FULL-YEAR REPORT 2006

Financial highlights * million CHF	2005	2006
Sales	2 521	**2 914**
Change in %		15.6
EBITDA	484	**552**
Change in %		14.0
Margin in %	19.2	**19.0**
Result from operating activities (EBIT)	297	**344**
Change in %		15.8
Margin in %	11.8	**11.8**
Net income	188	**222**
Change in %		18.1
Cash flow before change in net working capital	386	**429**
Change in %		11.1
RONOA in %	10.9	**12.2**
Net debt	962	**913**
Debt-equity ratio	0.65	**0.57**
Change in %		(12.3)
EPS basic (CHF)	3.97	**4.69**
Change in %		18.1
EPS diluted (CHF)	3.87	**4.30**
Change in %		11.1
Number of employees	5 984	**6 146**
Change in %		2.7

* For further detail, please see the expanded chart on page 14.

Lonza extends its successful track record by delivering an 18.1% increase in net income (CHF 222 million) and has accelerated the strategic shift to the life-science sector.

EBIT in 2006 increased to CHF 344 million (+15.8%), compared with CHF 297 million the previous year. The main driver behind these positive results was the continuing improvement in the performance of our Biopharmaceuticals activities. Sales reached CHF 2 914 million, up 15.6% from the 2005 figure. Approximately half of this increase resulted from higher raw material prices. Good progress was made on the implementation of our strategy in 2006, which led to an enhancement of our guidance. The Board of Directors is proposing a dividend of CHF 1.50 per share.

Overview The 2006 business year was characterized by successfully transforming our portfolio to the life-sciences which will make up 90% of our sales in 2007. Divestiture of non-life-science activities (Polynt S.p.A. and LOFO GmbH) and acquisitions in the life-science sector (Peptides, mammalian mid-scale capacity in Porriño, Spain and pending close of Cambrex Bio-businesses) is expected to create significant value and increase Lonza's presence in high-margin, high-growth businesses.

The Group's 2006 operating income margin was maintained at 11.8%, while RONOA improved to 12.2% as compared to 10.9% in 2005. Cash flow before change in net working capital increased from CHF 386 million in 2005 to CHF 429 million in 2006.

Net working capital (NWC) in relation to sales declined from 31% to 26%, demonstrating effective implementation of the NWC reduction project that was initiated at the beginning of 2006.

Strategy The strategic projects designed to deliver sustainable, above-average, profitable growth were effectively executed in the reporting year as planned. The highlights of 2006 are summarized below:

Biopharmaceuticals
- Construction of a large-scale mammalian manufacturing facility was initiated in Singapore, a pioneering project in the south-east Asia region. Genentech has an exclusive option to buy this plant.
- Lonza will build a second 80 000 L mammalian cell culture manufacturing facility in Singapore.
- The fourth 20 000 L bioreactor in Portsmouth, NH (USA) came on stream ahead of schedule in May 2006.
- Laboratory space and clinical production capacity was expanded in Slough (UK).
- In November of 2006, the first of the two 15 000 L microbial bioreactors in Visp (Switzerland) was started up on schedule in cooperation with UCB.
- The acquisition of a mid-scale mammalian cell culture facility (4 x 10 000 L) was completed in Porriño (Spain).
- Successful demonstration of effective large-scale production capability using cell culture-based starting material for vaccines.

Exclusive Synthesis

- The Lonza Braine peptides business was successfully integrated.
- The active pharmaceutical ingredient (API) facility and small-scale plant expansion projects in China are on track.
- The drying line in the new API building in Visp (Switzerland) has been operational since December 2006.
- Production modifications for the fermentation of high-end enzymes at the Kouřim (CZ) facility are on schedule.

Organic Fine & Performance Chemicals

- Amine capacity expansion, based upon new and innovative technology, in Mapleton, IL (USA) in order to secure market leadership in North America is well under way.
- The engineering of an amines production base in China to service the Asian market has been initiated.
- The integration of the Larch Arabinogalactan business, acquired in May 2006, into the Nutrition business unit was completed.

