

HOCHDORF Group Press Release: Extraordinary Meeting of Shareholders

## Details of the request for conditional capital increase

*Hochdorf, 4 November 2016* – **At the Extraordinary General Meeting of HOCHDORF Holding Ltd on 29 November 2016, the shareholders will decide upon a conditional capital increase, an increase in the voting restriction of 5% to 15% and the election of Michiel de Ruiter to the Board of Directors at HOCHDORF Holding Ltd. Details of the implementation of the conditional capital increase are now available.**

On 24 October 2016 HOCHDORF signed the purchase agreement to acquire 51% of Pharmalys Laboratories SA, Baar (Switzerland), 51% of Pharmalys Tunisia SA, Tunis (Tunisia) and 51% of Pharmalys Africa Sarl, which will be jointly founded as a new company. Details of the implementation of the conditional capital increase in relation to this transaction are now available. The capital increase will be presented to the shareholders for approval.

### Details of the purchase price

The purchase price for the transaction is calculated on the basis of the average EBIT for 2016 and 2017 for Pharmalys Laboratories SA and Pharmalys Tunisia SA multiplied by a multiple of 14. There will also be a one-off upside compensation of CHF 28–36 million for the share price increase of the HOCHDORF Holding Ltd shares dating from the signing of the Memorandum of Understanding to 25.10.2016. According to current prognoses, the final purchase price lies in the region of CHF 135 to CHF 170 million.

### Mandatory convertible bond in two tranches

A first part of the purchase price will be transferred in cash. The larger part of the purchase price will be settled in the form of a mandatory convertible bond. The maximum number of shares for this may not finally exceed 430,000. Any amount exceeding this equivalent value will also be settled in cash.

At the Extraordinary General Meeting, the Board of Directors is requesting a conditional share capital increase to a maximum amount of CHF 7,173,800 by issuing a total of 717,380 fully paid-in registered shares with a nominal value of CHF 10.00 per share, in order to issue a mandatory convertible bond.

The planned mandatory convertible bond will be paid up on 31.3.2017. The runtime of the bond is 3 years. The interest coupon is set at 3.50% and the strike price is CHF 304.67. This corresponds to the volume-weighted average share price of 25 October 2016 with an additional premium of CHF 30. The maximum issue amount is therefore around CHF 218.5 million. Of this overall amount, a maximum of CHF 131.0 million is reserved as tranche A for the purchase of the Pharmalys companies.

The advance subscription rights of previous shareholders are suspended for tranche A in favour of the seller. The remaining tranche B of at least CHF 87.5 million will be offered to the previous shareholders in full as advance subscriptions.

The invitation to the Extraordinary General Meeting as well as answers to questions relating to the Pharmalys transaction are available on the HOCHDORF Group website: [www.hochdorf.com](http://www.hochdorf.com).

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