2009 CONSOLIDATED FINANCIAL STATEMENTS OF SWISSLOG GROUP

Consolidated Balance Sheet

At 31 December	Note	2009 MCHF	2008 MCHF
ASSETS			
Property, plant and equipment	3	14.9	13.0
Goodwill	4	80.1	78.1
Other intangible assets	3	12.2	13.8
Deferred tax assets	12	5.4	6.0
Other assets	5	6.2	7.8
NON-CURRENT ASSETS		**118.8**	**118.7**
Inventories	6	22.9	26.4
Trade receivables	7	72.1	105.7
Amount due from customers for construction contracts	8	40.1	37.2
Income tax receivables		3.2	1.3
Prepaid expenses and accrued income	9	10.1	13.2
Other receivables		11.4	9.1
Marketable securities	10	0.4	12.3
Cash and cash equivalents	10	124.0	101.0
CURRENT ASSETS		**284.2**	**306.2**
TOTAL ASSETS		**403.0**	**424.9**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	11	2.5	2.5
Treasury shares	11	–1.7	–1.9
Share premium		80.3	80.1
Currency translation reserves		–48.8	–48.5
Retained earnings		128.9	116.2
Minority interest		0.1	0.1
EQUITY		**161.3**	**148.5**
Deferred tax liabilities	12	1.3	0.8
Other liabilities	13	8.4	9.5
NON-CURRENT LIABILITIES		**9.7**	**10.3**
Trade payables	14	59.4	65.6
Amount due from customers for construction contracts	8	92.5	98.0
Provisions	16	11.1	10.2
Income tax payables		2.6	4.4
Accrued expenses and deferred income	15	31.1	34.0
Convertible bonds	17	0.0	37.9
Other liabilities		15.2	16.0
Financial liabilities	18	20.1	0.0
CURRENT LIABILITIES		**232.0**	**266.1**
TOTAL EQUITY AND LIABILITIES		**403.0**	**424.9**

Consolidated Income Statement

1 January to 31 December	Note	2009 MCHF	2008 MCHF
CONTINUING OPERATIONS			
NET SALES		**649.9**	**786.1**
Other operating income		2.5	0.3
Material and service expenses	19	303.3	398.4
Personnel expenses	19, 20	240.7	256.7
Other operating expenses	19	68.9	90.2
Depreciation and amortization	3	11.1	5.8
OPERATING PROFIT (EBIT)		**28.4**	**35.3**
Financial income	21	4.1	9.4
Financial expenses	21	–8.4	–15.3
RESULT BEFORE TAX		**24.1**	**29.4**
Income taxes	12	–6.4	–11.5
RESULT CONTINUING OPERATIONS		**17.7**	**17.9**
RESULT DISCONTINUED OPERATIONS	1.28	**0.0**	**–6.7**
NET RESULT		**17.7**	**11.2**
Attributable to:			
Equity holders of the parent		17.7	11.2
EARNINGS PER SHARE	25	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

Consolidated Statement of Comprehensive Income

1 January to 31 December	2009 MCHF	2008 MCHF
NET RESULT GROUP	**17.7**	**11.2**
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**
Attributable to:		
Equity holders of the parent	17.4	–6.1

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

Consolidated Cash Flow Statement

1 January to 31 December	Note	2009 MCHF	2008 MCHF
CONTINUING OPERATIONS			
CASH FLOW FROM OPERATING ACTIVITIES			
Net result		17.7	17.9
Adjustment for:			
Income taxes	12	6.4	11.5
Depreciation and amortization	3	11.1	5.8
Net financial result	21	4.3	5.9
Change in pension liabilities		2.3	–1.7
Profit (–)/loss (+) from sales of tangible assets and investments[1]		0.0	–4.2
Share-based payments expense	20	0.2	0.1
Other non-cash transactions		–1.2	–3.3
Income taxes paid		–8.7	–7.5
CASH FLOW BEFORE WORKING CAPITAL CHANGES		**32.1**	**24.5**
Increase (–)/decrease (+) of:			
Inventories		3.9	1.1
Trade receivables, amount due from customers for construction contracts, prepaid expenses, 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**
NET CASH FLOW FROM OPERATING ACTIVITIES		**48.7**	**36.6**
CASH FLOW FROM FINANCING ACTIVITIES			
Investments in property, plant and equipment	3	–6.7	–5.5
Investments in intangible assets	3	–3.9	–8.6
Disposal of marketable securities		11.5	5.2
Disposal of property, plant, equipment and intangible assets		0.1	0.5
Cash outflow on acquisitions	1.27	–1.9	–4.9
Other assets[1]		0.0	21.4
Interest received		1.1	1.7
NET CASH FLOW FROM INVESTING ACTIVITIES		**0.2**	**9.8**
CASH FLOW FROM FINANCING ACTIVITIES			
Partial repurchase/repayment of convertible bonds	17	–39.2	–18.5
Fix cash credit	18	20.0	0.0
Interest paid	17	–1.7	–1.2
Other financial expenses paid		–0.9	–1.4
Dividend payment	26	–5.0	0.0
Sale (+)/purchase (–) of treasury shares		0.2	–1.9
NET CASH FLOW FROM FINANCING ACTIVITIES		**–26.6**	**–23.0**
CASH FLOW FROM DISCONTINUED OPERATIONS	1.28	**0.0**	**–0.4**
Currency translation differences on cash and cash equivalents		0.7	–2.3
NET INCREASE IN CASH AND CASH EQUIVALENTS		**23.0**	**20.7**
CASHS AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**101.0**	**80.3**
CASHS AND CASH EQUIVALENTS AT END OF YEAR	10	**124.0**	**101.0**

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

Consolidated Changes in Equity

MCHF	Note	Share capital	Share premium	Treasury stock	Retained earnings	Reserve for available-for-sale assets	Reserve for currency translation differences	Total	Minority interest	Total Equity
AT 31 DECEMBER 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**
Change in treasury stock	11			–1.9				–1.9		–1.9
Share-based payment	20		0.1					0.1		0.1
AT 31 DECEMBER 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**
Change in treasury stock	11			0.2				0.2		0.2
Share-based payment	20		0.2					0.2		0.2
Dividends	26				–5.0			–5.0		–5.0
AT 31 DECEMBER 2009		**2.5**	**80.3**	**–1.7**	**128.9**	**0.0**	**–48.8**	**161.2**	**0.1**	**161.3**

Foreign Currency Exchange Rates

			Income statement		Balance sheet	
Currency	Country	Unit	2009	2008	2009	2008
AUD	Australia	1	0.8557	0.9140	0.9271	0.7266
CNY	China	100	15.8842	15.4619	15.0807	15.3800
DKK	Denmark	100	20.2755	21.2348	19.9532	20.1210
EUR	Europe	1	1.5098	1.5858	1.4855	1.5026
GBP	UK	1	1.6965	1.9898	1.6636	1.5536
HKD	Hong Kong	100	14.0020	13.8185	13.2953	13.6122
MYR	Malaysia	100	30.7841	32.1714	30.0481	30.3200
NZD	New Zealand	1	0.6863	0.7645	0.7490	0.6121
NOK	Norway	100	17.3100	19.2037	17.8549	15.1200
PLN	Poland	100	34.9558	45.3050	35.1995	36.8080
SEK	Sweden	100	14.2405	16.4422	14.4535	13.5400
SGD	Singapore	1	0.7461	0.7608	0.7353	0.7321
USD	USA	1	1.0854	1.0757	1.0310	1.0553
ZAR	South Africa	100	13.0155	13.2417	13.9801	10.9600

Notes to the Consolidated Financial Statements

1. Consolidation and accounting principles

1.1 General information and changes to accounting principles

General information

Swisslog's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) and are in conformity with the Swiss law and the requirements of the SIX Swiss Exchange. The individual financial statements of the Group companies are the basis. The consolidated financial statements have been prepared under the historical cost convention, modified by balance-sheet positions measured at fair value. All figures included in the consolidated financial statements and notes to the consolidated financial statements are presented in CHF million (MCHF) and rounded to one decimal place after the comma except where otherwise stated.

Swisslog Holding AG is a Swiss public limited company domiciled in Buchs/Aarau.

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 2 March 2010. The approval of the consolidated financial statements by the shareholders will take place at the General Meeting of Shareholders as per 15 April 2010.

Accounting estimates

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates, which influence the published expenses and income, the assets and liabilities as well as the comments in the notes. Actual results could substantially differ from those estimated. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 1.25.

New standards and interpretations

a) Standards and interpretations effective in 2009:

IFRS 1 and IAS 27 (Amendments): Cost of an investment in a subsidiary, jointly controlled entity or associate (1 January 2009)
The first change relates to the first-time adoption of IFRS in the financial statements. The second change relates to group reorganizations where a new parent is inserted as an intermediate holding or above an existing parent of the group. These changes have no impact on the Group's consolidated financial statements.

IFRS 2 (Amendment): Share-based payment (1 January 2009)
The amendment clarifies that vesting conditions are either service conditions or performance conditions. Moreover, according to the amendment, a failure to satisfy a non-vesting condition that is with the control of the entity or the counterparty shall be accounted for as a cancellation. Swisslog Group has issued share plans in the reporting periods. However, this amendment has no impact on the Group accounts.

IFRS 7 (Amendment): Financial instruments-disclosure (1 January 2009)
The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements assigned to three levels of fair value measurement. Swisslog Group applies this amendment and discloses in the notes among the liquidity risks the new fair value measurement hierarchy.

IFRS 8: Operating segments (1 January 2009)
This standard replaces IAS 14 segment reporting and includes detailed disclosure requirements. The application of IFRS 8 did not lead to a disclosure of new reportable segments. Swisslog Group adopted the new disclosure requirements of the operating segment information. See Note 1.26 for further information.

IAS 1 (Amendment): Presentation of financial statements (1 January 2009)
The major change of this amendment concerns the presentation of all items of income and expenses directly recorded in equity in the new position "other comprehensive income"; transactions with the owners are still presented in the statement of changes in equity. Swisslog Group applies this amendment.

IAS 23 (Amendment): Borrowing costs (1 January 2009)
The amendment to the standard eliminates the option to capitalize borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset shall be capitalized. This amendment has no major relevance to the Group's consolidated financial statement as the Group has generally no qualifying assets for borrowing costs.

IAS 32 and IAS 1 (Amendments): Puttable financial instruments and obligations arising on liquidation (1 January 2009)
These amendments provide a short-term and practical solution, which allows entities to recognize their capital as equity rather than as financial liabilities. Since Swisslog Group has currently no such instruments these amendments have no impact on the Group accounts.

IFRIC 9 and IAS 39 (Amendments): Remeasurement of embedded derivatives (30 June 2009)
These amendments require an assessment whether an embedded derivative must be separated from a host contract when a hybrid financial asset is reclassified out of the fair value through profit or loss category to another category. Since Swisslog Group has currently no such financial assets these amendments have no impact on the Group's consolidated financial statements.

IFRIC 13: Customer loyalty programs (1 July 2008)
Customer loyalty programs are customer rewards and should provide incentives for further sales. IFRIC 13 deals with the recognition of such customer rewards and has no material impact for the Group.

IFRIC 15: Agreements for the construction of real estate (1 January 2009)
So far, real estate developers applied different approaches for the accounting of real estate developments. Some recorded the earnings in accordance with the percentage-of-completion method (IAS 11) while others realized the profits at the time when a real estate has been finished and transferred to the buyer (IAS 18). This interpretation provides guidance about applying IAS 11 and IAS 18, respectively. Swisslog Group records its projects, including real estate construction, in accordance with the percentage-of-completion method. This interpretation has therefore no material impact on the Group's consolidated financial statements.

IFRIC 16: Hedges of a net investment in a foreign operation (1 October 2008)
According to IAS 39 an entity can hedge foreign exchange gains and losses on a net investment in a foreign operation. This interpretation provides further clarification on how to proceed when hedging a net investment in a foreign operation. As Swisslog Group does not hedge the translation risk of foreign operations this interpretation has no relevance to the Group's operations.

Improvements to IFRS: In May 2008 the IASB issued a compound standard comprising changes to various existing standards in order to eliminate inconsistencies and to clarify formulations. This compound standard stipulates for each changed standard an individual transition phase. The application of these changes, which became effective in 2009, has no significant impact on the Group's consolidated financial statements.

b) Standards and interpretations not yet effective:
These will be applied by the Swisslog Group when they become effective, if they are relevant for the Swisslog Group. No standards or interpretations have been early adopted.

IFRS 1 (Amendment): Additional exemptions for first-time adopters (1 January 2010)
The amendment provides additional exemptions from full retrospective application of IFRS for the measurement of oil and gas assets and leases. These changes will have no impact as Swisslog Group is already reporting in accordance with IFRS.

IFRS 2 (Revised): Group cash-settled share-based payment transactions (1 January 2010)
The revised standard provides guidance about the accounting of share-based payments in case an entity of a group receives goods or services while another entity of the group has the obligation for this cash-settled share-based transaction. Since Swisslog Group had no such transaction so far, no material impact on the consolidated financial statements is expected.

IFRS 3 (Revised): Business combinations (1 July 2009)
The revised standard introduces several changes such as the choice to measure the non-controlling interest in the acquiree either at fair value or at its proportionate interest in the acquiree's net assets, the accounting for additional acquisitions of non-controlling interests as well as the treatment of transaction costs. Swisslog Group will apply these amendments but expects no material impact on the Group accounts.

IFRS 9: Financial instruments (1 January 2013)
This first phase in the project to replace IAS 39 shall divide all financial instruments that are currently in the scope of IAS 39 into two classifications – those measured at amortized costs and those measured at fair value. The classification is made at the time the financial instrument is initially recognized. Swisslog Group will apply this standard but expects no material impact on the consolidated financial statements.

IAS 24 (Revised): Related party disclosure (1 January 2011)
The revised standard provides exceptions to the disclosure for government-related companies and further definitions of a related party. Swisslog Group is not government-related and expects no material impact on the Group accounts from the revised definitions.

IAS 27 (Revised): Consolidated and separate financial statements (1 July 2009)
The major change in the revised standard considers changes in a parent's ownership interest in a subsidiary: If the change does not result in a loss of control, it will be accounted for as an equity transaction. Swisslog will adopt these amendments but expects no material impact on the consolidated financial statements.

Amendment of IAS 32: Classification of rights issues (1 February 2010)
The amendment shall clarify the classification of rights issues denominated in a foreign currency different to the functional currency of the company. Swisslog Group has no rights issues denominated in a foreign currency and expects from this amendment no impact on the consolidated financial statements.

