RaiaDrogasil

EARNINGS RELEASE 3Q13

São Paulo, November 7th, 2013. RaiaDrogasil S.A. (BM&FBovespa: RADL3) announces today its results for the 3rd quarter of 2013 (3Q13). The consolidated quarterly information of RaiaDrogasil S.A. for the period ended September 30th, 2013 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 2012.

As a result of the creation of RaiaDrogasil, we incurred both in 2013 and in 2012 on certain non-recurring expenses related to the integration and to the alignment of certain accounting practices between the entities. To facilitate a better understanding and analysis of our operating performance, we are supplementally presenting adjusted results for 2013 and 2012 excluding the effects of non-recurring expenses.

In April and May we recorded a reduction in social charges on labor, a line which was classified in the 2Q13 as part of Taxes, Discounts and Returns since it was calculated as a percentage of revenues. In order to maintain historical comparability, we reclassified such charges to Sales Expenses.

HIGHLIGHTS:

- **Drugstores: 931 stores in operation (29 openings and 6 closures)**
- **Gross Revenues: R$ 1.7 billion, 15.9% of growth (9.9% for same-store sales)**
- **Gross Margin: 26.8% of gross revenues, a 0.6 percentage point margin increase**
- **Adjusted EBITDA: R$ 90.8 million, an increase of 11.9%, 5.4% of EBITDA margin**
- **Adjusted Net Income: R$ 42.6 million, 2.5% of net margin**
- **Cash Flow: R$ 57.7 million free cash flow, R$ 57.9 million total**

RADL3: **R$ 16.90/share**

Number of Shares: **330,386,000**

Market Cap: **R$ 5,584 million**

Closing: **November 6th, 2013**

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Summary	3Q12	4Q12	1Q13	2Q13	3Q13
(R$ thousand)					
# of Stores (end of period)	828	864	895	906	931
Store Openings	24	42	36	25	29
Store Closures	3	6	4	10	6
Suspended Stores	0	0	1	5	3
# of Stores (average)	819	843	879	897	920
Head Count	19,927	20,113	20,274	21,195	21,268
Pharmacist Count	2,875	3,004	3,073	3,207	3,260
# of Tickets	32,360	32,205	30,958	33,596	34,567
Gross Revenues	1,451,823	1,479,979	1,438,405	1,604,091	1,682,958
Gross Profit (Adjusted)	380,105	400,578	382,340	433,760	451,785
% of Gross Revenues	26.2%	27.1%	26.6%	27.0%	26.8%
EBITDA (Adjusted)	81,144	83,094	66,165	103,472	90,791
% of Gross Revenues	5.6%	5.6%	4.6%	6.5%	5.4%
Net Income (Adjusted)	37,030	34,784	26,486	58,634	42,623
% of Gross Revenues	2.6%	2.4%	1.8%	3.7%	2.5%
Free Cash Flow	104,708	(72,350)	(48,490)	(34,819)	57,736

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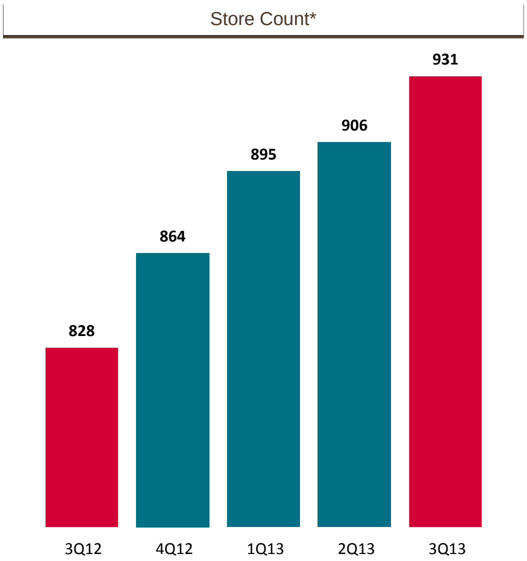
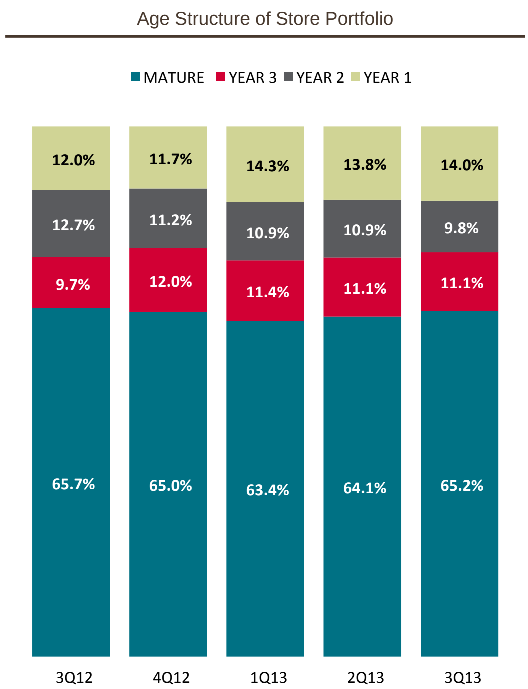
STORE DEVELOPMENT

