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MEDIA RELEASE

Mixed balance for Swisslog for first half-year 2003

Buchs / Aarau, August 15, 2003 – Positive developments from a strategic and operational perspective, unsatisfactory financial result: this is the bottom line of the first half-year 2003 for logistic solutions provider Swisslog. The concentration on the two core divisions "Warehouse & Distribution Solutions" and "Healthcare Solutions" which began in April, the cost-cutting and divestment program, as well as the program for reducing the net working capital have gotten off to a good start. High one-off and restructuring costs, together with the difficult market environment, have resulted in a weakening of the overall company result in the first half-year to CHF -35.8 million (2002: CHF -12.9 million). Order backlog for the division "Warehouse & Distribution Solutions" is CHF 379.6 million (2002: CHF 373.4 million) and for "Healthcare Solutions" CHF 142.4 million (2002: CHF 124.0 million). Due to the good order backlog and the expected improvements for the second half-year, Swisslog expects the operating result for 2003 to reach the previous year's level.

Swisslog's turnover during the first half-year dropped to CHF 396.6 million (2002: CHF 421.4 million). This is primarily due to a sharp decline of 18.9% in the "Material Flow & Robotic Systems" division. Turnover at the end of June was CHF 104.8 million (2002: 129.2 million). On the other hand, the core division "Warehouse & Distribution Solutions" increased turnover by 6.0% to CHF 221.6 million. "There is a good potential for further growth of this division," says Remo Brunschwiler, CEO Swisslog, commenting the result. "However, we have begun to notice that the negative economic situation is now also affecting the retail industry in which we are strongly positioned with our solutions for warehousing and distribution centers. Many businesses are currently hesitant when it comes to making investment decisions in the logistics sector," Brunschwiler went on to say. In "Healthcare Solutions", Swisslog's other core business division, turnover declined by 5.2% due to exchange rate differences to CHF 92.1 million (in local currency +3.5%).

High one-off and restructuring costs

The earnings before interest, taxes, depreciation, and goodwill amortization (EBITDA) dropped during the first half-year by CHF 17.2 million to CHF 6.9 million. The reduction is largely attributable to the restructuring and other one-off costs incurred in conjunction with Swisslog's strategic reorientation. Also, the expenses of Swisslog in connection with the completion of projects started in 2002 exceeded the contractually agreed costs, which also had a negative impact on the income statement. "These one-off effects will not affect the operating result to this extent in the second half-year," Brunschwiler said.

More positive development expected for second half-year

Swisslog expects the group result to improve during the second half-year. "On the one hand, the restructuring measures launched over the past few months will begin to positively affect the operating result," Brunschwiler explains. Around 200 of the 370 jobs to be reduced have already been cut. "On the other hand, we have a good order backlog." In the core division "Warehouse & Distribution Solutions", order backlog is CHF 379.6 million (2002: CHF 373.4 million); in "Healthcare Solutions" it is CHF 142.4 million (2002: CHF 124.0 million). "In the months April, May, and June we have also noted an ongoing upward trend from an operative standpoint," Brunschwiler stated. "This has given us confidence for a more positive development for the rest of the year."

The impact of the program to reduce net working capital is already being felt. It has been reduced this year from CHF 61.5 million to CHF 39.3 million. The fixed costs have also been lowered by CHF 4.8 million to CHF 86.0 million (-5,3%), despite the high restructuring costs.

Sale of Schierholz and Translift completed

The faster than expected sales of the "Material Flow & Robotic Systems" division will have another positive impact on the operating result 2003. Swisslog has successfully concluded sales negotiations for the loss-making subsidiaries Schierholz and Translift. The companies have been taken over by the German ARQUES-Group. The sale of the Swisslog subsidiaries with sites in Bremen (Germany), Kriens (Switzerland), Marne la Vallée Cedex (France) and Retford (UK) is part of the divestment program Swisslog launched at the beginning of the year.

