SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1996

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER 1-10638

CAMBREX CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE (STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	22-2476135 (I.R.S. EMPLOYER IDENTIFICATION NO.)
ONE MEADOWLANDS PLAZA, EAST RUTHERFORD, NEW JERSEY (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	07073 (ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (201)-804-3000
SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, $.10 par value	American Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12 (g) OF THE ACT: NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of the voting stock held by non-affiliates of the registrant was approximately $366,359,752 as of February 28, 1997.

APPLICABLE ONLY TO CORPORATE REGISTRANTS

As of February 28, 1997, there were 11,745,296 shares outstanding of the registrant's Common Stock, $.10 par value.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the 1997 Annual Meeting are incorporated by reference into Part III of this report.

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PART I

ITEM 1 -- BUSINESS.

GENERAL

Cambrex Corporation (the "Company" or "Cambrex"), a Delaware corporation, began business in December 1981 through its predecessor, and now wholly-owned subsidiary, CasChem, Inc.

The Company manufactures and markets a broad line of specialty chemicals and commodity chemical intermediates and also manufactures chemicals to customer specifications. There are five product categories: pharmaceutical bulk actives; pharmaceutical intermediates; organic intermediates; performance enhancers; and polymer systems. Currently the Company's overall strategy for these categories is to focus on niche markets that have global opportunities, build on strong customer relations to fill our new products' pipeline, and support the capital and state-of-the-art technology, while being leaders in environmental, health and safety performance.

Within each of the product categories, the Company uses a consistent business approach:

1. It focuses on niche products requiring high technical experience.

2. Core products are those in which the Company is a leading supplier, and for which price competition is not the primary market determinant.

3. Products and product lines are continually reviewed and those not meeting operating profit goals are eliminated and replaced with new products with higher returns.

In order to manage a business with a large number of products and a dynamic business mix, the Company runs a decentralized organization. The business is conducted by eight subsidiary organizations headed by an experienced business manager. Each subsidiary controls all the resources required for the success of its business and is responsible for its financial performance. Cambrex provides oversight of the subsidiaries and, where performance is considered unsatisfactory, becomes directly involved to help correct any deficiencies. It also provides support services that are not fundamental to the success of the subsidiaries' business endeavors; such services include finances, risk management, and pension and benefits management.

Important objectives of the Company are to expand its operations through internal growth and to make strategic acquisitions of product lines, technology and companies that have substantial positions in niche markets.

On October 12, 1994, the Company completed the acquisition of the stock of Nobel's Pharma Chemistry Business ("Nordic/Profarmaco") from Akzo Nobel for $130,300. The business consists of Nobel Chemicals AB (now Nordic Synthesis AB., "Nordic") in Karlskoga, Sweden, Profarmaco Nobel S.r.1. (now Profarmaco S.r.1., "Profarmaco") in Milan, Italy and sales companies in Germany, England and the United States. Nordic and Profarmaco manufacture fine chemical intermediates and bulk active ingredients for pharmaceutical products.

On January 31, 1994, Cambrex purchased substantially all of the assets of Hexcel Corporation's Fine Chemicals Business located in Middlesbrough, England, for $7,400 and the assumption of certain current liabilities in the amount of $2,100. The business, now known as Seal Sands Chemicals, Ltd. ("Seal Sands"), manufactures chemical intermediates used in the pharmaceutical, photographic, water treatment, health care, and plastics industries. On May 27, 1994, the Company purchased the Topanol product line from Zeneca Limited to complement the Seal Sands operation for $4,600.

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(dollars in thousands, except share data)

PRODUCTS

The following table sets forth for the periods indicated information concerning gross sales from the Company's five product categories:

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994(1)
Pharmaceutical bulk actives	$ 97,582	$ 96,827	$ 23,774
Pharmaceutical intermediates	71,202	69,097	48,861
Organic intermediates	73,049	77,792	64,472
Performance enhancers	75,632	69,973	59,210
Polymer systems	52,014	54,381	53,366
Gross sales	$ 369,479	$ 368,070	$ 249,683

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(1) Sales from Seal Sands, acquired in January 1994, and Nordic and Profarmaco, acquired in October 1994, are included from the date of acquisition.

The Company manufactures and markets a broad line of specialty chemicals. It uses its technical expertise in a wide range of chemical processes to meet the needs of its customers for high quality products for specialized applications. These applications include: pharmaceutical bulk actives produced under Food and Drug Administration (FDA) regulation for use in prescription and over-the-counter drug products; pharmaceutical intermediates produced in current Good Manufacturing Practices (cGMP) facilities for use in the production of pharmaceuticals, cosmetics, food additives and other healthcare products; organic intermediates used in the production of herbicides, insecticides, feed additives, pigments, and other complex organic molecules; performance enhancers which are complex chemicals designed to impart special properties when small quantities are included in the formulation of specific products; and polymer systems which are monomers or two component polymer systems for use in small volume, high performance applications.

Pharmaceutical bulk actives. Pharmaceutical products are classified into nine therapeutic product groups. Cambrex sells products in six of these principal product groups: (1) gastro-intestinal preparations, (2) cardiovascular, (3) respiratory products, (4) central nervous system, (5) anti-inflammatory, and (6) other actives, including anti-infective, endocrine products, immunology, diuretics and other preparations. These products are sold to a diverse group of more than 400 customers with one customer accounting for

12% of 1996 sales in this category. Many of these products are also sold through agents.

Products in this category are manufactured under FDA registration for use as the active ingredients in prescription and over-the-counter drugs.

This table summarizes the gross sales for this product category:

	1996	1995	CHANGE	% CHANGE
Gastro-intestinal	$ 31,503	$ 31,928	$ (425)	(1)%
Cardiovascular	21,806	20,229	1,577	8
Respiratory	9,409	6,951	2,458	35
Central Nervous System	8,809	8,903	(94)	(1)
Anti-inflammatory	7,966	8,343	(377)	(5)
Other Actives	18,089	20,473	(2,384)	(12)
	$ 97,582	$ 96,827	$ 755	1%

Cardiovascular bulk actives increased mainly due to the sales of a product to new countries as well as new customers. Respiratory actives were 35% above prior year due to a 66% increase in one product with increased U.S. market demands. Gastro-intestinal products were affected by the ordering pattern of a major customer

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(dollars in thousands, except share data)

for sulfasalazine/mesalamine, used to treat ulcerative colitis. Other actives were below 1995 due to reduced sales of endocrine bulk actives.

Pharmaceutical intermediates. This category consists of four product groups: (1) intermediates used in the manufacture of vitamins and other health care products, (2) x-ray contrast media intermediates, (3) intermediates for the cosmetic industry, and (4) other pharmaceutical intermediates. These products are sold to approximately 700 customers, with no one customer accounting for over 10% of 1996 sales in this category. These products are mainly produced in cGMP facilities.

This table summarizes the gross sales for this product category:

	1996	1995	CHANGE	% CHANGE
Health	$ 19,548	$ 20,003	$ (455)	(2)%
X-Ray Media	21,552	18,372	3,180	17
Cosmetics	6,609	6,411	198	3
Other Pharmaceutical Intermediates	23,493	24,311	(818)	(3)
	$ 71,202	$ 69,097	$ 2,105	3%

X-ray media products increased 17% mainly due to U.S. sales of 5-NIPA compounds to a customer who was in the process of shifting its production to the U.S. markets. Other pharmaceutical intermediates were adversely affected by the loss of a contract to manufacture PMPA for the dextromethorphan market (used in over-the-counter cough suppressants), and the reduced sales of various other intermediates used in dextromethorphan products. During 1996, a customer prematurely terminated a five-year supply agreement for the manufacture of PMPA which extended through 1999. As a result of the premature termination, the Company reached a settlement agreement with the particular customer whereby the Company would receive payments during 1996 and for the next three years. The Company recognized income, net of related costs, of approximately $1,100 during the three months ended December 31, 1996. The introduction of an advanced intermediate of a new protease inhibitor for AIDS treatment partially offsets the decrease attributed to the lost sales of PMPA.

Organic intermediates. This category consists of three product groups: (1) feed additives (2) intermediates used for crop protection chemicals, and (3) pigment intermediates. These products are sold to approximately 200 customers. Two customers accounted for 25% and 18% of 1996 sales in this category.

This table summarizes the gross sales for this product category:

	1996	1995	CHANGE	% CHANGE
Feed additives	$ 29,889	$ 37,387	$(7,498)	(20)%
Crop Protection	31,671	30,454	1,217	4
Pigment Intermediates	11,489	9,951	1,538	15
	$ 73,049	$ 77,792	$(4,743)	(6)%

Feed additives decreased 20% due to reduced pricing and increased competition in the feedgrade Vitamin B3 markets, and to lower organo-arsenical feed additives as a result of escalated grain prices and increased price competition to end-users. The crop protection intermediates increase was due to the renegotiaton of a contract for a pyridine derivative used in the herbicide market. Pyridine, which is the largest product in crop protection, was down from 1995, as the major customer took product at 1993 levels after two years at above contract levels. Pigment intermediates were 15% above 1995 levels due to increased market share of PNBA, a pigment used primarily in dyes and UV protection agents.

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(dollars in thousands, except share data)

Performance enhancers: These products are complex chemicals designed to impart special properties, such as flame retardancy or rapid curing, when small quantities are included in the formulation of specific products. This category consists of five product groups: (1) specialty additives, (2) catalysts, (3) polymers, (4) photographic chemicals, and (5) additives for the fuel/oil industry. These products are sold to approximately 1,300 customers with no one customer accounting for over 10% of 1996 sales in this category.

This table summarizes the gross sales for this product category:

	1996	1995	CHANGE	% CHANGE
Specialty Additives	$ 22,870	$ 16,210	$ 6,660	41%
Catalysts	15,833	16,985	(1,152)	(7)

Polymers	16,084	15,722	362	2
Photographic	12,326	12,197	129	1
Fuel/Oil	8,519	8,859	(340)	(4)
	$ 75,632	$ 69,973	$ 5,659	8%

This category includes increases in specialty additives of 41% from 1995 primarily due to a 33% increase in sales of pyridine derivatives to world markets and customers not previously served. Photographic products were affected by a customer requiring additional inventory of a polymer used in instant film. Sales of catalysts were affected by reduced demand for products to the dextromethorphan markets.

Polymer systems: The products in this category are monomers or two component polymer systems for use in small volume, high performance applications. This category consists of four product groups: (1) telecommunications and electronics industries, (2) coatings, (3) high performance engineering plastics, and (4) biomedical. Polymer systems are sold to an estimated 400 customers with no one customer accounting for over 10% of 1996 sales in this category.

This table summarizes the gross sales for this product category:

	1996	1995	CHANGE	% CHANGE
Telecommunications	$ 18,809	$ 23,710	$(4,901)	(21)%
Coatings	19,138	17,574	1,564	9
Engineering plastics	8,179	8,093	86	1
Biomedical	5,888	5,004	884	18
	$ 52,014	$ 54,381	$(2,367)	(4)%

Telecommunications products decreased 21% primarily as a result of the Company's strategic decision to no longer provide product to AT&T. Sales of Bufferite fiber optic gels to other customers also declined as products were reformulated to provide lower cost products, while improving the Company's margins. Coatings increases were due to sales of castor oil based products to a major paint manufacturer. Biomedicals grew 18% due to price increases and growth at a major customer, as a result of higher demand for their end-use products. Engineering plastics were at the same level as prior year.

MARKETING AND DISTRIBUTION

The Company's pharmaceutical bulk actives and pharmaceutical intermediates are generally high value, low volume products requiring significant technical efforts for the development and manufacture. Marketing generally requires significant cooperative effort between a small highly trained marketing staff, a technical staff who can assess the technical fit and estimate manufacturing economics, and the business management to determine the strategic and business fit. Such a process may take from two to five years before a commercial product is fully established. Because of this long lead time and the complexity of the technical efforts, these

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are usually long-term relationships with major corporations who become significant customers. Sales of established products may be handled by agents in those areas where direct sales efforts are uneconomic.

For other product categories, marketing and distribution is more typical of chemical companies, with products being sold to customers from inventory in volumes ranging from rail cars to five gallon pails. Sales may be handled by company sales people, distributors or agents as appropriate.

RAW MATERIALS

The Company uses a wide array of raw materials in the conduct of its businesses. The Company uses significant amounts of castor oil and compounds derived from petroleum feedstocks in manufacturing a limited number of its products.

The Company believes it is one of the largest purchasers of castor oil in the United States, and has the ability to take delivery and store a large quantity of castor oil on site. Castor oil is used primarily in the manufacture of the Company's polymer systems for coatings and telecommunication applications. Under advantageous market conditions, the Company sells this commodity in bulk quantities as simple castor oil derivatives.

Castor oil, which is not produced in the United States, is an agricultural product, the market price of which is affected by natural factors relating to the castor bean crop from which the oil is produced. Castor oil is produced commercially in a few foreign countries, with India currently being the largest exporter. The Company has been able to obtain adequate supplies of castor oil generally at acceptable prices in the past and expects to be able to do so in the future.

Pyridine, which accounted for 8%, 8% and 13% of gross revenues in 1996, 1995 and 1994, respectively, is produced by the Company by a process involving the high temperature reaction of acetaldehyde, formalin and ammonia. Acetaldehyde is available from two suppliers in North America. The price of acetaldehyde decreased approximately 11% during 1996 after increasing 15% during 1995. Formalin's feedstock is methanol, which is also used by the petro-chemical industry in the manufacture of methyl-tert-butyl-ether (MTBE). In 1994 and 1995, the production of and demand for MTBE had increased rapidly in connection with its use as a gasoline additive. This increased demand had caused the price of formalin to increase by approximately 50% in 1994 and an additional 23% in 1995. As methanol prices have decreased in 1996, however, the pricing of formalin has declined by 28% to below 1994 levels. Ammonia is widely available, and the cost of ammonia decreased by 4% in 1996.

The Company obtains acetaldehyde and formalin pursuant to long-term supply contracts under which the price for the raw material adjusts to market conditions, with a time lag. The Company sometimes has difficulty passing on price increases to its customers, particularly if the increases are precipitous rather than general.

The other key raw materials used by the Company are advanced organic intermediates and generally have been in adequate supply from multiple suppliers.

RESEARCH AND DEVELOPMENT

The Company's research and development program is designed to increase the Company's competitiveness through improving its technology and developing processes for the manufacture of new products to meet customer requirements. The goals are to improve the Company's manufacturing processes so as to reduce costs, improve quality and increase capacity; and to identify market opportunities which warrant a significant technical effort, and offer the prospects of a long-term, profitable business relationship. Research and development activities are performed at most of the Company's manufacturing facilities in both the United States and Europe. Eighty-five employees are involved directly in research and development activities worldwide. In November 1995, the Company formed a strategic alliance with Oxford Asymmetry, Ltd.

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(located near Oxford in the United Kingdom). The Company will commercialize technologies and products developed by Oxford Asymmetry, and provides financial support for their research and development group. The Company provides Oxford Asymmetry with $1,000 per year which is included in research and development expense for the year ended December 31, 1996. In addition, the Company will be required to pay royalties to Oxford Asymmetry for any technology licensed. In February, 1997, the Company signed a cooperative agreement with Albany Molecular Research, Inc. of Albany, New York. The Company will provide Albany Molecular Research financial support at a minimum of $2,340 over the next three years to develop processes specifically designated to fit into the Company's cGMP manufacturing facilities.

The Company spent approximately $9,200, $7,500 and $5,700 in 1996, 1995 and 1994, respectively, on research and development.

PATENTS AND TRADEMARKS

The Company has patent protection in some of its product areas. However, the Company relies primarily on know-how in many of its manufacturing processes and techniques not generally known to other chemical companies, for developing and maintaining its market position.

The Company currently owns approximately 71 United States patents which have varying durations and which cover selected items in each of the Company's major product areas. The Company also owns the foreign equivalent of many of its United States patents. In addition, the Company has applied for patents for various concepts and is in the process of preparing patent applications for other concepts.

The Company has trademarks registered in the United States and a number of foreign countries for use in connection with the Company's products and business. The Company believes that many of its trademarks are generally recognized in its industry. Such trademarks include Naturechem(R), Bufferite(R)and Vitride(R).

The Company requires employees to sign confidentiality and non-compete agreements where appropriate.

COMPETITION

Because of the nature of the Company's products in its pharmaceutical bulk actives and pharmaceutical intermediates categories and its strategic approach, it is not possible to identify a group of direct competitors. Where competition exists, it is typically specific to a certain product, or is focused early in the process, when an initial market position is being established. If the Company perceives significant competitive risk and a need for large technical or financial commitment, it generally negotiates long-term contracts or capital guarantees from its targeted customer before proceeding.

Competition for the Company's products other than pharmaceutical bulk actives and pharmaceutical intermediates is more typical of chemical markets. Competition exists from other producers of the Company's products and other products that may offer equivalent properties. Competition in these areas are generally based on customer service, product quality and pricing.

ENVIRONMENTAL AND SAFETY REGULATIONS AND PROCEEDINGS

General: Production of certain of the Company's chemicals involves the use, storage and transportation of toxic and hazardous materials. The Company's operations are subject to extensive international and domestic federal, state and local laws and regulations relating to the storage, handling, emission, transportation and discharge of materials into the environment and the maintenance of safe conditions in the work place. The Company maintains environmental and industrial safety and health compliance programs at its plants, and believes that its manufacturing operations are in general compliance with all applicable safety, health and environmental laws.

The Company's acquisitions were made subject to known environmental conditions. Also, risks of substantial costs and liabilities are inherent in certain plant operations and certain products produced at the

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(dollars in thousands, except share data)

Company's plants, as they are with other companies engaged in the chemical business, and there can be no assurance that significant costs and liabilities will not be incurred. Additionally, prevailing legislation tends to hold chemical companies primarily responsible for the proper disposal of their chemical wastes even after transferral to third party waste disposal facilities. Moreover, other future developments, such as increasingly strict environmental, safety and health laws and regulations, and enforcement policies thereunder, could result in substantial costs and liabilities to the Company and could subject the Company's handling, manufacture, use, reuse, or disposal of substances or pollutants at its plants to more rigorous scrutiny than at present. Although the Company has no direct operations and conducts its business through subsidiaries, certain legal principles that provide the basis for the assertion against a parent company of liability for the actions of its subsidiaries may support the direct assertion against the Company of environmental liabilities of its subsidiaries.

