

SWISSLOG – ANNUAL RESULT

Analyst and Media Conference

Zurich, 10 March 2009

swisslog

DISCLAIMER

This document contains certain forward-looking statements, recognizable by the use of words such as "expects", "anticipates", "future" or similar expressions or by discussion of strategies, plans or intentions, etc. Various factors, known and unknown risks and imponderabilities, many of which are beyond our control, may cause actual developments and results to differ substantially in the future from those reflected in forward-looking statements contained in this document. Against the background of such uncertainties, readers should not rely on forward-looking statements. Swisslog assumes no responsibility to update forward-looking statements or to adapt them to future events or developments.

CONTENT

- **Business activities**
- Financial situation 2008
- Conclusion and outlook

- Order intake and order backlog below previous year due to postponement of major orders
- Substantial increase of net sales
- Operational result EBITA slightly improved
- Lower net result
- Negative currency translation effects on all P & L levels
- Further strengthened balance sheet
- Dividend payment of CHF 0.02 per share
- Divestment of Consulting Services/Wassermann and of CPS participation
- Acquisition of Ergotrans
- Bank guarantee/credit line renewed at more attractive terms and conditions

OVERVIEW 2008

Chapter 1

Business activities

Swisslog

Provider of logistics solutions for warehouses, distribution centers and hospitals

Warehouse & Distribution Solutions (WDS)

Healthcare Solutions (HCS)

Consulting Services/ Wasserman (CSW)



Group

Net sales 2008 (MCHF)

543
69%

244
31%

786
100%

Employees

1 315

857

2 192

COMPETITIVE LANDSCAPE WDS MARKET ENVIRONMENT

Chapter 1

Business activities

Competition

- First wave of industry consolidation happened, next wave coming up
- Increased competition resulting in strong price pressure
- Hardware suppliers are building up system integrator skills

Economy

- Globalization
- Reduced availability of low-skilled labor, shortage of building land
- Negative GDP growth in key markets
- Reduced availability of sources for financing

System suppliers/integrators

- Overcapacity
- Price pressure
- Focus on smaller projects with faster paybacks

Customers

- Trend towards smaller, highly automated warehouses closer to economic centers
- Postponements of projects due to negative economic situation
- Increased need to extend life cycle of existing facilities

COMPETITIVE LANDSCAPE HCS MARKET ENVIRONMENT

Chapter 1

Business activities

Competition

- Highly fragmented competitive situation with large number of competitors for each product line
- Market too small to attract larger players

Economy

- Cost pressure in healthcare sector
- Negative construction trend for new hospitals in the USA
- Economic stimulation programs will benefit healthcare sector

System suppliers/integrators

- Fewer projects for new hospitals in North America
- Customer support and modernization as stable income sources
- Focus on emerging markets such as Asia and Middle East

Customers

- More emphasis on process improvements to reduce cost and to increase reliability
- Higher salary levels
- More difficult to finance projects through credit
- Larger and better managed healthcare facilities

FINANCIAL OVERVIEW – SWISSLOG CONTINUING

Chapter 1

Business activities

in MCHF	1.1.-31.12.08	1.1.-31.12.07	Change in %	
			CHF	LC
Order intake	598.0	850.5	-29.7%	-24.8%
Order backlog	445.6	682.3	-34.7%	-27.5%
Net sales	786.1	694.9	13.1%	20.2%
EBITDA	41.1	41.1	0.0%	6.8%
EBITA/EBIT	35.3	34.4**	2.6%	10.8%
<i>EBITA/EBIT margin</i>	4.5%	5.0%		
Result continuing op.	17.9*	18.6**	-3.8%	7.0%
Employees	2 192	2 013	8.9%	

- Fewer major orders
- Increase of net sales due to strong backlog end of 2007
- Operating results unchanged
- Result continuing operations unchanged
- Addition of employees: acquisitions +36, organic growth +143

* 2008 including one-time gain on sale of CPS participation of MCHF 4.1

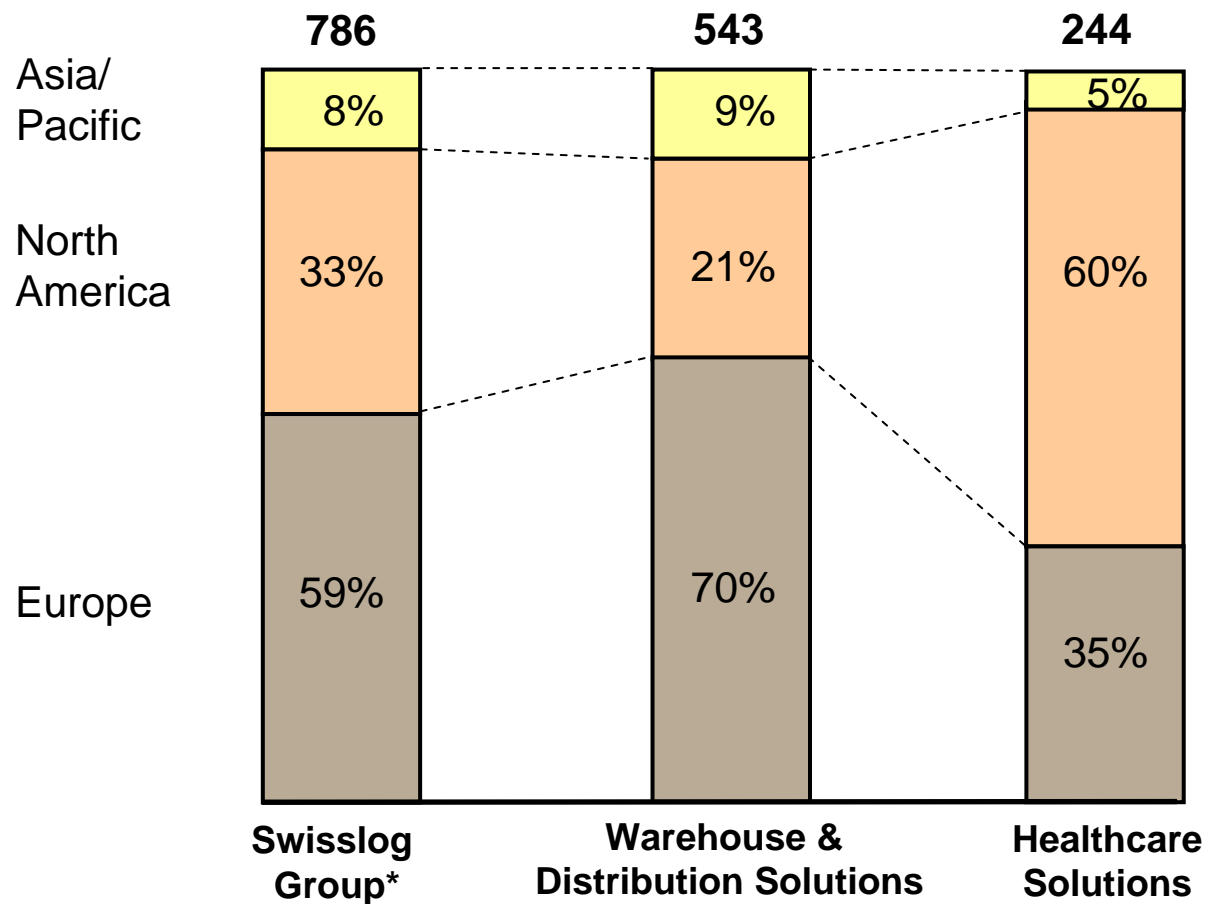
**2007 including one-time gain on sale of real estates of MCHF 2.4

