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## Media Release 2/07

### Swisslog continues on its growth path

**Buchs/Aarau, 8 March 2007 – Swisslog achieved growth at all levels in the business year 2006. Net sales, order intake and order backlog increased significantly, while the operating result (EBITA) improved by over 40% to MCHF 31.1. For the current year Swisslog anticipates a further operating improvement and a positive net result.**

“The numbers show that we were able to successfully continue last year’s growth. They are also a sign that we are again fully recognized by the market as a leading provider of integrated logistics solutions,” CEO Remo Brunschwiler comments on the financial result for 2006. Net sales rose by 16.3% to MCHF 646.9 (2005: MCHF 556.4) and the operating result (EBITA) significantly improved by more than 40% to MCHF 31.1 (2005: MCHF 21.8). The continued growth is also reflected in an increase in both order intake (+7.7% to MCHF 677.3) and order backlog (+5.3% to MCHF 538.0). This will allow Swisslog to again achieve a net sales increase in 2007. Thanks to the capital increase successfully completed in May 2006, Swisslog also reports a significantly strengthened balance sheet with an equity ratio of 32.8%.

A negative influence on the net result were the two one-time effects accounted for in the first half year, which were the result of the goodwill impairment in the Consulting Services/Wassermann division (MCHF 10.1) and of the partial repurchase of the convertible bonds (MCHF 8.0). In spite of a profitable second half year, these effects led to a net loss of MCHF -3.5 (2005: MCHF +1.8).

#### **Warehouse & Distribution Solutions**

The Warehouse & Distribution Solutions division improved its operating result (EBITA) as compared to 2005 by 20.2% to MCHF 23.2 (MCHF 19.3). Net sales also significantly improved to MCHF 415.7 (+17.2%). In addition to orders from existing customers, such as Coca-Cola Amatil, major orders by new customers like Lindex, People’s Bank of China, Quinn Radiators and Target were booked in 2006. In total, order intake increased by 4.9% to MCHF 425.5 and

order backlog by 3.0% to MCHF 369.7. “Based on our strengthened position in important markets we anticipate a sustained uptrend for Warehouse & Distribution Solutions,” Brunschwiler views the prospects for the current year.

### **Healthcare Solutions**

While net sales increased by 15.1% to MCHF 220.0, the operating result (EBITA) improved by 11.1% to MCHF 19.0 (2005: MCHF 17.1). Order intake rose by 12.9% to MCHF 238.6 (2005: MCHF 211.4). The slightly reduced EBITA margin of 8.6% (2005: 8.9%) is the result of the higher ratio of larger orders, of additional costs in the execution of projects, as well as of legal costs in connection with a patent infringement claim. According to CEO Brunschwiler, “with its solutions in the hospital sector the division is very well positioned both in North America and in Europe”.

### **Consulting Services/Wassermann**

The only unsatisfactory performance came from Consulting Services/Wassermann, which reported an operating loss of MCHF -1.3 (2005: MCHF -2.0). The disappointing developments in terms of net sales and operating profit made it necessary to perform a goodwill impairment test, and led to the aforementioned impairment. However, the increase in both order intake (5.4%) and order backlog (57.1%) as well as the implemented cost-cutting measures are expected to result in an increase in earning power for the current business year.

### **Positive outlook for 2007**

Thanks to a solid order situation and a strengthened balance sheet, the foundation for continuous, profitable growth has been laid. For the business year 2007 Swisslog anticipates a net sales increase of 5% to 10%, a continued improvement of the operational result (EBITA), and a positive net result. In order to sustain this growth the headcount is expected to be increased by about 100 additional employees.

### **Calendar:**

16 May 2007: Swisslog’s Annual General Meeting

29 May 2007: Investor’s Day

21 August 2007: Half-year Report for 2007

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## 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. In addition, Swisslog provides intra-company logistics solutions for hospitals as well as software and consulting services in the field of supply chain management.

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

Headquartered in Buchs/Aarau, Switzerland, Swisslog currently employs around 1,850 staff in 20 countries worldwide. The group's parent company, Swisslog Holding AG, is listed on SWX Swiss Exchange (security number: 1 232 462, Telekurs: SLOG, Reuters: SLOG.S).

