2006 FIRST HALF RESULTS

With revenues up 18.5% (14.7% constant currency basis) to CHF 1 845 million, SGS achieved its ninth consecutive semester of improved performance delivering a 28.5% increase in operating income to CHF 302 million at an operating margin of 16.4% (15.3% pre-exceptional items). Net profit at CHF 215 million was up 23.6% (19.4 % constant currency basis) from the comparable period.

FINANCIAL HIGHLIGHTS

CHF million	June 06	June 05
Revenue Change in %	**1 845** 18.5	1 557
EBITDA before exceptionals Change in %	**363** 20.6	301
EBITDA Change in %	**384** 27.6	301
Operating income Change in %	**302** 28.5	235
Operating margin in %	**16.4**	15.1
Profit before tax Change in %	**301** 25.9	239
Net profit attributable to Equity holders of SGS SA Change in %	**215** 23.6	174
Operating cash flow Change in %	**214** 52.9	140
Net cash	**46**	349
Average number of shares (000's)	**7 574**	7 500
Basic earnings per share (CHF) Change in %	**28.45** 22.6	23.21
Diluted earnings per share (CHF) Change in %	**28.27** 23.1	22.96
Basic earnings per share before exceptionals (CHF) Change in %	**26.48** 15.3	23.21
Average number of employees Change in %	**44 812** 11.4	40 223

Overview

Revenue for the Group grew to CHF 1 845 million, up 18.5% (14.7% constant currency basis). This growth was achieved in a generally good trading environment across the breadth of the Group's business and geographical portfolio, despite the Trade Assurance business undergoing a fundamental shift in service offering and revenue make-up. Organic growth for the period was 10.4% at constant currencies.

The Group's Consumer Testing, Minerals, Systems & Services Certification, and Oil Gas and Chemicals Services delivered top line growth over 13% versus the comparable period. The growth was driven by expansion to new geographies entering the commodities supply chain, new laboratory outsourcing contracts as well as deployment of recently developed SGS products supporting new standards introductions. Growth trends in greater Asia and South East Asia remained robust during the semester. The Group's performance was amplified by extensive improvement in Eastern Europe, the Middle East and Africa as these regions have increased their participation in the global economy.

Operating income for the Group improved by CHF 67 million to CHF 302 million or 28.5% (23.4% constant currency basis). This includes a net exceptional income of CHF 21 million. The Group operating margin expanded to 15.3% (pre-exceptional items) for the semester with Systems & Services Certification, Minerals, Consumer Testing, and Oil Gas and Chemicals Services all benefiting from service offering mix, geographical distribution, and volume leverage.

Net financial expense was CHF 1.2 million as the Group's cash position was substantially reduced versus the prior period due to the exceptional distribution of CHF 50 per share to our shareholders during the semester. The tax rate of 24.2% is within range of the Group's full year expectation.

Profit attributable to Equity holders of SGS SA increased to CHF 215 million from CHF 174 million, an increase of 23.6% (19.4% on a constant currency basis).

Cash flow from operations was CHF 214 million, a CHF 74 million improvement over the comparable period. This inflow, in addition to the Group's pre-existing cash position was used to fund net investment in fixed assets of CHF 104 million, a distribution to shareholders of CHF 383 million, and acquisitions of CHF 190 million (CHF 139 million net of disposals). Group cash decreased from CHF 521 million to CHF 235 million.

SGS SA 1 place des Alpes P.O. Box 2152 CH-1211 Geneva 1
t +41 (0)22 739 91 11 f +41 (0)22 739 98 86 www.sgs.com

Acquisitions and Disposals

In line with its Growth Plan 2006-2008, the Group made four acquisitions during the semester. Besides the already published acquisition of aster.cephac, SGS acquired Northview Biosciences Inc., Northbrook, IL, USA, establishing a strong presence in the North American Life Science Quality Control market.

SGS strengthened its North Sea activities in the oil and gas industry with the acquisition of Cotax AS, Larvik, Norway. In the same industry, SGS bought Laroute SA, Zug, Switzerland, which supplies specialist additive services. It operates throughout Russia, the Baltic States, the Black Sea and the Caspian Sea.

