

Swisslog – Status

Analyst and Media Conference

7 March 2006

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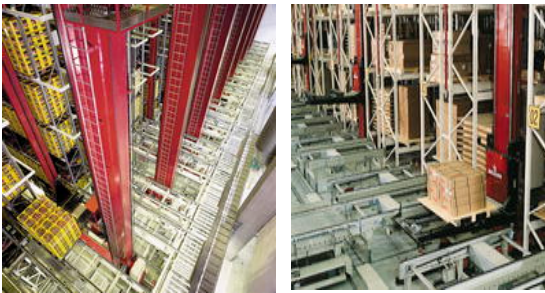
Content

- ▶ **Business activities**
- ▶ Financial situation 2005
- ▶ Conclusion and outlook

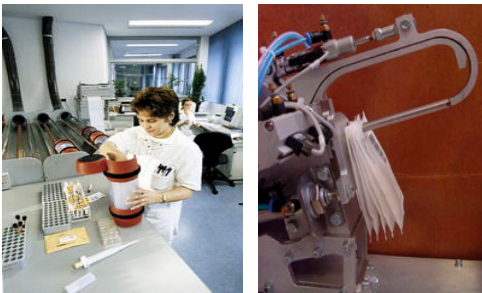
Overview Swisslog Group



Warehouse & Distribution Solutions (WDS)



Healthcare Solutions (HCS)



Consulting Services/ Wassermann (CSW)



Group

Net sales 2005 (MCHF)	355 64%	191 34%	13 2%	556 100%
Employees	1 004	744	71	1 841



Highlights 2005 - Swisslog Group

- ▶ Strong increase in order intake and order backlog based on a large number of smaller orders and various large orders (Forlagsentralen, Foster's Group, Wal Mart, PepsiCo, Coca Cola Amatil, Denner)
- ▶ Net sales slightly below previous year's level due to low order intake in 2004
- ▶ EBITA doubled due to improved project management, reduced costs and higher net sales of Healthcare Solutions
- ▶ Accelerated market introduction of PillPick (according to plan)
- ▶ Successful turnaround of Healthcare Solutions in Germany
- ▶ Repositioning of sales organization of Consulting Services/Wassermann not yet successful

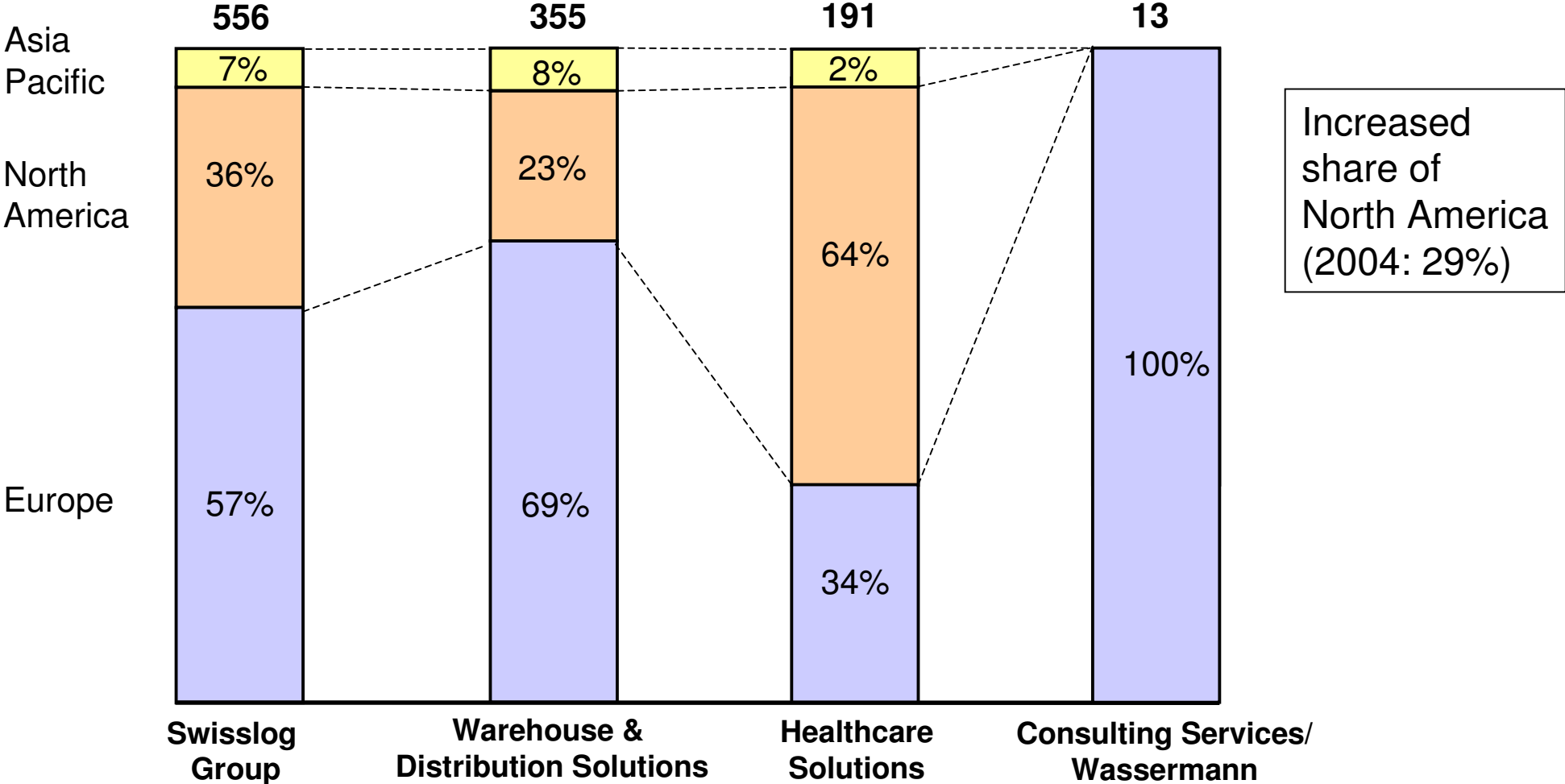
Financial overview – Continuing operations

