

SWISSLOG

Company presentation

March 2012

swisslog

Disclaimer

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- 1 Five good reasons for Swisslog**
- 2 Profile Swisslog Group
- 3 Profile Healthcare Solutions
- 4 Profile Warehouse & Distribution Solutions
- 5 Customer Support
- 6 Summary

Swisslog is a worldwide leader in **logistics robots** and **automated distribution centers**.

Swisslog's **flexible business model** allows for quick adjustments to changing conditions in demand.

Swisslog has a solid balance sheet and generates about a third of net sales from **recurring, value-enhancing** Customer Support business.

Reason 4-5

Five good reasons for
Swisslog

The market for automated logistics solutions is expected to **grow by 5% p.a.** over the next four years.

As a **globally networked company** with strong local ties in key markets, Swisslog is excellently positioned to **benefit from fundamentally favorable industry trends.**

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Solid company foundation

Profile Swisslog Group

Swisslog

Premier supplier of
logistics robots and automated distribution centers

Healthcare Solutions (HCS)



Warehouse & Distribution Solutions (WDS)

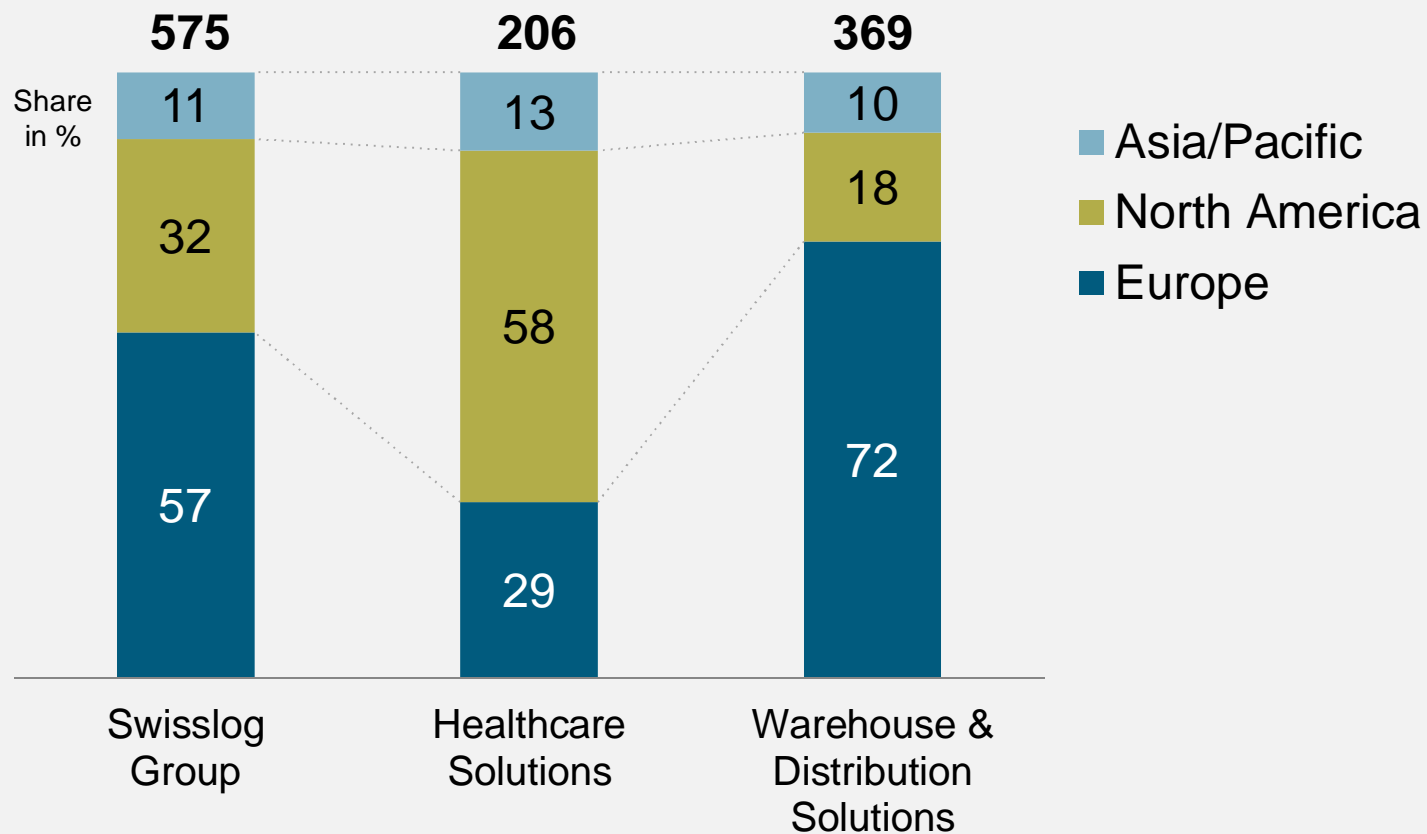


- Founded in 1898 with Headquarters in Buchs/Aarau, Switzerland
- 2100 employees, net sales MCHF 575 (2011)
- 30 offices in over 20 countries in Europe, North America, Asia/Pacific and Middle East
- Clients in over 50 countries
- Listed at SIX Swiss Exchange