Two disposals were also concluded during this semester as SGS sold its Canadian environmental consulting business and its Pink Healthcare Services. The combined turnover of these two disposals was less than CHF 25 million.

Outlook

The Group will continue to improve operating performance in the remainder of 2006 and confirms its 2008 targets.

Sergio Marchionne
Chairman

Dan Kerpelman
Chief Executive Officer

18 July 2006

AGRICULTURAL SERVICES		
CHF million	**June 06**	June 05
Revenues	**156.7**	137.8
Change in %	13.7	
Change due to		
Volume and Prices	13.3	
Currency Translation	5.6	
Acquisitions/(Disposals)	--	
Operating income before exceptionals	**18.7**	15.4
Change in %	21.4	
Margin %	**11.9**	11.2

Agricultural Services

Agricultural Services delivered comparable organic revenue growth of 9.3% to CHF 157 million for the semester. Operating margins expanded to 11.9% from 11.2% in the comparable period. These results were largely driven by a healthy combination of geographic footprint expansion of our network, product mix, and tactical positioning into inland and commodity logistics services.

From a geographical perspective, revenue was widely distributed across our network with the majority of our reporting segments contributing to year over year top line growth. Our operations in Eastern Europe/Middle East and South Eastern Europe continued on their positive trajectories from the previous semester delivering 39% and 14% revenue growth respectively. Solid performances were also delivered by Western Europe, and South East Asia Pacific during the semester offsetting weaker performances in North and South America influenced by difficult trading and harvest conditions.

Our integrated service package for the agricultural supply chain again delivered encouraging results with notable performances delivered in Argentina, Egypt, Spain and Italy. The linking of warehouse and silo management, weigh-bridge management, pest control, and laboratory analysis within the product portfolio has been well received from our client base. These custom client packages have already been extended to include trans-national end-to-end supply chain services where product is monitored from harvest to processing with particular success in Europe.

Our clients are operating in an increasingly stringent regulatory environment. We see this as an opportunity for SGS to deliver suites of custom solutions which will allow our customers not only to comply with product guidelines but to exceed them, distinguishing themselves from their competition.

MINERALS SERVICES		
CHF million	**June 06**	June 05
Revenues	**225.3**	173.1
Change in %	30.2	
Change due to		
Volume and Prices	33.0	
Currency Translation	9.1	
Acquisitions/(Disposals)	10.1	
Operating income before exceptionals	**37.6**	26.6
Change in %	41.4	
Margin %	**16.7**	15.4

Minerals Services

Total revenues for Minerals Services grew by 30.2% (18.1% organic) to CHF 225 million with operating margins improving 130 basis points from the comparable period to 16.7%. Trading conditions within the Minerals Services segment were positive during the first semester as demand for energy minerals, precious metals, and base ores remained firm. Laboratory outsourcing, geochemistry, and metallurgy continued to drive margin performance during the semester as did our trade services in India, China and Russia.

Our established positions in the major mining hubs of Canada, Brazil, Southern Africa and Australia continued to set the pace for the Group in revenue growth and operating performance. In addition, these centres have increasingly played a larger role in technology and service line development. By concentrating our technology development resources in regional competence centres we have been able to accelerate our ability to deploy our service packages over a larger geographical area and simultaneously focus global opportunities in facilities of sufficient scale. Geochemistry and metallurgical pilot-planting are two demonstrable examples of this service delivery approach. In geochemistry, the Group has commissioned eight new laboratories in the first semester in four continents. This deployment was overseen by a geochemistry competence team with equipment supplied through a single sourcing point. In metallurgy, the Group uses three strategically located centres of excellence to run pilot-plant studies for our global client base.

Demand for energy minerals, base ores, and precious metals are increasingly driving our client base to push exploration into new geographical areas such as the Former Soviet Union (FSU), China and Africa. It is our belief that the widening of our service offering with particular emphasis on process improvement technologies, in combination with our existing geographical reach puts us in a unique position to serve this market.

