

2000 Results Presentation

Annual Press Conference

January 23, 2001

Lonza Group Development Models

Strategic Model 1

■ Focused Fine Chemicals Group

- Focused development in the life science sector by
 - ◆ broadening technology reach
 - ◆ further investment in emerging technologies
 - ◆ intensive efforts at project acquisitions
 - ◆ expansion of geographical coverage
- Concentration on one area of performance chemicals
- Strengthening of building blocks in Intermediates and Additives to further reduce cyclicity of division

Strategic Model 2

■ Broad Specialty Chemicals Group

- Growth in all existing businesses
 - ◆ Custom Synthesis
 - Exclusive Fine Chemicals
 - Biotechnology
 - ◆ Biocides & other Performance Chemicals
 - ◆ Chemical Intermediates
 - ◆ Fine Organic Chemicals
- Addition of new, unrelated chemical businesses
- Alliances with other chemical companies
- Divest where strategically weak

The New Lonza Vision

Our commitment is to be the preeminent supplier to the life sciences industry through chemicals and biotechnology platforms driven by an unrelenting passion

- **to unambiguously deliver value to our customers**
- **to make our employees successful**
- **to continuously improve performance and**
- **to make Lonza a recognized contributor to its communities**

Divisional Sales Development

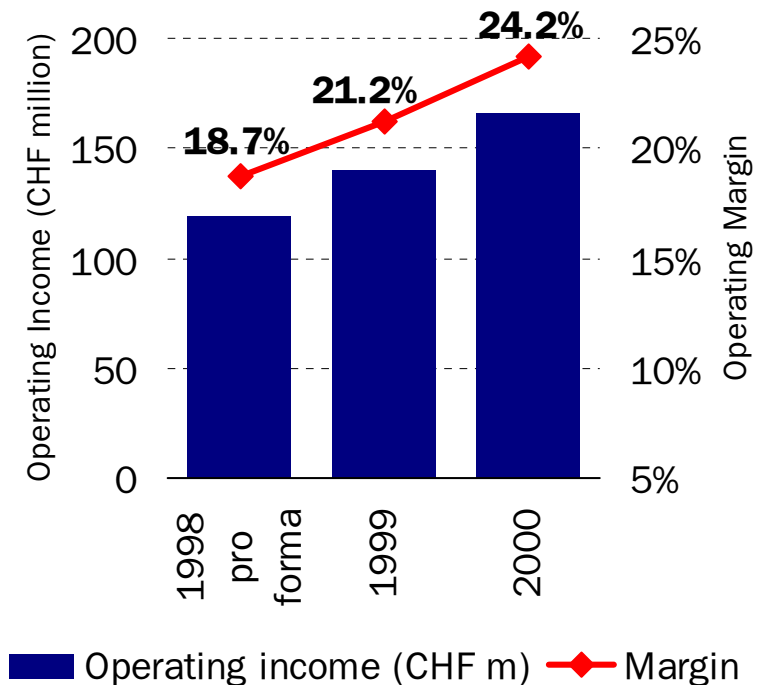
CHF Millions	1999	2000	Change YoY	Change due to		
				Volume & Prices	Currency	Consolidation
Exclusive Synthesis & Biotechnology	659	685	4%	5	21	0
Organic Fine & Performance Chemicals	916	1'013	11%	45	52	0
Holding & Others	0	5	n.m.	5	0	0
Net Sales Group	1'575	1'703	8%	55	73	0

Divisional Operating Performance

CHF Millions	Operating Income			Margin	
	1999	2000	Change YoY	1999	2000
Exclusive Synthesis & Biotechnology	140	166	19%	21.2%	24.2%
Organic Fine & Performance Chemicals	153	167	9%	16.7%	16.5%
Holding and Others	(7)	(6)	14%		
Operating Income Continuing Operations	286	327	14%	18.2%	19.2%
Operating Income Discontinuing Operations	72	84	17%	11.8%	11.1%
Operating Income Group	358	411	15%	n.a.	n.a.

