

2011 HALF-YEAR RESULTS

Buchs, 16 August 2011

swisslog

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CONTENTS

- **Development Swisslog Group**
- Development Healthcare Solutions
- Development Warehouse & Distribution Solutions
- Conclusion and outlook

SWISSLOG GROUP – WHO WE ARE

Chapter 1

Development Swisslog Group

- Swisslog is a worldwide leader in the development and the realization of logistics robots and automated distribution centers
- Swisslog is structured in two divisions: Healthcare Solutions (HCS) and Warehouse & Distribution Solutions (WDS)
- A substantial share of Swisslog's revenue stream is recurring business that originates from several thousand installations all over the world

- Improved market conditions for Swisslog solutions and services; however still strong margin pressure in Europe
- Substantial negative impact of strong CHF on all levels of P&L
- Higher order intake driven by major orders for distribution centers and growth of Customer Support
- Reduced net sales due to delayed order intake
- Improved operating profit (EBIT)
- Expanded product portfolio of both divisions:
 - Healthcare Solutions: addition of MedRover via acquisition of Sabal Medical
 - Warehouse & Distribution Solutions: addition of SmartCarrier via minority participation in Servus and AutoStore via cooperation with Hatteland

KEY FINANCIALS – SWISSLOG GROUP

Chapter 1

Development Swisslog Group

in MCHF	1.1.-30.6.11	1.1.-30.6.10	Change in %	
			CHF	LOC
Order intake	385.3	345.4	11.6%	25.4%
Order backlog	486.0	475.2	2.3%	15.8%
Net sales	271.0	304.3	-10.9%	0.4%
EBITDA	10.6	9.5	11.6%	31.6%
EBIT	6.6	5.7	15.8%	49.1%
EBIT margin	2.4%	1.9%		
Net result	3.2	3.0	6.7%	53.3%
Employees (FTE)	2 069	2 054	0.7%	

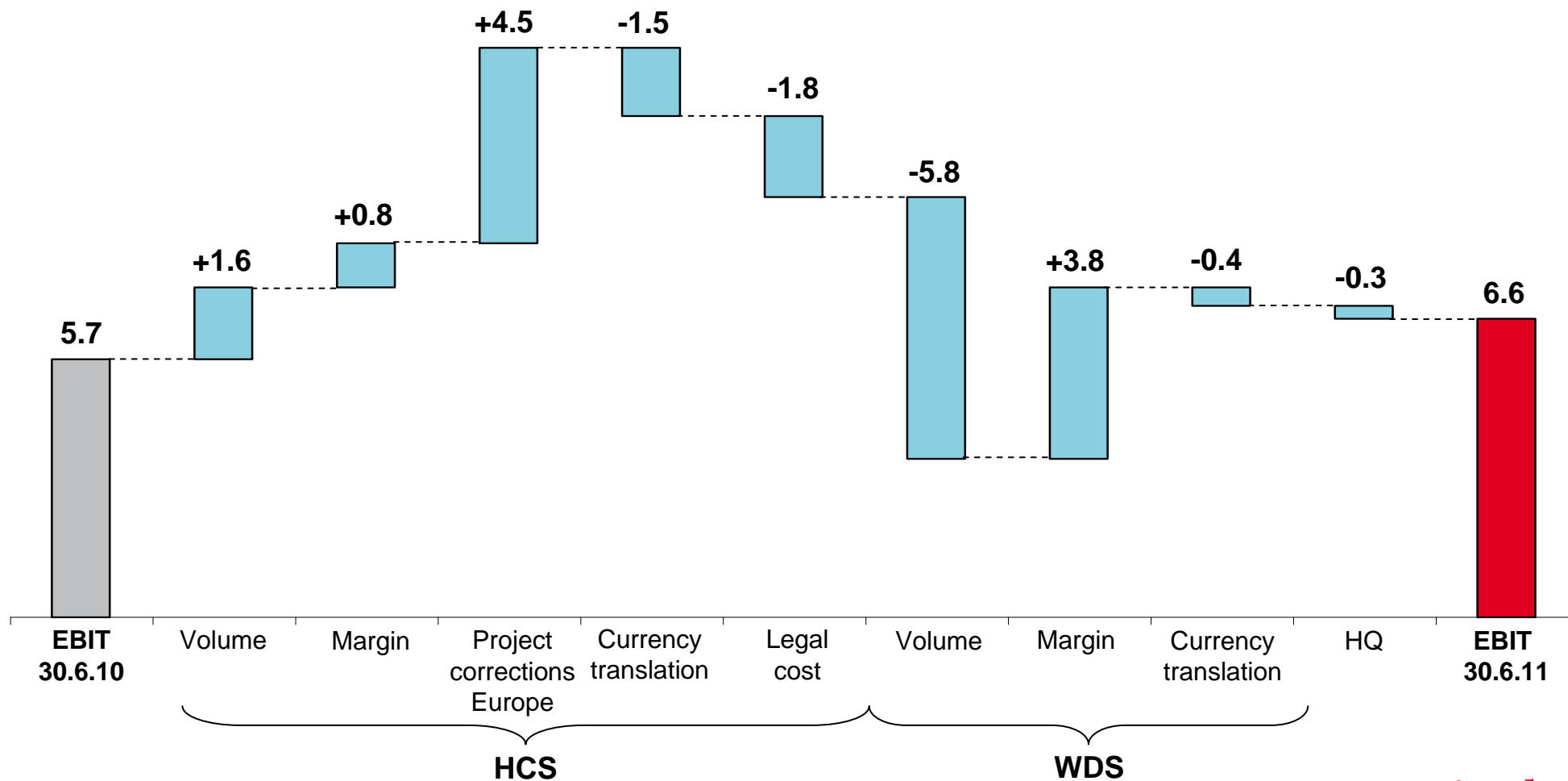
- Substantial negative impact of strong CHF on all levels of P&L
- Increased order intake due to major orders for distribution centers and growth of Customer Support
- Reduced net sales due to delayed order intake
- Improved operating results lowered by reduced net sales, unfavorable currency impact and higher legal cost
- Stable net result
- Unchanged number of employees

