

News Release

Lonza Completes Acquisition of Capsugel to Create Leading Integrated Solutions Provider to the Global Pharma and Consumer Healthcare Industries

- Acquisition aligns closely with Lonza's strategy to accelerate Lonza's growth and ability to deliver value along the healthcare continuum
- Transaction price of USD 5.5 billion, including refinancing of existing Capsugel debt of approximately USD 2 billion

Basel, Switzerland, 6 July 2017 – Lonza announced today that following the receipt of all required regulatory approvals, it has completed the acquisition of Capsugel S.A. ("Capsugel") from KKR for USD 5.5 billion in cash, including refinancing of existing Capsugel debt of approximately USD 2 billion. The acquisition of Capsugel, a world leader in advanced oral dosage delivery technologies with a leading position in hard capsules, is expected to be accretive to Lonza's core earnings per share in the first full year post closing.

This acquisition is in line with Lonza's stated strategy to accelerate growth and deliver value along the healthcare continuum by complementing its existing offerings and by opening up new market opportunities in the pharma and consumer healthcare and nutrition industries.

With the acquisition of Capsugel, Lonza adds a trusted brand with a large breadth of technologies that it believes will expand the market reach of both companies' contract development and manufacturing organization (CDMO) and products businesses. It also supports Lonza's strategic ambition of getting closer to the patient and end consumer.

Richard Ridinger, Lonza's Chief Executive Officer, said, "Lonza and Capsugel have a highly synergistic customer base and market approach, complementary business models and closely aligned corporate cultures with a strong commitment to ethics and compliance. All of these aspects will facilitate a seamless integration."

Capsugel's business will continue to operate in its existing structure until the full integration has been completed.

The acquisition was financed partially through the net proceeds of the successful placement of 5 million new shares at CHF 173.00 per share with total gross proceeds

of CHF 865 million, which was completed in February 2017, as well as the issuance of 16,548,612 fully paid registered shares, with gross proceeds in the amount of CHF 2.26 billion, which was completed in May 2017. The balance of the acquisition price was financed through indebtedness.

About Lonza

Following the closing of the Capsugel acquisition, Lonza further strengthened its position as one of the world's leading and most-trusted suppliers to the pharmaceutical, biotech and specialty ingredients markets. Lonza harnesses science and technology to create products that support safer and healthier living and that enhance the overall quality of life.

An integrated solutions provider serving the healthcare continuum, Lonza offers products and services from the custom development and manufacturing of active pharmaceutical ingredients to innovative dosage forms for the pharma and consumer health and nutrition industries. In addition to drinking water sanitizers, nutraceuticals, antidandruff agents and other personal care ingredients, the company provides agricultural products, advanced coatings and composites and 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 50 major manufacturing and R&D facilities and nearly 14,000 full-time employees worldwide. Further information can be found at www.lonza.com.

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This announcement is not an offering circular within the meaning of article 652a of the Swiss Code of Obligations, nor is it a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or a prospectus under any other applicable laws.

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