

MERCK SERONO S.A.  
Form 6-K  
March 21, 2007

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR  
15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of March 2007

Commission File Number 1-15096

**Merck Serono S.A.**

(Translation of registrant's name into English)

**15 bis, Chemin des Mines**  
**Case Postale 54**  
**CH-1211 Geneva 20**  
**Switzerland**  
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.  
Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T  
Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T  
Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also  
thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities  
Exchange Act of 1934. Yes  No

If  Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-  
2(b): 82- .



## News Release

March 21, 2007

### Merck Serono Confirms Previously Announced 2006 Figures

Geneva, Switzerland, March 21, 2007 Merck Serono S.A. (virt-x: SEO and NYSE: SRA) announced today that the preliminary fourth quarter and full-year consolidated results for the period ended December 31, 2006, which were published on March 1, 2007, are confirmed.

The audited detailed consolidated financial statements are appended. They have been prepared on the basis of International Financial Reporting Standards. The accompanying notes to these 2006 full-year consolidated financial statements will be available upon the release of Merck Serono's 2006 Annual Report by end April 2007.

Merck Serono  
9 Chemin des Mines  
1202 Geneva  
Switzerland  
[www.merckserono.net](http://www.merckserono.net)

Corporate Media Relations  
Tel:+41 22 414 36 00  
Media Relations, USA  
Tel :+1 781 681 23 40

Corporate Investor Relations  
Tel:+41 22 414 36 01  
Investor Relations, USA  
Tel:+1 781 681 25 52

**News Release**

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***Forward-looking statements***

*Some of the statements in this press release are forward looking. Such statements are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of Merck Serono S.A. and affiliates to be materially different from those expected or anticipated in the forward-looking statements. Forward-looking statements are based on Merck Serono's current expectations and assumptions, which may be affected by a number of factors, including those discussed in this press release and more fully described in Serono's Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on February 28, 2006. These factors include any failure or delay in Merck Serono's ability to develop new products, any failure to receive anticipated regulatory approvals, any problems in commercializing current products as a result of competition or other factors, our ability to obtain reimbursement coverage for our products, the outcome of any government investigations and litigation. Merck Serono is providing this information as of the date of this press release, and has no responsibility to update the forward-looking statements contained in this press release to reflect events or circumstances occurring after the date of this press release.*

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**About Merck Serono S.A.**

Merck Serono S.A. is a global biotechnology leader, with sales in over 90 countries. The Company is the world leader in reproductive health, with Gonal-f®, Luveris® and Ovidrel®/Ovitrelle®. It has strong market positions in neurology, with Rebif®, as well as in metabolism and growth, with Saizen®, Serostim® and Zorbtive®. The Company has recently entered the psoriasis area with Raptiva®. Merck Serono's research programs are focused on growing these businesses and on establishing new therapeutic areas, including oncology and autoimmune diseases.

Bearer shares of Merck Serono S.A., the holding company, are traded on the virt-x (SEO) and its American Depositary Shares are traded on the New York Stock Exchange (SRA).

**About Merck**

Merck is a global pharmaceutical and chemical company with sales of EUR 6.3 billion in 2006, a history that began in 1668, and a future shaped by about 35,000 employees (including Merck Serono) in 56 countries. Its success is characterized by innovations from entrepreneurial employees. Merck's operating activities come under the umbrella of Merck KGaA, in which the Merck family holds a 70% interest and free shareholders own the remaining 30%. In 1917 the U.S. subsidiary Merck & Co. was expropriated and has been an independent company ever since.

**Sales by therapeutic area**

	Three Months Ended December 31, 2006			Three Months Ended December 31, 2005		
	\$ million	% of sales	% change \$	\$ million	% of sales	
Neurology	388.9	59.3	% 13.9	% 341.4	56.5	%
Reproductive Health	167.5	25.6	% 2.2	% 163.9	27.1	%
Growth & Metabolism	74.1	11.3	% 3.7	% 71.5	11.8	%
Dermatology	21.2	3.2	% 83.8	% 11.6	1.9	%
Others	3.8	0.6	% (76.4	%) 16.2	2.7	%
<b>Total sales (US\$ million)</b>	<b>\$ 655.6</b>	<b>100</b>	<b>% 8.5</b>	<b>% \$ 604.5</b>	<b>100</b>	<b>%</b>

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**Sales by geographic region**

