

**Franklin Templeton Investments**

500 E. Broward Boulevard, Suite 2100
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Cover Sheet

DATE: 30 March 2010

TO: Dr. Hans Peter Pfirter
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FROM: Lucrece Le Gal

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Number of pages including cover sheet: 12

Dear All,

Please find attached disclosure of shareholdings on behalf of Franklin Resources, Inc. and its affiliates for shares under management in Lonza Group AG.


The original documentation will also follow by mail.

Regards,
Lucrece Le Gal

The information contained in this facsimile may contain confidential information and/or privileged material intended only for the use of the person to whom it was addressed. If you received it in error, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited.

Form I
Notification of direct or indirect acquisition or direct or indirect sale pursuant to Art. 9 and Art. 21 SESTO-FINMA

I. Information on the issuer, persons subject to disclosure obligations, timing and the circumstances triggering the obligation to notify

Name of listed company		1
Lonza Group AG		
Surname, first name and place of residence or company name, head office and address of the buyer or seller (<i>beneficial owner</i>)		2
Franklin Resources, Inc. is the parent company of Templeton Investment Counsel, LLC, Franklin Templeton Investments Corp., Franklin Templeton Portfolio Advisors Inc., Templeton Global Advisors Ltd, Franklin Templeton Investment Asia Ltd, Templeton Asset Management Ltd, and Franklin Templeton Investment Management Limited which each manage and have discretionary voting authority over shares of Lonza Group AG held by the funds and separate accounts listed on the attached sheet.		
In the event of indirect acquisition or indirect sale:		3
Surname, first name and place of residence or company name, head office and address of the <u>direct buyer or seller</u> and/or the other persons concerned, as well as details of the relationship between the beneficial owner and the direct buyer or seller, disclosing the full structure by which control is exercised		
Franklin Resources, Inc. is the parent company of Templeton Investment Counsel, LLC, Franklin Templeton Investments Corp., Franklin Templeton Portfolio Advisors Inc., Templeton Global Advisors Ltd, Franklin Templeton Investment Asia Ltd, Templeton Asset Management Ltd, and Franklin Templeton Investment Management Limited which each manage and have discretionary voting authority over shares of Lonza Group AG held by the funds and separate accounts listed on the attached sheet.		
Date of the act which creates the obligation to notify	4	Date of transfer of equity securities (if different from section 4)
29-March-10		5
Facts and circumstances triggering the obligation to notify (Art. 21 para. 1 b SESTO-FINMA) (e.g.: acquisition, sale, securities lending and similar transactions pursuant to Art. 14 SESTO-FINMA, exercise or non-exercise of financial instruments pursuant to Art. 15 SESTO-FINMA, changes in the company's registered capital, decisions by a court or public authority, grounds for action in concert or a change to the composition of a group)		6
disposal of shares		
Surname, first name, place of residence, telephone and fax numbers of the contact person responsible		7
Le Gal, Lucrece, U.S.A., subsshholder@templeton.com, (f) 954-527-2160		
Surname, first name, place of residence and signature of the person responsible for this notification (if different from section 2)		8
Lori A. Weber, U.S.A., Assistant Secretary of Franklin Resources, Inc.		
Date and signature	30-March-10 	

II. Disclosure of purchase positions pursuant to Art. 12 para. 1 a SESTO-FINMA

Equity securities, conversion and share purchase rights (Art. 15 para. 1 a SESTO-FINMA), granted (written) share sale rights (Art. 15 para 1 b SESTO-FINMA) and financial instruments (Art. 15 para. 1 c SESTO-FINMA)

Percentage of voting rights (entire shareholding)	Basis of calculation: total number of voting rights pursuant to the entry in the commercial register (cf. http://www.zefix.ch/)
9.95%	52,920,140

1. Equity securities:

Shares	Number	Voting rights ¹	
		Number	Percentage ²
Regist.	5,267,936	5,267,936	9.95%
Bearer			
Total:		^{1.1} 5,267,936	^{1.2} 9.95%