During January 1997, an opinion was rendered against Cosan, Inc. (a subsidiary of Cambrex) by the District Court of New Jersey in a matter that has been pending since 1991. The opinion states that Cosan contributed to contamination at a site in Clifton, New Jersey which was previously owned and operated by Cosan. Pursuant to the opinion, Cosan is liable for past environmental investigation and remediation costs approximating $800 plus interest, as well as future remediation costs of the site. In addition, treble damages on all past and future costs, plus interest, were assessed against Cosan. Cosan intends to appeal this opinion with the District Court of New Jersey and believes that the treble damages component of the opinion are unprecedented. The estimated range of costs for this case have been considered in the Company's year-end reserve assessment.

Known environmental matters which may result in liabilities to the Company and the related estimates and accruals are summarized in Note #20 to the Cambrex Corporation and Subsidiaries Consolidated Financial Statements.

Present and Future Environmental Expenditures: The Company's policy is to comply with all legal requirements of applicable environmental, health and safety laws and regulations. The Company believes it is in general compliance with such requirements and has adequate professional staff and systems in place to remain in compliance. In some cases, compliance can only be achieved by capital expenditures, and the Company made capital expenditures of approximately $4,800 in 1996, $4,000 in 1995, and $2,500 in 1994 for environmental projects. The Company anticipates that capital requirements will increase in subsequent years as a result of the Clean Air Act Amendments and other pending environmental laws. Additionally, as the environmental proceedings in which the Company is involved progress from the remedial investigation and feasibility study stage to implementation of remedial measures, related expenditures will most likely increase. The Company considers costs for environmental compliance to be a normal cost of doing business, and includes such costs in pricing decisions.

EMPLOYEES

At December 31, 1996 the Company had 1,292 employees worldwide (567 of whom were from our international operations) compared with 1,336 employees at both December 31, 1995 and 1994.

All hourly plant employees at the Bayonne, New Jersey facility are represented by Local 8-406 of the Oil, Chemical and Atomic Workers International Union under a contract expiring September 17, 1997; the hourly plant employees at the Carlstadt, New Jersey plant are represented by the Amalgamated Industrial Union of East Orange, New Jersey under a contract expiring November 30, 1997; and the hourly plant employees at the Harriman, New York facility are represented by Local 810 of the International Brotherhood of Teamsters under a contract expiring June 30, 1998. Nordic and Profarmaco production, administration, scientific and technical employees are represented by various local and national unions. The contracts with these unions expire at various times through December 31, 1998. The Company believes its labor relations are satisfactory, and will begin negotiations for the renewal of contracts expiring in 1997.

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(dollars in thousands, except share data)

SEASONALITY

Like many other businesses in the specialty chemicals industry, the Company experiences some seasonality. Operating results for any quarter, however, are not necessarily indicative of results for any future period. In particular, as a result of various factors such as acquisitions and plant shutdowns, the Company believes that period-to-period comparisons of its operating results should not be relied upon as an indication of future performance.

EXPORT AND INTERNATIONAL SALES

The Company exports numerous products to various areas, principally Western Europe, Asia and Latin America. Export sales from the Company's domestic operations in 1996, 1995 and 1994 amounted to $50,243, $50,608, and $44,135, respectively. Sales from international operations were $151,466 in 1996, $144,883 in 1995 and $34,803 in 1994, due to acquisition activity in 1994. Refer to Note #18 to the Cambrex Corporation and Subsidiaries Consolidated Financial Statements.

ITEM 2 -- PROPERTIES.

Set forth below is information relating to the Company's manufacturing facilities:

LOCATION	ACREAGE	OPERATING SUBSIDIARY	PRODUCT LINES MANUFACTURED
Bayonne, NJ	8 acres	CasChem	Pharmaceutical intermediates; Performance enhancers; Polymer systems
Carlstadt, NJ	3 acres	Cosan	Performance enhancers; Polymer systems
Harriman, NY	29 acres	Nepera	Pharmaceutical intermediates; Organic intermediates; Performance enhancers
Delaware Water Gap, PA	12 acres	Heico	Pharmaceutical bulk actives; Pharmaceutical intermediates; Performance enhancers; Polymer systems
North Haven, CT	4 acres	Humphrey	Pharmaceutical intermediates; Performance enhancers
Charles City, IA	57 acres	Salsbury	Pharmaceutical bulk actives; Pharmaceutical intermediates; Organic intermediates; Performance enhancers

Zeeland, MI	14 acres	Zeeland	Pharmaceutical intermediates; Performance enhancers
Middlesbrough, England	12 acres	Seal Sands	Pharmaceutical bulk actives; Pharmaceutical intermediates; Organic intermediates; Performance enhancers; Polymer systems
Karlskoga, Sweden	42 acres	Nordic	Pharmaceutical bulk actives; Pharmaceutical intermediates; Organic intermediates; Performance enhancers
Paullo (Milan), Italy	13 acres	Profarmaco	Pharmaceutical bulk actives

The Company owns all the above facilities and properties, with the exception of the twelve acre tract it leases in Middlesbrough, England. In addition, the Company owns thirty-one acres of undeveloped land adjacent to the North Haven facility, one hundred and three acres of undeveloped land adjacent to the Harriman facility and sixty-six acres of undeveloped land adjacent to the Zeeland facility. The Company believes its facilities to be in good condition, well maintained and adequate for its current needs.

Most of the Company's products are manufactured in multi-purpose facilities. Each product has a unique requirement for equipment, and occupies such equipment for varying amounts of time. This, combined with the variations in demand for individual products, makes it difficult to estimate actual overall capacity subject to regulatory approval. It is generally possible to transfer the manufacturing of a particular product to another facility should capacity constraints dictate. However, the Company's pyridine and arsenical feed additive

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product groups are each manufactured at a single facility, and production of such products would not be transferrable to another site.

The Company plans to continue to expand capacity to meet growing needs by process improvements and construction of new facilities where needed.

ITEM 3 -- LEGAL PROCEEDINGS.

See "Environmental and Safety Regulations and Proceedings" under Item 1 hereof with respect to various proceedings involving the Company in connection with environmental matters. The Company is party to a number of other proceedings. Management is of the opinion that while the ultimate liability resulting from those proceedings, as well as environmental matters, may have a material effect upon the results of operations in any given year, they will not have a material adverse effect upon the Company's liquidity nor its financial position.

ITEM 4 -- SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None

ITEM 10 -- EXECUTIVE OFFICERS OF THE REGISTRANT.

The following table lists the executive officers of the Company and the chief operating officers of the Company's operating subsidiaries:

NAME	AGE	OFFICE(1)
James A. Mack................	59	President and Chief Executive Officer
Peter Tracey.................	55	Executive Vice President, Finance, Chief Financial Officer
Peter E. Thauer..............	57	Vice President, Law & Environment, General

		Counsel & Corporate Secretary
Steven M. Klosk..............	39	Executive Vice President, Administration
Rudi E. Moerck...............	50	President of Salsbury Chemicals, Inc.
John J. Stanulonis...........	50	Vice President and General Manager of Heico Chemicals, Inc. and The Humphrey Chemical Company, Inc.
Salvatore J. Guccione........	34	Vice President, Corporate Development
Richard J. Seidel............	55	President and Chief Operating Officer of Nepera, Inc.
Robert M. Parlman............	46	Vice President and General Manager of
John V. Van Hulle............	39	Zeeland Chemicals, Inc. President of CasChem, Inc. and Cosan Chemical Corporation
Claes Glassell...............	45	Vice President of Cambrex Managing Director of Cambrex Limited
Cyril C. Baldwin, Jr.........	69	Chairman of the Board

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(1) Unless otherwise indicated, positions shown are with the Company.

The Company's executive officers are elected by the Board of Directors and serve at the Board's discretion.

Mr. Mack has been Chief Executive Officer since Mr. Baldwin's retirement on April 1, 1995. Mr. Mack was appointed President and Chief Operating Officer and a director of the Company in February 1990. For five years prior thereto he was Vice President in charge of the worldwide Performance Chemicals businesses of Olin Corporation, a manufacturer of chemical products, metal products, and ammunition and defense-related

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products. Mr. Mack was Executive Vice President of Oakite Products, Inc. from 1982 to 1984. Prior to joining Oakite, he held various positions with The Sherwin-Williams Company, most recently as President and General Manager of the Chemicals Division from 1977 to 1981. Mr. Mack is a past Chairman of the Board of Governors of the Synthetic Organic Chemical Manufacturing Association and is a member of the Board of Trustees of the Michigan Tech Alumni Fund.

Mr. Tracey was appointed Executive Vice President and Chief Financial Officer in November 1994. Mr. Tracey joined the Company in November 1990 as Vice President and Chief Financial Officer. For three years prior to joining Cambrex, he was Vice President-Finance and Chief Financial Officer for Joyce International Inc., a manufacturer of office products. From 1986 to 1987, he was Vice President-Finance and Chief Financial Officer for Robotic Vision Systems, Inc., a manufacturer of industrial automation systems. Prior to 1986, Mr. Tracey was a principal in the firm of Sirius Management Consultants.

Mr. Thauer was appointed Vice President-Law & Environment in December 1992, and General Counsel and Corporate Secretary in August 1989. From 1987 until he joined Cambrex, he was Counsel to the business and finance group of the firm of Crummy, Del Deo, Dolan, Griffinger and Vecchione. From 1971 to 1987, Mr. Thauer had held various positions with Avon Products, Inc., including U. S. Legal Department Head and Corporate Assistant Secretary.

Mr. Klosk was appointed Executive Vice President, Administration in October 1996. Mr. Klosk joined the Company in October 1992 as Vice President, Administration. From February 1988 until he joined Cambrex, he was Vice President, Administration and Corporate Secretary for The Genlyte Group, Inc., a lighting fixture manufacturer. From 1985 to January 1988, he was Vice President, Administration for Lightolier, Inc., a subsidiary of The Genlyte Group, Inc.

Dr. Stanulonis joined the Company in April 1996 as Vice President and

General Manager of Heico Chemicals, Inc. and The Humphrey Chemical Company. From 1995 until he joined Cambrex, he was Vice President, Marketing for Novan International, Inc. From 1988 to 1994 he was General Manager of CWM Chemicals Services, Inc., and from 1980 to 1987 he held various management positions with Harshaw/Filtrol Partnership.

Dr. Moerck joined the Company in September 1996 as President of Salsbury Chemicals, Inc. From 1994 to 1996 he held executive positions with Harris Specialty Chemicals. From 1990 to 1994 he was Vice President, Marketing, Sales and Applied Research with Troy Corporation. From 1979 to 1990 he held various managerial positions with Degussa Corporation.

Mr. Guccione joined the Company in December 1995 as Vice President, Corporate Development. Prior to joining the Company, from 1993 to 1995, he held the position of Vice President and General Manager of the International Specialty Products (ISP) Personal Care Division. He also served as Director of Corporate Development for International Specialty Products.

Mr. Seidel joined the Company in November 1995 as President and Chief Operating Officer of Nepera, Inc. He was most recently Vice President/General Manager for the Petreco Division of Petrolite Corporation. Prior to this, he served in various management positions at Petrolite and Gulf Oil Corporation.

Dr. Parlman joined the Company as Vice President and General Manager of Zeeland Chemicals, Inc. in March 1994. Prior to such time, he was Vice President and General Manager of the Tretolite Division of Petrolite. Dr. Parlman has extensive experience in market development and research and development.

Mr. Van Hulle was appointed President of CasChem, Inc. and Cosan Chemical Corporation in December 1994. He joined CasChem in July 1994 as Executive Vice President. For more than five years prior thereto he was General Manager of the Fine Chemicals Group for General Chemical Corporation, and had extensive experience with Air Products & Chemicals, Inc.

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(dollars in thousands, except share data)

Mr. Glassell was appointed Vice President of Cambrex in November 1994. As Managing Director and President of Cambrex Limited, he is responsible for Cambrex's European operations. After extensive management experience at Nordic/Profarmaco, he joined Cambrex as a result of the Nordic/Profarmaco Acquisition. In 1989, he joined Nordic as President and CEO for Nordic's Chemistry Business. From 1986 to 1989, he worked for the agricultural division of Berol Europe Ltd.

Mr. Baldwin has been Chairman of the Board since July 1991, and a director of the Company since it began business in December 1981. On January 26, 1995, Mr. Baldwin announced his retirement, effective April 1, 1995, as Chief Executive Officer of the Company, a position he also held since December 1981. Mr. Baldwin retired as an employee of the Company effective April 30, 1995. He is a member of the Environmental and Governance Committees of the Company's Board of Directors, and he is a director of Church & Dwight Co., Inc. and Congoleum Corporation.

PART II

ITEM 5 -- MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

(a) Since November 15, 1990, the Company's Common Stock, $.10 par value, has been traded on the American Stock Exchange (AMEX) under the symbol CBM. The Common Stock previously had been quoted on the National Association of Securities Dealers Automated Quotation (NASDAQ) National Market System. The following table sets forth the closing high and low sales prices of the Common

Stock as reported on AMEX:

	HIGH	LOW
1996*		
First Quarter	$31 3/4	$25 7/8
Second Quarter	34 1/8	28 1/4
Third Quarter	34 1/8	29 7/8
Fourth Quarter	34 1/2	29 3/4

	HIGH	LOW
1995*		
First Quarter	$20 5/8	$17 3/4
Second Quarter	23 5/8	20 3/4
Third Quarter	28 7/8	22 5/8
Fourth Quarter	28 3/8	24

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* Share and per share data reflect adjustments for a three-for-two stock split in the form of a 50% stock dividend paid in July, 1996.

(b) As of March 14, 1997, the Company estimates that there were approximately 1,621 beneficial holders of the outstanding Common Stock of the Company.

(c) The quarterly dividend on common stock is currently $.05 per share.

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(dollars in thousands, except share data)

ITEM 6 -- SELECTED FINANCIAL DATA.

The following selected consolidated financial data of the Company for each of the years in the five year period ended December 31, 1996 are derived from audited financial statements. The consolidated financial statements of the Company as of December 31, 1996 and December 31, 1995 and for each of the years in the three year period ended December 31, 1996 and the accountants' reports thereon are included elsewhere in this annual report. The data presented below should be read in conjunction with the financial statements of the Company and the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere herein.

	YEARS ENDED DECEMBER 31,				
	1996	1995	1994(1)	1993(2)	1992(3)
	(IN THOUSANDS, EXCEPT PER-SHARE DATA)				
INCOME DATA:					
Gross sales	$369,479	$368,070	$249,683	$203,308	$184,878
Net revenues	359,385	357,176	241,634	197,203	179,452
Gross profit	101,336	99,780	57,881	51,778	46,036
Selling, general and administrative	45,879	47,751	31,216	29,286	28,201
Research and development	9,183	7,526	5,689	5,843	4,046
Operating profit	46,274	44,503	20,976	16,649	13,789

Interest expense, net	5,799	10,508	4,581	2,771	2,437
Other (income) expense, net	(194)	2,779	(497)	446	1,054
Income before taxes	40,669	31,216	16,892	13,412	10,298
Net income	28,225	19,670	11,126	8,641	6,230
EARNINGS PER SHARE DATA*:					
Earnings per common share and common share equivalents:					
Primary	$ 2.37	$ 1.96	$ 1.31	$ 1.09	$ 0.85
Fully diluted	$ 2.37	$ 1.95	$ 1.30	$ 1.07	$ 0.82
Weighted average shares outstanding:					
Primary	11,897	10,053	8,511	7,923	7,332
Fully diluted	11,910	10,104	8,549	8,226	7,863
DIVIDENDS PER COMMON SHARE*	$ 0.17	$ 0.13	$ 0.13	$ 0.13	$ 0.13
BALANCE SHEET DATA: (at end of period)					
Working capital	$ 62,912	$ 69,865	$ 19,925	$ 38,497	$ 35,852
Total assets	404,444	402,553	360,477	166,845	148,406
Long-term obligations	60,152	99,643	115,975	36,261	39,808
Total stockholders' equity	229,045	189,484	101,966	87,569	75,177

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(1) Includes the results of Seal Sands and Nordic/Profarmaco from their respective dates of acquisition, January 31, 1994 and October 12, 1994, through December 31, 1994.

(2) Includes the results of Viscosity Oil's fiber optic gel business from March 12, 1993, the date of acquisition, through December 31, 1993.

(3) Includes the results of Zeeland Chemicals, Inc. from March 31, 1992, the date of acquisition, through December 31, 1992.

* Share and per share data reflect adjustments for a three-for-two stock split in the form of a 50% stock dividend paid in July, 1996.

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(dollars in thousands, except share data)

ITEM 7 -- MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, certain items from the selected consolidated financial information as a percentage of gross sales.

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994
Gross sales	100.0%	100.0%	100.0%
Net revenues	97.3	97.0	96.8
Gross profit	27.4	27.1	23.2
Selling, general and administrative	12.4	13.0	12.5
Research and development	2.5	2.0	2.3
Operating profit	12.5	12.1	8.4
Interest expense	1.6	2.9	1.8
Other (income) expense, net	(0.1)	0.8	(0.2)
Net income	7.6	5.3	4.5

The Company's product mix has changed substantially over the periods indicated, principally as a result of acquisitions. The following tables show the gross sales of the Company's five product categories, in dollars and as a percentage of the Company's total gross sales for the years ended December 31, 1996, 1995 and 1994, as well as the gross profit by product category for 1996 and 1995.

