

Closer Than You Think

1897

Year founded

~10 000

Employees 1st
quarter of 2014

> 150

Product-related
customer audits
in 2013

~ 30

Countries with
offices / sites

~40

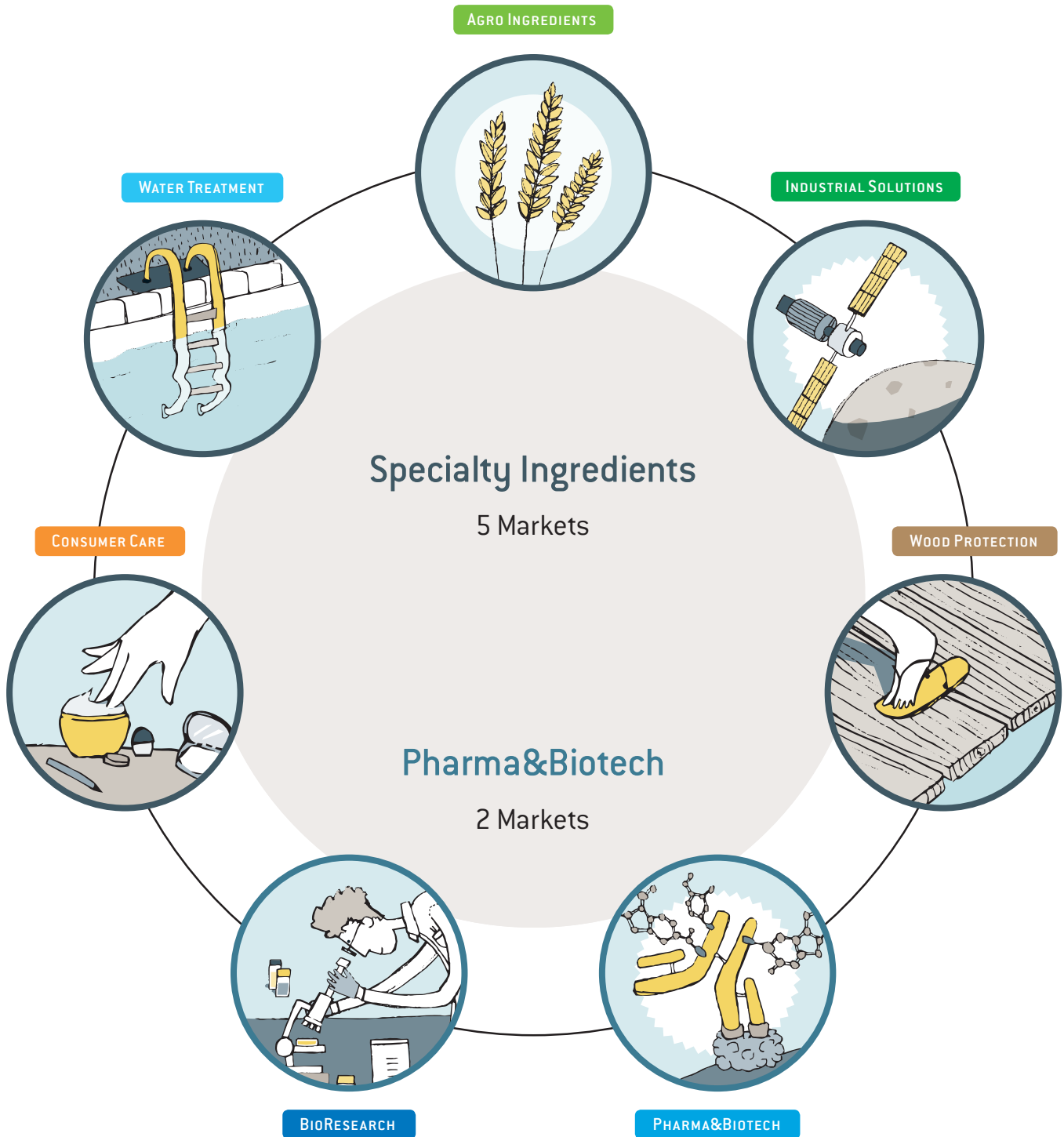
Major manufacturing
and R&D facilities
worldwide

1 000

Trademarks
globally

Lonza





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Strategy

Science for Health and Well-Being

Lonza in the Future

In the last few years, driven by increasing market demand, Lonza has invested extensively in the build-out of our global network of sites, as well as in acquisitions and other external growth opportunities. To generate sustainable, long-term shareholder value, we are now engaged in consolidating our resources, improving our operations and sharpening our market focus. Our goal is to grow and transform Lonza into a top-tier company in terms of key profitability measures by the end of 2015.

Three Global Transformation Initiatives

Both of our segments are benefiting from our three major global transformational initiatives, which will be decisive for the success of the company: Global Manufacturing Footprint, Business Services Excellence and Go-to-Market Excellence. The common goals of these major change projects are improving Lonza's productivity and profitability, reducing our complexity and costs, increasing transparency and accountability, capturing synergies and initiating a new, broader market focus with an emphasis on innovation.

Advantage of Cross-Business Technologies

Over the years, Lonza's outstanding knowledge and expertise in the Pharma&Biotech segment has led to the creation of innovative new solutions offered by our Personal Care, Nutrition and Agro Ingredients markets, too.

Getting to Know Lonza

Founded in 1897 in the Swiss Alps, Lonza today is one of the world's leading and most-trusted suppliers to the Pharma&Biotech and Specialty Ingredients markets. We harness science and technology to create products that make people's and animals' lives healthier and that enhance the overall quality of life and well-being. Our products and services range from active pharmaceutical ingredients and stem-cell therapies to drinking water sanitizers, from industrial preservatives to microbial control solutions that combat dangerous viruses, bacteria and other pathogens, from the manufacture of vitamin B compounds and organic personal care ingredients to agricultural services and products.

Lonza is a well-respected global company, with around 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 share registers are listed on the SIX Swiss Exchange, with a secondary listing on the Singapore Exchange Securities Limited.

Transformational Strategy

While Lonza underwent major organizational and structural changes during 2013, our basic strategy remained unchanged: We use cutting-edge technologies to provide life science and specialty chemicals markets with a wide range of active ingredients, products and services. The company operates in two segments:

Lonza's Pharma&Biotech (LPB) segment clusters all of our offerings for pharmaceutical markets, with strong Lonza positions in Custom Development, Custom Manufacturing and Bioscience Solutions.

The Lonza Specialty Ingredients (LSI) segment includes consumer-oriented offerings, with Consumer Care encompassing our Personal Care, Nutrition and Hygiene offerings. Specialty Ingredients also benefits from market-leadership positions in Agro Ingredients, Water Treatment, Industrial Solutions and Wood Protection.

The approach to our market-focused segments is twofold: capitalizing on synergies offered by vital technology links and balancing the risk profile between the more volatile, demanding Pharma&Biotech segment and the more stable Specialty Ingredients segment with GDP-plus growth. The synergies between the segments show how Specialty Ingredients clearly benefits from decades of experience gained from the highly complex Pharma&Biotech activities.

