

HOCHDORF Group Press Release: Shareholding brings HOCHDORF closer to the end user

Closing of the majority shareholding for Pharmalys

Hochdorf, 20 December 2016 – **With all pre-conditions met, the closing for the majority holding in Pharmalys Laboratories SA and in the jointly-founded Pharmalys Africa Sarl has been completed. HOCHDORF currently has a 49% holding in Pharmalys Tunisia SA. This means that the integration of these companies into the HOCHDORF Group can be completed by the end of 2016.**

With all conditions met, the closing of the HOCHDORF Group's shareholdings in the Pharmalys Group companies has been completed yesterday evening (Monday). This means that HOCHDORF assumes a 51% majority holding in Pharmalys Laboratories SA and in the jointly-founded Pharmalys Africa Sarl effective at the end of 2016. Only 49% of the shares are being acquired in Pharmalys Tunisia SA in a first step. The expectation is that the shareholding will likewise increase to 51% once the takeover procedure has been approved.

Forward integration strategy

The holding in Pharmalys is an important milestone towards meeting the Group's strategic objectives for 2020. By then HOCHDORF Group aims to develop into a globally active, profitable niche-market company with premium products. "HOCHDORF aims to move closer towards the end user and this majority holding in Pharmalys is an important step in this direction," says Thomas Eisenring, CEO of the HOCHDORF Group. Pharmalys is active in over 40 countries in the Middle East, Africa and Asia. HOCHDORF has been producing infant formula for Pharmalys since 2008.

On 29 November 2016, HOCHDORF Holding Ltd shareholders voted for a capital increase that was necessary for the majority shareholding as well as an increase to the transferability restrictions from 5% to 15%. Additional details relating to the Pharmalys transaction are available on the HOCHDORF Group website: www.hochdorf.com.

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