

Subject: Moody's assigns a B1 corporate family rating and a B1-PD probability of default rating to Pfleiderer Grajewo S.A.

Current Report No. 11/2016

The Management Board of Pfleiderer Grajewo S.A. (the "**Company**") informs that on January 26, 2016 Moody's Investors Service ("**Moody's**") has assigned a B1 corporate family rating (CFR) and a B1-PD probability of default rating (PDR) to the Company, the new ultimate top company of Pfleiderer Group ("**Pfleiderer**" or "**Group**"), upon its successful capital increase through a public offering and reverse takeover of Pfleiderer GmbH financed by the net proceeds from a capital increase, completed on 19 January 2016 ("**Transaction**"). Concurrently, Moody's has upgraded to B2 (LGD4) from B3 (LGD4) the rating of the EUR322 million senior secured notes (due 2019), issued by Pfleiderer GmbH. The outlook on all ratings is positive.

The B1 corporate family rating (CFR) assigned to the Company reflects the change in Pfleiderer Group corporate and legal structure following the completion of the Transaction and the Company's intention to reduce the overall indebtedness of the combined Group. According to Moody's, the acquisition of Pfleiderer GmbH by the Company has meaningfully enhanced the Group's credit profile, resulting in the assigned B1 CFR with a positive outlook which is one notch higher than the withdrawn B2 CFR of Pfleiderer GmbH before the reverse takeover by the Company. The assigned B1 CFR and upgrade to B2 of the senior secured notes acknowledge Pfleiderer's financial performance through 2015 and a strengthened position of Pfleiderer's bondholders as a result of an enhanced security package and indirect access to cash flows generated by the Company and its subsidiaries, which had been limited prior to the acquisition.

The rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

This report was prepared pursuant to Article 56 Section 1 Item 2 of the Act of July 29, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies. (consolidated text: Dz. U. of 2013, Item 1382, as amended) and § 5 Section 1 Clause 26 of the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state of February 19, 2009 (consolidated text: Dz. U. of 2014, Item 133).

January 26, 2016

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by the Polish Financial Supervision Authority. For the purposes of the Offering in Poland and admission of the Company's securities to trading on the Warsaw Stock Exchange, the Prospectus is available on the Company's website (www.pfleiderer.pl) and, additionally, for information purposes, on the website of Powszechna Kasa Oszczędności Bank Polski S.A. Oddział – Dom Maklerski PKO Banku Polskiego w Warszawie (www.dm.pkobp.pl).

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