In MCHF	Continuing operations		
	31.12.05	31.12.04	Diff. in %
Order intake	628.6	542.7	15.8%
Order backlog	510.8	410.6	24.4%
Net sales	556.4	564.9	-1.5%
EBITDA	28.8	17.9	60.9%
EBITA	21.8	10.4	109.6%
<i>EBITA/net sales</i>	<i>3.9%</i>	<i>1.8%</i>	
EBIT	21.8	2.1	938.1%
Employees	1 841	1 858	-0.9%

- ▶ Order intake and order backlog increased (backlog increase without currency effects +17.4%)
- ▶ Net sales slightly below previous year due to low order intake in 2004
- ▶ EBITA doubled due to better project execution, reduced costs and higher sales of Healthcare Solutions
- ▶ EBIT without one-off effects (e.g. goodwill impairment) in 2005

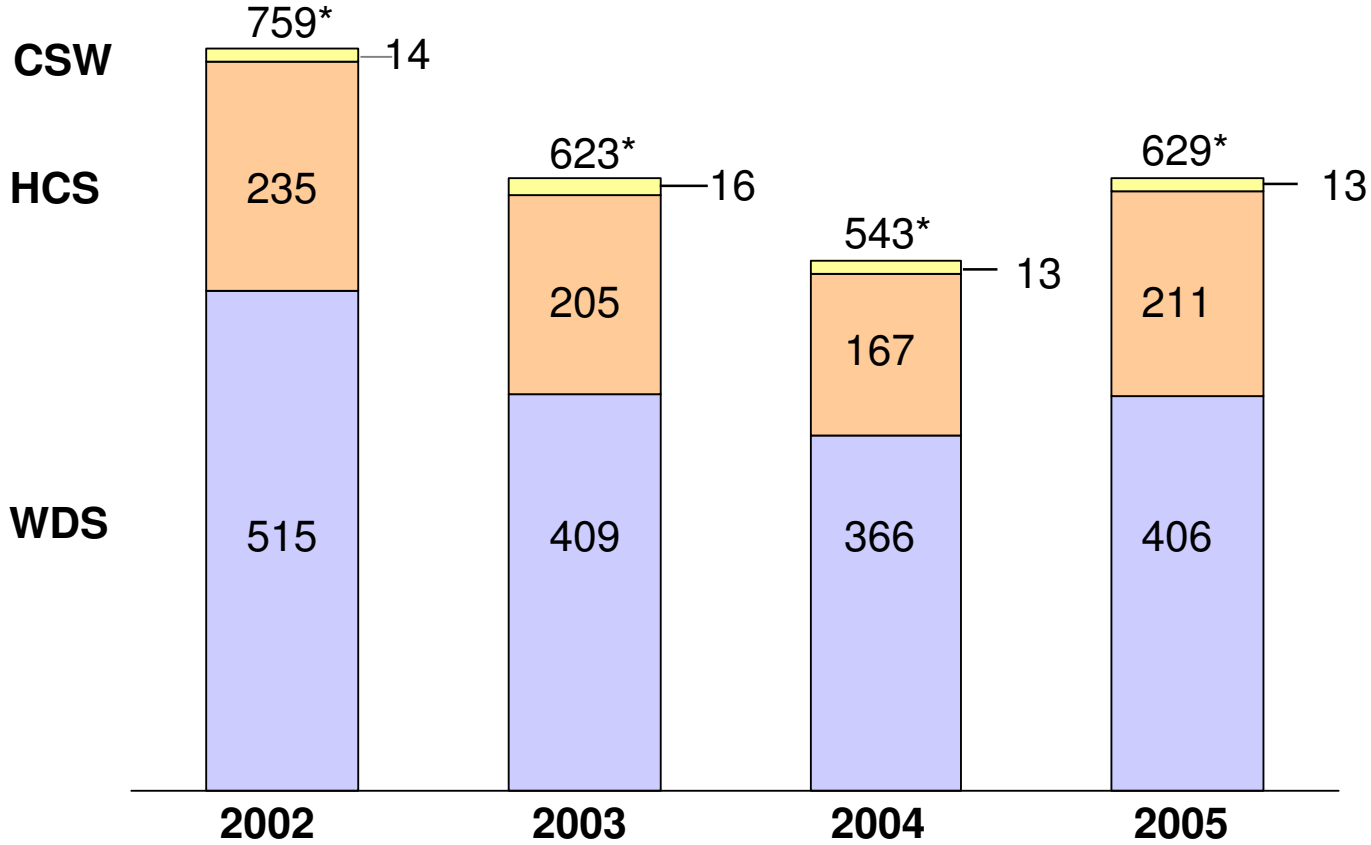
Geographic split of net sales 2005

in MCHF



Turnaround in order intake

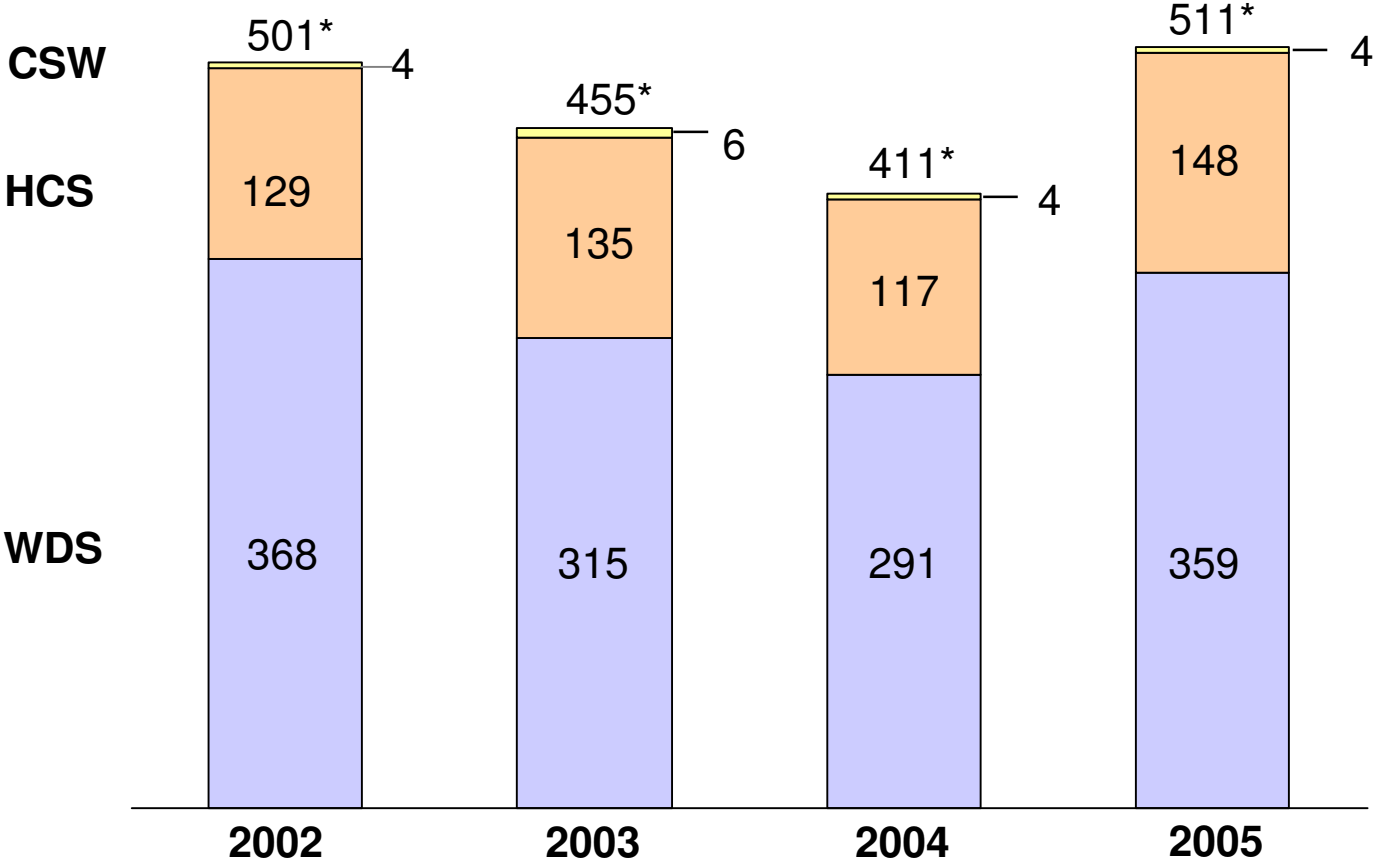
In MCHF



