

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

Lonza

Business Update – First Quarter 2008

23 April 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.”

First Quarter 2008 – Highlights

Successful implementation of key strategy elements supports long-term, sustainable, above-average, profitable growth

- Business situation
 - Vast majority of the portfolio unaffected by current economic uncertainties
 - Strong demand in all businesses
 - Weakness in USD and GBP mostly compensated by identified savings
 - All operational excellence programs on track

- Growth execution
 - Capital expenditure projects on or ahead of schedule and budget
 - Contracts for new plants developing according to plan
 - Growth strategies designed to deliver enhanced returns

- Structural operations / Portfolio changes
 - Turn-around programs for Riverside (USA), Hopkinton (USA) and Braine (BE) on track
 - Proceeds for the majority of remaining stake in Polynt S.p.A. received

Life Science Ingredients (I)

Summary

- Strong sales and margin performance
 - Stabilized petrochemical raw material prices leading to margin decompression
 - High overall asset utilization
- Strong exchange rate impact (USD) mainly for Microbial Control & Performance Intermediates
 - Partial compensation by fixed cost savings
- Raw material price situation (especially for naturals) remains an important concern in 2008
- Slowdown of US economy felt in Microbial Control
- Good development of R&D pipeline with strong focus on important Nutrition projects

Nutrition Ingredients

- Good volume growth in Nicotinates limited by availability of product
 - Asset expansion announced
 - Ongoing de-bottlenecking in Visp and Nansha
- Meta performance at target level with healthy activity at formulators
- L-Carnitine sales at target level with normal competitive challenges from China
- High raw material prices and weak USD pressure business performance and make further price increases necessary

Life Science Ingredients (II)

