

VISION, VALUES AND STRATEGY

VISION

_The Galenica Group is a diversified healthcare company with extensive experience and expertise across the market. Through its business activities, Galenica creates long-term value and benefits for customers, patients and business partners as well as for its staff and shareholders.

VALUES

_In pursuing its goals, the Galenica Group is guided by the following values:

_Long-term orientation: The Galenica Group focuses its activities on ensuring long-term economic sustainability. Galenica does not take a short-term profit-oriented approach.

_Innovation: Galenica believes long-term success will also be created by new pharmaceutical products, strengthening the existing product range, innovative services of the highest quality and continual upgrading of its infrastructure.

_Focus on success: Galenica is a success-oriented group that aims for high efficiency and profitability based on its own efforts.

_Flexibility: Galenica's Board of Directors and Corporate Executive Committee observe market trends, weigh opportunities against risks, and lay the groundwork early for a successful future by taking a flexible approach. They knowingly accept short-term fluctuations in results to generate value over the long term.

_Sustainability: For Galenica, economic performance is directly linked to its environmental and social responsibility.

STRATEGY

Review: From pharmaceutical logistics provider to international healthcare company

_Galenica was founded in 1927 by 16 French-speaking pharmacists who came together to create a central purchasing group. In 1938, Galenica laid the foundation for its current information management by developing a scientific documentation service. From 1957 onwards, Galenica diversified its core business through the targeted acquisition of several companies, such as Panpharma, a specialist distributor of parapharmaceutical products to pharmacies. In the 1970s, other acquisitions followed, notably that of Vifor and Cooper in 1977, and Laboratorien Hausmann in 1983, with a view to diversifying into hospital supply and non-prescription (OTC) medicines.

_In 1991, Galenica sold its hospital supply business to B. Braun (Germany) and decided to refocus its activities on distribution.

_In 1995, in response to the rapidly and fundamentally changing market conditions, the Group's management developed a new strategy based on a vision of turning Galenica into a healthcare player which, in Switzerland, is engaged in the entire value chain.

_Thus in 1996, Galenica expanded its distribution activities to all players in the Swiss market (pharmacists, but also dispensing physicians, drugstores and hospitals), set up eHealth companies and, with the creation of GaleniCare in 2000, laid the foundation for its pharmacy chains.

_In parallel, at the industrial level, the Group focused on niches and began to expand internationally in the area of iron replacement products initially produced by Laboratorien Hausmann. The latter were fundamentally redesigned and repositioned by the scientific team, and became Venofer® and Maltofer®. They were joined by Ferinject®, which was launched in 2007, as well as other projects, notably PA21 (phase III clinical studies) and VIT 91 (preclinical phase).

_The acquisition of the Canadian pharmaceutical company Aspreva Pharmaceuticals in 2008 and of OM Pharma in 2009 led to the creation of what is today a globally active, fully integrated and specialised pharma company, Vifor Pharma, with a rapidly expanding range of products and projects.

_Today, the name Galenica represents an internationally active, diversified group that develops, manufactures and markets pharmaceutical products around the world, and, in Switzerland runs pharmacies, provides logistical services and operates databases and networks.

Diversification in the healthcare market

_Galenica’s strategy aims to create long-term growth while distributing risk effectively. This allows it to mitigate the effects of slow periods in certain areas without jeopardising the entire Group. Thanks to its healthy diversification, Galenica is active in many different complementary areas creating synergies for the benefit of all partners in the healthcare industry.

_The Group strategy is based on two key elements: firstly, a consistent focus on one particular sector – the healthcare market – and secondly, a steady diversification of activities over time to achieve a manageable distribution of risk. Strategic decisions are always focused on the long-term development of the Group. Galenica strives for market leadership in all its businesses to be active along the entire value chain thereby gaining the greatest possible knowledge of its markets and their respective developments. It also seeks to forge links among the various players in the healthcare industry.

Two strategic areas of emphasis

_The Galenica Group focuses on two strategic areas: Specialty Pharma and Swiss HealthCare Services.

