

Lonza

Transforming Lonza

**Accelerated delivery of strategic shift to
life science sector**

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Disclaimer

- Certain matters discussed in this presentation may constitute forward-looking statements. These statements are based on current expectations and estimates of Lonza Group Ltd, although Lonza Group Ltd can give no assurance that these expectations and estimates will be achieved. The actual results may differ materially in the future from the forward-looking statements included in this presentation due to various factors. Furthermore, Lonza Group Ltd has no obligation to update the statements contained in this presentation.

Transforming Lonza

- Delivering our strategy and creating value

- 2006 / 2007 Transformation projects
 - Acquisition of Cambrex's Research Bioproducts business
 - Acquisition of Cambrex's Microbial Biopharmaceuticals business
 - IPO of Polynt S.p.A.

- Summary and updated outlook

Delivering our strategy...

Focus on defined life sciences markets

Creating a platform for sustainable, above average,
profitable growth

Geared into some of the fastest growing and most
exciting pharma and biotech segments

Transformation of Lonza well on its way

... through active portfolio management

Divestiture Candidates

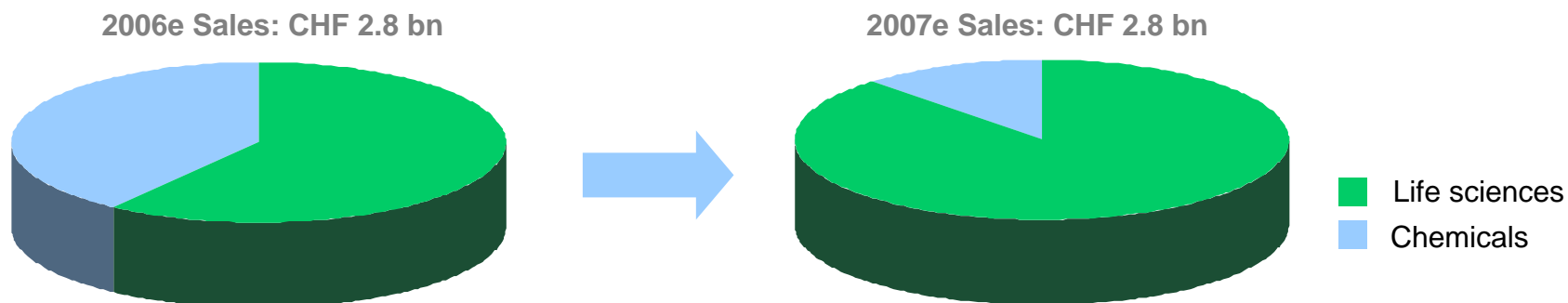
- Lofo **completed**
- Polymer Intermediates Europe (IPO) **in progress**
- Polymer Intermediates Singapore **planned**

Acquisition Opportunities

- Peptides **completed**
- Research Bioproducts **signed**
- Microbial Biopharmaceuticals **signed**
- Nutrition **planned**

Transforming Lonza – creating value

- Accelerated delivery of strategic shift to life science sector
- Life sciences portfolio increasing from 60% to nearly 90% of sales
- Increase of Life Science business by 35%



- Deals create shareholder value from 2008 (neutral in 2007)
 - Measured both in terms of EPS accretion and EVA

Delivering more to shareholders

- Creating Value:
 - Research Bioproducts delivers 17% EBIT margin
 - Delivers immediate group EBIT margin uplift
 - EPS accretive from 2008
 - Positive EVA contribution from 2008

- Enhancing guidance:
 - Sales growth 8 – 12% p.a. (was 7 – 10%)
 - EBIT growth at mid to high teens (was low double digit)

- Sales and profitability growth sustainable into 2012

2006 / 2007 Transformation projects

2006 / 2007 Transformation projects

- Acquisition of Research Bioproducts business
- Acquisition of Microbial Biopharmaceuticals business
- IPO of Polynt S.p.A.

Life sciences – a step change acquisition...

