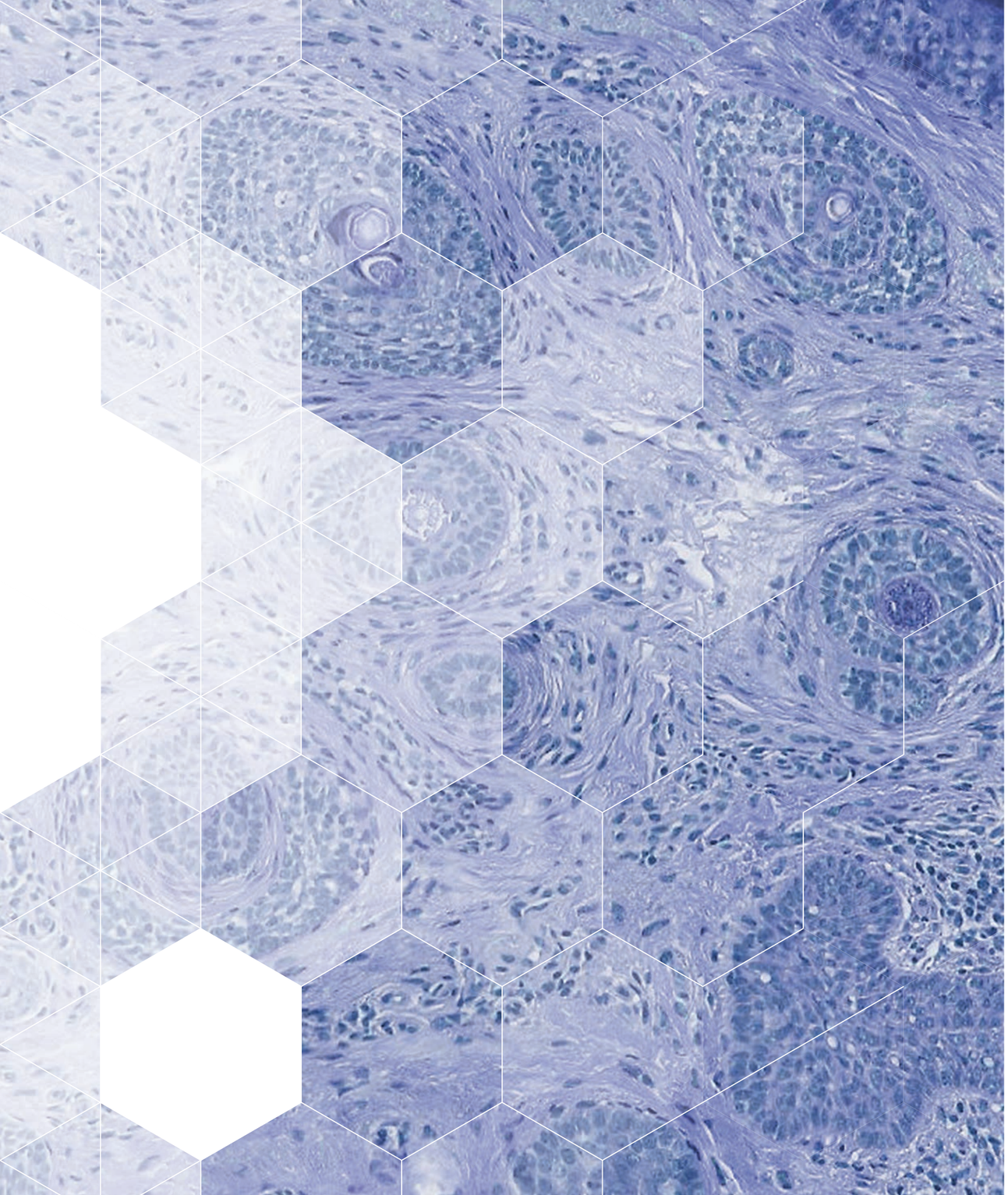
# Advancing dermatology through medical solutions

GALDERMA



# Galderma Yearbook

## 2015 edition

**GALDERMA CORPORATE SERVICES** - Tour Europlaza - 20, Avenue André Prothin - 92927 La Défense Cedex – France. www.galderma.com. This document has been prepared by the Corporate Communications Department.
**Executive director:** Stuart Raetzman - **Executive editor:** Sébastien Cros - **Senior editor:** Nadège des Closets - **Design and production:** Textuel La Mine. May 2015. Photos: B. Boissonnet/BSIP, Andreas Kuehn/Getty images, Franck Juery, Stewart Cohen/Capa Pictures, Yusuke Tadika/EyeEm/Getty images, Woraput Chawalitphon/ Getty images, Istockphoto, BSIP, Getty images, Jean-Lionel Dias, Uwe Krejci/Getty images, Maria Rosenlof/Plainpicture, Plainpicture, Graphic Obsession, Picture Tank, Yann Leborgne, Galderma, R.R. - Epiduo, Oracea, Differin, Clobex, Rozex/MetroGel, Mirvaso, Soolantra, Tri-Luma, Loceryl, Benzac, Cetaphil, Excipial, Daylong, Metvix, Azzalure, Restylane and Emervel are registered trademarks of Galderma. Dysport is a trademark of Ipsen.

# Galderma partners with healthcare professionals to provide innovative medical solutions to patients with skin health needs.

The Company's extensive product portfolio is available in 80 countries and treats a range of dermatological conditions including: acne, rosacea, nail mycosis, psoriasis & steroid-responsive dermatoses, pigmentary disorders, skin cancer and medical solutions for skin senescence. Strategic brands include Epiduo, Oracea, Differin, Mirvaso, Soolantra, Tri-Luma, Loceryl, Benzac, Cetaphil, Excipial,Daylong, Metvix, Azzalure/Dysport, Restylane and Emervel.



# Contents


**06** FOREWORD
**08** A HOLISTIC VIEW OF SKIN HEALTH
**10** EXECUTIVE COMMITTEE
**12** 2014 KEY FACTS
**14** 2014 KEY FIGURES
**16** THERAPEUTIC AREAS

**18** New needs, new solutions

**24** Driven by innovation

**25** RESEARCH & DEVELOPMENT
**28** PARTNERSHIPS
**30** PRODUCTION
**34** COMMUNITY
**37** HUMAN RESOURCES

**38** In sync with a changing world

**40** PRESCRIPTION
**42** SELF-MEDICATION
**44** AESTHETIC & CORRECTIVE
**46** GLOBAL GROWTH
**50** WORLDWIDE

# Innovation, our driving force for growth

At Galderma, our commitment to the future of dermatology means continually finding new ways to do things better. Whether we are developing new molecules in our research and development centers or streamlining business processes in our factories, innovation lies at every level of the company and within each and every one of us. What is more, innovation is what enables us to constantly provide new medical solutions and offer people everywhere a lifetime of healthy skin.

### The skin is the largest organ in the human body

As the external indicator of our wellness, healthy skin can have a positive impact on our well-being. We must focus not only on treating and restoring the skin to a healthy state, but also on maintaining it and enhancing its qualities. Our holistic approach to skin health allows us to stand out and to meet the full spectrum of people's dermatological needs.

### Our relationship with healthcare professionals is essential to this approach

We are constantly engaging with healthcare professionals around the world to understand their needs and the needs of their patients. Their needs guide us as we research and develop the most relevant medical solutions. Their needs also guide us as we invest in educational and socially responsible projects that advance the treatment of the skin, hair and nails. Our goal is to empower healthcare providers with the knowledge, tools and resources they need to maintain and enhance healthy skin and to treat and restore skin in need.

### Galderma is alert to changes in the skin health landscape

As a specialist company focused entirely on dermatology, we are fully aware of the many opportunities and challenges coming our way. The global phenomenon of ageing populations is set to test healthcare systems everywhere and increase the need and demand for products that sustain healthy skin.
We are ready for these changes. Indeed, the ability to adapt has always been an essential part of Galderma's identity. From our beginnings as a primarily prescription drug company, we evolved to include aesthetic and corrective medical solutions. We later anticipated the crucial role of Self-medication in facilitating patient access to reliable over-the-counter treatments. Looking ahead, thanks to our three business unit models, we are uniquely positioned to meet the growing skin health needs across the globe.

### Change continued to be a positive force for Galderma in 2014

Within Nestlé Skin Health, Galderma partners with healthcare professionals to provide medical solutions to patients with skin health needs. We strive to provide a complete portfolio of innovative products that allow professionals to meet the full spectrum of people's skin health needs. This means constantly broadening the scope of our solutions to supply more options. Instead of concentrating uniquely on prevention or treatment, we create new ways to maintain or to enhance skin health or conversely to correct or restore it to its healthy state.

### In 2014, we enriched our offer with several product launches

Our portfolio of treatments for rosacea was extended with the launch of Mirvaso and the U.S. approval of Soolantra. The roll-out of Daylong in more than 20 countries and the extension of the Cetaphil brand with the baby range came true in record time. The acquisition of Restylane, Perlane, Emervel, Sculptra and Dysport in the U.S. and Canada further reinforces our global leadership in aesthetic and corrective dermatology.

### In 2015, we continue building for the future

Our developments will be the backdrop for our continual focus on innovation, as we strive to optimize the skin's role as a protector, shield and facilitator of social interaction. By living up to this responsibility and delivering new medical solutions, we will continue improving the quality of life of people all over the world.



«

We aim to provide a complete portfolio of innovative products that meet the full spectrum of people's skin health needs over the course of their lives.

**HUMBERTO C. ANTUNES**
CHIEF EXECUTIVE OFFICER OF NESTLÉ SKIN HEATH, CHAIRMAN OF THE BOARD OF GALDERMA

«

The ability to adapt to emerging needs has always been an essential part of Galderma's identity.

**STUART RAETZMAN**
CHIEF EXECUTIVE OFFICER GALDERMA

# A holistic view of skin health

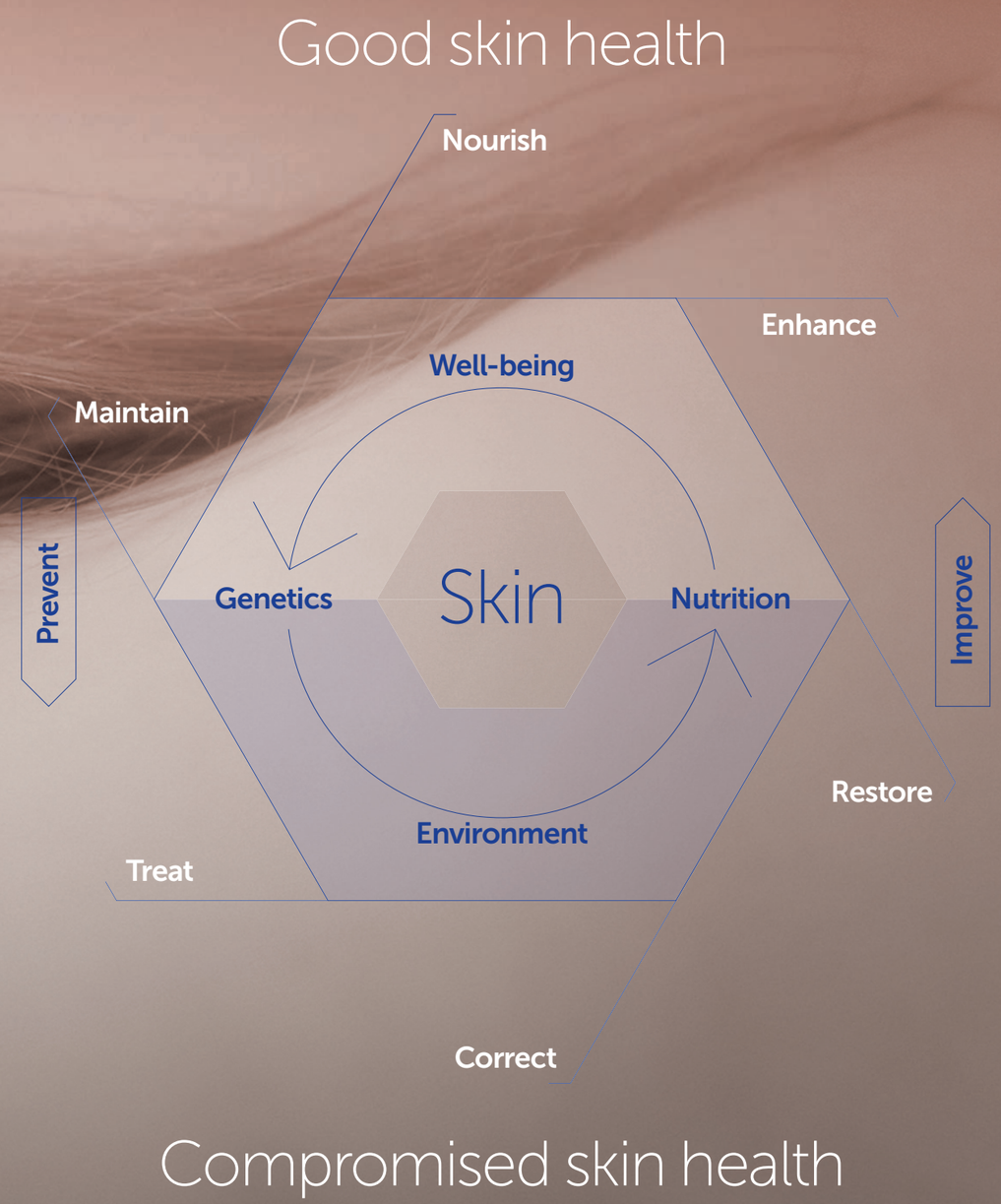
The skin is our largest organ. It protects us from harmful environmental factors, acts as an envelope for our body and can influence the way we interact with the world.

