

2001 Results Presentation

Annual Press Conference

Sergio Marchionne, CEO

Basel 23 January 2002

Strategic Reorientation - Announcement

■ January 2001

- Announcement of strategic reorientation of the Group and the reformulation of its 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 enable our employees to be successful
- to continuously improve performance and
- to make Lonza a recognized contributor to its communities

Strategic Reorientation - Execution

Portfolio Implications - Divestitures

■ Energy

- Sale of assets completed by year-end 2001
- Gross proceeds of CHF 450 million; economic equivalent of CHF 480 million
- Non-recurring pre-tax gain of CHF 101 million

■ Polymer Intermediates

- Discussions in final stage
 - ◆ transaction in two tranches
 - ◆ largest part with PPM Ventures at 5.8x historical EBITDA
 - ◆ completion expected for early part of 2002

■ Gross proceeds for all divestitures in excess of CHF 1 billion

Strategic Reorientation - Execution

Portfolio Implications - Investments

■ Exclusive Synthesis

- Small scale production facility for clinical trial quantities
- Completion expected by first quarter 2003
- Total cost of CHF 20 million

■ Biotechnology - Microbial Fermentation

- Expansion of fermentation volumes by 50% to 150,000 liters in Kourim (CZ)
- Completion expected second half 2003, full capacity utilization expected by 2005
- Upgrade pilot facilities at the Visp plant
- Total Cost of CHF 95 million

Strategic Reorientation - Execution (cont)

