



2005 YEAR END RESULTS

With revenue growth of 14.7% (13.2% constant currency basis) to CHF 3.3 billion, SGS achieved a fourth consecutive year of improved performance delivering a 27.7% increase in operating income to CHF 502 million at an operating margin of 15.2 %. Profit at CHF 371 million was up 33.5% (31.6% constant currency basis) from 2004. The Board of Directors will propose a distribution to shareholders of CHF 50 per share, CHF 19 through a reduction of the current CHF 20 nominal value and CHF 31 as a dividend.

FINANCIAL HIGHLIGHTS		
CHF million	2005	2004 (1)
Revenue	3 308	2 885
Change in %	14.7	
EBITDA	642	508
Change in %	26.4	
Operating income	502	393
Change in %	27.7	
Operating margin in %	15.2	13.6
Profit before tax	507	386
Change in %	31.3	
Profit attributable to Equity holders of SGS SA	371	278
Change in %	33.5	
Cash flow from operations	411	424
Change in %	(3.1)	
Net cash	430	439
Average number of shares (000's)	7 501	7 489
Basic earnings per share (CHF)	49.45	37.21
Change in %	32.9	
Diluted earnings per share (CHF)	48.84	36.99
Change in %	32.0	
Average number of employees	41 460	36 659
Change in %	13.1	

(1) 2004 data has been adjusted to reflect the adoption of the new accounting standards detailed in page 8.

Overview

Revenue for the group grew to CHF 3.3 billion, up 14.7% (13.2% constant currency basis). This growth was achieved in generally good trading conditions with commodity flows and outsourcing trends driving demand. Organic growth for the year was 11.4%.

Consumer Testing Services, Minerals Services, Systems and Services Certification Services and Life Sciences Services continued their solid first semester performance by delivering comparable revenue growth above 15% versus prior year. The Group's businesses in Asia and Eastern Europe were significant contributors from a geographical perspective, as returns from prior period investments in network expansion were realised.

Operating income improved by CHF 109 million or 27.7% (25.8% constant currency basis) to CHF 502 million. Operating margins in all business (except Trade Assurance Services) expanded with significant upward shifts being achieved by Consumer Testing Services, Environmental Services, Life Science Services and Minerals Services.

Net financial income of CHF 5.4 million was level with last year as liquid investment yields remained low. The tax rate of 23.5% is at the low end of the range the Group expects for the medium term.

Profit attributable to Equity holders of SGS SA increased to CHF 371 million from CHF 278 million, an increase of 33.5% (31.6% constant currency basis).

Cash flow from operations was CHF 411 million. This inflow of cash was used to fund net investment in fixed assets of CHF 190 million, the payment of the dividend of CHF 90 million, and acquisitions of CHF 95 million. Group net cash decreased from CHF 439 million at the end of 2004 to CHF 430 million.

Acquisitions and Disposals

The Group continued its growth strategy by making a number of small to medium sized acquisitions this year. In the first six months, the acquisitions of Aquatic Health Chile SA, X-Per-X Inc, and Auto Marine Services Ltd. were finalised. These three companies, which operate in Consumer Testing, Industrial and Automotive Services, respectively all contributed positively to the Group's 2005 results.

In the second six months, the group acquired MinnovEX Technologies Inc, Casco Australia Pty Ltd, Auto Sécurité Group, and Paradigm Analytical Laboratories Inc. MinnovEX Technologies Inc. is the recognised world market leader in the application of unique metallurgical technologies to optimise plant and asset performance in the mining sector while the addition of Casco has created a complete laboratory and inspection network for the Group's coal sector clients in Australia. The acquisition of the Auto Sécurité Group in late July on top of the Securitest acquisition in 2004 clearly established SGS as the leader in statutory vehicle inspection business in France and a leading market player throughout Europe. Paradigm Analytical Laboratories Inc. has an excellent reputation for innovation in the competitive North American environmental testing market and will act as a base for environmental testing skills transfer across the Group.

Two disposals were also concluded during the year as the Group sold SGS Cortex NV, its small Life Science software business in Belgium, and its oenology business in Beaune, France. The combined turnover of these two disposals was less than CHF 11 million.

In the first week of January 2006, SGS became the European leader in early stage clinical pharmacology trials with the acquisition of Paris based aster.cephac. aster.cephac provides both early stage clinical development services and bioanalytical testing services to the global pharmaceutical and biotechnology industries. This acquisition is a key element in the growth of the Group's Life Science Services business and an important step towards its recently announced strategic growth plan.

