

Swisslog – Status

Analyst and Media Conference

March 8, 2005

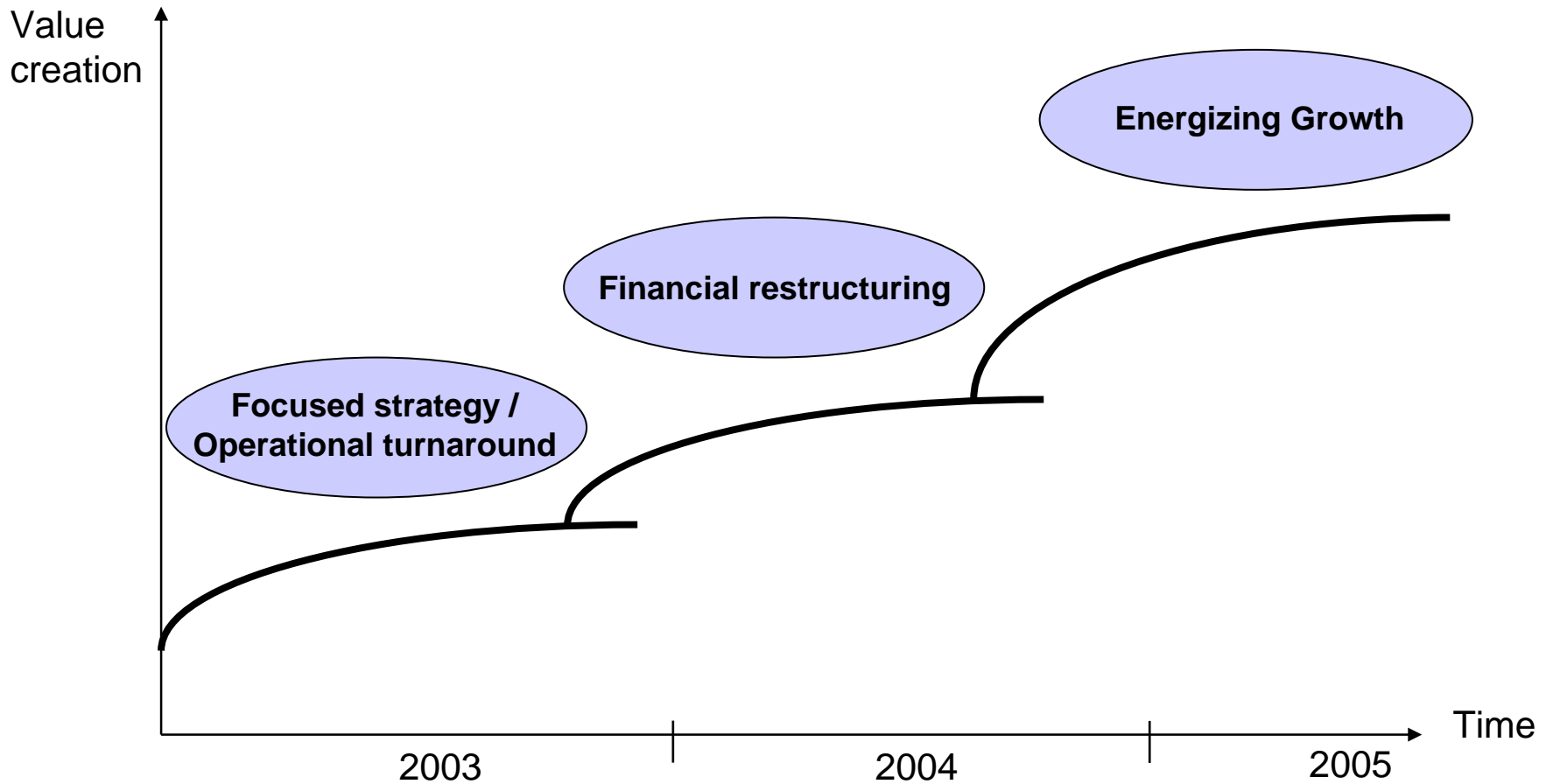
Content

- ▶ **Business activities**
- ▶ Financial situation 2004
- ▶ Conclusion and outlook