We opened 29 new stores and closed six stores, ending the quarter with a total of 931 stores in operation, including the reopening of a net total of two stores that had temporarily suspended operations for rebranding.



	3Q12	4Q12	1Q13	2Q13	3Q13
Opened	24	42	36	25	29
Closed	3	6	4	10	6
Suspended	0	0	1	5	3



* Does not include suspended stores, which have been temporarily closed to be rebranded.

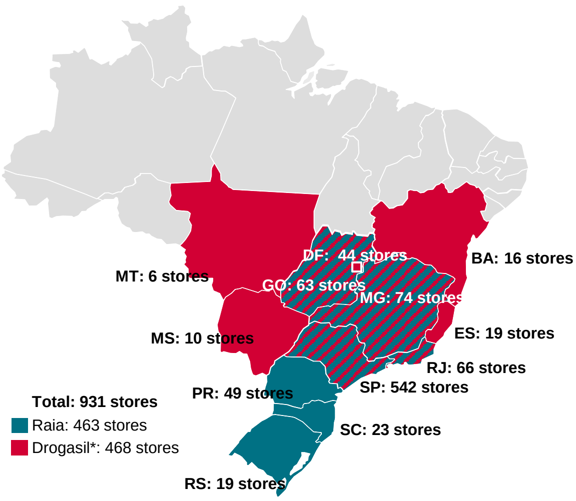
In the 9M13 we closed a total of 20 stores as part of a portfolio optimization program that is expected to be concluded by year-end with an estimated total of 25 closures. At the end of the period, 34.8% of our stores were still in the process of maturation, and had not yet reached their full potential in terms of revenues and profitability.

Additionally, we have issued a gross store opening guidance of 130 stores in 2014, and have already signed contracts for a total of 42 new stores in the year.

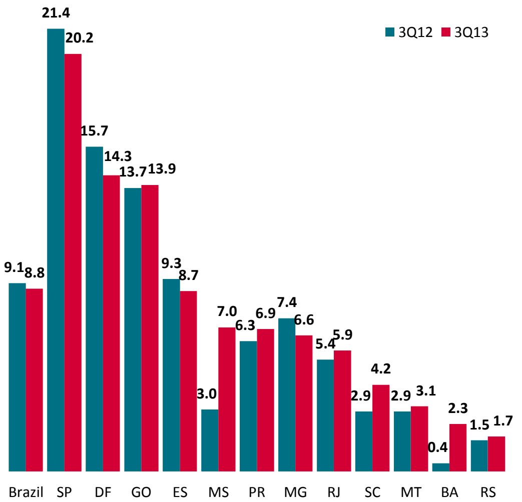
We recorded a national market share of 8.8% in September, a 0.3 percentage point decrease when compared to the same period in 2012. We lost 1.4 percentage point in the Federal District (Brasília), where we have not opened stores over the last two years, and 1.2 percentage point in São Paulo. On the other hand, we have increased significantly our presence in Bahia, Mato Grosso and Mato Grosso do Sul, where we started operating about one year ago, and have reached market shares of 2.3%, 3.1% and 4.0%, respectively. Finally, we highlight our market share gains in Santa Catarina (1.3%) and Rio de Janeiro (0.5%).

It is important to highlight that IMS Health has significantly expanded its base of informants in 2013, which has distorted historical market shares. According to a complementary analysis provided by IMS, our market share considering the comparable basis of September 2012 would be of 9.3%, a 0.2 percentage point market share increase instead of the reported share loss of 0.3 percentage point. Additionally, according to ABRAFARMA, we recorded in the same period a national market share increase of 0.2 percentage point (considering only the large and medium chains affiliated to the entity). The following chart illustrates our geographic presence and market shares in the states where we operate according to the IMS expanded database.