Key Terms

- Acquiring 100% of the assets of the Bioproducts and Biopharma Divisions of Cambrex Corp (NYSE: CBM)
- Total consideration of \$460m (all cash, debt financed)
- Deal expected to close in Q1 2007

Valuation and Financing

- Biopharma: net asset value \$50m, replacement value of \$150m
- Bioproducts: 10.5x – 11.5x 2006e EBITDA
- New credit facility underwritten by Credit Suisse and Citigroup
- Gearing structurally below 100%

Growth and Value Creation

- Synergies of \$10m-\$12m p.a. from 2007
- Higher EBIT growth; immediate group margin uplift
- Substantial value creation for shareholders
 - Earnings accretive from 2008
 - EVA positive from 2008

...and a logical, complementary addition to existing businesses

Adds growth and capacity

- Bioproducts – access to new high growth complementary segments of the life science market
 - Higher sales growth, better EBIT margin
- Biopharma - immediate access to additional mid size microbial biopharma production capacity and science platform

Strengthens profitability

- Bioproducts' leading positions in cell-based research, endotoxin detection and cell therapy manufacturing result in stable, highly profitable operations; strong position in media and sera complementing Lonza's Biopharmaceutical business
- Biopharma acquisition supports Lonza's microbial biopharmaceutical growth

Benefits customers and employees

- Biocompanies' intellectual property and scientists' knowledge builds a base for new R&D initiatives
- Addition of highly skilled professionals to the Lonza family - complementary skills and compatible cultures
- New technologies and capabilities beneficial to existing customers

Biopharma

Plays to Lonza's strengths

- Established provider of process development and mid scale microbial biopharmaceuticals manufacturing services

- Highly complementary to Lonza's microbial large scale biopharmaceuticals business

- 'Make or buy' decision
 - Reduced capex
 - Faster entry into services business
 - Turnaround within 3 years

- Lonza's large scale capabilities and existing pipeline expected to provide confidence to Cambrex's customer base:
 - Facilitate early stage project uptake within the Cambrex portfolio
 - Help accelerate further large scale expansion plans

Lonza Biopharmaceuticals

Structure

Preclinical / Phase 1 R&D Services	Phase II / Phase III Mid Scale	Commercial Large Scale	Plant
	2 x 5,000 L mamm. 2,000 L conversion 1 x 5,000 L mamm. (2008 start-up) 4-6 x 5,000 L mamm. (2009 start-up)	4 x 20,000 L mamm.	Portsmouth
		4 x 20,000 L mamm. (2009 start-up)	Singapore
140 Scientists, mamm. Small scale mamm.	2 x 2,000 L mamm.		Slough
45 Scientists, micr. Small scale micr.	1 x 1,000 L micr.	2 x 15,000 L micr. (2007 start-up) 1 x 15,000 L micr. (planned)	Visp
50 Scientists, micr. Small scale micr.	2 x 1,500 L micr. + 1 x 750 L mamm. 1 x 2,800 L micr.		Baltimore Hopkinton

major capex until 2010

Cambrex Biopharma

Bioproducts

Snapshot

- Top player in the biomaterials market with a number of world leading niche businesses.
- Leading product areas:
 - Cell research tools and products
 - Cell therapy products production and scale-up processes
 - Rapid microbial detection
 - Key brands – Clonetics®, Poietics®, BioWhittaker®, Flashgel™, Pyrogen® PyroSense™, MycoAlert™
- Significant proportion of sales (90%) in consumables
- Provides access to a new global market worth \$15-20bn¹ which is growing at 10-15% per annum
- 2005 Revenues - \$150 million, up from \$137 million in 2004 *
- 2005 EBIT - \$26 million *

