

## News Release

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### Lonza Unveils Bioscience Business Strategy

**Building upon the company's commitment to deliver sustainable, profitable growth, Lonza today rolled out its Bioscience business strategy designed to position the new division as leading supplier of services and biomaterials to the life-science industry. The strategy will support long-term sales and profitability targets of the Bioscience business.**

Basel, 26 July 2007 – With the acquisition and integration of the Bioscience division, Lonza gained a leading position in cell-based research, endotoxin detection and cell therapy manufacturing. Today Lonza unveiled several key initiatives aimed at accelerating growth rates, enhancement of global market position and advancement in development of products and processes in the Bioscience business division.

Further developing the existing Bioscience operation, Lonza plans on seizing additional business opportunities and aggressively entering emerging technology platforms.

Targeting key focus areas, the Bioscience strategy includes the following elements.

- The creation of four distinct business units, comprised of:
  - Cell Therapy
  - Rapid Testing Systems
  - Media
  - Cell Discovery & Molecular Biology
- Increased investment in R&D, targeting:
  - New technology advances in cell therapy manufacturing
  - Advanced systems for endotoxin and total viable organism detection
  - Improved defined-media systems for cell culture production
  - New cell-based tools for the research market
- Additional capital investments and small-scale acquisitions focused on:
  - Increased cell therapy manufacturing capacity
  - Improvements to media manufacturing cost position and capacity
  - Strengthening the technology tool box and broadening product offerings
- Exploitation of synergies with other Lonza businesses via:
  - Cross selling of products and services
  - Strengthening of the product portfolio
  - Internal sourcing options

Based upon the designed strategy, the financial targets for the division have been enhanced. Current business strength allows for an investment phase through 2007 and 2008 without impacting current margin levels. We forecast thereafter a stepwise acceleration of sales growth into the mid to high teens and a rise in operating income to over 20% of sales. As part of efforts to achieve these targets, R&D investments will be

increased from 6% of sales to 8%, and capital expenditures of CHF 100 million will be disbursed over a four year period.

In order to deliver the goals outlined in the strategy, the number of Lonza Bioscience employees is expected to more than double in seven years, taking the division to over 1500 staff members.

Lonza Bioscience is headquartered in Walkersville, MD (USA) and operates additional research and production sites in the USA and Europe. Further information can be found on the internet at: [http://www.lonza.com/group/en/products\\_services/bioscience.html](http://www.lonza.com/group/en/products_services/bioscience.html).

### **About Lonza**

Lonza is one of the world's leading suppliers to the pharmaceutical, healthcare and life science industries. Its products and services span its customers' needs from research to final product manufacture. Lonza is the global leader in the production and support of active pharmaceutical ingredients both chemically as well as biotechnologically. Biopharmaceuticals are one of the key growth drivers of the pharmaceutical and biotechnology industries. Lonza has strong capabilities in large and small molecules, peptides, amino acids and niche bioproducts which play an important role in the development of novel medicines and healthcare products. Lonza is a leader in cell-based research, endotoxin detection and cell therapy manufacturing. Lonza is also a leading provider of value chemical and biotech ingredients to the nutrition, hygiene, preservation, agro and personal care markets.

Lonza is headquartered in Basel, Switzerland and is listed on the SWX Swiss Exchange. In 2006, Lonza had sales of CHF 2.91 billion. Further information can be found at [www.lonza.com](http://www.lonza.com).

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