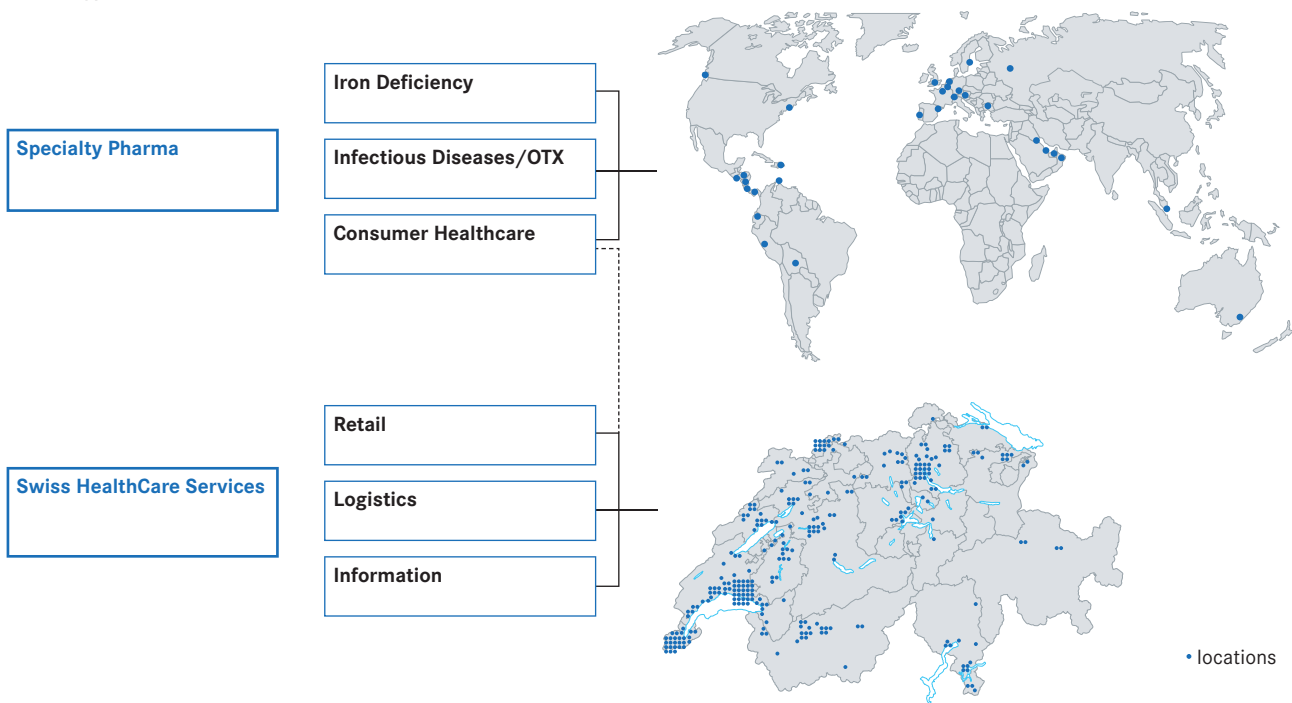
Specialty Pharma

_The core of Specialty Pharma is the fully integrated specialty pharma group Vifor Pharma. Vifor Pharma researches, develops and produces its own as well as incensed pharmaceutical products and markets them worldwide.

_Vifor Pharma has three key business areas: iron deficiency and iron deficiency anaemia, which accompanies a large number of diseases, the activities of the pharmaceutical company OM Pharma and its infectious diseases/OTX products (OTX drugs are Rx medications that are not reimbursed even if prescribed by physicians), and Consumer Healthcare, with a focus on OTC products.

_Vifor Pharma seeks to leverage its strengths and fully exploit the international potential of its products – particularly Ferinject® and Venofer® – and to enhance its leading international position. Vifor Pharma will achieve this through its affiliates in key markets and by strengthening current partnerships as well as establishing new partnerships with other leading companies. Vifor Pharma is also involved in the research and development of new products with global potential.

