

**Our passion is to deliver sustainable
value to our customers**

Lonza

2008 First Half Results – 23 July 2008

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Chief Executive Officer

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.”

2008 First Half Results – Financial Highlights

- Results on track on key financial metrics
- Led by growth in Exclusive Synthesis and Life Science Ingredients and 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 in 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
- Number of employees rose by 5.1% since January 2008 to 8 106

¹ Excluding CHF 77 million of sales of Lonza Singapore Pte Ltd from 2007 figures (sold 19 November 2007)

2008 First Half Results – Key Financial Figures

| CHF million | 1. Half 2007 | 1. Half 2008 | Change YoY |
|--|--------------|--------------|------------|
| Sales | 1 374 | 1 463 | 6.5% |
| EBITDA | 334 | 354 | 6.0% |
| <i>EBITDA Margin</i> | 24.3% | 24.2% | |
| EBIT | 204 | 235 | 15.2% |
| <i>EBIT Margin</i> | 14.8% | 16.1% | |
| Financing costs | (19) | (28) | |
| Gain on sale of assets held for sale | - | 91 | |
| <i>Tax rate</i> | 21.1% | 10.4% | |
| Net Income | 146 | 267 | 82.9% |
| EPS (CHF) basic | 3.07 | 5.60 | 82.4% |
| EPS (CHF) diluted | 2.86 | 5.15 | 80.1% |
| Cash Flow before change in net working capital | 313 | 276 | (11.8%) |
| Change in net working capital | (106) | (181) | |
| Capital Expenditures | (261) | (316) | 21.1% |
| Net Debt | 1 537 | 1 393 | (9.4%) |
| Number of employees | 7 457 | 8 106 | 8.7% |

2008 First Half Results – Strategic Highlights

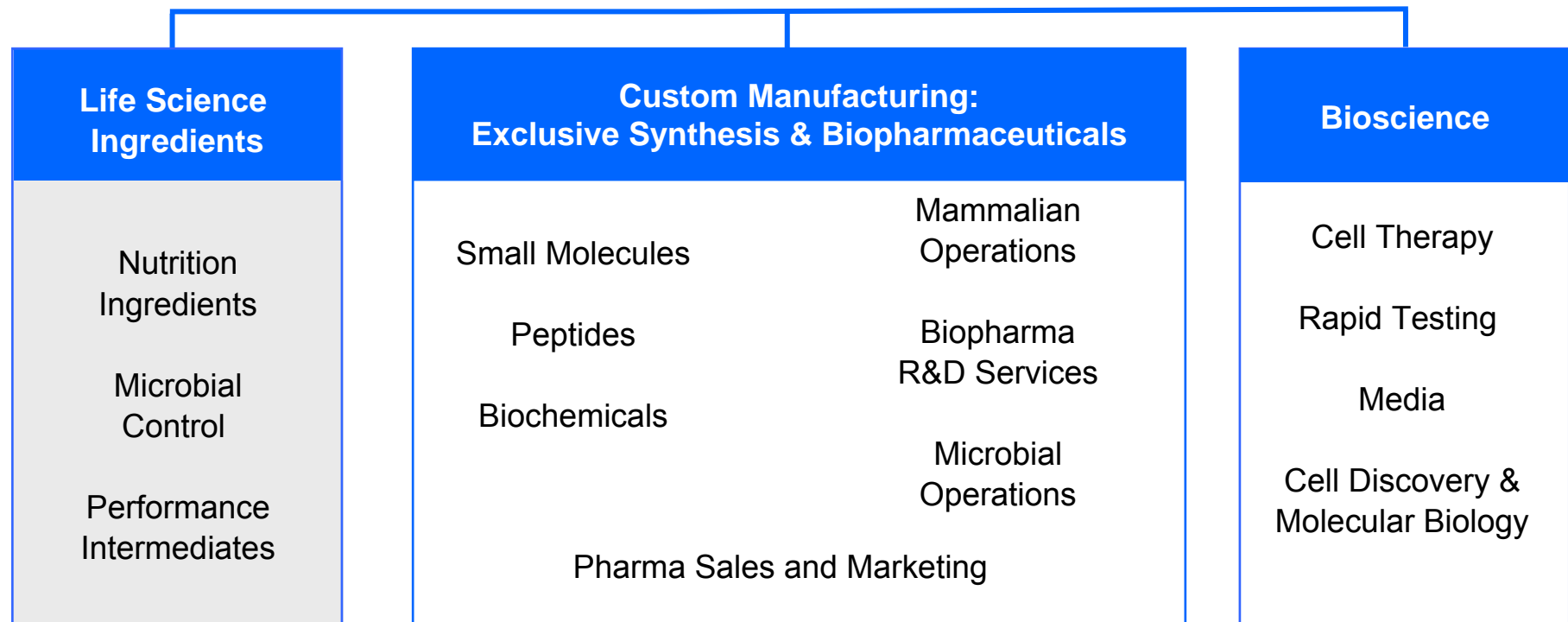
- Business situation
 - Current economic uncertainties offset by strength of product mix
 - Strong demand in most businesses
 - Weakness in USD and GBP mostly compensated by operational excellence programs