The skin was once paramount to the survival of the species, but our instinct has developed and now our skin serves more than just our basic needs. Healthy skin makes social interaction easier and can have a positive impact on our general well-being.

During our lives, our skin will cope with extremes of temperature and pollution. It will even say something about what we consume. Along with our hair and nails, it will mirror what is happening inside our bodies and reflect our overall health.

Today, as we live longer, our needs and expectations are changing. We want to look and feel good, and still play an active role in society. We want our ageing skin to overcome the challenges of time.

For the skin to meet these needs, we have to focus on maintaining, nourishing, and enhancing its qualities, otherwise on prevention, treatment, or correcting and restoring it to its healthy state.



# What is innovation?

*Stimulating and enabling the organization to create and capture new value through new products, services and capabilities.*

**TORSTEN KOSTER**
CHIEF FINANCIAL OFFICER OF NESTLÉ SKIN HEALTH

*It means constantly finding new ways to support and stimulate growth in a changing world.*

**VIVIANE MONGES**
FORMER VICE-PRESIDENT FINANCE & ADMINISTRATION AND CHIEF FINANCIAL OFFICER OF GALDERMA

*Innovation is the strength of Galderma, and it lies within each and every one of us.*

**STUART RAETZMAN**
CHIEF EXECUTIVE OFFICER OF GALDERMA

*We innovate through our unique holistic vision, treating every aspect of a patient's condition, at every stage of their life.*

**HUMBERTO C. ANTUNES**
CHIEF EXECUTIVE OFFICER OF NESTLÉ SKIN HEATH, CHAIRMAN OF THE BOARD OF GALDERMA

*Create the right conditions so that all employees can work together to generate new ideas which will bring added value to the organization.*

**CÉCILE DUSSART**
VICE-PRESIDENT MANUFACTURING & TECHNICAL OPERATIONS

*Keep adjusting to the realities of today's business – and you'll be a leader in innovation.*

**CHRISTIAN MATTON**
VICE-PRESIDENT CORPORATE GENERAL COUNSEL

*Analyzing and anticipating the global needs of people – and then answering them with real precision.*

**ALBERT DRAAIJER**
SENIOR VICE-PRESIDENT CONSUMER SKIN HEALTH

*Turning new ideas into real, accessible medical solutions.*

**ALAIN JACOT**
VICE-PRESIDENT SCIENTIFIC DIVISION

*It's about stimulating our teams' creativity – even in places you might not expect it.*

**ALAIN KIRSCH**
VICE-PRESIDENT HUMAN RESOURCES

*Innovation comes through our partnerships with scientific experts all over the world.*

**JANUSZ CZERNIELEWSKI**
VICE-PRESIDENT MEDICAL AFFAIRS

# 2014 key facts

Product innovation, significant new launches and steady geographic expansion are the three pillars of the company's consistently strong performance.

## Nestlé Skin Health is born

**Nestlé Skin Health, a global leader** in science-based skin health, was created, with Galderma naturally assuming the role of medical solutions provider within the newly-formed Group.

## New innovation network

**The creation of SHIELD, a network of innovation hubs** around the world, was announced to foster interaction between healthcare professionals, and help create new solutions.

## International expansion

**Continuing its international growth,** Galderma opened new affiliates in Thailand and Slovakia.

## Rosacea range extended

**Galderma's product portfolio of medical solutions for** rosacea patients was expanded following FDA approval of Soolantra, and the launch of Mirvaso.

## Extensive launch for Daylong

**Daylong sunscreen products** were launched in 20 countries, helping safeguard the skin of millions of people against damage caused by ultraviolet rays.

## A&C global footprint expands

**In the U.S. and Canada,** Galderma acquired the full rights to distribute Restylane, Perlane, Emervel, Sculptra and Dysport.

## New baby product line

**The Cetaphil brand was extended** with the addition of Cetaphil Baby, a global skin care product line for babies.

## Benzac in the US

**Benzac Acne solutions,** approved by the FDA, became Galderma's first Self-medication acne regimen in the U.S.

## Community awards

**Designed to help grow the dermatology community**, the Galderma SKIN PACT awards were launched to recognize initiatives that advance the field of skin health.

## New clinical programme

**Developed by Galderma's R&D,** the molecule trifarotene was granted FDA orphan drug status for the treatment of congenital ichthyosis, and a clinical program was launched.

## Residency training worldwide

**Following Euroderm Excellence's decade** of success, Galderma's prestigious training programme for young residents was extended to Latin America and China.

## Design prize

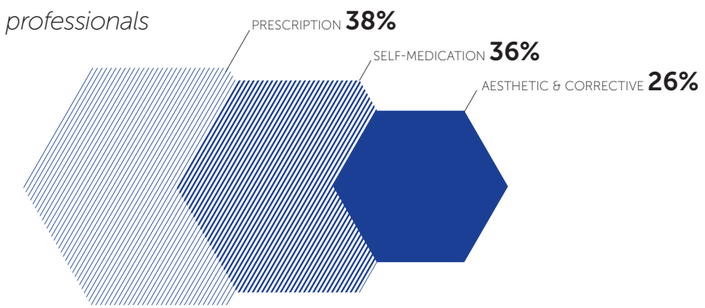
**The SmartClick system**, which helps physicians inject Restylane Skinboosters by providing an audible click, won a prestigious Red Dot design award.

# 2014 key figures

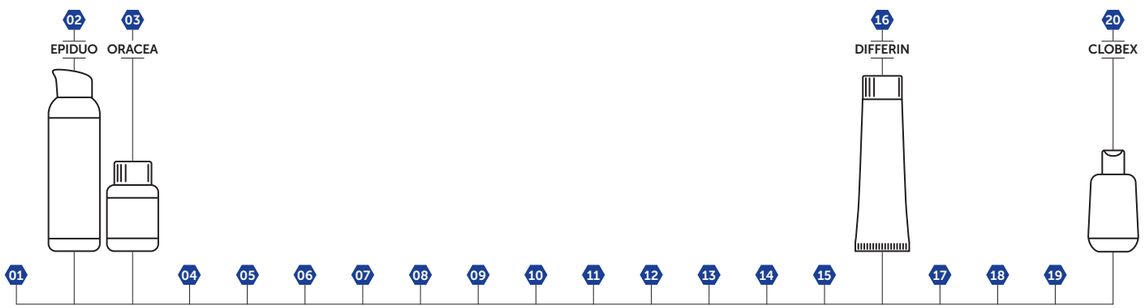
With three core businesses and a global approach to skin health, meeting a full range of dermatological needs, Galderma's various activities leverage the company's powerful research and innovation capacities.

## **3 business units** *to serve healthcare professionals*

**Medical solutions of scientifically proven efficacy** are the cornerstone of these three businesses: Prescription, Self-medication and Aesthetic & Corrective medical solutions.




## **4 products in the Top 20** *on the dermatology market**



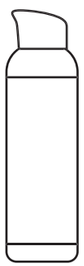

*Source : IMS MIDAS Panel D+J1a+J2a (prescription dermatology), value at manufacturer price, 42 countries, Full year 2014.*

**5**
R&D centers worldwide in France, Switzerland, Sweden, U.S. and Japan.

**23**
ongoing Phase IV studies involving 6,905 patients in 15 countries.

**311**
new regulatory approvals in 2014.

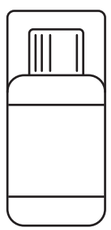
## **Leading medical solutions** *to meet dermatological needs*



### Epiduo

**#1**

Epiduo firmly established as the #1 prescribed topical prescription treatment for acne worldwide.



### Loceryl

**+10%**

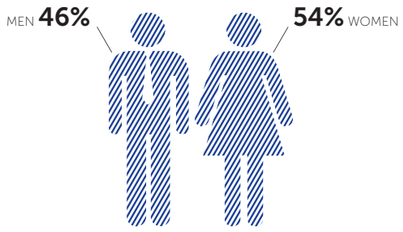
Made accessible to even more patients with nail health needs, Loceryl again showed solid growth in the Self-medication category this year.

### Restylane

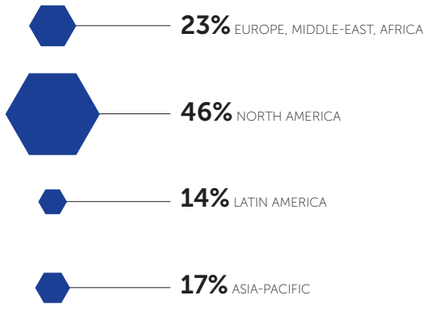
**20,000,000**

Restylane has been on an incredible journey since it was first launched in 1996, and is now celebrating 20 million treatments performed worldwide.

## **5,500 employees** *in more than 80 countries and 34 affiliates*




## **Split by geographic area**




**55**
new patent applications in 2014.

**75%**
of total production is internalized.

**200**
million units manufactured in 2014.

**6**
manufacturing sites worldwide: France, Canada, Sweden, Switzerland, Germany, Brazil.

# Therapeutic areas

From acne to psoriasis, non-melanoma skin cancer to onychomycosis, the list of skin, hair and nail disorders is extensive. Each of these conditions has the potential to be physically and emotionally damaging to a growing number of people.

## Acne

Acne is a chronic inflammatory skin disease of the pilosebaceous gland, linked to changes in hormone levels. It mainly affects adolescents and young adults.

## Onychomycosis

Onychomycosis (or nail mycosis) is an increasingly common disorder, accounting for 20% of all nail diseases, affecting around 10% of the world population.

## Skin Cancer

Skin cancers refer to melanoma and non melanoma skin cancers (NMSC). Galderma's focus is on NMSC including actinic keratosis (considered as pre-cancerous lesions), basal cell carcinoma (BCC) and intra-epidermal squamous cell carcinoma (Bowen's disease). Galderma develops solutions for the prevention and treatment of NMSC.

## Rosacea

Rosacea is a chronic inflammatory skin condition characterized by facial redness, which is firstly intermittent but then becomes permanent, associated in some cases to papulopustules.
Other rare forms of rosacea include rhynophyma and ocular rosacea.

**1.5 billion**
people aged between 15 and 45 suffer from acne in some form – slight, moderate or severe [1].

**14%**
of the population of North America suffers from onychomycosis [2].

**1 in every 3**
cancers diagnosed is a skin cancer [3].

**1 in 10**
people suffers from rosacea, though the incidence of the disease varies across the globe [4].

Sources: (1) Kantar Health in 2011-2012 in the US, UK, France, Germany, Brazil. (2) Ghannoum MA et al., J Am Acad Dermatol. 2000. (3) World Health Organization, last accessed May 2015. (4) Culp B, Scheinfeld N. Rosacea: A review. P T. 2009 - National Health Institute: Rosacea (nhs.co.uk, last accessed May 2015)



## Rare skin diseases

Galderma is currently exploring the treatment of some rare skin diseases, such as congenital ichthyosis including lamellar ichthyosis, and Cutaneous T Cell Lymphomas and Gorlin Syndrome.

