



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

Media Release 5/10

Swisslog's order intake and net sales according to expectations – One-time effect burdens net profit

Buchs/Aarau, 17 August 2010 – **In a still demanding business environment, Swisslog recorded figures for order intake and net sales in the first half of 2010 that are only slightly below last year's. A one-time effect originating from the Healthcare Solutions division produced a significant impact on both operating profit (EBIT) and the half-year net result. The Group's financial situation remains solid as usual.**

"The Group's results, which otherwise were in line with expectations, were strongly affected by the operational issues at Healthcare Solutions in Europe. Based on the existing order backlog and first signs of a recovery in our predominantly late-cyclical business, we expect the second semester to be better," Swisslog CEO Remo Brunschwiler comments on the half-year result. The Group's order intake declined compared to the same period last year to MCHF 345.4 (-5.7%; -3.8% in constant currencies). Order backlog per 30 June 2010 stood at MCHF 475.2 (-3.8%; +0.2% in constant currencies). The reduction in net sales to MCHF 304.3 (-8.9%; -7.5% in constant currencies) met expectations. An operating profit (EBIT) of MCHF 5.7 (slightly negative currency effects; same period last year: MCHF 16.0) and a half-year net result of MCHF 3.0 were generated (no currency effects; same period last year: MCHF 11.9).

Warehouse & Distribution Solutions develops according to plan

The Warehouse & Distribution Solutions division recorded two major orders that contributed to the first half-year's order intake total of MCHF 237.6 (-3.2%). Order backlog, at MCHF 326.4 (-4.9%) per 30 June 2010, was also only slightly below the previous year's figure. The lower order backlog at the end of 2009 led to a drop in net sales to MCHF 199.1 (-6.7%). Operating profit (EBIT) fell to MCHF 7.6 (-14.6%). The EBIT margin was 3.8% (first half-year 2009: 4.2%).

Healthcare Solutions suffers from one-time effect and declining net sales

Order intake of the Healthcare Solutions division declined in the first half-year to MCHF 107.8 (-10.9%), order backlog to MCHF 148.8 (-1.3%). Net sales dropped to MCHF 105.2 (-12.9%) due to the lower order intake at the end of 2009 and beginning of 2010. The division had issues in connection with the introduction of new functionalities for the Automated Guided Vehicles and Electric Track Vehicles product lines. These caused one-time additional costs of MCHF 5.8 that led, together with lower net sales, to a significant diminution of the division's operating profit (EBIT). It amounted to MCHF 2.5 (previous year's period: MCHF 11.5). Accordingly, the EBIT margin was lower at 2.4% (first half-year 2009: 9.5%). The issues are identified and, as far as they still exist, in the process of being solved. The substantial part of the associated cost was recognized in the first half-year 2010. Brunschwiler emphasizes that "The other product

lines, in particular the Pneumatic Tube Systems, traditionally the backbone of Healthcare Solutions' net sales and profit, were not affected by these issues."

Financial result improves, solid equity position

Financial income declined somewhat to MCHF 2.6 (previous year's figure: MCHF 2.8), but the reduction in financial expenses to MCHF 2.2 (previous year: MCHF 3.0) was even more pronounced. Due to tight hedging, it was possible to offset the volatility on the currency exchange markets. The net financial result was MCHF +0.4 (first half-year 2009: MCHF -0.2). Income tax fell to MCHF 3.1 (previous year's figure: MCHF 3.9).

The financial situation of the Group remains solid as usual. The equity ratio rose once more from 40.0% at the end of 2009 to 41.6%. Net cash fell to MCHF 58.9 (31.12.2009: MCHF 104.3), which is mainly due to the reduction of advance payments made by clients.

Outlook

Swisslog expects a better second half of the year compared to the first. This is based mostly on the existing order backlog and the implemented measures at Healthcare Solutions Europe. Moreover, there are first signs of a recovery of demand for both divisions, primarily in the North American and Asian markets.