Distribution to shareholders

In recognition of and on the basis of the sound results of the Group over the last 3 years, and in view of the three-year growth plans which have targeted CHF 5 billion in revenue and CHF 80 EPS by 2008, the Board of Directors has examined SGS' capital structure at December 31, 2005.

The Board feels comfortable that the cash generation capabilities of the Group can support the Group's growth strategy, aided if necessary by access to the debt markets.

As a result, the Board will recommend a return of capital through a CHF 19 reduction of the current nominal value of CHF 20 per share, and a dividend of CHF 31 per share. The dividend is outside the normal distribution range of 25-35% of consolidated net income, and is expected to be restored for the year 2006.

Management

The Operations Council was joined by Robert Markus, COO, Africa Region, Duilio Giacomelli, COO, South East Europe Region and Todd Vanderven, SVP, Strategy & Continuous Improvement.

Significant shareholders

At 31 December 2005, Sequana Capital held 23.8% of the capital and voting rights of the company; Mr. August von Finck and his family held 23.7%.

Outlook

Having successfully achieved its goals for 2005, SGS has embarked on a new strategic growth plan announced in the 4th quarter of last year. The company will leverage its portfolio for accelerated growth and focus on continuous improvement for competitive advantage, targeting CHF 5 billion revenue and CHF 80 earnings per share in 2008.

The 2006 Group outlook continues to be strong and in line with our three-year growth plan as commodity demand, trade flows, the regulatory environment and outsourcing trends should sustain favorably. Top line organic growth should parallel last year's and operating margins are expected to continue to improve.



Georges Muller
Chairman



Dan Kerpelman
Chief Executive Officer

AGRICULTURAL SERVICES		
CHF million	2005	2004
Revenues	294.8	257.1
Change in %	14.7	
Change due to		
Volume and Prices	31.3	
Currency Translation	6.4	
Acquisitions/(Disposals)	--	
Operating Income	33.5	23.6
Change in %	41.9	
Operating Margin %	11.4	9.2

Agricultural Services

Comparable revenues in the Agricultural Services business grew by 14.7% with full year operating margins improving to 11.4% from 9.2% the prior period.

Revenue was widely distributed across the network with all reporting regions contributing to year-over-year top line growth. Our operations in South East Europe, and Eastern Europe/Middle East delivered excellent revenue performance (+35%) due to favorable crop conditions and the introduction of quality services covering the supply chain for Western European market delivery.

The business segments' strategy of diversifying the portfolio of product offerings to dampen the potential effects of poor harvest conditions and trade volatility continued to bear fruit. Despite a difficult soya export environment in Brazil, the South American region continued its strong performance in fish and fisheries related services by expanding into the Chilean market.

Inland and integrated services are progressing as the market has begun to recognise the potential of the expanded SGS service offering with new contracts signed for the control of goods from harvest through the logistics supply chain. Inland silo inventory management coupled with fumigation and product quality testing has been linked with services at export/import terminals to provide end-to-end traceability and product conformity. Our production and processing clients continue to expand their sourcing options, and SGS is uniquely positioned to deliver value-added services in an increasingly stringent regulatory environment.

MINERALS SERVICES		
CHF million	2005	2004
Revenues	393.7	319.5
Change in %	23.2	
Change due to		
Volume and Prices	55.9	
Currency Translation	8.3	
Acquisitions/(Disposals)	10.0	
Operating Income	63.1	46.1
Change in %	36.9	
Operating Margin %	16.0	14.4

Minerals Services

Total revenues for Minerals Services grew by 23.2% to CHF 393.7 million with organic growth of 17.1%. Operating margin improved to 16.0%, a 160 basis point improvement from last year. Solid customer demand continued across the full range of the service portfolio as consumption of ores, metals, and energy minerals were driven by global demand from the manufacturing and energy markets.

Canada, Brazil, and Australia delivered significant volume growth during the period as both new exploration and exploitation of existing deposits fuelled services demand.

The Minerals segment concluded two acquisitions during the period further expanding its leadership position in two important service segments and geographies; Casco Australia Pty Ltd. was acquired, solidifying our position in the energy minerals market in Australia, and MinnovEX Technologies Inc. was acquired in Canada expanding our strong position in the metallurgy/mineralogy sector into advanced process control, engineering solutions, and process optimisation.

Outsourcing of laboratory operations by the exploration, mining, and processing industries continued to expand during the year with new start-ups commissioned in Africa (Burkina Faso), North America (Nevada), Chile and China.