OIL, GAS & CHEMICALS SERVICES		
CHF million	**June 06**	June 05
Revenues	**374.3**	305.8
Change in %	22.4	
Change due to		
Volume and Prices	42.5	
Currency Translation	11.3	
Acquisitions/(Disposals)	14.7	
Operating income before exceptionals	**51.9**	39.7
Change in %	30.7	
Margin %	**13.9**	13.0

Oil, Gas & Chemicals Services

In Oil, Gas & Chemicals Services (OGC), first semester revenue growth reached 22.4% (13.4% organic) with margins improving from 13% to 13.9% for the period. Refined petroleum markets remained tight on a global basis due to continued demand from South East Asia and China. In the USA, refining capacity shortfalls encouraged imports stimulating our cargo inspection and blending activity in the latter part of H1. New geographies entering the supply chain had a positive influence on several of our business activities such as cargo custody transfer inspection and testing at the principle trading hubs in Asia, Western Europe, Russia and the Middle East. Our liquefied natural gas (LNG) activities continued to grow strongly as high crude oil prices positively impacted alternative fuel resource demand. OGC grew well in the chemical sector despite high raw material prices putting pressure on our customers and the associated markets.

During the period the Oil, Gas and Chemicals business made two acquisitions. In the North Sea area, we strengthened our existing presence with the acquisition of Cotax AS in Norway providing analytical services to customers throughout the oil and gas producing sector. With the acquisition of Laroute SA, SGS has strengthened its position in cargo treatment services in Western Europe, Russia, the FSU, Caspian and Baltic regions. The group is now focusing on the global deployment of the acquired value-added service packages.

Plant and terminal operations and laboratory outsourcing continued to build upon prior period successes with important contract wins with petroleum market majors in France, the United States, Equatorial Guinea, and Australia. The Group continued to bring to market new technology innovations for our clients in the fields of analytical testing and field measurement with particular success in mercury detection and gas/oil ratio determination (GOR).

LIFE SCIENCE SERVICES		
CHF million	**June 06**	June 05
Revenues	**94.0**	62.0
Change in %	51.6	
Change due to		
Volume and Prices	(1.1)	
Currency Translation	1.4	
Acquisitions/(Disposals)	31.7	
Operating income before exceptionals	**11.4**	8.8
Change in %	29.5	
Margin %	**12.1**	14.2

Life Science Services

Life Science Services (LSS) revenues grew by 51.6% during the semester as the business added significant scale to continuing operations with acquisitions in the clinical research and quality control segments. Operating margins declined from 14.2% to 12.1% as the business absorbed restructuring costs associated with the acquisitions, dealt with the re-shaping of capacity utilization in our European clinical research activities in Belgium and France, and laboratory start up costs in Asia.

Quality control testing performed well during the semester with all laboratories in North America, and Europe exceeding revenue and operating performance expectations. Our operations in North America were significantly strengthened with the addition of Northview Biosciences which widened our testing portfolio to include medical device testing services. Organically driven network and capacity expansion continued within the segment with capacity added to our operations in Belgium to include the testing of bio-pharmaceuticals, and green field investments in Singapore, Shanghai, and Sri Lanka bringing the total number of QC laboratories to sixteen operating in twelve countries – the largest network of pharmaceutical QC-testing labs in the industry.

Our start-up investments in Asia continue to incur costs related to unavoidable local accreditation and customer GMP audits diluting operating margins at present. This impact to short term performance does not lessen our belief in the market opportunities for these selected regions, and the group expects to move all of these assets into a profitable position within 2006.

In clinical research, the acquisition of aster.cephac in January transformed Life Science Services from a single clinic and lab operation (Belgium) to a multi-clinic/lab operator with one of the largest capacities in Europe for early stage clinical research trials and bioanalytical testing.

Much of the first semester has been dedicated to the integration of aster.cephac within the SGS operating framework, and the rationalization of SG&A activities within the clinical research sector. Customer acceptance has been encouraging with many in the two separate client portfolios beginning the process of cross-auditing the facilities. This is a key to optimal capacity utilization within the sector. The business expects improved performance in the second semester.