Polymer Intermediates (Polynt S.p.A.)

- The financial figures for this division are included until October 30, 2006.
- The initial public offering was completed (including Greenshoe) at the beginning of November 2006.
- Lonza retains a 31% minority stake in Polynt S.p.A.
- The purified isophthalic acid plant in Singapore is retained by Lonza.

Lonza Group

- As planned, the capital expenditure of CHF 371 million (excluding acquisitions) was higher than in the previous year (CHF 272 million) due to strategic projects.

Outlook All major strategic projects are fully on track. In addition to the projects announced in 2006, new opportunities were identified, as well as challenges which are being addressed. Major investments for organic growth projects are the primary drivers for delivering sustained profitable growth rates in the long term. Some examples of future development projects are:

- Multi-purpose shell expansion in Portsmouth, NH (USA).
- Reactivation and expansion of a previously mothballed reactor in Portsmouth, NH (USA), to deliver 5 000 L capacity.
- Potential construction of a third production line at the large-scale microbial plant in Visp (Switzerland).
- Detailed preliminary study and basic design development for a vaccines plant in Portsmouth, NH (USA).
- Additional capacity for the synthesis of highly active pharmaceutical ingredients.

The integration of acquisitions and one-time cost of strategic projects will amount to approximately CHF 35 million in 2007.

Annual overall investment will be between CHF 350 and 500 million for the next years.

As a result of sound execution of our long-term strategy, Lonza expects:
– Sales growth of 8 - 12% per year
– EBIT growth mid to high teens
– Project pipeline fully aligned to support growth expectations

Visibility of contracts and projects, together with economic conditions, supports continuous growth until 2012.

Net debt and bonds In February 2006, the CHF 375 million straight bond issued in 2003 by Lonza Group Ltd was repaid in full. At the end of June 2006, the CHF 300 million convertible bond issued in 2002 by Lonza Finance Limited, Jersey, was also paid back in full. Both bonds were successfully refinanced in the second half of 2005 at attractive conditions.

Net debt decreased to CHF 913 million compared to CHF 962 million at the end of 2005. The decrease of the net debt is mainly related to the listing of 69% of Polynt S.p.A. (formerly Lonza SpA) on the Italian Stock Exchange.

The debt-equity ratio improved to 57% despite the acquisitions in Braine-l'Alleud (Belgium) and Porriño (Spain). This ratio will remain well below our threshold of 100%, even after the completion of the acquisitions of two Bio-businesses from Cambrex which is expected in the first quarter of 2007.

People Lonza increased its focus on leadership development, with the creation of a Career Development Center designed to develop future leaders for senior management positions. With the full support and participation of the Management Committee, the leadership skills of our most promising talents were assessed and individual development plans implemented. In addition, a further one hundred talented members of the next levels of management underwent an online assessment and similar individual development plans were put in place. Beyond leadership development, our efforts focused on improving management skills, legal compliance, continuous improvement of our sales and marketing skills and the increased use of online learning tools.

Senior Management Changes Lukas Utiger assumed the role of Head of the Organic Fine & Performance Chemicals division on August 1, 2006.

Effective January 1, 2007, Uwe H. Böhlke joined Lonza as a Management Committee Member and Head of the Exclusive Synthesis business sector.

We wish to take this opportunity to express our sincere gratitude to our shareholders and our customers for the trust they have placed in us over the years. We also owe a particular word of thanks to all Lonza employees, old and new, for their outstanding efforts and vital contributions to the successful implementation of our growth strategy.

At Lonza we remain faithfully committed to our vision. Our passion is to deliver sustainable value to our customers.