Amendment of IAS 39: Eligible hedged items (1 July 2009)
The amendment provides clarity about the designation of only a part of the cash flows or of the fair value of a financial instrument as a hedged item. Since the Group performs no hedge accounting according to IAS 39, this amendment is not expected to have a material impact on the consolidated financial statements.

IFRIC 14 (Amendment): Prepayments of a minimum funding requirement (1 January 2011)
The amendment applies in limited circumstances when an entity is subject to minimum funding requirements and performs an early payment of contributions to the defined benefit plan to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. Swisslog Group has no material prepayments and expects from this amendment no impact on the Group accounts.

IFRIC 17: Distribution of non-cash assets to owners (1 July 2009)
The interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. Swisslog Group expects no impact on the Group accounts from this interpretation.

IFRIC 18: Transfer of assets from customers (1 July 2009)
This interpretation is applicable for all assets which are transferred from customers to an entity. Since no assets are transferred from customers to the Swisslog Group this interpretation is not expected to have a relevance to the consolidated financial statements.

IFRIC 19: Extinguishing financial liabilities with equity instruments (1 July 2010)
This interpretation clarifies the valuation and accounting, if equity instruments are issued for the extinction of financial liabilities. Swisslog Group expects no impact on the Group accounts from this interpretation.

Improvements to IFRS: In April 2009 the IASB issued a compound standard comprising changes to various existing standards in order to eliminate inconsistencies and to clarify formulations.

1.2 Consolidated companies and principles of consolidation

The consolidated financial statements include Swisslog Holding AG and its subsidiaries. The subsidiaries are those companies controlled, directly or indirectly, by Swisslog Holding AG, where control is defined as the power to govern the financial and operating policies. This control is normally evidenced when Swisslog Holding AG owns, either directly or indirectly, more than 50% of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the acquisition date. The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. The list of consolidated companies is presented on page 74.
The purchase method is used to account for acquisition of subsidiaries by the Group. Intragroup transactions, balances and unrealized gains on transactions between Group companies are eliminated.
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost.

1.3 Foreign currencies

The functional currency of each Swisslog company is the currency of the primary economic environment in which the entity operates. Assets (incl. goodwill denominated in foreign currencies) and liabilities of the foreign Group companies and balance-sheet items in foreign currencies are translated at the closing exchange rate on the balance-sheet date. Income and expenses are translated at the average annual exchange rate according to the table on page 37. Differences arising from the exchange of transactions or balance-sheet items in foreign currencies are recorded in the income statement. Unrealized differences resulting from the translation of long-term loans to Group companies and differences arising from the translation of foreign affiliate statements are recorded directly in equity. The accumulated translation differences are recycled from equity to the income statement at the time of disposal of a foreign subsidiary.

1.4 Property, plant, equipment and leasing

Property, plant and equipment are measured at cost less accumulated depreciation. Costs include the purchase price plus directly related costs which occur for bringing the asset to the location and in condition necessary for it to be capable of operating in the manner intended by management. Property, plant and equipment are depreciated over the estimated useful life using the straight line method, i.e. 25 to 50 years for buildings, 3 to 15 years for plant and machinery (mostly 5 to 8 years) and 3 to 10 years (mostly 3 to 5 years) for office machinery and fittings including computer hardware. Property, plant and equipment are excluded from the financial statements at the time of disposal. Profit or loss resulting from the disposal of property, plant and equipment is shown in the income statement.
The estimated useful life of the assets is regularly reviewed and, if necessary, the future depreciation charge is accelerated. An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.
Leased assets in which substantially all the risk and rewards are transferred to the Group are classified as financial leases. Finance lease agreements are reported at the fair value of the leased objects or if lower at the present value of the minimum lease payments. The corresponding financial lease liabilities are shown as liabilities according to their term of maturity at their present value less repayments calculated by the annuity method. As per end of 2009 Swisslog Group has no substantial finance lease agreements, but discloses operating leases which are recognized as operating expenses in the income statement.

1.5 Intangible assets

Swisslog classified its intangible assets into three categories:

a) Goodwill
Goodwill represents the excess of the cost of an acquisition over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities at the time of the acquisition. The participation in the capital is based on the held shares of the acquired subsidiary. Negative goodwill (badwill) is fully recorded in the income statement at the time of the acquisition. Goodwill, allocated to the cash-generating units, is not amortized, but tested annually and in case of impairment, evaluated for its recoverability. The cash-generating units correspond with the operating segment according to the segment reporting (see Note 1.26). Where an impairment exists, the carrying amount is written down immediately to its recoverable amount; the recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Impairment losses recognized for goodwill are not reversed in subsequent periods.

b) Development expenses
Expenses incurred on development projects are capitalized to the extent they fulfil certain criteria such as technical feasibility and availability of adequate resources, if the Group's intention is to finalize the product and to use or sell it, if the Group will generate future economic benefit and the costs can be measured reliably. Recognized development costs are amortized over their estimated useful life (not exceeding 5 years) using the straight line method. In the time before the commencement of the commercial use of the product, the assets are tested for impairment annually. Research and other development costs are recognized as expenses as incurred. The capitalized development costs as per balance-sheet date mainly include internally developed software with a limited useful life.

c) Other
Licenses, software, patents, trademarks and similar rights are recognized at cost less accumulated amortization. Amortization is calculated using the straight line method over the estimated useful life not exceeding 20 years. If a shorter period is justified by economic considerations, the term for amortization is reduced accordingly.
No intangible assets with an indefinite useful life exist as per the balance-sheet date except goodwill.

1.6 Financial instruments

The Group designates its financial instruments into the following five categories. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial instruments at initial recognition and reviews it at each balance-sheet date. Note 23 includes the overview of the existing financial instruments at Swisslog Group split into categories and classes.

a) Financial assets at fair value through profit or loss
This designation is split into two subcategories: financial assets held for trading, and those designated at fair value through profit or loss at inception (fair value option). A financial instrument that is acquired principally for the purpose of generating a profit from short-term fluctuations in price is classified as financial assets held for trading and is included in current assets. The marketable securities are designated at fair value through profit or loss at inception. The designation is in line with the documented risk management and the strategic asset allocation of the Group. Swisslog Group uses derivatives mainly for hedging currency risk from future cash flows which arise from the project business. No hedge accounting is applied and gains or losses are directly recognized in the income statement.

b) Held-to-maturity
Financial instruments with fixed maturity that management intends and has the ability to hold to maturity are classified as held-to-maturity financial instruments and are included in non-current assets, unless the repayment is due within 12 months after the balance-sheet date. Swisslog Group has no held-to-maturity financial instruments as per the balance-sheet date.

c) Loans and receivables
Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading with the receivable. They are measured at amortized costs and are included in current assets, except for maturity exceeding 12 months after the balance-sheet date which are classified as non-current assets.

d) Available-for-sale
Available-for-sale financial instruments are non-derivative financial assets which are either designated as available-for-sale financial instruments or which are not designated to any of the other categories; furthermore, there is no intention of trading with these financial instruments. They are included in non-current assets unless management has the clear intention to sell them within 12 months after the balance-sheet date. Swisslog Group has no available-for-sale financial instruments as per balance-sheet date.

e) Other liabilities
Included in this category are non-derivative financial instruments which present an obligation for a future cash payment and where there is no intention of trading with them.

Purchases and sales of financial instruments are recognized on the trade date, which is the date that the Group commits to purchase or sell an asset. At the initial recognition, financial assets and liabilities are recorded at fair value including transaction costs directly attributable to the acquisition of the financial instrument. Transaction costs for financial assets are not added to the purchase price. Financial assets at fair value and available-for-sale financial instruments are subsequently measured at fair value, whilst held-to-maturity financial instruments, loans and receivables and other liabilities are measured at amortized cost using the effective yield method. Realized and unrealized gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in the income statement in the period in which they arise. Unrealized gains and losses of available-for-sale financial instruments are recorded in equity; for sale or impairment of available-for-sale financial instruments, the accumulated fair value adjustments in equity are recycled to the income statement.
The fair value of financial assets is based on current market prices. The valuation is based on different levels depending on the availability of market data. Note 23c shows the allocation of the financial assets measured at fair to the three levels of the fair value measurement hierarchy: in the first level the fair value is based on publicly quoted prices from an active market as per balance-sheet date (e.g. share prices from an active stock exchange). In the second level the fair value valuation is based on observable input factors – either directly or indirectly – whereas in the third level the valuation is derived from non-observable input factors (e.g. DCF valuation based on business plans from the management). The face value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments. There were no transfers between level 1, level 2 and level 3 in the reported year.

1.7 Inventories
Inventories are stated at the lower of cost or net realizable value. Manufacturing costs comprise individual material and production costs and production overheads. Cost is determined on the basis of weighted average cost calculation.

1.8 Trade receivables
Trade receivables are measured at amortized cost less allowances. Doubtful accounts are individually measured and impaired. Indications for impairment are: substantial financial problems of the customer, a declaration of bankruptcy or a likely financial reorganization, or a material delay in payment. The amount of the provision is the difference between the asset's nominal amount and the net present value of estimated future cash flows and is recognized in the income statement within other operating expenses. When a trade receivable is uncollectible, it is written off against the allowance.

1.9 Construction contracts
Construction contracts are medium- to long-term orders which are generally based on fixed-price contracts. Construction contracts are recognized using the percentage-of-completion method. Sales, manufacturing costs and gross profit are included in the financial statements on the basis of the proportion of cumulated manufacturing costs to the total estimated manufacturing costs – the stage of completion – up to the customer's final acceptance (completion). Regular progress statements about the stage of completion are obtained from the suppliers and included as cost accruals in the cumulated manufacturing costs. Each individual project is either classified as current asset or as current liability depending on the financing ratio. Identifiable losses are immediately recognized to the extent that manufacturing costs, including expected costs for warranties, guarantee work and subsequent work, up to the expiration of the warranty period exceed the contract price and are recognized in the amount due to and from customers for construction contracts, respectively.

1.10 Other current assets and liabilities
Other receivables and tax receivables are measured at their net realizable value. Prepaid expenses are measured at the lower of purchase cost or realizable value. Other short-term liabilities, accrued expenses and deferred income comprise liabilities with a maturity of less than 1 year; these are recognized at fair value. The valuation of the financial instruments within these positions is described in Note 1.6.

1.11 Cash and cash equivalents, marketable securities
Cash and cash equivalents include cash on hand, postal and bank balances plus money at call and term deposits with an initial maturity of less than 3 months shown at fair value.
Marketable securities (held for trading) comprise all securities which can be readily converted into cash, including money market investments with an initial maturity of 3 to 12 months. These are measured at fair value through profit or loss at inception. Changes of the fair value of cash, cash equivalents and marketable securities are recognized in the income statement.

1.12 Equity
The registered shares of Swisslog Holding AG are classified as equity. Treasury shares and incremental costs directly attributable to the issue of new shares are shown in equity as a deduction. Dividends are deducted from the equity in the period in which they were approved.

1.13 Convertible bonds
The convertible bonds have been discounted using a market interest rate for equivalent non-convertible bonds at the time of the issuance; the discounted value is recorded as liability and is annually recorded as accretion expense on an amortised cost basis until maturity of the bonds. The difference between the discounted value and the nominal value has been recorded in the equity at the time of the issuance. According to IAS 39, the convertible bonds are designated as other liabilities (see Note 23a). At a partial repurchase of the convertible bonds the difference between the carrying amount in the non-current liabilities and the repurchase price is recorded as financial expense. All conversion rights of the convertible bonds were extinguished as per 4 July 2005; up to that date no conversion rights had been exercised. The outstanding amount of the convertible bonds has been completely repaid as per 31 December 2009.

1.14 Liabilities
Other non-current liabilities include the obligations from employee benefits based on defined benefit plans (see Note 1.21) and are not considered as financial instruments according to IAS 39. Trade payables include liabilities with a residual term of less than one year.

1.15 Provisions and contingent liabilities
Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are classified as short-term when their usage is expected to occur within the usual operating cycle.
Provisions for product warranties are made to the extent of the expected outflow of resources. For costs that are expected to arise in connection with plant closures, the disposal of companies or business units and restructurings, provisions are made at the time of approval and the public announcement of the planned measures.
A contingent liability is reported, unless the possibility of any outflow of resources in connection with a liability is remote.

1.16 Order intake
Order intake is reported based on firmly agreed customer orders. Frame agreements are not shown as order intake whereas firm volume commitments based on frame agreements are reported as order intake.

1.17 Order backlog
Order backlog is calculated as order backlog at year-end of the previous year plus order intake of the current year minus net sales of the current year.

1.18 Revenue recognition
Revenue from construction contracts is based on the percentage-of-completion (POC) method (see Note 1.9). Maintenance revenue and interest income are recognized on a time–proportion basis. Dividend income is recognized when the right to receive payment is established.
Revenue from the sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue includes the invoiced value for the sale of goods or services net of value-added tax, rebates and discounts.

1.19 Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset shall be capitalized. No borrowing costs are capitalized at Swisslog Group since in general no assets are constructed for their own use.

1.20 Income taxes
Income taxes include paid or accrued income taxes on the relevant earnings of the individual companies, calculated in accordance with tax legislation in the respective countries.
Deferred tax liabilities are based on temporary differences between the carrying amount of an asset or liability in the balance-sheet and the tax base according to IAS 12. Deferred taxes are calculated on the basis of tax rates valid at closing date or on the basis of already announced changes of tax rates which apply to the period when the asset will be realized or the liability will be settled. Deferred tax assets exceeding recognized deferred tax liabilities within the same taxable entity are recognized to the extent that it is probable that the enterprise will have sufficient taxable profit available in following periods. Deferred tax assets are recognized for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized or to the extent that the individual enterprises have sufficient taxable temporary differences. No deferred taxes are recognized for the temporary differences arising from investments in subsidiaries and associates, if it is probable that the temporary differences will not reverse in the foreseeable future. Deferred taxes are reported under non-current assets and liabilities.

