

Financial Report 2005 Mikron Group

Engineering Intelligence
for Customer Productivity



MIKRON[®]
Technology Group

Front page illustration: Quality control to an accuracy of one micrometer (1/1000 mm). Automated measurements serve to record the accuracy of customers' tools and the process of optimization in Mikron's own tool development department.

Table of Contents

Consolidated Financial Statements 2005 of Mikron Group

Consolidated Statement of Income	2
Consolidated Balance Sheet	3
Consolidated Statement of Cash flow	4
Consolidated Statement of Shareholders' equity	5

Notes to Consolidated Financial Statements 2005 of Mikron Group

1. General Information	6
2. Significant accounting policies	8
3. Financial risk management	11
4. Details to the Consolidated Statement of Income	12
4.1 Net sales	12
4.2 Material costs and subcontractors	12
4.3 Personnel expenses	12
4.4 Other operating expenses - net	12
4.5 Financial result - net	13
4.6 Income taxes	13
5. Details to the consolidated Balance Sheet	13
5.1 Cash and cash equivalents	13
5.2 Accounts receivable	14
5.3 Inventories	14
5.4 Construction contracts	14
5.5 Other receivables and prepaid expenses	14
5.6 Tangible assets	15
5.7 Intangible assets	16
5.8 Investment properties	17
5.9 Financial assets	17
5.10 Employee benefits	18
5.11 Deferred taxes	19
5.12 Financial liabilities	20
5.13 Provisions	21
5.14 Other current liabilities and accrued expenses	22
5.15 Shareholders' equity	22
5.16 Changes in net working capital	23
6. Other notes	23
6.1 Discontinued Operations	23
6.2 Financial Instruments	25
6.3 Assets pledged as security for liabilities	26
6.4 Not recognised lease commitments	26
6.5 Related party transactions	26
7. Information by business and geographical segments	27
7.1 Information by business segments	27
7.2 Information by geographical segments	28
8. Earnings per share	29
8.1 Weighted average number of shares	29
8.2 Computation of earnings per share	29

Report of the Group Auditors	30
5 years Financial Summary	31
Information to Share capital	32

Financial Statements 2005 of Mikron Holding AG

Balance Sheet	33
Statement of Income	34

Notes to Financial Statements 2005 of Mikron Holding AG

1. Guarantees and assets pledged in favour of third parties	35
2. Not recognised lease commitments	35
3. Liabilities to pension funds	35
4. Share capital	35
5. Major investments	35
6. Information on treasury shares	35
7. Accounting principles	35
8. Investments	35
9. Statement of Shareholders' equity	36
10. Shareholder structure at December 31, 2005	37

Appropriation of Retained Earnings at 31.12.2005	38
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Report of the Statutory Auditors	39
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Group Companies/Investments Mikron Holding AG	40
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Consolidated Financial Statements 2005 of Mikron Group

Consolidated Statement of Income

CHF 1'000, except for per share information	Note	2005	2004
Continued operations			
Net sales	4.1	218'392	207'752
Change work in process/finished goods	5.3	9'813	2'032
Capitalized own production		2'388	3'981
Operating output		230'593 100%	213'765 100%
Material costs and subcontractors	4.2	92'939	88'053
Personnel expenses	4.3	93'915	83'916
Other operating expenses - net	4.4	26'235	27'392
Depreciation	5.6, 5.7	9'893	10'578
Earnings before interest and taxes (EBIT)		7'611 3%	3'826 2%
Financial result - net	4.5	1'634	-1'319
Earnings before taxes		9'245 4%	2'507 1%
Income taxes	4.6	-3'917	-986
Net earnings from continued operations		13'162 6%	3'493 2%
Net earnings from discontinued operations	6.1	-37'720 -16%	-2'945 -1%
Net earnings		-24'558 -11%	548 0%
Earnings per share continued operations - basic	8.2	0.79	0.22
Earnings per share continued operations - diluted	8.2	0.79	0.21
Earnings per share discontinued operations - basic	8.2	-2.28	-0.18
Earnings per share discontinued operations - diluted	8.2	n.a.	n.a.

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated Financial Statements 2005 of Mikron Group

Consolidated Balance Sheet

CHF 1'000	Note	31.12.2005	31.12.2004
Current assets			
Cash and cash equivalents	5.1	56'383	44'027
Current financial assets	5.9	15'000	0
Accounts receivable	5.2	30'911	56'107
Inventories	5.3	40'237	45'667
Net assets from customer projects	5.4	16'293	26'246
Other receivables and prepaid expenses	5.5	6'654	10'305
Total current assets		165'478 57%	182'352 54%
Non-current assets			
Tangible assets	5.6	73'016	147'894
Intangible assets	5.7	6'471	3'749
Investment properties	5.8	29'796	0
Non-current financial assets	5.9	0	642
Employee benefits	5.10	867	1'098
Deferred tax assets	5.11	7'435	4'528
Total non-current assets		117'585 40%	157'911 46%
Assets held for sale	6.1	7'596 3%	0 0%
TOTAL ASSETS		290'659 100%	340'263 100%
Current liabilities			
Short-term financial liabilities	5.12	2'335	2'572
Accounts payable		21'530	43'945
Net liabilities from customer projects	5.4	21'521	25'492
Short-term provisions	5.13	7'052	10'923
Current income tax payables		53	0
Other current liabilities and accrued expenses	5.14	21'773	25'069
Total current liabilities		74'264 26%	108'001 32%
Long-term liabilities			
Long-term financial liabilities	5.12	4'291	4'394
Long-term provisions	5.13	4'660	7'954
Deferred tax liabilities	5.11	5'976	10'236
Other long-term liabilities		0	410
Total long-term liabilities		14'927 5%	22'994 7%
Liabilities associated with assets held for sale	6.1	6'627 2%	0 0%
TOTAL LIABILITIES		95'818 33%	130'995 39%
Shareholders' equity			
Share capital	5.15	1'656	1'656
Treasury shares	5.15	-35	-201
Reserves	5.15	193'220	207'813
TOTAL SHAREHOLDERS' EQUITY		194'841 67%	209'268 61%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		290'659 100%	340'263 100%

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated Financial Statements 2005 of Mikron Group

Consolidated Statement of Cash flow

CHF 1'000	Note	2005	2004
Continued operations			
Cash flow from operating activities			
Net Earnings		13'162	3'493
Depreciation	5.6, 5.7	9'893	10'578
Changes of provisions		-1'228	-4'062
Other non-cash items		-7'243	-1'934
Changes in net working capital	5.16	-2'184	-7'554
Cash flow from operating activities		12'400	521
Cash flow from investing activities			
Investments in tangible assets	5.6	-8'322	-9'309
Divestments of tangible assets	5.6	3'280	3'774
Investments in intangible assets	5.7	-4'094	-1'278
Investments in financial assets	5.9, 5.10	-14'808	0
Proceeds from sale of group companies (net of cash disposed)	6.1	25'464	57'068
Interest received		2'324	4'115
Cash flow from investing activities		3'844	54'370
Cash flow from financing activities			
Proceeds from issuance of share capital	5.15	0	44
Purchase and sale of treasury shares	5.15	103	-49
Change of other financial liabilities		100	-28'149
Repayment of bonds & notes		0	-20'181
Repayment of finance lease liabilities		-1'875	-1'803
Interest paid		-242	-3'060
Cash flow from financing activities		-1'914	-53'198
Effect of exchange rate changes on cash		-8	-327
Net cash flow from continued operations		14'322	1'366
Net cash flow from discontinued operations	6.1	-1'966	-24'929
Increase / decrease of cash and cash equivalents		12'356	-23'563
Cash and cash equivalents at beginning of period ¹⁾		44'027	67'590
Cash and cash equivalents at end of period		56'383	44'027
Income taxes paid		99	440
Income taxes received		53	170

The accompanying notes form an integral part of the consolidated financial statements.

¹⁾ includes continued and discontinued operations

Consolidated Financial Statements 2005 of Mikron Group

Consolidated Statement of Shareholders' equity

CHF 1'000	Note	Share Capital	Treasury Shares	Reserves			Total Shareholders' equity
				Capital Reserves	Other Reserves	Retained earnings	
Balance 31.12.2003		1'612	-152	108'670	16'413	82'449	208'992
Change in revaluation, net of deferred taxes	5.15				-8'680	8'680	0
Transfer of depreciation on revaluated tangible assets	5.15				-551	551	0
Translation adjustments					-267		-267
Directly in equity recognised net earnings		0	0	0	-9'498	9'231	-267
Net earnings 2004						548	548
Total recognised profit 2004		0	0	0	-9'498	9'779	281
Capital increase	5.15	44					44
Change in treasury shares	5.15		-49				-49
Balance 31.12.2004		1'656	-201	108'670	6'915	92'228	209'268
Exchange differences on intra-Group loans with equity character	5.15				1'603		1'603
Exchange differences on liquidated companies	5.15				9'834		9'834
Change in revaluation, net of deferred taxes	5.15				-5'498	5'498	0
Transfer of depreciation on revaluated tangible assets	5.15				-110	110	0
Translation adjustments					-1'472		-1'472
Directly in equity recognised net earnings		0	0	0	4'357	5'608	9'965
Net earnings 2005						-24'558	-24'558
Total recognised profit 2005		0	0	0	4'357	-18'950	-14'593
Capital increase							0
Change in treasury shares			166				166
Balance 31.12.2005		1'656	-35	108'670	11'272	73'278	194'841

The accompanying notes form an integral part of the consolidated financial statements.

Notes to Consolidated Financial Statements 2005 of Mikron Group

1. General Information

1.1 Business operations The Mikron Group is a leading provider of solutions in machining and assembly systems. Headquartered in Biel, Switzerland, Mikron operates production facilities and sales offices around the globe, employing a total workforce of around 1'000.