Rolf Soiron
Chairman of the Board

Stefan Borgas
Chief Executive Officer

million CHF	2005*	2006
Sales	803	**1 073**
Change in %		33.6
Change due to		
Volume and prices		206
Currency translation		7
Scope of consolidation		57
Result from operating activities (EBIT)	142	**193**
Change in %		35.9
Margin in %	17.7	**18.0**
EBITDA	229	**295**
Change in %		28.8
Margin in %	28.5	**27.5**

* The prior year was restated due to reclassification of the agro business from the "Exclusive Synthesis & Biopharmaceutical" segment to the "Organic Fine & Performance Chemicals" segment as a result of the change in management structure.

Exclusive Synthesis & Biopharmaceuticals

With sales of CHF 1 073 million, 33.6% above the previous year, the custom manufacturing activities (Exclusive Synthesis & Biopharmaceuticals) achieved an operating income of CHF 193 million, 35.9% higher than in 2005. Operating margin improved from 17.7% to 18.0%. These results are mainly due to the strong development of the Biopharmaceuticals business sector.

Exclusive Synthesis Sales of the Exclusive Synthesis business sector amounted to CHF 605 million (CHF 445 million in 2005). The growth was delivered mainly by a larger volume of active pharmaceutical ingredients (API) and regulated intermediates for cardiovascular and HIV indications, as well as the contributions of the acquired Lonza Braine peptides business.

Despite very high asset utilization at all sites, production issues at our site in Visp (Switzerland) very early in the year and manufacturing challenges at our facilities in Braine-l'Alleud (Belgium) and Conshohocken, PA (USA) in the second half had a negative impact on the business sector's performance. After implementation of specific corrective actions, operations in Visp have been performing at or above budget levels. Similarly, aggressive action plans have been developed for Braine and Conshohocken in order to resolve the operational challenges. Process and portfolio optimization concepts were further expanded in 2006; several optimization projects were completed in the course of the year, delivering or exceeding the expected results.

Overall market conditions in the area of chemical custom manufacturing remained difficult throughout 2006. Few new drug approvals, the patent expiration of mature products, persisting overcapacity and competitive pressure from Asian producers were the main reasons for this situation. In 2006, a consolidation trend in the CMO (Custom Manufacturing Organizations) area became apparent. Gradual restructuring at the major pharmaceutical companies, with shutdown or divestiture of their own production, might lead to increased outsourcing. The trend initiated by customers to ask for longer-term commitments for production capacity has become evident during the year.

In order to ensure future growth and offer our customers alternative production capabilities, we undertook a series of capital investment projects in 2006. Noteworthy developments include:
– Additional capacity at the API plant in Visp (Switzerland) has become operational, while a new HAPI line (highly active pharmaceutical ingredients) will come on stream in 2007.
– Construction of the new API facility and the small-scale plant (SSP) in Nansha Guangzhou (China) is progressing according to schedule.
– In Kouřim (Czech Republic), production modifications for the fermentation of high-end enzymes are being implemented.
– Integration of Lonza Braine S.A. (formerly UCB-Bioproducts), with its peptide activities, was completed in December 2006.

The R&D portfolio pipeline comprises a total of 157 projects. The number has increased thanks to the incorporation of Lonza Braine's peptide activities and the full staffing of the new R&D center in Nansha with 45 skilled scientists.

Biopharmaceuticals The Biopharmaceuticals business sector generated sales of CHF 468 million in 2006 (CHF 358 million in 2005). The Biopharmaceuticals business including Mammalian Operations, Microbial Operations and Biopharma Services delivered a significant performance improvement. High capacity utilization (small-, medium- and large-scale bioreactors), further improved batch success rates and the strongly increasing demand for our R&D services were the main drivers behind this positive development.

A major achievement during 2006 was the licensing by the US Food and Drug Administration (FDA), the European Medicines Agency (EMEA) and the Japanese Pharmacopoeia of the Portsmouth, NH (USA) large-scale mammalian cell culture facility for the production of Bristol-Myers Squibb's Orencia® and Genentech's Rituxan®.

