

## PRESS RELEASE

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### **Galenica increases sales again in 2014 and confirms growth in profit for the 19<sup>th</sup> consecutive year**

Galenica increased its consolidated net sales by 1.7% to CHF 3,416.3 million in 2014, this despite pressure on prices in all markets. All activities continued to grow in this challenging environment.

Following the decision of the Swiss National Bank to remove the CHF/EUR 1.20 floor, Galenica foreign exchange exposure stems mainly from the USD revenue of the Vifor Pharma Business unit. The foreign exchange exposure in the eurozone can be mitigated thanks to the network of own sales affiliates and purchases in the euro area countries.

Galenica confirms the 2014 profit target: Group net profit should increase on a comparable basis (without the positive one-time effects due to IAS 19 and settlement of an international tax case in 2013) for the 19<sup>th</sup> consecutive year, both before and after deduction of minority interests.

### **Vifor Pharma: further progress in the commercialisation of Ferinject<sup>®</sup>**

Vifor Pharma increased net sales in 2014 by a total of 6.6% to CHF 706.2 million.

Following the registration phase for Ferinject<sup>®</sup>/Injectafer<sup>®</sup> and the novel phosphate binder Velphoro<sup>®</sup>, commercialisation of these products now has top priority. Further progress was achieved with Ferinject<sup>®</sup> in particular in 2014:

- Growth in local market sales (IMS data, market sales of Vifor Pharma and partners) continued to accelerate. Global market sales (December 2013 – November 2014) totalled approximately CHF 250 million, an increase of 42%.
- At the global level, the number of units sold (100 mg) grew by 28%.
- Market sales in the USA increased by an average of more than 10% per month. In 2014, the USA already became the largest single market for Injectafer<sup>®</sup>/Ferinject<sup>®</sup>, with annual market sales of USD 50.5 million.
- Sales of Ferinject<sup>®</sup>/Injectafer<sup>®</sup> increased by a total of 19.0% to CHF 188.3 million for Vifor Pharma.

The novel phosphate binder Velphoro<sup>®</sup> was launched in the USA in March 2014 and in initial European countries in the fourth quarter following EU market approval at the end of August. In total, Vifor Pharma generated sales of CHF 14.9 million with Velphoro<sup>®</sup> in 2014.

### **Galenica Santé continues to grow in a stagnating market**

In a pharmaceutical and pharmacy market that is stagnating, Galenica Santé was able to generate slightly higher sales year-on-year of CHF 2,781.9 million (+0.6%), thereby gaining market share. Existing strengths should be built on and potential synergies increasingly harnessed. In light of this, the Retail and Logistics Business sectors in particular made more efficient use of infrastructure and optimised processes in 2014. The Galenica Santé offering was also expanded with innovative products and services. There are plans to transfer Vifor Pharma Consumer Healthcare activities that are primarily focused on the Swiss market into the Galenica Santé Business unit as a fourth Consumer Health Business sector by mid-2015.

## 2014 consolidated net sales of the Galenica Group

(in million CHF)	2014	2013	in %
<b>Vifor Pharma</b>	706.2	662.7	+6.6%
<b>Galenica Santé</b>	2,781.9	2,765.9	+0.6%
- Retail	1,251.2	1,245.7	+0.4%
- Logistics	2,130.9	2,118.2	+0.6%
- HealthCare Information	38.6	39.8	-3.2%
Galenica Santé intersegment net sales	(638.8)	(637.8)	
Intersegment net sales with other Business units	(71.8)	(69.2)	
<b>GALENICA GROUP</b>	<b>3,416.3</b>	<b>3,359.4</b>	<b>+1.7%</b>

### VIFOR PHARMA

Vifor Pharma continued to grow in 2014 and net sales rose by a total of 6.6% to CHF 706.2 million. The currency-adjusted growth rate was 7.5%. Income from licensing fees for CellCept amounted to CHF 91.8 million (CHF 100.2 million in the previous year).

**USA strongest sales market for Ferinject®.** The expansion of the leading iron replacement product Ferinject® continued, with growth in existing markets and new market launches in twelve other countries. In total, global sales of Ferinject®/Injectafer® at Vifor Pharma increased by 19.0% to CHF 188.3 million. These sales comprise own sales by Vifor Pharma sales affiliates and sales by partners, with Vifor Pharma receiving a share of partner sales.

However, the IMS data reflect the actual market sales development which continues to accelerate. Global market sales (December 2013 – November 2014) totalled approximately CHF 250 million, an increase of 42%.

The USA, where the product is branded Injectafer®, has now become the market with the strongest sales: in 2014, market sales rose by an average of more than 10% every month, which is a clear sign of continuously increasing acceptance of the drug. Annual sales in the USA were USD 50.5 million in 2014, resulting in net sales of CHF 15.6 million for Vifor Pharma.

The number of units sold (100 mg) grew worldwide by 28%. In particular Australia (355%), Great Britain and Ireland (34%), Spain (29%), Belgium (15%) and Germany (13%) posted solid increases. The number of 100 mg units sold in France declined by 26% due to the new regulatory restriction that intravenous iron replacement products can no longer be administered in medical practices, but only in hospitals. However, over the same period, sales volumes to hospitals have grown 170%, a clear sign that the transition from retail to hospital is taking place. Growth of 6% in the domestic Swiss market was once again pleasing, and illustrates very clearly the potential of Ferinject®.