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994
GROSS SALES			
Pharmaceutical bulk actives................	$ 97,582	$ 96,827	$ 23,774
Pharmaceutical intermediates...............	71,202	69,097	48,861
Organic intermediates......................	73,049	77,792	64,472
Performance enhancers......................	75,632	69,973	59,210
Polymer systems............................	52,014	54,381	53,366
Total gross sales........................	$369,479	$368,070	$249,683
Total net revenues.......................	$359,385	$357,176	$241,634
Total gross profit.......................	$101,336	$ 99,780	$ 57,881

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994
GROSS SALES DISTRIBUTION			
Pharmaceutical bulk actives................	26.4%	26.3%	9.5%
Pharmaceutical intermediates...............	19.3	18.8	19.6
Organic intermediates......................	19.8	21.1	25.8
Performance enhancers......................	20.5	19.0	23.7
Polymer systems............................	14.0	14.8	21.4
	100.0%	100.0%	100.0%

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(dollars in thousands, except share data)

1996-1995 GROSS SALES & GROSS PROFIT BY PRODUCT CATEGORY

	1996		
	GROSS SALES	GROSS PROFIT $	GROSS PROFIT %
Pharmaceutical bulk actives..................	$ 97,582	$ 32,063	32.9%
Pharmaceutical intermediates.................	71,202	15,824	22.2%
Organic intermediates........................	73,049	15,046	20.6%
Performance enhancers........................	75,632	24,066	31.8%
Polymer systems..............................	52,014	14,337	27.6%
	$369,479	$101,336	27.4%

	1995		
	GROSS SALES	GROSS PROFIT $	GROSS PROFIT %
Pharmaceutical bulk actives..................	$ 96,827	$ 33,627	34.7%
Pharmaceutical intermediates.................	69,097	16,817	24.3%
Organic intermediates........................	77,792	16,098	20.7%
Performance enhancers........................	69,973	20,256	28.9%
Polymer systems..............................	54,381	12,982	23.9%
	$368,070	$ 99,780	27.1%

1996 COMPARED TO 1995

Gross sales in 1996 were at the same level as 1995. Increases in performance enhancers and pharmaceutical intermediates were offset by lower sales in our organic intermediates and polymer systems product categories. Pharmaceutical bulk actives were at the same level as 1995.

PHARMACEUTICAL BULK ACTIVES of $97,582 were at the same level as 1995. Increases in the cardiovascular product group of $1,577 and respiratory bulk actives of $2,458 offset decreases in gastro-intestinal of $425, anti-inflammatory bulk actives of $377 and the other bulk actives of $2,384.

Gastro-intestinal bulk actives were $31,503, a decrease of $425 (1%) from 1995. This decrease is mainly attributable to Sulfasalazine/Mesalamine, used to treat ulcerative colitis, as a major customer had high inventories in the last quarter of 1995 and did not reorder until the second quarter 1996.

Cardiovascular bulk actives were $21,806, an increase of $1,577 (8%) from 1995. The key products in this total included Diltiazem Hcl, Amiodarone Hcl, Isosorbide-5-mononitrate, Sotalol Hcl and Acebutolol Hcl. The increase is mainly due to the sales of Amiodarone Hcl, used as an anti-arithmic, in new countries as well as to new customers in 1996.

Respiratory actives were $9,409, an increase of $2,458 (35%) from 1995. The key product in this category is Cromoglycate sodium which had increased 66% due to increased demand in U.S. markets.

Central nervous system bulk actives of $8,809 were at the same level as 1995, and included Bromazepan, Alprazolam and Lorazepam among 19 products.

Anti-inflammatory bulk actives were $7,966, a $377 (5%) decrease from 1995. Included among 12 products are Ketoprofen, Magnesium Salicyliate (for backache formulas) and Naproxen sodium.

Other bulk actives were $18,089, a decrease of $2,384 (12%) from 1995, and included items for endocrine, diuretics, anti-infective, immunology and various other uses. One product decreased $1,132 due to a lack of availability of raw materials for production in 1996, but is expected to return to 1995 levels in 1997.

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(dollars in thousands, except share data)

PHARMACEUTICAL INTERMEDIATES of $71,202 were $2,105 above 1995 (3%). Cosmetic products increased $198 and X-Ray Media products increased $3,180, offsetting the decreases in Other Pharmaceutical Intermediates of $818 and Health products of $455.

Health products of $19,548 decreased by $455 (2%) from 1995 in various products, including Niacinamide USP and Pyridine.

X-Ray Media products, which include 5 NIPA compounds, of $21,552 increased $3,180 (17%) with the largest increase ($2,067) from one of our U.S. facilities, due to a shift in production by a major customer in 1996 from Europe to the U.S.

Cosmetic products of $6,609 were $198 (3%) above 1995 due to higher sales of our proprietary Naturechem product line.

Other Pharmaceutical Intermediates of $23,493 decreased $818 (3%) due to the effect of the loss of the PMPA contract and reduced demand for dextromethorphan intermediates (used in over-the-counter cough suppresants), offset by the initial sales of an advanced intermediate of a new protease inhibitor for AIDS treatment.

ORGANIC INTERMEDIATES of $73,049 were $4,743 below 1995 (6%). The feed additives category decreased $7,498 and offset the increases in crop protection of $1,217 and pigments of $1,538.

Feed additives of $29,889 decreased $7,498 (20%) due to reduced pricing and increased competition in the feed grade Vitamin B3 markets. Sales of organo-arsenical feed additives, the largest product in feed additives, was down 7% from 1995 due to escalated grain prices and increased price competition to end-users.

Crop protection intermediates of $31,671 increased $1,217 (4%) from 1995. The increase was due to the renegotiation of a contract for a pyridine derivative used in the manufacture of herbicides in the first quarter 1996. However, Pyridine, which is the largest product in crop protection, was down from 1995, due to a major customer purchasing at 1993 levels after two years (1994 and 1995) at above contract levels.

Pigments intermediates of $11,489 increased $1,538 (15%) from 1995, due to the gain in market share of PNBA, a pigment used in dyes and UV protection agents.

PERFORMANCE ENHANCERS of $75,632 were $5,659 above 1995 (8%). Specialty additives increased $6,660, photographic products increased $129 and polymer products increased $362 from 1995. Catalysts decreased $1,152 and fuel/oil products decreased $340.

Specialty additives of $22,870 increased $6,660 (41%) from 1995. The key increase was the sales of pyridine derivatives to world markets and customers not previously served.

Catalysts products of $15,833 decreased $1,152 (7%) from 1995. This decrease is primarily attributable to lower demand for various catalysts sold by one of our U.S. facilities in the dextromethorphan markets.

Polymer products of $16,084 increased $362 (2%) over 1995. The increase was a crosslinking agent to improve the performance of polycarbonate resins, due to wider usage of the product by a major customer.

Photographic products of $12,326 increased $129 (1%) from 1995 due to a customer requiring additional inventory of a polymer used in instant film in the first quarter 1996.

Fuel/oil products of $8,519 decreased $340 (4%) from 1995. The decrease was in castor based products used in grease applications.

POLYMER SYSTEMS of $52,014 were $2,367 below 1995 (4%), Telecommunications decreased $4,901 and was partially offset by coatings which increased $1,564, and biomedicals of $884. Engineering plastics were at the same level as 1995.

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(dollars in thousands, except share data)

Telecommunications of $18,809 decreased $4,901 (21%) from 1995 primarily as a result of the Company's strategic decision to no longer provide product to AT&T.

Coatings of $19,138 increased $1,564 (9%) from 1995 due to the sales of castor based products to a major coatings manufacturer.

Biomedicals of $5,888 increased $884 from 1995 due to both increased demand of end-use products and increased pricing.

Export sales from U.S. businesses were at $50,243 compared with $50,608 in 1995. International sales, comprised of all sales from our operations in Europe, totalled $151,466 as compared with $144,883 in 1995.

During 1996, the PMPA contract with our U.S. facility in Zeeland, Michigan was terminated prematurely by the customer. A settlement had been agreed upon that entitles the Company to payments in 1996 and for the next three years. Accordingly, the Company recognized income, net of related costs, of approximately $1,100 during 1996.

Total gross profit in 1996 increased to $101,336, resulting in a higher gross margin percentage of 27.4% of gross sales compared with 27.1% in 1995. The gross margin increase was due to an improved product mix of sales, production efficiencies, and increased plant throughput, in line with management's continued focus on higher performing, more profitable product lines.

Selling, general and administrative expenses as a percentage of gross sales were 12.4% in 1996, down from 13.0% in 1995. The 1996 expense of $45,879 was $1,872 (4%) below 1995 primarily due to lower legal and environment costs. Such reductions are the result of recoveries from third parties and reserve reversals that exceeded our outlays related to remediation programs in 1996.

The Company conducts periodic reviews of its environmental and litigation matters, prepares estimates of the range of potential future costs of each matter wherever possible, and adjusts the accruals for environmental contingencies as circumstances warrant. In 1996, this accrual was reduced by $1,000 to reflect our remaining estimated exposure.

Research and development expenses of $9,183 were 2.5% of gross sales in 1996, and represented a 22% increase from 1995. A portion of this increase was due to costs associated with the Oxford Asymmetry contract of $1,000.

The operating profit in 1996 increased to $46,274 from $44,503 in 1995 due to the improved gross margins and the aforementioned reductions in selling, general and administrative expenses.

Net interest expense of $5,799 in 1996 reflected a decrease of $4,709 (45%) from 1995. The decrease was due to strong cash flow and to the decreased outstanding debt as a result of the equity offering in mid-1995. The interest rate in 1996 was 7.4% compared to 7.7% in 1995.

Other income in 1996 was $194 compared with other expense of $2,779 in 1995. The difference included 1996 foreign currency transaction gains versus currency losses in 1995.

The provision for income taxes for 1996 resulted in an effective rate of 30.6% versus 37.0% in 1995. The Company recorded a $1,500 reversal of tax reserves as a result of a settlement with the Internal Revenue Service related to audits for the years 1988 through 1991. During January 1997, the Company implemented tax strategies which, based upon projected domestic and international taxable income, should have a favorable impact on the effective tax rate for 1997 and beyond. However, actual results could differ in the event of changes in tax regulations or deviations in projections.

The Company's net income increased 43.5% to $28,225 compared with a net income of $19,670 in 1995 primarily due to increased margins and reduced selling, general and administrative expenses and interest.

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(dollars in thousands, except share data)

1995 COMPARED TO 1994

Gross sales in 1995 increased $118,387 (48%) over 1994. Increases occurred in all phases of the business with key increases in pharmaceutical bulk actives which added $73,053 and pharmaceutical intermediates $20,236.

PHARMACEUTICAL BULK ACTIVES of $96,827 were $73,053 above 1994. Nordic/Profarmaco increased $72,869. The sales of Magnesium Salicyliate (the active ingredient in backache formulas) accounted for the rest of the increase $416.

Gastro-intestinal bulk actives were $31,928. This category is mainly Sulfasalazine/Mesalamine, made in bulk in the U.S. and at Nordic, which are used to treat ulcerative colitis.

Cardiovascular bulk actives were $20,229. The key products in this total included Diltiazem Hcl, Isosorbide-5-mononitrate, Sotalol Hcl and Acebutolol Hcl.

Endocrine bulk actives were $8,919 and included two key items -- Glipizide and Clormadinone.

Central nervous system bulk actives were $8,903 and included Bromazepam and Lorazepam among 20 products.

Anti-inflammatory bulk actives were $8,343 and include among 15 products, Ketoprofen, Magensium Salicyliate (for backache formulas) and Pranoprofen.

Other bulk actives were $18,505 and included items for respiratory system, diuretics, anti-infective, immunology and various other uses. All had higher sales than 1994 due to the Nordic/Profarmaco acquisition.

PHARMACEUTICAL INTERMEDIATES of $69,097 were $20,236 above 1994 (41%). Nordic/Profarmaco increased $17,270 and excluding the Nordic/Profarmaco increase: Health decreased $1,661; Cosmetic decreased $2,967; X-Ray Media increased $1,339; and Other Pharmaceutical Intermediates increased $6,255.

Health products of $20,003 increased $172 with Nordic increasing $1,833 and all Other Business decreasing $1,661 due to two discontinued product lines (Citrates $913 and Hydrogels $1,922) partially offset by higher Pyridine sales of $939.

X-Ray Media products, which include 5 NIPA compounds of $18,372, increased $13,038 with Nordic increasing $11,699 and all other businesses increasing $1,339.

Cosmetic products of $6,411 decreased $2,967 from 1994 due to sale of the Wickhen product line in 1994 ($2,700 in reduced sales).

Other Pharmaceutical Intermediates of $24,311 increased $9,993 with Nordic increasing $3,738 and all the other businesses increasing $6,255. This increase was due to sales of the two intermediates used in the formulation of dextromethorphan, an over-the-counter cough suppressant ($4,951 increase), and Mandelic Acid ($1,702 increase).

ORGANIC INTERMEDIATES of $77,792 were $13,320 above 1994 (21%). Nordic increased $9,515 in this category. Excluding the effect of Nordic, crop protection intermediates increased $3,104 and feed additives increased $701. The pigment intermediates were all Nordic business.

Feed additives of $37,387 increased $632 due in part to improved pricing of feed grade Vitamin B3. Sales of organo-arsenical feed additives, the largest product in feed additives, remained at 1994 levels.

Crop protection intermediates of $30,454 increased $5,169 from 1994. The increase was due to greater off-take of pyridine derivatives used in the manufacture of herbicides. Pyridine, which is the largest product in crop protection, was at the 1994 level.

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(dollars in thousands, except share data)

Pigments intermediates of $9,951 increased $7,519 from 1994 due to the full year effect of the Nordic acquisition. These intermediates are used in various industrial products including inks, dyes and color additives.

PERFORMANCE ENHANCERS of $69,973 were $10,763 above 1994 (18%). Nordic increased $4,579. Excluding the Nordic increase: photographic products decreased $127 from 1994 levels; catalysts increased $965; specialty additives increased $1,618; fuel/oil products increased $996; and polymer products increased $2,732.

Specialty additives of $18,241 increased $3,978 from 1994. This includes Nordic's sales increase of $2,360. Other increases include castor oil based products.

Catalysts products of $16,985 increased $3,128 from 1994. This increase includes Nordic's added sales of $2,163 and increases in various other catalysts of $965.

Polymer products of $15,722 increased $2,788 over 1994. The key increases were products used as a crosslinking agent to improve the performance of polycarbonate resins, as a dye receptor in acrylic fibers for textiles, and an anti-oxidant used in plastics.

Photographic products of $10,166 decreased $127 from 1994 mainly due to reduced sales of a polymer used in instant film, due to a customer continuing to reduce inventory levels in 1995. (Refer to the 1994 Form 10-K).

Fuel/oil products of $8,859 increased $996 over 1994. Key increase was in various alkenyl succinic anhydrides (ASA's) used in rust inhibitors, and fuel and oil detergents.

POLYMER SYSTEMS of $54,381 were $1,013 above 1994. Engineering plastics increased $2,970 from 1994 and helped to offset reductions in coatings of $657 and telecommunications of $1,320. Biomedicals of $5,004 were at the same level as 1994.

Telecommunications of $23,710 decreased $1,320 from 1994 due to reduced encapsulant sales. This reduction was the result of good weather, and declining applications, as domestic customers replace cable lines with fiber optics.

Coatings of $17,574 decreased $657 from 1994 due to reduced sales to paint manufacturers.

Engineering plastics of $8,093 increased $2,970 from 1994. This increase was due to the growing demand for a product used in high performance polysulfone engineering plastics in electronic and industrial applications, such as computer and television screens, and automobile parts.

Export sales from U.S. businesses increased to $50,608 from $44,135 in 1994. International sales, comprised of all sales from our acquired operations in Europe, totaled $144,883 as compared with $34,803 in 1994.

Total gross profit of $99,780 increased by $41,899, or 72.4%, from 1994. This was due to the increased sales and higher gross margin percentage which increased to 27.1% of gross sales from 23.2% in 1994. The gross margin increase was due to an improved product mix of sales, reduced cost for major raw materials which affected the 1994 margin, and price increases gained in 1995.

Selling, general and administrative expenses as a percentage of gross sales was 13.0% in 1995, up from 12.5% in 1994. The 1995 expense of $47,751 was $16,535 (53.0%) above 1994. The increased operating expenses of acquisitions made in 1994 accounted for most of the increase. Other increases included bonus accruals of $1,400.

Periodically, the Company conducts a comprehensive review of its environmental and litigation issues, prepares estimates of the range of potential costs of each issue wherever possible, and adjusts the accruals for environmental contingencies as circumstances warrant. There were no provisions made in 1995 or 1994. A discussion of such matters is included in the footnotes to the financial statements.

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(dollars in thousands, except share data)

Research and development expenses were 2.0% of gross sales in 1995, and represented a 0.3% decrease from 1994. Research and development spending increased to $7,526 from $5,689 in 1994. The 1994 acquisitions accounted for all of this increase.

The operating profit in 1995 increased 112% to $44,503 from $20,976 in 1994. The increased operating profits were due to the full year effect of 1994 acquisitions and to increased gross margins.

Net interest expense of $10,508 in 1995 reflected an increase of $5,927 from 1994. The increase was due to $138,000 in financing activities necessary for the acquisitions of Seal Sands and Nordic/Profarmaco. Additionally, the interest rate in 1995 was 7.7% compared to 6.2% in 1994.

The provision for income taxes for 1995 resulted in an effective rate of 37.0% versus 34.1% in 1994. The rate increased due to the mix of income between international and domestic subsidiaries.

Other expense in 1995 was $2,779 compared with other income of $497 in 1994. The difference included 1995 currency losses at Nordic and Profarmaco, as well as the writedowns of the carrying value of equipment no longer in use.

The Company's net income increased 76.8% to $19,670 compared with a net income of $11,126 in 1994.

1994 COMPARED TO 1993

Gross sales in 1994 increased $46,375 due to the Seal Sands acquisition and the Nordic/Profarmaco acquisition, and to increased sales of animal feed additives (in organic intermediates). The table below shows the contribution of the acquisitions to the product categories and the changes in the continuing business.

	YEARS ENDED DECEMBER 31,			
	1994	ACQUIRED BUSINESSES 1994(1)	BASE BUSINESS 1994	1993
Pharmaceutical bulk actives.....	$ 23,774	$ 12,219	$ 11,555	$ 9,818
Pharmaceutical intermediates....	48,861	4,418	44,443	42,151
Organic intermediates...........	64,472	2,720	61,752	56,261
Performance enhancers...........	59,210	10,330	48,880	49,379
Polymer systems.................	53,366	5,116	48,250	45,699
Gross sales...........	$249,683	$ 34,803	$214,880	$203,308

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(1) Includes Seal Sands, Nordic and Profarmaco acquisitions.

PHARMACEUTICAL BULK ACTIVES' revenues of $23,774 increased $13,956 (142%). The increase included $11,874 from the Nordic/Profarmaco acquisition and from increased sales from a generic drug for ulcerative colitis, which recovered from depressed levels in 1993.

The Nordic/Profarmaco acquisition increased the pharmaceutical bulk actives category and includes products for cardiovascular, gastro-intestinal, central nervous system and other actives for the anti-infective, respiratory, endocrine, anti-inflammatory, immunology, and other bulk actives markets.