## Skin senescence

Skin aging is caused by the passage of time, but also by chronic UV exposure (actinic damage).

## Psoriasis and other steroid responsive dermatoses (srd)

Psoriasis is a chronic, inflammatory skin disorder characterized by red, scaly and sometimes itchy patches Atopic dermatitis, also known as atopic eczema, is an inflammatory relapsing itchy skin disease associated with xerosis, which mainly affects children.

## Pigmentary disorders

Pigmentary disorders are characterized by an increase or decrease in skin pigment. Melasma (commonly known as the pregnancy mask) is the most frequent disorder.

**1 billion**
of the global population will be over the age of 60 by 2020. All will face skin deterioration as a result of the natural ageing process [6].

**3,000**
or more skin diseases are thought to exist, more than for any other organ of the body [5].

**63%**
of patients say psoriasis impacts their overall emotional well-being [7].

**4th**
is where skin conditions rank on the list of leading causes of non-fatal burden expressed as years lost due to disability (YLD) in 2010 [8].

Sources: (5) EDF White Book. (6) United Nations, last accessed May 2015. (7) National Psoriasis Foundation – 2009. Psoriasis patients panel survey. (8) R.J. Hay et al., The Global Burden of Skin Disease in 2010.

# New needs, new solutions





As the world changes, Galderma is changing with it. Over the next ten to twenty years, there will be an unprecedented shift in global demographics, with new needs arising in existing and emerging markets. By closely following these trends, we anticipate future dermatological needs. And by focusing our efforts on patients all over the world, we uncover new ideas to transform the way people look and feel.

**DELPHINE KEROB**
MEDICAL AFFAIRS DIRECTOR

Age-related skin changes place older adults at risk for a variety of dermatologic problems, ranging from xerosis, or dry skin, to skin cancers.

First and foremost among the demographic challenges we are facing is that of an ageing population. In the world, the senior population (aged 55-74) will be the fastest growing age group for the next ten years.
By 2047, people aged 60 and over will outnumber under-16s for the first time. This will put enormous pressure on social and healthcare systems, with health reforms already a major political issue in mature markets. Between now and 2020, global health spending is expected to rise by 5.8% annually.
In terms of dermatology, the ageing population will greatly increase the demand for skin health care in three main ways. First, it will increase the prevalence of age-related skin diseases. Second, it will create a demand for healthier ageing through prevention and maintenance. And, finally, it will nourish a desire for aesthetic and corrective care to maintain a youthful appearance.
Guided by a holistic vision of skin health, Galderma is preparing to act on all three fronts, strengthening its relationships with healthcare professionals to provide medical solutions that treat, prevent, maintain, enhance and restore the skin. Above all, this new dynamic means Galderma will increasingly become a lifetime care provider, working with physicians to maintain skin health over the entire course of people's lives.

## Focusing on disease

As the first line of defence against many illnesses, the skin plays an essential role in disease prevention. As we grow older, our skin is less able to retain water, leaving it drier, thinner and less elastic – and thus more susceptible to irritation and infection.
Dryness of the skin, known as xerosis, affects one in two people over the age of 65, and can lead to pruritus (itching), eczema, and poor wound healing.
Non-communicable diseases, such as diabetes, cancer and Alzheimer's, are also more common in older people, with the incidence of diabetes among 60-79 year olds expected to almost double to 196 million by 2030. Furthermore, the symptoms and treatments of these diseases can induce skin-related problems, such as diabetic foot infection, onychomycosis (nail fungal infection), hyperkeratosis (lesions and corns), and drug-induced dermatosis.
Skin cancer is expected to become more prevalent in the coming years, with 82% of non-melanoma skin cancer cases occurring in people over 60 and the pre-cancerous condition, actinic keratosis, affecting up to 50% of those over 70. Globally, skin cancer today represents one in every three cancers diagnosed.
For Galderma, building stronger links with the healthcare community is essential in tackling the challenges of age-related disease.
Our partnerships with authorities, academic institutions, organizations and physicians are designed to find novel ways to prevent and treat diseases, especially serious and rare diseases with needs that are currently unmet. These partnerships also help to raise awareness and educate the public about prevention.
The effective use of sunscreen is proven to reduce the risk of skin •••

cancers, and poorly-healing wounds in the elderly can considerably benefit from better management of the skin. Such preventative action will be key to relieving clinical services in the future as the number of patients grows.
At the same time, we are building new product segments, providing more options to patients, and our R&D teams are investigating alternative ways to address disease, such as the launch of Metvix Daylight, a topical treatment for actinic keratosis (see page 26).
We are also adapting clinical trials to cover older age groups, establishing the efficacy of new products across a more relevant sample of tomorrow's population.

### Responding to local needs

With this tectonic shift underway, skin health as a medical specialty is receiving a lot of attention, and Galderma is spearheading this change. Partnering with the healthcare community is at the heart of our approach and is essential to understand and respond to patient's needs. Skin health is a global concern with local specificities. With our three Global Business Unit model now in place at every level of the organization, and specifically-adapted strategies for each product range, we are organized to deliver a synergistic portfolio of solutions across the three segments, taking local needs and regulations into consideration. In acne for example, we are uniquely positioned to deliver groundbreaking prescription drugs, giving healthcare professionals new and effective options, while - when the market allows - increasing access to treatment by offering Self-medication solutions built on our scientific expertise and medical heritage. Galderma provides dermatologists, general practitioners, pharmacists and any healthcare professionals treating patients with skin health needs, with a wide range of both prescription and Self-medication options that they can prescribe or recommend with total confidence.

### Growth of aesthetic dermatology

With the global over-60 population set to grow to 1 billion by 2020 [1], there will be an increasing market for solutions that help people to continue looking and feeling good – and, today, the elderly have the financial means to pay for such aesthetic treatment. In Britain, for example, three-quarters of the country's wealth is held by 34% of its over-50 population, and in the U.S., the over-50s hold 77% of the country's total net worth [2]. This rise in wealth is not limited to developed countries, with around 80% of the world's middle class set to live in emerging countries by 2030. These trends are driving strong growth in the Aesthetic & Corrective dermatology category, and Galderma is well positioned to meet this demand, with our A&C brands currently growing two to eight times faster than the market. Our Global Aesthetic Center of Excellence in Uppsala, Sweden is preparing the future of fillers and other corrective treatments. As well as investigating the next generation of hyaluronic acid platforms, we are researching

## Antibiotics: a new vision

### Acting now for a future generation of patients

As part of our commitment to fighting antibiotic resistance, Galderma both actively promotes awareness of the cause and strives to eliminate antibiotics from our portfolio whenever safe and effective alternatives exist. The threat of antibiotic resistance has become a global problem, with the G7 recently labelling it a "major health security challenge of the 21st century" and President Obama summoning a special Task Force in the U.S. to help curb rising resistance rates.

### Focused on safe alternatives

With propionibacterium acnes and other bacteria showing increasing resistance to antibiotics, Galderma decided to stop the commercialization of topical antibiotics for acne. Instead, we are focusing on alternatives such as topical retinoid and benzoyl peroxide combinations. In 2014, we became the first dermatological organization to join Get Smart About Antibiotics Week, the U.S. government's event to raise awareness of antimicrobial resistance.

1
**BILLION PEOPLE WORLDWIDE** WILL BE AGED OVER 60 BY 2020 [3].

3.2
**BILLION PEOPLE** WILL BELONG TO THE GLOBAL MIDDLE CLASS BY 2020, COMPARED WITH 1.8 BILLION IN 2010 [4].

95%
**OF THE WORLD'S 1.4 BILLION NEW INHABITANTS** OVER THE NEXT 20 YEARS ARE EXPECTED TO BE BORN IN ASIA AND AFRICA [3].

1 IN 3
**CANCERS** DIAGNOSED IS SKIN CANCER [5].

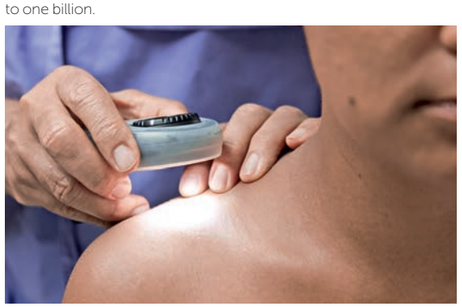
80%
**OF PATIENTS** RECEIVING CANCER TREATMENTS EXPERIENCE DERMATOLOGICAL SIDE EFFECTS [6].

Sources:
(1) United Nations DESA Population Division
(2) Michael Hodin, " The Silver Economy's Golden Opportunity", www.thefiscaltimes.com/Blogs/Age-Reason/2015/01/07/Silver-Economy-s-Golden-Opportunity
(3) U.N. Population Prospects, The 2010 Revision
(4) OEDC Development Centre, The Emerging Middle Class
(5) World Health Organization
(6) Consensus Statement of the Delegates of the 2014 Manchester Summit

**DIDIER LECLERCQ**
MANAGING DIRECTOR
SHIELD NETWORK

Innovation is the result of the convergence and intersection between devices, procedures, drugs and techniques created and used in different domains.

By 2024 our aim is to grow the number of people we serve from 200 million to one billion.



lipolysis and new technologies for skin rejuvenation and tissue regeneration. Furthermore, patient demand for more strictly regulated product approvals and marketing of facial fillers is likely to favor evidence-based companies like Galderma.

### Closer links with physicians

As the demand for dermatology services increases, the role of healthcare professionals will evolve. General practitioners, pediatricians and geriatricians will be expected to deal with more mild to moderate skin conditions, as well as skin infections. Dermatologists, meanwhile, will increasingly be in demand. There will be a real need to recruit new skin health professionals, especially in the light of recent research suggesting the number of dermatologists per capita will decrease by 0.7 % annually between 2005 and 2040 in the United States [1].

Within this community, Galderma will continue to invest in building closer links with and between healthcare professionals. In 2014, we were a partner at the Manchester Summit on Active Ageing and Healthy Skin, an international gathering that united global ageing and dermatology experts for the first time, including the International League of Dermatological Societies and the Global Coalition on Aging This summit addressed the vital role of healthy skin in the ageing process, seeking to align medical, business, government, NGO and academic communities to create common strategies for the future. As a result of discussions at this event, a consensus statement was released by participants to jointly further global leadership in skin health through partnerships and interdisciplinary collaboration focused on research, education, innovation and communication. Following the Manchester Summit, we announced the launch of SHIELD (Nestlé Skin Health Investigation, Education and Longevity Development), a global network of innovation hubs to help healthcare professionals promote a healthier approach to skin ageing (see page 23).

### Future flexibility

Looking ahead, new technologies will play an ever-increasing part in tomorrow's healthcare world with new practices that will continue to strengthen direct links between patients and healthcare professionals. Within this relationship, Galderma will continue to build on its role as a long-term partner for physicians and a lifetime care provider for patients.

By 2024, our aim is to grow the number of people we serve from 200 million to one billion. This will mean offering our services in more regions around the world and continually creating and adapting products to local needs. As the world changes, Galderma is changing with it, and these changes will ensure that people everywhere benefit from healthy skin over their lifetime.

(1) Dermatology market overview – August 2013 – HarrisWilliams & Co

## FOCUS ON SHIELD

## AN ESSENTIAL NEW RESOURCE FOR HEALTHIER AGEING

**Galderma is part of a global network of innovation hubs,** set up through Nestlé Skin Health, that will serve as a forum to develop solutions and techniques for healthier skin ageing. These Skin Health Investigation, Education and Longevity Development centers will offer healthcare professionals a unique ecosystem to interact with each other and create new solutions to promote a life course of healthy skin. The initiative follows on from the 2014 Manchester Summit on Active Ageing and Healthy Skin, in upholding the vital role of healthy skin in the aging process.

**The first hub** will open in New York in 2015. Other sites in Asia, Europe and Latin America will be opened shortly.

**The SHIELD initiative** is conducted in partnership with The Global Coalition on Aging.

# Driven by innovation

## Research and Development

Built on a common innovation platform serving all three GBUs, Galderma's R&D is continually dedicated to finding new medical solutions, offering physicians more options and offering patients a better quality of life.