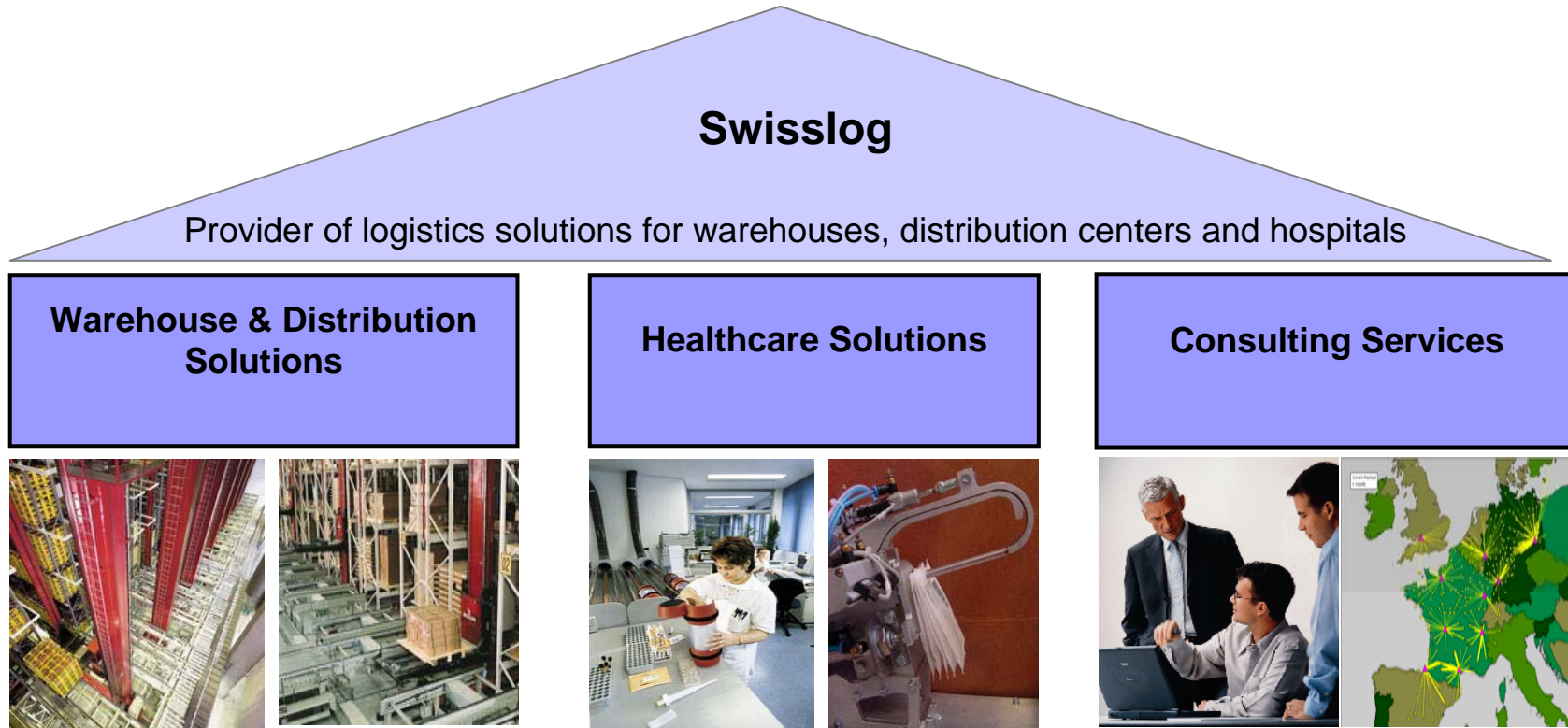
Highlights of the business activities in 2004

- ▶ Completion of all activities for refocusing Swisslog with the divestment of Transnorm and real estate during summer 2004
- ▶ Finalization of the financial restructuring in May 2004
- ▶ Further reduction of costs in all business areas
- ▶ Implementation of additional restructuring measures in Healthcare Solutions in Germany
- ▶ Strong efforts for market introduction of PillPick with corresponding negative result effects
- ▶ Regaining of customer confidence with several larger orders in November/December 2004 (3x Wal Mart, AMAG)