Securities lending and comparable transactions in equity securities

From the above mentioned equity securities, the following part is held due to securities lending and comparable transactions (Art. 21 para. 2 b SESTO-FINMA and Art. 14 SESTO-FINMA)

Shares	Number	Proportion of voting rights	Nature of the legal transaction	Agreed date of return transfer or, if there is a right to choose, whether this applies to the contracting party subject to the obligation to notify or to the counterparty
Regist.				
Bearer				

2. Financial instruments

a. Conversion rights, share purchase rights and granted (written) share sale rights, that provide or permit actual delivery³:

Type of rights	Number of rights	Voting rights conferred		Security ID number (ISIN), if listed on a Swiss stock exchange, or basic terms (e.g.: identity of issuer, underlying, subscription ratio, exercise price, exercise period, exercise type)
		Number	Percentage ²	
Total:		^{2.1}	^{2.2}	

¹ Whether exercisable or not.

² Calculated on the basis of the total number of voting rights pursuant to the entry in the commercial register (Art. 12 para. 2 SESTO-FINMA).

³ Whether standardised or not.

- b. Financial Instruments that provide for or permit cash settlement, as well as other differential transactions (such as contracts for difference and financial futures) (Art. 15 para. 1 c SESTO-FINMA):

Type of rights	Number of rights	Voting rights conferred		Security ID number (ISIN), if listed on a Swiss stock exchange, or basic terms (e.g.: identity of issuer, underlying, subscription ratio, exercise price, exercise period, exercise type)
		Number	Percentage	
Total:		3.1	3.2	

- c. Financial Instruments which economically enable the acquisition of equity securities in respect to a public takeover offer (Art. 15 para. 2 SESTO-FINMA):

Type of rights	Number of rights	Voting rights conferred		Security ID number (ISIN), if listed on a Swiss stock exchange, or basic terms (e.g.: identity of issuer, underlying, subscription ratio, exercise price, exercise period, exercise type)
		Number	Percentage	
Total:		4.1	4.2	

Securities lending and comparable transactions in financial instruments

From the above mentioned financial instruments (Point 2 a, b and c), the following part is held due to securities lending and comparable transactions (Art. 21 para. 2 b SESTO-FINMA and Art. 14 SESTO-FINMA)

Type of rights	Number	Proportion of voting rights	Nature of the legal transaction	Agreed date of return transfer or, if there is a right to choose, whether this applies to the contracting party subject to the obligation to notify or to the counterparty

TOTAL SHAREHOLDING:

Number	Percentage
S1 (=1.1+2.1+3.1+4.1)	S2 (=1.2+2.2+3.2+4.2)
5,267,936	9.95%

III. Disclosure of sale positions pursuant to Art. 12 para. 1 b SESTO-FINMA

Share sale rights (specifically put options) and granted (written) conversion and share purchase rights as well as financial instruments that provide for or permit cash settlement as well as other differential transactions (such as contracts for difference and financial futures)

Percentage of voting rights (entire shareholding)	Basis of calculation: total number of voting rights pursuant to the entry in the commercial register (cf. http://www.zefix.ch/)
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Detailed information (Art. 15 and Art. 21 para. 1 a and para. 2 c and d SESTO-FINMA)

Type of rights	Number of rights	Voting rights conferred		Security ID number (ISIN), if listed on a Swiss stock exchange, or basic terms (e.g.: identity of issuer, underlying, subscription ratio, exercise price, exercise period, exercise type)
		Number	Percentage	
Total:				

Franklin Resources, Inc., located at One Franklin Parkway, San Mateo, CA 94403, itself does not own any shares of the company; rather the shareholdings are beneficially held by a group of funds and managed accounts that are managed by investment advisers directly or indirectly owned by Franklin Resources, Inc.