**PHILIPPE ANDRES**
EVALUATION & COMMUNICATION DIRECTOR – SCIENTIFIC DIVISION

We are maintaining our leadership in R&D by continually delivering differentiated products through innovative science-based research.

At R&D, innovation is not just an end product or a technology. It is omnipresent in all our actions. Driven by a holistic vision of skin health, our research teams strive to treat and restore, nourish and enhance the skin in more efficient, more effective ways.

### Focusing our research

Today, our priority in terms of R&D is to address the medical conditions that are most significant in terms of severity and prevalence around the world. These include non-melanoma skin cancer, atopic dermatitis, severe acne and inflammatory processes in the skin. We also concentrate our research on emerging needs in Self-medication and Aesthetic & Corrective dermatology. As our internal expertise covers every stage of product development, we have the flexibility to integrate R&D projects at any moment in the innovation cycle.

### Clinical studies

In 2014, clinical trials continued on a number of products. A Phase III study of the anti-acne gel Epiduo Forte (a stronger version of the current Epiduo) showed its efficacy over the vehicle in patients with severe symptoms, while there were promising results in the treatment of Cutaneous T-cell lymphomas (CTCL) for Resiquimod, Galderma's first product to directly address non-melanoma skin cancer. In the field of A&C, a Phase IIb trial was initiated for a liquid formulation of a new botulinum toxin. All commercially available botulinum toxins currently come in powder form, and Galderma's specially-developed liquid formulation has the potential to present physicians with a ready-to-use product that may result in improved outcomes in the treatment of frown lines. Galderma also extended its neurotoxin partnership with Ipsen in 2014 (see page 29) with the ambition of developing new products in the coming years.

### Exploring new territory

Faced with the rise of generic medicines, Galderma carries out research with new chemical entities and new directions to treat skin conditions. In 2014, we filed 55 new patent applications covering new chemical entities, new types of fillers and innovative formulations. In July, the American FDA granted Orphan Drug Designation to our trifarotene molecule for the treatment of congenital ichthyosis. Today, there is a lack of effective treatments for ichthyosis, a large group of debilitating skin scaling disorders, and Galderma's ambition is to provide a safe medical solution to improve patients' quality of life. Trifarotene is just one example of our commitment to exploring new treatments for rare diseases. Other new research directions include a focus on the discrete processes responsible for skin pathologies. This approach provides us with new biological pathways, which are integrated into our project portfolio wherever relevant. We are also working in new fields of biology such as •••

stem cell biology, therapeutic mRNA and microbiome. Natural products are regularly analyzed for their efficacy, and we are currently undertaking a clinical evaluation of the use of indigo naturalis extracts in dermatology, in partnership with Taipei's TGM Hospital.

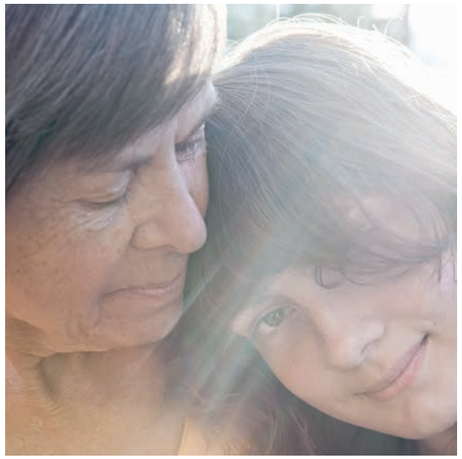
### New approvals. New products.

2014 was significant in terms of product approvals. In Prescription, the ivermectin 1% cream Soolantra was approved by the FDA to treat lesions resulting from rosacea (see page 41), while Mirvaso, which treats facial redness in rosacea, expanded its reach following centralized approval from the EU for all member countries. In Japan, there was a landmark approval for Rozex for the sterilization of cancerous skin ulcers and improvement of its associated smell indication. Our Self-medication business also thrived, with the UK approving the first OTC switch for Metrogel, and other European countries are expected to follow soon.

In the U. S., Benzac Acne Solutions became an FDA-approved Self-medication product, making in the first-ever over-the-counter acne regimen brought by Galderma in this country. The Cetaphil brand, meanwhile, continued to grow thanks to multiple submissions in China. And in A&C, Restylane Lidocaine and Restylane Perlane Lidocaine became the first major products to be submitted in Japan, while Restylane Vital was submitted in China and Restylane Silk was approved in the U.S.

### Worldwide coverage

Galderma's five R&D centres are at the heart of its activities. These include the world's largest dedicated dermatology facility in France, which conducts all our research on Prescription drugs. Centres of excellence in Sweden and Switzerland are respectively dedicated to A&C and Self-medication. Between these three centres, there is constant communication and collaboration, while local teams in the U.S., China and Japan manage clinical research on both global and domestic programmes. Looking ahead, the mission of R&D is to maintain a portfolio that balances early opportunity products with more established treatments. We aim to develop systemic programmes and extend our product range across topical, oral and injectable medicines. And by continually innovating with new, alternative and differentiated products, we strive to affirm our position as a leader in dermatological research and development.



## Metvix: a simpler way to treat actinic keratosis

### Metvix now activated by daylight

Metvix activated by Daylight is a new treatment for actinic keratosis (AK), a pre-cancerous skin condition that might develop into skin cancer if left untreated. Metvix Daylight is approved in Australia, Brazil, Chile, Colombia and Mexico. European approval is expected in May/June 2015. Key 2015 launches include Australia, Brazil, Spain and the UK.

### Making life easier for patients with multiple AK

What makes Metvix Daylight unique is its ease of use for patients with multiple AKs over large areas of their face and scalp. The cream is applied once to affected areas after gentle preparation of the skin and application of a chemical sunscreen. Then the patient simply stays outside for two hours. Metvix Daylight answers a growing need for shorter and better tolerated AK treatments. Its launch is another important step in strengthening Galderma's position as a leader in the treatment of non-melanoma skin cancer.

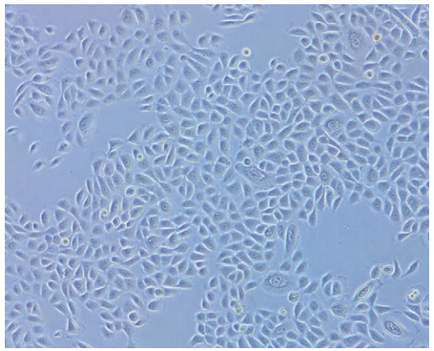
**5**
**R&D CENTRES WORLDWIDE:** FRANCE, SWEDEN, SWITZERLAND, U.S., JAPAN.

**55**
**NEW PATENT** APPLICATIONS IN 2014.

**311**
**NEW REGULATORY APPROVALS** IN 2014.

**700**
**TEAM MEMBERS** IN GALDERMA'S SCIENTIFIC DIVISION.

**78**
**CLINICAL STUDIES** WITH 4,800 SUBJECTS ENROLLED IN 2014.



# Partnerships

From academics and physicians to pharmaceutical companies and research entities, our different partners help to deepen our expertise and extend our portfolio of medical solutions.

**THIBAUD PORTAL**
GLOBAL PRODUCT MANAGEMENT & TRANSVERSE ACTIVITIES DIRECTOR – SCIENTIFIC DIVISION

Our many research & development partnerships with major industry players offer us access to new types of expertise and alternative perspectives.

For Galderma, forming partnerships is an essential part of sharing and strengthening our ambition: to improve the lives of patients. Our many partnerships with major industry players offer us access to new types of expertise and alternative perspectives, broadening our scope and enabling us to combine our forces to better serve healthcare professionals and patients all around the world.

### New agreement

In 2014, we signed a new agreement with Ipsen, significantly extending the scope of our neurotoxin partnership with this global pharmaceutical company (see page 29). Thanks to this new agreement, Galderma is now able to expand the distribution of Dysport/Azzalure in aesthetic and corrective indications in the U.S. and Canada. The two companies are also developing new neurotoxins, which include their respective liquid formulations. Other agreements with major pharmaceutical partners continue to nourish our research and development. Biopharmaceutical leader AstraZeneca has been our partner since 2011, and together we are actively pursuing the development of two new chemical entities for indications in dermatology.

### Academic partners

Partnerships with universities and academic centres are a rich source of innovation for Galderma. From the U.S. to Europe and Asia, we work with academic partners on a wide range of activities, including research to understand fundamental biological processes related to skin and dermatology, clinical research, and the development of new methods to better evaluate the efficacy of our compounds during clinical evaluations. Many projects focus on the very early stages of the research process so we can identify new subjects for future study. Working with our academic partners, we investigate new approaches in fields such as in vitro and in vivo biology or pharmacokinetics. Along with developing new solutions for rosacea, acne and psoriasis, Galderma is giving full attention to skin cancer treatments. We currently have three projects in development with clinical studies carried out under the guidance of leading dermatological experts from the Saint-Louis Hospital in Paris, France, and the University of Texas in the United States.

**3**
**RESEARCH PROJECTS** FOCUSED ON SKIN CANCER TREATMENTS ARE IN DEVELOPMENT.

**23**
**ONGOING PHASE IV STUDIES** INVOLVING 6,905 PATIENTS IN 15 COUNTRIES.

**275**
**SITES IN 14 COUNTRIES** INVOLVED IN CLINICAL STUDIES.

## Neurotoxin innovations for dermatology

### A world leader in the neurotoxin market

In 2014, Galderma extended its successful neurotoxin partnership with French pharmaceutical company Ipsen. By extending this R&D collaboration, Galderma has gained access to Ipsen's state-of-the-art neurotoxin platform and initiatives. According to the new agreement, the companies have extended the partnership in respect of the distribution of Dysport/Azzalure in the U.S., Canada, Brazil and Europe for aesthetic and dermatological indications to 2036. Neurotoxins, which reduce muscular activity, are used in the treatment of facial wrinkles, hyperhidrosis and other medical indications. The two companies aim to develop and commercialize new neurotoxins that will serve the needs of physicians over a wide range of indications and meet the high expectations of patients all over the world. The partnership, which began in 2007, is based on a common ambition to create a world leader in the neurotoxin market.

# Production

With a new factory, rising volume and the rollout of an ambitious expansion programme, the Manufacturing and Technical Operations division continues to grow while delivering quality and safety worldwide.

Serving global demand requires a very strong, reactive and quality-driven production organization. Galderma's Manufacturing and Technical Operations division is seeking to better answer the needs of new markets.

### Expansions worldwide

Existing factories faced significant growth in 2014. In Egerkingen, Switzerland, for example, the global expansion of our Daylong and Excipial product lines brought an approximate 36% increase in volume. In total, over 140 new SKUs were produced for more than 17 countries. Packaging for Oracea in oral form was also transferred to Switzerland from an external supplier, and the long-term ambition is to make this Swiss site a Centre of Excellence for oral form products.
The Baie d'Urfé site in Canada and Alby-sur-Chéran plant in France both increased production. The Alby-sur-Chéran site delivered Mirvaso in 25 countries, and continues to be focused on the European and Japanese markets, with its output covering both Prescription and Self-medication.
The acquisition of the full rights to distribute Restylane, Perlane, Emervel, Sculptra and Dysport in the U.S. and Canada (see page 45) allowed us to increase production at our Uppsala site.
In 2015, the Hortolândia site in Brazil will be the focus of a major expansion programme. After securing new land and approval for work, we will build a factory here for 2017. Hortolândia will become dedicated to the Brazilian market and the 'Southern Cone Countries' of South America and focus on Self-medication products.
In addition to the Brazilian project, a green field project for the Chinese market will start in China in 2015.

### Internalizing production

Galderma's expansion in manufacturing is part of the ten year Manufacturing Roadmap to improve economic performance, reduce time-to-launch and gain flexibility. Part of this plan is to continue the emphasis on internal production. Today, around 75% of manufacturing is internalized, and we aim to maintain this balance in the future. CMO (Contract Manufacturing Organizations) still have an important role to play in manufacturing, but we will increasingly use them only as long-time partners when processes are simple and volumes are relatively large.
Internalizing manufacturing has offered us a significant reduction in costs, as well as allowing us to control quality better and be more reactive to the market.
Other initiatives to reduce global costs include the implementation of a global purchasing organization to better negotiate supplier pricing.