CONSUMER TESTING SERVICES		
CHF million	**June 06**	June 05
Revenues	**283.4**	214.2
Change in %	32.3	
Change due to		
Volume and Prices	60.3	
Currency Translation	8.9	
Acquisitions/(Disposals)	--	
Operating income before exceptionals	**64.6**	46.4
Change in %	39.2	
Margin %	**22.8**	21.7

Consumer Testing Services

With first semester revenue of CHF 283 million, the Consumer Testing Services (CTS) business grew organically 32.3% generating an operating margin of 22.8% versus 21.7% in the comparable period.

Comparable revenue growth was largely recognized in our laboratories in China, Hong Kong, East Asia, and South East Asia (up 38%) driven by orders obtained in Western Europe, Japan, and the United States, but increasingly augmented by local clients. Our operations in Europe had more modest growth (8%) with satisfactory margin performance overall.

One of the main drivers of top line growth during the semester has been in the restricted substance testing and services (RSTS) portion of the portfolio, principally in conjunction with the RoHS directive (Restriction of Hazardous Substances). The July compliance deadline of this directive has created a significant upswing in volume in our laboratories, especially in the electronics goods sectors. While this surge in demand is expected to moderate in the second semester, the testing matrices developed for compliance for this directive will have expanded applications across a large variety of product segments. The business expects that restricted substance testing to remain a principle driver of future growth across all four product categories.

Despite tighter European Union and United States restrictions on import quotas on textiles from China, the business managed to reinforce its position in the soft lines segment with significant client growth in Japan, Europe and the United States. This has led to increased testing volumes in our labs in China, India, Bangladesh, and Turkey with corresponding operating leverage benefits. Service packages in textiles testing continued to be developed, especially in comprehensive testing packages which incorporate chemical testing.

During the semester, capacity was added in the segment with particular focus in chemicals testing across the general network, electronics testing in Asia, and multi-lab facilities in Austral-Asia and the Middle East.

SYSTEMS & SERVICES CERTIFICATION		
CHF million	**June 06**	June 05
Revenues	**151.4**	127.0
Change in %	19.2	
Change due to		
Volume and Prices	20.5	
Currency Translation	3.9	
Acquisitions/(Disposals)	--	
Operating income before exceptionals	**27.7**	20.4
Change in %	35.8	
Margin %	**18.3**	16.1

Systems & Services Certification

Systems and Services Certification (SSC) delivered revenue of CHF 151 million for the semester, an increase of CHF24 million, or 19.2% over the comparable period.

Operating margins expanded to 18.3% from 16.1% as the business benefited from improved product mix, favourable geographical distribution, and service delivery efficiency gains. This performance was accomplished in a rapidly changing trading environment as traditional third party certification continued to give way to industry specific certification and customer driven audit programmes. While this transformation has been under way in Western Europe and North America since 2003, the emergence of these types of schemes in East Asia, Eastern Europe and South East Asia has begun to pick up pace.

Double digit growth (18%) was delivered in Europe driven by solid performances in Spain, France, Italy and the United Kingdom, principally driven by encouraging demand in customized audit solutions on behalf of large multinational enterprises and industry specific certification schemes such as TS 16949 (automotive), AS 9100 (aerospace), ISO13485 (medical devices), and ISO22000 (food security). Revenue growth in the Unites States (15%) fits a similar profile to the trend seen in Europe.

Trading conditions in Austral-Asian markets were in line with expectations with strong performances in Japan, Australia and Taiwan thanks to growth of new certification schemes. The increasingly competitive environment in China for traditional schemes (ISO 9001) has been confirmed during the semester. The semester trend indicates that China is migrating towards industry specific programmes as manufacturing and service industries mature in their role in the global supply chain.

The business continued the deployment of optimization programmes in back office execution, certificate management, and auditor utilization. The key to these efforts is the combination of standardized business practices and IT systems, resulting in 70% of global revenues now managed on a single information technology platform. The success of this initiative has led to pilots being run with our other business lines that have field audit operations.

