

News Release

Lonza Group Ltd
Muenchensteinerstrasse 38
CH-4002 Basel, Switzerland
www.lonza.com

Lonza Half-Year 2008 Results

First-half performance on track despite currency and raw material challenges

EBIT growth of 15.2% achieved on stepwise RONOA improvement of 1.9 percentage points

Extension of the custom manufacturing model to the joint development of product pipelines with customers

Basel, 23 July 2008 – Lonza Group Ltd (SWX: LONN) today announced its financial results for the first half of 2008 ended on 30 June 2008. In this period, sales grew by 13.0% to CHF 1 463 million based on continuing operations. EBIT grew by 15.2% to CHF 235 million and EBIT margins increased by 1.3 percentage points to 16.1% of sales compared to the same period last year.

Cost and efficiency improvements from operational excellence programs balanced most of the currency effects. All future growth programs are progressing well. The projects designed to deliver sustainable, above-average, profitable growth continue to be on or ahead of schedule. Lonza has added 395 employees to its workforce since the end of 2007, an increase of 5.1%, in line with the long-term human resources strategy. The strengthening of the balance sheet further improves flexibility and the ability to generate sustainable growth.

Highlights

- Results on track on key financial metrics, led by growth in Exclusive Synthesis and Life Science Ingredients, together with cost and efficiency improvements:
 - Sales up 13.0% to CHF 1 463 million¹
 - EBIT up 15.2% to CHF 235 million
 - EBIT margins up by 1.3 percentage points to 16.1% of sales
 - Net income up 82.9% to CHF 267 million (book gain on the sale of the remaining stake of Polynt S.p.A.)
- Gearing decreased from 88% (1H07) to 76% (1H08)
- Net working capital down to 18.6% in 1H08 from 24.3% of sales in 1H07
- RONOA up to 15.7% in 1H08 from 13.8% 1H07

“Lonza’s mix of life science products and services and the general stability of its markets contributed to a balanced performance across its businesses. We are pleased with our execution of programs and projects in this period,” remarked Stefan Borgas, CEO. “Despite some turbulence in the general economy, we had a strong financial performance and continued to make significant progress in the execution of our long term growth plans.”

¹Excluding CHF 77 million of sales of Lonza Singapore Ltd from 2007 figures

Key Financial Group Figures

	2007	% of	2008	% of	Half-Year
	CHF mn	sales	CHF mn	sales	+/- % CHF
Sales	1 374		1 463		6.5%
EBITDA	334	24.3%	354	24.2%	6.0%
EBIT	204	14.8%	235	16.1%	15.2%
Net income	146	10.6%	267	18.3%	82.9%
EPS (CHF) basic	3.07		5.60		82.4%
EPS (CHF) diluted	2.86		5.15		80.1%
Capital expenditures (excluding customer financing)	(261)		(316)		21.1%
Net debt	1 537		1 393		(9.4%)
Number of employees	7 457		8 106		8.7%

¹ Excluding CHF 77 million of sales of Lonza Singapore Ltd from 2007 figures

Outlook All strategic projects are on track. With sound execution of its long-term plan, Lonza continues to drive aggressive growth initiatives in the form of strategic investments and organic growth projects. Based on visibility of contracts, projects and economic conditions, Lonza expects:

- EBIT growth in the mid to high teens up to 2013
- Project pipeline fully aligned to support growth expectations – 80% of capacity expansion committed today

For more detailed information, please refer to the Half-Year Report 2008 published today.
<http://www.lonza.com/group/en/company/news/newsreleases.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 2007, Lonza had sales of CHF 2.87 billion. Further information can be found at www.lonza.com.

For further information:

Head Corporate Communications	Media Relations	Investor Relations
Janet White	Dominik Werner	Alexandre Pasini
Tel +41 61 316 8566	Tel +41 61 316 8798	Tel +41 61 316 8835
Fax +41 61 316 9566	Fax +41 61 316 9798	Fax +41 61 316 9835
janet.white@lonza.com	dominik.werner@lonza.com	alexandre.pasini@lonza.com