- Growth execution
 - Capital expenditure projects on or ahead of schedule and budget
 - Contracts for new plants developing according to plan
 - Contract manufacturing business model expansion to product pipeline agreements

- Structural operations / Portfolio changes
 - Turn-around programs for Riverside (USA) and Braine (BE) on track, Hopkinton (USA) ahead of schedule
 - Proceeds for the remaining stake in Polynt S.p.A. received
 - Acquisition of amaxa, a market leader in gene transfection into primary cells

Lonza's Life-Science Platform

Lonza

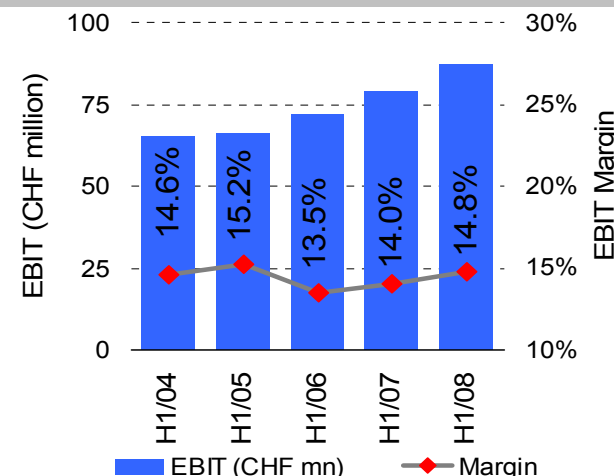


Life Science Ingredients

Key figures

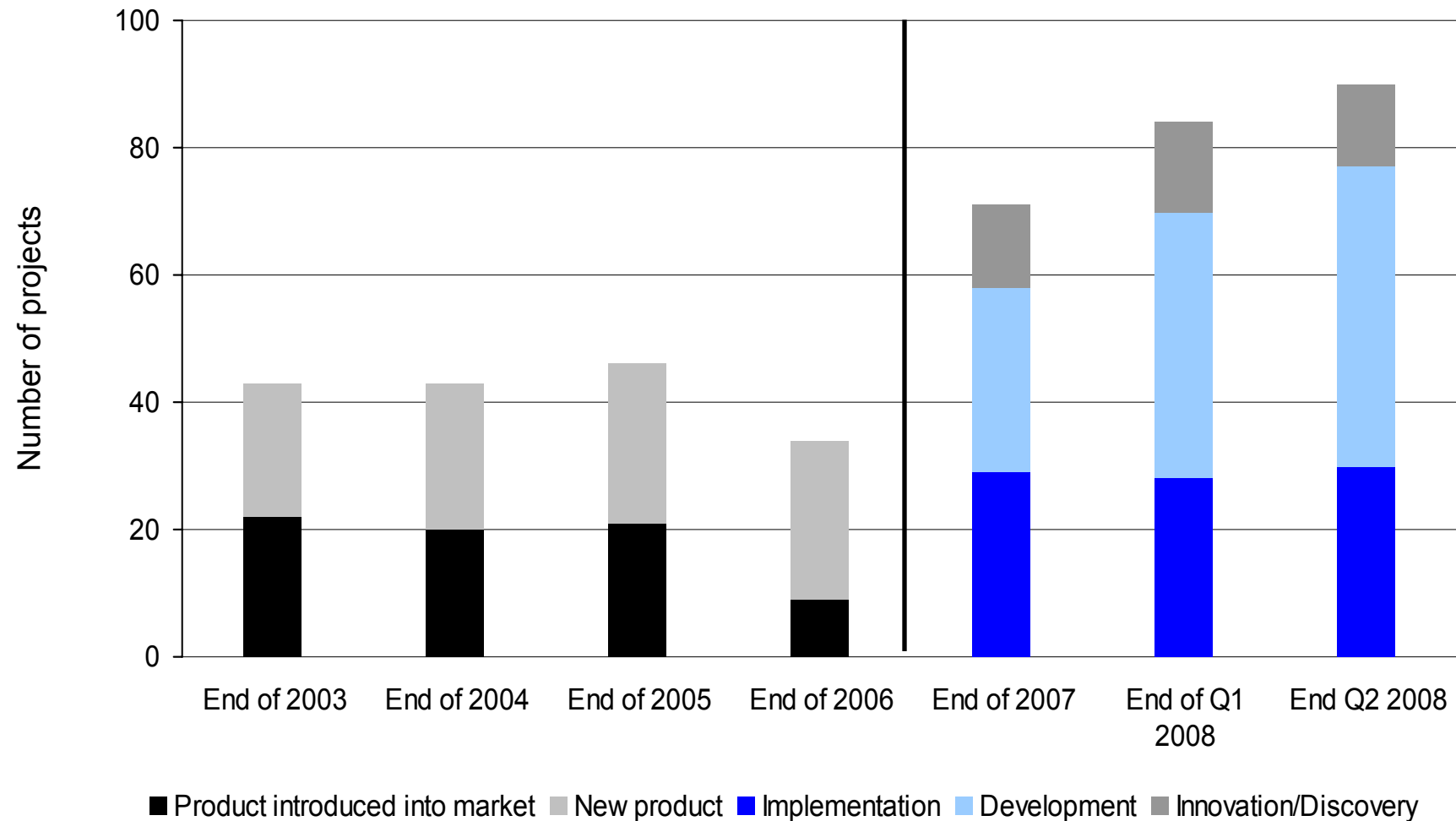
| CHF million | 1.Half 2008 | Change YoY |
|-------------|-------------|------------|
| Sales | 586 | 3.9% |
| EBIT | 87 | 10.1% |
| Margin | 14.8% | |
| EBITDA | 120 | 7.1% |
| Margin | 20.5% | |

