

PRESS RELEASE

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Subject Galenica Group sales 2013

Galenica posts solid sales growth for 2013 and confirms double-digit growth in profit

The Galenica Group increased consolidated net sales by 2.0% to CHF 3,359.4 million in 2013, in a market environment characterised by intense competition and sustained pressure on prices in various markets. All business sectors made good progress on important projects. Galenica confirms its target of double-digit profit growth in 2013, taking into account one-time effects, for the 18th consecutive year, this both before and after deduction of minority interests.

Among the highlights for the Pharma business sector were US Food and Drug Administration (FDA) approvals for Injectafer[®] (the US brand name of Ferinject[®]) for the treatment of iron deficiency anaemia, and for Velphoro[®] (PA21) to control serum phosphorus levels in patients with dialysis-dependent chronic kidney disease.

Ferinject[®] grew in all therapeutic areas, and total sales rose to CHF 158.2 million (+24.5%). The number of units sold (100mg) increased by 37% worldwide, with particularly solid growth achieved in major markets such as France (23%), Germany (16%), Great Britain and Ireland (44%), Spain (21%) as well as Switzerland (13%). Much remains to be done in terms of raising the awareness of iron deficiency among healthcare professionals. It takes time to develop and expand knowledge in this area, which is why providing information on the significance of iron deficiency in the various therapeutic areas remains a top priority.

The Logistics, Retail and HealthCare Information business sectors also had a successful year. Highlights were the acquisition of Medifilm, a leading company in the field of blister packaging for medicines, as well as the acquisition of a minority stake in Bahnhof Apotheke Zurich, a pharmacy with an excellent position in the most heavily frequented place in Switzerland. Good progress was also made over the year on several projects introduced jointly by Logistics, Retail and HealthCare Information to increase effectiveness and efficiency.

2013 consolidated net sales of the Galenica Group (in million CHF)

	2013	2012	in %
Pharma	662.7	633.3	4.6
Logistics	2,118.2	2,102.3	0.8
Retail	1,245.7	1,189.2	4.8
HealthCare Information	39.8	47.1	-15.5
Net sales with other segments	(707.0)	(677.6)	
Galenica Group	3,359.4	3,294.3	2.0

PHARMA

Net sales in the Pharma business sector rose by 4.6% to CHF 662.7 million. Income from licensing fees from CellCept amounted to CHF 100.2 million (CHF 90.9 million in the previous year).

Vifor Pharma Rx

Solid growth for Ferinject®. Ferinject® grew in all therapeutic areas, with sales rising 24.5% to CHF 158.2 million. At the global level, the number of units sold (100 mg) grew by 37%. France (23%), Germany (16%), Great Britain and Ireland (44%) as well as Spain (21%) posted solid increases several years after the launch of the product, as did Switzerland (13%). Ferinject® was launched in six countries in the year under review. A cost-reimbursement agreement for the use of Ferinject® in hospitals was signed in Italy. Finally, new 1,000mg vials of Ferinject® were shipped to the German, Swedish and UK markets for launch in January 2014.

Strong continuing need to raise the awareness of the significance of iron deficiency. By the end of 2013, Ferinject® was registered in 58 countries around the world. It has already been launched in 42 markets; further launches are planned. Much remains to be done in terms of raising the awareness of iron deficiency among healthcare professionals. It takes time to develop and expand knowledge in this area, which is why providing information on the significance of iron deficiency in the various therapeutic areas continues to be a top priority.

Approval of Injectafer® in the USA. A highlight of 2013 was the approval of Injectafer® by the US Food and Drug Administration (FDA) in July 2013. The FDA approved its use for the treatment of iron deficiency anaemia in adult patients with an unsatisfactory response or intolerance to oral iron. Injectafer® is the first non-dextran intravenous iron therapy to receive FDA approval for the treatment of iron deficiency anaemia in a broad range of patients, regardless of the underlying cause. Injectafer® is also registered as a first-line therapy for iron deficiency anaemia in adult patients with non-dialysis-dependent chronic kidney disease (ND-CKD).

Venofer® maintains strong market position. Venofer® achieved sales of CHF 128.8 million (-9.8%) in 2013, the number of units sold however only decreased by 2.5%. Sales development was again impacted by price pressure in various markets and government-mandated price cuts. In several markets, sales were additionally affected by rival ISS (iron sucrose similars) products and by substitution with Ferinject®. In the USA, the new agreement between Fresenius Medical Care and Luitpold Pharmaceuticals, Inc. had a negative impact on sales, as did the optimised use of intravenous iron drugs in haemodialysis. In Europe, Venofer® maintained its leading position against ISS preparations.

Sales of other prescription products. Sales of other iron replacement products amounted to CHF 63.4 million (-3.9%). Maltofer® grew by 3.5% to CHF 52.6 million. Sales of other Vifor Pharma prescription products, which are mainly sold in Switzerland and Spain, increased by 2.2% to CHF 71.9 million.

FDA approval for Velphoro®. At the end of 2013, the FDA issued approval for Velphoro® (formerly named PA21) to control serum phosphorus levels in patients with dialysis-dependent chronic kidney disease (CKD). Velphoro® will be marketed in the USA by the partner Fresenius Medical Care North America and is scheduled to be launched in the first quarter of 2014.

