



PRESS RELEASE

PIERREL S.P.A.

ORDINARY AND EXTRAORDINARY MEETING OF SHAREHOLDERS

- **Approval of financial statements for the year for Pierrel S.p.A. and consideration of the consolidated financial statements for Pierrel at 31 December 2015**
- **Decision to allocate part of the loss pursuant to Article 2446 of the civil code**
- **Approval of a capital increase in the share capital to be offered to shareholders pursuant to Article 2441, first paragraph, of the Italian Civil Code up to a maximum of € 20 million**
- **Authorisation to the Board of Directors, under Article 2443 of the Civil Code, to increase share capital by a maximum amount of € 10 million**
- **Favourable opinion on the first section of the Report on Remuneration for the year 2015**
- **Approval of a change to the Stock Option plan 2014-2022**

Naples, 30 May 2016 - The Meeting of shareholders of Pierrel S.p.A. (the “**Company**” or “**Pierrel**”), held today in ordinary and extraordinary session, considered and approved the financial statements of the Company at 31 December 2015 that disclosed a net loss of € 10,510,679 which, combined with past and unallocated losses, amounts to an overall loss of € 27,258,797, which net of the Company's available reserves in the amount of € 12,978,083, generated a net loss of € 14,280,714. This situation determined the persistence of the conditions laid down in Article 2446 of the Civil Code, that already occurred during the previous year.

The Meeting of the Shareholders then considered the report prepared by the Board of Directors pursuant to Article 2446 of the civil code and Articles 72 and 74 of the CONSOB Regulations adopted with decision no 11971 of 14 May 1999, as subsequently revised (the “**Issuer Regulations**”), and pursuant to Attachment 3A, Format 2 and 5, of the Issuer Regulations, and pursuant to Article 125-ter of Legislative Decree of 24 February 1998 no. 58, as subsequently revised and updated (the “**TUF**”) which shows that, also at 31 March 2016, the share capital of Pierrel decreased by more than a third of the amount due to the losses incurred by the Company and not yet covered € 11,126,389, after deducting the total net reserves set aside on the same date by the Company of € 17,049,297).

The Meeting of the shareholders thus decided, pursuant to the proposal of the Board of Directors in their own report, to write off part of the Company's losses for a total of € 28,175,686 (i.e. losses for the period at 31 March 2016 and unallocated past losses) in the amount of € 24,526,590 and precisely (a) for an amount of € 12,978,083 through the use of the Company's available reserves for a corresponding amount and (b) in the amount of € 11,548,506.75 by reducing the share capital, pursuant to Article 2446 of the civil code, which, therefore, will be decreased up to € 50,000.00, with a consequent amendment of Article 5 of the bylaws .



The Meeting of the shareholders has also considered the consolidated accounts of the Pierrel Group at 31 December 2015 which show a net loss of € 13.5 million (€ 7.7 million arising from THERAMetrics Holding AG and its subsidiaries, as “discontinued operations” highlighted in a special item), of which € 7.6 million related to the Group.

Capital increase pursuant to Article 2441 of the civil code

The Meeting of the shareholders also resolved, in accordance with the proposal of the Board of Directors, to increase the share capital against payment, in tranches, up to a maximum of € 20 million, including any share premium, to be subscribed by the deadline of 31 March 2017, through the issue of ordinary shares without par value, newly issued, with dividend rights and having the same characteristics as those in circulation to be offered as options to shareholders, pursuant to article 2441, first paragraph, of the civil code (the “**Capital Increase**”), thus amending article 5 of the bylaws.

The capital increase is aimed, on the one hand, at strengthening the capital of the Company and, on the other, to provide the Company with the financial resources necessary to support the development of the Company's business, now focused on the manufacturing and commercial core business led by the CMO and Pharma Divisions, in line with the provisions of the Business Plan 2016-2018 approved by the Board of Directors on 20 April last.

Subject to the necessary authorizations from the relevant authorities, it is estimated that the offering of the newly issued Pierrel shares to shareholders can be initiated during the second half of the current year.

As part of the capital increase, the Company will proceed to automatically convert capital payments on account of future capital increases made by Fin Posillipo S.p.A. and Bootes S.r.l. (which hold interests amounting respectively to 36.36 % and to 5.26 % of share capital) for a total amount of some € 4.3 million, as already announced by the Company to the market with the press releases of 31 March and 27 May 2016, to which reference is made for further details about these payments.

The Meeting of the shareholders has therefore granted the Board of Directors the power to determine, during a meeting to be convened in the days immediately preceding the issue of the rights: (a) the unit issue price of shares, including any share premium, which will be determined taking into account, among other things, market conditions in general, the price performance of the Company's shares, the economic, equity and the Company's financing and its group, as well as the market practice for similar transactions, including the possibility to apply a discount to the theoretical ex-rights price; (b) the maximum number of ordinary shares to be issued and the subscription ratio; (c) the exact amount of the Capital Increase; (d) the initial date for the subscription of new shares and the corresponding subscription deadline, which shall in no case be later than 31 March 2017.

