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Swisslog with stable operating profit EBITA

Buchs/Aarau, 10 March 2009 – Swisslog increased net sales in the financial year 2008 once again and slightly improved operating profit EBITA. Liquidity rose considerably while the equity position remains as solid as before. Negative currency effects reduced the operating result as well as net profit. The proven strategic direction was continued with a targeted acquisition and a divestment. A dividend payment is proposed to the General Meeting of Shareholders. In view of the difficult economic environment, Swisslog anticipates lower net sales and a comparable EBITA margin for the current year.

"We have achieved several important operational and strategic goals in this challenging year," says CEO Remo Brunschwiler, commenting on the financial result for 2008. These include the repeated improvement of margins in the Healthcare Solutions division, the renewal of the bank guarantee line on attractive terms and the streamlining of the portfolio through the disposal of the business of the Consulting Services/Wassermann division, among other things. With the purchase of the Dutch company Ergotrans, the initiative launched last year of targeted round-off acquisitions in the core business of Healthcare Solutions in Europe was successfully carried forward. In contrast, the targeted improvement of margins in the Warehouse & Distribution Solutions division was not achieved.

For Swisslog too, the past business year was marked by turmoil on the financial markets and the onset of the global recession. The economic slump which started in the second semester is reflected in order intake and order backlog: these finished the year at MCHF 598.0 (–29.7%) and MCHF 445.6 (–34.7%), respectively, for continuing operations. This reduction is caused by the Warehouse & Distribution Solutions division, which is more strongly affected by the business cycle. Apart from the cyclical effect it is also worth noting that order intake was exceptionally high in 2007 because of a major order from dm-drogerie markt (over MCHF 200). At MCHF 786.1 (+13.1%), net sales rose as projected. The EBITA margin fell from 5.0% the previous year to 4.5%. On the one hand, this is due to increased initial investments in innovative projects; on

the other hand due to the changed proportion of new business and customer support business. New business typically carries a lower margin than the support services that are performed after the realization of the projects.

Economic slump curbs order intake of Warehouse & Distribution Solutions

The Warehouse & Distribution Solutions division benefited from the high level of order backlog at the end of 2007 and grew net sales markedly to MCHF 542.6 (+19.9%). Order intake developed differently over the two semesters: whereas an increase was recorded in the first half of 2008 versus the same period in the previous year, order intake sank clearly in the second half. Overall, a decrease to MCHF 354.9 (–41.7%) resulted for 2008. At MCHF 21.3, operating profit EBITA was only slightly below the previous year's figure (MCHF 22.8), which had included a positive one-time effect of MCHF 2.4. The EBITA margin fell to 3.9%.

Healthcare Solutions with continued improvements

The Healthcare Solutions division, which conducts a large part of its business in the US dollar zone, was able to sustain both order intake at MCHF 243.3 (+0.7%) and net sales at MCHF 243.8 (+0.6%). EBITA rose once again, reaching MCHF 24.3 (+5.2%). The same is true for the EBITA margin, which increased from 9.5% to 10.0%. "Without the negative effect resulting from the weakened dollar, the improvements in operating performance would have been even more obvious," adds Brunschwiler. After adjustment for currency effects – i.e., with constant exchange rates – order intake rose by 9.1%, net sales by 9.0% and EBITA by 16.0%. As in previous years, the pneumatic tube systems product line was the stable mainstay of business.

Solid balance sheet, net cash significantly higher

Financial income benefited from the proceeds arising from the sale of the participation in CPS Color Group Oy (MCHF +4.1). However, this positive one-time effect was more than offset by higher financial expenses resulting primarily from currency losses on balance-sheet items. The net financial result for continuing operations totaled MCHF –5.9 (2007: MCHF –5.2). Taxes were MCHF 11.5 (previous year: MCHF 10.6). While net profit for continuing operations totaled MCHF 17.9 and thus reached a value comparable to last year's (MCHF 18.6), the Group net result decreased to MCHF 11.2 (2007: MCHF 18.8) owing to the book loss incurred on the disposal of Consulting Services/Wassermann. The balance sheet continues to be solid: the net cash position rose markedly to MCHF 75.4 (2007: MCHF 45.5) and equity stands at MCHF 148.5 (2007: MCHF 156.4), corresponding to an equity ratio of 34.9% (2007: 36.5%).

