Interim report January-June 2006 / Media release

Straumann's first-half net revenues rise 17% in local currencies

- *Sales grow in the mid-to-high teens across all regions*
- *SLActive third-generation surface technology exceeds company's expectations*
- *Straumann BoneCeramic rolled out; Emdogain PLUS launched in Europe*
- *Operating profit grows 14% (18% before depreciation and amortization) as Group continues to absorb costs of production build-up in the US and new production technology*
- *Earnings per share increase to CHF 4.54*
- *180 new jobs created*

Key figures

(in CHF million)	H1, 2006	H1, 2005
Net revenue	305.4	256.0
Growth in %	19.3	17.8
Growth in local currencies in %	16.6	19.3
Operating profit	91.4	80.4
Margin in %	29.9	31.4
Growth in %	13.6	19.6
Net profit	70.9	68.1
Margin in %	23.2	26.6
Growth in %	4.1	25.0
Earnings per share in CHF	4.54	4.37

Basel, 11 August 2006: In the first six months of 2006, Straumann net revenue rose 17% in local currencies (l.c.), or 19% in Swiss francs to CHF 305 million. Operating profit climbed 14% to CHF 91 million, as the Group continues to absorb the costs of the build-up in production and the introduction of new production technology. Net profit grew 4% to CHF 71 million and was constrained by the expiry of a tax agreement that is being renegotiated. The operating and net profit margins reached 30% and 23% respectively, while earnings per share rose 4% from the first half of 2005 to CHF 4.54. Straumann created 180 new jobs in the first six months of the year bringing the total number of employees to 1522. Barring unforeseen circumstances, the Group expects full-year net revenue to grow around 15% in local currencies, with operating and net margins around 29% and 23% respectively.

Strategic achievements
In the second quarter, Straumann completed the purchase of all outstanding shares in Biora AB, which was acquired through a friendly takeover in 2003. Straumann purchased the outstanding shares for the price paid in the original offer and the amount paid, including interest, totaled CHF 4.3 million. The acquisition of Biora has enabled Straumann to build a strong global presence in oral tissue regeneration.

The ramp-up of production in the US is proceeding according to plan and the Andover facility has now completed its first year of operations as a subcontractor to Villeret. Over the past twelve months Andover has obtained ISO 13485 certification and has manufactured almost 400 thousand implant system components for the global market.

Also with regard to Straumann's North American organization, Marianne Bürgi, Executive Vice President Market and Product Support, is continuing to oversee the North American business until a new regional Head is appointed. The regional management team was further strengthened by the appointment of Alain Laroche as Head of Straumann Canada. He is a highly experienced executive with a strong international track record in the healthcare/med-tech fields.

Product development and launch program

The Group made further progress with the roll-out of new products. SLActive, Straumann's third-generation implant surface technology which reduces healing times by half, has been well received in Europe and North America and contributed slightly more than expected to overall sales. SLActive is complex to manufacture on a large scale, making it challenging to fully meet demand. A fully-automated production line is currently being established and is to become operational at the beginning of next year.

The roll-out of Straumann BoneCeramic was completed in North America following its launch towards the end of 2005 and progressed well in Europe where it was introduced in the first quarter of 2006. By virtue of its excellent absorption and handling characteristics and fully-synthetic composition, Straumann BoneCeramic provides a highly attractive alternative to bone grafts that use the patient's own bone or materials derived from animals or human cadavers.

The recent EuroPerio meeting in Madrid marked the European launch of Straumann Emdogain PLUS, a convenient product combination for use in periodontal rescue. It combines the regenerative capabilities of Straumann Emdogain with the mechanical stability of Straumann BoneCeramic and is indicated as an adjunct to regenerative surgery in wide defects, for use in periodontal pockets greater than 6mm, or where soft tissue support is required. Additional uses typically include root furcation defects and extraction sites. Data from ongoing clinical trials were presented in Madrid confirming the efficacy of Emdogain PLUS. Pending regulatory approval, Straumann foresees an introduction in North America in 2007.

Straumann maintained its share of scientific voice throughout the first half with well attended high-caliber scientific forums at major meetings including EuroPerio in Madrid and the AO (Association for Osseointegration) in Seattle. Furthermore, highly successful national ITI meetings were held in all continents. A further 10 peer-reviewed publications, including long-term data, supporting Straumann products appeared in the course of the first half[1-10].