1.2 Basis of preparation The consolidated financial statements of the Mikron Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the provisions as laid down in the Listing Rules of the SWX Swiss Exchange. The consolidated financial statements have been prepared under the historical cost convention, except fair valuation of financial instruments, financial assets classified as available-for-sale or held-for trading, and property.

The Board of Directors approved the consolidated financial statements at its meeting of March 6, 2006. The approval of the consolidated financial statements is scheduled for the Annual General Meeting at April 27, 2006.

1.3 Application of new accounting rules The IASB has issued amendments to IAS 39 "Cash Flow Hedge Accounting of Forecast Intragroup Transactions" and "The Fair Value Option" as well as to IAS 19 concerning the reporting of "Actuarial Gains and Losses, Group Plans and disclosures". These changes to the accounting standards have no impact on the Mikron annual financial statements.

IFRS 7 "Financial Instruments: Disclosures" will be applied for the first time in the 2006 annual financial statements. Owing to the restricted use of financial instruments, the impact of this new standard on the Mikron annual accounts is expected to be immaterial.

1.4 Consolidation

1.4.1 Scope and method of consolidation All entities in which Mikron Holding AG, Biel, holds a majority of the voting rights or over which it exercises some other form of control have been included in the consolidated financial statements of the Mikron Group and accounted for using the full consolidation method. Consolidation is based on the

annual financial statements of all consolidated entities, prepared as of December 31 applying common accounting policies. Intra-Group balances, transactions and unrealized gains thereof are eliminated. The consolidated financial statements are prepared and presented in Swiss francs.

The list of the Group Companies can be found on page 40.

1.4.2 Acquisitions and goodwill Acquisitions of subsidiaries are accounted for using the purchase method. The costs of acquisition consist of the fair value of the identifiable net assets acquired plus any directly attributable third-party costs. Any amount in excess of these costs of acquisition is recorded as goodwill and tested annually for impairment. Any negative goodwill (where the cost of acquisition is less than the acquirer's interest in the fair values of the identifiable net assets at the date of acquisition) is recognized immediately in the income statement.

1.4.3 Discontinued operations Operations and non-current assets that have been disposed of or which are expected to be sold within one year are reported as discontinued operations in accordance with IFRS 5 "Non-current Assets held for Sale and Discontinued Operations". Assets and liabilities from operations held for sale are disclosed in the balance sheet at the lower of carrying amount and fair value less costs to sell.

The prior-year figures in the income statement, cash flow statement, segment reporting and the respective notes, but not in the balance sheet, are restated and can thus be compared.

1.4.4 Changes in the scope of consolidation 2005 No businesses were acquired in the year under review.

The segment Components was sold in December 2005. At year-end 2005, the operations of Seropa Technology as well as the associated finance company are reported as assets held for sale. Further details can be found in the notes to the consolidated financial statements.

Notes to Consolidated Financial Statements 2005 of Mikron Group

In addition, the finance companies Mikron Denmark Aps., Mikron International BV, Mikron Finance BV and Mikron Ltd. Jersey were liquidated in 2005. The companies Mikron Plastics Technology Corp. Americas and Mikron Corp. Anderson were merged into Mikron North America.

1.5 Foreign currency translation Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Swiss francs, which is the Group's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from

the translation at year-end exchange rates are recognized in the income statement.

Assets and liabilities are translated into Swiss francs at the exchange rates prevailing on the balance sheet date, the income statement and all cash-flows are translated at average rates for each period. Differences are recognized in equity. Exchange differences on long-term intra-Group loans with equity character are likewise taken directly to Group's equity. When a foreign operation is sold, such exchange differences are recognized in the income statement as part of the gain or loss on sale.

The most significant exchange rates for the Group in the year under review in Swiss francs were:

Currency	Unit	Closing rate 31.12.2005	Closing rate 31.12.2004	Average rate 2005	Average rate 2004
EUR	1	1.557000	1.543800	1.548692	1.543533
USD	1	1.310900	1.132100	1.251817	1.240833
GBP	1	2.265400	2.182200	2.265875	2.272358
JPY	1	0.011176	0.011036	0.011314	0.011516

1.6 Segment reporting A business segment comprises net assets and transactions involved in providing products or services which are subject to risks and returns that are clearly different from those of other business segments.

A geographical segment covers a particular economic environment that is subject to risks and returns different from other geographical regions.

The reporting of the Mikron Group's segments is primarily based on the business segments.

1.7 Significant assumptions used in presenting the consolidated financial statements In applying the entity's accounting policies, which are described in note 2, management has made judgements and estimations. The key assumptions concerning valuation of assets and liabilities are based on recoverability and probability of occurrence. The recording of construction contracts, assets held for sale

as well as of employee benefits exerts a significant influence on the annual financial statements.

1.8 Disclosure of related party transactions Relationships with related companies and persons can have an effect on the Group's financial position and earnings situation. Related parties are defined as companies or persons that exercise significant influence over Mikron or that are controlled by the Group. With the amendments to IAS 24 "Related Party Disclosures", effective January 1, 2005, the Mikron pension fund is now considered a related party. All significant transactions and outstanding balances are disclosed in note 6.5 to the consolidated financial statements.

Notes to Consolidated Financial Statements 2005 of Mikron Group

2. Significant accounting policies

2.1 Assets

Cash and cash equivalents Cash and cash equivalents comprises cash in hand, current bank and post accounts as well as deposits held at call with a bank or other financial institution with original maturities of 90 days or less and is shown at nominal value. Bank overdrafts on current accounts are disclosed under current financial liabilities.

Financial assets and derivative financial instruments

Mikron generally distinguishes the following categories:

- Assets and liabilities classified as "held for trading":
These are financial instruments acquired for the purpose of active management. All derivatives are attributed to this category. These financial instruments are reported as current financial assets or liabilities at fair value and any changes in fair value presented in the financial result.
- "Held-to-maturity investments":
Investments are only recorded in this category if the individual entities have the intention and ability to hold them to maturity. They are measured at amortized cost using the effective interest method and are carried on the balance sheet as non-current financial assets.
- "Loans and receivables":
This category mainly comprises accounts receivable and payable as well as loans granted to or received from third parties. They are carried at nominal value, if repayment is planned within one year. Otherwise, loans and receivables are measured applying the same method as for held-to-maturity investments.
- All other financial assets and liabilities are classified as "available-for-sale":
Financial instruments in this category are reported as financial assets or liability at fair value with changes in value recognized in equity, taking into account any related deferred taxes. These are only removed from equity and recognized in profit or loss when the financial instrument is sold or impaired.

All purchases and sales of financial assets and liabilities are recognized on the date of the trade. Upon initial recognition, financial instruments are measured at cost of purchase plus, in the case of a financial instrument not measured at fair value, related transaction costs.

Financial instruments which are used to hedge current and future transactions are carried on the balance sheet at fair value and the changes in value taken through profit and loss. The Group does not apply hedge accounting.

Receivables Receivables are carried at nominal value, if repayment is planned within one year. Otherwise they are measured at amortized cost using the effective interest method. An allowance for bad debt risks is established for cases where the Group faces an objective risk of not collecting the outstanding amount.

Construction contracts Construction contracts for machining and assembly systems are accounted for by the "percentage of completion" method in accordance with IAS 11. The respective stage of completion is determined by individually measuring the work performed to date, based on the costs to date compared to the total estimated costs. Sales revenues are recognized in the income statement as net sales respectively by reference to the stage of completion. On the balance sheet, projects in progress – offset by prepayments and progress payments from customers – are recognized as net assets or net liabilities from construction contracts.

All contracts for which no specific customer contract exists yet are capitalized as work in progress until delivery and disclosed as inventory. They are measured at the lower of costs of conversion (standard costs) including directly attributable production costs or fair value less costs to sell. Net sales and profit are recognized at the time of delivery.

Immediate provision is made through profit and loss for present or foreseeable losses on construction contracts.

Inventory Raw, auxiliary and operating materials and other supplies as well as goods purchased are carried at weighted average cost, finished products at the lower of costs of conversion (standard costs), including directly attributable production costs or fair value less costs to sell. In addition, downpayments from suppliers are disclosed as a deduction within inventory. Provisions are made for slow moving items. Obsolete items are written off.

Notes to Consolidated Financial Statements 2005 of Mikron Group

Tangible assets Property consists of production and office buildings and is measured at fair value. Machinery and equipment are measured at amortized cost and depreciated over their estimated useful lives. Internal added value work is included in the costs.

The fair value of the property is reviewed at regular intervals and adjusted where necessary. The difference between the cost and fair value of properties is recognized in the revaluation reserve in equity, net of deferred taxes. In the event of a devaluation of property, changes that are in excess of the revaluation reserve are charged to the income statement. Upon sale of a property that has increased in value, the revaluation reserve is reclassified to retained earnings.

The estimated useful life for the key groups of tangible assets is as follows. The straight-line method of depreciation is used:

	Years
Property	20 - 40
Leasehold improvements	over the duration of the lease agreement
Equipment and installations	12 - 25
Furniture	8 - 12
Machinery	5 - 10
Other	3 - 5

Intangible assets In particular, goodwill, patents, software as well as development costs qualify as intangible assets. Development costs are capitalized only when the project is expected to be economically and technically successful and the expenditures can be measured reliably.

Intangible assets are recognized at cost and, with the exception of goodwill, depreciated on a straight-line basis over their expected useful lives. Goodwill is reviewed at least once a year, all other intangible assets only when indications exist that an asset may be impaired. An impairment loss is recognized immediately in profit or loss.

The estimated useful life for the key groups of intangible assets is as follows. The straight-line method of depreciation is used:

	Years
Capitalized development costs	max. 5
Patents and licences	max. 5
Software	3 - 5
Other	3 - 5

Investment property Property held as a financial investment covers only those production and office buildings which the Mikron Group no longer depends on for its own use and which are rented out to third parties. It is measured at fair value. The fair value of the property is reviewed annually per balance sheet date and adjusted where necessary. Revaluations are recognized in the income statement.