Growing demand and a strong project pipeline supported a number of expansion projects and related transactions. The milestones reached in 2006 include:

– The fourth 20 000 L bioreactor in Portsmouth, NH (USA) was started ahead of schedule in May 2006.
– The first (of two) 15 000 L microbial bioreactor was started on schedule in Visp, in cooperation with UCB.
– Expansion of the laboratory space and development capacity in Slough (UK) was completed.
– Construction of a large-scale mammalian manufacturing facility was initiated in Singapore, a pioneering project in the south-east Asia region. Genentech has an exclusive option to buy this plant.
– Lonza will build a second 80 000 L mammalian cell culture manufacturing facility in Singapore.
– Acquisition of Genentech's 4 x 10 000 L mammalian cell culture facility in Porriño (Spain), which is dedicated in the short term to the production of Genentech's Avastin® (bevacizumab) bulk drug substance, was completed.
– The acquisition of Cambrex's Microbial Biopharmaceuticals business was announced, which will further strengthen our microbial small/mid-scale production capabilities and the project development pipeline. We anticipate closing for Q1 2007.

million CHF	2005*	2006
Sales	973	**1 075**
Change in %		10.5
Change due to		
Volume and prices		100
Currency translation		2
Scope of consolidation		0
Result from operating activities (EBIT)	130	**130**
Change in %		0.0
Margin in %	13.4	**12.1**
EBITDA	189	**197**
Change in %		4.2
Margin in %	19.4	**18.3**

* The prior year was restated due to reclassification of the agro business from the "Exclusive Synthesis & Biopharmaceuticals" segment to the "Organic Fine & Performance Chemicals" segment as a result of the change in management structure.

Organic Fine & Performance Chemicals

The division's sales reached CHF 1 075 million (CHF 973 million in 2005) and exceeded the previous year's sales figure by 10.5%. This increase mainly reflects price adjustments in response to high raw material and energy costs. Operating income remained at CHF 130 million while the operating margin fell to 12.1% (13.4% in 2005). The time lag between the increases in raw material and sales prices had a negative impact on the division's margin development.

Nutrition The demand for nicotinates (vitamin B3) for food and pharmaceutical applications remained strong throughout the year, sustained by the positive price development. Sales volumes of feed grade nicotinates exceeded last year's levels, with improvements in product prices.

The L-Carnitine product lines enjoyed a good year. L-Carnipure® (food/pharmaceutical grade L-Carnitine) sales improved, mainly due to sizeable demand in the USA. Carniking® (feed grade L-Carnitine) performed well, especially in the pet food segment.

The DHA (docosahexaenoic acid) business, acquired at the end of 2005, was fully integrated into the Nutrition business unit. Market development in the USA was hampered by intellectual property issues.

Larch Arabinogalactan (LAG) sales for food and dietary supplements were slightly above expectations due to volume increases.

Sales of Meta® Metaldehyde, a specific anti-slug active ingredient, exceeded last year's levels despite growing competition from China and alternative biological products. Development continued on new liquid formulations, mainly for the Asian market, with product registration approvals still pending.

Hygiene/Personal Care/Preservation Our hygiene product range, including raw materials for antimicrobial active ingredients, specialty surfactants and preservatives experienced sufficient demand. However, margins did not meet expectations due to delayed price increases and intense competition, mainly in Europe.

In the personal care area, lower sales volumes were offset by higher margins.

In the water protection segment, stronger sales of patented technologies such as Equinox® aided with the impact of reduced sales of some older products, with an overall increase in profitability. Strong competition from Chinese halohydantoin producers led to decreased volumes.

The wood protection business saw moderate performance from Carboquat®, a product for pressure treatment of wood.

Industrial Specialties Diketene derivatives faced strong competition from Chinese manufacturers, coupled with lower demand. Production capacity was utilized overall. However, margins came under pressure as raw material prices for a series of products increased. Demand for vitamin intermediates was at expected levels.

In the HCN derivatives business, product deliveries to new customers ensured good sales volumes; but here too, competition from China had a negative impact on margins.

Sales in the agrochemicals niche market developed well.