In addition to the technologies acquired as the result of acquisitions during the year, the business also invested in operational productivity initiatives (laboratory information management systems) and new technologies (ultra-trace analysis and quantitative electron microscopy).

OIL, GAS & CHEMICALS SERVICES		
CHF million	2005	2004
Revenues	635.3	574.6
Change in %	10.6	
Change due to		
Volume and Prices	54.5	
Currency Translation	5.0	
Acquisitions/(Disposals)	1.2	
Operating Income	79.4	70.2
Change in %	13.1	
Operating Margin %	12.5	12.2

Oil, Gas & Chemicals Services

Oil, Gas and Chemicals Services revenues increased by 10.6%. Operating margins further expanded to 12.5% despite unfavorable conditions in our largest market (North America) from weather related issues causing customer outages and service supply disruptions. These headwinds were offset by a collective effort of the network to seize revenue opportunities as alternative production and refining suppliers moved to make up the deficit from the US Gulf.

Our activities continued their rapid expansion in Eastern Europe/Middle East posting revenue growth in excess of 22% for the year due to expansion of our geographic network and the introduction of value-added services. Positive accomplishments included contract wins for plant and terminal operations, cargo treatment, and laboratory outsourcing. Our pro-active laboratory investment in the China market began to pay dividends with the country posting revenue growth of 60% over prior year; similar first mover investments were instigated in the Philippines and Malaysia during the period.

In addition to investments ensuring that our network is able to fulfil the geographic coverage needs of our clients, the business continued its efforts in new technical developments (gas to oil ratio analytics, near infra-red analysis, laser calibration) aimed at providing our clients with test results with increased accuracy and lower overall delivery costs.

Life Science Services

Life Science Services revenues grew by 17.7% (15.5% organic) during the year and improved operating margins to 15.2%. This was driven by solid performance of both the clinical research and quality control testing segments.

Clinical research growth came from the continued good performance of our operations in the Benelux and Spain in phase II/III clinical trial management biometrics and in phase I studies. With the adoption of Liquid Chromatography and Tandem Mass-Spectrometry (LC-MS/MS) technology in our laboratory during the year, bio-analysis revenue improved markedly. Satellite clinical research operations in the US continued to grow well in providing trial management services.

The quality control segment performed well during the period led by continued solid performance from our North American labs whose revenues increased 20%. Operational improvements and volume leverage in our French and Belgian labs drove operating margins significantly higher. Greenfield laboratory investments in India and Thailand both improved their top line during the period. Performance in India was mixed due to facility start up delays. Our Korean, Singaporean and Chinese labs are scheduled to become operational in Q1 2006.

During the year, the group signed its first international master agreement for quality control services with a top-five pharmaceutical company. This achievement is notable as it demonstrates that our vision for delivering world class testing standards on a trans-national basis with consistency of testing methods and procedures across laboratories and geographies is possible for this demanding market.

Consumer Testing Services

With 2005 revenue of CHF 476.2 million, the Consumer Testing Services business grew by 32.1% (27.2% organic) and generated operating margins of 21.4% compared to 18.2% in the prior year.

The China Hong Kong and East Asia regions continued to be primary catalysts in the improvement of business performance; this was augmented by significant positive developments of operations in India, Thailand, and Germany. The business completed its capacity expansion and laboratory rationalisation project in Guangzhou, China in the second semester.

The electrical and electronics testing (E&E) segment made further significant strides into its target market of information technology and telecoms testing with capacity additions in Korea during the second semester. Hardlines testing continued to capitalise on prior period success in hardware goods for home improvement. Food products testing performed well in the Benelux and Germany.

Despite concerns about export quotas and their impact on testing volume, the softline business segment performed well as more complex materials were incorporated into textile goods creating avenues for higher value-added testing matrices and for further chemical testing. Our clients continued to expand their supply chains and supplier

LIFE SCIENCE SERVICES		
CHF million	2005	2004
Revenues	125.3	106.5
Change in %	17.7	
Change due to		
Volume and Prices	16.6	
Currency Translation	0.8	
Acquisitions/(Disposals)	1.4	
Operating Income	19.1	12.7
Change in %	50.4	
Operating Margin %	15.2	11.9

CONSUMER TESTING SERVICES		
CHF million	2005	2004
Revenues	476.2	360.6
Change in %	32.1	
Change due to		
Volume and Prices	99.2	
Currency Translation	4.9	
Acquisitions/(Disposals)	11.5	
Operating Income	102.1	65.6
Change in %	55.6	
Operating Margin %	21.4	18.2

base to balance geographic concentration and economic advantage; as such our factory assessment and code of conduct auditing service had high auditor utilisation rates. This also drove testing volume at our laboratories in the South East Asia Pacific region.

