

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500-SF.	OMB Nos. 1210-0110 1210-0089 <div style="border: 1px solid black; padding: 5px; text-align: center; font-weight: bold; font-size: 1.2em;">2010</div> This Form is Open to Public Inspection
---	---	---

Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☒ single-employer plan ☐ multiple-employer plan (not multiemployer) ☐ one-participant plan
B This return/report is for:	☐ first return/report ☐ final return/report ☐ an amended return/report ☐ short plan year return/report (less than 12 months)
C Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information											
1a Name of plan PENSION PLAN FOR EMPLOYEES OF LONZA INC. REPRESENTED BY THE UNITED STEELWORKERS OF AMERICA (LOCAL 14964-06)		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">1b Three-digit plan number (PN) ►</td> <td style="width:30%; text-align: center;">004</td> </tr> <tr> <td colspan="2">1c Effective date of plan 08/09/1966</td> </tr> </table>	1b Three-digit plan number (PN) ►	004	1c Effective date of plan 08/09/1966							
1b Three-digit plan number (PN) ►	004											
1c Effective date of plan 08/09/1966												
2a Plan sponsor's name and address (employer, if for single-employer plan) LONZA INC. 90 BOROLINE RD ALLENDALE, NJ 07401-1613		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">2b Employer Identification Number (EIN) 13-5665861</td> <td style="width:30%;"></td> </tr> <tr> <td>2c Plan sponsor's telephone number 201-316-9200</td> <td></td> </tr> <tr> <td>2d Business code (see instructions) 325100</td> <td></td> </tr> </table>	2b Employer Identification Number (EIN) 13-5665861		2c Plan sponsor's telephone number 201-316-9200		2d Business code (see instructions) 325100					
2b Employer Identification Number (EIN) 13-5665861												
2c Plan sponsor's telephone number 201-316-9200												
2d Business code (see instructions) 325100												
3a Plan administrator's name and address (if same as Plan sponsor, enter "Same") LONZA INC. 90 BOROLINE RD ALLENDALE, NJ 07401-1613		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">3b Administrator's EIN 13-5665861</td> <td style="width:30%;"></td> </tr> <tr> <td>3c Administrator's telephone number 201-316-9200</td> <td></td> </tr> </table>	3b Administrator's EIN 13-5665861		3c Administrator's telephone number 201-316-9200							
3b Administrator's EIN 13-5665861												
3c Administrator's telephone number 201-316-9200												
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN, and the plan number from the last return/report. Sponsor's name		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">4b EIN</td> <td style="width:30%;"></td> </tr> <tr> <td>4c PN</td> <td></td> </tr> </table>	4b EIN		4c PN							
4b EIN												
4c PN												
5a Total number of participants at the beginning of the plan year		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">5a</td> <td style="width:30%; text-align: right;">75</td> </tr> <tr> <td>b Total number of participants at the end of the plan year.....</td> <td></td> </tr> <tr> <td>5b</td> <td style="text-align: right;">75</td> </tr> <tr> <td>c Total number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item).....</td> <td></td> </tr> <tr> <td>5c</td> <td></td> </tr> </table>	5a	75	b Total number of participants at the end of the plan year.....		5b	75	c Total number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item).....		5c	
5a	75											
b Total number of participants at the end of the plan year.....												
5b	75											
c Total number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item).....												
5c												
6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.)		☒ Yes ☐ No										
b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.).....		☒ Yes ☐ No										
If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.												

