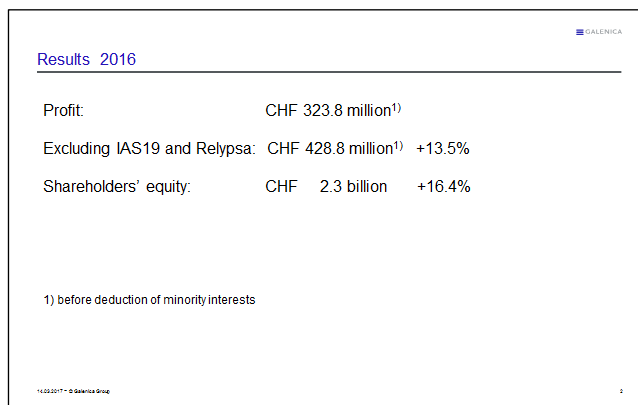


SPEECH

Date 14 March 2017
 Speaker Etienne Jornod, Executive Chairman
 Subject Media Conference: Galenica – Galenica Group – Vifor Pharma Group

The spoken word is valid.

Ladies and Gentlemen,
 Welcome to this conference.



Results 2016			
Profit:	CHF 323.8 million ¹⁾		
Excluding IAS19 and Relypsa:	CHF 428.8 million ¹⁾	+13.5%	
Shareholders' equity:	CHF 2.3 billion	+16.4%	

1) before deduction of minority interests

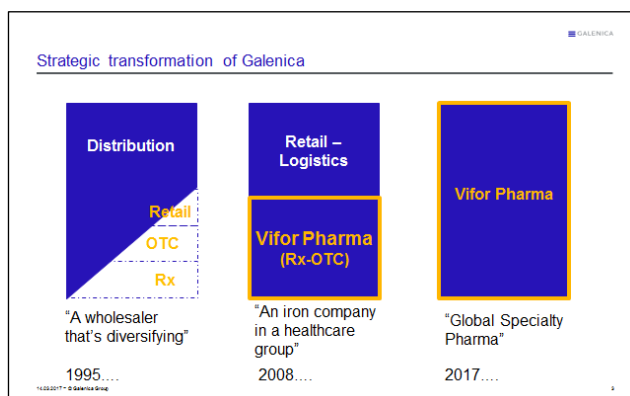
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I would like to start my presentation by giving a brief commentary on our performance in 2016:

- Profit was CHF 323.8 million
- Shareholders' equity rose 16.4% to CHF 2.3 billion

Excluding effects related to IAS 19 and the acquisition of Relypsa, which is in the process of launching the new product Veltassa[®], our profit rose by 13.5%, the 21st year in a row that we have reported like-for-like growth in profits. Once again, progress in two metrics.

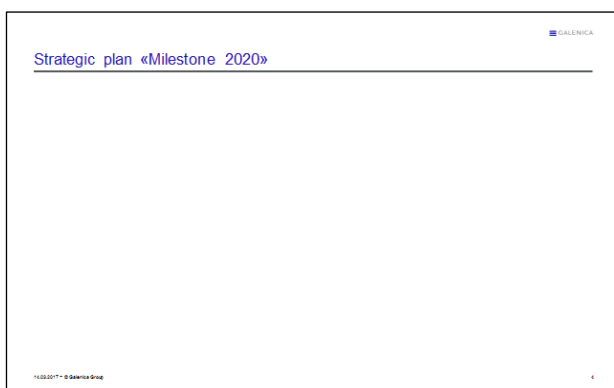
Felix Burkhard will be giving you more details shortly. This is a great performance, and unique in Switzerland (up 21 times in 21 years!).



However, the future and the strategic decisions taken are more important than the past. Over the past 21 years, Galenica has undergone a fundamental change, as the chart on the screen shows: We used to be a wholesaler. We have become mainly a pharmaceutical company with a chain of pharmacies integrated with products and services.

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Date 14 March 2017
Page 2/8
Subject Media Conference: Galenica – Galenica Group – Vifor Pharma Group



I am now going to present to you five fundamental strategic decisions taken by the Board of Directors as part of our strategic plan "Milestone 2020", which was implemented by the Board of Directors in July 2016 when we announced the acquisition of Relypsa.

