



Trading update first quarter of 2016

Hans Stols, CEO
Jan Peeters, CFO

12 April 2016

Headlines Q1 2016

- Turnover from continued operations¹ increased by 0.9% (+7.2% at constant exchange rates) to € 103.6 million. Organic turnover decline of 6.0% (-0.1%)
- The change in the reimbursement system for non-sterile compounding resulted in the impairment of Bellevue Pharmacy in 2015. Management decided to close Bellevue Pharmacy in March 2016
- Successful conclusion of exclusive negotiations with a cornerstone investor and individual investors for a proposed capital increase of in total € 220 million
- Extension of the existing waiver in respect of the financial covenants on the revolving credit facility and the US private placement till the end of June 2016

¹ The turnover of Bellevue Pharmacy is recognised as discontinued operations as from 1 January 2016

Capital increase of € 220 million

- Negotiations with cornerstone investor and five other investors on a private capital increase combined with a public capital increase concluded successfully
- Two phases:
 1. Private placement with cornerstone investor and five individual investors for an amount of up to € 131 million
 2. Rights issue for an amount equal to the difference between € 220 million and the amount in the first tranche
- The cornerstone investor and five individual investors have committed (under conditions) to exercise their preferential subscription rights in the second tranche
- The cornerstone investor has committed (under conditions) to purchase and exercise all preferential subscription rights



Capital increase of € 220 million

- The commitment of the investors to subscribe to the first tranche of the capital increase is subject to, amongst other:
 - Approval by Fagron's EGM on 4 May 2016
 - The average closing price of Fagron shares not exceeding € 5.50 p/s during the 30 calendar days immediately prior to the date of the shareholders meeting
 - Fagron reaching an agreement with the financiers with regard to an amendment to the existing financing arrangements. Discussions with the financiers are still ongoing within the context of a temporary waiver. Fagron will have to reach an agreement before the EGM of 4 May 2016

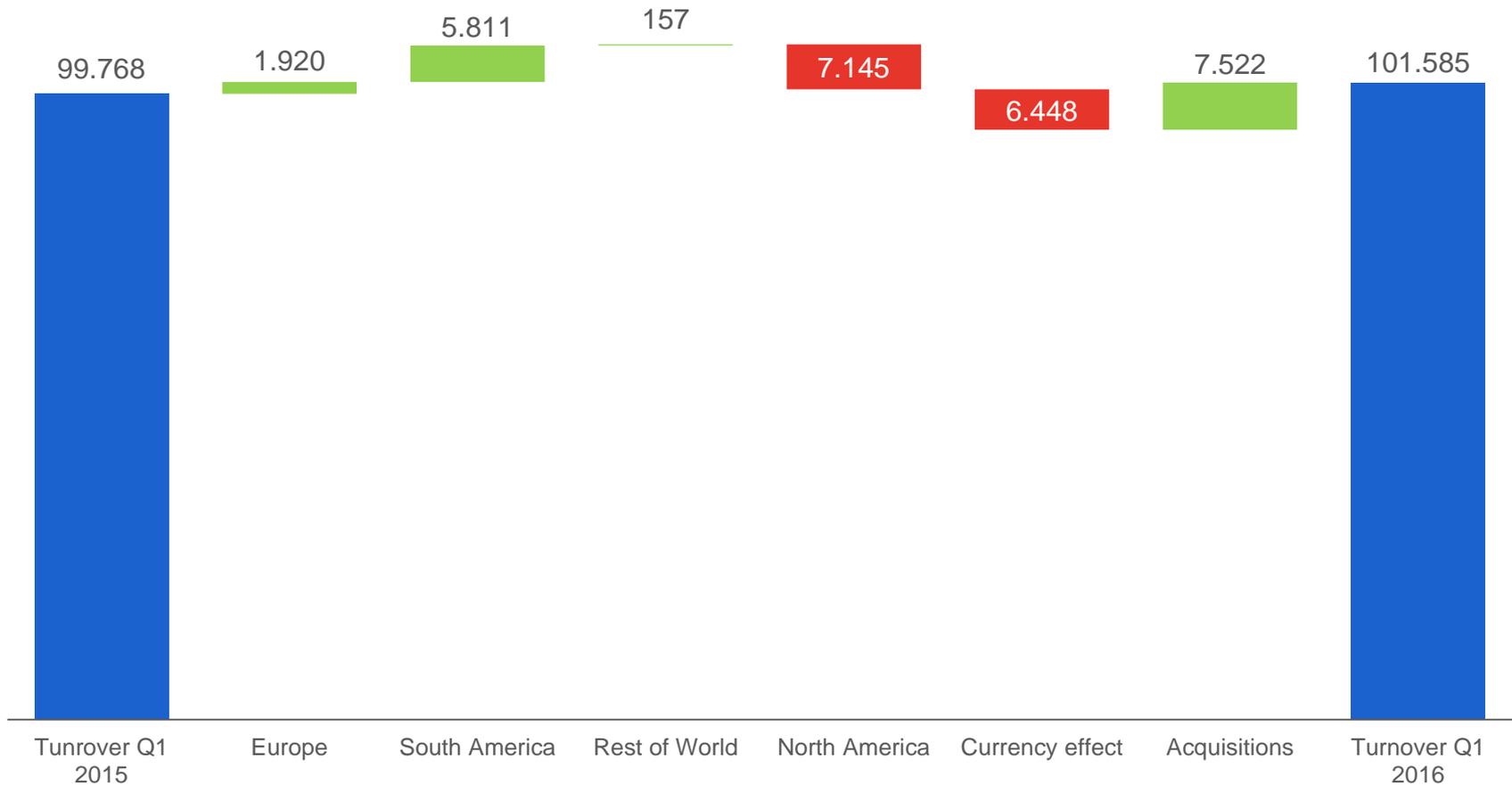
Consolidated turnover from continued operations Q1 2016