Geographically balanced income streams

Profile Swisslog Group

Net sales in 2011 (in MCHF) and regional split



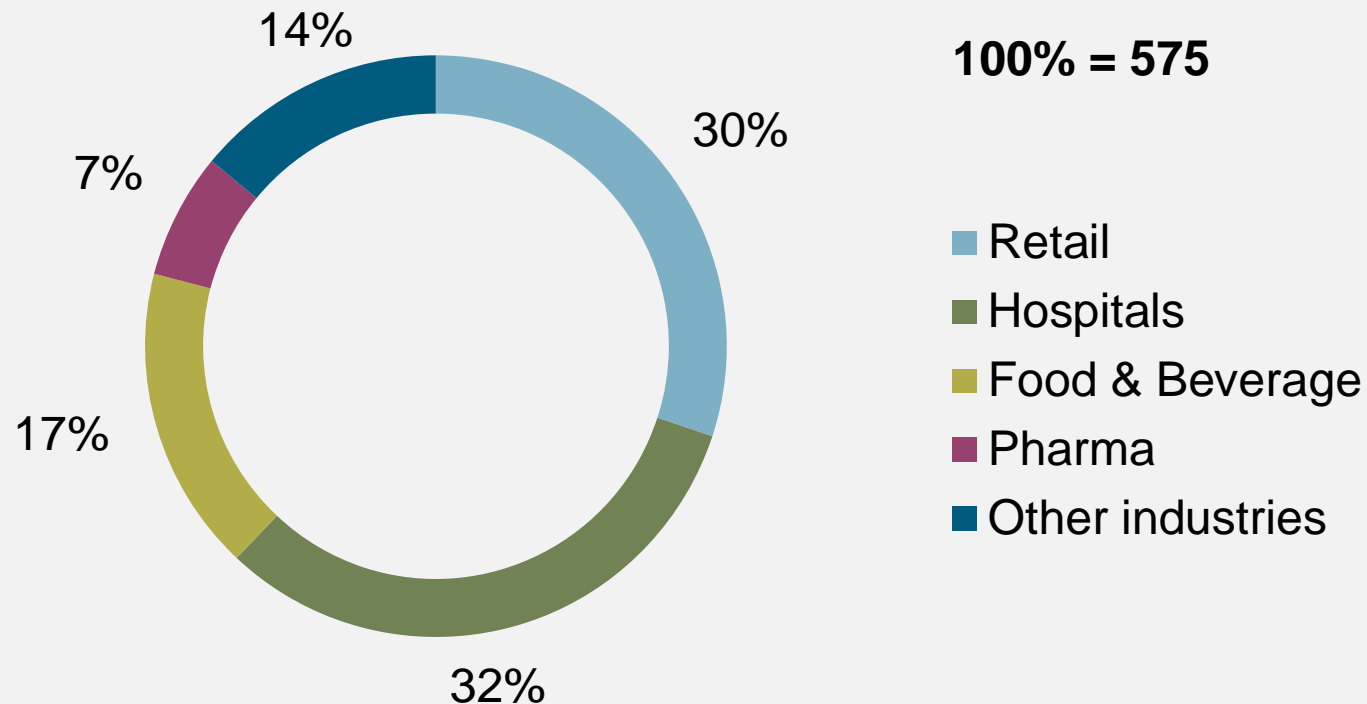
Regional split in 2010: Asia/Pacific 14%; North America 31%, Europe 55%

- HCS with strongest pillar in North America
- WDS main pillar in Europe
- Growth in Europe due to major orders for new logistic centers

Focus industries account for 90% of sales

Profile Swisslog Group

Net sales in 2011 (MCHF)



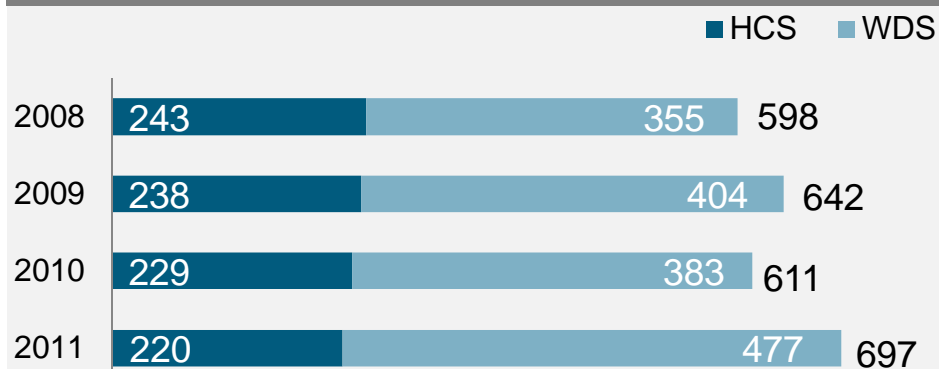
CONCLUSION

Swisslog has been focusing on 4 industry segments for years, leading to in-depth industry expertise

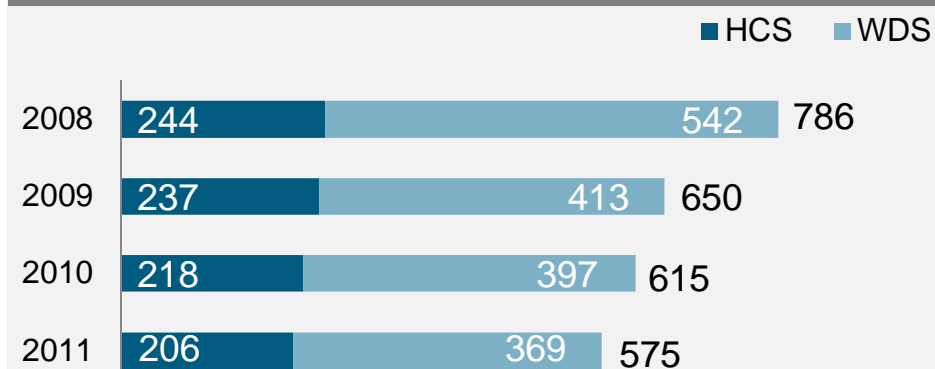
Key figures development – Swisslog Group