### Faster and more efficient

Boosting efficiency has been a major objective for M&TO, with cost reduction and productivity improvement programmes implemented in all our factories worldwide. Our manufacturing costs have improved by 3.8%, thanks to higher volumes, •••

> «Through regular communication and training, we have established a culture of safety at every level of the company.»

**ADRIEN FALCO PIZZI**
BRAZIL PLANT DIRECTOR

## FOCUS ON DAYLONG

### MANAGING **GLOBAL LAUNCHES**

**In 2014, the launch of Daylong in 20 countries** meant that M&TO had to adapt quickly while promoting internal cohesion. To rise to this challenge, a new internal organization was created with a dedicated launch team and regular cross-department meetings, to ensure everyone was kept informed and launches were regularly reviewed. Marketing innovations included dancers forming a 'human clock' in a busy street in Stockholm, an impactful way to highlight that every minute counts when it comes to skin protection.

**Launch of Daylong** in 20 countries in 2014.

**Full range** of sunscreen products for all skin types.

the roll-out of a continuous improvement initiative, and effective cost reduction programs across the organization.
A network aiming at sharing best practices is now in place across all functions and units to further improve M&TO efficiency.
A global purchasing organization was implemented this year, with specialists dedicated to the main categories of goods and services purchased spanning across all units and regions. This effort resulted in a 10 Million CHF procurement cost reduction in 2014.

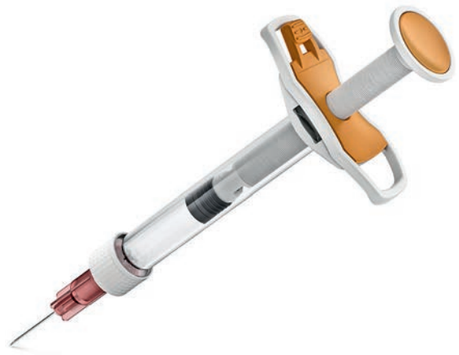
### Safety & quality: top priorities

Safety and product quality continue to be non-negotiable at Galderma.

In 2014, our 20 quality audits returned a 99.5% satisfaction rate, reflecting the consistency of our high production standards.
All our sites are regularly audited by health authorities such as the FDA (United States), ANVISA (Brazil), ANSM (France) or the KFDA (South Korea), and we have earned multiple certifications in ISO 14001 (environmental) and OHSAS 18001 (safety).
The key to our approach is continuous improvement.
We hold regular quality and safety talks in our factories and continually analyze and learn lessons from incidents at plants inside and outside the company.
Through regular communication and training, we have installed a safety and quality culture at every level of the company.
Sustainability is also part of this vision, and we have established a roadmap to reduce water consumption and waste, and to improve our carbon footprint.
In 2014, we had particularly good results in terms of CO2 reduction and energy efficiency.

### Flexible growth

Looking forward, innovation will continue to be an essential part of growth. We have plans to develop and deploy innovations in product design and packaging engineering, especially in Self-medication.
We will be recruiting new talents in new areas, including in packaging, biologics and project management. And we will continue to be more agile and more reactive to support Galderma's continued growth worldwide.



## Restylane Skinboosters SmartClick delivery system: a winning design

### Unique audible dosage indicator

In 2014, Galderma's Restylane Skinboosters SmartClick delivery system won the prestigious Red Dot Award for High Design Quality.
This innovative tool makes administering Restylane Skinboosters, which improve skin quality[1], easier and more efficient. Thanks to an audible click emitted for every ~10 microlitres injected, the system allows physicians to focus on technique, as they can see, feel and hear the volume being dispensed. Alongside the SmartClick system, the new Restylane Skinboosters syringe also features a more comfortable finger grip and thumb rest, as well as a tamper-proof seal.

### High Ergonomic Standards

The Red Dot judges concluded that "The design of this injection device meets high ergonomic standards. The acoustic feedback increases safe use." Red Dot is widely recognized as one of the world's most important design awards, with a panel of 40 experts judging more than 1,800 international entries. For Galderma, the award is recognition of its continued efforts to empower physicians through unique innovations.

(1) Sources : Williams S et al. J Cosmetic Derm 2009 / Kerscher M et al. Dermatol Surg 2008 / Gubanova EI et al. Esteticheskaya Meditsina 2010 / Distante F et al. Dermatol Surg 2009

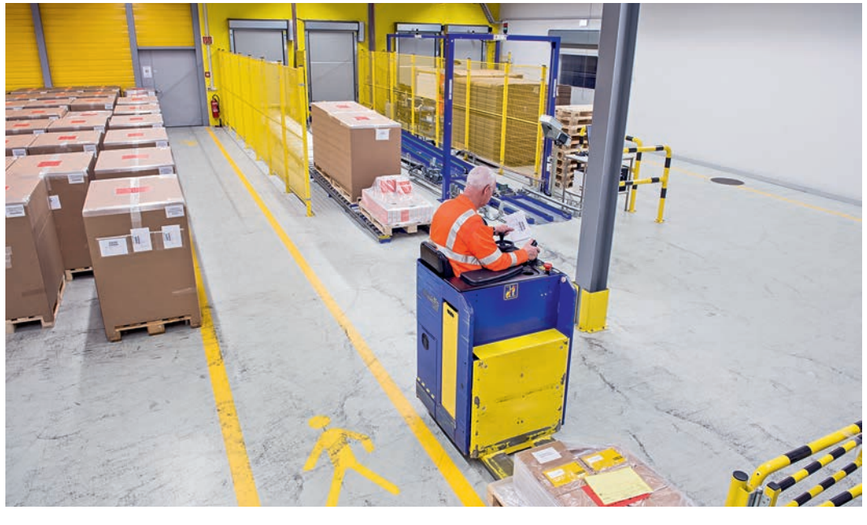
**200**
**MILLION UNITS** PRODUCED GLOBALLY IN 2014.

**3.8%**
**REDUCTION IN MANUFACTURING COSTS** COMPARED WITH 2013.

**6**
**MANUFACTURING SITES WORLDWIDE:** FRANCE, CANADA, SWITZERLAND, SWEDEN, BRAZIL, GERMANY.

**75%**
**OF MANUFACTURING** INTERNALIZED.

**80**
**COUNTRIES** SERVED BY OUR DIFFERENT FACTORIES.



# Community

There has been a major shift in the way Galderma relates to healthcare professionals and patients. Today it positions itself as a lifetime partner and an active member of the Dermatology community.

**JANUSZ CZERNIELEWSKI**
VICE PRESIDENT MEDICAL AFFAIRS

Change is fundamental to the way Galderma adapts to evolving needs, but the one constant is our partnership with healthcare professionals to build the future together.

Our holistic approach to skin health is founded on the belief that patients' dermatological needs should be met throughout their lifetime. This can only be achieved through the collective efforts of the skin health community at large – and that is why Galderma is committed to reaching out to healthcare professionals, bringing them closer together and giving them the tools and opportunities they need to constantly move dermatology forwards.

### Professional tools for dermatologists

We support the initiatives which facilitate knowledge acquisition to make better diagnoses and identify the most appropriate solutions. We provide a variety of tools that promote a better understanding of skin diseases and treatments, including online tools like Dermquest.com, which features a clinical image bank of over 23,000 photos, as well as case notes and expert opinions. Another online platform, Derm101.com, allows physicians to consult the latest research and literature relating to the field of dermatology. A mobile application is now available in English, Spanish and Chinese. Continuous training is essential in helping healthcare professionals to be more productive in their daily work. In the Aesthetic & Corrective dermatology field, Galderma offers medical training, such as demonstrating new product injection techniques for better results. We also provide services to help physicians optimize the way they run their aesthetic practice. The Alliance Programme offers physicians a unique set of tools to develop their practice. The Harmony Programme, meanwhile, focuses on patient satisfaction, an important issue in a field where one in two changes physician after a single injection. It was created using Galderma's own market research into the patient journey.

### Residents' programme goes global

One of the central roles Galderma plays within this community is providing support. From early in their training, dermatologists can benefit from our experience and professional guidance. Euroderm Excellence is Galderma's prestigious residency programme, offering future specialists practical training to help prepare their final Board examination. After a decade of success in Europe, the initiative was expanded to Latin America and Asia in 2014.

### Recognizing and rewarding researchers

Encouraging industry innovation is another key pillar of Galderma's involvement in the Dermatology community. By sponsoring initiatives such as the American Academy of Dermatology (AAD) fellowship, we aim to offer healthcare professionals new opportunities to advance dermatology and, ultimately, improve the quality of life of patients all over the world. In 2015, we will establish a new Research Award program to encourage research in acne and rosacea. Part of our long-term partnership with the European Society for Dermatological •••

## FOCUS ON SKIN PACT

### GROWING A **RESPONSIBLE COMMUNITY**

**Launched in 2014, the Galderma SKIN PACT program** aims to reward and encourage people who advance the field of dermatology and contribute to the wider community. The program kicked off with the SKIN PACT awards, a partnership with the International League of Dermatological Societies offering funding to socially responsible projects that help grow the skin health community and improve patient quality of life. The winning entries will be decided by peer voting and announced in June 2015 on the occasion of the World Congress of Dermatology.

**$15,000** grants will be awarded to the winning projects.

**2 award categories:** Community Leadership & Excellence in Education.

Research (ESDR), the awards will be divided into two categories: Basic Research and Translational Research. An ad hoc jury will select the winners, rewarding the researchers who have published the best paper or made the most significant contribution to the fields of acne and rosacea.

### Knowledge through reliable information

In the digital age, information is everywhere. The Internet and social media are rich sources that can help patients be more aware of their conditions – but it can also mislead them. This phenomenon, combined with the rise of Self-medication, means that patient education is essential. Galderma believes that communicating with patients is an important part of its commitment to the dermatology community. Our aim is to help people separate information from misinformation and better understand their condition. Working with medical institutions and patient advocacy groups around the world, we offer patients reliable and trusted information about their disease and its treatment. Ensuring treatment compliance is another important aspect of patient education. Innovations in product packaging can help patients properly dose their treatment, such as the creation of a pump format for the acne gel Epiduo. Galderma also runs initiatives like the online Cetaphil clubs that encourage compliance and raise awareness by building communities. Similarly, the 'Skin Health Days' programme in Germany keeps rosacea patients better informed about how to treat their condition.

### Congresses and boards: a platform for expertise

For Galderma, congresses and advisory boards are an active way to plan the future of skin health alongside the international dermatology community. Our teams are present at all major dermatological congresses throughout the world, and we directly support a number of initiatives, including our Skin Pact programme where we partner with the International League of Dermatological Societies. In 2015, we are a Diamond Sponsor of the 23rd World Congress of Dermatology in Vancouver, Canada, continuing our long partnership with this important event.
As with all our community activities, our ultimate aim is to give healthcare professionals the tools they need to advance dermatology. In so doing, we aim to lay the foundations of dermatology for tomorrow and facilitate valuable innovations that will better serve patients all over the world.

## New DAWN for advisory boards

### A unique opportunity for expert feedback

In 2014, Galderma brought together its largest ever international advisory board at the DAWN meeting, a two-day event focused on Dermatological Advancement in Acne and Rosacea Care. Held in Monaco in May, the meeting was a unique opportunity for our teams to obtain expert advice and feedback on recent clinical studies and new products. Above all, it was an invaluable resource in helping us to tailor our strategy to healthcare professionals and patients better. The program featured a number of internationally-reputed specialists speaking about the pathophysiology, diagnosis and treatment of acne and rosacea, while break-out sessions allowed participants to discuss the implications of new clinical data. Delegates were on hand to offer each country advice on how to structure and communicate this data. Over the two days, the event attracted no fewer than 120 national experts from 40 countries – and feedback was excellent. Participants particularly underlined the quality of the scientific information and its relevance to clinical practice.



# Human resources

Recruiting and retaining the brightest talent is an essential part of Galderma's growth strategy. It is thanks to our people that we can constantly reach new levels of productivity, creativity and innovation.

Our people have a direct impact on the company's overall performance. Their daily actions fuel the engine that drives our growth, helping us to continually create better and more relevant hair, nail and skin health solutions. That is why our priority is to keep them inspired, and offer them rich opportunities to develop. Our approach to Human Ressources is to stay agile and responsive. We keep our offer relevant by anticipating the company's future needs in terms of talent and skill sets, acquiring these capabilities from outside while also cultivating them within the organization.