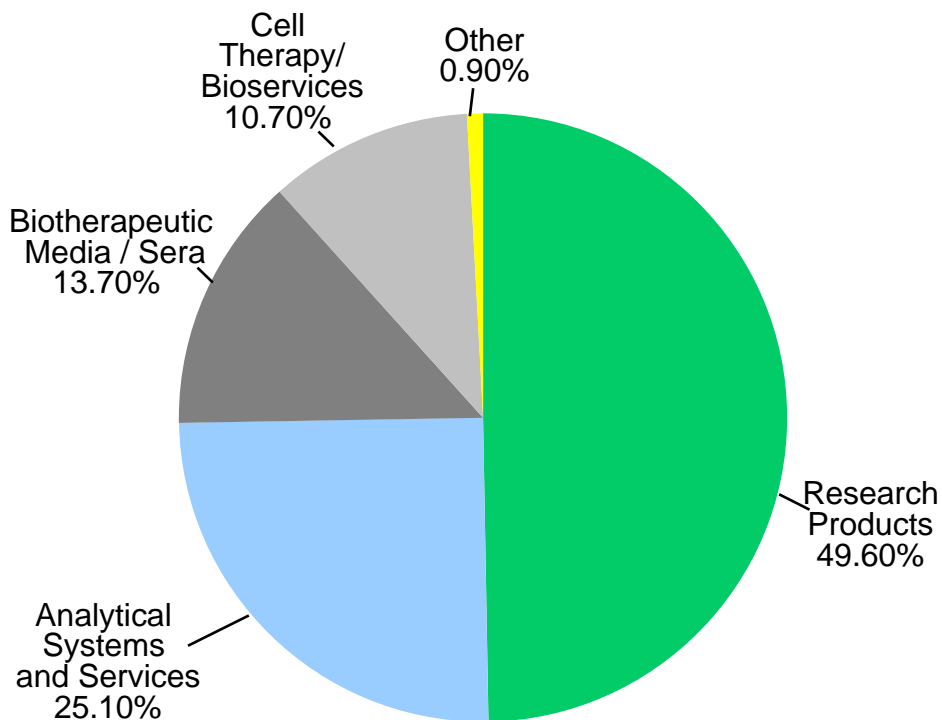
* pro forma numbers

1: Source: Frost & Sullivan, Pharm Source

Bioproducts

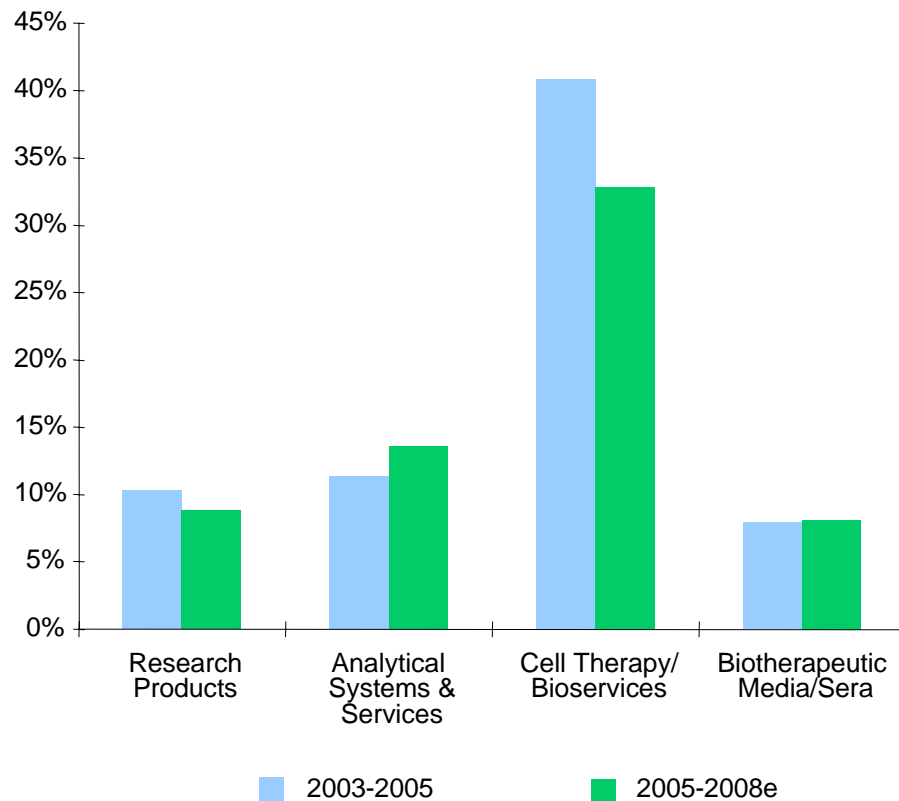
Divisional revenue and growth prospects

2005 Revenue by Segment



Total: \$150m

2003-08e Growth by Segment



Source: Frost & Sullivan, Pharm Source

Bioproducts

Crucial to therapeutic innovation



Molecular Biology
Nucleic acid and protein electrophoresis

Cell Biology
Primary cells, cell culture media, cell models
Bioassays
Conditionally immortalized cells

Rapid Microbial Detection
Endotoxin pathogen and mycoplasma

Therapeutic Services
Cell therapy manufacturing
Process development
Cell culture media
Cell Therapeutics