	Three Months Ended December 31, 2006			Three Months Ended December 31, 2005		
	\$ million	% of sales	% change \$	\$ million	% of sales	
Western Europe	297.2	45.3	% 16.6	% 254.8	42.2	%
North America	232.7	35.5	% 0.8	% 230.8	38.2	%
Latin America	36.1	5.5	% 6.1	% 34.0	5.6	%
Others	89.6	13.7	% 5.7	% 84.8	14.0	%
<b>Total sales (US\$ million)</b>	<b>\$ 655.6</b>	<b>100</b>	<b>% 8.5</b>	<b>% \$ 604.5</b>	<b>100</b>	<b>%</b>

**Sales by therapeutic area**

	Twelve Months Ended December 31, 2006			Twelve Months Ended December 31, 2005		
	\$ million	% of sales	% change \$	\$ million	% of sales	
Neurology	1,460.8	58.5	% 13.0	% 1,292.6	55.3	%
Reproductive Health	655.7	26.2	% (1.0	%) 662.0	28.3	%
Growth & Metabolism	281.7	11.3	% 1.4	% 278.0	11.9	%
Dermatology	69.9	2.8	% 109.4	% 33.4	1.4	%
Others	30.3	1.2	% (58.5	%) 72.9	3.1	%
<b>Total sales (US\$ million)</b>	<b>\$ 2,498.4</b>	<b>100</b>	<b>% 6.8</b>	<b>% \$ 2,338.9</b>	<b>100</b>	<b>%</b>

**Sales by geographic region**

	Twelve Months Ended December 31, 2006			Twelve Months Ended December 31, 2005		
	\$ million	% of sales	% change \$	\$ million	% of sales	
Western Europe	1118.0	44.8	% 7.7	% 1038.3	44.4	%
North America	899.7	36.0	% 6.1	% 848.2	36.3	%
Latin America	137.2	5.5	% 7.9	% 127.1	5.4	%
Others	343.4	13.7	% 5.6	% 325.2	13.9	%
<b>Total sales (US\$ million)</b>	<b>\$ 2,498.4</b>	<b>100</b>	<b>% 6.8</b>	<b>% \$ 2,338.9</b>	<b>100</b>	<b>%</b>



## TOP TEN PRODUCTS

	* TA	Three Months Ended December 31, 2006			Three Months Ended December 31, 2005		
		\$ million	% of sales	% change \$	\$ million	% of sales	
Rebif®	MS	388.4	59.2	% 15.8	% 335.3	55.5	%
Gonal-f®	RH	131.9	20.1	% (1.2)	% 133.5	22.1	%
Saizen®	Growth	54.7	8.3	% 0.8	% 54.3	9.0	%
Raptiva®	Dermatology	21.2	3.2	% 83.8	% 11.6	1.9	%
Serostim®	Wasting	19.2	2.9	% 12.5	% 17.0	2.8	%
Ovidrel®	RH	8.1	1.2	% 25.1	% 6.5	1.1	%
Crinone®	RH	7.5	1.1	% 11.7	% 6.7	1.1	%
Cetrotide®	RH	6.6	1.0	% (0.2)	% 6.6	1.1	%
Metrodin-HP®	RH	6.1	0.9	% 45.0	% 4.2	0.7	%
Novantrone®	MS/Oncology	1.4	0.2	% (91.9)	% 17.6	2.9	%

	* TA	Twelve Months Ended December 31, 2006			Twelve Months Ended December 31, 2005		
		\$ million	% of sales	% change \$	\$ million	% of sales	
Rebif®	MS	1,451.7	58.1	% 14.3	% 1,269.8	54.3	%
Gonal-f®	RH	533.2	21.3	% (2.5)	% 547.0	23.4	%
Saizen®	Growth	208.9	8.4	% 1.2	% 206.5	8.8	%
Serostim®	Wasting	71.8	2.9	% 2.0	% 70.4	3.0	%
Raptiva®	Dermatology	69.9	2.8	% 109.4	% 33.4	1.4	%
Ovidrel®	RH	28.7	1.1	% 20.6	% 23.8	1.0	%
Novantrone®	MS/Oncology	27.1	1.1	% (61.3)	% 70.0	3.0	%
Crinone®	RH	27.0	1.1	% 10.3	% 24.5	1.0	%
Cetrotide®	RH	26.3	1.1	% 3.8	% 25.4	1.1	%
Metrodin-HP®	RH	15.0	0.6	% 0.0	% 15.0	0.6	%

## \* Therapeutic Areas

RH	= Reproductive Health	Wasting	= AIDS Wasting
MS	= Multiple Sclerosis	Growth	= Growth Retardation
Oncology	= Oncology	Dermatology	= Dermatology