Infectious Diseases/OTX

Sales of the Infectious Diseases/OTX franchise amounted to CHF 117.0 million (-2.0%) in total, the slight decline resulted predominantly from reducing inventory of Doxium[®] and Dicynone[®] at partners. However the sales of immuno-stimulant products posted significant year-on-year growth. This growth was driven in particular by Broncho-Vaxom[®], which saw sales increase by 10.1% to CHF 47.6 million. Contributory factors here were a new distribution partner in Russia and the good results achieved in Brazil. Global net sales of Uro-Vaxom[®] amounted to CHF 15.9 million (+6.7%).

Vifor Pharma Consumer Healthcare

Vifor Pharma Consumer Healthcare improved results significantly compared with the previous year. In 2013, global sales of OTC products increased to CHF 87.4 million, a rise of 11.6%. Sales in Switzerland rose by 12.7% to CHF 59.7 million and thus clearly exceeded the 4.2% market growth. The shift in strategy introduced in 2012 is paying off. Exports also developed positively, increasing 9.1% to CHF 27.7 million.

Third party manufacturing continued to expand. Sales rose by 22.1% to CHF 36.0 million in 2013. Tecfidera[™] (formerly named BG-12) was approved by the FDA in March 2013 as an oral therapy for multiple sclerosis. Manufacturing activities for Biogen Idec are going according to plan.

LOGISTICS

The Logistics business sector increased sales slightly versus the previous year, with an increase of 0.8% to CHF 2,118.2 million. The acquisition of new customers compensated for the effect of lower prices. The business sector also benefited from the expansion of its third party logistics service, a comprehensive offering that allows customers and suppliers to outsource both their bulk and dispersion logistics to Alloga, Galexis and Unione Farmaceutica Distribuzione. A number of suppliers and customers took advantage of this service in 2013. Significant economies of scale were achieved through the consistent exploitation of transport synergies within the business sector. In July 2013, Galexis acquired Medifilm, a leading company in the field of unit dose packaging for medicines. Hence, the range of services has been extended by a new, attractive offering.

RETAIL

The Retail business sector increased sales by 4.8% to CHF 1,245.7 million in 2013 (excluding Coop Vitality). The bulk of this growth is attributable to the further expansion of the own pharmacy network by twelve new locations. By now, the network consists of 312 pharmacies, including 145 Amavita, 104 Sun Store and 55 Coop Vitality locations. Like-for-like growth amounted to 1.6%, the business sector thus developed slightly above market growth of 1.0%. The addition of a group of seven pharmacies in the Biel-Bienne region increased the total number of Winconcept partners to 160. Due to the conversion of three Amavita partners into own Amavita pharmacies, the total number of Amavita partners decreased to a total of eleven. Price reductions in the Swiss pharmaceutical market continue to have a considerable impact. The Retail business sector compensated for these with increased customer traffic and service-related sales in the pharmacies.

Expansion of market presence. In July 2013, GaleniCare Holding AG acquired a 49% stake in the pharmacy Bahnhof Apotheke Zurich at Zurich's main railway station, thereby adding to its network a pharmacy that is highly successful and strategically very well positioned. With over 350,000 commuters and travellers passing through the station every day, Zurich's main railway station is the most heavily frequented place in Switzerland. In addition, the Amavita and Coop Vitality pharmacies ex-

panded their own-brand ranges. Customers have the advantage of being able to enjoy high-quality products at attractive prices as an alternative to brand-name products. The pharmacies of both formats benefitted from increased levels of recognition and market presence.

HEALTHCARE INFORMATION

Sales in the HealthCare Information business sector declined by 15.5% in 2013, to CHF 39.8 million. This was due to the absence of turnover from services following the sale of external ERP activities and a decline in the number of contracts concluded with the pharmaceutical industry for the Swiss Drug Compendium (Arzneimittel-Kompendium der Schweiz[®]) as a result of the new regulatory framework. The year under review saw the successful rollout of Documed's new system for regulatory drug information (Arzneimittelinformation Publikationsplattform Swissmedic, AIPS). Since only information required by law is being published in AIPS, HealthCare Information channelled considerable energies into persuading pharmaceutical companies to continue collaborating with Documed via the compendiumPORTAL, thereby contributing to drug safety.

GALENICA GROUP: CHANGE IN INVESTOR RELATIONS

As already announced in March 2011, Fritz Hirsbrunner will step down from his role as Head of Investor Relations at the end of February 2014 to concentrate on his mandate as member of the Board of Directors of Galenica. Jörg Kneubühler, CFO and Head of Human Resources of the Galenica Group, will take over responsibility for Investor Relations from March 2014.

Dates for the diary

The Galenica Group will present the results of the 2013 financial year to the media and financial analysts on 11 March 2014.

The Annual General Meeting will take place on 8 May 2014.

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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. The Galenica Group enjoys a leading position in all its business sectors – Pharma, Logistics, Retail and HealthCare Information. 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).*

For more information, please visit the company's website at <http://www.galenica.com>.