EBIT CHANGE EFFECTS – SWISSLOG GROUP

Chapter 1

Development Swisslog Group

in MCHF



BELOW EBIT LINE – SWISSLOG GROUP

Chapter 1

Development Swisslog Group

in MCHF	30.6.11	30.6.10	Change in %	
			CHF	LOC
EBIT	6.6	5.7	15.8%	49.1%
Financial income	0.8	2.6		
Financial expense	-0.8	-2.2		
Net financial result	0.0	0.4	<i>n.a.</i>	<i>n.a.</i>
Share of loss from associate	-0.3	0.0	<i>n.a.</i>	<i>n.a.</i>
Income taxes	-3.1	-3.1	0.0%	16.1%
<i>Tax rate</i>	49.2%	50.8%		
Net result	3.2	3.0	6.7%	53.3%

- Active management of foreign currency exposure risk allowed to minimize negative impact of strong CHF on financial result
- Unchanged income taxes
- Stable net result

CONSOLIDATED BALANCE SHEET – SWISSLOG GROUP

Chapter 1

Development Swisslog Group

in MCHF	30.6.11	31.12.10	30.6.10
Non-current assets excluding goodwill	43.5	38.8	39.4
Goodwill	73.3	72.3	79.3
Non-current assets	116.8	111.1	118.7
Inventories, trade and other current assets	189.1	171.2	181.8
Cash and current financial assets	50.0	86.3	79.1
Current assets	239.1	257.5	260.9
TOTAL assets	355.9	368.6	379.6
Equity	136.3	152.7	157.8
Non-current liabilities	8.6	8.2	9.4
Provisions	10.8	9.9	10.7
Financial liabilities	20.1	20.2	20.2
Other current liabilities	180.1	177.6	181.5
Current liabilities	211.0	207.7	212.4
TOTAL equity and liabilities	355.9	368.6	379.6
Net working capital	-4.7	-17.1	-13.3
Net cash	29.9	66.1	58.9

