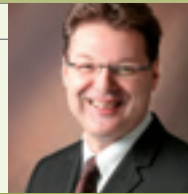


INTERVIEW

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Almost two years have passed since the tsunami disaster in Southeast Asia. The wave of help that began at that time almost all over the world was very impressive. But even the worst catastrophes gradually fade into oblivion. Daily life catches up with us and we are quick to forget.

The chance for a self-determined future

By Niklaus Siegrist
President of the Phuket Direct Fund Association

I am lucky enough to own a holiday home in Phuket that was spared by the tsunami. During my various stays there I repeatedly saw for myself just how efficient our direct aid is. Since the administrative costs are borne by AIG Private Bank and initiators of the association, every penny that is donated directly benefits the supported projects. We have collected donations totaling almost CHF 250,000 since January 2005, around CHF 55,000 of which has been set aside for further projects.

Numerous relief organizations are gradually pulling out of the affected areas. This is where our long-term aid begins. The majority of the money you have donated will continue to be used in future by the Phuket Direct Fund for Thai children in need. And believe me, there are hundreds if not thousands who desperately need our help. The aftermath of the tsunami is still omnipresent: countless orphans and half-orphans, children on the streets, no education and training opportunities, etc. Our partners in Phuket are thus continuing their work with great effort.

Although Phuket and its surroundings is a holiday destination and tourist figures have recovered, we should not forget that Thailand has to battle with huge infrastructure problems. For example, there are no funds for well-trained teachers in public schools and the private schools are out of reach for 99% of Thais. A gardener earns 150 baht for a day's work, which works out at around five Swiss francs. What's more, Thailand has only a very basic health system. Expensive



treatment is almost impossible to pay for and standards in state hospitals leave a lot to be desired.

I have seen much suffering with my own eyes and heard of even more misery. Which is why the Phuket Direct Fund is dear to my heart since it means we can continue helping the children and other sufferers and give them a chance to determine their own future. Please accept my sincere thanks for every single donation. Rest assured that your money will go directly towards helping those who need it most two years after the tsunami. Here's a thought to leave you with: many survivors of the tsunami are suffering from serious illnesses. And what about us? I often

think we spend the first half of our life sacrificing our health to earn money, and the second half of our life sacrificing our money to regain our health...

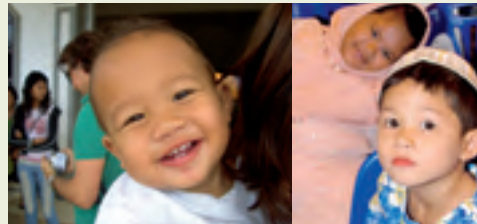
I wish you all a peaceful and prosperous Christmas with your families and a happy and healthy New Year.

Niklaus Siegrist

CHF 16 000
Project 7

Children's Happy Home

There are around 200 children living a very dangerous and desperate life on the streets in Patong Beach. They face a daily fight for survival. These children are largely left to fend for themselves and have no prospects for the future. They have no sense of security and don't know what it means to feel the safety of a family. They are plagued by hunger and are exposed to illness and the risk of child abuse.



NEW SUPPORT PROJECTS

No concrete projects had been specified for 2007 up to the editorial deadline for the newsletter. New projects are currently being evaluated with our local representative. The Phuket Direct Fund Association will continue concentrating on medium and long-term support for orphans as well as children and adolescents in need for 2007 and subsequent years.

The Children's Happy Home in Patong Beach was set up for all of these children. This project is a school center that looks after and educates the children on the street. The aim of this school center is to create a safe environment for homeless children. The Happy Home is open 24 hours for homeless and neglected children. It can house to 30 children off the street aged between 11 and 16 in group accommodation together with the staff of the school center. Fitted with modern equipment and managed by staff who have been trained in the rehabilitation and care of children from the street, the center provides an environment for a regular daily routine.

Ceremonial opening of the school center by the Vice-Governor Vorapot Ratasima

The Happy Home was officially opened on 21 July 2006 by the Vice-Governor of Phuket, Mr. Vorapot Ratasima. The Holiday Inn Resort in Phuket provided 150,000 US dollars to build the school center. The project was cofinanced by the Phuket Direct Fund with a donation of over 16,000 Swiss francs. The OVB-Kinderhilfswerk in Cologne (a partner of AIG Private Bank in Zurich) will also donate an annual sum of 35,000 euros over the coming five years to help run the Happy Home. The project is being managed by the organization World Vision Thailand.



