half-yearly REPORT 2009

GENOLIER
Swiss Medical Network

half-yearly report 2009

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Key Figures

390	Available beds
371	Admitting physicians
590	Employees (FTEs)
6'540	Surgical interventions
11.2%	Year-on-Year turnover growth
CHF 6.0 million	EBITDA 1H2009
CHF 71.3 million	Turnover 1H2009

www.gsmn.ch

Profile Genolier Swiss Medical Network AG (GSMN) is the leading private hospital network in French-speaking Switzerland (Romandie). Its growth strategy is focused on building a national network by acquiring clinics and integrating their operations. GSMN's main goal is on providing premium hospital care to Swiss and foreign patients. GSMN stands out from other healthcare providers through its high quality services, brand value, congenial working environment and an experienced and entrepreneurial management team. Presently, GSMN has 5 fully owned private facilities in its portfolio, with 371 operating beds and more than 200 additional licensed beds for organic growth. The Group is listed on the Main Segment of the SIX Swiss Exchange (GSMN.SW).

letter to the SHAREHOLDERS

Dear Shareholders,

During the first half of 2009, our group continued to grow and reaffirmed its ability to generate a profit in an extremely difficult economic environment. All our establishments performed satisfactorily, and our development prospects remain intact, despite the cold winds that have been buffeting our economy for more than a year. Healthcare remains a key activity in Switzerland, and demand will continue to grow as the population ages. However, the sector's legislative environment is subject to a number of uncertainties.

Amendments to the Health Insurance Law are due to be enforced in 2012. The major changes to be ushered in by the new provisions include cantonal healthcare planning and the creation of hospital lists. Regarding the latter provision, private clinics have a choice between applying to join the hospital lists as of today (scheme 1) and remaining agreed establishments that deal directly with health insurance providers (scheme 2). While scheme 1 would certainly enable our clinics to benefit from the same subsidies as their public sector counterparts, it would also entail a certain number of state-imposed constraints which, although not yet clearly defined, would have a significant impact on the Group's strategic development options and the operational management of our establishments.

In its desire to safeguard its differentiated product, GSMN's Board of Directors has opted for scheme 2 for its Genolier, Montchoisi and Valmont clinics. Retaining our entrepreneurial freedom will allow us to continue to adapt our range of services to the needs of a discerning private clientele.

This decision does not imply that we will be turning our backs on healthcare provisions for clients in the Canton of Vaud. On the contrary, we have already taken concrete steps to adapt our services to the needs of customers in the region, allowing us to occupy an important position that has made us an indispensable part of the healthcare landscape without having to resort to subsidies. We will remain partners of the Canton of Vaud for the provision of healthcare, under specific service agreements to be negotiated, and will maintain an active dialogue with the Health Department to this end.

In the Canton of Fribourg, the city of Fribourg's Clinique Générale is already on the Canton's hospital list, and a definitive decision on the subject will be taken in 2010 after discussions with the cantonal authorities. We will consider the status of each new establishment that joins the Group in the same way.

The GSMN Group is guided by a business philosophy that is essentially liberal in nature. We believe that an entrepreneurial spirit and the forces at play in the healthcare market are the best guarantees of quality in the services we provide our patients, and that healthy competition between the public and private sectors will not only contain but even reduce costs. In this same spirit, the GSMN Group is open to public-private partnerships, and we are busily negotiating partnership contracts, primarily with university hospitals.

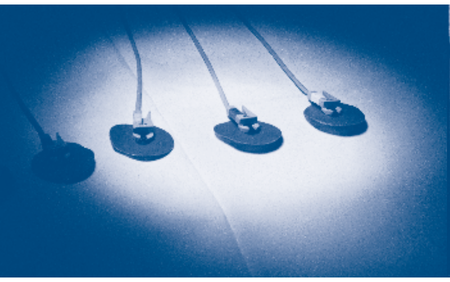
Rising profits

In the first half of 2009, our network generated revenues of CHF 71.3 million, an increase of 11.2% on the same period last year. EBITDA rose 67.1% to CHF 6.02 million, while the operating result was well within the profit zone at CHF 2.06 million. Following the sale of AGEFI, post-tax net earnings in the first half of 2009 totalled CHF 4.7 million, compared with a loss of nearly CHF 800,000 in the same period in 2008. The Centre médico-chirurgical des Eaux-Vives, which was acquired during the first semester, has been consolidated since 1 March 2009 and contributed CHF 2.9 million to total revenues.