GEOGRAPHIC SPLIT OF NET SALES 2008

Chapter 1

Business activities

in MCHF

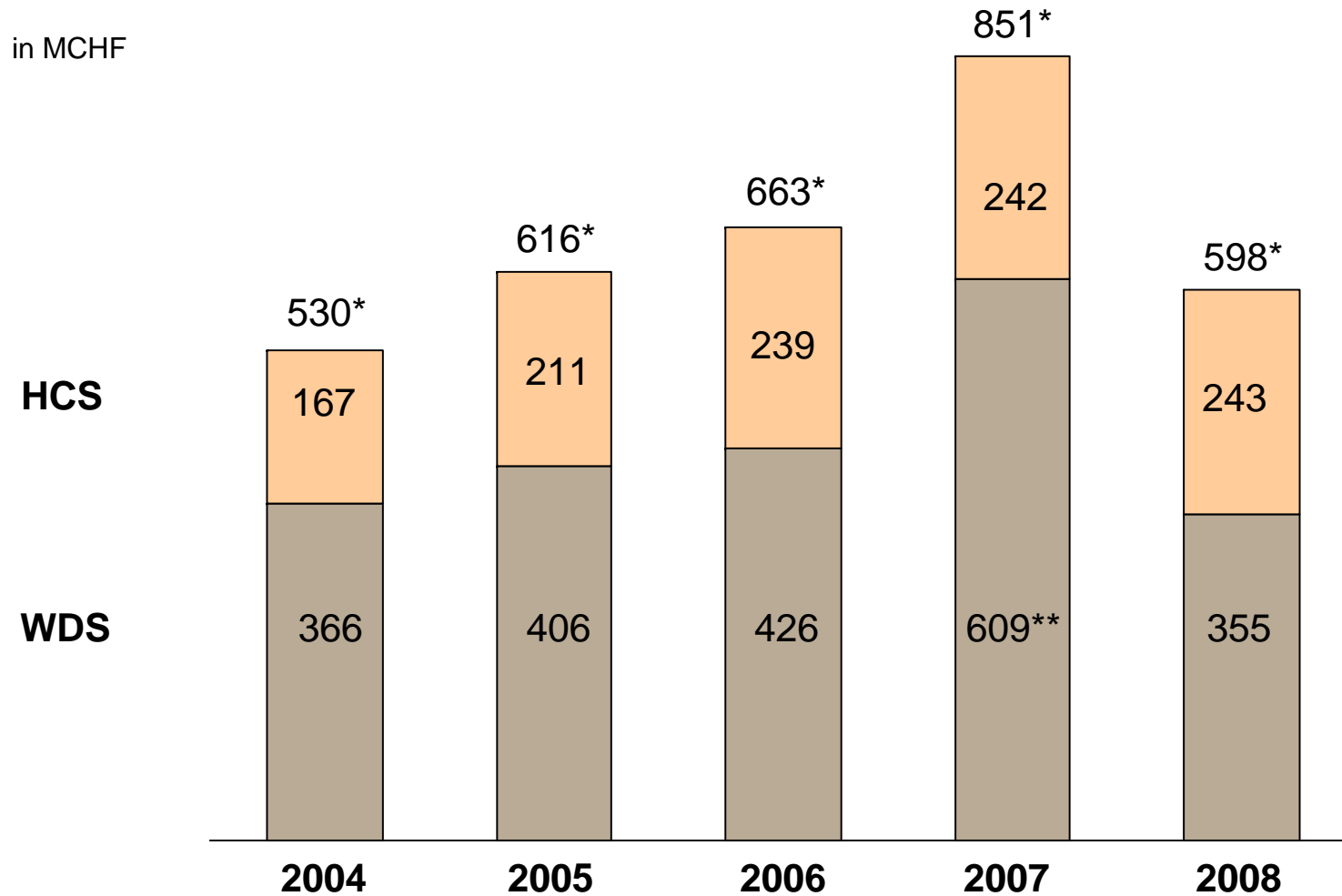


2007: Asia/Pacific: 12%, North America: 33%, Europe: 55%

ORDER INTAKE DEVELOPMENT

Chapter 1

Business activities



* Swisslog continuing after eliminations

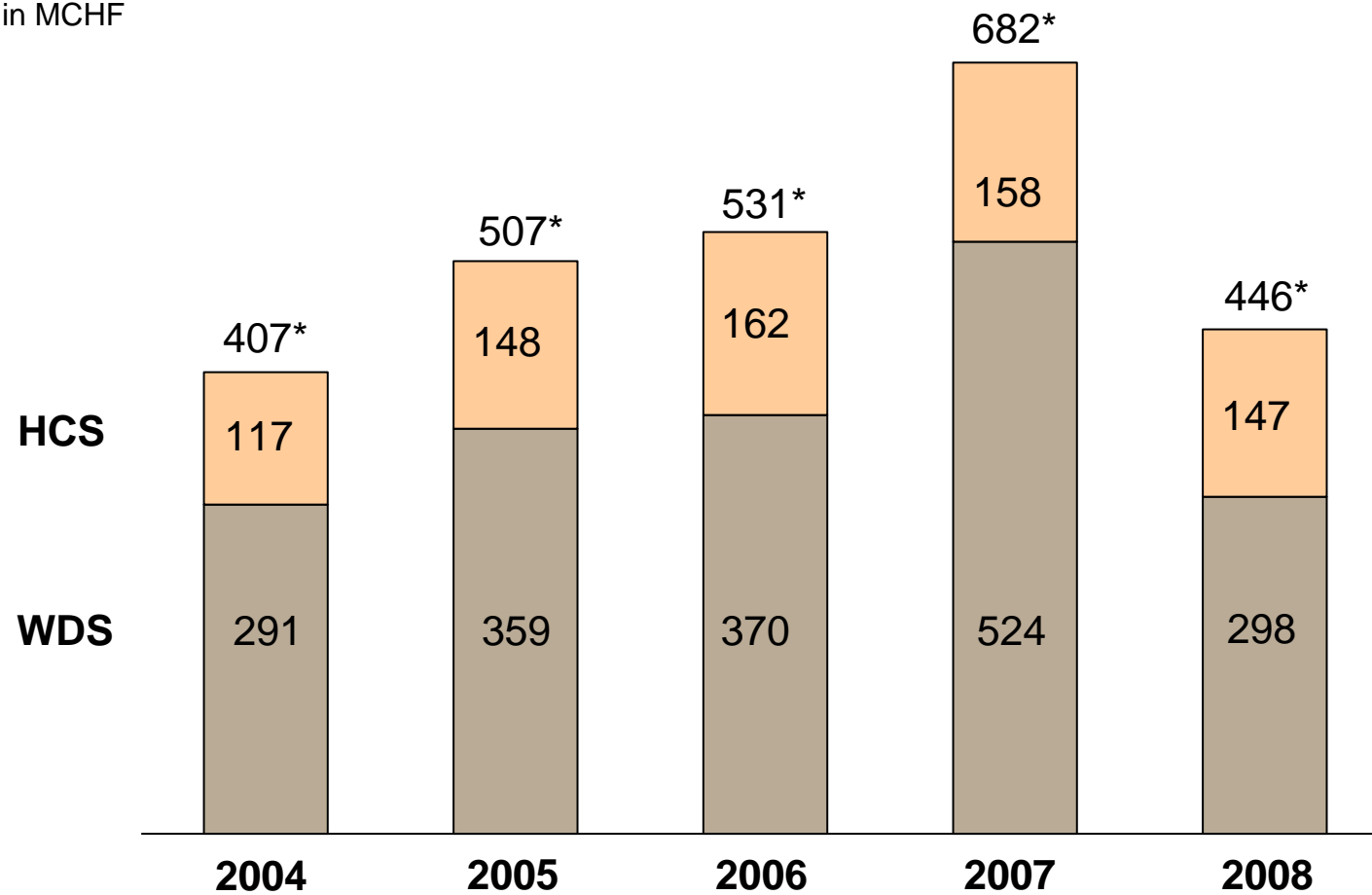