Dividend payment proposed

Having regained the ability to pay dividends, Swisslog's Board of Directors proposes to the General Meeting of Shareholders a dividend payment of CHF 0.02 per outstanding registered share for 2008. The total payout amount is MCHF 5.0, corresponding to a payout ratio of 44.6% of the Group's net result. Swisslog's last dividend payment dates back to the financial year 2000.

Lean structures, flexible deployment of resources

Swisslog expects the economic environment to remain difficult in the current year. It is precisely in the current type of environment that Swisslog shall make good use of its business model which is based on lean structures and a flexible deployment of personnel across business units, as well as on a focus on industries which are comparatively less affected by the slowdown (hospitals, food&beverage, retail). Moreover, the long lead times of projects make it possible to anticipate fluctuations in utilization in a timely manner. Swisslog will closely observe developments in its target markets and take suitable measures if required. For the 2009 business year, Swisslog anticipates – barring any unforeseen events – a decrease in net sales of 15% to 20% compared to the previous year and a comparable EBITA margin.

Calendar

21 April 2009: General Meeting of Shareholders

20 May 2009: Investor Day

18 August 2009: 2009 Half-year result

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Swisslog

Swisslog is a global provider of integrated logistics solutions for warehouses, distribution centers and hospitals. Its comprehensive services portfolio ranges from building complex warehouses and distribution centers to implementing Swisslog's own software to intra-company logistics solutions for hospitals.

Swisslog's solutions optimize customers' production, logistics and distribution processes in order to increase flexibility, responsiveness and quality of service while minimizing logistics costs. With years of experience in the development and implementation of integrated logistics solutions, Swisslog provides the expertise that customers in more than 50 countries around the world rely on.

Headquartered in Buchs/Aarau, Switzerland, Swisslog currently employs over 2 000 staff in 20 countries worldwide. The group's parent company, Swisslog Holding AG, is listed on the SIX Swiss Exchange (security number: 1232462, Telekurs: SLOG, Reuters: SLOG.S).
For more information, visit www.swisslog.com

SWISSLOG GROUP KEY FIGURES

MCHF

1.1.–31.12.2008

1.1.–31.12.2007

CONTINUING OPERATIONS

Order intake	598.0	850.5
Order backlog*	445.6	682.3
Net sales	786.1	694.9
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	41.1	41.1
Operating profit before impairment of goodwill (EBITA)	35.3	34.4
<i>EBITA margin</i>	4.5%	5.0%
Operating profit (EBIT)	35.3	34.4
Net result continuing operations	17.9	18.6
Equity*	148.5	156.4
Net cash/Net debt (-)*	75.4	45.5
Net working capital*	-32.2	-19.5
Employees*	2 192	2 013

* at year-end

CONDENSED CONSOLIDATED INCOME STATEMENT

MCHF

1.1.–31.12.2008

1.1.–31.12.2007

CONTINUING OPERATIONS

NET SALES	786.1	694.9
OPERATING PROFIT BEFORE DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF GOODWILL (EBITDA)	41.1	41.1
Depreciation and amortization	5.8	6.7
OPERATING PROFIT BEFORE IMPAIRMENT OF GOODWILL (EBITA)	35.3	34.4
Impairment of goodwill	0.0	0.0
OPERATING PROFIT (EBIT)	35.3	34.4
Financial income	9.4	3.8
Financial expense	-15.3	-9.0
RESULT BEFORE TAX	29.4	29.2
Income taxes	-11.5	-10.6
NET RESULT CONTINUING OPERATIONS	17.9	18.6
NET RESULT DISCONTINUED OPERATIONS	-6.7	0.2
NET RESULT GROUP	11.2	18.8
<i>Attributable to:</i>		
<i>Equity holders of the parent</i>	<i>11.2</i>	<i>18.8</i>
EARNINGS PER SHARE	CHF	CHF
Basic earnings per share continuing operations	0.07	0.07
Basic earnings per share discontinued operations	-0.03	0.00
Basic earnings per share	0.04	0.07