Profile Swisslog Group

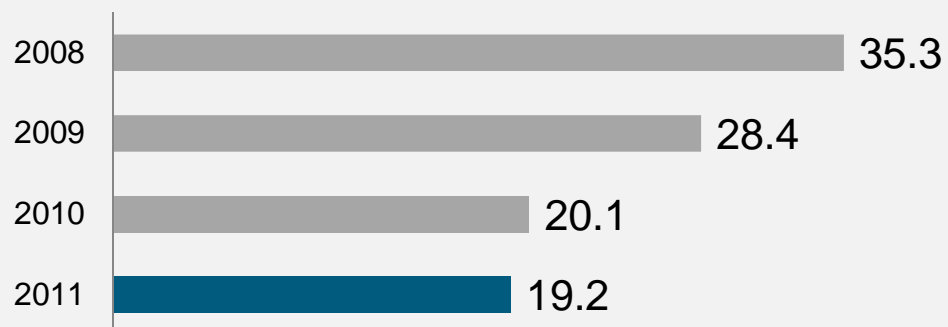
Order intake (MCHF)



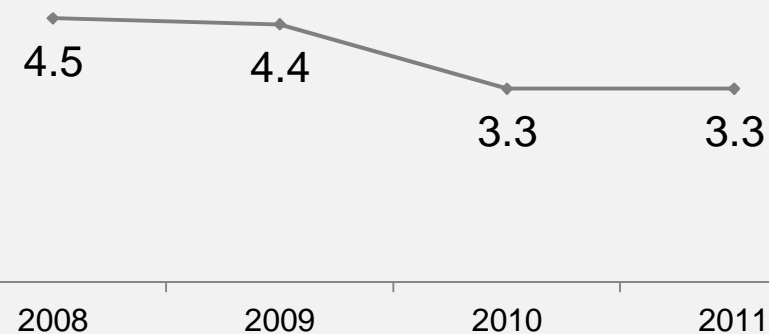
Net sales (MCHF)



EBIT (MCHF)



EBIT margin (%)



Fragmented shareholder structure

Profile Swisslog Group

- Swisslog has 251 276 984 outstanding shares at nominal value of CHF 0.01
- Major shareholders/investors:
 - GoldenPeaks Capital Partners AG, Zug (6.9%)
 - Pictet Funds SA, Geneva (4.1%)
 - Baillie Gifford & Co., Edinburgh (3.0%)
- More than 11 000 shareholders
- Dispo position around 30%
- Continuous dividend policy (2011 dividend yield 4.5%)

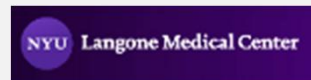
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Serving renowned hospitals all over the world – Healthcare Solutions

Profile Healthcare Solutions

North America



Europe



Asia



Safety and efficiency in leading hospitals – unique client base in North America

Profile Healthcare Solutions

Premier supplier of automated logistics solutions for hospitals with unmatched client base in North America

Solutions:	<ul style="list-style-type: none">▪ Transportation of a wide range of goods and materials throughout healthcare facilities▪ Packaging, storage, dispensing, and inventory management of medications from pharmacy to bedside in healthcare facilities
Focus industries	<ul style="list-style-type: none">▪ Large and mid-sized hospitals
Product groups:	<ul style="list-style-type: none">▪ Automated Materials Transport Systems (AMTS)▪ Automated Drug Management Systems (ADMS)
Market outlook:	<ul style="list-style-type: none">▪ Expected market growth of 5-8%

Automated Materials Transport Systems – Benefits

- Improvement in patient service: faster availability of test results; medical staff have more time for patient care
- Improvement in quality: minimization of wrongly delivered goods and better control of transported goods due to tracking and tracing
- Improvement in safety: less opportunity of error, loss or theft during transport (access lock), reduction of cross-contamination
- Cost reduction: less staff dealing with manual transports; reduction of transportation damage to facility and transported goods

Profile Healthcare Solutions



CONCLUSION

More time for patient care

Improvements in safety, quality and cost

Automated Drug Management Systems – Benefits

- Massive increase in safety of the entire drug management process (bar codes)
- Lowering of peripheral drug storage by shifting drug picking from ward to the hospital pharmacy
- Reduction in use of pharmaceutical products: reduction of expired drugs, recycling of drugs that are not administered
- Increase in transparency of drug management and drug consumption

Profile Healthcare Solutions



CONCLUSION

**Substantial reduction
in medication errors**
**More efficient drug
use**

HCS solutions: Efficient materials transport / Safe medication process

Profile Healthcare Solutions



University of Iowa Hospitals and Clinics, USA

- Comprehensive academic medical center
- 11 buildings, 680 beds

The Solution

- State-of-the-art Pneumatic Tube System (PTS) with radio frequency identification
- Contract value: approx. MCHF 4.8
- Go Live: June 2010



University Hospital Reus, Spain

- Leading healthcare institution, 460 beds
- Reference facility for cancer cure and research

The Solution

- Automated Drug Management Systems, including dual temperature storage model
- Contract value: approx. MCHF 2.0
- Go Live: 2011

HCS solutions: Efficient material transport / Safe medication process

Profile Healthcare Solutions



Hainan Provincial People's Hospital, China

- Best hospital in Hainan Province
- 1 800 beds, 22-floor building

The Solution

- Largest running Electric Track Vehicle (ETV) system in a Chinese hospital
- Contract value: approx. MCHF 1.5
- Go Live: February 2011



University Hospital Greifswald, Germany

- Hospital with 800 beds and various locations

The Solution

- Automated Guided Vehicle (AGV) system for transportation of hot meals, linen, sterile goods, waste, general goods
- 22 vehicles (35 in total planned for 2012)
- Contract value: approx. MCHF 4.4
- Go Live: 2007 – 2014 (several phases)

Market drivers – Healthcare Solutions

Profile Healthcare Solutions

Economy

- Overall market with low cyclicality
- Markets expected to grow
- Strongest growth for HCS market in North America and Asia

Industry Trends

- Ongoing demand for efficient and reliable transportation of goods (AMTS)
- Increased demand for secure storage, picking and dispensing of medication (ADMS)
- Trend towards larger hospital facilities