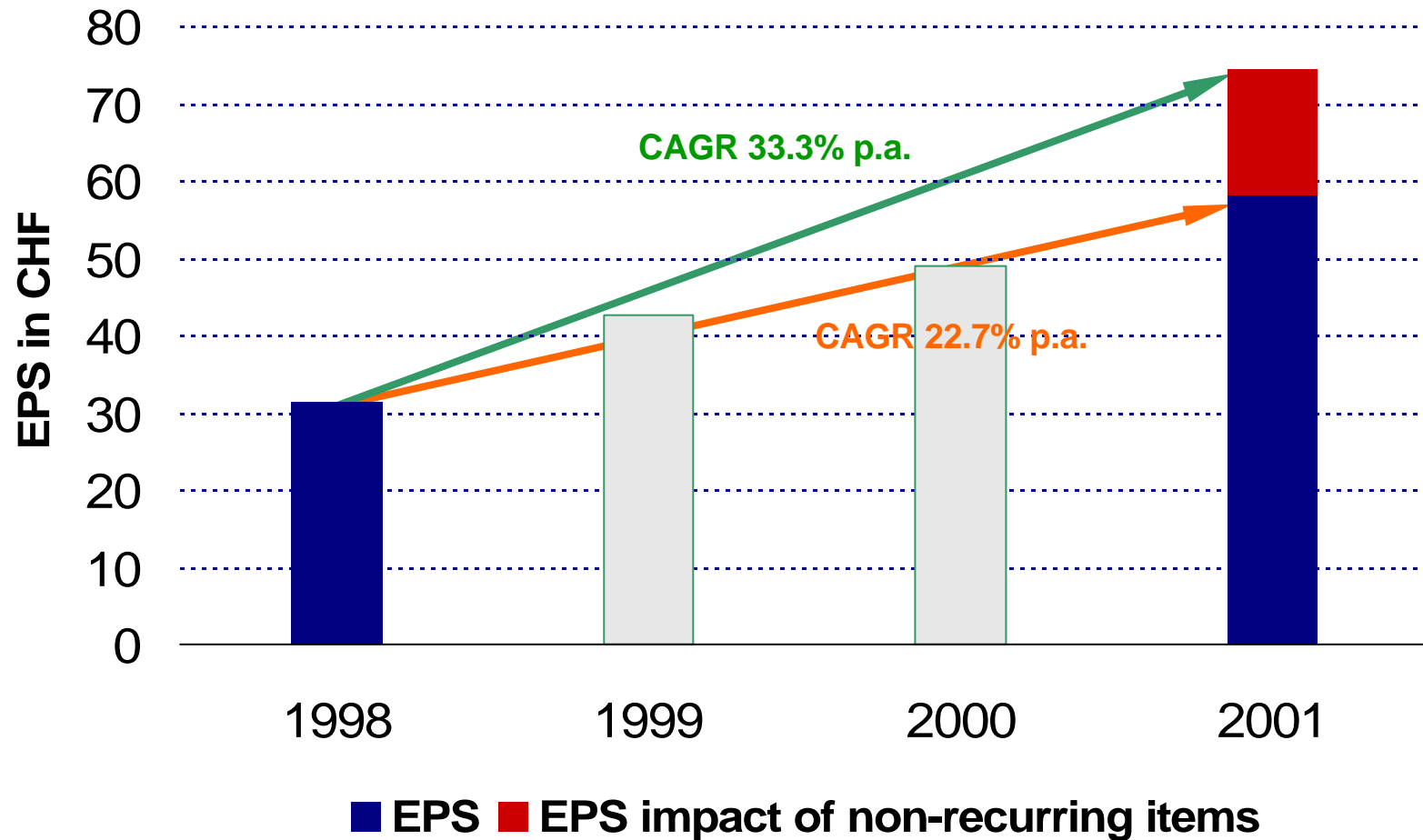
Portfolio Implications - Investments

■ Biotechnology - Mammalian Cell Fermentation

- Four fold expansion of Portsmouth, NH facilities
- 3 x 20,000 liters fermenter and all required downstream processing
- Construction underway, completion by 2003
- 12 - 18 months required for validation and regulatory approvals
- Start up 2004
- Total cost ~US\$ 200 million

After completion of the divestitures, Lonza through its chemical and biotechnology platforms, will be the preeminent Life Sciences driven chemical company worldwide strengthening its position further with the strategic investment projects currently underway