### Supporting employee growth

Every year, our employees participate in the performance management process to measure their contributions against the objectives set earlier in the year and their behaviors against our competency model, especially in the area of Innovation. We want our people to develop the ability to find new and creative solutions to problems. By embracing new challenges, our teams can address emerging patient and customer needs quickly and efficiently.
We also strive to ensure employee satisfaction. In 2012, we conducted a global employee survey to gain a deeper understanding of the people who make Galderma a success. Participation was high, with 92% completing the online questionnaire. Overall, the results showed significantly higher positive scores than the pharmaceutical industry average, reflecting our excellent level of employee engagement. The survey also helped us to focus on areas where we need to improve, such as increased investment in training. A second Employee Survey will be launched in June 2015. This will allow us to measure our progress and understand what we are doing well and what we can still do better.

### Attracting new talent

When recruiting we look for people who are results oriented, with high learning agility and a positive mentality. We want our employees to combine initiative with a sense of teamwork and collaboration. Above all, we need them to be passionate about doing something meaningful for the future of dermatology.
To help us attract this talent, we have created an Employee Value Proposition anchored to our core purpose of 'sharing our passion for dermatology'. Three pillars illustrate the benefits of working in a dynamic environment with approachable leaders, while also promising a sense of achievement in helping to improve people's lives. In return, we expect our employees to be open to new ideas and change, and to share their experience and expertise with others.

### Career opportunities

Galderma provides its employees with plenty of scope for growth. As an international company, we offer the possibility of job mobility. We believe that any employee with a positive attitude and strong learning agility can flourish within our dynamic workplace. Success depends on providing opportunities to deepen expertise and broaden experience. For as our employees grow, so too does Galderma.

# In sync with a changing world



# Expansion

With solid growth over the last decade and healthy projections for the future, Galderma continues to expand its global reach. The company's growth strategy is based on the simple principle of bringing innovative Prescription, Self-medication and Aesthetic & Corrective solutions to patients and physicians in every market where there is a need.

> «While Restylane, Perlane, Emervel and Dysport were all previously in the Galderma portfolio, this is the first time we will distribute the products in North America.»

At Galderma, growth is motivated by our desire to have a stronger presence with patients and healthcare professionals, and to provide relevant and innovative medical solutions for everyone, at every age. As global dermatology needs evolve, we respond. To achieve this, we focus on two key areas: expanding geographically and extending our portfolio of products.

## Established and new products

Strong brands are a key asset for Galderma's continued growth. Epiduo is the world's most prescribed branded topical acne treatment, while Restylane, our leading dermal filler, reached a landmark 20 million treatments worldwide since launch.
Our Prescription business was boosted by new arrivals in the rosacea portfolio, following FDA approval for Soolantra, and the global launch of Mirvaso.
The development of Prescription products and the strengthening of links with healthcare professionals via valuable training programs are cornerstones of our growth strategy. In Self-medication, there were multiple approvals and registrations for Daylong and Excipial. Some 14 products from the Daylong range and 12 products from the Excipial range have now been launched in more than 35 countries. Furthermore, in the first eight months of 2014, around 50 product registrations or notifications were made around the world for Cetaphil, Nutraplus, Ionax and Dermotivin, with the Cetaphil brand boosted by the launch of Cetaphil Baby and multiple submissions in China. Our Aesthetic & Corrective solutions continue to leverage a best-in-class portfolio of medically-tested solutions. In 2014, Emervel and Azzalure showed steady double-digit progression. Our Harmony and Alliance programmes continue to lay the foundations for future growth in this area by helping physicians improve practice standards and optimize treatments.

## Expansion and acquisitions

In 2014, there were excellent results in many markets, with particularly strong performance in Latin America and Asia-Pacific.
Our approach is to deploy our three core businesses in every country where we operate, an objective that was successfully achieved in China last year. New affiliates were opened in Thailand and Slovakia, bringing the total number of countries where Galderma's portfolio of medical solutions is present to 80. In North America, a major acquisition (see page 45) helped us grow our presence in this important aesthetic and corrective dermatology market.
Recruitment is another key part of our growth strategy. In the last three years, around 700 people have joined the company. Dynamic markets like Asia-Pacific, require our full attention in terms of attracting and selecting talented individuals. By building on this expansion policy and continually introducing innovations to our portfolio, we are committed to growing our business further – and thereby answering the dermatological needs of more and more people all over the world.

# Prescription

Galderma began life as a Prescription-based company, and today our Prescription business continues to expand thanks to regular global launches and new research into conditions with unmet medical needs.

«

Prescription is a major provider of scientific and clinical research, making it essential to Galderma's vision of developing new medical solutions.

»

**KELLY BURKE**
ACNE FRANCHISE MANAGER

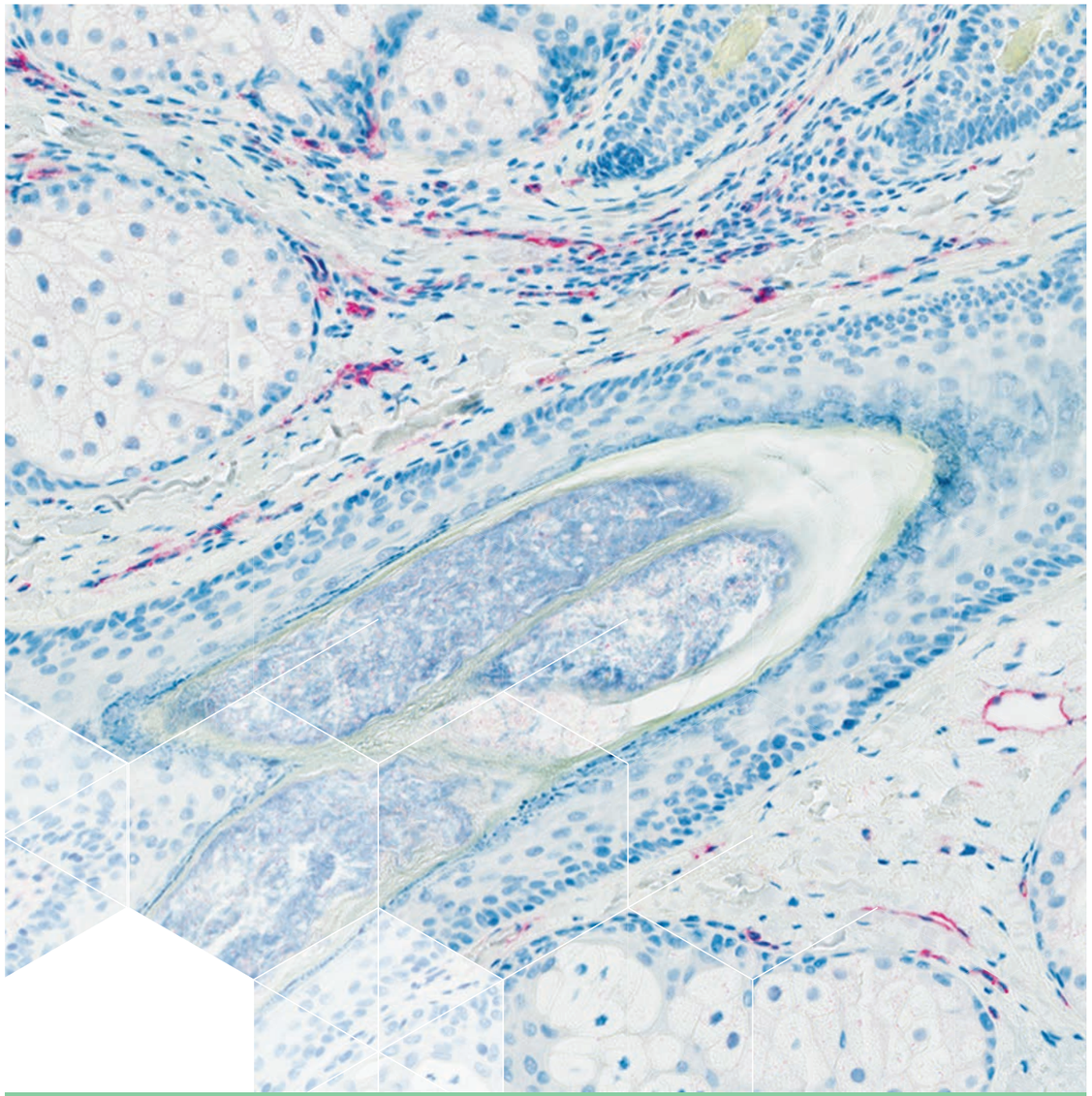
At Galderma, Prescription products have always been a vital part of our strategy. Today, the global Prescription business has significant growth potential, and Galderma is well-positioned to capitalize on this opportunity. Epiduo is currently the most prescribed branded topical acne treatment in the world, and Oracea, the first systemic treatment for rosacea, has been successful in every market it has entered. In 2014, these two flagship products were ranked numbers two and three respectively in terms of global sales on the Dermatology market (*IMS MIDAS*). Other major products in our Prescription portfolio include Tri-Luma, a treatment for pigmentary disorders; Actinica, a UV-protective lotion developed for people at high risk of skin cancer; and Clobex, a treatment for psoriasis. These medical solutions continue to meet success around the world and are widely endorsed by healthcare professionals.

## Growth through innovation

In 2014, our Prescription business was strengthened by the launch of several new products. Rosacea patients were offered two new options following the launch of Soolantra, a topical solution for inflammatory lesions (see page 41), and Mirvaso, the first and currently the only FDA-approved treatment for facial redness in rosacea. Other important events included the approval of Metvix Daylight in Australia and Brazil. This innovative treatment for actinic keratosis (AK) is applied topically and activated by spending two hours outdoors, rather than requiring patients to be exposed to artificial light (see page 26). In Japan, meanwhile, Rozex received approval for the sterilization of cancerous skin ulcers and the treatment of their associated odours.

## Three main pillars

Looking forward, our growth strategy for Prescription is supported by three main pillars. First, we aim to maintain our position as a leader in the treatment of acne and rosacea by extending the reach of products such as Mirvaso, Soolantra and Epiduo Forte worldwide. Second, we will increasingly focus our research on patients with unmet medical needs. This means developing new molecules and technology-based innovations for conditions such as non-melanoma skin cancers, atopic dermatitis, psoriasis and certain rare diseases and orphan indications. Finally, we will actively collaborate with strategic partners to improve global patient access to innovative medical solutions for hair, skin, and nails.
Today, our Prescription business accounts for 38% of our total sales and maintains a crucial role within the company. It feeds into many of our other activities, with certain products eventually switching to Self-medication or inspiring aesthetic and corrective treatments. Furthermore, Prescription is a major provider of scientific and clinical research, making it essential to Galderma's vision of developing and delivering innovative medical solutions to people all over the world.



## FOCUS ON ROSACEA

**SOOLANTRA** GIVES ROSACEA PATIENTS MORE OPTIONS

**Galderma's ambition of extending treatment options to rosacea patients** was boosted late in 2014 by FDA approval for Soolantra. EU approval followed early in 2015. This ivermectin 1% cream is a novel solution to treat lesions of rosacea. Along with Oracea and Mirvaso, two other medical solutions developed by Galderma, Soolantra further reinforces the leading position of our portfolio.

**40** **million people** worldwide have rosacea [1].

**77%** **people** emotionally impacted [1].

(1) Sources : Internal data

# Self-medication

Galderma's Self-medication business is built around high-performance brands and innovative research, with a vision of empowering consumers to make the best choices for their skin health.

Today, as the global dermatological Self-medication market expands, so does Galderma's Self-medication business. Composed of non-Prescription skincare products that are both disease and non-disease specific, our Self-medication range accounts for roughly a third of our total sales. A number of factors have contributed to the rise of over-the-counter solutions, including a reduction in public health spending. Dereimbursement of drugs for non-critical diseases is a key way for governments to reduce costs – and Self-medication represents an effective and affordable alternative. Furthermore, the digital age has brought increased access to information, and consumers now feel more knowledgeable and are more comfortable buying over-the-counter products. Skin treatments, in particular, are well adapted to Self-medication.