INDUSTRIAL SERVICES		
CHF million	**June 06**	June 05
Revenues	**240.2**	209.4
Change in %	14.7	
Change due to		
Volume and Prices	24.7	
Currency Translation	5.1	
Acquisitions/(Disposals)	1.0	
Operating income before exceptionals	**31.5**	27.5
Change in %	14.5	
Margin %	**13.1**	13.1

Industrial Services

The Industrial Services business delivered revenue growth of 14.7% for the period with operating income increasing to CHF 31.5 million. Operating margins were flat at 13.1% principally due to costs related to the restructuring of operations in North America, project mix and mobilization start up costs in Asia.

Industrial operations in Spain delivered a solid performance in the first semester posting comparable growth of 12.1% as increased statutory inspections augmented its strong position in construction services. The balance of our European operations in France, Germany and the Benelux performed well in maintenance related non-destructive testing, verification and inspection services with positive progress in the Group's entry into the wind power sector with several project wins in Germany and Holland.

Promising growth in the sector continued to come from our start up operations in South East Europe (16%) in progress monitoring of projects in the power industry, Africa (50%) in project supervision and NDT work in support of the petroleum industry, and Eastern Europe Middle East in asset integrity and risk based inspection activities. In addition, the group is seeing positive developments in China (52%) in supply chain services, and India (31%) in infrastructure related inspection and site supervision projects.

The Industrial Services business put a significant effort in improving its product offering in the supply chain services sector. The business is positioning itself in order to serve the market in large scale public infrastructure projects coming on stream in Asia, energy infrastructure (Russia, Africa, Middle East), and alternative energy.

Vendor surveillance, project monitoring and high value equipment certification are services that are forecasted to have increased demand from Engineering/Procurement/Construction (EPC) contractors, insurers and lenders in support of these projects.

ENVIRONMENTAL SERVICES		
CHF million	**June 06**	June 05
Revenues	**125.0**	110.9
Change in %	12.7	
Change due to		
Volume and Prices	7.8	
Currency Translation	2.7	
Acquisitions/(Disposals)	3.6	
Operating income before exceptionals	**11.3**	11.1
Change in %	1.8	
Margin %	**9.0**	10.0

Environmental Services

The Environmental Services business delivered revenue growth of 12.7% (6.9% organic) despite difficult trading conditions in Central Europe during the 1st quarter due to unseasonably cold weather impacting laboratory volumes. Operating margins were held back at 9% due to volume shortfalls in Q1, and laboratory consolidation costs in Australia. The group expects margins to recover in the second semester.

In our mature markets of Europe and North America there were several notable achievements during the semester. Our environmental business in Spain grew (24.4%) in the comparable period on the back of successfully combining an environmental service package with its existing strong position in industrial construction supervision. Ultra-trace dioxin testing has shown significant momentum by using our centres of excellence laboratories in Belgium and the United States (Paradigm acquisition in 2005) to support our global client network. International sample volume to our mass flow organics laboratory in Germany has increased 41% over the comparable period.

In emerging markets, our strategy of combining environmental testing with our Minerals Services business has begun to bear fruits with particular success in Africa (up 74%) and Australia. The push into new and new markets demonstrated positive developments with strong revenue growth in India (77%), Pakistan and China doubling their level of business from the prior year, and first revenues being posted in South Africa, Greece and South Korea.

During the semester, the group announced the sale of its hygiene activities (Pink Healthcare Services) in Australia effective June 30. The group's decision to monetize this asset was reached after a comprehensive view of the business's position within our service portfolio, and our ability to further expand this type of business on a global scale. In the short term this transaction will be dilutive to environmental services continuing operations.

AUTOMOTIVE SERVICES		
CHF million	**June 06**	June 05
Revenues	**111.5**	97.3
Change in %	14.6	
Change due to		
Volume and Prices	3.3	
Currency Translation	3.0	
Acquisitions/(Disposals)	7.9	
Operating income before exceptionals	**15.3**	13.2
Change in %	15.9	
Margin %	**13.7**	13.6

Automotive Services

Automotive Services revenues increased 14.6% (3.3% organic) to CHF 111.5 million with operating margins increasing to 13.7%.