Clinique de Genolier

With revenues up 10.8% to CHF 37.9 million (last year: CHF 34.2 million) Clinique de Genolier's EBITDA climbed 14.2% to CHF 5.8 million. This achievement confirms the Clinic's profitability, which is supported by its strong local presence and diversified foreign clientele. Strengthened by this surge in cash flow and with significant reserves in place, it will continue to grow, particularly in cardiology, oncology and orthopaedics. The Clinic's radio-oncology centre, Switzerland's leading radiotherapy centre since 1995, underwent complete modernisation in the first quarter of 2008, which included the installation of a new, latest-generation Varian linear accelerator. Clinique de Genolier is also the first centre in Switzerland to offer intra-operative radiotherapy (IORT), a technique that enables doctors to treat breast cancer in a single procedure combining tumour ablation and radiotherapy. Working as a network with the Centre de radio-oncologie at CMEV on rue Maunoir in Geneva, GSMN's oncology unit offers multi-disciplinary care of outstanding excellence.

Les Hauts de Genolier's secured residential care unit, attached to the Clinique de Genolier, opened in September 2009. It offers residents 63 top-of-the-range junior suites. In time, Les Hauts de Genolier will generate over CHF 12 million in revenue and CHF 2.5 million in additional EBITDA.



Clinique de Montchoisi, Lausanne

After several years of record growth, Clinique de Montchoisi generated revenues of CHF 8.7 million in the first six months of 2009. Montchoisi has become the Canton of Vaud's leading centre for ophthalmology, with more than 3'000 operations performed each year in this one speciality. In order to handle and continue this sustained growth, Montchoisi will have a new radiology unit, car park and restaurant as of 2011. Construction work is currently in progress on these new facilities. This extension will free up space in the current building and enable the clinic to accommodate new doctors. Construction work should have little impact on the Clinic's activities.

Clinique Générale, Fribourg

Fribourg's Clinique Générale, the result of a merger between the Garcia and Ste Anne clinics, continues its spectacular turnaround. With first-half revenues up 11.2% to CHF 14.5 million, the Clinic has achieved a strong positive result that brings to an end a long series of annual losses. A new restaurant named "Le Carré" opened in 2009 that gives patients, visitors and the general public a sample of the first-class hotel services offered by the clinic. The Canton's new hospital planning has earmarked the clinic as an exclusive centre for orthopaedics, neurosurgery and ENT, three specialities in which it excels which are at the heart of the Group's regional strategy for the Canton.

Clinique Valmont-Genolier, Glion sur Montreux

Valmont's revenues declined slightly in the first half of 2009, due primarily to the reduction in beds that stemmed from the renovation of six private rooms in the first quarter. Cardiac rehabilitation will cease on 15 October 2009 in order to permit greater specialisation by focusing development on orthopaedics and neurology. These two specialities have grown strongly and we feel that both have considerable development potential. Specialising exclusively in rehabilitation, the centre will benefit from patient referrals from all the clinics and hospitals in the region. Its management also hopes to develop the clinic's foreign clientele even further by offering constantly improving hotel services.

Centre médico-chirurgical des Eaux-Vives, Geneva

Opened 40 years ago, the Centre médico-chirurgical des Eaux Vives is a pluridisciplinary outpatient centre located on Geneva's left bank. It was acquired and incorporated into GSMN as of 1 March 2009. Its radiotherapy centre, set up to provide outpatient treatment, now handles over 25 cancer patients a day. The centre's Medical Director is Professor Jacques Bernier, the GSMN Group's overall Head of Radiotherapy. In line with predictions, CMEV generated revenues of CHF 4.1 million in the first half of 2009. As of 2010, developed activities will generate nearly CHF 12 million in revenues and an EBITDA of more than CHF 2 million.

Objectives

Apart from quality of care and medical services that benefit our patients, our priority is still to improve the profit-generating capacity of the network and all our entities and to develop this capacity by means of acquisitions and partnerships. GSMN will shortly be taking the first step towards achieving its national ambitions by integrating the Bethanien private clinic in Zurich. This move will make GSMN a recognised national player in the Swiss healthcare market.