Part III	Financial Information		
7 Plan Assets and Liabilities			
		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	2340607	3169727
b Total plan liabilities.....	7b		
c Net plan assets (subtract line 7b from line 7a).....	7c	2340607	3169727
8 Income, Expenses, and Transfers for this Plan Year			
		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	790000	
(2) Participants	8a(2)		
(3) Others (including rollovers).....	8a(3)		
b Other income (loss).....	8b	330539	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		1120539
d Benefits paid (including direct rollovers and insurance premiums to provide benefits).....	8d	200893	
e Certain deemed and/or corrective distributions (see instructions).....	8e		
f Administrative service providers (salaries, fees, commissions).....	8f	90526	
g Other expenses.....	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g).....	8h		291419
i Net income (loss) (subtract line 8h from line 8c).....	8i		829120
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics**9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

1B 1G 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:**Part V Compliance Questions**

10	During the plan year:	Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)		X	
b	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)		X	
c	Was the plan covered by a fidelity bond?	X		8000000
d	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
e	Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.)		X	
f	Has the plan failed to provide any benefit when due under the plan?		X	
g	Did the plan have any participant loans? (If "Yes," enter amount as of year end.)		X	
h	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
i	If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3			

Part VI Pension Funding Compliance**11** Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500))..... ☒ Yes ☐ No**12** Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? .. ☐ Yes ☒ No
(If "Yes," complete 12a or 12b, 12c, 12d, and 12e below, as applicable.)**a** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year.....	12b	
c Enter the amount contributed by the employer to the plan for this plan year.....	12c	
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d	
e Will the minimum funding amount reported on line 12d be met by the funding deadline?	☐ Yes ☐ No ☐ N/A	

Part VII Plan Terminations and Transfers of Assets**13a** Has a resolution to terminate the plan been adopted during the plan year or any prior year? ☐ Yes ☒ NoIf "Yes," enter the amount of any plan assets that reverted to the employer this year..... **13a** **b** Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? ☐ Yes ☒ No**c** If during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2011	ALICIA ALCOSSER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2011	ALICIA ALCOSSER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection</div>
--	---	--

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010	
Round off amounts to nearest dollar.	
Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
A Name of plan PENSION PLAN FOR EMPLOYEES OF LONZA INC. REPRESENTED BY THE UNITED STEELWORKERS OF AMERICA (LOCAL 14964-06)	B Three-digit plan number (PN) 004
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF LONZA INC.	D Employer Identification Number (EIN) 13-5665861
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500

Part I	Basic Information
1	Enter the valuation date: Month 01 Day 01 Year 2010
2	Assets:
a	Market value 2a 2712171
b	Actuarial value 2b 2890525
3	Funding target/participant count breakdown
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a 46 2023190
b	For terminated vested participants 3b 29 860214
c	For active participants:
(1)	Non-vested benefits 3c(1) 0
(2)	Vested benefits 3c(2) 0
(3)	Total active 3c(3) 0
d	Total 3d 75 2883404
4	If the plan is at-risk, check the box and complete items (a) and (b) ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 6.59 %
6	Target normal cost 6 13000

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	10/12/2011
Signature of actuary	Date
LIANA PETRUSO	11-07060
Type or print name of actuary	Most recent enrollment number
TOWERS WATSON PENNSYLVANIA INC.	203-326-5400
Firm name	Telephone number (including area code)
263 TRESSER BLVD STAMFORD, CT 06901	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II	Beginning of year carryover and prefunding balances	(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	624313	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	624313	0
10	Interest on item 9 using prior year's actual return of <u>22.32</u> %	139347	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		353103
b	Interest on (a) using prior year's effective rate of <u>8.21</u> %		28990
c	Total available at beginning of current plan year to add to prefunding balance		382093
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	763660	0

Part III	Funding percentages		
14	Funding target attainment percentage.....	14	73.76 %
15	Adjusted funding target attainment percentage.....	15	100.24 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	95.68 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV	Contributions and liquidity shortfalls				
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/15/2011	390000				
Totals ►			18(b)	390000	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 349809
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No	
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No	
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of Quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 5.03 %	2nd segment: 6.73 %	3rd segment: 6.82 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	13000
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	13000
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	11275	0
36 Additional cash requirement (item 34 minus item 35).....	36	1725
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	349809
38 Interest-adjusted excess contributions for current year (see instructions).....	38	348084
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Funding interest rate basis

- | | |
|--|----------------|
| ▶ Yield curve basis: | Segment rates |
| ▶ Applicable month: | September 2009 |
| ▶ Transition from current liability rates: | N/A |