1.21 Employee benefits
Swisslog Group operates mainly defined benefit pension schemes but also defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions, if the fund does not hold sufficient assets to pay all employees the benefits relating to the employee service in the current and prior periods. All other pension plans are classified as defined benefit plans.

a) Defined benefit plans
Current and former employees receive benefits and pensions based on the corresponding national and private statutory schemes. Future liabilities are calculated using actuarial methods. For service-based pension plans the present value of the entitlement (defined benefit obligation) is calculated based on length of service, anticipated growth in wages and salaries and adjustments to pensions (projected unit credit). The plan assets are measured at fair value. The net liability (other non-current liability) and the net asset (other assets), respectively, represents the defined benefit obligation less the fair value of the plan assets, adjusted for unrecognized actuarial gains or losses (see Note 5 and 13). Annual pension costs calculated according to actuarial principles (net periodic costs) are shown, net of employee contributions, including past pension costs (past service costs) in the income statement. Plan amendments, curtailments and settlements are recognized in the income statement. Actuarial gains and losses are accounted for over the average remaining working-period of the employee, if they exceed the 10% corridor.

b) Defined contribution plans
The Group's contributions to defined contribution plans are charged to the income statement in the period to which the contributions relate.

c) Share-based compensation
Swisslog Holding AG has employee share matching plans to a limited number of participants. These plans start on 1 July (grant date), the first time as per 1 July 2008. The shares are measured at fair value at the time of the grant date. The estimated number of shares to be vested over the vesting period of three years is revised at each balance-sheet date. The expense is based on the estimated number of vesting shares, multiplied with the share price at the grant date, and is recorded on a pro-rata basis in the consolidated income statement over the vesting period and is included in the personnel expenses.

1.22 Related parties

A party is related to the Group, if the party controls the Group directly or indirectly or has a significant influence over the Group. The related parties of the Group consist of the Board of Directors, the executive management, pension plans and shareholders with 5% or more of the votes of Swisslog Holding AG.

1.23 Risk management

a) Group risks

The material strategic, operational and financial risks of the Group are covered by the Executive Committee annually on the occasion of the business plan process and are detailed in a Risk Map. The risks are reviewed, updated and completed on the occasion of the budgeting process. Risks are categorized into their likelihood of occurrence and their potential financial impact (outflow of resources and/or effect on the income statement). For each listed risk, prevention or mitigation measures are defined as well as responsibilities and the monitoring of developments are arranged. The Board of Directors approves the Risk Map established by the Group management on an annual basis. Further information about the risk management process is disclosed in Note 27.

b) Financial risk factors

The Group's activities are exposed to a variety of financial risks, including the effects of changes in debt and in equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. The Group selectively uses derivative financial instruments such as forward foreign exchange contracts solely for the purpose of hedging economical exposures without applying hedge accounting according to IAS 39. Risk management is carried out by the corporate finance department (Group Treasury) in co-ordination with the subsidiaries. All transactions are executed under policies approved by the Board of Directors.

(i) Foreign exchange risk

The Group operates globally. The subsidiaries are instructed to hedge material foreign exchange risks arising from future project cash flows with Group Treasury. Group Treasury guarantees its subsidiaries foreign exchange rates throughout the project duration and hedges these risks with forward foreign exchange contracts at external financial institutions. The main exposure to foreign exchange is with EUR, NOK, SEK and USD. The exposure on the financial instruments is disclosed in Note 23b. If the foreign exchange rates during 2009 had not changed compared to the year 2008, the financial situation would have developed as following in 2009:

	2009 (in MCHF)	2009 at unchanged foreign exchange compared to 2008 (in MCHF)	Deviation	
			Absolute (in MCHF)	In %
Order intake[1]	642.0	670.2	28.2	4.4
Order backlog[1, 2]	446.4	434.0	−12.4	−2.8
Net sales[1]	649.9	675.6	25.7	4.0
EBIT[1]	28.4	28.4	0.0	0.0

1 Continued operations
2 At period-end

If the foreign exchange rates had not been changed in the year 2008 compared to the previous year 2007, the financial situation would have developed as following in 2008:

	2008 (in MCHF)	2008 at unchanged foreign exchange compared to 2007 (in MCHF)	Deviation	
			Absolute (in MCHF)	In %
Order intake[1]	598.0	639.3	41.3	6.9
Order backlog[1, 2]	445.6	494.6	49.0	11.0
Net sales[1]	786.1	835.0	48.9	6.2
EBIT[1]	35.3	38.1	2.8	7.9

1 Continued operations
2 At period-end

Customer projects, net working capital and short-term loans: The Group uses foreign exchange hedging instruments, transacted with the banks, to hedge exposure to foreign currency risks. Hedges are done, once the contract with the customer has been signed. Additionally, the Group hedges the foreign currency exposure of its contract commitments to purchase certain production parts in the currency of the projects.
Net assets incl. long-term loans: The Group has a number of investments in foreign subsidiaries whose net assets are exposed to currency translation risk. Currency exposures to the net assets of the Group's subsidiaries are not hedged.

(ii) Interest rate risk

The Group's net results and operating cash flows are substantially independent of changes in market interest rates. The Group has interest-bearing assets and the credit facility used as per 31 December 2009 at fixed rates. Excess cash is invested in different products of the capital market (see Note 10) in accordance with policies approved by the Board of Directors and is regularly monitored by the investment board (consists of CFO and responsible persons from the treasury department). The amount within the position cash and cash equivalents in the year 2009 represents call money and is not exposed to interest rate risk. The financial asset designated as available-for-sale at the beginning of the year 2008 has been sold as per 25 April 2008. Under the marketable securities in the year 2008 was a credit letter in the amount of MCHF 9.0 , whose price is independent from the interest rate risk. No interest rate sensitivity is disclosed as the share of financial instruments exposed to interest rate risk is not material.

(iii) Price risk

Swisslog Group's exposure to the price risk is minimal since the financial assets at fair value through profit or loss (within the position marketable securities) have been sold in the year 2009 (2008: MCHF 0.7). These investments included shares publicly traded at the SIX Swiss Exchange.

(iv) Credit risk
Credit risk may arise from cash and cash equivalents, deposits with banks and from trade receivables. Cash transactions among contractual parties are limited to financial institutions with sound credit ratings. The Group normally has no significant concentrations of credit risk on the loans and receivables. Occasionally big construction contracts can result for a short time in an increase of the credit risk. Due to the different sizes of projects the Group has not issued generally accepted credit limits for customers. However, the credit quality of the customers is systematically monitored. Additionally, customers usually perform a pre-financing of the project; therefore, the credit risk exposure of the Group is further minimized.

(v) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash in order to secure the daily operations of the Group and the readiness to pay, respectively. Therefore, a rolling liquidity forecast for six months based on the expected cash flows is retrieved from the subsidiaries and aggregated at Group level on a biweekly basis. It further estimates arising changes of cash flows from the project business. The rolling liquidity forecast builds the basis for the allocation of the cash within the Group. The liquidity forecast is intended to avoid short-term funding from the money or capital market as much as possible. All financial liabilities mature within 12 months. As per balance-sheet date the situation about the available liquidity is as following:

Liquidity reserves and credit facilities	2009	2008
Cash and cash equivalents	124.0	101.0
Marketable securities (with maturity below one year)	0.4	12.3
Committed credit facilities	36.2	26.8
thereof used	–20.1	0.0
Total liquidity and unused credit facilities	140.5	140.1
Committed guarantee lines	80.0	100.0
thereof used	75.6	58.1

c) Accounting for derivative financial instruments and hedging activities
Derivative financial instruments are initially recognized in the balance-sheet at cost and are subsequently remeasured at their fair value (see Note 1.6). The method of recognizing the resulting gain or loss depends on the nature of the item being hedged. On the date a derivative contract is entered into, the Group designates certain derivatives as either (1) a hedge of a forecasted transaction or of a firm commitment (cash-flow hedge) or (2) a hedge which does not qualify for hedge accounting.

1.24 Capital management

Swisslog Group's objectives when managing its capital are the Group's ability to continue as a going concern, to provide adequate returns for the shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Group monitors the capital structure mainly by adherence to its covenants from the guarantee facilities (see explanation in Note 16.2); these require among other things a minimum equity of MCHF 140.0 and a maximum adjusted net debt factor of 2.5 of EBITDA.

1.25 Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will – by definition – seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the balance-sheet within the next financial year are discussed below:

a) Goodwill
Goodwill defined as intangible asset with an indefinite lifetime is at least annually tested for impairment. These calculations require an estimate of the future cash flows of the cash-generating units to which goodwill has been allocated. Especially wrong estimates and assumptions for the value-in-use calculations of the goodwill might lead to revised assessments of the recoverability (see Note 4).

b) Construction contracts and project-related provisions
The accounting for construction contracts according to the percentage-of-completion method requires a reliable determination of the project progress and the related costs. The manufacturing costs incurred to date are set in proportion to the total estimated costs which will incur up to the customer acceptance of the project. Provisions for closed construction contracts are recognized when the manufacturing costs including costs for warranty exceed the sales price of the project. Thereby, the valuation of each project is periodically analyzed and updated by internal project risk reviews (see Note 8).

c) Provisions and contingent liabilities
Provisions and contingent liabilities are recorded and disclosed, respectively, if the requirements (see Note 1.15) thereto are fulfilled. The probability of an outflow of resources is based on periodical assessments by the management and can materially deviate in subsequent periods (see Note 16).

d) Income taxes
As per balance-sheet date, the Group has recognized deferred tax assets on tax loss carryforwards (Note 12.3). The recognition is based on the estimated future positive development of the profits.

1.26 Segment information

The operating segments are reported to the chief operating decision-maker consistent to the internal report. The Swisslog Excecutive Committee (SEC) has been identified as the chief operating decision-maker. The SEC monitors the performance of the operating segments and decides about the allocation of resources. No operating segments are aggregated for the segment information. Transactions between the operating segments are carried out at standard market conditions. Since the measurement basis of the segment information is identical to the consolidated financial statements no reconciliation is required. The headquarter comprises of central management and service functions.
The Group distinguishes between the following operating segments as their activities show different risks and rewards and dissimilar markets are served:

Warehouse & Distribution Solutions (WDS)
Delivers industry-specific solutions for automated, semi-automated and manual warehouses and distribution centers. Provides consulting services, software solutions, logistic equipment, general contracting, implementation and lifetime support.

Healthcare Solutions (HCS)
Offers logistics automation for the movement and processing of materials and medications within and throughout healthcare facilities. The scope of services ranges from consulting, design, manufacturing and installation through lifetime customer support.

1.27 Changes in consolidation scope

In 2009 the consolidation scope changed due to the acquisition of the following company:

	Segment	Since	Equity Interest
EVOMATIC Engineering Solutions GmbH, Austria	Warehouse & Distribution Solutions	23 April 2009	100%

After the acquisition EVOMATIC Engineering Solutions GmbH has been renamed to Swisslog Evomatic GmbH. As per 23 April 2009 Swisslog Group acquired 100% of the shares of Swisslog Evomatic GmbH, Austria. The purchase consideration amounted to MCHF 2.7. The acquired goodwill consists primarily of anticipated synergy potential between Swisslog Evomatic GmbH and the Swisslog Warehouse & Distribution Solutions division.

Effect of acquisition

MCHF	Acquiree's carrying value	Fair value
Intangible assets	0.7	0.7
Other receivables and accrued receivables	0.1	0.1
Other liabilities	–0.6	–0.6
NET ASSETS ACQUIRED		**0.2**
Goodwill		2.5
TOTAL PURCHASE CONSIDERATION		**2.7**

DETAILS OF PURCHASE CONSIDERATION		
Purchase price		2.6
Direct cost related to the acquisition		0.1
TOTAL PURCHASE CONSIDERATION		**2.7**
Deferred cash payment		0.8
CASH OUTFLOW ON ACQUISITION, NET		**1.9**

If Swisslog Evomatic GmbH had been acquired on the first day of the business year 2009, Swisslog Group would have posted MCHF 649.9 in consolidated net sales (unchanged) and an operating profit (EBIT) of MCHF 28.5 in 2009. The acquired business contributed an operating profit (EBIT) of MCHF –1.0 for the period of 23 April 2009 to 31 December 2009. The pension plan of Swisslog Evomatic GmbH qualifies as a defined contribution plan according to IAS 19.

In 2008 the consolidation scope changed due to the acquisition of the following company:

	Segment	Since	Fair value
Swisslog Ergotrans B.V. (Netherlands)	Healthcare Solutions	18 April 2008	100%

Ergotrans B.V. has been renamed to Swisslog Ergotrans B.V. after the acquisition.

As per 18 April 2008 Swisslog Group acquired 100% of the shares of Swisslog Ergotrans B.V., Netherlands. The purchase consideration amounted to MCHF 5.3. The acquired goodwill consists primarily of anticipated synergy potential between Swisslog Ergotrans B.V. and the Swisslog Healthcare Solutions division.

Effect of acquisition

MCHF	Acquiree's carrying value	Fair value
Property, plant and equipment	0.2	0.2
Inventories	0.5	0.5
Trade receivables	0.9	0.9
Amount due from customers for construction contracts	0.6	0.6
Prepaid expenses and accrued income	0.3	0.3
Cash and cash equivalents	0.4	0.4
Trade payables	–0.4	–0.4
Amount due to customers from construction contracts	–0.5	–0.5
Provisions	–0.1	–0.1
Accrued expenses and deferred income	–0.3	–0.3
Other liabilities	–1.0	–1.0
NET ASSETS ACQUIRED		**0.6**
Goodwill		4.7
TOTAL PURCHASE CONSIDERATION		**5.3**

DETAILS OF PURCHASE CONSIDERATION		
Purchase price		5.2
Direct cost related to the acquisition		0.1
TOTAL PURCHASE CONSIDERATION		**5.3**
Cash and cash equivalents in subsidiary acquired		–0.4
CASH OUTFLOW ON ACQUISITION, NET		**4.9**

If Swisslog Ergotrans B.V. had been acquired on the first day of the business year 2008, Swisslog Group would have posted MCHF 786.5 in consolidated net sales and an operating profit (EBIT) of MCHF 35.2 (continued operations). Swisslog Ergotrans B.V. achieved an operating profit of MCHF 0.6 for the period from 18 April 2008 to 31 December 2008.

Page 74 "Subsidiaries and investments of Swisslog Group" provides an overview of the Group companies as per 31 December 2009.

1.28 Discontinued operations

As per 15 December 2008 Swisslog Group signed an agreement to sell the operating activities of the division Consulting Services/Wassermann to its management. The two former managing directors of the division Consulting Services/Wassermann, which is located in Munich, acquired the operating activities in the form of a management buyout (purchase of net assets).

