

## PRESS RELEASE

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Subject Successful Galenica Santé IPO, Galenica Group becomes Vifor Pharma Group

### **Galenica Santé IPO listed on SIX for CHF 1,901 million, Galenica Group becomes Vifor Pharma Group**

- **Galenica Santé successfully completes IPO for CHF 1,901 million with 48.75 million shares representing 97.5% of ordinary registered shares and separates from Galenica Group, assuming full exercise of the over-allotment option**
- **Galenica Group becomes Vifor Pharma Group, with pharmaceuticals as sole focus\***
- **A new share ticker, VIFN, for a new Vifor Pharma Group**
- **1:10 share split to increase tradability\***
- **New Vifor Pharma Group corporate identity unveiled**

**The Galenica Group announced today that it successfully completed the initial public offering (IPO) of Galenica Santé, its leading provider of health, beauty and well-being products and services on the Swiss Stock Exchange (SIX). Following the IPO, Galenica Group becomes Vifor Pharma Group and will be listed on the Swiss Stock Exchange under its new ticker, VIFN. The company has thus taken the final steps toward separating into two independent companies: Vifor Pharma Group and Galenica Santé.**

The Galenica Santé offering was well received by institutional and retail investors. Representing 97.5% of ordinary registered shares, the IPO was multiple times oversubscribed.

At the offer price of CHF 39.00 per share, the market capitalisation of Galenica Santé is CHF 1,950 million. Upon full exercise of the over-allotment option, the free float of Galenica Santé amounts to 97.5%. Galenica Group sold 42,391,300 shares in the offering. In addition, Galenica Group granted the syndicate banks an over-allotment option of up to 6,358,700 additional shares, which were also sold.

Galenica Group will not hold any shares of Galenica Santé in future. The remaining shares, amounting to 2.5% of the share capital of Galenica Santé, are reserved for the exchange of Galenica Group shares into Galenica Santé shares for eligible employees of Galenica Santé.

The proceeds from the IPO will be used to repay debt (CHF 1.45 billion) related to the acquisition of US biopharmaceutical company, Relypsa, which was completed in Q3 2016 for USD 1.53 billion. The remaining proceeds will be used to further invest in projects highlighted in the company's Milestone 2020 strategy, which was announced on 14 March 2017. Full details of the successful completion of the IPO can be found in a separate announcement by Galenica Santé: <http://www.galenica.com/en/>

The successful IPO will allow Vifor Pharma Group, formerly Galenica Group, to focus fully on executing against its Milestone 2020 strategy.

“With the successful IPO of Galenica Santé and the establishment of Galenica as Vifor Pharma Group, we have created two strong, independent companies out of one. Our goal was to separate into two companies in a way that would benefit our stakeholders most while giving both new entities the strongest possible basis for realising their full potential. Galenica Santé has a bright future to look forward to in health and retail, while Vifor Pharma Group has a net-debt free situation and is able to focus solely on pharmaceuticals and many attractive projects at a global level,” said Etienne Jornod, Executive Chairman of Galenica and Vifor Pharma. With regard to Vifor Pharma’s strategy, he added: “We want to exceed our Milestone 2020 targets just as we did as Galenica Group for 21 years of uninterrupted growth.”

The company will also invest approximately CHF 850 million in projects to develop and launch new products over the next three years. Targeted projects include the ongoing launch of Veltassa<sup>®</sup> in the US, the planned launch for Retacrit<sup>™</sup> in the US as well as Veltassa<sup>®</sup>, Rayaldee<sup>®</sup>, CCX168 and CCX140 in Europe and other markets. Additional investments are planned to further expand the market for Ferinject<sup>®</sup>/Injectafer<sup>®</sup>, Velphoro<sup>®</sup> and Mircera<sup>®</sup>.

The Board of Directors is confident that these investments, though expected to impact results and profits through 2019, will exploit the company’s full growth potential. At constant exchange rates, net sales are expected to grow by high single digit in 2017. Excluding the costs to support the launch and ramp-up of Veltassa<sup>®</sup> of approximately CHF 260 million, EBITDA is also expected to increase at a mid to high single-digit rate. In the medium term net sales are expected to exceed CHF 2 billion in 2020 and EBITDA is expected to reach a high triple-digit level in 2020.

The company received approval from SIX to change the share ticker symbol from GALN to VIFN, to reflect the Group’s new name. However, the formal name change of the company from Galenica Group to Vifor Pharma Group will be effective upon shareholder approval at the Annual General Meeting on 11 May 2017.

At the coming Annual General Meeting, the Board of Directors will propose a dividend increase for 2017 of more than 10% to CHF 20 (CHF 2 per registered share following the proposed share split), which will then hold steady through 2019. From 2020 onwards, the payout ratio is targeted at 35% of net income. This proposal is a strong signal of the Board of Directors’ confidence in the Vifor Pharma Group strategy and in the company’s ability to achieve its ambitious mid-term targets. Furthermore, to increase the tradability of the company’s shares, shareholders will be proposed a 1:10 share split.

