



PRESS RELEASE

The Board of Directors of Pierrel S.p.A.: Approves Interim Report as at 31 March 2010¹

Consolidated results as at 31 March 2010:

- **Revenues: euro 11.2 million** (euro 10.8 million as at 31 March 2009);
- **EBITDA: positive as at 31 March 2010** (negative for euro 3.9 million as at 31 December 2009);
- **Net Financial Indebtedness with banks: euro 18.1 million** (negative for 18.9 million as at 31 December 2009);
- **Backlog: euro 77 million.**

Milan, 12 May 2010 –The **Board of Directors of Pierrel S.p.A.** has approved today the **2010 Consolidated Results as at 31 March 2010²**, prepared in accordance with IFRS.

At 31 March 2010, **Pierrel Group** posted **Revenues for euro 11.2 million**, with an increase of 4% in respect of euro 10.8 million recorded in the same period of 2009. The increase is primarily due to the positive trend of revenues of both the Divisions in which the Group operates.

In detail, as at 31 March 2010, the *Contract Research* Division (CRO) recorded a significant increase in revenues thanks to its core business (net of *pass-through costs*), as well as to the positive contribution of the subsidiaries Pierrel Research USA and Pierrel Research IMP which, in the first quarter 2009, were not part of the Group's perimeter. To be noted also the increase of the revenues for the *Contract Manufacturing* Division (CMO), which benefits not only from Dentsply agreement, but also from an increase in the level of the manufacturing volumes at Capua's plant.

At 31 March 2010, the **Backlog of Pierrel Group** was equal to **euro 77 million**. In detail, the ***Contract Research Division*** (CRO) posted a backlog of about euro 50 million³, increased therefore if compared to 31 December 2009 when it was equal to euro 43 million. In the same period, the ***Contract Manufacturing Division*** (CMO) posted a backlog equal to euro 27 million.

¹ This press release represents the Quarterly Report prepared in compliance with Italian listing standards as provided by article 154-ter of the Italian code for securities and exchanges (Testo Unico della Finanza).

² We inform that the **consolidating** perimeter of Pierrel S.p.A. as at March 31, 2010 differs from March 31, 2009 due to the acquisition of the company IMP Farma Resa, which first closing was executed on 14.05.2009 and Encorium USA – line of business of the American Group Encorium Group Inc. - finalised on 17.07.2009.

³ The calculation mechanism considers the exact backlog at 31 March 2010 and a 30% addition of the pass-through costs, in line with the historical average recorded by the *Contract Research* Division.



This result includes the production volume confirmed by Pierrel's customers and does not include, on the other hand, the contribution of Dentsply agreement – which provide for the exclusivity of the production volumes relatively to the market shares which Dentsply holds in Europe and Australia - in force until 2021.

In terms of profitability, Pierrel Group recorded in the first quarter 2010 a positive **EBITDA** for **euro 40 thousands** while at t 31 December 2009, Pierrel Group it was negative for euro 3.9 million. To achieve such a result the CRO Division contributed significantly , an increase of marginality of the CMO Division, as well as Pierrel S.p.A.'s cost containment strategy currently under way .

At 31 March 2010, the **Net Consolidated Financial Indebtedness**, including the period-end adjustments, is equal to euro 26.6 million compared to 31 December 2009 when it was negative for euro 27.1 million. In the first quarter 2010, the **Net Financial Indebtedness with banks** was equal to euro 18.1 million in respect of 31 December 2009 when it was negative for euro 18.9 million.

The officer of the company in charge for the preparation of the corporate accounting documents of Pierrel S.p.A., Mrs. Maria Grazia Falchi, declares pursuant to paragraph 2 of article 154-bis of legislative decree no.58 of 1998 that the accounting information of the first Interim Report as of March 31, 2010, contained in this press release, is consistent with the accounting entries and the books of account of the company.

This press release, available on Pierrel S.p.A. web site: www.pierrelgroup.com, concerning the Results of 1st quarter 2010 constitutes an interim report as defined in art. 154-ter of "Testo unico della Finanza" (TUF).

Pierrel S.p.A.

Pierrel S.p.A., a global provider to the pharmaceutical and life science industries, specialized in Research and development (Contract Research) and production (Contract Manufacturing) of drug products, is listed in the Italian Stock Exchange market. The Pierrel Group enjoys more than 50 years experience in the pharmaceutical sector and is one of the main European manufacturers of dental anaesthetic drug products. The CRO division, Pierrel Research, with about 20 subsidiaries operates both in Europe and USA, providing consultancies and full services for research and development of new molecules and drug products. The manufacturing plant in Capua, near Naples (Italy), has been authorized by FDA for the production of sterile small volumes parenteral drugs. Pierrel S.p.A Corporate Office is located in Milan, Italy.

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