No matter in what area a business operates, it is only ever as good as the people who work for it. In these uncertain days, the human factor is more important than ever. GSMN is the fruit of many years of teamwork and brings together a diversity of talented individuals. Once again, we would like to thank the men and women who work at GSMN for the time and energy they invest in our company. We count on their support and that of our shareholders to be able to pursue and achieve our vision.

Raymond Loretan
President

Antoine Hubert
Managing Director

CONSOLIDATED statement of financial position

Consolidated Statement of Financial Position

(Unaudited - in thousands of CHF)	Notes	30.06.2009	31.12.2008
Assets			
Equipment and leasehold improvements		44'425	35'374
Goodwill	6	89'804	85'056
Cash deposit		3'300	3'300
Pension plan asset		971	971
Deferred tax assets		4'498	3'467
Total non-current assets		**142'998**	**128'168**
Inventories		4'600	4'456
Accrued income and prepaid expenses		3'647	1'508
Trade receivables		27'402	25'064
Other receivables		5'564	5'576
Cash and cash equivalents		4'945	4'211
Assets held for sale	5	–	2'462
Total current assets		**46'158**	**43'277**
Total assets		**189'156**	**171'445**
Equity			
Share capital		31'003	28'203
Share premium		96'645	91'353
Other reserves		323	323
Treasury shares		(2'966)	(2'868)
Retained earnings/(Accumulated deficit)		1'859	(2'989)
Total equity attributable to equity holders of the Company	6, 7	**126'864**	**114'022**
Liabilities			
Bank loan		2'125	2'375
Finance lease liabilities, long term		7'414	5'245
Deferred income, long term		1'071	–
Deferred tax liabilities		1'013	1'148
Total non-current liabilities		**11'623**	**8'768**
Bank overdraft and current portion of bank loan		15'078	11'434
Finance lease liabilities, short term		2'987	2'620
Trade and other payables		27'867	28'191
Accrued expenses and deferred income		4'737	4'236
Liabilities held for sale	5	–	2'174
Total current liabilities		**50'669**	**48'655**
Total liabilities		**62'292**	**57'423**
Total equity and liabilities		**189'156**	**171'445**

(See accompanying notes to the condensed consolidated interim financial statements.)

Consolidated Statement of Comprehensive Income for the six months ended 30 June

(Unaudited - in thousands of CHF)	Notes	30.06.2009	30.06.2008
Revenue		71'260	63'381
Medical services		(4'459)	(3'598)
Net revenue		**66'801**	**59'783**
Production expenses		(17'138)	(14'935)
Personnel expenses		(27'359)	(26'236)
Rental expenses		(5'495)	(4'581)
Other operating expenses		(10'792)	(10'430)
EBITDA		**6'017**	**3'601**
Depreciation and amortisation		(3'959)	(3'264)
Profit from operating activities		**2'058**	**337**
Finance income		36	111
Finance expenses		(772)	(631)
Net finance expenses		**(736)**	**(520)**
Profit / (loss) before income tax		**1'322**	**(183)**
Income taxes		397	(99)
Profit / (loss) from continuing operations for the period		**1'719**	**(282)**
Discontinued operation			
Profit / (loss) from discontinued operation for the period, net of tax	5	3'008	(497)
Total comprehensive income / (loss) for the period		**4'727**	**(779)**
Earnings / (loss) per share			
Basic and diluted gain / (loss) per share (in CHF)		0.79	(0.14)
Continuing operations			
Basic and diluted Earnings / (loss) per share (in CHF)		0.27	(0.05)

(See accompanying notes to the condensed consolidated interim financial statements.)