Geographic Presence



Market Share (September '13)



PHARMACEUTICAL MARKET DISTRIBUTION BY STATE (LAST 12 MONTHS)

Brazil	SP	DF	GO	ES	MS	PR	MG	RJ	SC	MT	BA	RS
100.0%	27.2%	2.6%	3.5%	1.9%	1.2%	6.0%	10.4%	12.5%	3.8%	1.3%	4.8%	7.2%

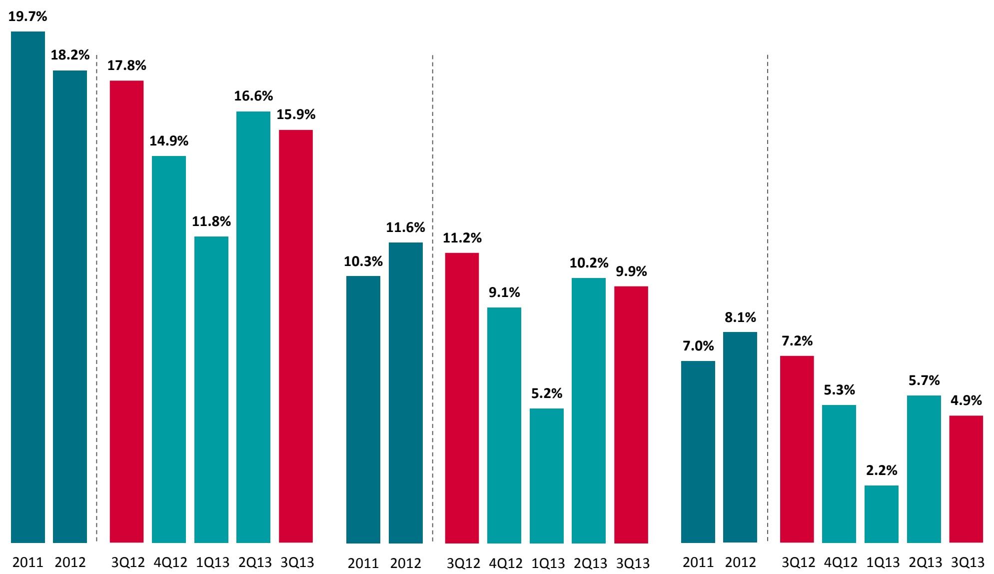
Source: IMS Health

* Considers Farmasil Stores

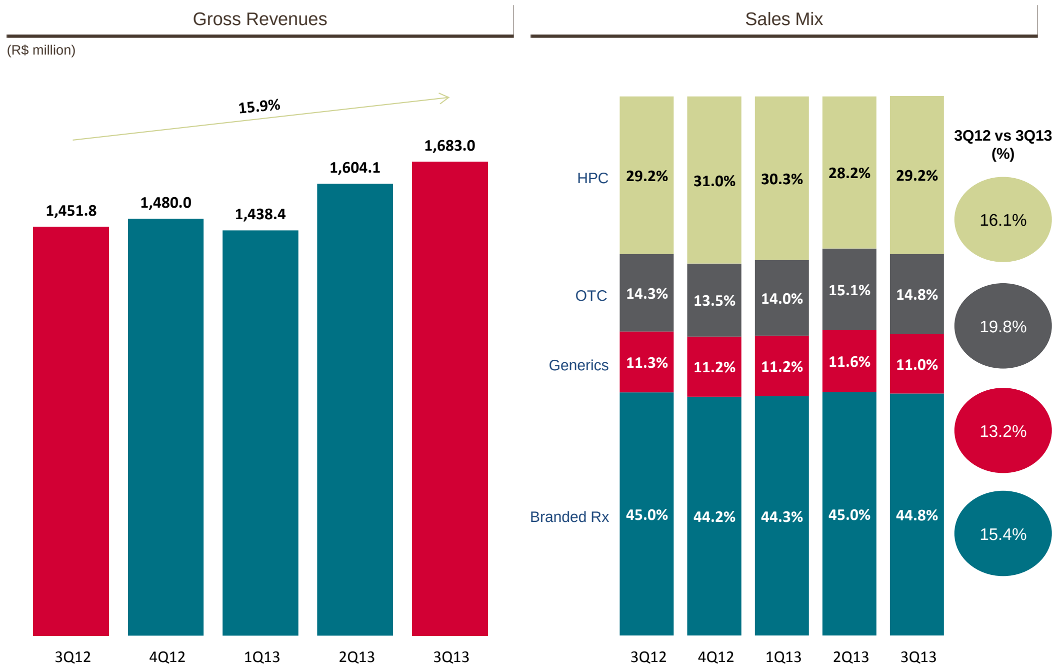
GROSS REVENUES

We recorded gross revenues of R$ 1,683.0 million, a 15.9% increase over the 3Q12. Excluding the stores that were closed or temporarily suspended, our revenues would have grown 18.1%, an impact of 2.2 percentage points.

