

Quarterly Information (ITR)

Raia Drogasil S.A.

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COMPANY INFORMATION / CAPITAL COMPOSITION

Number of shares (units)	Current Quarter 09/30/2012
Paid-up capital	
Common shares	330,386,000
Preferred shares	0
Total	330,386,000
Treasury shares	
Common shares	0
Preferred shares	0
Total	0

Company data / Cash earnings

Event	Approval	Cash earnings	Payment	Share type	Share class	Earnings per share (Reais / Share)
Ordinary General Meeting	03/21/2012	Interest on equity capital	03/12/2012	Common Shares		0.02119
Ordinary General Meeting	06/21/2012	Interest on equity capital	03/12/2012	Common Shares		0.05600
Ordinary General Meeting	09/21/2012	Interest on equity capital	31/05/2013	Common Shares		0.04389

A free translation from Portuguese into English of quarterly information prepared in accordance with Brazilian and international standards on review engagements

Individual financial information / Balance sheet - Assets

(In thousands of reais)

Account Code	Description	Current quarter 09/30/2012	Prior Year 12/31/2011
1	Total assets	2,727,021	2,596,652
1.01	Current assets	812,797	770,563
1.01.01	Cash and cash equivalents	124,962	144,863
1.01.03	Trade accounts receivable	223,421	168,790
1.01.03.01	Trade accounts receivable	169,652	146,788
1.01.03.01.01	Checks receivable	3,137	3,359
1.01.03.01.02	Credit and debit cards	145,621	126,848
1.01.03.01.03	PBM – Pharmacy Benefits Management	17,786	14,040
1.01.03.01.04	Agreements with companies	3,678	3,191
1.01.03.01.08	(-) Allowance for doubtful accounts	-570	-650
1.01.03.02	Other receivables	53,769	22,002
1.01.03.02.01	Advances to employees	2,238	1,511
1.01.03.02.02	Advances to suppliers	4,484	3,357
1.01.03.02.03	Commercial agreements	42,504	14,030
1.01.03.02.08	Other	4,543	3,104
1.01.04	Inventories	417,744	388,763
1.01.04.01	Products for resale	418,352	388,974
1.01.04.02	Materials	2,309	2,245
1.01.04.03	(-) Allowance for losses on products	-2,917	-2,456
1.01.06	Taxes recoverable	42,039	61,579
1.01.06.01	Current taxes recoverable	42,039	61,579
1.01.07	Prepaid expenses	4,631	6,568
1.02	Non-current assets	1,914,224	1,826,089
1.02.01	Long-term receivables	69,942	39,102
1.02.01.03	Accounts receivable	610	608
1.02.01.03.02	Other receivables	610	608
1.02.01.07	Prepaid expenses	594	136
1.02.01.09	Other non-current assets	68,738	38,358
1.02.01.09.03	Compulsory deposits and tax incentives	-36	0
1.02.01.09.04	Judicial deposits	5,270	4,562
1.02.01.09.05	Taxes recoverable	62,943	33,235
1.02.01.09.06	Court-ordered debt payments (“ <i>precatórios</i> ”)	561	561
1.02.02	Investments	1,564,315	1,554,303
1.02.02.01	Shareholding interest	1,564,315	1,554,303
1.02.02.01.02	Investments in subsidiaries	1,564,315	1,554,303
1.02.03	Property and equipment	214,310	175,126
1.02.04	Intangible assets	65,657	57,558

Individual financial information / Balance sheet – Liabilities and equity**(In thousands of reais)**

Account code	Account description	Current quarter 09/30/2012	Prior year 12/31/2011
2	Total liabilities and equity	2,727,021	2,596,652
2.01	Current liabilities	405,209	324,547
2.01.01	Labor and social charges	49,477	38,112
2.01.01.01	Social obligations	8,269	6,935
2.01.01.02	Labor obligations	41,208	31,177
2.01.02	Trade accounts payable	230,098	211,047
2.01.02.01	Local suppliers	230,098	211,047
2.01.03	Tax obligations	26,237	16,781
2.01.03.01	Federal tax obligations	13,614	6,655
2.01.03.01.01	Income and social contribution taxes payable	8,424	865
2.01.03.01.02	Other federal tax obligations	5,190	5,790
2.01.03.02	State tax obligations	12,157	9,957
2.01.03.03	Local tax obligations	466	169
2.01.04	Loans and financing	33,017	24,928
2.01.04.01	Loans and financing	33,017	24,928
2.01.04.01.01	In local currency	33,017	24,928
2.01.05	Other liabilities	62,125	30,225
2.01.05.02	Other	62,125	30,225
2.01.05.02.01	Dividends and interest on equity capital payable	35,051	3,662
2.01.05.02.04	Rental	7,852	6,070
2.01.05.02.05	Key money	563	699
2.01.05.02.06	Other payables	18,659	19,794
2.01.06	Provisions	4,255	3,454
2.01.06.01	Tax, social security, labor and civil provisions	1,792	1,521
2.01.06.01.01	Provisions for tax contingencies	93	93
2.01.06.01.05	Provisions for legal proceedings	1,699	1,428
2.01.06.02	Other provisions	2,463	1,933
2.01.06.02.04	Provisions for internal campaigns	1,133	1,180
2.01.06.02.05	Provisions for extraordinary expenses	708	708
2.01.06.02.06	Provisions for sundry obligations	622	45
2.02	Non-current liabilities	66,797	70,931
2.02.01	Loans and financing	57,172	62,749
2.02.01.01	Loans and financing	57,172	62,749
2.02.01.01.01	In local currency	57,172	62,749
2.02.02	Other liabilities	3,157	3,020
2.02.02.02	Other	3,157	3,020
2.02.02.02.03	Other	3,157	3,020
2.02.03	Deferred taxes	5,583	4,484
2.02.03.01	Deferred income and social contribution taxes	5,583	4,484
2.02.04	Provisions	885	678
2.02.04.01	Tax, social security, labor and civil provisions	885	678
2.02.04.01.05	Provisions for legal claims	885	678
2.03	Equity	2,255,015	2,201,174
2.03.01	Paid-in capital	908,639	908,639
2.03.02	Capital reserves	1,039,935	1,039,935
2.03.03	Revaluation reserves	13,174	13,325
2.03.04	Income reserves	229,536	239,275
2.03.04.01	Legal reserve	14,375	14,375
2.03.04.02	Statutory reserve	215,161	215,162
2.03.04.08	Additional proposed dividends	0	9,738
2.03.05	Retained earnings/accumulated losses	63,731	0

Individual financial information / Income statement

(In thousands of reais)

Account code	Account description	Current Quarter		YTD		Same Quarter for the prior year	
		07/01/2012 to 09/30/2012	01/01/2012 to 09/30/2012	07/01/2011 to 09/30/2011	01/01/2011 to 09/30/2011		
3.01	Revenue from sale of products and/or services	708,536	2,001,511	600,822	1,690,418		
3.01.01	Gross revenue from sale of products and/or services	739,126	2,086,709	627,201	1,763,901		
3.01.02	Taxes on sales	-27,271	-75,598	-23,348	-64,936		
3.01.03	Rebates	-3,319	-9,600	-3,031	-8,547		
3.02	Cost of goods sold and/or services rendered	-510,752	-1,433,963	-440,639	-1,245,321		
3.03	Gross profit	197,784	567,548	160,183	445,097		
3.04	Operating income/expenses	-153,779	-436,126	-129,056	-366,014		
3.04.01	Selling expenses	-124,062	-344,954	-97,619	-278,605		
3.04.02	General and administrative expenses	-28,230	-90,268	-30,682	-86,654		
3.04.02.01	Administrative	-14,709	-51,824	-19,269	-53,859		
3.04.02.03	Depreciation and amortization	-13,521	-38,444	-11,413	-32,795		
3.04.05	Other operating expenses	-2,745	-10,916	-755	-755		
3.04.05.01	Extraordinary expenses	-2,745	-10,916	-755	-755		
3.04.06	Equity pickup	1,258	10,012	0	0		
3.05	Income before financial income (expenses) and taxes	44,005	131,422	31,127	79,083		
3.06	Financial income (expenses)	-567	-1,046	2,706	7,614		
3.06.01	Financial income	1,844	6,485	4,942	14,315		
3.06.02	Financial expenses	-2,411	-7,531	-2,236	-6,701		
3.07	Income before income taxes	43,438	130,376	33,833	86,697		
3.08	Income and social contribution taxes	-8,709	-26,928	-11,612	-25,232		
3.08.01	Current	-8,468	-25,752	-12,890	-25,316		
3.08.02	Deferred	-241	-1,176	1,278	84		
3.09	Net income from continuing operations	34,729	103,448	22,221	61,465		
3.11	Income/loss for the period	34,729	103,448	22,221	61,465		
3.99	Earnings per share (Reais/share)	0	0	0	0		
3.99.01	Basic earnings per share	0	0	0	0		
3.99.01.01	Common shares	0.10512	0.31311	0.11834	0.32738		
3.99.02	Diluted earnings per share	0	0	0	0		
3.99.02.01	Common shares	0.10512	0.31311	0.118	0.32643		

Individual financial information / Statement of comprehensive income

(In thousands of reais)

Account code	Account description	Current Quarter	YTD	Same Quarter for the prior year	YTD
		07/01/2012 to 09/30/2012	01/01/2012 to 09/30/2012	07/01/2011 to 09/30/2011	01/01/2011 to 09/30/2011
4.01	Net income for the period	34,729	103,448	22,221	61,465
4.03	Comprehensive income for the period	34,729	103,448	22,221	61,465

Individual financial information / Cash flow statement – Indirect method**(In thousands of reais)**

Account code	Account description	YTD	Accrued – prior
		01/01/2012 to 09/30/2012	Year 01/01/2011 to 09/30/2011
6.01	Net cash from operating activities	83,932	1,401
6.01.01	Cash from operations	167,441	126,065
6.01.01.01	Income before IRPJ and CSLL	130,375	86,697
6.01.01.02	Depreciation and amortization	38,445	32,795
6.01.01.03	Stock option plan	0	399
	Gain (loss) on disposal of property and equipment and intangible assets	635	-209
6.01.01.04			
6.01.01.05	Reversal of provision for legal claims	103	-385
6.01.01.06	Allowance for doubtful accounts	820	55
6.01.01.07	Interest expenses	6,615	5,425
6.01.01.08	Provision for inventory losses	460	1,288
6.01.01.09	Equity pickup	-10,012	0
6.01.02	Changes in assets and liabilities	-65,265	-105,711
6.01.02.01	Short-term investments	0	-1,125
6.01.02.02	Accounts receivable	-55,451	-23,240
6.01.02.03	Inventories	-29,441	-66,705
6.01.02.04	Other current assets	23,402	-20,724
6.01.02.05	Long-term receivables	-31,195	-1,341
6.01.02.06	Trade accounts payable	19,084	-11,862
6.01.02.07	Salaries and social charges	11,365	17,044
6.01.02.08	Taxes, charges and mandatory contributions	-4,583	-4,544
6.01.02.09	Other liabilities	-228	5,505
6.01.02.10	Rental payable	1,782	1,281
6.01.03	Other	-18,244	-18,953
6.01.03.01	Income and social contribution taxes paid	-18,244	-18,953
6.02	Net cash from investing activities	-87,012	-37,890
	Additions to property and equipment and intangible assets	-87,035	-38,369
6.02.01			
6.02.02	Proceeds from disposal of property and equipment	23	479
6.03	Net cash from financing activities	-16,821	9,361
6.03.01	Financing raised	15,377	41,672
6.03.02	Repayment of financing	-14,885	-13,503
6.03.03	Interest paid	-4,595	-3,506
6.03.04	Proceeds from exercise of stock option plans	0	265
6.03.05	Interest on equity capital and dividends paid	-12,718	-15,567
6.05	Increase/(decrease) in cash and cash equivalents	-19,901	-27,128
6.05.01	Opening cash and cash equivalents balance	144,863	180,846
6.05.02	Closing cash and cash equivalents balance	124,962	153,718

Individual financial information / Statement of changes in equity – 01/01/2012 to 09/30/2012

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury stock	Income reserves	Retained earnings/ accumulated losses	Other comprehensive income	Equity
5.01	Opening balances	908,639	1,039,935	252,600	0	0	2,201,174
5.03	Adjusted opening balances	908,639	1,039,935	252,600	0	0	2,201,174
5.04	Capital transactions with shareholders	0	0	-9,738	-39,869	0	-49,607
5.04.07	Interest on equity capital	0	0	0	-40,000	0	-40,000
5.04.07	Interest on equity (IOE) for 2011 approved by the Shareholders' Annual Meeting (AGO) held on April 27, 2012	0	0	-9,738	0	0	-9,738
5.04.08	Interest on Equity - Lapsed	0	0	0	131	0	131
5.04.09	Total comprehensive income	0	0	0	103,448	0	103,448
5.05.01	Net income for the period	0	0	0	103,448	0	103,448
5.06	Internal changes in equity	0	0	-152	152	0	0
5.06.02	Realization of revaluation reserve	0	0	-230	230	0	0
5.06.02	Realization of revaluation reserve	0	0	78	-78	0	0
5.06.03	Realization of revaluation reserve	0	0	78	-78	0	0
5.07	Closing balances	908,639	1,039,935	242,710	63,731	0	2,255,015

Individual financial information / Statement of changes in equity – 01/01/2011 to 09/30/2011

(In thousands of reais)

Account Code	Account description	Capital reserves		Retained earnings/		Other comprehensive income	Equity
		Paid-in Capital	Options granted and treasury stock	Income reserves	Accumulated Losses		
5.01	Opening balances	285,400	100,889	212,328	0	0	598,617
5.03	Adjusted opening balances	285,400	100,889	212,328	0	0	598,617
5.04	Capital transactions with shareholders	0	-334	-3,240	-16,480	0	-20,054
5.04.03	Options granted and recognized	0	399	0	0	0	399
5.04.05	Treasury stock disposed of	0	-733	998	0	0	265
5.04.07	Interest on equity capital	0	0	0	-16,550	0	-16,550
5.04.08	Dividend for 2010 approved by AGO held on April 11, 2011	0	0	-4,238	0	0	-4,238
5.04.09	Interest on Equity – Lapsed	0	0	0	70	0	70
5.05	Total comprehensive income	0	0	0	61,465	0	61,465
5.05.01	Net income for the period	0	0	0	61,465	0	61,465
5.06	Internal changes in equity	0	0	-6,148	151	0	-5,997
5.06.02	Realization reserve valuation reserve released to retained earnings	0	0	-230	230	0	0
5.06.03	Taxes on realization of revaluation reserve I.R.P.J. and C.S.L.L. Deferred tax on revaluation reserve of land	0	0	79	-79	0	0
5.06.09	I.R.P.J. and C.S.L.L. Deferred tax on revaluation reserve of land	0	0	-5,997	0	0	-5,997
5.07	Closing balances	285,400	100,555	202,940	45,136	0	634,031

Individual financial information / Statement of value added**(In thousands of reais)**

Account code	Account description	YTD 01/01/2012 to 09/30/2012	Accrued prior year 01/01/2011 to 09/30/2011
7.01	Revenues	2,076,187	1,755,623
7.01.01	Sale of goods, products and services	2,077,008	1,755,260
7.01.02	Other revenue	-1	418
7.01.04	Set up/reversal of allowance for doubtful accounts	-820	-55
7.02	Inputs acquired from third parties	-1,389,941	-1,193,794
7.02.01	Cost of goods, products and services sold	-1,306,735	-1,138,066
7.02.02	Materials, electricity, third party services and other	-82,951	-55,530
7.02.03	Loss/recovery of amounts receivable	-255	-198
7.03	Gross value added	686,246	561,829
7.04	Withholdings	-38,445	-32,795
7.04.01	Depreciation, amortization and depletion	-38,445	-32,795
7.05	Net value added produced	647,801	529,034
7.06	Value added received in transfer	16,497	14,315
7.06.01	Equity pickup	10,012	0
7.06.02	Financial income	6,485	14,315
7.07	Total value added to be distributed	664,298	543,349
7.08	Distribution of value added	664,298	543,349
7.08.01	Personnel	193,055	169,435
7.08.01.01	Direct compensation	153,875	136,303
7.08.01.02	Benefits	24,569	22,263
7.08.01.03	Unemployment Compensation Fund (FGTS)	14,611	10,869
7.08.02	Taxes, charges and mandatory contributions	271,518	233,428
7.08.02.01	Federal	88,806	77,483
7.08.02.02	State	179,616	153,458
7.08.02.03	Local	3,096	2,487
7.08.03	Debt remuneration	96,277	79,022
7.08.03.01	Interest	34,372	29,848
7.08.03.02	Rental	61,905	49,174
7.08.04	Equity remuneration	103,448	61,464
7.08.04.01	Interest on equity capital	40,000	16,550
7.08.04.03	Retained profit/loss for the period	63,448	44,914