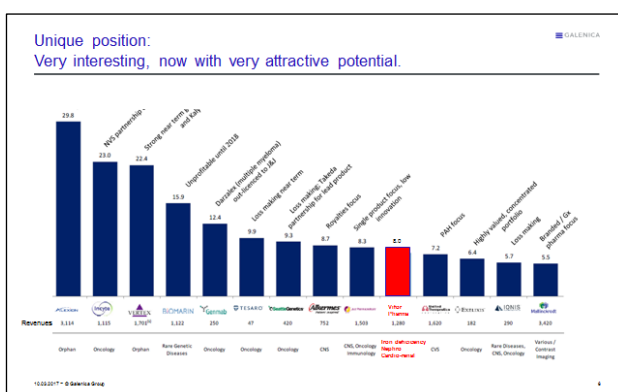
Decision no. 1:

The Vifor Pharma Group is going to invest CHF 850 million so as to have nine products on the market or being launched in 2020. This expenditure has already been included in our plans and was communicated to the market as each project was announced.



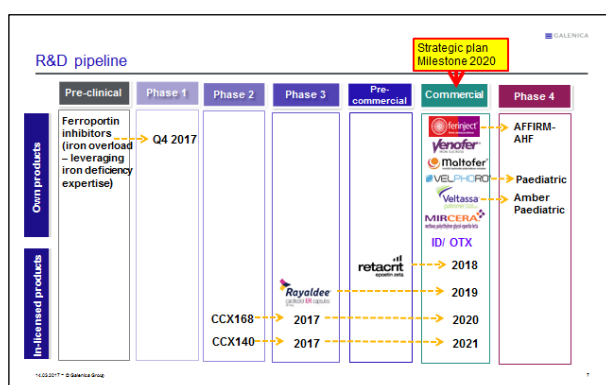
Over the three years 2017-2019, we will as planned invest CHF 600 million to launch Veltassa® in the USA. This will be supplemented in the same period by CHF 100 million in costs associated with the European launch of Veltassa®. Furthermore CHF 150 million will be invested to develop the new product RAYALDEE® (for treatment of Vitamin D deficiency) by US company OPKO Health and to accelerate the global sales of Ferinject®/Injectafer® and Velphoro® and the US sales of Mircera®.

Even without its new projects, Vifor Pharma was already an extremely attractive company. Annual growth of more than 10% was planned. The "Milestone 2020 Strategic Plan" aims to take Vifor Pharma to a new level in the global pharmaceutical companies market. Where the majority of companies are positioning themselves in oncology, Vifor Pharma offers a unique profile with very attractive potential: we are the world leaders in iron deficiency, will soon be first also in nephrology, and are moving into cardio-renal, where our prospects are very good.



In order to become a global specialty pharma company with its own commercial organisation in the USA, we announced to you in July 2016 the acquisition of biotechnology company Relypsa, based in Silicon Valley, California. This company is in the process of launching the innovative specialised drug Veltassa® I mentioned just now, intended for patients suffering from hyperkalaemia (too much potassium in the blood, which can be fatal), in the cardio-renal field.

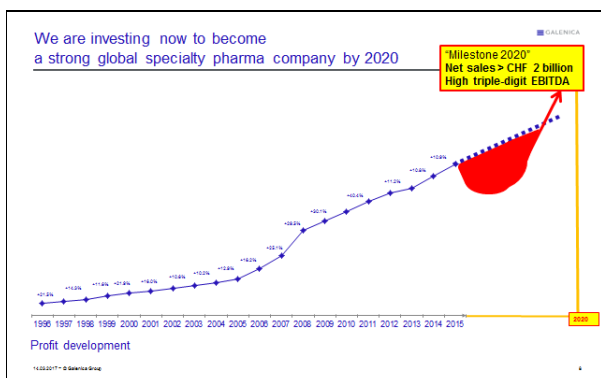
- Experts believe Veltassa® has the potential to achieve sales of CHF 1 billion (the US market alone is worth CHF 10 billion).
- Another advantage of the acquisition is that the Vifor Pharma Group will become a global company with a strong presence in the United States (including our products distributed by Daiichi Sankyo and Fresenius Medical Care).
- Relypsa will allow us to capture the potential synergies with our current products and add new medicines to our portfolio.