For more information, visit [www.swisslog.com](http://www.swisslog.com).

## SWISSLOG GROUP KEY FIGURES

MCHF	1.1.-31.12.2006	1.1.-31.12.2005
Order intake	677.3	628.6
Order backlog*	538.0	510.8
Net sales	646.9	556.4
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	37.8	28.8
Operating profit before impairment of goodwill (EBITA)	31.1	21.8
<i>EBITA margin</i>	4.8%	3.9%
Operating profit (EBIT)	21.0	21.8
Net result	-3.5	1.8
Equity*	143.0	80.2
Net cash/Net debt (-)*	40.4	-42.9
Net working capital*	-20.1	-9.5
Employees*	1 813	1 841

\* at year-end

## CONDENSED CONSOLIDATED INCOME STATEMENT

MCHF	1.1.-31.12.2006	1.1.-31.12.2005
<b>NET SALES</b>	<b>646.9</b>	<b>556.4</b>
<b>OPERATING PROFIT BEFORE DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF GOODWILL (EBITDA)</b>	<b>37.8</b>	<b>28.8</b>
Depreciation and amortization	6.7	7.0
<b>OPERATING PROFIT BEFORE IMPAIRMENT OF GOODWILL (EBITA)</b>	<b>31.1</b>	<b>21.8</b>
Impairment of goodwill	10.1	0.0
<b>OPERATING PROFIT (EBIT)</b>	<b>21.0</b>	<b>21.8</b>
Financial income	5.0	4.4
Financial expense	-19.9	-13.2
<b>RESULT BEFORE TAX</b>	<b>6.1</b>	<b>13.0</b>
Income taxes	-9.6	-11.2
<b>NET RESULT</b>	<b>-3.5</b>	<b>1.8</b>
Attributable to:		
Equity holders of the parent	-3.5	1.8
<b>EARNINGS PER SHARE</b>	<b>CHF</b>	<b>CHF</b>
Basic earnings per share	-0.02	0.01
Diluted earnings per share <sup>1</sup>	-	0.01

<sup>1</sup> The rights to exchange the convertible bonds expired on 4 July 2005. There is no dilutive effect in 2006.

## CONDENSED CONSOLIDATED BALANCE SHEET

MCHF	31.12.2006	31.12.2005
Non-current assets excluding goodwill	49.1	49.1
Goodwill	88.3	100.9
<b>NON-CURRENT ASSETS</b>	<b>137.4</b>	<b>150.0</b>
Inventories, trade and other receivables, prepayments	194.1	197.9
Marketable securities	15.9	0.0
Cash and cash equivalents	88.3	84.1
<b>CURRENT ASSETS</b>	<b>298.3</b>	<b>282.0</b>
<b>TOTAL ASSETS</b>	<b>435.7</b>	<b>432.0</b>
Equity attributable to equity holders of the parent	142.9	80.1
Minority interest	0.1	0.1
<b>EQUITY</b>	<b>143.0</b>	<b>80.2</b>
Convertible bonds	63.8	127.0
Other liabilities	12.6	13.9
<b>NON-CURRENT LIABILITIES</b>	<b>76.4</b>	<b>140.9</b>
Provisions	15.4	11.5
Other liabilities	200.9	199.4
<b>CURRENT LIABILITIES</b>	<b>216.3</b>	<b>210.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>435.7</b>	<b>432.0</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MCHF	1.1.-31.12.2006	1.1.-31.12.2005
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>32.7</b>	<b>-3.3</b>
Thereof cash flow before working capital changes	23.7	19.1
Thereof cash flow from net current assets	9.0	-22.4
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-16.8</b>	<b>4.7</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-11.3</b>	<b>-4.8</b>
Currency translation differences on cash and cash equivalents	-0.4	2.1
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>4.2</b>	<b>-1.3</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>84.1</b>	<b>85.4</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>88.3</b>	<b>84.1</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MCHF	Share capital	Share premium	Fair value and other reserves		Retained earnings	Minority interest	Equity
			Currency translation differences	Other			
<b>AT 31.12.2004</b>	1.8	11.1	-34.1	-0.3	89.7	0.2	68.4
Net result 2005					1.8		1.8
Change in minority interest						-0.1	-0.1
Fair value gains/losses (-) from cash flow hedges				0.3			0.3
Currency translation differences			9.8				9.8
<b>AT 31.12.2005</b>	1.8	11.1	-24.3	0.0	91.5	0.1	80.2
Net result 2006					-3.5		-3.5
Net gain on available-for-sale financial assets				0.2			0.2
Issue of share capital	0.7	72.5					73.2
Costs from issuance of share capital		-3.6					-3.6
Currency translation differences			-3.5				-3.5
<b>AT 31.12.2006</b>	2.5	80.0	-27.8	0.2	88.0	0.1	143.0