Funding interest rates

- | | |
|----------------------------|-------|
| ▶ First segment rate: | 5.03% |
| ▶ Second segment rate: | 6.73% |
| ▶ Third segment rate: | 6.82% |
| ▶ Effective interest rate: | 6.59% |

Annual rates of increase

- | | |
|--------------------------------------|-----|
| ▶ Salaries: | N/A |
| ▶ Future Social Security wage bases: | N/A |

Administrative expense:

Load to the Funding Target Normal Cost based on estimated administrative expenses to be paid during the year. A load of \$13,000 was used for 2010.

Demographic Assumptions

Mortality

Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2025 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2017 using Scale AA)

Retirement

100% at Normal Retirement Age of 65

Form of payment

Life Annuity

Percent married

100% of males and females are assumed to be married.

Plan Name:	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN:	13-5665861/ 004
Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Spouse age	Wife three years younger than husband.
Covered pay	There are currently no active participants.
Special at-risk assumptions	For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year. In addition, these participants are assumed to elect the life annuity, as the most valuable form of payment under PPA assumptions.

Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits
Target normal cost	Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year
Actuarial value of assets	Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings. The average asset value must be within 10% of fair value, including contributions receivable.

Benefits Not Valued

All benefits described in the Plan Provisions section of this report were valued. We are not aware of any significant benefits required to be valued that were not.

Attribution of Benefits

The IRC 430 regulations describe the required methodology for attributing benefits among Funding Target, current year Target Normal Cost, and future years' Target Normal Costs for disability benefits, Social Security benefits, death benefits and other ancillary benefits

Plan Name:	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN:	13-5665861/ 004
Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24 Change in Actuarial Assumptions

The assumed plan-related expenses added to the target normal cost were changed from \$14,000 for 2009 to \$13,000 for 2010.

Plan Name:	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN:	13-5665861/ 004
Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 25 Change in Method

In accordance with 1.430(d)-1(g)(3)(ii)(A), automatic approval has been granted for the first plan year for which all the provisions of 1.430(d)-1, 1.430(f)-1, 1.430(g)-1, 1.430(i)-1, and 1.436-1 are reflected of any changes to funding methods permitted by the Pension Protection Act. 2010 is the first plan year for which all of these provisions were reflected, and thus all funding method changes are automatically approved.

Plan Name: Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of
America Local 14964-06
EIN / PN: 13-5665861/ 004
Plan Sponsor: Lonza Inc.
Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Effective Date Adopted March 1, 1972; last amended December 31, 2009.

Eligibility for Participation All regular, full-time employees of the Company who are represented by the collective bargaining unit of the United Steelworkers of America, Local 14964-06 participate as of their date of hire. As of December 31, 2002, the Plan has no participants actively accruing benefits.

Definitions

Credited Service Number of years and completed months of continuous employment

Monthly Accrued Benefit Participants' accrued benefits are fixed since all participants are inactive. The monthly retirement benefit formula was based upon years of Credited Service times a multiplier as follows:

<u>Effective Date</u>	<u>Benefit Multiplier</u>
January 25, 1999	\$30.25
January 25, 2000	\$31.25
January 27, 2001	\$32.25
January 27, 2002	\$32.75
January 27, 2003	\$33.25
January 27, 2004	\$33.75
January 27, 2005	\$34.25

Normal Retirement Benefit

Eligibility Age 65 and 5 years of Credited Service.

Amount The Accrued Benefit payable immediately.

Early Retirement Benefit

Eligibility Age 55 and 10 years of Credited Service.

Amount The Accrued Benefit reduced by 0.5% for each month that the early retirement date precedes the normal retirement date. However, employees who retire from active service on or after attaining age 62 and prior to age 65 will not have their benefits reduced.

Plan Name: Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06

EIN / PN: 13-5665861/ 004

Plan Sponsor: Lonza Inc.

Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Supplemental Benefit

Eligibility	Effective January 27, 2001, active employees who meet requirements for Early Retirement and retire from active service after attainment of age 62 and before age 65.
Amount	A monthly benefit of \$150 payable until the employee attains age 65 or date of death, if earlier.

Late Retirement Benefit

Eligibility	Retirement after Normal Retirement Date
Amount	The Accrued Benefit determined using service to the actual retirement date, payable immediately.

Disability Retirement Benefit

Eligibility	An employee who becomes totally and permanently disabled, who is eligible for Social Security Disability Benefits, and has at least 10 years of Credited Service.
Amount	A monthly benefit of \$300 is payable until the earlier of death, cessation of disability, or Normal Retirement Date. At Normal Retirement Date, the employee will receive a benefit based on his accrued benefit earned prior to becoming disabled.

Termination Benefit

Eligibility	Termination with 5 years of Credited Service. As of December 31, 2002 all participants are 100% vested.
Amount	The Accrued Benefit
Benefit Commencement	Payable at Normal Retirement Date, or as early as age 55, if the employee had at least 10 years of Credited Service at termination, with a reduced benefit. The reduction is 0.5% for each month that commencement precedes age 65.

Plan Name:	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN:	13-5665861/ 004
Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Surviving Spouse Benefit

Eligibility	5 years of Continuous Service.
Amount	The surviving spouse will receive 50% of the benefit the employee would have received had he survived to the earliest retirement date and elected the Joint and 50% Survivor annuity option.
Benefit Commencement	The earliest date the employee would have been eligible for a retirement benefit.

Forms of Benefit Payment

Normal Form of Payment	(i) Unmarried Participant: Life Annuity (ii) Married Participant: Actuarially reduced 50% Joint & Survivor Annuity
Optional Forms	(i) Joint & Survivor Annuity (ii) 5 Year Certain and Continuous Annuity (iii) 10 Year Certain and Continuous Annuity (iv) Social Security Level Income Annuity (v) Life Annuity (for married participants) Actuarial equivalence for optional forms is the Unisex Pension 1984 Mortality Table and 6.00% interest.

Changes in Benefits Valued Since Prior Year

There have been no changes since the prior valuation.

Plan Name:	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN:	13-5665861/ 004
Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB -Statement by Enrolled Actuary

Plan Sponsor	Lonza Inc.
EIN/PN	13-5665861/ 004
Plan Name	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
Valuation Date	January 1, 2010
Enrolled Actuary	Liana Petruso
Enrollment Number	11-07060

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan.

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
---	--	---

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan PENSION PLAN FOR EMPLOYEES OF LONZA INC. REPRESENTED BY THE UNITED	B Three-digit plan number (PN) ► <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF LONZA INC.	D Employer Identification Number (EIN) 13-5665861
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Other	
F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500	

Part I Basic Information			
1	Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2010</u>		
2	Assets:		
	a Market value.....	2a	2,712,171
	b Actuarial value.....	2b	2,890,525
3	Funding target/participant count breakdown	(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment.....	3a	2,023,190
	b For terminated vested participants.....	3b	860,214
	c For active participants:		
	(1) Non-vested benefits.....	3c(1)	0
	(2) Vested benefits.....	3c(2)	0
	(3) Total active.....	3c(3)	0
	d Total.....	3d	2,883,404
4	If the plan is at-risk, check the box and complete items (a) and (b) ☐		
	a Funding target disregarding prescribed at-risk assumptions.....	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....	4b	
5	Effective interest rate.....	5	6.59 %
6	Target normal cost.....	6	13,000

Statement by Enrolled Actuary
 To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Liana Petruso <u>LP</u> Signature of actuary	<u>10/12/11</u> Date
	LIANA PETRUSO Type or print name of actuary	11-07060 Most recent enrollment number
	TOWERS WATSON PENNSYLVANIA INC. Firm name	(203) 326-5400 Telephone number (including area code)
	263 TRESSER BLVD Address of the firm	CT 06901

