

Addendum to the Annual Report 2006/07

The variable salaries stated in the Annual Report 2006/07 were paid out in financial year 2006/07 but refer to the previous financial year 2005/06. The data of 2006/07 were not established at the time of the preparation of the Annual Report. The following table shows the complete data for the financial year 2006/07.

Compensation to the Management Board								
in CHF	Basic salary		Fringe benefits	Social benefits (employer's contribution)	Total cash compensation	EEAP		Total compensation
	Fixed salary	Variable salary ¹⁾				Value of options	Options granted	
Dr. Valentin Chaperero Rueda	1,018,250	1,303,318	16,000	241,706	2,579,274	9,445,610	500,000 ²⁾	12,024,884
Other members of the Management Board	2,229,329	1,319,068	178,770	530,011	4,257,178	2,232,730	126,000	6,489,908
Total	3,247,579	2,622,386	194,770	771,717	6,836,452	11,678,340	626,000	18,514,792

¹⁾ According to the compensation policies of the Phonak Group, the variable salary results from the split of the basic salary defined in the employment contract and the multiplier, which reflects individual as well as Group targets (sales growth and EBITA).

²⁾ In conjunction with the long-term employment contract running until 2010, signed in 2005, Valentin Chaperero Rueda received the second and last ordinary allocation of options in the reporting period. These options are split into four tranches. One tranche vests each year over four years, starting one year after the grant date (See Annual Report 2006/07, page 53).