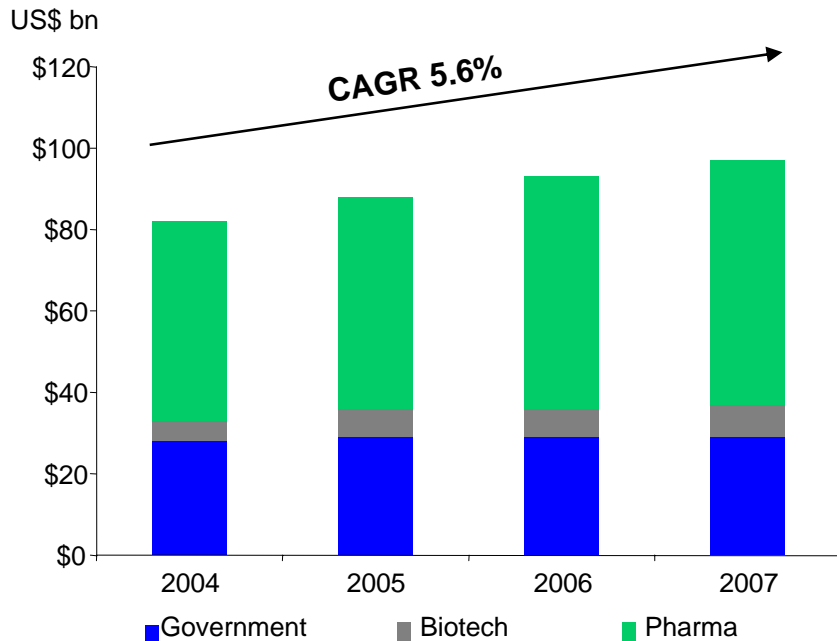
Current Lonza Activities



Bioproducts

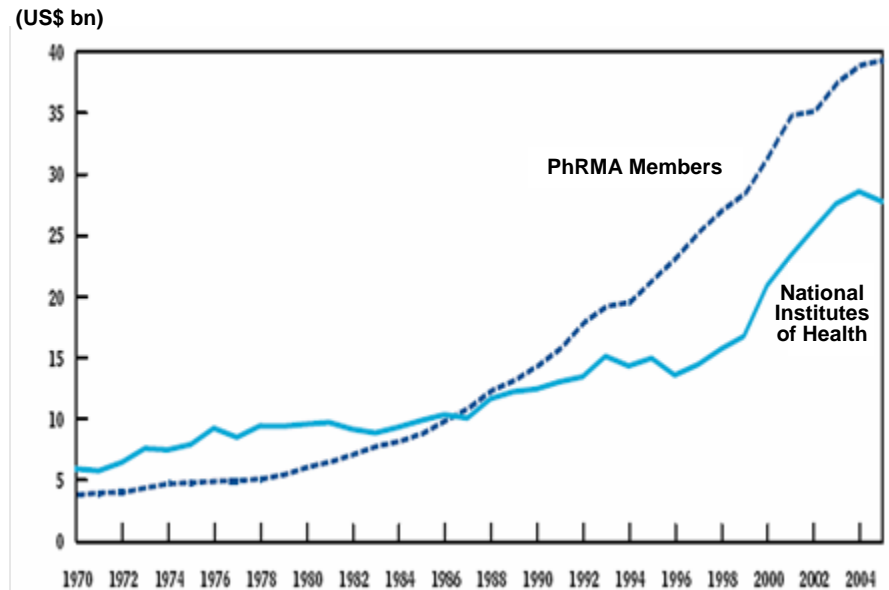
Key drivers

R&D Spending Growth



Source: Company estimates based on Wall Street Research

Annual Spending on R&D by Drug Companies and the NIH



Source: Congressional Budget Office

Research Products

Product lines

- 50% of 2005 Bioproducts sales

- Portfolio focuses on select high-growth niches
 - Cell biology (human and animal primary cells and media systems)
 - Cell culture products for research and therapeutic applications
 - BioAssays using luminescence and fluorescence for detection
 - Molecular biology used for macromolecule, nucleic and protein acid separation

- Strong pipeline to accelerate growth

Research Products

Key Drivers

- Cell based platforms are crucial to improved drug discovery
- Mainstream tool for the academic and biotech research community
 - Consistent supply crucial for on-going research projects – timelines can be long
 - Meet increasing regulatory requirements in the research environment: known source – consistent results
- New cell lines to expand areas of research and to continually improve models
- New high throughput screening products based on cells

Analytical Systems & Services

Product lines

- 25% of 2005 Bioproducts sales
- Worldwide leader in endotoxin detection
- All injectable drugs and implantable devices require endotoxin testing
- Strong growth expected through the commercialisation of new products including
 - PyroSense™ – first on-line endotoxin detection system
 - MycoAlert® – luminescence-based assay adapted for regulated testing
- Well-positioned to enter the much larger Total Viable Organisms detection market – 20x larger than endotoxin detection - with MicroAlert™
- Lonza could become significant captive customer and has the potential to open non-pharma markets

Analytical Systems & Services

Key drivers

- Regulatory requirements
- Desire to increase testing speed
- Introduction of in-process control in biotech manufacturing
- Applications driven by injectable drugs and implantable devices
- Additional opportunities in non-pharma life science markets (nutrition, personal care, etc.)