Impairment of non-current assets Non-current assets are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Goodwill is tested for impairment annually. An impairment loss is recognized for the amount by which an asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is the net present value of estimated future cash flows that can be expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Leasing contracts Agreements, which transfer substantially all the risks and rewards of ownership to the lessee, are disclosed as "finance leases". Assets held under finance leases are recognized as tangible assets at the lower of fair value at the time of acquisition and the net present value of the future non-cancelable lease payments. The corresponding liability to the lessor is included in the balance sheet as financial liability. Lease payments are apportioned between financial expenses and reduction of the lease obligation. Assets under finance leases are amortized over their estimated useful lives or the shorter duration of the lease agreement.

Notes to Consolidated Financial Statements 2005 of Mikron Group

Profits and losses from sale and leaseback transactions resulting in a finance lease are deferred and amortized over the lease term as other operating income or other operating expense respectively.

Operating lease payments are treated as operating expenses and charged to the income statement as incurred.

2.2 Liabilities

Financial liabilities Short-term and long-term bank borrowings are recognized at fair value and classified by maturity. They are subsequently measured at amortized cost using the effective interest method. All other financial liabilities and derivatives are recognized according to the principles stated under "Financial assets and derivative financial instruments".

Provisions Provisions are recognized only if the company has a present obligation to a third party as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the obligation can be sufficiently reliably estimated. No provision is made for future operating losses.

Costs relating to restructuring are booked as an expense if management has adopted a restructuring plan, it is probable that an obligation has arisen therefrom and the amount of that obligation can be sufficiently reliably estimated. The restructuring must either be communicated in sufficient detail or agreed with the employees affected before being recognized as an expense in the income statement.

Deferred taxes Deferred income taxes are recognized on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are only recognized to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilized. No deferred tax items are recognized in respect of temporary differences on investments in subsidiaries, since the Group is able to control the

reversal of such temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are calculated at the rate that is expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax law) that have been enacted or announced at the balance sheet date. Changes in deferred taxes are recorded in profit or loss, except where they relate to items that are charged or credited directly to equity.

Employee benefits There are a number of employee benefit plans in existence within the Group, each of which is aligned with local conditions in the country in question. They are funded either by means of contributions to legally independent employee benefit systems (foundations, insurance) or by recognition as provision for employee benefit plans in the balance sheet.

For defined contribution plans, the net periodic cost to be recognized in the income statement equals the contributions made by the employer.

In the case of defined benefit plans, the net periodic cost is determined at each balance sheet date by means of actuarial valuations by independent experts using the "Projected Unit Credit" method. The annual pension expense, which relates to the work performed in the period under review, is recognized in the income statement. Actuarial gains and losses arising from the periodic revaluations are recognized in the income statement on a straight-line basis over the average remaining service period, if they exceed 10% of the greater of the plan assets or the benefit obligation. A pension asset will only be capitalized if such entitlements are available without restriction in the form of future contribution repayments or reductions (e.g. in the form of employer contribution reserves).

2.3 Income statement

Revenue recognition Net sales comprise the sales of products as well as the rendering of services. Sales are recognized if it is probable that the economic benefits will flow to the Group and the amount can be estimated reliably. Sales revenue is recognized upon transfer of the risks and rewards of ownership of the goods to the client.

Pro rata profits on long-term construction contracts are recognized in accordance with chapter 2.1 construction contracts on the basis of the percentage of completion and of the estimated total profit for the project.

3. Financial risk management

The Group is exposed to a variety of financial risks, primarily foreign exchange risks, credit risks and interest-rate risks.

Group accounting guidelines regulate the management of liquidity as well as the procurement of short-term and long-term financing. The procurement and investment of funds is centralized.

Foreign exchange risks The Group is active globally and therefore exposed to fluctuations in exchange rates, which affect the value of Group assets and income reported in Swiss francs. Corporate guidelines have been issued concerning the management of transaction risks at both company and Group level. The Group makes every effort to offset the impact of exchange rate movements as far as possible by utilizing natural hedges. At Group level, net positions in the most important currencies are additionally hedged. Foreign exchange forward contracts are the main instrument used to hedge foreign exchange risks. Gains and losses on foreign exchange hedges on assets and liabilities carried at fair value are booked through profit and loss. The group does not apply hedge accounting.

Credit default risks Credit risks arise from the possibility that the counterparty to a transaction may not be able or willing to discharge their obligations, thereby causing the Group to suffer a financial loss. Counterparty risks are

minimized by only concluding contracts with reputable business partners and banks wherever possible and are constantly monitored. Accounts receivable are monitored on an ongoing basis via Group management reporting procedures. The necessary allowances are made locally.

Interest rate risks Interest rate risks result from changes in interest rates, which could have a negative impact on the Group's financial position and earnings situation. Interest rate fluctuations lead to changes in the interest income and expense on interest-bearing assets and liabilities. In addition, they can also affect the market value of financial assets and liabilities. Interest rate exposure is basically limited, owing to the low level of external financing and of financial assets. The interest rate exposure of long-term liabilities is managed centrally.

Liquidity Through rolling cash forecasts at Group level it is ensured that no unexpected cash drains are generated.

Notes to Consolidated Financial Statements 2005 of Mikron Group

4. Details to the Consolidated Statement of Income

4.1 Net sales

CHF 1'000	2005	2004
Net sales from products & services	54'856	43'186
Net sales from construction contracts	163'536	164'566
Total net sales	218'392	207'752

The prior year information have been restated for comparison reasons. As a result, an amount of CHF 20.3 Mio. was

transferred from net sales from products & services to the category net sales from construction contracts.

4.2 Material costs and subcontractors

CHF 1'000	2005	2004
Raw, auxiliary and operating materials	76'286	76'894
Subcontractors	16'653	11'159
Total material costs and subcontractors	92'939	88'053

Raw, auxiliary and operating materials include write off for obsolete items and changes in provisions for slow moving items. As a result of periodic reviews of all inventories,

an amount of CHF 1.0 Mio. (prior year -0.1 Mio.) was expensed.

4.3 Personnel expenses

CHF 1'000	Note	2005	2004
Salaries and wages		82'182	73'930
Social charges		7'782	6'361
Pension expenses (defined contribution plan)		422	370
Pension expenses (defined benefit plan)	5.10	3'529	3'255
Total personnel expenses		93'915	83'916

The strong increase of personnel in the prior year (+13%) fully bear on the personnel expenses of the year under review. In 2005, the number of employees was further

increased by 5% to handle the accelerated demand of products and services.

4.4 Other operating expenses - net

CHF 1'000	Note	2005	2004
Other Income		-8'177	-7'343
Other Expenses		27'793	30'902
Expenses for not capitalized leases (operating lease)	6.4	5'672	3'031
Gain on sale of tangible assets		-58	-413
Loss on sale of tangible assets		3	5
Capital tax		331	162
Other tax		671	1'048
Total other operating expenses - net		26'235	27'392

Other income includes mainly rental income and recharged ancilliary costs. Other expenses include expenses for external services, maintenance and repairs, energy, auxiliary and

operating material, advertising, selling and administrative expenses. Rental and other operating lease expenses are disclosed separately.

Notes to Consolidated Financial Statements 2005 of Mikron Group

4.5 Financial result - net

CHF 1'000	2005	2004
Interest income	2'338	4'115
Interest expenses	-314	-3'060
Total interest result - net	2'024	1'055
Exchange gains	8'947	15'067
Exchange losses	-8'673	-17'135
Other financial income	18	126
Other financial expenses	-682	-432
Total other financial result - net	-390	-2'374
Total financial result - net	1'634	-1'319

4.6 Income taxes

CHF 1'000	2005	2004
Current income tax	400	774
Deferred income tax	-4'317	-1'760
Total income taxes	-3'917	-986

The applicable tax rate of the group is 25% (prior year: 25%) and corresponds to the weighted average income tax rates of the individual Group companies in each jurisdiction.

The following statement shows the reconciliation of the income taxes calculated with the tax rate of the group and the actual income taxes.

CHF 1'000	Note	2005	2004
Net earnings before taxes		9'245	2'507
Income tax at group tax rate		2'311	627
Income tax at local tax rates		-486	-291
Impact of non-capitalized loss carry forwards		-789	1'247
Capitalization of deferred tax assets	5.11	-4'970	-2'761
Utilization and expiration of deferred tax assets	5.11	-1'418	-1'375
Other taxable effects		1'435	1'567
Total income taxes		-3'917	-986

5. Details to the consolidated Balance Sheet

5.1 Cash and cash equivalents

CHF 1'000	31.12.2005	31.12.2004
Bank and post accounts	18'074	14'943
Deposits held at call	38'309	29'084
Total cash and cash equivalents	56'383	44'027

Notes to Consolidated Financial Statements 2005 of Mikron Group

5.2 Accounts receivable

CHF 1'000	31.12.2005	31.12.2004
Accounts receivable	31'595	58'244
Notes receivable	146	166
Allowance for doubtful accounts	-830	-2'303
Total accounts receivable	30'911	56'107
thereof contractual retentions	0	0

The allowance for doubtful accounts is established to account for the credit risks related to accounts receivable. In the year under review write offs on accounts receivable of CHF 0.1

Mio. (prior year none) were recognised as other operating expenses. There is no risk from significant concentration of receivables, as the group has a large number of single debtors.

5.3 Inventories

CHF 1'000	31.12.2005	31.12.2004
Raw, auxiliary and operating materials	7'891	14'005
Work in progress	12'143	15'016
Finished and trading goods	19'623	22'084
Prepayments to suppliers	1'931	5'441
Prepayments from customers	-1'351	-10'879
Total inventories	40'237	45'667
Book value of inventories carried at net realizable value	0	541

In the year under review work has been performed regarding the machining systems Multistep and Multifast, for which the customer contracts did not materialize in 2005. The

increase of change work in process/finished goods shown in the statement of income is attributable to this fact.