Customers Demand

- Need for increased efficiency of work processes due to cost pressure
- Increasing investments in hospital sector

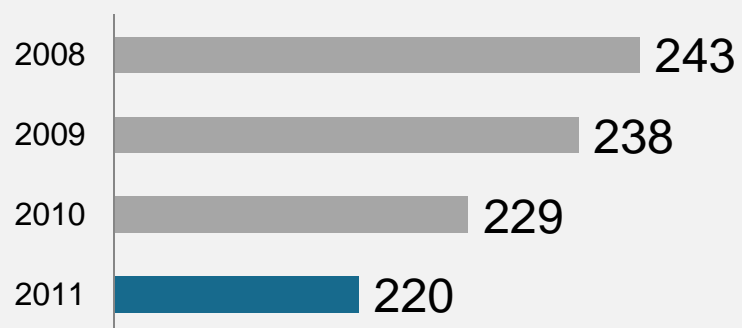
Competition

- Automated Materials Transport Systems (AMTS): Unchanged competitive situation with strong positioning of Swisslog
- Automated Drug Management Systems (ADMS): Major players with ambitions to expand their position; emergence of start-up companies mainly in North America

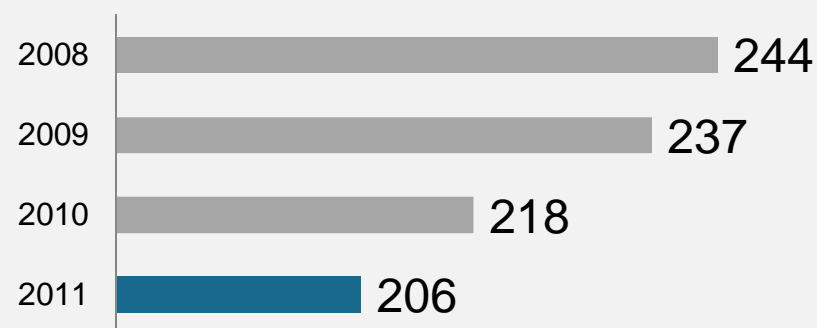
Key figures development – Healthcare Solutions

Profile Healthcare Solutions

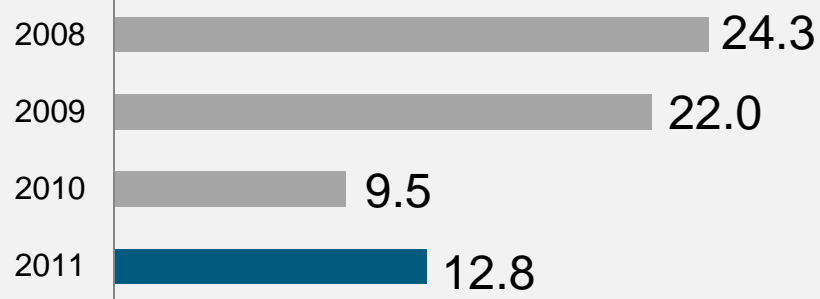
Order intake (MCHF)



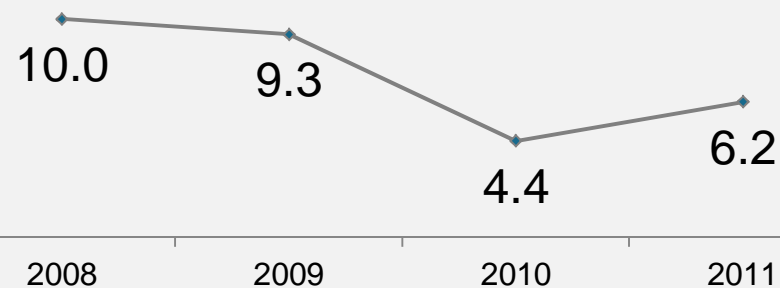
Net sales (MCHF)



EBIT (MCHF)



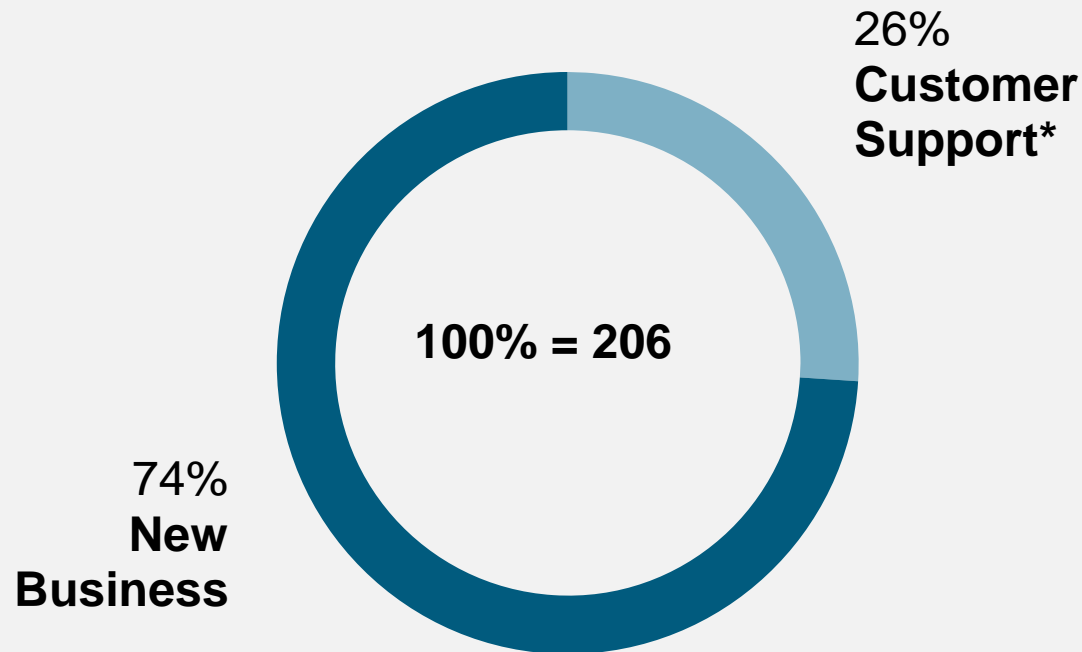
EBIT margin (%)