Sustained job creation and talent recruited

To support the organization's current and future growth, Straumann continued to invest in talent recruitment, creating 180 new positions worldwide in the first six months of 2006. This increased the global workforce to 1522.

Main shareholder transaction

In May, Dr h.c. Thomas Straumann, who is a member of the Board of Directors and holds the largest stake in the company, sold 645 000 of his shares to Rudolf Maag, Chairman of the Board. This corresponded to 4% of overall share capital and brought the respective stakes held by Messrs. Straumann and Maag to 32.5% and 12.3%.

Double-digit growth continued

Net revenue rose 17% in local currencies. In Swiss francs the increase amounted to 19%, thanks to favorable currency exchange rates. Growth was more or less in line with the company's forecast, with 15% points generated organically. Slightly more than 1% point of 2006 first-half growth came from the newly established subsidiaries in Australia, Denmark and Mexico, - in contrast to the previous first half, which was boosted by the acquisition of BIO srl at the outset of 2005.

Double-digit revenue growth was reported by all regions. European revenues rose 17% in local currencies or 19% in Swiss francs to CHF 195 million, with the region contributing 64% of Group turnover. Sales in Germany, Straumann's largest single market, grew 14% over the six-month period, with a softer second quarter owing to the exceptionally high comparative period in 2005. All other European countries delivered double-digit sales growth.

North American revenues grew 15% in local currencies to CHF 74 million (24% of Group sales). Thanks to a positive currency impact, sales growth amounted to 23% in Swiss francs. SLActive was successfully launched in North America towards the end of the first quarter and has been received very enthusiastically by the implant community.

The Asia/Pacific region continued to contribute 10% of net revenue as first-half sales grew 18% to CHF 30 million on the back of exceptional first-quarter orders ahead of announced price increases. Business continued to expand in Australia, where Straumann took over distribution at the end of the first half in 2005.

Revenues in the rest of the world rose 18% to CHF 6.5 million or 2% of Group sales.

Operating profit rises to CHF 91 million

Operating costs, excluding other income, increased from 69% to 70% of net revenue owing to the following: the cost of goods sold rose to 20% of net revenue (cf. note on reallocation on p. 12) reflecting the overall ramp-up in production, especially in Andover, and the production installation for new products, which the Group continues to absorb. While selling costs remained stable at 38% of net revenue, general administrative costs increased slightly to 8% of net revenue reflecting the increase in personnel and infrastructure costs at the new Swiss and North American headquarters. Research and development costs were maintained at 5% of net revenue, underlining Straumann's commitment to innovation, quality and proven clinical benefits. Operating profit before depreciation and amortization (EBITDA) increased 18% to CHF 108 million. Licensing revenues and rent from the Waldenburg site contributed to the other income of CHF 1 million.

As a result, operating profit (EBIT) rose 14% to CHF 91 million, while the EBIT margin contracted to slightly below 30%.

Net profit increases to CHF 71 million

The financial income of CHF 0.6 million only partially offset financial expenses of CHF 0.9 million, of which CHF 0.6 million were currency related. At the same time, taxes increased. This was mainly because a concession expired and the full tax rate has to be provisionally accounted until a new agreement with the relevant authorities can be reached. As a result, net profit amounted to CHF 71 million resulting in a net margin of 23%.

Capital expenditure returns to normal level

Net operating cash flow reached CHF 58 million, leading to an operating cash-flow margin of 19%. At CHF 23 million, or 8% of revenue, Straumann's capital expenditure returned to normal levels after the significant investments in expansion projects and acquisition activities in 2005.

As a result of all these activities, and the dividend payment of CHF 39 million, overall cash and cash equivalents on 30 June 2006 amounted to CHF 95 million.

Outlook (barring unforeseen circumstances)

On the basis of the first-half developments, the Group expects full-year net revenue to grow around 15% in local currencies. Full-year operating and net profit margins are currently estimated to be around 29% and 23% respectively.