Utilizing Cross-Business Synergies

The Global Manufacturing Footprint project is aimed at consolidating technologies into centers of excellence and improving the productivity and profitability of our core sites. The Business Services Excellence project is focused on streamlining and improving the support services that corporate and other functions provide for our businesses. And the Go-to-Market Excellence initiative is aimed at creating a broader, more customer-centric focus on our target markets – one that fully captures the cross-segment and cross-business synergies we can offer our customers.

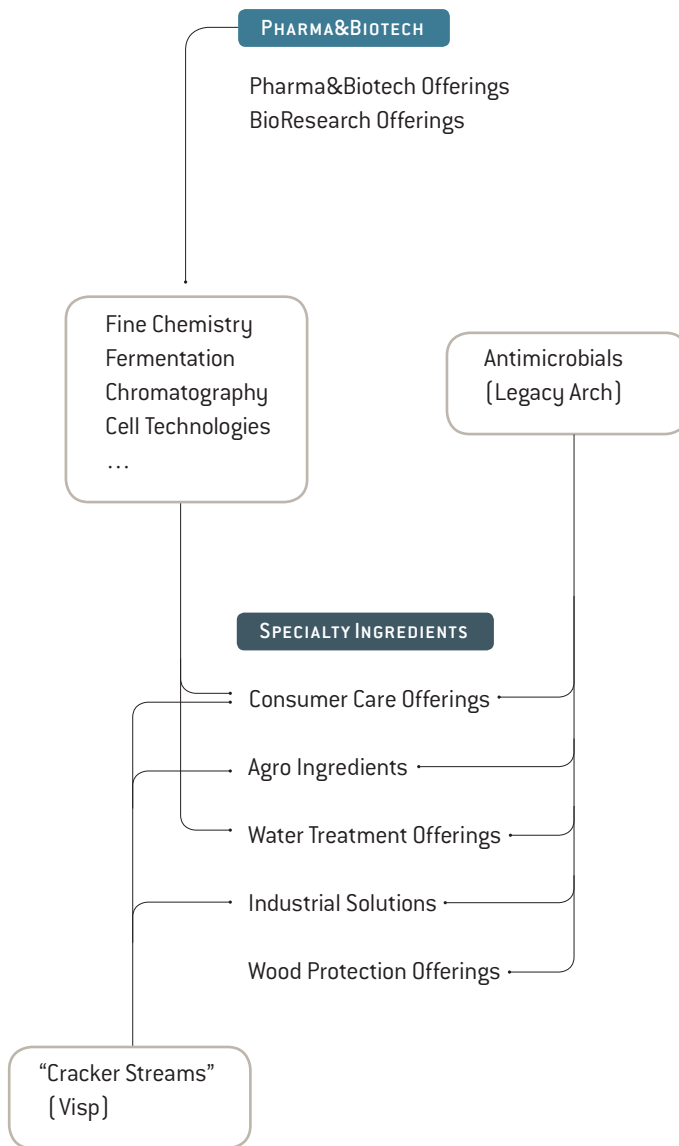
Capitalizing on Cross-Business Selling

The Consumer Care team is working to capitalize on cross-selling synergies to serve exciting new markets. For example, our Laracare™ Quat is a new hair-conditioning agent derived from a Nutrition ingredient. In another example, one of our natural bio-polymers is being repositioned as a gelling agent in skin care and healthcare, with a particular focus on wound healing products. The team is drawing on Pharma&Biotech fermentation technologies to expand existing fermentation- and bio-based offerings of cosmetic products for hair and skin conditioning.

Applying Expertise Across Businesses

The Agro Ingredients market profits from Lonza's global experience in other Specialty Ingredients businesses and the Pharma&Biotech market segment. The latest generation of agricultural products, for example, has become more selective in the use of actives. This comes in response to regulatory pressure and consumer preferences. Because these products are more complex, they require sophisticated support for development, production and regulatory approval. Here, Lonza brings to the table its expertise in custom synthesis, integrated project management capabilities, broad chemical and biological technologies, a flexible market-launch process and customized contracts for the financing of investments and development efforts.

Technology Link Between the Businesses



Megatrends

Surfing the Waves – Capitalizing on Global Megatrends

Four Global Megatrends

With a focus on global megatrends that we are uniquely positioned to address, Lonza will continue to be a leading and innovative supplier to the pharmaceutical, healthcare and life-science industries during the second Lonza century. By doing so, we will generate sustainable, long-term rewards for all of our stakeholders – from our business customers, end-use consumers and suppliers to our shareholders, employees and communities.

Drawing on our science and technology expertise, we are at the forefront of satisfying the vital needs that global megatrends are generating. These megatrends are often being mutually addressed by both our Pharma&Biotech and Specialty Ingredients segments. This shared work – and the synergistic benefits it offers to customers in our targeted markets – underscores the value of the broader strategic approach to our markets embodied in our transformation initiatives. Specifically, Lonza's businesses address the following four key global megatrends:

1 The Growing World Population

In a world where the population exceeds 7 billion and will reach an estimated 10 billion by 2050, significant fast-growth opportunities exist for leading global companies like Lonza.

The increasing demand for clean water: Lonza is pursuing tremendous growth opportunities created by megatrend demands for clean water across multiple market segments around the globe. Whether for drinking, cooking, agricultural irrigation, beverage production, food processing or industrial applications, water is an increasingly scarce and valuable resource.

Lonza Water Treatment offers feeder systems for drinking water disinfection that already have a growing presence in North America and are gaining in popularity in developing nations such as China. We are poised to capitalize on growth opportunities as water-hungry agriculture and industries expand in emerging markets. Demand is also increasing for sewage-effluent treatment in developed and developing nations.

The need for healthful and abundant foods: The demand for nutritious foods is driven in part by the emerging obesity epidemic in the West and greater food awareness and choices in the developing world. Our Agro Ingredients and Consumer Care nutrition businesses are at the forefront of helping address consumers' growing need for healthful and abundant foods.

For example, Lonza is the world's largest supplier of vitamin B3 compounds, which are used widely in human and animal foods, vitamins

and medicines. Our calcium hypochlorite sanitizers and feeder systems are being used in the pre- and post-harvest cleansing of fruits, vegetables, poultry and seafood, as well as in beverage-bottle sanitization and other food-preparation processes. The custom crop-protection chemicals and other ingredients that we supply help our customers optimize yields, while our proprietary molluscicides protect lettuce and other greens from the damage caused by slugs and snails.

2 The Aging of Global Populations

Rapid growth of elderly populations in the West and in Asian nations such as China and Japan is driving ever-rising demand for healthful foods and nutritional supplements and for anti-aging cosmetics and other personal care products.

The need for affordable medication: Lonza's Pharma&Biotech segment is a world leader in the custom development and manufacturing of chemical and biologically active pharmaceutical ingredients, cell therapies and other life-saving and life-enhancing treatments. Our efficiency and expertise in process development, technology transfer and manufacturing help us reduce time and costs for our customers.