In the high-performance materials business, volume increases and an improved portfolio mix led to higher profitability. The growth was driven particularly by demand from the electronics industry, whereas sales to the aerospace sector developed slower than expected. Several promising new products in the pipeline will contribute to the rejuvenation of the portfolio.

Research & Development There are currently 34 projects in the R&D pipeline in Organic Fine & Performance Chemicals. These include chemicals for pharmaceuticals, agro applications, polymers, nutrition, wood/water protection, hygiene and personal care. In order to strengthen the R&D pipeline, new chemical R&D laboratories were installed at the Nansha Guangzhou site (China). Recruitment has started and later in 2007 a dedicated team of up to 25 scientists will commence work on targeted projects.

million CHF	2005*	2006**
Sales	627	**629**
Result from operating activities (EBIT)	48	**43**
Margin in %	7.7	**6.8**
EBITDA	77	**68**
Margin in %	12.3	**10.8**

* Prior year was restated due to reclassification of Singapore Pte Ltd from the "Polymer Intermediates" segment to the "Other" segment as a result of the change in management structure.

** Results from January until 30 October 2006

[1] The majority of the Polymer Intermediates business was divested on 30 October 2006 via the Polynt S.p.A. IPO on the STAR segement of the Mercato Telematico Azionario (Electronic Stock Market) of the Borsa Italiana S.p.A.. At the end of the reporting year 2006, Lonza held 31% of the shares. Polymer Intermediates sales are reflected in financial figures for 10 months of the fiscal year 2006 in profit and loss statement. Lonza retains the Singapore purified isophthalic acid plant that was previously incorporated in the Polymer Intermediates business.

Polymer Intermediates [1]

For the first ten months of the year, ending in October 2006, the Polymer Intermediates division – Polynt S.p.A. – recorded sales of CHF 629 million, an improvement on the same period last year. Operating income reached CHF 43 million, while the operating margin equaled 6.8%. These results were achieved due to higher selling prices and an improved product mix.

Sales of phthalic anhydride and general-purpose plasticizers for PVC applications increased due to the recovery of the construction and automotive end-market segments in southern Europe.

Demand for maleic anhydride and derivatives, sold to the unsaturated polyester sector in Europe, met expectations. Exports to the USA and the Far East were adversely affected by the strength of the Euro versus the US dollar.

The catalyst business achieved record results thanks to the new catalysts for fixed-bed, butane-based maleic anhydride.

Trimellitic anhydride volumes were in line with expectations. However, exports to US and Asian markets failed to recover due to currency effects. Special plasticizers developed well in Europe, in terms of both sales volume and margin, confirming expectations.

Resins performed well overall as a result of volume increases and stable margins. Sales of compounds were boosted by brisk demand from the electrical and transportation industries.

Research & Development – New catalysts for both phthalic and maleic anhydride plants were added to the development pipeline. Other new developments included resin formulations for applications in the coating industry and new maleic derivatives for use in wind turbines. Time-to-market for new plasticizers was reduced to sixty days, offering greater competitive advantages to customers.

Holdings and Other

million CHF	2005*	2006
Sales	118	**137**
Change in %		16.1
Change due to		
Volume and prices		18
Currency translation		1
Scope of consolidation		0
Result from operating activities (EBIT)	(23)	**(22)**
Margin in %	(19.5)	**(16.1)**
EBITDA	(11)	**(8)**
Margin in %	(9.3)	**(5.8)**

* Prior year was restated due to reclassification of Singapore Pte Ltd from the “Polymer Intermediates” segment to the “Other” segment as a result of the change in management structure.