Strategy of the Galenica Group



_Iron deficiency. In many countries, intravenous iron replacement products are used by nephrologists to treat patients with chronic kidney disease who are undergoing dialysis. However, iron deficiency is also a symptom of many other diseases and intravenous iron is used for other indications: such as in cardiology to treat chronic heart failure, in oncology to treat anaemia in cancer patients, in gastroenterology to treat inflammatory bowel disease and in gynaecology to treat pregnancy-related anaemia. It is also used to treat pre-operative anaemia. This diversity in patient needs means that Vifor Pharma's iron replacement products have considerable market potential.

_Raising awareness in the international medical community of iron deficiency in indications outside dialysis is a high priority for Vifor Pharma. The ongoing development of scientific evidence supporting the use of Ferinject® and the evaluation of new opportunities in the treatment of iron deficiency in different therapeutic areas are therefore essential. Galenica is making significant investments in research, development and commercialisation to achieve these goals

_At the end of 2010, Galenica and Fresenius Medical Care, the leading global provider of dialysis products and services founded Vifor Fresenius Medical Care Renal Pharma. Once approved by the responsible antitrust Commissions, the new company will be assigned the global marketing rights to Venofer® and Ferinject® in the area of nephrology as well as all rights to PA21, a new iron-based phosphate binder. The creation of this new company is an expansion of the existing agreement between Vifor Pharma and Fresenius Medical Care to which Vifor Pharma brings its expertise in the field of phosphate binders and iron replacement therapy, in which the company is a global leader, and Fresenius Medical Care provides access to its network of dialysis centres, the largest in the world. This strategic partnership enables Vifor Pharma to concentrate on conducting further scientific studies with Ferinject® and promoting the commercialisation of the medication beyond the indication of nephrology to continue to expand the considerable market potential of these indications.

_Infectious diseases/OTX products. OM Pharma, which was acquired in November 2009, has unique expertise in the area of immunology. Its established product portfolio (infectious diseases/OTX) perfectly complements the existing prescription and over-the-counter businesses of Vifor Pharma. OM Pharma's strong sales partners in various foreign markets are helping Vifor Pharma to achieve its goal of internationalisation.

_Consumer Healthcare. In Consumer Healthcare Vifor Pharma plans to continue to make advances in various therapeutic areas, and is building on its strong position in the Swiss domestic market and its core brands to this end.