Gastro-intestinal bulk actives increased $6,753 (93%) over 1993 to $14,033. Profarmaco sales were $3,700, and the increase of $3,000 from the base business was from the sales of a generic drug for ulcerative colitis.

PHARMACEUTICAL INTERMEDIATES' revenues of $48,861 increased $6,710 (16%) over 1993. The increase included Nordic/Profarmaco sales of $4,360 and increases in the other pharmaceutical intermediates, primarily intermediates used in cough suppressants.

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(dollars in thousands, except share data)

Sales of health intermediates represented $19,831, or 41%, of this category's 1994 gross revenues and were $1,629 lower than 1993. The main decrease of $1,800 in sales was due to the end of a contract to make citrates at the Company's Zeeland, Michigan facility. Reduced shipments of Vitamin B3 due to price competition and reduced sales of pyridine based products due to reduced pricing and lower sales volume to a key customer, were offset by higher sales of a starch modifier.

Sales of cosmetic intermediates represented $9,378, or 19%, of this category's 1994 gross revenues and were $338 higher than 1993. In the fourth quarter of 1994, the Wickhen line of cosmetic products was sold.

Sales of x-ray media represented $5,334, or 11%, of this category's 1994 gross revenues and were $1,286 above 1993. This increase is due to the acquisition of Nordic in 1994.

Sales of other pharmaceutical intermediates represented $14,318, or 29%, of this category's 1994 gross revenues and were $6,715 higher than 1993. The key increase of existing business was due to growth in two intermediates for dextromethorphan, an over-the-counter cough suppressant. Growth for one intermediate, an established product, was supplemented by sales under a contract for a second intermediate used in the synthesis of this material.

ORGANIC INTERMEDIATES' revenues of $64,472 increased $8,211 (15%). This increase included $2,430 of new products from Nordic and $5,780 of increases from the Company's existing feed additive business.

The sales of animal feed additives were $36,755, or 57%, of this category's 1994 revenues, up $6,171 from 1993. Sales of organo-arsenical feed additives used to control disease and to enhance chicken growth and improve feed performance, increased 25% over the prior year due to growth in poultry production coupled with the customer's penetration of domestic and international markets. All sales of this product are made to ALPHARMA under a long-term contract. Sales of feed grade Vitamin B3 increased due to the installation of new packaging facilities late in 1993 which allowed penetration of non-U.S. markets. Shipments of Vitamin B3 intermediates to India and the Asia/Pacific area also increased. While volume increased, the feed grade Vitamin B3 market experienced lower prices due to competitive pricing, adversely affecting margins on these products. Prices were increased in the fourth quarter 1994 and are anticipated to increase in the first quarter 1995, although no assurances can be given that such price increases will occur.

Sales of crop protection intermediates used in the manufacture of herbicides and insecticides amounted to $25,285, or 39.2% of this category's 1994 gross revenues and remained at the 1993 sales level. Sales of pyridine, the largest item in this group, were up 12% from 1993. The largest pyridine customer is Zeneca, Inc. who uses it in herbicide manufacture. The Company produces another major pyridine compound and is the exclusive supplier of this product to Dow Elanco who uses it in production of a different herbicide. Sales of this compound decreased 21% in 1994 due to the customer reducing inventory levels after very high customer production in 1993. Sales of other pyridine derivatives in this category increased $756 from 1993 due to competitive pressures.

Pigment intermediates represented $2,432, or 4%, of this category's 1994 revenues. These products are all produced by Nordic.

PERFORMANCE ENHANCERS' revenues of $59,210 increased $9,831 (20%). This increase included $9,627 in sales from the Seal Sands acquisition.

Sales of specialty additives represented $14,263, or 24%, of this category's 1994 revenues and were $492 lower than 1993. This was due to a reduction in castor based products.

Sales of catalyst products represented $13,857, or 23%, of this category's 1994 revenues and were $1,670 higher than 1993. The increase is primarily attributable to tin based catalysts used in various industrial applications.

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(dollars in thousands, except share data)

Sales of polymer products represented $12,934, or 22%, of this category's 1994 revenues and were $8,812 higher than 1993. This increase includes $7,112 in sales attributable to the Seal Sands acquisition. In existing operations, increases occurred in an application for a product used as a dye receptor in acrylic yarns.

Sales of photographic chemical products were $10,293, or 17%, of this category's 1994 revenues, $1,234 lower than 1993. The decrease was in sales of a polymer used in instant film, due to our customer reaching their desired inventory levels.

Sales of products to the fuel/oil industries represented $7,863, or 13%, of this category's 1994 revenues and were $1,075 higher than 1993.

POLYMER SYSTEMS' revenues of $53,366 increased $7,669 (17%). This increase included $5,118 in sales from the Seal Sands acquisition of a product used in the manufacture of high performance plastics and represented 34% of their 1994 sales.

Telecommunications products represented $25,030, or (47%), of this category's sales, and was on the same level as 1993. Higher product sales to the electronics industry was offset by lower sales of encapsulants.

Coatings products represented $18,231, or (34%), of this category's sales, and was $1,650 higher than 1993. This increase was mainly due to a 14% growth in castor based products used in coatings for the housing and automotive industries.

Engineering plastics represented $5,123, or (10%), of this category's sales, and included $5,100 in sales from our Seal Sands facility for a product used in high performance plastics.

Biomedical products represented $4,984, or (9%), of this category's sales, and was $993 higher than 1993, due to increased foreign market share.

Export sales increased by $6,839, or 18.3%, to $44,135. Exports were 17.7% of gross revenues in 1994 versus 18.3% in 1993. International sales, comprised of all sales from our acquired operations in Europe, totaled $34,803.

Total gross profit of $57,881 increased by $6,103, or 11.8%, from 1993. The increased gross profit was principally due to the Nordic/Profarmaco and Seal Sands acquisitions, and to sales increases in health and pharmaceuticals and agricultural intermediates and additives. The gross profit as a percent of gross sales declined from 25.5% in 1993 to 23.2% in 1994. Without the acquisition of Nordic/Profarmaco, the gross profit percent would have been 22.2% in 1994. Loss of margin was principally due to sales price decreases and raw material price increases in the pyridine and related businesses, and higher manufacturing costs due to weather related problems in the first quarter 1994.

Selling, general and administrative expenses as a percentage of gross sales was 12.5% in 1994, down from 14.4% in 1993. The 1994 expense of $31,216 was $1,930 (6.6%) above 1993. The increased operating expenses of the new acquisitions were mostly offset by reduced spending, including staff reductions, reduced legal costs, and lower environmental provisions.

Periodically, the Company conducts a comprehensive review of its environmental and litigation issues, prepares estimates of the range of potential costs of each issue wherever possible, and adjusts the accruals for environmental contingencies as circumstances warrant. No additional environmental provision was recorded in 1994. The 1993 provision was $1,029. A discussion of such matters is included in the footnotes to the financial statements. A settlement with insurance companies relating to coverage of environmental remediation costs allowed us to recover $1,000 of legal expenses spent in 1993 and 1994, pursuing this recovery.

Research and development expenses of $5,689 were 2.3% of gross sales in 1994, and represented a 2.6% decrease from 1993. Decreased spending at our Harriman and Bayonne facilities were offset by increased spending to our other domestic facilities and at our newly acquired sites in England, Sweden and Italy. This

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(dollars in thousands, except share data)

was consistent with our strategic focus on the Health and Pharmaceuticals and Fine Chemicals product categories.

The operating profit in 1994 increased 26.0% to $20,976 from $16,649 in 1993. The increased operating profits were due to the acquisition of

Nordic/Profarmaco; and to cost reductions in selling, general and administration, and in research and development.

Net interest expense of $4,581 in 1994 reflected an increase of $1,810 from 1993. The increase was due to $138,000 in financing activities necessary for the acquisitions of Seal Sands and Nordic/Profarmaco and higher interest rates.

Other income in 1994 was $497 compared with other expense of $446 in 1993. The difference included 1994 currency gains at Profarmaco.

The provision for income taxes for 1994 resulted in an effective rate of 34.1% versus 35.6% in 1993.

The Company's net income increased 28.8% to $11,126 compared with a net income of $8,641 in 1993.

LIQUIDITY AND CAPITAL RESOURCES

Net cash flow from operations was $66,785 for the year ended December 31, 1996 compared with $44,564 in 1995. The increase in cash flow is primarily due to increased earnings and additional depreciation, as well as reductions in accounts receivables and inventories.

Capital expenditures were $32,396 in 1996, $46,398 in 1995, and $20,825 in 1994. The largest expenditures in 1996 include the purchase of the headquarters office building by Profarmaco and the construction of the Tolterodine facility by Nordic. In addition, two of our U.S. operations have started construction on pilot plants which incorporate cGMP capabilities. These facilities are expected to be completed in 1997.

On September 21, 1994, the Company entered into a $225,000 Loan Agreement (the "Credit Agreement") with a syndicate of lenders (the "Banks") and with NBD Bank, N.A., as Agent. The Credit Agreement provided for (i) a one-year $50,000 bridge loan, due October 11, 1995; (ii) a $75,000 term loan, with mandatory $1,000 quarterly payments until September 20, 1997 and mandatory quarterly payments of $3,938 for each quarter thereafter until September 30, 2001; and (iii) a $100,000 revolving credit facility, due October 11, 1997. The revolving credit facility will be extended for successive two-year periods subsequent to October 11, 1997 unless either the Company or the Banks elect not to so extend the facility. The facility has been extended through October 11, 1999.

The Credit Agreement permits the Company to choose from various interest rate options and to specify the portion of the borrowing to be covered by each interest rate option. It also contains various restrictive covenants, which require the Company to maintain a minimum consolidated net worth level, certain financial ratios and deferred pledge of assets, as defined in the Credit Agreement. The Company has entered into interest rate swap agreements to reduce the impact of changes in interest rates on its floating rate long-term obligations. As of December 31, 1996, the Company had outstanding four interest rate swap agreements, having a total notional amount of $40,000. Those agreements effectively change the Company's interest rate exposure from variable rate to fixed percentage.

On October 11, 1994, the Company borrowed $32,200 and Pound Sterling 4,265 under the Credit Agreement to repay all of its obligations under the Old Credit Agreement, and the Old Credit Agreement was terminated. On October 12, 1994, the Company borrowed $126,000 under the Credit Agreement, including all of the $50,000 bridge loan facility and all of the $75,000 seven-year term loan, to finance the acquisition of Nordic and Profarmaco.

On July 24, 1995, the Company raised $62,572 in a public offering, which was used to pay down outstanding debt ($50,000 short-term bridge loan, $12,572 long-term).

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(dollars in thousands, except share data)

The Company has undrawn borrowing capacity of approximately $100,000 under the Credit Agreement as of December 31, 1996, which can be used for general corporate purposes. Management is of the opinion that these amounts, together with other available sources of capital, are adequate for meeting the Company's financing and capital requirements.

Effective July 24, 1996, the Board of Directors approved a three-for-two split of the Company's Common Stock, $.10 par value, in the form of a 50% stock dividend for holders of record on July 8, 1996.

After giving effect to a three-for-two stock split approved by the Company's Board of Directors on July 24, 1996, the Company paid cash dividends of $0.17 per share in 1996. A regular cash dividend has been declared by the Board of Directors on the Company's Common Stock since the fourth quarter, 1989.

The Company buys materials and sells products in a variety of currencies in various parts of the world. Its results are therefore impacted by changes in the relative value of currencies in which it deals. Prior to the acquisition of Nordic and Profarmaco, this risk was not considered to be significant and the Company had no program to mitigate foreign currency risk.

The Company's primary market risk relates to exposure to foreign currency exchange rate fluctuations on transactions entered into by our foreign operations which are primarily denominated in the U.S. dollar, Deutsche mark and British pound sterling. The Company uses foreign currency forward exchange and put and call option contracts to mitigate the effect of short-term foreign exchange rate movements on the Company's operating results. The notional amount of these contracts is $40,285 which the Company estimates to be approximately 64% of the foreign currency exposure during the period covered resulting in a deferred currency gain of $79 at December 31, 1996. An additional $2,760 of the foreign currency exposure is protected through export financing.

ENVIRONMENTAL

The Company maintains environmental and industrial safety and health compliance programs at its plants, and believes that its manufacturing operations are in general compliance with all applicable safety, health and environmental laws.

Through the activities of its predecessors and third parties in connection with the handling and disposal of hazardous and other wastes, the Company may become liable, irrespective of fault, for certain site remediation costs under federal and state environmental statutes. Descriptions of such environmentally related contingencies are presented in Note #20 to the consolidated financial statements and incorporated herein by reference.

During January 1997, an opinion was rendered against Cosan, Inc. (a subsidiary of Cambrex) by the District Court of New Jersey in a matter that has been pending since 1991. The opinion states that Cosan contributed to contamination at a site in Clifton, New Jersey which was previously owned and operated by Cosan. Pursuant to the opinion, Cosan is liable for past environmental investigation and remediation costs approximating $800 plus interest, as well as future remediation costs of the site. In addition, treble damages on all past and future costs, plus interest, were assessed against Cosan. Cosan intends to appeal this opinion with the District Court of New Jersey and believes that the treble damages component of the opinion are unprecedented. The estimated range of costs for this case has been considered in the Company's year-end reserve assessment.

The resolution of such matters often spans several years and frequently involves regulatory oversight and/or adjudication. Additionally, many remediation requirements are not fixed and are likely to be affected by future technological, site and regulatory developments. Consequently, the ultimate extent of liabilities with respect to such matters as well as the timing of related cash disbursements cannot be determined with certainty. However, management is of the opinion that while the ultimate liability resulting from these matters may have a material effect upon the results of operations in any given year, they will not have a material adverse effect upon the Company's liquidity nor its financial position.

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(dollars in thousands, except share data)

IMPACT OF RECENT ACCOUNTING PRONOUNCEMENTS

The AICPA's Statement of Position 96-1 "Environmental Remediation Liabilities" requires that environmental remediation liabilities including related legal costs be accrued when it is probable that an environmental remediation will be required and such remediation efforts can be reasonably estimated. The Company is required to adopt this standard in 1997. The Company currently considers the criteria of this standard in establishing its environmental liabilities with the exception of the requirement to accrue for certain future external legal costs. The Company anticipates that the adoption of this standard will not have a material impact on its result of operations.

Statement of Financial Accounting Standards No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" requires that long-lived assets and certain identifiable intangibles to be held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company adopted this standard in 1996 with no material impact on its results of operations.

Statement of Financial Accounting Standards No. 123 "Accounting for Stock Based Compensation" establishes financial accounting and reporting standards for stock-based employee compensation plans. The Company has elected the disclosure only option available under this pronouncement. Such disclosure is presented in Note #14 to the consolidated financial statements and incorporated herein by reference.

Statement of Financial Accounting Standards No. 128 "Earnings Per Share" changes the reporting requirements for earnings per share (EPS) for publicly traded companies by replacing primary EPS with basic EPS and changing the disclosures associated with this change. The Company is required to adopt this standard in 1998 and is currently evaluating the impact of this standard.

ITEM 8 -- FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The following consolidated financial statements and selected quarterly financial data of the Company are filed under this item:

The consolidated financial statements and financial statement schedule are filed pursuant to Item 14 of this report.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Stockholders and Board of Directors
of Cambrex Corporation:

We have audited the accompanying consolidated balance sheets of Cambrex Corporation and Subsidiaries as of December 31, 1996 and 1995, and the related consolidated statements of income, stockholders' equity and cash flows and the consolidated financial statement schedule for each of the three years in the period ended December 31, 1996, as listed in Item 14(a) of this Form 10-K. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cambrex Corporation and Subsidiaries as of December 31, 1996 and 1995, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles. In addition, in our opinion, the consolidated financial statement schedule referred to above, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

COOPERS & LYBRAND L.L.P.

Parsippany, New Jersey
January 17, 1997

CAMBREX CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

ASSETS

	DECEMBER 31,	
	1996	1995
Current assets:		
Cash and cash equivalents	$ 7,353	$ 4,841
Receivables:		

Trade accounts, less allowance for doubtful accounts of $1,453 and $1,261 at respective dates	52,910	52,342
Other	3,840	5,995
	56,750	58,337
Inventories	64,209	71,234
Deferred tax assets	5,009	4,544
Other current assets	3,541	5,178
Total current assets	136,862	144,134
Property, plant and equipment, net	216,481	205,683
Intangible assets, net	49,573	51,665
Other assets	1,528	1,071
Total assets	$404,444	$402,553

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable and accrued liabilities	$ 54,754	$ 62,444
Income taxes payable	8,085	3,012
Short-term debt	3,880	4,705
Current portion of long-term debt	7,231	4,108
Total current liabilities	73,950	74,269
Long-term debt	60,152	99,643
Deferred tax liabilities	21,587	19,400
Other noncurrent liabilities	19,710	19,757
Total liabilities	175,399	213,069
Commitments and contingencies		
Stockholders' equity:		
Common Stock, $.10 par value; issued 12,769,175 and 8,195,831 shares at respective dates	1,275	818
Additional paid-in capital	149,191	142,453
Retained earnings	80,608	54,316
Additional minimum pension liability	(553)	(750)
Treasury stock, at cost; 1,049,895 and 715,447 shares at respective dates	(9,449)	(9,160)
Shares held in trust, at cost; 132,126 and 0 shares at respective dates	(718)	--
Cumulative translation adjustment	8,691	1,807
Total stockholders' equity	229,045	189,484
Total liabilities and stockholders' equity	$404,444	$402,553

See accompanying notes to consolidated financial statements.

CAMBREX CORPORATION AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS
(IN THOUSANDS, EXCEPT PER-SHARE DATA)

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994
Gross sales	$369,479	$368,070	$249,683
Net revenues	359,385	357,176	241,634
Cost of goods sold	258,049	257,396	183,753
Gross profit	101,336	99,780	57,881
Selling, general and administrative	45,879	47,751	31,216
Research and development	9,183	7,526	5,689
Operating profit	46,274	44,503	20,976
Other (income) expenses			
Interest income	(353)	(638)	(95)
Interest expense	6,152	11,146	4,676
Other -- net	(194)	2,779	(497)

Income before income taxes	40,669	31,216	16,892
Provision for income taxes	12,444	11,546	5,766
Net income	$ 28,225	$ 19,670	$ 11,126
Earnings per share of common stock and common stock equivalents*:			
Primary	$ 2.37	$ 1.96	$ 1.31
Fully diluted	$ 2.37	$ 1.95	$ 1.30
Weighted average shares outstanding*:			
Primary	11,897	10,053	8,511
Fully diluted	11,910	10,104	8,549

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* Share and per share data reflect adjustments for a three-for-two stock split in the form of a 50% stock dividend paid in July, 1996.