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About Straumann

Headquartered in Basel, Switzerland, the Straumann Group (SWX: STMN) is a global leader in implant dentistry and oral tissue regeneration. In collaboration with the International Team for Implantology (ITI), leading clinics, research institutes and universities, the Group researches and develops implants, instruments and tissue regeneration products for use in tooth replacement solutions or to prevent tooth loss. The Group manufactures implant system components and instruments in Switzerland and the US and dental tissue regeneration products in Sweden. Straumann also offers comprehensive training and services to the dental profession worldwide. Altogether, Straumann employs approximately 1520 people worldwide and its products and services are available in more than 60 countries through the Group's 18 distribution subsidiaries and broad network of distribution partners.

Media and analysts' conference

Straumann will present the 2006 first-half results to representatives of the media and financial community at 10.00 Swiss time in Basel. The event will be webcast live on the internet and a playback will be available. A telephone dial-in service is also offered for analysts and journalists at **+44 208 974 7900,** Pin-Code: **C251817**.

Further information and the **presentation slides** are available at www.straumann.com.

Photographs
A selection of photographs of Straumann, its activities, locations and executives is available at www.straumann.com.

Further key reporting dates in 2006

25 October 2006	Media release Q3/9M sales

Details of Straumann roadshows and other events for investors are published on www.straumann.com.

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Interim Selected Financial Information

Sales by region

(in CHF million)	Q1, 2006	Q2, 2006	H1, 2006	H1, 2005
Europe	99.9	94.7	194.6	164.3
Growth in %	25.5	11.8	18.5	19.0
Growth in local currencies in %	24.6	10.6	17.4	19.5
In % of Net revenue	62.9	64.6	63.7	64.2
North America	36.9	37.3	74.2	60.6
Growth in %	27.8	17.7	22.5	12.1
Growth in local currencies in %	14.6	14.6	14.6	17.1
In % of Net revenue	23.2	25.4	24.3	23.7
Asia / Pacific	19.1	11.0	30.1	25.5
Growth in %	35.4	(3.9)	17.7	17.9
In % of Net revenue	12.0	7.5	9.8	10.0
Rest of the world	3.0	3.5	6.5	5.6
Growth in %	(0.9)	40.1	17.8	59.2
In % of Net revenue	1.9	2.4	2.1	2.2
Total	158.9	146.5	305.4	256.0
Growth in %	26.5	12.4	19.3	17.8
Growth in local currencies in %	22.5	10.8	16.6	19.3

Operating performance

(in CHF million)	H1, 2006	H1, 2005
Net revenue	305.4	256.0
Growth in %	19.3	17.8
Gross profit	245.8	210.4
Margin in %	80.5	82.2
Operating profit before depreciation and amortization	108.0	91.7
Margin in %	35.4	35.8
Growth in %	17.8	12.9
Operating profit before amortization	95.5	83.1
Margin in %	31.3	32.5
Growth in %	14.9	15.6
Operating profit	91.4	80.4
Margin in %	29.9	31.4
Growth in %	13.6	19.6
Net profit	70.9	68.1
Margin in %	23.2	26.6
Growth in %	4.1	25.0
Earnings per share in CHF	4.54	4.37
Number of employees (period-end)	1 522	1 228
Number of employees (average)	1 365	1 126
Sales per employee (average) in CHF 1 000	410	408

The 2005 figures reflect a reclassification of ‘outbound’ freights from cost of goods sold to selling costs (see note on reallocation on p.12).

Financial Performance

(in CHF million)	H1, 2006	H1, 2005
Net cash and cash equivalents	94.9	36.6
Net working capital (net of cash)	65.9	41.6
In % of Net revenue	10.8	8.1
Inventories	55.9	44.4
Inventory days	157	158
Trade receivables	87.2	73.3
Trade receivable days	46	43
Balance sheet total	578.1	468.8
Return on assets in % (ROA)	25.5	31.2
Equity	459.1	359.9
Equity ratio in %	79.4	76.8
Return on equity in % (ROE)	32.2	40.5
Capital employed	459.1	359.9
Return on capital employed in % (ROCE)	41.6	47.9
Cash generated from operating activities	57.7	61.5
In % of Net revenue	18.9	24.0
Investments	26.0	97.1
In % of Net revenue	8.5	37.9
Capital expenditures	23.0	35.5
Acquisitions	2.9	61.6
Free Cash Flow	31.8	(35.6)
In % of Net revenue	10.4	(13.9)
Dividend	39.0	31.1
Pay-out ratio in %	30.5	31.0