## Fourth Quarter Consolidated Income Statements (unaudited)

Three months December 31	2006 US\$ 000	% of Revenues	% change	2005 US\$ 000	% of Revenues
<b>Revenues</b>					
Product sales	655,631		8.5	% 604,479	
Royalty and license income	83,603		27.8	% 65,412	
<b>Total Revenues</b>	<b>739,234</b>	100.0	% 10.4	% 669,891	100.0
<b>Operating Expenses</b>					
Cost of product sales	(84,938 )			(67,017 )	
% of Sales	13.0	%		11.1	%
Selling, general and administrative	(282,982 )	38.3	% 26.4	% (223,853 )	33.4
Research and development	(165,898 )	22.4	% 14.7	% (144,645 )	21.6
Other operating expense, net	(71,436 )	9.7	% 1.8	% (70,164 )	10.5
<b>Total Operating Expenses</b>	<b>(605,254 )</b>	81.9	% 19.7	% (505,679 )	75.5
<b>Operating Income</b>	<b>133,980</b>	18.1	% (18.4	%) 164,212	24.5
Financial income	28,365			18,673	
Financial expense	(25,328 )			(15,462 )	
Foreign currency gain/ (loss), net	1,043			(2 )	
Share of (loss) / profit of associates	(710 )			(631 )	
<b>Income Before Taxes</b>	<b>137,350</b>	18.6	% (17.7	%) 166,790	24.9
Taxes	58,319			(22,603 )	
<b>Net Income</b>	<b>195,669</b>	26.5	% 35.7	% 144,187	21.5
Attributable to:					
Minority interest	(20 )			44	
Equity holders of Serono S.A.	195,689	26.5	% 35.8	% 144,143	21.5

Three months December 31		% change
<b>Basic Earnings per Share</b>		
Bearer shares	13.15	33.1 % 9.88
Registered shares	5.26	33.1 % 3.95
American depositary shares	0.33	33.6 % 0.25
<b>Diluted Earnings per Share</b>		
Bearer shares	12.95	32.2 % 9.80
Registered shares	5.18	32.2 % 3.92
American depositary shares	0.32	30.7 % 0.24

Quarterly Basic Earnings per Share is calculated in accordance with IAS 33 - Earnings per Share by dividing the net income attributable to bearer equity holders of Merck Serono S.A., \$137.8 million for the three months ended December 31, 2006 (December 31, 2005: \$100.6 million), by the weighted average number of shares outstanding during the period presented. This is 10,479,549 bearer shares (2005: 10,180,929) and 11,013,040 registered shares (2005: 11,013,040). The total weighted average number of bearer shares is 14,884,765 (December 31, 2005: 14,586,145) for the three months ended December 31, 2006. As each American depositary share represents ownership interest in one fortieth of bearer share, Basic and Diluted Earnings per American depositary share is calculated as one fortieth of the Basic and Diluted Earnings per bearer share.

For quarterly Diluted Earnings per Share, the weighted average number of bearer shares outstanding is adjusted to assume conversion of all potential dilutive shares arising from outstanding stock options and the convertible bond. The number of bearer shares used to calculate the Diluted Earnings per Share for the three months ended December 31, 2006 was 10,994,697 (December 31, 2005: 10,656,766).



## Consolidated Income Statements

Twelve months ended December 31	2006 US\$ 000	% of Revenues	% change	2005 US\$ 000	% of Revenues	
<b>Revenues</b>						
Product sales	2,498,368		6.8	% 2,338,850		
Royalty and license income	306,563		23.9	% 247,501		
<b>Total Revenues</b>	<b>2,804,931</b>	100.0	% 8.5	% 2,586,351	100.0	%
<b>Operating Expenses</b>						
Cost of product sales	(297,955 )			(265,879 )		
% of Sales	11.9	%		11.4	%	
Selling, general and administrative	(954,290 )	34.0	% 10.7	% (862,276 )	33.3	%
Research and development	(560,492 )	20.0	% (5.6	%) (593,567 )	22.9	%
Other operating expense, net	(255,629 )	9.1	% (74.2	%) (990,799 )	38.3	%
<b>Total Operating Expenses</b>	<b>(2,068,366 )</b>	73.7	% (23.7	%) (2,712,521 )	104.9	%
<b>Operating Income / (Loss)</b>	<b>736,565</b>	26.3	% 683.8	% (126,170 )	(4.9	%)
Financial income	93,952			91,739		
Financial expense	(57,473 )			(41,919 )		
Foreign currency (loss) / gain, net	(5,104 )			4,529		
Share of (loss) / profit of associates	(1,327 )			(579 )		
<b>Income / (Loss) Before Taxes</b>	<b>766,613</b>	27.3	% 1158.9	% (72,400 )	(2.8	%)
Taxes	(31,036 )			(32,892 )		
<b>Net Income / (Loss)</b>	<b>735,577</b>	26.2	% 798.6	% (105,292 )	(4.1	%)
Attributable to:						
Minority interest	156			822		
Equity holders of Serono S.A.	735,421	26.2	% 793.0	% (106,114 )	(4.1	%)