* After eliminations

Strong increase of order backlog

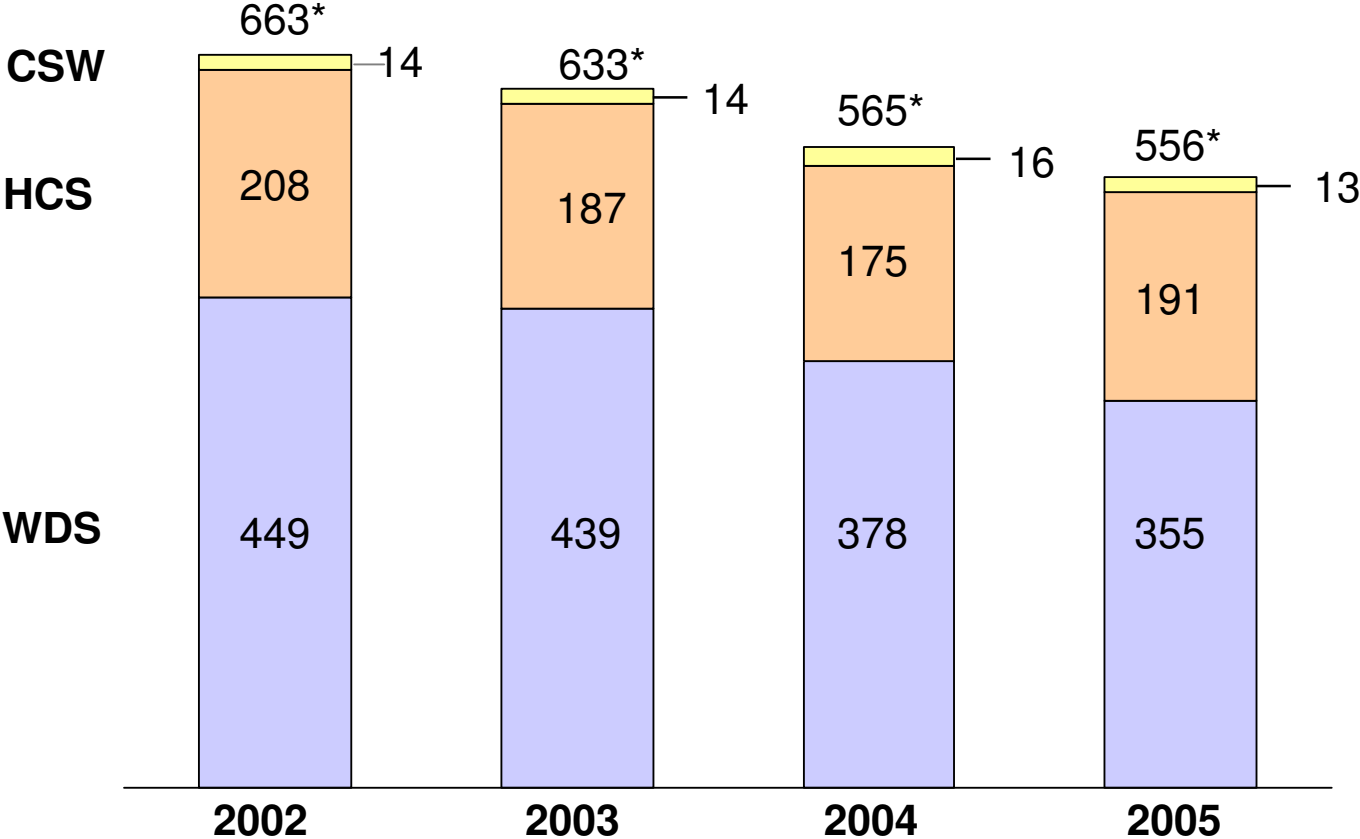
In MCHF



* After eliminations

Stabilization of revenues

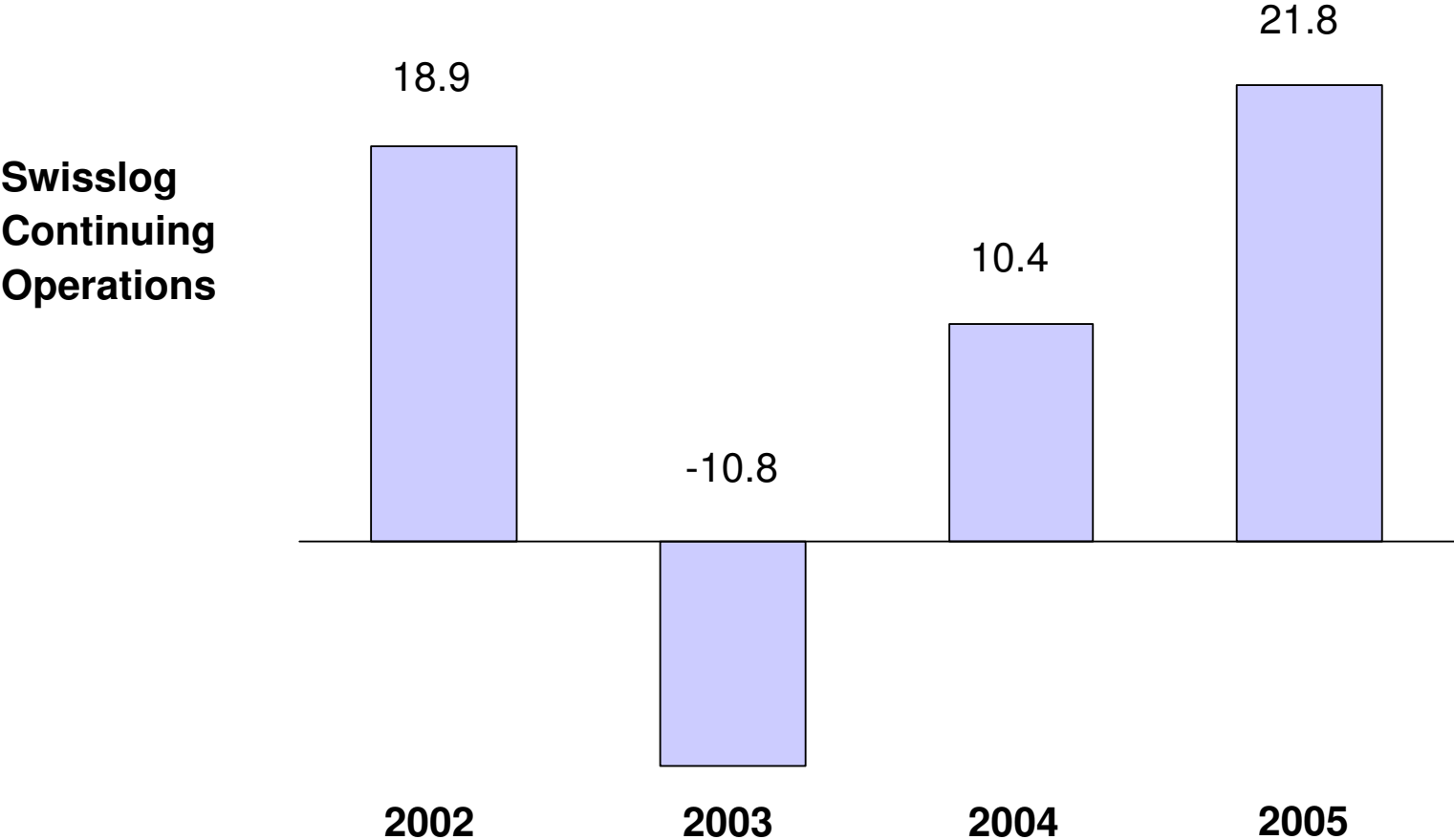
In MCHF



* After eliminations

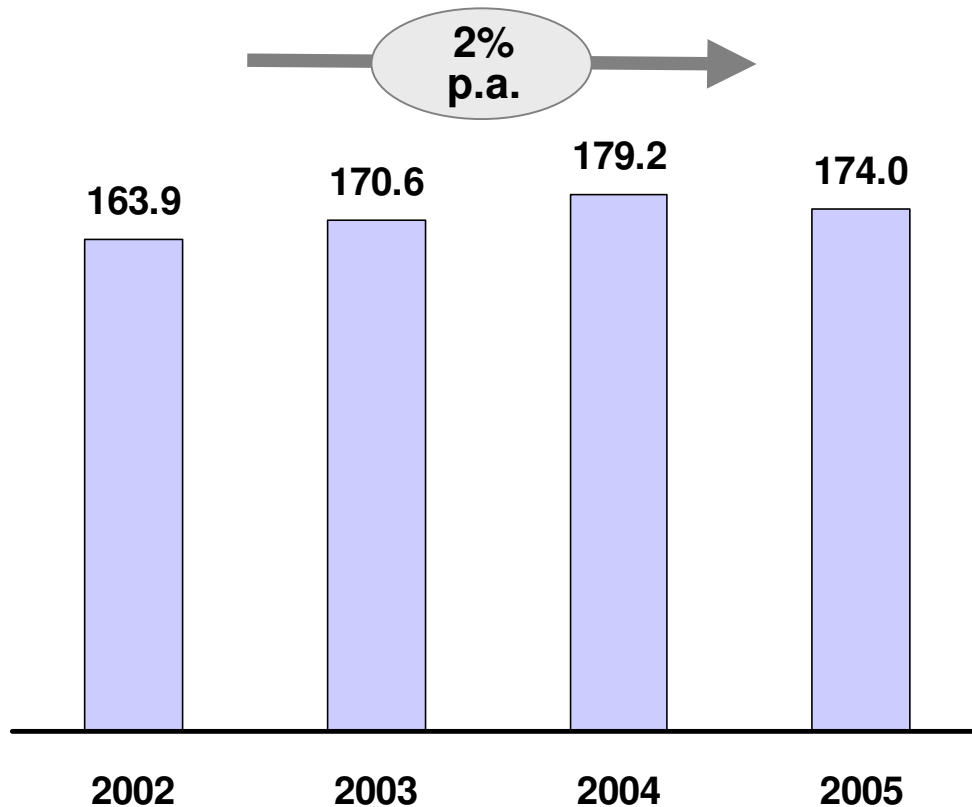
Continuous improvement of EBITA since 2003

In MCHF



Stabilization of WDS Customer Support on high level

Net sales
in MCHF*