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Consolidated Balance Sheets

Assets

(in CHF 1 000)	30 Jun 2006	31 Dec 2005	30 Jun 2005
Property, plant and equipment	132 680	132 233	125 470
Investment property	11 950	12 200	10 713
Intangible assets	151 355	142 229	139 689
Financial assets	370	432	419
Deferred tax assets	25 699	22 434	23 585
Non-current assets	322 054	309 528	299 876
Inventories	55 884	48 141	44 367
Trade receivables	87 193	69 648	73 259
Other receivables	10 772	3 703	8 967
Tax receivables	1 857	632	1 422
Prepaid expenses and accrued incom	5 454	7 441	4 307
Cash and cash equivalents	94 896	94 195	36 557
Current assets	256 056	223 760	168 879
Total assets	**578 110**	**533 288**	**468 755**

Equity and liabilities

(in CHF 1 000)	30 Jun 2006	31 Dec 2005	30 Jun 2005
Share capital	1 562	1 558	1 557
Retained earnings and reserves	457 564	416 920	356 054
	459 126	418 478	357 611
Minority interest	0	1 511	2 244
Total equity	459 126	419 989	359 855
Provisions	3 720	2 527	2 853
Deferred tax liabilities	16 211	13 232	12 038
Pension liability	3 805	3 487	3 250
Total non-current liabilities	23 736	19 246	18 141
Trade payables	15 479	24 220	17 398
Other liabilities	21 764	19 983	19 443
Tax liabilities	32 277	26 881	30 894
Accrued expenses and deferred incon	25 728	22 969	23 025
Total current liabilities	95 248	94 053	90 760
Total liabilities	118 984	113 299	108 901
Total equity and liabilities	**578 110**	**533 288**	**468 755**

Consolidated Income Statements

(in CHF 1 000)	H1, 2006	H1, 2005
Net revenue	**305 416**	**255 954**
Cost of goods sold	(59 580)	(45 595)
Gross profit	**245 836**	**210 359**
Other income	1 074	749
Selling costs	(116 977)	(99 085)
General administrative costs	(24 147)	(18 959)
Research and development costs	(14 413)	(12 646)
Operating profit	**91 373**	**80 418**
Financial income	588	2 163
Financial expense	(929)	(392)
Profit before taxes	**91 032**	**82 189**
Tax expense	(20 176)	(14 133)
Net profit	**70 856**	**68 056**
Attributable to:		
Equity holders of the parent	70 653	67 999
Minority interest	203	57
Basic earnings per share (in CHF)	4.54	4.37
Diluted earnings per share (in CHF)	4.53	4.36

The operating expense according to the nature of expense method is as follows:

(in CHF 1 000)	H1, 2006	H1, 2005
Operating expense as per nature of expense		
Other income	1 074	749
Cost of material and goods	(30 101)	(25 882)
Personnel expense	(88 263)	(71 660)
Depreciation	(12 521)	(8 547)
Amortization	(4 122)	(2 700)
Other operating expense	(80 110)	(67 497)
Operating expense	**(214 043)**	**(175 537)**

The 2005 figures reflect a reclassification of 'outbound' freights from cost of goods sold to selling costs (see note on reallocation on p.12).

Consolidated Cash Flow Statements

(in CHF 1 000)	H1, 2006	H1, 2005
Operating profit	**91 373**	**80 418**
Depreciation and amortization	16 643	11 248
Change in provisions	1 192	470
Change in prepaid pension liability/asset	318	(90)
Issuance of share options/employee shares	1 257	985
Change in minority interest	(1 714)	98
Gains and losses from disposals of assets	115	53
Change in working capital	(34 634)	(20 213)
Cash generated from operations	**74 550**	**72 969**
Interest received	588	230
Interest paid	(283)	(221)
Exchange differences	(716)	1 763
Income tax paid	(16 400)	(13 254)
Net cash flow from operating activities	**57 739**	**61 486**
Investments in land and buildings	(690)	(11 787)
Investments in other tangible assets	(11 229)	(19 346)
Investments in intangible assets	(11 181)	(6 168)
Investments in acquisitions	(2 924)	(61 585)
Proceeds from sale in financial assets	62	1 800
Cash flow from investing activities	**(25 962)**	**(97 086)**
Dividend payment	(39 040)	(31 135)
Issuance of share capital	8 858	8 337
Repayment of loans	0	(14 092)
Cash flow from financing activities	**(30 182)**	**(36 889)**
Effect of foreign currency translation	(894)	1 942
Net increase in cash and cash equivalents	**701**	**(70 548)**
Cash and cash equivalents at 1 January	94 195	107 105
Cash and Cash equivalents at 30 June	**94 896**	**36 557**

