



swisslog

Swisslog

Half-year report 2006

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Highlights first half-year 2006 (1/2)

- Swisslog Group:**
- Reduced order intake
 - Stable order backlog
 - Increased net sales due to good order backlog from previous year (positive currency effects for net sales in particular)
 - Operating result (EBITA) substantially improved
 - Goodwill impairment of MCHF 10.0 at Consulting Services/Wassermann
 - Book loss of MCHF 8.0 in financial result from partial repurchase of convertible bonds
 - Strengthened balance sheet with equity ratio of 32.0%
 - New bank-guarantee facility at better terms and conditions

Highlights first half-year 2006 (2/2)

Warehouse & Distribution Solutions:

- Reduction of order intake and order backlog due to delayed larger orders
- Growth in net sales due to good order backlog at the end of 2005
- Substantial increase of EBITDA/EBITA due to net sales growth in first semester

Healthcare Solutions:

- Growth of order intake, order backlog and net sales
- Slight improvement of EBITDA/EBITA due to sales growth
- Reduction of margin due to project mix effect (higher share of larger projects)

Consulting Services/ Wassermann:

- Reduction of order intake in first semester
- Reduction in net sales leads to negative EBITDA/EBITA despite cost saving measures
- Goodwill impairment of MCHF 10.0

Financial overview – Swisslog Group

In MCHF	30.06.06	30.06.05	31.12.05
Order intake	256.2	281.3	628.6
Order backlog	449.2	443.2	510.8
Net sales	304.7	267.0	556.4
EBITDA	15.9	11.2	28.8
EBITA	12.5	7.7	21.8
<i>EBITA/net sales</i>	<i>4.1%</i>	<i>2.9%</i>	<i>3.9%</i>
EBIT	2.5	7.7	21.8
Employees	1 804	1 862	1 841

- ▶ Lower order intake (-8.9%) due to delayed larger orders
- ▶ Solid order backlog
- ▶ Increased net sales (+14.1%) in first semester due to good order backlog at the end of 2005; +10.9% excluding currency effects
- ▶ EBITDA/EBITA: Improved operating profit due to net sales increase
- ▶ Reduced EBIT due to goodwill impairment of MCHF 10.0 at Consulting Services/Wassermann

Warehouse & Distribution Solutions

In MCHF	30.06.06	30.06.05	31.12.05
Order intake	138.7	169.2	405.7
Order backlog	293.9	303.5	359.0
Net sales	195.5	171.3	354.8
EBITDA	11.7	7.8	22.1
EBITA	10.2	6.5	19.3
<i>EBITA/net sales</i>	<i>5.2%</i>	<i>3.8%</i>	<i>5.4%</i>
EBIT	10.2	6.5	19.3
Employees	970	1 027	1 004

- ▶ Reduced order intake (-18.0%) and order backlog (-3.2%) due to delays of large orders
- ▶ Increased net sales (+14.1%) due to good order backlog at the end of 2005; +12.2% excluding currency effects
- ▶ EBITDA/EBITA: Increased operating profit due to sales growth
- ▶ Reduced staff

Healthcare Solutions

In MCHF	30.06.06	30.06.05	31.12.05
Order intake	112.0	105.3	211.4
Order backlog	151.6	138.1	147.9
Net sales	103.7	89.7	191.2
EBITDA	9.4	9.1	20.1
EBITA	8.1	7.5	17.1
<i>EBITA/net sales</i>	<i>7.8%</i>	<i>8.4%</i>	<i>8.9%</i>
EBIT	8.1	7.5	17.1
Employees	751	747	744

- ▶ Increased order intake (+6.4%)
- ▶ Improved order backlog (+9.8%)
- ▶ Increased net sales (+15.6%); +10.9% excluding currency effects
- ▶ EBITA/EBITDA: slight improvement due to net sales growth
- ▶ Reduction of margin due to project mix effect (higher share of larger projects)
- ▶ Slightly increased staff