** MCHF 210 from dm-drogerie markt

ORDER BACKLOG DEVELOPMENT

Chapter 1

Business activities

in MCHF



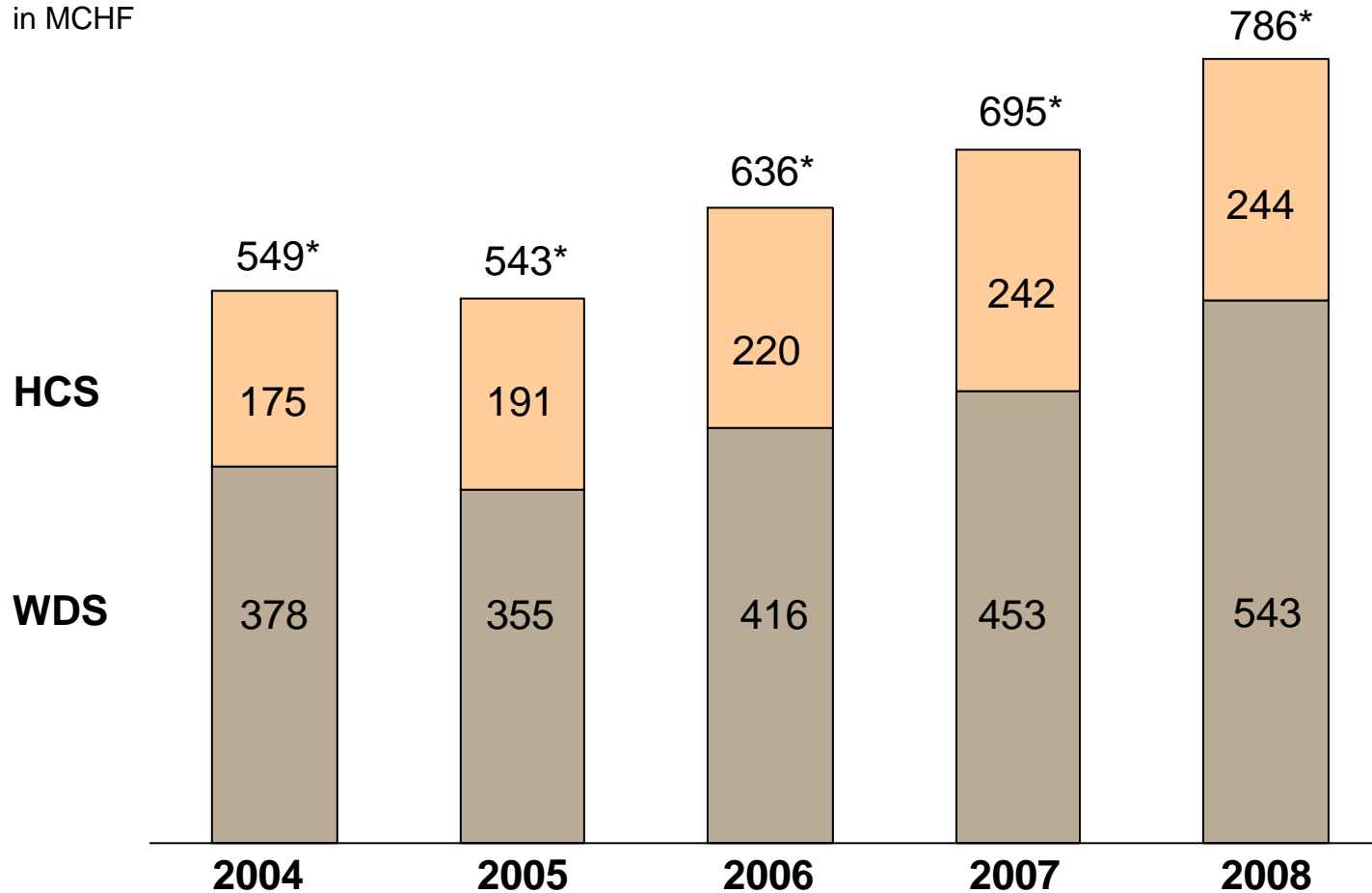
* Swisslog continuing after eliminations

NET SALES DEVELOPMENT

Chapter 1

Business activities

in MCHF



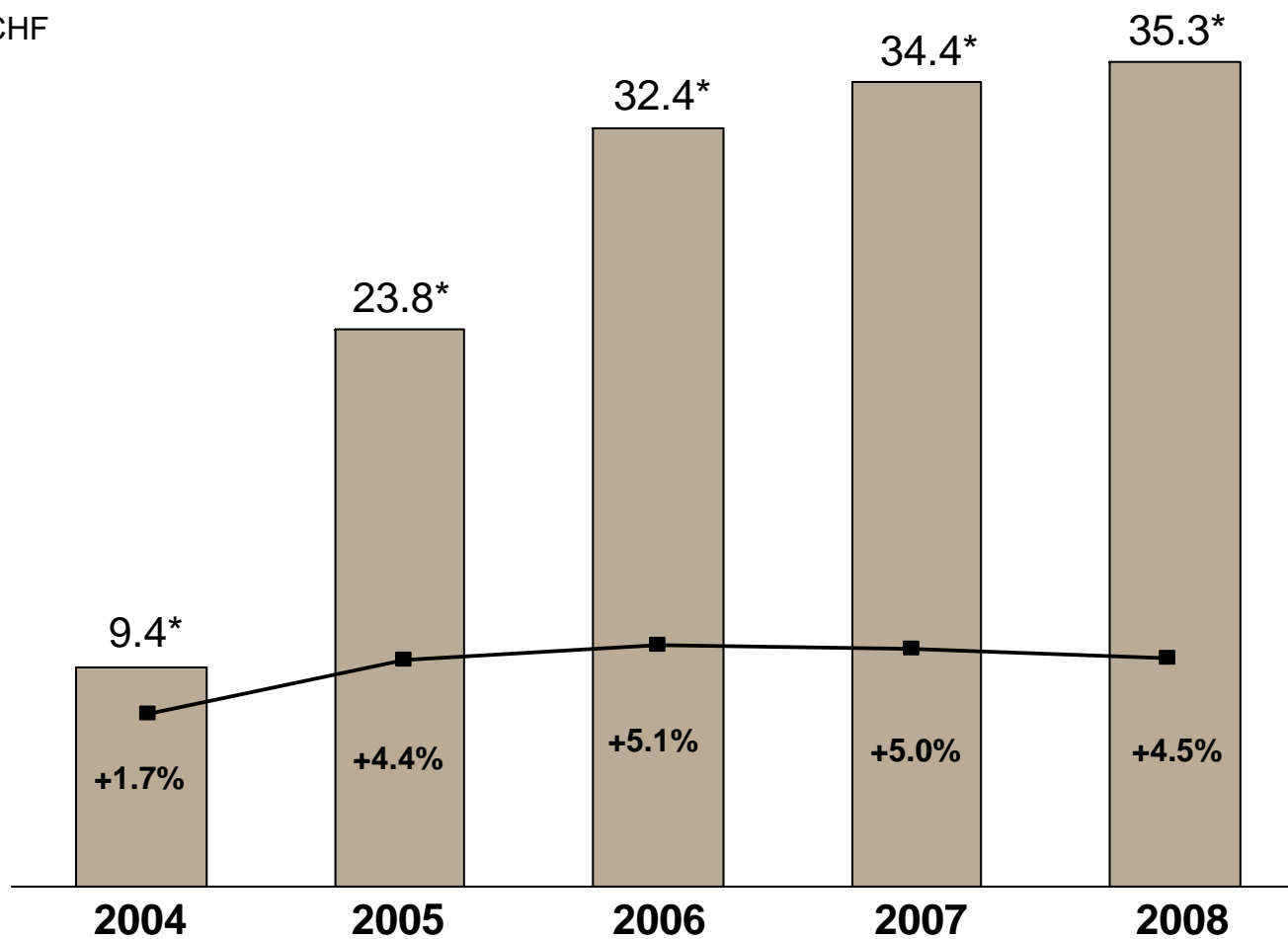
* Swisslog continuing after eliminations