* Segment sales including internal sales

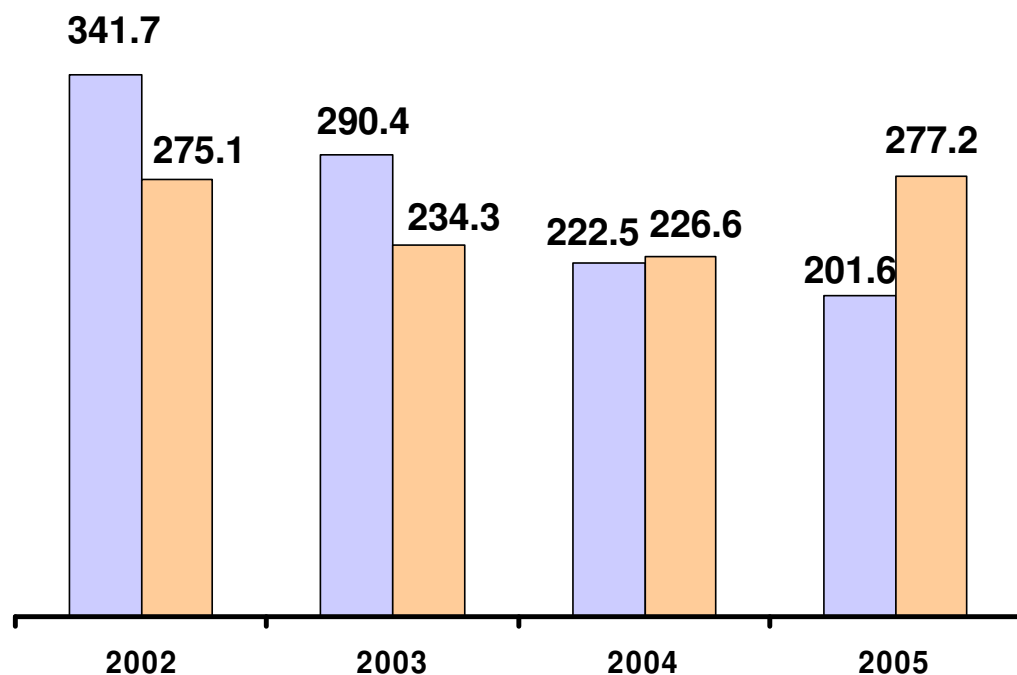
Actions for future growth

- ▶ Intensification of total customer care approach to identify service and retrofit potential
- ▶ Exploitation of customer support potential of competitors' customers
- ▶ Promotion of system operation business on new installations
- ▶ Exploitation of software support and software upgrade/migration opportunities