Consulting Services/Wassermann

In MCHF	30.06.06	30.06.05	31.12.05
Order intake	5.6	7.4	12.9
Order backlog	4.0	2.0	4.2
Net sales	5.8	7.0	12.6
EBITDA	- 0.4	0.6	-0.9
EBITA	- 0.9	0.0	-2.0
<i>EBITA/net sales</i>	<i>-15.5%</i>	<i>0.0%</i>	<i>-15.9%</i>
EBIT	- 10.9	0.0	-2.0
Employees	62	69	71

- ▶ Reduced order intake (-24.3%)
- ▶ Increased order backlog
- ▶ Lower net sales (-17.1%)
- ▶ EBITDA/EBITA: negative operating profit due to lower net sales despite cost saving measures
- ▶ Goodwill impairment of MCHF 10.0
- ▶ Reduced staff

Swisslog Group – consolidated income statement (unaudited)

in MCHF	1.1.-30.6.2006	1.1.-30.6.2005	1.1.-31.12.2005
Net sales	304.7	267.0	556.4
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	15.9	11.2	28.8
Depreciation and amortization	-3.4	-3.5	-7.0
Operating profit before impairment of goodwill (EBITA)	12.5	7.7	21.8
Impairment of goodwill	-10.0	0.0	0.0
Operating profit (EBIT)	2.5	7.7	21.8
Financial result	-12.6	-3.9	-8.8
Income taxes	-5.5	-5.2	-11.2
Net Result	-15.6	-1.4	1.8

One-time charges burden the income statement:

- Goodwill impairment of MCHF 10.0
- Book loss in financial result of MCHF 8.0 from partial repurchase of convertible bonds

Swisslog Group – consolidated balance sheet (unaudited)

in MCHF	30.06.06	30.06.05	31.12.05
Non-current assets excluding goodwill	48.8	50.6	49.1
Goodwill	88.3	99.2	100.9
Non-current assets	137.1	149.8	150.0
Inventories, receivables, prepayments	177.6	164.5	197.9
Cash and cash equivalents	92.5	73.3	84.1
Current assets	270.1	237.8	282.0
Total assets	407.2	387.6	432.0
Equity	130.5	73.9	80.2
Non-current liabilities (excluding convertible bonds)	13.2	16.7	13.9
Convertible bonds	62.4	123.8	127.0
Non-current liabilities	75.6	140.5	140.9
Provisions	10.7	13.0	11.5
Other current liabilities	190.4	160.2	199.4
Current liabilities	201.1	173.2	210.9
Total equity and liabilities	407.2	387.6	432.0
Net working capital	-23.4	-12.4	-9.5
Net debt	-30.1	51.0	42.9

Strengthened balance sheet and improved financial ratios at 30 June 2006:

- Equity 32% of balance sheet total
- Net debt MCHF -30.1
- Tangible net worth MCHF 42.2 (equity less goodwill)

Swisslog Group – consolidated cash flow statement (unaud.)

in MCHF	1.1.-30.6.2006	1.1.-30.6.2005	1.1.-31.12.2005
Net cash flow from operating activities	19.6	-18.7	-3.3
Thereof cash flow before changes in nwc	7.9	3.9	19.1
thereof cash flow from net working capital	11.7	-22.6	-22.4
Net cash flow from investing activities	-1.3	5.4	4.7
Net cash flow from financing activities	-8.8	-0.4	-4.8
Currency effects on cash and cash equivalents	-1.1	1.6	2.1
Net increase/decrease in cash and cash equivalents	8.4	-12.1	-1.3
Cash and cash equivalents at beginning of period	84.1	85.4	85.4
Cash and cash equivalents at end of period	92.5	73.3	84.1

- ▶ Operating cash flow improved (before changes in net working capital and from NWC)
- ▶ Low investment activity (positive effect from sales of securities in previous year)
- ▶ Partial repurchase of convertible bonds larger than net proceeds from capital increase
- ▶ Holdings of cash and cash equivalents increased

Outlook 2006

- ▶ Order pipeline suggests substantial higher order intake in second semester 2006
- ▶ Net sales about 10% above previous year
- ▶ Slight improvement of EBITA margin
- ▶ Negative net result due to one-time charges (goodwill impairment and partial repurchase of convertible bonds)