The outlook for the current business year given in March 2010 is adjusted to take into account events as well as the development of the business environment. Order intake is expected to reach about previous year's level. While the forecast for net sales is somewhat better (reduction of approx. 5% instead of 5-10%), Swisslog anticipates a reduction in operating profit (EBIT) of approx. 30% (instead of 5-10%) – barring any unforeseen events.

Calendar

8 March 2011: Publication of 2010 Annual Result

14 April 2011: General Meeting of Shareholders 2011

Contact

Swisslog Holding AG

Christian Mäder

Chief Financial Officer

Tel: +41 (0)62 837 95 64

Fax: +41 (0)62 837 95 57

Email: christian.maeder@swisslog.com

Internet: www.swisslog.com

Swisslog Holding AG

Dr. Christian Winiker

Head Corporate Communications

Tel: +41 (0)62 837 95 36

Fax: +41 (0)62 837 95 55

Email: christian.winiker@swisslog.com

Internet: www.swisslog.com

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 to intra-company logistics solutions for hospitals.

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 on which customers in more than 50 countries around the world rely.

Headquartered in Buchs/Aarau, Switzerland, Swisslog currently employs over 2000 staff in 20 countries worldwide. The group's parent company, Swisslog Holding AG, is listed on the SIX Swiss Exchange (security number: 1232462, Telekurs: SLOG, Reuters: SLOG.S). For more information, visit www.swisslog.com

SWISSLOG GROUP KEY FIGURES (UNAUDITED)

MCHF	1.1.–30.6.2010	1.1.–30.6.2009	1.1.–31.12.2009
Order intake	345.4	366.4	642.0
Order backlog*	475.2	493.9	446.4
Net sales	304.3	334.0	649.9
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	9.5	22.1	39.5
Operating profit (EBIT)	5.7	16.0	28.4
<i>EBIT margin</i>	1.9%	4.8%	4.4%
Net result	3.0	11.9	17.7
Equity*	157.8	159.3	161.3
Net cash*	58.9	75.1	104.3
Net working capital*	-13.3	-26.4	-52.4
Employees – FTE*	2 054	2 118	2 044

* at the end of period

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

MCHF	30.6.2010	30.6.2009	31.12.2009
Property, plant and equipment	14.2	13.2	14.9
Goodwill	79.3	82.8	80.1
Other intangible assets	12.8	11.7	12.2
Deferred tax assets	5.2	6.6	5.4
Other assets	7.2	7.6	6.2
NON-CURRENT ASSETS	118.7	121.9	118.8
Inventories	21.6	30.9	22.9
Trade receivables	78.3	96.0	72.1
Amount due from customers for construction contracts	48.0	36.4	40.1
Income tax receivables	5.0	3.6	3.2
Prepaid expenses and accrued income	13.4	16.6	10.1
Other receivables	15.5	8.4	11.4
Marketable securities	0.6	10.2	0.4
Cash and cash equivalents	78.5	101.0	124.0
CURRENT ASSETS	260.9	303.1	284.2
TOTAL ASSETS	379.6	425.0	403.0
Equity attributable to equity holders of the parent	157.7	159.2	161.2
Minority interest	0.1	0.1	0.1
EQUITY	157.8	159.3	161.3
Deferred tax liabilities	1.3	0.8	1.3
Other liabilities	8.1	9.4	8.4
NON-CURRENT LIABILITIES	9.4	10.2	9.7
Trade payables	48.8	58.6	59.4
Amount due from customers for construction contracts	77.2	76.2	92.5
Provisions	10.7	11.9	11.1
Income tax payables	2.2	4.4	2.6
Accrued expenses and deferred income	40.1	53.6	31.1
Convertible bonds	0.0	36.1	0.0
Other liabilities	13.2	14.7	15.2
Financial liabilities	20.2	0.0	20.1
CURRENT LIABILITIES	212.4	255.5	232.0
TOTAL EQUITY AND LIABILITIES	379.6	425.0	403.0