The need for enhanced personal care: Our Consumer Care nutrition business provides vitamins and nutritional supplements that support healthy diets. And Consumer Care's personal care offerings include anti-aging skin treatments and other cosmetic ingredients that help people look and feel their best.

3 The Rapid Growth of Megacities

The movement of populations from rural areas to megacities is generating a need for improved hygiene and protection products, as well as water and sanitation systems.

The need for improved hygiene: Consumer Care's hygiene portfolio of products and services offers single-use wipes, sprays, janitorial liquids and other tools for tackling the public threat of dangerous viruses, germs and other pathogens. Around the globe, we effectively deliver our sanitizers and disinfectants to hospitals and other medical settings, industrial cleanrooms, homes, restaurants and institutional food-preparation facilities, schools, offices, gymnasiums and more.

Again, our simple, reliable drinking-water sanitizing systems and surface-water treatments for reservoirs are playing a major role in providing clean drinking water in urban areas throughout the world.

4 The Growth of Middle Classes in BRIC and VISTA Countries

The continuing growth of affluent and aspirational consumers in the developing world is driving demand for everything from better nutrition and hygiene to cosmetic ingredients that enhance beauty and well-being, and from affordable medicines to residential water opportunities. Lonza is well situated to meet the needs of these new consumers, particularly those in the BRIC (Brazil, Russia, India and China) and VISTA (Vietnam, Indonesia, South Africa, Turkey and Argentina) countries.

For example, our Pharma&Biotech segment, with new facilities in Singapore, is capitalizing on rising demand in Asia and elsewhere for affordable medicines and therapies. Lonza's Consumer Care is the world's largest supplier of actives for antidandruff shampoos, and we also provide a wide range of other skin- and hair-care ingredients.

Additionally, Lonza Water Treatment is a leading global supplier of swimming pool and spa sanitizers and related treatment chemicals, with globally popular brands such as our HTH® family of products. Lonza is also present in the treatment of industrial water.

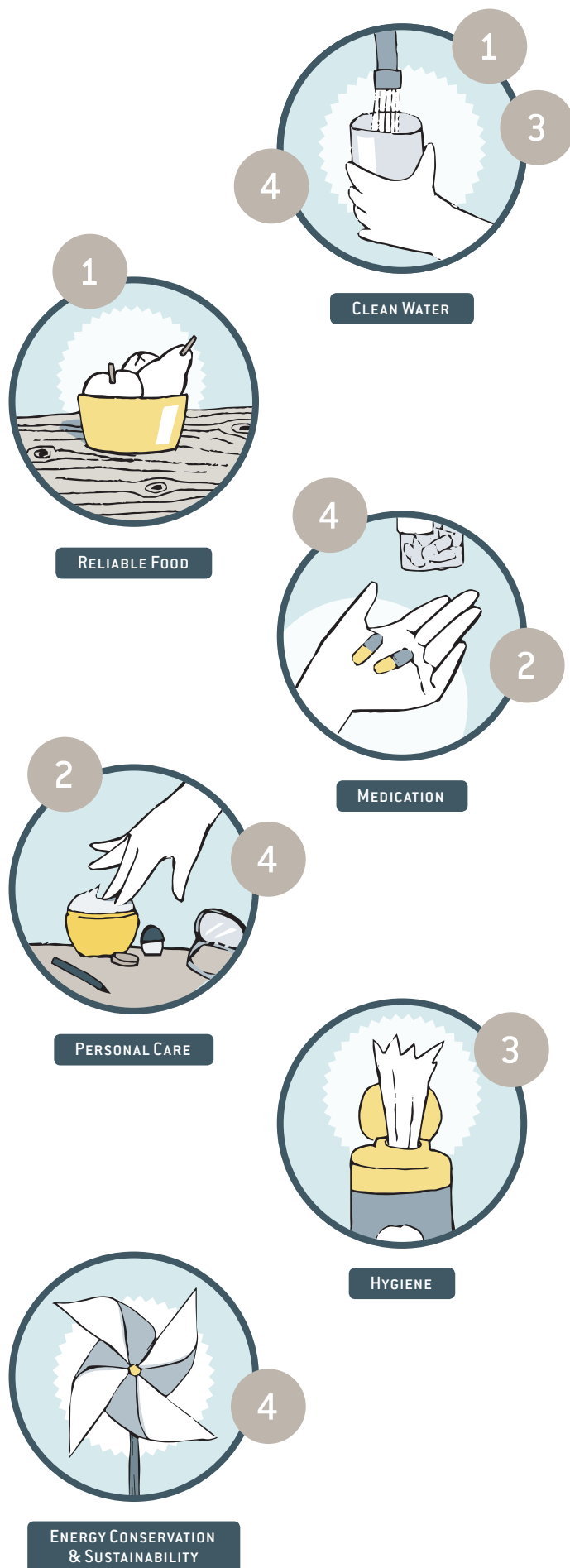
The need for energy conservation and sustainability: To meet this need, Lonza is playing a role in helping customers to develop new energy resources and alternative fuels and to conserve energy.

For example, with our broad water treatment experience, we can help to protect groundwater in shale-gas hydraulic fracturing or fracking operations. In addition, we provide biocides for Brazilian energy producers to protect renewable, sugarcane-based ethanol fuels from bacteria.

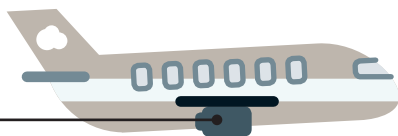
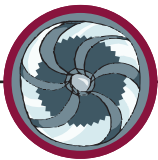
Our Industrial Solutions business is the world leader in supplying biocides for use in marine paints that deter the growth of foulants, such as algae and barnacles, on ships' hulls. These protective coatings enable the ships to travel more quickly and efficiently, reducing fuel use and emissions. Industrial Solutions also supplies resins used in carbon fiber composites and other materials that reduce their weight, increase their strength and help conserve fuel for high-performance automobiles, planes and satellites.