During the year the business added resources to its sales and technical support network and made significant investments in our billing and customer management information technology infrastructure in order to improve service to our clients.

SYSTEMS & SERVICES CERTIFICATION

CHF million	2005	2004
Revenues	274.0	235.4
Change in %	16.4	
Change due to		
Volume and Prices	35.9	
Currency Translation	2.7	
Acquisitions/(Disposals)	--	
Operating Income	46.5	30.9
Change in %	50.5	
Operating Margin %	17.0	13.1

Systems & Services Certification

Systems and Services Certification Services grew revenues to CHF 274.0 million for the year representing a 16.4% improvement over 2004. Operating margins expanded to 17.0% from 13.1% as volume leverage improved auditor utilisation rates, productivity improvement efforts were realised and certification standard mix improved.

Growth trends observed in the first semester of 2005 held form for the balance of the year with developing economies adopting entry level certification schemes (ISO9000:14000), and more mature markets transitioning to sector specific products (TS16949; AS 9100). This was augmented by market share gains from targeted industry segments. All the business's reporting regions posted year over year top line growth with notable performance from Africa (33.6%), South America (31%), and East Asia (20%) regions.

New services and products continued to be deployed in the areas of food safety, information management (BS 7799), tailored audit solutions and second party audits. With the introduction of a new "time to market" initiative the group has been able to cut product development and deployment significantly during the year. In addition, the business is deploying a centralised client database for certification renewal tracking specifically tailored towards managing global client needs.

INDUSTRIAL SERVICES

CHF million	2005	2004
Revenues	444.8	379.9
Change in %	17.1	
Change due to		
Volume and Prices	48.0	
Currency Translation	3.9	
Acquisitions/(Disposals)	13.0	
Operating Income	58.6	45.6
Change in %	28.5	
Operating Margin %	13.2	12.0

Industrial Services

The Industrial Services business delivered revenue growth of 17.1% (12.5% organic) with operating margins improved to 13.2% from 12.0% in the prior year.

The business's operations in France, the Benelux, and Germany all performed well during the year on the back of a positive business environment for construction, statutory and maintenance related services. In addition to concession-based statutory inspection activities, Industrial Services in Spain posted excellent performance in site supervision and technical assistance for large infrastructure projects in a competitive market.

By pursuing the strategy of focusing on specific industries (Oil & Gas, Power Generation) the business was successful in obtaining new contracts in West Africa, the Middle East, and Eastern Europe all of which posted encouraging growth rates and future potential. Our activities in Russia grew 57% in 2005 after a difficult 2004 trading environment.

New services were successfully introduced during the year. The growth of the alternative energy market enabled the business to establish a leading position in wind powered turbine inspection in Belgium and Germany. Our construction materials testing laboratory in Taiwan introduced testing services for non-lead solder products and non-destructing testing for concrete. The acquisition of X-Per-X Inc. in Canada during the first semester of the year introduced active rail inspection technology and specific services tailored to hydroelectric infrastructure; network deployment of these activities is underway.

Environmental Services

Environmental Services increased revenue 12.7% for the year (8.8% organic) with operating margins improving to 11.1% from 8.0% as infrastructure rationalisation in prior periods, coupled with volume growth, increased laboratory capacity utilisation rates.

ENVIRONMENTAL SERVICES		
CHF million	2005	2004
Revenues	235.0	208.6
Change in %	12.7	
Change due to		
Volume and Prices	18.7	
Currency Translation	3.1	
Acquisitions/(Disposals)	4.6	
Operating Income	26.0	16.6
Change in %	56.6	
Operating Margin %	11.1	8.0

Tightening of environmental legislation has driven market volumes in the developed countries with the business recording particularly strong revenue growth in Spain, Italy, and Australia. The deployment of the mass-flow laboratory in Germany acquired in 2004 as the SGS European soil & water lab has delivered a 26% growth in sample volumes. The start-up markets in Asia (India, China, Korea) are now all delivering revenues and beginning to grow quickly, servicing both international customers and the local industry.

Environmental support for the mining sector has developed well during 2005 with the West African operation, working out of Ghana, growing and some significant contract wins being recorded in Alaska and South America as well.