Swiss HealthCare Services

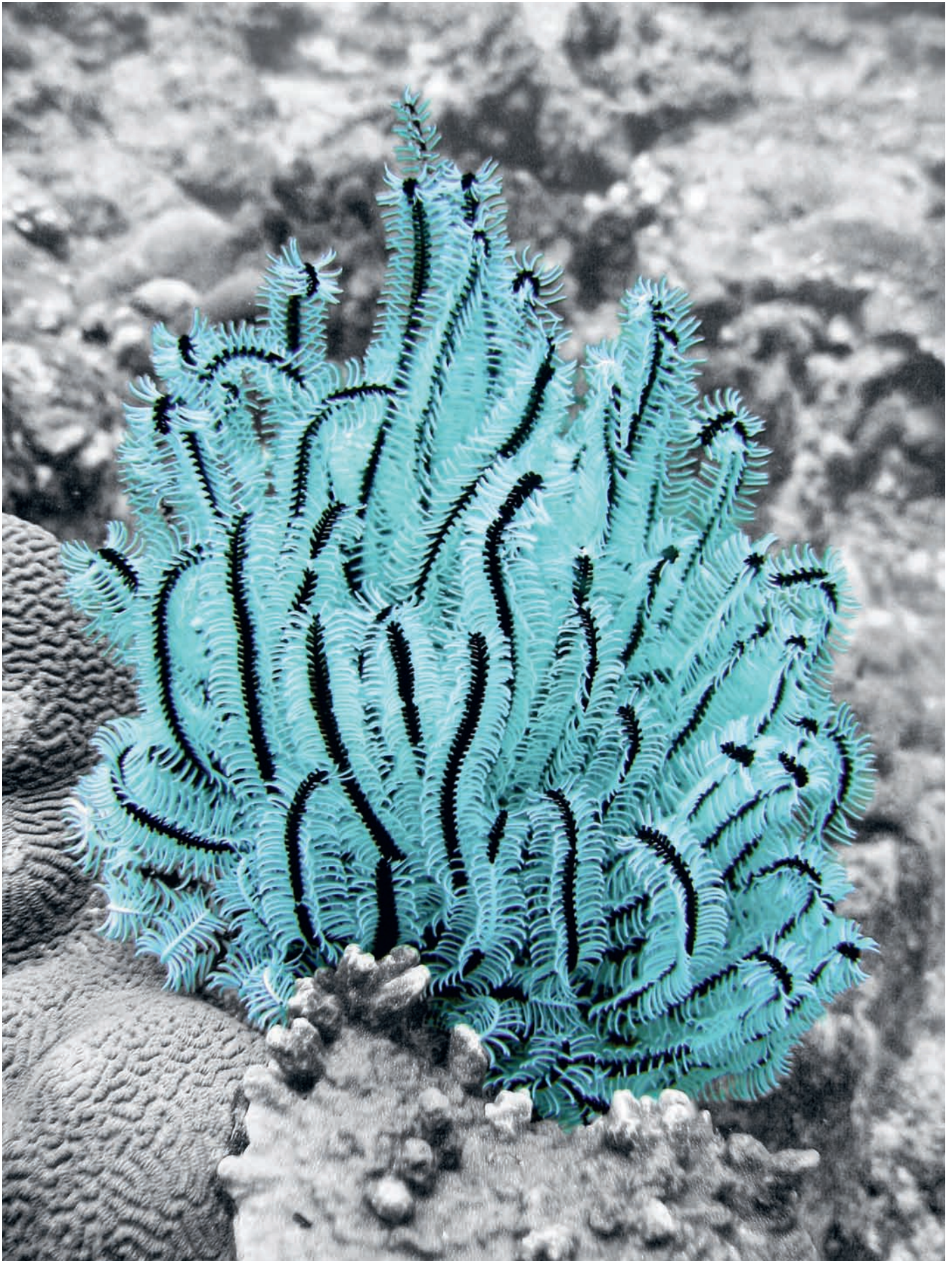
_The Group's second area of strategic focus, Swiss HealthCare Services, has a unique business model offering integrated services for the Swiss healthcare market. The driving force behind this model is the Retail business sector. It is represented by five formats that are positioned independently on the market: the Amavita and Sun Store pharmacy chains, the Coop Vitality joint venture, the speciality pharmacy MediService and Winconcept, the marketing organisation for independent pharmacists. The further expansion of the pharmacy network is of highest priority. Logistics and information management play important complementary roles and support both the businesses owned by Galenica and those of other players in the market. Their potential is therefore high and these activities are gradually being strengthened.

_Networked with all the players in the Swiss healthcare market. Thanks to its activities along the entire value chain, Galenica is able to develop and maintain relationships with all market players: pharmacists, physicians, druggists, hospitals, patients and consumers as well as suppliers. This provides Galenica with extensive knowledge of the market and its development.

_The strategic options that the company has developed in this area in recent years will allow the Galenica Group to offer its services in Switzerland on very advantageous terms in the future. Lean structures and rapid implementation of necessary measures will also contribute to the company's success.

Alliance Boots

_Since 1999 the Galenica Group has had a strategic partnership with Alliance UniChem Plc, today Alliance Boots. This strategic partnership is based on a contract that will remain in force until 2014.



Making use of one's surroundings

_What do you do when you want to reproduce but are stuck to the spot? Corals have found a solution: they use the surrounding water. The Australian springtime sees massive spawning on the Great Barrier Reef. When the length of the day, water temperature and phase of the moon meet specific criteria, the corals release vast quantities of eggs and sperm into the water. The rest takes care of itself.