1998 - 2001 EPS Development



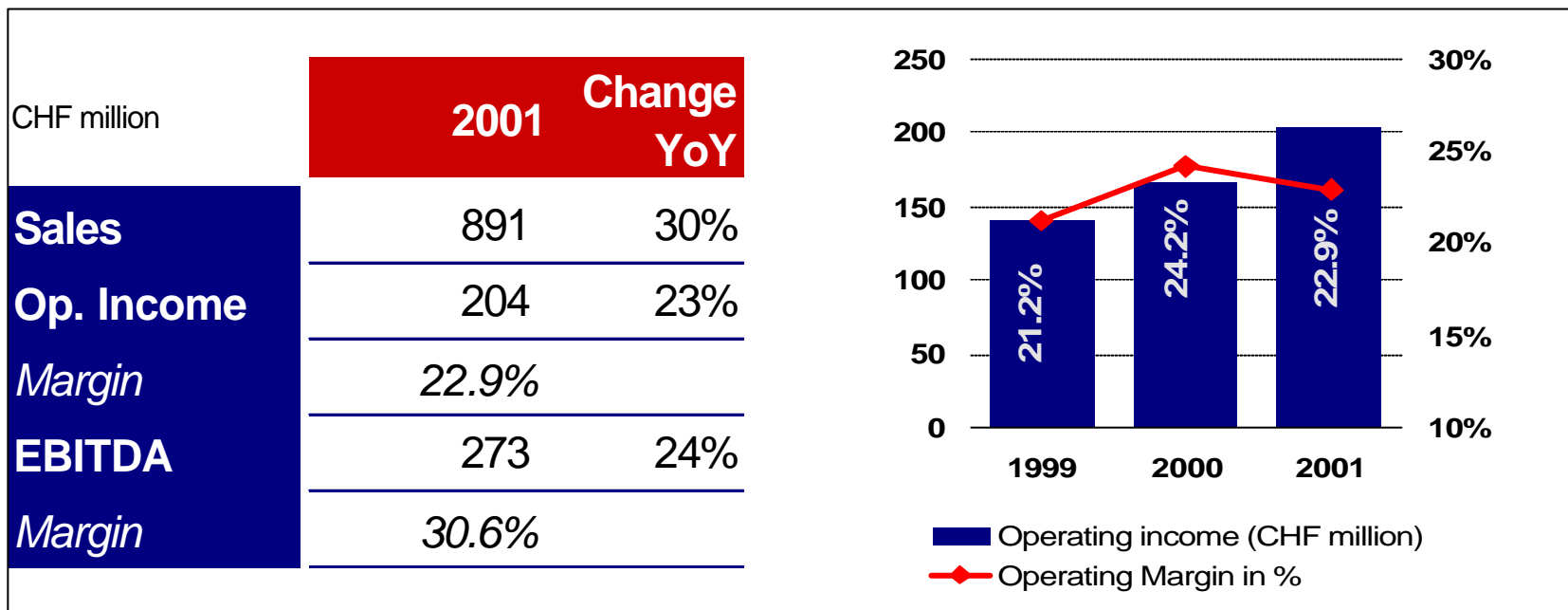
Divisional Sales Development

| CHF million | 2000 | 2001 | Change YoY | Change due to | | |
|---|-------|--------------|------------|-----------------|----------|---------------|
| | | | | Volume & Prices | Currency | Consolidation |
| Exclusive Synthesis & Biotechnology | 685 | 891 | 30% | 215 | (9) | 0 |
| Organic Fine & Performance Chemicals | 1'013 | 973 | (4%) | (38) | (2) | 0 |
| Holding & Others | 5 | 4 | n.m. | (1) | 0 | 0 |
| Net Sales Continuing | 1'703 | 1'868 | 10% | 176 | (11) | 0 |
| Discontinuing Operations | 756 | 750 | (1%) | 11 | (17) | 0 |
| Net Sales Group | 2'459 | 2'618 | 6% | 187 | (28) | 0 |

