

PRESS RELEASE

Date 6 October 2016
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Subject New management at Vifor Pharma and new Galenica Group CFO designated

Appointments at the Galenica Group: New management at Vifor Pharma and new Galenica Group CFO designated

The Board of Directors of the Galenica Group has designated Stefan Schulze, currently CEO of Vifor Fresenius Medical Care Renal Pharma (VFMCRP), as Chief Operating Officer (COO) and President of the Executive Committee of Vifor Pharma. Under the proven leadership of the Executive Chairman of the Board of Directors, Etienne Jornod, Stefan Schulze will take over this position from the Annual General Meeting of Galenica Ltd. in May 2017.

In so doing, the Board of Directors is entrusting the management of Vifor Pharma, with its unique business model that combines pharma expertise with innovative business partnerships and close access to patients, to two very experienced individuals with complementary skills. Together with the Executive Committee, they will meet the numerous tasks and challenges facing the company during a period of rapid growth in order to lead Vifor Pharma successfully to independence.

Until the 2017 Annual General Meeting, Gianni Zampieri will remain responsible for the operational management of Vifor Pharma and will gradually introduce Stefan Schulze to the various duties and responsibilities. In parallel, Stefan Schulze will look for his successor as CEO of VFMCRP. At the next Annual General Meeting, Gianni Zampieri will be proposed to shareholders for election to the Board of Directors.

The Board of Directors has also appointed Felix Burkhard as CFO of the Galenica Group with effect from 1 January 2017. From that date, Felix Burkhard will take over as CFO from Jörg Kneubühler, who has held the dual role of CFO of the Galenica Group and CEO of Galenica Santé since 2014. He will in future concentrate fully on his role as CEO of Galenica Santé.

VIFOR PHARMA

New corporate management with a proven track record

In May 2016, the Board of Directors of the Galenica Group decided to strengthen the management of Vifor Pharma by appointing new leadership to maximise the company's strong growth and profit momentum and further build on it. Since then, Vice-CEO Gianni Zampieri has successfully led Vifor Pharma on an interim basis and has significantly contributed to the important milestone of the acquisition of Relypsa as well as to the development in recent years.

At the express wish of the Galenica Board of Directors, the largest shareholders and key partners, Etienne Jornod has confirmed that he will remain chairman of the company for an extended period in order to contribute to realising the projects he has initiated.

The Board of Directors has now designated Stefan Schulze as COO and President of the Executive Committee of Vifor Pharma. Under the proven leadership of the Executive Chairman, Etienne Jornod, Stefan Schulze will take over this position from the 2017 Annual General Meeting of Galenica Ltd.

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Etienne Jornod commented: "We took the time needed to evaluate several candidates. One alternative would have been to choose an outstanding pharma specialist, but one who was not familiar with the "close access to patients" model, or to bring on a manager who knows Vifor Pharma very well and comes precisely from this area. We opted for these variant because of the excellent knowledge Stefan Schulze brings to further developing the business model of Vifor Pharma."

With this decision, the management of the company is entrusted to two individuals who are highly familiar with the unique business model of Vifor Pharma – combining expertise in pharma with innovative positioning of products and services based on its in-depth understanding of patient needs in nephrology through the partnership with Fresenius Medical Care – and who have contributed to its development. In addition, Vifor Pharma can count on an Expanded Executive Committee (EEC) which, following recent reinforcements, is primarily composed of leaders with extensive pharma experience and who have overseen or contributed to important product launches in Europe, the USA and other countries.

Furthermore, Christoph Springer will become Head of Global Business Development of Vifor Pharma in addition to his position as Vice-CEO of VFMCRP.

With this experienced management team, Vifor Pharma is well placed to maximise its growth and development opportunities and meet the major challenges ahead. These include integrating the recently acquired US company Relypsa and launching Veltassa[®], continuing the strong growth of Vifor Pharma in general (sales +35% in the first half of 2016) and of Ferinject[®]/Injectafer[®] in particular (sales +46% in the first half of 2016) and preparing for a future as an independent listed company, which is expected to take place in 2017, assuming that no major market changes or special risks occur during the period.

Stefan Schulze (51) has been CEO of VFMCRP, the common company of Galenica and Fresenius Medical Care, since 2014. Prior to that he held various senior positions as Executive Vice President Sales & Marketing and President & General Manager of Fresenius HemoCare's Adsorber Technology Business Unit, Germany; President of Fresenius HemoCare, USA; and Senior Vice President Business Development at Fresenius Medical Care North America, Germany and USA.

Over recent years as CEO of VFMCRP, Stefan Schulze has demonstrated his talents as an entrepreneur and leader. He has implemented the strategy of the Board of Directors in a focused and targeted manner and entered into new licensing and distribution agreements for promising products including Mircera[®], Retacrit[™] and Rayaldee[®], with global partners. With the successful growth of VFMCRP he has made a major contribution to the strong performance of Vifor Pharma.

