

Negotiations with investors in Fagron concluded successfully

Capital increase by means of a private capital increase followed by a public capital increase for a total amount of € 220 million

Fagron announces today the successful conclusion of its negotiations with a cornerstone investor and five individual investors regarding a private capital increase combined with a public capital increase for an aggregate amount of € 220 million, subject to approval by Fagron's general meeting of shareholders. The capital increase will consist of two tranches. The first tranche of the capital increase will be effected through a private placement with a cornerstone investor (WPEF VI Holdco III BE B.V., a holding company of which the shares are held by Waterland Private Equity Fund VI CV and Baltisse NV) and five individual investors (Alychlo NV (an investment company controlled by Marc Coucke), Carmignac Gestion SA and Carmignac Portfolio SICAV (together "Carmignac"), Midlin N.V., Bart Versluys and Hans Stols²) for an amount of up to approximately € 131 million. The second tranche of the capital increase will be effected by means of a public capital increase, through a rights issue, for an amount equal to the difference between € 220 million and the amount of the first tranche of the capital increase.

Hans Stols, CEO Fagron: *"The change in the reimbursement system for non-sterile compounding in the United States has had a major impact on Fagron's results and therefore also on the company's financing. Once the exact impact on REBITDA – and therefore also on the net financial debt/REBITDA ratio – became clear, we entered into talks with our financiers. At the end of December 2015, we received a waiver until 31 March 2016 for the financial covenants concerning the revolving credit facility and the US private placement. We expect that the proposed capital increase of € 220 million together with Fagron's strong cash flow will enable us to operate within the covenants agreed with our financiers again in 2017. At present, we have started the discussions with our financiers regarding a waiver of and/or more flexibility under the financial covenants with respect to the existing finance arrangements. The convocation for the general meeting that will need to approve the € 220 million capital increase will be published shortly."*

Capital increase

The proposed capital increase for a total amount of € 220 million will consist of two tranches. The first tranche will be effected through a private placement with a cornerstone investor and five individual investors for an amount of up to approximately € 131 million. The second tranche of the capital increase will be effected through a public capital increase for an amount equal to the difference between € 220 million and the amount of the first tranche of the capital increase.

WPEF VI Holdco III BE B.V. ('WPEF') and the five individual investors (Alychlo NV, Carmignac, Midlin N.V., Bart Versluys and Hans Stols) have each entered into commitments with Fagron to, subject to certain conditions, subscribe to the first tranche of the capital increase for an amount of up to approximately € 131 million and

¹ This press release is published by Fagron NV and Fagron BV.

² Johannes Stols is a director and Chief Executive Officer of Fagron NV.



(insofar as WPEF and the first four investors are concerned) to exercise their preferential subscription rights in the second tranche of the capital increase. Moreover WPEF has committed, under certain conditions, to purchase and exercise all preferential subscription rights unexercised in the second tranche (assuming that Alychlo NV, Carmignac, Midlin N.V. and Bart Versluys have exercised their preferential subscription rights in accordance with their respective commitments). The commitment by WPEF is subject to, amongst other, receiving the customary antitrust clearances, the absence of material negative changes that concern or affect the Fagron group, the sale or closing of Bellevue Pharmacy, and the reaching of an agreement with the financing banks and the US noteholders with regard to an amendment to the existing financing arrangements. Alychlo NV, Carmignac, Midlin N.V., Bart Versluys and Hans Stols have committed to invest in the first tranche provided that WPEF invests in the first tranche.

The subscription price for the first tranche will be equal to the average closing price of Fagron shares on Euronext Brussels during the 30 calendar days immediately prior to the date of the shareholders meeting approving the capital increase, provided that such average does not exceed € 5.50 per share. If WPEF invests in the first tranche, the subscription price for the public capital increase (second tranche) will be equal to 90% of the subscription price for the first tranche.

Should the first tranche of the capital increase not take place, Fagron intends to raise the capital by means of a public capital increase for the full amount of € 220 million, with the subscription price yet to be set.

Appointment of directors

Subject to WPEF and Alychlo NV subscribing to the first tranche, the Board of Directors of Fagron will propose to the extraordinary general meeting of shareholders that four representatives of WPEF and two representatives of Alychlo NV be appointed as directors of Fagron NV.

Bellevue Pharmacy

Following the announcement of 5 February 2016 regarding the impairment related to Bellevue Pharmacy, Fagron will consider a sale or the closing of the Bellevue Pharmacy activities in further detail.

In the event of differences between the English translation and the Dutch original of this press release, the latter prevails.

Fagron profile

Fagron is a scientific pharmaceutical R&D business focused on optimising and innovating personalised pharmaceutical care. Fagron provides Fagron Specialty Pharma Services, Fagron Trademarks and Fagron Essentials to pharmacies, clinics and hospitals in 32 countries worldwide.

The Belgian company Fagron NV is located in Waregem and is listed on Euronext Brussels and Euronext Amsterdam. The operational activities of Fagron are driven by the Dutch company Fagron BV. The head office of Fagron BV is located in Rotterdam.



Additional information

Constantijn van Rietschoten
Chief Marketing Officer / Investor Relations ad interim
Tel. +31 6 53 69 15 85
constantijn.van.rietschoten@fagron.com
investors.fagron.com

Forward-looking statements - important reservations

Certain statements in this press release could be considered to be forward looking. Such forward-looking statements are based on current expectations and are influenced by various risks and uncertainties. The Company consequently cannot provide any guarantees that such forward-looking statements will in fact materialise and cannot accept any obligation to update or revise any forward-looking statement as a result of new information, future events or for any other reason.

Any securities mentioned in this press release have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