Vifor Pharma Group includes the following companies: Vifor Pharma; Vifor Fresenius Medical Care Renal Pharma (VFMCRP), its joint company with Fresenius Medical Care; Relypsa; and OM Pharma. Vifor Pharma Group will also retain all infrastructure not offered under the Galenica Santé IPO. The change to the company’s name will be effective upon shareholder approval at the Annual General Meeting on 11 May 2017.

More information on the separation can be found on the Galenica/Vifor Pharma website:  
<http://www.galenica-viforpharma.com>

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**Vifor Pharma Group**, formerly **Galenica Group**, is a global specialty pharmaceuticals company. It aims to become the global leader in iron deficiency, nephrology and cardio-renal therapies. The company is the partner of choice for specialty pharmaceuticals and innovative patient-focused solutions. Vifor Pharma Group strives to help patients around the world with severe and chronic diseases lead better, healthier lives. The company develops, manufactures and markets pharmaceutical products for precision patient care. The Vifor Pharma Group, headquartered in Zurich, Switzerland, holds a leading position in all their core business activities. Vifor Pharma Group is listed on the Swiss Stock Exchange (SIX Swiss Exchange, VIFN, security number 1,553,646). For more information, visit [www.viforpharma.com](http://www.viforpharma.com).

**Vifor Pharma**, a company of the Vifor Pharma Group, is a world leader in the discovery, development, manufacturing and marketing of pharmaceutical products for the treatment of iron deficiency. The company also offers a diversified portfolio of prescription medicines as well as over-the-counter (OTC) products. Vifor Pharma, headquartered in Zurich, Switzerland, has an increasingly global presence and a broad network of affiliates and partners around the world. For more information about Vifor Pharma, please visit [www.viforpharma.com](http://www.viforpharma.com).

**Vifor Fresenius Medical Care Renal Pharma Ltd.**, a common company of Vifor Pharma Group and Fresenius Medical Care, develops and commercialises innovative and high quality therapies to improve the life of patients suffering from chronic kidney disease (CKD) worldwide. The company was founded at the end of 2010 and is owned 55% by Vifor Pharma Group and 45% by Fresenius Medical Care. For more information about Vifor Fresenius Medical Care Renal Pharma and its parent companies, please visit [www.viforpharma.com](http://www.viforpharma.com) and [www.freseniusmedicalcare.com](http://www.freseniusmedicalcare.com).

**Relypsa, Inc.**, a Vifor Pharma Group company, is a biopharmaceutical company focused on the discovery, development and commercialisation of polymeric medicines for patients with conditions that are often overlooked and undertreated and can be addressed in the gastrointestinal tract. The Company's first medicine, Veltassa<sup>®</sup> (patiromer) for oral suspension, was developed based on Relypsa's rich legacy in polymer science. Veltassa is approved in the United States for the treatment of hyperkalemia. Veltassa has intellectual property protection until 2030 in the United States and 2029 in the European Union. More information is available at [www.relypsa.com](http://www.relypsa.com).

**OM Pharma**, a Vifor Pharma Group company, develops and manufactures an infectious diseases/OTX product portfolio, which includes products for respiratory tract infections, lower urinary tract infections, ear care, abdominal distension, chronic obstructive pulmonary disease, chronic venous insufficiency, diabetic retinopathy, haemorrhoids, menometrorrhagia (heavy menstrual bleeding). Its key brands are Broncho-Vaxom<sup>®</sup>, Dicynone<sup>®</sup>, Doxium<sup>®</sup> and Uro-Vaxom<sup>®</sup>. More information is available at [www.viforpharma.com](http://www.viforpharma.com).

### **Forward-Looking Statements**

The statements included in this press release contain forward-looking statements, which are generally statements that are not historical facts. Forward-looking statements can be identified by the words "expects," "anticipates," "believes," "intends," "estimates," "plans," "will," "outlook" and similar expressions. Forward-looking statements are based on management's current plans, estimates, assumptions and projections and speak only as of the date they are made. Galenica undertakes no obligation to update any forward-looking statement in light of new information or future events, except as otherwise required by law. Forward-looking statements involve inherent risks and uncertainties, most of which are difficult to predict and are generally beyond the control of Galenica, including the following: (a) the risk that the transaction disrupts current plans and operations; (b) difficulties or unanticipated expenses in connection with integrating Relypsa into Galenica; (c) the risk that the acquisition does not perform as planned; and (d) potential difficulties in employee retention. Actual results or outcomes may differ materially from those implied by the forward-looking statements as a result of the impact of a number of factors, many of which are discussed in more detail in the public reports of each company filed with the SEC or the SIX Swiss Exchange.

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