Revitalization of WDS New Business

■ Net sales ■ Order backlog

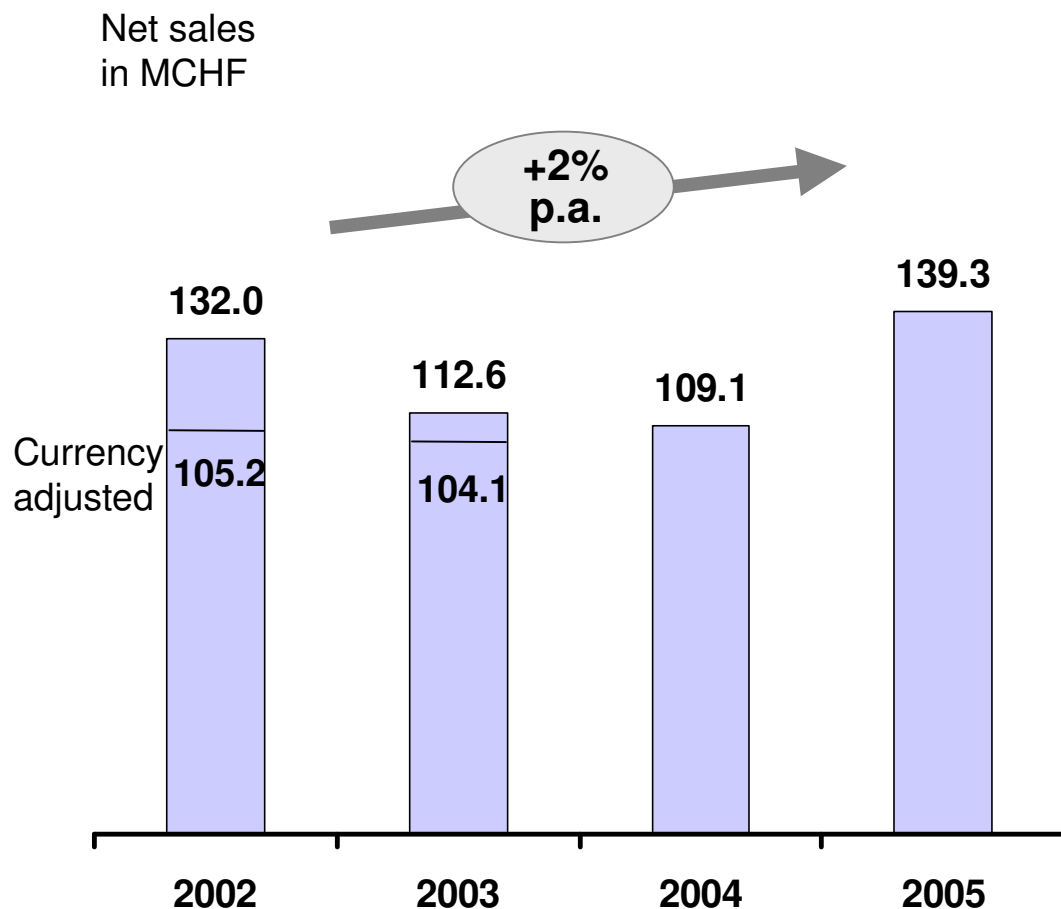
in MCHF



Actions for future growth

- ▶ Conversion of strong 2005 order backlog into net sales
- ▶ Deepening of industry specific know-how via industry practice groups
- ▶ Expansion of sales organization and of market coverage
 - Geographic expansion (e.g. Central and Eastern Europe)
 - Sales force additions (USA)
 - Strengthening of consulting-driven sales approach
- ▶ Full exploitation of business opportunities from existing key accounts (Wal-Mart, Coca Cola Amatil etc.)

Geographic expansion of HCS-Pneumatic Tube Systems

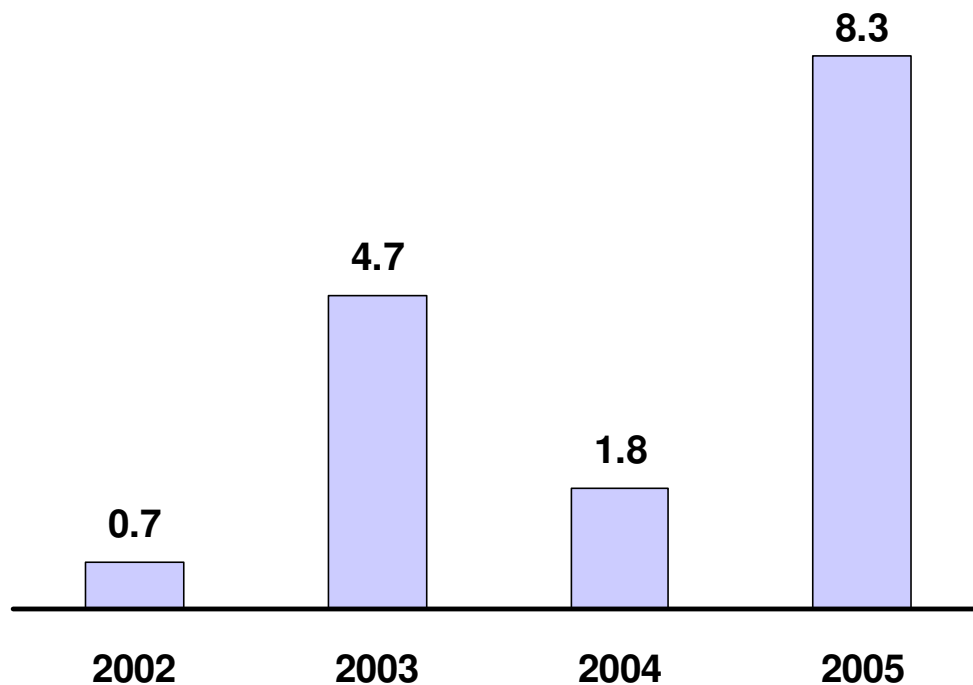


Actions for future growth

- ▶ Strengthening of position in core markets (Western Europe, USA)
 - Innovation
 - Investment in sales force
 - Recruitment of new agents
 - Exploitation of competitors retrofit business
- ▶ Intensification of activities in Far East
 - Expansion of Chinese agency network
 - Build up of agency network in India
- ▶ Establishment of business relationships in the Middle East