### Diversifying and expanding

Galderma's portfolio of Self-medication products is highly varied, with brands covering everything from therapeutic skincare to acne, onychomycosis (nail fungus) and sun protection. Through the combined efforts of our R&D, Medical, Marketing, Manufacturing and Technical Operations teams, we strive to offer the most pertinent Self-medication solutions on the market, in the timeliest manner.
In 2014, a highlight for Self-medication was the successful launch of Daylong in more than 20 countries (see page 31). This complete range of medical sunscreen products has been specially developed to offer people all-round protection in their daily lives. Its innovative formula combines highly effective UV and infrared protection with nurturing ingredients in a unique formulation designed to deliver long-lasting care for the skin.
Early in 2015, we implemented a comprehensive upgrade of our Benzac portfolio. The majority of acne sufferers do not visit a physician and yet still have a need for effective treatments. The Benzac portfolio provides a range of solutions designed to break the cycle of acne which can be so physically and psychologically distressing for sufferers. The brand was launched in the U.S. at the end of 2014 after tremendous effort and teamwork. Our Cetaphil product line of cleansers and moisturizers was also expanded, with the brand supported by its first fully integrated consumer marketing campaign. The 'Gentle Power' advertisements focus on how Cetaphil products answer the daily demands on women's skin. In the U.S. Cetaphil Baby was launched with a range of five new products formulated specially for babies and infants.
To minimize the risk of allergies, all products contain just a few select ingredients and are free of additives that may irritate sensitive skin.
Another brand to have enjoyed significant growth is Excipial, acquired from Spirig in 2013 (see page 43). The expansion of the Excipial range is designed to make professional grade products for a whole range of skin conditions, directly available to consumers.

### Innovative new solutions

As a leading supplier of Self-medication skincare, Galderma believes it has a responsibility to help consumers make the right decisions about their skin health. That's why we maintain close relationships with pharmacists, the professionals who increasingly fulfill the role of intermediary between patients and time-pressured physicians.
We regularly provide them with medical and scientific information, and help with merchandising in order to create an ideal environment for customers to determine which treatments are best suited to their specific needs. Over the next few years, Self-medication will continue to be a crucial part of Galderma's business. Our site in Egerkingen, Switzerland, is a Center of Excellence for the Self-medication Global Business Unit where we develop new products and explore new avenues, such as therapeutic haircare, wound-care products and steroid-responsive dermatosis treatments. By developing new solutions and continually optimizing distribution and point-of-sale visibility, we aim to bring the most relevant Self-medication products to the people who need them, all over the world.

**NEIL POPPLEWELL**
VICE PRESIDENT
SELF-MEDICATION GBU

As a leading supplier of Self-medication solutions, Galderma believes it has a responsibility to help people make informed decisions about their skin health.

## Excipial: growing amibitons

### Major new global campaign in 2015

Excipial – also known as Nutraplus and Calmurid Pro in some countries – is a full range of pharmaceutical products developed as dermatologists' toolkit for patients with severe diseases related to dry to very dry skin. Acquired from Spirig in 2013, the range consists of around 100 different references divided into five product lines: moisturizing and maintenance therapy, dermatitis-like itching and inflammation, seborrheic skin, hyperkeratotic skin, and "formulae", an option that allows pharmacists to write a special prescription for patients whose needs are not covered by the current portfolio.

In the coming years, our aim is to significantly grow Excipial. In 2014, the range was launched in seven new countries, including the UK, Italy, South Korea, Colombia, Chile and Argentina, and another ten countries will follow in 2015, e.g. U.S., Brazil, Mexico and all countries in South East Asia.
A new packaging design was created last year, along with a major new global campaign, brochures for consumers and physicians, and a dedicated website.

# Aesthetic & Corrective

A well-established player in a booming market, Galderma's Aesthetic & Corrective business continues to innovate in both product development and the way it relates to consumers.

**OPHÉLIE MASSARONI**
GLOBAL A&C SERVICES MANAGER

Our Harmony programme helps healthcare professionals adopt a more patient-engaged approach, teaching them how to optimize consultations, treatments and follow-up.

The Aesthetic & Corrective sector is growing rapidly thanks to a globally ageing population and a significant shift in mainstream perceptions of well-being. Today, the desire to look and feel good has transformed what were once considered 'vanity operations' into pro-active health and lifestyle choices.
Backed by 18 years of experience with its Restylane brand, Galderma is well-positioned to capitalize on this expanding market and become a truly global brand.

## Global growth

Over the last ten years, Galderma's A&C business has grown at an annual double digit rate, with key brands growing up to eight times faster than the market. Our Center of Excellence in Uppsala (Sweden) creates a broad range of science-based products and services, helping people to improve their appearance through medical solutions.
A key strength of Galderma's portfolio is hyaluronic acid (HA) fillers. We pioneered the change from collagen to HA for the treatment of facial aging, and hold a patent for our unique NASHA stabilization technology. In 2014, Restylane, our flagship dermal filler, reached a landmark 20 million treatments worldwide.
And we have acquired the full rights to distribute Restylane, Perlane, Emervel, Sculptra and Dysport in the U.S. and Canada (see page 45). In the U.S., Restylane Silk, which is designed to deliver precise lip definition and line control, is the only FDA-approved filler to enhance the lips and treat fine lines around the mouth.
A major new marketing campaign for Restylane Skinboosters also contributed to increasing the brand's footprint. Based on our B2B2C strategy, the 'Perfect Day' campaign was executed in more than 25 countries and offered an inspiring message that aimed to demystify aesthetic treatment.

## Catering for the customer

While the availability of relevant medical solutions is a key driver for the A&C market, another crucial area is the customer experience. Research shows that while most A&C patients are satisfied with the medical procedure they receive, around half express dissatisfaction with the overall experience, citing lack of empathy and follow-up as areas for improvement. Working with healthcare professionals, Galderma has implemented a number of initiatives to answer customer expectations.
Our Harmony training programme helps physicians adopt a more patient-focused approach, teaching them how to optimize consultation, treatment and follow-up. Its launch in Asia-Pacific in 2014 was a significant success, with 90% of participants agreeing it was applicable to their practice.
Our Alliance programme, meanwhile, is designed to help professionals develop their business by increasing customer loyalty. It features a dedicated training facility in Zurich (Switzerland) and award-winning anatomy courses. Other initiatives in 2014 included the Emervel Face to Face meeting in Sweden, a two-day event that attracted 80 global healthcare professionals to learn about the benefits of Emervel fillers and HA gel science. Technology innovations are another way Galderma addresses customer needs – and make life easier for physicians. Emervel Volume 1cc, launched last year, provides patients with more comfortable injections thanks to an ultra-thin-walled needle that improves precision and results in a smoother flow. Similarly, our award-winning SmartClick syringe makes it easier for physicians to deliver just the right amount of Restylane (see page 32).

## Future ambitions

Galderma's A&C business continues to innovate. We are currently working on a breakthrough liquid formulation of botulinum toxin and a new HA technology that could represent the next generation of fillers.
Through this continual innovation, and by being ever more attentive to customer needs, our objective is to stimulate further growth for this important part of the business for many years to come.

# Expansion in North America

### Extended portfolio in Aesthetic & Corrective dermatology answers growing needs

In 2014 Galderma acquired the full rights to distribute Restylane, Perlane, Emervel, Sculptra and Dysport in the U.S. and Canada, which together represent more than 50% of the world's medical aesthetics market. While Restylane, Emervel and Dysport were all previously in the Galderma portfolio outside North America, this is the first time we will distribute the products in the U.S. and Canada. Sculptra is a new addition to the aesthetic dermatology range, bringing additional indications to our broad portfolio of medical solutions. In the long term, the aim is to continue developing these innovative brands to meet the evolving needs of physicians and patients everywhere. The transaction helps complete our global skin health footprint and extend our leadership in aesthetic and corrective dermatology worldwide.

# Global growth

Present in more than 80 countries, Galderma is expanding its global footprint while strengthening regional capabilities. As we consolidate existing markets, we capitalize on new opportunities.

Expanding internationally means understanding the specific needs of each market – today and tomorrow. By working with our local teams, we adapt our product portfolio to each region and anticipate future evolutions in each country.
Our strategy is based on deploying our three core businesses wherever we operate in order to deliver more solutions across categories and better answer patient needs.

### Opportunities in new markets

In the worldwide dermatology market, there is a clear distinction between mature countries and the bustling emerging markets, which are a strong focus for Galderma.
Asia and Latin America are in growth mode as markets take shape, and opportunities abound both through the launch of existing products and through new investment. In 2014, Galderma opened a new affiliate in Thailand, and we continue to invest significantly in South East Asia. Key opportunities in the region include Singapore, the Philippines and Indonesia, while China presents perhaps the highest growth potential in the world. In the next five years, China is set to become the world's second biggest market for pharmaceuticals. Galderma has been operating there for several years and and is established as a trusted partner of the Chinese dermatology community.
In Latin America, Galderma's organic growth was very solid in 2014 again. The region's growing middle class increasingly demands medical products, and Galderma has helped answer this demand by training local physicians in treatment solutions. Last year, the introduction of a product launch velocity framework in the region allowed our teams to launch multiple products in multiple markets. New go-to-market strategies and an improved point-of-sale presence for Self-medication also helped drive sales. Looking forward, the aim is to grow the region's important aesthetic business and consolidate leadership in acne and rosacea treatments.

### Strengthening mature markets

In North America, Galderma has acquired the full rights to distribute Restylane, Perlane, Emervel, Sculptra and Dysport. Cetaphil continued to make significant progress, with the launch of Cetaphil Cleansing Cloths demonstrating how we bring new and relevant products to consumers.
In Europe, the strengthening of our Self-medication offer contributed to significant growth, with double digit growth in Russia, Spain and Portugal for example. Italy, meanwhile, continued to stand out for its innovation, maintaining a unique positioning on many products, and further extending the range of solutions available on the market, with the launch of Cetaphil Dermacontrol.
Innovation-based growth continues to nourish Galderma's business, but we are also fully aware of our increased responsibilities towards patients and stakeholders as we expand. That's why we continue to drive our business with compliance and respect in both mature markets and every new region we enter.

**+100**
**PEOPLE HIRED IN CHINA**
FOR THE SECOND YEAR IN A ROW.

**2**
**NEW AFFILIATES** OPENED IN 2014.

**311**
**NEW REGULATORY APPROVALS.**



## China

### A win strategy in full steam

In 2014, Galderma has a full-fledged organization in place, structured around its three core businesses. In the next five years, the country is set to become the world's second biggest market for pharmaceuticals and medical devices. Responding to local skin health needs, Galderma is actively working to roll out its portfolio of medical solutions, strengthening all three businesses. Leading brands such as Restylane, Cetaphil and Loceryl showed double digit growth, while new product launches are anticipated in the near future. As part of this expansion plan, the priority is to develop and retain key talents in the region. Galderma is also working to strengthen its links with the local dermatology community. In 2014, the inaugural ChinaDerm Excellence program was hosted in Beijing, offering 130 dermatology residents the opportunity to exchange best practices with peers, and meet a wide range of experts and opinion leaders.

## North America

### Poised for growth

North America - Galderma's largest market - delivered solid results and built capacity for sustainable growth. In 2014, the Prescription portfolio continued to expand, with the launch of Mirvaso and Epiduo Pump in Canada (branded respectively as Onreltea and Tactupump).
In the U.S., Mirvaso was launched as the first and only Prescription product to address the symptoms of erythema in rosacea patients, while the approval of Soolantra by the FDA brings a new option for patients suffering from papular-pustular rosacea. Epiduo held onto first place as the most prescribed acne prescription brand.
The Self-medication business delivered exciting innovations in the long-established Cetaphil range, launching Cetaphil Cloths and Cetaphil Baby lines. Benzac was launched as Galderma's first over-the-counter acne regimen, building on our heritage in prescription acne treatments to meet patients' needs. In the Aesthetic & Corrective market, gaining the rights to distribute Restylane, Emervel, Sculptra and Dysport (see page 45) allows Galderma to establish itself firmly as a leader in this market. Restylane Silk was launched, as the first and only FDA approved filler to enhance the lips and treat the fine lines around the mouth.
The region's Sales Force teams have been strongly reinforced to support the expanding business. For the fifth consecutive year, U.S. dermatologists ranked the Galderma sales force #1 and thanks to new initiatives, such as the ASPIRE loyalty program, this success is set to continue.

