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Press release 2/10

Solid business results in 2009

Buchs/Aarau, 10 March 2010 – **In the 2009 business year, Swisslog realized net sales of MCHF 649.9 (2008: MCHF 786.1) and operational earnings before interest and taxes (EBIT) of MCHF 28.4 (2008: MCHF 35.3). The expected decrease in net sales (-17.3%) is the delayed effect of the market-related reduction in order intake during the second half-year of 2008. Although order intake in 2009 increased 7.4% to MCHF 642.0 compared to the previous year, Swisslog anticipates that the economic environment will remain tense.**

“The business year 2009 was – as expected – a challenging year, one in which our company also experienced the effects of the economic crisis,” CEO Remo Brunschwiler commented on the 2009 business results. The decrease in order intake suffered during the second half-year of 2008 was particularly felt in the Warehouse & Distribution Solutions (WDS) division. Compared to the previous year, WDS net sales fell 23.8% in 2009 to MCHF 413.2. “Nevertheless, we were able to acquire some major orders in this segment in 2009,” said Brunschwiler. This resulted in an increase in order intake of 13.8% to MCHF 403.8 for the WDS business segment in 2009. The order backlog in 2009 remained similar to the previous year’s level at MCHF 299.7 (+0.5%).

The Healthcare Solutions division (HCS) was less affected by the economic downturn. With sales of MCHF 236.8 (-2.9%), the negative effects of the economic crisis were very limited in the Healthcare Solutions division. Both the order intake of MCHF 238.4 (-2.0%) and the order backlog of MCHF 146.7 (-0.5%) were similar to the previous year’s levels. Swisslog remains the clear market leader worldwide with its key product line of pneumatic tube systems. In addition, Swisslog has continued to expand the product portfolio for the automated management of drugs in hospitals.

Improvement in equity ratio, liquidity, financial result and company profit

It was possible to further improve the balance sheet for the year under review. Equity increased by 8.6% to MCHF 161.3. Swisslog now possesses an equity ratio of 40.0% (2008: 34.9%). Thanks to good operational cash flows and an increase in advance payments from customers,

liquidity also improved, with net cash assets rising to MCHF 104.3 (2008: MCHF 75.4) by the end of 2009.

The financial result of MCHF -4.3 (2008: MCHF -5.9) and the tax expenditures of MCHF -6.4 (2008: MCHF -11.5) were also better in 2009 compared to the previous year. Thus, company profit was MCHF 17.7, higher than the previous year's results (MCHF 11.2), which were burdened by the loss incurred by the sale of Wassermann AG. The payment of a dividend of CHF 0.02 per share will be proposed at the General Meeting of Shareholders.

Cautious outlook for 2010

Rigorous capacity management contributed to the stable operational results for 2009 – despite the difficult environment. The company downsized 4.7% of its employees (based on full-time positions). This was accomplished in part through natural fluctuation and in part with lay-offs. At the end of 2009, the number of employees based on full-time positions was 2 044 (2008: 2 145).

In general, the Board of Directors and the management anticipate that the economic conditions in 2010 will remain challenging. Net sales and operational earnings before interest and taxes (EBIT) are expected to be between 5 and 10% below the results of 2009. “We will continue to focus on a lean organisation and flexible structures in the current year as well,” CEO Remo Brunchwiler announced. “Nevertheless, we will consistently pursue our strategic direction and will keep on working to improve our positioning in increasingly competitive markets.” In addition to internal growth, this can also happen through acquisitions.

Healthcare Solutions undergoing change at the top

A change will take place at the top level of the Healthcare Solutions division. Charlie Kegley (63), who has successfully managed and expanded the division since 2003, is retiring at the end of 2011. Until a permanent successor will be found, Remo Brunchwiler, CEO of the Swisslog Group, will assume temporary leadership of the division on 1 April 2010. Charlie Kegley will remain responsible for the North American market of the division and a member of Swisslog's Executive Committee until his retirement. “Charlie Kegley has played a significant role in the successful development of Healthcare Solutions, as well as our success in the American market in particular,” said Remo Brunchwiler.

Calendar

15 April 2010: General Meeting of Shareholders
17 August 2010: Publication 2010 Half-Year Result
19 October 2010: Investor Day

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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 to intra-company logistics solutions for hospitals.

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 over 2 000 staff in 20 countries worldwide.

The group's parent company, Swisslog Holding AG, is listed on the SIX Swiss Exchange (security number: 1232462, Telekurs: SLOG, Reuters: SLOG.S).