Biotherapeutic Media / Sera

Product lines

- 14% of 2005 Bioproducts sales

- Focuses on high margin, high growth specialty media market: serum-free, protein-free and non-animal origin products
 - New cGMP animal-free powdered media production facility
 - Geared into cell therapy developments

- double digit market growth including specialty media

- Potential for captive use with rest of Lonza group

Biotherapeutic Media / Sera

Business drivers

- Large product line supporting Lonza's core Biopharma business and customer base
- Biopharma growth (>20%) enhanced by efficiency gains (yield improvements)
- Development synergies with Lonza's Biopharma Service business
- Additional growth created by emerging cell therapy industry

Cell Therapy / Bioservices

Product lines

- 11% of 2005 Bioproducts sales
- Business is growing rapidly: 2 projects in 2002; 16 projects today
- Full range of services from tissue acquisition, testing, process development to commercial manufacturing

- Leader in the use of cells from research to the clinic
 - The only contract cell manufacturer with government audited facilities in both Europe (Verviers, Belgium) and US (Walkersville, MD)
 - Adding market leadership - to our already strong positions in traditional pharmaceuticals and biologicals

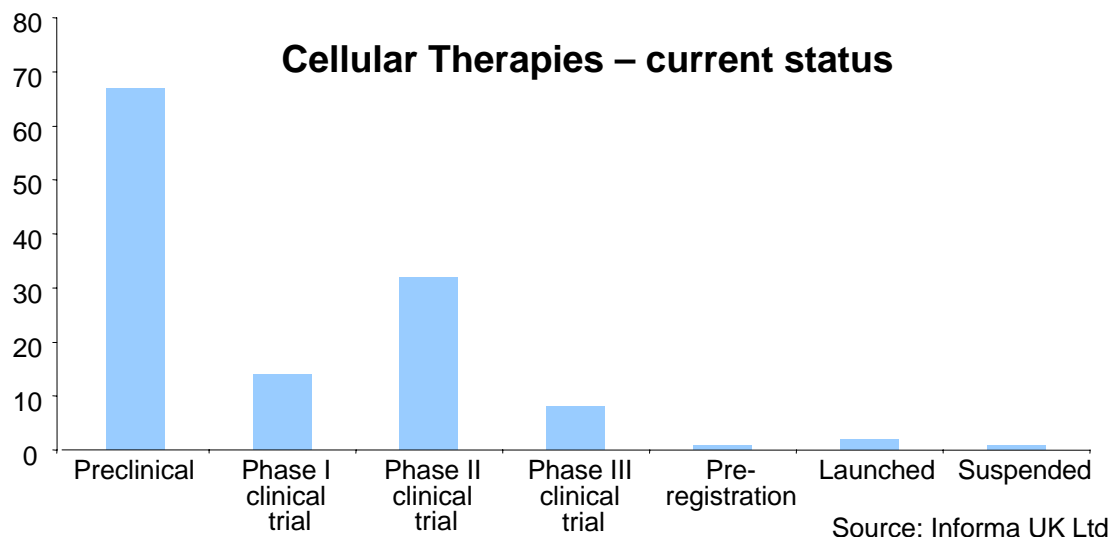
Meeting our customers' needs:

- Small molecules – APIs - Exclusive Synthesis
- Biopharmaceuticals – mAbs biopharmaceutical production
- Cell therapy – cell therapy products - Bioproducts

Cell Therapy / Bioservices

Key drivers

- Exciting opportunity focused on developing next generation therapeutics – potentially curative
- Regenerative potential rather than palliative
 - Addresses problem not symptoms
- Can be applied to a broad range of diseases
- Addresses inherent problems of organ transplantation
- New technologies allow the development of commercially viable products
- Over 500 companies now addressing the cell therapy opportunity



Integration of Biocompanies

Focus and concept

Biopharma:

Full integration with Lonza's Biopharmaceuticals Division

- Major focus of the integration team in the first 9 months
- Business to be fully merged with Lonza's Biopharmaceutical Division

Research Bioproducts:

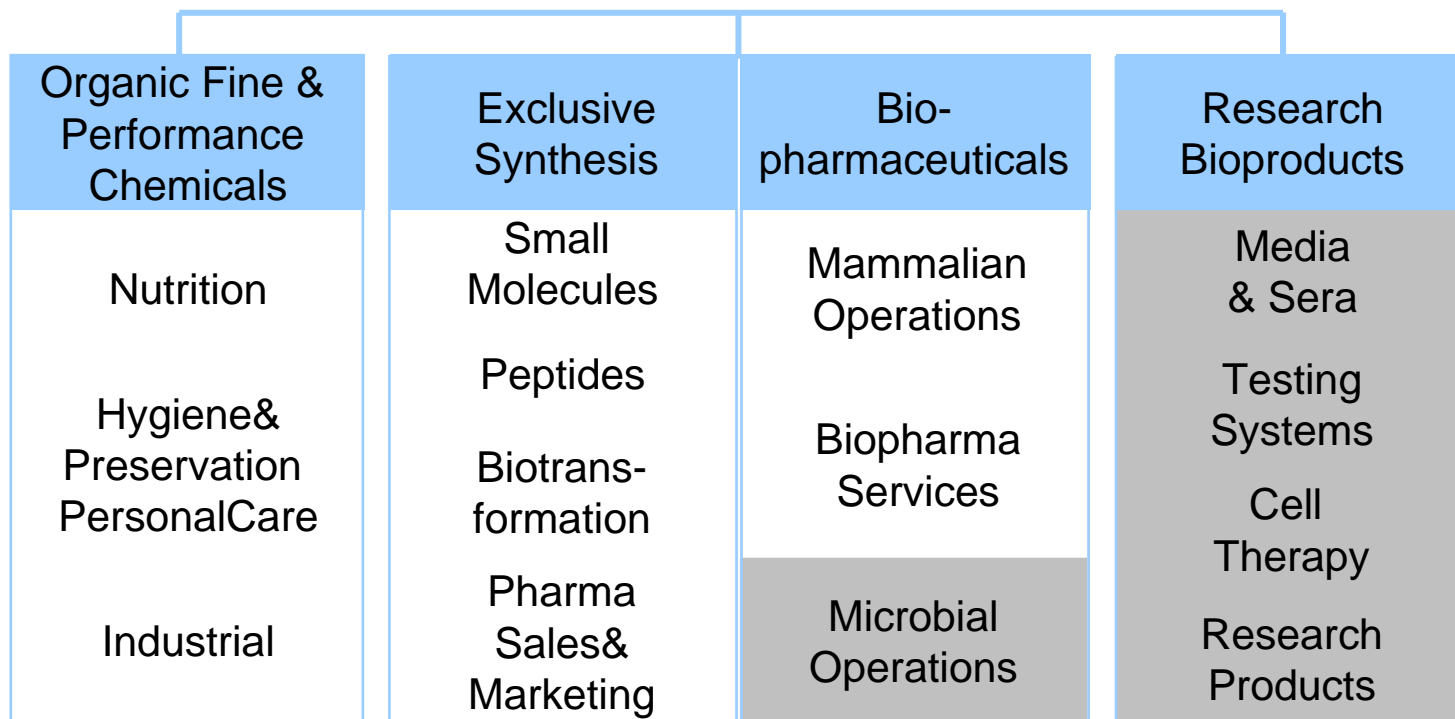
Step-wise integration with Lonza as stand-alone division

- Financial and HR systems to be moved on Lonza platforms within 6-12 months
- Detailed strategy review within the first 3-6 months
- Center of excellence for research laboratory market for all Lonza divisions

- Integration to start following closing
- Team headed by Edwin Davies
- Cross-functional team, with both Lonza and Cambrex personnel
 - 6-12 full time; 10-20 part time; supported by consultants in critical areas
- Team to be in place for 18-24 months