Re-focusing of Swisslog



Structuring of Swisslog in three core businesses



**Net sales 2004
(CHF million)**

378
66%

175
31%

16
3%

Group
565
100%

Employees

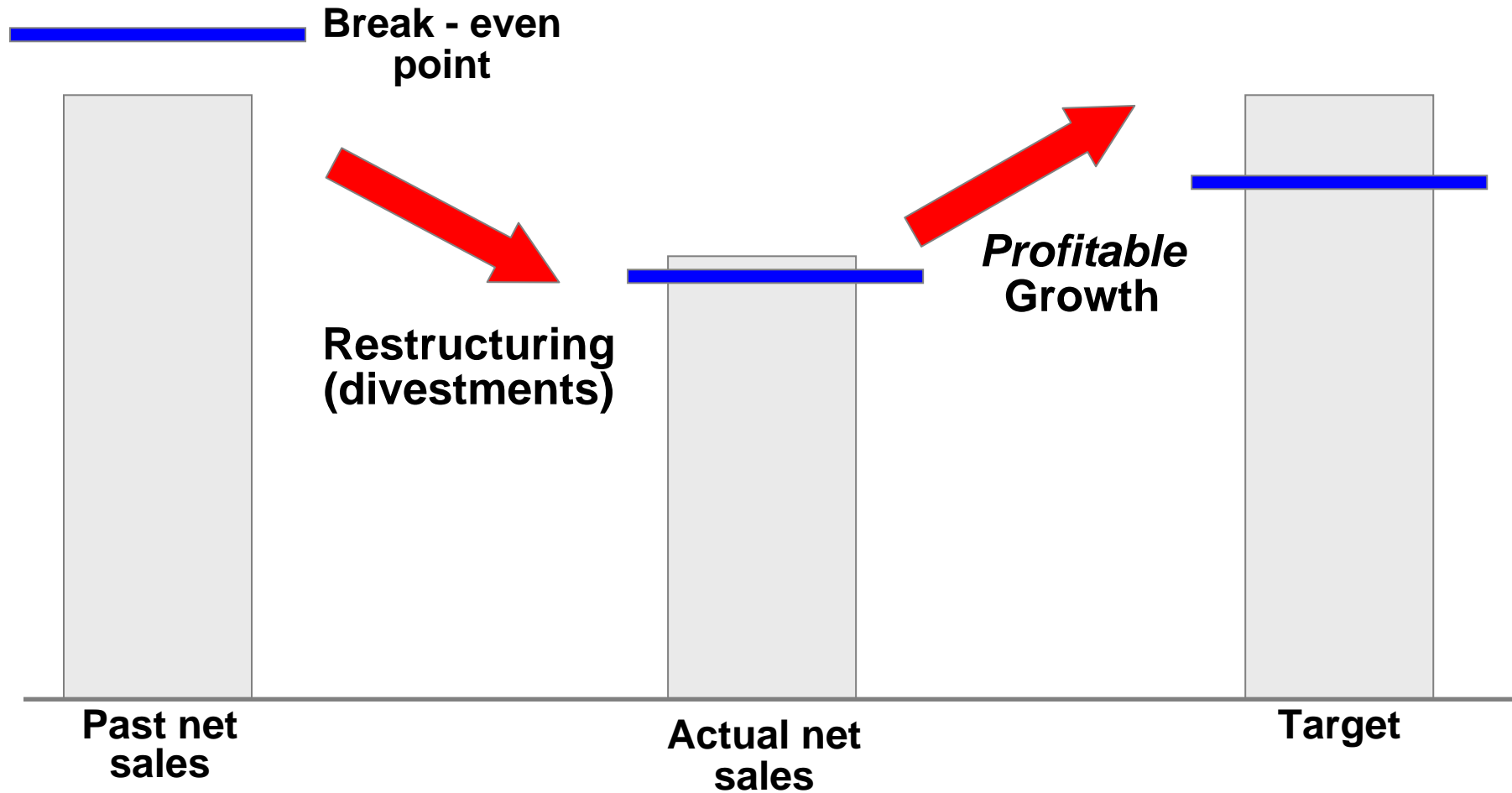
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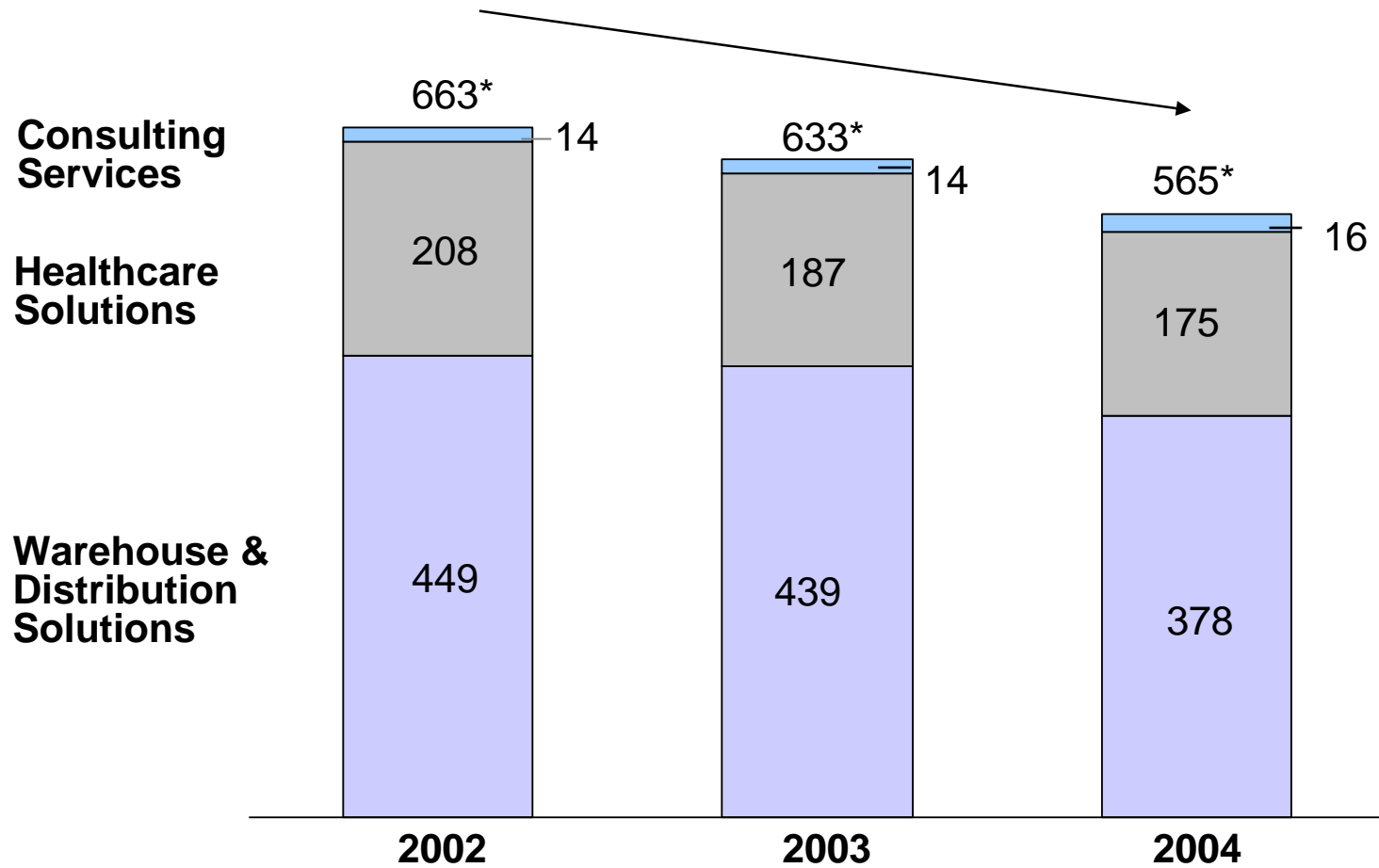
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Profitable growth as top priority