Consolidated Statement of Changes in Equity for the six months ended 30 June

(Unaudited - in thousands of CHF)	Number of shares (thousands)	Share capital	Share Premium	Other reserves	Treasury shares	Retained earnings/ (Accumulated deficit)	Total
Changes in equity for 2008							
Balance at 1 January 2008	5'641	28'203	91'427	323	(2'854)	(3'301)	113'798
Loss for the period	–	–	–	–	–	(779)	(779)
Total comprehensive income for the period	–	–	–	–	–	(779)	(779)
Purchase of treasury shares	–	–	–	–	(146)	–	(146)
Sale of treasury shares	–	–	–	–	121	(2)	119
Balance at 30 June 2008	**5'641**	**28'203**	**91'427**	**323**	**(2'879)**	**(4'082)**	**112'992**
Changes in equity for 2009							
Balance at 1 January 2009	5'641	28'203	91'353	323	(2'868)	(2'989)	114'022
Profit for the period	–	–	–	–	–	4'727	4'727
Total comprehensive income for the period	–	–	–	–	–	4'727	4'727
Capital increase	560	2'800	5'292	–	–	–	8'092
Purchase of treasury shares	–	–	–	–	(200)	–	(200)
Sale of treasury shares	–	–	–	–	102	–	102
Share based payment	–	–	–	–	–	121	121
Balance at 30 June 2009	**6'201**	**31'003**	**96'645**	**323**	**(2'966)**	**1'859**	**126'864**

Consolidated Statement of Cash Flows for the six months ended 30 June

(Unaudited - in thousands of CHF)	Notes	30.06.2009	30.06.2008
Cash flow from operating activities			
Profit / (loss) for the period		4'727	(779)
Income tax		(397)	99
Adjustments for:			
Depreciation and amortisation		3'959	3'369
Provision for doubtful accounts receivable		(354)	–
Gain on sale of discontinued operation, net of cash acquired	5	(3'890)	–
Equity settled share based payments expenses		121	–
Net finance expenses		682	591
Change in trade and other receivables		(1'536)	2'384
Change in inventories		(75)	(391)
Change in accrued income and prepaid expenses		(2'026)	(336)
Change in trade and other payables		(1'511)	2'472
Change in accrued expenses and deferred income		194	778
Bank overdraft		2'797	(2'627)
Deferred income		1'071	–
Interest paid		(772)	(616)
Net cash flow from operating activities		**6'062**	**4'944**
Interest received		90	25
Purchase of equipment and leasehold improvements		(3'948)	(1'820)
Disposal of discontinued operation, net of cash disposed of	5	1'258	–
Increase in financial assets		–	(183)
Increase in cash deposits		–	(50)
Acquisition of CMEV, net of cash acquired	6	(1'753)	–
Net cash flow used in investing activities		**(4'353)**	**(2'028)**
Payment of finance lease liabilities		(1'547)	(1'578)
Purchase of treasury shares	7	(200)	(146)
Sale of treasury shares	7	102	119
Repayment of bank loan		(250)	–
Net cash flow used in financing activities		**(1'895)**	**(1'605)**
Net (decrease) / increase in cash and cash equivalents		**(186)**	**1'311**
Cash and cash equivalents at beginning of the period		5'131	5'702
Cash and cash equivalents at end of the period*		**4'945**	**7'013**

* The cash flow statement presents the cash flows from all operations of the Group. See note 5 for cash flows relating to the discontinued operation. See note 6 for a description of a non-cash increase of the share capital.

(See accompanying notes to the condensed consolidated interim financial statements.)

Notes to the condensed consolidated interim financial statements
As at 30 June 2009

1 Accounting policies

Reporting entity

Genolier Swiss Medical Network SA (hereafter "The Company") has its registered and principal offices at 1272 Genolier, Switzerland. The Company's purpose consists of holding interests in financial, commercial and industrial enterprises in Switzerland and abroad, in areas such as medical treatment and healthcare.

In February 2008, the Company decided to cease its publishing activity and sell its media and e-commerce activity. In March 2009, the Company sold 51% of its investment in the former publishing activity. This activity was presented as a discontinued operation (see note 5). The remaining holding is accounted for as an associate using the equity method.

The condensed consolidated interim financial statements of the Company for the six months ended 30 June 2009 comprise the Company and its subsidiaries and its interests in associates (the Group).

Statement of compliance

The condensed consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. They should be read in conjunction with the Group's 2008 annual financial statements as they provide an update of previously reported information.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on 29 September 2009 and are unaudited.

Basis of preparation

The condensed consolidated interim financial statements are presented in Swiss francs (CHF), rounded to the nearest thousand. They have been prepared on the historical cost basis, except where a standard requires a different measurement basis.

