News Release

Temporary 43 hour work week instituted to ensure long-term strengthening of Visp site

- Temporary worktime increase for all Visp employees until end of 2012
- Visp site impacted by currency, raw material and energy costs
- Lonza expects negative currency effect of about CHF 60 to 70 million for 2011

30 June 2011 – As of 1 July 2011 and effective for the next 18 months, Lonza Visp increases the weekly working hours from an average of 41 to 43 hours for all employees at the Visp site. The site management team took this measure as the profit at the Visp site comes under pressure. The decreasing profitability of the Lonza Visp site is driven by three main factors: the massive strength of the Swiss franc, an aggressive pricing policy of competitors and increasing raw material and energy costs. For the year 2011, Lonza is expecting a negative currency effect of about CHF 60 to 70 million, which strongly impacts Lonza Visp. This pressure is expected to continue through the short and mid-term.

We expect this temporary worktime increase to partially offset the challenges at Visp. With this measure, we believe high plant utilization can be managed without additional staff, thereby avoiding further cost increases. The temporary worktime increase provides the necessary flexibility for further optimizations and strategic directions. In the next 18 months we will continue to work on changes, effective in the mid- and longterm. This includes a substantial increase of productivity, further optimization of the unique "Verbund" system at the Visp site, optimization of the product portfolio, an expansion of the technology offering and introduction of new product platforms and services.

“We have a high utilization and the plants are working at full capacity, but our profitability is troubled due to the negative exchange rate which increasingly diminishes revenue”, said Stephane Mischler, Site Manager Visp. “We are convinced that the Lonza employees in Visp will support the temporary working hour increase to meet this challenge and are willing to make additional, personal contribution to secure the future of the site. The immediate increase of the site’s attractiveness is crucial for future investment decisions and thus also for Lonza’s prosperity in Visp.”

About Lonza
Lonza is one of the world’s leading suppliers to the pharmaceutical, healthcare and life science industries. Products and services span its customers’ needs from research to final product manufacture. It 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. In addition, Lonza is a leader in cell-based research, endotoxin detection and cell therapy manufacturing. Furthermore, the company is 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 2010, the company had sales of CHF 2.680 billion. Further information can be found at www.lonza.com.

Further information

Lonza Ltd, Visp
Communications
Sonja Mutter
Tel +41 27 948 55 75
Fax +41 27 947 55 75
Mobile +41 78 629 20 62
sonja.mutter@lonza.com