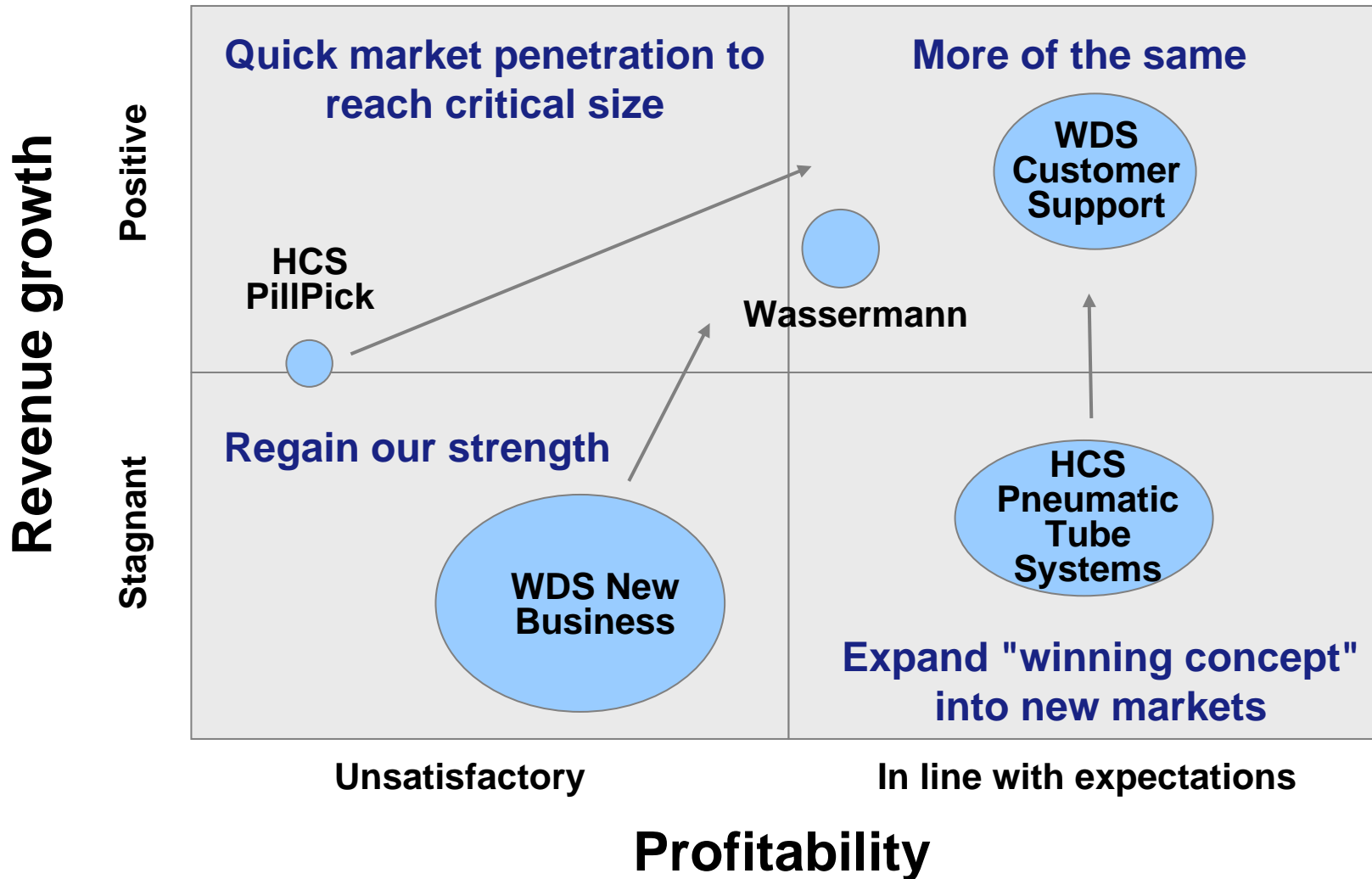


Decreasing revenues of core businesses



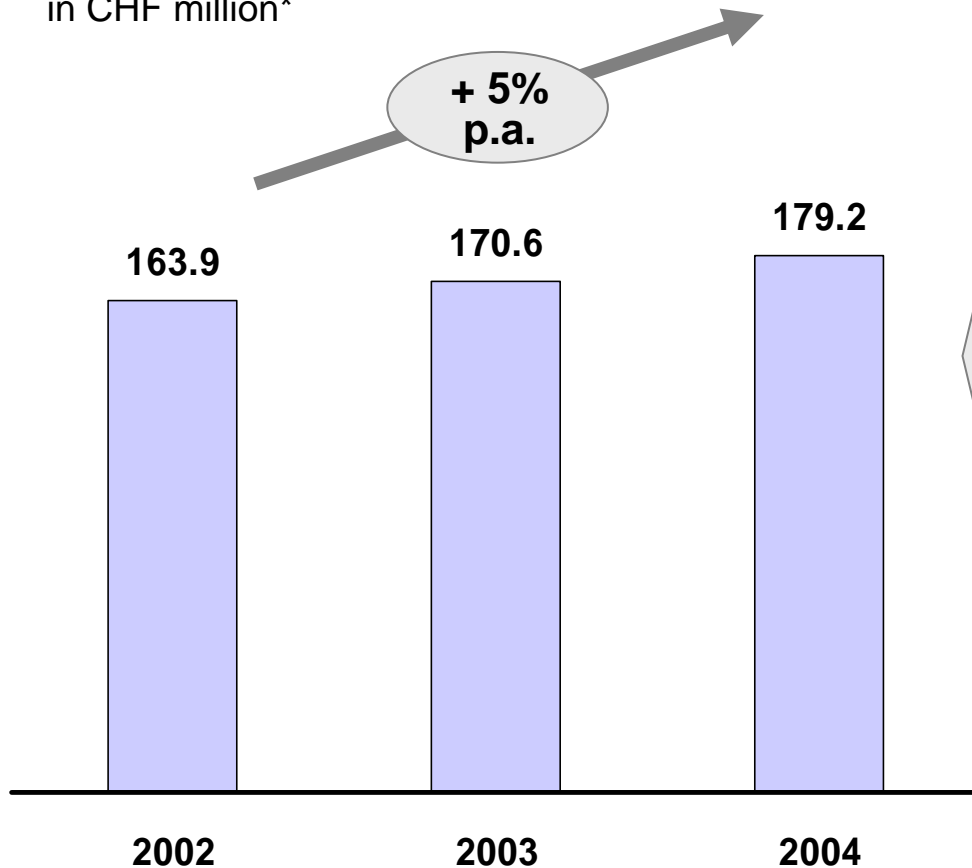
* After eliminations

Different starting positions of businesses



WDS Customer Support with a continuing growth record

Net sales
in CHF million*

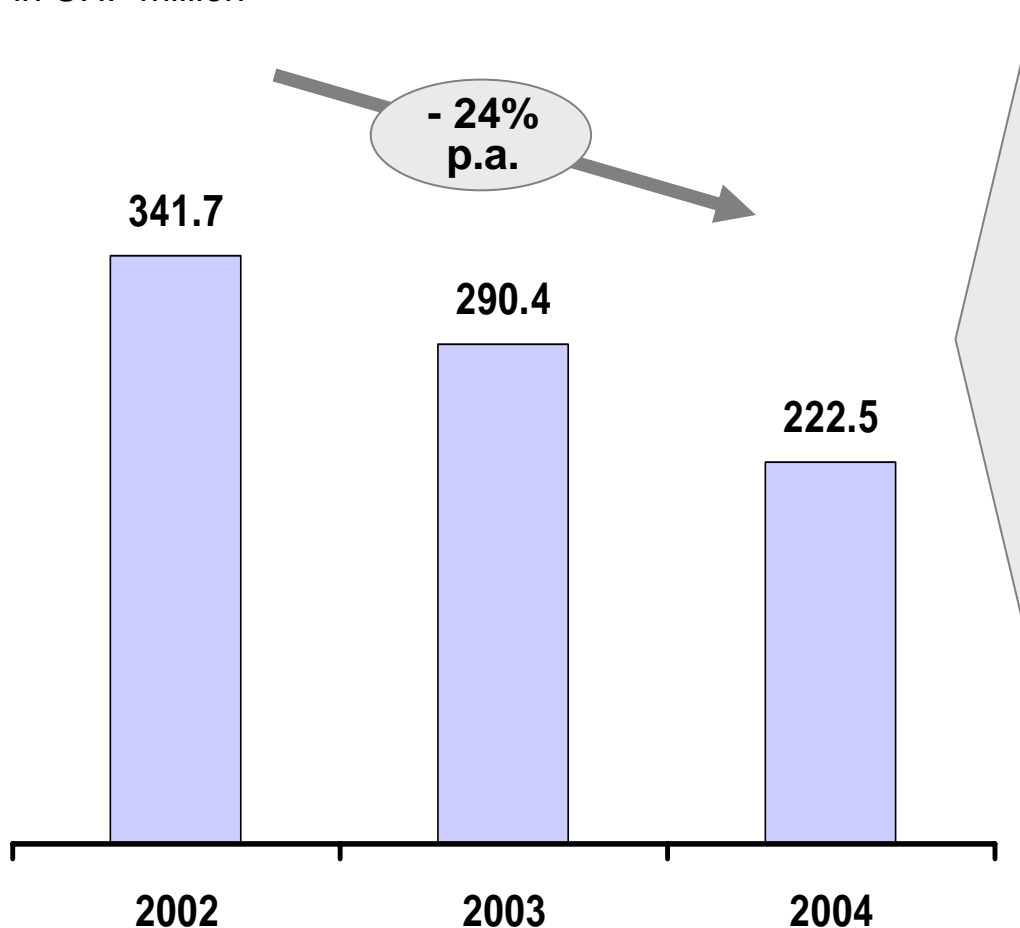


Actions for future growth

- ▶ Restart total customer care approach to identify service and retrofit potential
- ▶ Exploit competitor's CS potential
- ▶ Promote system operation business on new installations