EBITA AND EBITA MARGIN DEVELOPMENT

Chapter 1

Business activities

in MCHF



* Swisslog continuing

WAREHOUSE & DISTRIBUTION SOLUTIONS

Chapter 1

Business activities

in MCHF	1.1.-31.12.08	1.1.-31.12.07	Change in %	
			CHF	LC
Order intake	354.9	609.1	-41.7%	-38.3%
Order backlog	298.2	524.2	-43.1%	-36.2%
Net sales	542.6	452.6	19.9%	26.1%
EBITDA	24.8	26.2 *	-5.3%	-3.4%
EBITA/EBIT	21.3	22.8	-6.6%	-4.4%
<i>EBITA/EBIT margin</i>	3.9%	5.0%		
Employees	1 315	1 210	8.7%	

- Fewer major orders; 2007 record high order intake and order backlog due to dm-drogerie markt project
- Increase of net sales due to strong order backlog end of 2007
- Lower operating results due to additional costs in project execution and missing one-time gain
- Addition of employees: organic growth +105

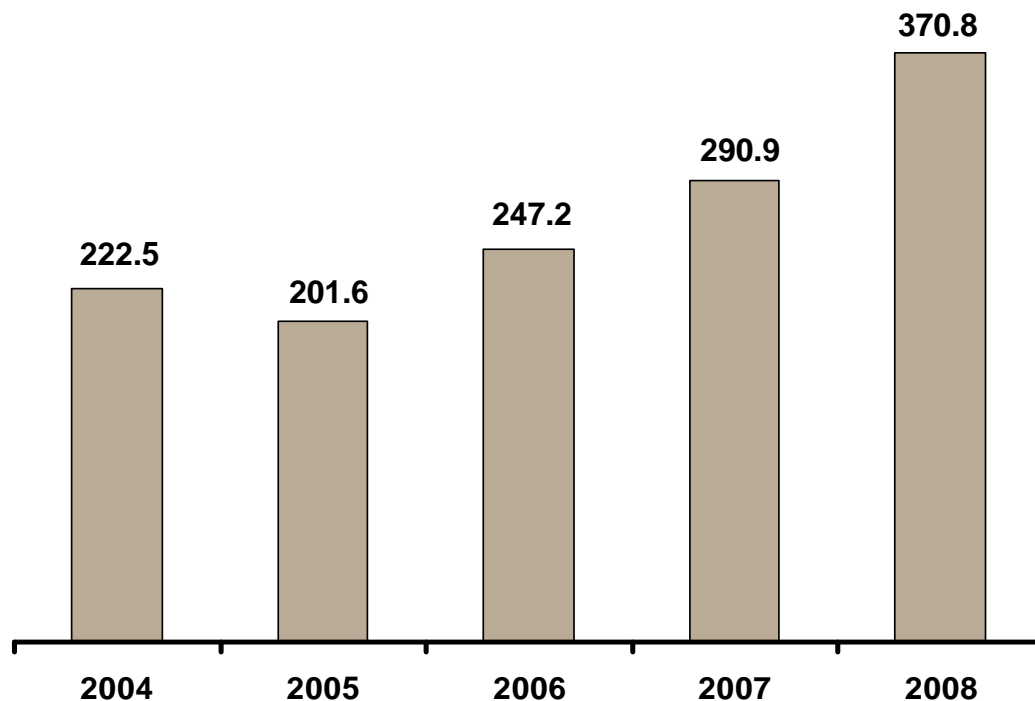
*2007 including one-time gain on sale of real estates of MCHF 2.4

WAREHOUSE & DISTRIBUTION SOLUTIONS – NEW BUSINESS

Chapter 1

Business activities

Net sales in MCHF



Facts 2008

- Strong growth due to record high order backlog end of 2007. Main impact from exceptionally large dm-drogerie markt project
- Additional costs in project execution amounting to around MCHF 6

Measures to improve profitability

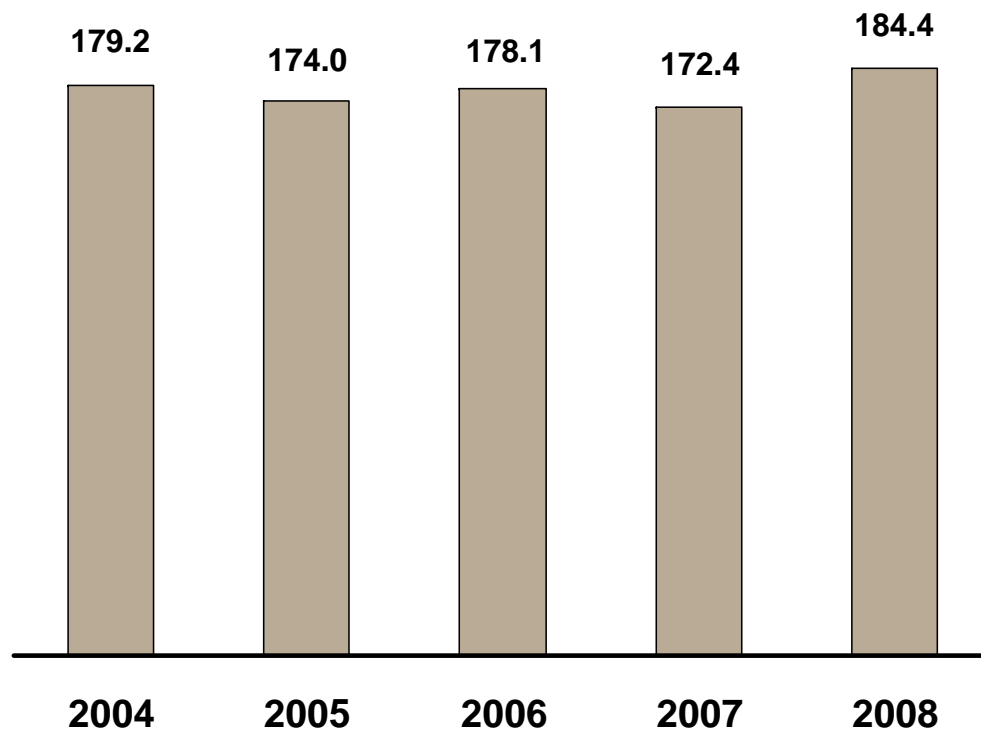
- Launch of comprehensive business process reengineering program
- Focus on projects with faster paybacks
- Adjustment of personnel in case of underutilization of capacity

WAREHOUSE & DISTRIBUTION SOLUTIONS – CUSTOMER SUPPORT

Chapter 1

Business activities

Net sales* in MCHF



Facts 2008

- Volume increase and margin improvement

Measures to improve profitability

- Tap full potential of profit optimization programs
- Full exploitation of service potential in projects realized during the last years

*Segment sales including internal sales

HEALTHCARE SOLUTIONS

Chapter 1

Business activities

in MCHF	1.1.-31.12.08	1.1.-31.12.07	Change in % CHF	LC
Order intake	243.3	241.5	0.7%	9.1%
Order backlog	147.4	158.1	-6.8%	1.3%
Net sales	243.8	242.4	0.6%	9.0%
EBITDA	26.4	26.3	0.4%	9.9%
EBITA/EBIT	24.3	23.1	5.2%	16.0%
<i>EBITA/EBIT margin</i>	10.0%	9.5%		
Employees	857	783	9.5%	

