

Press Release

Lonza Reports Positive Momentum in Q3 and Continues Path of Stabilization

- Continued positive momentum in Q3 led to healthy overall company performance
- Specialty Ingredients (LSI) and Pharma&Biotech (LPB) both contributed to the successful outcomes in Q3
- The robust results were mainly driven by the commercial Mammalian Manufacturing, Emerging Technologies and Agro Ingredients businesses
- Overall currency impact in Q3 was well balanced between the strong US dollar benefiting LPB and the weak Euro affecting LSI

Basel, Switzerland, 29 October 2015 – During the third quarter of 2015, Lonza's business performance continued to show positive momentum. The healthy overall company performance resulted from solid results in both the Specialty Ingredients and the Pharma&Biotech segments, with main contributions from the commercial Mammalian Manufacturing, Emerging Technologies and Agro Ingredients businesses.

"Our overall positive results for the third quarter demonstrate the benefits from our ongoing improvement projects that emphasize organic growth and quality matters as we continue to streamline our portfolio," said Richard Ridinger, CEO of Lonza. "Lonza's financial situation remains robust as we continue our path of stabilization."

Specialty Ingredients Segment

Lonza's Specialty Ingredients (LSI) segment had a solid performance with Agro Ingredients contributing high growth rates in Q3.

Consumer Care's North American Hygiene business remained strong in Q3 while recovery is expected in EMEA in Q4. The Personal Care and Nutrition businesses performed according to plan.

In Agro Ingredients the market interest for fermentation contract manufacturing and the higher capacity utilization for chemical custom manufacturing in Visp (CH) led to the business's positive Q3 results. The recent acquisition of the New Zealand company Zelam led to a strengthened portfolio for formulations of Agro Ingredients.

A favorable demand situation in Industrial Solutions' target markets in all regions continued during Q3, particularly with the increased customer need for composite resin products in Asia.

Wood Protection had good demand across all major product lines. With the acquisition in Q3 of the small Canadian anti-sapstain business Diacon, Lonza added a complementary, innovative technology to its wood portfolio.

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Water Treatment's business in Q3 performed above previous year. The Industrial, Commercial, Municipal and Surface (ICMS) business had strong sales growth in the United States and South Africa, especially with municipal and industrial water.

Pharma&Biotech Segment

The Pharma&Biotech (LPB) segment's good performance was driven by commercial Mammalian Manufacturing and Emerging Technologies (Antibody Drug Conjugates, Viral Therapy and Cell Therapy), with good capacity utilization across all assets.

In Microbial Manufacturing and Small Molecules, Lonza continued activities to improve its product mix and optimize the portfolio.

The re-design of the microbial fermentation plant in Visp (CH) into a multi-purpose facility to accommodate additional demand and new customers is proceeding as planned and meets market interest in microbial biologics.

Lonza's Emerging Technologies business continued to grow and expand. Viral Therapy's plans to expand commercial manufacturing in Houston, TX (USA) are being well received by customers. Cell Therapy signed several contracts for development of processes in bioreactors.

The Custom Development Services business experienced high demand for development services and clinical product supply and profited from investment flows into biotech companies. Lonza attracted a double-digit number of new customers for its development and clinical supply services.

Bioscience Solutions' growth in Q3 over prior year is expected to continue. This growth is a result of strong performance in both media biotherapeutics and MODA™ software, especially in North America, Europe and Asia Pacific.

So far in 2015, Lonza had 16 successful inspections of its pharma sites by regulatory authorities, as well as 109 audits by customers.

Full-Year 2015 Outlook

Based on constant exchange rates and taking into consideration the bi-yearly cracker shut-down in Visp (CH) in Q4, Lonza is confident that it will deliver sales growth in 2015. Lonza is planning for CORE EBIT growth of above 5% as a result of portfolio optimizations and further operational productivity improvements. Ongoing enhancements of the worldwide production network are expected to lead to a further improved CORE RONO of above 15%.

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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 9,800 employees worldwide. The company generated sales of about CHF 3.64 billion in 2014 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.

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