The activities of Consulting Services/Wassermann represented an independent segment in the segment reporting. Since the disposal has taken place with effect as per 31 December 2008, the income statement of Consulting Services/Wassermann is included in the Group's consolidated income statements under the position discontinued operations. However, the net assets sold to the former managing directors as per 31 December 2008 are not included in the Group's consolidated balance-sheet. The net sales, net profit, cash flow statement and net assets of the discontinued operations are as follows:

a) Income statement

MCHF	Consulting Services/Wassermann 1 January to 31 December 2008
Net sales with third party	12.2
Net sales with Swisslog Group companies	0.3
Other operating expenses	–12.2
Result from discontinuation	–7.0
Operating profit before tax	–6.7
Tax expenses	0.0
Net profit discontinued operations	–6.7

b) Cash flow statement

MCHF	Consulting Services/Wassermann 1 January to 31 December 2008
Cash flow from operating activities	–0.5
Cash flow from investing activities	0.1
Cash flow from financing activities	0.0
Net cash flow from discontinued operations	–0.4

c) Balance sheet

MCHF	Consulting Services/Wassermann 31 December 2008
Total assets	3.0
Total liabilities	1.6
Net assets[1]	1.4

1 Net assets of the discontinued operations are not included in the Group's consolidated balance sheet as per 31 December 2008

d) Result from discontinuation of Consulting Services/Wassermann

MCHF	Consulting Services/Wassermann 31 December 2008
Impairment on assets	–5.9
Revaluation of other assets	–1.2
Recycling of currency translation differences from equity to the income statement	0.1
TOTAL LOSS ON DISCONTINUATION OF CONSULTING SERVICES/WASSERMANN	**7.0**

The net assets sold to the former managing directors of the division Consulting Services/Wassermann as per 31 December 2008 are financed through a vendor loan in the amount of MCHF 3.1. The loan has an annual interest rate of 3% and is amortized over the maturity of 8 years. The annual amortization is a fixed percentage of the annually achieved EBITDA from the new independent company. Based on a revised assessment in 2009 an impairment of MCHF 0.6 has been recorded and a loan waiver of MCHF 1.4 has been granted on this loan (see Note 5.1).

2. Information by Segment

2.1 Division Segmentation

MCHF	2009 Warehouse & Distribution Solutions	2009 Healthcare Solutions	2009 Total Segment	2009 Corporate/ Eliminations	2009 Total Group[1]	2008 Warehouse & Distribution Solutions	2008 Healthcare Solutions	2008 Total Segment	2008 Corporate/ Eliminations	2008 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**
Financial result net					–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 net working capital	–80.4	62.7			–29.4	–58.3	82.0			–14.4
Investment in property, plant, equipment and 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 net 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 Excluding goodwill
5 Limited comparability to the previous year since in 2008 the employees (headcount) were disclosed

2.2 Geographical Segmentation

	2009 Warehouse & Distribution Solutions	2009 Healthcare Solutions	2009 Total Group[1]	2008 Warehouse & Distribution Solutions	2008 Healthcare Solutions	2008 Total Group[1]
TOTAL EXTERNAL NET SALES	**413.2**	**236.7**	**649.9**	**542.3**	**243.8**	**786.1**
Europe, thereof	310.4	79.0	389.4	382.5	86.0	468.5
Switzerland (Domicile)	36.3	4.2	40.5	46.3	2.8	49.1
Germany	110.1	23.4	133.5	197.3	32.7	230.0
Other Europe	164.0	51.4	215.4	138.9	50.5	189.4
North America, thereof	42.5	134.6	177.1	112.7	143.8	256.5
USA	41.9	122.1	164.0	111.8	130.9	242.7
Others	0.6	12.5	13.1	0.9	12.9	13.8
Asia/Pacific	60.3	23.1	83.4	47.1	14.0	61.1
TOTAL NON-CURRENT ASSETS[2]						
Europe, thereof	21.3	6.6	27.9	18.1	4.5	22.6
Switzerland (Domicile)	10.2	0.0	10.2	9.1	0.0	9.1
Germany	0.5	2.7	3.2	0.7	1.8	2.5
Other Europe	10.6	3.9	14.5	8.3	2.7	11.0
North America (USA)	0.4	3.7	4.1	4.1	3.5	7.6
Asia/Pacific	0.6	0.1	0.7	0.7	0.0	0.7

1 Represents continuing operations
2 The non-current assets consist of total assets minus non-current financial instruments, deferred taxes, non-current assets from Corporate of MCHF 74.5 (2008: MCHF 74.0) and current assets

2.3 Product Segmentation

	2009			2008		
	Warehouse & Distribution Solutions	Healthcare Solutions	Total Group[1]	Warehouse & Distribution Solutions	Healthcare Solutions	Total Group[1]
Total sales, thereof	413.2	236.7	649.9	542.3	243.8	786.1
New Business	248.4	0.0	248.4	352.9	0.0	352.9
Customer Support	155.6	56.5	212.1	180.3	56.4	236.7
Equipment	9.2	180.2	189.4	9.1	187.4	196.5

1 Represents continuing operations

The split is according to product segments with similar characteristics.

2.4 Important Customers

Net sales of MCHF 73.0 (2008: MCHF 128.1) are accounted for with one customer in 2009. Furthermore, net sales of MCHF 85.9 were recorded with another individual customer in 2008. Both net sales apply to the product segment New Business within the division Warehouse & Distribution Solutions.

3. Property, plant, equipment and intangible assets

3.1 Property, plant, equipment

2009 MCHF	Land	Buildings	Machinery/ equipment	Assets under construction/ prepayments	Total
Cost at 1 January	0.3	9.6	40.7	0.4	51.0
Additions	0.0	1.9	3.9	0.9	6.7
Disposals	0.0	–0.9	–1.5	0.0	–2.4
Transfers	0.0	0.2	0.1	–0.3	0.0
Currency translation differences	0.0	0.1	0.0	0.0	0.1
COST AT 31 DECEMBER	**0.3**	**10.9**	**43.2**	**1.0**	**55.4**
Accumulated depreciation at 1 January	0.0	–6.1	–31.9	0.0	–38.0
Depreciation charge	0.0	–0.9	–3.8	0.0	–4.7
Accumulated depreciation on disposal	0.0	0.9	1.3	0.0	2.2
Currency translation differences	0.0	0.0	0.0	0.0	0.0
ACCUMULATED DEPRECIATION AT 31 DECEMBER	**0.0**	**–6.1**	**–34.4**	**0.0**	**–40.5**
TOTAL NET BOOK VALUE AT 31 DECEMBER 2009	**0.3**	**4.8**	**8.8**	**1.0**	**14.9**

2008 MCHF	Land	Buildings	Machinery/ equipment	Assets under construction/ prepayments	Total
Cost at 1 January	0.3	9.4	44.1	0.0	53.8
Additions	0.0	0.9	4.2	0.4	5.5
Changes in consolidation scope	0.0	0.0	0.1	0.0	0.1
Disposals	0.0	0.0	–4.7	0.0	–4.7
Currency translation differences	0.0	–0.7	–3.0	0.0	–3.7
COST AT 31 DECEMBER	**0.3**	**9.6**	**40.7**	**0.4**	**51.0**
Accumulated depreciation at 1 January	0.0	–5.3	–34.5	0.0	–39.8
Depreciation charge	0.0	–0.9	–3.8	0.0	–4.7
Accumulated depreciation on disposals	0.0	0.0	4.1	0.0	4.1
Currency translation differences	0.0	0.1	2.3	0.0	2.4
ACCUMULATED DEPRECIATION AT 31 DECEMBER	**0.0**	**–6.1**	**–31.9**	**0.0**	**–38.0**
TOTAL NET BOOK VALUE AT 31 DECEMBER 2008	**0.3**	**3.5**	**8.8**	**0.4**	**13.0**

The insurance value of the property, plant and equipment was MCHF 93.1 at the end of 2009 (2008: MCHF 99.0).

3.2 Other intangible assets

2009 MCHF	Capitalized development expenses	Other	Total
Cost at 1 January	15.6	9.3	24.9
Additions	2.8	1.1	3.9
Change in consolidation scope	0.7	0.0	0.7
Currency translation differences	0.0	–0.1	–0.1
COST AT 31 DECEMBER	**19.1**	**10.3**	**29.4**
Accumulated amortization at 1 January	–3.8	–7.3	–11.1
Impairment	–2.3	0.0	–2.3
Amortization of the current year	–3.4	–0.7	–4.1
Accumulated amortization on disposals	0.0	0.0	0.0
Currency translation differences	0.2	0.1	0.3
ACCUMULATED AMORTIZATION AT 31 DECEMBER	**–9.3**	**–7.9**	**–17.2**
TOTAL NET BOOK VALUE AT 31 DECEMBER 2009	**9.8**	**2.4**	**12.2**

2008 MCHF	Capitalized development expenses	Other	Total
Cost at 1 January	12.0	9.2	21.2
Additions	6.7	1.9	8.6
Disposals	–2.4	–1.5	–3.9
Currency translation differences	–0.7	–0.3	–1.0
COST AT 31 DECEMBER	**15.6**	**9.3**	**24.9**
Accumulated amortization at 1 January	–5.8	–8.2	–14.0
Amortization of the current year	–0.6	–0.7	–1.3
Accumulated amortization on disposals	2.3	1.2	3.5
Currency translation differences	0.3	0.4	0.7
ACCUMULATED AMORTIZATION AT 31 DECEMBER	**–3.8**	**–7.3**	**–11.1**
TOTAL NET BOOK VALUE AT 31 DECEMBER 2008	**11.8**	**2.0**	**13.8**

The capitalized development costs have a finite useful life and consist primarily of software and a newly developed pallet conveyor solution. Within the capitalized software per 31 December 2009 are a self-used project management solution of MCHF 2.4 and an automation software of MCHF 3.6, both with a remaining amortization period of 4 years. For the pallet conveyor solution an amount of MCHF 2.5 is capitalized as per 31 December 2009, which will be amortized over the next 5 years.

For intangible assets with definite useful life, Swisslog Group assesses at each reporting date whether there are impairment indicators. Due to an increased uncertainty in connection with the future benefit of a specific software, an impairment of MCHF 2.3 has been recorded in 2009. The impairment is included in the position “other intangible assets” in the balance sheet and in “depreciation and amortization” in the income statement, respectively, and concerns the Swisslog division Warehouse & Distribution Solutions.

4. Goodwill

4.1 Goodwill

MCHF	Note	2009	2008
Cost at 1 January		78.1	127.7
Additions	1.27	2.5	4.7
Disposals	1.28	0.0	–43.1
Currency translation differences		–0.5	–11.2
COST AT 1 JANUARY		**80.1**	**78.1**
Accumulated impairment losses at 1 January		0.0	–36.9
Impairment	1.28	0.0	–5.9
Disposals	1.28	0.0	42.3
Currency translation differences		0.0	0.5
ACCUMULATED IMPAIRMENT LOSSES AT 31 DECEMBER		**0.0**	**0.0**
TOTAL NET BOOK VALUE AT 31 DECEMBER		**80.1**	**78.1**

The goodwill is allocated to the Cash Generating Units (CGUs) as follows:

	2009			2008		
MCHF	Warehouse & Distribution Solutions	Healthcare Solutions	Total	Warehouse & Distribution Solutions	Healthcare Solutions	Total
GOODWILL	**39.7**	**40.4**	**80.1**	**37.2**	**40.9**	**78.1**

4.2 Goodwill impairment 2009

No goodwill impairment has been recorded in 2009. In the previous year a goodwill impairment charge of MCHF 5.9 has been recorded in the former division Consulting Services/Wassermann (CSW). The remaining goodwill balance of the Consulting Services/Wassermann (CSW) has been booked out in connection with the discontinuation of this business line (see Note 1.28).

4.3 Impairment test of goodwill as per 31 December 2009

According to IAS 36 the goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Swisslog Group is testing the goodwill for impairment annually at the end of November/beginning of December. The cash flows are based on the budget for the year 2010 and the business plan for the year 2011, which are both approved by the Board of Directors. The cash flows for the period of 2012 to 2014 are an extrapolation corresponding to the expected growth rate in each market. The cash flow for the residual value calculation in 2015 is based on the cash flow in the year 2014 (unchanged). The long-term growth rate is 1% (2008: 1%) equivalent to the assumed inflation rate. The following calculations are based on the value in use. Since the value in use exceeds the carrying amount, the determination of the fair value less cost to sell is no longer required. Headquarter costs are allocated to the CGUs according to their shares in net sales (50%-weighted) and headcount (50%-weighted). The major exchange rates – used for the planning – are: USD to CHF 1.05 (after 2010: 1.10) and EUR to CHF 1.50.

The cost of capital for Swisslog Group has been determined based on a cost of capital model; the cost of capital increased by 0.6%-point, when compared to the previous year, due to higher equity costs resulting from an increased Beta factor. To the Group-wide cost of capital, a risk premium based on the country risk and the risk of the underlying CGU (among them a premium for small size) has been added. These discount factors, defined on a pre-tax basis according to IAS 36, are then used to determine the present value of the future cash flows of each CGU (primary segments).

Key assumptions for the goodwill impairment test:

	2009		2008 *(incl. periods 2009–2013 and 2011–2013, respectively)*	
MCHF	Warehouse & Distribution Solutions	Healthcare Solutions	Warehouse & Distribution Solutions	Healthcare Solutions
Net sales	415.0	238.0	542.6	243.8
*Growth rate p.a. 2010–2014***	*1.3%*	*2.1%*	*–1.6%*	*2.5%*
EBITDA*	15.5	22.5	18.1	22.8
*Growth rate p.a. 2010–2014***	*7.5%*	*3.7%*	*10.1%*	*7.9%*
Pre-tax discount factor	11.3%	10.9%	10.4%	10.5%

* Headquarter cost proportionally allocated
** Year 2010 (budget) and 2011 (mid-term planning) approved by the Board of Directors and the growth rates for the years 2012–2014 acknowledged by the Board of Directors

Sensitivity analysis for most important assumptions used for impairment testing

The following table shows the coverage of the goodwill when using the stated key assumptions and also the maximum value until the goodwill would still be covered. In case this value is higher, the goodwill would not be covered.

MCHF	2009 Warehouse & Distribution Solutions	2009 Healthcare Solutions	2008 Warehouse & Distribution Solutions	2008 Healthcare Solutions
Coverage of goodwill using the stated key assumptions	77.1	142.7	118.7	202.9
Maximum discount factor which would still cover the goodwill	20.5%	26.4%	19.0%	29.7%

Risk judgment

The Board of Directors and the Swisslog Executive Committee consider the underlying assumptions as prudent and justifiable. Thus, the value in use of the CGU depends on the effective achievement of the expected target values.