Schierholz and Translift together currently employ 364 staff members, turnover in 2002 was CHF 120.0 million. The buyer is a subsidiary of the ARQUES-Group, which is an investment company that specializes in the acquisition and development of companies in turn-around situations. The goal of ARQUES-Group is to merge the conveyor system specialists Schierholz and Translift into a profitable group. Dr. Dirk Markus, member of the managing board at ARQUES, sees great potential in the companies: "We want to turn the two firms into a leading vendor of material flow systems in Europe." The acquired activities will be merged in a new holding called Schierholz-Translift AG.

The sale of the other Swisslog companies of the "Material Flow & Robotic Systems" division is proceeding as planned and should be completed over the coming six to twelve months.

Focus on strengthening the balance sheet

The proceeds from the sale are to be used to repay debt. "We are on the right track with our strategic reorientation, reorganizing of the company, implementation of the cost-cutting programs, and improvements in operational efficiency. Our focus now is on strengthening our balance sheet," says CEO Remo Brunschwiler. Several options for improving the balance sheet are currently being evaluated and are to be implemented over the next nine months.

Kristian Schleede new CFO

Swisslog's new Chief Financial Officer is Kristian Schleede, 45. He will assume the position on September 1, 2003. Kristian Schleede is familiar with the logistics industry from his work for Danzas where he initially was responsible for Finance & Administration for Danzas Germany, and later worked as head of business development for Danzas' headquarter in Basel, Switzerland. Previously, he had worked as a consultant for McKinsey. Until assuming his position at Swisslog, he served as chairman of the management board at Dussmann KGaA for the Service Deutschland division. Kristian Schleede is German and has a doctorate in mechanical engineering from the Technische Hochschule in Aachen, Germany.

Calendar

March 9, 2004: Presentation Swisslog full figures 2003

May 12, 2004: General Meeting Swisslog 2004

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About Swisslog

Swisslog is a global provider of integrated logistics solutions for optimizing production and distribution processes. Swisslog's solutions increase their customers' flexibility, responsiveness, and quality of service, while minimizing logistics costs.

The comprehensive portfolio ranges from building of complex warehouses and distribution centers including Swisslog's software, in-house logistics solutions for hospitals and pharmacies as well as consulting services in the field of supply chain management. Material Flow and Robotics Systems complete Swisslog's offering. 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.

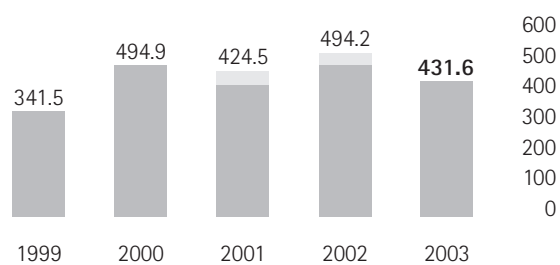
Headquartered in Buchs/Aarau, Switzerland, Swisslog currently employs around 2 800 staff in 23 countries worldwide. In 2002, Swisslog generated a turnover of CHF 875.3 million (Euro 600 Mio.). The group's parent company, Swisslog Holding AG, is listed on SWX Swiss Exchange (security number: 1232462, Telekurs: SLOG, Reuters: SLOGn.S). For more information, visit: www.swisslog.com.

Five-year Overview of Swisslog (January–June)

in million CHF

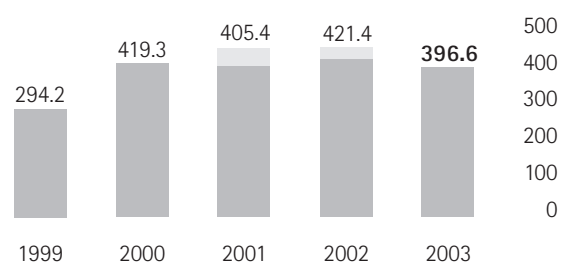
Order intake¹

¹ Order intake incl. Color Logistics in the first half-year 2002 was CHF 530.1 m (2001: CHF 476.9 m).