Twelve months ended December 31	2006 US\$	% change	2005 US\$
<b>Basic Earnings / (Loss) per Share</b>			
Bearer shares	50.01	786.7	% (7.28 )
Registered shares	20.00	786.6	% (2.91 )
American depositary shares	1.25	786.6	% (0.18 )
<b>Diluted Earnings / (Loss) per Share</b>			
Bearer shares	49.86	784.7	% (7.28 )
Registered shares	19.94	784.5	% (2.91 )
American depositary shares	1.25	786.6	% (0.18 )

Basic Earnings / (Loss) per Share is calculated in accordance with IAS 33 - Earnings per Share by dividing the Net Income / (Loss) attributable to bearer equity holders of Merck Serono S.A., \$515.1 million for the twelve months ended December 31, 2006 (December 31, 2005: net loss of (\$74.0) million), by the weighted average number of shares outstanding during the period presented, being 10,300,847 bearer shares (2005: 10,166,057) and 11,013,040 registered shares (2005: 11,013,040). The total weighted average number of bearer shares is 14,706,063 (December 31, 2005: 14,571,273) for the twelve months ended December 31, 2006. As each American depositary share represents ownership interest in one fortieth of bearer share, Basic and Diluted Earnings / (Loss) per American depositary share is calculated as one fortieth of the Basic and Diluted Earnings / (Loss) per bearer share.

For Diluted Earnings / (Loss) per Share, the weighted average number of bearer shares outstanding is adjusted to assume conversion of all potential dilutive shares arising from outstanding stock options and the convertible bond. The number of bearer shares used to calculate the Diluted Earnings per Share for the twelve months ended December 31 2006 was 10,344,731. The effect of the convertible bond was excluded from the calculation of Diluted Earnings / (Loss) per Share for the twelve months ended December 31, 2006 and 2005 as they were anti-dilutive. The effect of outstanding stock options was excluded from the calculation of Diluted Loss per Share for the twelve months ended December 31, 2005 as they were anti-dilutive.

The consolidated income statements have been extracted from the audited consolidated financial statements



**Consolidated Balance Sheets**

As of	December 31, 2006	December 31, 2005
	US\$ 000	US\$ 000
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1,734,947	358,853
Short-term available-for-sale financial assets	351,150	565,545
Trade accounts receivable	439,538	402,358
Inventories	254,907	248,476
Prepaid expenses and other current assets	788,328	199,189
<b>Total Current Assets</b>	<b>3,568,870</b>	<b>1,774,421</b>
<b>Non-Current Assets</b>		
Tangible fixed assets	873,533	746,430
Intangible assets	317,315	341,382
Deferred tax assets	298,186	224,779
Investments in associates	4,546	5,446
Long-term available-for-sale financial assets	470,341	736,543
Other long-term assets	68,589	92,234
<b>Total Non-Current Assets</b>	<b>2,032,510</b>	<b>2,146,814</b>
<b>Total Assets</b>	<b>5,601,380</b>	<b>3,921,235</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables	421,872	343,525
Short-term financial debts	776,705	28,604
Income taxes	109,554	97,797
Deferred income - current	18,861	34,111
Provisions - current	38,257	29,291
Other current liabilities	131,642	183,396
<b>Total Current Liabilities</b>	<b>1,496,891</b>	<b>716,724</b>
<b>Non-Current Liabilities</b>		
Long-term financial debts	27,951	635,039
Deferred tax liabilities	5,638	18,316
Deferred income - non-current	120,272	123,142
Provisions - non-current	152,955	108,607
Other long-term liabilities	113,840	148,465
<b>Total Non-Current Liabilities</b>	<b>420,656</b>	<b>1,033,569</b>
<b>Total Liabilities</b>	<b>1,917,547</b>	<b>1,750,293</b>
<b>Shareholders Equity</b>		
Share capital	237,059	235,555
Share premium	817,747	500,605
Treasury shares	0	(372,724)
Retained earnings	2,422,264	1,803,929
Fair value and other reserves	149,483	14,654
Cumulative foreign currency translation adjustments	56,336	(11,988)
Total Shareholders Equity attributable to equity holders of Serono S.A.	<b>3,682,889</b>	<b>2,170,031</b>
Minority Interests	944	911
<b>Total Shareholders Equity</b>	<b>3,683,833</b>	<b>2,170,942</b>
<b>Total Liabilities and Shareholders Equity</b>	<b>5,601,380</b>	<b>3,921,235</b>