In 2020/2021, we will have a portfolio of nine products with exceptional potential, as the table shows:

The execution of “Milestone 2020” and the recent acquisition of Relypsa have major financial consequences:

- An investment of some CHF 1.5 billion we financed with bank debt and which we are keen to repay quickly.
- The costs associated with “Milestone 2020” will be financed from operations and will affect our profit as forecast and already announced for the years 2017 to 2019.



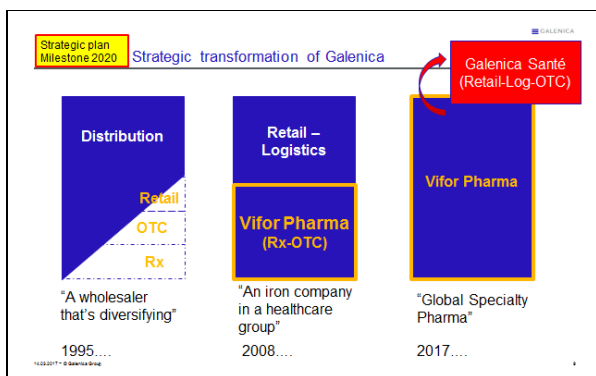
The table on the screen provides a very simple illustration of what we are doing:

- For 21 years the Galenica Group has been making uninterrupted progress, for two fundamental reasons:
 - Execution against a clearly defined strategy.
 - Management of exceptional quality at all levels.
- As a result of the acquisition of Relypsa and the strategic plan “Milestone 2020”, we have decided to make some important investments over the next three years to considerably speed up growth in profitability from 2020.
 - The costs, or the agreed reduction in our profit, are shown in red.
 - You can see the objective for 2020 in yellow: we must be well above the level specified in our medium-term plan without the measures under “Milestone 2020”. The objective is very ambitious: EBITDA is expected to reach a high triple-digit level in 2020.
 - The broken line in blue on the slide shows the trend in our profit without “Milestone 2020”.

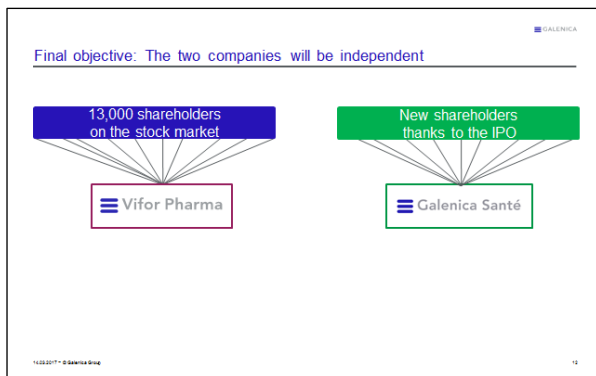
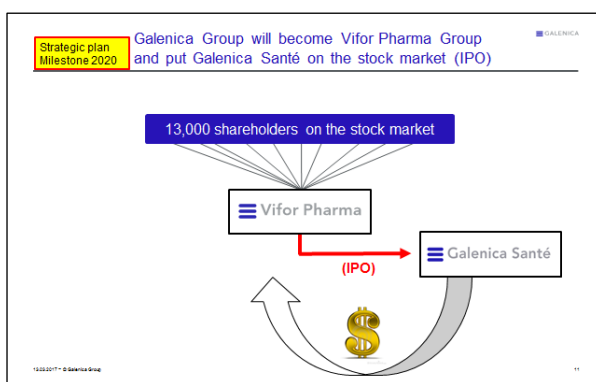
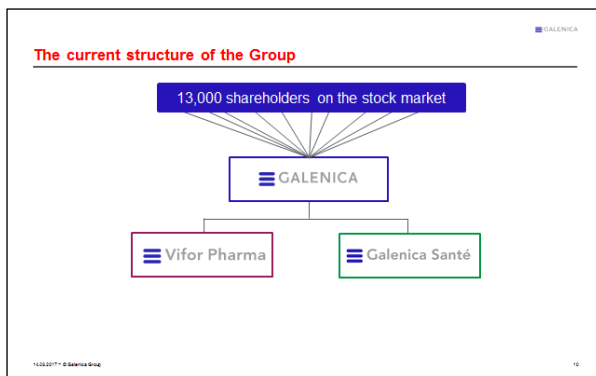
The broken blue line already justifies the value of Vifor Pharma. The aim of the “Milestone 2020 Strategic Plan” is to take the company to a new level in the world of pharmaceutical companies.