Consolidated financial information / Balance sheet - Assets**(In thousands of reais)**

Account code	Account description	Current quarter 09/30/2012	Prior year 12/31/2011
1	Total assets	3,186,097	3,168,308
1.01	Current assets	1,558,119	1,625,795
1.01.01	Cash and cash equivalents	218,404	339,971
1.01.03	Accounts receivable	436,728	367,183
1.01.03.01	Trade accounts receivable	332,875	287,843
1.01.03.01.01	Checks receivable	5,796	6,367
1.01.03.01.02	Credit and debit cards	281,721	242,470
1.01.03.01.03	PBM – Pharmacy Benefits Management	26,458	21,188
1.01.03.01.04	Agreements with companies	19,597	18,782
1.01.03.01.09	(-) Allowance for doubtful accounts	-697	-964
1.01.03.02	Other receivables	103,853	79,340
1.01.03.02.01	Advances to employees	3,950	7,406
1.01.03.02.02	Advances to suppliers	15,357	12,123
1.01.03.02.03	Commercial agreements	78,938	55,288
1.01.03.02.08	Other	5,608	4,523
1.01.04	Inventories	829,405	814,975
1.01.04.01	Products for resale	827,617	810,576
1.01.04.02	Materials	10,019	9,402
1.01.04.03	(-) Allowance for losses on products	-8,231	-5,003
1.01.06	Taxes recoverable	62,110	93,160
1.01.06.01	Current taxes recoverable	62,110	93,160
1.01.07	Prepaid expenses	11,472	10,506
1.02	Non-current assets	1,627,978	1,542,513
1.02.01	Long-term receivables	78,126	44,063
1.02.01.03	Accounts receivable	610	608
1.02.01.03.02	Other receivables	610	608
1.02.01.07	Prepaid expenses	594	136
1.02.01.09	Other non-current assets	76,922	43,319
1.02.01.09.03	Compulsory deposits and tax incentives	-36	0
1.02.01.09.04	Judicial deposits	10,349	7,445
1.02.01.09.05	Taxes recoverable	66,048	35,313
1.02.01.09.06	Court-ordered debt payments (“precatórios”)	561	561
1.02.03	Property and equipment	422,083	370,605
1.02.04	Intangible assets	1,127,769	1,127,845

Consolidated financial information / Balance sheet – Liabilities and equity**(In thousands of reais)**

Account code	Account description	Current quarter	Prior year
		09/30/2012	12/31/2011
2	Total liabilities and equity	3,186,097	3,168,308
2.01	Current liabilities	780,022	791,232
2.01.01	Labor and social charges	120,587	92,460
2.01.01.01	Social obligations	20,181	16,553
2.01.01.02	Labor obligations	100,406	75,907
2.01.02	Trade accounts payable	466,636	536,399
2.01.02.01	Local suppliers	466,636	536,399
2.01.03	Tax obligations	40,998	30,035
2.01.03.01	Federal tax obligations	23,655	11,496
2.01.03.01.01	Income and social contribution taxes payable	11,066	865
2.01.03.01.02	Other federal tax obligations	12,589	10,631
2.01.03.02	State tax obligations	15,574	17,332
2.01.03.03	Local tax obligations	1,769	1,207
2.01.04	Loans and financing	61,011	50,325
2.01.04.01	Loans and financing	61,011	50,325
2.01.04.01.01	In local currency	61,011	50,325
2.01.05	Other liabilities	78,910	72,935
2.01.05.02	Other	78,910	72,935
2.01.05.02.01	Dividends and interest on equity capital payable	35,051	3,662
2.01.05.02.04	Rental	14,665	12,815
2.01.05.02.05	Key money	563	699
2.01.05.02.06	Other payables	28,631	55,759
2.01.06	Provisions	11,880	9,078
2.01.06.01	Tax, social security, labor and civil provisions	3,224	1,730
2.01.06.01.01	Provisions for tax contingencies	93	93
2.01.06.01.05	Provisions for legal claims	3,131	1,637
2.01.06.02	Other provisions	8,656	7,348
2.01.06.02.04	Provisions for internal campaigns	1,133	1,180
2.01.06.02.05	Provisions for extraordinary expenses	708	708
2.01.06.02.06	Provisions for sundry obligations	6,815	5,460
2.02	Non-current liabilities	151,060	175,902
2.02.01	Loans and financing	87,962	111,985
2.02.01.01	Loans and financing	87,962	111,985
2.02.01.01.01	In local currency	87,962	111,985
2.02.02	Other liabilities	7,487	8,930
2.02.02.02	Other	7,487	8,930
2.02.02.02.03	Other	7,487	8,930
2.02.03	Deferred taxes	51,488	51,715
2.02.03.01	Deferred income and social contribution taxes	51,488	51,715
2.02.04	Provisions	4,123	3,272
2.02.04.01	Tax, social security, labor and civil provisions	4,123	3,272
2.02.04.01.05	Provisions for legal claims	4,123	3,272
2.03	Consolidated equity	2,255,015	2,201,174
2.03.01	Paid-in capital	908,639	908,639
2.03.02	Capital reserves	1,039,935	1,039,935
2.03.03	Revaluation reserves	13,174	13,325
2.03.04	Income reserves	229,536	239,275
2.03.04.01	Legal reserve	14,375	14,375
2.03.04.02	Statutory reserve	215,161	215,162
2.03.04.08	Additional proposed dividends	0	9,738
2.03.05	Retained earnings/accumulated losses	63,731	0

Consolidated financial information / Income statement**(In thousands of reais)**

Account code	Account description	Current Quarter 07/01/2012 to 09/30/2012	YTD 01/01/2012 to 09/30/2012	Same Quarter for the prior year 07/01/2011 to 09/30/2011	YTD 01/01/2011 to 09/30/2011
3.01	Revenue from sale of products and/or services	1,396,211	3,956,717	0	0
3.01.01	Gross revenue from sale of products and/or services	1,451,823	4,113,856	0	0
3.01.02	Taxes on sales	-48,078	-134,456	0	0
3.01.03	Rebates	-7,534	-22,683	0	0
3.02	Cost of goods sold and/or services rendered	-1,015,727	-2,863,745	0	0
3.03	Gross profit	380,484	1,092,972	0	0
3.04	Operating income/expenses	-334,694	-955,823	0	0
3.04.01	Selling expenses	-261,255	-726,625	0	0
3.04.02	General and administrative expenses	-69,953	-216,370	0	0
3.04.02.01	Administrative	-38,085	-125,205	0	0
3.04.02.03	Depreciation and amortization	-31,868	-91,165	0	0
3.04.05	Other operating expenses	-3,486	-12,828	0	0
3.04.05.01	Extraordinary expenses	-3,486	-12,828	0	0
3.05	Income before financial income (expenses) and taxes	45,790	137,149	0	0
3.06	Financial income (expenses)	-1,564	-1,146	0	0
3.06.01	Financial income	3,086	12,931	0	0
3.06.02	Financial expenses	-4,650	-14,077	0	0
3.07	Income before income taxes	44,226	136,003	0	0
3.08	Income and social contribution taxes	-9,497	-32,555	0	0
3.08.01	Current	-11,157	-32,705	0	0
3.08.02	Deferred	1,660	150	0	0
3.09	Net income from continuing operations	34,729	103,448	0	0
3.11	Consolidated income/loss for the period	34,729	103,448	0	0
3.11.01	Attributed to the parent company's shareholders	34,729	103,448	0	0
3.99	Earnings per share (Reais/share)	0	0	0	0
3.99.01	Basic earnings per share	0	0	0	0
3.99.01.01	Common shares	0.10512	0.31311	0	0
3.99.02	Diluted earnings per share	0	0	0	0
3.99.02.01	Common shares	0.10512	0.31311	0	0

Consolidated financial information / Statement of comprehensive income

(In thousands of reais)

Account code	Account description	Current Quarter	YTD	Same Quarter for the prior year	YTD
		07/01/2012 to 09/30/2012	01/01/2012 to 09/30/2012	07/01/2011 to 09/30/2011	01/01/2011 to 09/30/2011
4.01	Consolidated net income for the period	34,729	103,448	22,221	61,465
4.03	Consolidated comprehensive income for the period	34,729	103,448	22,221	61,465
4.03.01	Attributed to the parent company's shareholders	34,729	103,448	22,221	61,465

Consolidated financial information / Cash flow statement – Indirect method**(In thousands of reais)**

Account code	Account description	YTD	Accrued - prior
		01/01/2012 to 09/30/2012	year 01/01/2011 to 09/30/2011
6.01	Net cash from operating activities	61,245	0
6.01.01	Cash from operations	246,877	0
6.01.01.01	Income before IRPJ and CSLL	136,004	0
6.01.01.02	Depreciation and amortization	91,165	0
6.01.01.04	Gain on Sale or Disposal of Fixed Assets and intangible	1,691	0
6.01.01.05	Reversal of provision for legal claims	1,039	0
6.01.01.06	Allowance for doubtful accounts	1,901	0
6.01.01.07	Interest expenses	11,850	0
6.01.01.08	Provision for inventory losses	3,227	0
6.01.02	Changes in assets and liabilities	-167,388	0
6.01.02.02	Accounts receivable	-71,447	0
6.01.02.03	Inventories	-17,658	0
6.01.02.04	Other current assets	32,009	0
6.01.02.05	Long-term receivables	-34,418	0
6.01.02.06	Suppliers	-69,731	0
6.01.02.07	Salaries and social charges	28,128	0
6.01.02.08	Taxes, charges and mandatory contributions	-10,027	0
6.01.02.09	Other liabilities	-26,095	0
6.01.02.10	Rents Payable	1,851	0
6.01.03	Other	-18,244	0
6.01.03.01	Income and social contribution taxes paid	-18,244	0
6.02	Net cash from investing activities	-144,908	0
6.02.01	Additions to property and equipment and intangible assets	-146,276	0
6.02.02	Proceeds from disposal of property and equipment	1,368	0
6.03	Net cash from financing activities	-37,904	0
6.03.01	Financing raised	46,562	0
6.03.02	Repayment of financing	-61,951	0
6.03.03	Interest paid	-9,797	0
6.03.05	JCP and Dividends Paid	-12,718	0
6.05	Increase/(decrease) in cash and cash equivalents	-121,567	0
6.05.01	Opening cash and cash equivalents balance	339,971	0
6.05.02	Closing cash and cash equivalents balance	218,404	0

Consolidated financial information / Statement of changes in equity – 01/01/2012 to 09/30/2012

(In thousands of reais)

Account code	Account description	Paid-in Capital	Capital reserves, options granted and treasury stock	Income reserves	Retained earnings/ accumulated losses	Other Comprehensive Income	Equity	Non-controlling interest	Consolidated Equity
5.01	Opening balances	908,639	1,039,935	252,600	0	0	2,201,174	0	2,201,174
5.03	Adjusted opening balances	908,639	1,039,935	252,600	0	0	2,201,174	0	2,201,174
5.04	Capital transactions with shareholders	0	0	-9,738	-38,869	0	-49,607	0	-49,607
5.04.07	Interest on equity capital	0	0	0	-40,000	0	-40,000	0	-40,000
	IOE for 2011 approved by AGO held on								
5.04.08	April 27, 2012	0	0	-9,738	0	0	-9,738	0	-9,738
5.04.09	Prescribed interest on equity	0	0	0	131	0	131	0	131
5.05	Total comprehensive income	0	0	0	103,448	0	103,448	0	103,448
5.05.01	Net income for the period	0	0	0	103,448	0	103,448	0	103,448
5.06	Internal changes in equity	0	0	-152	152	0	0	0	0
5.06.02	Realization of revaluation reserve	0	0	-230	230	0	0	0	0
5.06.03	Taxes on realization of revaluation reserve	0	0	78	-78	0	0	0	0
5.07	Closing balances	908,639	1,039,935	242,710	63,731	0	2,255,015	0	2,255,015

Consolidated financial information / Statement of value added**(In thousands of reais)**

Account Code	Account description	YTD	Accrued – prior
		01/01/2012 to 09/30/2012	Year 01/01/2011 to 09/30/2011
7.01	Revenues	4,089,614	0
7.01.01	Sale of goods, products and services	4,091,072	0
7.01.02	Other revenue	443	0
7.01.04	Set up/reversal of allowance for doubtful accounts	-1,901	0
7.02	Inputs acquired from third parties	-2,793,117	0
7.02.01	Cost of goods, products and services sold	-2,613,463	0
7.02.02	Materials, electricity, third party services and other	-178,624	0
7.02.03	Loss/recovery of amounts receivable	-1,030	0
7.03	Gross value added	1,296,497	0
7.04	Withholdings	-91,165	0
7.04.01	Depreciation, amortization and depletion	-91,165	0
7.05	Net value added produced	1,205,332	0
7.06	Value added received in transfer	12,931	0
7.06.02	Financial income	12,931	0
7.07	Total value added to be distributed	1,218,263	0
7.08	Distribution of value added	1,218,263	0
7.08.01	Personnel	413,893	0
7.08.01.01	Direct compensation	325,171	0
7.08.01.02	Benefits	61,501	0
7.08.01.03	Unemployment Compensation Fund (FGTS)	27,221	0
7.08.02	Taxes, charges and mandatory contributions	507,917	0
7.08.02.01	Federal	174,982	0
7.08.02.02	State	327,500	0
7.08.02.03	Local	5,435	0
7.08.03	Debt remuneration	193,005	0
7.08.03.01	Interest	63,350	0
7.08.03.02	Rental	129,655	0
7.08.04	Equity remuneration	103,448	0
7.08.04.01	Interest on equity capital	40,000	0
7.08.04.03	Retained profit/loss for the period	63,448	0

EARNINGS RELEASE – THIRD QUARTER OF 2012

São Paulo, November 13, 2012. RaiaDrogasil S.A. (BM&FBovespa: RADL3) announces today its results for the 3rd quarter of 2012 (3Q12). The consolidated quarterly information of RaiaDrogasil S.A. and of its wholly-owned subsidiary Raia S.A. for the period ended September 30th, 2012 were prepared in accordance with IFRS and were reviewed by our independent auditors in accordance with Brazilian and international standards of auditing. Such financial statements were prepared in Reais and all growth rates are related to the same period of 2011.

In order to allow the comparison to our 2012 consolidated financials, we are supplementally presenting non-reviewed combined quarterly information of RaiaDrogasil S.A. and of Raia S.A. for 2011. This combined quarterly information represents a summation of the reviewed unconsolidated individual financial statements of RaiaDrogasil and of Raia for the fiscal year, without the equity effects of Raia recognized into RaiaDrogasil. The combined non-reviewed quarterly information for 2011 do not reflect the pro forma adjustments that would be necessary on the assumption that the operations of Raia and Drogasil would have occurred on the first day of the period, but instead may and should be considered as representative of our future results.

As a result of the creation of RaiaDrogasil, we incurred both in 2012 and in 2011 on certain non-recurring expenses related to the transaction and to the alignment of certain accounting practices between the entities, as well as on additional depreciation and amortization related to the allocation of the transaction purchase price (PPA) to acquired tangible and intangible assets in accordance with IFRS. To facilitate a better understanding and analysis of our operating performance, we are supplementally presenting adjusted results for 2012 and 2011 excluding the effects of non-recurring expenses.