Exclusive Synthesis & Biotechnology

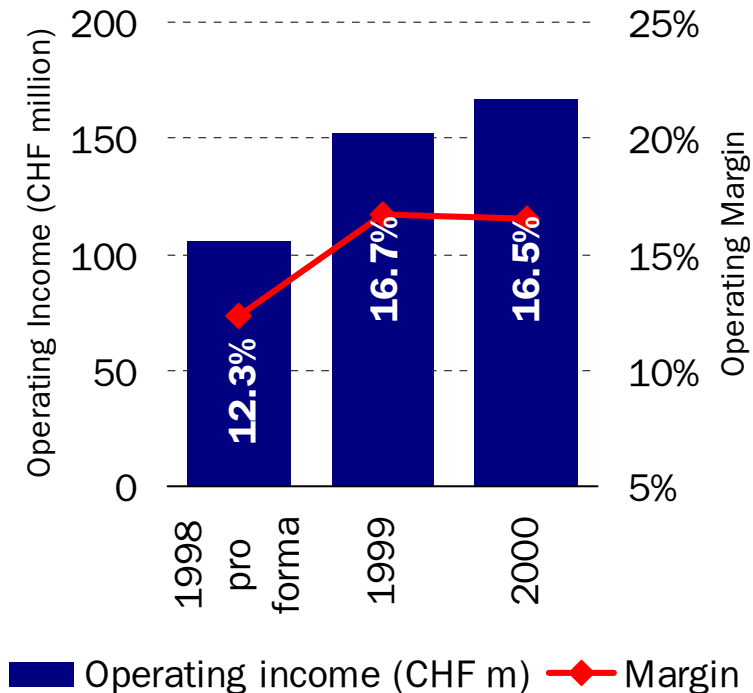
CHF million	2000 Change YoY	
Sales	685	4%
Op. Income	166	19%
<i>Margin</i>	24.2%	
EBITDA	220	19%
<i>Margin</i>	32.1%	



- Operating performance in excess of expectations
 - Full year sales growth of 4% after slow start due to heavy customer call-off's for custom manufactured products in second half
- Operating margins of 24.2% versus 21.2% in 1999

Organic Fine & Performance Chemicals

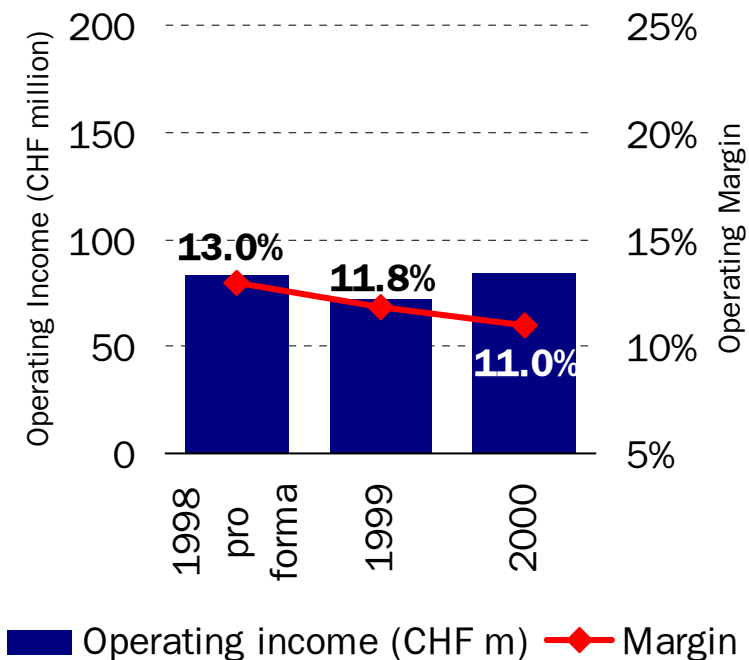
CHF million	2000 Change YoY	
Sales	1'013	11%
Op. Income	167	9%
<i>Margin</i>	16.5%	
EBITDA	228	9%
<i>Margin</i>	22.5%	



- Helped by strong US dollar and strong global economies
 - Sales increased 11%
- Operating income up CHF 15 million; 10% nominally and 5% on a currency equivalent basis

Discontinuing Operations

CHF million	2000 Change YoY	
Sales	756	24%
Op. Income	84	17%
<i>Margin</i>	11.1%	
EBITDA	128	22%
<i>Margin</i>	16.9%	