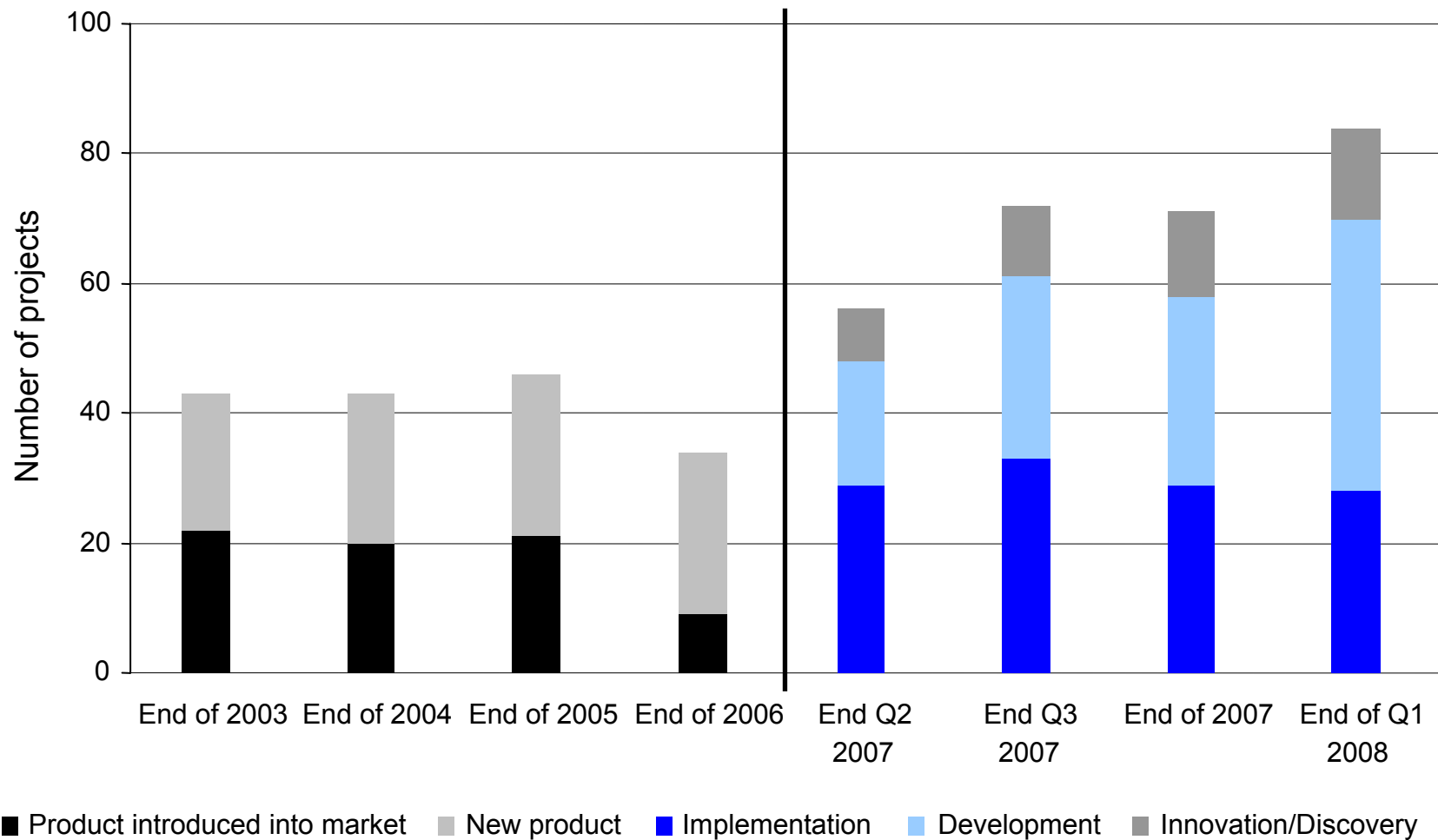
Microbial Control

- Overall, business slightly below target level due to high raw material prices and strong competition, mainly in USA and Europe
 - Biofuel incentives heavily increased palm oil derivatives prices
 - Strong USD translation and transaction impact
- US economy affects mainly construction materials & hygiene business
 - Slowdown of Carboquat® business also due to new, copper free products on the market
 - Strong competition in hygiene & preservation
 - Current raw material situation expected to last
- Asian expansion plans initiated
 - Build up of business development teams in India & China on-going

Performance Intermediates

- Net sales and margins slightly above target due to high asset utilization, strong specialty business and pricing discipline
- Agrochemicals and high performance materials at target levels and last years margins
- Diketene business still under strong pressure due to
 - Higher raw material cost in Europe compared to Asia
 - USD exchange impact
 - Overcapacity in Asia for commodity products
- HCN derivatives at target levels with a slightly positive outlook due to market shortage

Life Science Ingredients – Project Pipeline (New Products)