Lonza Technologies and Product Offerings Addressing the Four Megatrends

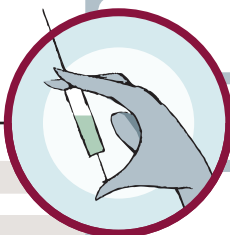
- Water treatment systems, including sanitizers and feeder systems
- Nutritional ingredients
- Agrochemical products and services
- Chemical and biotech manufacturing expertise and technologies
- Drug development services
- Research and testing solutions for pharma markets
- Personal-care products and preservation solutions
- Hygiene solutions



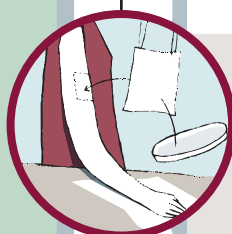
TEMPERATURE-RESISTANT RESINS



VIRAL VACCINES

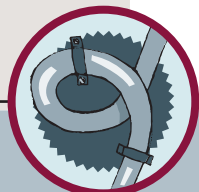


HUMAN TISSUE CELLS



TOOLS FOR RESEARCHERS

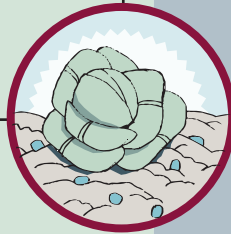
CORROSION INHIBITORS



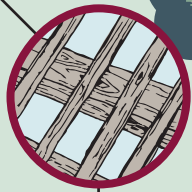
PET FOOD SUPPLEMENTS



SLUG CONTROL



ANTI-MOLD COMPONENTS

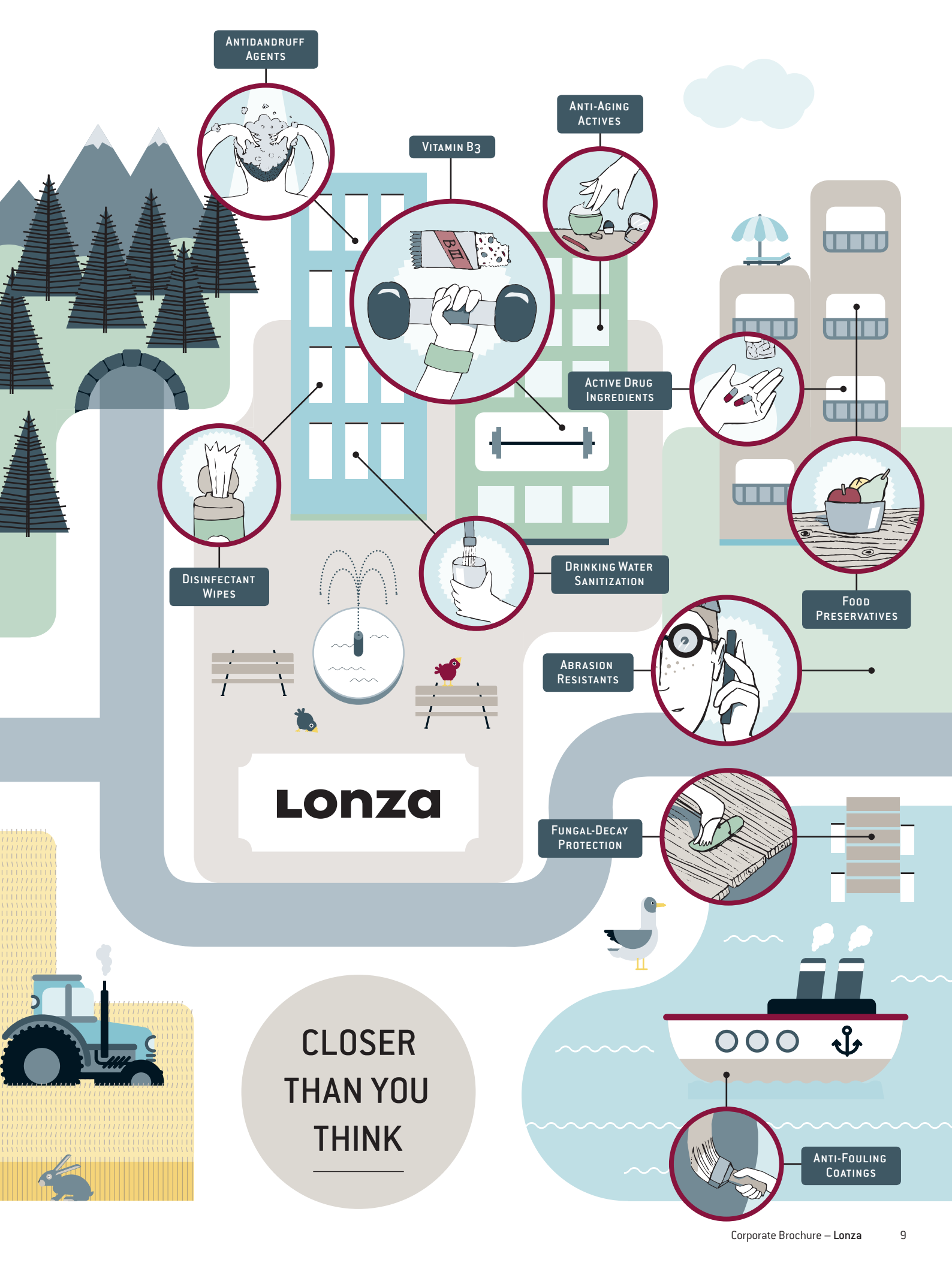


POOL AND SPA SANITIZERS



CROP PROTECTION





ANTIDANDRUFF
AGENTS

VITAMIN B3

ANTI-AGING
ACTIVES

ACTIVE DRUG
INGREDIENTS

DISINFECTANT
WIPES

DRINKING WATER
SANITIZATION

FOOD
PRESERVATIVES

ABRASION
RESISTANTS

FUNGAL-DECAY
PROTECTION

ANTI-FOULING
COATINGS

Lonza

CLOSER
THAN YOU
THINK

Pharma&Biotech

Market Environment, Strategy and Growth Drivers

Lonza's Pharma&Biotech segment is well positioned to build on its leadership positions in custom development, custom manufacturing, research and testing technologies and services. We are positioned to profitably capture a growing share of the global pharmaceutical market.

The overall pharmaceutical market is expected to continue its growth trajectory in the coming years, with market-volume growth driven by an increasing number of patients worldwide, as well as a growing and aging population requiring extended access to medication. This growth also reflects more affordable medical treatments and growing affluence in developing nations, while a larger number of generics, including biosimilars, are available.

One major challenge that pharmaceutical customers face is one we share as their formal or informal partners – increasingly strict regulatory requirements. These in turn contribute to volatility in the marketplace as many promising drugs and therapies face failures, cancellations and delays in clinical trials.

The overall market is also facing reduced venture-capital investment in early-stage drug development and reduced government spending on medical R&D and related areas. All of these pressures add to the potential cost of developing and launching new medicines and treatments. These trends play to Lonza's strength as an outsourcing partner who can provide cost-effective, cutting-edge technologies, as well as custom drug development and manufacturing services on all scales.

In response to the regulatory challenges and cost pressures our customers are facing, our Pharma&Biotech segment has a multi-faceted growth strategy to capitalize on high-margin new treatments and technologies. To begin with, we are strengthening our innovation and market leadership positions by focusing on new technology trends and services. We are addressing these by building our world-leading strengths in antibody drug conjugates, cytotoxics, induced Pluripotent Stem Cell lines and platforms, along with our proprietary GS Xceed™ and XS Expression System™ technologies and new endotoxin testing systems. Also we are sharpening our customer focus to improve our chemical and biotech pipeline of products and services, as well as building additional partnerships with world-leading pharmaceutical companies.

Lonza's Pharma&Biotech segment encompasses offerings to the Bio-Research market and to the Pharma&Biotech market, which includes our Custom Development and Custom Manufacturing offerings.