Divisional Operating Performance

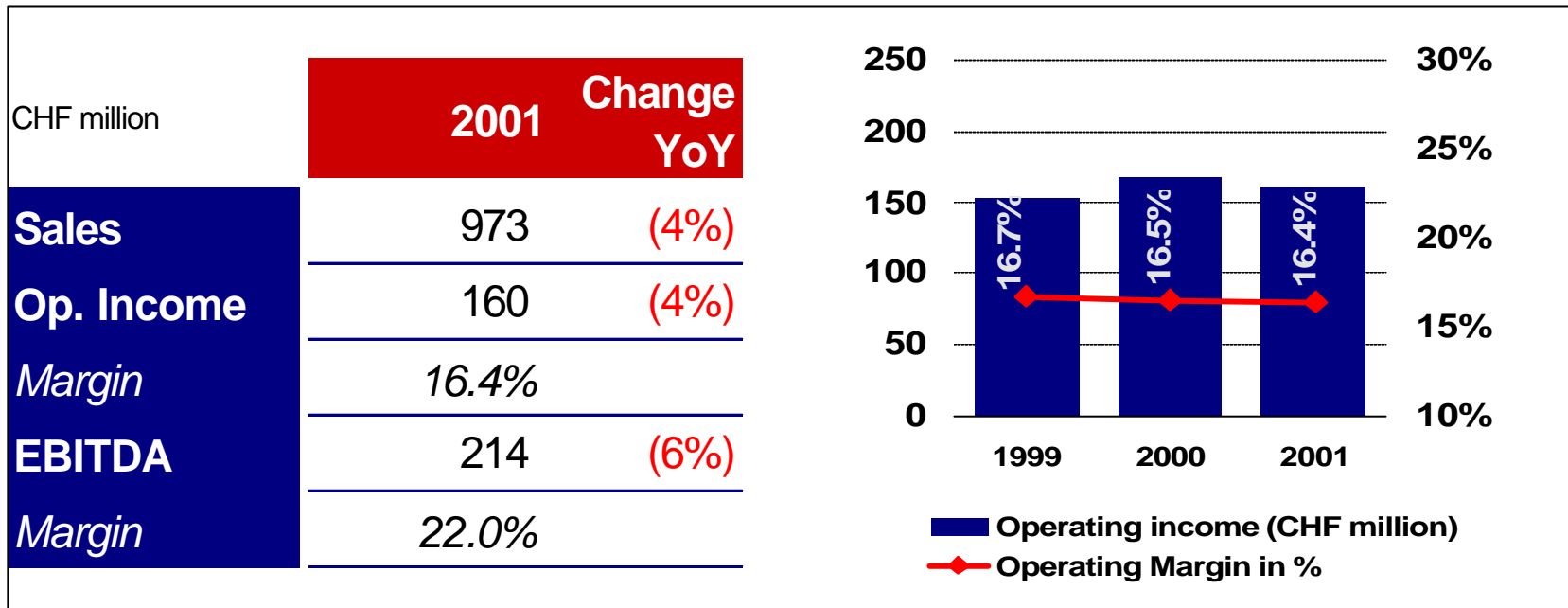
| CHF million | Operating Income | | | Margin | |
|---|------------------|------------|------------|--------|--------------|
| | 2000 | 2001 | Change YoY | 2000 | 2001 |
| Exclusive Synthesis & Biotechnology | 166 | 204 | 23% | 24.2% | 22.9% |
| Organic Fine & Performance Chemicals | 167 | 160 | (4%) | 16.5% | 16.4% |
| Holding and Others | (6) | (7) | n.m. | n.m. | n.m. |