The consolidated balance sheets have been extracted from the audited consolidated financial statements



## Consolidated Statements of Changes in Equity

	Share capital US\$ 000	Share premium US\$ 000	Treasury shares US\$ 000	Retained earnings US\$ 000	Fair value and other reserves US\$ 000	Cumulative foreign currency translation adjustments US\$ 000	Total Share- holders Equity attributable to equity holders of Serono S.A. US\$ 000	Minority interests US\$ 000	Total Share- holders Equity US\$ 000
<b>Balance as of January 1, 2005 as restated</b>	<b>254,420</b>	<b>1,039,000</b>	<b>(987,489 )</b>	<b>2,020,425</b>	<b>56,829</b>	<b>67,248</b>	<b>2,450,433</b>	<b>3,343</b>	<b>2,453,776</b>
Fair value adjustments on available-for-sale investments taken to equity					(22,380 )		(22,380 )		(22,380 )
Gain on sale of available-for-sale investments transferred to income statement					(32,060 )		(32,060 )		(32,060 )
Impairment of available-for-sale investments transferred to income statement					17,973		17,973		17,973
Fair value adjustments on cash flow hedge taken to equity					(5,708 )		(5,708 )		(5,708 )
Foreign currency translation effect						(79,236 )	(79,236 )	(87 )	(79,323 )
Net (loss) / income recognized directly in equity					(42,175 )	(79,236 )	(121,411 )	(87 )	(121,498 )
Net (loss) / income				(106,114 )			(106,114 )	822	(105,292 )
<b>Total recognized income and expense</b>				<b>(106,114 )</b>	<b>(42,175 )</b>	<b>(79,236 )</b>	<b>(227,525 )</b>	<b>735</b>	<b>(226,790 )</b>
Issue of share capital	1,136	31,316	3,426				35,878		35,878
Issue of call options on Serono shares		262					262		262
Share-based compensation		21,365					21,365		21,365
Cancelation of treasury shares	(20,001 )	(591,338 )	611,339						
Dividend - bearer shares				(76,992 )			(76,992 )		(76,992 )
Dividend - registered shares				(33,390 )			(33,390 )		(33,390 )
Purchase of minorities								(3,167 )	(3,167 )
<b>Balance as of December 31, 2005</b>	<b>235,555</b>	<b>500,605</b>	<b>(372,724 )</b>	<b>1,803,929</b>	<b>14,654</b>	<b>(11,988 )</b>	<b>2,170,031</b>	<b>911</b>	<b>2,170,942</b>

## Consolidated Statements of Changes in Equity

	Share capital US\$ 000	Share premium US\$ 000	Treasury shares US\$ 000	Retained earnings US\$ 000	Fair value and other reserves US\$ 000	Cumulative foreign currency adjustments US\$ 000	Total Share- holders Equity attributable to equity holders of Serono S.A. US\$ 000	Minority interests US\$ 000	Total Share- holders Equity US\$ 000
<b>Balance as of January 1, 2006</b>	<b>235,555</b>	<b>500,605</b>	<b>(372,724 )</b>	<b>1,803,929</b>	<b>14,654</b>	<b>(11,988 )</b>	<b>2,170,031</b>	<b>911</b>	<b>2,170,942</b>
Fair value adjustments on available-for-sale investments taken to equity					122,927		122,927		122,927
Gain on sale of available-for-sale investments transferred to income statement					(8,582)		(8,582)		(8,582)1,057
Impairment of available-for-sale investments transferred to income statement					1,057		1,057		
Fair value adjustments on cash flow hedge taken to equity					1,259		1,259		1,259
Fair value loss on interest rate swaps transferred to income statement					18,166		18,166		18,166
Serono share of equity recognized by associated companies					2		2		2
Foreign currency translation effect						68,324	68,324		68,324
Net income recognized directly in equity					134,829	68,324	203,153		203,153
Net income				735,421			735,421	156	735,577
<b>Total recognized income and expense</b>				<b>735,421</b>	<b>134,829</b>	<b>68,324</b>	<b>938,574</b>	<b>156</b>	<b>938,730</b>
Issue of share capital	1,504	43,133	2,803				47,440		47,440
Share-based compensation		76,362					76,362		76,362
Sale of treasury shares		197,647	369,921				567,568		567,568
Dividend - bearer shares				(35,224 )			(35,224 )		(35,224 )
Dividend - registered shares				(81,862 )			(81,862 )		(81,862 )
Purchase of minorities								(123 )	(123 )
<b>Balance as of December 31, 2006</b>	<b>237,059</b>	<b>817,747</b>		<b>2,422,264</b>	<b>149,483</b>	<b>56,336</b>	<b>3,682,889</b>	<b>944</b>	<b>3,683,833</b>