Nobel Prize-Winning Stem-Cell Technology

In 2007 Dr. Shinya Yamanaka and colleagues at Kyoto University became the first to convert adult human cells to an embryonic stem cell-like state, for which they received the Nobel Prize. He named these new stem cells "induced Pluripotent Stem Cells" (iPSCs). The discovery avoided the controversial use of human embryos to obtain these versatile stem cells. Lonza's proprietary Nucleofector™ Technology has been demonstrated to be a widely accepted method for the generation of clinical grade iPSCs and is now used by thought leaders around the world, including Dr. Yamanaka. These cells have the ability to become any cell type in the body. In the future, iPSC technology may be used to develop cell-transplantation therapies for the treatment of degenerative diseases including diabetes, Parkinson's and a number of cardiovascular diseases. As validation of our commitment and efforts, the National Institutes of Health Center for Regenerative Medicine (NIH CRM) has awarded Lonza a contract for the generation of what could be the world's first clinical-grade (cGMP-compliant) iPSC master cell bank.



Pharma&Biotech Offerings

Improving Clinical Success Through Experience and Innovation

Custom Development

Today's pharmaceutical development landscape presents unprecedented challenges, including increasing generic competition, high attrition rates, tightening new product regulations and a challenging reimbursement model. Outsourcing to custom development and manufacturing specialists with early risk-assessment services, proven expression technologies and years of technical and scale-up experience can help drug companies reduce costs and the time to develop new therapeutics.

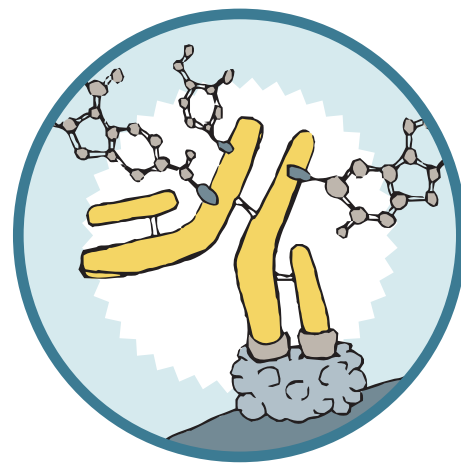
Lonza was the first company in the world to provide both Custom Development and Custom Manufacturing of active pharmaceutical ingredients for medical customers. The business model of Custom Development for pharma and biotech customers is a well-respected service model that includes technology licensing. We offer proven expression technologies, such as our Mammalian GS Gene Expression™ and Microbial XS™ systems, via both research and commercial licenses.

In addition, we offer scientific and technical expertise in a service model, which provides early assessment and development work on our clients' lead drug candidates.

Revenues are split between the custom development work on site and the licensing and royalties stemming from access to our proprietary technology systems.

Lonza is well positioned to capitalize on significant growth opportunities with our market-leading offerings and innovative technologies and services.

« Lonza is well positioned to capitalize on significant growth opportunities with our market-leading offerings and innovative technologies and services. »



PHARMA&BIOTECH

Oncology Treatments: Lonza Well Positioned for Growth

Lonza is particularly well positioned in the fast-growing area of antibody drug conjugates (ADCs), an exciting breakthrough in targeted cancer treatment. Our ADCs are produced via a combined effort of our Slough (UK) mammalian facility, which produces the target antibody, and our Visp chemical facility, where the cytotoxic chemical is synthesized and conjugation is completed.

In fact, Lonza is the leading innovator in the development and manufacture of ADCs – beginning with the manufacturing of antibodies, linkers and toxins through to the conjugation of these components. Furthermore, Lonza has validated and commercialized leading ADC products on a commercial scale.

Cell Therapy Services for Wide Range of Clinical Applications

The oncology market is also a major driver of cell therapy services, where Lonza is the market leader with a strong position in induced Pluripotent Stem Cells (iPSCs), a major scientific breakthrough that avoids the controversial need to use embryonic stem cells to develop targeted cell therapies.

Cell therapy has found clinical applications in the treatment of leukemia and lymphoma cancers, burn repair, bone and cartilage repair, diabetes, heart disease, wound repair and trauma, macular degeneration (blindness), and neurodegenerative disorders such as Parkinson's and Alzheimer's diseases.

Custom Manufacturing

Lonza was the first company ever to custom manufacture active pharmaceutical ingredients (APIs) for drug companies. Our biological manufacturing services range from vector construction and cell-line development to full-scale manufacturing, all backed by a complete range of analytical services and regulatory support for clinical trials and in-market supply. Lonza's experience in microbial fermentation began in 1983 in Visp to support the development of industrial enzymes, bio-transformation technologies and other fermented ingredients.

We then entered the microbial biopharmaceutical business, where we have successfully delivered almost every type of microbial parenteral API, including antibody fragments, vaccines, cytokines, plasmid DNA, fusion proteins and PEGylated products. In many cases, Lonza provides customers with a package of Custom Development services along with Custom Manufacturing capabilities. The manufacturing capabilities are especially important once a drug or therapy receives regulatory approvals for sale in the marketplace so that full-scale manufacturing can begin as soon as possible.

Lonza is one of the few companies in this market with small-scale, mid-scale and large-scale manufacturing capabilities, which is vital as our customers move through the clinical trial process. After increasingly demanding regulatory approvals are obtained, commercial-scale capabilities become critical for drug success. In addition, Lonza offers a full range of chemical custom services, including advanced chemically derived active ingredients, antibody drug conjugates, highly active pharmaceutical ingredients, and cytotoxic and peptide syntheses, as well as biological cellular and gene therapies.

Lonza's leading technologies and services in custom manufacturing benefit patients who need oncology drugs. As one of the frontrunners in the contract manufacture of monoclonal antibodies and recombinant proteins from mammalian cell culture, Lonza produces the essential ingredients for life-saving medicines in four mammalian state-of-the-art cGMP multi-product facilities worldwide.

Monoclonal antibodies for cancer treatment and autoimmune disorders now represent new, gold-standard therapies. Lonza's antibody pipeline is experiencing steady growth, benefiting from our first-in-class technologies and Lonza's unique position as a large-scale manufacturer with a proven regulatory track record.



BioResearch Offerings

Offering Industry-Leading Research and Discovery

Lonza Bioscience Solutions provides tools for the discovery, development, production and release of therapeutics. Our products include cell culture, transfection and molecular biology tools for life-science research; media used in the production of therapeutics; and endotoxin detection assays to assure the safety of injectable drugs. We serve customers across the world in academic and government institutions and in major biotech and pharmaceutical organizations. Lonza Bioscience Solutions has long set the industry standard for product quality and customer support in life-science research with our primary cells; culture media; transfection and electrophoresis devices; and endotoxin-testing products and services.

For drug discovery, we offer biologically relevant cell-culture solutions for cardiovascular, respiratory, neurological, metabolic, cancer and other disease research areas. We deliver products and services to enhance research findings, including custom cell isolation, cell expansion and transfection services, and primary cells with optimized media.