EBIT and margin progression



- Sales growth of 9.0% in local currencies, 60 percent driven by volumes
 - Positive performances in Nutrition Ingredients and Performance Intermediates
 - Microbial Control strongly affected by raw material costs and exchange rates
- EBIT and RONOA improvement supported by high asset utilization
 - Raw material price situation (esp. naturals) remains an important uncertainty in 2008
- Good development of R&D pipeline

Life Science Ingredients – Project Pipeline (New Products)



Life Science Ingredients (I)

Nutrition Ingredients

- Good performance in Nicotinates limited by availability of product
 - Asset expansion announced
 - Ongoing debottlenecking in Visp and Nansha
 - Niacin pharma sales below expectations
- Meta performance at target level with healthy activity at formulators
- L-Carnitine sales at target level with normal competitive challenges from China
- First volumes of “chromium free” Vitamin K3 sold out of Shawinigan
 - Debottlenecking ongoing
- High raw material prices and weak USD make further price increases necessary

Life Science Ingredients (II)

Microbial Control

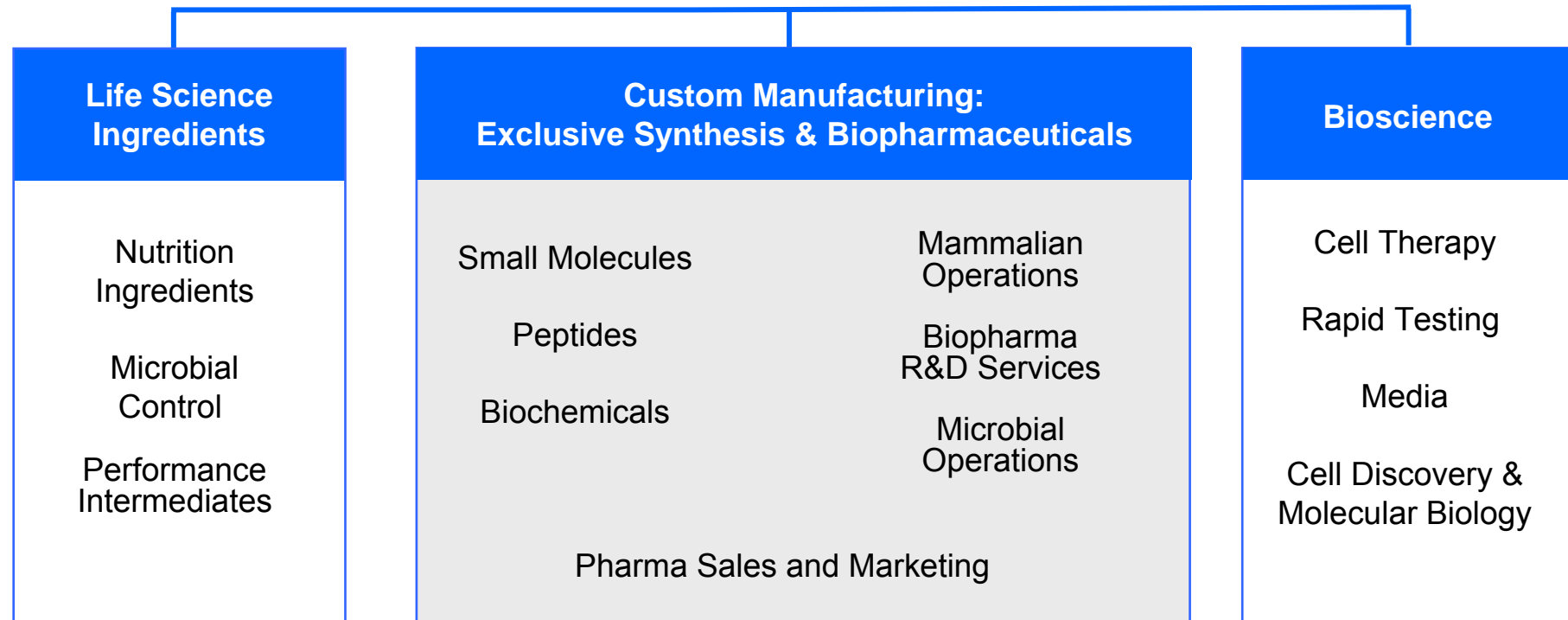
- Margin pressure due to the time lag of price increases to counter raw material inflation
- Hygiene business almost at target level, characterized by strong global demand and price competition in NAFTA