Venofer® achieved sales of CHF 113.4 million (-11.9%) in 2014. In most regions, sales were again impacted by pressure on prices; however, the franchise grew in the Asia Pacific region.

**First sales of Velphoro®.** The new phosphate binder Velphoro® was launched on the US market in March 2014 by partner Fresenius Medical Care North America. Following market approval by the European Medicines Agency (EMA) at the end of August, the first launches took place in Germany and Portugal in the fourth quarter. In total, Vifor Pharma generated sales of CHF 14.9 million with Velphoro® in 2014.

At the end of November, Japanese partner, Kissei Pharmaceutical Co., Ltd., filed an NDA in Japan for PA21 (brand name Velphoro® in the USA, Europe and Australia).

**Infectious Diseases/OTX:** The immunostimulant product range reported strong sales growth of 8.3% to CHF 126.7 million. This was supported in particular by the performance of Broncho-Vaxom<sup>®</sup> (CHF 53.2 million, +11.8%) and Uro-Vaxom<sup>®</sup> (CHF 17.5 million, +10.0%).

**Challenging year for Vifor Pharma Consumer Healthcare.** Switzerland experienced the lowest level of flu incidence in the last four years in 2014, and the rainy summer impacted negatively key product Anti-Brumm<sup>®</sup> in particular. In spite of this, sales of OTC products in Switzerland were maintained at almost the prior-year level at CHF 59.6 million (-0.2%). Export sales were up 5.8% to CHF 29.3 million.

The third-party manufacturing business once again showed excellent results. Sales grew by 17.3% to CHF 42.2 million, driven by the production of Tecfidera<sup>®</sup> (Biogen Idec's oral therapy for patients with multiple sclerosis) and the production of Velphoro<sup>®</sup> for the USA and Europe.

**Net sales of Vifor Pharma Rx products:**

in million CHF	2014	2013	in %
<b>Intravenous (iv) iron replacement products:</b>			
Ferinject <sup>®</sup> and Injectafer <sup>®</sup>	188.3	158.2	+19.0%
thereof Injectafer <sup>®</sup> USA	15.6	NS	
Venofer <sup>®</sup>	113.4	128.8	-11.9%
<b>Other iron replacement products:</b>	60.2	63.4	-5.1%
thereof Maltofer <sup>®</sup>	50.5	52.6	-4.0%
<b>Phosphate binder:</b>			
Velphoro <sup>®</sup>	14.9	NS	
<b>Other Rx products:</b>	71.5	71.9	-0.4%
<b>Revenues and licence fee income:</b>			
CellCept, other	91.8	100.2	-8.3%

**GALENICA SANTÉ continues to grow in a stagnating market**

In a pharmaceutical and pharmacy market that is stagnating, and with an extremely mild flu season, Galenica Santé was able to generate slightly higher sales year-on-year of CHF 2,781.9 million (+0.6%), thereby gaining market share.

**Retail:** Price cuts in the Swiss pharmaceutical market continued to have a discernible impact, and an extremely mild rate of flu infections also had a negative effect on sales figures. Nonetheless, the Retail Business sector was able to increase sales by 0.4% in 2014, to CHF 1,251.2 million (excluding Coop Vitality). Sales loss due to price erosion on medications was offset by increased traffic and growth in high-priced specialty medications. In contrast to previous years, sales development reflects like-for-like growth with the number of consolidated pharmacies remaining stable at 254 locations. Altogether, thanks to new partners and six new Coop Vitality pharmacies, the pharmacy network added eight new locations, bringing the total to 491.

**Logistics:** Despite difficult market conditions, the Logistics Business sector increased sales by 0.6% to CHF 2,130.9 million. Once again, it was able to offset the government-mandated price reductions by gaining new customers and expanding the range. In particular, the vascular check was introduced

which gives pharmacy customers important information about the condition of their blood vessels within five minutes. In addition, Medifilm had started to run out of capacity, so a fourth production machine was installed.

**HealthCare Information:** In 2014, the HealthCare Information Business sector's sales declined by 3.2% to CHF 38.6 million. Most pharmaceutical companies have also decided to supplement information on their products in the Swiss Drug Compendium (Arzneimittelkompendium der Schweiz®). This testifies to increased acceptance of the Swiss Drug Compendium and the extension of its use.

**Consumer Health – a new Business sector at Galenica Santé.** There are plans to transfer Vifor Pharma Consumer Healthcare activities that are primarily focused on the Swiss market into the Galenica Santé Business unit as a fourth Consumer Health Business sector by mid-2015. This gives Vifor Pharma additional scope to focus on the global commercialisation of its key products and enables Galenica Santé to further expand its activities in the domestic Swiss market under the same management.

#### **Dates for the diary**

The Galenica Group will present the results of the 2014 financial year to the media and financial analysts on 10 March 2015.

The Annual General Meeting will take place on 7 May 2015.

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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. 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).*

*For more information, please visit the company's website at [www.galenica.com](http://www.galenica.com).*