In addition to this impressive track record and his many years of experience in the industry and leadership positions, Stefan Schulze also has an excellent knowledge of the US market. The strategic alliance signed with Relypsa in 2015, primarily motivated by the partnership in the dialysis market access, was concluded by VFMCRP under the leadership of Stefan Schulze. With many years of experience in the USA, he is therefore ideally suited to supervising the launch of Veltassa[®] in the USA. He will remain CEO of VFMCRP until a successor has been appointed.

Etienne Jornod (63) has essentially made Vifor Pharma since its founding into the company it is today through his vision and strategy. His vision is to establish Vifor Pharma as a major global player in nephrology, cardiology and gastroenterology. Today, Vifor Pharma has already become a world leader in iron deficiency products and is well on the way to become a world leader in nephrology.

Gianni Zampieri (59) has been with the Galenica Group since 1996 and will remain responsible for the operational management of Vifor Pharma until the next Annual General Meeting of Galenica Ltd. in 2017. In parallel he will introduce Stefan Schulze to the requirements of the role until Stefan Schulze takes over as COO and President of the Executive Committee following the next Annual General Meeting. Gianni Zampieri will then be proposed to the shareholders for election to the Board of Directors. He will thus relinquish his operational responsibilities and support Stefan Schulze and the company as an advisor.

An experienced management team leading Vifor Pharma into independence

Vifor Pharma has developed from being a contract manufacturer into a global specialty pharma company that partners with the world's leading pharma and medtech companies, including Roche, Pfizer, Takeda, Daiichi-Sankyo and Fresenius Medical Care, and regional market leaders like Abdi Ibrahim in Turkey and Quimica Suiza in Latin America.

The Vifor Pharma management team comprises long-standing members who have been responsible for realising the various strategic agreements since the foundation of the company, as well as members who joined the company more recently with extensive international experience. This blend of skills and expertise will now lead Vifor Pharma to independence.

Plans are in place to transition to a more traditional governance model with a Chairman and a CEO once the new leadership team is established and Vifor Pharma is positioned as an independent company with its unique business model.

GALENICA GROUP

Division of the Galenica Group

The preparations for the division of the Galenica Group planned for 2017 are on track. In order to create the best possible financial conditions for the independence of the two Business units Vifor Pharma and Galenica Santé and to refund the acquisition of Relypsa, which was completed in early September 2016, the focus is on an Initial Public Offering (IPO) of Galenica Santé. The Board of Directors will announce its decisions and the details of the division in due course.

Guidance for the Galenica Group and Vifor Pharma

When Galenica announced the completion of the Relypsa transaction on 2 September 2016, it was stated that the 2016 guidance would be further updated during October.

As a result of the accelerated closure of the Relypsa transaction from 1 October to 1 September 2016 and the resulting inclusion of one additional month of the ramp-up of Veltassa[®], the combined 2016 EBIT of Vifor Pharma is now expected to be reduced by approximately CHF 120 million compared to the approximately CHF 80 million previously indicated.

The previous guidance of a 10% increase on a comparable basis in respect of the 2016 EBIT for Vifor Pharma excluding Relypsa is being maintained.

Likewise, the previous guidance in respect of 2016 Galenica Group net profit increasing by approximately 10% before and after deduction of minority interests on a comparable basis is confirmed. Finally, the guidance in respect of 2016 Galenica Group net profit decreasing by approximately CHF 90 million as a result of the investment required to ramp-up sales of Veltassa[®] is unchanged, despite the accelerated closing of the Relypsa transaction, due to the recognition of tax assets.

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New CFO Galenica Group from January 2017

Felix Burkhard (50), lic. oec. (University of St. Gallen HSG), Swiss certified accountant, joined the Galenica Group in 1996 and has held various positions over the years, initially as Corporate Controller Galenica Ltd. From 2000 he was charged with implementing the retail strategy, first as Deputy and then from 2010 as Head of the Retail Business sector. In 2015 he was appointed Head Strategic Projects Galenica Group and since then has had special responsibility for overall management of the preparations for the division of the Group. Felix Burkhard will retain this responsibility as CFO Galenica Group and after the division he will hold the position of CFO Galenica Santé.

Jörg Kneubühler (55) joined Galenica in 2002 and has been CFO of the Galenica Group since 2012. In 2014 he also assumed the newly created position of CEO Galenica Santé. To allow him to devote himself fully to managing Galenica Santé in view of the upcoming independence, he will hand over responsibility as CFO Galenica Group to Felix Burkhard with effect from 1 January 2017.

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***Galenica** is a diversified Group active throughout the healthcare market which, among other activities, develops, manufactures and markets pharmaceutical products, runs pharmacies, provides logistical and database services and sets up networks. With its two Business units Vifor Pharma and Galenica Santé, the Galenica Group enjoys a leading position in all its core business activities. A large part of the Group's income is generated by international operations. Galenica is listed on the Swiss Stock Exchange (SIX Swiss Exchange, GALN, security number 1,553,646).*

Additional information concerning the Galenica Group can be found at www.galenica.com.