- Unsatisfactory performance for Carboquat® (protection for pressure-treated wood) due to US construction market slowdown and available alternative chemistry
- Strategic growth milestones on track
 - Laboratory services available and formulation development start-up in H2
 - Asia expansion plan initiated

Performance Intermediates

- Overall improvement in volumes for industrial specialties with margins recovering gradually
 - Margin stabilization and high demand for Diketene and HCN derivatives
 - Strong Agro performance and high asset utilization, along with a strengthening of product pipeline
 - High-Performance Materials on track, but weakening volumes in aerospace and some electronic applications – new growth initiatives implemented

Lonza's Life-Science Platform

Lonza

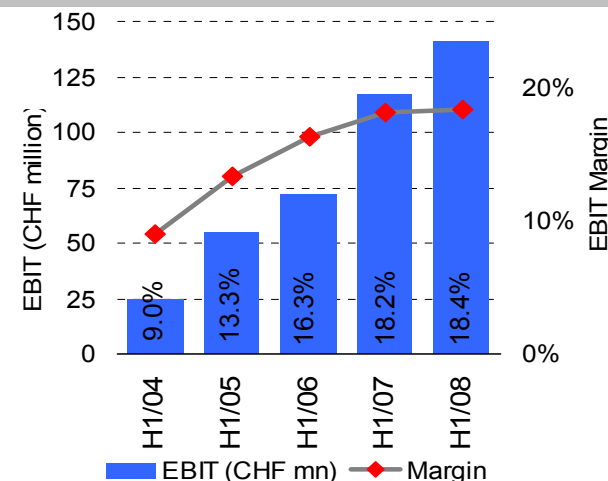


Exclusive Synthesis & Biopharmaceuticals

Key figures

| CHF million | 1. Half 2008 | Change YoY |
|---------------|--------------|------------|
| Sales | 765 | 19.2% |
| EBIT | 141 | 20.5% |
| <i>Margin</i> | 18.4% | |
| EBITDA | 216 | 12.5% |
| <i>Margin</i> | 28.2% | |

EBIT and margin progression



- Significant pickup in Exclusive Synthesis driven by
 - Strong sales progression especially in Small Molecules
 - Improvements principally in Visp, Riverside and Kouřim
- Expansion plans for both business units on track
- Extension of the custom manufacturing model towards the joint development of pipelines with customers has been initiated