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

MCHF	1.1.-30.6.2010	1.1.-30.6.2009	Change in %
NET SALES	304.3	334.0	-8.9%
Other operating income	0.1	2.2	
Material and service expenses	-146.4	-164.6	
Personnel expenses	-120.1	-121.4	
Other operating expenses	-28.4	-28.1	
Depreciation and amortization	-3.8	-6.1	
OPERATING PROFIT (EBIT)	5.7	16.0	-64.4%
Financial income	2.6	2.8	
Financial expenses	-2.2	-3.0	
RESULT BEFORE TAX	6.1	15.8	-61.4%
Income taxes	-3.1	-3.9	
NET RESULT	3.0	11.9	-74.8%
Attributable to:			
Equity holders of the parent	3.0	11.9	
EARNINGS PER SHARE	CHF	CHF	
Basic/diluted earnings per share	0.01	0.05	

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

MCHF	1.1.-30.6.2010	1.1.-30.6.2009	Change in %
NET RESULT GROUP	3.0	11.9	-74.8%
Currency translation differences	-1.6	3.7	
OTHER COMPREHENSIVE INCOME	-1.6	3.7	
TOTAL COMPREHENSIVE INCOME	1.4	15.6	
Attributable to:			
Equity holders of the parent	1.4	15.6	

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

MCHF	1.1.-30.6.2010	1.1.-30.6.2009	Change in %
CASH FLOW FROM OPERATING ACTIVITIES			
Net result	3.0	11.9	
Adjustment for:			
Income taxes	3.1	3.9	
Depreciation and amortization	3.8	6.1	
Net financial result	-0.4	0.2	
Change in pension liabilities	-0.8	-0.5	
Share-based payment expenses	0.1	0.2	
Other non-cash transactions	0.0	0.5	
Income taxes paid	-4.0	-6.4	
CASH FLOW BEFORE WORKING CAPITAL CHANGES	4.8	15.9	-69.8%
Increase (-)/decrease (+) of:			
Inventories	1.9	-3.7	
Trade receivables, amount due from customer for construction contracts, prepaid expenses, accrued income and other receivables	-18.4	11.9	
Increase (+)/decrease (-) of:			
Trade payables	-16.0	-9.3	
Amount due to customers for construction contracts	-18.5	-21.8	
Other liabilities and accrued expenses and deferred income	10.4	19.8	
Provisions	-0.6	-4.5	
CASH FLOW FROM NET CURRENT ASSETS	-41.2	-7.6	-442.1%
NET CASH FLOW FROM OPERATING ACTIVITIES	-36.4	8.3	-538.6%
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment	-2.9	-2.2	
Investments in intangible assets	-1.7	-0.7	
Disposal of marketable securities	0.0	2.1	
Disposal of property, plant, equipment and intangible assets	0.2	0.0	
Cash outflow on acquisition	0.0	-1.9	
Other assets	0.0	0.1	
Interest received	0.4	0.9	
NET CASH FLOW FROM INVESTING ACTIVITIES	-4.0	-1.7	-135.3%
CASH FLOW FROM FINANCING ACTIVITIES			
Partial repurchase of convertible bonds	0.0	-2.5	
Interest paid	-0.2	-0.2	
Dividend payment	-5.0	-5.0	
NET CASH FLOW FROM FINANCING ACTIVITIES	-5.2	-7.7	+32.5%
Currency translation differences on cash and cash equivalents	0.1	1.1	
NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS	-45.5	0.0	
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	124.0	101.0	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	78.5	101.0	