5. Other assets

	Note	2009 MCHF	2008 MCHF
Long-term interest-bearing receivables		4.1	4.6
Pension schemes with net assets	13	2.1	3.2
TOTAL		**6.2**	**7.8**

5.1 Long-term interest-bearing receivables

	2009 MCHF	2008 MCHF
Amount recognized initially at 1 January	6.0	9.1
Additions	0.0	4.6
Disposals	0.0	–7.4
Loan waiver	–1.4	0.0
Currency translation differences	0.1	–0.3
AMOUNT RECOGNIZED INITIALLY AT 31 DECEMBER	**4.7**	**6.0**
Accumulated impairments at 1 January	–1.4	–2.7
Write-off	–0.6	–1.4
Disposals	0.0	2.5
Loan waiver	1.4	0.0
Currency translation differences	0.0	0.2
ACCUMULATED IMPAIRMENTS AT 31 DECEMBER	**–0.6**	**–1.4**
TOTAL NET BOOK VALUE AT 31 DECEMBER	**4.1**	**4.6**
Of which:		
Due later than one year but not later than five years	0.4	0.3
Due after five years	3.7	4.3

The long-term interest-bearing receivables include loans of MCHF 3.0, deposits plus cash collaterals of MCHF 1.1; depending on the maturity of the bank guarantee the nominal amount or a part of the nominal amount have to be deposited at the bank. Such cash collaterals qualify as restricted cash and are therefore not presented within the position cash. The net loss included in the income statement based on changes in the amortized costs amounts to MCHF –0.6 (2008: MCHF –1.4). The average interest rate on total long-term interest-bearing receivables is 2.6% (2008: 0.8%). The major part of the long-term interest-bearing receivables is a vendor loan in connection with the divestment of the division Consulting Services/Wassermann in the year 2008. Based on a revised assessment in 2009 an impairment of MCHF 0.6 has been recorded and a loan waiver of MCHF 1.4 has been granted on this loan. The impairment is included in the financial result net within Corporate in the information by segment. Further information about the divestment of the division Consulting Services/Wassermann is included in Note 1.28.

6. Inventories

	2009 MCHF	2008 MCHF
Materials and supplies	11.7	13.1
Work in progress	1.8	1.5
Finished goods	9.4	11.8
TOTAL	**22.9**	**26.4**

In 2009 MCHF 1.1 (2008: MCHF 0.3) of inventories have been written off. Thereof, MCHF 0.2 (2008: MCHF 0.2) in Warehouse & Distribution Solutions and MCHF 0.9 (2008: MCHF 0.1) in Healthcare Solutions.

7. Trade receivables

	2009 MCHF	2008 MCHF
Trade receivables	73.1	107.5
Allowance for bad debts	–1.0	–1.8
TOTAL	**72.1**	**105.7**

The following summarizes the movement in the impairment for bad debts:

	2009 MCHF	2008 MCHF
Allowance for bad debts at 1 January	–1.8	–2.6
Changes in consolidation scope	0.0	0.5
Additions	–0.2	–0.7
Unused reversed	0.2	0.4
Used during year	0.8	0.6
ALLOWANCE FOR BAD DEBTS AT 31 DECEMBER	**–1.0**	**–1.8**

The effective bad debt losses in the past two years were approx. 0.1% of the annual net sales.

The maturity analysis of trade receivables is as follows:

Not due	47.6	64.3
Past due not more than one month	11.7	17.7
Past due more than one month and not more than two months	4.2	8.4
Past due more than two months and not more than three months	3.3	6.2
Past due more than three months and not more than six months	2.9	2.9
Past due more than six months	2.4	6.2
TOTAL NOT IMPAIRED TRADE RECEIVABLES	**72.1**	**105.7**

8. Construction contracts

	2009 MCHF	2008 MCHF
Asset:		
Contract costs recognized as expense plus recognized profits	200.4	278.2
Less recognized losses	–0.8	–3.6
Progress billings and advance payments from customers	–159.5	–237.4
AMOUNT DUE FROM CUSTOMERS FOR CONSTRUCTION CONTRACTS	**40.1**	**37.2**
Liability:		
Contract costs recognized as expense plus recognized profits	–420.5	–323.0
Plus recognized losses	0.8	1.1
Progress billings and advance payments from customers	512.2	419.9
AMOUNT DUE TO CUSTOMERS FOR CONSTRUCTION CONTRACTS	**92.5**	**98.0**
Net sales from construction contracts	476.3	621.9
Retentions[1]	6.4	7.2

1 Retentions are amounts of progress billings that are not paid by the customer until the satisfaction of conditions specified in the contract. Retentions are presented within trade receivables in the balance sheet

9. Prepaid expenses and accrued income

	2009 MCHF	2008 MCHF
Prepaid expenses	2.9	3.6
Accrued income	7.2	9.6
TOTAL	**10.1**	**13.2**

10. Cash, cash equivalents and marketable securities

10.1 Cash and cash equivalents

	2009 MCHF	2008 MCHF
Cash at bank and on hand	114.7	101.0
Money market investments with a maturity of less than 90 days	9.3	0.0
TOTAL CASH AND CASH EQUIVALENTS	**124.0**	**101.0**

10.2 Marketable securities

	2009 MCHF	2008 MCHF
Marketable securities – held for trading	0.4	12.3
TOTAL MARKETABLE SECURITIES	**0.4**	**12.3**

The entire portfolio consists of short-term investments which are traded regularly. The overall asset-allocation is as follows:

Shares	0.0	0.7
Bonds	0.0	1.0
Credit letter (see Note 1.23b [ii])	0.0	9.0
Others	0.4	1.6
TOTAL	**0.4**	**12.3**

Marketable securities are measured at fair value through profit and loss at inception. Unrealized gains and losses are recognized in the profit and loss statement (see Note 21).

11. Share capital

The share capital at 31 December 2009 amounts to MCHF 2.5 (2008: MCHF 2.5) and consists of 251 276 984 registered shares with a nominal value of CHF 0.01 (2008: CHF 0.01) per share. The share capital is fully paid up.
As per 31 December 2009 Swisslog Holding holds 1 525 600 treasury shares (2008: 1 718 500), which are dedicated to the employee share matching plan (see Note 20) and are being hold until the end of the vesting period.

11.1 Number of shares

	2009	2008
Shares at 1 January	249 558 484	251 276 984
Increase (–)/decrease (+) of treasury shares	192 900	–1 718 500
Shares at 31 December	249 751 384	249 558 484

11.2 Nominal value

	2009	2008
Nominal value per share (CHF)	0.01	0.01
Share capital at 31 December (MCHF)	2.5	2.5

12. Income taxes and deferred taxes

12.1 Income taxes

	2009 MCHF	2008 MCHF
Income taxes from current year	5.0	13.0
Income taxes from previous years	–0.2	0.0
Deferred taxes	1.6	–1.5
TOTAL INCOME TAXES	**6.4**	**11.5**

12.2 Reconciliation from income taxes at the applicable tax rate to effective income taxes

The applicable tax rate of 26.6% (2008: 32.5%) is a weighted Group tax rate, calculated from the income taxes based on the profits before taxes of each Group company, multiplied with the individual applicable tax rate. This rate reflects the actual economic benefit in the different tax legislations. The change compared to 2008 is due to substantially dropped profits in countries with high tax rates. The following elements explain the difference between the income taxes at the applicable Group tax rate and the effective income taxes.

	2009 MCHF	2008 MCHF
INCOME TAXES AT THE APPLICABLE GROUP TAX RATE	**6.4**	**9.6**
Non-tax-deductible expenses and non-taxable income	–3.3	–1.3
Changes in recognition of tax losses	0.6	–2.2
Utilisation of unrecognised tax loss carry forwards	–6.2	–12.0
Current year's losses for which no deferred tax assets are recognized	1.7	2.2
Income taxes from previous years	–0.2	0.0
Taxable events which are eliminated in Group closing	6.9	12.3
Withholding taxes not refundable	0.4	1.5
Others	0.1	1.4
EFFECTIVE INCOME TAXES	**6.4**	**11.5**

12.3 Tax loss carry forwards

	2009 MCHF	2008 MCHF
AVAILABLE TAX LOSS CARRY FORWARDS AT 1 JANUARY	**310.2**	**436.9**
Changes due to new tax assessments	1.7	–1.8
Tax losses arising from current year	6.1	8.1
Tax losses utilised against current year profits	–57.5	–118.7
Tax losses expired during current year	–2.3	0.0
Currency translation differences	1.1	–14.3
AVAILABLE TAX LOSS CARRY FORWARDS AT 31 DECEMBER	**259.3**	**310.2**

Deferred tax assets of MCHF 4.8 (2008: MCHF 5.4) were recorded in respect of available tax loss carry forwards of MCHF 18.9 (2008: MCHF 21.8). Deferred tax assets for unused tax losses are recognized to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised in the respective countries, or to the extent that the individual enterprises have sufficient taxable temporary differences.

100.0% (2008: 99.0%) of tax loss carry forwards are within Europe. Thereof MCHF 110.0 (2008: MCHF 60.0) can be utilised to a limited extent only.

Unused tax loss carry forwards for which no deferred tax has been recognized will expire as follows:

	2009 MCHF	2008 MCHF
After 1 year	148.6	2.4
After 2 years	9.2	179.4
After 3 and more years	3.9	26.8
Unlimited	78.7	79.8
TOTAL UNRECOGNIZED TAX LOSS	**240.4**	**288.4**

12.4 Deferred taxes

Deferred tax assets and liabilities by type of balance-sheet items:

MCHF	2009 Assets	2009 Liabilities	2009 Net	2008 Assets	2008 Liabilities	2008 Net
Property, plant and equipment/intangible assets	0.5	0.5		2.2	0.3	
Inventories	8.4	0.9		11.4	0.8	
Current receivables	0.2	2.7		1.3	3.2	
Long-term liabilities	1.1	0.8		1.0	0.9	
Provisions	0.9	0.3		1.1	0.3	
Short-term liabilities	2.5	9.3		1.4	13.5	
SUBTOTAL BY BALANCE-SHEET ITEMS	**13.6**	**14.5**	**–0.9**	**18.4**	**19.0**	**–0.6**
Deferred tax assets on tax loss carry forward	4.8			5.4		
Deferred tax assets on unused tax credits	0.2			0.4		
Offsetting assets with liabilities	–13.2	–13.2		–18.2	–18.2	
TOTAL DEFERRED TAX ASSETS AND LIABILITIES	**5.4**	**1.3**	**4.1**	**6.0**	**0.8**	**5.2**

Deferred tax assets have been offset with liabilities on an individual basis, if there is a legally enforceable right to set off, if it is possible to settle on a net basis, and if the underlying asset and liability is settled simultaneously. The difference between the change of deferred taxes and the recorded deferred tax expenses 2009 relates to currency translation differences.

12.5 Investments in subsidiaries

Temporary differences associated with investments in subsidiaries, for which no deferred taxes have been recognized, amount to MCHF 43.1 (2008: MCHF 43.0). No deferred taxes have been recognized as the parent is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax liabilities have not been recognized for withholding tax and other taxes that would be payable on the undistributed earnings of certain foreign subsidiaries, as such amounts are currently regarded as permanently reinvested.

13. Other liabilities

	2009 MCHF	2008 MCHF
Pension schemes with net liabilities	7.6	8.6
Other long-term employee benefits	0.8	0.9
TOTAL	**8.4**	**9.5**

Pension schemes

Beside the statutory social security schemes independent pension plans or pension insurance policies covering substantially all employees exist. The related assets are primarily held outside the Group. Where this is not the case, the appropriate provisions are made in the balance sheet for pension liabilities. Most of the pension schemes are defined benefit plans. Whereas all plans are reassessed by independent actuaries at least every three years, the major plans are reappraised every year. The last valuations were done at effective dates between 31 December 2007 and 31 December 2009 (including all significant pension schemes).

The following is a summary of the status of the main defined benefit plans at 31 December 2009, using IAS 19 (revised) actuarial assumptions.

	Note	2009 MCHF	2008 MCHF
Pension schemes with net liabilities		–7.6	–8.6
Pension schemes with net assets	5	2.1	3.2
LIABILITY IN THE BALANCE SHEET, NET		**–5.5**	**–5.4**

	2009 MCHF	2008 MCHF
PRESENT VALUE OF BENEFIT OBLIGATIONS AT 1 JANUARY	**–159.4**	**–170.0**
Current service cost	–5.2	–5.5
Employees' contributions	–3.2	–3.2
Interest cost	–6.2	–6.5
Actuarial gains (+)/losses (–)	–1.6	5.7
Curtailment, settlement, plan amendments	0.7	0.0
Past service cost	0.4	0.0
Benefit paid	7.2	10.7
Currency translation differences	–1.3	9.4
PRESENT VALUE OF BENEFIT OBLIGATIONS AT 31 DECEMBER	**–168.6**	**–159.4**
FAIR VALUE OF PLAN ASSETS AT 1 JANUARY	**123.6**	**149.2**
Expected return on plan assets	5.4	6.4
Employer's contributions	5.9	7.0
Employees' contributions	3.2	3.2
Actuarial gains (+)/losses (–)	5.3	–22.8
Benefit paid	–7.2	–10.7
Currency translation differences	1.1	–8.7
FAIR VALUE OF PLAN ASSETS AT 31 DECEMBER	**137.3**	**123.6**
Present value of benefit obligations at 31 December	–168.6	–159.4
Fair value of plan assets at 31 December	137.3	123.6
NET FUNDED STATUS	**–31.3**	**–35.8**
Present value of unfunded obligations	0.0	–0.1
Unrecognized actuarial losses (+)/gains (–)	25.8	30.5
LIABILITY IN THE BALANCE SHEET, NET	**–5.5**	**–5.4**
MOVEMENT IN THE NET LIABILITY	MCHF	MCHF
Net liability recognized in balance sheet at the beginning of the period	–5.4	–7.8
Currency translation differences	–0.1	0.8
Expenses for pension schemes recognized in the income statement	–5.9	–5.4
Employer's contributions	5.9	7.0
NET LIABILITY RECOGNIZED IN BALANCE SHEET AT 31 DECEMBER	**–5.5**	**–5.4**
EXPENSES FOR PENSION SCHEMES RECOGNIZED IN THE INCOME STATEMENT	MCHF	MCHF
Current service cost	–5.2	–5.5
Interest cost	–6.2	–6.5
Expected return on plan assets	5.4	6.4
Net actuarial gains (+) and losses (–) recognized in the period	–1.0	0.2
Curtailment, settlement and plan amendments	0.7	0.0
Past service cost	0.4	0.0
TOTAL, INCLUDED IN THE INCOME STATEMENT	**–5.9**	**–5.4**

Plan assets

The major categories of plan assets as percentage of the fair value of total plan assets are as follows:

	2009	2008
Equity instruments	22.8%	20.8%
Debt instruments	41.1%	43.0%
Property	10.2%	12.0%
Other[1]	25.9%	24.2%
TOTAL	**100.0%**	**100.0%**

1 This position includes, amongst others, the assets for reinsurance

Strategic pension plan asset allocation are determined by the objective to achieve an investment return which, together with the contributions paid, is sufficient to maintain reasonable control over the various funding risks of the plans.