High ratio of Customer Support as profitable recurring business

Profile Healthcare Solutions

Net sales in 2011 (MCHF)



* Retrofit projects, systems operation, software support, preventive/reactive maintenance, spare parts

- Customer Support business with over-proportional share on total profitability
- Customer Support is of less-cyclical nature
- Installed base around 3 000 hospitals

Strategic thrusts – Healthcare Solutions

Profile Healthcare Solutions

- Expansion of Automated Materials Transport Systems (AMTS) offering via incremental innovation, strengthening of own organization in China, and of distributor networks, as well as round-off acquisitions
- Expansion of Automated Drug Management Systems (ADMS) offering via incremental innovation, market penetration with “High-Speed Packager” and “Mobile Drug Cabinet”
- Expansion of Customer Support via stronger market penetration with existing products and expansion of product portfolio
- Business and process optimization of Healthcare Solutions Europe

Conclusion: Further potential due to rising requirements and Swisslog's reputation

Profile Healthcare Solutions

- Hospital logistics **benefit from rising cost pressure** in healthcare and **higher safety requirements** all over the world.
- In the mid-term, Swisslog looks to replicate its **unique market position in North America** and associated know-how (70% market share in transport logistics for hospitals) in Europe as well as the fast-growing Asian markets.
- Swisslog wants to **seize additional growth opportunities** with its highly specialized solutions for medication logistics in hospitals, a market that is driven by quality and safety requirements.

Why Swisslog?

Profile Healthcare Solutions



WILLIAM
OSLER
HEALTH
SYSTEM

“Swisslog’s PillPick technology represents a significant milestone in William Osler Health Centre’s achievement of its medication management and patient safety goals.”

Sue Alderson
Director of Pharmacy
William Osler Health Centre
Brampton, Canada



“We rely on Swisslog for the daily supply of consumables as well as for all urgent transportation of samples, transfusion products and drugs.”

Bjørn Bakken
Logistics Manager
Helsebygg Midt-Norge
Trondheim, Norway



Bumrungrad
International

“Swisslog’s PillPick system significantly reduces potential medication mistakes and frees up valuable time for patient care.”

Mack Banner
CEO
Bumrungrad International Hospital
Bangkok, Thailand

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Serving tier 1 companies in focus industries – Warehouse & Distribution Solutions

Profile Warehouse &
Distribution Solutions

Retail

WALMART

REWE

MIGROS

dm
HIER BIN ICH MENSCH
HIER KAUF ICH EIN

The Fresh Food People
WOOLWORTHS



IKEA

antalis^{EM}

LINDEX

Food & Beverage

Nestlé

ABSOLUT

Unilever

VELTINS

WALKERS

E.&J. Gallo Winery

COCA-COLA
AMATIL

FOSTER'S
GROUP

Grolsch

Pharma

gsk
GlaxoSmithKline

UNILAB

Roche

Pfizer

Baxter

AstraZeneca
INTERNATIONAL

Cilag

B|BRAUN

Other industries

L'ORÉAL
PARIS

MAMMUT

Canon

Gillette

SCA

P&G

LEGO

Leading provider of turnkey facilities featuring integrated solutions

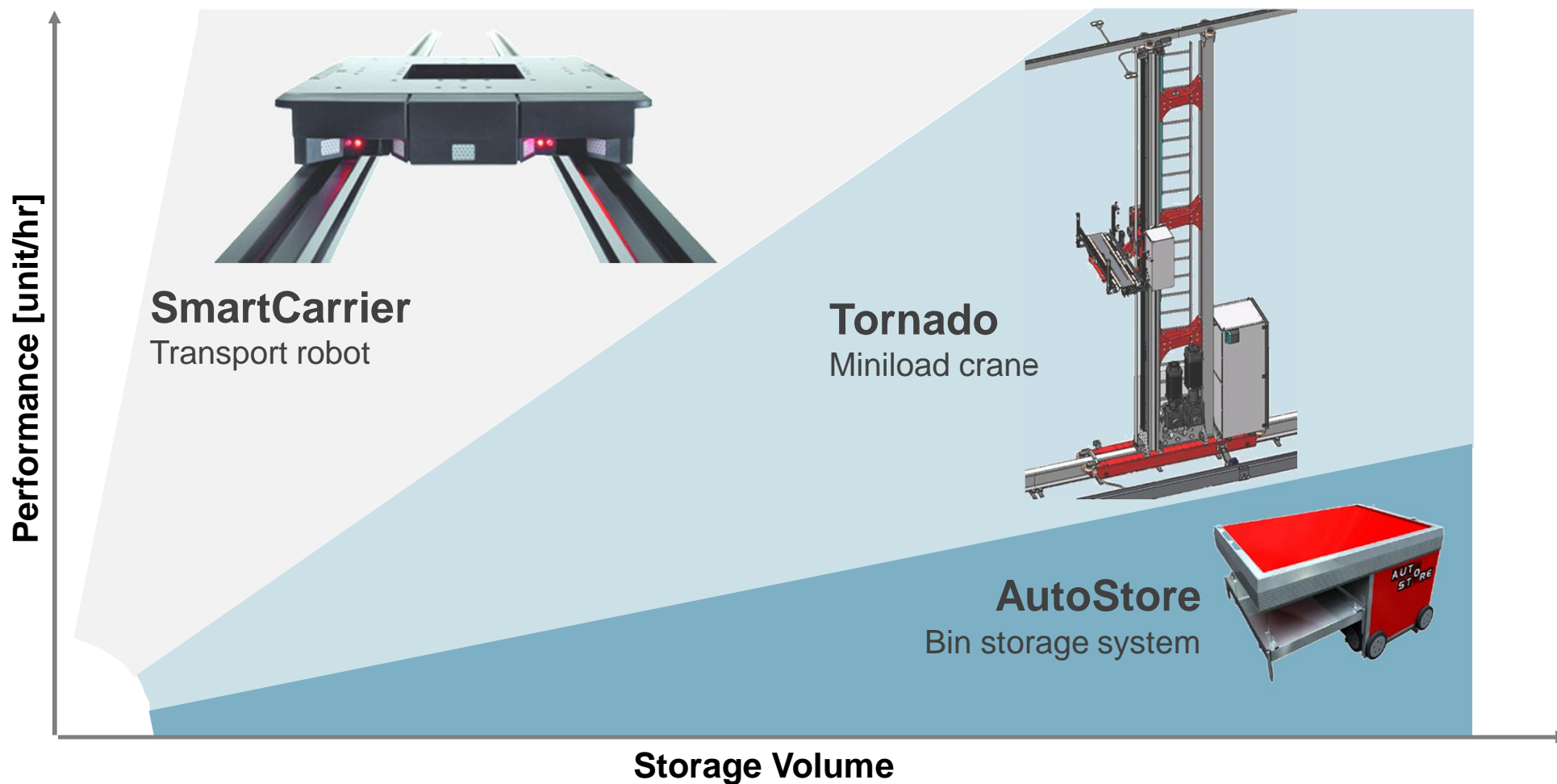
Profile Warehouse &
Distribution Solutions