HIGHLIGHTS:

- **Drugstores: 828 stores in operation (24 new store openings and three closings)**
- **Gross Revenues: R\$ 1,451.8 million, 17.8% of growth (11.2% for same-store sales)**
- **Gross Margin: 26.2% of gross revenues, a 0.7 percentage point margin increase**
- **Adjusted EBITDA: R\$ 81.1 million, an increase of 18.6%**
- **Adjusted EBITDA Margin: 5.6%, in line with the previous year**
- **Adjusted Net Income: R\$ 39.7 million, 2.7% of net margin**
- **Cash Generation: R\$ 112.4 million**

RADL3: R\$22.00/share

Number of Shares: 330,386,000

Market Cap: R\$ 7,268 million

Closing: November 12th, 2012

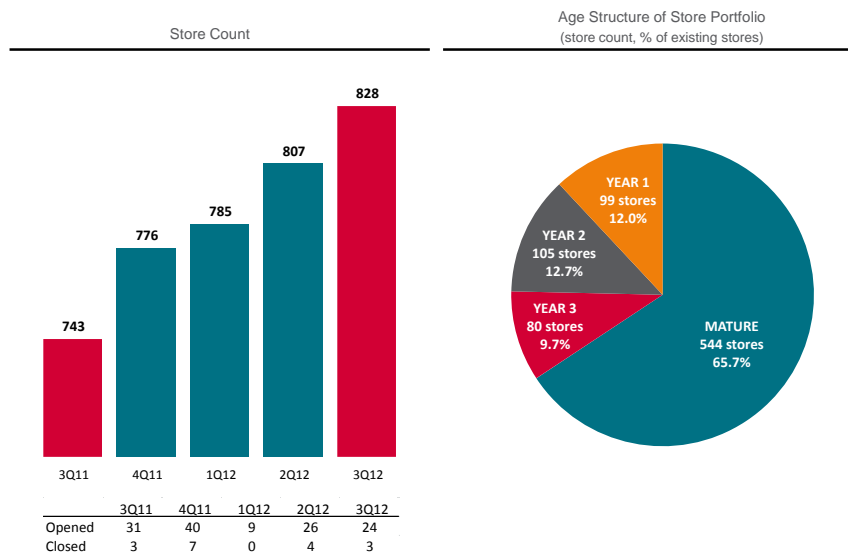
IP Contacts:

Combined Summary	3Q11	4Q11	1Q12	2Q12	3Q12
<i>(R\$ thousand)</i>					
# of Stores (end of period)	743	776	785	807	828
Store Openings	31	40	9	26	24
Store Closures	3	7	0	4	3
# of Stores (average)	733	759	781	795	819
Head Count	16,278	17,244	18,510	19,383	19,927
# of Tickets	29,315	30,143	29,790	31,193	32,360
Gross Revenues	1,232,279	1,287,973	1,286,847	1,375,186	1,451,823
Gross Profit (Adjusted)	314,639	337,867	327,176	386,922	380,484
% of Gross Revenues	25.5%	26.2%	25.4%	28.1%	26.2%
EBITDA (Adjusted)	68,433	76,167	61,362	100,246	81,144
% of Gross Revenues	5.6%	5.9%	4.8%	7.3%	5.6%
Net Income (Adjusted)	35,049	43,335	27,484	53,791	39,694
% of Gross Revenues	2.8%	3.4%	2.1%	3.9%	2.7%

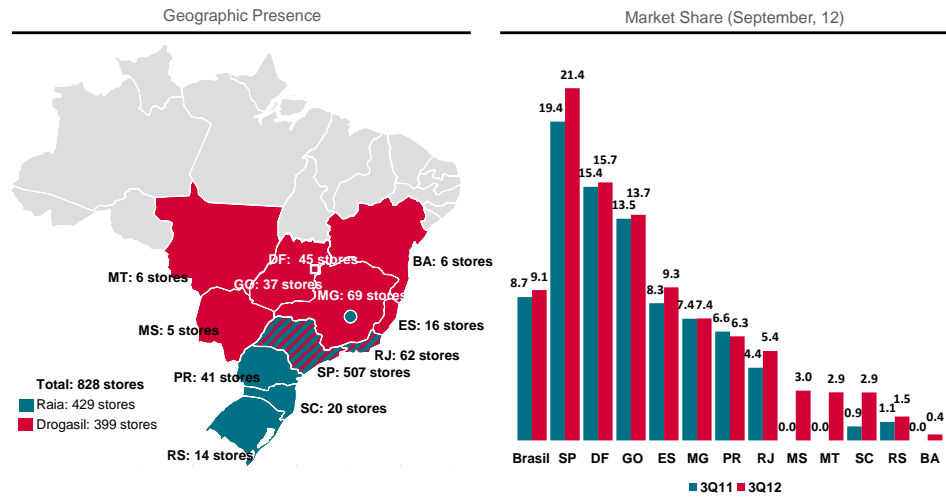
STORE DEVELOPMENT

We ended the 3Q12 with 828 stores in operation through the opening of 24 new stores and the closing of three. We opened 18 Drogasil stores against only six Droga Raia stores in the quarter, due to the preparation of the incorporation of Raia S.A. by RaiaDrogasil S.A., which implied the opening suspension of the new Raia stores that were not fully licensed by the end of the 2Q12. These stores will be opened as RaiaDrogasil from the date of the incorporation, which is programmed for November 30th, 2012.

We have already opened a total of 59 stores and closed seven in 2012. At the end of the period, 34.3% of our stores were still undergoing maturation, and had not yet reached their full potential in terms of revenues and profitability.



We reached in the month of June a national market share of 9.1%, an annual share increase of 0.4 percentage point. The chart below illustrates our geographic presence and the market share evolution in the states where we operate.



State	Market Share (%)
Brasil	100.0%
SP	28.2%
DF	2.7%
GO	3.3%
ES	2.0%
MG	10.2%
PR	6.0%
RJ	13.2%
MS	1.1%
MT	1.1%
SC	3.8%
RS	7.4%
BA	4.5%

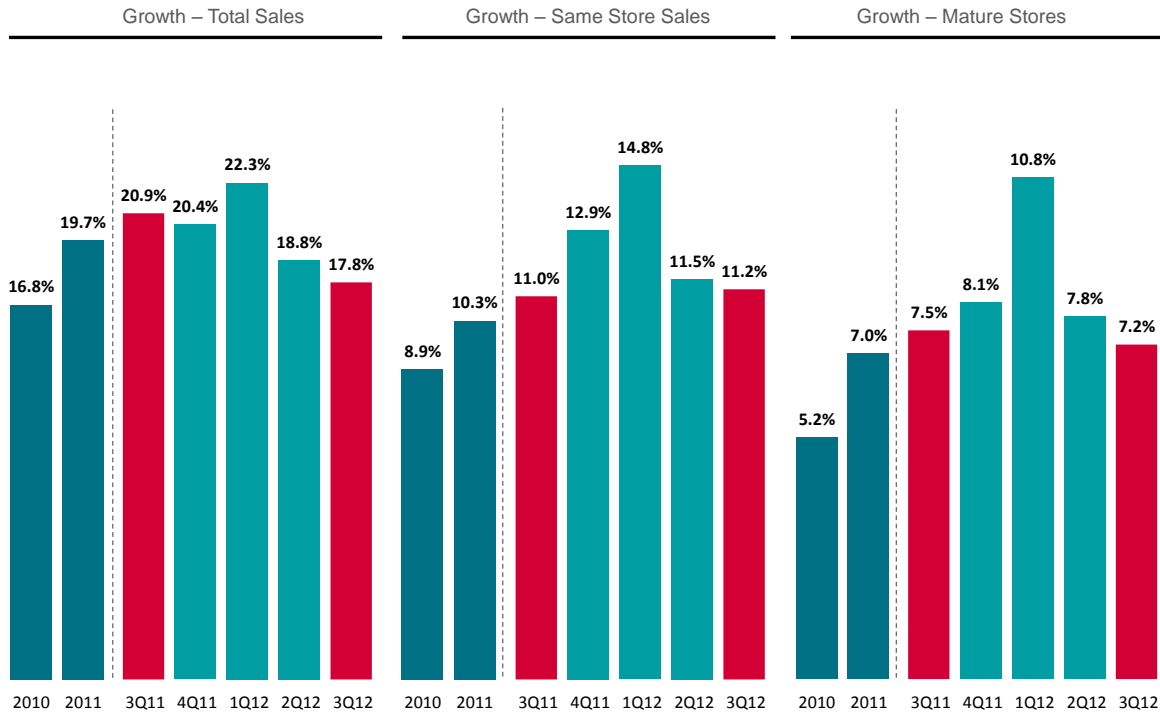
We gained market share in most markets where we operate. The main highlight was the significant increase achieved in the state of São Paulo, our main market, and also in Rio de Janeiro, where we recorded a 2.0 percentage point and 1.0 percentage point increase, respectively.

Another highlight was our growth in the Midwest region, with a 0.2 percentage point increase in Goiás, reversing a downward trend, and with a 0.3 percentage point expansion in Distrito Federal. This market share gain, together with the 26 new stores acquired from Drogaria Santa Marta to be opened in Goiás and with our recent entry into Mato Grosso (2Q12) and Mato Grosso do Sul (3Q12), where we recorded 2.9 and 3.0 of market share in the quarter, respectively, will allow us to consolidate our leadership in this important Brazilian region, where we will reach a total of 120 stores in the beginning of 2013.

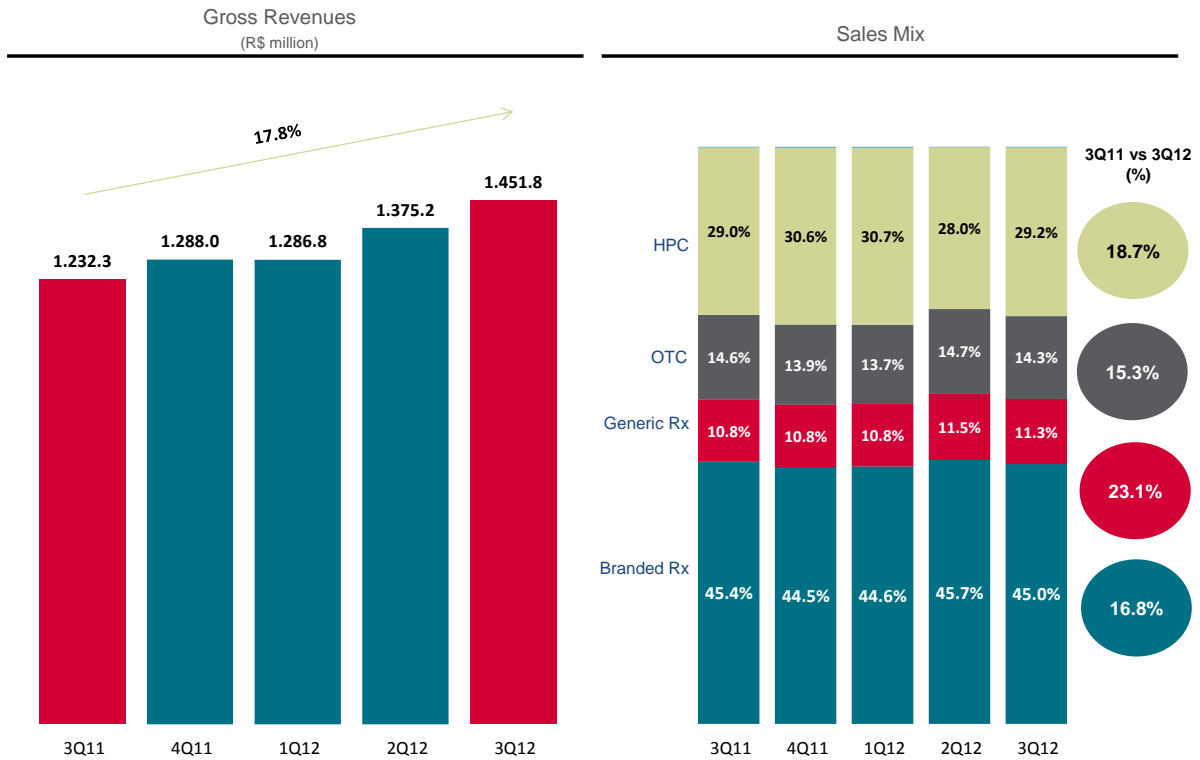
We also strengthened our presence in Santa Catarina, a state in which we began operating in 2011 and reached 20 stores and 2.9% of market share in the quarter. Finally, we highlight our entry into the Northeast, the fastest growing region in Brazil, through the opening of six stores in Bahia, the region's main state both in economic and population terms. In the initial quarter of operations, we recorded a market share of 0.4% in the state.

GROSS REVENUES

We recorded gross revenues of R\$ 1,451.8 million in the quarter, a 17.8% increase over the 3Q11. We reached 11.2% of growth for our same store sales and 7.2% for our mature stores, those with three or more years in operation. It is important to mention that we had a calendar effect in the quarter that penalized our sales by 0.9% due to the fact that this quarter had less working days than in the same period of last year.



Our mature stores grew by 8.6% for Drogasil and by 5.7% for Droga Raia, both above the CPI (IPC-A) of 5.28% recorded in the period. Adjusted by the negative calendar effect, mature store growth would have been 9.5% at Drogasil and 6.6% at Droga Raia. It is important to highlight the differences between the comp basis of the 3Q11, when Drogasil posted mature stores growth of 5.1% against 10.5% for Droga Raia.



We recorded a 23.1% increase in Generics, our fastest growing category in the quarter, and of 18.7% in Hygiene and Personal Care. Generics share in our sales mix increased to 11.3%, a 0.5 percentage point increase over the same period in the previous year.

Generics growth constitutes an important gross margin expansion lever, because they are significantly more profitable than branded pharmaceuticals. The main drivers of this growth have been the wave of new generics introductions and our improved execution in generics at our stores.

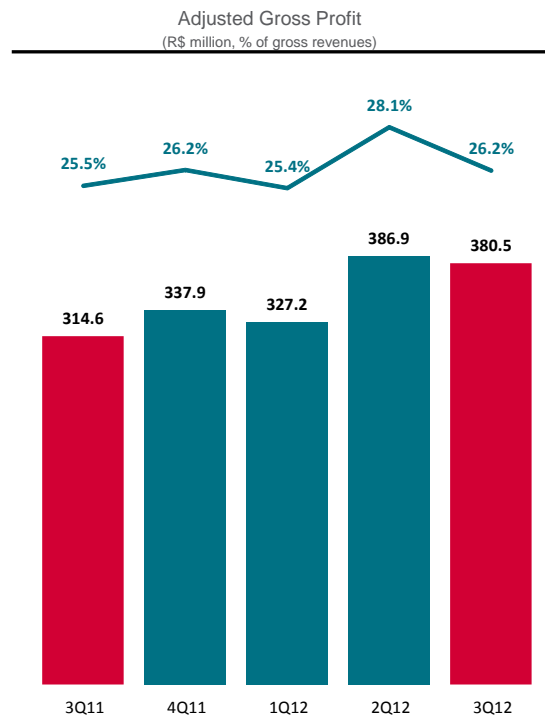
GROSS PROFIT

We ended the 3Q12 with an adjusted gross margin of 26.2%, a 20.9% increase and a 0.7 percentage point gross margin expansion over the 3Q11.

We recorded in the quarter an important change in tax regime, upon which RaiaDrogasil became its own substitute taxpayer in São Paulo. Therefore, instead of purchasing products with taxes previously retained by our suppliers on our behalf, we began paying our own ICMS (state taxes) when products are shipped to our stores. This allows us to convert into cash the retained ICMS on inventories (R\$ 50.4 million, equivalent to 4.5 days of cash cycle) as well as to offset taxes due with tax credits outstanding (R\$ 73.1 million, considering that R\$ 23.5 have already been offset in the quarter).

However, this new regime generated an increase in our tax burden for all products which suppliers distribute through an interdependent distributor, which belongs to the same economic group, as part of their tax planning. In this situation, our tax burden increases by the same amount of their tax breaks achieved through that fiscal structure, which represented an

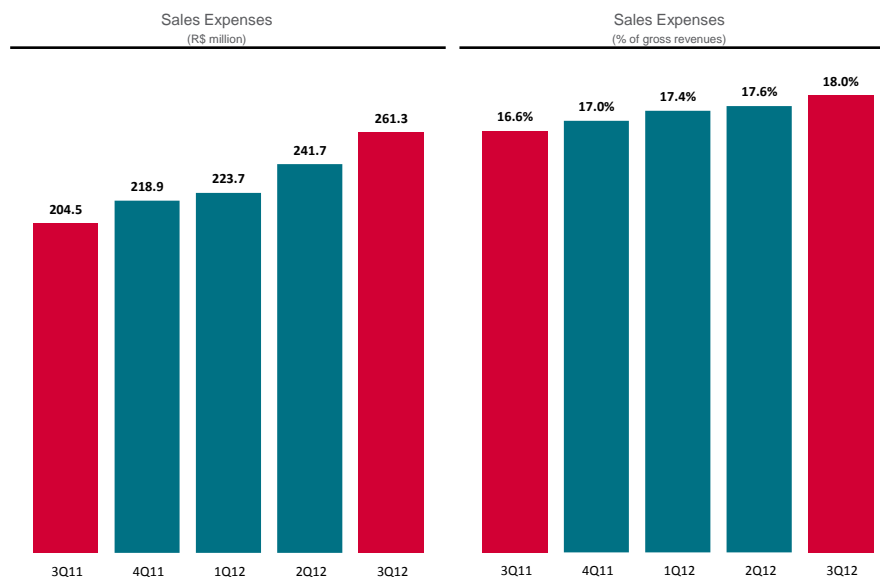
overall negative effect of 0.8 percentage point in our gross margins. Notwithstanding, we still achieved a 0.7 percentage point gross margin increase over the 3Q11.



