

HOCHDORF Group Press Release: Signing of agreement / Extraordinary General Meeting

HOCHDORF signs agreement on majority holding of Pharmalys Laboratories SA

Hochdorf, 25 October 2016 – The HOCHDORF Group has signed the purchase agreement to acquire 51% of Pharmalys Laboratories SA, 51% of Pharmalys Tunisia Ltd SA and 51% of Pharmalys Africa Sarl, which is to be founded jointly. The agreement takes the HOCHDORF Group a significant step towards the end consumer in the Baby Care business area. The acquisition is expected to be completed by the end of 2016.

The HOCHDORF Group has been producing infant formula since 1908, primarily for the Swiss market up to 2006, when HOCHDORF launched its successful internationalisation project. To date, however, the company has not been active on the end-consumer market. This will change with a 51% majority holding in Pharmalys Laboratories SA, Pharmalys Tunisia SA and Pharmalys Africa Sarl.

Historic step for the HOCHDORF Group

"By signing this agreement, we have met the legal objectives of the statement of intent," said a delighted HOCHDORF CEO, Dr Thomas Eisenring. Chairman of the Board of Directors, Josef Leu, explained: "This majority shareholding represents a historic step for the HOCHDORF Group – a step towards the end consumer." Amir Mechria, appointed CEO of Pharmalys, also spoke in terms of a huge development for Pharmalys: "This mutual shareholding allows Pharmalys to gain access to high-value Swiss products." Leu, Eisenring and Mechria all emphasised how the planned Kid's Food products will add great value to the close collaboration.

The acquisition of the shareholding is expected to be completed by the end of 2016.

Extraordinary General Meeting

HOCHDORF has been supplying the Pharmalys Group with infant formula since 2008. A close collaboration has developed over this period, with Pharmalys becoming one of HOCHDORF's biggest customers in the area of Baby Care. No significant changes are anticipated in the cooperation with the Pharmalys team. Amir Mechria is therefore also interested in HOCHDORF Holding Ltd shares and a share exchange. In order to be able to complete the majority shareholding, the HOCHDORF Holding Ltd Board of Directors is requesting a conditional capital increase to a maximum amount of 717,380 fully paid-in registered shares with a nominal value of CHF 10 and an increase to the registering and voting restriction from 5% to 15%.

The HOCHDORF Holding Ltd shareholders will decide on the amendments to the Articles of Association at the Extraordinary General Meeting of 29 November 2016. Invitations to the meeting will be sent out over the next few days.

Michiel de Ruiten's election as additional board member

The election of Michiel de Ruiten as an additional board member will also be recommended to the Extraordinary General Meeting. De Ruiten was responsible for developing the HOCHDORF Group's international business in infant formula between 2006 and 2014. Currently the CEO of the Zeelandia Group, which is active in 27 countries and has its headquarters in the Netherlands, de Ruiten is a proven expert in infant formula and would strengthen the Board of Directors in this important growth area.

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About the HOCHDORF Group

The HOCHDORF Group, based in Hochdorf, achieved a consolidated gross sales revenue of CHF 551.2 million in 2015. It is one of the leading foodstuff companies in Switzerland, employing 625 staff as of 31.12.2015. Made from natural ingredients such as milk, wheat germ and oil seeds, HOCHDORF products have been contributing to our health and wellbeing since 1895 – from babies to senior citizens. Its customers include the food industry and the wholesale and retail sectors. Its products are sold in over 90 countries. The shares are traded on the SIX Swiss Exchange in Zurich (ISIN CH0024666528).

About the Pharmalys Group

Pharmalys is a rapidly-growing concern and has been a HOCHDORF customer since 2008. The Pharmalys Group has a staff of more than 500 direct and indirect employees around the world. The company markets infant nutrition under the Primalac brand; it also markets infant nutrition and cereals under the Swisslac brand. Its products are available in 42 countries in Europe, Asia, Africa and the Middle East. Pharmalys Laboratories SA has its headquarters in Baar (Switzerland). Pharmalys Tunisia SA and Pharmalys Africa Sarl, which is still to be founded as part of a joint venture, are both located in Tunis (Tunisia).