Internationally leading companies from the retail, food & beverage, and pharma industries rely on Swisslog's innovative solutions as well as technology support to improve efficiency, quality, and profitability.

Solutions:	<ul style="list-style-type: none">▪ Automated materials handling within distribution centers and warehouses▪ Software and controls for automated distribution centers and warehouses▪ Technology support for installed base
Focus industries	<ul style="list-style-type: none">▪ Food & Beverage▪ Pharmaceuticals▪ Retail
Product groups:	<ul style="list-style-type: none">▪ Light goods technology▪ Pallet technology▪ Warehouse management software
Market outlook:	<ul style="list-style-type: none">▪ Expected market growth of 4-5%

Most complete industry portfolio in growth area of light goods logistics

Profile Warehouse & Distribution Solutions



Swisslog as integration partner for automated tailored solutions - Benefits

- One interface for complete turnkey project
- Proven design and realization capabilities based on comprehensive global and local know-how
- Customer benefit proven on thousands of projects realized over the last 50 years
 - Increase in efficiency
 - High reliability
 - Flexibility for future adjustments
- Lifetime partnership approach with customers over entire lifecycle of installation

Profile Warehouse &
Distribution Solutions



Conclusion

Substantial improvements in efficiency, quality, flexibility of warehouses/distribution centers

WDS solutions: Complex distribution centers for food items and drugstore articles

Profile Warehouse & Distribution Solutions



HARIBO, Germany

- Among world's biggest manufacturer of sweets

The Solution

- Warehouse for raw material, supplies and finished products
- Contract value: MCHF 20+
- Go Live: October 2011



dm-drogerie markt, Germany

- Leading German drugstore operator

The Solution

- Finished product warehouse
- Contract value: MCHF 210
- Go Live: June 2010

WDS solutions: Cutting-edge in light goods and pallet technology

Profile Warehouse & Distribution Solutions



Target, USA

- One of the leading retailers in the US

The Solution

- Regional Distribution Center for general merchandise
- Contract value: MCHF 20+
- Go Live: March 2011
- 8 major orders from Target so far

Pfizer, China

- Nutrition manufacturer for infant milk powder

The Solution

- Finished product warehouse
- Contract value: MCHF 10
- Go Live: June 2010

Market drivers – Warehouse & Distribution Solutions

Profile Warehouse & Distribution Solutions

Economy

- Improved market conditions
- Strongest growth for WDS markets in North America and Asia

Industry Trends

- Continuous demand for fully integrated automation in already “automated” industry segments
- Increased demand for semi-automation in still “manual” industry segments
- Distribution centers closer to end customers

Customers Demand

- Mix palletizing and box picking
- High-performance picking solutions
- Ergonomic solutions
- Scalable and flexible solutions
- Green warehousing

Competition

- Slow industry consolidation
- Increased penetration into new markets
- Small and informal partnerships
- High competitive pressure in Europe (margin pressure)

Market trends drive product innovation in focus industries

Profile Warehouse &
Distribution Solutions

Market trends

- Less store storage space
- High availability of complete product range
- Urbanization
- More freshness
- Less space per article
- Internet trading

Consequences

- More orders and order lines
- Smaller orders and order lines
- Short shipping frequency
- Short lead times