Franklin Templeton Investments Asia Limited, located at Chater House, 17th Floor, 8 Connaught Road Central, Hong Kong, itself does not own any shares of the company; rather the shareholdings are beneficially held by the funds and managed accounts listed below:

- National Recreation Fdn
- T global Opportunities Tr
- Energy East Management Co
- Promedica Health Sys. Inc
- Promedica Health System
- Catholic Health Operating
- Catholic Health Retirement
- First Initiatives Insur
- PH Glatfelter Master Ret
- Telcordia Technologies
- Affinity Health System
- Temp MPF-Global Equity FD
- Pepco Holdings Inc

Franklin Templeton Investments Corp. located at 5000 Yonge Street, Toronto, Ontario, M2N 0A7, itself does not own any shares of the company; rather the shareholdings are beneficially held by the funds and managed accounts listed below:

- Temp Intl Equity Trust
- Teachers' Retire allow BD
- Public Employees Pen Plan
- DMC Endowment & Funded De
- Detroit Medical Center PP
- Templeton Master Trust-1
- Air Liquide Canada Inc
- Communaute Urbaine De Mon
- Temp Global Equity Trust
- Waycrosse, Inc.
- T International Stk Trust
- Chrysler Canada
- Templeton Master Tr - 2
- Temp Global Stock Trust
- HRK Investments, LLP
- Gov't of Prince Edward
- City of Winnipeg
- Manufacturers Life Ins

- IG Templeton Internation
- Quadrus Temp Int'l Eq F
- RBC Canadian Master TR
- DMC Insurance Co., Ltd
- Manulife International
- IG Temp Intl Equity Class
- Templeton Master Trust -6
- Weston Foods,Inc-Int'l
- FT10612
- FT11149
- FT11207
- Balancing Pool- Global
- SHEPP
- CP Global Equity Fund

Franklin Templeton Investment Management Limited, located at 5 Morison Street, Edinburgh, Scotland EH3 8BH, itself does not own any shares of the company; rather the shareholdings are beneficially held by the funds and managed accounts listed below:

- LaborFonds Linea
- FT Funds-T Europe Fund
- Deka Investment
- Siemens
- Laborfonds Linea Dinamica

Franklin Templeton Portfolio Advisors, Inc., located at One Franklin Parkway, San Mateo, CA 94403, itself does not own any shares of the company; rather the shareholdings are beneficially held by the funds and managed accounts listed below:

- Helen Kriebel
- Tuffy Holdings Ltd.
- TPA Consolidated Holding
- TPA Consolidated Holding
- Morgan Stanley PPA
- Wiskemann E Intl
- Wiskemann C Intl
- Bessolo Fam Intl
- Meadowview FDN INTL
- Sisters of the Pres- NR
- Sisters of the Pres- R
- La-Z boy Foundation
- I B E W Local Union #728
- Rabbi Trust
- La-Z-boy Inc

- Hamilton Health
- Dalton-Whitfield Trusts
- Heating, Piping
- City of Tamarac
- City of Sarasota
- Susquehanna Health Income
- United Steelworkers
- Monroe County
- City of Saint Petersburg
- Erie County
- Smith Barney UMA
- Edward C. Levy
- Mahi and Bonzai Limited
- Buckwheat Ltd.
- Montana Contractors'
- W. B. Saunders Trust
- Diocese of Toledo GF
- Diocese of Toledo Priest
- Diocesan Insurance
- WPS Health Ins Pen Plan
- WPS Ins Corp Gen Fund

Templeton Asset Management Ltd, located at Chater House, 17th Floor, 8 Connaught Road Central, Hong Kong, itself does not own any shares of the company; rather the shareholdings are beneficially held by the funds and managed accounts listed below:

- Kuwait Investment Auth
- FTVIP Growth Securities
- FT5840
- CIMB Principal Glb Gwt FD
- CIMB Principal Gbl Bal FD
- T12372

Templeton Global Advisors Limited, located at Templeton Building, Lyford Cay, P.O. Box N 7759, Nassau, Bahamas, itself does not own any shares of the company; rather the shareholdings are beneficially held by the funds and managed accounts listed below:

- T Foreign Fund
- Assoc WW Common Trust
- Assoc WW Collective Fund
- T Growth Fund Inc
- Peco Energy Company
- GlaxoSmithKline
- NY State Common Ret Fund
- FTIF-Temp Growth (Euro) F

- Templeton Growth Fd II
- John Hancock Tr Global Tr
- Maryland State Retirement
- AIG Ret Co I Foreign V Fd
- ING Templeton GL Growth
- EQ/Temp Gl Equity Port
- JNL/FT Global Growth Fund
- FTIF-F T Global F S Fund
- FTIF-FT Global ES Fund
- Met/Templeton Growth
- SA Templeton Foreign Fund
- SA Templeton Growth Fund
- AZL/Tmp Gwth Strategy

Templeton Investment Counsel, LLC, located at 500 E. Broward Blvd, Ft. Lauderdale, FL 33394-3091 USA, itself does not own any shares of the company; rather the shareholdings are beneficially held by the funds and managed accounts listed below:

- Buena Vista University
- Ford Foundation
- LVIP Temp Growth Fund
- Board of Pens of the PC
- HCA Master Retirement TR
- St.Gobain Master Trust
- Pfizer Master Trust
- Arbeit Inv LTD Partnershp
- AA Pilot Variable Plan
- AA Fixed Benefit (Equity)
- T Intl Foreign Fund
- TIF Foreign Eq Series
- Linde Pension Plan
- American Beacon Intl EP
- Fresno County Emp Retire
- Navistar, Inc. Health
- Commonwealth of PA
- The Ret Annuity Plan
- Retiree Insurance Plan
- Deere & Company
- Met Life Separate 158
- Carpenter's Pension Trust
- The NY Times Co Pen TR
- FTVIP T Foreign S Fund
- Wellmark, Inc.
- Washington University

- NW Mutual Intl Eq Port
- Navistar, Inc. Hourly
- Navistar, Inc. Salary
- St Brd Administration FLA
- American Century World
- Syracuse University
- Lighthouse Investments
- SIPI-San Diego Electrical
- SIPI-IBEW Local 351
- Indiana University Fdn
- Jhancock Tr Int Value Tr
- Baker Hughes Master Trust
- CenterPoint E I R P
- NMI Retirement
- Den Emp Retirement Plan
- Wellmark of South Dakota
- Monsanto Pension Plan
- Sierra/Temp Int'l Eqty Tr
- SIPI- Operating Engineers
- SIPI Contra Costa C E W
- St Brd Administration Fla
- Transamerica Temp GI VP
- Transamerica Temp Foreign
- Blue Shield E Retirement
- Blue Shield Of CA Corp Pt
- SunAmerica Series TR-FVP
- FT Glb Grth & Val Fd -GPM
- University Of Illinois E
- Metro Life Sep Acct#237
- SIPI-IBT Local#705
- Sonoma County Employee
- Minnesota Life/Temp Intl
- Western Metal Ind Pension
- BWXT Y-12, LLC
- Carle Clinic Association
- UPMC Pension
- JHancock Funds II-Intl Va
- AIG Ret Co I GI Strat Eq
- SIPI-UFCW Local 152
- ING Templeton Foreign
- MML Foreign Fund
- SIPI-Central Pension Fd
- Grand Lodge of CA
- UPMC/FT Acct

- New England Teamsters
- City of Hialeah Emp Ret
- BoTrustees- Concordia
- TIF Global Equity Series
- Sonoma County Employee-GL
- Motorola Pension Plan
- New Hampshire
- AEP Retiree Life Ins Tr
- AEP Ret Medical Trust
- AEP 401H Trust
- Office Max
- Liberty Bank
- Templeton NVIT Int'l Fnd
- KPERS
- Chevron (DIFMT) - CAD
- BNYM Corp Re Plans Mas Tr
- John Hancock