

# Press Release

## Lonza Q1 Business Performance on Track

- **The year 2014 started with a good momentum, leading to better performance than previous year, according to expectations**
- **We are delivering as expected on our growth targets**
- **Operational improvements and quality initiatives remain high on the agenda**
- **Currency exchange impacts in Q1 have been compensated by productivity improvements**

**Basel, Switzerland, 24 April 2014** – In the first quarter of 2014, Lonza's business performance was fully in line with our expectations. In both the Specialty Ingredients and Pharma&Biotech segments, we realized our growth targets and achieved a better performance than in the same period of the previous year. We experienced considerable translational currency impact from the strong Swiss franc, but we were able to compensate the bottom-line impact in the first quarter by productivity improvements.

Richard Ridinger, CEO of Lonza, said, "I'm pleased with the performance of our businesses in the first quarter. The good results show that we have embarked on the right path with our transformational initiatives, which make us more competitive and more market oriented. We also continue to work diligently on operational improvements and quality initiatives across the company in all regions."

### Specialty Ingredients Segment

The Specialty Ingredients segment had a good start for 2014 with positive overall market demand in most areas. In Consumer Care the Hygiene business had a particularly encouraging start. In Agro Ingredients the interest in Lonza's development and manufacturing capabilities continued to increase and resulted in a steadily growing pipeline and strong growth in commercial sales. The Water Treatment business experienced good demand and improved profitability in Brazil, but the translational effect of the exchange rate had a strong negative impact on reported results. The overall Industrial Solutions business enjoyed good demand. The strategic review process of the Wood Protection business is proceeding according to plan with several interested parties.

### Pharma&Biotech Segment

The Pharma&Biotech segment saw an uptake in demand across all technologies and offerings. In Custom Manufacturing several new contracts were concluded, and the start-up of second large-scale ADC facility in Visp (CH) is on schedule for Q2 2014. Microbial Development Services successfully executed the process transfer of four customer projects from Hopkinton, MA (USA) to Visp. Demand was strong throughout the first quarter for mammalian cell-line construction programs in Slough and Singapore. In our Bioscience Solutions business, we experienced a strong recovery within the European research business, whereas Lonza

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experienced conservative spending in the US research market. As expected, the Media business had good performance.

In summary, overall results for the first quarter, as well as our improvement projects emphasizing organic growth and quality matters, are all fully on track. Lonza's financial situation is solid. Based on constant exchange rates, we are on track to deliver a revenue growth of ~5% and a CORE EBIT growth of ~10% in 2014.

### About Lonza

Lonza is one of the world's leading and most-trusted suppliers to the pharmaceutical, biotech and specialty ingredients markets. We harness science and technology to create products that support safer and healthier living and that enhance the overall quality of life.

Not only are we a custom manufacturer and developer, Lonza also offers services and products ranging from active pharmaceutical ingredients and stem-cell therapies to drinking water sanitizers, from the vitamin B compounds and organic personal care ingredients to agricultural products, and from industrial preservatives to microbial control solutions that combat dangerous viruses, bacteria and other pathogens.

Founded in 1897 in the Swiss Alps, Lonza today is a well-respected global company with more than 40 major manufacturing and R&D facilities and approximately 10,000 employees worldwide. The company generated sales of about CHF 3.6 billion in 2013 and is organized into two market-focused segments: Pharma&Biotech and Specialty Ingredients. Lonza's stock is publicly traded on the Swiss and the Singapore stock exchanges. Further information can be found at [www.lonza.com](http://www.lonza.com).

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