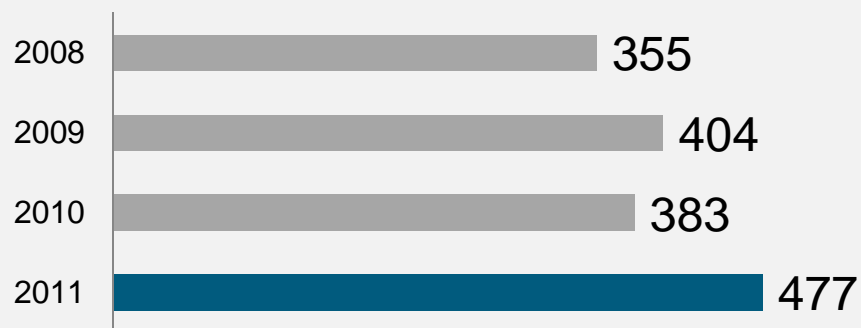
Conclusion

Market trends lead to high growth of light goods logistics

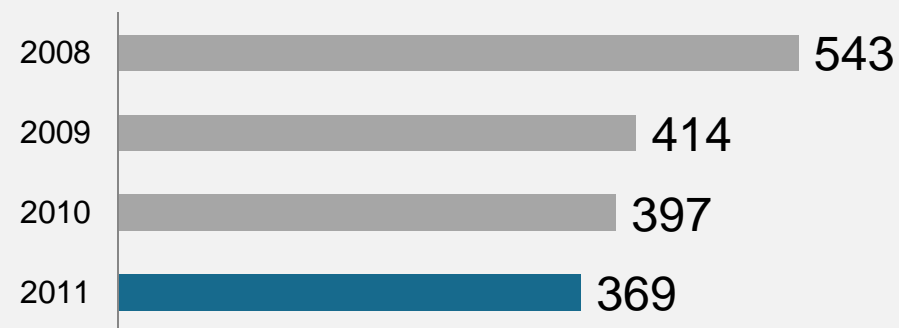
Key figures development – Warehouse & Distribution Solutions

Profile Warehouse &
Distribution Solutions

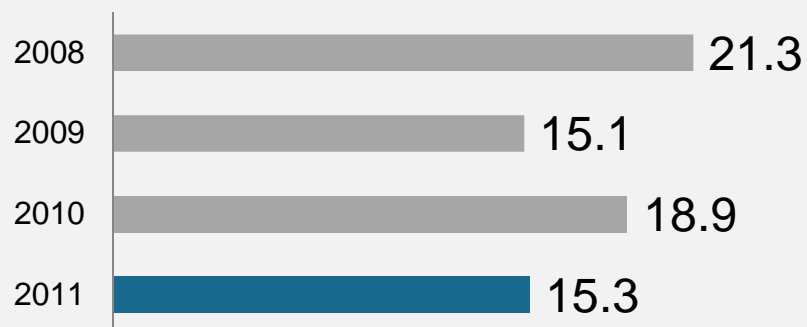
Order intake (MCHF)



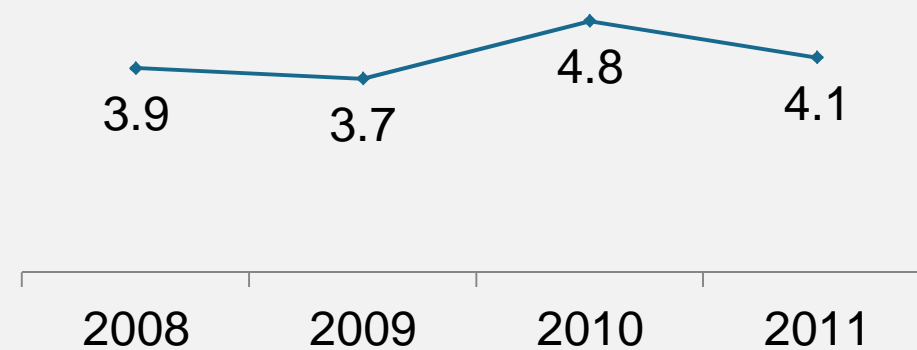
Net sales (MCHF)



EBIT (MCHF)



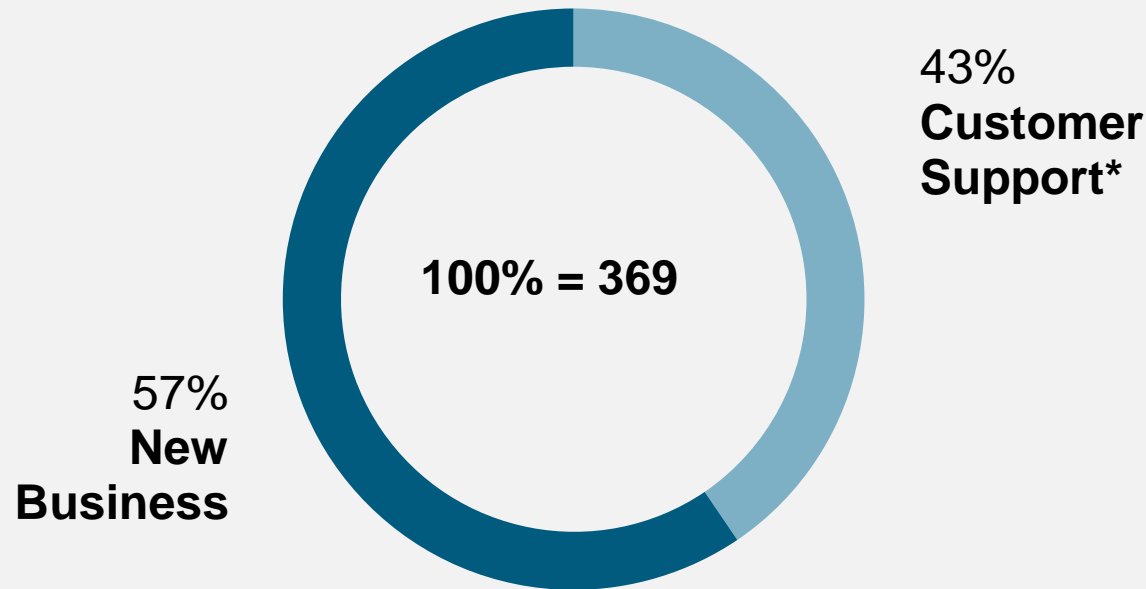
EBIT margin (%)



High ratio of Customer Support as profitable recurring business

Profile Warehouse & Distribution Solutions

Net sales in 2011 (MCHF)



- Customer Support business with over-proportional share on total profitability
- Customer Support is of less-cyclical nature
- Installed base around 2 000 distribution centers and warehouses