Integration of Biocompanies Organization

Lonza



 = Integration Team

2006 / 2007 Transformation projects

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Polynt S.p.A. IPO

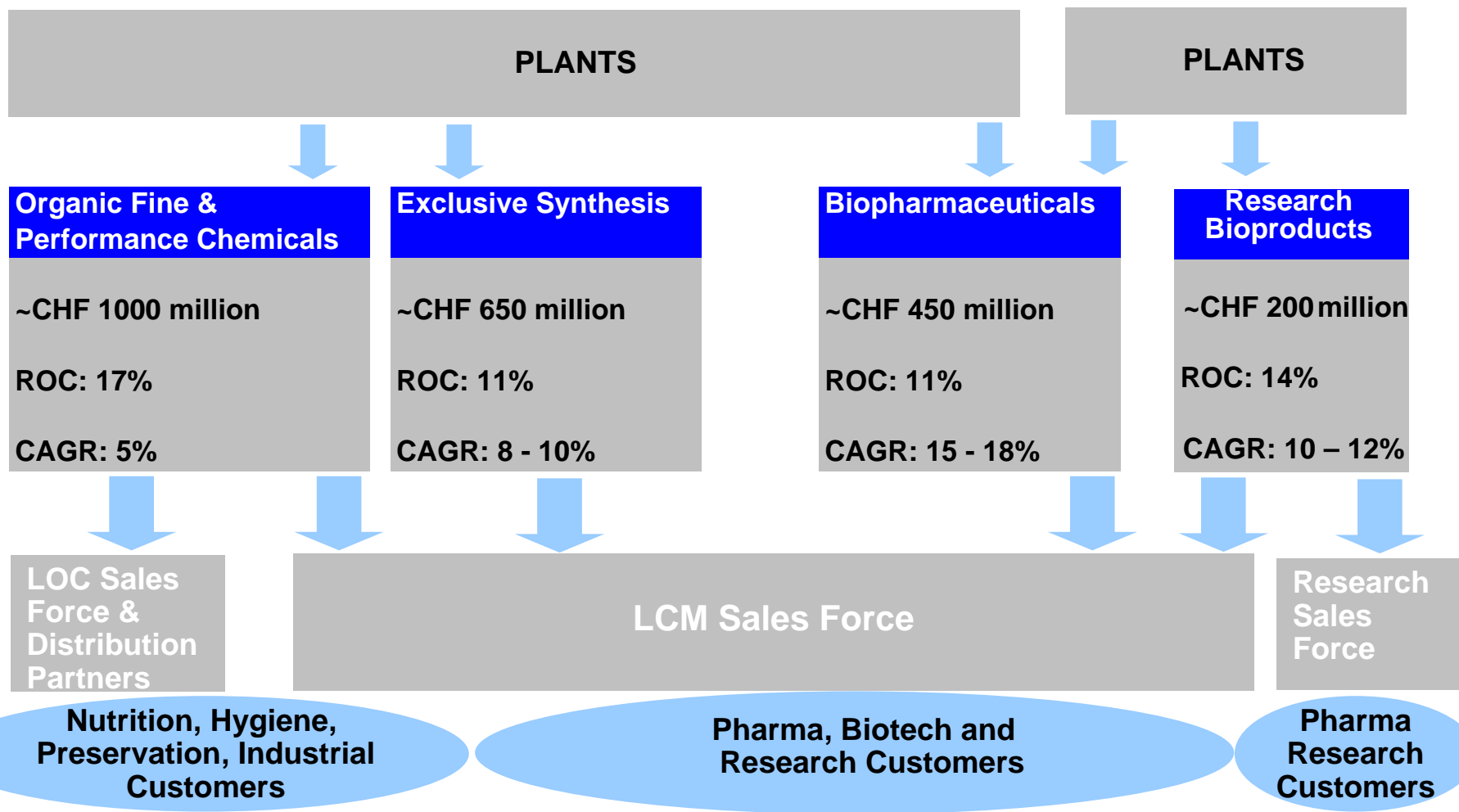
- IPO of Polynt S.p.A. communicated October 11th
- IPO value approximately CHF 350m – 430m (100%)
- Polynt SpA assumes CHF 80m debt (June 2006)
- Lonza retains minority share in Polynt S.p.A. for 1-3 years, as financial investment
- Proceeds from IPO available to Lonza in Q4, 2006
- Singapore PIA plant is retained by Lonza in the short term (book value approximately CHF100m)

IMPACT:

- Available funding for strategic investments
 - Biopharma services
 - Specialty Biotech
 - Nutrition portfolio expansion
- Allows Lonza to focus on core business - life sciences
- Facilitates Lonza's expansion in high margin, high growth businesses

Summary

Lonza creates significant synergy for its businesses



* 2006e figures (from Lonza and Cambrex)

Lonza - a true life science company

Lonza business model strengthened

- Life Science delivers close to 90% of sales – clear business focus
- Addition of novel technologies, products and customer segments to augment existing business
- Lengthens existing biotech value chain (backward integration)
- Delivers Lonza's desired business portfolio structure

New Growth and Profit Opportunities

- Further expansion into high margin markets
- New target markets with growth rates of 10-15% per year