- Reduced cash position due to investments in product portfolio, payment of dividend and increase in net working capital
- Reduced equity due to currency translation effects; solid equity ratio of 38.3%

CONSOLIDATED CASH FLOW STATEMENT – SWISSLOG GROUP

Chapter 1

Development Swisslog Group

in MCHF	30.6.11	30.6.10
Cash flow before working capital changes	5.1	4.8
Cash flow from working capital changes	-14.3	-41.2
Net cash flow from operating activities	-9.2	-36.4
Net cash flow from investing activities	-16.9	-4.0
Net cash flow from financing activities	-7.5	-5.2
Currency translation differences	-2.3	0.1
Net change in cash and cash equivalents	-35.9	-45.5
Cash and cash equivalents at beginning of period	85.3	124.0
Cash and cash equivalents at end of period	49.4	78.5

- Negative operating cash flow due to increased net working capital
- Investments in expansion of product portfolio
- Increased dividend payment

CONTENTS

- Development Swisslog Group
- **Development Healthcare Solutions**
- Development Warehouse & Distribution Solutions
- Conclusion and outlook

HEALTHCARE SOLUTIONS – WHO WE ARE

Chapter 2

Development Healthcare
Solutions

- Premier supplier of automated logistics solutions for hospitals with unmatched client base in North America
- Solutions:
 - 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:
 - Large and mid-sized hospitals
- Product groups:
 - Automated Materials Transport Systems (AMTS)
 - Automated Drug Management Systems (ADMS)
- Market outlook:
 - Expected market growth of 5-10%



A SELECTION OF HCS CLIENTS

Chapter 2

Development Healthcare Solutions

North America



Europe



Asia



MARKET ENVIRONMENT – HEALTHCARE SOLUTIONS

Chapter 2

Development Healthcare
Solutions

Competition

- AMTS with unchanged competitive situation and strong positioning of Swisslog
- ADMS segment with increased dynamics as competitors look to expand their market share and emergence of start-ups mainly in North America

Economy

- Overall market with low cyclicality
- Economy expected to grow

Customers Demand

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

Industry Trends

- Ongoing demand for efficient and reliable transportation of goods (AMTS)
- Increased demand for secure storage, transportation and dispensing of medication (ADMS)

