

PRESS RELEASE

Date 19 January 2017
Contact Investor Relations: Julien Vignot, Head Investor Relations, Galenica Group
Media Relations: Christina Hertig, Head Corporate Communications, Galenica Group
Subject Planned division of the Galenica Group

Galenica is pressing ahead with the planned division; the focus is on an IPO of the Galenica Santé Business unit

The preparations for the division of the Galenica Group planned for 2017 are on track. The performances in recent months and the agreements concluded in 2016 have further strengthened Vifor Pharma and Galenica Santé. Both Business units are therefore prepared to successfully grow further in the future as independent companies.

Within the framework of examining different variants as to how the division of the Galenica Group could take place, the focus of the current preparatory work is on the flotation of Galenica Santé by means of an initial public offering (IPO). Galenica anticipates that the division will be completed by no later than the end of 2017, subject to the economic environment remaining stable.

In October 2016, the Board of Directors of the Galenica Group announced the first personnel-related management appointments: Stefan Schulze has been designated Chief Operating Officer (COO) and President of the Executive Committee of Vifor Pharma and will assume this role with effect from the Annual General Meeting of Galenica Ltd. in May 2017. Etienne Jornod will continue to lead Vifor Pharma as Executive Chairman after the planned division of the Galenica Group.

The Board of Directors of the Galenica Group has now also taken initial personnel decisions at Galenica Santé. Jörg Kneubühler, current CEO of Galenica Santé, has been designated future Chairman of the Board of Directors of Galenica Santé, and Jean-Claude Cléménçon, current Head Retail Business sector, as its future CEO. The change of management will come into effect following the planned IPO of Galenica Santé.

Planned division of the Galenica Group via IPO of Galenica Santé

Within the framework of examining different variants as to how the division of the Galenica Group could take place, the focus of the current preparatory work is on an initial public offering (IPO) of Galenica Santé. In an initial step, the activities of Galenica Santé (Products & Brands, Retail, Services) will be brought together under a new holding company. The majority of the shares in this new holding company will then be placed by means of an IPO and listed on the SIX Swiss Exchange. In addition, Galenica Ltd., the current holding company, should be renamed Vifor Pharma so that Galenica Santé can trade under the Galenica name.

Proceeds should enable the refinancing of Relypsa

The proceeds from the planned IPO of Galenica Santé will be used entirely for the benefit of the current Galenica Ltd. respectively Vifor Pharma Ltd. They should enable refinancing of the acquisition of Relypsa in full or in part and if need be secure a financial reserve for the independent further development of the future Vifor Pharma.

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Galenica Santé to be launched with a solid capital structure

Galenica Santé will also have the best possible financial conditions for a long-term, successful future thanks to a strong balance sheet. There are plans to equip Galenica Santé with a solid capital structure in order to maintain the implicit investment-grade rating.

Appointments at Vifor Pharma

In October 2016, the Board of Directors of the Galenica Group announced the first personnel-related management appointments: **Stefan Schulze**, current CEO of Vifor Fresenius Medical Care Renal Pharma (VFMCRP), has been appointed Chief Operating Officer (COO) and President of the Executive Committee of Vifor Pharma. He will assume this role with effect from the Annual General Meeting of Galenica Ltd. in May 2017 under the proven leadership of Executive Chairman **Etienne Jornod**, who will continue to preside over Vifor Pharma as Executive Chairman after the planned division of the Group.

Until the 2017 Annual General Meeting, **Gianni Zampieri, current CEO Vifor Pharma**, will remain responsible for the operational management of Vifor Pharma and will gradually introduce Stefan Schulze to the various tasks and responsibilities. At the same time, Stefan Schulze will look for his successor as CEO of VFMCRP. At the next Annual General Meeting, Gianni Zampieri will be proposed to the shareholders for election to the Board of Directors of Galenica Ltd. respectively Vifor Pharma Ltd.

Appointments at Galenica Santé following the IPO

As part of the preparations for the independence, the Board of Directors of the Galenica Group has taken initial personnel decisions in terms of Galenica Santé. They will come into effect following the planned IPO of Galenica Santé: **Jörg Kneubühler**, currently CEO of Galenica Santé, has been designated future Chairman of the Board of Directors of Galenica Santé, and **Jean-Claude Cléménçon**, currently Head Retail Business sector, as its future CEO.