Exclusive Synthesis & Biopharmaceuticals

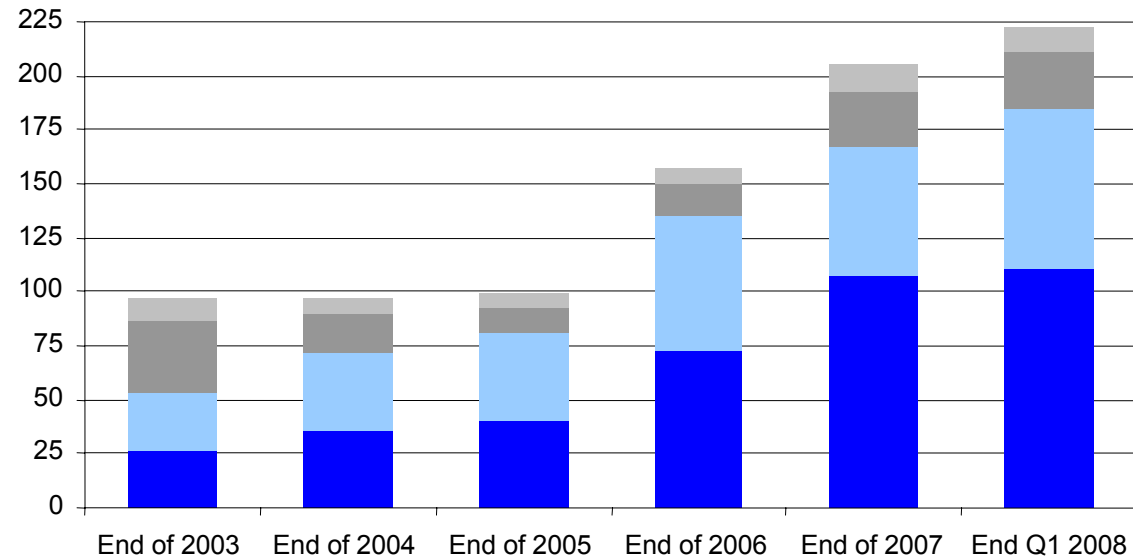
Exclusive Synthesis

- Increased interest in outsourcing on behalf of customers
- Asset utilization remains at satisfactory levels
- Extension of the production capacity and technology base on track
 - New Nansha small scale plant loaded
 - Nansha API phase I expansion project remains on track for a Q4 2008 start
 - Commercial scale plant for conjugates production in Visp will be on line in H2 2008
 - Successful qualification of the large scale HAPI facility
- Operations
 - Riverside performance stabilized at expected high levels
 - Production ramp-up in Braine showed 25% productivity increase over the average of 2007
 - Kouřim portfolio rejuvenation on track
 - Performance in Visp continues to be at a satisfactory high level

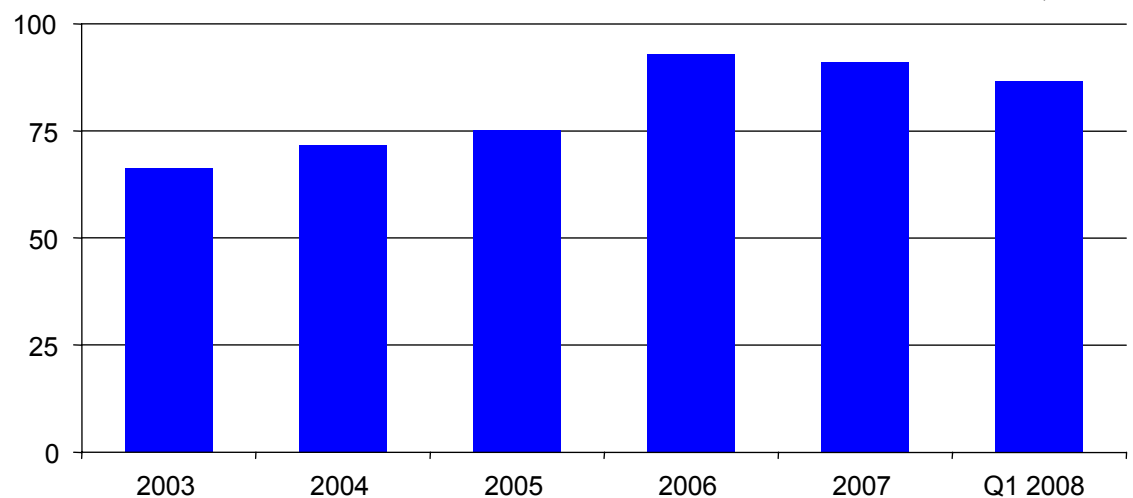
Exclusive Synthesis – Pipeline and Utilization