(x € million)	Q1 2016	Q1 2015	Total growth	Total growth CER	Organic growth	Organic growth CER
Fagron	101.6	99.8	+1.8%	+8.3%	-5.3%	+0.7%
HL Technology	2.0	2.8	-30.5%	-29.0%	-30.5%	-29.0%
Total	103.6	102.6	+0.9%	+7.2%	-6.0%	-0.1%

- Turnover from continued operations¹ increased with 0.9% (+7.2% at constant exchange rates) to € 103.6 million. Organic turnover decline of 6.0% (-0.1%)
- Positive turnover development at constant exchange rates in Europe, Brazil, Rest of World and for the sterile FSPS-activities in the United States
- Changes in the reimbursement system for non-sterile compounding in the United States had a negative impact on the sale of pharmaceutical raw materials (Essentials)

¹ Turnover from continued operations.

Turnover development from continued operations in Q1¹



¹ In € 1,000, excluding HL Technology

Fagron Specialty Pharma Services

(x € million)	Q1 2016	Q1 2015	Total growth	Total growth CER	Org. growth	Org. Growth CER
Turnover¹	37.8	27.6	+36.8%	+36.9%	+12.7%	+12.8%

- Turnover growth of 36.8% with organic turnover growth of 12.7%
- Strong turnover growth in Europe, Colombia, South-Africa and the sterile activities in the US
- Increasing demand for sterile compounding by hospitals
- New sterile facility in Wichita (US) supplied first products to customers in March 2016
- New antibiotic facility in Hoogeveen (NL) opens in June 2016

¹ Turnover from continued operations.

Fagron Trademarks

(x € million)	Q1 2016	Q1 2015	Total growth	Total growth CER	Org. growth	Org. Growth CER
Turnover¹	11.8	11.6	+1.9%	+17.3%	+1.9%	+17.3%

- ☐ Turnover growth of 1.9% (+17.3% at constant exchange rates)
- ☐ Growth driven by local and global concepts like SyrSpend® SF, Fagron Advanced Derma, Pentravan® and CapsiCards® System
- ☐ Well-filled and extensive pipeline of local and global innovations that will be introduced the coming years

¹ Turnover from continued operations.

Fagron Essentials

(x € million)	Q1 2016	Q1 2015	Total growth	Total growth CER	Org. growth	Org. Growth CER
Turnover¹	52.0	60.5	-14.2%	-6.5%	-16.4%	-8.9%

- ☹ Turnover decline of 14.2% (-6.5% at constant exchange rates)
- ☹ Organic turnover decline of 16.4% (-8.9% at constant exchange rates)
- ☹ Negative effect of the changed reimbursement system in US on the sale of pharmaceutical raw materials (mainly Freedom Pharmaceuticals)
- ☹ Healthy organic turnover growth in Europe
- ☹ Strong organic turnover growth at constant exchange rates in Brazil

¹ Turnover from continued operations.

Q&A





Disclaimer

Important information about forward-looking statements

Certain statements in this presentation may be considered “forward-looking”. Such forward-looking statements are based on current expectations, and, accordingly, entail and are influenced by various risks and uncertainties. The Company therefore cannot provide any assurance that such forward-looking statements will materialize and does not assume an obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.