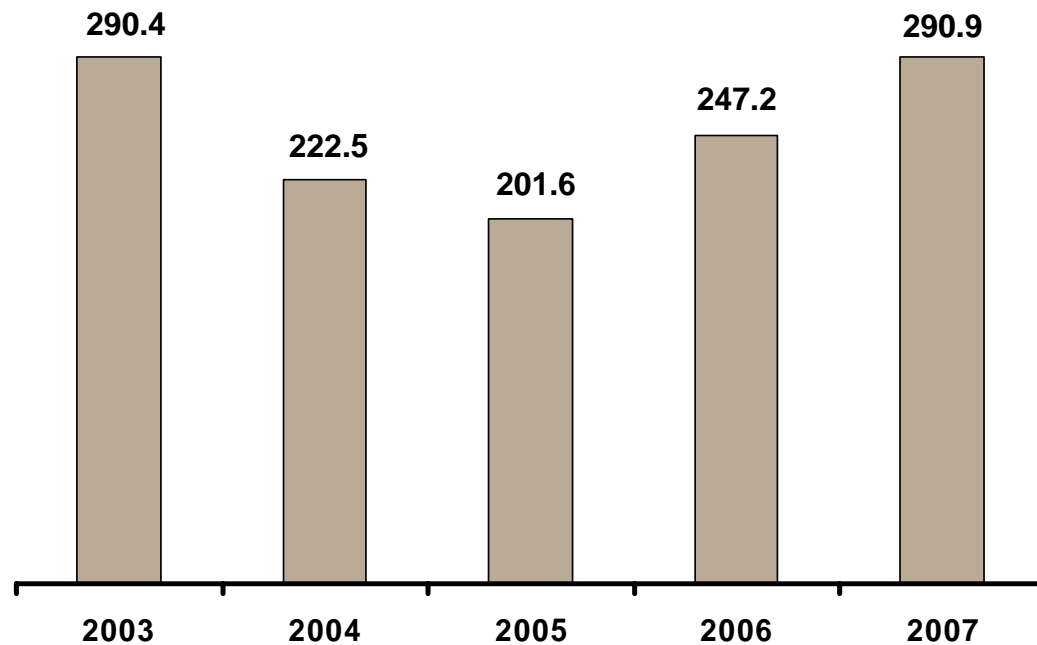
- Strong order intake due to large orders (B. Braun Melsungen, Thurella, Target, dm-drogerie markt)
- High order backlog allows to further increase net sales in 2008
- No improvement of operating results
- Reduced EBITA margin due to segment mix
- Addition of employees: acquisitions (+150), organic growth (+61)

WAREHOUSE & DISTRIBUTION SOLUTIONS – NEW BUSINESS

Chapter 1

Business activities

Net sales in MCHF



Actions for profitable growth

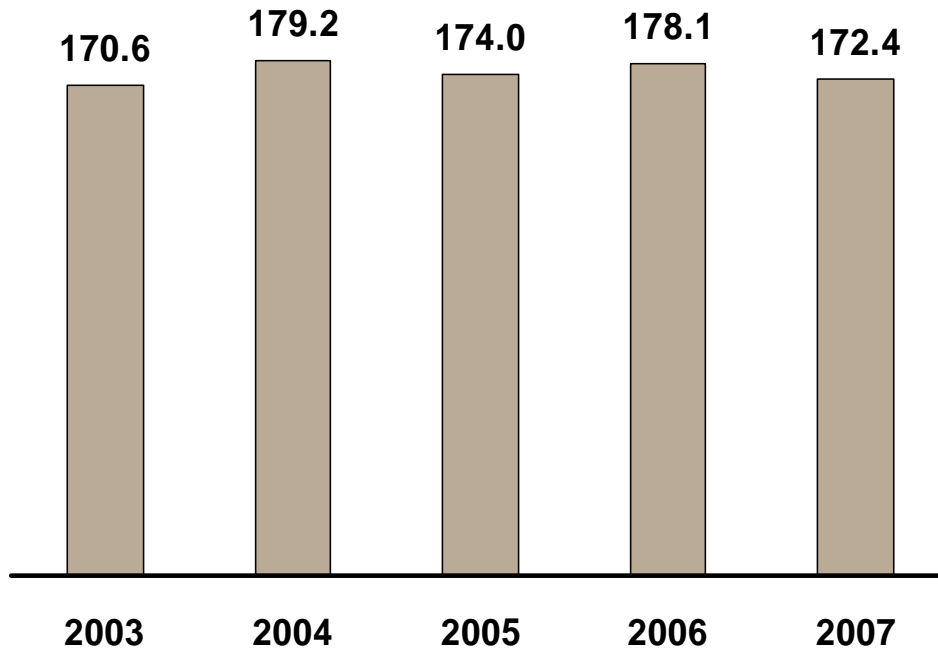
- Acquisition of new orders for complex automated warehouses from existing and new customers
- Strengthening of market position for less complex projects based on reduced cost position
- Acceleration of innovation in software solutions and design concepts
- Geographic expansion of activities (China, Russia)
- Continued strong focus on “operational excellence”