Project pipeline
Number of projects

- preclinical
- phase I
- phase II + III
- launched



Capacity Utilization
in %



Exclusive Synthesis & Biopharmaceuticals

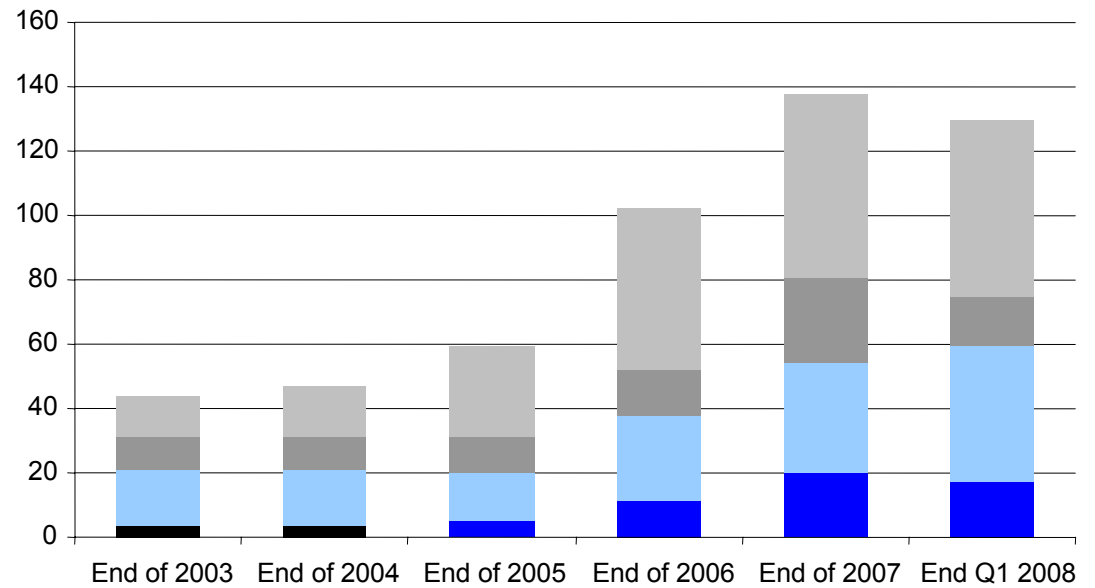
Biopharmaceuticals

- Continued strong interest and demand for Lonza's "Total Product Life Cycle Management" concept
- Contract status supports microbial and mammalian expansion projects
 - 15 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 shell construction is on target
 - Portsmouth II shell construction is on target
 - 5 000L Portsmouth reactor conversion is on target and will come on line Q3 2008
 - Biopharma Services negatively impacted by several project cancellations in early phases
- 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 were successful

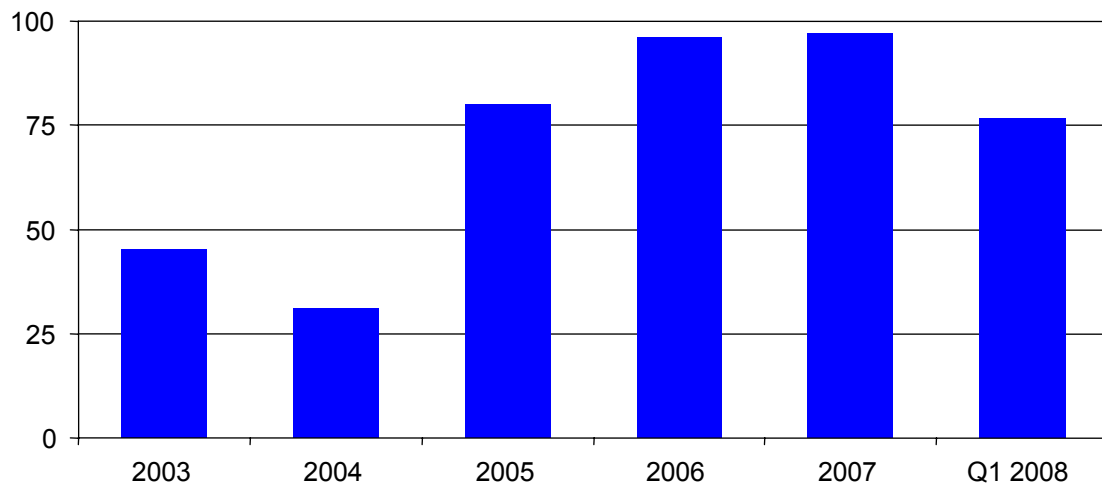
Biopharmaceuticals – Pipeline and Utilization

Project Pipeline Number of projects

- preclinical
- phase I
- phase II + III
- launched



Capacity Utilization in %



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

Bioscience (I)

Summary

- Sales and profit performance slightly behind schedule driven by timing of shipments
- Change of sales channels from distribution to direct sales is progressing
- SAP implementation set for May will complete the integration project