DONATIONS BAROMETER PHUKET DIRECT FUND

in Swiss francs

2005

Donations received	217 000
Donations used	104 000
Balance (31.12.2005)	113 000

2006

Donations received	38 000
Donations used	86 000
Balance (31.12.2006)	65 000

2007

Donations received (27.02.07)	35 000
Donations used	0

Current balance (27.02.07) **100 000**

Her Royal Highness Princess Maha Chakri Sirindhorn visiting the Children's Happy Home

The Happy Home was inaugurated on 20 October 2006 by Princess Maha Chakri Sirindhorn of Thailand. Following the official inauguration ceremony the Princess was taken on a guided tour of the Happy Home. Princess Maha Chakri Sirindhorn visited the support project exhibition on the first and second floors of the building and signed the Happy Home's guest book after the subsequent photo session.

CHF 36 000
Project 8

Phuket International Woman's Club

The Phuket International Woman's Club (PIWC) is involved in training children and young people in need living in Phuket. The financial support currently covers more than 250 children and young people from kindergarten to university. The Phuket Direct Fund is paying for the complete education of four young people. The 36,000 Swiss francs that have been donated have been split as follows:

- THB 700,000 for a medical student to finance his medicine degree up to the examination.
- THB 100,000 each for two young girls to cover their schooling for four years.
- THB 100,000 for a young woman to train as a nurse for four years.

More information about the Phuket International Woman's Club can be found at:

www.phuket.com/piwc



North Andaman Tsunami Relief (NATR) supports the realization of a long-term plan for lasting development in the North Andaman Region. The 28,000 Swiss francs that has been donated is being used to finance two projects in youth and adult training.

NATR focuses financial support on two projects. In the first project, children and young people are taught how to use computers. The necessary hardware is provided by hotels and companies. The youngsters must be able to work with computers if they are to have a realistic career opportunity. In this project they can learn how to use programs and the Internet. Last November, Niklaus Siegrist visited the region personally to find out how the children are progressing. He was fascinated by the speed at which they can create simple PowerPoint presentations. In the second project, youths and adults are being taught English, because a knowledge of English is of great value for the future of these children. It lays the foundation for regular work in the tourist trade.

More detailed information on NATR can be found at:

www.northandamantsunamirelief.com

CHF 28 000
Project 9

Youth and adult training



INTERVIEW

with Wolfgang Meusburger

Phuket after the tsunami

Mr. Meusburger, according to the latest statistics over 400 victims of the tsunami have been able to be identified to date. What exactly do you know about these victims?

According to reports in Nation and Bangkok Post, all corpses that have not yet been identified are still being kept in cold stores. However, a funeral service is planned for December during which the remains of the victims will find their final resting place. DNA samples will be taken before burial and genetic fingerprints taken from these.

How do you assess the current situation in Phuket?

Tourism in the areas around Phuket and in South Thailand has returned to the level of the pre-tsunami era. Cleaning up work has been completed in all areas and the infrastructure restored. What's more, a tsunami early warning system has also been set up. Several field tests with early warning systems were carried out over the past years in Phuket to make sure that the system was installed and working properly. The tourist trade is expecting a record year in 2007 with a very high growth in the number of tourists from Australia and Europe. More charter flights have been booked for the coming season in Phuket than ever before. We can thus proudly say that we are back in business.

How has the Rotary Club in Phuket contributed to the reconstruction?

Information on current aid can be called up from www.rotarypatong.org. The biggest and most far-reaching job of the Rotary Club of Patong is to provide further scholarships in addition to the hundreds of scholarships that have already been granted to educate and train children. Many of the existing scholarships and training grants will run for the coming ten years.

Wolfgang Meusburger is General Manager of the Holiday Inn Resort in Phuket, member of the Rotary Club of Patong and local representative of the Phuket Direct Fund.



Is there any news from the Children's Happy Home in Patong Beach?

The Happy Home is now completely operational. We were very honored to have the home officially opened by Her Royal Highness Princess Maha Chakri Sirindorn on 20 October 2006. The Happy Home in Patong Beach is currently home to 19 street children. A new life has begun for them with regular school attendance, advice and support as well as loving care and attention from the guardians in the Happy Home.

The Holiday Inn Resort in Phuket will continue to care for these children in future and is currently looking for apprenticeship training positions for the older children. There is a Happy Home Committee in our town that meets once a month with World Vision to organize further aid for the children's education and training.

Is the financial future of the Happy Home safe?

The current financing for the Happy Home has a firm foundation. The support provided by OVB for the first five years is a great relief. If the Happy Home continues

to be so successful we will soon have to start thinking about an extension. In this case we would, of course, require substantially more funds.

