

News Release

Lonza Group AG
Münchensteinerstrasse 38
CH-4002 Basel, Schweiz
www.lonza.com

Lonza confirms strong long-term growth potential

- Sales of CHF 2 690 million (CHF 2 937 million in 2008) due to lower demand across all businesses, with EBIT of CHF 380 million before special charges (CHF 441 million in 2008)
- Stable EBITDA margins (24.5%) despite more volatile environment
- Comprehensive package of measures, including cost reductions of CHF 60-80 million within two years, triggering special charges of CHF 141 million
- Net cash flow from operating activities increased to CHF 422 million
- Solid financing situation, supporting unchanged growth potential
- First time consultative vote on the remuneration report at the next annual general meeting
- Frits van Dijk will not stand for re-election as Lonza board member
- The Board of Directors is proposing a cash dividend of CHF 1.75 per share

Basel, 28 January 2010 – The 2009 business year was characterized by lower demand across all businesses. This was reflected in clinical results driven order reductions of large-scale biopharmaceutical projects in Customer Manufacturing and recession-related lower demand in Life Science Ingredients. Lonza immediately reacted to the volatile business environment by implementing a re-engineering project. Despite the difficult environment, Lonza's debt gearing was reduced to 49% (76% in 2008). Net profit of CHF 159 million was disproportionately lower due to restructuring costs. All businesses are profitable. A detailed strategy review in the fourth quarter confirms the viability of our strategy within a market environment of accelerated changes. The employee base remained stable.

Key Financial Group Figures	Full-Year				
	2008	2009	+/- %	2009	+/- %
CHF million		before special charges		after special charges	
Sales	2937	2'690	(8.4%)	2'690	(8.4%)
EBITDA	691	658	(4.8%)	601	(13.0%)
EBITDA Margin	23.5%	24.5%		22.3%	
EBIT	441	380	(13.8%)	239	(45.8%)
EBIT Margin	15.0%	14.1%		8.9%	
Net Income	419	279	(33.4%)	159	(62.1%)
EPS (CHF) diluted	8.15	5.51	(32.4%)	3.17	(61.1%)
Net Cash Flow provided by operating activities	175	426	243.4%	422	241.1%
Capital Expenditures (excluding customer financing)	(420)	(511)	19.5%	(511)	19.5%
Net Debt	1 469	1'166	(20.6%)	1'166	(20.6%)
Number of employees	8 462	8'386	(0.9%)	8'386	(0.9%)

Outlook

Although the environment remains unstable, we continue to be optimistic about our ability to handle unexpected challenges. Lonza's life sciences growth strategy will continue to

deliver long-term growth. The effect of the re-engineering project will result in significant generation of free operational cash flow in 2010. Capital expenditure will be reduced from the original target of CHF 500 million for 2010, to below CHF 400 million, with a similar target for 2011. This will further strengthen cash flow generation and the balance sheet structure. The increased financial flexibility will open up specific expansion possibilities in our life-science-focused value chain.

Board of Directors

The Board of Directors is proposing an unchanged and attractive cash dividend of CHF 1.75 per share, thus providing value to shareholders in a challenging situation.

The Board of Director has decided that the remuneration report for the group will for the first time be subject to a consultative vote of the shareholders.

The Lonza Board of Directors has further taken note that Frits van Dijk will not stand for re-election at the next annual general meeting. Frits van Dijk joined the Lonza Board of Directors in April 2009. Frits van Dijk will not be replaced and the Board of Directors will be reduced from seven to six members.

For more detailed information, please refer to the Full-Year Report 2009 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 SIX Swiss Exchange. In 2009, Lonza had sales of CHF 2.69 billion. Further information can be found at www.lonza.com.

For further Information

Lonza Group Ltd
Head Corporate Communications
Michael Frizberg
Tel +41 61 316 8624
Fax +41 61 316 9624
michael.frizberg@lonza.com

Lonza Group Ltd
Media Relations
Dominik Werner
Tel +41 61 316 8798
Fax +41 61 316 9798
dominik.werner@lonza.com

Lonza Group Ltd
Investor Relations
Dirk Oehlers
Tel +41 61 316 8540
Fax +41 61 316 9540
dirk.oehlers@lonza.com