

Unaudited proforma opening balance sheet Lonza Group Ltd at 30 June 1999 in CHF	Assets	June 30, 1999
	Fixed assets	
	Intangible assets	12 277 856
	Property, plant and equipment	1
	Investments	1 043 688 858
	Total fixed assets	1 055 966 715
	Current assets	
	Accrued income	-
	Cash	45 612
	Total current assets	45 612
	Total assets	1 056 012 327
	Liabilities and shareholders' equity	
	Shareholders' equity	
	Share capital	100 000
	General and legal reserve	1 054 918 341
	Surplus current year	-
	Total shareholders' equity	1 055 018 341
	Liabilities	
	Liabilities to Alusuisse Lonza Group Ltd	50 000
	Provision	943 986
	Total liabilities	993 986
	Total liabilities and shareholders' equity	1 056 012 327

**Basis of preparation
of the proforma
balance sheet
at 30 June 1999**

1. General Assumption

The proforma balance sheet of the Lonza Group Ltd reflect the assumption that the transfer from Alusuisse Lonza Group Ltd to Lonza Group Ltd of those investments involved in chemicals and energy listed in Appendix 1 of the Separation and Demerger Agreement and other assets (mainly intangible assets belonging to the chemical business and the Headquarters in Zurich) would had happened as of 30 June 1999.

2. Accounting principles

The accounting principles considered in establishing the proforma balance sheet are in accordance with Swiss Law.

3. Increase in share capital

After the separation of algroup's chemicals and energy business from algroup, algroup will demerge Lonza Group Ltd and thus the business to its shareholders as described at page 24 and following.

According to above the planned increase of capital of Lonza Group Ltd by issuing a maximum of 6,616,796 new shares with a nominal value of CHF 10.- each for a maximal amount of CHF 66,167,960 has not been included in the balance sheet of Lonza Group Ltd as at 30 June 1999.

4. Cash injection by Alusuisse Lonza Group Ltd

Under the terms of the Separation and Demerger Agreement between algroup and Lonza Group, algroup is required to transfer over to Lonza Group, together with all of the chemicals and energy businesses and the other assets referred in note 1 above, the sum of US\$ 234 million in cash, US\$ 167 million of which may be required to be returned to algroup in the event that the merger between algroup and others is not fully consummated as described in the separation and demerger agreement. This amount of cash has not been included in the balance sheet of Lonza Group Ltd as at 30 June 1999.

5. Net debt

The proforma balance does not include the net debt to be contributed to Lonza Group Ltd in order to achieve the debt free status as described in the Separation and Demerger Agreement.