Our statutory vehicle inspection product portfolio performed well during the semester with several key objectives being reached. The group has completed the integration of prior period acquisitions with the resulting network solidifying our market leader position in France. Our data management contracts in the United States with the states of Virginia and New York met expectation and, after significant start up delay, our seven year contract with California was initiated. Our fixed site operations, combining safety and emission inspections, in Chile, Ivory Coast, and Ireland are on plan. Our six year contract with Transport of London Public Carriage Office has been recently expanded from inspection services for private hire vehicles to now include black cabs. Additional capacity construction is to begin immediately with incremental revenues expected in 2007.

Trading conditions in fleet and off-lease inspection services in the North American market remained difficult with the resulting decline in comparable revenues. Despite this, margins remained intact as the group flexed down its cost structure in conjunction with the revenue decline. The group expects this market to remain challenging for the foreseeable future. In Europe, commercial vehicle inspection remained stable with several promising opportunities secured with fleet management and rental car clients.

The business strategy of focusing its efforts on the statutory segment for recurring revenue and superior cash flow remains in force. Statutory vehicle inspection now represents in excess of 60% of the segment turn-over which is a fundamental shift from the product mix in 2003. With proven contract performance references utilizing fixed site safety and emission inspections, data management, and franchisee models we are uniquely positioned to provide tailored solutions to regulatory authorities. This menu model should be particularly attractive to first time adoption countries, and as such, the business has begun focusing its attentions on emerging markets.

TRADE ASSURANCE SERVICES		
CHF million	**June 06**	June 05
Revenues	**83.3**	119.5
Change in %	(30.3)	
Change due to		
Volume and Prices	(36.9)	
Currency Translation	0.7	
Acquisitions/(Disposals)	--	
Operating income before exceptionals	**11.4**	25.9
Change in %	(56.0)	
Margin %	**13.7**	21.7

Trade Assurance Services

Comparable revenues in Trade Assurance Services (TAS) declined 30.3% due to the expected discontinuation of pre-shipment inspection contracts on behalf of Nigeria and Venezuela. Operating margins declined to 13.7% due to lost profits of discontinued contracts and start up costs incurred on new business initiatives. Non-PSI contracts continued to perform well, especially our TradeNet product, which is increasingly seen as an effective trade facilitation tool.

Despite the recent downturn, the business has been successful in new product launches and contract awards. Towards the end of the semester, our expanded contract with the customs authorities of Mexico was started. This four year contract is a combination of ValueNet services with physical verification at key border crossings. Destination inspection contracts, which include fixed scanner operations and valuation/ classification services, were begun in Nigeria, Cameroon and Madagascar. Product conformity assessment programs were implemented for Kenya and Saudi Arabia. Our forestry control schemes were renewed in Ghana and Democratic Republic of Congo.

Trade Assurance Services continued to reconfigure its product portfolio and restructure its network in order to adapt to the changing market landscape during the semester. As the traditional pre-shipment inspection product continued its descent the group has undergone a significant restructuring of its global inspection network while simultaneously reconfiguring back-office operations to accommodate new product schemes; principally destination inspection and valuation services. This exercise has seen the creation of global hubs for back-office service delivery, the establishment of regional hubs for valuation and document controls, and the implementation of a centrally hosted information technology platform all of which are designed to contribute to lower cost, globally harmonized service delivery operations.

CONDENSED CONSOLIDATED INCOME STATEMENT

CHF million	June 06	June 05 (1)
Revenue	**1 845**	1 557
Personnel and sub-contracted costs	(1 017)	(865)
Depreciation and amortization	(80)	(65)
Other operating expenses	(467)	(392)
Operating profit before exceptional items	**281**	235
Exceptional items	21	---
Operating income	**302**	235
EBIT	**302**	235
Financial income/(expense)	(1)	4
Profit before tax	**301**	239
Taxes	(73)	(57)
Profit for the period	**228**	182
Net profit attributable to:		
- Equity holders of SGS SA	215	174
- Minority interests	13	8
Profit before recoveries on pre-2002 terminated contracts (net of tax) (2)	**215**	174

(1) 2005 data has been amended to reflect the adoption of IAS 19
(2) No recoveries in the period

