

## Consolidated Cash Flow Statement

| in CHF million  | Note  | January 1 to<br>December 31<br>2006 | January 1 to<br>December 31<br>2005 restated <sup>1</sup> |
|---|-------|-------------------------------------|---|
| Net profit  |       | 302                                 | 21  |
| Depreciation of property, plant and equipment   | 17    | 98                                  | 89  |
| Amortization of intangible assets   | 18    | 6                                   | 3   |
| Impairment losses on property, plant and equipment  | 17    | -11                                 | 0   |
| Addition to (+) / release of (-) other provisions   | 26    | -7                                  | 54  |
| Increase (+) / decrease (-) in post-employment benefit provisions                         | 19    | -5                                  | -4  |
| Expense (+) / income (-) from deferred taxes  | 9, 21 | -30                                 | 8   |
| Losses (+) / gains (-) from investment in associated companies                            |       | 2                                   | 0   |
| Losses (+) / gains (-) from sale of non-current assets                                    |       | -2                                  | -73   |
| Other non-cash income/expense   |       | 4                                   | 2   |
| Conversion losses (+) / gains (-) on intercompany positions                               |       | -2                                  | -18   |
| <b>Cash flow from operating activities<br/>(before change in net current assets)</b>      |       | <b>355</b>                          | <b>84</b>   |
| Decrease (+) / increase (-) in receivables / accrued assets                               |       | 86                                  | -30   |
| Decrease (+) / increase (-) in inventories  | 15    | -54                                 | 195   |
| Increase (+) / decrease (-) in payables / accrued liabilities and use of other provisions |       | -62                                 | -167  |
| Increase (+) / decrease (-) in customer advances  | 24    | 44                                  | -104  |
| Non-cash impact on net current assets due to hedge accounting                             |       | 4                                   | -12   |
| <b>Cash flow from changes in net current assets</b>                                       |       | <b>18</b>                           | <b>-117</b>   |
| <b>Cash flow from operating activities</b>  |       | <b>373</b>                          | <b>-34</b>  |
| Capital expenditure for property, plant and equipment                                     | 17    | -161                                | -88   |
| Investment in non-consolidated subsidiaries   | 8     | 0                                   | -26   |
| Investment in associated companies  | 1     | -14                                 | 0   |
| Capital expenditure for intangible assets   | 18    | -76                                 | -3  |
| Decrease (+) / increase (-) in loans receivable   |       | -9                                  | 21  |
| Decrease (+) / increase (-) in marketable securities                                      | 13    | 59                                  | -104  |
| Increase (+) / decrease (-) in cash from purchase/sale of subsidiaries                    |       | -1 534                              | 86  |
| Proceeds from sales of property, plant and equipment                                      |       | 22                                  | 25  |
| <b>Cash flow from / used by investing activities</b>                                      |       | <b>-1 713</b>                       | <b>-89</b>  |
| Dividends paid  |       | -1                                  | -1  |
| Sale (+) / purchase (-) of treasury shares  |       | 189                                 | -202  |
| Increase in financial debt  | 25    | 1 317                               | 6   |
| <b>Cash flow from / used by financing activities</b>                                      |       | <b>1 505</b>                        | <b>-197</b>   |
| Conversion adjustments to cash and cash equivalents                                       | 12    | -2                                  | 13  |
| <b>Increase (+) / decrease (-) in cash and cash equivalents</b>                           | 12    | <b>163</b>                          | <b>-307</b>   |
| Cash and cash equivalents at the beginning of the year                                    |       | 324                                 | 630   |
| Cash and cash equivalents at the end of the year  |       | 486                                 | 324   |
| <b>Increase (+) / decrease (-) in cash and cash equivalents</b>                           |       | <b>163</b>                          | <b>-307</b>   |
| Additional information: Interest paid   |       | 11                                  | 0   |
| Interest received   |       | 6                                   | 5   |
| Taxes paid  |       | 28                                  | 27  |

<sup>1</sup> For restatement 2005 see page 90.