| Operating Income Continuing Operations | 327 | 357 | 9% | 19.2% | 19.1% |
| Operating Income Discontinuing Operations | 84 | 89 | 6% | 11.1% | 11.9% |
| Operating Income Group | 411 | 446 | 9% | 16.7% | 17.0% |

Exclusive Synthesis & Biotechnology



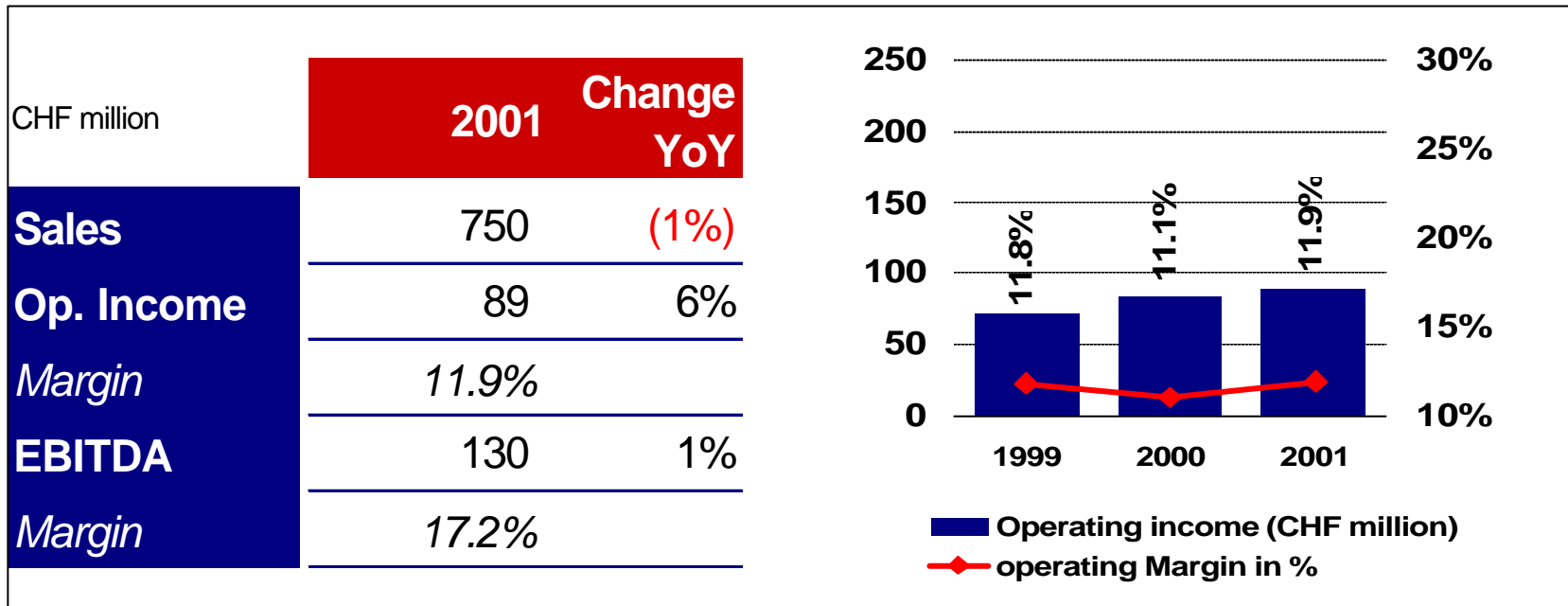
- Sales of CHF 891 million, up 30%
 - good take-offs in established exclusive synthesis products
 - strong growth in biotechnology
- Operating income of CHF 204 million at record levels, up 23%