WAREHOUSE & DISTRIBUTION SOLUTIONS – CUSTOMER SUPPORT

Chapter 1

Business activities

Net sales* in MCHF



Actions for profitable growth

- Implementation of profit optimization program
- Full exploitation of opportunities for software upgrade/migration
- Expansion of software support services
- Offering of services for projects realized during the last years

*Segment sales including internal sales

in MCHF	31.12.07	31.12.06	Diff. in %
Order intake	241.5	238.6	1.2%
Order backlog	158.1	161.8	-2.3%
Net sales	242.4	220.0	10.2%
EBITDA	26.3	21.6	21.8%
EBITA	23.1	19.0	21.6%
<i>EBITA/net sales</i>	9.5%	8.6%	
EBIT	23.1	19.0	21.6%
Employees	783	744	5.2%

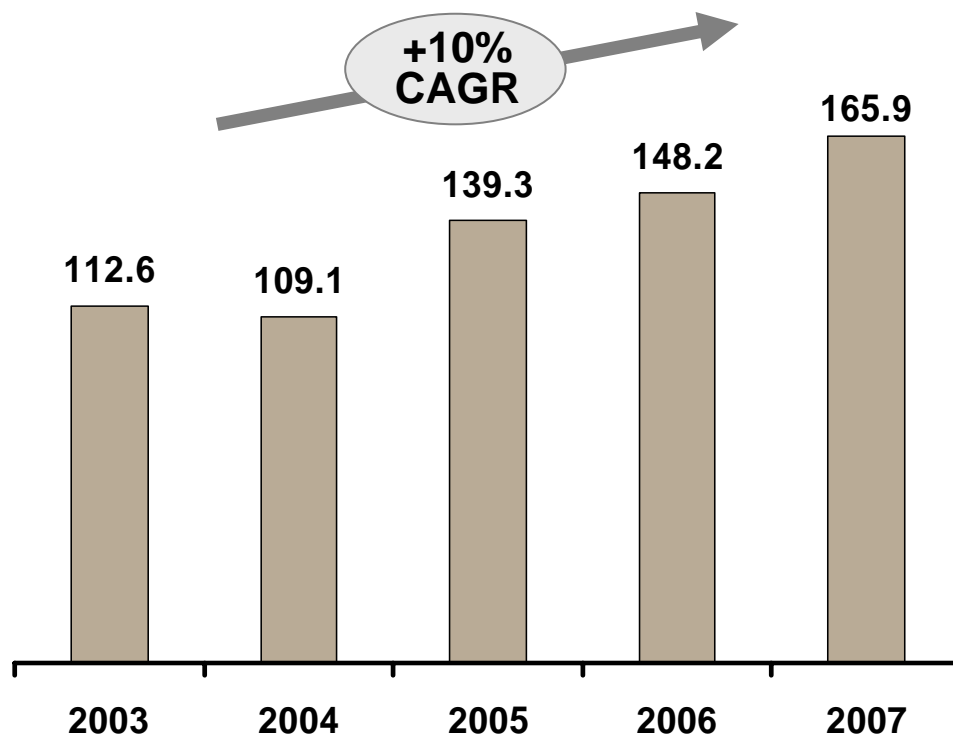
- Slightly higher order intake
- Reduced order backlog due to weaker USD
- Further increase of net sales
- Strong improvement of operating results
- Improvement of EBITA margin
- Addition of employees: acquisition (+10), organic growth (+29)

