



PRESS RELEASE

OCCURRENCE OF THE CONDITIONS CONTEMPLATED IN ARTICLE 2447 OF THE ITALIAN CIVIL CODE

APPROVAL OF THE STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2016 PREPARED SOLELY FOR THE PURPOSES OF ARTICLE 2447 OF THE ITALIAN CIVIL CODE

AUTHORISATION GIVEN FOR CALL OF SHAREHOLDERS' MEETING FOR 7 DECEMBER 2016

Capua, 27 October 2016 – The Board of Directors of Pierrel S.p.A. (“**Pierrel**” or the “**Company**”) meeting today has approved the statement of financial position of the Company at 30 September 2016, prepared solely for the purposes of Article 2447 of the Italian Civil Code, which shows a negative shareholders' equity of the Company of around €1.5 million, thereby resulting in the circumstances contemplated by Article 2447 of the Italian Civil Code.

The deterioration in the Company's financial position is mainly due to the significant impairment write-down of around €3.2 million made, in accordance with IAS 39, to adjust the carrying amount of the investment held by Pierrel in the share capital of Relief Therapeutics Holding AG (formerly THERAMetrics holding AG) – a Swiss registered company whose shares are listed on the SIX Swiss Exchange – to the fair value corresponding to the stock exchange value of the Relief shares based on the price at 30 September 2016.

In addition, the occurrence of the conditions contemplated by Article 2447 of the Italian Civil Code also constitutes a “significant event” – pursuant to and for the purposes of the loan agreement signed on 26 March 2007 between the Company, as the borrower, and Unicredit S.p.A., and the debt rescheduling agreement signed, among others, by Unicredit S.p.A., Banca Nazionale del Lavoro S.p.A. and Banca Popolare di Milano S.c.ar.l., on one hand (jointly the “**Lending Banks**”), and Pierrel and Pierrel Pharma S.r.l. on the other hand (for more details see the press release published by the Company on 26 June 2015) – which entitles the Lending Banks to ask Pierrel and Pierrel Pharma S.r.l. for immediate and full repayment of the debts due to them. As a result, in accordance with the accounting standards, the total outstanding debt due beyond twelve months of Pierrel and Pierrel Pharma S.r.l. owing to the Lending Banks (amounting to around €11.6 million as at 30 September 2016, out of a total outstanding debt of around €12.9 million) has been reclassified to short-term financial liabilities.

In view of the events described above, during the meeting the Board of Directors of Pierrel granted the Chairman of the Board of Directors the authorisation to call a Shareholders' Meeting of the Company for 7 December 2016, in single call, to decide on the measures pursuant to Article 2447 of the Italian Civil Code, upon cancellation of the previous resolution for a share capital increase of up to a maximum of €20.0 million, adopted on May 30 this year.

In a subsequent meeting, the Board of Directors of the Company will examine and approve the explanatory report that will be prepared, also taking into account the conditions required to ensure the Company's normal business operations, pursuant to Article 2447 of the Italian Civil Code and Articles 72 and 74 of the Regulations adopted by CONSOB decision no. 11971 of 14 May 1999, as amended, as well as Article 125b of Italian Legislative Decree no. 58 of 24 February 1998, as amended, and will also contain the resolution proposals to be submitted to the Shareholders' Meeting.



This report, together with the remarks from the Company's Board of Statutory Auditors prepared in accordance with Article 2447 of the Italian Civil Code, will be sent to CONSOB and made available to the public at the Company's registered office and on the company website www.pierrelgroup.com, in the section *Investor Relations/Corporate Governance/Shareholders Meeting Documents/Shareholders Meeting of 7 December 2016*, and at the Italian Stock Exchange, within the legally established deadlines.

Lastly, it should be noted that the Company's management has already started the work for verifying the existence of the conditions underlying the 2016-2018 business plan approved by the Board of Directors of the Company on 20 April 2016, whose main financial and business targets were announced to the market on that date (for more details see the press release published by the Company on 20 April 2016). This work is due to be completed in the coming weeks and the results should be available for examination by the Board of Directors at its next meeting.

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Pierrel S.p.A. is a global supplier to the pharmaceutical industry, specialising in the manufacture of pharmaceutical specialty products (*Contract Manufacturing Division*) and the development, registration and licensing of new drugs and medical devices (*Pharma Division*).

The Pierrel Group is listed on the MTA exchange organised and managed by Borsa Italiana, and has over 60 years' experience in the pharmaceutical sector, as one of Europe's leading producers of local and dental anaesthetics.

Pierrel owns a production unit in Capua, near Naples, Italy, which has been authorised by the European Medicines Agency (EMA) and the Food and Drug Administration (FDA) for the aseptic production of injectable medicines.

The subsidiary Pierrel Pharma S.r.l. has registered and distributes the Orabloc® dental anaesthetic in Canada, the US, Russia and Europe. The registered office of Pierrel S.p.A. is in Capua (CE), Italy.

For further information:

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