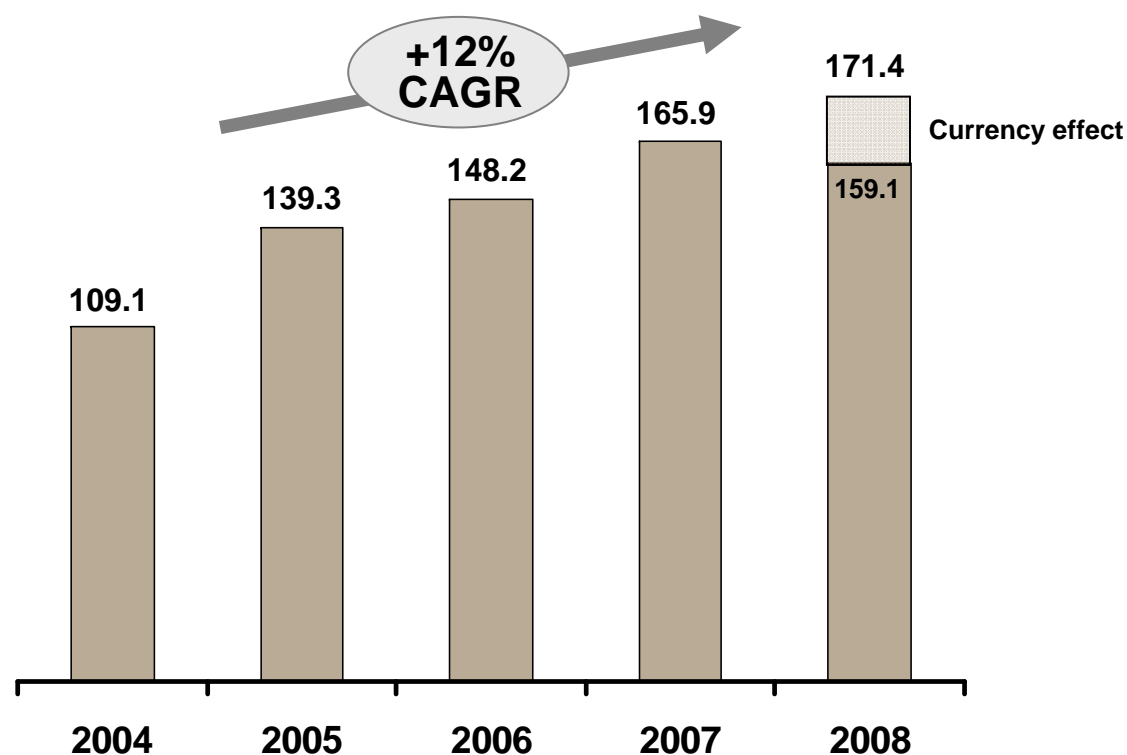
- Stable order intake and net sales; growth in local currencies
- Further improved operating results despite negative currency translation effects of MCHF 2.5
- Addition of employees: acquisitions +36, organic growth +38

HEALTHCARE SOLUTIONS – PNEUMATIC TUBE SYSTEMS

Chapter 1

Business activities

Net sales in MCHF



Facts 2008

- Volume and margin increase
- Acquisition of Ergotrans

Measures to improve profitability

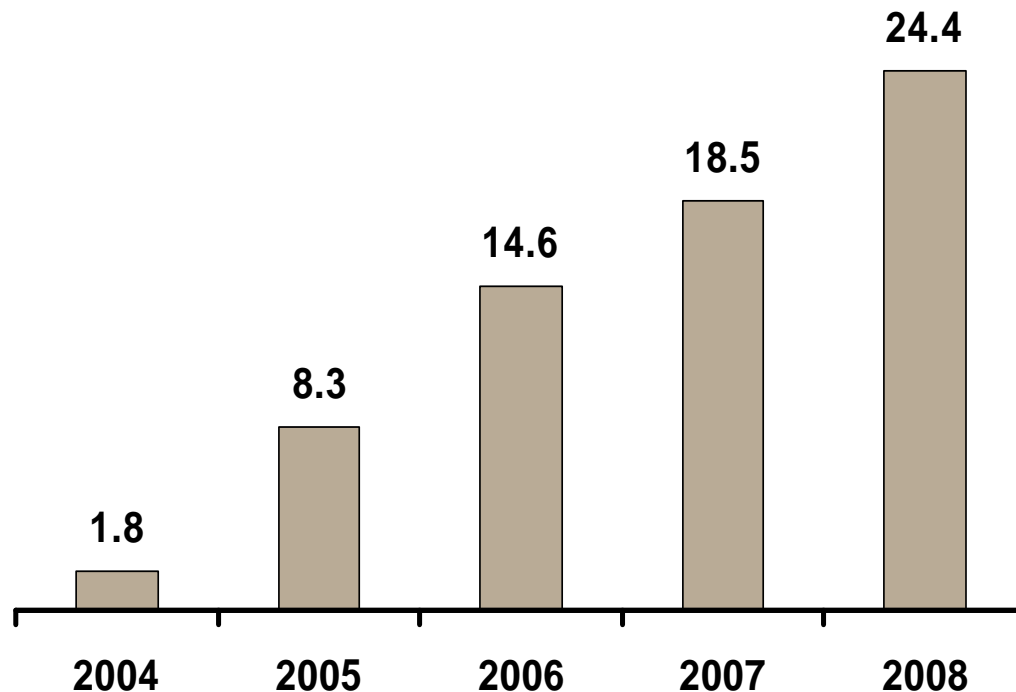
- Expansion of customer support activities in North America
- Acquisition of local players to strengthen market position in Europe
- Further development of agency network with focus on Eastern Europe, Middle East and Asia

HEALTHCARE SOLUTIONS – PILLPICK

Chapter 1

Business activities

Net sales in MCHF



Facts 2008

- Volume and margin increase
- Second product line after pneumatic tube systems
- Product modularization project completed

Measures to improve profitability

- Strengthening of customer support activities
- Development of markets in Middle East and Southeast Asia

CONTENT

- Business activities
- **Financial situation 2008**
- Conclusion and outlook

SWISSLOG GROUP – CONSOLIDATED INCOME STATEMENT

Chapter 2

Financial situation 2008

in MCHF	1.1.-31.12.2008	1.1.-31.12.2007	Diff 08/07 in %
Net sales	786.1	694.9	13.1%
EBITDA	41.1	41.1	0.0%
Depreciation	-5.8	-6.7	-13.4%
EBITA	35.3	34.4	2.6%
Goodwill Impairment	0.0	0.0	n.a.
EBIT	35.3	34.4	2.6%
Net financial result	-5.9	-5.2	13.5%
Taxes	-11.5	-10.6	8.5%
Result continuing operations	17.9	18.6	-3.8%
Result discontinued operations	-6.7	0.2	n.a.
Net result	11.2	18.8	-40.4%