Consolidated Statement of Changes in Equity

(in CHF 1 000)	Share capital	Capital reserves and share premium	Cash Flow Hedge reserve	Translation reserve	Retained earnings	Total	Minority interest	Total equity
	Attributable to equity holders of the parent							
Balance at 1 January 2005	**1 552**	**36 293**	**0**	**(2 855)**	**274 493**	**309 483**	**2 145**	**311 628**
Dividend payment					(31 135)	(31 135)		(31 135)
Issuance of share capital	6	8 331				8 337		8 337
Issuance of share options		985				985		985
Currency translation differences		11		1 931		1 942	42	1 984
Acquisition of minority interest						0		0
Net profit					67 999	67 999	57	68 056
Balance at 30 June 2005	**1 557**	**45 620**	**0**	**(924)**	**311 358**	**357 611**	**2 244**	**359 855**

Balance at 1 January 2006	**1 558**	**47 403**	**0**	**(802)**	**370 319**	**418 478**	**1 511**	**419 989**
Dividend payment					(39 040)	(39 040)		(39 040)
Issuance of share capital	4	8 854				8 858		8 858
Issuance of share options		1 257				1 257		1 257
Currency translation differences				(1 025)		(1 025)		(1 025)
Acquisition of minority interest						0	(1 714)	(1 714)
Cash Flow Hedge			(55)			(55)		(55)
Net profit					70 653	70 653	203	70 856
Balance at 30 June 2006	**1 562**	**57 514**	**(55)**	**(1 827)**	**401 932**	**459 126**	**0**	**459 126**

Stock option plan: options exercised during the first half of 2006 resulted in 39 217 shares being issued (30 June 2005: 48 340 shares), with exercise proceeds of CHF 140.55 (30 June 2005: CHF 127.80) per share. The related weighted average share price at the time of exercise was CHF 304.75 (30 June 2005: CHF 261.25) per share.

Notes to the Consolidated Financial Statements

General Information
Straumann Holding AG is a public company whose shares are traded on the Swiss stock exchange (SWX:STMN). During the half-year under review, Straumann Holding AG acquired control of its former Danish third-party distributor DenTech Danmark Aps.

Basis of preparation
The interim consolidated financial statements of Straumann Holding AG and its subsidiaries for the six-month period ended 30 June 2006 are prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and were approved for issue by the Board of Directors on 3 August 2006. The interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2005.

Accounting policies
The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2005, as described in the annual financial statements for the year ended 31 December 2005.

The following new standards, amendments to standards and interpretations are mandatory for financial year ending 31 December 2006 and relevant for Straumann.

- Amendment to IAS 19, 'Actuarial gains and losses, group plans and disclosures', effective for annual periods beginning on or after 1 January 2006. The Group decided to retain its former accounting policy regarding the recognition of actuarial gains and losses;
- Amendment to IAS 39, 'The fair value option', effective for annual periods beginning on or after 1 January 2006. This amendment does not have any impact on the classification and valuation of the Group's financial instruments classified as at fair value through profit or loss prior to 1 January 2006 as the Group is able to comply with the amended criteria for the designation of financial instruments at fair value through profit and loss;
- IFRIC 4, 'Determining whether an arrangement contains a lease', effective for annual periods beginning on or after 1 January 2006. The Group has reviewed its contracts. Some of them are required to be accounted for as leases in accordance with IAS 17, 'Leases'. However, these leases are operating leases, and their reclassification has had no impact on the expense recognized in respect of them.

Scope of consolidation
In January 2006, the scope of consolidation changed due to the acquisition of 100% of DenTech Danmark ApS, Danmark, the former Danish third-party distributor of Straumann. After the acquisition, DenTech Danmark ApS was renamed Straumann Danmark ApS. The purchase consideration of CHF 3.4 million was paid in cash to the former shareholders. Based on a preliminary estimate, goodwill of CHF 2.1 million has been recorded.

Reallocation
'Outbound freights' were reclassified from 'Cost of goods sold' to 'Selling costs'. The outbound freights from the prior year in the amount of CHF 3.1 million were adjusted accordingly.