Condensed consolidated balance sheet at 31 December 2006 million CHF	2005	2006
Fixed assets	2 382	2 599
Long-term loans and advances	12	12
Total fixed assets	**2 394**	**2 611**
Current assets	1 285	1 071
Short-term advances and other financial assets	6	13
Cash and cash equivalents	646	217
Total current assets	**1 937**	**1 301**
Total assets	**4 331**	**3 912**
Equity attributable to equity holders of the parent	1 490	1 607
Minority interest	0	0
Total equity	**1 490**	**1 607**
Long-term liabilities	570	464
Long-term debt	757	923
Total long-term liabilities and provisions	**1 327**	**1 387**
Short-term liabilities	645	686
Short-term debt	869	232
Total current liabilities and deferred items	**1 514**	**918**
Total liabilities and equity	**4 331**	**3 912**

Condensed consolidated income statement million CHF	2005 Continuing operations	2005 Discontinued operation	2005 Total	2006 Continuing operations	2006 Discontinued operation	2006 Total
Sales	**1 894**	**627**	**2 521**	**2 285**	**629**	**2 914**
Cost of goods sold	(1 414)	(546)	(1 960)	(1 721)	(561)	(2 282)
Gross profit	**480**	**81**	**561**	**564**	**68**	**632**
Other operating expenses	(231)	(33)	(264)	(263)	(25)	(288)
Goodwill impairment	0	0	0	0	0	0
Result from operating activities (EBIT)	**249**	**48**	**297**	**301**	**43**	**344**
Financial result	(50)	(3)	(53)	(50)	(2)	(52)
Profit before income taxes	**199**	**45**	**244**	**251**	**41**	**292**
Income taxes	(38)	(18)	(56)	(52)	(17)	(69)
Profit after income taxes before gain / (loss) on discontinued operation	**161**	**27**	**188**	**199**	**24**	**223**
Gain / (loss) on sale of discontinued operation, net of taxes		0	0		(1)	(1)
Profit for the period	**161**	**27**	**188**	**199**	**23**	**222**
Attributable to:						
Equity holders of the parent	—	—	188	—	—	222
Minority interest	—	—	0	—	—	0
Profit for the period	—	—	**188**	—	—	**222**
	CHF	CHF	CHF	CHF	CHF	CHF
Basic earnings per share	3.40	0.57	3.97	4.20	0.49	4.69
Diluted earnings per share	3.33	0.54	3.87	3.88	0.42	4.30

Condensed consolidated cash flow statement million CHF	2005	2006
Profit for the period	**188**	**222**
Adjustment for non-cash items	280	321
Income taxes and interests paid	(82)	(114)
Cash flow before change in net working capital	**386**	**429**
(Increase)/decrease of net working capital	(19)	22
Increase/(decrease) of other payables net	46	(26)
Net cash (used for) provided by operating activities	**413**	**425**
Purchase of fixed assets	(258)	(371)
Acquisition of subsidiaries, net of cash acquired	0	(212)
Disposal of subsidiary, net of cash disposed of	0	16
Disposal of discontinued operation, net of cash disposed of	0	141
Net purchase of other assets and disposals	13	31
Interests and dividend received	24	22
Net cash (used for) provided by investing activities	**(221)**	**(373)**
(Decrease)/increase of capital	0	0
Issue of bond	722	0
Repayment of convertible and straight bond	0	(675)
(Decrease)/increase in debt	(296)	169
(Decrease)/increase in other long-term liabilities	49	93
Company contribution for employee shares	(2)	(3)
Purchase of treasury shares	0	(3)
Dividends paid	(62)	(61)
Net cash (used for) provided by financing activities	**411**	**(480)**
Effect of currency translation on cash	3	(1)
Net (decrease)/increase in cash and cash equivalents	**606**	**(429)**
Cash and cash equivalents at 1 January	40	646
Cash and cash equivalents at 31 December	646	217

Condensed consolidated statement of changes in equity million CHF	2005	2006
Changes in total equity		
Beginning of year	**1 285**	**1 490**
Gains / (losses) recognized directly in equity	79	(46)
Profit for the period	188	222
Total recognized income and expense for the period	**267**	**176**
Dividend	(62)	(61)
Equity-settled transaction	3	6
Transfer of employee shares	(2)	(1)
Acquisition of treasury shares	(1)	(3)
End of year	**1 490**	**1 607**

Selected explanatory notes

1. Accounting principles

Basis of preparation of financial statements These condensed financial statements are the audited consolidated financial statements for the twelve-month period ended 31 December 2006 that are prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