Our state-of-the-art cell culture media are used globally for research and for manufacturing pharmaceutical biologics, vaccines and cell therapeutics. Also, with our well-known and trusted Biowhittaker™ and Clonetics™ branded products, Lonza leads the industry in primary cell culture quality.

To strengthen sales and profitability, this business is focusing on launching new products and otherwise widening its portfolio of tools and services for faster-growing sectors such as biomedical and applied research markets, as well as diagnostic, therapeutic and industrial life-science markets involved in cutting-edge new therapies and treatments.

We see increasing interest among customers, for example, in our Pluripotent Stem Cell technologies and our Nucleofector™ technology. In addition, we are benefiting from PyroGene™, our sustainable alternative to conventional LAL-based endotoxin detection methods, which has recently been approved by the FDA as an alternative method.



BIORESEARCH

Sustainable Alternatives

Lonza has been the leading global supplier of endotoxin detection assays since the 1970s. Endotoxins are pyrogenic substances that can cause fever, shock or even death if high levels are introduced into the body. For that reason, endotoxin detection is a standard release assay for any injectable therapeutic, as well as for medical devices. Lonza has developed PyroGene™, a synthetic alternative to the horseshoe crab blood lysate traditionally used in endotoxin detection assays.

« Our state-of-the-art cell culture media are used globally for research and for manufacturing pharmaceutical biologics, vaccines and cell therapeutics. »

Specialty Ingredients

Market Environment, Strategy and Growth Drivers

In the Specialty Ingredients segment, we supply innovative solutions that promote health, wellness, beauty, nutrition, hygiene and materials protection.

For example, in our Consumer Care business focusing on personal care, we are the world's largest supplier of actives for antidandruff shampoos and a leading provider of natural and organic cosmetic ingredients.

Our Consumer Care nutrition business is the world's largest producer of vitamin B3 compounds (niacin and niacinamide) and L-Carnitine. We also supply other specialized nutritional ingredients used in everything from pharmaceuticals and human energy drinks to animal feeds.

Lonza's Consumer Care hygiene business is one of the world's leading suppliers of microbial control solutions. These solutions include disinfectants and sanitizers that help protect us from dangerous and unwanted microbes in hospitals, industrial clean rooms, homes, cafeterias, cruise ships and schools.

Capitalizing on our broad experience in custom manufacturing in our Pharma&Biotech and Specialty Ingredients segments, Lonza's Agro Ingredients business offers custom agricultural manufacturing services designed to improve crop yields and food quality.

Our Water Treatment business within Specialty Ingredients is one of the world's largest suppliers of sanitizers and other treatment chemicals for pools, spas and water parks. It is also rapidly growing sales in the treatment of surface waters, as well as water for drinking, agriculture, irrigation, food processing and industrial applications.

Specialty Ingredients also offers a wide array of Industrial Solutions, including preservatives and biocide blends that deter the growth of mold, mildew and/or other contaminants on painted and coated surfaces, wallboard, flooring and ceiling materials, bath mats, carpeting, adhesives and sealants.

Lonza's Wood Treatment business supplies products and services that enhance the quality of wood and protect this sustainable, renewable resource from termites and other insects, mold, fungus, moisture and fire.

Using Pyrithione Technology Across Industries

Pyrithione technology (including both zinc and copper pyrithiones) is one of those exciting, cross-Lonza focus technologies that extend well beyond Personal Care to encompass other Specialty Ingredients businesses. Our zinc pyrithione, for example, is the world's leading active antidandruff agent. These pyrithione products are also tailored for use as active biocides in marine antifouling coatings to control the growth of algae, barnacles and other foulants on ships hulls and aquaculture nets.

Using Biocide Expertise in the Agricultural Sector

Lonza is harnessing key biocides elsewhere in its portfolio, as well as associated formulation expertise to expand the formulated products and services that we supply to agrochemical customers. One good example of how Lonza's microbial control formulation expertise is opening up new opportunities lies in the Agro Ingredients' use of specific biocides for the pre- and post-harvest treatment of seeds and crops. Preventing losses starts with sowing and does not end with the harvest. Treatment with special biocides just before or after harvesting helps to ensure that the harvested fruit and vegetables are delivered healthy and fresh to distributors and end consumers.



Consumer Care Offerings

Focusing on Health, Wellness, Beauty and Protection

Consumer Care within Specialty Ingredients is focused on enhancing the quality of life and people's lifestyles and draws on science to promote health, wellness, beauty and protection. The Consumer Care business includes personal care, nutrition and hygiene offerings.

Together, Consumer Care is capitalizing on people's desires for nutritious food, for protection from dangerous viruses and other pathogens, and for the ability to look and feel their best. While we help to protect the health and well-being of people and companion animals around the world, we also offer innovative hair- and skin-care formulations and ingredients for the cosmeceutical and nutricosmetic markets and are the global leaders in vitamin B3 and L-Carnitine.

Billed as Lonza's "lifestyle" business because of our focus on health, wellness, beauty and protection, Consumer Care is benefiting from powerful megatrends and market drivers that in large part address people's demand for products that help to enhance lives.

Building on already strong positions in developed regions, Consumer Care is growing sales in China, South America and other emerging nations where increasingly affluent populations finally have the purchasing power to pursue aspirational desires for better hygiene, more nutritious foods and cosmetic products.

With increasingly strict regulatory requirements, Consumer Care is leveraging our global regulatory expertise and registrations on behalf of customers, as well as offering them innovative blends of existing ingredients that have passed regulatory scrutiny.



CONSUMER CARE

L-Carnitine Platform

L-Carnitine is an essential component in energy metabolism, with Lonza being a leading supplier for both the human nutrition and the animal feed market. Research demonstrates that our Carnipure™ product can play a beneficial role in weight management, sports nutrition, and normal cardiovascular health. In the animal feed market, our Carniking™, Carnifeed™, and Carnichrome™ L-Carnitine products promote the health of pets such as dogs and cats, as well as of production animals.



Agro Ingredients

Helping Customers Do More with Less

Lonza's Agro Ingredients business is growing by helping our customers do more with less – meaning optimizing the use of increasingly scarce natural resources such as arable land and clean irrigation water.

Faced with feeding an ever-expanding and aging world population that demands more nutritional value from its food, the global agrochemical sector is on a growth trajectory. Lonza is well positioned for that growth in that it supplies the world's largest agricultural companies.

The aim of the value-added chain in the agricultural sector is to make every effort to cut losses and boost productivity. This will be impossible to achieve without more and better agrochemistry. Meeting these requirements will take huge efforts in the research and development of essential, innovative, efficient and sustainable solutions. It will require innovation – and cutting-edge technology companies like Lonza are making an important contribution in this regard.

Lonza's growth in agrochemical ingredients is also benefiting from our broad chemical formulation expertise – enabling us to tailor biocides and other products for new and exciting uses in the agricultural industry.

Much like medicines, consumer-care disinfectants and other products where Lonza has expertise, agro active ingredients must be formulated in such a way that they can be applied by the end-user in a safe and user-friendly manner, achieve maximum efficiency, and satisfy rigorous regulatory requirements.