CONDENSED CONSOLIDATED BALANCE-SHEET

MCHF	31.12.2008	31.12.2007
Non-current assets excluding goodwill	40.6	47.4
Goodwill	78.1	90.8
NON-CURRENT ASSETS	118.7	138.2
Inventories, trade and other receivables, prepayments	192.9	190.9
Marketable securities	12.3	19.2
Cash and cash equivalents	101.0	80.3
CURRENT ASSETS	306.2	290.4
TOTAL ASSETS	424.9	428.6
Equity attributable to equity holders of the parents	148.4	156.3
Minority interest	0.1	0.1
EQUITY	148.5	156.4
Convertible bonds	0.0	54.0
Other liabilities	10.3	10.1
NON-CURRENT LIABILITIES	10.3	64.1
Provisions	10.2	11.4
Convertible bonds	37.9	0.0
Other liabilities	218.0	196.7
CURRENT LIABILITIES	266.1	208.1
TOTAL EQUITY AND LIABILITIES	424.9	428.6

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MCHF	1.1.-31.12.2008	1.1.-31.12.2007
CONTINUING OPERATIONS		
NET CASH FLOW FROM OPERATING ACTIVITIES	36.6	22.9
Thereof cash flow before working capital changes	24.5	23.4
Thereof cash flow from net current assets	12.1	-0.5
NET CASH FLOW FROM INVESTING ACTIVITIES	9.8	-13.9
NET CASH FLOW FROM FINANCING ACTIVITIES	-23.0	-17.7
NET CASH FLOW FROM DISCONTINUED OPERATIONS	-0.4	1.4
Currency translation differences on cash and cash equivalents	-2.3	-0.7
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	20.7	-8.0
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	80.3	88.3
CASH AND CASH EQUIVALENTS AT END OF PERIOD	101.0	80.3

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MCHF	Share capital	Treasury stocks	Share premium	Fair value and other reserves	Retained earnings	Minority interests	Equity
				Currency translation differences Other			
AT 31 DECEMBER 2006	2.5	0.0	80.0	-27.8 0.2	88.0	0.1	143.0
Net result 2007					18.8		18.8
Change in fair value on available-for-sale financial assets				0.4			0.4
Price premium for the purchase of minority interests					-1.8		-1.8
Currency translation differences				-4.0			-4.0
AT 31 DECEMBER 2007	2.5	0.0	80.0	-31.8 0.6	105.0	0.1	156.4
Net result 2008					11.2		11.2
Sale of available-for-sale financial assets					-0.6		-0.6
Treasury stocks		-1.9					-1.9
Share-based payments					0.1		0.1
Currency translation differences							
from discontinued operations				0.1			0.1
from continuing operations				-16.8			-16.8
AT 31 DECEMBER 2008	2.5	-1.9	80.0	-48.5 0.0	116.3	0.1	148.5

CONDENSED INFORMATION BY SEGMENT

MCHF

1.1.–31.12.2008

1.1.–31.12.2007

Change in %

CONTINUING OPERATIONS

WAREHOUSE & DISTRIBUTION SOLUTIONS

Order intake	354.9	609.1	-41.7
Order backlog*	298.2	524.2	-43.1
Net sales	542.6	452.6	19.9
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	24.8	26.2	-5.3
Operating profit before impairment of goodwill (EBITA)	21.3	22.8	-6.6
<i>EBITA margin</i>	<i>3.9%</i>	<i>5.0%</i>	<i>n.a.</i>
Operating profit (EBIT)	21.3	22.8	-6.6
Employees*	1 315	1 210	8.7