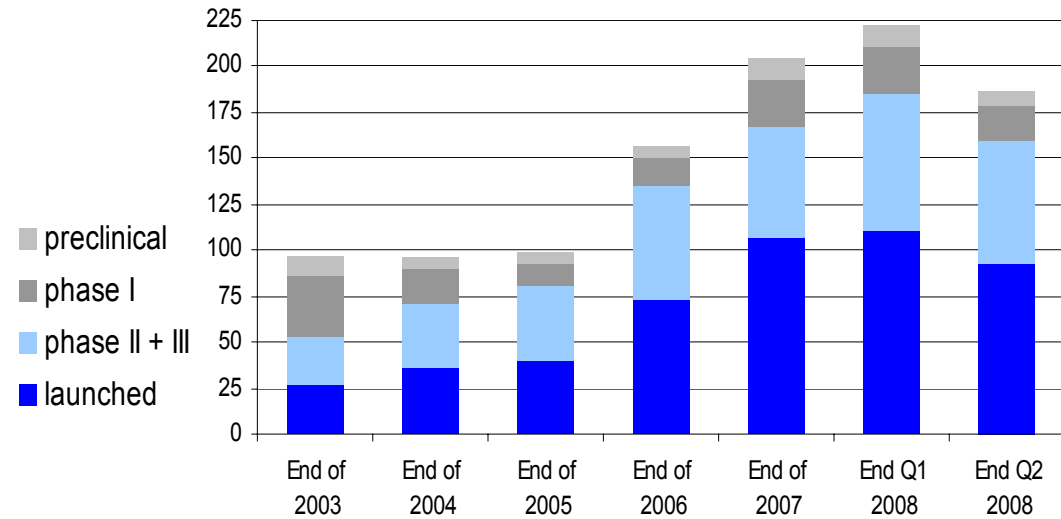
Exclusive Synthesis & Biopharmaceuticals

Exclusive Synthesis

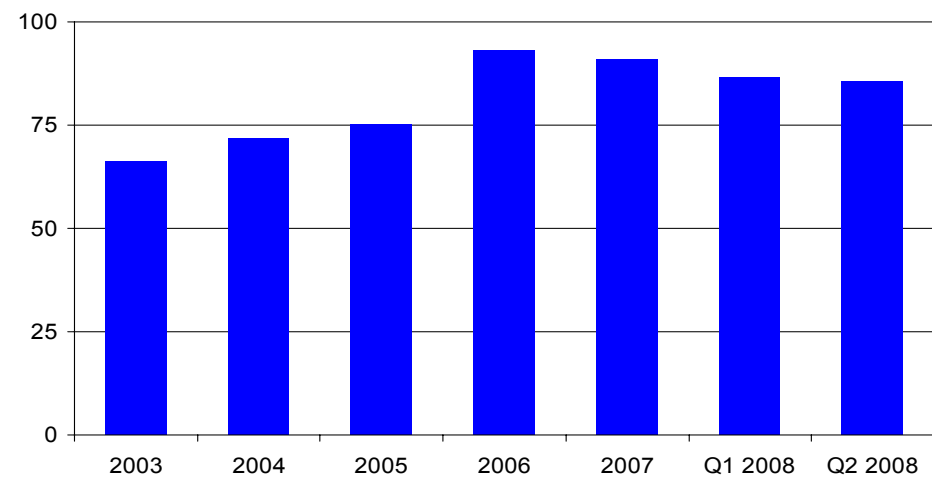
- Increased interest in outsourcing and longer-term relationships on behalf of customers
- Sales and productivity increase based on three activities:
 - The majority from ongoing restructuring and operational excellence programs at all plants
 - Some benefits from changes of the product mix towards higher value adding products
 - The first benefits from newly installed assets (toward the end of the half)
- Extension of the production capacity and technology base on track
 - New Nansha small scale plant loaded
 - Nansha API phase I expansion project on track for a Q4 2008 start
 - Installed multi-purpose capabilities in Kouřim help to drive portfolio improvement
 - First successful production of cGMP antibody drug conjugate batch in Visp
 - Successful qualification of the large scale HAPI facility
- Operations
 - Riverside performance stabilized at high levels; several audits confirm positive development
 - Production ramp-up in Braine showed 50% productivity increase over the average for 2007
 - Kouřim portfolio rejuvenation on track
 - Performance in Visp continues to be at a satisfactory high level