- ▶ Introduce new offerings like service engineering

Revitalization of WDS New Business

Net sales
in CHF million

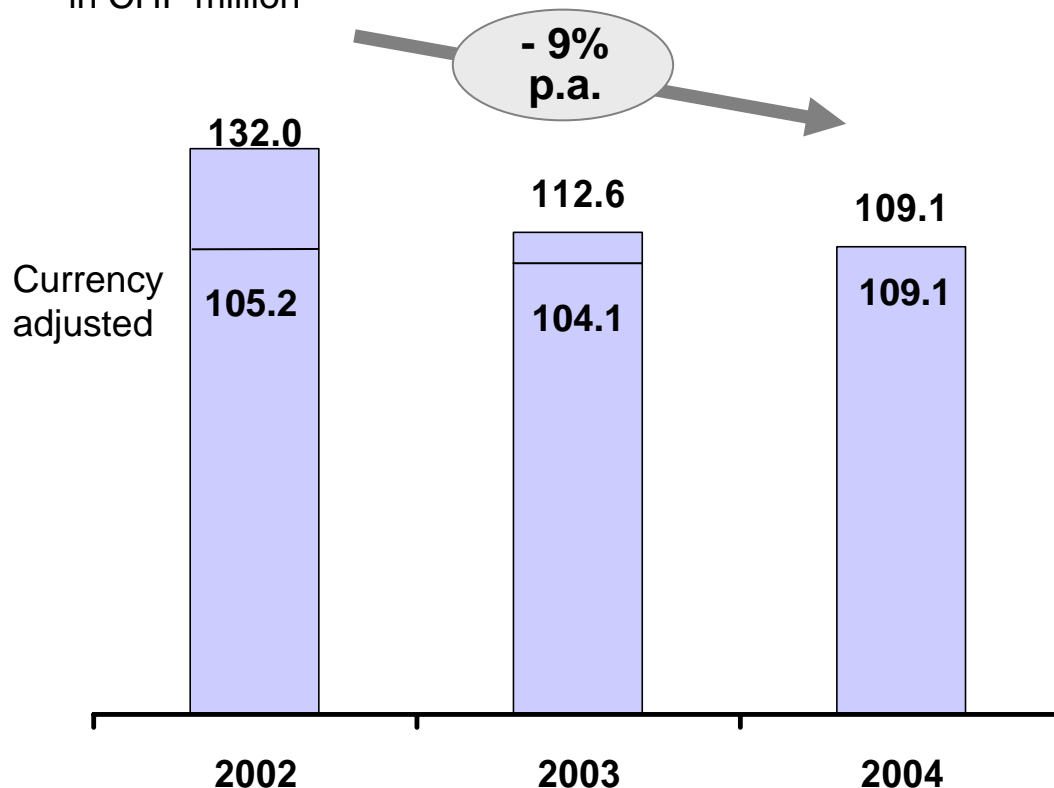


Actions for future growth

- ▶ Develop state-of-the-art industry specific know-how
 - Industry practice groups
 - Backward integration
- ▶ Increase sales power/market coverage
 - Geographic expansion (e.g. Central Eastern Europe)
 - Salesforce additions (USA)
- ▶ Further develop standard software applications for automated solutions
- ▶ Start off-shoring software development and customization to Malaysia