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities. Actual results may differ from these estimates. If in the future such assumptions and estimates deviate from the actual circumstances, the original assumptions and estimates will be modified as appropriate in the period in which the circumstances change.

Adoption of new and amended standards and interpretations

The accounting policies used in the preparation of the condensed consolidated interim financial statements are the same as those applied in the consolidated financial statements for the year ended 31 December 2008, except for the adoption of the following new and amended standards and interpretations, effective as from 1 January 2009:

The adoption of revised IAS 1 Presentation of Financial Statements had a minor impact on the presentation of the financial statements. The impact of the adoption of IFRS 8 Operating Segments is discussed in note 2.

The other revised or amended standards and the new interpretation that are effective for the 2009 reporting year were not applicable to the Group, or did not have a significant impact on the consolidated financial statements.

2 Operating segments

Under IAS 14, the Company presented two reportable primary segments (Healthcare and Publishing).
The adoption of IFRS 8 Operating Segments has led to a change in the basis of segmentation as follows: The standard introduces the "management approach" to segment reporting. This requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them.
Under the management approach, the Group has 5 operating segments, as described below, which are the Group's strategic business units. The strategic business units are managed separately because they are run separately by distinctive management and they are subject to different legal frame and marketing strategies. Strategic decisions and services offered also vary from one entity to another.
For each of the strategic business units, the Managing Director reviews internal management reports on a monthly basis.
Operating segments and reportable segment are the following:

- Clinique de Genolier, Genolier (orthopaedics, oncology, general surgery and aesthetics)
- Clinique de Montchoisi, Lausanne (orthopaedics, ophthalmology, gynaecology, general and aesthetic surgery and medical imaging)
- Clinique Valmont-Genolier, Glion s/Montreux (orthopaedic and neurological rehabilitation)
- Clinique Générale St-Anne, Fribourg (orthopaedic, neurosurgery and ear, nose & throat (ENT))
- Centre medico-chirurgical des Eaux-Vives, Geneva (multidiscipline medical centre, radio-oncology centre).

Comparative information has been re-presented accordingly.

Information about reportable segments

(In thousands of CHF)	Clinique de Genolier		Clinique de Montchoisi		Clinique Valmont-Genolier		Clinique Générale St-Anne		Centre medico-chirurgical des Eaux-Vives		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Revenue	37'868	34'173	8'714	8'400	7'053	7'770	14'486	13'023	2'908	–	71'029	63'366
EBITDA	5'832	5'106	1'354	1'253	265	520	2'207	1'719	601	–	10'259	8'598
Segment assets	41'195	40'388	9'757	10'215	9'244	9'339	16'729	16'621	10'879	–	87'804	76'563

Reconciliation of reportable segment EBITDA

(In thousands of CHF)	2009	2008
Total EBITDA for reportable segments	10'259	8'598
Corporate and overhead expenses	(4'242)	(4'997)
Consolidated EBITDA	6'017	3'601
Depreciation	(3'959)	(3'264)
Net finance expenses	(736)	(520)
Income tax	397	(99)
Net result for the period from operating operations	1'719	(282)
Gain / (loss) for the period from discontinued operations	3'008	(497)
Comprehensive income for the period	4'727	(779)

3 Seasonality of operations

The Group is not exposed to significant seasonal or cyclical variations in its operations.

4 Scope of consolidation

In March 2009, the Company acquired Centre Medico-Chirurgical des Eaux-Vives SA, Geneva ("CMEV") and sold the two active companies of the former Publishing division, Agefi Société de l'agence économique et financière SA and Agefi Com SA.
The following entities, all located in Switzerland, were included in the consolidation as at 30 June 2009:

Name	Location	Activity	%
GSMN Vaud SA*	Genolier	Clinics	100.0
Clinique Générale Garcia-Ste Anne SA	Fribourg	Clinic	100.0
Centre Medico-Chirurgical des Eaux-Vives SA	Geneva	Day clinic	100.0
Agefi Société de l'agence économique et financière SA	Lausanne	Publishing	49.0
Agefi Com SA	Geneva	Publishing	49.0
Academy & Finance SA**	Geneva	Organisation of seminars	22.5
Piscine de Bassins SA	Bassins	Swimming pool	20.0

* In June 2009, Montchoisi SA, Clinique Valmont-Genolier SA and GSMN Management et Services SA were merged with Clinique de Genolier SA which changed its name into GSMN Vaud SA.
**As the company is overindebted, no financial figures have been reported in the financial statements. The Group has no obligation in respect of the losses of the company.