KEY FINANCIALS – HEALTHCARE SOLUTIONS

Chapter 2

Development Healthcare
Solutions

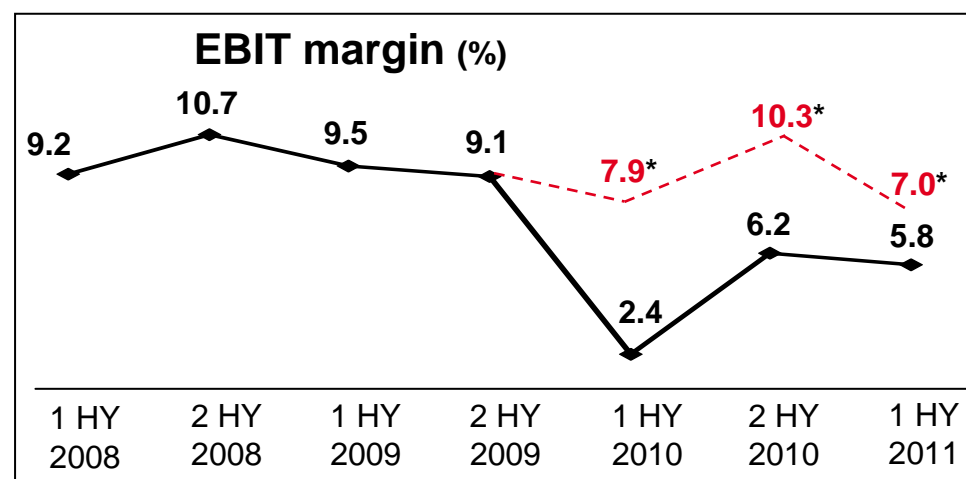
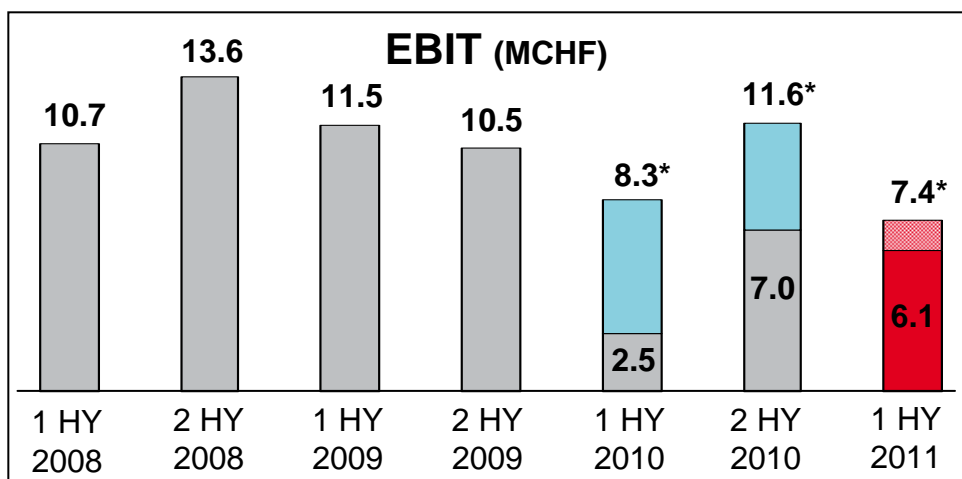
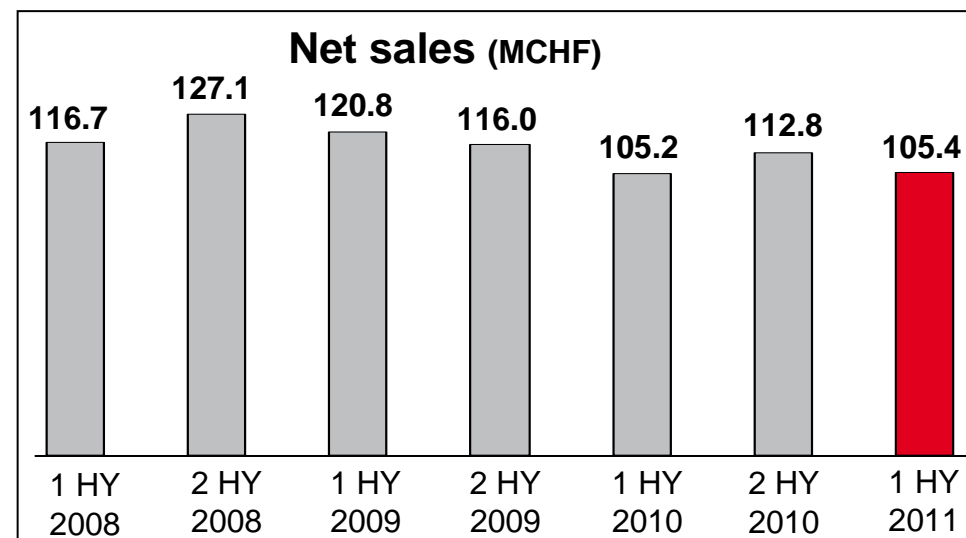
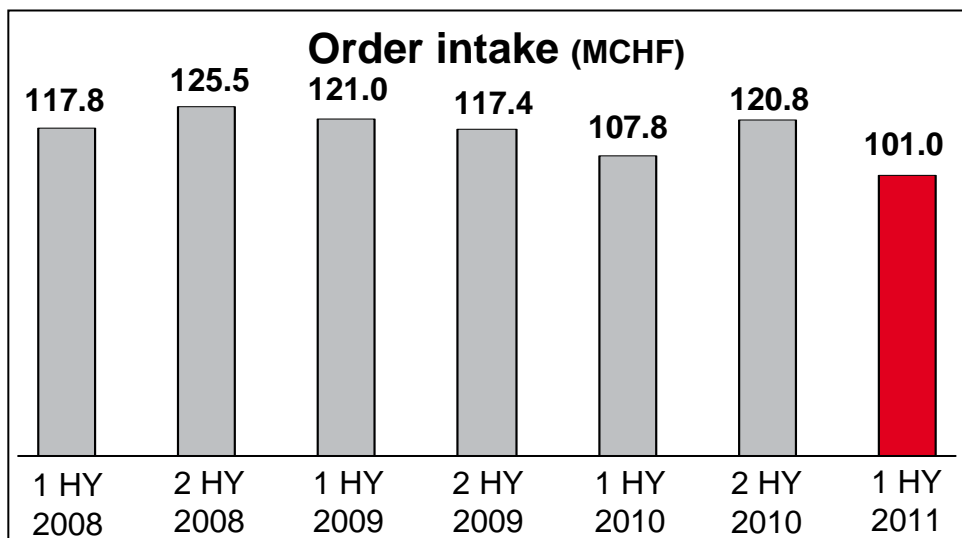
in MCHF	1.1.-30.6.11	1.1.-30.6.10	<i>Change in %</i>	
			<i>CHF</i>	<i>LOC</i>
Order intake	101.0	107.8	-6.3%	9.6%
Order backlog	124.4	148.8	-16.4%	2.2%
Net sales	105.4	105.2	0.2%	17.2%
EBITDA	7.3	3.7	97.3%	137.8%
EBIT	6.1	2.5	144.0%	208.0%
<i>EBIT margin</i>	5.8%	2.4%		
Employees (FTE)	901	869	3.7%	