Because of our broad-based technological expertise and other competitive advantages, Lonza ranks among the top five players in the market. Backward integration and a combination of chemistry and biotechnology have enabled Lonza to stand out from the competition.



AGRO INGREDIENTS

Cross-Business Synergies

The new cross-business products being offered by Agro Ingredients are a direct outcome of Lonza's major new market-oriented approach to doing business. This approach enables Agro Ingredients to analyze the available expertise and the range of formulation additives and technologies that Lonza offers in allied industries and to market those products along with its development and regulatory expertise in the agricultural industry, too.

Custom Manufacturing/Outsourcing Trends in the Agro Market

The market for custom manufacturing in agriculture is expanding steadily because of the growth of the industry in general and an increasing trend for key market players to outsource production of active ingredients and early-phase products.



Water Treatment Offerings

Growing by Quenching Megatrend 'Thirst' for Clean Water

Water treatment is one of Lonza's major strategic growth markets, and we are addressing this market with strong market-leadership positions across the world. With a water treatment heritage of more than a century, Lonza's Water Treatment business is one of the leading suppliers of treatment chemicals, sanitizer feeder systems and other services to the global water treatment market. From drinking water supplies and industrial applications to backyard swimming pools, our products aim to keep water clean.

Truly a global supplier, our business has built strong positions in water treatment by being both a manufacturing and a marketing leader that is known for its commitment to safety, unmatched customer service, and sophisticated brand marketing and product innovations. On one hand, we are one of the world's largest suppliers of swimming pool and spa treatment chemicals, led by our popular HTH® family of pool products. And on the other hand, we are the world's largest producer of calcium hypochlorite sanitizers, with manufacturing plants in North America, Brazil and South Africa.

Lonza Water Treatment's customers span the residential, industrial, commercial and municipal markets with applications in residential and commercial swimming pools and spas; drinking water; process water; waste water; irrigation and other surface waters; and water used in industrial applications such as papermaking and cooling systems. We build customer relationships by offering technical customer support, R&D expertise, regulatory excellence, powerful brand marketing, and product reliability and quality.

We are one of the world's largest suppliers of swimming pool and spa sanitizers and related treatment products. Our leadership position and growth platforms are driven by a global network of manufacturing, R&D, marketing and customer support capabilities. We are benefiting in this market from the rising middle classes in Brazil, South Africa and other developing regions where Lonza is already considered an innovative industry leader.

« From drinking water supplies and industrial applications to backyard swimming pools, our products aim to keep water clean. »



WATER TREATMENT

Balancing ICM and Recreational Water Offerings

It is our clear aim to create more of a balance by focusing on Industrial, Commercial and Municipal (ICM) water markets and trends at the same time as we maintain a position of leadership in the recreational water markets. One goal of this broader sales focus is to reduce the effect of weather conditions on residential water treatment sales.

In this sector, we are pursuing growth in both developed and emerging nations for drinking water treatment systems, clean agricultural and irrigation water, and feeder systems for public and commercial pools and water parks. The ICM group offers specific sanitization solutions delivered via patented technologies using proprietary calcium hypochlorite sanitizers. Systems have been tailored to treat agricultural and irrigation water, beverage bottle cleansing and other food-handling applications.



Industrial Solutions

Conserving Energy and Improving the Quality of Life

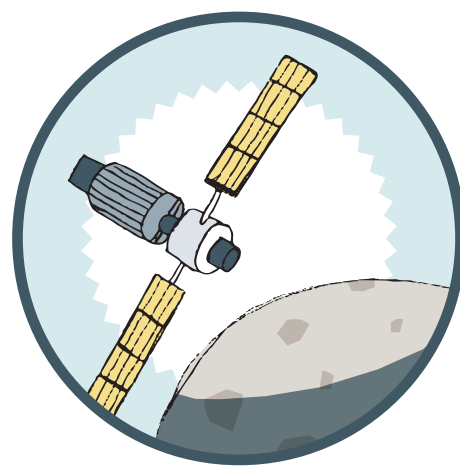
Lonza's Industrial Solutions has two distinct business areas: Coatings and Composites is the group that drives growth through innovation, and Performance Ingredients is the preferred supplier in our chemistries and delivers value to Lonza through excellence in portfolio and asset management.

The Coatings and Composites business group is the leading innovative partner for our customers in the Materials Protection and High-Tech Composites markets where we are active. We offer the widest range of biocides and formulated products and a unique selection of thermoset resins and systems. The major growth and innovation areas of our Coatings and Composites business are in paints and coatings, anti-fouling paints, metal working fluids, plastics and building products, as well as high-tech composites for electronics and aerospace.

Our products help to control mold and mildew in building materials like paints, wallboards and emulsions and also improve performance of plastics, textiles and inks. By preventing fouling on ocean-going ships, we help to preserve fuel and reduce maintenance costs. Using our Primaset™ and Lonzacure™ thermoset resin systems, our High-Tech Composite customers build lighter, more fuel-efficient and more comfortable aircraft and satellites that can withstand the extreme conditions of space. We have been intensifying our efforts in product and performance improvement in this area.

With our Performance Ingredients products, our customers can reduce their environmental impact when producing vitamins, pharmaceuticals and crop protection products through efficient high yield processes. We also offer an innovative and environmentally friendly portfolio of performance chemicals to the oil and gas industry to increase efficiency and safety of production. Other significant application areas include lubricants and enhancers in the production of precision automotive parts, plastics, inks, pigments, optical brighteners, coin production and flexible circuit boards for electronic devices.

The Performance Ingredients team focuses on continual optimization of the product portfolio, excellence in asset management and on controlling production cost to maintain profitability.



INDUSTRIAL SOLUTIONS

Improving Quality of Life

Our products help address growing energy demands and improve conservation by making aircraft and satellites lighter and stronger, by reducing fouling on ocean-going ships to improve fuel efficiencies and reduce maintenance costs, by improving yields and protecting workers and the environment in the production of oil and gas, and by enhancing the manufacture of precision automotive parts with improved properties.

Oil & Gas

The United States is undergoing a boom in energy development, particularly with new shale oil and gas and hydraulic fracturing technologies. These revolutionary new extraction technologies are quickly transforming the United States into the world's largest producer of oil and natural gas. Our business will meet that growing US demand and expand sales into other regions by working closely with customers who have a broad international presence.

Oleo Chemical Derivatives

Oleo Chemical Derivatives is a niche player in many markets and ranks first or second in core chemistries for the food emulsifiers and amide wax plastic lubricants segments.

High-Tech Composites

High-Tech Composites is currently launching a new Primaset™ resin specially developed for use in fast-processing technologies as required by mass-production markets like automotive.

Materials Protection

To address regulatory concerns and unmet customer needs, we are working to enhance our antimicrobial technologies to make our active ingredients work better and last longer, and to improve their positive health and environmental profiles. Materials Protection is also pursuing growth opportunities in aquaculture (fish farms), plastics and textiles.