The recent acquisition of Paradigm Analytical Laboratories Inc. has strengthened our offering in the US, the single largest analytical market, and at the same time has introduced innovative technology into the group which is being actively transferred across the network to drive efficiencies in the laboratories.

AUTOMOTIVE SERVICES		
CHF million	2005	2004
Revenues	200.2	187.7
Change in %	6.7	
Change due to		
Volume and Prices	(1.0)	
Currency Translation	0.6	
Acquisitions/(Disposals)	12.9	
Operating Income	25.2	21.1
Change in %	19.4	
Operating Margin %	12.6	11.2

Automotive Services

Automotive Services revenues increased 6.7% to CHF 200 million with operating margins increasing to 12.6% versus 11.2 % in the prior year.

With the acquisition of the Auto Sécurité Group in the second semester of the year, the business has now established itself as the leader in automotive statutory testing in France. The network is currently being coupled with the existing operations from our 2004 acquisition of the Securitest and ACO Sécurité networks. Our established operations in Ireland, Spain, Ivory Coast, Chile and the United States performed well, despite a delay in the start-up of our data management contract in California, now scheduled to commence in the first quarter of 2006. New contract opportunities were behind expectations in 2005 primarily due to legislative delay, but those opportunities are expected to come to market during the year.

Our commercial inspection operations performed well in Europe with volume increasing in Germany and the United Kingdom resulting in significant top line growth of 90%; this was offset by reduced volumes in the United States due to the difficult automotive industry leasing environment. Actions were taken during the year and will continue to tailor our costs structure to the reduced volume expectations.

TRADE ASSURANCE SERVICES		
CHF million	2005	2004
Revenues	228.6	255.3
Change in %	(10.5)	
Change due to		
Volume and Prices	(26.9)	
Currency Translation	0.2	
Acquisitions/(Disposals)	--	
Operating Income	48.5	60.8
Change in %	(20.2)	
Operating Margin %	21.2	23.8

Trade Assurance Services

Comparable revenue in Trade Assurance Services declined 10.5% due to the expected discontinuation of pre-shipment inspection mandates in Peru and Venezuela. This decline was buffered by good performance in continuing contracts and strong performance in non-PSI services.

Operating margins of 21.2% remained flat to the first semester as the group was able to act decisively on re-balancing our execution network costs, and through productivity improvements on existing business. This was mainly driven through the centralisation of back-office operations in our principal sites in Manila and Santiago. These service hubs have been designed to accommodate all of our document processing requirements for future contracts thereby lowering our network costs.

During the year new contracts were signed with Bangladesh, Indonesia, Lebanon and Kenya. Destination inspection, valuation services, aid monitoring and forestry services were further tailored to the demand of customers. This type of migration is exemplified by the change made by Nigerian customs that chose to modify the existing pre-shipment inspection mandate to a new model combining destination inspection (scanners) with valuation and classification services. This new scheme has already started. Contract demobilisation of the existing scheme has already been reflected in operating costs and as such none of these costs are expected in 2006.

There were no collections of pre-2002 terminated contract receivables during the year. Efforts continue to recover the amounts outstanding.

CONSOLIDATED PROFIT & LOSS		
CHF million	2005	2004 (1)
Revenue	3 308	2 885
Operating income	502	393
Recoveries on pre-2002 terminated contracts	--	3
Goodwill	--	(16)
EBIT	502	380
Net financial income	5	6
Profit before taxes	507	386
Taxes	(119)	(93)
Profit for the year	388	293
Profit attributable to:		
- Equity holders of SGS SA	371	278
- Minority interests	17	15
Profit before recoveries on pre-2002 terminated contracts (net of tax) (2)	371	275

(1) 2004 data has been amended to reflect the adoption of the new accounting standards detailed on page 8.

(2) No recoveries in 2005.

CONSOLIDATED BALANCE SHEET		
CHF million	2005	2004 (1)
Non-current assets		
Land, building and equipment	586	493
Goodwill and other intangible assets	429	304
Other assets	225	169
Total non-current assets	1 240	966
Current assets		
Trade accounts and notes receivables	713	579
Other assets	281	251
Cash and investments	531	456
Total current assets	1 525	1 286
Total assets	2 765	2 252
Total equity	1 475	1 189
Non-current liabilities		
Loans	7	7
Provisions and other liabilities	418	355
Total non-current liabilities	425	362
Current liabilities		
Trade and other payables	329	330
Other liabilities	536	371
Total current liabilities	865	701
Total equity and liabilities	2 765	2 252