HEALTHCARE SOLUTIONS – PNEUMATIC TUBE SYSTEMS

Chapter 1

Business activities

Net sales in MCHF



Actions for profitable growth

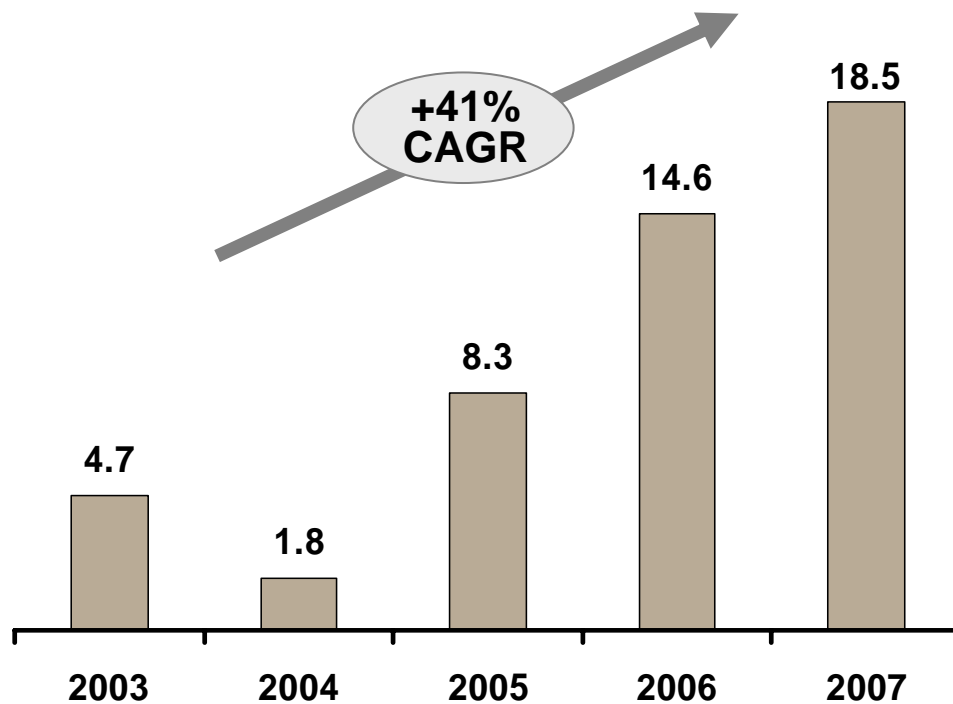
- Implementation of profit optimization program in North America
- Acquisition of local players to strengthen market position in Europe
- Further development of agency network with focus on Eastern Europe and Asia

HEALTHCARE SOLUTIONS – PILLPICK

Chapter 1

Business activities

Net sales in MCHF



Actions for profitable growth

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

in MCHF	31.12.07	31.12.06	Diff. in %
Order intake	12.4	13.6	-8.8%
Order backlog	6.5	6.6	-1.5%
Net sales	12.7	11.4	11.4%
EBITDA	0.4	- 0.3	--
EBITA	0.1	- 1.3	--
<i>EBITA/net sales</i>	<i>0.8%</i>	<i>-11.4%</i>	
EBIT	0.1	- 11.4	--
Employees	47	52	-9.6%

- Reduced order intake
- Solid order backlog
- Increase of net sales
- Turnaround of operating results based on better utilization of capacities
- Confirmation of goodwill position