See accompanying notes to consolidated financial statements.

CAMBREX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

	COMMON STOCK SHARES ISSUED	COMMON STOCK PAR VALUE ($.10)	NONVOTING COMMON STOCK (PAR $.10)	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	ADDITIONAL MINIMUM PENSION LIABILITY	TREASURY STOCK	SHARES HELD IN TRUST
Balance at December 31, 1993	6,014,681	$ 601	$ --	$ 72,627	$25,859	$ (1,030)	$(10,488)	$ --
Net income					11,126			
Cash dividends at $0.13 per share					(1,050)			
Exercise of stock options	64,100	6		395				
Reversal of additional minimum pension liability						1,030		
Shares issued under savings plan				651			798	
Adjustment for foreign currency translation								
Balance at December 31, 1994	6,078,781	$ 607	$ --	$ 73,673	$35,935	$ --	$ (9,690)	$ --
Net income					19,670			
Cash dividends at $0.13 per share					(1,289)			
Exercise of stock options	392,050	39		2,755				
Tax benefit of stock options exercised				2,721				
Shares issued in public offering	1,725,000	172		62,400				
Additional minimum pension liability						(750)		
Shares issued under savings plan				904			530	
Adjustment for foreign currency translation								
Balance at December 31, 1995	8,195,831	$ 818	$ --	$142,453	$54,316	$ (750)	$ (9,160)	$ --
Net income					28,225			
Cash dividends at $0.17 per share					(1,933)			
Exercise of stock options	334,650	33		4,677			(856)	(718)
Tax benefit of stock options exercised				1,406				
Reduction of additional minimum pension liability						197		
Shares issued to Board of Directors				87			62	
Shares issued under savings plan				992			505	
Three-for-two stock split	4,238,694	424		(424)				
Adjustment for foreign currency translation								
Balance at December 31, 1996	12,769,175	$ 1,275	$ --	$149,191	$80,608	$ (553)	$ (9,449)	$(718)

	CUMULATIVE TRANSLATION ADJUSTMENT	TOTAL STOCKHOLDERS' EQUITY
Balance at December 31, 1993	$ --	$ 87,569
Net income		11,126
Cash dividends at $0.13 per share		(1,050)
Exercise of stock options		401
Reversal of additional minimum pension liability		1,030
Shares issued under savings plan		1,449
Adjustment for foreign currency translation	1,441	1,441
Balance at December 31, 1994	$ 1,441	$ 101,966

Net income		19,670
Cash dividends at $0.13 per share		(1,289)
Exercise of stock options		2,794
Tax benefit of stock options exercised		2,721
Shares issued in public offering		62,572
Additional minimum pension liability		(750)
Shares issued under savings plan		1,434
Adjustment for foreign currency translation	366	366
Balance at December 31, 1995	$ 1,807	$ 189,484
Net income		28,225
Cash dividends at $0.17 per share		(1,933)
Exercise of stock options		3,136
Tax benefit of stock options exercised		1,406
Reduction of additional minimum pension liability		197
Shares issued to Board of Directors		149
Shares issued under savings plan		1,497
Three-for-two stock split		
Adjustment for foreign currency translation	6,884	6,884
Balance at December 31, 1996	$ 8,691	$ 229,045

See accompanying notes to consolidated financial statements.

CAMBREX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994
Cash flows from operations:			
Net income	$ 28,225	$19,670	$ 11,126
Depreciation and amortization	28,493	24,961	15,937
Provision for inventories	1,099	3,052	--
Reversal of tax contingencies	(1,500)	--	--
Reversal of environmental contingencies	(1,000)	--	--
Deferred income taxes	1,721	751	3,183
Loss on disposal of property, plant and equipment	--	1,562	--
Changes in assets and liabilities:			
Receivables	1,205	(4,296)	(3,349)
Inventories	6,284	(9,952)	(1,212)
Other current assets	1,663	(1,409)	(44)
Accounts payable and accrued liabilities	(6,199)	8,013	3,625
Income taxes payable	6,620	958	(1,852)
Other noncurrent assets and liabilities	174	1,254	15
Net cash provided from operations	66,785	44,564	27,429
Cash flows from investing activities:			
Capital expenditures	(32,396)	(46,398)	(20,825)
Acquisition of businesses	--	--	(131,697)
Other investing activities	(1,345)	(2,038)	--
Proceeds from sale of product lines	--	--	2,152
Net cash (used in) investing activities	(33,741)	(48,436)	(150,370)
Cash flows from financing activities:			
Dividends	(1,933)	(1,289)	(1,050)
Net (decrease) increase in short-term debt	(1,025)	(47,663)	50,784
Long-term debt activity (including current portion):			
Borrowings	44,000	73,884	134,679
Repayments	(80,599)	(90,257)	(56,244)
Proceeds from the issuance of common stock	6,116	65,367	401
Proceeds from the sale of treasury stock	790	1,434	1,449
Net cash (used in) provided from financing activities	(32,651)	1,476	130,019
Effect of exchange rate changes on cash	2,119	(1,850)	1,848

Net increase (decrease) in cash	2,512	(4,246)	8,926
Cash at beginning of year	4,841	9,087	161
Cash at end of year	$ 7,353	$ 4,841	$ 9,087
Supplemental disclosure:			
Interest paid	$ 6,859	$12,254	$ 4,996
Income taxes paid	$ 3,695	$ 5,321	$ 4,854
Noncash transactions:			
Additional minimum pension liability charged to (eliminated from) stockholders' equity	$ (197)	$ 750	$ (1,030)
Liabilities established under deferred compensation plan	$ 718	$ --	$ --

See accompanying notes to consolidated financial statements.

CAMBREX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

(1) THE COMPANY

Cambrex Corporation manufactures and markets a broad line of pharmaceutical related products, specialty chemicals, fine chemicals and commodity chemical intermediates to a diverse customer base for use in a wide variety of applications. The Company sells these products under five product categories: Bulk Pharmaceuticals, Pharmaceutical Intermediates, Organic Intermediates, Performance Enhancers and Polymer Systems.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash Equivalents

Temporary cash investments with an original maturity of less than three months are considered cash equivalents.

Financial Instruments

The financial instruments of the Company consist of cash and cash equivalents, trade receivables, short-term debt, current portion of long-term debt, and long-term debt. At December 31, 1996, the carrying amount of these financial instruments approximate their fair value. The carrying amounts for cash and cash equivalents, trade receivables, short-term debt, and current portion of long-term debt approximate fair value because of the short maturity of these instruments. The carrying amount for long-term debt approximates fair value due to the variable nature of the interest rate.

The Company places its cash equivalents with financial institutions and limits the amount of credit exposure to any one financial institution. Concentrations of credit risk with respect to trade receivables are limited due to the large numbers of customers comprising the Company's customer base, and their dispersion across different business and geographic areas. No one customer represents more than 10% of sales or receivables.

Gains and losses on foreign currency forward exchange contracts pertaining to existing assets or liabilities, or hedges of firm commitments are deferred and are recognized in income as part of the related transactions. Although the purpose for using put and call option contracts is to mitigate currency risk, these particular instruments do not qualify for hedge accounting under generally accepted accounting principles and accordingly, must be adjusted to market value at the end of each accounting period. Gains and losses on forward exchange and put and call option contracts to date have not been material.

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

Inventories

Inventories are stated at the lower of cost, determined on a first-in, first-out basis, or market.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -- (CONTINUED)

Property, Plant and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation. Plant and equipment are depreciated on a straight-line basis over the estimated useful lives for each applicable asset group as follows:

Buildings and improvements	15 to 20 years
Machinery and equipment	5 to 10 years
Furniture and fixtures	3 to 5 years

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in other (income) expense, net. Interest is capitalized in connection with the construction and acquisition of assets. The capitalized interest is recorded as part of the cost of the asset to which it relates and is amortized over the asset's estimated useful life. Total interest capitalized in connection with ongoing construction activities in 1996, 1995 and 1994 amounted to $677, $749 and $461, respectively.

Software Development Costs

The Company capitalizes development costs of computer software used internally; which include consulting for modifications and implementation, and costs for employees dedicated solely to the project. The cost of capitalized software is amortized over five years using the straight line method. Total capitalized software development costs amounted to $2,806 in 1996.

Intangible Assets

Intangible assets are recorded at cost and amortized on a straight-line basis as follows:

Patents	Amortized over the remaining life of individual patents (average 5 years)
Goodwill	4 to 20 years
Product technology	5 to 17 years
Non-compete agreements	5 years
Trademarks and other	1 to 40 years

At each balance sheet date, the Company evaluates the recoverability of intangibles based upon expectations of non-discounted cash flows and operating income for each subsidiary having material intangible assets.

Impairment of Long-Lived Assets

Statement of Financial Accounting Standards No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" requires that long-lived assets and certain identifiable intangibles held and to be used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company adopted this standard in 1996 with no material impact on its results of operations.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -- (CONTINUED)

Income Taxes

The provision for income taxes is based upon income recognized for financial statement purposes and includes the effect of deferred taxes. These deferred taxes are the result of transactions which are recognized in different periods for financial and income tax reporting.

The Company and its eligible subsidiaries file a consolidated U.S. income tax return. Certain subsidiaries which are consolidated for financial reporting are not eligible to be included in the consolidated U.S. income tax return. U.S. income taxes are provided on planned repatriation of a portion of foreign earnings and consider applicable foreign tax credits. Cambrex also intends to indefinitely reinvest the unremitted earnings of certain non-U.S. subsidiaries, and as such, separate provisions for income taxes have been determined for these entities and U.S. taxes have not been provided. At December 31, 1996 and 1995, the cumulative amount of unremitted earnings of non-U.S. subsidiaries was $3,605 and $2,742, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Foreign Currency

The functional currency of the Company's foreign subsidiaries is the applicable local currency. The translation of the applicable foreign currencies into U.S. dollars is performed for balance sheet accounts using current exchange rates in effect at the balance sheet date and for revenue and expense accounts and cash flows using average rates of exchange prevailing during the year. Adjustments resulting from the translation of foreign currency financial statements are accumulated in a separate component of stockholders' equity until the entity is sold or substantially liquidated. Gains or losses resulting from foreign currency transactions are included in the results of operations, except for those relating to intercompany transactions of a long-term investment nature which are accumulated in stockholders' equity.

Earnings Per Common Share

Earnings per share of Common Stock for 1996, 1995 and 1994 are computed on the basis of the weighted average shares of common stock outstanding plus common equivalent shares arising from the effect of dilutive stock options, using the treasury stock method. Under the assumption that the July 24, 1995 public offering of 2,587,500 shares, the proceeds of which were used to reduce the Company's outstanding debt, had occurred on January 1, 1995, the pro forma earnings per share for 1995 would have been $1.86.

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

(3) ACQUISITIONS AND DIVESTITURES

(a) On October 12, 1994, the Company completed the acquisition of the stock of Nobel's Pharma Chemistry Business ("Nordic/Profarmaco") from Akzo Nobel for $130,300. The business consists of Nobel Chemicals AB (now Nordic Synthesis AB, "Nordic") in Karlskoga, Sweden, Profarmaco Nobel S.r.1. (now Profarmaco S.r.1., "Profarmaco") in Milan, Italy and sales companies in Germany, England and the United States. Nordic and Profarmaco manufacture fine chemical intermediates and bulk active ingredients for pharmaceutical products. The transaction was accounted for as a purchase and was financed with the

(3) ACQUISITIONS AND DIVESTITURES -- (CONTINUED)
Company's credit agreement, and resulted in goodwill of $46,757 which is being amortized on a straight line basis over 15 years.

On January 31, 1994, Cambrex purchased substantially all of the assets of Hexcel Corporation's Fine Chemicals Business located in Middlesbrough, England, for $7,400 and the assumption of certain current liabilities in the amount of $2,100. The business, now known as Seal Sands Chemicals, Ltd., "Seal Sands", manufactures chemical intermediates used in the pharmaceutical, photographic, water treatment, health care, and plastics industries. On May 27, 1994, the Company purchased the Topanol product line from Zeneca Limited to complement the Seal Sands operation for $4,600. These transactions were accounted for as purchases and were financed with the Company's credit agreement, and resulted in goodwill of $1,881 for Seal Sands and $3,744 for Topanol which are being amortized on a straight line basis over 10 years and 4 years, respectively.

(b) Unaudited pro forma results as if the Nordic/Profarmaco and Seal Sands acquisitions and the Topanol product line purchase had occurred at January 1, 1994 is presented below. The pro forma financial information is not necessarily indicative of results of operations that would have occurred had the combinations been in effect at the beginning of the period nor of future results of operations of the combined companies.

	YEAR ENDED DECEMBER 31, 1994
Net revenues	$328,538
Net income	13,990
Earnings per share	
Primary	$1.65
Fully diluted	$1.63

(c) In 1994, the Company sold three small businesses: Wickhen cosmetic esters, black and white photographic chemicals and the Hydrogels business for a total of $2,152. No gain or loss resulted from the sales of these businesses.

(4) FUTURE IMPACT OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

The AICPA's Statement of Position 96-1 "Environmental Remediation

Liabilities" requires that environmental remediation liabilities, including related legal costs, be accrued when it is probable that an environmental remediation will be required and such remediation efforts can be reasonably estimated. The Company is required to adopt this standard in 1997. The Company currently considers the criteria of this standard in establishing its environmental liabilities with the exception of the requirement to accrue for certain future external legal costs. The Company anticipates that the adoption of this standard will not have a material impact on its results of operations.

Statement of Financial Accounting Standards No. 128 "Earnings Per Share" changes the reporting requirements for earnings per share (EPS) for publicly traded companies by replacing primary EPS with basic EPS and changing the disclosures associated with this change. The Company is required to adopt this standard in 1998 and is currently evaluating the impact of this standard.

CAMBREX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

(5) INVENTORIES

Inventories consist of the following:

	DECEMBER 31,	
	1996	1995
Finished goods	$29,443	$30,409
Work in process	15,463	19,093
Raw materials	13,179	15,931
Supplies	6,124	5,801
Total	$64,209	$71,234

(6) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following:

	DECEMBER 31,	
	1996	1995
Land	$ 8,132	$ 7,956
Buildings and improvements	55,120	50,127
Machinery and equipment	229,358	200,218
Furniture and fixtures	7,603	5,846
Construction in progress	26,845	29,283
Total	327,058	293,430
Accumulated depreciation	(110,577)	(87,747)
Net	$216,481	$205,683

Depreciation expense amounted to $22,788, $19,493 and $13,983 for the years ended December 31, 1996, 1995 and 1994, respectively.

(7) INTANGIBLE ASSETS

Components of intangible assets are as follows:

	DECEMBER 31, 1996	DECEMBER 31, 1995
Goodwill	$ 59,024	$ 54,947
Other	14,563	14,457
Total	73,587	69,404
Accumulated amortization	(24,014)	(17,739)
Net	$ 49,573	$ 51,665

CAMBREX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

(8) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The components of accounts payable and accrued liabilities are as follows:

	DECEMBER 31, 1996	DECEMBER 31, 1995
Accounts payable	$ 30,205	$ 29,901
Salaries, wages and employee benefits payable	13,596	17,661
Other accrued liabilities	10,953	14,882
Total	$ 54,754	$ 62,444

(9) INCOME TAXES

Income before taxes consisted of the following:

	DECEMBER 31, 1996	DECEMBER 31, 1995	DECEMBER 31, 1994
Domestic	$31,611	$22,543	$15,571
Foreign	9,058	8,673	1,321
Total	$40,669	$31,216	$16,892

The provision for income taxes consists of the following expenses (benefits):

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

	DECEMBER 31,		
	1996	1995	1994
Current:			
Federal	$ 3,783	$ 5,951	$3,142
State	598	460	529
Foreign	6,342	4,384	(1,088)
	10,723	10,795	2,583
Deferred:			
Federal	922	1,008	1,537
State	(527)	(22)	328
Foreign	1,326	(235)	1,318
	1,721	751	3,183
Total	$12,444	$11,546	$5,766

(9) INCOME TAXES -- (CONTINUED)

The provision for income taxes differs from the statutory Federal income tax rate of 35% for 1996 and 1995 and 34% for 1994 as follows:

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994
Income tax at Federal statutory rate	$14,234	$10,926	$5,743
State and local taxes (benefits), net of Federal income tax benefits	(239)	285	566
Difference between Federal statutory rate and statutory rates on foreign income	1,771	656	(350)
Reversal of tax contingency for IRS audit settlement	(1,500)	--	--
Return to provision adjustment	(1,066)	--	--
Research and experimentation credits	(484)	--	--
Other	(272)	(321)	(193)
Provision for income taxes	$12,444	$11,546	$5,766

The components of deferred tax assets and liabilities as of December 31, 1996 and 1995 relate to temporary differences and carryforwards as follows:

	DECEMBER 31,	
	1996	1995
Deferred tax assets:		
Acquisition reserves	$ 732	$ 2,274
Net operating loss carryforwards	3,703	1,051
Inventory	1,677	1,784
Employee benefits	883	198

	1996	1995
Receivables	238	288
Net current deferred tax assets	7,233	5,595
Valuation allowances	(2,224)	(1,051)
Total net deferred tax assets	$ 5,009	$ 4,544
Deferred tax liabilities:		
Depreciation	$25,366	$24,085
Environmental reserves	(2,341)	(3,054)
Intangibles	(1,585)	(707)
Alternative minimum tax credits	--	(921)
Research and experimentation credits	--	(12)
Other	147	9
Total net non-current deferred tax liabilities	$21,587	$19,400

Under the tax laws of various foreign countries in which the Company operates, net operating losses (NOLs) may be carried forward, subject to statutory limitations, to reduce taxable income in future years. The tax effect of such foreign NOLs aggregated approximately $3,703 and $1,051 at December 31, 1996 and 1995, the majority of which are available on an indefinite carryforward basis. However, valuation reserves have been established against certain NOLs to reflect uncertainties associated with the realizability of such future benefits.