## CONDENSED INFORMATION BY SEGMENT

MCHF

1.1.–31.12.2006

1.1.–31.12.2005

Change in %

### WAREHOUSE & DISTRIBUTION SOLUTIONS

Order intake	425.5	405.7	4.9
Order backlog*	369.7	359.0	3.0
Net sales	415.7	354.8	17.2
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	26.3	22.1	19.0
Operating profit before impairment of goodwill (EBITA)	23.2	19.3	20.2
<i>EBITA margin</i>	5.6%	5.4%	n.a.
Operating profit (EBIT)	23.2	19.3	20.2
Employees*	999	1 004	-0.5

### CONSULTING SERVICES/WASSERMANN

Order intake	13.6	12.9	5.4
Order backlog*	6.6	4.2	57.1
Net sales	11.4	12.6	-9.5
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	-0.3	-0.9	66.7
Operating profit before impairment of goodwill (EBITA)	-1.3	-2.0	35.0
<i>EBITA margin</i>	-11.4%	-15.9%	n.a.
Operating profit (EBIT)	-11.4	-2.0	n.a.
Employees*	52	71	-26.8

### HEALTHCARE SOLUTIONS

Order intake	238.6	211.4	12.9
Order backlog*	161.8	147.9	9.4
Net sales	220.0	191.2	15.1
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	21.6	20.1	7.5
Operating profit before impairment of goodwill (EBITA)	19.0	17.1	11.1
<i>EBITA margin</i>	8.6%	8.9%	n.a.
Operating profit (EBIT)	19.0	17.1	11.1
Employees*	744	744	0.0

### HEADQUARTER/HOLDINGS

Order intake	0.0	0.0	n.a.
Order backlog*	0.0	0.0	n.a.
Net sales	0.2	0.0	n.a.
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	-9.8	-12.5	21.6
Operating profit before impairment of goodwill (EBITA)	-9.8	-12.6	22.2
<i>EBITA margin</i>	n.a.	n.a.	n.a.
Operating profit (EBIT)	-9.8	-12.6	22.2
Employees*	18	22	-18.2

\* at year-end

## CONDENSED INFORMATION BY SEGMENT (CONT.)

MCHF 1.1.–31.12.2006 1.1.–31.12.2005 Change in %

### ELIMINATIONS

Order intake	-0.4	-1.4	n.a.
Order backlog*	-0.1	-0.3	n.a.
Net sales	-0.4	-2.2	n.a.
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	0.0	0.0	n.a.
Operating profit before impairment of goodwill (EBITA)	0.0	0.0	n.a.
<i>EBITA margin</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Operating profit (EBIT)	0.0	0.0	n.a.
Employees*	0	0	n.a.

### TOTAL GROUP

Order intake	677.3	628.6	7.7
Order backlog*	538.0	510.8	5.3
Net sales	646.9	556.4	16.3
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	37.8	28.8	31.3
Operating profit before impairment of goodwill (EBITA)	31.1	21.8	42.7
<i>EBITA margin</i>	<i>4.8%</i>	<i>3.9%</i>	<i>n.a.</i>
Operating profit (EBIT)	21.0	21.8	-3.7
Employees*	1 813	1 841	-1.5

\* at year-end

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.