CONTENT

- Business activities
- **Financial situation 2007**
- Conclusion and outlook

SWISSLOG GROUP – CONSOLIDATED INCOME STATEMENT

Chapter 2

Financial situation 2007

In MCHF	1.1.-31.12.2007	1.1.-31.12.2006	Diff 07/06 in %
Net sales	707.6	646.9	9.4%
EBITDA	41.5	37.8	9.8%
Depreciation	-7.0	-6.7	--
EBITA	34.5	31.1	10.9%
Goodwill Impairment	0.0	-10.1	--
EBIT	34.5	21.0	64.3%
Net financial result	-5.1	-14.9	--
Taxes	-10.6	-9.6	--
Net result	18.8	-3.5	--

- No goodwill impairment required in 2007 (2006: MCHF 10.1)
- Substantial improvement of financial result due to lower interest expenses and no book loss (2006: repurchase of convertible bonds resulted in book loss of MCHF 8.0)
- Increase of income tax expenses due to improved results; tax rate of 36%
- Strong improvement of net result

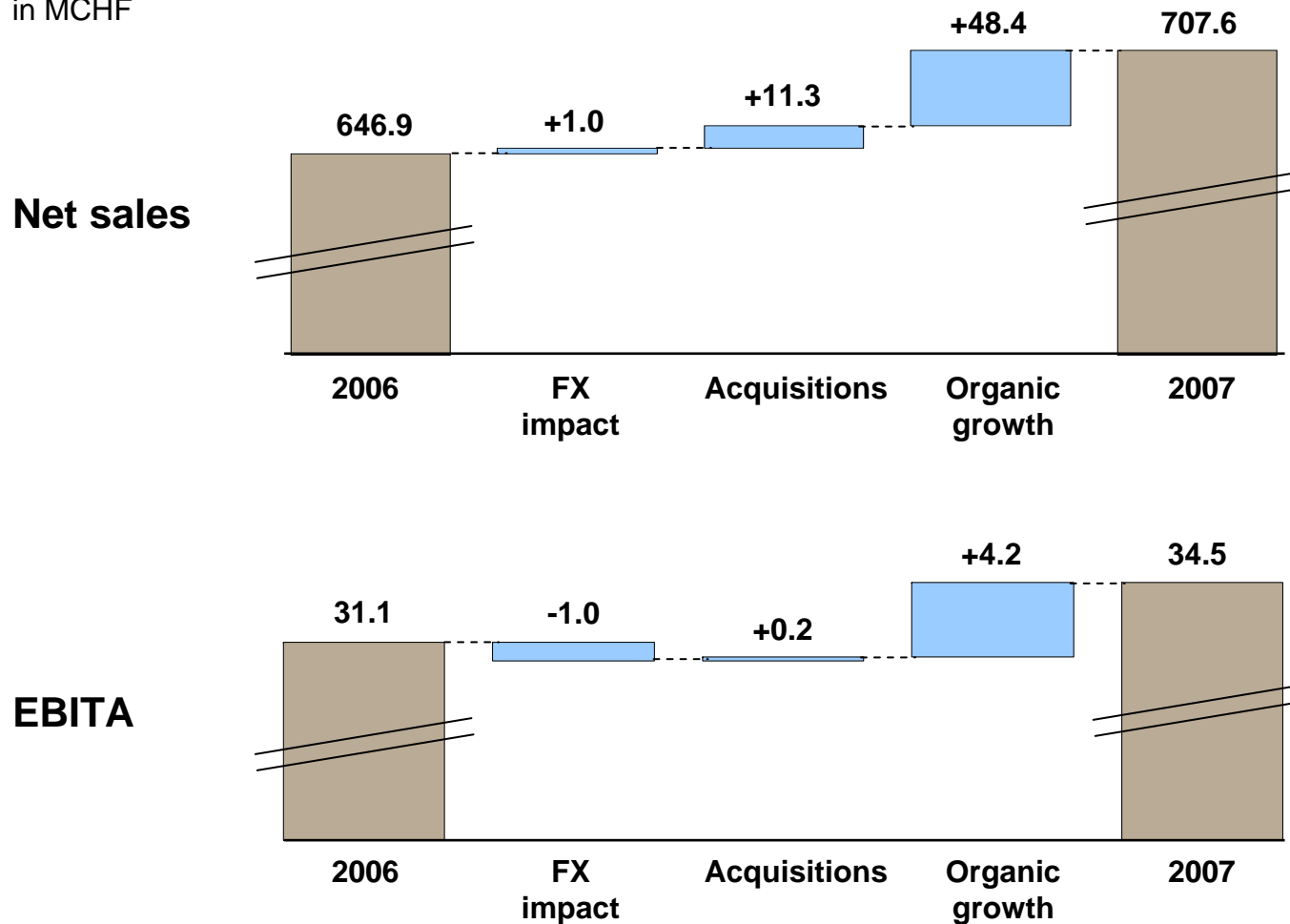