# Expansion

## France

**Strong growth across all three business units**
The A&C business grew double-digit, with more and more healthcare practitioners adopting Galderma's products. In Prescription, there were excellent results in the acne market, while Self-medication benefited from a successful TV campaign for Curaspot (branded Benzac in other countries). Sales were also bolstered by the decision to nearly triple the sales force capacity. The ambition for the future is to achieve a better balance across the three business units by further strengthening Self-medication and A & C dermatology.

## Mexico

**Positive transformation with solid growth**
To capitalize on a range of market opportunities, the affiliate invested in point-of-sale marketing and benefited from a Regional product launch velocity framework which facilitated the introduction of Daylong, Mirvaso and Dysport. Looking ahead, Self-medication will be the focus of direct-to-consumer campaigns to increase its consumer base, while the Aesthetic & Corrective portfolio will be strengthened by new launches. In 2014, Mexico hosted the second Latinaderm Excellence program, with 27 speakers from all over the region.

## South-East Asia

**Market-building opportunities**
With 650 million people, SEA is a strategic region with high growth potential, driven by a young and connected population, a rising middle class and an aspiration for skin health. Supported by 300 highly engaged people across 6 countries, South-East Asia is under a transformational phase focusing on consolidating existing positions, expanding geographical footprint and optimizing the product portfolio. In 2014, we demonstrated solid performance again, reflected by strong market shares and growth of our key brands such as Cetaphil, Restylane and Epiduo.

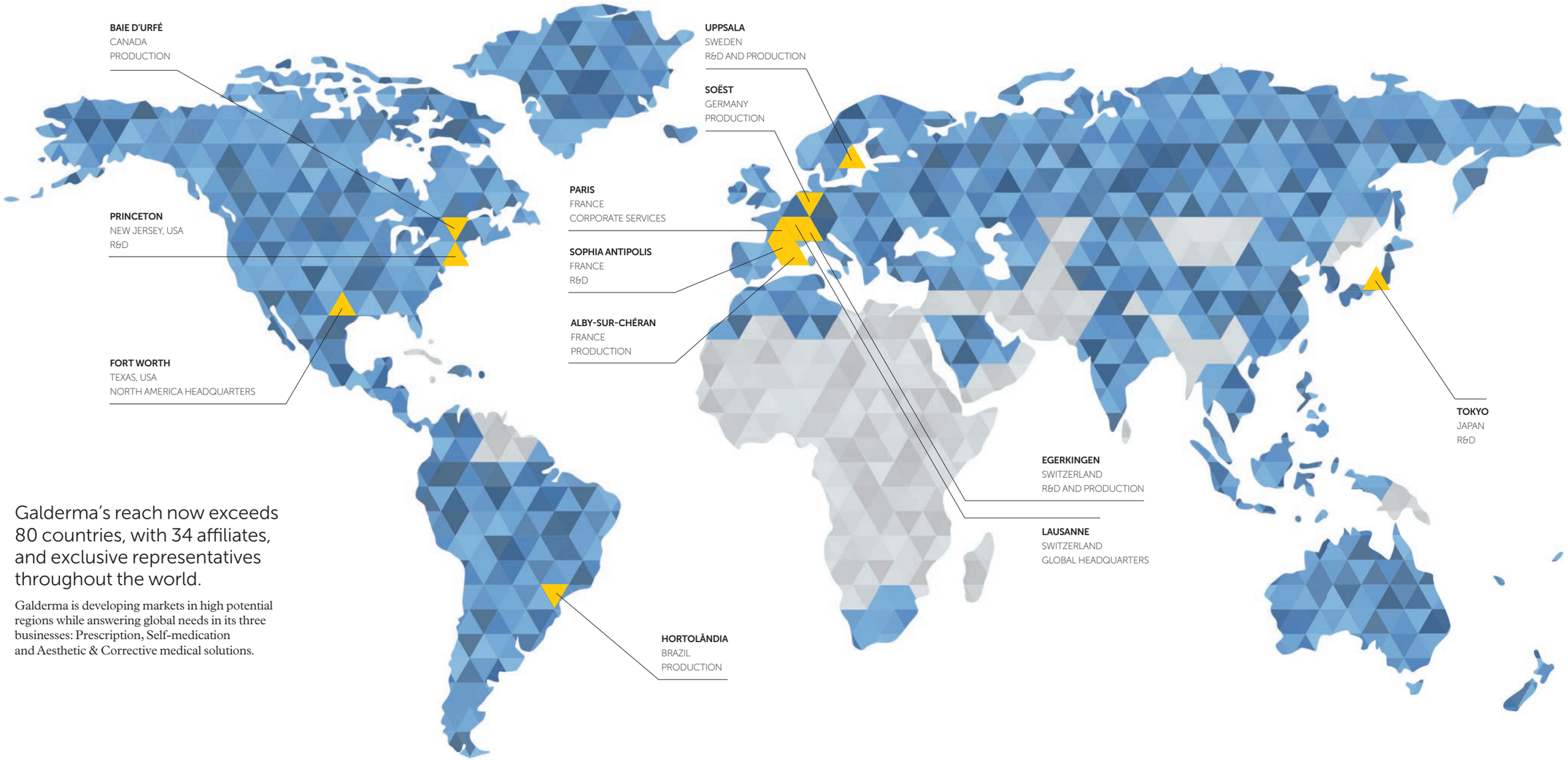
## Brazil

**Launches and strong sales to emerging middle class**
By consolidating Galderma's three business units, Brazil drove a positive cycle of growth, with Emervel and Epiduo registering particularly strong sales.
In Self-medication, several launches combined with successful direct-to-consumer activities for Loceryl to spur healthy growth. The Aesthetic & Corrective business, an extremely important market in Brazil, was strengthened by the development of a service platform and wider adoption of the key account management approach. Galderma also acquired Moderm, whose line of moisturizers, facial cleaners and sunscreens features unique formulations and a go-to-market approach focused on the emerging middle class in Brazil. Furthermore, process improvements and the optimization of support functions helped reduce complexity for the hard working sales teams. Together, these actions helped generate an impressive 21% increase in local demand.

## Russia

**Targets met despite tough economic conditions**
With solid double-digit organic growth in 2014, Russia overachieved its target despite challenging economic conditions. The country's product portfolio was strengthened, increasing point-of-sale trade, educational actions and consumer TV campaigns, with Loceryl, Basiron, Differin and Rozex leading the way for growth. The launch of Cetaphil Restoraderm and Dermacontrol also successfully boosted Russia's portfolio. In Prescription, Epiduo is now the number one acne treatment prescribed by doctors. It enjoyed very strong organic growth in 2014, while the Prescription portfolio as a whole grew significantly. The local sales force and back office functions have been further reinforced, and the aim for the future is to continue internalizing the sales team.

# Worldwide




Galderma's reach now exceeds 80 countries, with 34 affiliates, and exclusive representatives throughout the world.

Galderma is developing markets in high potential regions while answering global needs in its three businesses: Prescription, Self-medication and Aesthetic & Corrective medical solutions.

**NORTH AMERICA**
CANADA
UNITED STATES
OF AMERICA

**LATIN AMERICA**
ARGENTINA
BRAZIL
CHILE
COLOMBIA
MEXICO
VENEZUELA

**EUROPE -**
**MIDDLE EAST AFRICA**
AUSTRIA
BELGIUM
FRANCE
GERMANY
GREECE
ITALY
POLAND
PORTUGAL
RUSSIA
SLOVAKIA & CZECH
REPUBLIC
SOUTH AFRICA
SPAIN
SWITZERLAND
THE NETHERLANDS
THE NORDICS
UNITED KINGDOM

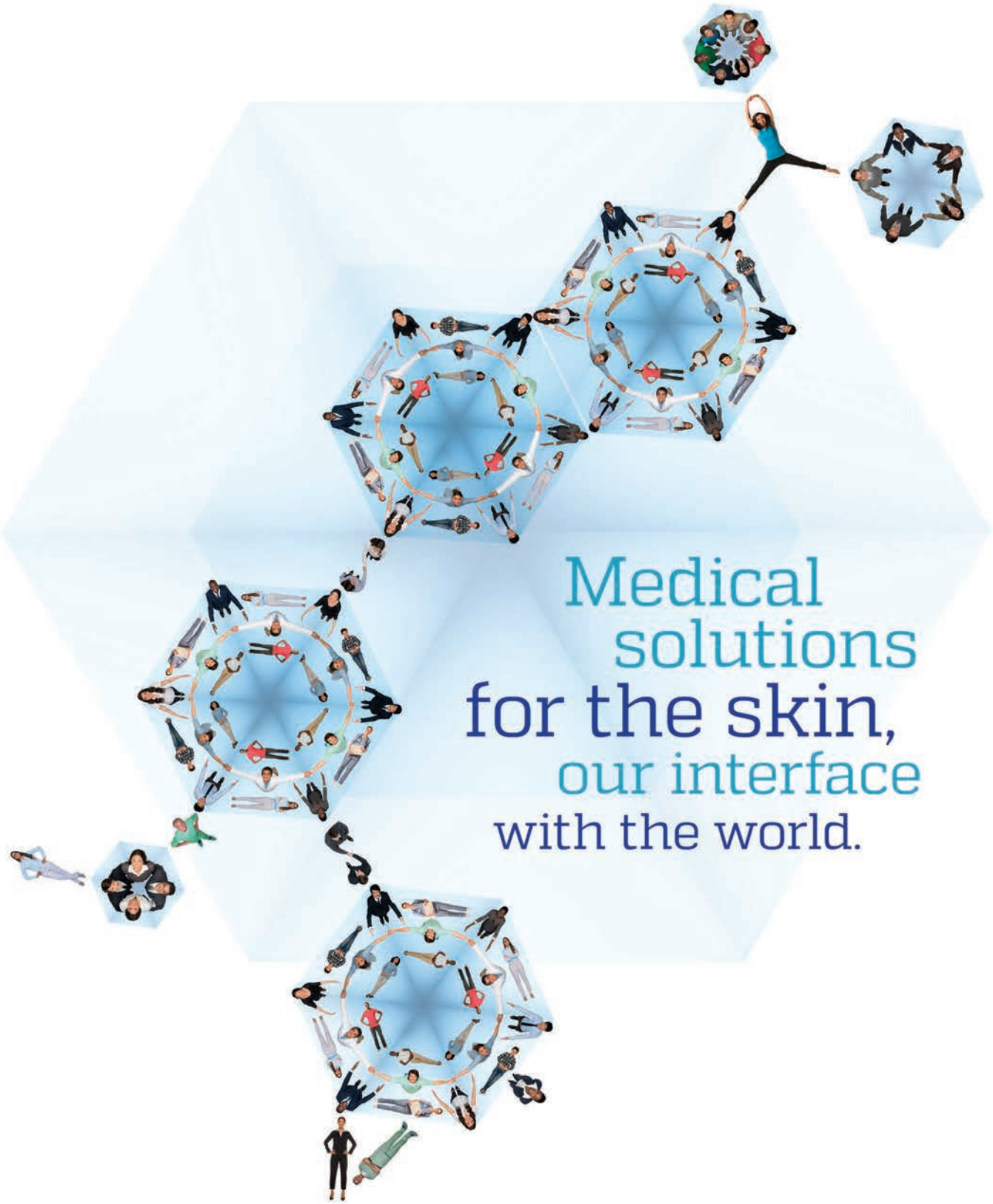
**ASIA-PACIFIC**
AUSTRALIA - NEW ZEALAND
CHINA
HONG KONG
INDIA
JAPAN
PHILIPPINES
SOUTH KOREA
SINGAPORE
TAIWAN
THAILAND

FIND ALL GALDERMA OFFICES
AROUND THE WORLD
ON WWW.GALDERMA.COM

# Key Brands

Epiduo™ Oracea® Differin® MIRVASO® soolantra® Tri-Luma® Cream LOCERYL® BENZAC®

Cetaphil EXCIPIAL® Daylong™ metvix® AZZALURE® Botulinum Toxin Type A Restylane® Emervel®




The visual pattern depicted here is representative of the adapalene molecule, a Galderma medical skin management solution.

GALDERMA