5.4 Construction contracts

CHF 1'000	31.12.2005	31.12.2004
Projects in progress - costs incurred	46'297	52'269
Recognised profits less recognised losses	13'525	8'212
Prepayments from customers	-43'529	-34'235
Total net assets from customer projects	16'293	26'246
Projects in progress - costs incurred	-60'023	-38'130
Recognised profits less recognised losses	-4'688	-6'598
Prepayments from customers	86'232	70'220
Total net liabilities from customer projects	21'521	25'492

5.5 Other receivables and prepaid expenses

CHF 1'000	31.12.2005	31.12.2004
Other receivables	4'313	7'801
Prepaid expenses	2'341	2'504
Total other receivables and prepaid expenses	6'654	10'305

Notes to Consolidated Financial Statements 2005 of Mikron Group

5.6 Tangible assets

CHF 1'000	Property	Machinery	Equipment + Installations	Down payments	Others	Total
At cost						
Balance at 01.01.2004	186'959	169'312	54'810	2'228	3'792	417'101
Changes in the scope of consolidation	-16'431	-37'924	-8'084	-414	-1'595	-64'448
Additions 2004	1'633	14'205	3'835	-789	535	19'419
Transfers	-11	458	0	-447	0	0
Disposals 2004	-3'114	-14'262	-7'118	0	-449	-24'943
Revaluations	0	0	0	0	0	0
Translation adjustments	-731	-1'392	-636	-7	-115	-2'881
Balance at 31.12.2004	168'305	130'397	42'807	571	2'168	344'248
Changes in the scope of consolidation	-27'550	-63'994	-14'488	-485	-916	-107'433
Additions 2005	2'057	6'665	2'657	-57	409	11'731
Transfers	0	-1'119	1'119	0	0	0
Transfer to investment property	-55'970	0	0	0	0	-55'970
Disposals 2005	-77	-4'255	-144	0	0	-4'476
Revaluations	0	0	0	0	0	0
Translation adjustments	346	741	619	0	50	1'756
Balance at 31.12.2005	87'111	68'435	32'570	29	1'711	189'856
Accumulated depreciation						
Balance at 01.01.2004	-80'370	-107'106	-44'612	-306	-1'899	-234'293
Changes in the scope of consolidation	6'460	21'184	5'711	0	700	34'055
Depreciation 2004	-3'274	-12'306	-3'001	0	-275	-18'856
Impairments	0	0	0	0	0	0
Transfers	0	-309	309	0	0	0
Disposals 2004	1'079	12'945	6'947	0	106	21'077
Revaluations	0	0	0	0	0	0
Translation adjustments	293	803	521	0	46	1'663
Balance at 31.12.2004	-75'812	-84'789	-34'125	-306	-1'322	-196'354
Changes in the scope of consolidation	9'013	40'968	11'408	306	709	62'404
Depreciation 2005	-2'442	-4'312	-1'918	0	-101	-8'773
Impairments	0	0	0	0	0	0
Transfers	0	1'074	-1'074	0	0	0
Transfer to investment property	26'173	0	0	0	0	26'173
Disposals 2005	0	1'115	135	0	0	1'250
Revaluations	0	0	0	0	0	0
Translation adjustments	-262	-645	-586	0	-47	-1'540
Balance at 31.12.2005	-43'330	-46'589	-26'160	0	-761	-116'840
Net book value						
Balance at 31.12.2004	92'493	45'608	8'682	265	846	147'894
Balance at 31.12.2005	43'781	21'846	6'410	29	950	73'016
thereof finance leases						
Balance at 31.12.2004	0	8'041	0	0	0	8'041
Balance at 31.12.2005	0	8'909	0	0	0	8'909
Historical cost less accumulated depreciation (without revaluation):						
CHF 1'000	Property	Machinery	Equipment + Installations	Down payments	Others	Total
Balance at 31.12.2004	73'854	45'220	8'682	265	846	128'867
Balance at 31.12.2005	29'396	21'846	6'410	29	950	58'631

Property is measured at fair value. More than 95% of all properties are located in Switzerland. The fair value of these properties has been confirmed in the prior year by

independent experts, using the Discounted Cash Flow method for their valuations. A discount rate of 7.0% was applied.

Notes to Consolidated Financial Statements 2005 of Mikron Group

Other Information

CHF 1'000	31.12.2005	31.12.2004
Fire insurance values		
Property	64'435	139'164
Machinery, equipments + installations, inventories	195'276	405'033
Total fire insurance values	259'711	544'197

5.7 Intangible assets

CHF 1'000	Goodwill	Patents + Licenses	Capitalized Development costs	Others	Total
At cost					
Balance at 01.01.2004	258'463	305	23'809	7'960	290'537
Changes in the scope of consolidation	0	0	-5'423	-2'151	-7'574
Additions 2004	0	0	1'277	424	1'701
Other movements	0	0	0	462	462
Disposals 2004	-258'463	0	0	-144	-258'607
Translation adjustments	0	0	-47	-121	-168
Balance at 31.12.2004	0	305	19'616	6'430	26'351
Changes in the scope of consolidation	0	0	0	-4'348	-4'348
Additions 2005	0	0	4'071	23	4'094
Other movements	0	0	-1'700	0	-1'700
Disposals 2005	0	0	0	0	0
Translation adjustments	0	0	0	197	197
Balance at 31.12.2005	0	305	21'987	2'302	24'594
Accumulated depreciation					
Balance at 01.01.2004	-243'262	-305	-19'227	-7'186	-269'980
Changes in the scope of consolidation	0	0	4'099	1'429	5'528
Depreciation 2004	-386	0	-1'080	-294	-1'760
Impairments	0	0	0	0	0
Other movements	0	0	0	-335	-335
Disposals 2004	243'648	0	0	144	243'792
Translation adjustments	0	0	34	119	153
Balance at 31.12.2004	0	-305	-16'174	-6'123	-22'602
Changes in the scope of consolidation	0	0	0	4'095	4'095
Depreciation 2005	0	0	-1'080	-40	-1'120
Impairments	0	0	0	0	0
Other movements	0	0	1'700	0	1'700
Disposals 2005	0	0	0	0	0
Translation adjustments	0	0	0	-196	-196
Balance at 31.12.2005	0	-305	-15'554	-2'264	-18'123
Net book value					
Balance at 31.12.2004	0	0	3'442	307	3'749
Balance at 31.12.2005	0	0	6'433	38	6'471

In the previous year the remaining goodwills have been offset with the accumulated depreciation following the sale of the joint venture BaldaMikron and the Axxicon Mould

Technology business. Capitalized development costs contain self-elaborated, others contain acquired intangible assets.

Notes to Consolidated Financial Statements 2005 of Mikron Group

Research and Development

CHF 1'000	2005	2004
Capitalized own production	4'071	1'277
Research and development expensed in the income statement	10'639	8'304
Total research and development	14'710	9'581

Mikron develops customized solutions in machining and assembly systems for highly innovative new products. Accordingly, engineering is part of nearly all customer projects. Existing base machines are further developed on an ongoing basis and new concepts introduced. As a result, the division Machining Technology could present the new transfer machine „Mikron NRG-50“ in the year under

review. Assembly Technology developed – on the basis of the flexible feeding device Polyfeed – another module of the assembly system G05, which will be able to support a number of assembly operations.

The capitalized own production are related to above mentioned development of basic machines.

5.8 Investment properties

CHF 1'000	31.12.2005	31.12.2004
Balance at 1 January	0	0
Transfer from tangible assets	29'796	0
Balance at 31 December	29'796	0

After the sale of the components segment in December 2005 Mikron group is the owner of a property in Switzerland (land and building), fully leased to third parties. Rental income from third parties and companies of the sold segment Components amounted to CHF 2.7 Mio. and direct operating expenses arising from the investment property to CHF 0.9 Mio.

Investment Property is measured at fair value. The fair value of the property has been confirmed in the prior year by independent experts, using the Discounted Cash Flow method for their valuation. A discount rate of 7.0% was applied.

5.9 Financial assets

CHF 1'000	31.12.2005	31.12.2004
Investments held-to-maturity	15'000	0
Total current financial assets	15'000	0
Other financial assets available-for-sale	0	642
Total non-current financial assets	0	642

Financial assets include deposits in CHF with a duration of 6 months or less.

Notes to Consolidated Financial Statements 2005 of Mikron Group

5.10 Employee benefits All swiss employees are contributing to the Mikron Pensionskasse, which qualifies as defined benefit plan under IAS 19. At the balance sheet date actuarial valuations by independent experts were established.

Defined benefit plans of foreign operations are immaterial and therefore not included in the actuarial calculations. Liabilities from pension plans of foreign operations are disclosed as provisions.

CHF 1'000	Note	31.12.2005	31.12.2004
Reconciliation of asset and liability in the balance sheet			
Present value of defined benefit obligation		175'287	165'807
Fair value of plan assets ¹⁾		177'544	166'712
(Surplus) / Deficit		-2'257	-905
Unrecognized actuarial losses		-2'974	-193
Unrecognized assets		4'364	0
Total liability (asset) - net		-867	-1'098
Pension expense recognized in the statement of income			
Current service cost		6'307	6'152
Interest cost on defined benefit obligation		4'840	7'443
Expected return on plan assets		-7'493	-7'301
Contributions made by employees		-3'529	-3'264
Amortization of actuarial gains/losses		0	1'333
Change in unrecognized assets		4'364	-425
Changes in the scope of consolidation		-960	-683
Pension expense recognized in the statement of income	4.3	3'529	3'255
Reconciliation of the movement of net defined benefit obligation / asset			
Balance at 1 January		-1'098	-1'089
Pension expense		3'529	3'255
Contributions made by employer		-3'529	-3'264
Changes in the scope of consolidation		231	0
Balance at 31 December		-867	-1'098
Actual return on plan assets			
Expected return on plan assets		7'493	7'301
Actuarial gain (loss) on plan assets		17'151	-2'903
Actual return on plan assets		24'644	4'398
Assumptions for actuarial calculations			
Discount rate		3.00%	3.75%
Expected return on plan assets		4.50%	4.50%
Future increase in salaries and wages		2.00%	2.00%
Future increase in pensions		1.00%	1.00%

¹⁾The fair value of plan assets includes 3'802 shares of Mikron Holding AG with a market value of TCHF 61 (prior year TCHF 61).