Exclusive Synthesis – Pipeline and Utilization

Project pipeline
Number of projects



Capacity Utilization
in %



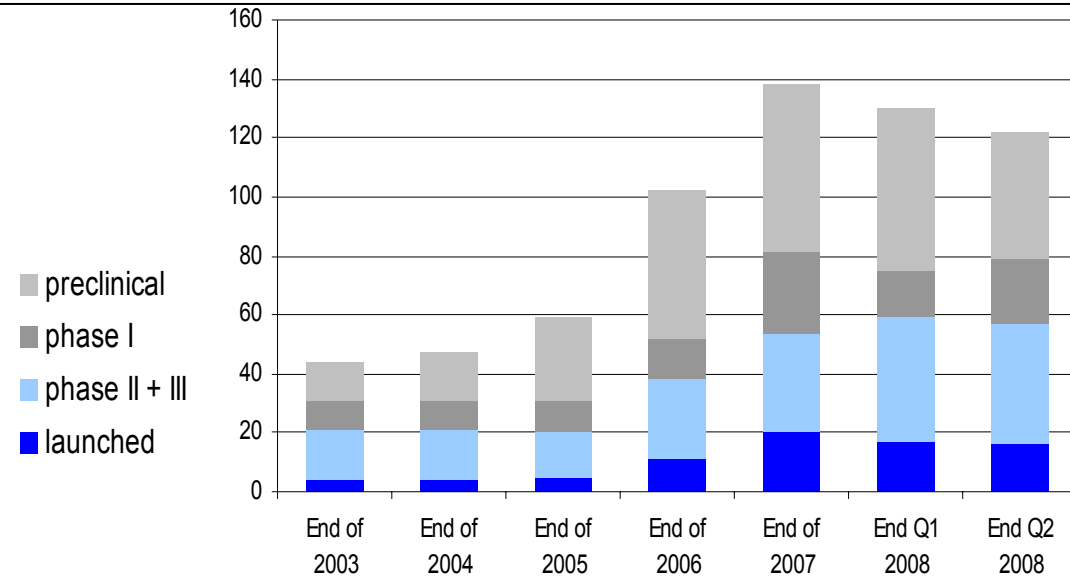
Exclusive Synthesis & Biopharmaceuticals

Biopharmaceuticals

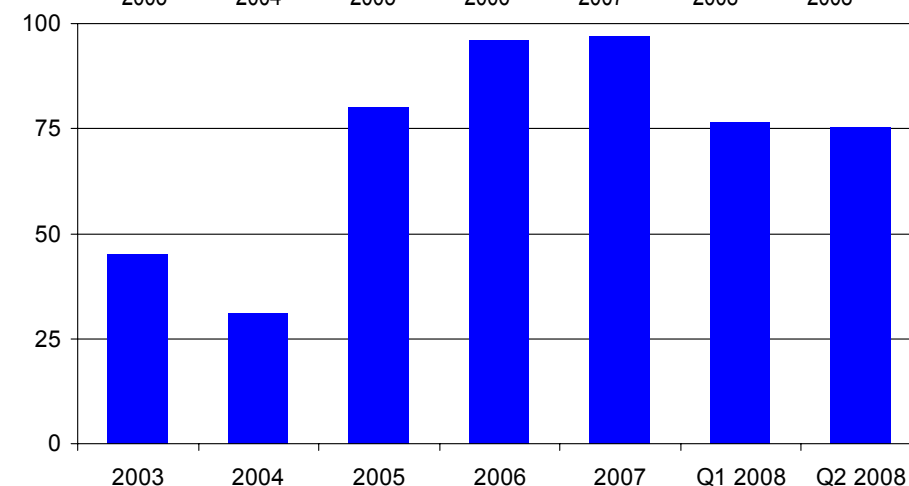
- Growing interest and demand for Lonza's "Total Product Life Cycle and Pipeline Management" concept
- Contract status supports microbial and mammalian expansion projects
 - 17 clients with over 20 products contracted, under LOI, or in advanced negotiations
- Expansion projects
 - The two large-scale microbial lines in Visp are fully operational
 - Singapore II build-out is on target
 - Portsmouth II shell construction is on target
 - The new 5 000L reactor in Portsmouth is online and operational, but impacted by project delays in the second half
 - Biopharma Services negatively impacted by several project delays and cancellations in early phases due to slow-down in funding for smaller biotechnology companies
- Operations
 - Consolidation in Hopkinton is on track. Acquisition of new projects and 2008 plant utilization is ahead of plan
 - Overall success rate is above 90%
 - The two regulatory inspections in 2008 in Hopkinton and Portsmouth were successful