Compulsory acquisition of Biora AB
In June 2006, Straumann acquired all outstanding shares and votes of Biora AB, Sweden, the biologics company acquired by Straumann through a friendly takeover in 2003. Following successful arbitration with the minor shareholders, Straumann purchased the outstanding shares for SEK 17 per share (the price paid in the original offer in 2003) plus interest as from June 2003. The outstanding shares represent 5.6% of the overall share capital of Biora AB and the amount paid, including interest, totaled CHF 4.3 million.

Seasonality and cyclicality

Straumann operates in an industry where significant seasonal or cyclical variations in total sales are not experienced during the financial year.

Segment information

(in CHF 1 000)	Europe	North America	Asia/Pacific	Rest of the World	Eliminations	Group
H1 2006						
Assets	1 096 681	83 537	4 421	4 029	(610 558)	578 110
Liabilities	420 421	59 887	3 900	6 132	(371 356)	118 984
Capital expenditures	22 324	3 560	8	69		25 962
Net revenue to external customers	194 610	74 210	30 064	6 531		305 416
Net revenue with other segments	39 984	4 393			(44 377)	0
Total net revenue	234 595	78 602	30 064	6 531	(44 377)	305 416
Segment result before depreciation and amortization	115 573	(1 566)	964	25	(6 980)	108 016
Depreciation/amortization	14 231	2 302	59	51		16 643
Operating profit	101 342	(3 868)	905	(26)	(6 980)	91 373

(in CHF 1 000)	Europe	North America	Asia/Pacific	Rest of the World	Eliminations	Group
H1 2005						
Assets	924 133	76 164	2 116	3 073	(536 731)	468 755
Liabilities	354 717	50 342	2 452	4 923	(303 533)	108 901
Capital expenditures	78 895	16 863	1 178	150		97 086
Net revenue to external customers	164 297	60 573	25 539	5 545		255 954
Net revenue with other segments	31 967				(31 967)	0
Total net revenue	196 264	60 573	25 539	5 545	(31 967)	255 954
Segment result before depreciation and amortization	96 556	(774)	(331)	(364)	(3 421)	91 666
Depreciation/amortization	10 223	985	0	40		11 248
Operating profit	86 333	(1 759)	(331)	(404)	(3 421)	80 418

Related parties

The ‘ITI Foundation’, the pension fund, ‘VISCHER, Anwälte und Notare’, the Board of Directors and the Executive management were all identified as related parties. In the first half of 2006, the following related-party transactions were made:

(in CHF 1 000)	H1, 2006	H1, 2005
Transactions		
ITI Foundation	3 714	3 440
Pension fund	2 379	1 990
Vischer lawyers	84	182
Total related-party transactions	**6 178**	**5 612**

(in CHF 1 000)	30 Jun 2006	31 Dec 2005	30 Jun 2005
Open balances at period-end			
ITI Foundation	2 057	1 821	2 280
Pension fund	47	0	572
Vischer lawyers	16	60	0
Total open balances due to related parties	**2 120**	**1 881**	**2 852**

The payments to the ‘ITI Foundation’ are based on a license agreement between Straumann and the ITI. The payments to ‘VISCHER, Anwälte und Notare’, were made for tax and legal consulting and are priced at arm’s length.

The compensation of the Executive Management amounted to CHF 3.3 million in the first six months of 2006 compared with CHF 3.0 million in the comparative period of 2005. On 30 June the Executive Management comprised 8 members in 2005 and 7 in 2006.

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Review Report
to the Board of Directors of
Straumann Holding AG
Basel

According to your request, we have reviewed the condensed consolidated interim financial statements (consolidated balance sheets, consolidated income statements, consolidated cash flow statements, consolidated statement of changes in equity and notes to the consolidated financial statements – pages 8 to 14) of the Straumann Group for the six-month period ended June 30, 2006.

The condensed interim financial statements are the responsibility of the Board of Directors. Our responsibility is to issue a report on these condensed interim financial statements based on our review.

Our review was conducted in accordance with the International Standard on Review Engagements 2400, which require that a review be planned and performed to obtain moderate assurance about whether the condensed interim financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements have not been properly prepared, in all material respects, in accordance with the International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers AG

Th. Brüderlin G. Siegrist

Basel, August 4, 2006