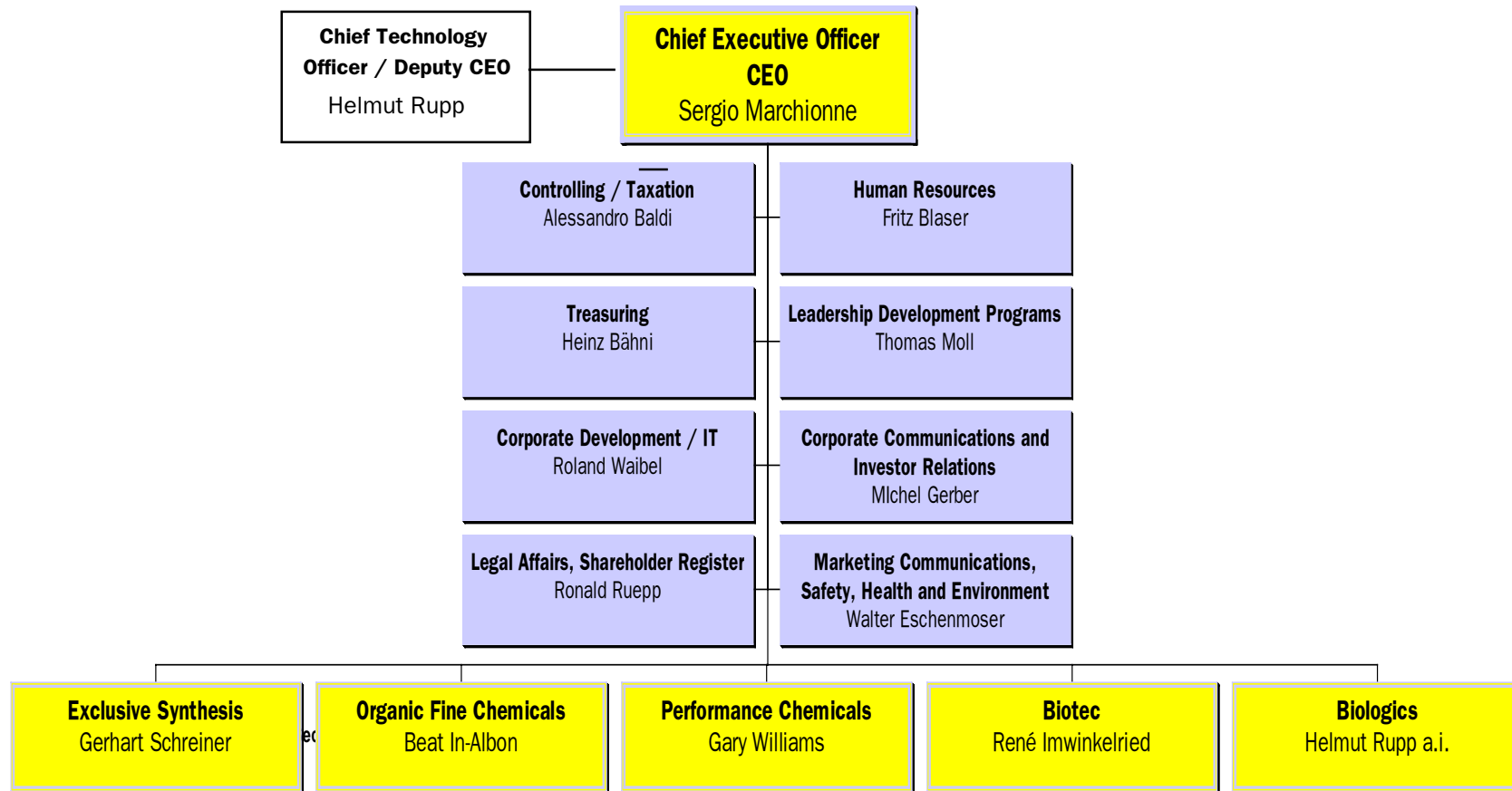
- Recovery in polymer intermediates sales, in part due to market recovery as a result of sector rationalization
- Sales up 24%
 - Margins slightly lower at 11.1%
- Stable energy results

Financial Highlights

chf million	1999	2000	Change YoY
Sales¹	1'575	1'703	8%
EBITDA¹	387	443	14%
<i>EBITDA Margin</i>	24.6%	26.0%	6%
Operating Income continuing¹	286	327	14%
<i>Operating Margin</i>	18.2%	19.2%	6%
Operating Income discontinuing¹	72	84	17%
<i>Operating Margin</i>	11.8%	11.1%	(6%)
Operating Income Group	358	411	15%
<i>Operating Margin Group</i>	22.7%	24.1%	6%
Net Income	273	309	13%
<i>Net Income Margin</i>	17.3%	18.1%	5%
Cash Flow	433	503	16%
Investments	(278)	(190)	32%
Earnings per Share	42.5	48.9	15%
Employees	5'697	5'987	5%

¹ Sales of discontinuing operations of CHF 756 million (1999: CHF 608 million) and operating income of CHF 84 million (1999: CHF 72 million) are excluded from Net Sales, Operating income and EBITDA. All other data, including Net income, include the impact of discontinuing operations

Organization Chart



Outlook 2001

- Global economies are expected to soften during 2001 but
 - *Exclusive synthesis*
 - ◆ Increasing demand from key customers both in development and manufacturing services, as pipeline projects are maturing
 - ◆ 2001 transition year as full R&D pipeline comes on stream
 - *Biotechnology*
 - ◆ Established pipeline will support full plant loading for the year
 - *Organic Fine Chemicals*
 - ◆ Stable performance expected
 - *Performance Chemicals*
 - ◆ Global expansion of predominantly US based position
- Overall results expected to exceed those of 2000

The New Lonza Group

Historical Financial Information

CHF million	1998 pro forma	1999	2000
Sales (cont)	1'516	1'575	1'703
EBITDA (cont)	335	387	443
Margin	22.1%	24.6%	26.0%
Operating Income (cont)	208	286	327
Margin	13.7%	18.2%	19.2%
Net Income (Group)	202	273	309
CAPEX (cont)	194	218	148
Employees (cont)	4'442	4'444	4'625

The New Lonza Group - Financial Targets

	Target 2003
Expected Sales through Organic Growth	> CHF 2.3 bn
Average Annual EPS Growth	15%
Overall Operating Margin	> 22%
Overall EBITDA Margin	> 29%
Target Gearing Level	0.67 : 1
Dividend Payout Ratio	25 - 33%