



Press release

The Board of Directors of Pierrel S.p.A. has approved the partial re-organization of the activities of Pierrel Group

Milan, May 12, 2010 – **The Board of Directors of Pierrel S.p.A.**, has today resolved, consistently with the targets illustrated in the Industrial Plan approved on March 23, 2010, to carry on a partial re-organization of the activities of Pierrel Group to be completed – in principle- in the Summer 2010.

Pierrel Group's aim is a twofold one: in one hand to rationalize the organization structure and to optimize the activities of the *Contract Research* (CRO) Division and in the other one, to form a new Division (Pharma Division) which will become the owner of all authorizations to sell of drugs ("AIC") of Pierrel handling also the identification and development of new molecules and formulations as well as of *Drug Delivery* systems mainly in the area of pain therapy.

As to the the CRO Division, the operation will focus on the change of the corporate structure controlling the various CRO companies of the Pierrel Group as well as on the review of the existing business model and in particular:

(a) it is being forecasted that the participations owned today directly by Pierrel SpA in the subsidiaries Pierrel Research Europe GmbH (Germany), Pierrel Research Hungary Kft (Hungary), Pierrel Research Italy S.p.A., Pierrel Imp Srl and Pierrel Research USA (the "**CRO Pierrel**") will be contributed into Pierrel Research Switzerland AG, a company already fully owned by Pierrel S.p.A. and with registered and operational offices in Thalwill (Zurich- Switzerland), which will undertake the name **Pierrel Research International AG**.

(b) it is being forecasted a change of the current business model, where the acquisition, handling and completion of the *Contract Research* projects are today managed at local level by each CRO Pierrel using its own personnel and standard agreements varying from jurisdiction to jurisdiction, adding a model where Pierrel Research International AG will become the contractual counterpart of the new customers of Pierrel Research for the projects on an international basis. To such an end, Pierrel Research International AG will have a specific marketing and commercial structure as well as of operational coordination able to obtain and manage international clinical studies. Then each CRO Pierrel – which thanks to the reorganization process, are controlled directly by Pierrel Research International AG – will operate as *subcontractors* of the latter with regard to the management of the operational phases of the projects acquired as commissionaires for the research of new projects at local level.

As far the new **Pharma Division**, the reorganization operation will focus on two areas :



- (a) From a corporate standpoint, Pierrel S.p.A. will form an Italian company, Pierrel Pharma International S.r.l., with registered and operational offices in Milano (fully owned by Pierrel S.p.A.) which will become the owner of the A.I.C.;
- (b) From a *business type* standpoint, once incorporated and operational, Pierrel Pharma International S.r.l., will focus in one hand on the commercial exploitation of the AIC owned and on the other one, on the identification and development of new molecules , new formulations or “drug Delivery” systems mainly in the area of pain therapy where the Group enjoys an important know-how. For the above purposes it also forecasted that Pierrel Pharma International S.r.l. will also avail itself the competences of the *Contract Manufacturing* and *Contract Research* Divisions of Pierrel Group.

The Board of Directors of Pierrel, while approving the operations described above, has also granted to the Chairman, Mr. Canio Giovanni Mazzaro and to the Managing Director, Mr. Luigi Visani, all necessary powers in order to carry on the cited operations as well as to define all formal and contractual aspects to fully accomplish of the envisaged targets. Furthermore, the Board of Directors, for the specific purposes related to the operations of contribution, has approved the appraisals prepared by an external and independent expert and aimed to define the economic value of the goods objects of the contribution.

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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