

News Release

Lonza Business Performance Remains on Track

- **Numerous transformational activities to increase productivity, reduce complexity and transform business portfolio are fully on track**
- **Good performance in Specialty Ingredients market segment**
- **Pipeline development of Pharma&Biotech market segment on track**
- **CAPEX will remain below CHF 250 million in 2013**

Basel, Switzerland, 31 October 2013 – In the third quarter 2013, Lonza's business performance remained on track as anticipated. The Specialty Ingredients market segment delivered a good performance despite a continued weak recreational water market. The Pharma&Biotech market segment delivered as expected. Strong cost controls and process improvements continue across the organization. The overall headcount at the end of September was 10'045, reflecting a reduction of 744 positions since the beginning of the year. Lonza reiterates its 2013 CORE-EBIT guidance growth of approximately 10%.

Richard Ridinger, CEO Lonza, said: "In our half year update, we have announced a number of important decisions regarding our footprint and portfolio. Our organization is working intensively on the implementation of these numerous transformational activities which will help increase our productivity, reduce our complexity and transform our business portfolio. 2013 is for Lonza a true transformational year and I'm happy to see the new organization taking shape."

Specialty Ingredients Market Segment

The Specialty Ingredients market segment showed good performance, despite a weak recreational water market.

The Personal Care market experienced good overall market demand with continued strength in preservatives, especially in new multi-national customer product introductions. An increasing number of cosmetic product launches incorporates our specialty products for anti-aging and moisturization in high-end products.

Hygiene & Preservation continues to benefit from ongoing global strength in the Home Care and Industrial & Institutional markets with stabilizing prices in Europe. There was an accelerated global expansion into formulated solutions for antimicrobial wipes focused on health care and private-label segments. Nutrition Ingredients experienced good overall market demand. Niacin had market demand as expected, with step-by-step stabilizing pricing. The H7N9 virus in Asia impacted feed sales in the Asian poultry segment. The immune supplement Alomune™ was successfully introduced into the US retail segment.

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Lonza experienced high utilization of its Agro assets. Meta™ continued to experience a strong demand especially in Europe, and geographic expansion into new markets is running according to plan. The capacity expansion project for an agrochemical multipurpose plant in Visp (CH) is on track for start-up at the end of the fourth quarter.

In Water, the demand for recreational water treatment continued to be impacted by unseasonal weather in the major market of the US. Our Pulsar Feeder system continues to meet the interest of the industrial, commercial and municipal markets.

In Industrial Solutions, Material Protection business performed well across almost all application areas. High Performance Materials had good demand in the electronics sector.

The Wood Protection offerings experienced improved volumes especially from Europe and North America in construction, agricultural and industrial markets. The carve-out of our Wood Protection business has begun.

Pharma&Biotech Market Segment

Driven by the state-of-the-art technology toolbox, the Pharma&Biotech market segment continues to generate customer interest. In Custom Manufacturing, the pipeline development for long term assets commitment is on track and the business also secured new contracts for small molecule products. The build-out of additional commercial scale Antibody Drug Conjugate (ADC) capacity in Visp is on track in response to continuous high demand for a full service integrated ADC offering, from mAb manufacture to conjugation. In the first 3 quarters of 2013 Lonza underwent 16 regulatory inspections and follow-up discussions with regulatory agencies for both products and sites. The phasedown of our Hopkinton, MA (USA) site is on track.

Custom Development services saw good overall demand. Lonza's GS Xceed™ Gene Expression System is expanding worldwide with Asia now representing 25% of GS Xceed™ Research Evaluation Agreements.

The Media business is on track, supported by the long-term Sartorius Collaboration which is progressing. Research Products is facing a challenging market environment and fierce competition in Europe. Testing Solutions is on target in the US, with strong growth in Asia-Pacific.

Transformational Activities

Our global initiatives are well under way. The Global Manufacturing and Business Service Excellence projects are working to improve the competitiveness of our physical value chain and our business support structures. The Go-To-Market-Excellence initiative is dealing with the improvement of the commercial and customer facing side of our businesses including innovation, marketing and sales activities with the goal of increasing revenues and profit

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growth over the coming years. VispChallenge, our project to improve the competitiveness of our Visp, Switzerland, site, is progressing as planned.

In **summary**, overall results as well as Lonza's reorganization and improvement projects are on track. Based on our remaining order book visibility Lonza reiterates its 2013 CORE EBIT guidance growth of approximately 10%. The revenues will remain on previous year's level. CAPEX for 2013 will remain below CHF 250 million.

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 chemical and biological active pharmaceutical ingredients. 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. Lonza is also the world leader in microbial control providing innovative, chemistry-based and related solutions to destroy or to selectively inhibit the growth of harmful microorganisms. Its activities encompass the areas of water treatment, personal care, health and hygiene, industrial preservation, materials protection, and wood treatment. 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 and agro markets.

Lonza is headquartered in Basel, Switzerland and is listed on the SIX Swiss Exchange and secondary listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). In 2012, the company had sales of CHF 3.925 billion. Further information can be found at www.lonza.com.

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