The expected contributions to be paid by the Group in respect of defined benefit pension plans for the year 2010 are estimated at MCHF 6.2.

	MCHF	MCHF
ACTUAL RETURN ON PLAN ASSETS	**10.7**	**–15.1**

The following shows a four-year summary reflecting the funding of defined benefit pensions and the actuarial gains and losses.

	2009 MCHF	2008 MCHF	2007 MCHF	2006 MCHF
Present value of benefit obligations at 31 December	–168.6	–159.4	–170.0	–163.3
Fair value of plan assets at 31 December	137.3	123.6	149.2	141.2
NET FUNDED STATUS	**–31.3**	**–35.8**	**–20.8**	**–22.1**
Actuarial and experience adjustment on plan liabilities	–1.6	1.7	0.5	–1.0
Change in assumptions on plan liabilities	0.0	4.0	0.0	–1.3
Actuarial and experience adjustment on plan assets	5.3	–22.8	–0.1	4.6

	2009	2008
ACTUARIAL ASSUMPTIONS		
Discount rate	3.25%–6.50%	3.25%–6.50%
Expected return on plan assets	2.00%–7.50%	2.00%–7.50%
Future salary increases	1.25%–5.25%	1.25%–5.25%
Future pension-benefit increases	0.50%–3.80%	0.50%–3.00%

The total amount of contributions paid for defined contribution plans in 2009 amounts to MCHF 2.8 (2008: MCHF 3.6).

	2009 MCHF	2008 MCHF
OTHER LONG-TERM EMPLOYEE BENEFITS		
Liability at 1 January	0.9	1.0
Decrease/increase of the liability	–0.1	–0.1
Liability at 31 December	0.8	0.9

Other long-term employee benefits mainly cover long-service benefits.

14. Trade payables

	2009 MCHF	2008 MCHF
TRADE PAYABLES	**59.4**	**65.6**

Trade payables are non-interest bearing and are generally settled on 60-day terms.

15. Accrued expenses and deferred income

	2009 MCHF	2008 MCHF
Personnel accruals	22.5	23.4
Deferred income for maintenance	2.3	3.7
Tax accruals without income tax	0.5	0.6
Others	5.8	6.3
TOTAL	**31.1**	**34.0**

Income taxes are shown in Note 12.

16. Provisions and contingent liabilities

16.1 Provisions

	Current provisions			
MCHF	Warranties	Restructuring	Other	Total
At 1 January 2009	6.8	0.0	3.4	10.2
Additions	3.9	0.5	1.0	5.4
Unused reversed	–1.2	0.0	–0.1	–1.3
Used during year	–2.4	0.0	–1.0	–3.4
Currency translation differences	0.1	0.0	0.1	0.2
AT 31 DECEMBER 2009	**7.2**	**0.5**	**3.4**	**11.1**
At 1 January 2008	8.5	0.3	2.6	11.4
Changes in consolidation scope	0.1	0.0	0.0	0.1
Additions	4.1	0.0	1.5	5.6
Unused reversed	–2.0	–0.2	–0.1	–2.3
Used during year	–3.0	–0.1	–0.5	–3.6
Currency translation differences	–0.9	0.0	–0.1	–1.0
AT 31 DECEMBER 2008	**6.8**	**0.0**	**3.4**	**10.2**

All provisions are classified as current because it is expected that they will be settled in the entity's normal operating cycle. In connection with its ordinary business operations, the Group is involved in various legal disputes. The necessary provisions have been created on the basis of the available information. The change in the consolidation scope in 2008 relates to the acquisition of Swisslog Ergotrans B.V. (Netherlands) (see Note 1.27).

16.2 Contingent liabilities

The total amount of guarantees in favour of third parties is MCHF 174.6 at the end of 2009 (2008: MCHF 149.1).

As per 25 November 2008 guarantee facilities with a limit of MCHF 100.0 (2008: MCHF 100.0) of a bank syndicate have been renegotiated for a term of 4 years and have been extended in 2009 for another year, by execution of a renewal option (maturity 31 December 2013). Due to the repayment of the convertible bonds as per 31 December 2009 (see Note 17) the pledge of the subsidiary TransLogic Corp. (USA) in favor of the guarantee facilities has ceased. In connection with the guarantee facilities a fix cash credit of MCHF 20.0 has been drawn (see Note 18) whereby the limit has reduced from MCHF 100.0 to MCHF 80.0.

The guarantee facilities are bonded mainly by the following covenants:

a) Minimum equity of MCHF 140.0. For the quarterly compliance, the change in the currency translation adjustment within the equity since 31 December 2007 is to be neutralised.
b) Adjusted net debt in relation to operating profit before depreciation, amortization and impairment of goodwill (EBITDA) of maximum 2.5; the adjusted net debt consists of the financial liabilities minus fixed percentages of the issued guarantees by the banks less cash and marketable securities (quarterly compliance).

In case of a breach of the covenants the banking syndicate has the right to cancel the credit facilities at any time. In the period of 2009 and 2008 Swisslog Group complied with the conditions of the covenants without exception.

A competitor has filed a complaint against Swisslog's PillPick solution in North America in 2005 alleging infringement of two patents. Swisslog Group does not expect a material impact from that complaint because the PillPick sales of Swisslog Group are only about 10% of total sales of division Healthcare Solutions in 2009 and 2008, and on the other hand Swisslog Group does not believe to infringe patents from today's perspective. Swisslog defends this position.

Due to the resolution of legal disputes there are no further material contingent liabilities as per 31 December 2009 (2008: MCHF 16.0).

17. Convertible bonds

On 7 July 2000 Swisslog Holding AG issued 60 000 2.25% convertible bonds at a nominal value of MCHF 150.0. The rights to exercise the bonds have expired on 4 July 2005. In 2009, Swisslog Holding AG has repurchased 2 196 convertible bonds in several steps with an aggregate nominal value of MCHF 5.5 and has kept them at its own; the repurchase prices were between 98.5% and 99.8%. As per maturity of 31 December 2009 all outstanding convertible bonds were repaid at their nominal value. In the previous year 7 578 convertible bonds were repurchased in several steps with an aggregate nominal value of MCHF 18.9.

The bonds are recorded in the balance sheet as follows:

	2009 MCHF	2008 MCHF
LIABILITY COMPONENT AT 1 JANUARY	**38.5**	**54.7**
Interest expense before and after the partial repurchases of convertible bonds:		
Interest expense coupon interest rate 3.0%/3.5% and 2.5%/3.0%, respectively	1.1	1.1
Interest expense market interest rate applied	1.3	1.8
Effects from the partial repurchases of the bonds		
Partial repurchases of bonds	–5.5	–18.5
Loss on repurchases of bonds (difference between purchase price and book value)	0.0	0.6
Repayment of outstanding convertible bonds at maturity (31 December 2009)	–33.7	0.0
Interest paid	–1.7	–1.2
TOTAL LIABILITY COMPONENT	**0.0**	**38.5**
Provision for interest payment in accrued expenses and deferred income	0.0	–0.6
LIABILITY COMPONENT AT 31 DECEMBER	**0.0**	**37.9**

Interest expense for the liability component of the bonds is calculated on the effective yield basis by applying the coupon interest rate (7.0%) for equivalent bonds. The interest expense amounts to MCHF 2.4 in 2009 (2008: MCHF 2.9).

18. Financial liabilities

	2009 MCHF	2008 MCHF
Financial liabilities	20.1	0.0
TOTAL	**20.1**	**0.0**

The financial liabilities primarily consist of a fix cash credit of MCHF 20.0 which has been drawn as per 31 December 2009 by Swisslog Holding AG from the bank syndicate in connection with the guarantee facilities (see Note 16.2). The interest rate is 1.3%. The fix cash credit matures within one year.

19. Operating expenses

	2009 MCHF	2008 MCHF
MATERIAL AND SERVICE EXPENSES		
Change in inventories	3.5	2.2
Material expenses	297.4	374.0
Service expenses	2.4	22.2
TOTAL	**303.3**	**398.4**

	2009 MCHF	2008 MCHF
PERSONNEL EXPENSES		
Wages and salaries	177.9	190.2
Social security and other personnel costs (see also Note 13)	62.8	66.5
TOTAL	**240.7**	**256.7**

	2009 MCHF	2008 MCHF
OTHER OPERATING EXPENSES		
Other operating expenses	**68.9**	**90.2**

This item includes all operating and recurring administrative, sales and development expenses from normal business activities which are not shown in other positions in the income statement. The 2009 result includes development expenses of MCHF 10.1 (2008: MCHF 9.6).

20. Share-based payment

Swisslog Holding AG has employee share matching plans with a limited number of participants. The plans start on 1 July (grant date) and comprise a vesting period of three years. Prior to the grant date the participants have to deliver Swisslog shares which are held in trust by Swisslog Holding AG during the vesting period. After the vesting period of three years, the participants receive – in addition to the shares in custody – a number of vesting shares depending on the achievement of defined metrics.

The performed estimates as per balance-sheet date of 31 December 2009 and the resulting total expenses as well as the recognized expenses in the year 2009 and 2008 are as follows:

Grant date	Value per share at grant date	Estimated target achievement	Estimated number of shares	Estimated expense in TCHF		
	CHF	in %	in '000	Total	Recognized in 2009	Recognized in 2008
1 July 2008	1.20	57%	335	403	85	116
1 July 2009	0.82	96%	572	469	78	0
TOTAL				**872**	**163**	**116**

The estimated number of shares, multiplied with the value per share at grant date, is the total estimated expense per plan. This expense is recorded in the personnel expenses on a pro-rata basis over the vesting period and amounts to TCHF 163 in 2009 (2008: TCHF 116).

21. Financial result

	2009 MCHF	2008 MCHF
FINANCIAL INCOME		
Interest income	1.3	2.0
Changes in the fair value of the marketable securities – designated at fair value through profit or loss	0.1	0.0
Other financial income	0.0	4.4
Foreign exchange rate gains	2.7	3.0
TOTAL	**4.1**	**9.4**

	2009 MCHF	2008 MCHF
FINANCIAL EXPENSE		
Interest expense for convertible bonds	–1.1	–1.1
Accretion expense for convertible bonds with market interest rate applied at issuance	–1.3	–1.8
Changes in the fair value of the marketable securities – designated at fair value through profit or loss	0.0	–1.2
Other interest expense	–0.5	–1.0
Loss on repurchases of convertible bonds	0.0	–0.6
Other financial expense	–1.7	–1.9
Foreign exchange rate losses	–3.8	–7.7
TOTAL	**–8.4**	**–15.3**

Interest income relates to interest on cash at banks and money market investments in CHF and foreign currencies. Details with respect to the partial repurchases of the convertible bonds are included in Note 17 (convertible bonds). Other financial expense 2009 contains a write-down of a long-term loan (see Note 5.1), bank charges and costs for the facility fee for the guarantees. Other financial income 2008 includes the gain from the divestment of an available-for-sale financial investment. Swisslog Group sold its participation, including convertible bonds, in CPS Color Group Oy to Nordic Capital in 2008 resulting in a gain of MCHF 4.1.

22. Operating Leasing

	2009 MCHF	2008 MCHF
Minimum lease payments per 31 December		
due within one year	8.4	9.1
due after one and before five years	18.8	22.9
due after five years	4.1	5.1
TOTAL	**31.3**	**37.1**

Minimum lease payments primarily include tenancy agreements. Operating leasing costs totalled MCHF 9.3 in 2009 (2008: MCHF 7.5).

23. Financial instruments by category

a) Categories

MCHF	Note	At fair value through profit or loss	Loans and receivables	Other liabilities	Total
ASSETS AT 31 DECEMBER 2009					
Long-term interest-bearing receivables	5	0.0	4.1	0.0	4.1
Prepaid expenses and accrued income	9	0.0	2.9	0.0	2.9
Trade receivables	7	0.0	72.1	0.0	72.1
Marketable securities	10	0.4	0.0	0.0	0.4
Cash and cash equivalents	10	0.0	124.0	0.0	124.0
TOTAL		**0.4**	**203.1**	**0.0**	**203.5**
LIABILITIES AT 31 DECEMBER 2009					
Provisions	16	0.0	0.0	7.2	7.2
Accrued expenses and other liabilities	15	0.0	0.0	8.1	8.1
Trade payables	14	0.0	0.0	59.4	59.4
Financial liability	18	0.0	0.0	20.1	20.1
TOTAL		**0.0**	**0.0**	**94.8**	**94.8**
ASSETS AT 31 DECEMBER 2008					
Long-term interest-bearing receivables	5	0.0	4.6	0.0	4.6
Prepaid expenses and accrued income	9	0.0	3.6	0.0	3.6
Trade receivables	7	0.0	105.7	0.0	105.7
Marketable securities	10	12.3	0.0	0.0	12.3
Cash and cash equivalents	10	0.0	101.0	0.0	101.0
TOTAL		**12.3**	**214.9**	**0.0**	**227.2**
LIABILITIES AT 31 DECEMBER 2008					
Convertible bonds	17	0.0	0.0	37.9	37.9
Provisions	16	0.0	0.0	6.8	6.8
Accrued expenses and other liabilities	15	0.0	0.0	10.0	10.0
Trade payables	14	0.0	0.0	65.6	65.6
TOTAL		**0.0**	**0.0**	**120.3**	**120.3**

The above disclosed carrying amounts are fair values except for trade receivables and other liabilities which are approximately fair value. The net gains or net losses of some classes are disclosed in Note 21 Financial result. The marketable securities primarily consist of mutual funds; within the marketable securities are derivative financial instruments of MCHF 0.0 (2008: MCHF –0.4), which are measured at fair value.

b) Foreign exchange exposure

The following table provides an overview of the exposure in Swisslog's main currencies as per balance-sheet date. The figures are presented in local currencies.