Geographic expansion of pneumatic tube system

Net sales
in CHF million

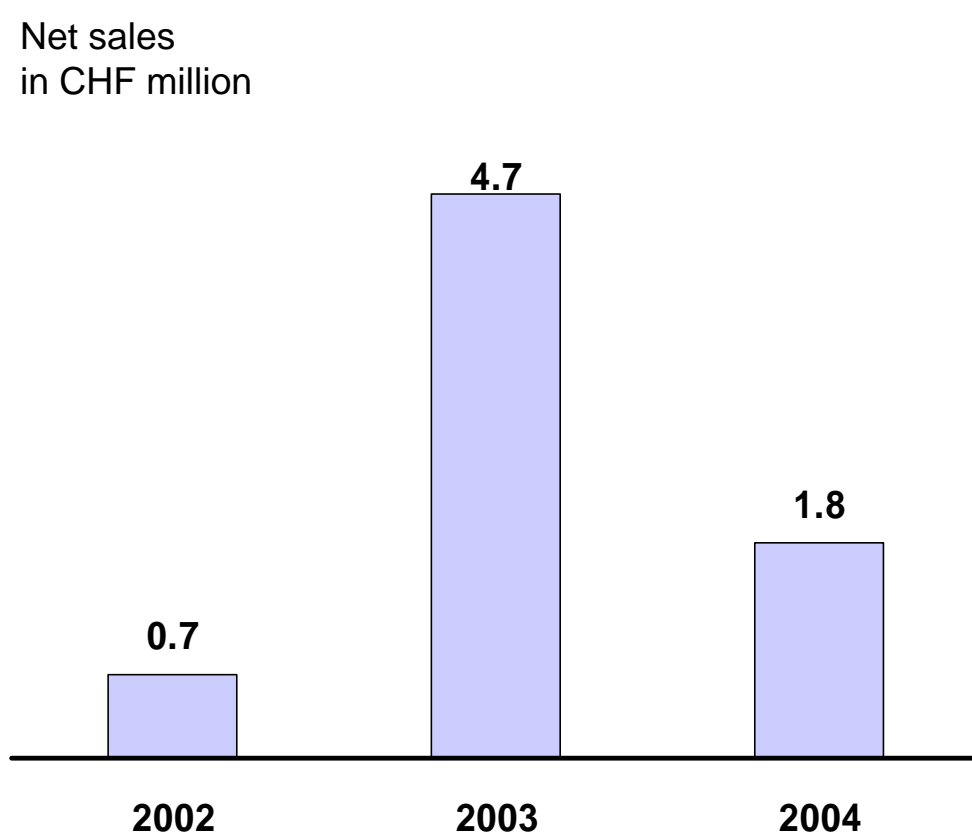


Actions for future growth

- ▶ Appointments of agents in new geographic markets (e.g. Eastern Europe)
- ▶ Stronger healthcare presence in Asian markets
 - Beijing sales office
 - Additional healthcare agents in China
- ▶ Introduction of product to Indian healthcare market

PillPick as major growth driver for the HCS business

Net sales
in CHF million



Actions for future growth

- ▶ Use working references in North America and Europe as main marketing instrument
- ▶ Cultivate the alliances with Theriak and Cardinal Health/Pyxis to accelerate recognition of PillPick
- ▶ Appoint new agents in uncovered territories to create an immediate sales presence
- ▶ Utilize leasing as a tool for assisting customers

Reference sites for PillPick

New orders Jan/Feb 2005

- Cedars Sinai Medical Center
(Los Angeles)
- Centre Hospitalier le Gardeur
(Montreal)

**CHATTANOOGA -
Tennessee USA**

**HAMBURG -
Germany**



**OBERHAUSEN -
Germany**



FORLI - Italy

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Financial situation 2004

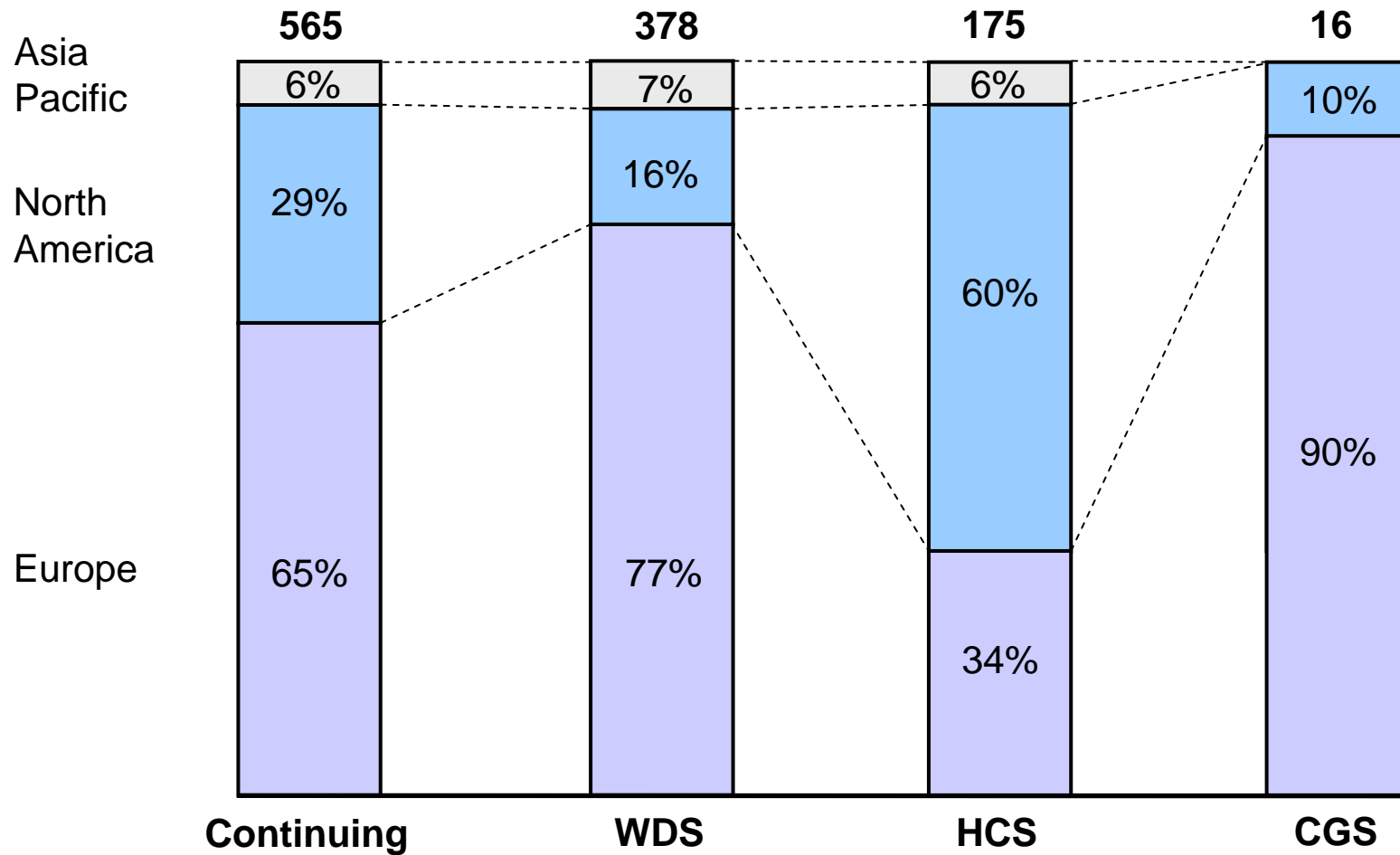
- ▶ Overall unsatisfactory operational results
- ▶ Reduced order intake with declining net sales during 2nd half 2004
- ▶ Slightly reduced operational profit
- ▶ Slightly positive net result mainly due to positive financial result
- ▶ Confirmation of goodwill positions at year-end
- ▶ Strengthened balance sheet
- ▶ Strong reduction of net debt