The Meeting of the Shareholders also granted the Board of Directors the broadest powers to place, within 60 days following the date of expiration of the offer of unexercised rights held by third parties, including non- shareholders, the shares that could possibly remain unsubscribed after the exercise of option rights of the Stock Market of the unexercised option rights pursuant to Article 2441, third paragraph of the civil



code.

As of today the establishment of underwriting and/or placement in relation to the capital increase is not provided.

Mandate to the Board of Directors pursuant to Article 2443 of the civil code

The Meeting of the Shareholders, subject to revocation for the unexecuted part of the authorization to increase the share capital pursuant to Article 2443 of the civil code attributed to the Board of Directors on 12 November 2011, resolved to authorise the Board of Directors, pursuant to Articles 2443 and 2441 of the civil code, the power to increase the share capital, also in tranches, on one or more occasions, for a maximum period of five years from the date of the resolution, and for a maximum amount of € 10 million, plus any premium, consequently amending Article 5 of the bylaws.

Under the mandate above, the Board of Directors shall have the right, among other things, to determine (a) the issue price, (b) the time within which those eligible may subscribe for shares resulting from the delegated capital increase, (c) the severability or otherwise of the capital increases, (d) the terms and conditions deemed necessary or appropriate for their implementation.

Report on Remuneration

During the same meeting, the shareholders in the Company also expressed a favourable opinion on the First Section of the Report on Remuneration of Pierrel – prepared pursuant to Article 123–b of the TUF and of Article 84-c of the Issuer Regulations – in respect of (a) the policy of the Company in the area of remuneration of members of the executive management, the general management and the executives with strategic responsibility with reference to 2015, and (b) the procedure used to adopt the updates to such a policy.

Revisions to the Stock Option Plan 2014-2022

The Meeting of shareholders, lastly, set the date for the approval of the Company's financial statements for the year to 31 December 2018, the new timeframe before which the Board of Directors may (a) determine, at their discretion and without question, the beneficiaries of the Stock Option Plan 2014-2022 approved by the Meeting of shareholders on 19 June 2014, as subsequently modified on the 5 June 2015, (b) determine the number of options to be attributed to beneficiaries, and (c) determine the number of options to be granted to each beneficiary. Such a change is necessary since the previous terms set by the Meeting of shareholders to determine the beneficiaries and the attribution of the related options has lapsed without the Board of Directors exercising the relative facility. The above revision of the term for the identification of the beneficiaries thus comprised an automatic adaption of the period of the exercise of options.

All the other terms and conditions of the Stock Option Plan 2014-2022 remain unchanged and are carried forward, together with the revisions approved by today's Meeting, in the information documentation prepared pursuant to Article 84-a of the Issuer Regulations and made available to the public within the timeframe of the law at the registered office of the Company and at Borsa Italiana and on the web site of



the Company at www.pierrelgroup.com, section *Investors Relations / Corporate Governance / Documentation Meeting of Shareholders / Meeting of shareholders on 30 May 2016*.

The CEO Mr Fulvio Citaredo, after the Meeting of the Shareholders added: *“I am very satisfied because the resolutions passed today represent a further step forward, in addition to those already announced recently, on the pressing schedule of the plan approved by the Board on 20 April last. I think there are all the conditions to ensure that the approved capital increase will meet the wishes of the shareholders and the market and can have a significant percentage of success, such as to adequately support the implementation of the strategic plan and the implementation of the growth strategy we set”*.

The executive responsible for the preparation of corporate accounting documents of Pierrel S.p.A. Ms Maria Teresa Ciccone declares that pursuant to Article 154-a, second paragraph of TUF, that accounting information relative to the financial statements for the year and the consolidated financial statements of Pierrel S.p.A. at 31 December 2015, as contained in the present press release, corresponds to the documented results, accounting records and accounting entries of the Company.

The annual financial report for the year 2015 for Pierrel S.p.A., the financial statements for the year and the consolidated financial statements of Pierrel S.p.A. at 31 December 2015 are available to the public at the registered office of the Company, at Borsa Italiana S.p.A., at the authorised storage mechanism Nis-Storage (www.emarketstorage.com), as well as on the web site of the Company at www.pierrelgroup.com, section *Investor Relations / Corporate Governance / Documentation Meetings of Shareholders / Meeting of shareholders on 30 May 2016*, together with further documentation provided by the legal and regulatory standards in force.

The minutes of the Meeting of shareholders in Pierrel S.p.A., as well as the summary of the relative voting, will be available to the public at the registered office and on the web site of the Company at www.pierrelgroup.com in the form and within the timeframe provided by the standards in force.

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

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

Pierrel has a production unit in Capua, close to Naples, Italy, that 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, US, Russia and Europe. The registered office of Pierrel S.p.A. is in Capua (CE), Italy.

For further information:

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