Notes to Consolidated Financial Statements 2005 of Mikron Group

5.11 Deferred taxes

CHF 1'000	Note	31.12.2005	31.12.2004
The deferred tax assets and liabilities refer to the following balance sheet items:			
Current assets		-1'285	872
Tangible assets and investment properties		6'078	9'694
Financial assets and intangible assets		19	274
Current liabilities		1'881	-630
Long-term liabilities		-717	26
Loss carry forwards		-7'435	-4'528
Total deferred tax liabilities - net		-1'459	5'708
thereof recognized in the balance sheet as deferred tax liabilities		5'976	10'236
thereof recognized in the balance sheet as deferred tax assets		-7'435	-4'528
Statement of changes in deferred tax liabilities			
Balance at 1 January		10'236	13'737
Set-up / (reversal) of temporary differences		-589	-879
Adjustments over the equity		-84	-147
Changes in the scope of consolidation		-3'589	-2'429
Translation adjustments		2	-46
Balance at 31 December		5'976	10'236
thereof related to the revaluation of property		3'190	6'116
Statement of changes in deferred tax assets			
Balance at 1 January		4'528	3'123
Utilization and expiration of deferred tax assets	4.6	-1'418	-1'375
Capitalization of deferred tax assets	4.6	4'970	2'761
Other changes		-631	0
Translation adjustments		-14	19
Balance at 31 December		7'435	4'528
Not capitalized tax loss carry forwards			
Expiry date			
- 2006 (incl. 2005 in previous year)		0	7'808
- 2007 - 2008		2'347	21'340
- 2009 - 2010		168'287	39'408
- 2011 - 2012		3'277	162'289
- 2013 - 2016		35'104	0
- No expiry date		65'839	2'999
Total not capitalized tax loss carry forwards		274'854	233'844

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the tax losses may be utilized. In the year under review an agreement could be achieved with the tax authorities concerning the loss carry forwards out of the sale of the Axxicon Mould Technology division. This led to an increase in deferred tax assets of CHF 5.0 Mio.

The tax loss carry forwards for which no deferred tax asset is recognised amounts to CHF 274.9 Mio. (prior year CHF 233.8 Mio.). The respective potential tax saving, calculated

using the current tax rate of the group, amounts to CHF 41.2 Mio. (prior year CHF 33.6 Mio.) considering also the reduced rate of holding companies in Switzerland.

No deferred tax items are recognized in respect of temporary differences on investments in subsidiaries, since the Group is able to control the reversal of such temporary differences and it is probable that they will not reverse in the foreseeable future.

Notes to Consolidated Financial Statements 2005 of Mikron Group

5.12 Financial liabilities

CHF 1'000	31.12.2005	31.12.2004
Short-term financial liabilities		
Bank overdrafts	0	117
Finance lease liabilities	2'127	2'020
Current portion of long-term debt	0	435
Derivative financial instruments	208	0
Total short-term financial liabilities	2'335	2'572

In the year under review, the weighted average interest rate of short-term financial liabilities was 5.7%.

Long-term financial liabilities		
Mortgages	0	1'038
Finance lease liabilities	4'291	3'356
Total long-term financial liabilities	4'291	4'394

In the year under review, the weighted average interest rate of short-term financial liabilities was 5.2%.

Finance lease liabilities are related to purchased machines operating in production and rental machines from customers.

Currency split		
CHF	3'408	3'605
USD	0	102
EUR	3'218	2'438
Others	0	821
Total financial liabilities	6'626	6'966

Maturity structure		
- not later than 1 year	2'335	2'572
- later than 1 year but not later than 5 years	4'291	4'394
Total financial liabilities	6'626	6'966

Distribution of maturities of the finance lease liabilities

CHF 1'000	31.12.2005	31.12.2004
Lease liabilities payable		
- not later than 1 year	2'374	2'243
- later than 1 year but not later than 5 years	4'501	3'619
Future finance charges on finance lease liabilities	-457	-486
Finance lease liabilities - net of future charges	6'418	5'376
Short-term finance lease liabilities	2'127	2'020
Long-term finance lease liabilities	4'291	3'356

In October 2004, a loan agreement with a duration of 24 months was reached with Credit Suisse that provides Mikron Group with the necessary credit facility for bank guarantees

and also grants a credit line for cash loans in the amount of CHF 10 Mio. for possible future use. All covenants have been met since inception of the agreement.

Notes to Consolidated Financial Statements 2005 of Mikron Group

5.13 Provisions

CHF 1'000	Warranties	Onerous contracts	Employee benefits	Restructuring	Others	Total
Short-term provisions	5'077	2'102	232	882	2'630	10'923
Long-term provisions	1'812	2'718	2'309	0	1'115	7'954
Provisions at 31.12.2004	6'889	4'820	2'541	882	3'745	18'877
Changes in the scope of consolidation	-1'630	-640	-2'050	-882	5	-5'197
Additions	960	2'299	34	0	476	3'769
Utilization	-551	-1'693	0	0	-6	-2'250
Reversal	-2'157	0	-498	0	-1'584	-4'239
Translation adjustments	50	690	12	0	0	752
Provisions at 31.12.2005	3'561	5'476	39	0	2'636	11'712
Short-term provisions	2'821	1'595	0	0	2'636	7'052
Long-term provisions	740	3'881	39	0	0	4'660
Provisions at 31.12.2005	3'561	5'476	39	0	2'636	11'712

Warranty provisions are related to sales of products and services and are based on experience. In addition, expected warranty claims including those in connection with the sales of the Components segment and of the Axxicon Mould activities have been recognized. The cash outflow is expected when the warranty claim has been accepted.

The liabilities of the Group for onerous contracts are based primarily on expected losses on customer contracts and long term lease agreements. The provision for long term lease agreements covers lease obligations for two buildings over a period of three to five years and will decrease as the respective lease payments are made.

Provisions for employee benefits are established for liabilities from pension plans of foreign operations and are recognised net of any plan assets.

The restructuring could be completed, as expected, in the year under review.

The other provision covers mainly the risks from client projects and from indemnifications related to the sale of companies in previous years.

Notes to Consolidated Financial Statements 2005 of Mikron Group

5.14 Other current liabilities and accrued expenses

CHF 1'000	31.12.2005	31.12.2004
Accrued expenses	18'631	17'602
Other current liabilities	3'142	7'467
Total other current liabilities and accrued expenses	21'773	25'069

Other current liabilities and accrued expenses include a diversity of short term liabilities such as bills not yet received for goods and services provided by the suppliers, bonus payments

to management and other staff, accrued compensation for overtime and vacation and the remaining costs of already invoiced projects, where the final acceptance is pending.

5.15 Shareholders' equity

5.15.1 Share capital The share capital as of December 31, 2005 amounts to CHF 1.7 Mio. (prior year CHF 1.7 Mio.)

and consists of 16'565'044 registered shares with a par value of CHF 0.10 per share.

CHF 1'000	Numbers of registered shares	Value
Balance at 31.12.2004	16'565'044	1'656
Capital increase (option exercises)	0	0
Balance at 31.12.2005	16'565'044	1'656

The Group features three categories of conditional share capital at nominal value of CHF 76'850. Thereof, 147'700 registered shares with a par value of CHF 0.10 have been reserved to cover options granted to the creditors on June 19, 2003 as part of the refinancing. The issue price for these shares was set at CHF 0.10. The options expire on June 19, 2006.

A further 620'799 registered shares, each with a par value of CHF 0.10, may be created for the purposes of exercising options and conversion rights granted to their holders in connection with the company's bonds or similar debentures and/or by exercising option rights allotted to the shareholders and/or the company's Board of Directors and management. The number of registered shares securing management op-

tion rights is limited to a maximum of 550'000 registered shares. As at the cut-off date, the company had not entered into any commitments that would result in these registered shares being created.

A group of investors holds approximately 70.9% (prior year 70.9%) of the voting rights of Mikron Holding AG. No other single shareholder holds otherwise more than 5% of the voting rights. The group of investors, comprising Ammann Group Holding AG, Corporate Investment Management Affentranger Holding AG, Personalfürsorgestiftung Rieter AG, Tegula AG and Mr Rudolf Maag, are bound together until 2008 by a shareholder pooling agreement with a fixed term of five years.

5.15.2 Treasury shares On December 31, 2005, no registered shares of Mikron Holding AG were held by Mikron Management AG, Biel (prior year 800) and 2'199 registered shares were held by Mikron Holding AG, Biel (prior year 5'617).

Notes to Consolidated Financial Statements 2005 of Mikron Group

5.15.3 Reserves

CHF 1'000	Capital reserves	Other Reserves		Retained earnings
		Translation adjustment	Revaluation reserves	
Balance at 31.12.2003	108'670	-10'049	26'462	82'449
Net earnings 2004				548
Change in revaluation, net of deferred taxes			-8'680	8'680
Transfer of depreciation on revalued tangible assets			-551	551
Translation adjustments		-267		
Balance at 31.12.2004	108'670	-10'316	17'231	92'228
Net earnings 2005				-24'558
Exchange differences on intra-Group loans with equity character		1'603		
Exchange differences on liquidated companies		9'834		
Change in revaluation, net of deferred taxes			-5'498	5'498
Transfer of depreciation on revalued tangible assets			-110	110
Translation adjustments		-1'472		
Balance at 31.12.2005	108'670	-351	11'623	73'278

The capital reserves result from capital increases in 2003, less directly attributable costs.