	EUR	NOK	SEK	USD
31 DECEMBER 2009				
At fair value through profit or loss	0.2	0.0	0.0	0.0
Loans and receivables	18.2	20.5	31.5	19.6
Other liabilities	–27.3	–8.5	–39.6	–8.7
NET BALANCE	**–8.9**	**12.0**	**–8.1**	**10.9**

	EUR	NOK	SEK	USD
31 DECEMBER 2008				
At fair value through profit or loss	6.0	0.0	0.0	1.0
Loans and receivables	39.0	55.1	82.0	50.4
Other liabilities	–14.4	–5.7	–19.8	–15.9
NET BALANCE	30.6	49.4	62.2	35.5

Sensitivity		MCHF
Impact on the result/equity of Swisslog Group as per 31 December 2009:		
– Increase of the 4 main currencies against the Swiss Franc by	5%	0.0
– Increase of the 4 main currencies against the Swiss Franc by	10%	–0.1
– Reduction of the 4 main currencies against the Swiss Franc by	5%	0.0
– Reduction of the 4 main currencies against the Swiss Franc by	10%	0.1

c) Hierarchy of financial instruments at fair value

MCHF	Level 1	Level 2	Level 3	Total
ASSETS AT 31 DECEMBER 2009				
Financial assets at fair value	0.4	0.0	0.0	0.4
TOTAL	**0.4**	**0.0**	**0.0**	**0.4**
LIABILITIES AT 31 DECEMBER 2009				
Financial liabilities at fair value	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**

MCHF	Level 1	Level 2	Level 3	Total
ASSETS AT 31 DECEMBER 2008				
Financial assets at fair value	12.3	0.0	0.0	12.3
TOTAL	**12.3**	**0.0**	**0.0**	**12.3**
LIABILITIES AT 31 DECEMBER 2008				
Financial liabilities at fair value	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**

24. Related-Party Transactions

The shares of Swisslog Holding AG are widely held. For major shareholders please refer to page 69. No transactions were carried out with related parties in 2009.

	2009 MCHF	2008 MCHF
COST OF COMPENSATION FOR KEY MANAGEMENT		
Salaries and other short-term employee benefits	3.1	2.7
Termination benefits	0.0	0.0
Post-employment benefits and insurance	0.4	0.3
Share-based payments	0.1	0.1
TOTAL	**3.6**	**3.1**

Key Management includes the members of the Board of Directors (2009: 5 / 2008: 5) and the members of the Executive Committee (2009: 5 / 2008: 5). The amounts are calculated according to IFRS. A clause of change in control in the amount of two annual compensations was agreed on with one member of the Executive Committee. Furthermore, the matching shares granted under the Swisslog share plan (see Note 20) would vest early in case of a public takeover or a merger. In such case, a target achievement of at least 100% would be assumed and the restriction period for base shares would be suspended. Based on a target achievement of 100%, members of the Key Management are currently entitled to a total of 708 000 matching shares.

25. Earnings per share (EPS)

	2009	2008
Weighted average number of shares	249 646 033	249 842 127
Net result continued operations (MCHF)	17.7	17.9
Basic earnings per share continuing operations (CHF)	0.07	0.07
Net result discontinued operations (MCHF)	0.0	–6.7
Basic earnings per share discontinued operations (CHF)	0.00	–0.03
Basic earnings per share continuing operations (CHF)	0.07	0.04

In order to determine the earnings per share, the Group's average holding of 1 630 951 own shares in 2009 (1 434 857 in 2008) was deducted from the total number of shares of 251 276 984 (2008: 251 276 984).

There are no dilutive effects in 2009 and 2008.

26. Dividends per share

At the General Meeting of Shareholders in April 2010, a dividend of CHF 0.02 per registered share in respect of 2009 is to be proposed. The dividend per registered share amounted to CHF 0.02 for the business year 2008.

27. Risk management

The material strategic, operational and financial risks of the Group are covered by the Executive Committee annually on the occasion of the business plan process and are detailed in a Risk Map. The risks are reviewed, updated and completed on the occasion of the budgeting process. Risks are categorized into their likelihood of occurrence and their potential financial impact (outflow of resources and/or effect on the income statement). For each listed risk, prevention or mitigation measures are defined as well as responsibilities and the monitoring of developments. The Board of Directors approves the Risk Map established by the group management on an annual basis.

A formal risk management process builds the basis for the companies which are in the scope of the internal audit. The scope is monitored and approved by the audit committee which meets at least three times a year. Furthermore, the Executive Committee has the possibility to request profound audits in order to flexibly react on changes in the risk environment. Risks particularly significant to the Group are monitored by separate boards; among them is the Investment and Currency Board and the continuously performed project progress reviews.

Report of the Group Auditor to the General Meeting of Swisslog Holding AG

As statutory auditor, we have audited the accompanying consolidated financial statements of Swisslog Holding AG (which comprise the balance sheet, income statement, statement of comprehensive income, cash flow statement, changes in equity and notes, shown on pages 34 to 63) for the year ended 31 December 2009.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements for the year ended 31 December 2009 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with IFRS and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Over-sight Act (AOA) and independence (article 728 Code of Obligations [CO] and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Robert-Jan Bumbacher
Licensed audit expert
(Auditor in charge)

Philip Klopfenstein
Licensed audit expert

Basel, 2 March 2010

2009 FINANCIAL STATEMENTS OF SWISSLOG HOLDING AG

Balance Sheet, Income Statement of Swisslog Holding AG

BALANCE SHEET

At 31 December	Note	2009 TCHF	2008 TCHF
ASSETS			
Cash and cash equivalents		50 050	20 062
Marketable securities	11	1 308	4 067
Other assets			
Group companies		33 066	39 075
Third parties		779	836
Prepaid expenses		547	1 182
Other financial assets	1	0	31 687
CURRENT ASSETS		**85 750**	**96 909**
Property, plant, equipment and intangible assets		586	759
Loans with Group companies		116 253	117 478
Investments in Group companies	9	178 240	175 518
NON-CURRENT ASSETS		**295 079**	**293 755**
TOTAL ASSETS		**380 829**	**390 664**
EQUITY AND LIABILITIES			
Trade payables		178	598
Other liabilities			
Group companies		89 030	81 378
Third parties		18	144
Bonds/convertible bonds 2000–2009	1	0	71 825
Accrued expenses		3 207	10 284
Fix cash credit	2	20 000	0
CURRENT LIABILITIES		**112 433**	**164 229**
Provisions		1 565	987
NON-CURRENT LIABILITIES		**1 565**	**987**
TOTAL LIABILITIES		**113 998**	**165 216**
Share capital	12	2 513	2 513
Statutory reserves	12	81 910	81 696
Reserves for treasury shares	12	1 694	1 908
Retained earnings	13	180 714	139 331
Carry forward		*134 340*	*37 149*
Net result	12	*46 374*	*102 182*
EQUITY		**266 831**	**225 448**
TOTAL EQUITY AND LIABILITIES		**380 829**	**390 664**

INCOME STATEMENT

1 January to 31 December		2009 TCHF	2008 TCHF
INCOME			
Financial income		24 291	21 519
Dividend payments from investments		37 630	159 253
Gain from sales of fixed assets		10	0
Other income from Group companies		8 088	7 072
TOTAL INCOME		**70 019**	**187 844**
EXPENSES			
Financial expenses		9 105	44 018
Personnel expenses		5 184	4 990
Other administration expenses		4 481	5 621
Depreciation		242	143
Write-down of investments		4 318	29 463
TOTAL EXPENSES		**23 330**	**84 235**
Tax expenses		315	1 427
NET RESULT		**46 374**	**102 182**

Notes to the 2009 Financial Statements of Swisslog Holding AG

1. Bonds/convertible bonds 2000–2009

In 2009 part of the bonds have been repurchased in the amount of TCHF 5 455 (nominal value TCHF 5 490). The convertible bonds with a remaining value of TCHF 33 683 have been repaid as per 31 December 2009. In the previous year the repurchased bonds have been classified in other financial assets.

2. Contingent liabilities

	2009 TCHF	2008 TCHF
Guarantees to third parties	90 279	58 059

Guarantee facilities with a limit of MCHF 100.0 (2008: MCHF 100.0) of a bank syndicate have been renegotiated for a term of 4 years on 25 November 2008 and have been extended in 2009 for another year, by execution of a renewal option (maturity 31 December 2013). The pledge of the subsidiary TransLogic Corp. (USA) ceased with the repayment of the convertible bonds as per 31 December 2009. Further information is included in Note 16 of the consolidated financial statements 2009. In connection with the guarantee facilities a cash credit of MCHF 20.0 has been drawn from the bank syndicate as per 31 December 2009.

3. Fire insurance value of property, plant and equipment

	2009 TCHF	2008 TCHF
Fire insurance value of property, plant and equipment	600	600

4. Liabilities due to pension plans

	2009 TCHF	2008 TCHF
Liabilities due to pension plans	0	50

5. Board and executive compensation disclosures

5.1 Compensation for current and former members of the Board and the Executive Committee

The compensation of the members of the Board and the Executive Committee for the year 2009 and 2008, respectively, is as shown in the table (article 663b[bis] of the Swiss Code of Obligations).

2009	Function	Fixed salary in TCHF	Variable salary[1] in TCHF	Other personnel expenses[2] in TCHF	Total 2009 in TCHF	Share matching plan[3] (2009–2012) Number of shares	in TCHF
MEMBERS OF THE BOARD							
Hans Ziegler	Chairman	190	not applicable	0	190	23 000	19
Jürg Rückert	Vice-Chairman	70	not applicable	5	75	11 500	9
Heinz Bachmann	Member	72	not applicable	0	72	11 500	9
Johann Löttner (from 21.4.2009)	Member	50	not applicable	0	50	11 500	9
Jacques Réjeange (until 21.4.2009)	Member	23	not applicable	1	24	0	0
Manfred Schuster	Member	72	not applicable	0	72	11 500	9
TOTAL		477		6	483	69 000	55
MEMBERS OF THE EXECUTIVE COMMITTEE							
Remo Brunschwiler	CEO	609	339	140	1 088	86 000	71
Other members (4)	Members	1 179	498	263	1 940	183 500	150
TOTAL		1 788	837	403	3 028	269 500	221
FORMER MEMBERS OF THE EXECUTIVE COMMITTEE							
None		0	0	0	0	0	0

2008	Function	Fixed compensation in TCHF	Variable compensation[1] in TCHF	Other personnel expenses[2] in TCHF	Total 2008 in TCHF	Share matching plan[3] (2008–2011) Number of shares	in TCHF
MEMBERS OF THE BOARD							
Hans Ziegler	Chairman	180	not applicable	9	189	13 600	16
Jürg Rückert	Vice-Chairman	70	not applicable	4	74	6 800	8
Heinz Bachmann	Member	70	not applicable	3	73	6 800	8
Jacques Réjeange	Member	70	not applicable	3	73	2 300	3
Manfred Schuster	Member	70	not applicable	0	70	6 800	8
TOTAL		460		19	479	36 300	43
MEMBERS OF THE EXECUTIVE COMMITTEE							
Remo Brunschwiler	CEO	595	268	125	988	50 900	61
Other members (4)[4]	Members	1 010	374	200	1 584	108 500	130
TOTAL		1 605	642	325	2 572	159 400	191
FORMER MEMBERS OF THE EXECUTIVE COMMITTEE							
Former member (1)	Member	301	0	40	341	0	0

There was no compensation to former members of the Board in the years 2009 and 2008.

1 Accrued variable salary that will be paid out in the following year
2 "Other personnel expenses" include compulsory social security contributions (e.g. Swiss AHV/IV/EO), contributions to pension schemes (in Switzerland and the USA), supplementary insurance benefits and benefits in kind (e.g. company car)
3 Swisslog Holding AG introduced a share matching plan in 2008 to a limited number of participants. Shares are granted each year on 1 July (grant date) and comprise a vesting period of 3 years. Prior to the grant date, the participants have to deliver Swisslog shares which are held in trust by Swisslog Holding AG during the vesting period. After the vesting period of 3 years the participants will receive – in addition to the shares in custody – a number of vesting shares depending on the achievement of defined metrics. The stated number of shares represent the estimated vesting shares which the members of the Board and the Executive Committee, respectively, will receive in total after the vesting period. Based on the latest estimate as per 31 December 2009, the prior year numbers have been changed. The amount in TCHF is calculated by the estimated amount of shares for the 3 years multiplied with the share price at the grant date. Further information about the share matching plan is included in Note 20 of the consolidated financial statements and in the Corporate Governance report which is included in the Annual Report.
4 Including the pro-rata compensation for one member who joined the Executive Committee as per 1 July 2008

5.2 Loans and credits to members of the Board and the Executive Committee
No loans, credits and advances were granted to members of the Board and the Executive Committee or persons closely related to them. No such loans were outstanding as of 31 December 2009 and 31 December 2008, respectively.

6. Investments in shares of Swisslog Holding AG held by members of the Board an the Executive Committee
The table shows the number of Swisslog shares owned by the members of the Board and the Executive Committee (including persons closely related to them) as per 31 December according to article 663c section 3 of the Swiss Code of Obligations.

		Number of Swisslog shares	
	Function	31 December 2009	31 December 2008
MEMBERS OF THE BOARD			
Hans Ziegler	Chairman	1 108 000	964 000
Jürg Rückert	Vice-Chairman	24 000	12 000
Heinz Bachmann	Member	29 000	17 000
Johann Löttner (from 21.4.2009)	Member	12 000	not applicable
Jacques Réjeange (until 21.4.2009)	Member	not applicable	221 300
Manfred Schuster	Member	112 000	112 000
TOTAL		**1 285 000**	**1 326 300**
MEMBERS OF THE EXECUTIVE COMMITTEE			
Remo Brunschwiler	CEO	400 000	400 000
Daniel Fink	WDS Division President	96 000	88 000
Charlie Kegley	HCS Division President	99 500	99 500
Christian Mäder	CFO	100 000	48 000
Philipp Uschatz	Head of Corporate HR	98 000	98 000
TOTAL		**793 500**	**733 500**

7. Commitments against Main Division of the Swiss Federal Tax Administration (VAT)
Swisslog Holding AG together with Swisslog AG forms a tax group with respect to the Swiss Federal Tax Administration – Main Division VAT. This tax group has a joint liability for taxes owed by the tax group.

8. Significant shareholders
Based on the information on hand there was no shareholder with an investment of 5% or more in the share capital of the company as per 31 December 2009 (2008: Chase Nominees Ltd., London, 5.1%). As per 31 December 2009 the following shareholders owned more than 3% of the shares of Swisslog Holding AG on their own account (notification according to article 20 of Stock Exchange Act): Baillie Gifford & Co, Edinburgh, and Pictet Funds SA, Geneva.

9. Investments
The investments directly and indirectly held by Swisslog Holding AG are disclosed in the Annual Report on page 74.

10. Disclosure about performed risk management procedure
The Group has a risk management in place which covers also Swisslog Holding AG. The material strategic, operational and financial risks of the Group are covered by the Executive Committee annually on the occasion of the business plan process and are detailed in a Risk Map. The risks are reviewed, updated and completed on the occasion of the budgeting process. Risks are categorized into their likelihood of occurrence and their potential financial impact (outflow of resources and/or effect on the income statement). For each listed risk, prevention or mitigation measures are defined as well as responsibilities and the monitoring of developments. The Board of Directors approves the Risk Map established by the Group management on an annual basis.
The last risk assessment by the Board of Directors of Swisslog Holding AG has been performed on 16 December 2009. Further information is included in Note 27 of the consolidated financial statements 2009.

