

SICK sustains long-term alignment
Good results in 2008
confirm product strategy

Global economic crisis compels comprehensive savings measures

Waldkirch, 17 April 2009 – Despite the considerable worsening in economic conditions during the second half of 2008, SICK can look back at a largely successful business year in which sales rose 4.2 per cent to EUR 737.3 m. The EBIT of EUR 71.3 million represents a slight rise of 1.1 per cent compared to the previous year. The company's equity increased by 13.2 per cent to EUR 220.9 m. – so that the equity ratio increased from 43.0 to 48.5 per cent. Nevertheless, the steep decline in orders received during the first quarter of 2009 forced SICK to introduce a package of measures to adapt to market conditions.

At EUR 71.3 million, the EBIT rose slightly by 1.1 per cent compared to the previous year. This growth was in part due to the good development of the Process Automation segment, for which 2008 was the most successful business year since its creation. Focusing on its core competences of gas analyses and throughflow measurement had a very positive effect during the year. The segment EBIT of EUR 11.2 m. represents a substantial increase compared to the previous year. The Factory and Logistics Automation segments suffered a fall in EBIT of 10.8 per cent to EUR 60.1 million as a result of the massive decrease in sales during the final quarter of 2008, while expenditure on research and development was aligned upon the high level of the first half of 2008.

PRESS RELEASE

Over 5,000 employees

The SICK Group had 5,092 employees on 31 December 2008 – a total of 7.9 per cent more than in the previous year. About half of them are employed in Baden-Württemberg. In relative terms, more employees were hired abroad, namely 216 or 13.1 per cent, than in Germany where 155 new jobs were created – 5.0 per cent more than during the previous year. The SICK Group spent a total of EUR 7.7 million on training and further education in 2008, an increase of 9.1 per cent over 2007.

SICK meets economic crisis with shortened working hours and a sales offensive

In order to compensate for the fall in demand, SICK launched a wide-ranging cost-cutting program in December, continuously adapted since the start of the year: after consistently using up unspent holiday time and flexitime, shortened working hours for most of the workforce at SICK AG were announced from March onwards. Sales, the delivery chain to the customer, and customer services remain assured at all times. No shortened working hours are currently foreseen for the Process Automation segment due to good capacity utilisation.

Under the motto “SICK Innovation Marathon 2009”, the sensor specialist has started a worldwide sales offensive. It is based upon a direct dialogue with customers about individual and innovative solutions that, particularly in times of crisis, increase their production efficiency. Sustainable investments in research and development contribute towards this: application-oriented expansion of almost all sensor and controller families, as well as new technologies that provide better solutions for applications – or even the very first possibility of solving them. 52 new products will be placed on the market during the year. SICK concentrates on personal advice – both directly at customers’ premises and at the many highly specialized sector-oriented trade fairs.

The individual segments’ results:

PRESS RELEASE

SICK divides the Group's business activities into the Factory, Logistics and Process Automation segments. The Logistics Automation segment will be represented with its own figures for the first time in 2009.

Factory and Logistics Automation: innovative solutions give customers innovation security

Sales by the **Factory and Logistics Automation segments** – which offer sensors and solutions for automation and safety tasks, as well as automatic identification, and are particularly active in the packaging technology, robotics, machine construction, automotive industries, and handling and warehousing systems – rose 1.9 per cent to EUR 601.3 million during the 2008 fiscal year.

The comprehensive product portfolio of sensors, controllers and systems for **Factory Automation** serves numerous industries that have developed very differently during the year under review. Solar technology and the packaging industry developed well during 2008, though the year proved difficult for the wood industry, and the textile sector and print industry were characterised by an increasingly weak orders situation. The machine and plant construction sector enjoyed a real boom until mid-year but then, together with the automotive industry, took a nose-dive during the second half of the year.

It is the task of **Logistics Automation** to design and optimize logistical and distribution processes. SICK offers optimum solutions wherever material flows are to be automated or sorting, picking and storage processes made more efficient, rapid and reliable. Courier, express and parcel service providers count among the segment's customers, as do customers such as system integrators or operators of airports, container ports and transshipment terminals.

PRESS RELEASE

The worsened conditions were also felt in Logistics Automation, though 2008 was a satisfactory business year because cost-optimized, resource-efficient automation continues to be required, particularly in the transport industry. While new projects involving the equipping of large logistics service providers could be won during the year under review, port operators are increasingly interested in the retrofitting and modernisation of existing container terminals.

Process Automation sets trend towards environmental protection and efficiency

SICK's **Process Automation segment** offers products and services for complex measurement tasks in emission and process measurement technology. Continuously measuring analyzers for gas, dust and process liquids provide tailor-made industrial solutions for power stations, cement works or waste incineration plants, among others. Calibration-enabled throughflow measurement devices are used, in particular, during the transport of natural gas.

Climate change, resource efficiency, reduced emissions – in hardly any other year has environmental protection, with its many differing aspects, been the subject of as much attention from politics and society as in 2008. The Process Automation segment successfully managed to meet the demands of the affected key sectors with process-oriented, practical and environmentally friendly solutions, and achieved all the ambitious targets set for the business year. With sales of EUR 136.0 million, an increase of 15.7 per cent, the segment can look back at an extremely successful year.

Prospects: difficult forecast for 2009

The orders situation in the SICK Group remains under pressure after the very weak first quarter of 2009. The machine tool and plant construction sectors, in particular, are likely to shrink further. The automotive industry is undergoing a hefty re-orientation phase whose outcome remains uncertain, particularly in America.

PRESS RELEASE

SICK's important German market continues to be characterised by a negative book-to-bill ratio. On the other hand, markets in China, India and even in America expect a positive book-to-bill ratio, albeit at a low level in some cases.

The Logistics and Process Automation segments in the SICK Group have so far proved largely immune to the major slump in factory automation. To some extent, SICK's wide-ranging sector orientation has been able to offset the severe reductions in individual areas. Nevertheless, the SICK Group estimates that it will suffer a decrease of 20% in sales for the entire year – with a very large uncertainty factor. The measures undertaken to adapt the costs structure have been borne by all corporate levels with great commitment. Whereby, despite the considerable market uncertainty, the company will continue to build upon its accustomed virtues: innovation and dedicated employees.

Overview of the key figures in this press release:

SICK Group (IFRS)	2008	2007	Change
Orders received (in EUR m)	734.5	723.33	+ 1.5%
Sales (in EUR m)	737.3	707.5	+ 4.2%
EBIT (in EUR m)	71.3	70.5	+ 1.1%
Results for the year (in EUR m)	45.3	42.4	+ 6.7%
R&D expenditure (in EUR m)	68.4	65.3	+ 4.8%
Employees at end of year	5,092	4,721	+ 7.9%
Earnings per share (in EUR)	1.72	1.61	+ 6.8%

SICK AG is one of the world's leading producers of sensors and sensor solutions for industrial applications. Further information on SICK can be obtained on the Internet at <http://www.sick.com> or by phone at +49 (0)7681 202-3873.

Picture Service: current corporate photos are available for you to download free-of-charge at our web site at:

http://www.sick.com/group/EN/home/pr/press_releases/Pages/press_releases.aspx