* Excludes R\$ 1.6 million of PPA amortization on inventories in the 1Q12 and R\$ 7.1 million in 2011, and R\$ 23.3 million of accounting alignment between Raia and Drogasil in 2011.

SALES EXPENSES

Sales expenses totaled R\$ 261.3 million in the quarter, amounting to 18.0% of gross revenues. We experienced a 1.4 percentage point increase when compared to the same period in 2011.



The increase in staff deployment and the annual salary readjustment penalized our sales expenses in existing stores at the end of the quarter by 0.8 percentage point. Furthermore, we also experienced a 0.2 percentage point increase in our commercial leases due to the steep appraisal of the Brazilian property market.

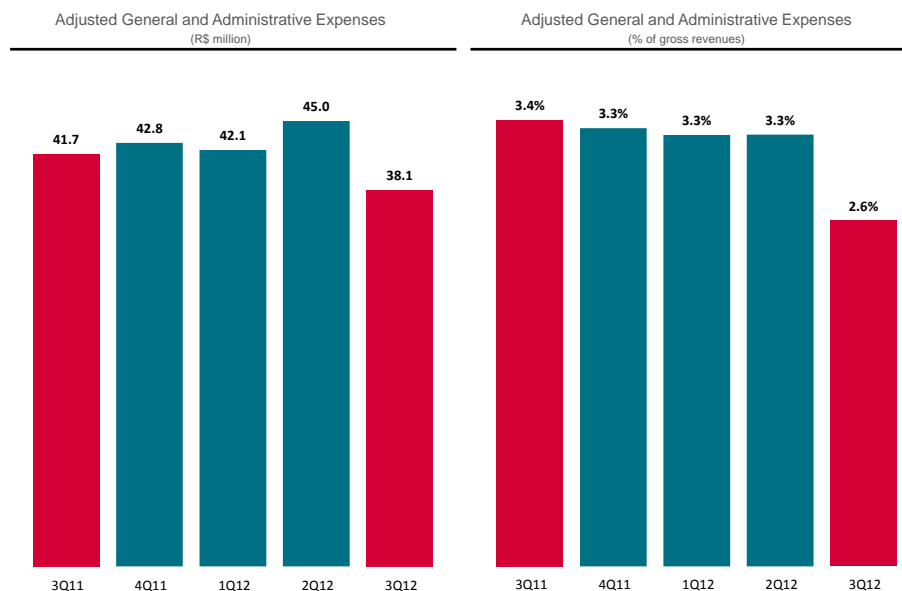
The opening of two new distribution centers over the last twelve months brought additional expenses of R\$ 2.6 million in the 3Q12, equivalent to 0.2 percentage point of our gross revenues in the quarter. We are opening a new distribution center in Ribeirão Preto, in the countryside of São Paulo, which will allow us to support our expansion. In addition to this DC, which is still in the pre operational stage, we also opened our first distribution center in Rio de Janeiro in the 1Q12, with 8,400 square meters.

Our accelerated store development has impaired our capacity to absorb sales expenses. Pre operational expenses totaled R\$ 6.0 million in the 3Q12, a R\$ 3.8 million increase, equivalent to 0.3 percentage point over the previous year.

On a quarterly basis, we registered a total increase in our sales expenses of 0.4 percentage point over the 2Q12, which is fully explained by the salary readjustment of 6.5% granted in July, exceeding the annual CPI by 1.6%.

GENERAL AND ADMINISTRATIVE EXPENSES

General and Administrative expenses amounted to R\$ 38.1 million in the quarter, equivalent to 2.6% of our gross revenues, which represented a 0.8 percentage point decrease when compared to the same period in 2011.



* Excludes R\$ 3.5 million of non-recurring expenses recorded in the 3Q12 (R\$ 2.7 million in consulting and severance expenses, R\$ 0.5 million in store closures and R\$ 0.3 in the incorporation of Raia into RaiaDrogasil), R\$ 2.7 million in the 2Q12 (consulting and store closures), R\$ 6.6 million in the 1Q12 (consulting and severance expenses) and R\$ 35.3 million recorded in 2011 (general transaction expenses, including banking fees, consulting expenses and alignment of accounting practices).

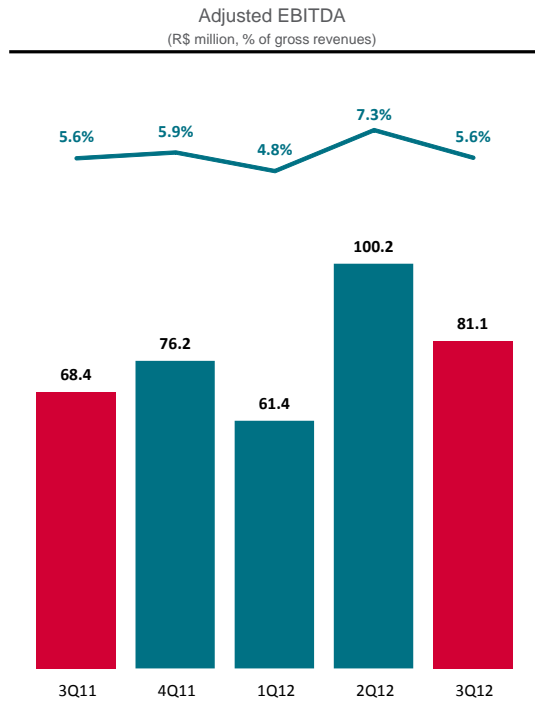
We have enhanced the absorption of our corporate structure since the 3Q11 due to the unification of our top and middle management teams and to a limitation in new admissions. We also recorded in the quarter R\$ 4.9 million related to a reversion in our variable compensation allowance.

We emphasize that our reported expenses do not reflect non-recurring items related to the merger, such as consulting and advisory fees and severance expenses, which have totaled R\$ 3.5 million in the quarter.

EBITDA

We reached R\$ 81.1 million of adjusted EBITDA in the quarter, an 18.6% increase over the 3Q11. Our EBITDA margin remained at the same level, and represented 5.6% of gross revenues.

It is important to highlight that the stores that have been opened throughout the year or that were at pre-operational stage by the end of the 3Q12 penalized our EBITDA by R\$ 8.4 million in the quarter. Therefore, the 776 stores that we had in operation at the end of 2011, produced an adjusted EBITDA of R\$ 89.5 million, equivalent to an EBITDA margin of 6.2% over gross revenues of R\$ 1.45 billion in the quarter.



* Excludes R\$ 3.5 million of non-recurring expenses in the 3Q12 (R\$ 2.7 million in consulting and severance expenses, R\$ 0.5 in store closures and R\$ 0.3 million in the merger of Raia by RaiaDrogasil), R\$ 2.7 million in the 2Q12, R\$ 8.2 million in the 1Q12 and R\$ 57.9 million in 2011.

EBITDA Reconciliation	3Q11	3Q12	9M11	9M12
<i>(R\$ thousand)</i>				
Net Income	31.8	34.7	94.8	103.4
Net Financial Expenses (Revenues)	(6.5)	1.6	(19.9)	1.1
Income Tax	17.2	9.5	46.0	32.6
Depreciation and Amortization	23.3	31.9	67.3	91.2
EBITDA	65.8	77.7	188.2	228.3
Consulting Expenses	0.8	2.7	0.8	11.1
Store Closures		0.5		1.4
Raia Merger		0.3		0.3
PPA Amortization over Inventories				1.6
Trade Allowance Alignment	1.8		6.4	
Adjustments	2.6	3.5	7.2	14.4
Adjusted EBITDA	68.4	81.1	195.4	242.8
% of Gross Revenues	5.6%	5.6%	5.7%	5.9%

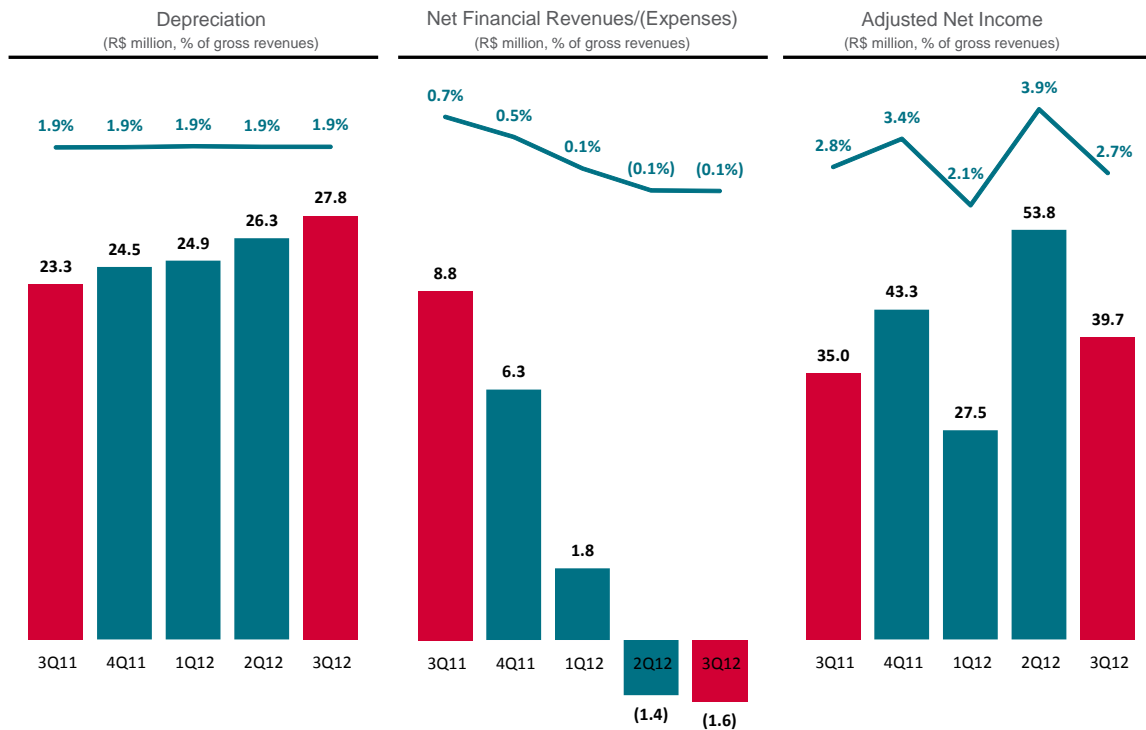
* The 3Q11 EBITDA was impacted by R\$ 2.6 million of non-recurring expenses, which corresponded to the quarter's accrual (R\$ 1.8 million) of the R\$ 11.0 million charge for the alignment in the criteria for trade allowance recognition and consulting and severance expenses (R\$ 0.8 million), which were reported in the 4Q11.

FINANCIAL EXPENSES, DEPRECIATION AND NET INCOME

Our net financial expenses totaled R\$ 1.6 million in the quarter, equivalent to 0.1% of our gross revenues when compared to net financial revenues of R\$ 8.8 million in 3Q11. This reduction stemmed from the cash consumption incurred in the last 12 months, which reduced net cash and financial income.

Depreciation totaled R\$ 27.8 million, or 1.9% of gross revenues, and remained constant due to the maintenance of a strong investment pace.

We recorded an adjusted net income of R\$ 39.7 million, a 13.4% increase over 2011, and net margin of 2.7%.



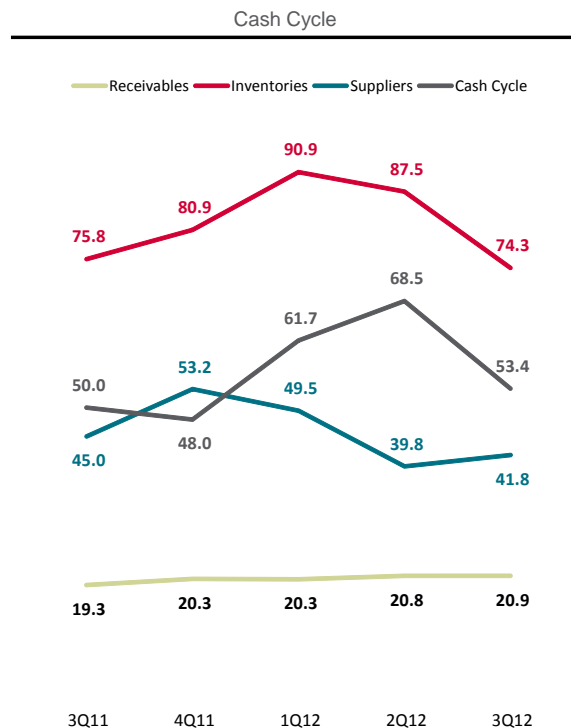
* Excludes R\$ 5.0 million of non-recurring expenses incurred in the 3Q12 (R\$ 3.5 million in general and administrative expenses and R\$ 1.5 million of PPA amortization, including income taxes), R\$ 4.5 million in the 2Q12, R\$ 8.2 million in the 1Q12 and R\$ 45.7 million in 2011.

When considering the non-recurring expenses related to the transaction, net income totaled R\$ 34.7 million, an increase of 9.1% over the 3Q11 and a net margin of 2.4% of gross revenues.

CASH CYCLE

We invested 3.4 days of cash cycle when compared to the 3Q11, as shown below:

We reduced our cash cycle by 15.1 days when compared to previous quarter, and brought it in line with the same period in 2011. This significant cash cycle reduction reflects a realignment of our inventory levels across our distribution centers after a period of transitory pressures due to the rapid increase in the DC count.



We recorded in the quarter an important change in tax regime, upon which RaiaDrogasil became its own substitute taxpayer in São Paulo. Therefore, instead of purchasing products with taxes previously retained by our suppliers on our behalf, we began paying our own ICMS (state taxes) when products are shipped to our stores.

This allows us to convert into cash the retained ICMS on inventories (R\$ 50.4 million, equivalent to 4.5 days of cash cycle) as well as to offset taxes due with retained tax credits (R\$ 73.1 million). It is important to highlight that in the 3Q12 we were already able to convert R\$ 23.5 million of outstanding tax credits.

As a result of this change, the ICMS on inventories (R\$ 50.4 million) was transferred to the taxes receivables line, and shall be converted into cash over the next quarters. This reduction in inventories contributed to a decrease in our cash cycle of 4.5 days.

CASH FLOW

We experienced in the third quarter of 2012 a cash generation of R\$ 112.4 million.

We generated R\$ 71.6 million in resources from operations, corresponding to 4.9% of our gross sales, an increase of 12.4% over 2011, and employed R\$ 97.4 million in working capital, when compared to a reduction in working capital of R\$ 10.6 million in the 3Q11. Of this amount, R\$ 23.5 million was of the use of remaining tax credits.

We also invested R\$ 56.6 million in the quarter: R\$ 30.8 million in store development, R\$ 7.6 million in the maintenance of existing stores, and R\$ 18.2 million in the upgrade of our infrastructure.

We accrued R\$ 14.5 million in interest on equity in the quarter.