CONDENSED CONSOLIDATED BALANCE SHEET

CHF million	June 06	Dec. 05
Non-current assets		
Land, building and equipment	603	586
Goodwill and other intangible assets	596	429
Other long-term assets	200	225
Total non-current assets	**1 399**	1 240
Current assets		
Trade accounts and notes receivables	710	713
Cash and short term investments	245	531
Other current assets	382	281
Total current assets	**1 337**	1 525
Total assets	**2 736**	2 765
Total equity	**1 337**	1 475
Non-current liabilities		
Loans and financial leases	9	7
Provisions and other liabilities	371	418
Total non-current liabilities	**380**	425
Current liabilities		
Trade and other payables	346	329
Other current liabilities	673	536
Total current liabilities	**1 019**	865
Total equity and liabilities	**2 736**	2 765

CONDENSED CONSOLIDATED CASH FLOW

CHF million	June 06	June 05 (1)
Profit for the period	**215**	174
Adjustment for non cash items	135	102
(Increase)/decrease in net working capital	(84)	(81)
Changes in other provisions	---	(11)
Taxes paid	(52)	(44)
Operating cash flow	**214**	140
Net sale/(purchase) of fixed assets	(104)	(90)
Cash (paid)/received for acquisition/ disposals	(139)	(19)
Other from investing activities	1	(1)
Cash flow from investing activities	**(242)**	(110)
Dividend paid to Equity holders of SGS SA	(236)	(90)
Dividend paid to Minority interests	(3)	(5)
Share capital refund	(147)	---
Movement on treasury shares	46	---
Increase/(decrease) in short term loans	92	---
Other from financing activities	(5)	4
Cash flow from financing activities	**(253)**	(91)
Exchange differences on opening balances	(5)	11
Translation differences on flows	---	(36)
Increase/(decrease) in cash and cash equivalents	**(286)**	(86)

Basis of Preparation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) *IAS 34 Interim Financial Reporting* and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2005.

CONDENSED STATEMENT OF RECOGNISED INCOME AND EXPENSE

CHF million	June 06	June 05 (1)
Actuarial gains and losses	---	(27)
Exchange differences	(29)	31
Net income recognised directly in equity	**(29)**	4
Profit for the period	228	182
Total recognised income and expense for the period	**199**	186
Attributable to:		
Equity holders of SGS SA	191	178
Minority interests	8	8

Notes to the condensed consolidated interim financial statements

1. Significant accounting policies

The condensed financial statements have been prepared in accordance with the accounting policies applied by the Group in its consolidated financial statements for the year ended 31 December 2005.

The Group decided during the second semester of 2005 to adopt, from 1 January 2005, the immediate recognition option under IAS 19. Under this option, the actuarial gains/losses from valuing the assets and liabilities of defined benefit plans at fair value at the balance sheet date are immediately recognised in the balance sheet with a corresponding movement in equity. The impact of this change on the June 2005 profit before tax and total equity amounts to CHF 6 million and CHF 27 million respectively. No actuarial gains and losses have been recognised during the six months ended 30 June 2006 as there were no material changes to the plans nor significant changes in the market conditions during the period.

The value of identifiable assets and liabilities acquired/(disposed) reflect best estimates at the end of the period.

2. Exceptional items

EXCEPTIONAL ITEMS		
CHF million	**June 06**	June 05 (1)
Operating income before exceptionals items as reported by segment	**281**	235
Unallocated exceptional items:		
Net gain on changes in Group's organisation	36	---
Legal and warranty claims	(6)	---
Restructuring	(9)	---
Operating income	**302**	235

3. Earnings per share

BASIC EARNINGS PER SHARE		
	June 06	June 05 (1)
Profit attributable to Equity holders of SGS SA - CHF million	215	174
Weighted average number of shares	7 574	7 500
Basic earnings per share - CHF	**28.45**	23.21

DILUTED EARNINGS PER SHARE		
	June 06	June 05 (1)
Profit attributable to Equity holders of SGS SA - CHF million	215	174
Diluted weighted average number of shares	7 622	7 582
Diluted earnings per share - CHF	**28.27**	22.96

Adjusted earnings per share are calculated based on the periods profit attributable to Equity holders less the net exceptional item reported in the period:

