PRESS RELEASE

PIERREL S.P.A.

EXTRAORDINARY SHAREHOLDERS’ MEETING:

- **Cancellation of the share capital increased up to a maximum of € 20 million approved by the Shareholders’ Meeting on 30 May 2016**

- **Approval of the measures pursuant to Article 2447 of the Italian Civil Code to cover the losses**

Naples, 7 December 2016 – The Shareholders' Meeting of Pierrel S.p.A. (the “**Company**” or “**Pierrel**”), meeting today in extraordinary session, approved the balance sheet at 30 September 2016 which posted a loss, net of available reserves, amounting to € 1,506,902, compared of the share capital subscribed and paid up, at 30 September 2016 of € 50,000.00. The situation determined the occurrence of the conditions contemplated in Article 2447 of the Italian Civil Code.

The Shareholders' Meeting then examined the report prepared by the Board of Directors pursuant to Article 2447 of the Italian Civil Code and Articles 72 and 74 of the CONSOB Regulations adopted by decision no. 11971 of 14 May 1999, as amended (the "**Issuer Regulations**") and pursuant to Annex 3A, no. 2, 3 e 5 of the Issuer Regulations, as well as Article 125-b of Italian Legislative Decree no. 58 of 24 February 1998, as amended (the **Italian Consolidated Finance Act**), related to the cancellation of the share capital increase approved on 30 May 2016 and the proposals related to the measures to cover the losses.

Cancellation of the capital increase of 30 May 2016

The Shareholders' Meeting, as a result of the occurrence of the conditions contemplated in Article 2447 of the Italian Civil Code, has resolved to cancel the previous resolution for a share capital increase in tranches as payment of the share capital of the Company, for a total of up to € 20 million, including any share premium, to be carried out through the issue of ordinary shares without par value, with full rights and with the same characteristics of the circulating ones, to be offered as a rights issue to the shareholders of the Company, in proportion to the number of shares held, pursuant to Article 2441(1) of the Italian Civil Code, approved by the Extraordinary Shareholders’ Meeting on 30 May 2016, as such capital increase is no longer compatible with the current and future economic and financial situation of the Company, due to a slight change in the terms and conditions of such capital increase with respect to those needed for the adoption of the measures pursuant to Article 2447 of the Italian Civil Code (for example, in the decision of May 2016 no indivisibility threshold of the capital increase was foreseen for an amount at least equal to the amount needed to bring the equity of the Company to the conditions required by Article 2427 of the Italian Civil Code).

Measures pursuant to Article 2447 of the Italian Civil Code to cover the losses

The Shareholders' Meeting resolved, in accordance with the proposal by the Board of Directors' in their report, to cover up of the Company's losses, amounting to € 8,778,117 (losses for the period at 30 September 2016 and the previous losses not covered) as follows: (a) for the amount of € 7,271,215 using the Company's available reserves for the same amount and, (b) for the amount of € 1,506,902 through a capital raise against payment, deciding also that the said operations are subject to the suspensive condition of the execution of the capital raise until the indivisibility threshold has been reached, as defined below.

The capital raise increase in share capital against payment was approved by the Shareholders' Meeting up to a maximum of € 35 million, including any share premium, to be subscribed by 10 August 2017, to be carried out through the issue of ordinary shares without par value, newly-issued, with full rights and with the same characteristics of the circulating ones, to be offered as a rights issue to the eligible parties, pursuant to pursuant to Article 2441(1) of the Italian Civil Code (the "**Capital increase**"), amending Article 5 of the Company's by-laws. The Shareholders' Meeting has also approved the partial indivisibility of the Capital increase up to a maximum amount of € 18.0 million (the "**Indivisibility threshold**"). In case of no subscription and release by 10 August 2017 of an amount equal to the Indivisibility threshold, the Capital increase will be deemed ineffective, while in case of reaching this Indivisibility threshold the share capital will be increased by an amount equal to the subscriptions, although less than the maximum expected.

Fin Posillipo S.p.A. and Bootes S.r.l., major shareholders of the Company with a holding of around 36.36% and 5.08% of the share capital, carried out in several tranches, capital contributions totaling approximately € 7.3 million and irrevocably and unconditionally committed to make additional capital contributions, in one or more tranches by 30 June 2017, up to a maximum additional amount of € 3.0 million. Therefore, in light of the Capital increase, the Company will forward automatically the capital contributions already made and to be made by Fin Posillipo S.p.A. e Bootes S.r.l. up to a maximum total amount of € 10.3 million.

The Shareholders' Meeting granted the Board of Directors' the right to determine, during a meeting to be held shortly before the launch of the rights issue: (a) the unit issue price of the shares offered, including any share premium, which will be determined according to the general market conditions, the price performance of the Company's shares, the business, economic and financial performance of the Company and its group, as well as market practices for similar operations, including the possibility to apply a discount to the theoretical ex right price; (b) the exact amount of the Capital increase, which will in no case be lower than the indivisibility threshold; (c) the maximum number of ordinary shares to be issued and their allotment ratio; (d) the initial date for the subscription of the newly-issued shares offered, and the end date for subscription, which cannot be after 10 August 2017.

The Shareholders' Meeting also granted the Board of Directors the broadest powers to (a) subordinate the validity of the Capital increase, if deemed necessary, to a minimum subscription percentage that, in addition to the indivisibility threshold, keeps into account of the overall outstanding debt due beyond 12 months of Pierrel and Pierrel Pharma S.r.l. owing to the Unicredit S.p.A., Banca Nazionale del Lavoro S.p.A. and Banca Popolare di Milano S.c.ar.l., and (b) the widest powers, within the maximum period of 60 days after the end date of the offer on the stock exchange of the unexercised rights, to place with third parties, including non-shareholders, the remaining shares that have not been taken up after the exercise of the option rights and the offer on the stock exchange of the unexercised option rights pursuant to Article 2441, third paragraph, of the Italian Civil Code.

The establishment of guarantee and/or placement consortiums in relation to the Share Capital Increase is not envisaged as of today.

The Shareholders' Meeting also approved that, in the event of no subscription and release of the Capital increase, within the said period of 10 August 2017, in an amount at least equal to the indivisibility threshold, and in case the Board of Directors does not observe the occurrence of facts or circumstances that cause the intervention of Article 2447 of the Italian Civil Code, the Board of Directors will ensure, pursuant to Article 2484 of the Italian Civil Code, the cause of dissolution referred to in no. 4 of the said regulation. For this event, which is stated to be merely potential, the Board has therefore identified a panel of liquidations officers composed by Giuseppe Castellano (President), Oreste Maresca and Fulvio Citaredo, granting to the panel a compensation established on the basis of the professional fees.

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The executive responsible for the preparation of corporate accounting documents of Pierrel SpA, Ms Maria

Teresa Ciccone, declares – pursuant to Article 154a, paragraph 2 of Italian Consolidated Finance Act – that the accounting information related to the financial position at 30 September 2016 contained in the present press release corresponds to the documented results, accounting records and accounting entries of the company.

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The minutes of the Shareholders' Meeting of Pierrel S.p.A., as well as a short report of the related votes, will be available to the public at the Company's registered office and on the company website www.pierrelgroup.com within the legally established deadlines.

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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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