- Substantial negative impact of strong CHF (mainly vs. USD) on all levels of P&L
- Reduced order intake
- Unchanged net sales
- Improved operating results due to reduced losses in HCS Europe, negative impact of higher legal costs
- Increased number of employees in line with growth in local currencies

KEY FIGURE DEVELOPMENT – HEALTHCARE SOLUTIONS

Chapter 2

Development Healthcare
Solutions



* Excl. one-time loss (1 HY 2010 MCHF 5.8; 2 HY 2010 MCHF 4.6; 1 HY 2011 MCHF 1.3)

IMPORTANT HCS ORDERS FIRST HALF-YEAR 2011

Chapter 2

Development Healthcare
Solutions

Order value > MCHF 1.0

AMTS

- Parkland Hospital, USA
- Sidra Medical Center, Qatar
- Abbott Northwestern, USA
- Ohio State University, USA
- Glasgow Hospital, UK

ADMS

- Modena Hospital, Italy
- Penn Medicine, USA
- Miskolc Hospital, Hungary
- Univ. Massachusetts Medical Center, USA
- Niguarda Hospital, Italy

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- Development Swisslog Group
- Development Healthcare Solutions
- **Development Warehouse & Distribution Solutions**
- Conclusion and outlook

WAREHOUSE & DISTRIBUTION SOLUTIONS – WHO WE ARE

Chapter 3

Development Warehouse & Distribution Solutions

- Leading provider of turnkey facilities featuring integrated solutions
- Solutions:
 - Automated materials handling within distribution centers and warehouses
 - Software and controls for automated distribution centers and warehouses
 - Technology support for installed base
- Focus industries:
 - Food & Beverage
 - Retail
 - Pharmaceuticals
- Product groups:
 - Pallet technology
 - Light goods technology
 - Warehouse management software
- Market outlook:
 - Expected market growth of 4-5%

WAL★MART



B | BRAUN

swisslog

A SELECTION OF WDS CLIENTS

Chapter 3

Development Warehouse & Distribution Solutions

Retail

WALMART

REWE

MIGROS

dm
HIER BIN ICH MENSCH
HIER KAUF ICH EIN

The Fresh Food People
WOOLWORTHS



IKEA

antals EM

LINDEX

Food & Beverage

Nestlé

ABSOLUT

Unilever

VELTINS

WALKERS

E.&J. Gallo Winery

COCA-COLA **CCA** **AMATIL**

FOSTER'S GROUP

Grolsch

Pharma

gsk GlaxoSmithKline

UNILAB

Roche

Pfizer

Baxter

AstraZeneca
INTERNATIONAL

B | BRAUN

Cilag

Other industries

L'ORÉAL
PARIS

MAMMUT

Canon

Gillette

SCA

P&G

LEGO

MARKET ENVIRONMENT – WAREHOUSE & DISTRIBUTION SOLUTIONS

Chapter 3

Development Warehouse &
Distribution Solutions

Competition

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

Economy

- Improved market conditions
- Economy expected to grow
- 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