Cash Flow	3Q12	3Q11	9M12	9M11
<i>(R\$ million)</i>				
EBT	44.2	49.1	136.0	140.8
(-) Income Tax	(12.1)	(12.6)	(18.2)	(25.9)
(+) Depreciation	31.9	23.3	91.2	67.3
(-) Other Adjustments	7.5	3.9	19.7	13.6
Resources from Operations	71.6	63.7	228.6	195.8
Cash Cycle*	103.1	1.4	(158.8)	(305.8)
ICMS Recovery	23.5	-	43.2	-
Others	(29.2)	9.2	(51.7)	21.3
Operations	169.0	74.3	61.2	(88.8)
Investments	(56.6)	(43.0)	(144.9)	(97.7)
Total Cash Flow	112.4	31.3	(83.7)	(186.5)

* Cash cycle includes variation in accounts receivables, inventories and suppliers

** Does not include financing cash flow

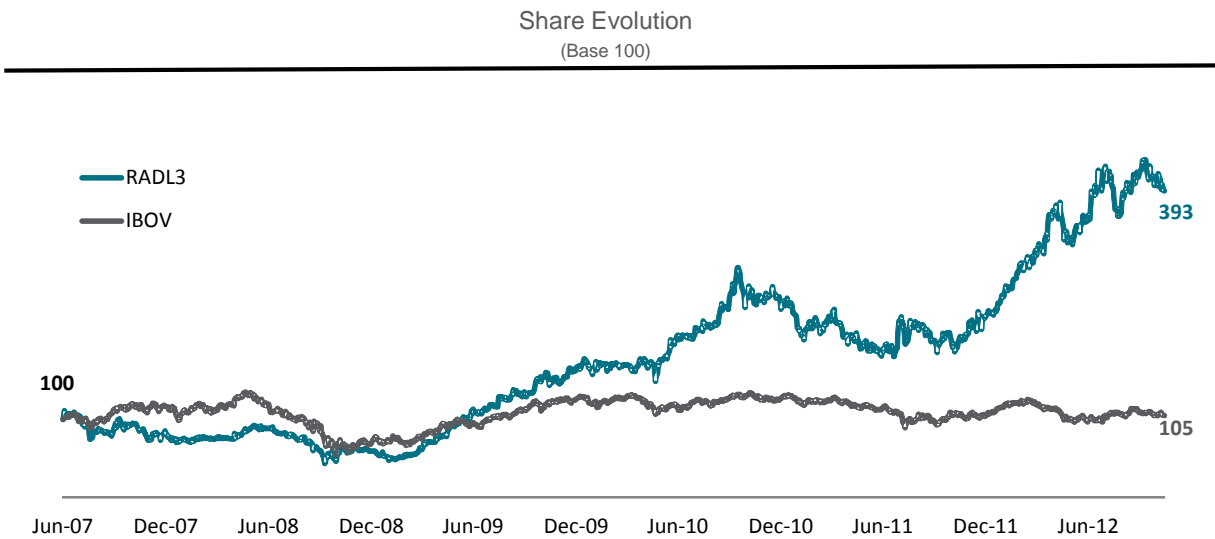
CAPITAL MARKETS

Considering the stock price of R\$ 22.00 on November 12th, 2012, we recorded a cumulative return of 69.6% in 2012. Our appreciation exceeded IBOVESPA's by 69.1 percentage points, reflecting our performance, the trust bestowed on us by our investors and the increasing understanding that the pharmaceutical retail is a defensive sector that remains relatively immune from adverse macroeconomic conditions.

In the 3Q12, our average daily trading volume was of R\$ 22.1 million, when compared to the average liquidity of R\$ 18.9 million that we recorded since the beginning of 2012.

The chart below highlights the increase in our stock price since the IPO of Drogasil in June 2007. We achieved a cumulative increase of 292.9% when compared to 4.9% registered by the IBOVESPA over the same period, a compounded annual return of 29.0% in the period.

For those who invested at the Raia IPO in December of 2010, the cumulative return in the period amounted to 110.0% when compared to a decrease of 16.1% recorded by the IBOVESPA, a compounded annual return of 47.6% in the period.



Adjusted Income Statement <i>(R\$ thousand)</i>	3Q11	3Q12	9M11	9M12
Gross Revenues	1,232,279	1,451,823	3,442,061	4,113,856
Taxes, Discounts and Returns	(47,645)	(55,612)	(132,961)	(157,139)
Net Revenues	1,184,635	1,396,211	3,309,100	3,956,717
Cost of Goods Sold	(869,995)	(1,015,727)	(2,434,114)	(2,862,136)
Gross Profit	314,639	380,484	874,985	1,094,581
Operational (Expenses) Revenues				
Sales	(204,500)	(261,255)	(567,545)	(726,624)
General and Administrative	(41,707)	(38,085)	(112,060)	(125,205)
Other Operational Expenses, Net				
Operational Expenses	(246,207)	(299,340)	(679,605)	(851,829)
EBITDA	68,433	81,144	195,380	242,752
Depreciation and Amortization	(23,310)	(27,831)	(67,257)	(79,054)
Operational Earnings before Financial Results	45,123	53,313	128,123	163,698
Financial Expenses	(4,564)	(4,650)	(16,711)	(14,077)
Financial Revenues	13,375	3,086	40,848	12,931
Financial Expenses/Revenues	8,811	(1,564)	24,137	(1,146)
Earnings before Income Tax and Social Charges	53,934	51,749	152,260	162,552
Income Tax and Social Charges	(18,885)	(12,055)	(44,237)	(41,581)
Net Income	35,049	39,694	108,023	120,971

Income Statement	3Q11	3Q12	9M11	9M12
<i>(R\$ thousand)</i>				
Gross Revenues	1,232,279	1,451,823	3,442,061	4,113,856
Taxes, Discounts and Returns	(47,645)	(55,612)	(132,961)	(157,139)
Net Revenues	1,184,635	1,396,211	3,309,100	3,956,717
Cost of Goods Sold	(871,826)	(1,015,727)	(2,440,561)	(2,863,745)
Gross Profit	312,808	380,484	868,539	1,092,972
Operational (Expenses) Revenues				
Sales	(204,500)	(261,255)	(567,545)	(726,625)
General and Administrative	(41,707)	(38,085)	(112,059)	(125,205)
Other Operational Expenses, Net	(755)	(3,486)	(755)	(12,828)
Operational Expenses	(246,961)	(302,826)	(680,359)	(864,659)
EBITDA	65,847	77,658	188,181	228,314
Depreciation and Amortization	(23,310)	(31,868)	(67,257)	(91,165)
Operational Earnings before Financial Results	42,537	45,790	120,924	137,149
Financial Expenses	(4,564)	(4,650)	(16,711)	(14,077)
Financial Revenues	11,103	3,086	36,615	12,931
Financial Expenses/Revenues	6,539	(1,564)	19,903	(1,146)
Earnings before Income Tax and Social Charges	49,076	44,226	140,826	136,003
Income Tax and Social Charges	(17,230)	(9,497)	(45,998)	(32,555)
Net Income	31,846	34,729	94,828	103,448

Assets	3Q11	3Q12
<i>(R\$ thousand)</i>		
Current Assets		
Cash and Cash Equivalents	383,794	218,404
Financial Assets Held to Maturity	16,444	
Accounts Receivable	260,816	332,875
Inventories	726,519	829,405
Taxes Receivable	87,188	62,110
Other Accounts Receivable	74,658	103,853
Following Fiscal Year Expenses	7,965	11,472
	<u>1,557,384</u>	<u>1,558,119</u>
Non-Current Assets		
Deposit in Court	7,499	10,349
Taxes Receivable	30,884	66,609
Income Tax and Social Charges deferred	37,106	
Other Credits	754	1,168
Investments		
Property, Plant and Equipment	351,088	422,083
Intangible	92,357	1,127,769
Goodwill		
	<u>519,688</u>	<u>1,627,978</u>
ASSETS	<u>2,077,071</u>	<u>3,186,097</u>

Liabilities and Shareholder's Equity	3Q11	3Q12
<i>(R\$ thousand)</i>		
Current		
Suppliers	431,566	466,636
Loans and Financing	51,806	61,011
Salaries and Social Charges Payable	102,426	120,587
Taxes Payable	36,337	40,998
Dividend and Interest on Equity	14,701	35,051
Provision for Lawsuits	971	3,131
Other Accounts Payable	56,472	52,608
	<u>694,280</u>	<u>780,022</u>
Non-Current Assets		
Loans and Financing	105,972	87,962
Provision for Lawsuits	5,907	4,123
Income Tax and Social Charges deferred	4,206	51,488
Other Accounts Payable	9,441	7,487
	<u>125,526</u>	<u>151,060</u>
Shareholder's Equity		
Common Stock	840,217	908,639
Capital Reserves	138,638	1,039,935
Revaluation Reserve	13,376	13,174
Income Reserves	267,338	229,536
Accrued Income		63,731
Treasury Stock	(2,304)	
Additional Dividend Proposed		
	<u>1,257,265</u>	<u>2,255,015</u>
LIABILITIES AND SHAREHOLDERS' EQUITY	<u>2,077,071</u>	<u>3,186,097</u>

	3Q11	3Q12	9M11	9M12
Cash Flow				
Earnings before Income Tax and Social Charges	49,076	44,226	140,826	136,003
Adjustments				
Depreciations and Amortization	23,310	31,868	67,256	91,165
Stock Option Plan	384		650	
P,P&E and Intangible Assets residual value	(621)	696	(143)	1,691
Provisioned Lawsuits	554	555	171	1,039
Provisioned Inventories Loss	1,714	1,552	2,578	3,227
Allowance for Doubtful Accounts	(1,667)	929	(1,374)	1,901
Interest Expenses	3,572	3,816	11,693	11,850
	76,322	83,642	221,657	246,877
Assets and Liabilities variation				
Financial Investments	(183)		(1,125)	
Accounts Receivable	(4,102)	(23,524)	(63,421)	(71,447)
Inventories	(121)	69,804	(126,227)	(17,658)
Other Short Term Assets	(7,972)	32,758	(27,694)	32,009
Long Term Assets	1,020	(41,621)	(764)	(34,418)
Suppliers	5,623	56,805	(116,163)	(69,731)
Salaries and Social Charges	18,222	15,115	32,325	28,128
Taxes Payable	(4,866)	(9,354)	(2,879)	(10,027)
Other Liabilities	2,045	(2,632)	17,079	(26,095)
Rent Payable	952	63	3,235	1,851
Cash from Operations	86,940	181,056	(63,977)	79,489
Income Tax and Social Charges Paid	(12,610)	(12,066)	(25,901)	(18,244)
Net Cash from (invested) Operational Activities	74,330	168,990	(89,878)	61,245
Investment Activities Cash Flow				
P,P&E and Intangible Acquisitions	(44,030)	(56,783)	(98,723)	(146,276)
P,P&E Sale Payments	1,007	215	1,019	1,368
Restricted Investments				
Net Cash from Investment Activities	(43,023)	(56,568)	(97,704)	(144,908)
Financing Activities Cash Flow				
Funding		20,000	47,132	46,562
Payments	(8,748)	(36,301)	(34,553)	(61,951)
Interest Paid	(2,603)	(2,567)	(9,912)	(9,797)
Common Stock increase, net from Share Issuance expenditures			22,290	
Exercise of Stock Option Plan Payment			265	
Treasury Stock Sale Payment				
Interest on Equity and Dividends Paid	(169)	(77)	(15,567)	(12,718)
Cash and Cash Equivalents in the beggining of the period	(11,520)	(18,945)	9,655	(37,904)
Cash and Cash Equivalents net increase	19,787	93,477	(177,927)	(121,567)
Cash and Cash Equivalents in the beggining of the period	364,007	124,927	561,721	339,971
Cash and Cash Equivalents in the end of the period	383,794	218,404	383,794	218,404

Notes to quarterly information

1. Operations

Raia Drogasil S.A. ("Company") is a publicly-traded corporation, registered with the São Paulo State Stock Exchange – *Novo Mercado* (segment that meets the highest corporate governance standards of the São Paulo Stock Exchange), with head office in the capital of the São Paulo state.

The Company and its subsidiary Raia S.A. are primarily engaged in retail sales of medications, perfumery, personal care and beauty products, cosmetics and dermocosmetics.

Sales are carried out by 828 stores, located in the states of São Paulo, Minas Gerais, Rio de Janeiro, Distrito Federal, Paraná, Goiás, Santa Catarina, Espírito Santo, Rio Grande do Sul, Bahia, Mato Grosso and Mato Grosso do Sul as follows:

	Company (not reviewed)	Consolidated (not reviewed)
	Sep-2012	Sep-2012
São Paulo	229	507
Minas Gerais	45	69
Rio de Janeiro	9	62
Distrito Federal	45	45
Paraná		41
Goiás	37	37
Santa Catarina		20
Espírito Santo	16	16
Rio Grande do Sul		14
Bahia	6	6
Mato Grosso	6	6
Mato Grosso do Sul	5	5
	398	828

2. Presentation of the quarterly information

Individual and consolidated quarterly information was approved by the Executive Board on November, 5 2012.

The financial information is presented in thousands of reais, which is the Company's functional and reporting currency.

Once the association between the Company and its subsidiary Raia S.A. occurred on November 10, 2011 and that, at September 30, 2011 there was no consolidated financial information, the information presented in the consolidated statement of changes in equity, cash flow statement, statement of value added and income statement referring to such period is zeroed.

The Company's individual and consolidated interim financial information for the periods ended September 30, 2012 and 2011 was prepared and is presented in accordance with accounting pronouncement CPC 21 (Interim Financial Information) and with IAS 34, with observance of the provisions contained in Circular CVM/SNC/SEP No. 003/2011, of April 28, 2011.

The Company's financial statements for the year ended December 31, 2011 were prepared in accordance with accounting practices adopted in Brazil, which include CVM standards and accounting Pronouncements, Guidance and Interpretations issued by the Brazilian FASB (CPC).

Notes to quarterly information

The consolidated financial statements for the year ended December 31, 2011 were prepared in accordance with accounting practices adopted in Brazil, which include CVM standards CPC pronouncements, and are in conformity with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

The individual financial statements present valuation of investments in the subsidiary by the equity pickup method, pursuant to current Brazilian legislation. Accordingly, such individual financial statements are not considered to be in compliance with IFRS, which require that such investments be measured at fair value or at cost in the Company’s separate statements.

As part of the work involved in the association between the Company and the subsidiary Raia S.A., management analyzed the major accounting practices applied the Company and reclassified revenues arising from commercial agreements with suppliers and other revenues, as shown below:

- (i) Revenues from commercial agreements with suppliers, net of taxes (PIS and COFINS), previously presented as operating and financial revenues, are now presented as accounts reducing cost of goods sold; and
- (ii) Service revenues (cell phone credits, sale of tokens for scales, publicity in points of sale, among others), net of taxes (ISS), previously recorded under: Other operating revenues and accounts reducing selling expenses are now recognized as net sales revenues.

Management believes that these practices improve the negotiation efforts with suppliers, as well as costs and margins obtained from sale of products, drugs or others.

To enable comparison between the years, the amounts reclassified in the 3rd quarter of 2011 are shown below:

	3rd quarter – 2011	Reclassifications	3rd quarter-2011 (reclassified)
(i) Income statements			
Net sales revenue	1,687,827	2,591	1,690,418
Cost of products sold	(1,283,987)	38,666	(1,245,321)
Selling expenses	(283,539)	4,934	(278,605)
General and administrative expenses	(88,133)	1,479	(86,654)
Other operating income (expenses), net	42,681	(43,436)	(755)
Financial income	18,549	(4,234)	14,315
(ii) Statements of value added			
Gross sales of products, goods and services	1,752,536	2,724	1,755,260
Cost of products, goods and services sold	(1,176,732)	38,666	(1,138,066)
Materials, electric energy, outsourced services and other	(18,514)	(37,016)	(55,530)
Financial income	18,549	(4,234)	14,315
Direct compensation	136,342	(39)	136,303
Local	2,353	134	2,487

In the 3rd quarter of 2011, the Company reclassified deferred income and social contribution taxes in the amount of R\$6,483 from non-current assets to non-current liabilities.

Notes to quarterly information

The quarterly information includes estimates regarding provision for inventory losses, allowance for doubtful accounts, appreciation of financial instruments, depreciation deadlines and amortization of fixed and intangible assets, provisions necessary for legal claims, determination of provisions for taxes, among others.

The Company adopted all the standards, revised standards and interpretations issued by the CPC and IASB in effect as of September 30, 2012.

3. Standards and interpretations of standards not yet effective

Accounting standards issued and revised but not yet effective until the Company's consolidated quarterly information issue date are consistent with the ones disclosed in Note 3 to the financial statements as of December 31, 2011.

4. Significant accounting practices

Accounting standards adopted for preparation of this quarterly information are consistent with the ones disclosed in Note 4 to the financial statements as of December 31, 2011.