Growth – Total Sales | Growth – Same Store Sales | Growth – Mature Stores



Our same-store sales increased by 9.9% in the quarter, while mature stores sales grew by 4.9%. We experienced a positive calendar effect of 0.6% over the previous year due to the fact that the Brazilian Independence Day holiday fell on a Saturday.



OTC was the main highlight of the quarter by growing 19.8%, a 0.5 percentage point increase in the sales mix. Generics reduced its participation by 0.3 percentage point, mainly due to logistics problems with one of our main suppliers, which penalized the category in the quarter. Additionally, the absence of new relevant launches has limited our ability of increasing generics participation in the sales mix.

GROSS PROFIT

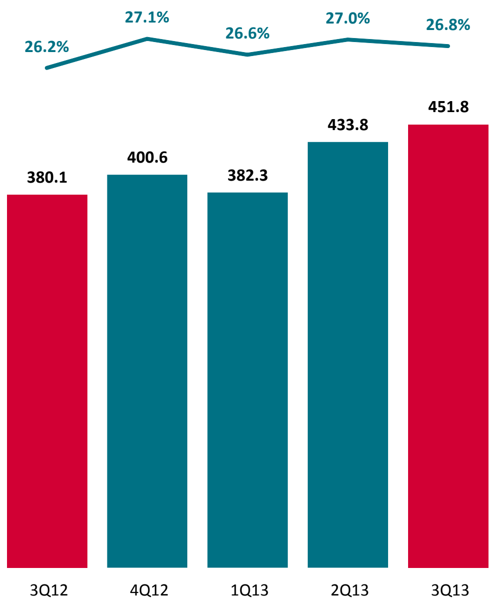
We ended the 3Q13 with a gross margin of 26.8%, a 0.6 percentage point increase when compared to 2012. The improvement in gross margin stemmed mainly from the weak comp base of the 3Q12.

We experienced in the 3Q12 a change in taxation aimed at allowing us to recover outstanding ICMS tax credits that had been accumulated in the state of São Paulo. The new tax regime caused an increase in our tax burden that penalized our gross margin by 0.4 percentage point.

As the tax credits outstanding have been already fully converted to cash, we decided to change back to the previous tax regime, which is expected to be completely implemented in December. This change will allow our gross margins to be fully recovered as our inventories rotate. Therefore, we believe our gross margins will be normalized by the second quarter of 2014.

Gross Margin

(R$ million, % of Gross Revenues)



SALES EXPENSES

Sales expenses totaled R$ 317.1 million, amounting to 18.8% of gross revenues. We experienced an increase of 0.8 percentage point due to structural factors, such as inflation pressures on payroll (0.2 percentage point) and rentals (0.1 percentage point), as well as to transitory factors, such as logistics pressures (0.1 percentage point) and the increase in our social charges allowance relative to the 1Q13 (0.2%), which had to be booked in the quarter since the reduction in social charges failed to pass in the Brazilian Congress. Additionally, we increased marketing expenses (0.2 percentage point) in order to accelerate store maturation in recent markets.

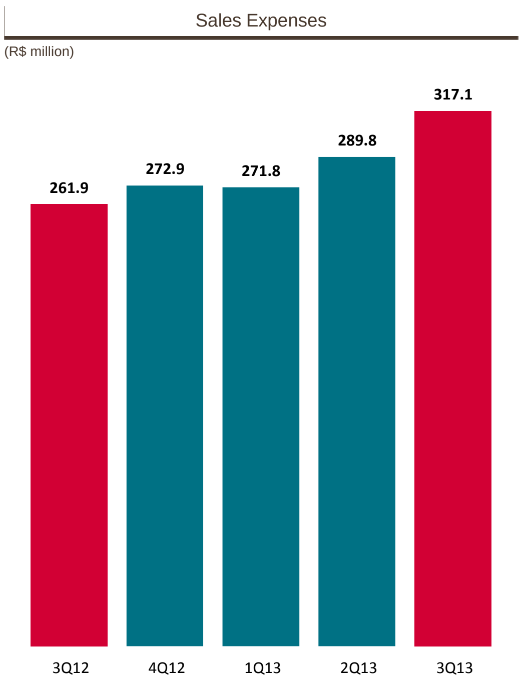
We applied in July a salary readjustment for our employees in São Paulo (stores, DCs and administrative) of 8.5%, which exceeded inflation by 2.2 percentage points. Additionally, the steep appraisal of the Brazilian property market has pressured our rental expenses, especially regarding expiring contracts subject to renegotiation. We believe these expenses shall remain under pressure in the medium term.