HEALTHCARE SOLUTIONS

Order intake	243.3	241.5	0.7
Order backlog*	147.4	158.1	-6.8
Net sales	243.8	242.4	0.6
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	26.4	26.3	0.4
Operating profit before impairment of goodwill (EBITA)	24.3	23.1	5.2
<i>EBITA margin</i>	<i>10.0%</i>	<i>9.5%</i>	<i>n.a.</i>
Operating profit (EBIT)	24.3	23.1	5.2
Employees*	857	783	9.5

HEADQUARTER/HOLDINGS

Order intake	0.0	0.0	n.a.
Order backlog*	0.0	0.0	n.a.
Net sales	0.0	0.0	n.a.
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	-10.1	-11.4	11.4
Operating profit before impairment of goodwill (EBITA)	-10.3	-11.5	10.4
<i>EBITA margin</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Operating profit (EBIT)	-10.3	-11.5	10.4
Employees*	20	20	0.0

ELIMINATIONS

Order intake	-0.2	-0.1	n.a.
Order backlog*	0.0	0.0	n.a.
Net sales	-0.3	-0.1	n.a.
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	0.0	0.0	n.a.
Operating profit before impairment of goodwill (EBITA)	0.0	0.0	n.a.
<i>EBITA margin</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Operating profit (EBIT)	0.0	0.0	n.a.
Employees*	0	0	n.a.

TOTAL CONTINUING OPERATIONS

Order intake	598.0	850.5	-29.7
Order backlog*	445.6	682.3	-34.7
Net sales	786.1	694.9	13.1
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	41.1	41.1	0.0
Operating profit before impairment of goodwill (EBITA)	35.3	34.4	2.6
<i>EBITA margin</i>	<i>4.5%</i>	<i>5.0%</i>	<i>n.a.</i>
Operating profit (EBIT)	35.3	34.4	2.6
Employees*	2 192	2 013	8.9

* at year-end

CONDENSED INFORMATION BY SEGMENT (CONT.)

MCHF	1.1.–31.12.2008	1.1.–31.12.2007	Change in %
DISCONTINUED OPERATIONS			
Order intake	12.8	12.4	3.2
Order backlog*	0.0	6.5	n.a.
Net sales	12.5	12.7	-1.6
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	0.4	0.4	0.0
Operating profit before impairment of goodwill (EBITA)	0.2	0.1	n.a.
<i>EBITA margin</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Operating profit (EBIT)	-5.7	0.1	n.a.
Employees*	0	47	n.a.
ELIMINATIONS			
Order intake	-0.4	0.0	n.a.
Order backlog*	0.0	0.0	n.a.
Net sales	-0.3	0.0	n.a.
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	0.0	0.0	n.a.
Operating profit before impairment of goodwill (EBITA)	0.0	0.0	n.a.
<i>EBITA margin</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Operating profit (EBIT)	0.0	0.0	n.a.
Employees*	0	0	n.a.
TOTAL CONTINUING AND DISCONTINUED OPERATIONS (GROUP)			
Order intake	610.4	862.9	-29.3
Order backlog*	445.6	688.8	-35.3
Net sales	798.3	707.6	12.8
Operating profit before depreciation, amortization and impairment of goodwill (EBITDA)	41.5	41.5	0.0
Operating profit before impairment of goodwill (EBITA)	35.5	34.5	2.9
<i>EBITA margin</i>	<i>4.4%</i>	<i>4.9%</i>	<i>n.a.</i>
Operating profit (EBIT)	29.6	34.5	-14.2
Employees*	2 192	2 060	6.4

* at year-end

This document contains specific forward-looking statements, e.g., statements including terms such as "believe", "expect" or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of the Swisslog Group and those explicitly presumed in these statements. Against the background of these uncertainties, readers should not rely on forward-looking statements. Swisslog Holding AG assumes no responsibility to update forward-looking statements or adapt them to future events or developments.