5. Cash and cash equivalents

	Company		Consolidated	
	Sep-2012	Dec-2011	Sep-2012	Dec-2011
Cash and banks	14,254	15,750	28,364	31,050
Bank deposit certificates	6,284	102,997	6,284	282,805
Secured debentures	76,545		155,877	
Time deposits with special guarantee of the FGC (Credit Guarantee Fund)	27,879	26,116	27,879	26,116
	<u>124,962</u>	<u>144,863</u>	<u>218,404</u>	<u>339,971</u>

Investments in Bank Deposit Certificate (CDB), secured debentures and Time Deposit with Special Guarantee (DPGE) of the Credit Guarantee Fund (FGC) are classified as "financial instruments held for trading" and are restated based on the Interbank Deposit Certificate (CDI) percentage variation, which reflects the realization value.

Notes to quarterly information

6. Trade accounts receivable

The aging list of trade accounts receivable is as follows:

	Company		Consolidated	
	Sep-2012	Dec-2011	Sep-2012	Dec-2011
Falling due	162,972	141,903	320,479	279,588
Overdue				
From 1 to 30 days	6,744	4,927	11,742	7,811
From 31 to 60 days	138	128	357	614
From 61 to 90 days	112	74	292	74
From 91 to 180 days	222	201	545	201
From 181 to 360 days	10	4	133	4
More than 360 days	24	201	24	515
Allowance for doubtful accounts	(570)	(650)	(697)	(964)
	169,652	146,788	332,875	287,843

Days sales outstanding is approximately 40 days, considered part of the regular conditions inherent to the Company's operations. As such, no balances and transactions were identified for which the effect of the present value adjustment is considered significant.

Changes in allowance for doubtful accounts are as follows:

	Company		Consolidated	
	Sep-2012	Dec-2011	Sep-2012	Dec-2011
Opening balance	(650)	(494)	(964)	(494)
Additions	(477)	(650)	(1,414)	(650)
Additions arising from business combinations				(314)
Reversals	557	494	681	494
Closing balance	(570)	(650)	(697)	(964)

Accounts receivable are classified as "Receivables, under financial assets, and are therefore measured as described in Note 4 d).(i) (3) of the financial statements as of December 31, 2011.

7. Inventories

	Company		Consolidated	
	Sep-2012	Dec-2011	Sep-2012	Dec-2011
Products for resale	418,352	388,974	827,617	810,576
Materials	2,309	2,245	10,019	9,402
Provision for losses on goods	(2,917)	(2,456)	(8,231)	(5,003)
Total inventories	417,744	388,763	829,405	814,975

The Company's inventories are stated at cost.

Notes to quarterly information

Changes in the provision for losses on goods are as follows:

	Company		Consolidated	
	Sep-2012	Dec-2011	Sep-2012	Dec-2011
Opening balance	(2,456)	(1,197)	(5,003)	(1,197)
Additions	(1,269)	(1,928)	(4,766)	(1,928)
Additions arising from business combinations				(3,306)
Reversals	808	669	1,538	1,428
Closing balance	(2,917)	(2,456)	(8,231)	(5,003)

In the quarter ended September 30, 2012, cost of goods sold recognized in P&L in relation to continuing operations totaled R\$ 506,774 (R\$ 437,222 in the 3rd quarter of 2011), Company, and R\$ 1,009,598 consolidated.

Inventories written off and recognized as loss in the quarter totaled R\$ 3,978 (R\$ 3,417 in the 3rd quarter of 2011), Company, and R\$ 6,129, consolidated, posted to Cost of goods sold.

The effect of the set up, reversal or write-off of provision for losses on inventories is recorded in P&L, under Cost of goods sold.

8. Taxes recoverable

	Company		Consolidated	
	Sep-2012	Dec-2011	Sep-2012	Dec-2011
Current assets				
State VAT (ICMS)	21,177	55,761	31,831	65,929
State VAT (ICMS - ST)	14,256		14,256	
ICMS - refund of ICMS withheld in advance (CAT Ruling 17/99)	2,003	1,671	8,226	6,790
ICMS on capital expenditures	2,647	2,102	2,647	2,102
ICMS – other	224	171	224	171
Social Contribution Tax on Gross Revenue for Social Integration Program (PIS)			178	1,635
Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS)			489	3,137
Withholding Income Tax (IRRF)	1,664	1,806	2,247	4,017
Corporate Income Tax (IRPJ)			1,074	6,252
Social Contribution Tax on Net Profit (CSLL)			51	2,287
Social Security Tax (INSS)	68	68	823	776
Other			64	64
	42,039	61,579	62,110	93,160
Non-current				
ICMS – credit balance	58,848	30,178	58,848	30,178
ICMS on capital expenditures	4,095	2,998	7,200	5,076
Social Security Funding Tax (FINSOCIAL) - 1982 – securities issued to cover court-ordered debts	561	561	561	561
Other		59		59
	63,504	33,796	66,609	35,874
	105,543	95,375	128,719	129,034

Notes to quarterly information

Accumulated ICMS credits (article 71 through 84 of ICMS Rules - RICMS-SP), representing almost all ICMS credit balance, are an outcome of different rates applied to goods receiving operations (purchased in São Paulo State) and goods shipping operations (transfers to other States), in accordance with Article 71, item I, of RICMS-SP. From February 1, 2008 to September 30, 2012, the Company accumulated credits totaling R\$ 80,025 (Current - R\$ 21,177 and Non-current - R\$ 58,848), the consolidated amount totaled R\$ 90,679 (Current - R\$ 31,831 and Non-current - R\$ 58,848) and at December 31, 2011 – R\$ 85,939 (Current – R\$ 55,761 and Non-current – R\$ 30,178), the consolidated amount totaled R\$ 96,107 (Current - R\$ 65,929 and Non-current - R\$ 30,178).

For the purpose of using the referred to accumulated credit, the Company requested accumulated credit allocation referring to February 2008 through March 2010, corresponding to R\$ 37,897, as provided for in the administrative ruling issued by the Coordinating Committee of Tax Administration Board Ordinance (CAT) No. 53/1996 (DCA). By virtue of that request, which was duly registered at the São Paulo State Finance Department, the Company already used the amount of R\$ 30,639 for payment of suppliers of goods for resale, under CAT Administrative Ruling No. 26/2010, and the outstanding balance of R\$ 7,258 remained to be traded with suppliers in the next months.

The Company electronically delivered the accumulated credit files for April 2010 through September 2012, under the system provided for in CAT 26/2010 (e-CredAc), totaling R\$ 53,439.

In this regard, the Company made another request of accumulated credit allocation for the period from April 2010 to June 2011, as recorded in the e-CredAc system. The above request referring to release of 90% of accumulated credit for the period is based on CAT Administrative Ruling No. 118/2010. The referred to request is currently being analyzed by the São Paulo State Finance Department.

In addition, by virtue of the enactment of Decree No. 57608 of December 12, 2011, the Company was granted the requested special regime, under which it may purchase goods as tax substitute, i.e. the Company is paying ICMS through tax substitution on shipments of goods in the State, since 07/01/2012.

This will allow existing ICMS credit amounts to be offset against ICMS debits when goods are transferred to other branches located within São Paulo state.

It is also worth noting that this system gave rise to additional ICMS credits on existing inventories as of June 30, 2012, amounting to R\$ 30,074 (relating to ICMS on own operations) and to R\$ 20,366 (relating to ICMS due under the substitute taxpayer system), with the latter amount to be offset in 10 installments as defined in Decree No. 57608/2012.

The Company management analyzed its use of ICMS credits, based on deferral for their allocation on March 29, 2012, as previously described, as well as on the special regime the Company was granted and under which its Distribution Center in São Paulo State may operate as tax substitute, as from July 1, 2012.

9. Investments

At September 30, 2012, the balance of investments of the Company is as follows:

Company name	Business objective	Interest (%)	9/30/2012
Raia S.A.	Retail sale of drugs, perfumery and related activities	100%	1,564,315

Notes to quarterly information

Changes in the balance of investment in the subsidiary, presented in the individual financial statements, are shown below:

	Company	
	Sep-2012	Dec-2011
Balance at the beginning of the period	1,554,303	
Acquisition of equity holding at November 10, 2011		1,564,146
Equity pickup	10,012	(9,843)
Balance at the end of the period	1,564,315	1,554,303

Notes to quarterly information

In order to calculate the equity pickup of Raia S.A., the Company adjusts the assets, liabilities and respective changes in profit or loss of Raia S.A. on the basis of allocation of the purchase price determined on the date of acquisition. The table below shows the adjustments to net income for the year of Raia S.A. for the purpose of determining equity pickup at September 30, 2012:

	Company	
	3Q12	
Income Raia S.A.	19,068	
Amortization of interest on capital gains arising from business combination	(9,056)	
Adjusted income Raia S.A.	10,012	
	Company	
Adjusted equity	Sep 2012	Dec 2011
Investment at book value (100%)	629,199	610,131
Allocation of purchase price (asset and liability appreciation)	234,897	248,618
Deferred income tax liabilities on allocation adjustments	(79,865)	(84,530)
	784,231	774,219
Goodwill on expected future profitability	780,084	780,084
	1,564,315	1,554,303

Financial information presented in this accompanying note is consistent with that disclosed in Note 5 Business Combinations Note 10 Investments of the financial statements for the year ended December 31, 2011.

Notes to quarterly information**10. Property and equipment and intangible assets****a) Property and equipment**

Changes in the Company's property and equipment are as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Furniture, fixtures and facilities</u>	<u>Machinery and equipment</u>	<u>Vehicles</u>	<u>Leasehold improvements</u>	<u>Store renovation and refit</u>	<u>Total</u>
Cost								
Balance at December 31, 2011	24,637	32,662	64,910	33,321	10,596	100,767	10,174	277,067
Additions		4,701	19,024	12,462	1,893	27,888	2,457	68,425
Disposals			(722)	(464)	(28)	(7,742)	(972)	(9,928)
Balance at September 30, 2012	<u>24,637</u>	<u>37,363</u>	<u>83,212</u>	<u>45,319</u>	<u>12,461</u>	<u>120,913</u>	<u>11,659</u>	<u>335,564</u>
Accumulated depreciation								
Average annual depreciation rates (%)		2.7	10	15.8	24.2	20.8	20	
Balance at December 31, 2011		(14,374)	(19,806)	(17,857)	(4,991)	(40,261)	(4,652)	(101,941)
Additions		(676)	(4,946)	(3,422)	(1,805)	(16,241)	(1,606)	(28,696)
Disposals			519	386	5	7,501	972	9,383
Balance at September 30, 2012		<u>(15,050)</u>	<u>(24,233)</u>	<u>(20,893)</u>	<u>(6,791)</u>	<u>(49,001)</u>	<u>(5,286)</u>	<u>(121,254)</u>
Net balance								
At December 31, 2011	<u>24,637</u>	<u>18,288</u>	<u>45,104</u>	<u>15,464</u>	<u>5,605</u>	<u>60,506</u>	<u>5,522</u>	<u>175,126</u>
At September 30, 2012	<u>24,637</u>	<u>22,313</u>	<u>58,979</u>	<u>24,426</u>	<u>5,670</u>	<u>71,912</u>	<u>6,373</u>	<u>214,310</u>

Notes to quarterly information

Changes in consolidated property and equipment are as follows:

	Land	Buildings	Furniture, fixtures and facilities	Machinery and equipment	Vehicles	Leasehold improvement	Store renovation and refit	Total
Cost								
Balance at December 31, 2011	27,725	33,391	178,067	77,375	19,650	304,562	10,174	650,944
Additions		4,701	33,315	16,013	5,687	53,526	2,457	115,699
Disposals			(1,097)	(474)	(3,926)	(9,523)	(972)	(15,992)
Balance at September 30, 2012	27,725	38,092	210,285	92,914	21,411	348,565	11,659	750,651
Accumulated depreciation								
Average annual depreciation rates (%)		2.5 – 2.7	7.4 - 10	7.1 – 15.8	20 – 24.2	17 – 20.8	20	
Balance at December 31, 2011		(14,543)	(68,289)	(43,030)	(8,982)	(140,843)	(4,652)	(280,339)
Additions		(694)	(12,509)	(6,461)	(3,202)	(36,919)	(1,606)	(61,391)
Disposals			651	390	2,553	8,596	972	13,162
Balance at September 30, 2012		(15,237)	(80,147)	(49,101)	(9,631)	(169,166)	(5,286)	(328,568)
Net income								
At December 31, 2011	27,725	18,848	109,778	34,345	10,668	163,719	5,522	370,605
At September 30, 2012	27,725	22,855	130,138	43,813	11,780	179,399	6,373	422,083

Notes to quarterly information**Other subsidiary's information**

Certain operating assets of the subsidiary are leased by means of irreversible agreements, subject to average interest of 1.74% per month. These agreements are effective for two to four years and have a stock option clause, which has already been exercised by the subsidiary. Accordingly, these lease agreements were recorded in the financial statements as financed purchase of assets, balances of which amount to R\$ 2,557 at September 30, 2012, (December 2011 – R\$ 3,419) and refer basically to equipment, improvements, vehicles, and furniture and fixtures.

Future minimum payments of these financial leases are as follows:

	Consolidated	
	Sep/2012	Dec/2011
First 12 months	11	301
Between 13 and 60 months		45
Discount effect		(67)
	11	279

b) Intangible assets

Changes in Company's intangible assets are as follows:

	Point of sale	License for software use	Goodwill on acquisition of company	Total
Cost				
Balance at December 31, 2011	59,290	7,341	22,275	88,906
Additions	14,340	4,270		18,610
Disposals	(5,620)	(616)		(6,236)
Balance at September 30, 2012	<u>68,010</u>	<u>10,995</u>	<u>22,275</u>	<u>101,280</u>
Accumulated amortization				
Average annual amortization rates (%)	21.0	20.0	Infinite useful life	
Balance at December 31, 2011	(22,845)	(6,116)	(2,387)	(31,348)
Additions	(9,158)	(591)		(9,749)
Disposals	5,474			5,474
Balance at September 30, 2012	<u>(26,529)</u>	<u>(6,707)</u>	<u>(2,387)</u>	<u>(35,623)</u>
Net balance				
At December 31, 2011	<u>36,445</u>	<u>1,225</u>	<u>19,888</u>	<u>57,558</u>
At September 30, 2012	<u>41,481</u>	<u>4,288</u>	<u>19,888</u>	<u>65,657</u>

Notes to quarterly information

Changes in consolidated intangible assets:

	Point of sale	Software use license and implementation of systems	Goodwill on acquisition (Vison)	Goodwill on acquisition (Raia S.A.)	Brands	Customer portfolio	Other intangible assets	Total
Cost								
Balance at December 31, 2011	150,387	45,028	22,275	780,084	151,700	41,700	2,252	1,193,426
Additions	21,084	8,748					745	30,577
Disposals	(5,871)	(617)					(4)	(6.492)
Balance at September 30, 2012	165,600	53,159	22,275	780,084	151,700	41,700	2,993	1,217,511
Accumulated amortization								
Average annual amortization rates (%)	12.3 – 21	20	Infinite useful life	Infinite useful life	Infinite useful life	6,7 – 25	20	
At December 31, 2011	(40,382)	(20,784)	(2,387)			(1,527)	(501)	(65,581)
Additions	(17,595)	(5,220)				(6,870)	(87)	(29,772)
Disposals	5,610						1	5,611
Balance at September 30, 2012	(52,367)	(26,004)	(2,387)			(8,397)	(587)	(89,742)
Net balance								
At December 31, 2011	110,005	24,244	19,888	780,084	151,700	40,173	1,751	1,127,845
At September 30, 2012	113,233	27,155	19,888	780,084	151,700	33,303	2,406	1,127,769

Notes to quarterly information**c) Goodwill on acquisition of Drogaria Vison Ltda**

Goodwill of R\$ 19,888 refers to the acquisition of Drogaria Vison Ltda on February 13, 2008 and merged into the Company on June 30, 2008.

Goodwill is based on the expected future profitability and estimated return within seven years, as assessed by an independent expert, and was amortized from April to December 2008. As provided for by OCPC 02, goodwill has not been amortized anymore since 2009 and will be tested for impairment annually.

d) Goodwill on acquisition of Raia S.A.

The Company calculated goodwill of R\$ 780,084 in the business combination with Raia S.A. with is based on expected future profitability, stemming from the difference between the values of assets transferred and received with an expected return of five years. As provided in OCPC 02, from 2009, goodwill will not be amortized and will be tested for impairment annually.