EARNINGS PER SHARE BEFORE EXCEPTIONALS		
	June 06	June 05 (1)
Profit attributable to Equity holders of SGS SA - CHF million	215	174
Exceptional items net of tax - CHF million	(15)	---
Profit attributable to Equity holders of SGS SA before exceptionals CHF million	195	174
Adjusted basic earnings per share - CHF	**26.48**	23.21
Adjusted diluted earnings per share - CHF	**26.31**	22.96

4. Acquisition of subsidiaries

During the period, the Group completed the following acquisitions: 100% of aster.cephac, a full service provider of early clinical pharmacology trials and bioanalytical drug development services (effective 1 January 2006); 100% of Northview Biosciences, a life science laboratory services provider based in North America (effective 1 January 2006); 100% of Cotax, a Norwegian laboratory serving the oil and gas industry (effective 1 January 2006) and 100% of Laroute, a major provider of additives treatment services to the oil industry (effective 1 February 2006).

During the period, acquisitions contributed CHF 7 million to the Group operating income. Had the effective dates of all acquisitions been 1 January 2006, Group revenues would have been CHF 1 849 million for the period and Group operating income would have been CHF 303 million.

ACQUISITION OF SUBSIDIARIES

CHF million	carrying amount before combination	Fair value adjustements	Amount recognised at the acquisition date
Tangible and intangible assets	18	37	55
Current assets	34		34
Cash and cash equivalent	10		10
Current liabilities	(28)		(28)
Non-current liabilities	(2)		(2)
Net assets acquired	**32**	**37**	**69**
Goodwill on acquisitions			131
Total purchase price			**200**
Less cash & cash equivalents acquired			(10)
Net cash outflow on acquisitions			**190**

STATEMENT OF CHANGE IN CONSOLIDATED EQUITY

CHF million	**Attributable to equity holders of SGS SA**	**Minority interest**	**Total equity**
Balance as at Jan. 1, 2005	1 163	26	1 189
Total recognised income and expense for the period	178	8	186
Dividends paid	(90)	(4)	(94)
Share-based payments	4		4
Balance as at June 30, 2005 (amended)	**1 255**	**30**	**1 285**
Effect of change in accounting standards (1)	97		97
Balance as at June 30, 2005 as published	**1 352**	**30**	**1 382**
Balance as at Jan. 1, 2006	1 439	36	1 475
Total recognised income and expense for the period	191	8	199
Dividends paid	(236)	(3)	(239)
Share capital reduction	(147)		(147)
Share-based payments	3		3
Movement on treasury shares	46		46
Balance as at June 30, 2006	**1 296**	**41**	**1 337**

EXCHANGE RATES

			Balance Sheet End of period rates		**Profit & Loss account** Average rates	
			June 06	Dec. 05	**2006**	2005
Australia	AUD	100	91.64	96.57	94.39	92.96
EU	EUR	100	156.78	155.68	156.11	154.65
Great Britain	GBP	100	226.09	226.97	227.21	225.32
USA	USD	100	123.31	131.56	127.05	120.28

English version is binding

CORPORATE OFFICE

1 place des Alpes
P.O. Box 2152
CH – 1211 Geneva 1
t +41 (0)22 739 91 11
f +41 (0)22 739 98 86
e enquiries@sgs.com
www.sgs.com

2006 FULL YEAR RESULTS

Monday, 15 January 2007

ANNUAL GENERAL MEETING OF SHAREHOLDERS

Monday, 19 March 2007

STOCK EXCHANGE LISTING

SWX Swiss Exchange, SGSN

STOCK EXCHANGE TRADING

virt-x

COMMON STOCK SYMBOLS

Bloomberg:	Registered Share:	SGSN
Reuters:	Registered Share:	SGSZn.S
Telekurs:	Registered Share:	SGSN
ISIN:	Registered Share:	CH0002497458

CORPORATE COMMUNICATIONS & INVESTOR RELATIONS

Jean-Luc de Buman
SGS SA
1 place des Alpes
P.O. Box 2152
CH – 1211 Geneva 1
t +41 (0)22 739 93 31
f +41 (0)22 739 98 61
www.sgs.com