Biopharmaceuticals – Pipeline and Utilization

Project Pipeline Number of projects



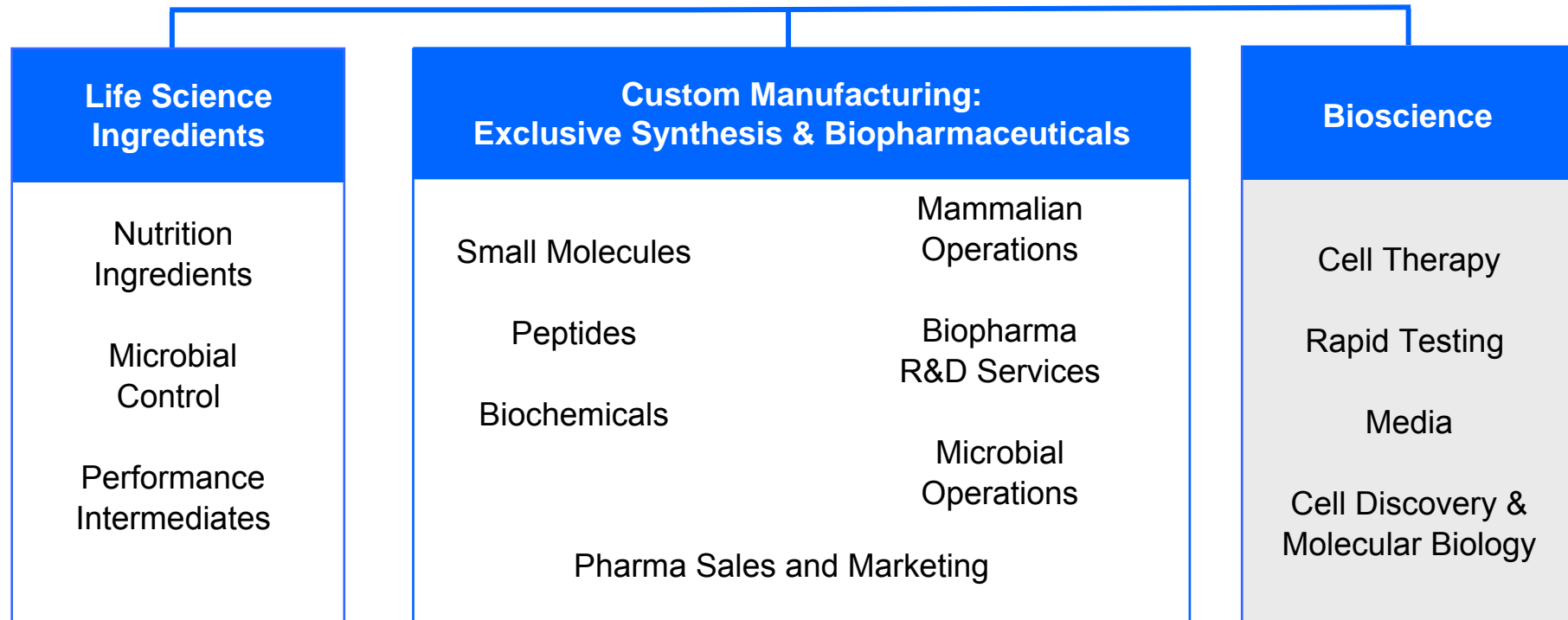
Capacity Utilization in %



Note: Q1 and Q2 2008 include 40 000L of idle capacity in Porriño, which is being transformed to a multi-purpose facility

Lonza's Life-Science Platform

Lonza



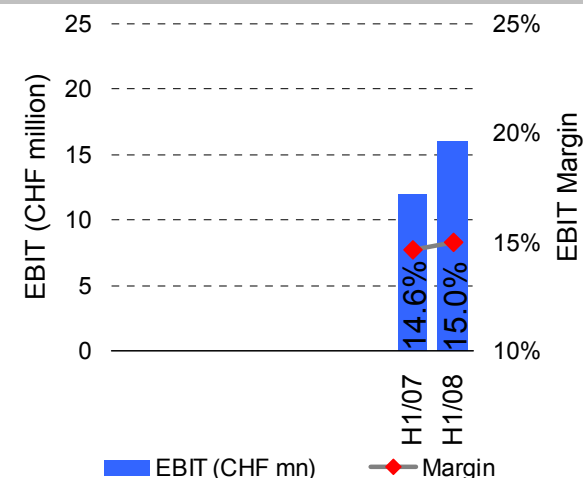
Bioscience

Key figures

| CHF million | 1. Half 2008 | Change YoY* |
|-------------|--------------|-------------|
| Sales | 107 | 30.5% |
| EBIT | 16 | 33.3% |
| Margin | 15.0% | |
| EBITDA | 22 | 10.0% |
| Margin | 20.6% | |

* Consolidated as of February 6, 2007

EBIT and margin progression



- Sales growth of 7.0% (on a comparable basis) below expectations
- Performance impacted by currency fluctuations, SAP implementation and timing of customer orders
- Execution of the business strategy is on track:
 - Internal growth through hiring of experts
 - Addition of new alliances and partnerships
 - Portfolio expansion through acquisitions