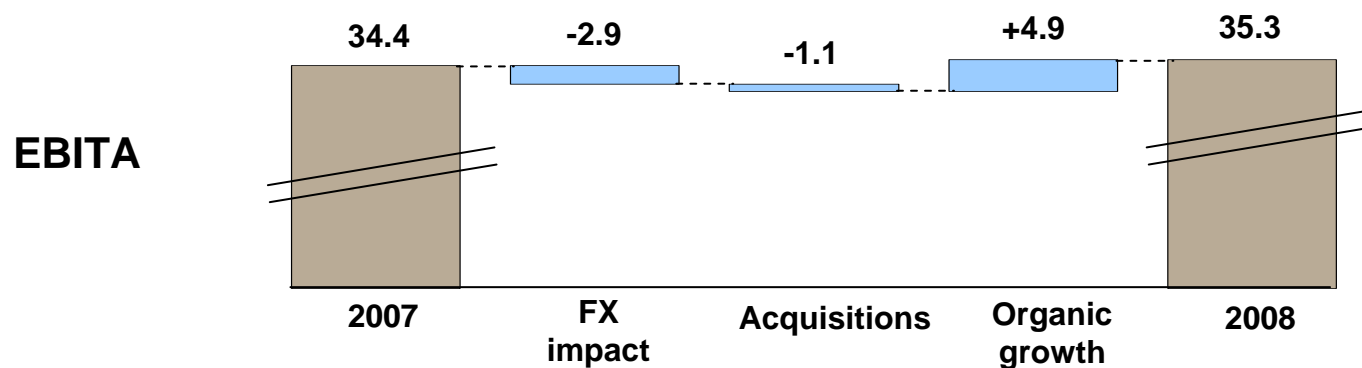
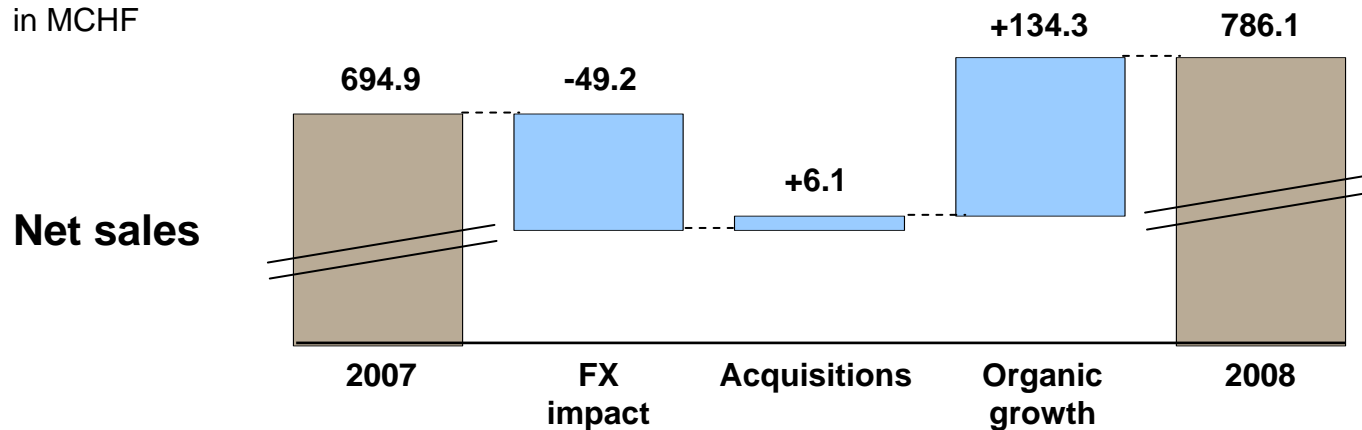
- Net sales increase due to high order backlog end of 2007
- Operating results on previous year's level
- FX losses only partly compensated through gain on sale from CPS participation
- Book loss from divestment of Consulting Services/Wassermann