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

MCHF	Share capital	Share premium	Treasury stocks	Retained earnings	Reserve for currency translation differences	Total	Minority interests	Total Equity
AT 1.1.2009	2.5	80.1	-1.9	116.2	-48.5	148.4	0.1	148.5
Net result 1.1.-30.6.2009				11.9		11.9		11.9
Other comprehensive income					3.7	3.7		3.7
TOTAL COMPREHENSIVE INCOME				11.9	3.7	15.6		15.6
Share-based payment		0.2				0.2		0.2
Dividends				-5.0		-5.0		-5.0
AT 30.6.2009	2.5	80.3	-1.9	123.1	-44.8	159.2	0.1	159.3
AT 1.1.2010	2.5	80.3	-1.7	128.9	-48.8	161.2	0.1	161.3
Net result 1.1.-30.6.2010				3.0		3.0		3.0
Other comprehensive income					-1.6	-1.6		-1.6
TOTAL COMPREHENSIVE INCOME				3.0	-1.6	1.4		1.4
Share-based payment		0.1				0.1		0.1
Dividends				-5.0		-5.0		-5.0
AT 30.6.2010	2.5	80.4	-1.7	126.9	-50.4	157.7	0.1	157.8

NOTES TO THE HALF-YEAR FINANCIAL REPORT ENDED 30 JUNE 2010 (UNAUDITED)

1. Consolidation and accounting principles

1.1 General information

The unaudited 2010 Half-Year Financial Report of Swisslog Holding AG and its subsidiaries has been prepared in accordance with the International Accounting Standard 34 (Interim Financial Reporting). The same accounting policies and methods of computation are followed as in the 2009 Financial Report. The 2010 Half-Year Financial Report should be read in conjunction with the 2009 Financial Report, as this is an update of already disclosed information. The Board of Directors authorized the 2010 Half-Year Financial Report for issue on 12 August 2010.

Order intake of the Swisslog Warehouse & Distribution Solutions division is driven by the investment cycle of the clients. Generally, final acceptances of long-term construction contracts as well as renewals of maintenance contracts take place more often in the second half of the year.

The preparation of the Half-Year Financial Report in conformity with IFRS requires the use of certain critical accounting estimates, which influence published expenses and income, assets and liabilities as well as the comments in the notes. Actual results in subsequent periods could substantially differ from those estimated.

1.2 New standards and interpretations

Since 1 January 2010, the Swisslog Group has applied the following International Financial Reporting Standards (IFRS) and IFRIC interpretations:

Standard/ Interpretation	Description/ Implication for Swisslog	Effective Date
Amendment to IFRS 1 – Additional exemptions for first-time adopters	Exemption for entities using the full cost method from retrospective application of IFRSs for oil and gas assets and for entities with existing leasing contracts. Not relevant to the Swisslog Group, as Swisslog Group is an existing IFRS preparer.	1.1.2010
Revised IFRS 2 – Group cash-settled share-based payment transactions	Amendment to clarify the accounting in case a Group entity receives goods or services while another Group entity has the obligation for this cash-settled share-based transaction. No impact as Swisslog Group had no such transactions in the reporting period.	1.1.2010
Revised IFRS 3 – Business combinations	Introduces significant changes in the accounting for business combinations. The changes affect the valuation of non-controlling interest and the accounting of transaction costs. No effect as there were no acquisitions in the reporting period.	1.7.2009
Revised IAS 27 – Consolidated and separate financial statements	Requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. No impact since Swisslog Group had no such changes in the ownership in the reporting period.	1.7.2009
Amendment to IAS 39 – Eligible hedged items	Addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. No effect since Swisslog Group did not apply hedge accounting in the reporting period.	1.7.2009

Standard/ Interpretation	Description/ Implication for Swisslog	Effective Date
IFRIC 17 – Distribution of non-cash assets to owners	Provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as distribution of reserves or dividends. Not relevant as Swisslog Group did not have any non-cash distributions in the reporting period.	1.7.2009
IFRIC 18 – Transfers of assets from customers	Transferred assets from a customer in return for connection to a network or ongoing access to goods or services. Not relevant as Swisslog Group did not receive any assets from customers in the reporting period.	1.7.2009
Improvements to IFRS – April 2009	Compound standard comprising changes to various existing standards in order to eliminate inconsistencies and to clarify formulations. No effect from the changes that became effective in the reporting period.	Individual transition regulations

The upcoming changes in accounting principles (standards and interpretations) have been disclosed in the notes of the 2009 Financial Report. The update for the 2010 Half-Year Report 2010 did not change the assessment of the implication to the consolidated figures of the Group. Furthermore, the Group does not expect any impact on the consolidated financial statements from the improvements to the IFRS (Annual Improvement Process) published in May 2010.