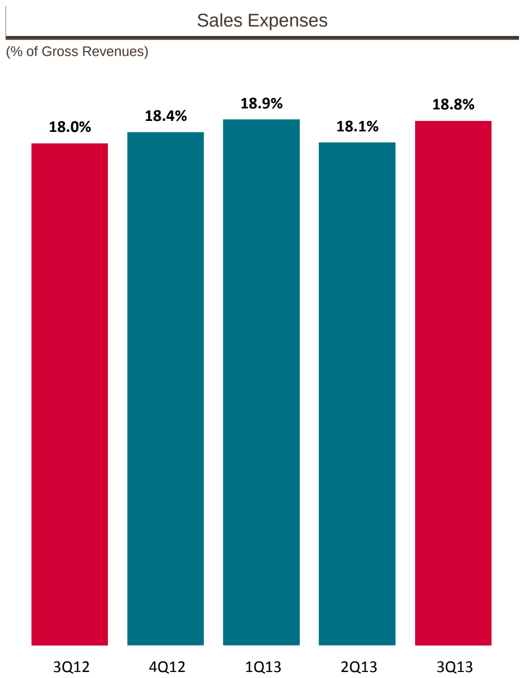
Our logistics expenses have also increased due to the opening of a new DC in the state of São Paulo, which happened in the 4Q12. We expect to dilute these expenses in 2014, as we do not plan to open other distribution centers in the short term.

The government issued in December a provisional measure (MP 601) reducing social charges for several retail sectors including ours to 1% of gross revenues (instead of 20% of payroll expenses), which was implemented in April. As a result, in the end of the first quarter, we undertook a reversion in our social charges allowance in order to incorporate the lower expected expenses from that date onwards. The bulk of that reversion (R$ 5.9 million in both sales and corporate expenses) was booked as a non-recurring gain, as it is related to 2012, but the current portion of the reversion was recognized in the 1Q13.

However, the provisional measure failed to be voted by the Brazilian Congress on time and expired in June. Our trade associations have worked both with the Government and with the Congress ever since aiming at reinstating the reduction in social charges for our sector, but since all efforts so far have proved fruitless, we reconstituted our social charges allowance in the quarter by booking a non-recurring expense of R$ 5.9 million related to 2012 (same amount previously booked as a non-recurring gain), as well as an ordinary expense of R$ 3.3 million in the quarter (0.2% of gross revenues), that ended up penalizing the quarter as it fully refers to the 1Q13.

Finally, in order to strengthen our brand and accelerate maturation in recent markets, we increased our advertising expenses by 0.2 percentage point, especially in the Southern and in the Midwestern states.





* Excludes R$ 5.1 million of non-recurring expenses recorded in the 3Q13.

In comparison to the previous quarter, sales expenses went up by 0.7 percentage point. The main drivers were personnel expenses, with an increase of 0.6 percentage point due to the annual salary readjustment and to the realignment in our social charges allowance relative to the 1Q13 (0.2 percentage point), as well as to the increase in marketing expenses (0.2 percentage point). These expenses were partially offset by a reduction of 0.3 percentage point in other expenses.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses amounted to R$ 43.9 million in the quarter, equivalent to 2.6% of our gross revenues, in line with the previous year.

Our variable compensation provision increased by 0.1 percentage point due to a strong reversion pursued in the 3Q12. This pressure was offset by other dilutions in general and administrative expenses.

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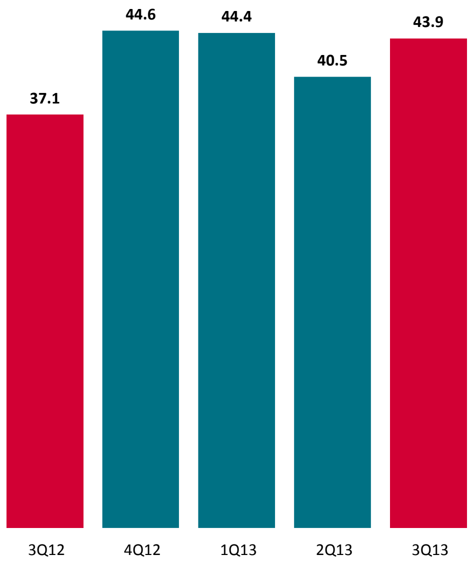
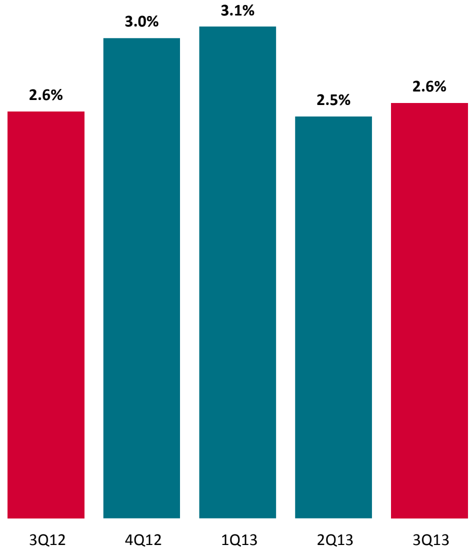
General & Administrative Expenses*