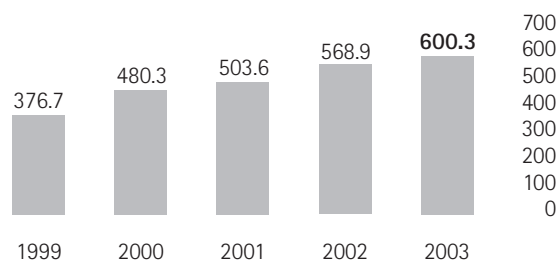


Net sales²

² Net sales incl. Color Logistics in the first half-year 2002 was CHF 461.4 m (2001: CHF 460.3 m).

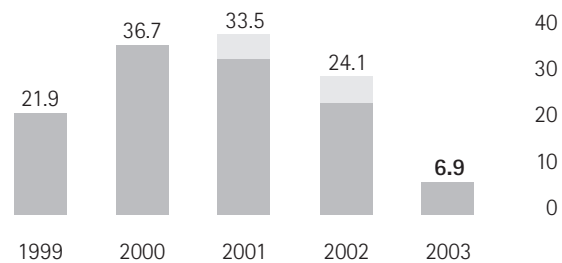


Order backlog



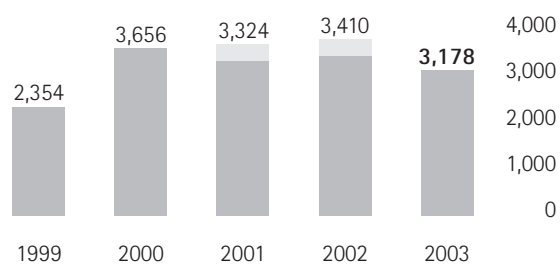
EBITDA³

³ EBITDA incl. Color Logistics in the first half-year 2002 was CHF 29.4 m (2001: CHF 38.9 m).



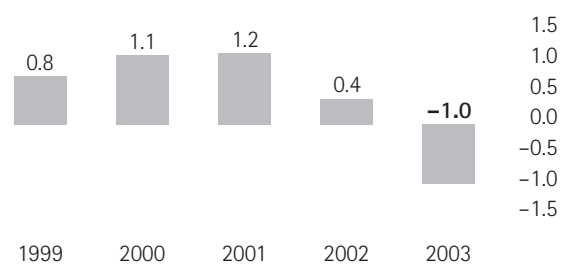
Employees (30 June)⁴

⁴ Number of employees incl. Color Logistics per June 30, 2002 was 3,803 (2001: 3,722).



CASH EPS⁵ in CHF

⁵ After share split in May 2001.



Consolidated income statement	1.1.–30.6.2003	1.1.–30.6.2002	1.1.–31.12.2002
in million CHF			
Net sales	396.6	421.4	875.3
Earnings before interest, taxes, depreciation and amortization of goodwill (EBITDA)	6.9	24.1	33.5
Depreciation on tangible and intangible assets	8.4	7.4	14.8
Earnings before interest, taxes and amortization of goodwill (EBITA)	-1.5	16.7	18.7
Amortization of goodwill	16.9	14.8	30.9
Earnings before interest and taxes (EBIT)	-18.4	1.9	-12.2
Net financial result	-11.3	-11.3	-26.0
Result before taxes	-29.7	-9.4	-38.2
Taxes	-4.0	-2.3	-4.3
Minority interests	0.1	0.0	0.0
Result continuing operations	-33.6	-11.7	-42.5
Result discontinuing operations	-2.2	-1.2	-5.3
Net result	-35.8	-12.9	-47.8
	CHF	CHF	CHF
Earnings per share	-2.36	-0.86	-3.17
Earnings per share (diluted)	-2.36	-0.86	-3.17

Consolidated balance sheet	30.6.2003	30.6.2002	31.12.2002
in million CHF			
Non-current assets excluding goodwill	178.6	143.6	177.4
Goodwill	169.4	249.7	177.9
Non-current assets	348.0	393.3	355.3
Inventories, trade and other receivables, prepayments	261.5	392.6	286.5
Cash and cash equivalents	36.9	54.2	36.3
Current assets	298.4	446.8	322.8
Total assets	646.4	840.1	678.1
Shareholders' equity	68.0	142.8	95.8
Minority interest	1.8	3.1	2.3
Non-current liabilities	360.6	390.7	360.6
Provisions	14.5	18.0	17.3
Short-term borrowings	0.6	11.3	1.9
Other current liabilities	200.9	274.2	200.2
Total equity and liabilities	646.4	840.1	678.1