* Retrofit projects, systems operations, software support, preventive/reactive maintenance and spare parts

Strategic thrusts – Warehouse & Distribution Solutions

Profile Warehouse &
Distribution Solutions

- Market positioning as „provider with own hardware in key technologies“
- Footprint enlargement in light goods technologies via development of complete product range of cranes, development of standard controls and leverage of expanded product portfolio
- Investment in innovation for software, equipment and solutions in focus segments
- Expansion of geographic coverage mainly in North America and Asia
- Optimization of business performance via standardization, modularization and streamlining of processes

Conclusion: Further potential due to strong positioning & favorable fundamental trends

Profile Warehouse &
Distribution Solutions

- Swisslog strives to strengthen its top position in the key retail, food & beverage and pharma markets, to win additional market shares and to benefit from the growing market for logistics and automation.
- Growth drivers are the continued urbanization and associated increase in complexity of facilities, coupled with substantially higher safety requirements.
- In addition, the rapidly growing online business, with its new order and delivery processes, demands for innovative automated logistics processes.

Why Swisslog?

Profile Warehouse &
Distribution Solutions



“Swisslog has proven to be the right solution provider for Wal-Mart for our grocery distribution. A decisive factor in choosing Swisslog as our partner was its experience in the sector, leadership, creativity and methodological approach. An outstanding, global team has developed convincing solutions for our specific requirements in the distribution of chilled food.”

Rollin Ford
Vice President of Logistics
Wal-Mart
Houston, USA



“We have chosen Swisslog as the supplier for TINE’s new warehouse and distribution center as Swisslog draws on an international network of specialists who work and share knowledge across countries and disciplines. This, combined with a close cooperation, will guarantee a successful project.”

Ole Erik Hulleberg
Logistics Manager
TINE SA
Oslo, Norway

Lonza

“Swisslog has been the right choice for our new deep freeze warehouse with a fire prevention system based on oxygen reduction. Investing in a solution from a single integrator was the correct decision for us. Swisslog was convincing from the planning phase onwards with its highly competent consulting.”

Stefan Stucky
Head of Logistics
LONZA AG
Visp, Switzerland

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Serving customers throughout the system's life-cycle – and beyond

Customer Support

- Swisslog provides Customer Support services for nearly 100% of its installed base in both divisions
 - 2 000 warehouses & distribution centers
 - 3 000 hospitals
- Customer Support covers a wide range of services
 - Retrofit / modernization
 - Systems operations
 - Software support
 - Spare parts
 - Preventive/reactive maintenance
- Swisslog has an excellent track record for lifetime partnership with its customers.
- Approx. one third of Swisslog's revenues originates as recurring business from the value-enhancing Customer Support business.

Case examples HCS and WDS: System expansions, software upgrades

Customer Support



Trondheim University Hospital, Norway

- One of Europe's leading university hospitals
- 1 090 beds

Development of client relationship

- Transport and drug management systems installed in 3 phases
- Total contracts value: approx. MCHF 11



Procter & Gamble, UK

- Automated Warehouse for P&G product range
- Plant availability consistently above 99.7%

Development of client relationship

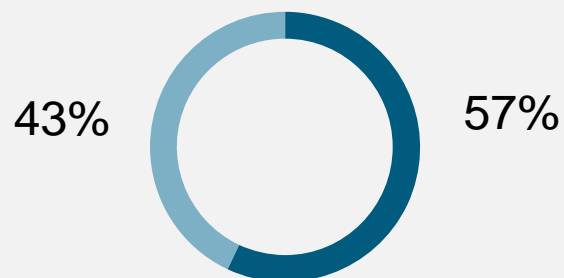
- 32m highbay warehouse installed in 2 phases
- Systems operation contract with resident services (value: MCHF 1.5 over 30 months)
- Total contract value: approx. MCHF 32

Sizeable sales share of Customer Support in both divisions

Customer Support

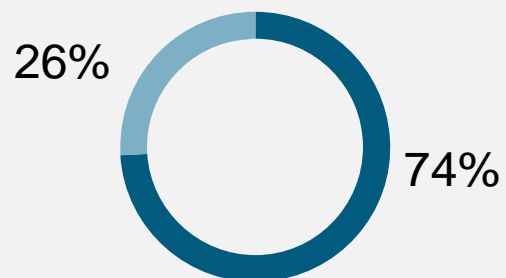
Warehouse & Distribution Solutions

Net sales in 2011: MCHF 369



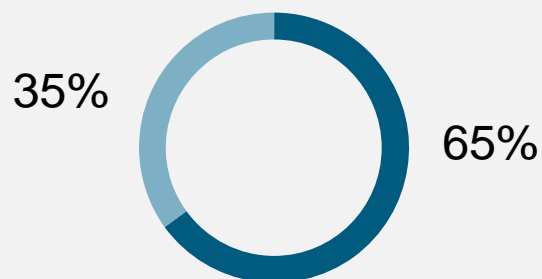
Healthcare Solutions

Net sales in 2011: MCHF 206

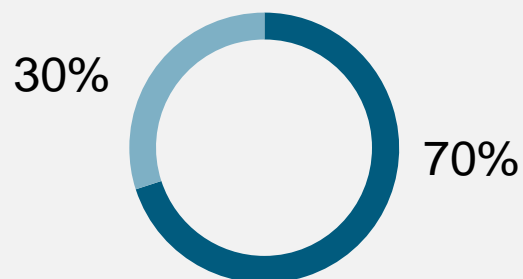


- New Business
- Customer Support

FTEs 1 147



FTEs: 920



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- 1 A worldwide leader in logistics robots and automated distribution centers
- 2 Innovative improvements in efficiency and quality for demanding clients
- 3 An excellent record for lifetime partnership
- 4 Globally networked with strong local ties in Europe, North America and Asia
- 5 Excellently positioned to benefit from fundamentally favorable industry trends