Foreign exchange differences arising from the translation of the equity of consolidated companies that have a functional currency different from the presentation currency are recognized directly in the Group's equity. Exchange differences on long-term intra-Group loans with equity character are likewise taken directly to equity. When a foreign operation is

sold, such exchange differences are recognized in the income statement as part of the gain or loss on sale.

Property is measured at fair value. The difference between the cost and fair value of properties is recognized in the revaluation reserve in equity, net of deferred taxes.

Accumulated exchange differences existing at the date of liquidation of the finance companies have been reversed (see note 6.1).

5.16 Changes in net working capital

CHF 1'000	31.12.2005	31.12.2004
Movement in accounts receivable	-5'452	12'272
Movement in inventories	11'097	2'224
Movement in net assets from customer projects, other receivables and prepaid expenses	-10'366	8'812
Movement in accounts payable	5'519	-8'983
Movement in net liabilities from customer projects, other current liabilities and accrued expenses	1'386	-6'771
Total changes in net working capital	2'184	7'554

6. Other notes

6.1 Discontinued Operations On December 12, 2005, the components segment was sold to a group of swiss investors (see note 6.5.4). Through this transaction Mikron Group sold 9 companies, specialized in the production of plastic components.

The board of directors decided to find a new and forward-looking solution for Seropa Technology (France). Therefore the company no longer forms part of the Production Equipment segment and is reported in the financial statements less impairment loss as assets and liabilities held for sale. Seropa Technology is a specialized mould-maker mainly

Notes to Consolidated Financial Statements 2005 of Mikron Group

servicing manufacturers of plastic components from the medical technology industry and providers of smart cards.

In 2005 the finance companies Mikron Denmark Aps., Mikron International BV, Mikron Finance BV and Mikron Ltd. Jersey were liquidated. The companies Mikron Plastics Technology Corp. Americas and Mikron Corp. Anderson were merged into Mikron North America. Due to the divestments in prior years and the subsequent simplification of the group structure, these companies are no longer required. Accumulated exchange differences existing at the date of liquidation

of the finance companies have been reversed. The resulting loss is compensated by an identical reduction of the currency translation adjustment and has therefore no impact on equity at the balance sheet date (see note 5.15.3).

In 2004, the 50%-share of the joint venture "BaldaMikron" as well as the division "Axxicon Mould Technology" – with exception of Seropa Technology – were sold.

Total results and cash flows of the discontinued operations are as follows:

CHF 1'000	2005	2004
Net sales	125'009	170'123
Operating Expenses	-122'232	-182'884
Impairments	-3'219	0
Depreciation Goodwill	0	-386
Gain (-loss) on sale	-25'443	15'768
Exchange differences on liquidated companies	-9'834	0
Financial result - net	-2'308	-3'694
Net earnings before taxes	-38'027	-1'073
Income Taxes	307	-1'872
Net earnings from discontinued operations	-37'720	-2'945

CHF 1'000	2005	2004
Cash flow from operating activities	6'184	-4'594
Cash flow from investing activities	-4'506	-8'437
Cash flow from financing activities	-3'471	-12'038
Effect of exchange rate changes on cash	371	140
Closing Balance cash and cash equivalents within assets held for sale	-544	0
Net cash flow from discontinued operations	-1'966	-24'929

The major classes of assets and liabilities held for sale, measured at the lower of carrying amount and fair value less costs to sell are as follows:

CHF 1'000	31.12.2005	31.12.2004
Current assets	7'537	0
Non-current assets	59	0
Total assets held for sale	7'596	0
Current liabilities	5'105	0
Long-term liabilities	1'522	0
Total liabilities held for sale	6'627	0

Notes to Consolidated Financial Statements 2005 of Mikron Group

The consequences of the disposals described above on the balance sheet and cash flows can be summarized as follows:

CHF 1'000	2005	2004
Cash and cash equivalents	-3'161	-14'389
Receivables and prepaid expenses	-26'158	-23'476
Inventories	-14'801	-18'715
Tangible assets	-38'345	-30'661
Intangible assets	0	-16'903
Financial liabilities	-975	-6'881
Accounts payable	-12'727	-13'622
Other current liabilities	-10'895	-18'235
Long-term liabilities	-3'801	-9'717
Net assets incl. Goodwill	-54'067	-55'689
less cash and cash equivalents	3'161	14'390
Net assets without cash	-50'906	-41'299
Sales price - net	28'624	71'457
less loss (gain) on sale	25'443	-15'768
Net assets incl. Goodwill	54'067	55'689
less cash and cash equivalents	-3'161	-14'390
Net disposals without cash	50'906	41'299

6.2 Financial Instruments To secure foreign currency positions and future transactions in foreign currencies the Group uses financial instruments (forward exchange

contracts, options and swaps). Mikron does not apply hedge accounting. As per balance sheet date the Group had the following financial instruments:

CHF 1'000	Replacement value		Contract equivalent	Contract equivalent by due date			
	positive	negative		0-3 months	3-12 months	1-5 years	over 5 years
Unsettled derivative financial instruments 2004							
Forward exchange contracts	114	174	12'108	6'605	5'503	0	0
Options	0	0	0	0	0	0	0
Foreign exchange	114	174	12'108	6'605	5'503	0	0
Total derivative instruments	114	174	12'108	6'605	5'503	0	0
Unsettled derivative financial instruments 2005							
Forward exchange contracts	0	208	16'910	11'927	4'983	0	0
Options	0	0	0	0	0	0	0
Foreign exchange	0	208	16'910	11'927	4'983	0	0
Total derivative instruments	0	208	16'910	11'927	4'983	0	0

The solely currencies are CHF, USD and EUR.

Fair value The carrying amount of following financial assets and liabilities are equivalent to their fair value: cash and cash equivalents, accounts receivable, current and non-current financial assets, accounts payable, financial liabilities.

The carrying amount of current and non-current financial assets is marked-to-market. Equity instruments not listed at a stock exchange are valued by applying the Discounted Cash Flow method.

Notes to Consolidated Financial Statements 2005 of Mikron Group

Interest rate risks Changes in interest rates could have a negative impact on the Group's financial position and earnings situation. At December 31, 2004 and 2005 no

derivative financial instruments were used to reduce interest rate risks. Owing to the low level of external financing and of financial assets, interest rate exposure is basically limited.

6.3 Assets pledged as security for liabilities

CHF 1'000	Note	31.12.2005	31.12.2004
Property pledged as security for liabilities		54'847	59'621
Collateral securities		66'000	66'000
Loans and mortgages utilized		0	1'038
Other assets pledged as security for liabilities	5.6	8'909	5'777
Utilized by finance leases: machinery, equipment		6'417	5'376
Utilized by revolving loans		0	652

6.4 Not recognised lease commitments

CHF 1'000	31.12.2005	31.12.2004
Not recognised lease commitments, payable		
- not later than 1 year	4'576	3'541
- later than 1 year but not later than 5 years	10'294	10'165
- later than 5 years	1'129	784

The future minimum lease payments are related to non-cancellable operating leases.

6.5 Related party transactions

CHF 1'000	Key members of Management		Other	
	2005	2004	2005	2004
Net sales	0	0	489	5'427
Material cost and subcontractors	0	0	47	68
Personnel expenses	2'678	2'630	3'529	3'255
Other operating expenses - net	400	310	-1'366	-2'117
Financial result - net	0	0	1'668	1'871
Other current liabilities	0	0	296	272

6.5.1 Group companies All group companies (see table of investments) are fully consolidated. At the balance sheet

date, the group did not have investments in associates or joint ventures.

6.5.2 Compensation for key management

CHF 1'000	2005	2004
Short-term employee benefits and fees	2'789	2'667
Contributions to pension fund	289	273

These remunerations were paid to the members of the Board of Directors and Group Management.

Notes to Consolidated Financial Statements 2005 of Mikron Group

6.5.3 Other related parties The reported personnel expenses include contributions to the Mikron Pensionskasse and the Kaderstiftung der Mikron Gruppe for all plan participants. The financial income resulted from loans granted to companies of the components segment until they have been disposed of in December 2005. In addition,

the other operating expenses are reported net of income from information technology services provided to these companies. All other transactions relate to companies outside the Mikron Group, where members of the Board of Directors exercise significant influence.

6.5.4 Sale of Plastics Technology division The Board of Directors has conducted a sale process for the Plastics Technology division. The highest was determined by auction and comes from a group of investors organized around Anton Affentranger, which includes among others Johann

N. Schneider-Ammann and the current head of the Plastics Technology division Jörg P. Hotz. As members of the Board of Directors and investors of Mikron, Johann N. Schneider-Ammann and Anton Affentranger are considered as related parties of Mikron.

7. Information by business and geographical segments

7.1 Information by business segments

Continued operations CHF 1'000	Production Equipment		Corporate		Total Group	
	2005	2004	2005	2004	2005	2004
Net sales - third party	218'392	207'752	0	0	218'392	207'752
Net sales - group	0	0	0	0	0	0
Total net sales	218'392	207'752	0	0	218'392	207'752
EBITDA	20'278	17'300	-2'774	-2'897	17'504	14'403
Depreciation	-8'668	-9'068	-1'225	-1'510	-9'893	-10'578
EBIT continued operations	11'610	8'232	-3'999	-4'407	7'611	3'825

The activities of the Mikron Group now focus on the segment Production equipment, which creates customer-specific solutions for machining and assembly systems. The segment Components has been disposed in December 2005.

Corporate includes all expenses of the Holding and the Management company, if not charged to the segments.