swisslog

IMPACT FROM EXCHANGE RATES AND ACQUISITIONS

Chapter 2

Financial situation 2007

in MCHF

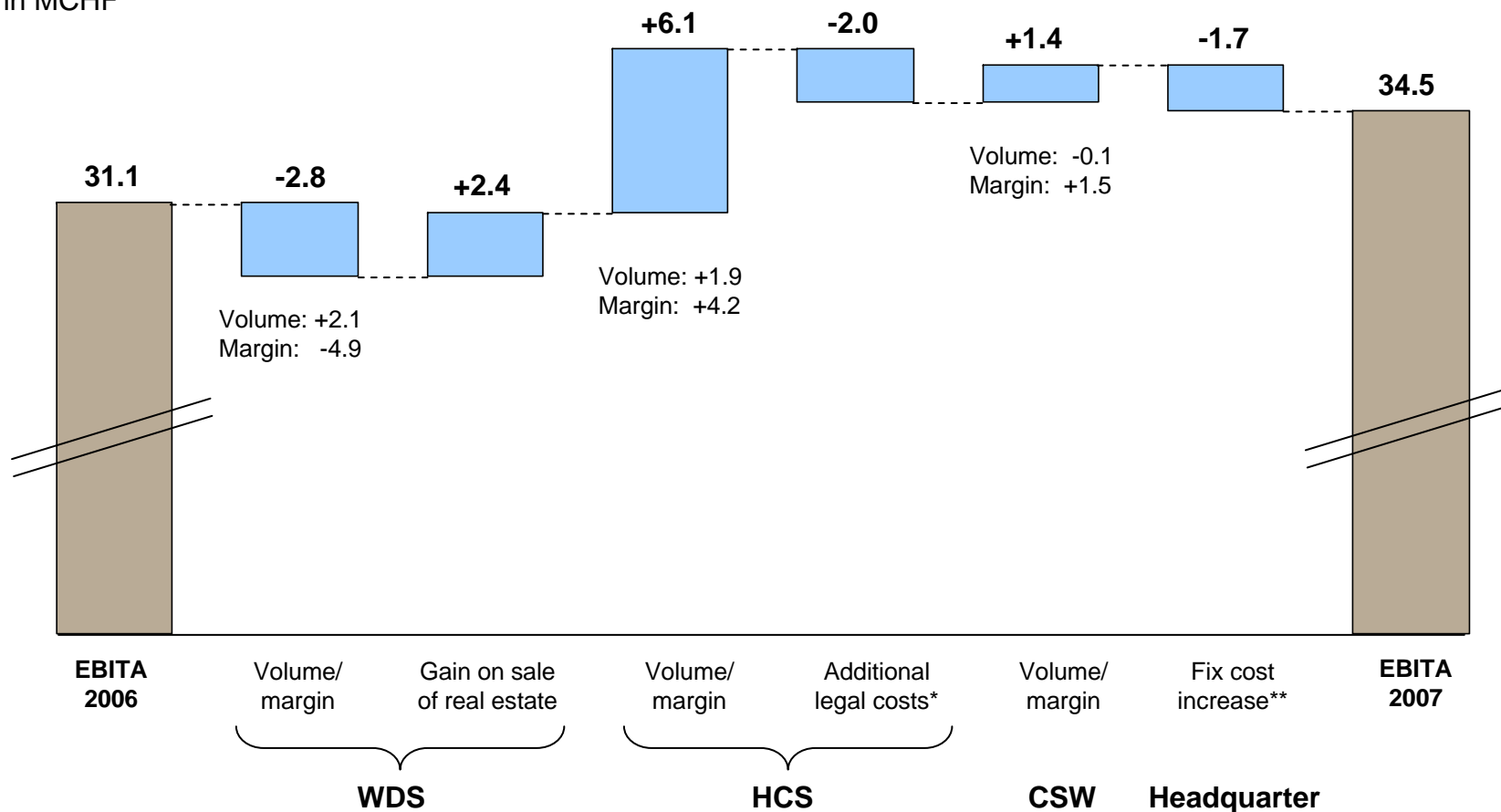


EBITA CHANGE EFFECTS 2006/2007

Chapter 2

Financial situation 2007

in MCHF



* Legal costs related to patent infringement claim (2007: MCHF 3.0; 2006: MCHF 1.0)

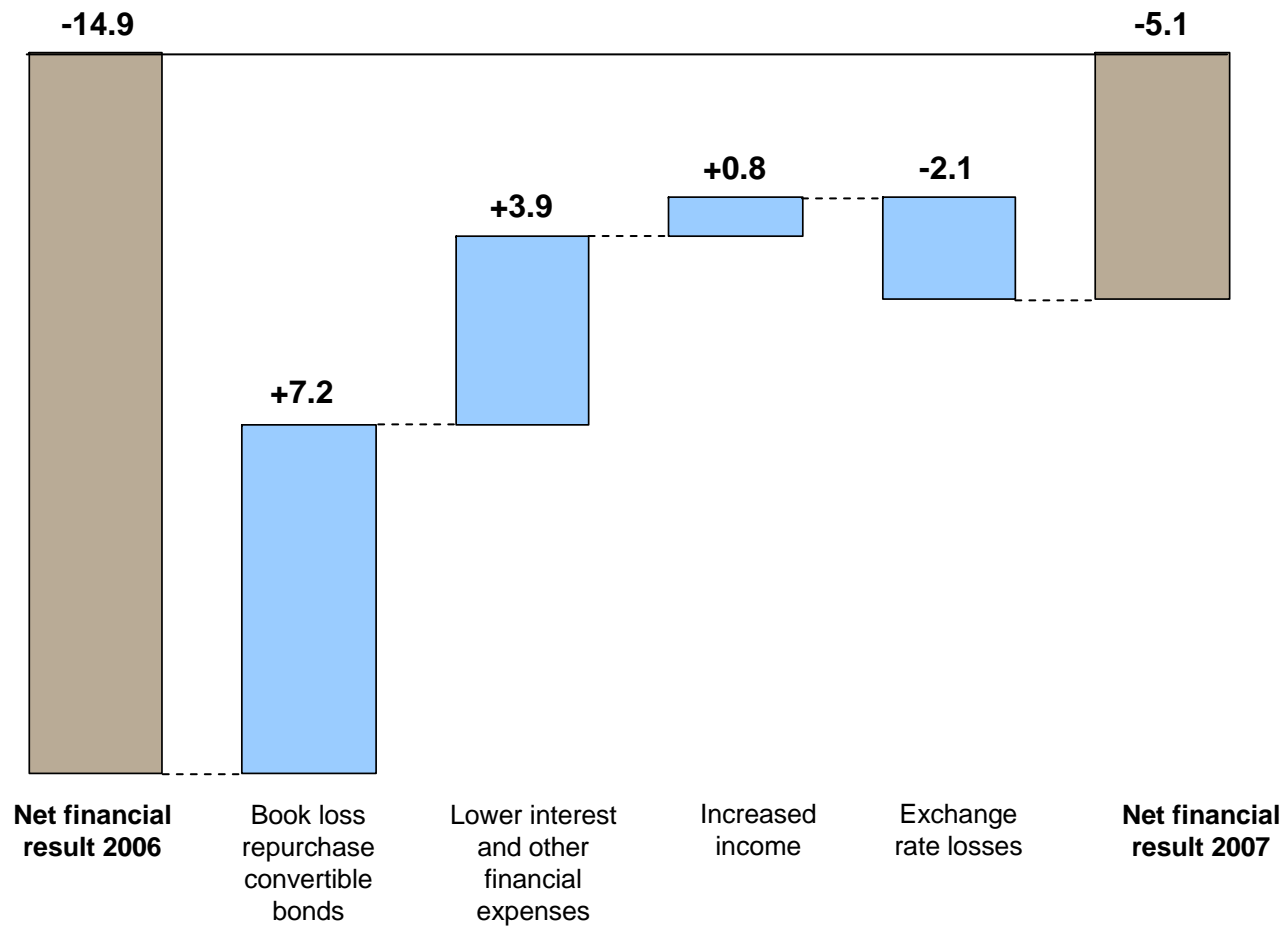
** M&A activities, investments in HR management

