



Alcon®

Seeing Beyond Today



Second Quarter 2006 Webcast
July 25, 2006

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Management Presentation by

Cary Rayment

Chairman , President & CEO

Jacquelyn Fouse

Senior Vice President

Chief Financial Officer & Corporate Strategy

Business Overview

Cary Rayment

Chairman, President & CEO

Second Quarter Financial Highlights

	Q2 06	Q2 05	Growth
Global Sales	\$ 1,310.8	\$ 1,172.0	11.8%
Net Earnings	\$ 465.6	\$ 325.0	43.3%
Diluted EPS	\$ 1.50	\$ 1.04	44.2%

(dollars in millions, except per share amounts)

Pharmaceutical Sales

	2006	2005	Reported Growth	Constant Currency
Q2	\$ 559.5	\$ 502.6	11.3%	11.1%
YTD	\$ 1,034.6	\$ 934.6	10.7%	11.3%

- Glaucoma franchise increased 12.0% in Q2
 - Travatan® share gains led to 19.8% growth
 - Azopt® Rx's rose in US due to role as adjunctive therapy
- Vigamox® leads the category and is growing share in US
- Nevanac™ gained 21% of US NSAID market in 9 months
 - US NSAID market growing 19% since launch
- CiproDex® led otic franchise to 20.0% growth in Q2

Note: Constant currency sales growth is a non-GAAP measure presented to give investors a better comparison of operations between years

(dollars in millions)

Key Brand Development

May 2006 YTD US Rx Growth	Brand Rx Growth %	Market Growth %
Travatan	20.0%	6.4%
Azopt	17.3%	(4.2%)
Vigamox	21.0%	11.4%
TobraDex	2.6%	4.8%
Nevanac	n/a	18.6%
Patanol	5.1%	7.4%
CiproDex	16.1%	(0.5%)
Total Otic	6.3%	(0.5%)