Changes in accounting policies The following new and revised standards and interpretations have been issued being effective for the reporting year 2006:
- Amendment to IAS 19 - Employee Benefits: Actuarial Gains and Losses, Group Plans and Disclosures
- Amendments to IAS 39 - Financial Instruments: Recognition and Measurement:
  - Cash Flow Hedge Accounting of Forecast Intragroup Transactions
  - The Fair Value Option
  - Financial Guarantee Contracts (also applies to IFRS 4)
- Amendment to IAS 21 - The Effects of Changes in Foreign Exchange Rates
- IFRS 6 - Exploration for and Evaluation of Mineral Resources
- IFRIC 4 - Determining whether an Arrangement Contains a Lease
- IFRIC 5 - Rights to Interests arising from Decommissioning Restoration and Environmental Rehabilitation Funds
- IFRIC 6 - Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment

With the exception of additional disclosures, the new and revised standards had no impact on the consolidated financial statements for the year 2006.

2. Exchange rates

Balance sheet period-end rate CHF	31 12 05	31 12 06
US dollar	1.31	1.22
Pound sterling	2.26	2.40
Euro	1.56	1.61

Income statement full-year average rate CHF	2005	2006
US dollar	1.24	1.25
Pound sterling	2.26	2.31
Euro	1.55	1.57

Financial highlights

million CHF	2005 Continuing operation	2005 Discontinued operation	2005 Total	2006 Continuing operation	2006 Discontinued operation	2006 Total
Sales	**1 894**	**627**	**2 521**	**2 285**	**629**	**2 914**
Change in %				20.6	-	15.6
EBITDA	**407**	**77**	**484**	**484**	**68**	**552**
Change in %				18.9	-	14.0
Margin in %	**21.5**	**12.3**	**19.2**	**21.2**	**10.8**	**19.0**
Result from operating activities (EBIT)	**249**	**48**	**297**	**301**	**43**	**344**
Change in %				20.9	-	15.8
Margin in %	**13.1**	**7.7**	**11.8**	**13.2**	**6.8**	**11.8**
Net income	**161**	**27**	**188**	**199**	**23**	**222**
Change in %				23.6	-	18.1
Cash flow before change in net working capital	**310**	**76**	**386**	**371**	**58**	**429**
Change in %				19.7	-	11.1
Net debt	**-**	**-**	**962**	**-**	**-**	**913**
Debt-equity ratio	**-**	**-**	**0.65**	**-**	**-**	**0.57**
Change in %						(12.3)
EPS basic (CHF)	**3.40**	**0.57**	**3.97**	**4.20**	**0.49**	**4.69**
Change in %				23.5	-	18.1
EPS diluted (CHF)	**3.33**	**0.54**	**3.87**	**3.88**	**0.42**	**4.30**
Change in %				16.5	-	11.1
Number of employees	**4 992**	**992**	**5 984**	**6 146**	**0**	**6 146**
Change in %				23.1	-	2.7

The Full-year Report 2006 is also available in German. The English version prevails.

Annual General Meeting
for the 2006 financial year
28 March 2007, 10.00 am
Congress Center,
MCH Swiss Exhibition Ltd, Basel

Half-year Report 2007
26 July 2007

Full-year Report 2007
23 January 2008

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Forward-looking statements

Forward-looking statements contained herein are qualified in their entirety as there are certain factors that could cause results to differ materially from those anticipated. Investors are cautioned that all forward-looking statements involve risks and uncertainty. In addition to the factors discussed above, among the factors that could cause actual results to differ materially are among others the following: the timing and strength of new product offerings; pricing strategies of competitors; the company's ability to continue to receive adequate products from its vendors on acceptable terms, or at all, and to continue to obtain sufficient financing to meet its liquidity needs; and changes in the political, social and regulatory framework in which the company operates, or in economic or technological trends or conditions, including currency fluctuations, inflation and consumer confidence, on a global, regional or national basis.