Cell Therapy

- Construction of commercial scale facility in Walkersville initiated
- Submitted eleven proposals for near term projects

Rapid Testing

- Very strong endotoxin detection sales

Bioscience (II)

Media

- Global distribution deal signed with CELLution Biotech for the CELL-tainer[®] bioreactor system
- Powdered media facility improvements underway in Verviers

Cell Discovery & Molecular Biology

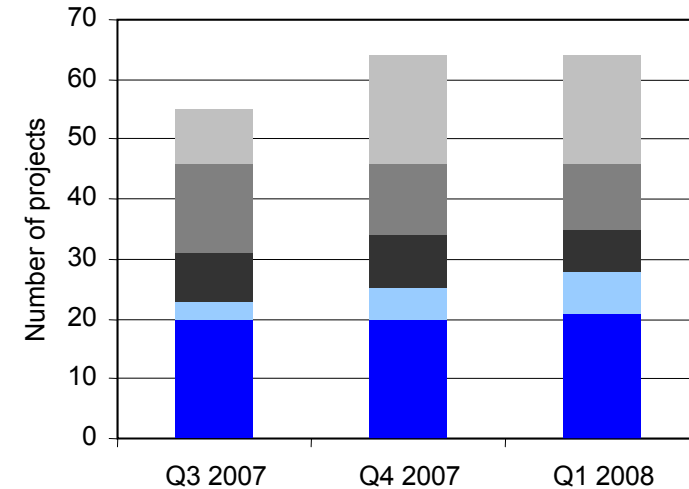
- Sales performance on track
- New products launched in Q1
 - OsteoImage[™] Mineralization Assay
 - PNGM[™] -A Media (Primary Neural Growth Medium – Adult)
 - ReadyHeps[™] Fresh Hepatocytes
 - gPCRs (g-Protein Coupled Receptors)
 - 9 different gPCR Receptor Cell Lines
 - 7 different gPCR Receptor Frozen Membranes

Bioscience Project Pipeline – New Products and Therapeutic Clients

New Products

(Cell Discovery,
Molecular Biology,
Rapid Testing)

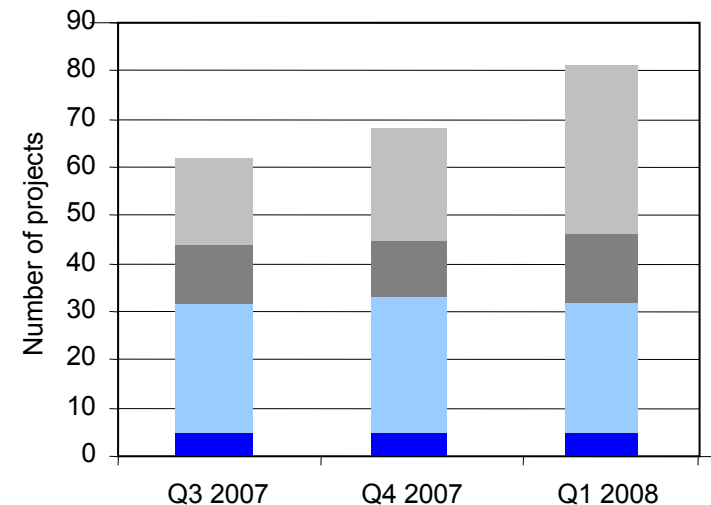
- Proof of Principle
- Early Development
- Late Development
- Transfer to Manufacturing
- Launch



Therapeutic Clients

(Cell Therapy, Media)

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



Summary, Status and Outlook

■ First Quarter 2008 Status

- Strong financial and operational performance year-to-date as expected, delivering further balance sheet improvements
- Strong sales and margin performance in Life Science Ingredients. Turnaround in Exclusive Synthesis on track
- Guidance reiterated – most of the currency headwinds to be compensated by identified savings

■ 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

- 23 July 2008 Half-Year Report 2008
- 24 / 25 September 2008 Investor Event (Portsmouth / Hopkinton (USA))
- 29 October 2008 Third Quarter 2008 Business Update

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