Customers Demand

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

KEY FINANCIALS – WAREHOUSE & DISTRIBUTION SOLUTIONS

Chapter 3

Development Warehouse & Distribution Solutions

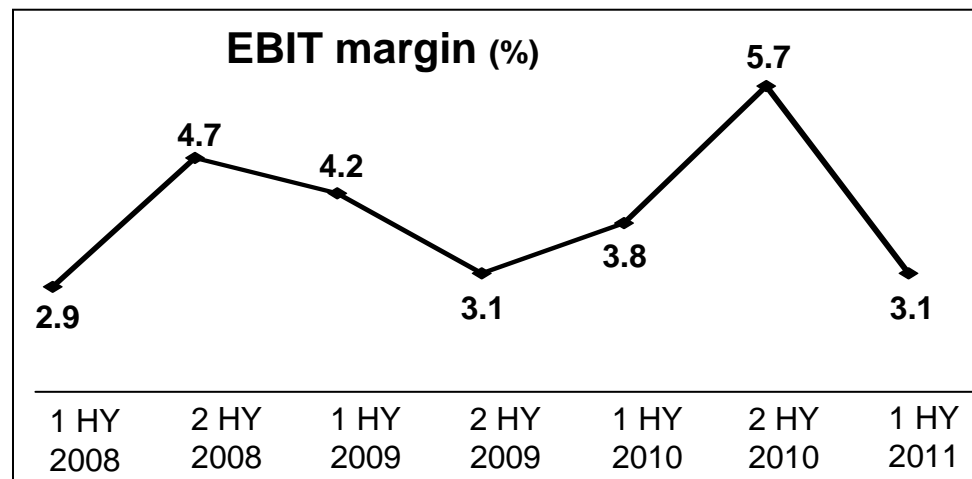
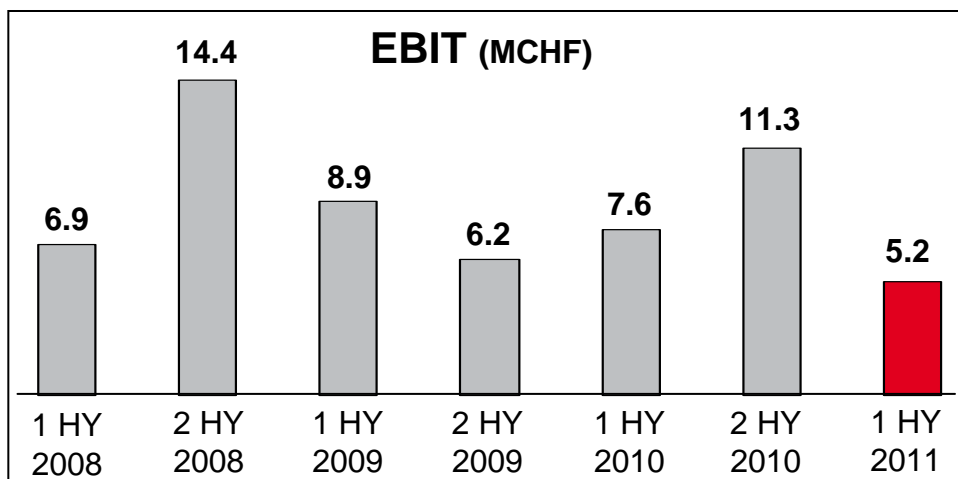
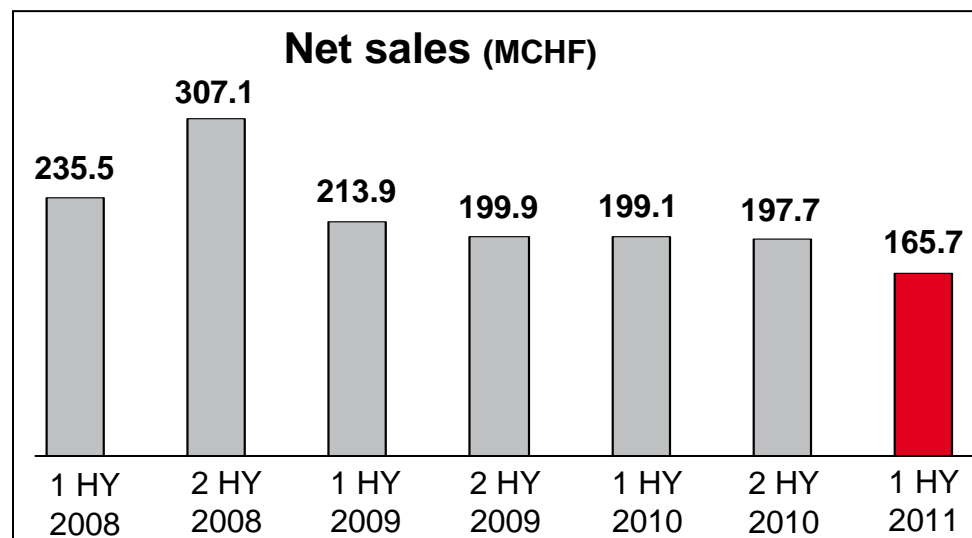
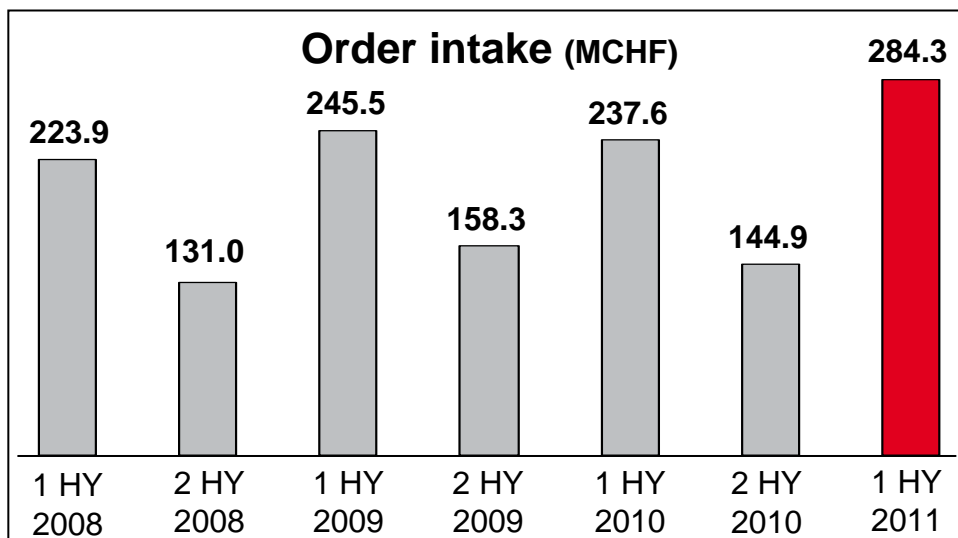
in MCHF	1.1.-30.6.11	1.1.-30.6.10	<i>Change in %</i>	
			<i>CHF</i>	<i>LOC</i>
Order intake	284.3	237.6	19.7%	32.7%
Order backlog	361.6	326.4	10.8%	22.0%
Net sales	165.7	199.1	-16.8%	-8.4%
EBITDA	7.9	10.1	-21.8%	-17.8%
EBIT	5.2	7.6	-31.6%	-26.3%
<i>EBIT margin</i>	3.1%	3.8%		
Employees (FTE)	1 150	1 167	-1.5%	

- Substantial negative impact of strong CHF on top lines of P&L
- Increased order intake due to major orders and growth in Customer Support
- Reduced net sales due to delayed order intake
- Reduced operating results due to lower net sales
- Reduced number of employees