NET FINANCIAL RESULT CHANGE EFFECTS 2006/2007

Chapter 2

Financial situation 2007

in MCHF



swisslog

SWISSLOG GROUP – CONSOLIDATED BALANCE SHEET

Chapter 2

Financial situation 2007

in MCHF	31.12.07	31.12.06	% of total
Non-current assets excluding goodwill	47.4	49.1	10.7%
Goodwill	90.8	88.3	20.4%
Non-current assets	138.2	137.4	31.1%
Inventories, trade and other receivables, prepayments	206.1	194.1	46.5%
Cash, cash equivalents and marketable securities	99.5	104.2	22.4%
Current assets	305.6	298.3	68.9%
TOTAL assets	443.8	435.7	100.0%
Equity	156.4	143.0	35.2%
Non-current liabilities (excluding convertible bonds)	10.1	12.6	2.3%
Convertible bonds	54.0	63.8	12.2%
Non-current liabilities	64.1	76.4	14.5%
Provisions	17.6	15.4	3.9%
Other current liabilities	205.7	200.9	46.4%
Current liabilities	223.3	216.3	50.3%
TOTAL equity and liabilities	443.8	435.7	100.0%

■ Solid financial ratios:

- Equity 35.2% of balance sheet total
- Net cash MCHF 45.5
- Tangible net worth MCHF 65.6 (equity less goodwill)

swisslog

SWISSLOG GROUP – CONSOLIDATED CASH FLOW STATEMENT

Chapter 2

Financial situation 2007

in MCHF	1.1.-31.12.2007	1.1.-31.12.2006
Net cash flow from operating activities	24.2	32.7
Cash flow before working capital changes	23.8	23.7
Cash flow from changes in working capital	0.4	9.0
Net cash flow from investments	-13.8	-16.8
Net cash flow from financing activities	-17.7	-11.3
Currency translation differences	-0.7	-0.4
Net decrease/increase 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

- Realization of good operating cash flow
- Investment activities contain:
 - Acquisitions (MCHF -8.9)
 - CAPEX (MCHF -10.5)
 - Divestment real estates (+MCHF 6.0)
- Financing activities include repurchase of convertible bonds amounting to MCHF 13.2