Consolidated cash flow statement	1.1.–30.6.2003	1.1.–30.6.2002	1.1.–31.12.2002
in million CHF			
Net cash flow from operating activities	23.3	1.5	12.7
Net cash flow from investing activities	-11.5	4.4	17.8
Net cash flow from financing activities	-7.0	-27.5	-64.2
Net cash flow from discontinuing activities	-2.2	1.6	0.9
Impact of currency translation	-2.0	2.7	-2.4
Net change in cash and cash equivalents	0.6	-17.3	-35.2
Cash and cash equivalents at beginning of period	36.3	71.5	71.5
Cash and cash equivalents at end of period	36.9	54.2	36.3

Consolidated statement of changes in shareholders' equity

in million CHF	Share capital	Premium	Fair value and other reserves	Retained earnings	Shareholders' equity
As at 1.1.2002	30.0	98.4	-1.1	42.5	169.8
Net result 2002				-12.9	-12.9
Fair value gains/losses (-) from securities			-0.3		-0.3
Fair value gains/losses (-) from cash flow hedges			1.9		1.9
Treasury shares	0.3			3.1	3.4
Currency translation difference				-19.1	-19.1
As at 30.6.2002	30.3	98.4	0.5	13.6	142.8
As at 1.1.2003	30.3	98.7	0.1	-33.3	95.8
Net result 2003				-35.8	-35.8
Fair value gains/losses (-) from securities			-0.1		-0.1
Fair value gains/losses (-) from cash flow hedges			-2.4		-2.4
Treasury shares	0.1			-0.1	0.0
Transfer		-39.3		-39.3	0.0
Currency translation difference				10.5	10.5
As at 30.6.2003	30.4	59.4	-2.4	-19.4	68.0

Group results for the first six months of 2003	1.1.–30.6.2003	1.1.–30.6.2002	1.1.–31.12.2002
in million CHF			
Order intake	431.6	494.2	954.7
Order backlog	600.3	568.9	563.3
Net sales	396.6	421.4	875.3
Earnings before interest, taxes, depreciation and amortization of goodwill (EBITDA)	6.9	24.1	33.5
Earnings before interest, taxes and amortization of goodwill (EBITA)	-1.5	16.7	18.7
Cash EPS in CHF	-1.0	0.4	-0.5
Shareholders' equity*	68.0	142.8	95.8
Net debt*	291.3	305.9	288.9
Employees*	3,178	3,410	3,373

* End of period

Segment results for the first six months of 2003	1.1.–30.6.2003	1.1.–30.6.2002	1.1.–31.12.2002
in million CHF			
Warehouse & Distribution Solutions			
Order intake	233.7	272.4	516.4
Order backlog*	379.6	373.4	368.0
Net sales	221.6	209.1	453.4
EBITDA	6.6	12.6	23.5
<i>EBITDA margin</i>	<i>3.0%</i>	<i>6.0%</i>	<i>5.2%</i>
Healthcare Solutions			
Order intake	107.3	117.1	235.3
Order backlog*	142.4	124.0	129.0
Net sales	92.1	97.2	207.6
EBITDA	10.2	11.9	20.9
<i>EBITDA margin</i>	<i>11.1%</i>	<i>12.2%</i>	<i>10.1%</i>
Material Flow & Robotic Systems			
Order intake	111.1	139.3	263.7
Order backlog*	108.4	98.0	99.3
Net sales	104.8	129.2	253.9
EBITDA	2.4	7.5	8.3
<i>EBITDA margin</i>	<i>2.3%</i>	<i>5.8%</i>	<i>3.3%</i>

* End of period

All information provided relates to continuing operations if nothing else noted.

The unaudited interim financial report for the six months ended 30 June 2003 has been prepared in accordance with the accounting policies set out in the Financial Report for the year ended 31 December 2002 and International Accounting Standard 34 on Interim Financial Reporting.

There were no significant changes in accounting policies or estimates from those disclosed in the Financial Overview 2002.