KEY FIGURE DEVELOPMENT – WAREHOUSE & DISTRIBUTION SOLUTIONS

Chapter 3

Development Warehouse &
Distribution Solutions



IMPORTANT WDS ORDERS FIRST HALF-YEAR 2011

Chapter 3

Development Warehouse &
Distribution Solutions

Order value in MCHF

Order value	Food & Beverage	Retail	Pharma	Other industries
> 20	■ Norbert Dentressangle, Belgium	■ Gries Deco Company, Germany		
< 20	■ Surgital, Italy ■ PepsiCo, UK	■ Brodrene Dahl, Norway ■ Competec, Switzerland	■ Roche, Switzerland	■ Ninz, Italy ■ Fater, Italy

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Strategy

- Warehouse & Distribution Solutions: increase of own value added in customer projects
- Healthcare Solutions: expansion of footprint
 - Automated Materials Transport Systems: increase of market share through stronger market penetration in Europe and Asia
 - Automated Drug Management Systems: enlargement of product offering via acquisitions or cooperations
- Investment in innovation

Operations

- Full implementation of Simplicity (core process redesign)
- Increase of Customer Support business in both divisions
- Profitability improvement of HCS Europe
- Cost reductions of central functions in Switzerland

People

- Deepening of learning organization initiative

Conclusion

- Mixed results in demanding environment (late-cyclical industry)
- Negative currency translation effects on all levels of P&L
- Further progress in operational and strategic development
- Solid balance sheet

Outlook 2011 (based on today's currency levels and barring unforeseen events)

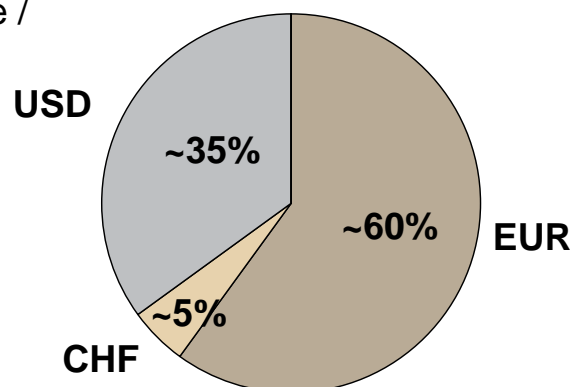
- More positive market conditions
- Order intake on previous year's level
- Net sales approx. 5-10% below previous year
- Operating result (EBIT) in target range of MCHF 17-20

Development of main currencies (average rates)

	30.06.2010	31.12.2010	30.06.2011	change in % 1HY 2011 / 2010
EUR	1.4370	1.3825	1.2701	-11.6%
USD	1.0831	1.0432	0.9055	-16.4%

Translation risk – not hedged

Split of order intake / net sales



Impact (based on exchange rates used for rest of 2011: EUR 1.09, USD 0.76)

- Order intake / net sales: approx. – 15-20%
 - EBIT: approx. – MCHF 6-7
- } for full 2011

Transaction risk – hedged

Internal net sales from product centers to customer organizations of approx. MCHF 50

Transaction risk – not hedged

Central functions in Switzerland with annual costs of approx. MCHF 25

1. **Swisslog – worldwide leader in logistics robots and automated distribution centers**

Swisslog is a worldwide leader in integrated logistics solutions for hospitals and complex, automated distribution centers.

2. **Innovative improvements in efficiency and quality for demanding clients**

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.

Renowned hospitals all over the world guarantee quality and patient safety with Swisslog's logistics systems.

3. Globally networked with local ties in Europe, North America and Asia

Swisslog's business units in Europe, North America and Asia/Pacific with a total of 2 000 employees generate net sales of MCHF 615 (2010) and an EBIT of MCHF 20.

The globally networked organizations allow Swisslog to leverage first-rate solutions and references for the benefit of its customers.

About a third of net sales stems from recurring, value-enhancing Customer Support business.

The flexible business model allows for quick adjustments to changing conditions in demand.

4. Strengthening top position in key markets, increase market share

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.

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.

EVENTS

Chapter 4

Conclusion & outlook

- 13 March 2012: 2011 Annual Result
- 18 April 2012: General Meeting of Shareholders
- 30 May 2012: Investor Day