CHF 1'000	Production Equipment		Corporate ¹⁾		Total Group	
	2005	2004	2005	2004	2005	2004
Assets without cash and cash equivalents	218'414	273'829	8'266	22'407	226'680	296'236
Cash and cash equivalents					56'383	44'027
Assets held for sale					7'596	0
Total assets					290'659	340'263
Liabilities without banks, bonds & notes, mortgages and taxes	73'435	85'296	9'130	38'733	82'565	124'029
Financial liabilities					6'626	6'966
Liabilities held for sale					6'627	0
Total liabilities					95'818	130'995

¹⁾ Corporate includes Seropa Technology in the previous year. The company is shown as discontinued operation in 2005.

Notes to Consolidated Financial Statements 2005 of Mikron Group

CHF 1'000	Production Equipment		Corporate		Total Group	
	2005	2004	2005	2004	2005	2004
Investments in tangible assets	11'030	11'449	701	616	11'731	12'065
Divestments of tangible assets	-3'149	-1'214	-77	-2'560	-3'226	-3'774
Investments by discontinued operations					314	7'354
Divestments by discontinued operations					0	-92
Total investments in tangible assets - net					8'819	15'553
Investments intangible assets	4'094	1'277	0	0	4'094	1'277
Investments by discontinued operations					9	424
Total investments in intangible assets - net					4'103	1'701

Discontinued Operations Detailed information regarding discontinued operations are disclosed in note 6.1.

7.2 Information by geographical segments

CHF 1'000	Net sales	
	2005	2004
Switzerland	10'479	14'629
Germany	76'136	82'107
Great Britain	9'001	14'630
Italy	29'140	16'333
France	12'310	14'670
Other Europe	39'393	31'380
North America ¹⁾	21'962	14'460
Asia/Pacific ²⁾	7'910	13'071
India	4'514	4'253
Others	7'547	2'219
	218'392	207'752

¹⁾ mostly USA ²⁾ mostly China, Malaysia, Thailand, Japan, South Korea

CHF 1'000	Total assets		Investments*)		Divestments*)		Investments - net	
	2005	2004	2005	2004	2005	2004	2005	2004
Switzerland	250'279	244'584	10'660	9'117	-84	-30	10'576	9'087
Europe ¹⁾	24'027	70'155	4'940	4'125	-3'142	-1'184	1'798	2'941
North America ²⁾	7'990	17'442	225	99	0	-2'560	225	-2'461
Asia/Pacific, India, Others ³⁾	767	8'082	0	0	0	0	0	0
Assets held for sale	7'596	0	323	7'779	0	-92	323	7'687
	290'659	340'263	16'148	21'120	-3'226	-3'866	12'922	17'254

¹⁾ Germany, France ²⁾ mostly USA ³⁾ mostly Japan ^{*)} 2004 restated to include Investments and Divestments in intangible assets

Notes to Consolidated Financial Statements 2005 of Mikron Group

Number of Employees per	31.12.2005	31.12.2004
Switzerland	837	802
Europe ¹⁾	71	63
North America ²⁾	71	66
Asia/Pacific, India, Others ³⁾	4	4
	983	935

¹⁾ Germany, France ²⁾ mostly USA ³⁾ mostly Japan

8. Earnings per share

8.1 Weighted average number of shares

Number	2005	2004
Issued shares at the beginning of the year	16'565'044	16'120'975
Exercise of convertible bond rights and options	0	444'069
Issued shares at the end of the year	16'565'044	16'565'044
thereof own shares	-2'199	-6'417
Adjusted for weighted average	-1'320	-423'354
Weighted average number of shares - basic	16'561'525	16'135'273
Effect of dilution	147'700	572'034
Weighted average number of shares - diluted	16'709'225	16'707'307

8.2 Computation of earnings per share

CHF 1'000, except for per share information	2005	2004
Net earnings for the year continued operations	13'162	3'492
Weighted average number of shares - basic	16'561'525	16'135'273
Earnings per share continued operations - basic	0.79	0.22
Weighted average number of shares - diluted	16'709'225	16'707'307
Earnings per share continued operations - diluted	0.79	0.21
Net earnings for the year discontinued operations	-37'720	-2'945
Weighted average number of shares - basic	16'561'525	16'135'273
Earnings per share discontinued operations - basic	-2.28	-0.18
Weighted average number of shares - diluted	16'709'225	16'707'307
Earnings per share discontinued operations - diluted	n.a.	n.a.

Report of the Group Auditors



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**Report of the group auditors
to the general meeting of
Mikron Holding AG
Biel**

As auditors of the group, we have audited the consolidated financial statements (Balance Sheet, Statement of Income, Statement of Cash Flows, Statement of Shareholder's equity and notes, pages 2 to 29 and 40) of Mikron Holding AG for the year ended December 31, 2005.

These consolidated financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards and with the International Standards on Auditing, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Hanspeter Gerber

Oliver Kuntze

Bern, March 6, 2006

5 years Financial Summary

5 years Financial Summary

CHF Mio.	2005 ¹⁾		2004		2003		2002		2001	
Key performance data										
Order intake	214.9		339.8		414.0		442.6		501.2	
Net sales	218.4		332.0		433.2		414.7		607.5	
Stock of orders	96.7		115.7		123.6		144.9		152.2	
Operating output	230.6		332.9		443.9		421.3		550.1	
Productivity (added value/personnel expenses)	1.47		1.44		1.57		1.47		1.50	
Research and development	14.7		8.3		8.8		10.7		12.4	
Number of employees (end of year)	983		1698		3159		3042		2770	
Investments - net	12.6		-44.3		17.9		-7.5		41.1	
Divestments/(Acquisitions) of subsidiaries	25.5		57.1		0.6		0.0		-74.2	
Earnings										
Earnings before interest, taxes and depreciation (EBITDA), as % of net sales	17.5	8.0%	5.8	1.8%	11.7	2.7%	-6.3	-1.5%	50.2	8.3%
Earnings before interest and taxes (EBIT), as % of net sales	7.6	3.5%	-12.3	-3.7%	-117.6	-27.1%	-109.0	-26.3%	-109.1	-18.0%
Net earnings for the year, as % of net sales	13.2	6.0%	-16.0	-4.8%	93.7	21.6%	-141.8	-34.2%	-127.3	-21.0%
Cash flow										
Cash flow from operating activities (incl. movement in net working capital), as % of net sales	12.4	5.7%	-7.8	2.4%	25.1	5.8%	14.9	3.6%	-5.0	-0.8%
Free cash flow	16.2		36.4		7.2		22.4		-120.3	
Balance sheet										
Balance sheet total	290.7		340.3		435.5		536.2		706.4	
Current assets	165.5		182.4		227.5		210.2		270.2	
Non-current asset	117.6		157.9		208.1		326.0		436.2	
Current liabilities	74.3		108.0		136.2		483.0		155.3	
Long-term liabilities	14.9		23.0		90.3		45.4		400.3	
Shareholders' equity, as % of total assets	194.8	67.0%	209.3	61.5%	209.0	48.0%	7.7	1.4%	150.7	21.3%

¹⁾ continued operations only

Information to Share capital

Information to Share capital

Number	2005	2004	2003	2002	2001
Number of shares¹⁾					
(par value CHF 0.10)					
Registered shares	16'565'044	16'565'044	16'120'975	1'285'704	1'285'704
Total	16'565'044	16'565'044	16'120'975	1'285'704	1'285'704
Shares entitled to dividends					
Registered shares	16'565'044	16'565'044	16'120'975	1'285'704	1'285'704
Total	16'565'044	16'565'044	16'120'975	1'285'704	1'285'704
Shares granted subject to a condition for¹⁾					
(par value CHF 0.10)					
Convertible bond	0	0	0	0	12'580
Management options	0	0	0	24'660	46'620
Options of the bank syndicate	147'700	147'700	591'769	0	0
Total	147'700	147'700	591'769	24'660	59'200
Key figures per share in CHF²⁾					
Net earnings for the year	-1.49	0.03	10.96	-110.26	-99.18
Cash flow from operating activities	0.75	-0.25	2.94	11.62	-3.87
Shareholders' equity	11.76	12.97	24.44	6.02	117.79
Dividends	0.00	0.00	0.00	0.00	0.00
Market price high-low (business year)					
Registered shares	19.95-13.9	19.5-11.6	21.7-4.33	159-6	645-88

¹⁾ The par value per share has been reduced to CHF 0.10 through a capital reduction in June 2003 (Par value pre reduction: CHF 50).

²⁾ Based on the average number of outstanding shares without diluting effects.

Trading volume (daily average) In the financial year 2005 the average daily trade volume was 14'027 shares (prior year 12'186 shares).

Opting out/up The company did not choose to make use of these options.