Bioscience (I)

Cell Therapy

- Strong growth of over 70% in the first half
- Long-term agreement signed with Osiris Therapeutics, Inc. for Prochymal[®], their leading adult stem cell therapy
- Expansion underway for new cell therapy cGMP manufacturing facilities in the US
- Additional expansion is being planned in Europe and Asia

Rapid Testing

- Growth below expectations due to the timing of large orders for Endotoxin Detection products
- Industrial Microbiology sales continue to lag due to slower than anticipated market penetration and long sales cycle

Bioscience (II)

Media

- Sales above 2007 but below target due to one off customer reductions in planned orders
- New therapeutic media facility undergoing expansion
- Global distribution agreement was signed with CELLution Biotech BV for their innovative disposable bioreactor, the CELL-tainer®

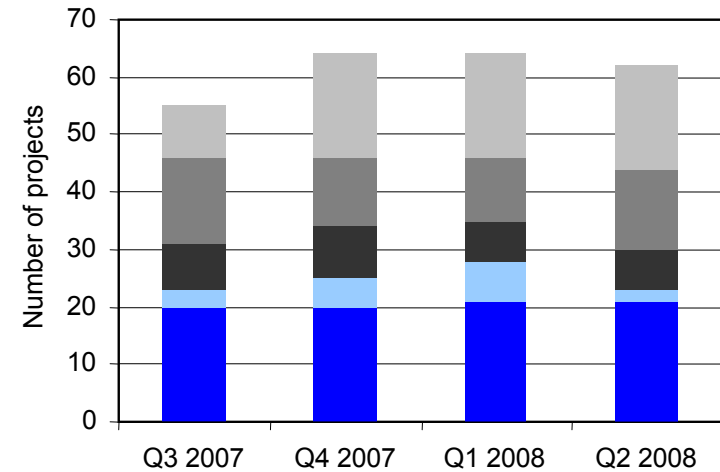
Cell Discovery & Molecular Biology

- Sales grew over prior year but were slightly below target levels
- Eight new products were launched
- Acquisition of amaxa AG, the leader in gene transfection into primary cells
- Exclusive agreement signed with Bar Harbour BioTechnology

Bioscience Project Pipeline – New Products and Therapeutic Clients

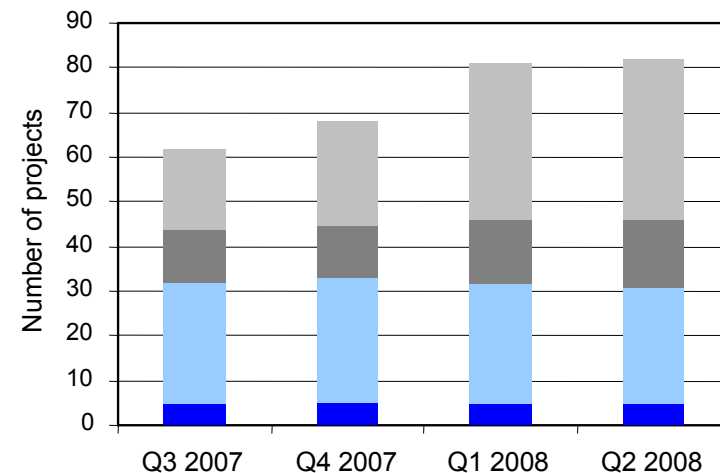
New Products
(Cell Discovery, Molecular
Biology, Rapid Testing)

- Proof of Principle
- Early Development
- Late Development
- Transfer to Manufacturing
- Launch



Therapeutic Clients
(Cell Therapy, Media)

- Preclinical
- Phase I
- Phase II + III
- Commercial



Summary, Status and Outlook

■ Half Year 2008 Status

- First-half performance on track despite currency and raw material challenges
- 15.2% EBIT growth on 1.9 percentage points higher RONO
- Extension of custom manufacturing model to the joint development of product pipelines with customers initiated

■ Outlook

- EBIT growth mid to high teens until 2013
- Project pipeline fully aligned to support growth expectations – 80% of capacity expansions committed today
- Strong EPS growth in 2008 due to the successful sale of the minority stake in Polynt S.p.A.

Calendar of Events and Contacts

■ Important Lonza Group Dates

- | | |
|------------------------|------------------------------------|
| ■ 24/25 September 2008 | Investor Relations Event in the US |
| ■ 29 October 2008 | Third Quarter 2008 Business Update |
| ■ 28 January 2009 | Full-Year Report 2008 |

■ Contacts

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