11. Loans and financing

	Average long-term interest rate	Company		Consolidated	
		Sep-2012	Dec-2011	Sep-2012	Dec-2011
Acquisition financing					
BNDES - FINAME					
Machinery , equipment and vehicles	TJLP + 3.40% (+ 3.40% at Dec/2011) p.a.	21	279	21	279
BNDES - FINEM					
Ventures	TJLP + 2.27% (+ 2.27% at Dec/2011) p.a.	11,108	17,957	11,108	17,957
Ventures	IPCA + 7.44% + 2.30% (+ 7.44% + 2.30% at Dec/2011) p.a.	4,353	3,909	4,353	3,909
Ventures	IPCA + 7.32% + 2.38% (+ 7.32% + 2.38% at Dec/2011) p.a.	7,674	6,893	7,674	6,893
BNDES – Sub-credit					
Loans	TJLP + 3.62% (+ 3.59% at Dec/2011) p.a.	46,786	42,740	46,786	42,740
Loans	Selic + 2.45% (+ 2.45% at Dec/2011) p.a.	5,002	4,687	5,002	4,687
Machinery and equipment	Fixed 6.63% (+ 6.63% at Dec/2011) p.a.	3,248	4,062	3,248	4,062
Machinery, equipment and vehicles	TJLP + 1.55% (+ 1.79% at Dec/2011) p.a.	3,484	3,480	3,484	3,480
Working capital	Selic + 3.15% (+ 3.15% at Dec/2011) p.a.	8,513	3,670	8,513	3,670
BNDES					
Store expansion	TJLP + 2.80% (+ 2.8% at Dec/2011) p.a.			29,746	38,877
Store expansion	BNDESPAR + 1.3% (+ 1.30% at Dec/2011) p.a.			19,298	24,471
Store expansion	TJLP + 4.49% (+ 4.49% at Dec/2011) p.a.			2,487	4,143
Machinery and equipment	TJLP + 2.3% (+ 2.3% at Dec/2011) p.a.			1,215	1,590
Banco Indusval					
Working capital	Fixed 14.75% (14.75% at Dec/2011) p.a.			959	5,273
Banco Santander					
Working capital	100% of CDI + 2.5% p.a.			5,068	
Lease					
Machinery, equipment and vehicles	Fixed 1.74% (1.74% at Dec/2011) p.m.			11	279
		90,189	87,677	148,973	162,310
Current liabilities		(33,017)	(24,928)	(61,011)	(50,325)
Non-current liabilities		57,172	62,749	87,962	111,985

Notes to quarterly information

Company's obligations

For the financing with BNDES, in FINAME operations of the Company, financed assets were offered as collateral, while bank guarantees were offered for part of FINEM operations.

The Company is part of the financing with BNDES, substantially taken out under sub-credits, totaling R\$ 83,880 (Dec/2011 - R\$ 79,062) subject to the fulfillment of two covenants:

- (i) Adjusted EBITDA margin (adjusted EBITDA/Net operating income): equal to or greater than 3.6%, and
- (ii) Total net debt/Total assets: equal to or less than 20%.

Measurement of covenants is made on an annual basis and at September 30, 2012 such requirements were met.

If these requirements were not met, the Company would provide BNDES with bank guarantee for the fulfillment of the agreement.

Subsidiary obligations (Raia S.A.)

The purpose of the loans taken out by Raia S.A. from BNDES, totaling approximately R\$ 52,747, is to expand the number of stores. Interests and principal are amortized on a monthly basis over the term of the contracts, until March 2016. A bank guarantee was offered by Banco Itaú, at the cost of 0.45% p.a., which includes the following restrictive covenants.

The contract allows the bank guarantee to be replaced at any time by a different guarantee given by a top-tier institution.

The purpose of the working capital-type loan taken out from Banco Indusval is to finance the expansion of the stores and Company working capital, with maturity planned to occur until November 2012.

The purpose of the lease agreements is to expand the number of stores and to purchase vehicles and equipment. Interest and principal are amortized on a monthly basis over the term of the contracts, in September 2012. The assets subject matter of the lease were pledged as guarantee for these loans, in the amount of R\$ 2,557 (Dec-2011 - R\$ 3,419) as well as the shareholders' collateral signatures.

Non-current loans mature as follows:

	Company		Consolidated	
	Sep-2012	Dec-2011	Sep-2012	Dec-2011
2013	11,013	26,694	15,932	47,839
2014	25,224	20,236	42,419	36,222
2015	14,567	11,846	22,721	21,413
2016	6,368	3,973	6,890	6,511
	<u>57,172</u>	<u>62,749</u>	<u>87,962</u>	<u>111,985</u>

Notes to quarterly information

12. Provision for legal proceedings and judicial deposits

The Company and its subsidiary are party to legal proceedings arising in the normal course of business, on tax, social security, labor and civil matters. Management, based on the opinion of its legal advisors and, as applicable, on specific opinions issued by experts, assesses the likelihood of loss regarding ongoing litigation and determines whether or not setting up a provision for contingencies is necessary.

At September 30, 2012 and December 31, 2011, the Company had the following liabilities and corresponding judicial deposits relating to legal proceedings:

	Company		Consolidated	
	Sep-2012	Dec-2011	Sep-2012	Dec-2011
Labor and social security	3,488	3,384	5,603	4,754
Tax			448	300
Civil			2,449	2,286
	<u>3,488</u>	<u>3,384</u>	<u>8,500</u>	<u>7,340</u>
(-) Corresponding judicial deposits	(904)	(1,278)	(1,246)	(2,431)
Total	<u>2,584</u>	<u>2,106</u>	<u>7,254</u>	<u>4,909</u>
Current liabilities	(1,699)	(1,428)	(3,131)	(1,637)
Non-current liabilities	885	678	4,123	3,272

Changes in this provision are as follows:

	Company		Consolidated	
	Sep-2012	Dec-2011	Sep-2012	Dec-2011
Opening balance	2,106	2,330	4,909	2,330
Additions from business combinations				2,954
Additions	1,282	1,232	2,938	1,649
Charge-offs – payments	(1,176)	(1,359)	(1,841)	(1,608)
Revaluation of amounts	(435)	(1,042)	(528)	(1,408)
Monetary restatements	432	1,074	590	1,121
Appeal related deposits	375	(129)	1,186	(129)
Final balance	<u>2,584</u>	<u>2,106</u>	<u>7,254</u>	<u>4,909</u>

The provision for legal proceedings took into consideration the best estimate of the amounts involved, for the cases in which the likelihood of loss is estimated as probable by external and internal legal advisors. A portion relating to these proceedings is guaranteed by assets (Note 20) or judicial deposits.

Possible loss

At September 30, 2012 and December 31, 2011, the Company is party to legal proceedings of a tax, civil and labor nature, whose likelihood of loss is estimated as possible by management and its legal advisors, amounting to R\$ 10,645 (Dec/2011 R\$ 7,580) for the Company and R\$ 33,981 (Dec/2011 R\$ 15,799) consolidated .

Notes to quarterly information

Judicial deposits

September 30, 2012 and December 31, 2011, the Company had the following judicial deposit amounts for which no corresponding provision was set up:

	Company		Consolidated	
	Sep -2012	Dec-2011	Sep-2012	Dec-2011
Labor and social security	478	368	3,159	1,343
Tax	4,770	4,194	6,565	5,989
Civil	22		625	113
Total	5,270	4,562	10,349	7,445

Labor contingencies

The legal proceedings of a labor nature refer to proceedings filed by former employees, questioning the payment of overtime and non-paid severance pay. Subsidiary Raia S.A. is also party to proceedings filed by former employees of companies providing outsourced services, claiming to have an employment relationship directly with the subsidiary or that the subsidiary should receive a joint enforcement order for the payment of the labor rights under discussion. The subsidiary is also party to proceedings filed by professional unions regarding union contributions, due to discussion regarding the legitimacy of the territorial base.

Tax contingencies

These refer to various administrative fines, rate differences in interstate transfers and tax foreclosures.

Civil contingencies

The subsidiary is party to legal proceedings discussing usual and unusual issues deriving from its activities, most of which referring to indemnification for material damage or pain and suffering resulting from consumption relationships, such as indemnification claims due to undue protest of bills and consumption relationships (defective products, incorrect sale of drugs, client approached in store for being a suspect of theft, etc.).

Notes to quarterly information**13. Income and social contribution taxes****(a) Effective income and social contribution taxes**

Effective income and social contribution taxes for the period refer to:

	<u>Company</u>		<u>Consolidated</u>
	<u>3rd Quarter- 2012</u>	<u>3rd Quarter- 2011</u>	<u>3rd Quarter- 2012</u>
Income before income and social contribution taxes	43,438	33,833	44,226
Interest on equity capital	(14,500)		(14,500)
Taxable profit	28,938	33,833	29,726
Combined rate (income tax - 25% and social contribution - 9%)	34	34	34
Theoretical expenses	(9,839)	(11,503)	(10,107)
Permanent additions	304	(676)	284
Equity pickup	428		
Tax reduction incentives	398	567	446
Other			(120)
Effective income and social contribution tax expenses	(8,709)	(11,612)	(9,497)
Effective rate	20.0%	34.3%	21.5%

(b) Deferred income and social contribution taxes

Deferred income and social contribution tax assets in the amount of R\$ 6,099 at September 30, 2012 (Dec-2011 - R\$ 6,454) for the Company R\$ 40,059 (Dec-2011 R\$ 43,753) consolidated, derive from expenses which are temporarily non-deductible, for which there is no expiration date and whose realization is foreseen for the following year as under in item (c).

Deferred income and social contribution liabilities amounting to R\$ 11,682 at September 30, 2012 (Dec-2011 - R\$ 10,938) for the Company R\$ 91,547 (Dec-2011 - R\$ 95,468) consolidated, comprise the tax charges levied on the remaining balances: (i) revaluation reserve; and (ii) goodwill on future profitability.

Notes to quarterly information

Deferred income and social contribution taxes for the quarter refer to:

	Company				Consolidated		
	Balance sheet		Net income		Balance sheet		Net income
	Sep-2012	Dec-2011	Q3 -2012	Q3 -2011	Sep-2012	Dec-2011	Q3 -2012
Revaluation at fair value of land and buildings	(7,569)	(7,647)			(7,569)	(7,647)	
Amortization of goodwill on future profitability	(4,113)	(3,291)	(274)	(274)	(4,113)	(3,291)	(274)
Temporarily non-deductible intangibles – Business combination					(79,865)	(84,530)	1,373
Provision for legal proceedings	1,186	1,150	42	97	2,890	2,495	200
Allowance for doubtful accounts	193	222	35	(3)	842	440	188
Provision for bonuses		918	(507)	152		918	(507)
Provision for officers' bonuses	281	711	(263)	(63)	281	711	(263)
Provision for internal campaigns	385	401	130	(37)	385	401	130
Provision for obsolete inventories	991	835	(204)	123	2,798	1,701	528
Provision for employees' profit sharing	1,373	1,190	708	290	3,418	1,190	2,753
Goodwill on profitability of Drogeria Vison	366	366			366	366	
Sundry provisioned liabilities	1,083	420	92	993	1,083	420	92
Provision for extraordinary expenses	241	241			1,963	1,357	135
Provision for losses on loans to employees					1,348	1,199	52
Tax losses to be offset against future taxable profits					10,698	14,373	(1,348)
Tax benefit from goodwill on merger					13,987	18,182	(1,399)
Deferred income and social contribution tax expense (revenue)			(241)	1,278			1,660
Deferred tax asset (liability), net	(5,583)	(4,484)			(51,488)	(51,715)	

	Company		Consolidated	
	Sep-2012	Dec-2011	Sep-2012	Dec-2011
Reconciliation of deferred tax asset (liability), net				
Opening balance	(4,484)	1,628	(51,715)	1,628
Additions from business combination				(50,212)
Taxable revenue/ (expense) recognized in the income statement	(1,177)	(220)	149	2,761
Tax expense recognized in equity	78	104	78	104
Deferred tax on land revaluation		(5,996)		(5,996)
Closing balance	(5,583)	(4,484)	(51,488)	(51,715)

(c) Estimated recovery of income and social contribution tax credits

Projections on future taxable profits take into consideration estimates relating to Company performance, as well as the behavior of the market in which the Company operates and economical aspects, among others. Actual results may differ from the estimates adopted. The estimated realization of these credits is as follows:

	Company		Consolidated	
	Sep-2012	Dec-2011	Sep-2012	Dec-2011
2012	6,099	6,454	21,906	21,926
2013			11,619	11,619
2014			5,135	8,809
2015			1,399	1,399
	6,099	6,454	40,059	43,753

Notes to quarterly information

14. Earnings per share

Detailed information on income and shares used in the calculation of base and diluted earnings per share is as under:

	Company		Consolidated
	Q3-2012	Q3-2011	Q3-2012
Base			
Net income	34,729	22,221	34,729
Weighted average number of common shares (in thousands)	330,386	187,773	330,386
Earnings per share – base	0.10512	0.11834	0.10512
Diluted			
Net income	34,729	22,221	34,729
Weighted average number of common shares (in thousands)	330,386	187,773	330,386
Potential increase in common shares due to stock option plan (in thousands)		547	
Weighted average number of common shares adjusted by dilution effect (in thousands)	330,386	188,320	330,386
Earnings per share – diluted	0.10512	0.11800	0.10512

The stock option plan was settled in December 2011. As such, no dilutive effects were identified and which should be included in the net income for in the third quarter of 2012, as base and diluted earnings per share were the same.

15. Net equity

(a) Capital

At September 30, 2012 , fully paid in capital of R\$ 908,639, was divided into 330,386,000 common book shares with o par value of which 179,979,481 were outstanding (176,375,078 at December 31, 2011).

Company articles of incorporation authorize, pursuant to decision taken by the Board of Directors, a capital increase up to the limit of 400,000,000 common shares.

Changes in the number of Company outstanding shares are as follows:

	<u>Outstanding shares (units)</u>
At December 31, 2011	176,375,078
Sale of shares through exercise of the stock option plan	4,108,716
Purchase of shares through exercise of the stock option plan	(504,313)
Position at September 30, 2012	179,979,481

At September 30, 2012 Company common shares were quoted at R\$ 23.29 (closing price).

Notes to quarterly information

16. Net sales revenue

	<u>Company</u>		<u>Consolidated</u>
	<u>Q3-2012</u>	<u>Q3-2011</u>	<u>Q3-2012</u>
Gross sales revenue			
Revenue from products sold	738,000	626,178	1,449,855
Revenue from services rendered	1,126	1,023	1,969
	<u>739,126</u>	<u>627,201</u>	<u>1,451,824</u>
Sales taxes	(27,271)	(23,348)	(48,078)
Sales returns	(3,319)	(3,031)	(7,535)
Net sales revenue	<u>708,536</u>	<u>600,822</u>	<u>1,396,211</u>

Sales taxes basically comprise ICMS levied at rates from 17% and 18%, ISS (at 5%), PIS (at 1.65%) and COFINS (at 7.65%).

17. Detailed information on the nature of the expenses recorded in the income statement

In preparing these financial statements, the Company classified the expenses based on their function. Detailed information on the nature of the expenses recorded in the income statement is as follows:

	<u>Company</u>		<u>Consolidated</u>
	<u>Q3-2012</u>	<u>Q3-2011</u>	<u>Q3-2012</u>
Cost of goods sold	(510,752)	(440,639)	(1,015,727)
Expenses with personnel	(79,419)	(72,680)	(175,174)
Expenses with services rendered	(9,379)	(5,900)	(16,620)
Depreciation and amortization	(13,521)	(11,413)	(31,868)
Other (i)	(49,973)	(38,308)	(107,546)
	<u>(663,044)</u>	<u>(568,940)</u>	<u>(1,346,935)</u>

Classified in the income statement as:

	<u>Company</u>		<u>Consolidated</u>
	<u>Q3-2012</u>	<u>Q3-2011</u>	<u>Q3-2012</u>
Cost of goods sold	(510,752)	(440,639)	(1,015,727)
Sales commission	(124,062)	(97,619)	(261,255)
General and administrative	(14,709)	(19,269)	(38,085)
Depreciation and amortization	(13,521)	(11,413)	(31,868)
	<u>(663,044)</u>	<u>(568,940)</u>	<u>(1,346,935)</u>

(i) Mainly refers to spending on rent of credit and debit card administration charges, customer accounts, materials in use and condominium charges.

18. Other operating expenses

Other operating revenue in the third quarter of 2012, totaled R\$ 2,745 for the Company and R\$ 3,486 consolidated. These amounts are comprised on extraordinary expenses incurred in the merger relating to the incorporation, synergy and unification of the Company and its subsidiary Raia S.A.