(R$ million)



General & Administrative Expenses*

(% of Gross Revenues)



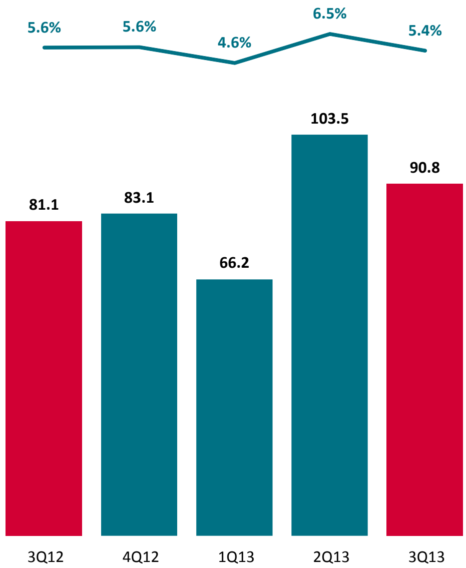
* Excludes R$ 15.1 million of non-recurring expenses recorded in the 3Q13 and R$ 4.1 million in the 3Q12.

EBITDA

We reached R$ 90.8 million of EBITDA, an increase of 11.9% and a margin reduction of 0.2 percentage point.

Adjusted EBITDA

(R$ million, % of Gross Revenues)



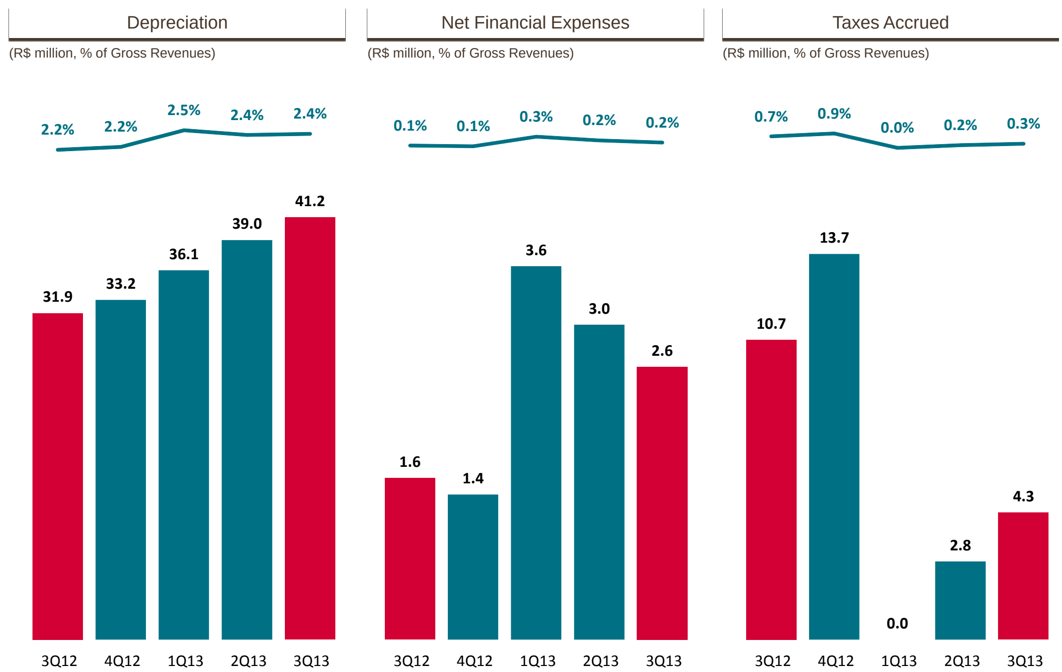
Our poor sales performance in the year, with mature stores growing below inflation, has prevented expense dilution in a scenario in which payroll and rental expenses have grown beyond inflation. Therefore, we had a sales expenses increase of 0.8 percentage point, which was partially offset by a 0.6 percentage point improvement in gross margin, resulting in a EBITDA margin contraction of 0.2 percentage point in the quarter.