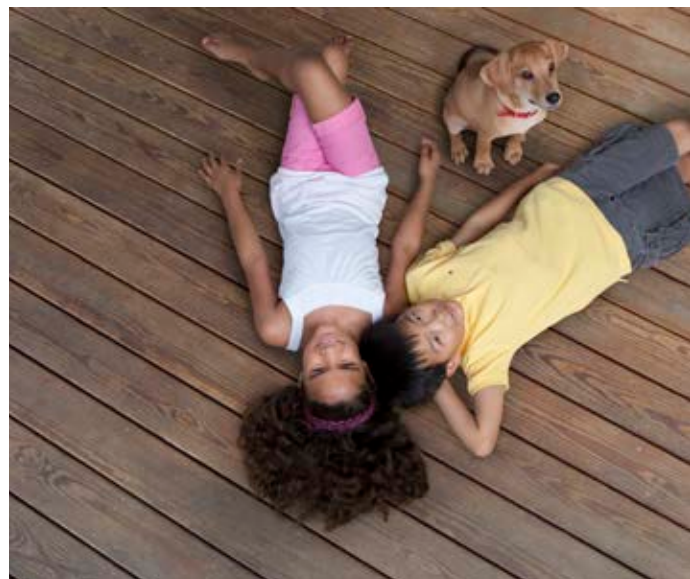
Wood Protection Offerings

Growth Through Product Innovation and Global Expertise

Over the last 80 years, Lonza's Wood Protection business has become the leading name in the industrial pretreatment and surface protection of wood. Lonza offers the world's broadest portfolio of wood protection chemistries, with operations spanning North and South America, Europe, Asia Pacific and Africa. Our products and services enhance the beauty and versatility of wood – the only sustainable, renewable building material – making it resistant to termites, fungi, mold, fire and moisture.

Lonza's Wood Protection business supplies copper azole wood preservative technology, which is the most widely used in the world. We have drawn on industry-leading products like these, as well as our strong partnerships with customers, to capitalize on the slow but promising growth in relevant construction and agricultural wood markets in the midst of the prolonged global economic downturn. Not only do we help customers design new treatment plants and improvements and conduct full audits on their treatment practices, we also offer them expert advice such as the best drying practices for different wood species – all aimed at helping both them and Lonza prosper.

« Our products and services enhance the beauty and versatility of wood. »



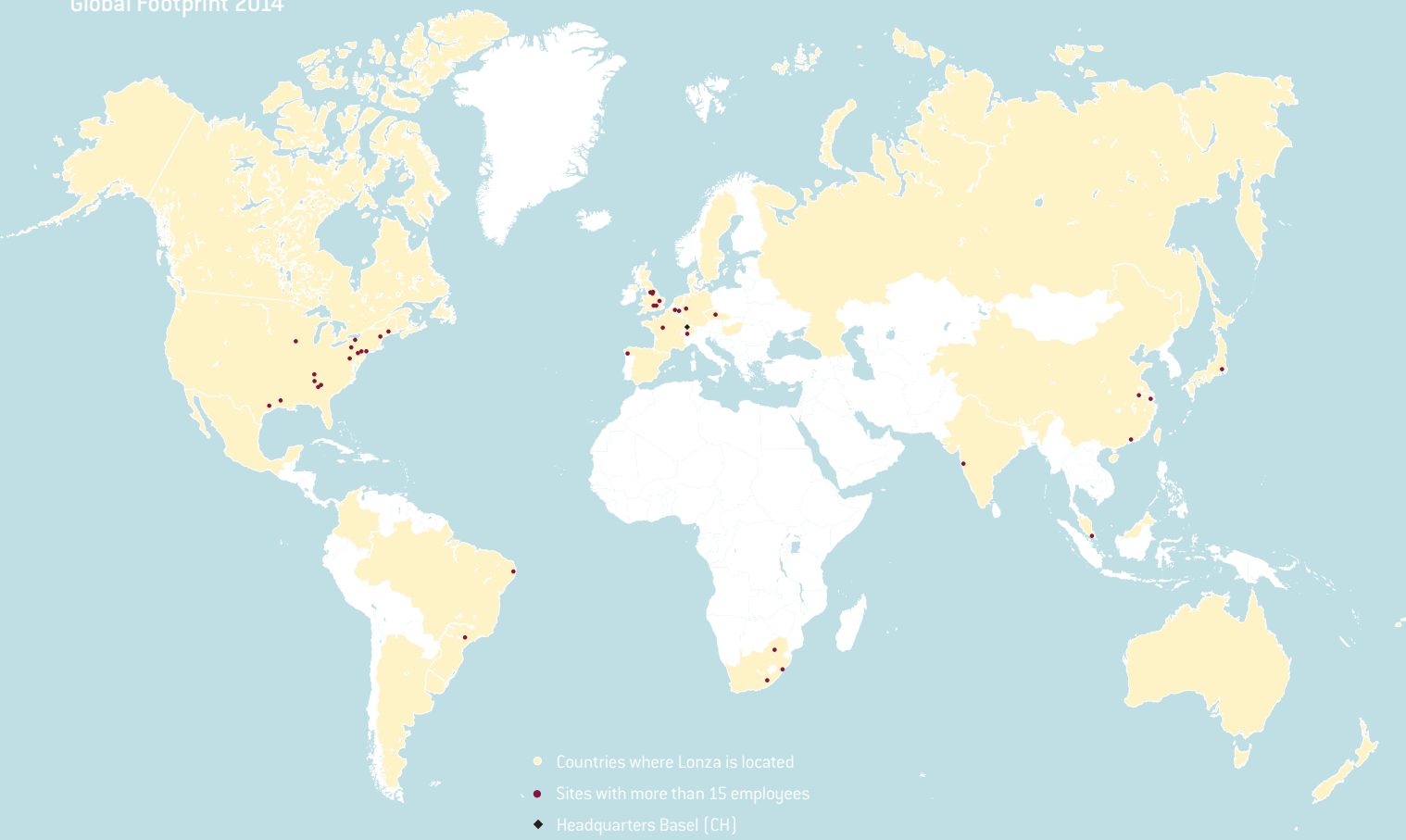
WOOD PROTECTION

Sustainability Within the Wood Protection Business

Pressure-treated wood is the soul of sustainability. On a lifecycle basis, preserved wood provides significant environmental benefits over alternative products. To begin with, the preservative process enables wood to last longer, meaning less demand on forests and less transportation of materials. The species of trees that furnish the most desirable treated wood are plentiful and grown in managed timberlands. They are not cut from sensitive forests or unregulated third-world rainforests. And, they grow rather rapidly, so their supply is quickly replenished – in fewer years than the service life of the treated lumber they provide.

Trees, of course, sequester carbon dioxide and thereby reduce greenhouse gases. Generally, the treating process itself is an integrated system that produces insignificant air emissions and no wastewater discharges. The copper we use in many preservatives comes from recycled sources, such as copper wire and computer etchants, further contributing to the sustainability and positive environmental profile of our products.

Global Footprint 2014



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