Significant Synergy Opportunities

- Shared infrastructures – sales, marketing and production
- Immediate access to small and mid-scale 'new' capacity in microbial biopharma
- New expertise and innovative technologies complement current portfolio

Summary and outlook

- Accelerated strategic shift to life sciences

- Value creating
 - Immediate group EBIT margin uplift
 - EPS accretive from 2008
 - Positive EVA contribution from 2008

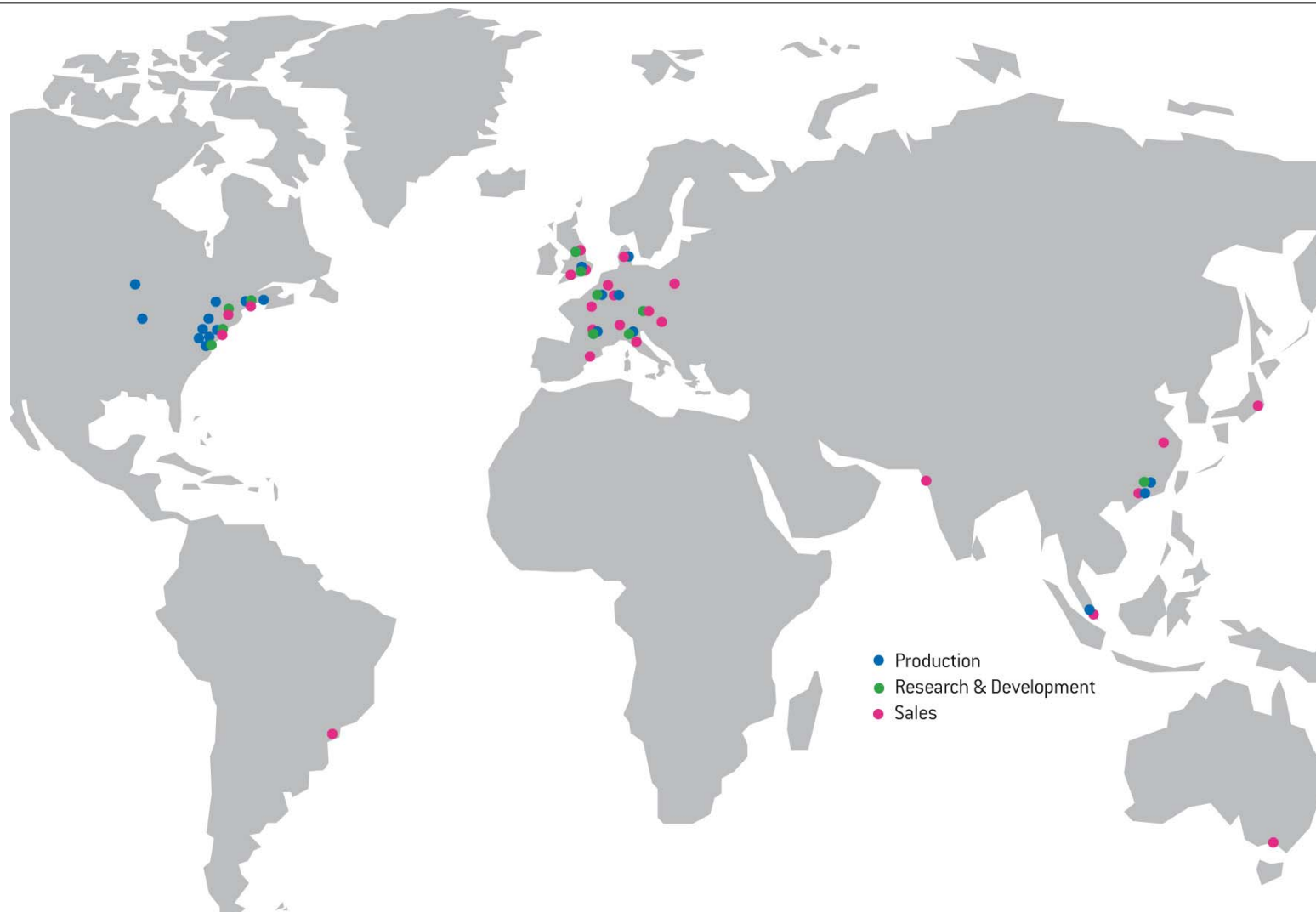
- Enhanced guidance:
 - Sales growth 8 – 12% p.a.
 - EBIT growth mid to high teens

- Sales and profitability growth sustainable to 2012

Q&A

Appendix

Global sites – transformed Lonza



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