As announced in October 2016, **Felix Burkhard** has taken over from Jörg Kneubühler as CFO of the Galenica Group with effect from 1 January 2017 in order that the latter can focus fully on managing Galenica Santé with regard to its independence. Following the planned IPO, Felix Burkhard will take on the role of CFO of Galenica Santé.

Jörg Kneubühler and Jean-Claude Cléménçon will continue to perform their management functions as CEO Galenica Santé and Head Retail Business sector, respectively, until the planned IPO of Galenica Santé. Jean-Claude Cléménçon will continue to head the Retail Business sector until his successor takes over this role. The succession arrangements will be dealt with in good time.

The composition of the Boards of Directors and the Executive Committees of Vifor Pharma and Galenica Santé will be communicated by the Board of Directors of the Galenica Group in due course.

For further information, please contact:

Media Relations:

Christina Hertig, Head Corporate Communications
Tel. +41 58 852 85 17
E-mail: media@galenica.com

Investor Relations:

Julien Vignot, Head Investor Relations
Tel. +41 58 852 85 29
E-mail: investors@galenica.com

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.

Curriculi vitae:

Etienne Jornod (born 1953) joined Galenica Group as a Junior Product Manager in 1975. After studying business administration in the Faculty of Business and Economics at the University of Lausanne, he returned as assistant to the Corporate Executive Committee. Over the following years, he held numerous positions, including Director of Marketing and Sales at Hausmann Vifor in St. Gallen and then CEO of Hausmann Vifor. In 1989, he became a member of the Corporate Executive Committee with responsibility for diversification activities (iron replacement products, OTC products, Galenica agencies and distribution). At the end of 1995, he was appointed Chairman of the Board of Directors and CEO; the election took place during the Annual General Meeting in May 1996. He held this dual mandate until the end of 2011. Since January 2012, Etienne Jornod has been Executive Chairman of the Galenica Group.

Stefan Schulze (1965) graduated from the Technical University of Berlin in Germany with a degree in Industrial Engineering. He has been with the Fresenius Group since 1992 where he held various roles in management and leadership. His long tenure with the Fresenius Group has garnered him extensive experience working in both Europe and the United States of America. In 2014, Stefan Schulze was named the Chief Executive Officer (CEO) of Vifor Fresenius Medical Care Renal Pharma Ltd. and became a member of the Vifor Pharma Executive Committee.

Gianni Zampieri (1956) earned his doctorate in Chemistry from the ETH Zurich, Switzerland and completed a Senior Executive Program from Stanford University in the United States of America. He joined the Galenica Group in 1996 and became CEO of Vifor (International) AG in 1997. In 2002, he became Member of the Corporate Executive Committee for the Galenica Group and headed the Pharma Business sector of the Galenica Group from 2004 to 2008. Since 2011 he was serving as Vice-CEO of Vifor Pharma and as CEO since May 2016. Prior to joining the Galenica Group, he held leadership positions with Roche, Sandoz and Novartis.

Jörg Kneubühler (born 1960) has a PhD in economics and business administration from the University of Bern. After spending ten years in a number of different roles in financial management at the Swatch Group, he joined the Galenica Group in 2002 as Head of Finance & Administration of Vifor Ltd. In 2006, he took over as Head of Corporate Controlling of the Galenica Group. He was appointed a member of the Corporate Executive Committee in 2009. Jörg Kneubühler became CFO of the Galenica Group in 2012, and also took on the newly created role of CEO of Galenica Santé in 2014.

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Jean-Claude Clémenton (born 1962) joined the Galenica Group in 1995 as Operations Manager at Galexis Zurich and subsequently went on to assume other management roles. He was appointed a member of the Corporate Executive Committee of the Galenica Group in 2010 and in addition to the function of Head Logistics Business sector, he also took on responsibility for HealthCare Information. As Head Retail Business sector, he has been in charge of the pharmacy formats of the Galenica Group since 2015. During this time, he also held responsibility for various projects aimed at enhancing the efficiency between the Logistics and Retail Business sectors and exploiting synergies.

Felix Burkhard (1966), lic. oec. (University of St. Gallen HSG), Swiss certified accountant, joined the Galenica Group in 1995 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. He was also appointed a member of the Corporate Executive Committee of the Galenica Group. 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. In January 2017, Felix Burkhard also took on responsibility as CFO Galenica Group.