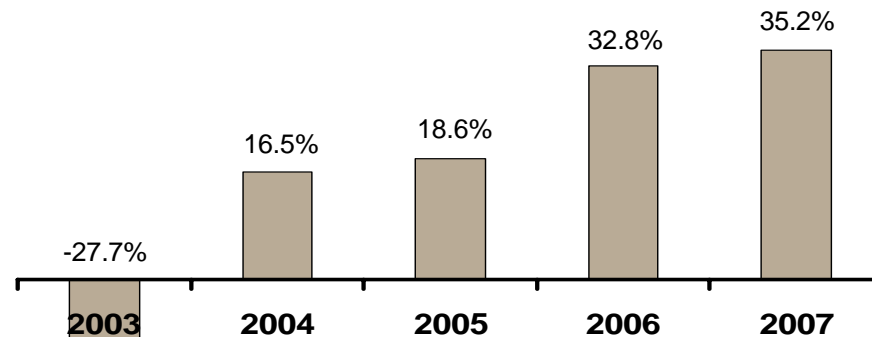
swisslog

SWISSLOG GROUP – FINANCIAL RATIOS

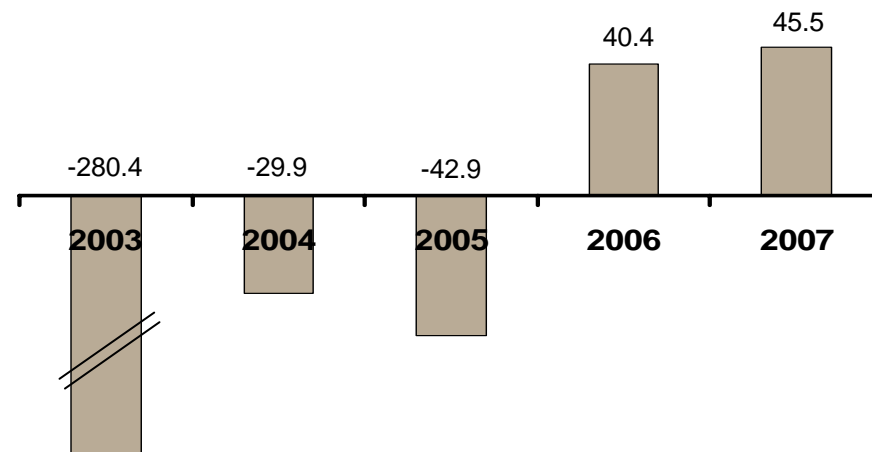
Chapter 2

Financial situation 2007

Equity ratio



Net cash (in MCHF)



- Further improvement of equity ratio due to net profit
- Equity exceeds goodwill by MCHF 65.6
- Continued increase of net cash despite higher capex and cash outflow for acquisitions

CONTENT


- Business activities
- Financial situation 2007
- **Conclusion and outlook**

CYCLICALITY OF BUSINESS ACTIVITIES

Chapter 3

Conclusion and outlook

Division	Segment	Industry focus	Share	Cyclicality
Warehouse & Distribution Solutions	New business	Retail, food & beverage, pharma	41%	High (late cyclical)
	Customer support	Retail, food & beverage, pharma	25%	Low
Healthcare Solutions	Pneumatic tube systems Automated guided vehicles PillPick	Hospitals	30%	Low
	Electric track vehicles	Industry	4%	High



55% of business with low cyclicality

Strategy

- Strengthening of position of WDS in light goods market segment
- Improvement of competitiveness in market segment for less complex projects
- Round-up acquisitions to strengthen core business of HCS
- Geographic market expansion of WDS (China, Russia) and HCS (China, Middle East)

Operations

- 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 programs in HCS North America and WDS Customer Support

People

- Increase of management capacity for future growth
- Introduction of new performance management system
- Introduction of share matching plan for upper management

NEW HEAD WDS DIVISION AS OF 1 JULY

Chapter 3

Conclusion and outlook

- DANIEL FINK, Swiss citizen (46), currently based in Shanghai
- 15 years with Georg Fischer AG
- Since 2005 President of Georg Fischer Piping Systems Asia and Delegate of the Corporate CEO for China
- Broad experience in global B2B environment
- Successfully developed markets and business operations
- At home in different business cultures (Europe, USA, Asia)
- University degree in law, admitted to the Bar in 1990



Conclusion

- Market position has been further strengthened
- Financial performance on expected level in 2007

Outlook

- Market environment remains favorable in 2008 for solutions offered by Swisslog
- Order backlog at the end of 2007 allows to increase net sales between 10-15%
- Further improvement of operational result (EBITA) due to higher net sales
- Stable EBITA margin expected

Mid-term targets

- Organic net sales growth of around 5% p.a.
- EBITA margin between 6-7%

EVENTS

Chapter 3

Conclusion and outlook

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