Organic Fine & Performance Chemicals



- Sales 4% lower at CHF 973 million
 - positive developments in Europe and Asia
 - substantial decline in the US
- Operating margin unchanged at 16.4%

Discontinuing Operations

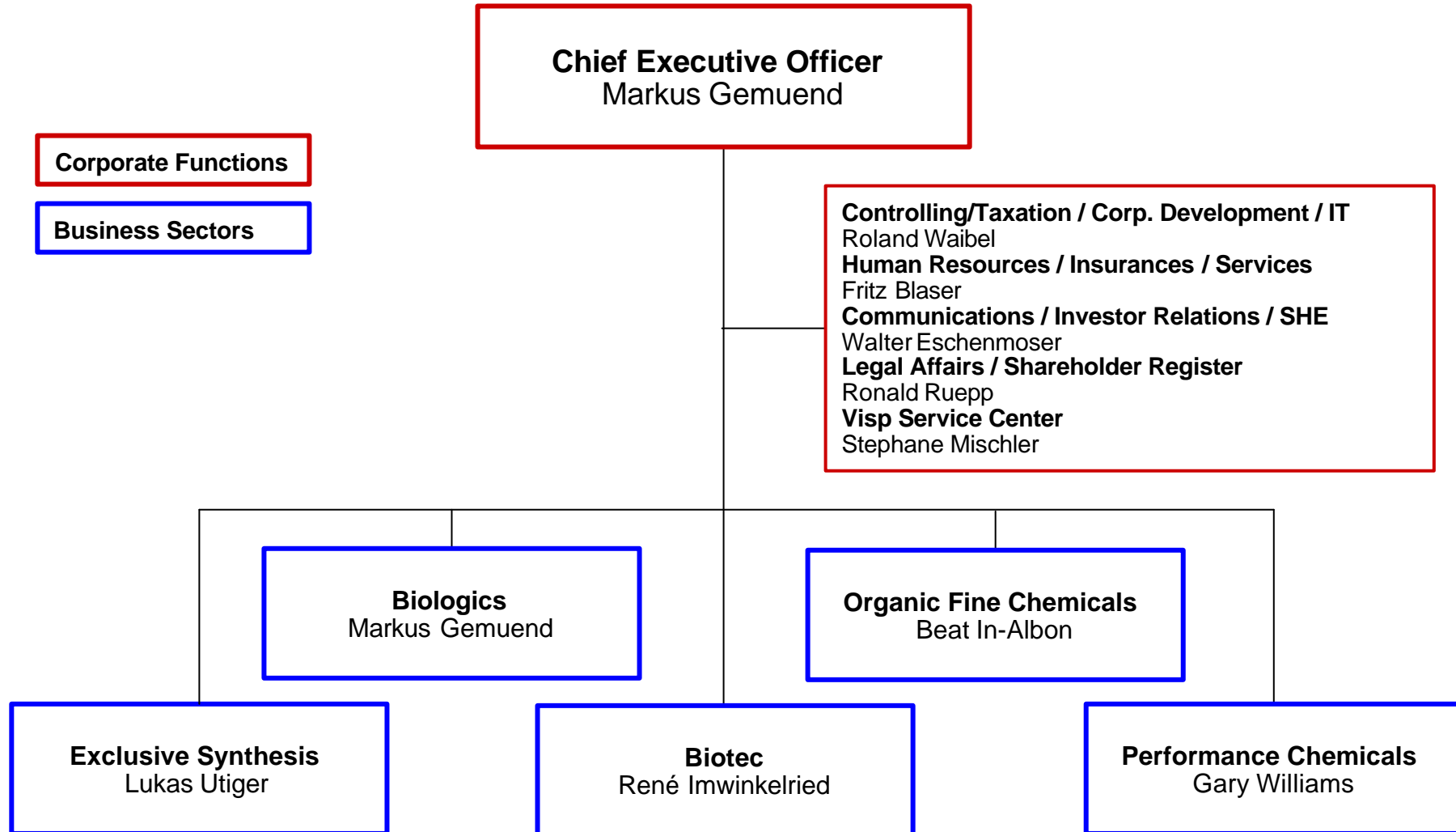


- Sales flat at CHF 750 million
- Continuing recovery in profitability
 - operating income +6% to CHF 89 million
 - operating margin at 11.9% versus 11.1% in 2000

Consolidated Income Statement

| CHF million | 2000 | 2001 | Change YoY |
|---|---------|----------------|------------|
| Net Sales (continuing) | 1'703 | 1'868 | 10% |
| Operating Expenses | (1'376) | (1'511) | 10% |
| Operating Income (continuing) | 327 | 357 | 9% |
| Operating Income (discontinuing) | 84 | 89 | 6% |
| Operating Income Group | 411 | 446 | 9% |
| Non-recurring items | 0 | 101 | n.m. |
| Goodwill Amortization | (5) | (5) | 0% |
| EBIT | 406 | 542 | 33% |
| Financial Charges | (3) | (29) | n.m. |
| Income before Taxes | 403 | 513 | 27% |
| Taxes | (94) | (110) | (17%) |
| Minorities | 0 | (1) | n.m. |
| Net Income | 309 | 402 | 30% |
| EPS | 48.88 | 74.32 | 52% |

Lonza Group Organization



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Additional Information

Historical Financial Information

| CHF million | 1998 | 1999 | 2000 | 2001 |
|---|-------|-------|-------|--------------|
| Sales (continuing) | 1'516 | 1'575 | 1'703 | 1'868 |
| EBITDA (continuing) | 335 | 387 | 443 | 480 |
| Margin | 22.1% | 24.6% | 26.0% | 25.7% |
| Operating Income (continuing) | 208 | 286 | 327 | 357 |
| Margin | 13.7% | 18.2% | 19.2% | 19.1% |
| Non -recurring items (pre-tax) | - | - | - | 101 |
| Net Income (Group) | 202 | 273 | 309 | 402 |
| EPS (inclusive of non-recurring items) | 31.40 | 42.50 | 48.88 | 74.32 |
| EPS (without non-recurring items) | 31.40 | 42.50 | 48.88 | 58.05 |