IMPACT FROM EXCHANGE RATES AND ACQUISITIONS

Chapter 2

Financial situation 2008

in MCHF

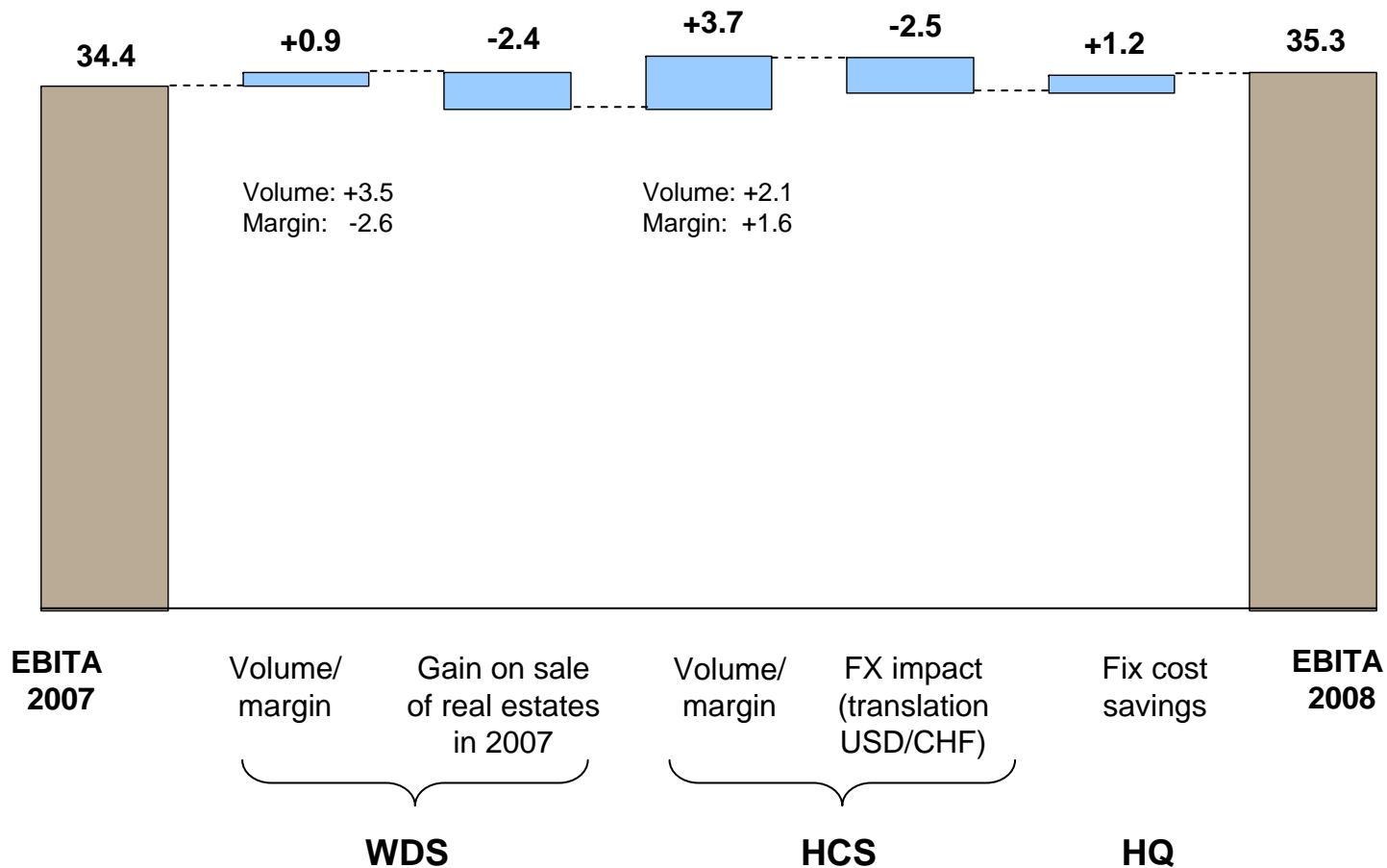


EBITA CHANGE EFFECTS 2007 VS. 2008

Chapter 2

Financial situation 2008

in MCHF

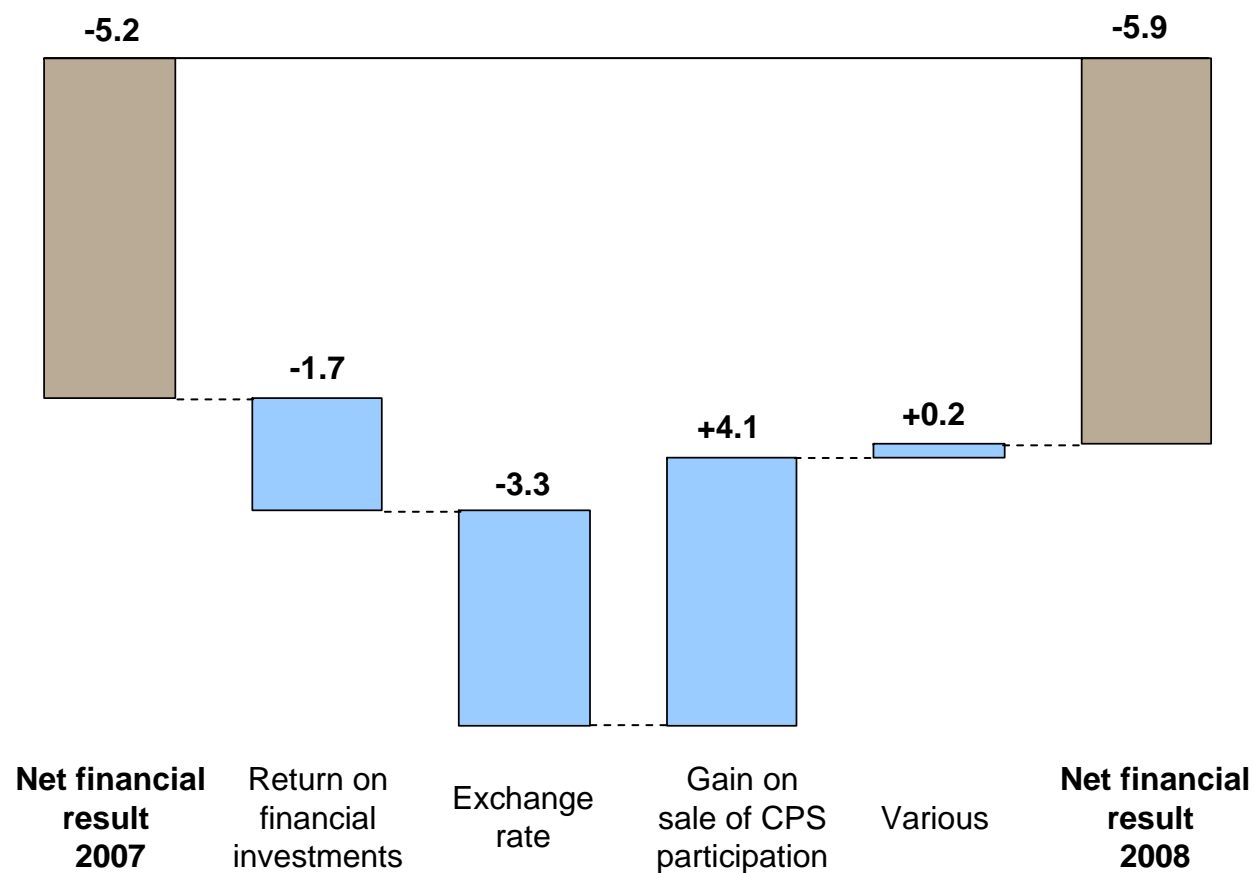


NET FINANCIAL RESULT CHANGE EFFECTS 2007 vs. 2008

Chapter 2

Financial situation 2008

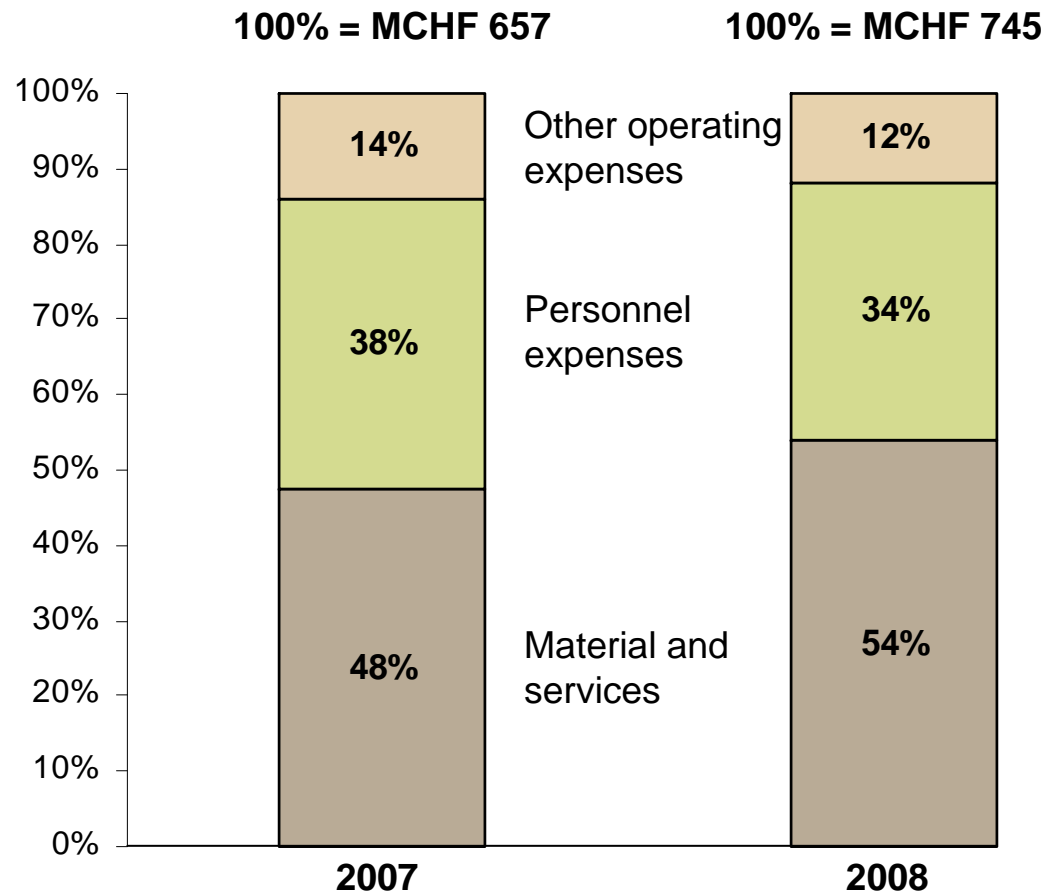
in MCHF



STRUCTURE OF OPERATING COSTS

Chapter 2

Financial situation



- Fix costs
- Personnel costs
- Variable costs directly linked to net sales

- About 50% of operating costs are directly linked to net sales development
- Adjustment of personnel to effective workload within short time-frame possible

SWISSLOG GROUP – CONSOLIDATED BALANCE SHEET

Chapter 2

Financial situation 2008

in MCHF

	31.12.2008	31.12.2007
Non-current assets excluding goodwill	40.6	47.4
Goodwill	78.1	90.8
Non-current assets	118.7	138.2
Inventories, trade and other current assets	192.9	190.8
Cash, cash equivalents and marketable securities	113.3	99.5
Current assets	306.2	290.4
TOTAL assets	424.9	428.6
Equity	148.5	156.4
Non-current liabilities (excluding convertible bonds)	10.3	10.1
Convertible bonds	-	54.0
Non-current liabilities	10.3	64.1
Provisions	10.2	11.4
Convertible bonds	37.9	0.0
Other current liabilities	218.0	196.7
Current liabilities	266.1	208.1
TOTAL equity and liabilities	424.9	428.6
Net working capital	-32.2	-19.5
Net cash	75.4	45.5

- Sale of CPS participation
- Disposal of Wassermann
- Strong cash position
- Equity ratio around 35%
- Reclassification from long- to short-term and reduction of convertible bonds
- Increased net cash position

SWISSLOG GROUP – CONSOLIDATED CASH FLOW STATEMENT

Chapter 2

Financial situation 2008

in MCHF

	2008	2007
Net cash flow from operating activities	36.6	22.9
Cash flow before working capital changes	24.5	23.4
Cash flow from changes in working capital	12.1	-0.5
Net cash flow from investments	9.8	-13.9
Net cash flow from financing activities	-23.0	-17.7
Net cash from discontinued operations	-0.4	1.4
Currency translation differences	-2.3	-0.7
Net increase/decrease in cash and cash equivalents	20.7	-8.0
Cash and cash equivalents at beginning of period	80.3	88.3
Cash and cash equivalents at end of period	101.0	80.3