Financial overview – Continuing operations

in CHF million	Continuing		WDS	HCS	CGS	HQ/Elim.
	2003	2004	2004	2004	2004	2004
Order Intake	622.7	542.7	366.2	166.8	13.2	- 3.5
Order Backlog	455.0	410.6	290.5	117.1	3.6	- 0.6
Net Sales	633.2	564.9	378.4	174.9	15.9	- 4.3
EBITDA	19.2	17.9	21.3	6.0	2.1	- 11.5
EBITA	- 10.8	10.4	18.1	3.1	1.0	- 11.8
EBITA/NS	-1.7%	1.8%	4.8%	1.8%	6.1%	n.a.
EBIT	- 95.8	2.1	18.1	3.1	- 7.3	- 11.8

Geographic split of net sales 2004

in CHF million



WDS: Key figures

in CHF million

	1HY 03	2HY 03	1HY04	2HY04	FY 2003	FY 2004
Order Intake	228.5	180.8	143.4	222.8	409.3	366.2
Order Backlog	375.9	314.8	246.9	290.5	314.8	290.5
Net Sales	220.5	218.5	212.3	166.1	439.0	378.4
EBITDA	6.2	14.2	13.2	8.1	20.4	21.3
EBITA	3.5	9.2	11.6	6.5	12.7	18.1
EBITA/NS	1.6%	4.2%	5.5%	3.9%	2.9%	4.8%

- ▶ Order intake and backlog reduced due to economical environment and financial restructuring
- ▶ Net sales 14% below previous year's level due to lower order intake
- ▶ EBITDA: stable operational performance despite lower volume and exceptional items in 2HY (project provision of 3 million)

HCS: Key figures

in CHF million

	1HY 03	2HY 03	1HY04	2HY04	FY 2003	FY 2004
Order Intake	107.3	97.8	82.4	84.4	205.1	166.8
Order Backlog	142.4	134.7	126.2	117.1	134.7	117.1
Net Sales	92.1	95.4	87.9	87.0	187.5	174.9
EBITDA	10.2	6.7	1.8	4.2	16.9	6.0
EBITA	8.3	-2.6	0.3	2.8	5.7	3.1
EBITA/NS	9.0%	-2.7%	0.3%	3.2%	3.0%	1.8%

- ▶ Order intake and backlog reduced due to focusing on health care market and negative FX-effect
- ▶ Net sales 7% below previous years level due to lower order intake and negative currency effect
- ▶ EBITDA 2004 burdened with exceptional items of CHF 12 million
 - CHF 6 million restructuring cost and operational losses in Germany/Telelift
 - CHF 6 million for underutilized capacity in Italy and market introduction costs for PillPick