Financial Statements 2005 of Mikron Holding AG

Balance Sheet

CHF 1'000	31.12.2005	31.12.2004
Current assets		
Cash and cash equivalents	48'434	39'039
Marketable securities	35	158
Accounts receivable	0	5
Intercompany receivables	267	1'794
Other receivables	875	138
Short-term financial assets	15'000	7'582
Short-term financial assets to group companies	7'765	17'908
Prepaid expenses	31	73
Total current assets	72'407	66'697
Non-current assets		
Tangible assets	163	191
Financial assets		
- Investments	88'652	94'992
- Loans to group companies	70'780	135'363
	159'432	230'355
Total non-current assets	159'595	230'546
TOTAL ASSETS	232'002	297'243
Current liabilities		
Accounts payable	236	356
Intercompany payables	635	833
Other liabilities	717	1'356
Short-term financial liabilities from group companies	16'815	6'650
Accrued expenses	2'348	1'396
Total current liabilities	20'751	10'591
Long-term liabilities		
Long-term financial liabilities from group companies	15'000	74'080
Provisions	5'000	5'000
Total long-term liabilities	20'000	79'080
TOTAL LIABILITIES	40'751	89'671
Shareholders' equity		
Share capital	1'657	1'657
Legal reserve	108'670	108'670
Reserve for treasury shares	35	201
Retained earnings	80'889	97'044
TOTAL SHAREHOLDERS' EQUITY	191'251	207'572
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	232'002	297'243

Financial Statements 2005 of Mikron Holding AG

Statement of Income

CHF 1'000	2005	2004
Revenue		
Financial income	13'523	7'275
Services and other income	7'340	6'175
Total revenue	20'863	13'450
Expenses		
Personnel expenses	1'859	1'970
Depreciation	46	27
Financial expenses	2'582	6'490
Loss on sale of investments	26'203	0
Expenses from revaluation of investments and loans	3'322	3'067
Other expenses	3'138	4'891
Taxes	34	31
Total expenses	37'184	16'476
NET EARNINGS	-16'321	-3'026

Notes to Financial Statements

1. Guarantees and assets pledged in favour of third parties

CHF 1'000	31.12.2005	31.12.2004
Guarantees and assets pledged for group companies	25'131	32'193

2. Not recognised lease commitments

CHF 1'000	31.12.2005	31.12.2004
Not recognised lease commitments (Operating leases)	72	49

3. Liabilities to pension funds

CHF 1'000	31.12.2005	31.12.2004
Liabilities to pension fund	0	21

4. Share capital

CHF 1'000	31.12.2005	31.12.2004
Capital I subject to a condition	12	12
Capital II subject to a condition	50	50
Capital III subject to a condition	15	15

Capital I subject to a condition Capital increase subject to a condition of initial nominal value of CHF 12'079.90 as per approval of the Annual General Meeting of June 18, 2003 by the issue of 120'799 registered shares at a par value of CHF 0.10.

Capital II subject to a condition Capital increase subject to a condition of initial nominal value of CHF 50'000 as per approval of the Annual General Meeting of June 18, 2003 by the issue of 500'000 registered shares at a par value of CHF 0.10.

5. Major investments see page 40.

6. Information on treasury shares On December 31, 2005 no registered shares of Mikron Holding AG were held by Mikron Management AG, Biel (prior year: 800) and 2'199 registered shares were held by Mikron Holding AG, Biel (prior year: 5'617).

7. Accounting principles The financial statements of Mikron Holding AG have been prepared in accordance with accounting principles stipulated by Swiss law. Balance sheet

Capital III subject to a condition Capital increase subject to a condition of initial nominal value of CHF 257'000 as per approval of the Annual General Meeting of June 18, 2003 by the issue of 2'570'000 registered shares at a par value of CHF 0.10, without subscription rights for present shareholders. The capital subject to this condition was not further reduced in 2005 as no options have been exercised (147'700 shares with CHF 14'770 value).

items are reported at the exchange rates on the balance sheet date, taking the imparity principle and the lower of cost or market principle into consideration. The translation of transactions in foreign currency is effected at the current exchange rate.

8. Investments Investments are held as cost less any required allowance. These values may also contain capitalised goodwill in subsidiaries resulting from acquisitions.

Notes to Financial Statements 2005 of Mikron Holding AG

9. Statement of Shareholder's equity

CHF 1'000	Share capital	Legal reserve	Reserve for treasury shares	Retained earnings	Total shareholders' equity
Balance at 31.12.2003	1'612	108'670	152	100'119	210'553
Net earnings 2004				-3'026	-3'026
Increase of reserve for treasury shares			49	-49	0
Capital increase - Exercised options	45				45
Balance at 31.12.2004	1'657	108'670	201	97'044	207'572
Net earnings 2005				-16'321	-16'321
Reversal of reserve for treasury shares			-166	166	0
Balance at 31.12.2005	1'657	108'670	35	80'889	191'251

Notes to Financial Statements 2005 of Mikron Holding AG

10. Shareholder structure at December 31, 2005 From a total of 6'382 shareholders, 6'335 shareholders with 14'620'039 shares are entitled to vote. 47 shareholders

with 392'745 shares and as well as 1'552'260 shares of the trading stock are not entitled to vote.

				Number of shareholders	Number of shares	%
Shareholders		> 828'252	> 5%	1	11'742'941	70.9%
Shareholders	≤ 828'252	> 10'000		24	799'934	4.8%
Shareholders	≤ 10'000	> 1'000		498	1'282'067	7.7%
Shareholders	≤ 1'000	> 500		683	558'837	3.4%
Shareholders	≤ 500	> 100		1'774	505'988	3.1%
Shareholders	≤ 100	> 50		818	67'905	0.4%
Shareholders	≤ 50	> 20		955	35'685	0.2%
Shareholders		< 20		1'629	19'427	0.1%
Trading stock					1'552'260	9.4%
Total				6'382	16'565'044	100.0%

Appropriation of Retained Earnings

Appropriation of retained earnings at 31.12.2005 (Proposal of the Board of Directors)

CHF 1'000	31.12.2005	31.12.2004
Retained earnings carried forward	97'044	100'119
Increase/Reversal of reserve for treasury shares	166	-49
Net earnings	-16'321	-3'026
Retained earnings	80'889	97'044
Appropriation of retained earnings		
Carry forward to new account	80'889	97'044
	80'889	97'044



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**Report of the statutory auditors
to the general meeting of
Mikron Holding AG
Biel**

As statutory auditors, we have audited the accounting records and the financial statements (Balance Sheet, Statement of Income and notes, pages 33 to 38 and 40) of Mikron Holding AG for the year ended December 31, 2005.

These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of available earnings comply with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

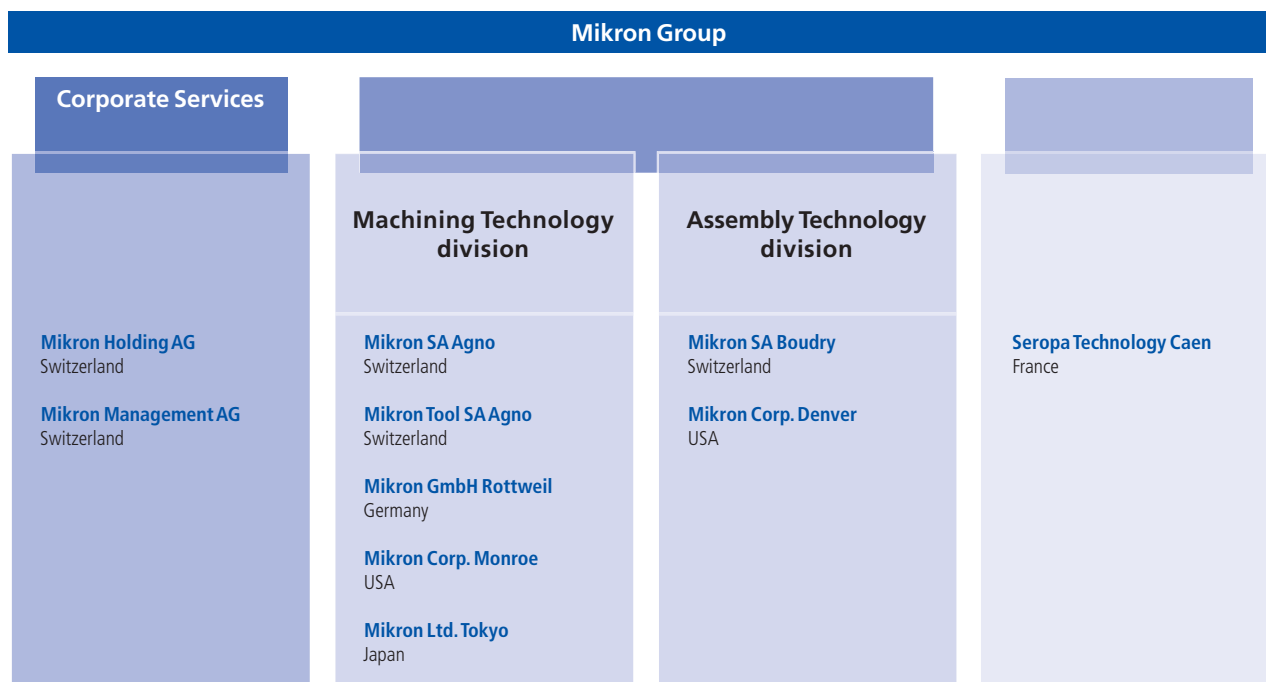
Hanspeter Gerber

Oliver Kuntze

Bern, March 6, 2006

Group Companies/Investments Mikron Holding AG

Group Companies/Investments Mikron Holding AG



Local currency 1'000	Activity	Currency	Share capital	Net sales ¹⁾	Shareholding direct	Shareholding indirect
Switzerland						
Mikron Holding AG, Biel	1	CHF	1'612	0		
Mikron Management AG, Biel	1	CHF	25'000	0	100%	
Mikron SA Agno, Agno	2,3	CHF	13'500	72'798	100%	
Mikron SA Boudry, Boudry	2,3	CHF	2'000	84'873	100%	
Mikron Tool SA Agno, Agno	2,3	CHF	300	14'982	100%	
Germany						
Mikron GmbH Rottweil, Rottweil	2,3	EUR	383	13'545	100%	
France						
Seropa Technology, Hérouville-St-Clair	2,3	EUR	700	6'368		100%
Seropa France, Hérouville-St-Clair	1	EUR	6'372	0	100%	
Japan						
Mikron Ltd. Tokyo, Yokohama City	3	JPY	15'000	96'096	100%	
USA						
Mikron Corp. Denver, Aurora	2,3	USD	10	10'976		100%
Mikron Corp. Monroe, Monroe	3	USD	1	7'937		100%
Mikron North America Corp., Monroe	1	USD	3'500	0	100%	

¹⁾ Net sales to third parties 2005

Activity

1 = Management/Service

2 = Production/Development

3 = Sales/Service

Impressum

The brochure "Financial Report 2005 Mikron Group"
is published together with the Annual Report.

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