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF. **Schedule SB (Form 5500) 2010 v.092308.1**

Part II		Beginning of year carryover and prefunding balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	624,313	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8)	624,313	0
10	Interest on item 9 using prior year's actual return of <u>22.32</u> %	139,347	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		353,103
b	Interest on (a) using prior year's effective rate of <u>8.21</u> %		28,990
c	Total available at beginning of current plan year to add to prefunding balance		382,093
d	Portion of (c) to be added to prefunding balance		0
12	Reduction in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	763,660	0

Part III		Funding percentages	
14	Funding target attainment percentage	14	73.76 %
15	Adjusted funding target attainment percentage	15	100.24 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	95.68 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV		Contributions and liquidity shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/15/2011	390,000				
Totals ▶			18(b)	390,000	18(c)
					0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	349,809

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 5.03 %	2nd segment: 6.73 %	3rd segment: 6.82 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	13,000
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	13,000
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	11,275	0
36 Additional cash requirement (item 34 minus item 35)	36	1,725
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	349,809
38 Interest-adjusted excess contributions for current year (see instructions)	38	348,084
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Funding interest rate basis

- | | |
|--|----------------|
| ▶ Yield curve basis: | Segment rates |
| ▶ Applicable month: | September 2009 |
| ▶ Transition from current liability rates: | N/A |

Funding interest rates

- | | |
|----------------------------|-------|
| ▶ First segment rate: | 5.03% |
| ▶ Second segment rate: | 6.73% |
| ▶ Third segment rate: | 6.82% |
| ▶ Effective interest rate: | 6.59% |

Annual rates of increase

- | | |
|--------------------------------------|-----|
| ▶ Salaries: | N/A |
| ▶ Future Social Security wage bases: | N/A |

Administrative expense:

Load to the Funding Target Normal Cost based on estimated administrative expenses to be paid during the year. A load of \$13,000 was used for 2010.

Demographic Assumptions

Mortality

Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2025 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2017 using Scale AA)

Retirement

100% at Normal Retirement Age of 65

Form of payment

Life Annuity

Percent married

100% of males and females are assumed to be married.

Plan Name:	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN:	13-5665861/ 004
Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Spouse age	Wife three years younger than husband.
Covered pay	There are currently no active participants.
Special at-risk assumptions	For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year. In addition, these participants are assumed to elect the life annuity, as the most valuable form of payment under PPA assumptions.

Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits
Target normal cost	Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year
Actuarial value of assets	Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings. The average asset value must be within 10% of fair value, including contributions receivable.

Benefits Not Valued

All benefits described in the Plan Provisions section of this report were valued. We are not aware of any significant benefits required to be valued that were not.

Attribution of Benefits

The IRC 430 regulations describe the required methodology for attributing benefits among Funding Target, current year Target Normal Cost, and future years' Target Normal Costs for disability benefits, Social Security benefits, death benefits and other ancillary benefits

Plan Name:	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN:	13-5665861/ 004
Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

Effective Date Adopted March 1, 1972; last amended December 31, 2009.

Eligibility for Participation All regular, full-time employees of the Company who are represented by the collective bargaining unit of the United Steelworkers of America, Local 14964-06 participate as of their date of hire. As of December 31, 2002, the Plan has no participants actively accruing benefits.

Definitions

Credited Service Number of years and completed months of continuous employment

Monthly Accrued Benefit Participants' accrued benefits are fixed since all participants are inactive. The monthly retirement benefit formula was based upon years of Credited Service times a multiplier as follows:

<u>Effective Date</u>	<u>Benefit Multiplier</u>
January 25, 1999	\$30.25
January 25, 2000	\$31.25
January 27, 2001	\$32.25
January 27, 2002	\$32.75
January 27, 2003	\$33.25
January 27, 2004	\$33.75
January 27, 2005	\$34.25

Normal Retirement Benefit

Eligibility Age 65 and 5 years of Credited Service.

Amount The Accrued Benefit payable immediately.

Early Retirement Benefit

Eligibility Age 55 and 10 years of Credited Service.