Notes to quarterly information**19. Financial income (expenses)****(a) Financial income**

	Company		Consolidated
	Q3-2012	Q3-2011	Q3-2012
Discounts obtained	14	6	129
Gains from short-term investments	1,739	4,604	2,700
Interest received	9	21	9
Monetary gains	81	310	247
Other financial income	1	1	1
Total financial income	1,844	4,942	3,086

(b) Financial expenses

	Company		Consolidated
	Q3-2012	Q3-2011	Q3-2012
Interest, charges and bank fees	(231)	(266)	(370)
Financing charges	(2,176)	(1,929)	(3,855)
Monetary losses	(4)	(41)	(425)
Total financial expenses	(2,411)	(2,236)	(4,650)
Financial income	(567)	(2,706)	(1,564)

20. Procedural guarantees

Tax, social security and labor proceedings were guaranteed by the following property and equipment items:

	Company		Consolidated	
	Sep-2012	Dec-2011	Sep-2012	Dec-2011
Furniture and facilities	3	4	168	354
Machinery and equipment	11	15	218	22
Vehicles			11	189
	14	19	397	565

21. Lease agreement commitments

Company and subsidiary have entered into lease agreements with terms ranging from one to fifteen years. Expenses with annual lease vary depending on the number of stores opened. Total monthly expenses with these rental agreements (including rent, condominium Property Tax – IPTU) were R\$ 7,457 (Dec/2011 - R\$ 6,096) for the Company and R\$ 15,281 (Dec/2011 R\$ 12,686) consolidated.

At September 30, 2012 and December 31, 2011, future minimum payments referring to lease of stores (revocable commercial lease agreements) are as under:

	Company		Consolidated	
	Sep-2012	Dec-2011	Sep-2012	Dec-2011
First 12 months	63,107	49,979	134,381	114,904
Between 13 and 60 months	143,490	108,167	323,369	249,067
Over 60 months	29,524	17,761	82,374	45,763
	236,121	175,907	540,124	409,734

Notes to quarterly information

22. Financial instruments and risk management policy

The book value of Company financial instruments approximates fair value, as follows.

At September 30, 2012 and December 31, 2011, the Company has short-term investments measured at fair value through profit and loss which are classified as “level 1”.

Financial assets

Major financial assets are cash and cash equivalents, short-term investments and accounts receivable:

	Company		Consolidated	
	Sep-2012	Dec-2011	Sep-2012	Dec-2011
Fair value through profit and loss – held for trading				
Cash and cash equivalents (Note 5)	124,962	144,863	218,404	339,971
	124,962	144,863	218,404	339,971
Receivables				
Accounts receivable (Note 6)	169,652	146,788	332,875	287,843
Other accounts receivable	53,769	22,002	103,853	79,340
	223,421	168,790	436,728	367,183
Total	348,383	313,653	655,132	707,154

Financial liabilities

Major financial liabilities are trade accounts payable, loans and financing and other accounts payable:

Other financial liabilities	Company		Consolidated	
	Sep-2012	Dec-2011	Sep-2012	Dec-2011
Trade accounts payable	230,098	211,047	466,636	536,399
Loans and financing (Note 11)	90,189	87,677	148,973	162,310
Other accounts payable	32,787	31,609	60,094	85,644
Total	353,074	330,333	675,703	784,353

The Company and its subsidiary are exposed to financial risks arising from their operations, such as market risk, credit risk and liquidity risk. The risk management program adopted by the Company and its subsidiary focuses on the unpredictability of financial markets and of those markets where the Company and its subsidiary operate, while aiming at minimizing potential adverse effects on Company financial performance.

The Board of Directors establishes risk management principles, including specific areas such as interest rate risk, credit risk, as well as use of non-derivative financial instruments and investment of cash surplus.

Notes to quarterly information**(a) Market risk****Currency risk**

All funding and investment operations of the Company and its subsidiary are denominated in Reais (R\$); therefore, the Company and its subsidiary are not exposed to risk arising from foreign exchange fluctuation.

Interest rate risk

The Company and its subsidiary are exposed to interest rate risk, basically referring to obligations subject to rate variation. The understanding of Company management is that the sole risk which the Company and its subsidiary are exposed to refers to the mismatch between BNDES financing (R\$ 12,027) in IPCA interests, against investments in CDI.

Most of the BNDES operations are entered into based on the TJLP + interest and on the SELIC rate. Short-term investments are entered into based on CDI variation, which does not result in a high interest rate risk, since these variations are not significant. Management understands that the risk of significant changes in net income and in cash flows is low.

(b) Credit risk

This refers to our financial assets, which are cash and cash equivalents, short-term investments and accounts receivable.

Cash and cash equivalents and short-term investments are maintained with highly liquid financial institutions.

The granting of credit upon the sales of goods follows a policy which aims at minimizing default. At September 30, 2012, credit sales represented 48% (48% consolidated), of this total 87% (85% under consolidated) refer to credit card sales which, in the opinion of the Company and based on historical losses, pose extremely low risk. The remaining 13% (15% consolidated) which are credits from Drug Benefit Programs (PBMs), special plans with companies and postdated checks pose low risk, due to client selectivity and adoption of individual limits.

(c) Liquidity risk

Management continuously monitors Company cash needs in order to ensure cash is sufficient to carry out its operations. Cash surplus is invested in financial assets with adequate maturity in order to ensure the liquidity necessary to honor its obligations.

Notes to quarterly information

(d) Sensitivity analysis

Sensitivity analysis of Company financial instruments, from which losses may arise, is as follows.

The most probable scenario (scenario I), according to assessment by Management, is based on a three-month horizon. Additionally, another two scenarios are presented, under the terms of CVM Ruling No. 475/08, in order to present a 25% and 50% deterioration in the risk variable considered, respectively scenarios II and III).

Company		Scenario I (probable)	Scenario II	Scenario III
Operation	Risk			
Short-term investments - CDI Revenue	0.5% Increase	554	693	831
BNDES Financing (IPCA + interest) Expenses	1% mismatch	120	150	180
Consolidated				
Operation	Risk	Scenario I (probable)	Scenario II	Scenario III
Short-term investments - CDI Revenue	Increase of 0.5%	951	1,188	1,426
BNDES Financing (IPCA + interest) REFIS (SELIC) Expenses	Mismatch of 1% Increase of 0.5%	313 17	150 21	180 25
		330	171	205

The risk of TJLP variation on BNDES operations which may result in material losses is not estimated as probable by the Company.

(e) Capital management

The Company's objective relating to capital management is to maintain its investment capacity, thus allowing its growth as well as the generation of return on investments.

The Company adopts the policy of not leveraging its capital structure with loans and financing, except for long-term credit lines from BNDES (Finem/Finame), with interest rates that are commensurate with the Company's profit levels.

Accordingly, the financial leverage ratio is negative, and results from the net debt divided by net equity. Net debt represents total financing less cash and cash equivalents as shown below:

	Company		Consolidated	
	Sep-2012	Dec-2011	Sep-2012	Dec-2011
Short term financing	90,189	87,677	148,973	162,310
(-) Cash and cash equivalents	(124,962)	(144,863)	(218,404)	(339,971)
Net debt	(34,773)	(57,186)	(69,431)	(177,661)
Net equity	2,255,015	2,201,174	2,255,015	2,201,174
Financial leverage ratio	-2%	-3%	-3%	-8%

Notes to quarterly information

(f) Fair value measurement

The book value of trade accounts receivable and trade accounts payable are deemed to approximate fair value, taking into consideration these balances' realization and settlement terms, within 60 days.

For disclosure purposes, the fair value of financial liabilities is estimated by discounting future cash flows at the interest rate effective in the market, which is available for the Company for similar financial instruments. The interest rates in effect at balance sheet dates are usual market rates and their fair value does not significantly differ from the balances in the accounting records.

Short-term investments, represented by CDB investments (Note 6) and measured at fair value through profit or loss – held for trading, were valued based on the remuneration rate agreed upon with respective financial institution, considered a usual market rate.

23. Derivative financial instruments

It is the Company's policy not to operate with derivative financial instruments.

Notes to quarterly information**24. Transactions with related parties**

(a) Transactions with related parties consist on operations with Company's shareholders and people connected to these, which carried out the following transactions:

	Relationship	Company			
		Current assets		Revenues	
		Sep-2012	Dec-2011	Q3-2012	Q3-2011
Amounts receivable					
Agreements (i)					
Regimar Comercial S.A.	Shareholder/ family	10	4	19	16
Heliomar S.A.	Shareholder/ Board member	1	2	3	7
		<u>11</u>	<u>6</u>	<u>22</u>	<u>23</u>
Lease of store space (i)					
Enox Publicidade S.A.	Shareholder/ Board member	10	20	28	20
		<u>10</u>	<u>20</u>	<u>28</u>	<u>20</u>
		<u>21</u>	<u>26</u>	<u>50</u>	<u>43</u>
		Current liabilities		Expenses	
		Sep-2012	Dec-2011	Q3-2012	Q3-2011
Amounts payable					
Rent (ii)					
Administradora PMV S.A.	Shareholder/ family	41	40	128	120
Heliomar S.A.	Shareholder/ Board member	14	13	41	36
		<u>55</u>	<u>53</u>	<u>169</u>	<u>156</u>
Service providers (ii)					
Tulipa Comunicação Ltda.	Shareholder/ family			65	234
Zurcher, Ribeiro Filho, Pires Oliveira Dias e Freire - Advogados	Shareholder/ family	19		199	214
		<u>19</u>		<u>264</u>	<u>448</u>
		<u>74</u>	<u>53</u>	<u>433</u>	<u>604</u>

Notes to quarterly information

	Relationship	Consolidated	
		Current assets	Revenue
		Sep-2012	Q3-2012
Amounts receivable			
Agreements (i)			
Regimar Comercial S.A.	Shareholder/ family	10	19
Heliomar S.A.	Shareholder/ board member	1	3
		<u>11</u>	<u>22</u>
Lease of store space (i)			
Regimar Comercial S.A.	Shareholder/ Board member	10	28
Heliomar S.A.		10	28
		<u>21</u>	<u>50</u>
		Current liabilities	Expenses
		Sep-2012	Q3-2012
Amounts payable			
Rent (ii)			
Administradora PMV S.A.	Shareholder/ family	41	128
Heliomar S.A.	Shareholder/ Board member	14	41
Antonio Carlos Pipponzi	Shareholder/ Board member	5	16
Rosalia Pipponzi Raia	Shareholder/ Board member	5	16
Franco Maria David Pietro Pipponzi	Shareholder/ Board member	5	16
		<u>69</u>	<u>218</u>
Service providers (ii)			
Tulipa Comunicação Ltda.	Shareholder/ family		65
Advogados			
Rodrigo Wright Pipponzi	Shareholder/ family	19	199
(Editora Mol Ltda.) (iii)	Shareholder/ family	525	1,239
		<u>544</u>	<u>1,503</u>
		<u>613</u>	<u>1,721</u>

- (i) Sales carried out through agreements and space rental contracts. These transactions are signed in commercial conditions equivalent to those practiced by other companies.
- (ii) Store rental, rendering of marketing and legal advisory services. These transactions are engaged under usual market conditions.
- (iii) Balances and transactions with Editora Mol Ltda. and Estúdio Mol Design regard service agreements relative to the preparation, creation and production of disclosure material for the corporate sales area and the concept of the Company's internal monthly magazine. The contracts are valid for an undetermined period and may be terminated at any time by one of the parties without cost or penalties.

Additionally, there are no transactions other than the values presented above and the related parties category and the related parties category which is the Company's key management.

Notes to quarterly information**(b) Key management personnel.**

Key management personnel is comprised of Officers, Members of the Board of Directors and Fiscal Board. Paid remuneration or payable remuneration is stated as follows:

	Company		Consolidated
	Q3-2012	Q3-2011	Q3-2012
Payment and social charges	1,331	1,169	2,184
Bonuses and social charges	475	3,483	831
Reversal of provision for bonuses	(2,476)	(1,083)	(2,476)
Stock option plan		133	
	<u>(670)</u>	<u>3,702</u>	<u>539</u>

25. Insurance coverage

The Company has a policy maintain insurance policies at amounts considered to be sufficient to cover possible claims which could affect its equity or civil responsibility. Considering the nature of its activities and the guidance of its insurance consultants, the Company and its subsidiary at September 30, 2012:

	Company		Consolidated	
	Sep-2012	Dec-2011	Sep-2012	Dec-2011
Inventories losses risk	51,873	45,164	99,611	250,164
Permanent asset items	35,662	49,477	99,789	78,227
Loss of profits	4,100	3,607	24,100	23,727
Civil liability risk	5,311	7,934	10,474	8,534
	<u>96,946</u>	<u>106,182</u>	<u>233,974</u>	<u>360,652</u>

The scope of our auditor's work does not include expressing an opinion on the sufficiency of the insurance cover, whose adequacy was determined by the Company's management and considered sufficient to cover losses, if any.

26. Transactions not involving cash

In the second quarter of 2012, there were no transactions involving the Company's cash.

A free translation from Portuguese into English of Independent Auditor's Review Report on quarterly information prepared in accordance with Brazilian and international standards on review engagements

INDEPENDENT AUDITOR'S REVIEW REPORT

Shareholders, Board of Directors and Officers

Raia Drogasil S.A.

São Paulo – SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information contained in the Quarterly Information Form (ITR) of Raia Drogasil S.A. as of September 30, 2012, comprising the balance sheet as of September 30, 2012 and the related income statements for the three- and nine-month periods then ended, the statement of changes in equity and the cash flow statement for the nine-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with CPC 21 – Interim Financial Reporting, and of the consolidated interim financial information in accordance with CPC 21 and with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 applicable to the preparation of quarterly information (ITR), and consistently with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of quarterly information (ITR), and consistently with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Interim statements of value added

We have also reviewed the individual and consolidated interim statements of value added (SVA) for the nine-month period ended September 30, 2012, prepared under management's responsibility, whose presentation in the interim financial information is required by rules issued by the Brazilian Securities and Exchange Commission (CVM), and as supplementary information by IFRS, which do not require SVA presentation. These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they are not fairly presented, in all material respects, in relation to the overall accompanying individual and consolidated interim financial information.

São Paulo, November 5, 2012.

ERNST & YOUNG TERCO
Auditores Independentes S.S.
CRC-2SP015199/O-6

Luiz Carlos Nannini
Accountant CRC-1SP171638/O-7

Alexandre Rubio
Accountant CRC-1SP223361/O-2

Report and Statements / Report of Audit Committee or Equivalent Body

Managers and shareholders of
Raia Drogasil S.A.

The Company's Supervisory Committee within its legal attributions and responsibilities has examined the Quarterly Financial Information (ITR), for the quarter ended September 30, 2012, and based on the examination carried out, clarification provided by management, and also considering the favorable and unqualified Limited Review Report from the Independent Auditor, Ernst & Young Terco Auditores Independentes, the members of the Supervisory Committee concluded that the documents above are presented adequately, in all material respects .

São Paulo, November 5, 2012.

Gilberto Lério
Supervisory Committee Member

Fernando Carvalho Braga
Supervisory Committee Member

Mário Antonio Luiz Corrêa
Supervisory Committee Member

Reports and Statements / Board of Directors' Statement on Interim Financial Statements

Raia Drogasil S.A.

In accordance with article 25, paragraph 1, items V and VI, of CVM Rule 480/09, the Executive Board declares that it reviewed, discussed and agreed upon the Quarterly Financial Information (ITR), for the quarter ended September 30, 2012.

São Paulo, November 5, 2012.

Cláudio Roberto Ely
Chief Executive Officer

Antonio Carlos de Freitas
Director

Eugênio de Zagottis
Director

Fernando Varela
Director

Marcello de Zagottis
Director

Ricardo Castro de Azevedo
Director

Rosângela Lutti
Director

Reports and Statements / Statement of Executive Board on Independent Auditor's Report

Raia Drogasil S.A.

In accordance with article 25, paragraph 1, items V and VI, of CVM Rule 480/09, the Executive Board declares that it reviewed, discussed and agreed upon the opinion expressed in the favorable and unqualified Independent Auditor's Report (ITR), for the quarter ended September 30, 2012.

São Paulo, November 5, 2012.

Cláudio Roberto Ely
Chief Executive Officer

Antonio Carlos de Freitas
Director

Eugênio de Zagottis
Director

Fernando Varela
Director

Marcello de Zagottis
Director

Ricardo Castro de Azevedo
Director

Rosângela Lutti
Director