Decision no. 2:

In order to finance the acquisition of Relypsa and our projects and to strengthen ourselves, we have decided that the Galenica Group will float Galenica Santé on the stock market by way of an IPO.



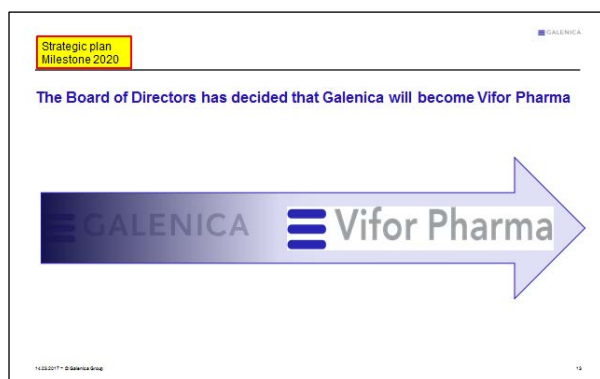
To optimise the opportunities for the two companies, we have decided to proceed as follows:



This is the ideal course of action for the following reasons:

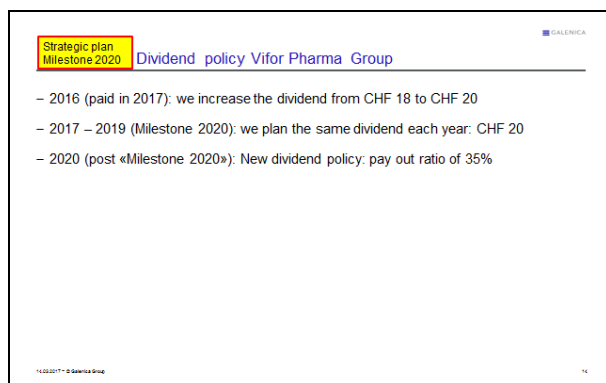
- The current shareholders of the Group are mainly interested in Vifor Pharma; they will remain shareholders of the Galenica Group, which will be renamed Vifor Pharma Group.
- Galenica Santé will have shareholders who are specifically attracted by the risk/return profile of Galenica Santé rather than that of the Vifor Pharma Group.
- The Vifor Pharma Group will be able to pay down all its debt and create reserves.
- The two companies, Vifor Pharma Group and Galenica Santé, will have very healthy balance sheets that will allow them to develop through internal growth and acquisition.

Decision no. 3:
The Board of Directors has decided to change the name of the Galenica Group to Vifor Pharma Group.



As I just indicated, we intend to propose to shareholders that the name Galenica be changed to Vifor Pharma, to make clear the reality of what our Group has become. The decision will be put to our shareholders on 11 May.

Decision no. 4:
We are setting a dividend policy to thank our loyal shareholders for their lasting support and demonstrate our confidence in our strategy and future.



As a sign of our confidence in hitting our objectives, we

- Note that the Galenica Group (the future Vifor Pharma Group) has consistently met market expectations for 21 years by increasing net profit each year over that period.
- Wish to give a very strong signal to our shareholders
 - By raising the dividend by more than 10% to CHF 20.00 in 2016, as our profit excluding Relypsa improved by more than 10%;
 - By announcing our intention to maintain the dividend at CHF 20.00 for the next three years from 2017 to 2019 and announcing that from 2020 onwards it should be 35% of Group net profit or, according to our targets, significantly more than CHF 20.00.