Accelerated market introduction of HCS-PillPick

Net sales
in MCHF

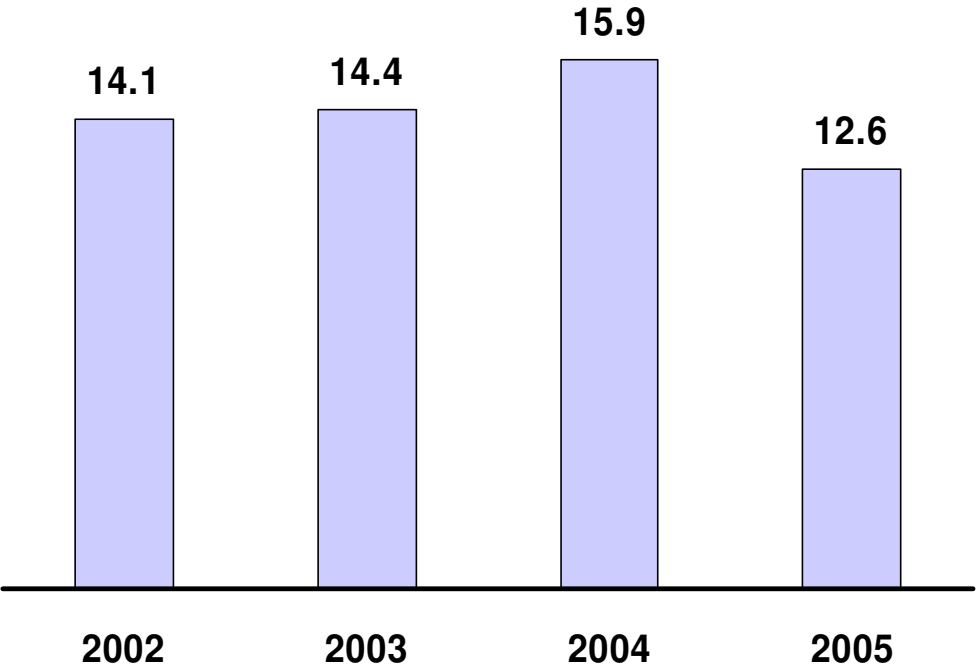


Actions for future growth

- ▶ Optimization of performance/cost ratio of PillPick system
- ▶ Securing of position in Europe against potential competitors
- ▶ Utilization of reference installations in core markets (USA and Western Europe)
- ▶ Use of consulting firms for accelerated market introduction

CSW with declining sales in 2005

Net sales
in MCHF



Actions for performance improvement

- ▶ More focussed market approach
- ▶ Improvement of functionalities of software products
- ▶ Alignment of cost structure with sales volume
- ▶ Stronger variabilization of salaries

Content

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Financial situation 2005

- ▶ Order intake and order backlog increased by more than 15%; improvements in Warehouse & Distribution Solutions and Healthcare Solutions
- ▶ EBITA doubled despite net sales slightly below previous year's level; mainly driven by improvements in Healthcare Solutions
- ▶ Net result positive due to higher EBITA and no further goodwill write-offs
- ▶ Stopped reporting of discontinued operations
- ▶ Exchange rate with positive impact on order backlog (MCHF 29) and on equity (MCHF 10)
- ▶ Operational cash flow of MCHF 19 (before changes from net current assets)
- ▶ Further strengthening of equity position (MCHF 80)

Financial overview – Warehouse & Distribution Solutions

In MCHF	WDS		
	31.12.05	31.12.04	<i>Diff. in %</i>
Order intake	405.7	366.2	10.8%
Order backlog	359.0	290.5	23.6%
Net sales	354.8	378.4	-6.2%
EBITDA	22.1	21.3	3.8%
EBITA	19.3	18.1	6.6%
<i>EBITA/net sales</i>	5.4%	4.8%	
EBIT	19.3	18.1	6.6%
Employees	1 004	1 041	-3.6%

- ▶ New key accounts and strong recurring business from existing customers
- ▶ Reduced net sales due to low order intake in 2004
- ▶ Lower net sales compensated by improvements in project realization and cost reductions
- ▶ Headcount further reduced

Financial overview – Healthcare Solutions

In MCHF	HCS		
	31.12.05	31.12.04	<i>Diff. in %</i>
Order intake	211.4	166.8	26.7%
Order backlog	147.9	117.1	26.3%
Net sales	191.2	174.9	9.3%
EBITDA	20.1	6.0	235.0%
EBITA	17.1	3.1	451.6%
<i>EBITA/net sales</i>	8.9%	1.8%	
EBIT	17.1	3.1	451.6%
Employees	744	727	2.3%

- ▶ Order intake and order backlog strongly increased
- ▶ Net sales increased
- ▶ Strongly improved EBITA due to higher sales and successful completion of turnaround in Germany
- ▶ Headcount increased due to higher net sales