CONSOLIDATED CASH FLOW		
CHF million	2005	2004 (1)
EBIT	502	380
Adjustment for non cash items (Increase)/decrease in net working capital	96	106
Changes in other provisions	(60)	37
Taxes paid	(20)	(27)
	(107)	(72)
Cash from operations	411	424
Net sale/(purchase) of fixed assets	(190)	(187)
Cash (paid)/received for acquisition/disposals	(95)	(194)
(Increase)/decrease in marketable securities	1	52
Other from investing activities	5	13
Cash from investing activities	(279)	(316)
Dividend paid to equity holders of SGS SA	(90)	(68)
Purchase of treasury shares	(1)	(15)
Increase/(decrease) in short term loans	81	(19)
Other from financing activities	(21)	(29)
Cash from financing activities	(31)	(131)
Exchange differences on opening balances	15	(14)
Translation differences on flows	(41)	11
Increase/(decrease) in cash and cash equivalents	75	(26)

ACQUISITIONS	
CHF million	Total
Goodwill	64
Assets	65
Liabilities	(17)
Total purchase price	112
Net cash acquired	(17)
Cash outflow	95

Basis of preparation

The condensed consolidated financial statements are based on the consolidated financial statements that are prepared in accordance with the accounting policies set out in the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These condensed consolidated accounts are based on the accounts of the individual subsidiaries at 31 December, which have been drawn up according to uniform Group Accounting Principles.

STATEMENT OF RECOGNISED INCOME AND EXPENSE		
CHF million	2005	2004
Actuarial gains and losses	(54)	(10)
Exchange differences	41	(28)
Net income recognised directly in equity	(13)	(38)
Profit for the period	388	293
Total recognised income and expense for the year	375	255

EXCHANGE RATES						
			Balance Sheet		Profit & Loss account	
			End of period rates CHF		Average rates CHF	
			Dec. 05	Dec. 04	2005	2004
Australia	AUD	100	96.57	87.86	94.87	91.45
EU	EUR	100	155.68	154.49	154.83	154.41
Great Britain	GBP	100	226.97	217.93	226.34	227.50
USA	USD	100	131.56	113.42	124.49	124.35

STATEMENT OF CHANGE IN CONSOLIDATED EQUITY

CHF million	Attributable to equity holders of SGS SA	Minority interest	Total equity
Balance as at Jan. 1, 2004, (published)	1 072	18	1 090
Effect of change in accounting policy	(65)		(65)
As amended	1 007	18	1 025
Total recognised income and expense for the year	233	22	255
Dividends paid	(68)	(14)	(82)
Share-based payments	7		7
Treasury shares	(16)		(16)
Balance as at Dec. 31, 2004 (amended)	1 163	26	1 189
Balance as at Dec. 31, 2004, (published)	1 229	26	1 255
Effect of change in accounting policy	(66)		(66)
As amended	1 163	26	1 189
Total recognised income and expense for the year	358	17	375
Dividends paid	(90)	(7)	(97)
Share-based payments	9		9
Treasury shares	(1)		(1)
Balance as at Dec. 31, 2005	1 439	36	1 475

Changes in Accounting StandardsBusiness Combinations (IFRS 3)

Under IFRS 3, with effect from 1 January 2005, all goodwill is considered to have an indefinite life and is not amortised, but is subject to annual impairment testing. This new accounting policy was also applied in 2004 for transactions on or after 31 March 2004.

Share-Based Payments (IFRS 2)

Effective 1 January 2005, IFRS 2 requires the fair value of equity instruments granted to employees to be recognised as an expense. Prior-year consolidated financial statements have been amended to reflect the cost of options granted after 7 November 2002 but not yet vested as at 1 January 2005.

Presentation of Financial Statements (IAS 1)

IAS 1 (revised) requires minority interests to be included in the consolidated Group equity rather than as a separate category in the consolidated balance sheet. Minority interests are no longer deducted in arriving at the Group's profit for the year.

Special Purpose Entities (SIC 12)

With effect from 1 January 2005, the revised Standing Interpretations Committee SIC-12 requires the consolidation of equity compensation plans. For comparability purposes the Group adopted the revised standard commencing 1 January 2004. The impact of this change on the profit for 2004 and the total equity amounts to CHF 0.3 million and CHF 1.0 million, respectively.

Employee Benefits (IAS 19)

English version is binding

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2006 HALF YEAR RESULTS

Tuesday, 18 July 2006

ANNUAL GENERAL MEETING OF SHAREHOLDERS

Monday, 20 March 2006

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

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