The difficulty with financing projects set up in the wake of the tsunami lies in a certain weariness of donations. This is the result of negative headlines about misappropriated donations. Which is why we always ensure that the Happy Home is run according to the strictest rules of accounting and accounts can be rendered for all costs at any time. We have an obligation to our donors to use their money for the good of the children. We believe that it is very important to co-operate with partners such as the Intercontinental Hotel Group and OVB as sponsors. In this way we can demonstrate to outsiders that we take our obligation seriously.

I would like to express my warmest thanks for your help and will keep you informed of the progress of children in the Happy Home.

Phuket Direct Fund Association

WEBSITE

www.phuketdirectfund.org

PURPOSE OF THE ASSOCIATION

Financial support for people affected by the flood catastrophe on 26 December 2004 (tsunami victims) for the areas Khao Lak, Phuket, Krabi, PhangNga in Thailand through donations.

FOUNDERS

Niklaus Siegrist, AIG Private Bank, Zurich
 Uschi and Karl Passen, Passen & Partner, Rapperswil
 Rainer Landert, Fund-Academy, Zurich
 Romana and Thomas Hauser, HDK Haus der Kommunikation, Zollikon

EXECUTIVE BOARD OF THE ASSOCIATION

President: Niklaus Siegrist
 Vice-President: Thomas Russenberger
 Treasurer + Secretary: Désirée Hofstetter
 Members: Uschi and Karl Passen
 Dr. Rainer Landert
 Romana and Thomas Hauser

TAX EXEMPTION

Since the association pursues non-profit-making aims it has been exempted from all taxes by the tax office of Canton Zurich. Your personal donation is thus tax-deductible. As soon as the money is received on the association's account you will receive a receipt for the donation from the Phuket Direct Fund Association which you can enclose with your tax return.

DONATIONS

For payments in Swiss francs:
 PC account 80-8313-1, note "Phuket Direct Fund"
 Account no.: 6513100
 For payments in euros:
 ABN Amro Bank, Amsterdam, account no. 611316064
 Recipient: "AIG Private Bank AG"
 Note to payee: "Phuket Direct Fund"
 IBAN: CH88 0826 0651 3100 J000 A (account no.: 6513100)

OFFICE

Verein Phuket Direct Fund
 Pelikanstrasse 37, P.O.Box 1376, CH-8021 Zurich

COORDINATION

Désirée Hofstetter, AIG Private Bank, Zurich
 Phone +41 44 227 55 16, Fax +41 44 227 55 25
 E-mail: desiree.hofstetter@aigpb.com

ADMINISTRATION AND MANAGEMENT

All administrative and management costs for the Phuket Direct Fund Association are borne by the founders and AIG Private Bank.

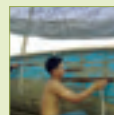
DONATIONS ALREADY PROMISED FOR 2007

PHUKET DIRECT FUND

in Swiss francs

AIG Privat Bank	25 000
Niklaus Siegrist and Gary Greig	3 000
HDK Haus der Kommunikation, Romana und Thomas Hauser	3 000
Passen & Partner, Uschi und Karl Passen	3 000
Fund-Academy, Rainer Landert	2 000

All Projects at a glance



PROJECT 1 (January 05)
 Rotary Club of Patong Beach
CHF 45 000



PROJECT 2 (January 05/September 06)
 Khao Lak Help Projects
CHF 7 000



PROJECT 3 (March 05)
 Support for older people in need
CHF 6 000



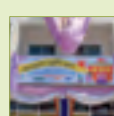
PROJECT 4 (April 05)
 Soi Dog Foundation Phuket
CHF 11 000



PROJECT 5 (May 05)
 North Andaman Tsunami Relief (NATR)
CHF 23 000



PROJECT 6 (November 05)
 School sponsorship for 21 orphans
CHF 17 000



PROJECT 7 (May 06)
 Children's Happy Home
CHF 16 000



PROJECT 8 (July 06)
 Phuket International Women's Club
CHF 36 000



PROJECT 9 (August 06)
 NATR Youth and adult training
CHF 28 000

YOUR DONATION IS ALWAYS WELCOME

The Phuket Direct Fund Association remains dependent on donations to support long-term projects that look after and train numerous orphans, children and young people in need.

Every single penny that is donated to the PC account number 80-8313-1 at AIG Private Bank in Zurich, quoting "Phuket Direct Fund" and "account no. 6513100.001", directly benefits the affected people in Phuket and the surrounding area.