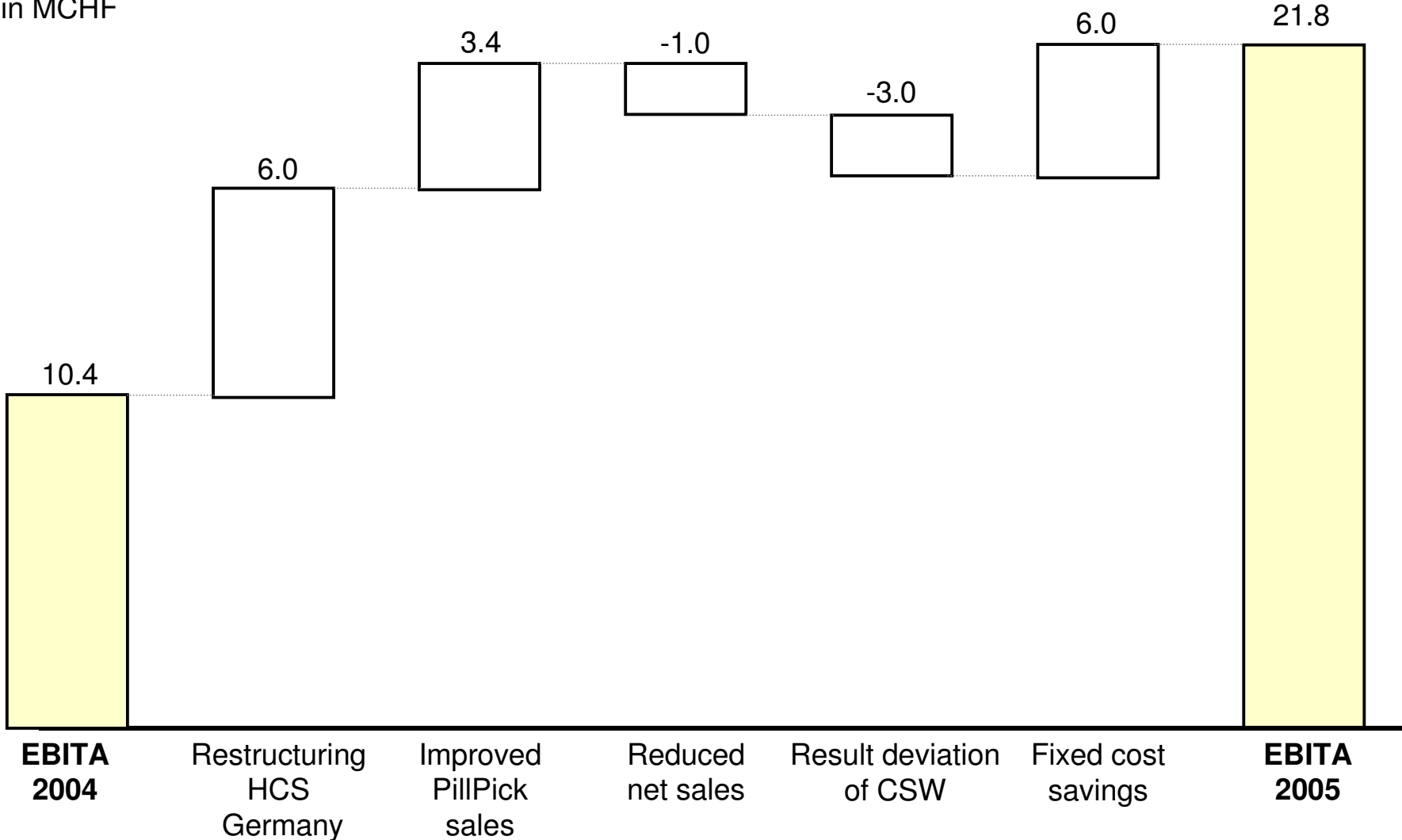
Financial overview – Consulting Services/Wassermann

In MCHF	CSW		
	31.12.05	31.12.04	Diff. in %
Order intake	12.9	13.2	-2.3%
Order backlog	4.2	3.6	16.7%
Net sales	12.6	15.9	-20.8%
EBITDA	- 0.9	2.1	-142.9%
EBITA	- 2.0	1.0	-300.0%
<i>EBITA/net sales</i>	<i>-15.9%</i>	<i>6.3%</i>	
EBIT	- 2.0	- 7.3	-72.6%
Employees	71	67	6.0%

- ▶ Repositioning of sales organization not yet successful
- ▶ Negative EBITA due to lower net sales and increased fixed costs (investments in sales and marketing)
- ▶ Headcount increased mainly in sales

EBITA-development 2004/2005

in MCHF



Swisslog Group – Positive net result

Consolidated income statement

In MCHF	1.1.-31.12.2005	1.1.-31.12.2004
Net sales	556.4	564.9
EBITDA	28.8	17.9
Depreciation	-7.0	-7.5
EBITA	21.8	10.4
Goodwill Impairment	0.0	-8.3
EBIT	21.8	2.1
Net financial result	-8.8	12.1
Taxes	-11.2	-8.1
Result continuing operations	1.8	6.1
Result discontinued operations	0.0	-4.2
Net result	1.8	1.9

- ▶ No further goodwill impairment
- ▶ Financial result benefits from positive currency effects of MCHF 1.8 (2004 with positive financial one-time effect of MCHF 29 due to changed conditions of convertible bonds)
- ▶ Positive net result

Swisslog Group – Equity of MCHF 80

Consolidated balance sheet

In MCHF	31.12.05	31.12.04
Non-current assets excluding goodwill	49.1	55.7
Goodwill	100.9	94.0
Non-current assets	150.0	149.7
Inventories, trade and other receivables, prepayments	197.9	174.6
Cash, cash equivalents and marketable securities	84.1	91.0
Current assets	282.0	265.6
TOTAL assets	432.0	415.3
Equity	80.2	68.4
Non-current liabilities (excluding convertible bonds)	13.9	18.6
Convertible bonds	127.0	120.4
Non-current liabilities	140.9	139.0
Provisions	11.5	17.7
Other current liabilities	199.4	190.2
Current liabilities	210.9	207.9
TOTAL equity and liabilities	432.0	415.3
Net working capital	-9.5	-31.0
Net debt	42.9	29.9

- ▶ Increase of goodwill due to currency effects (stronger USD)
- ▶ Increase of equity to 19% mainly due to currency effects (stronger USD)
- ▶ Increase of net debt due to increased net working capital

Swisslog Group - Operational cash flow of MCHF 19

Consolidated cash flow statement

In MCHF	1.1.-31.12.2005	1.1.-31.12.2004
Net cash flow from operating activities	-3.3	39.8
Cash flow before working capital changes	19.1	1.2
Cash flow from net current assets	-22.4	38.6
Net cash flow from investments	4.7	1.1
Net cash flow from financing activities	-4.8	1.1
Net cash flow from discontinued operations	0.0	-2.8
Currency translation differences	2.1	-1.3
Net decrease/increase in cash and cash equivalents	-1.3	37.9
Cash and cash equivalents at beginning of year	85.4	47.5
Cash and cash equivalents at end of year	84.1	85.4

- ▶ Cash flow from operating activities (before changes in net current assets) strongly improved
- ▶ Net current assets increased by MCHF 22.4
- ▶ Divestments of securities in net cash flow from investments
- ▶ Reduction of cash and cash equivalents of MCHF 1.3

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Conclusion and outlook

- ▶ The successful completion of Swisslog's restructuring is positively reflected in the financial figures of 2005
- ▶ After years of stagnation the increased order backlog allows for growing the business in 2006; expected net sales increase of 5 - 10%
- ▶ The leaner cost structure and improvements in project execution allow for an improved EBITA margin