Surgical Sales

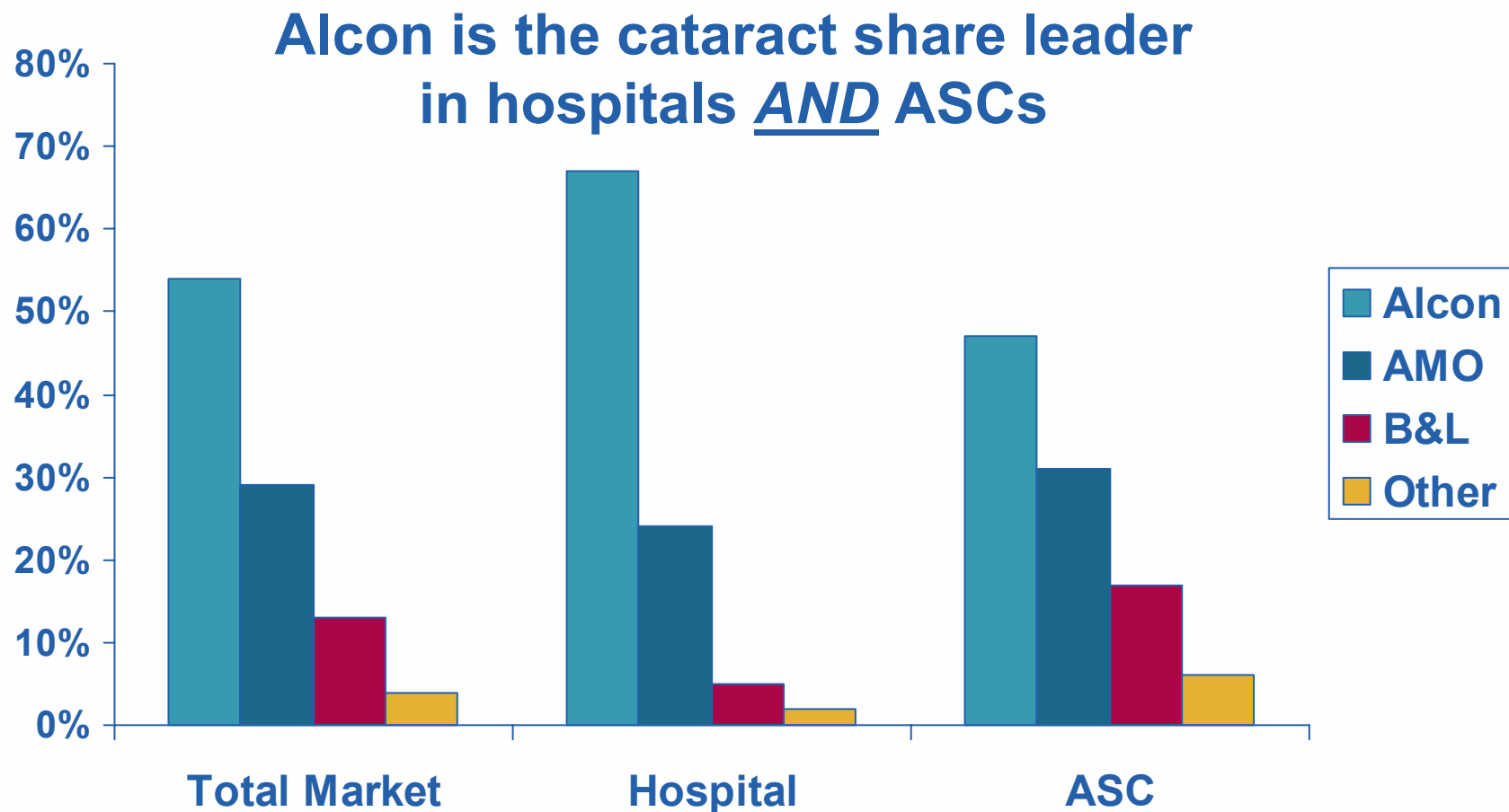
	2006	2005	Reported Growth	Constant Currency
Q2	\$ 567.4	\$ 520.8	8.9%	9.1%
YTD	\$ 1,092.6	\$ 1,009.1	8.3%	10.0%

- AcrySof® IOL franchise increased 18.0% in Q2
 - IOL units grew 9.7%, much faster than underlying market
 - AcrySof® IQ and AcrySof® Natural rose 39.4%
 - AcrySof® ReSTOR® gained 15% Q2 over Q1
- Infiniti® shipped 400+ units in Q2, representing +30% growth over Q205 and +60% over Q106
- Shift to premium 25 gauge instruments supporting healthy gains in vitreoretinal category

Note: Constant currency sales growth is a non-GAAP measure presented to give investors a better comparison of operations between years

(dollars in millions)

Market Leader in Cataract/Refractive ASCs



SOURCE: Market Scope Annual Cataract Surgeon Report (June 2006)

Consumer Products Sales

	2006	2005	Reported Growth	Constant Currency
Q2	\$ 183.9	\$ 148.6	23.8%	23.5%
YTD	\$ 340.7	\$ 298.8	14.0%	14.5%

- OPTI-FREE® RepleniSH® has gained 12 share points since launch, half before the ReNu* MoistureLoc* withdrawal
- ReNu* MoistureLoc* withdrawal has significantly benefited OPTI-FREE® franchise
- Artificial tears lines continue to grow in mid-teens led by Systane®

Note: Constant currency sales growth is a non-GAAP measure presented to give investors a better comparison of operations between years. *ReNu and MoistureLoc are registered trademarks of Bausch & Lomb.