Stores in the opening process, as well as those closed or suspended, reduced our EBITDA by R$ 9.2 million in the quarter. Therefore, the 841 stores that have operated since the end of 2012 (864 stores at year-end, less 23 stores closed or suspended) produced an adjusted EBITDA of R$ 100.2 million, equivalent to an EBITDA margin of 6.2% of the revenues achieved by those stores in the quarter.

DEPRECIATION, NET FINANCIAL EXPENSES AND INCOME TAXES

Our lower net cash position resulted in an increase in net financial expenses of 0.1 percentage point. Due to the acceleration of our store opening pace since the end of 2012, depreciation expenses have totaled R$ 41.2 million, equivalent to 2.4% of gross revenues, an incremental pressure of 0.2 percentage point.

The tax shield from goodwill amortization amounted R$ 10.7 million, reducing taxes accrued from 0.7% in the 3Q12 to 0.3% in the quarter, a reduction of 0.4 percentage point. It is important to mention that the goodwill amortization has been reflected in our adjusted net income since the 4Q12.

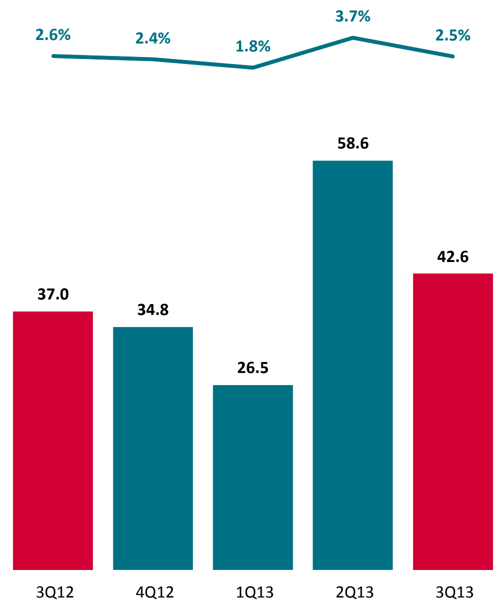


ADJUSTED NET INCOME

We recorded an adjusted net income of R$ 42.6 million in the quarter and ended the 3Q13 with a net margin of 2.5%, a 0.1 percentage point reduction.

Adjusted Net Income

(R$ million, % of Gross Revenues)



The lower EBITDA margin (0.2 percentage point) and the increases both in depreciation (0.2 percentage point) and in net financial expenses (0.1 percentage point) were offset by lower tax payments stemming from the tax shield from the goodwill amortization (0.4 percentage point).

NON-RECURRING EXPENSES

In the 3Q13 we incurred R$ 20.2 million in non-recurring expenses, according to the table below:

Adjustments	Gross Profit	SG&A	EBITDA	D&A and Income Tax	Net Profit
(R$ million)					
Integration Expenses		**(12.3)**	**(12.3)**	**4.2**	**(8.1)**
Legal and Accounting		(0.5)	(0.5)	0.2	(0.3)
Consulting		(0.7)	(0.7)	0.2	(0.5)
Store Closures		(4.4)	(4.4)	1.5	(2.9)
Farmácia Popular Program		(2.2)	(2.2)	0.8	(1.5)
Severance		(4.5)	(4.5)	1.5	(3.0)
Expenses from Previous Years		**(7.8)**	**(7.8)**	**2.7**	**(5.2)**
Tax Charges		(2.0)	(2.0)	0.7	(1.3)
Reversion in Payroll Taxes		(5.9)	(5.9)	2.0	(3.9)
Total	**0.0**	**(20.2)**	**(20.2)**	**6.9**	**(13.3)**

We booked in the quarter a total of R$ 4.5 million in severance payments related to the CEO transition in the company and of R$ 4.4 million in asset write-offs (non-cash) and in closing expenses related to the termination of ten stores, including the six stores closed in the quarter and other four stores closed in the 2Q13. We also booked R$ 0.7 million in consulting expenses and R$ 0.5 million in legal and accounting expenses related to the incorporation of Raia.

Additionally, we booked R$ 2.2 million in expenses to subsidize the Farmácia Popular program in stores that have not recovered their licenses yet. Farmácia Popular is a government program in which selected drugs are sold with little or no co-pays, as the government subsidizes its cost. Due to the fact that the Droga Raia stores lost their licenses after the incorporation and that it takes months to reclaim those, we decided to assume this cost during the transition in order to minimize disruptions to our clients which damage could far exceed the subsidized amount. This expense has progressively declined as the stores are getting relicensed.

Finally, we recomposed our social charges allowance in the quarter, which generated a non-recurring expense of R$ 5.9 million, a reversion of the non-recurring gain of the same amount that had been booked in the 1Q13, and recorded R$ 2.0 million in tax charges related to previous years.