For more information, visit www.swisslog.com

SWISSLOG GROUP KEY FIGURES

MCHF	1.1.–31.12.2009	1.1.–31.12.2008
CONTINUING OPERATIONS		
Order intake	642.0	598.0
Order backlog*	446.4	445.6
Net sales	649.9	786.1
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	39.5	41.1
Operating profit (EBIT)	28.4	35.3
<i>EBIT margin</i>	<i>4.4%</i>	<i>4.5%</i>
Net result	17.7	17.9
Equity*	161.3	148.5
Net cash*	104.3	75.4
Net working capital*	-52.4	-30.9
Employees – full-time equivalents*	2 044	2 145

* at the end of period

CONDENSED CONSOLIDATED BALANCE SHEET

MCHF	31.12.2009	31.12.2008
Property, plant and equipment	14.9	13.0
Goodwill	80.1	78.1
Other intangible assets	12.2	13.8
Deferred tax assets	5.4	6.0
Other assets	6.2	7.8
NON-CURRENT ASSETS	118.8	118.7
Inventories	22.9	26.4
Trade receivables	72.1	105.7
Amount due from customers for construction contracts	40.1	37.2
Income tax receivables	3.2	1.3
Prepaid expenses and accrued income	10.1	13.2
Other receivables	11.4	9.1
Marketable securities	0.4	12.3
Cash and cash equivalents	124.0	101.0
CURRENT ASSETS	284.2	306.2
TOTAL ASSETS	403.0	424.9
Equity attributable to equity holders of the parent	161.2	148.4
Minority interest	0.1	0.1
EQUITY	161.3	148.5
Deferred tax liabilities	1.3	0.8
Other liabilities	8.4	9.5
NON-CURRENT LIABILITIES	9.7	10.3
Trade payables	59.4	65.6
Amount due to customers for construction contracts	92.5	98.0
Provisions	11.1	10.2
Income tax payables	2.6	4.4
Accrued expenses and deferred income	31.1	34.0
Convertible bonds	0.0	37.9
Other liabilities	15.2	16.0
Financial liabilities	20.1	0.0
CURRENT LIABILITIES	232.0	266.1
TOTAL EQUITY AND LIABILITIES	403.0	424.9

CONDENSED CONSOLIDATED INCOME STATEMENT

MCHF	1.1.–31.12.2009	1.1.–31.12.2008	Difference in %
CONTINUING OPERATIONS			
NET SALES	649.9	786.1	-17.3%
Other operating income	2.5	0.3	
Material and service expenses	303.3	398.4	
Personnel expenses	240.7	256.7	
Other operating expenses	68.9	90.2	
Depreciation and amortization	11.1	5.8	
OPERATING PROFIT (EBIT)	28.4	35.3	-19.5%
Financial income	4.1	9.4	
Financial expense	-8.4	-15.3	
RESULT BEFORE TAX	24.1	29.4	-18.0%
Income taxes	-6.4	-11.5	
NET RESULT CONTINUING OPERATIONS	17.7	17.9	-1.1%
NET RESULT DISCONTINUED OPERATIONS	0.0	-6.7	
NET RESULT GROUP	17.7	11.2	58.0%
<i>Attributable to:</i>			
<i>Equity holders of the parent</i>	<i>17.7</i>	<i>11.2</i>	
EARNING PER SHARE	CHF	CHF	
Basic/diluted earnings per share continuing operations	0.07	0.07	
Basic/diluted earnings per share discontinued operations	0.00	-0.03	
Basic/diluted earnings per share	0.07	0.04	

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MCHF	1.1.–31.12.2009	1.1.–31.12.2008	Difference in %
NET RESULT GROUP	17.7	11.2	58.0%
Sale of available-for-sale financial assets ¹	0.0	-0.6	
Currency translation differences			
from discontinued operations	0.0	0.1	
from continuing operations	-0.3	-16.8	
OTHER COMPREHENSIVE INCOME	-0.3	-17.3	
TOTAL COMPREHENSIVE INCOME	17.4	-6.1	
<i>Attributable to:</i>			
<i>Equity holders of the parent</i>	<i>17.4</i>	<i>-6.1</i>	

¹ Tax-free sale of financial investment CPS Color Group Oy in 1st half-year 2008

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MCHF	1.1.–31.12.2009	1.1.–31.12.2008	Difference in %
CONTINUING OPERATIONS			
Net result	17.7	17.9	-1.1%
Depreciation and amortization	11.1	5.8	
Other transactions	12.0	8.3	
Income taxes paid	-8.7	-7.5	
CASH FLOW BEFORE WORKING CAPITAL CHANGES	32.1	24.5	31.0%
Increase (-)/decrease (+) of:			
Inventories	3.9	1.1	
Trade receivables, amount due from customer for construction contracts, accrued income and other receivables	35.8	-35.7	
Increase (+)/decrease (-) of:			
Trade payables	-9.3	12.9	
Amount due to customers for construction contracts	-8.0	24.3	
Other liabilities and accrued expenses and deferred income	-6.3	9.9	
Provisions	0.5	-0.4	
CASH FLOW FROM NET CURRENT ASSETS	16.6	12.1	37.2%
NET CASH FLOW FROM OPERATING ACTIVITIES	48.7	36.6	33.1%
Investments in property, plant, equipment and intangible assets	-10.6	-14.1	
Disposal of marketable securities	11.5	5.2	
Disposal of property, plant, equipment and intangible assets	0.1	0.5	
Cash outflow on acquisition	-1.9	-4.9	
Other cash flows due from investing activities ¹	1.1	23.1	
NET CASH FLOW FROM INVESTING ACTIVITIES	0.2	9.8	-98.0%
Partial repurchases/repayment of convertible bonds	-39.2	-18.5	
Fix cash credit	20.0	0.0	
Sale (+)/purchase (-) of treasury stocks	0.2	-1.9	
Dividend payment	-5.0	0.0	
Other cash flows from financing activities	-2.6	-2.6	
NET CASH FLOW FROM FINANCING ACTIVITIES	-26.6	-23.0	15.7%
NET CASH FLOW FROM DISCONTINUED OPERATIONS	0.0	-0.4	
Currency translation differences on cash and cash equivalents	0.7	-2.3	
NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS	23.0	20.7	
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	101.0	80.3	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	124.0	101.0	