The consolidated statements of changes in Equity have been extracted from the audited consolidated financial statements

## Consolidated Statements of Cash Flows

	2006	2005
	US\$ 000	US\$ 000
<b>Twelve months ended December 31</b>		
<b>Net Income / (Loss)</b>	<b>735,577</b>	<b>(105,292 )</b>
Reversal of non-cash items		
Taxes	<b>31,036</b>	32,892
Depreciation and amortization	<b>126,468</b>	136,859
Interest income	<b>(84,229 )</b>	(59,632 )
Interest expense	<b>29,491</b>	16,875
Unrealized foreign currency exchange results	<b>(3,740 )</b>	1,136
Share of loss / (profit) of associates	<b>1,327</b>	579
Share based compensation expense	<b>57,445</b>	32,476
Other non-cash items	<b>70,013</b>	(13,109 )
<b>Operating Cash Flows Before Working Capital Changes</b>	<b>963,388</b>	<b>42,784</b>
Working capital changes		
Trade and other payables, other current liabilities and deferred income	<b>(1,704 )</b>	(86,357 )
Trade accounts receivable and other receivables	<b>4,749</b>	18,393
Inventories	<b>25,439</b>	13,573
Prepaid expenses and other current assets	<b>6,606</b>	6,502
Taxes paid	<b>(108,670 )</b>	(121,384 )
<b>Net Cash Flows From / (Used For) Operating Activities</b>	<b>889,808</b>	<b>(126,489 )</b>
Proceeds from disposal of subsidiaries, net of cash disposed of		5,034
Purchase of tangible fixed assets	<b>(153,928 )</b>	(139,430 )
Proceeds from disposal of tangible fixed assets	<b>23,610</b>	2,685
Purchase of intangible assets	<b>(45,792 )</b>	(100,130 )
Proceeds from disposal of intangibles	<b>33,400</b>	
Purchase of available-for-sale financial assets	<b>(1,026 )</b>	(490,400 )
Proceeds from sale of available-for-sale financial assets	<b>594,326</b>	850,257
Purchase of investments in associates		(6,006 )
Proceeds from sale of investments in associates		642
Interest received	<b>92,589</b>	105,192
<b>Net Cash Flows From Investing Activities</b>	<b>543,179</b>	<b>227,844</b>
Proceeds from issue of Serono shares	<b>11,218</b>	11,055
Proceeds from exercise of options on Serono shares	<b>30,543</b>	17,846
Proceeds from issue of call options on Serono shares		262
Proceeds from issue of financial debts	<b>58,450</b>	79,145
Repayments of financial debt	<b>(7,722 )</b>	(4,720 )
Other non-current liabilities	<b>(9,346 )</b>	(5,842 )
Interest paid	<b>(6,467 )</b>	(4,120 )
Dividends paid	<b>(117,086 )</b>	(110,382 )
Settlement of delayed interest rate swap	<b>(18,224 )</b>	
<b>Net Cash Flows Used For Financing Activities</b>	<b>(58,634 )</b>	<b>(16,756 )</b>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	<b>1,741</b>	(1,725 )
<b>Net Increase in Cash and Cash Equivalents</b>	<b>1,376,094</b>	<b>82,874</b>
<b>Cash and Cash Equivalents at the Beginning of Period</b>	<b>358,853</b>	<b>275,979</b>
<b>Cash and Cash Equivalents at the End of Period</b>	<b>1,734,947</b>	<b>358,853</b>

The consolidated statements of cash flows have been extracted from the audited consolidated financial statements

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MERCK SERONO S.A.,  
a Swiss corporation  
(Registrant)

Date March 21, 2007

By: /s/ Francois Naef  
Name: Francois Naef  
Title: Chief Administrative Officer

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