CGS: Key figures

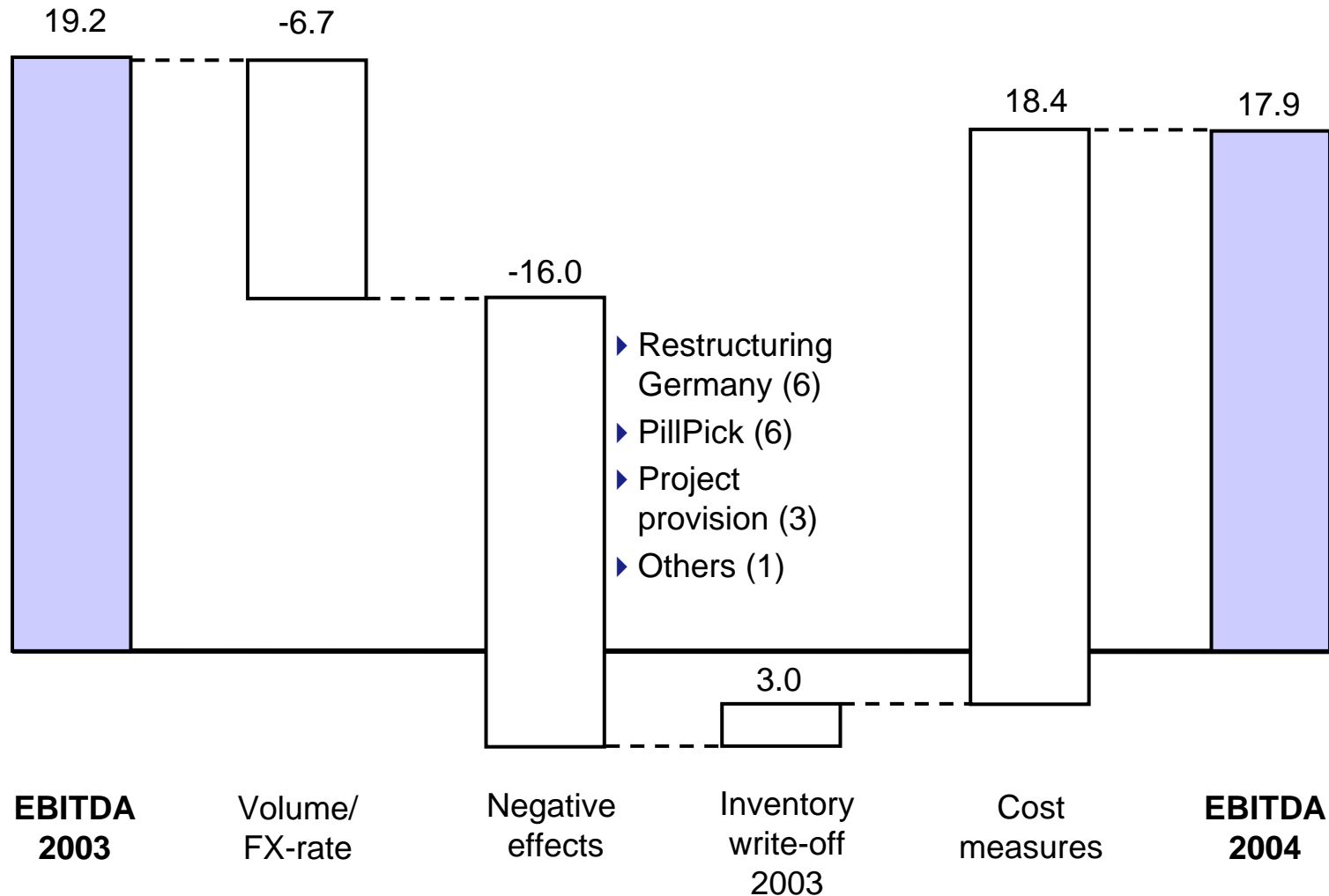
in CHF million

	1HY 03	2HY 03	1HY04	2HY04	FY 2003	FY 2004
Order Intake	8.2	7.5	8.2	5.0	15.7	13.2
Order Backlog	5.6	6.1	6.3	3.6	6.1	3.6
Net Sales	6.3	8.1	7.9	8.0	14.4	15.9
EBITDA	0.5	2.1	1.0	1.1	2.6	2.1
EBITA	0.1	1.9	0.4	0.6	2.0	1.0
EBITA/NS	1.6%	23.5%	5.1%	7.5%	13.9%	6.1%

- ▶ Order intake below previous year
- ▶ Net sales improved by 10% compared to previous year
- ▶ EBITDA 2004 burdened from bankruptcy of one client

EBITDA comparison 2003/2004

in CHF million



Swisslog Group - Positive net result

Consolidated income statement 2004 (condensed)

in CHF million	2003	2004
Net sales	633.2	564.9
EBITDA	19.2	17.9
Depreciation/Impairment	-30.0	-7.5
EBITA	-10.8	10.4
Goodwill-Amortization/Impairment	-85.0	-8.3
EBIT	-95.8	2.1
Net financial result	-76.8	12.1
Taxes, minority interests	-18.6	-8.1
Result continuing operations	-191.2	6.1
Result discontinuing operations	-53.8	-4.2
Net Result	-245.0	1.9

- ▶ Lower net sales
- ▶ Profitable on operational level
- ▶ No regular goodwill amortization due to early adoption of IFRS 3
- ▶ Positive financial result due to changed conditions for the convertible bond (one-time effect of CHF 29 million)
- ▶ Overall positive result

Swisslog Group – Strengthened balance sheet

Consolidated Balance Sheet 2004 (unaudited)

In CHF million	2003	2004
Non-current assets excluding goodwill	93.6	55.7
Goodwill	108.8	94.0
Non-current assets	202.4	149.7
Inventories, trade and other receivables, prepayments	189.2	174.6
Cash and cash equivalents	48.4	91.0
Current assets	237.6	265.6
TOTAL assets	440.0	415.3
Shareholder's equity	-122.4	68.2
Minority interest	0.7	0.2
Non-current liabilities (excluding convertible bond)	30.7	18.6
Convertible bond	142.4	120.4
Non-current liabilities	173.1	139.0
Provisions	35.3	17.7
Short-term borrowings	185.4	0.3
Other current liabilities	167.9	189.9
Current liabilities	388.6	207.9
TOTAL Shareholder's equity and liabilities	440.0	415.3
Net Working Capital (NWC)	-6.0	-31.0
Net debt	280.4	29.9

▶ Increase of cash due to capital increase, divestments of real estate and Transnorm, advance payments of customers

▶ Increase of equity capital to 16% due to financial restructuring

▶ Reduction of provisions through acquisition of minority shares of Wassermann (onerous contracts 17.0)

▶ Reduction of short-term borrowing due to financial restructuring

▶ Reduced NWC and net debt

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Conclusion and outlook

- ▶ Operational turnaround has to a large extent been completed (incl. Healthcare Solutions)
- ▶ Financial situation of Swisslog Group is stable after the financial restructuring; target for 2005 is to keep net debt position below CHF 50 million
- ▶ Swisslog has built the platform for profitable growth; this is confirmed by the accelerated order intake flow
- ▶ For 2005 an increase in order intake and net sales can be expected. The net result is expected to be slightly positive