(dollars in millions)

Financial Review

Jacquelyn Fouse

Senior Vice President

Chief Financial Officer & Corporate Strategy

Q2 2006 Income Statement Detail

	Q2 06	% of Sales	Q2 05	% of Sales
Sales	\$ 1,310.8		\$ 1,172.0	
Gross Profit	\$ 985.5	75.2%	\$ 884.3	75.5%
SG & A	\$ 264.8	20.2%	\$ 341.8	29.2%
R & D	\$ 124.3	9.5%	\$ 100.8	8.6%
Operating Income	\$ 575.8	43.9%	\$ 419.8	35.8%

(dollars in millions)

Q2 YTD 2006 Income Statement Detail

	YTD 06	% of Sales	YTD 05	% of Sales
Sales	\$ 2,467.9		\$ 2,242.5	
Gross Profit	\$ 1,854.4	75.1%	\$ 1,666.2	74.3%
SG & A	\$ 651.5	26.4%	\$ 678.3	30.2%
R & D	\$ 243.6	9.9%	\$ 199.3	8.9%
Operating Income	\$ 918.2	37.2%	\$ 746.6	33.3%

(dollars in millions)

Adjusted Earnings Growth

	Q2 06	Q2 05	Q2 06 YTD	Q2 05 YTD
Net Earnings - Reported	\$ 465.6	\$ 325.0	\$ 761.3	\$ 574.5
Less: EYE Settlement ¹	-99.1		-97.5	
Plus: Share Based Comp ¹	12.5		33.6	
Net Earnings – Adjusted²	\$ 379.0	\$ 325.0	\$ 697.4	\$ 574.5
Growth	16.6%		21.4%	
Diluted EPS - Reported	\$ 1.50	\$ 1.04	\$ 2.45	\$ 1.85
Less: EYE Settlement ¹	-0.32		-0.32	
Plus: Share Based Comp ¹	0.04		0.11	
Diluted EPS – Adjusted²	\$ 1.22	\$ 1.04	\$ 2.24	\$ 1.85
Growth	17.3%		21.1%	

¹Amounts are shown after income taxes.

²Adjusted Net Earnings and Diluted EPS are non-GAAP measures and are provided to give investors a more accurate picture of growth in earnings for the period.

(dollars in millions, except per share amounts)

Share-Based Compensation Expenses

	Q2 06 Actual	Q2 06 YTD Actual
COGS	\$ 3.6	\$ 5.8
SG&A	9.6	28.9
R&D	4.9	14.7
Tax effect	(5.6)	(15.8)
Total Impact to Net Earnings	\$ 12.5	\$ 33.6
EPS Impact	\$ 0.04	\$ 0.11

(dollars in millions, except per share amounts)

Reported Tax Rate vs. “Base” Rate

	Q2 06 YTD	2005	2004
Reported Effective Tax Rate	18.5%	22.6%	22.6%
Total Net Impact of “Non-structural” Items	3.0%	2.5%	5.2%
“Base” Effective Tax Rate	21.5%	25.1%	27.8%

* “Base” effective tax rate is a non-GAAP measure presented to give investors a better comparison of income taxes between years.

Balance Sheet Highlights

	6/30/06	12/31/05
Short and Long Term Borrowings	\$ 902.8	\$ 1,083.4
Cash and Cash Equivalents	\$ 1,237.6	\$ 1,457.2
Consolidated S/H Equity	\$ 2,739.6	\$ 2,556.1
A/R Change (From 12/31/05)	24.2%	N/A
Inventory Change (From 12/31/05)	5.5%	N/A

(dollars in millions)

2006 Outlook

2006 Full Year Financial Guidance

- **Sales range from \$4.85 to \$4.90 billion**
 - Global growth across major product lines
 - Share gains from recent product launches
 - Continued faster growth in emerging markets
 - Higher contact lens care sales
- ***AcrySof[®] ReSTOR[®]* sales to exceed \$100 million**

2006 Full Year Financial Guidance

- **Reported EPS expected to be \$4.45 to \$4.55**
 - Higher gross margin from product mix and production efficiencies
 - Lower effective tax rate in range of 19% to 20% for full year
 - Includes negative impact of \$0.17 per share for share-based compensation expense in 2006
 - Includes \$0.32 positive impact of AMO settlement
- **Represents increase of \$0.10 from last quarter**



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