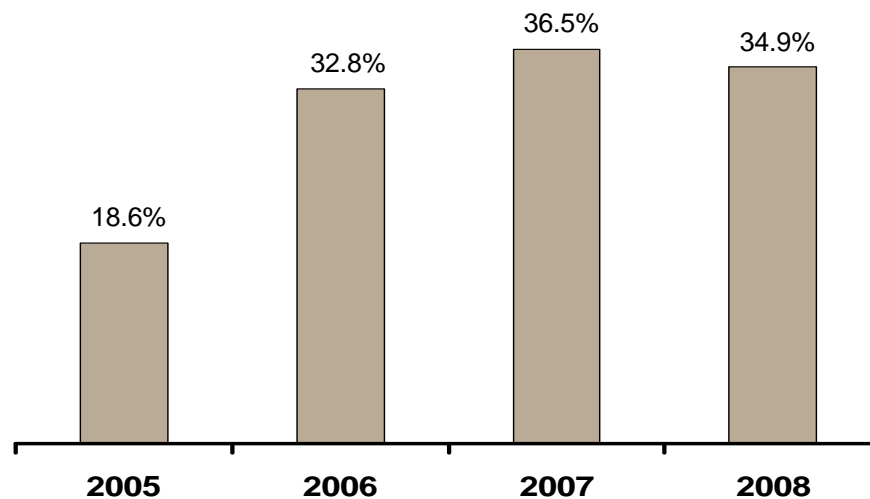
- Improved operating cash flow due to changes in working capital
- Sale of CPS participation
- Further repurchases of convertible bonds of MCHF 18.5
- Strong cash position

SWISSLOG GROUP – FINANCIAL RATIOS

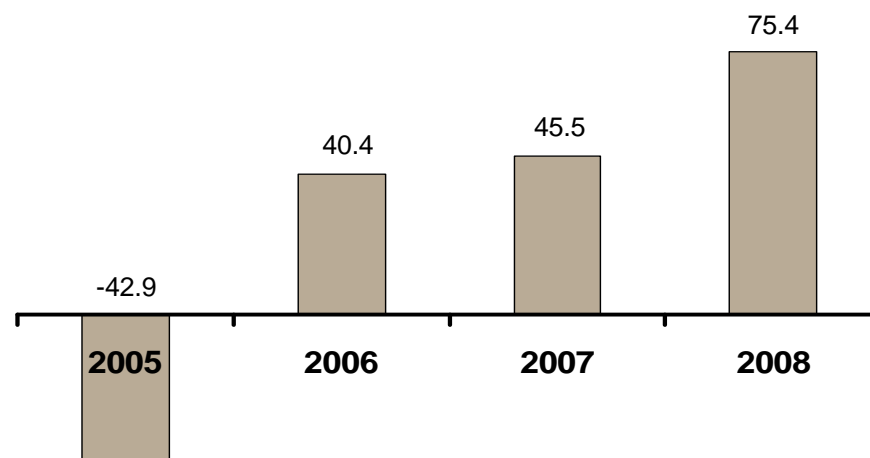
Chapter 2

Financial situation 2008

Equity ratio



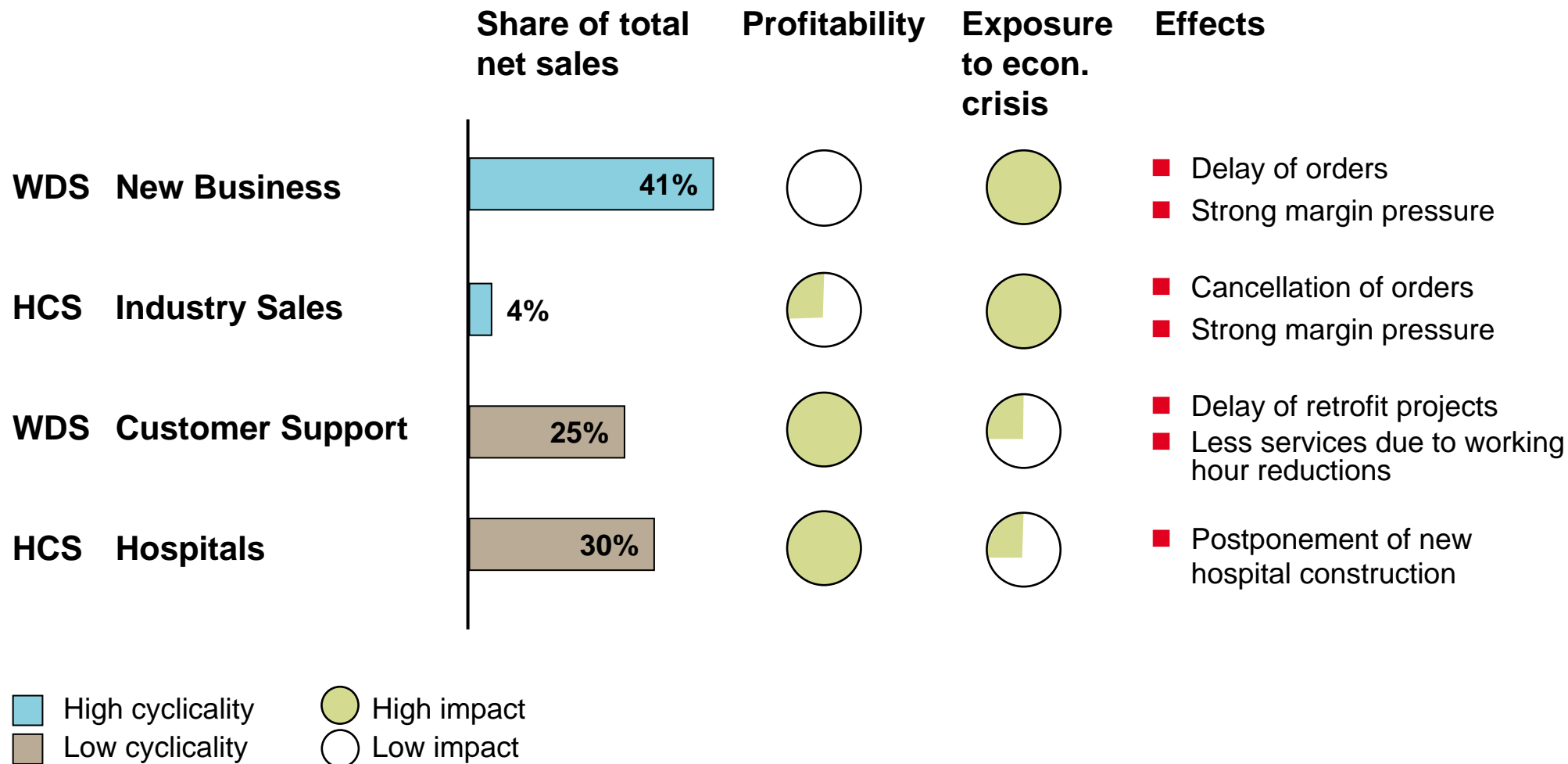
Net cash (in MCHF)



CONTENT

- Business activities
- Financial situation 2008
- **Conclusion and outlook**

IMPACT OF ECONOMIC CRISIS ON BUSINESS SEGMENTS



Strategy

- Enlargement of footprint in light goods technology via cooperations or acquisitions
- Improvement of competitiveness in market segment for less complex projects
- Round-off acquisitions to strengthen HCS in Europe
- Evaluation of strategic options for Swisslog Group

Operations

- Implementation of design-to-cost programs in all product centers
- Strengthening of innovation management
- Reduction of fixed costs
- Continuation of comprehensive business process reengineering program in WDS New Business

People

- Adjustment of personnel to anticipated workload

Conclusion

- Swisslog's target industries – retail, food & beverage, hospitals (70% of net sales) – less affected by economic crisis
- Swisslog prepared to confront economic crisis
 - Mix of activities
 - Flexible business model
 - Secured financing
- Swisslog focused on core activities

Outlook 2009

- Challenging market environment mainly for WDS New Business
- Net sales reduction between 15% and 20% expected
- Comparable EBITA margin expected (barring unforeseen circumstances)

- 21 April 2009: General Meeting of Shareholders
- 20 May 2009: Investor Day
- 18 August 2009: Half-year results