**Decision no. 5:
Aligning the Executive Chairman with shareholders: remuneration solely in shares blocked until 2020.**

For my part, I am showing my conviction in the strategy and my confidence in reaching our objectives by being remunerated solely in shares and keeping all my shares (past and future) blocked until 2020.



These five decisions send an extremely strong message to our shareholders. But personally, I think the message is also very positive for our partners, especially Fresenius Medical Care, Roche and Daiichi Sankyo, and also for our employees, as we wish to develop our Group and make use of all the assets we have! These measures will put us in an exceptional position with the following consequences:

- A balance sheet with no debt at a time when the company is launching new products and executing a full portfolio,
- The ability to carry out new acquisitions or new projects, as we have been doing consistently for 21 years,
- The ability to finance the dividends in 2017-2019.

We think the IPO of Galenica Santé should happen during the second quarter of this year, provided the market does not suffer any major turmoil.

And,

- We will change the name of the Galenica Group to Vifor Pharma Group.
- We will amend the articles of association as promised, i.e. we will drop the restriction on the transferability of shares and all shareholders will be treated as having the same rights.



Galenica Santé is an exceptional company, one we have created out of a wholesaler reserved solely for pharmacists. Galenica Santé is the only European wholesaler that has successfully managed the following:

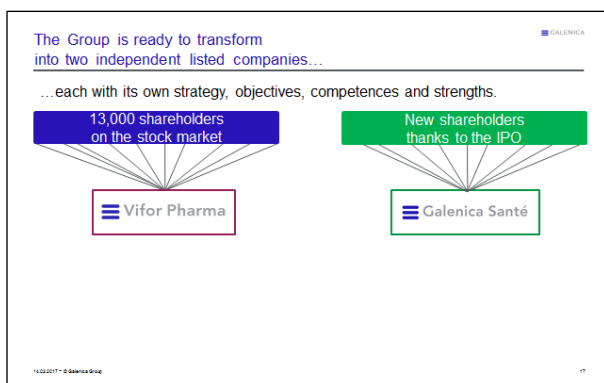
- Fundamentally transforming itself (opening up to physicians, hospitals, druggists, patients)
- Creating a chain of pharmacies with the largest market share in Europe and top-rate profitability
- Integrating and launching OTC and paracosmetic products
- While still remaining independent!

Every other important European wholesaler, without exception, has lost market share, lost profitability or become a subsidiary of a US group.

Galenica Santé has great potential:

- Because of the internal synergies it has,
- Because of the value the company can create thanks to its business model.

Galenica Santé has been created over the last 21 years. It has top-rate management and a highly motivated and skilled workforce.



Finally, allow me to step back a few months. During 2016 we identified several important challenges, which I will now summarise:

1. The need to strengthen the management of Vifor Pharma,
2. Finding the right replacement for the leading shareholder Sprint (25.5% of the share capital),
3. The need to acquire Relypsa to give Vifor Pharma a real global scale, with a presence and products in the USA,
4. And finally, optimising the market coverage of Galenica Santé by acquiring Pharmapool.

These were all met to our great satisfaction, in record time, once again demonstrating the entrepreneurial spirit and effectiveness of which the entire Group is capable. The Group is now ready to transform into two independent listed companies, each with its own strategy, objectives, competences and strengths.

We took four months to get into an exceptional position. It was worth the effort!

I will now hand over to Jörg Kneubühler, designated Chairman of Galenica Santé. You will then be hearing from Jean-Claude Cléménçon, designated CEO, and Felix Burkhard, CFO, who are going to talk to you about the objectives of Galenica Santé.

Before doing so, I would like to point out that I have been working with these three individuals for 21 years. Together, along with our wonderful teams, we created Galenica Santé. They are three friends who are fantastic people with irreproachable ethics and exceptional skills, who live and know our values and culture and are fully familiar with Galenica Santé. The Board of Directors and I myself have total confidence in them. They will be able to continue, and even develop, this amazing success story.

Thank you for listening.