Amount The Accrued Benefit reduced by 0.5% for each month that the early retirement date precedes the normal retirement date. However, employees who retire from active service on or after attaining age 62 and prior to age 65 will not have their benefits reduced.

Plan Name: Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06

EIN / PN: 13-5665861/ 004

Plan Sponsor: Lonza Inc.

Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Supplemental Benefit

Eligibility	Effective January 27, 2001, active employees who meet requirements for Early Retirement and retire from active service after attainment of age 62 and before age 65.
Amount	A monthly benefit of \$150 payable until the employee attains age 65 or date of death, if earlier.

Late Retirement Benefit

Eligibility	Retirement after Normal Retirement Date
Amount	The Accrued Benefit determined using service to the actual retirement date, payable immediately.

Disability Retirement Benefit

Eligibility	An employee who becomes totally and permanently disabled, who is eligible for Social Security Disability Benefits, and has at least 10 years of Credited Service.
Amount	A monthly benefit of \$300 is payable until the earlier of death, cessation of disability, or Normal Retirement Date. At Normal Retirement Date, the employee will receive a benefit based on his accrued benefit earned prior to becoming disabled.

Termination Benefit

Eligibility	Termination with 5 years of Credited Service. As of December 31, 2002 all participants are 100% vested.
Amount	The Accrued Benefit
Benefit Commencement	Payable at Normal Retirement Date, or as early as age 55, if the employee had at least 10 years of Credited Service at termination, with a reduced benefit. The reduction is 0.5% for each month that commencement precedes age 65.

Plan Name:	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN:	13-5665861/ 004
Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Surviving Spouse Benefit

Eligibility	5 years of Continuous Service.
Amount	The surviving spouse will receive 50% of the benefit the employee would have received had he survived to the earliest retirement date and elected the Joint and 50% Survivor annuity option.
Benefit Commencement	The earliest date the employee would have been eligible for a retirement benefit.

Forms of Benefit Payment

Normal Form of Payment	(i) Unmarried Participant: Life Annuity (ii) Married Participant: Actuarially reduced 50% Joint & Survivor Annuity
Optional Forms	(i) Joint & Survivor Annuity (ii) 5 Year Certain and Continuous Annuity (iii) 10 Year Certain and Continuous Annuity (iv) Social Security Level Income Annuity (v) Life Annuity (for married participants) Actuarial equivalence for optional forms is the Unisex Pension 1984 Mortality Table and 6.00% interest.

Changes in Benefits Valued Since Prior Year

There have been no changes since the prior valuation.

Plan Name:	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN:	13-5665861/ 004
Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24 Change in Actuarial Assumptions

The assumed plan-related expenses added to the target normal cost were changed from \$14,000 for 2009 to \$13,000 for 2010.

Plan Name:	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
EIN / PN:	13-5665861/ 004
Plan Sponsor:	Lonza Inc.
Valuation Date:	January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 25 Change in Method

In accordance with 1.430(d)-1(g)(3)(ii)(A), automatic approval has been granted for the first plan year for which all the provisions of 1.430(d)-1, 1.430(f)-1, 1.430(g)-1, 1.430(i)-1, and 1.436-1 are reflected of any changes to funding methods permitted by the Pension Protection Act. 2010 is the first plan year for which all of these provisions were reflected, and thus all funding method changes are automatically approved.

Plan Name: Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of
America Local 14964-06
EIN / PN: 13-5665861/ 004
Plan Sponsor: Lonza Inc.
Valuation Date: January 1, 2010

SCHEDULE SB ATTACHMENTS

Schedule SB -Statement by Enrolled Actuary

Plan Sponsor	Lonza Inc.
EIN/PN	13-5665861/ 004
Plan Name	Pension Plan for Employees of Lonza Inc. Represented by the United Steelworkers of America Local 14964-06
Valuation Date	January 1, 2010
Enrolled Actuary	Liana Petruso
Enrollment Number	11-07060

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan.

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.