¹ Sale of investment CPS Color Group Oy in 1st half-year 2008

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MCHF	Share capital	Share premium	Treasury stocks	Retained earnings	Reserve for available-for-sale financial assets	Reserve for currency translation differences	Total	Minority interest	Total Equity
AT 31.12.2007	2.5	80.0	0.0	105.0	0.6	-31.8	156.3	0.1	156.4
Net result 2008				11.2			11.2		11.2
Other comprehensive income					-0.6	-16.7	-17.3		-17.3
TOTAL COMPREHENSIVE INCOME	0.0	0.0	0.0	11.2	-0.6	-16.7	-6.1	0.0	-6.1
Treasury stock			-1.9				-1.9		-1.9
Share-based payment		0.1					0.1		0.1
AT 31.12.2008	2.5	80.1	-1.9	116.2	0.0	-48.5	148.4	0.1	148.5
Net result 2009				17.7			17.7		17.7
Other comprehensive income						-0.3	-0.3		-0.3
TOTAL COMPREHENSIVE INCOME	0.0	0.0	0.0	17.7	0.0	-0.3	17.4	0.0	17.4
Treasury stock			0.2				0.2		0.2
Share-based payment		0.2					0.2		0.2
Dividends				-5.0			-5.0		-5.0
AT 31.12.2009	2.5	80.3	-1.7	128.9	0.0	-48.8	161.2	0.1	161.3

CONDENSED INFORMATION BY SEGMENT

MCHF	Warehouse & Distribution Solutions	Healthcare Solutions	2009 Total Segment	Corporate/ Eliminations	Total Group ¹	Warehouse & Distribution Solutions	Healthcare Solutions	2008 Total Segment	Corporate/ Eliminations	Total Group ¹
Order intake	403.8	238.4	642.2	-0.2	642.0	354.9	243.3	598.2	-0.2	598.0
Order backlog (at year-end)	299.7	146.7	446.4	0.0	446.4	298.2	147.4	445.6	0.0	445.6
Net sales	413.2	236.8	650.0	-0.1	649.9	542.6	243.8	786.4	-0.3	786.1
Depreciation and amortization	8.5	2.3	10.8	0.3	11.1	3.5	2.1	5.6	0.2	5.8
OPERATING PROFIT (EBIT)	15.1	22.0	37.1	-8.7	28.4	21.3	24.3	45.6	-10.3	35.3
Net financial result					-4.3					-5.9
RESULT BEFORE TAXES					24.1					29.4
Total assets	197.5	138.9	336.4	66.6	403.0	221.5	164.5	386.0	38.9	424.9
Net operating assets (NOA) ²	-31.7	84.4	52.7	-4.0	48.7	-31.1	98.3	67.2	-2.7	64.5
Net working capital ³	-91.1	40.7	-50.4	-2.0	-52.4	-86.7	54.7	-32.0	1.1	-30.9
Days of the working capital	-80.4	62.7			-29.4	-58.3	82.0			-14.4
Investment in property, plant, equipment/intangible assets ⁴	6.7	3.8	10.5	0.1	10.6	10.2	3.1	13.3	0.6	13.9
Employees – full-time equivalents (at year-end) ⁵	1 180	846	2 026	18	2 044	1 285	840	2 125	20	2 145
EBIT as % of sales (EBIT margin)	3.7	9.3			4.4	3.9	10.0			4.5

1 Represents continuing operations

2 Current and non-current assets (excl. cash, cash equivalents, marketable securities, deferred tax assets and other non-current assets) less current liabilities and provisions (excl. interest-bearing borrowings, deferred tax liabilities and income tax payables)

3 Excluding cash, cash equivalents, marketable securities, deferred tax assets, deferred tax liabilities and interest-bearing borrowings

4 Without goodwill

5 Limited comparability to the previous year since in 2008 the employees (headcount) were disclosed

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.