CAMBREX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

(9) INCOME TAXES -- (CONTINUED)

During December 1996, the Company reached a settlement agreement with the Internal Revenue Service related to audits for the years 1988 through 1991. Reversal of reserves no longer needed for this matter increased income by $1,500.

(10) SHORT-TERM DEBT

Profarmaco has lines of credit in Italy with five local banks (the "Facility"). The Facility is short-term and provides three types of financing with the following limits: Overdraft Protection of $2,600 (Lire 4 billion), Export Financing of $6,900 (Lire 10.5 billion) and Advances on Uncleared Deposits of $2,300 (Lire 3.5 billion). The Overdraft Protection and Export Financing facilities bear interest at varying rates when utilized, however, Advances on Uncleared Deposits (Ricevute Bancarie) bear no interest.

Short-term debt at December 31, 1996 and 1995 consists of the following:

	DECEMBER 31,	
	1996	1995
Export financing facility	$ 2,760	$ 3,645
Overdraft protection	1,120	1,060
Total	$ 3,880	$ 4,705

(11) LONG-TERM DEBT

Long-term debt consists of the following:

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

	DECEMBER 31, 1996	1995
Bank credit facilities(a)	$ 66,000	$ 102,500
Capitalized leases	13	25
Notes payable(b)	1,370	1,226
Subtotal	67,383	103,751
Less: current portion(c)	7,231	4,108
Total	$ 60,152	$ 99,643

(a) On September 21, 1994, the Company entered into a Loan Agreement (the "Credit Agreement") with NBD Bank, N.A., United Jersey Bank, National Westminster NJ, Wachovia Bank of Georgia, N.A., BHF-Bank, The First National Bank of Boston, Chemical Bank New Jersey, N.A., and National City Bank. The Credit Agreement provided for a one year bridge loan in the aggregate principal amount of $50,000 due October 11, 1995, as well as provides a seven year term loan in the aggregate principal amount of $75,000 (payable $1,000 per quarter for twelve quarters and $3,938 for the remaining quarters beginning December 1994), and a revolving credit facility in the aggregate principal amount of $100,000 due October 11, 1999 (evergreen renewal; automatic two year extensions if non-renewal notice not given). As of December 31, 1996, there were no borrowings under the revolving credit facility.

The Credit Agreement permits the Company to choose between various interest rate options and to specify the portion of the borrowing to be covered by each interest rate option. Under the Revolving Credit Agreement, the interest rate options available to the Company are: (a) U.S. prime rate plus the applicable margin (ranging from 0% to 3/4 of 1%) or (b) LIBOR plus the applicable margin (ranging from 1/2 of 1% to 2%). The applicable margin is adjusted based upon the Funded Indebtedness to Cash Flow Ratio of the

(11) LONG-TERM DEBT -- (CONTINUED)

Company. The seven year term loan has the same interest rate options plus 1/2%. Additionally, the Company pays a commitment fee of between 1/5 of 1% and 3/8 of 1% on the unused portion of the Revolving Credit facility. The 1996 and 1995 average interest rates were 7.4 % and 7.7%, respectively.

The Credit Agreement contains various restrictive covenants, which require the Company to maintain a minimum consolidated net worth level, certain financial ratios and deferred pledge of assets, as defined in the Credit Agreement. If these covenants are not met, the loan is collateralized by the assets of the Company's domestic subsidiaries and 66% of the outstanding capital stock of the foreign subsidiaries.

On July 24, 1995, the Company raised $62,572 in a public offering which was used to pay down outstanding short-term debt of $50,000 and outstanding long-term debt of $12,572.

(b) As part of the October 12, 1994 acquisition of Nordic/Profarmaco, the Company assumed a government loan made to Profarmaco to finance technological innovations. The loan of $1,291, bearing interest at 9.21%, is amortized over ten annual payments starting July 26, 1995 and ending July 26, 2004.

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

(c) Aggregate maturities of long-term debt are as follows:

1997	$ 7,231
1998	15,868
1999	15,879
2000	15,891
2001	11,966
Thereafter	548
Total	$ 67,383

(12) DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments to reduce exposures to market risks resulting from fluctuations in interest rates and foreign exchange. The Company does not enter into financial instruments for trading or speculative purposes. The Company is exposed to credit loss in the event of nonperformance by the other parties to the interest rate swap, forward exchange and put and call contracts. However, the Company does not anticipate nonperformance by the counterparties.

Interest Rate Swap Agreements

The Company enters into interest rate swap agreements to reduce the impact of changes in interest rates on its floating rate debt. The swap agreements are contracts to exchange floating rate for fixed interest payments periodically over the life of the agreements without the exchange of the underlying notional amounts. Notional amounts provide an indication of the extent of the Company's involvement in such agreements but do not represent its exposure to market risk. The following table shows the notional amounts outstanding, maturity dates, and the weighted average receive and pay rates of interest rate swap agreements as of December 31, 1996.

	AS OF DECEMBER 31, 1996			
			WEIGHTED AVG. RATE	
	NOTIONAL AMOUNTS	MATURITY DATE	RECEIVE	PAY
Interest rate swaps	$ 30,000	1998	5.6%	6.1%
Interest rate swaps	$ 10,000	1999	5.5%	5.5%

(12) DERIVATIVE FINANCIAL INSTRUMENTS -- (CONTINUED)

Interest expense under these agreements, and the respective debt instruments that they hedge, are recorded at the net effective interest rate of the hedged transactions. The fair value of these agreements were based on quoted market prices and was $39,998 at December 31, 1996.

Foreign Exchange Instruments

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

The Company's policy is to enter into forward exchange contracts and currency options to hedge foreign currency transactions. This hedging mitigates the impact of short-term foreign exchange rate movements on the Company's operating results primarily in the United Kingdom, Sweden and Italy. The Company's primary market risk relates to exposure to foreign currency exchange rate fluctuations on transactions entered into by these foreign operations which are denominated primarily in U.S. dollars, Deutsche marks and British pound sterling. As a matter of policy, the Company does not hedge to protect the translated results of foreign operations. The Company's forward exchange contracts do not subject the Company's results of operations to risk due to exchange rate movements because gains and losses on these contracts generally offset gains and losses on the transactions being hedged. The forward exchange contracts have varying maturities with none exceeding twelve months. The Company makes net settlements for forward exchange contracts at maturity, based upon negotiated rates at inception of the contracts.

The Company's foreign currency options are comprised of cap and floor options under which a foreign currency option is purchased at one exchange rate and another foreign currency option for equal notional value is sold at a higher exchange rate. The foreign currency options purchased and sold mature over the same period with premiums paid equal to premiums received resulting in zero net cost. The Company believes the use of these options reduces its foreign exchange risk by mitigating the range of exposure of currency fluctuation between the put and call exchange rates. The foreign currency options have varying maturities with none exceeding six months.

	1996				
			UNREALIZED		PREMIUMS
	NOTIONAL AMOUNTS	FAIR VALUES	GAINS	LOSSES	RECEIVED/ (PAID)
Forward exchange contracts...	$ 32,823	$32,903	$ 595	$516	$ --
Foreign currency options purchased..................	7,300	7,300	--	--	(86)
Foreign currency options sold.......................	7,300	7,300	--	--	86

	1995				
			UNREALIZED		PREMIUMS
	NOTIONAL AMOUNTS	FAIR VALUES	GAINS	LOSSES	RECEIVED/ (PAID)
Forward exchange contracts...	$ 38,940	$39,611	$ 750	$ 79	$ --

(13) STOCKHOLDERS' EQUITY

The Company has two classes of common shares designated Common Stock and Nonvoting Common Stock. Authorized shares of Common Stock were 20,000,000 at December 31, 1996 and 1995. Authorized shares of Nonvoting Common Stock were 730,746 at December 31, 1996 and 1995.

(13) STOCKHOLDERS' EQUITY -- (CONTINUED)

At December 31, 1996, authorized shares of Common Stock were reserved for issuance as follows:

Stock option plans	1,963,462
Cambrex savings plan	13,018
Total shares	1,976,480

On July 24, 1996, the Company's Board of Directors approved a three-for-two stock split of the Company's Common Stock, $0.10 par value, effected in the form of a 50% stock dividend to holders of record on July 8, 1996. All share and per share data, including stock option plan information have been adjusted to reflect the impact of the three-for-two stock split. The effect of the split is presented retroactively within stockholders' equity at December 31, 1996 by transferring the par value for the additional shares issued from additional paid-in capital to common stock.

On May 23, 1996, the Board of Directors of the Company declared a dividend of one Right for each outstanding share of Common Stock, $.10 par value per share, payable on June 10, 1996 to the stockholders of record on that date. Under certain circumstances, each Right entitles the registered holder to purchase from the Company, one one-hundredth of a share of Series E Junior Participating Cumulative Preferred Stock ("Preferred Stock"), or in certain circumstances, shares of Common Stock of the Company or common stock of an acquiring company at one-half the market price of such Common Stock or common stock, as the case may be. The Rights are designed to make it more likely that all stockholders of the Company receive fair and equal treatment in the event of any proposed takeover of the Company and to guard against the use of partial tender offers or other coercive tactics to gain control of the Company. A Right will be granted for each share of Common Stock issued after such date and prior to the expiration date or redemption of that Right.

The Rights will become exercisable only in the event that any person or group of affiliated persons becomes a holder, or commences a tender or exchange offer, that if consummated, would result in that person or group of affiliated persons owning at least 15% of the outstanding Common Stock of the Company. Once exercisable, each Right entitles the registered holder to purchase from the Company one one-hundredth of a share of Preferred Stock, at a price of $174 per share, subject to adjustment. The Rights may be redeemed at a price of $.01 per Right at any time prior to the expiration date of June 5, 2006.

On July 24, 1995, the Company completed a public offering of 2,587,500 shares of newly issued common stock at a price of $25.83 per share. The total proceeds to the Company, net of underwriting discounts, commissions, and other related fees, amounted to $62,572. Proceeds were used to reduce outstanding debt existing under the Company's bank Credit Agreement.

Nonvoting Common Stock has equal rights with Common Stock, with the exception of voting power. Nonvoting Common Stock is convertible, share for share, into Common Stock, subject to any legal requirements applicable to holders restricting the extent to which they may own voting stock. As of December 31, 1996 and 1995, no shares of Nonvoting Common Stock were outstanding.

The Company held treasury stock of 1,049,895 and 715,447 shares at December 31, 1996 and 1995, respectively, and are used for issuance to the Cambrex Savings Plan. In 1996, shares were also issued to the Board of Directors as compensation.

The Company has authorized 5,000,000 shares of Series Preferred Stock, par value $0.10, issuable in series and with rights, powers and preferences as may be fixed by the Board of Directors. At December 31, 1996 and 1995, there was no preferred stock outstanding.

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

(14) STOCK OPTIONS

The Company has seven stock-based compensation plans currently in effect. The 1983 Incentive Stock Option Plan ("1983 Plan") provides for the grant of options intended to qualify as incentive stock options to management and other key employees. The 1987 Stock Option Plan ("1987 Plan") provides for the granting to key employees both non-qualified stock options and incentive stock options. The 1989 Senior Executive Stock Option Plan ("1989 Plan") provides for the grant of options intended to qualify as additional incentives to the Company's Senior Executive Officers. The 1992 Stock Option Plan ("1992 Plan") provides for the granting to key employees both non-qualified stock options and incentive stock options. The 1993 Senior Executive Stock Option Plan ("1993 Plan") provides for the grant of options intended to qualify as additional incentives to the Company's Senior Executive Officers. The 1994 Stock Option Plan ("1994 Plan") provides for the granting to key employees both non-qualified and incentive stock options. The 1994 Plan also provides for the granting of non-qualified stock options to non-employee directors.

On April 25, 1996, the Company's stockholders approved the 1996 Performance Stock Option Plan ("1996 Plan"), which provides for the granting of options intended to qualify as additional incentives to management and other key employees. The 1996 Plan also provides for the granting of non-qualified stock options to non-employee directors. Options granted under the 1996 Plan vest nine years after the date of grant, subject to acceleration if the publicly traded price of the Company's Common Stock equals or exceeds certain levels. Substantially all options available under the various plans prior to the 1996 Plan have been granted. These Plans contain various vesting provisions also based upon time and achievement of certain stock price levels. All option awards granted under each plan expire no more than ten years from the grant date.

The Company applies the provisions of APB Opinion No. 25 and related Interpretations in accounting for its stock-based compensation plans. Statement of Financial Accounting Standards No. 123 "Accounting for Stock-Based Compensation" (SFAS 123) establishes financial accounting and reporting standards for stock-based employee compensation plans. During 1996, the Company adopted the disclosure only provisions available under SFAS 123. Accordingly, no compensation cost has been recognized for stock option plans.

Had compensation cost for the Company's 1996 and 1995 grants for stock-based compensation plans been determined based on the fair value at the grant dates for awards under these plans consistent with SFAS 123, the Company's net income, and net income per common share for 1996 and 1995 would approximate the pro forma amounts below:

	1996	1995
Net income as reported	$28,225	$19,670
Net income -- pro forma	$26,946	$19,617
Earnings per share -- as reported	$ 2.37	$ 1.95
Earnings per share -- pro forma	$ 2.27	$ 1.95

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

The pro forma compensation expense of $1,279 and $53 for 1996 and 1995, respectively, was calculated based on the fair value of each option primarily using the Black-Scholes option-pricing model with the following assumptions: (i) average dividend yield of 1.45%, (ii) expected volatility of 23%, (iii) risk-free interest rate ranging from 5.44% to 7.74% and (iv) expected life of 4-5 years. The 1996 grants have been valued using a path dependent model due to the cliff vesting with performance acceleration provisions set forth in the 1996 Plan.

As of December 31, 1996, 1,510,538 options had been exercised. Shares of Common Stock subject to outstanding options under the stock option plans were as follows:

(14) STOCK OPTIONS -- (CONTINUED)

		OPTIONS OUTSTANDING				OPTIONS EXERCISABLE	
				WEIGHTED AVERAGE			
	AUTHORIZED FOR ISSUANCE	OUTSTANDING	OPTION PRICE PER SHARE $	EXERCISE PRICE $	REMAINING CONTRACTUAL LIFE	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE $
1983 Plan............	324,000	8,275	11.875 - 12.125	12.12	1	8,275	12.12
1987 Plan............	300,000	5,100	12.125	12.13	1	5,100	12.13
1989 Plan............	600,000	0	-	--	--	0	--
1992 Plan............	150,000	74,525	10.375 - 24.75	12.84	4	74,525	12.84
1993 Plan............	450,000	294,500	13.25 - 25.50	14.44	7	294,500	14.44
1994 Plan............	150,000	73,713	13.25 - 27.375	17.77	8	73,713	17.77
1996 Plan............	1,500,000	880,375	24.75 - 32.625	27.37	9	0	--
Total shares.....	3,474,000	1,336,488	10.375 - 32.625	23.03		456,113	14.65

Information regarding the Company's stock option plans is summarized below:

		WEIGHTED AVERAGE	
	NUMBER OF SHARES	EXERCISE PRICE $	FAIR VALUE $ AT GRANT DATE
Outstanding at December 31, 1993..................................	985,425	8.125	
Granted..	573,000	14.75	--
Exercised..	(96,150)	8.25	
Cancelled..	(750)	5.00	
Outstanding at December 31, 1994..................................	1,461,525	9.75	
Granted..	60,375	22.75	5.86
Exercised..	(588,075)	9.125	
Cancelled..	(1,500)	15.00	
Outstanding at December 31, 1995..................................	932,325	15.375	
Granted..	887,876	27.75	9.95
Exercised..	(475,463)	13.375	
Cancelled..	(8,250)	21.75	
Outstanding at December 31, 1996..................................	1,336,488	23.03	

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

(15) RETIREMENT PLANS

Pension Plans

The Company maintains two U.S. defined-benefit pension plans which cover substantially all eligible employees: (1) the Nepera Hourly Pension Plan (the "Nepera Plan") which covers the union employees at the Harriman, New York plant, and (2) the Cambrex Pension Plan (the "Cambrex Plan") which covers all other eligible employees.

Benefits for the salaried and certain hourly employees are based on salary and years of service, while those for employees covered by a collective bargained agreement are based on negotiated benefits and years of service. The Company's policy is to fund pension costs currently to the extent deductible for income tax purposes. Pension plan assets consist primarily of balanced mutual fund investments.

(15) RETIREMENT PLANS -- (CONTINUED)

The net periodic pension expense for both 1996 and 1995 are based on a twelve month period and on valuations of the plans as of January 1. However, the reconciliation of funded status is determined as of the September 30 measurement date.

In accordance with the requirements of Statement of Financial Accounting Standard No. 87 "Employers' Accounting for Pensions" (SFAS 87), the overfunded and underfunded U.S. plans are presented separately. However, the funded status incorporates fourth quarter contributions to each of the plans in 1996 that resulted in a change in the funded status as of September 30. The funded status of these plans, incorporating these fourth quarter contributions, as of September 30, 1996 and 1995 is as follows:

	SEPTEMBER 30, 1996	SEPTEMBER 30, 1995	
	OVERFUNDED	OVERFUNDED	UNDERFUNDED
Actuarial present value of benefit obligations:			
Vested benefits	$(18,908)	$(13,714)	$ (3,884)
Non-vested benefits	(1,202)	(1,263)	(270)
Accumulated benefit obligation	(20,110)	(14,977)	(4,154)
Additional benefits based on estimated future salary levels	(1,406)	(1,214)	--
Projected benefit obligation for service rendered through September 30, 1996 and 1995	(21,516)	(16,191)	(4,154)
Plan assets at fair market value	21,898	16,159	3,842
Plan assets in excess of PBO/(PBO in excess of Plan assets)	382	(32)	(312)
Unrecognized net transition (asset)	(98)	(199)	--
Unrecognized prior service cost	(152)	219	(448)
Other -- unrecognized net loss on past experience	650	648	1,198
Additional minimum liability	(553)	--	(750)
Prepaid (accrued) pension cost as of September 30, 1996 and 1995	229	636	(312)
4th quarter contributions	84	370	103
Prepaid (accrued) pension cost as of December 31, 1996 and 1995	$ 313	$ 1,006	$ (209)

Assumptions used to develop the U.S. 1996 and 1995 net periodic pension expense and the September 30, 1996 and 1995 actuarial present value of projected benefit obligations:

	JANUARY 1, 1996	JANUARY 1, 1995	
	OVERFUNDED	OVERFUNDED	UNDERFUNDED
PENSION EXPENSE			
Weighted-average discount rate......................	7.5%	8.5%	8.5%
Expected long-term rate of return on assets.........	8.5%	8.5%	8.5%
Rate of increase in future compensation levels (non-collective bargained employees)..................	5.0%	5.0%	N/A

CAMBREX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

(15) RETIREMENT PLANS -- (CONTINUED)

	SEPTEMBER 30, 1996	SEPTEMBER 30, 1995	
	OVERFUNDED	OVERFUNDED	UNDERFUNDED
ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT OBLIGATIONS:			
Weighted-average discount rate....................	7.75%	7.5%	7.5%
Expected long-term rate of return on assets.......	8.5%	8.5%	8.5%
Rate of increase in future compensation levels (non-collective bargained employees)...........	5.0%	5.0%	N/A

Certain foreign subsidiaries of the Company maintain pension plans for their employees which conform to the common practice in their respective countries.