5 Assets and liabilities held for sale and discontinued operation

On 27 March 2009, the Company sold 51% of its investments in Agefi Société de l'Agence Economique et Financière SA and Agefi Com SA. Total consideration for the sale amount to CHF 5'100. At the date of disposal, an amount of CHF 2'100 was paid to the Company. A second instalment of CHF 1'000 was paid on 30 June. Two additional amounts of CHF 1'000 each will be paid in 30 September 2009 and 31 December 2009.
The remaining holdings in these companies are accounted for as associates applying the equity method.
According to the Sale & Purchase agreement, the Group has granted to the buyer a call option on the remaining 49%. Exercise price of the option will be calculated as follows:
((Average of this business' EBITDA for the years 2009, 2010 and 2011)* 6)* 49%. The option can be exercised 60 days following the date of the audit report on the 2011 financial year.

Results of discontinued operation

(In thousands of CHF)	2009 (3 months)	2008 (6 months)
Revenue	1'829	6 100
Commissions	(274)	(1'187)
Net revenue	1'555	4'913
Expenses	(2'436)	(5'408)
Loss from operating activities	(881)	(495)
Net finance expenses	(1)	(2)
Loss for the period	(882)	(497)
Gain on sale of discontinued operation	3'890	–
Profit for the period	3'008	–
Basic and diluted earnings per share (in CHF)	0.52	(0.09)

Cash flows from discontinued operation

(In thousands of CHF)	2009 (3 months)	2008 (6 months)
Net cash flows (used in) / from operating activities	(329)	218
Net cash flows from / (used in) investing activities	1'258	(4)
Net cash from discontinued operation	929	214

Effect of disposal on the financial position of the Group

(In thousands of CHF)	2009
Equipment and leasehold improvement	(133)
Intangible assets	(400)
Trade receivable	(494)
Other receivable	(187)
Accrued income and prepaid expenses	(1'312)
Cash and cash equivalents	(1'181)
Trade and other payables	609
Accrued expenses and deferred income	1'888
Net assets and liabilities	(1'210)

Consideration received	3'100
Cash and cash equivalents disposed of	(1'181)
Movement on net assets for the period	(661)
Net cash inflow	**1'258**

6 Acquisition of subsidiary

On 17 March 2009, the Company acquired 100% of the share-capital of Centre Medico-Chirurgical des Eaux-Vives SA (CMEV). In the period ended 30 June 2009, CMEV contributed revenue of CHF 2'908, EBITDA of CHF 450 and net income of CHF -113. If the acquisition had occurred on 1 January 2009, management estimates that the Group's consolidated revenue would have been CHF 72'411, the Group's consolidated EBITDA for the period would have been CHF 5'729 and the comprehensive income for the period would have been CHF 4'308.
The acquisition is accounted for using the purchase method. The following amounts of assets and liabilities acquired were included in the consolidated financial statements at the date of acquisition.

(In thousands of CHF)	Amounts of assets and liabilities in the consolidated financial statements at the acquisition date	Fair value adjustment	Recognised values upon acquisition
Equipment and leasehold improvements	8'437		8'437
Deferred tax assets	769		769
Inventories	69		69
Trade and other receivables	1'622		1'622
Assets	**10'897**	**–**	**10'897**
Finance lease liabilities	3'458		3'458
Bank overdraft	847		847
Trade and other payables	8'522	(7'335)	1'187
Accrued expenses and deferred income	308		308
Liabilities	**13'135**	**(7'335)**	**5'800**
Identifiable assets and liabilitites			**5'097**
Goodwill			4'748
Cost of the business combination			**9'845**

The values recognised upon acquisition are adjusted to reflect the acquired shareholders loan (CHF 5'734) and the amount due by Centre Medico-Chirurgical des Eaux-Vives SA to the Group (CHF 1'601).
The cost of the business combination is calculated as follows:

(In thousands of CHF)	Exchange of shares	Total
560'000 shares exchanged at estimated fair value at the date of exchange (CHF 14.45 per share)	8'092	8'092
Account payable to acquiree, net of cash		1'601
Estimated directly attributable costs		152
Total cost of the business combination		9'845

The fair value of shares issued was based on the listed share price of the Company at 17 March 2009.
The net cash outflow is as follows:

Consideration paid in cash	–
Account payable to acquiree	(1 601)
Transaction costs	(152)
Net cash outflow	(1'753)

Goodwill

The goodwill includes expected synergies from the acquisition, the work force and potentially other intangible assets that did not meet the criteria to be recognised separately from goodwill.

7 Shares outstanding and employee share options

Movement in shares outstanding:

Number (each share has a nominal value of CHF 5)	Shares issued	Treasury shares	Shares outstanding
Balance at 1 January 2008	**5'640 600**	**(86'918)**	**5'553'682**
Purchase of treasury shares	–	(5'768)	(5'768)
Sale of treasury shares	–	4'564	4'564
Balance at 30 June 2008	**5'640'600**	**(88'122)**	**5'552'478**
Balance at 1 January 2009	**5'640'600**	**(87'366)**	**5'553'234**
Issue due to acquisition of CMEV (see note 6)	560'000	–	560'000
Purchase of treasury shares	–	(13'985)	(13'985)
Sale of treasury shares	–	6'852	6'852
Balance at 30 June 2009	**6'200'600**	**(94'499)**	**6'106'101**

During the 2009 interim period, the Company purchased treasury shares for an amount of CHF 200 (2008: CHF 146) and sold treasury shares for an amount of CHF 102 (2007: CHF 119).
During the first semester of 2009, stock option plans in favour of the group management were implemented. Each option entitles the holder to one share of the Company.

The number of outstanding share options at the end of June 2009 was 294'648 (30 June 2008: 50'148). No options were exercised during the first half of 2009 and 2008.
The details of share-based payment plans are presented below:

Arrangement	Beneficiary / grant date	Number of instrument / exercise price	Vesting conditions	Exercise date	Expiry date
Plan 10/06	Non-executive members of the board of Agefi Group SA 6 October 2006	12'648 CHF 25	Beneficiary should not have resigned at the date of exercise	31 October 2009	31 October 2009
Plan 12/07	Group Management	37'500 CHF 30	None	31 December 2010	31 December 2010
Plan 01/08	Group Management	4'500 CHF 30	None	up to 31 December 2010	31 December 2010
Plan 02/09 A	Group Management	135'000 CHF 25	None	up to 31 December 2012	31 December 2012
Plan 02/09 B	Group Management	100'000 CHF 17	None	up to 31 December 2012	31 December 2012
Plan 05/09 A	Group Management	5'000 CHF 15	None	up to 31 December 2012	31 December 2012

Fair value of share options and key assumptions:

Grant date	Share price	Exercice price	Expected volatility (historic)	Option life	Expected dividends	Risk-free interest rate	Fair value at grant date
Plan 10/06	CHF 35.7	CHF 25	44.75 %	2 years	–	2.45 %	CHF 16.71
Plan 12/07	CHF 27.9	CHF 30	30.00 %	3 years	–	2.80 %	CHF 5.95
Plan 01/08	CHF 26.0	CHF 30	30.00 %	3 years	–	2.80 %	CHF 5.95
Plan 02/09 A	CHF 13.9	CHF 25	37.40 %	3 years	–	2.75 %	CHF 1.44
Plan 02/09 B	CHF 13.9	CHF 17	37.40 %	3 years	–	2.75 %	CHF 2.96
Plan 05/09	CHF 14.0	CHF 15	36.60 %	3 years	–	2.75 %	CHF 3.55

In 2009, total expenses related to share-based payments amounts to CHF 121 (2008: CHF -).

8 Dividends

No dividends were paid during this or the previous interim period.

9 Contingent liabilities

As of 30 June 2009, there were no material changes in contingent liabilities since 31 December 2008. The same applies to the comparative period.

10 Subsequent events

There have been no significant events between 30 June 2009 and the date of authorisation that would require adjustments of the unaudited condensed consolidated interim financial statements or additional disclosure.

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