11. Treasury shares

	Number of registered shares	Average price CHF	Year-end price CHF	Total TCHF
BALANCE AT 31 DECEMBER 2007	0			0
Purchases	2 000 000	1.11		2 212 790
Sales	281 500	1.20		337 800
BALANCE AT 31 DECEMBER 2008	**1 718 500**		**0.44**	**756 140**
Sales	192 900	1.10		211 573
BALANCE AT 31 DECEMBER 2009	**1 525 600**		**0.87**	**1 327 272**

Treasury shares are presented within marketable securities.

12. Statement of changes in equity

In TCHF	Share capital	Statutory reserves	Reserve for treasury shares	Retained earnings Carried forward	Retained earnings Result	Equity
AT 31 DECEMBER 2007[1]	**2 513**	**83 604**	**0**	**32 762**	**4 387**	**123 266**
Appropriation of net result 2007				4 387	–4 387	0
Building of reserve for treasury shares		–1 908	1 908			0
Net result 2008					102 182	102 182
AT 31 DECEMBER 2008[1]	**2 513**	**81 696**	**1 908**	**37 149**	**102 182**	**225 448**
Appropriation of net result 2008				102 182	–102 182	0
Dividend payment				–4 991		–4 991
Release of reserve for treasury shares		214	–214			0
Net result 2009					46 374	46 374
AT 31 DECEMBER 2009[1]	**2 513**	**81 910**	**1 694**	**134 340**	**46 374**	**266 831**

1 Before appropriation

13. Proposal of the Board of Directors for appropriation of the retained earnings as per 31 December 2009

	2009 Proposal of the Board of Directors	2008 Resolution of the General Meeting of Shareholders
Retained earnings carried forward	134 340	37 149
Net result	46 374	102 182
RETAINED EARNINGS AVAILABLE FOR APPROPRIATION	**180 714**	**139 331**
Dividend of CHF 0.02 per registered share of nominal CHF 0.01 on 249 751 384 shares entitled to dividend[1]	–4 995	–4 991
BALANCE TO BE CARRIED FORWARD	**175 719**	**134 340**

1 Status as at 31 December 2009. No dividend is paid on shares held by the company (treasury shares). The reported dividend requirement may change accordingly

Report of the Statutory Auditor to the General Meeting of Swisslog Holding AG, Buchs

As statutory auditor, we have audited the accompanying financial statements of Swisslog Holding AG, which comprise the balance sheet, income statement and notes for the year ended 31 December 2009.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements for the year ended 31 December 2009 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Over-sight Act (AOA) and independence (Art. 728 Code of Obligations [CO] and Art. 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Robert-Jan Bumbacher	Philip Klopfenstein
Licensed audit expert	Licensed audit expert
(Auditor in charge)	

Basel, 2 March 2010

SUBSIDIARIES AND INVESTMENTS OF SWISSLOG GROUP

KEY FIGURES FOR SHARE CAPITAL

CONSOLIDATED DATA FOR THE PAST 5 YEARS

Subsidiaries and investments of Swisslog Group at 31 December 2009

Subsidiary	Registered office / Country	Consolidated on Y/M	Currency	Share capital Amount	Equity interest %
1. SUBSIDIARIES DIRECTLY HELD BY SWISSLOG HOLDING AG					
A) FULLY CONSOLIDATED MANAGEMENT AND FINANCING SUBSIDIARIES					
Swisslog Holdings (UK) Ltd.	Redditch / UK	97/12	GBP	1.01 Mio.	100%
Swisslog IP B.V.	Amsterdam / Netherlands	99/01	EUR	0.02 Mio.	100%
Swisslog USA Inc.	City of Dover / USA	99/09	USD	0.00 Mio.	100%
B) FULLY CONSOLIDATED OPERATIVE SUBSIDIARIES					
Swisslog (Shanghai) Co., Ltd.	Shanghai / China	04/02	USD	0.48 Mio.	100%
Swisslog AB	Partille / Sweden	97/01	SEK	10.00 Mio.	100%
Swisslog AG	Buchs / Switzerland	86/01	CHF	10.00 Mio.	100%
Swisslog AS	Oslo / Norway	98/07	NOK	0.50 Mio.	100%
Swisslog Australia Pty. Ltd.	Epping / Australia	96/01	AUD	0.00 Mio.	100%
Swisslog B.V.	Culemborg / Netherlands	86/01	EUR	0.02 Mio.	100%
Swisslog Collett AS	Oslo / Norway	07/09	NOK	4.00 Mio.	100%
Swisslog Ergotrans B.V.	Apeldoorn / Netherlands	08/04	EUR	0.11 Mio.	100%
Swisslog Evomatic GmbH	Sipbachzell / Austria	09/05	EUR	0.04 Mio.	100%
Swisslog France SA	Saint-Denis / France	99/09	EUR	0.84 Mio.	100%
Swisslog Italia S.p.A.	Milan / Italy	89/01	EUR	0.55 Mio.	100%
Swisslog Luxembourg S.A.	Ell / Luxembourg	00/11	EUR	1.35 Mio.	100%
Swisslog Malaysia Sdn Bhd	Selangor Darul Ehsan / Malaysia	97/01	MYR	0.25 Mio.	100%
Swisslog N.V.	Wilrijk / Belgium	94/01	EUR	0.12 Mio.	100%
Swisslog Polska Sp. z o.o.	Warsaw / Poland	00/05	PLN	0.10 Mio.	100%
Swisslog Pte. Ltd.	Singapore	99/09	SGD	0.60 Mio.	95%
Swisslog Singapore Pte. Ltd.	Singapore	97/01	SGD	0.10 Mio.	100%
2. SIGNIFICANT SUBSIDIARIES NOT DIRECTLY HELD BY SWISSLOG HOLDING AG					
A) FULLY CONSOLIDATED MANAGEMENT AND FINANCING SUBSIDIARIES					
Swisslog (Deutschland) GmbH	Puchheim / Germany	89/01	EUR	3.40 Mio.	100%
Swisslog Asia Ltd.	Hong Kong / China	07/06	HKD	0.10 Mio.	100%
B) FULLY CONSOLIDATED OPERATIVE SUBSIDIARIES					
Swisslog (UK) Ltd.	Redditch / UK	94/01	GBP	0.25 Mio.	100%
Swisslog GmbH	Dortmund / Germany	97/12	EUR	1.00 Mio.	100%
Swisslog Healthcare (UK) Ltd.	Southampton / UK	00/12	GBP	0.00 Mio.	100%
Swisslog Logistics, Inc.	Newport News / USA	98/07	USD	0.12 Mio.	100%
Swisslog Rohrpostsysteme GmbH	Westerstede / Germany	99/09	EUR	0.50 Mio.	100%
Swisslog Telelift GmbH	Puchheim / Germany	99/09	EUR	0.84 Mio.	100%
Swisslog-Accalon (Kunshan) Co. Ltd.	Kunshan / China	08/02	USD	0.87 Mio.	100%
Swisslog-Accalon AB	Boxholm / Sweden	07/06	SEK	1.00 Mio.	100%
TransLogic Corp.	Denver / USA	99/09	USD	0.00 Mio.	100%
TransLogic Ltd.	Mississauga / Canada	99/09	CAD	0.00 Mio.	100%

Key figures for share capital

		Unit	2009	2008	2007	2006	2005
Share capital		MCHF	2.5	2.5	2.5	2.5	1.8
Shares (at year-end)		Thousands	251 277	251 277	251 277	251 277	179 484
Dividend/registered share		CHF	0.02	0.02	0.00	0.00	0.00
Dividend[1]		MCHF	5.0	5.0	0.0	0.0	0.0
Net result		MCHF	17.7	11.2	18.8	–3.5	1.8
Basic earnings per share		CHF	0.07	0.04	0.07	–0.02	0.01
Cash EPS[1]		CHF	0.12	0.08	0.08	0.04	0.05
Quoted price of registered share[2]	High	CHF	0.95	1.54	2.11	1.79	1.32
	Low	CHF	0.32	0.39	1.45	1.16	0.99
	Closing price	CHF	0.87	0.44	1.60	1.54	1.10
Market capitalisation (at year-end)		MCHF	218.6	110.6	402.0	387.0	221.2
Consolidated equity		MCHF	161.3	148.5	156.4	143.0	80.2
Equity/registered share		CHF	0.6	0.6	0.6	0.6	0.4
Market capitalisation in % equity		%	136	74	257	271	276
Price-Earnings-Ratio (PE-Ratio)[3]		Factor	12.4	6.4	21.4	58.6	122.9

1 Proposal of the Board of Directors for 2009 to distribute CHF 0.02 per registered share
2 Rate of the day
3 Related to net result before amortization/impairment of goodwill

Closing of financial year	31 December
Year incorporated	1900, Holding Company 1986
Registered office	Buchs/Aarau, Switzerland
Exchange listing	SIX Swiss Exchange
Bylaws	latest revision of bylaws: 21 April 2009
Share capital	MCHF 2.5 251 276 984 registered shares at a par value of CHF 0.01
Registration limit	as of existing law

Consolidated data for the past five years

CONSOLIDATED BALANCE SHEET

At 31 December	2009 MCHF	2008 MCHF	2007 MCHF	2006 MCHF	2005 MCHF
ASSETS					
Property, plant, equipment and investment property	14.9	13.0	14.0	14.0	16.0
Goodwill	80.1	78.1	90.8	88.3	100.9
Other intangible assets	12.2	13.8	7.2	5.3	5.4
Deferred tax assets	5.4	6.0	5.9	9.9	7.8
Other assets	6.2	7.8	20.3	19.9	19.9
NON-CURRENT ASSETS	**118.8**	**118.7**	**138.2**	**137.4**	**150.0**
Inventories	22.9	26.4	28.6	25.5	26.7
Trade receivables, amount due from customers for construction contracts and other receivables	136.9	166.5	162.3	168.6	171.2
Cash, cash equivalents and marketable securities	124.4	113.3	99.5	104.2	84.1
CURRENT ASSETS	**284.2**	**306.2**	**290.4**	**298.3**	**282.0**
TOTAL ASSETS	**403.0**	**424.9**	**428.6**	**435.7**	**432.0**
EQUITY AND LIABILITIES					
Share capital	2.5	2.5	2.5	2.5	1.8
Reserves	158.7	145.9	153.8	140.4	78.3
Minority interest	0.1	0.1	0.1	0.1	0.1
EQUITY	**161.3**	**148.5**	**156.4**	**143.0**	**80.2**
Convertible bonds	0.0	0.0	54.0	63.8	127.0
Deferred tax liabilities	1.3	0.8	1.3	3.1	2.8
Other liabilities	8.4	9.5	8.8	9.5	11.1
NON-CURRENT LIABILITIES	**9.7**	**10.3**	**64.1**	**76.4**	**140.9**
Trade payables	59.4	65.6	64.1	69.5	70.0
Amount due to customers for construction contracts	92.5	98.0	73.4	68.2	65.7
Provisions	11.1	10.2	11.4	15.4	11.5
Income tax payables	2.6	4.4	2.0	5.5	5.3
Accrued expenses and deferred income	31.1	34.0	43.2	44.9	44.9
Convertible bonds	0.0	37.9	0.0	0.0	0.0
Other liabilities	15.2	16.0	14.0	12.8	13.5
Financial liabilities	20.1	0.0	0.0	0.0	0.0
CURRENT LIABILITIES	**232.0**	**266.1**	**208.1**	**216.3**	**210.9**
TOTAL EQUITY AND LIABILITIES	**403.0**	**424.9**	**428.6**	**435.7**	**432.0**
Number of consolidated operative companies	27	26	25	27	27

CONSOLIDATED INCOME STATEMENT

1 January to 31 December	2009 MCHF	2008 MCHF	2007 MCHF	2006[1] MCHF	2005[1] MCHF
Order intake	642.0	598.0	850.5	677.3	628.6
Order backlog (at year-end)	446.4	445.6	682.3	538.0	510.8
CONTINUING OPERATIONS					
NET SALES	**649.9**	**786.1**	**694.9**	**646.9**	**556.4**
Other operating income	2.5	0.3	2.7	0.2	0.2
Material and service expenses	303.3	398.4	311.9	290.0	222.0
Personnel expenses	240.7	256.7	251.9	228.2	218.8
Other operating expenses	68.9	90.2	92.7	91.1	87.0
Depreciation and amortization	11.1	5.8	6.7	6.7	7.0
Total operating expenses	624.0	751.1	663.2	616.0	534.8
OPERATING PROFIT BEFORE AMORTIZATION/IMPAIRMENT OF GOODWILL (EBITA)	**28.4**	**35.3**	**34.4**	**31.1**	**21.8**
Amortization/impairment of goodwill	0.0	0.0	0.0	10.1	0.0
OPERATING PROFIT (EBIT)	**28.4**	**35.3**	**34.4**	**21.0**	**21.8**
Net financial result	–4.3	–5.9	–5.2	–14.9	–8.8
RESULT BEFORE TAX	**24.1**	**29.4**	**29.2**	**6.1**	**13.0**
Income taxes	–6.4	–11.5	–10.6	–9.6	–11.2
RESULT CONTINUING OPERATIONS AFTER TAX	**17.7**	**17.9**	**18.6**	**–3.5**	**1.8**
Attributable to:					
Equity holders of the parent	17.7	17.9	18.6	–3.5	1.8
Minority interest	0.0	0.0	0.0	0.0	0.0
DISCONTINUING OPERATIONS					
Net sales	0.0	12.5	12.7	0.0	0.0
Other operating income	0.0	0.0	0.0	0.0	0.0
Operating expenses	0.0	–12.2	–12.5	0.0	0.0
Result from discontinued operations	0.0	–7.0	0.0	0.0	0.0
Net financial result	0.0	0.0	0.0	0.0	0.0
RESULT BEFORE TAX	**0.0**	**–6.7**	**0.2**	**0.0**	**0.0**
Income taxes	0.0	0.0	0.0	0.0	0.0
RESULT DISCONTINUED AFTER TAX	**0.0**	**–6.7**	**0.2**	**0.0**	**0.0**
Attributable to:					
Equity holders of the parent	0.0	–6.7	0.2	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
NET RESULT	**17.7**	**11.2**	**18.8**	**–3.5**	**1.8**
Attributable to:					
Equity holders of the parent	17.7	11.2	18.8	–3.5	1.8
Minority interest	0.0	0.0	0.0	0.0	0.0

1 2005–2006 not restated in terms of continued and discontinued operations

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