The funded status of the Company's international pension plans as of December 31, 1996 and 1995 is as follows:

	DECEMBER 31, 1996	DECEMBER 31, 1995
	UNDERFUNDED	UNDERFUNDED
Actuarial present value of benefit obligations:		
Vested benefits.........................	$(6,733)	$(5,670)
Accumulated benefit obligation...........	(6,733)	(5,670)
Additional benefits based on estimated future salary levels..................	(1,162)	(506)
Projected benefit obligation for service rendered through December 31, 1996 and 1995.................................	(7,895)	(6,176)
Plan assets at fair market value.........	1,573	1,138
Funded status...........................	(6,322)	(5,038)
Unrecognized net transition (asset)......	(382)	(428)

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

Unrecognized prior service cost..........	60	57
Other unrecognized net loss (gain) on past experience......................	189	(761)
Accrued pension liability................	$(6,455)	$(6,170)

Assumptions used to develop the 1996 and 1995 actuarial present value of projected benefit obligations for the Company's foreign pension plans:

	DECEMBER 31, 1996	DECEMBER 31, 1995
ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT OBLIGATIONS		
Weighted-average discount rate..........................	7.5% to 8.0%	9.0% to 9.5%
Expected long-term rate of return on assets.............	10.0 %	10.0%
Rate of increase in future compensation levels...........	4.5% to 6.0%	5.0% to 7.0%

(15) RETIREMENT PLANS -- (CONTINUED)

The Company's net pension costs included in operating results amounted to $1,508, $1,209 and $1,157 in 1996, 1995 and 1994, respectively, and were comprised of the following:

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994
Service cost................................	$ 1,491	$ 1,106	$ 1,242
Interest cost on projected benefit obligation................................	1,949	1,898	1,757
Return on plan assets........................	(2,571)	(2,887)	370
Amortization of excess plan net assets at adoption of SFAS 87........................	(139)	(137)	(101)
Amortization of unrecognized prior service cost.......................................	(38)	(40)	--
Amortization of unrecognized net (gain) loss.......................................	(14)	(9)	--
Other items -- deferred investment gain (loss)....................................	830	1,278	(2,111)
Net pension cost............................	$ 1,508	$ 1,209	$ 1,157

Included in the net periodic pension cost is the amortization of prior service cost over a period of twelve to nineteen years and the amortization of the SFAS 87 transition obligation over a period of ten to seventeen years. The pension expense for foreign pension plans of $672 and $575 is included in the 1996 and 1995 net periodic pension expense, respectively.

Savings Plan

Cambrex makes available to all employees a savings plan as permitted under Sections 401(k) and 401(a) of the Internal Revenue Code. Employee contributions are matched in part by Cambrex. The cost of this plan amounted to $1,534, $1,452, and $1,449 in 1996, 1995 and 1994, respectively.

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

Other

In addition to the above plans, Cambrex also established a Supplemental Executive Retirement Plan in 1994 for certain key executives. This non-qualified plan provides supplemental pension payments in excess of qualified plan limits imposed by Federal tax law and serves to restore the combined pension amount to original benefit levels. For measurement purposes, a discount rate of 7.75% was used together with an average wage increase of 5.0%. The net periodic pension cost for 1996, 1995 and 1994 amounted to $122, $104 and $104, respectively.

The Company also has contracts with certain current and former executives to provide consulting services to the Company after retirement as an employee and additional retirement benefits for the remainder of the respective executive's life. The annual expense pertaining to these contracts was $240, $227 and $400 for 1996, 1995 and 1994, respectively.

The Company has established a non-qualified Compensation Plan for Key Executives ("the Deferred Plan)." Under the Deferred Plan, officers and key employees may elect to defer all or any portion of their pre-tax annual bonus and/or annual base salary. During 1995, the Board amended the Deferred Plan to permit officers and key employees to elect to defer receipt of Company stock which would otherwise have been issued upon the exercise of Company options. At December 31, 1996, 88,084 shares, 132,126 after giving effect to the three-for-two stock split, are held in trust and are included as a reduction of equity. The Company has established a corresponding liability to the Deferred Plan participants in the amount of $718 which is included in other non-current liabilities at December 31, 1996. The Deferred Plan is not funded by the Company, but the Company has established a Deferred Compensation Trust Fund which holds the shares issued.

(16) OTHER POSTRETIREMENT BENEFITS

Cambrex provides postretirement health and life insurance benefits ("postretirement benefits") to all eligible retired employees. Employees who retire at or after age 55 with ten years of service are eligible to participate in the postretirement benefit plans. The Company's responsibility for such premiums for each plan participant is based upon years of service subject to an annual maximum of one thousand dollars. Such plans are self-insured and are not funded.

The Company accounts for the postretirement benefits in accordance with Statement of Financial Accounting Standards No. 106 "Employers' Accounting for Postretirement Benefits Other than Pensions" (SFAS 106). SFAS 106 requires such benefits to be accounted for on an accrual basis. In connection with the adoption of SFAS 106, the Company elected to amortize the transition obligation of $1,853 over twenty years. The net effect upon 1996, 1995 and 1994 pretax operating results, including the amortization of the transition obligation, resulted in a cost of $316, 306, and $312, respectively.

The periodic postretirement benefit cost includes the following components:

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994

Service cost of benefits earned	$ 67	$ 57	$ 68
Interest cost on accumulated postretirement benefit obligation	156	159	151
Amortization of transition obligation	93	90	93
Total periodic postretirement benefit cost	$316	$306	$312

Accumulated postretirement benefit obligation:

	1996	1995
Retirees	$ 852	$ 808
Fully eligible plan participants	673	654
Other active plan participants	616	623
Accumulated postretirement benefit obligation	2,141	2,085
Unrecognized net loss	181	131
Unrecognized transition obligation	(1,482)	(1,575)
Accrued postretirement benefit cost recognized at the end of the period	$ 840	$ 641

The discount rate used to determine the accumulated postretirement benefit obligation was 7.75% and 7.5% in 1996 and 1995, respectively. The assumed health care cost trend rate used to determine the accumulated postretirement benefit obligation is 12.25%, declining ratably to 6.5% in 2002 and thereafter. A one-percentage-point increase in the assumed health care cost trend rate would not have a material effect upon the accumulated postretirement benefit obligation.

The cost of all health and life insurance benefits is recognized as incurred and was approximately $4,362, $3,825 and $3,994 in 1996, 1995 and 1994, respectively. The cost of providing these benefits for the 207, 190 and 199 retirees in 1996, 1995 and 1994, respectively, is not separable from the cost of providing benefits for the 725, 738, and 732 active U.S. employees.

(17) OTHER INCOME AND EXPENSE

Other income in 1996 of $194 is related to foreign currency transaction gains.

Other expense in 1995 was $2,779 including $1,400 in foreign currency transaction losses, and $865 for the write-off of equipment used for a specific product, which is no longer manufactured.

(18) FOREIGN OPERATIONS AND EXPORT SALES

European sales are comprised of all sales from Nordic, Profarmaco and Seal Sands.

Summarized data for the Company's operations for 1996, 1995 and 1994 are as follows:

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

	DOMESTIC	EUROPEAN	TOTAL
1996			
Gross sales	$218,013	$151,466	$369,479
Operating profit	22,296	23,978	46,274
Net income	22,094	6,131	28,225
Identifiable assets	179,164	225,280	404,444
1995			
Gross sales	$223,187	$144,883	$368,070
Operating profit	19,763	24,740	44,503
Net income	17,324	2,346	19,670
Identifiable assets	176,839	225,714	402,553
1994			
Gross sales	$214,880	$ 34,803	$249,683
Operating profit	17,334	3,642	20,976
Net income	10,514	612	11,126
Identifiable assets	167,725	192,752	360,477

Export sales, included in domestic gross sales, in 1996, 1995 and 1994 amounted to $50,243, $50,608 and $44,135, respectively. No country, in any of the given years, represents more than 10% of these export sales.

(19) COMMITMENTS

The Company has operating leases expiring on various dates through the year 2012. The leases are primarily for office and laboratory equipment and vehicles. At December 31, 1996, future minimum commitments under noncancelable operating lease arrangements were as follows:

YEAR ENDED DECEMBER 31:	
1997	$ 1,352
1998	849
1999	552
2000	426
2001 and thereafter	10,497
Net commitments	$13,676

Total operating lease expense was $2,175, $2,284 and $1,958 for the years ended December 31, 1996, 1995 and 1994, respectively.

(19) COMMITMENTS -- (CONTINUED)

In November 1995, the Company formed a strategic alliance with Oxford Asymmetry, Ltd. (located near Oxford in the United Kingdom). The Company will commercialize technologies and products developed by Oxford Asymmetry, and provides financial support for their research and development group. The Company provides Oxford Asymmetry with $1,000 per year which is included in research and development expense for the year ended December 31, 1996.

(20) CONTINGENCIES

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

Contingencies exist for certain subsidiaries of Cambrex because of legal and administrative proceedings arising out of the normal course of business. Such contingencies include environmental proceedings directly and indirectly against the subsidiaries, as well as matters internally identified. The resolution of such matters often spans several years and frequently involves regulatory oversight and/or adjudication. Additionally, many remediation requirements are not fixed and are likely to be affected by future technological, site, and regulatory developments. Consequently, the ultimate extent of liabilities with respect to such matters, as well as the timing of cash disbursements cannot be determined with certainty. However, management is of the opinion that while the ultimate liability resulting from these matters may have a material effect upon the results of operations in any given year, they will not have a material adverse effect upon the Company's liquidity nor its financial position.

The following table exclusively addresses matters wherein the related liabilities are considered estimable. It summarizes the estimated range of the Company's share of costs associated with such matters, the related accruals, and the activity associated with those accruals. The changes in the estimated ranges between the current and prior year reflect revisions to estimates, the addition of matters that were quantified for the first time during the current year, and the satisfaction of others. The related accruals represent management's assessment of the aggregate liability associated with estimable matters.

	DECEMBER 31,	
	1996	1995
Estimated range of the Company's share of costs associated with estimable matters:		
Minimum	$ 4,544	$ 8,697
Maximum	$16,039	$19,528
Accrual and related activity:		
Balance, beginning of year	$ 9,400	$10,211
Additions:		
Accruals established in connection with acquisition activity	--	200
Reserve reversal	(1,000)	--
Expenditures	(600)	(1,011)
Balance, end of year	$ 7,800	$ 9,400
Classification of year end accrual:		
Current	$ 617	$ 700
Non-current	7,183	8,700
	$ 7,800	$ 9,400

During 1994, there were no income statement charges for additions to the accrual for environmental contingencies.

(20) CONTINGENCIES -- (CONTINUED)

Significant matters wherein the related liability or range of liability is estimable, are summarized as follows:

a) Nepera, Inc. (Nepera) was named in 1987 as a Potentially Responsible Party (PRP) along with certain prior owners of the Maybrook Site in Hamptonburgh, New York by the United States Environmental Protection Agency (EPA) in connection with the disposition, under appropriate permits, of wastewater at that site prior to Cambrex's acquisition of Nepera in 1986. The Hamptonburgh site is on the EPA's National Priorities List for remedial work and clean-up. However, to date the EPA has entrusted the management of the remediation effort to the New York State Department of Environmental Conservation (DEC). Although the periods of ownership of the site and the extent of its use for wastewater disposal are well established, the PRP's have not been able to agree upon an allocation method for future remediation costs. However, a prior owner has participated with Nepera in the performance of the activities described in the following paragraphs.

During 1992, Nepera prepared a draft Remedial Investigation/Feasibility Study (RI/FS) report which enumerated several remediation alternatives and submitted the Remedial Investigation portion to the DEC for review. Consequently, although this RI/FS had not been approved by the DEC, Nepera utilized it to revise the estimated liability for this matter previously included in the accrual for environmental contingencies. This estimate considered the probability of cost sharing with prior owners of the site.

During 1993, the DEC requested the performance of additional site investigation prior to reviewing the Feasibility Study portion of the report. Nepera prepared a plan for such additional site investigation and submitted it for review.

During 1994, the DEC requested the performance of additional site investigation beyond the 1993 proposed plan and requested the Feasibility Study portion of the report. Nepera updated the RI/FS, prepared a revised plan for additional site investigation, submitted them for review and utilized them to update the estimated liability for this matter. Additionally, a DEC administrative law judge issued a decision ordering one of the former owners to remediate the site. However, that former owner is appealing the decision and settlement discussions commenced.

During 1995, the draft RI/FS was finalized and filed with the DEC. While similar to the 1994 draft, this final RI/FS delineated eight remediation alternatives which Nepera utilized to update the estimated liability for this matter.

During 1996, the DEC requested the performance of an additional pilot study beyond the 1995 RI/FS to determine the viability of another remediation alternative. Nepera utilized this study to update the estimated liability which resulted in a reduction in the estimated reserve for this matter. Settlement discussions with one former owner continued.

b) Nepera was named in 1987 as a responsible party along with certain prior owners of Nepera's Harriman, New York production facility by the DEC in connection with contamination at that site. Nepera believes that any remediation to be conducted at that site is primarily related to contamination attributable to material handling and disposal practices, including drum burial at the site, which occurred prior to Cambrex's acquisition of Nepera in 1986. A prior owner has participated with Nepera in the performance of the activities described in the following paragraphs. Over the past several years, Nepera, with the agreement of the DEC, has been performing an interim remedial measure involving the pumping and treatment of groundwater to mitigate the possibility of contamination progressing beyond the site boundaries.

During 1992, Nepera prepared a draft RI/FS report which enumerated several remediation alternatives and submitted the Remedial Investigation portion to the DEC for review. Consequently, although this RI/FS had not been approved by the DEC, Nepera utilized it to develop a range of estimated liabilities for this

(20) CONTINGENCIES -- (CONTINUED)
matter and considered such estimates when determining the accrual for environmental contingencies. That estimate considered the probability of cost sharing with prior owners of the site.

During 1993, Nepera had not received commentary from the DEC concerning the Remedial Investigation portion of the report.

During 1994, the DEC requested the Feasibility Study portion of the report. Nepera updated the RI/FS and submitted it for review. Settlement discussions with a former owner commenced.

During 1995, the draft RI/FS was finalized and filed with the DEC. While similar to the 1994 draft, this final RI/FS delineated eight remediation alternatives which Nepera utilized to update the estimated liability for this matter.

During 1996, Nepera responded to the DEC's inquiries regarding the 1995 RI/FS by completing two additional FS remediation alternatives which subsequently were accepted by the DEC. Nepera utilized these new alternatives to update the estimated liability which resulted in a reduction in the estimated reserve for this matter. Settlement discussions with one former owner continued.

c) Cosan, Inc. (Cosan) entered into an Administrative Consent Order in 1985 with the New Jersey Department of Environmental Protection (NJDEP) under New Jersey's Industrial Site Recovery Act (ISRA) in order to consummate the sale of the controlling interest in Cosan to the Company. Through that action, Cosan became required to determine whether its facility located in Carlstadt, New Jersey was contaminated by hazardous materials and, if appropriate, effect a cleanup.

During 1992, based upon the results of an evaluation of the site, Cosan proposed the installation of a groundwater recovery system to remove contaminates from the soil. During 1996, the NJDEP approved the Remedial Action Workplan for groundwater treatment and also approved the further RI workplan for soils.

d) Cosan was named in 1991 as a defendant in a suit filed by the owners of a manufacturing site in Clifton, New Jersey that had been owned and operated by Cosan from 1968 to 1979. The plaintiffs alleged Cosan contributed to the contamination at the site and seek to compel Cosan to contribute toward present and future costs of remediation of the site under ISRA. During January 1997, a judge's opinion was rendered against Cosan under which Cosan was liable for past environmental investigation and remediation costs of approximately $800 plus interest and is responsible for future remediation costs at the site. In addition, the opinion assessed treble damages against Cosan under the New Jersey Spill Act. Cosan believes such damages are unprecedented and will contest such award on appeal.

e) Nepera was named in the early 1980's as a PRP along with approximately 130 other companies by the EPA in connection with the SCP Corporation (SCP) site in Carlstadt, New Jersey. The site is on the EPA's National Priorities List for remedial work and cleanup. SCP disposed of process wastewater and minor amounts of other material for Nepera during the 1970's.

The EPA has directed an Interim Remedial Measure for this site consisting of the construction of slurry walls and a pump and treat facility. Presently, a proportionate allocation of responsibility has not been established. However, Nepera's responsibility may be relatively large in relation to other parties. Nepera is contesting the proposed basis for the allocation of responsibility for this site, and believes it has grounds to, and will, oppose any efforts to charge it with excessive responsibility.

During 1994, the cost of capping the site was estimated by the PRP group to range from $5,000 to $8,000. Although such a remediation alternative has not been approved by the EPA, Nepera has assumed it to be the minimum effort which will be required at the site. Consequently, Nepera utilized such information to develop

(20) CONTINGENCIES -- (CONTINUED)
a range of estimated liabilities for this matter and considered such estimates when determining the accrual for environmental contingencies.

Additionally, during 1994, Nepera reached a settlement agreement with certain insurers who agreed to pay a certain portion of future expenditures associated with the site and incurred by Nepera. Under the terms of the settlement, $2,450 was made available through a trust arrangement for remediation and administrative expenditures in connection with a number of relatively small sites. During 1996 and 1994, approximately $996 and $1,050, respectively, were designated to be expended by the trust for past expenditures. The remaining balance, approximately $400, will be available for future expenditures and has been considered in the determination of the accrual for environmental contingencies at December 31, 1996.