2. Condensed information by segment (unaudited)

MCHF	1.1.–30.6.2010					1.1.–30.6.2009				
	Warehouse & Distribution Solutions	Healthcare Solutions	Total Segment	Corporate/ Elimini- nations	Total Group	Warehouse & Distribution Solutions	Healthcare Solutions	Total Segment	Corporate/ Elimini- nations	Total Group
Order intake	237.6	107.8	345.4	0.0	345.4	245.5	121.0	366.5	-0.1	366.4
Order backlog (at the end of period)	326.4	148.8	475.2	0.0	475.2	343.1	150.8	493.9	0.0	493.9
Net sales	199.1	105.2	304.3	0.0	304.3	213.3	120.8	334.1	-0.1	334.0
Depreciation and amortization	2.5	1.2	3.7	0.1	3.8	5.0	1.0	6.0	0.1	6.1
OPERATING PROFIT (EBIT)	7.6	2.5	10.1	-4.4	5.7	8.9	11.5	20.4	-4.4	16.0
Financial result net					0.4					-0.2
RESULT BEFORE TAXES					6.1					15.8
Total assets	185.7	134.4	320.1	59.5	379.6	200.1	152.0	352.1	72.9	425.0
Net operating assets ¹	7.0	84.5	91.5	-3.5	88.0	-14.6	94.5	79.9	-4.1	75.8
Net working capital ²	-54.8	39.6	-15.2	1.9	-13.3	-74.1	48.3	-25.8	-0.6	-26.4
Days of net working capital	-50	65			-8	-52	72			-12
Investment in property, plant, equipment and intangible assets ³	2.2	2.3	4.5	0.1	4.6	1.8	1.0	2.8	0.1	2.9
Employees – full-time equivalents (at the end of period)	1 167	869	2 036	18	2 054	1 248	852	2 100	18	2 118
EBIT as % of net sales (EBIT margin)	3.8	2.4			1.9	4.2	9.5			4.8

1 Current and non-current assets (excl. cash, cash equivalents, marketable securities, deferred tax assets and other non-current assets) less current liabilities and provisions (excl. interest-bearing borrowings, deferred tax liabilities and income tax payables)

2 Excluding cash, cash equivalents, marketable securities, deferred tax assets, deferred tax liabilities and interest-bearing borrowings

3 Excluding goodwill

The group distinguishes between the following segments:

a) Warehouse & Distribution Solutions (WDS)

Delivers industry-specific solutions for automated, semi-automated and manual warehouses and distribution centers. Provides consulting services, software solutions, equipment, general contracting, implementation and lifetime support.

b) Healthcare Solutions (HCS)

Offers logistics automation for the movement and processing of materials and medications within and throughout healthcare facilities. The scope of services ranges from consulting, design, manufacturing and installation through lifetime customer support.

3. Major foreign currency exchange rates

Currency	Country	Unit	Income statement			Balance sheet		
			30.6.2010	30.6.2009	31.12.2009	30.6.2010	30.6.2009	31.12.2009
EUR	Europe	1	1.4370	1.5158	1.5098	1.3231	1.5245	1.4855
USD	USA	1	1.0831	1.1202	1.0854	1.0815	1.0811	1.0310

4. Events after the balance sheet date

No events with a material impact on the 2010 Half-Year Financial Report have taken place after the balance sheet date.

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.