During 1995, the PRP commenced a Focused Feasibility Study (FFS) of soil contamination of a portion of the site as requested by the EPA.

During 1996, the PRP group commenced an off property investigation to determine if any contamination has moved off-site.

f) In 1992, Cambrex acquired substantially all of the assets of the fine chemicals business of Hexcel Fine Chemicals, now known as Zeeland Chemicals, Inc. In connection with that transaction, an accrual was recorded for estimated future costs for environmental conditions existing as of the date of the acquisition.

To date, there have been no significant developments in connection with environmental conditions at that site.

g) As more fully described in Note #3, Cambrex acquired Nordic/Profarmaco. In connection with that transaction, an accrual of $1,510 was established for environmental conditions existing as of the date of the acquisition. Approximately $500 was spent during 1996 for environmental permit compliance matters.

h) CasChem, Inc. (CasChem) was subject to an investigation commenced in 1990 by agents of the EPA and the Federal Bureau of Investigation pursuant to a search warrant indicating an interest in the handling, storage, and disposal of hazardous wastes.

During 1994, a settlement was reached wherein CasChem pleaded guilty to the unpermitted storage of one drum of hazardous waste and the payment of a $1,000 fine. That amount was paid during January 1995.

i) In addition to the matters identified above, Cambrex's subsidiaries are party to a number of other proceedings. Management is of the opinion that the ultimate liability resulting from those proceedings will not have a material adverse effect upon Cambrex's results of operations nor its financial position.

CAMBREX CORPORATION

SELECTED QUARTERLY FINANCIAL DATA
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	YEAR
1996					
Gross sales	$96,717	$92,969	$88,318	$91,475	$369,479
Net revenues	93,925	90,269	86,046	89,145	359,385
Gross profit	26,466	25,986	25,002	23,882	101,336
Net income	6,197	7,528(2)	6,101	8,399(3)	28,225
Earnings per share*:(1)					
Primary	$ 0.52	$ 0.63	$ 0.51	$ 0.70	$ 2.37
Fully diluted	$ 0.52	$ 0.63	$ 0.51	$ 0.70	$ 2.37
Average shares*:					
Primary	11,810	11,860	11,907	11,949	11,897
Fully diluted	11,826	11,885	11,918	11,954	11,910
1995					
Gross sales	$96,078	$90,998	$90,138	$90,856	$368,070
Net revenues	93,389	88,215	87,385	88,187	357,176
Gross profit	24,485	25,081	25,048	25,166	99,780
Net income	4,394	5,107	5,006	5,163	19,670
Earnings per share*:(1)					
Primary	$ 0.51	$ 0.58	$ 0.45	$ 0.44	$ 1.96
Fully diluted	$ 0.50	$ 0.58	$ 0.45	$ 0.44	$ 1.95
Average shares*:					
Primary	8,688	8,795	11,016	11,700	10,053
Fully diluted	8,759	8,798	11,018	11,724	10,104

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(1) Earnings per share calculations for each of the quarters are based on the weighted average number of shares outstanding for each period, as such, the sum of the quarters may not necessarily equal the earnings per share amount for the year.

(2) Net income for the three months ended June 30, 1996 reflect the reversal of certain reserves amounting to $1,400. Additionally, a recovery of $1,085 for legal expenses was recognized in results of operations for the three months ended June 30, 1996.

(3) Net income for the three months ended December 31, 1996 reflect income, net of related costs, of approximately $1,100 recognized from the settlement with a customer related to the premature termination of a five year supply contract for the sale of PMPA. Additionally, a $1,000 reversal of the Company's environmental accrual is reflected in net income for the three months ended December 31, 1996.

PART III

ITEM 9 -- CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 10 -- DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

ITEM 11 -- EXECUTIVE COMPENSATION.

ITEM 12 -- SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

ITEM 13 -- CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information called for by Part III is hereby incorporated by reference to the information set forth under the captions "Principal Stockholders," "Board of Directors," "Election of Directors," and "Executive Compensation" in the registrant's definitive proxy statement for the Annual Meeting of Stockholders, to be held April 24, 1997, which meeting involves the election of directors, which definitive proxy statement is being filed with the Securities and Exchange Commission pursuant to Regulation 14A.

In addition, information concerning the registrant's executive officers has been included in Part I above under the caption "Executive Officers of the Registrant."

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) 1. The following consolidated financial statements of the Company are filed as part of this report:

(a) 2. (i) The following schedule to the consolidated financial statements of the Company as filed herein and the Report of Independent Certified Public Accountants on Schedule are filed as part of this report.

All other schedules are omitted because they are not applicable or not required or because the required information is included in the consolidated financial statements of the Company or the notes thereto.

(a) 3. The exhibits filed in this report are listed in the Exhibit Index on page 57.

The registrant agrees, upon request of the Securities and Exchange Commission, to file as an exhibit each instrument defining the rights of holders of long-term debt of the registrant and its consolidated subsidiaries which has not been filed for the reason that the total amount of securities authorized thereunder does not exceed 10% of the total assets of the registrant and its subsidiaries on a consolidated basis.

(b) Reports on Form 8-K

The registrant filed no reports on Form 8-K during the last quarter of the year ended December 31, 1996.

CAMBREX CORPORATION

SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994
(DOLLARS IN THOUSANDS)

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
		ADDITIONS			
CLASSIFICATION	BALANCE BEGINNING OF YEAR	CHARGED TO COST AND EXPENSES	CHARGED OTHER ACCOUNTS	DEDUCTIONS	END OF YEAR
Year Ended December 31, 1996:					
Doubtful trade receivables and returns and allowances......................	$1,261	$ 609	$ --	$ 417	$1,453
Inventory and obsolescence provisions..........................	8,364	1,099	--	2,996	6,467
Year Ended December 31, 1995:					
Doubtful trade receivables and returns and allowances......................	1,288	547	--	574	1,261
Inventory and obsolescence provisions..........................	5,578	3,052	--	266	8,364
Year Ended December 31, 1994:					
Doubtful trade receivables and returns and allowances......................	355	280	822(1)	169	1,288
Inventory and obsolescence provisions..........................	1,517	280	4,184(1)	403	5,578

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(1) Reserve of Nordic/Profarmaco and Seal Sands, acquired during 1994.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CAMBREX CORPORATION

By /s/ CYRIL C. BALDWIN, JR.

Cyril C. Baldwin, Jr.
Chairman of the Board of Directors
Date: March 21, 1997

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

NAME	TITLE	DATE
/s/ CYRIL C. BALDWIN, JR. Cyril C. Baldwin, Jr.	Chairman of the Board of Directors	
/s/ PETER TRACEY Peter Tracey	Executive Vice President -- Finance, Principal Financial Officer and Principal Accounting Officer	
/s/ ROSINA B.DIXON, M.D.* Rosina B.Dixon, M.D.	Director	
/s/ FRANCIS X. DWYER* Francis X. Dwyer	Director	
/s/ GEORGE J. W. GOODMAN* George J. W. Goodman	Director	
/s/ KATHRYN RUDIE HARRIGAN, PHD* Kathryn Rudie Harrigan, PhD	Director	March 21, 1997
/s/ LEON J. HENDRIX, JR.* Leon J. Hendrix, Jr.	Director	
/s/ ILAN KAUFTHAL* Ilan Kaufthal	Director	
/s/ ROBERT LEBUHN* Robert Lebuhn	Director	
/s/ JAMES A. MACK* James A. Mack	Director	
/s/ DEAN P. PHYPERS* Dean P. Phypers	Director	
*By /s/ CYRIL C. BALDWIN, JR. Cyril C. Baldwin, Jr. -- Attorney-in-Fact		

I,1

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
3.1	Restated Certificate of Incorporation of registrant(A) -- Exhibit 3(a).
3.2	By Laws of registrant.(E) -- Exhibit 4.2.
4.1	Form of Certificate for shares of Common Stock of registrant.(A) -- Exhibit 4(a).
4.2	Article Fourth of the Restated Certificate of Incorporation.(A) -- Exhibit 4(b).
4.3	Loan Agreement dated September 21, 1994 by and among the registrant, NBD Bank, N.A., United Jersey Bank, National Westminster Bank NJ, Wachovia Bank of Georgia, N.A., BHF-Bank, The First National Bank of Boston, Chemical Bank New Jersey, N.A., and National City Bank.(K).
10.1	Purchase Agreement dated July 11, 1986, as amended, between the registrant and ASAG, Inc.(A) -- Exhibit 10(r).
10.2	Asset Purchase Agreement dated as of June 5, 1989 between Whittaker Corporation and the registrant.(C) -- Exhibit 10(a).
10.3	Asset Purchase Agreement dated as of July 1, 1991 between Solvay Animal Health, Inc. and the registrant.(F).
10.4	Asset Purchase Agreement dated as of March 31, 1992 between Hexcel Corporation and the registrant.(H).
10.5	Stock Purchase Agreement dated as of September 15, 1994 between Akzo Nobel AB, Akzo Nobel NV and the registrant, for the purchase of Nobel Chemicals AB.(K).
10.6	Stock Purchase Agreement dated as of September 15, 1994 between Akzo Nobel AB, Akzo Nobel and the registrant, for the purchase of Profarmaco Nobel, S.r.1.(K).
10.10	1983 Incentive Stock Option Plan, as amended.(B).
10.11	1987 Long-term Incentive Plan.(A) -- Exhibit (g).
10.12	1987 Stock Option Plan.(B).
10.13	1989 Senior Executive Stock Option Plan.(J).
10.14	1992 Stock Option Plan.(J).
10.15	1993 Senior Executive Stock Option Plan.(J).
10.16	1994 Stock Option Plan.(J).
10.17	1996 Performance Stock Option Plan.(N).
10.20	Form of Employment Agreement between the registrant and its executive officers named in the Revised Schedule of Parties thereto.(D) -- Exhibit 10.A.

10.21	Revised Schedule of Parties to Employment Agreement (exhibit 10.20 hereto).(M).
10.22	Cambrex Corporation Savings Plan.(I).
10.23	Cambrex Corporation Supplemental Retirement Plan.(L).
10.24	Deferred Compensation Plan of Cambrex Corporation.(L).
10.25	Amendment to Deferred Compensation Plan of Cambrex Corporation(Exhibit 10.24 hereto).(P).
10.26	Cambrex Earnings Improvement Plan.(L).
10.27	Consulting Agreement dated December 15, 1994 between the registrant and Arthur I. Mendolia.(L).

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See legend on following page.

EXHIBIT NO.	DESCRIPTION
10.28	Consulting Agreement dated December 15, 1995 between the registrant and Cyril C. Baldwin, Jr.(L).
10.29	Consulting Agreement between the registrant and James A. Mack.(L).
10.30	Additional Retirement Payment Agreement dated December 15, 1994 between the registrant and Arthur I. Mendolia.(L).
10.31	Additional Retirement Payment Agreement dated December 15, 1994 between the registrant and Cyril C. Baldwin, Jr.(L).
10.32	Additional Retirement Payment Agreement between the registrant and James A. Mack.(L).
10.40	Registration Rights Agreement dated as of June 6, 1985 between the registrant and the purchasers of its Class D Convertible Preferred stock and 9% Convertible Subordinated Notes due 1997.(A) -- Exhibit 10(m).
10.41	Administrative Consent Order dated September 16, 1985 of the New Jersey Department of Environmental Protection to Cosan Chemical Corporation.(A) -- Exhibit 10(q).
10.42	Registration Rights Agreement dated as of June 5, 1996 between the registrant and American Stock Transfer and Trust Company.(O) -- Exhibit 1.
10.50	Manufacturing Agreement dated as of July 1, 1991 between the registrant and A.L. Laboratories, Inc.(G).
11	Statement re computation of earnings per share.(M).
21	Subsidiaries of registrant.(M).
23	Consent of Coopers & Lybrand L.L.P. to the incorporation by reference of its report herein in Registration Statement Nos. 33-22017, 33-21374, 33-37791, 33-81780 and 33-81782 on Form S-8 of the registrant.(M).
24	Powers of Attorney to sign this report.(M).
27	Financial Data Schedule.(M).

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(A) Incorporated by reference to the indicated Exhibit to registrant's Registration Statement on Form S-1 (Registration No. 33-16419).

(B) Incorporated by reference to registrant's Registration Statement on Form S-8 (Registration No. 33-21374) and Amendment No. 1.

(C) Incorporated by reference to registrant's Annual Report on Form 10-K dated June 5, 1989.

(D) Incorporated by reference to the indicated Exhibit to registrant's Annual Report on Form 10-K for 1989.

(E) Incorporated by reference to the indicated Exhibit to registrant's Registration Statement on Form S-8 (Registration No. 33-37791).

(F) Incorporated by reference to registrant's Current Report on Form 8-K dated July 1, 1991.

(G) Incorporated by reference to the registrant's Annual Report on Form 10-K for 1991.

(H) Incorporated by reference to the registrant's Current Report on Form 8-K dated April 10, 1992 and Amendment No. 1 to its Current Report.

(I) Incorporated by reference to registrant's Registration Statement on Form S-8 (Registration No. 33-81780) dated July 20, 1994.

(J) Incorporated by reference to registrant's Registration Statement on Form S-8 (Registration No. 33-81782) dated July 20, 1994.

(K) Incorporated by reference to registrant's Current Report on Form 8-K dated October 26, 1994.

(L) Incorporated by reference to the registrant's Annual Report on Form 10-K for 1994.

(M) Filed herewith.

(N) Incorporated by reference to registrant's Registration Statement on Form S-8 (Registration No. 33-22017) dated February 19, 1997.

(O) Incorporated by reference to the registrant's Current Report on Form 8-A dated June 12, 1996.

(P) Incorporated by references to the registrant's Annual Report on Form 10-K for 1995.

EXHIBIT 10.21

CAMBREX CORPORATION

ANNUAL REPORT ON FORM 10-K

REVISED SCHEDULE OF PARTIES

NAME	TITLE	DATE OF AGREEMENT
James A. Mack	President and Chief Executive Officer	02/01/90
Peter Tracey	Executive Vice President and Chief Financial Officer	11/05/90
Claes Glassell	Vice President, Managing Director of Cambrex Limited	10/12/94
Steven M. Klosk	Executive Vice President of Administration	10/21/92
Peter E. Thauer	Vice President, General Counsel and Secretary	08/28/89
Salvatore J. Guccione	Vice President of Corporate Development	12/14/95

EXHIBIT 11

CAMBREX CORPORATION AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE
(IN THOUSANDS, EXCEPT PER-SHARE DATA)

	YEARS ENDED DECEMBER 31,				
	1996	1995	1994	1993	1992
Income applicable to common shares:					
Primary earnings	$28,225	$19,670	$11,126	$8,641	$6,230
Add:					
Interest reduction attributable to assumed conversion of convertible subordinated notes (Net of taxes)					
Notes issued June 11, 1985	--	--	--	71	136
Notes issued October 3, 1985	--	--	--	43	81
Fully diluted earnings	$28,225	$19,670	$11,126	$8,755	$6,447
Weighted average number of common shares and common share equivalents outstanding during the year*					
Common stock	11,608	9,540	7,875	7,441	7,130
Nonvoting Common stock	--	--	--	--	--
Stock options	289	513	636	482	202
Shares outstanding -- primary	11,897	10,053	8,511	7,923	7,332
Notes issued June 11, 1985	--	--	--	183	297
Notes issued October 3, 1985	--	--	--	110	180
Additional stock options	13	51	38	10	54
Shares outstanding -- fully diluted	11,910	10,104	8,549	8,226	7,863
Fully diluted earnings per common share	$ 2.37	$ 1.95	$ 1.30	$ 1.07	$ 0.82

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* Share and per share data reflects adjustments for a three-for-two stock split in the form of a 50% stock dividend paid in July, 1996.

EXHIBIT 21

CAMBREX CORPORATION

SUBSIDIARIES OF REGISTRANT

SUBSIDIARY	INCORPORATED IN:
CasChem, Inc.	Delaware
Cosan Chemical Corp.	New Jersey
Nepera, Inc.	New York
The Humphrey Chemical Co., Inc.	Delaware
Salsbury Chemicals, Inc.	Iowa
Zeeland Chemicals, Inc.	Michigan
Seal Sands Chemicals Limited	England
Profarmaco S.r.1.	Italy
Nordic Synthesis AB	Sweden

EXHIBIT 23

CAMBREX CORPORATION

CONSENT OF INDEPENDENT ACCOUNTANTS

Cambrex Corporation:

We consent to the incorporation by reference in the registration statements of Cambrex Corporation on Forms S-8 (File Nos. 33-22017, 33-21374, 33-37791, 33-81780, and 33-81782) of our report dated January 17, 1997, on our audits of the consolidated financial statements and financial statement schedule of Cambrex Corporation as of December 31, 1996 and 1995, and for each of the three years in the period ended December 31, 1996, which report is included in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.

Parsippany, New Jersey
March 19, 1997

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each officer and director of Cambrex Corporation, a Delaware corporation, whose signature appears below constitutes and appoints Cyril C. Baldwin, Jr., James A. Mack, and Peter Tracey, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all Annual Reports on Form 10-K which said Cambrex Corporation may be required to file pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and any and all amendments thereto and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or their substitutes may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF each of the undersigned has executed this instrument as of the 23rd day of January 1997.

/s/ CYRIL C. BALDWIN, JR. Cyril C. Baldwin, Jr. Chairman of the Board of Directors	/s/ JAMES A. MACK James A. Mack President, Chief Executive Officer Director
/s/ PETER TRACEY Peter Tracey Executive Vice President-Finance Chief Financial Officer	/s/ LEON J. HENDRIX, JR. Leon J. Hendrix, Jr. Director
/s/ ROSINA B. DIXON Rosina B. Dixon, M.D. Director	/s/ ILAN KAUFTHAL Ilan Kaufthal Director
/s/ FRANCIS X. DWYER Francis X. Dwyer Director	/s/ ROBERT LEBUHN Robert LeBuhn Director
/s/ GEORGE J. W. GOODMAN George J. W. Goodman Director	/s/ DEAN P. PHYPERS Dean P. Phypers Director
/s/ KATHRYN RUDIE HARRIGAN, PHD Kathryn Rudie Harrigan, PhD Director	

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