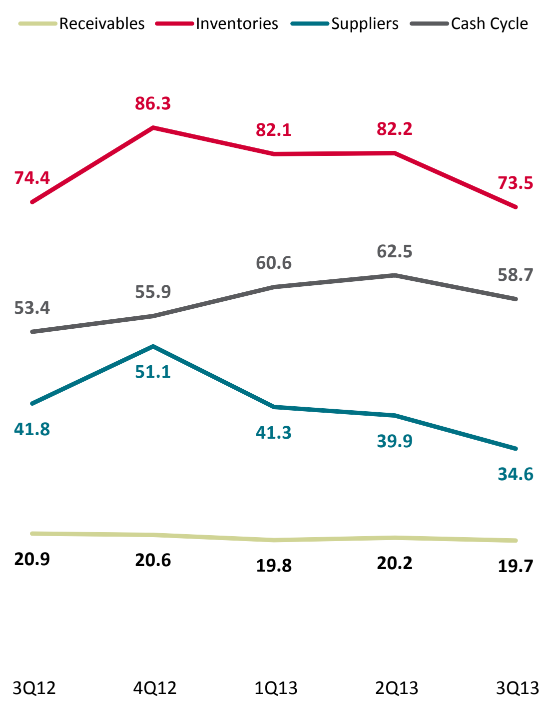
CASH CYCLE

Cash cycle increased by 5.3 days over the previous year, but significantly declined when compared to the previous quarters.

We recorded 73.5 days of inventories, 0.9 days below the 3Q12 and a significant reduction over the previous quarters. However, as our volume of purchases was reduced, especially to reduce excess inventories of generics, we limited the generation of new invoices and experienced a reduction in accounts payable of 7.2 days, which is expected to progressively revert over the next quarters as the purchasing volumes get normalized. Finally, our days of receivables was reduced by 1.2 days due to a favorable calendar effect.

Cash Cycle

(COGS Days, Gross Revenues Days)



CASH FLOW

We recorded in the nine months ended in September a negative free cash flow of R$ 25.6 million, a significant improvement over the cash consumption of R$ 108.4 million recorded in the same period of 2012. Our Operating Cash Flow (R$ 149.7 million) has nearly financed all the investments (R$ 175.3 million) undertook in the period.

In the quarter we generated a free cash flow of R$ 57.7 million. Resources from operations amounted to R$ 67.1 million, which corresponded to 4.0% of our gross revenues, while working capital employed totaled R$ 54.0 million, including a recovery of R$ 10.1 million in ICMS tax credits, resulting in an operating cash flow of R$ 121.1 million in the quarter.

Fixed asset investments amounted to R$ 63.4 million in the quarter versus R$ 56.6 million of the 3Q12, including R$ 39.6 million in store development, R$ 8.7 million in existing stores renovation, and R$ 15.1 million in infrastructure.

Cash Flow *(R$ million)*	**3Q13**	**3Q12**	**9M13**	**9M12**
Adjusted EBIT	**49.6**	**49.3**	**144.1**	**151.6**
Non-Recurring Expenses	(20.2)	(3.5)	(34.0)	(14.4)
Income Tax (34%)	(10.0)	(15.6)	(37.4)	(46.6)
Taxshield from Goodwill Amorization	10.9	-	19.1	-
Depreciation	41.2	31.9	116.3	91.2
Others	(4.4)	1.8	10.2	22.4
Resources from Operations	**67.1**	**63.9**	**218.3**	**204.1**
Cash Cycle*	30.4	103.1	(121.4)	(158.8)
ICMS Recovery	10.1	23.5	40.3	43.2
Others	13.5	(29.3)	12.5	(51.8)
Operating Cash Flow	**121.1**	**161.3**	**149.7**	**36.5**
Investments	**(63.4)**	**(56.6)**	**(175.3)**	**(144.9)**
Free Cash Flow	**57.7**	**104.7**	**(25.6)**	**(108.4)**
Interest on Equity	-	(0.1)	(13.0)	(12.7)
Net Financial Expenses	(2.6)	(1.6)	(9.3)	(1.1)
Income Tax (Tax benefit over financial expenses and interest on equity)	2.8	5.5	11.6	14.0
Total Cash Flow	**57.9**	**108.5**	**(36.2)**	**(108.2)**

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

We experienced a total cash consumption of R$ 36.2 million in the 9M13, versus R$ 108.2 million of the same period in 2012. We recorded R$ 9.3 million of net financial expenses and paid R$ 13.0 million in interest on equity, which were partially offset by a tax shield of R$ 11.6 million in the period.

Our total cash flow in the quarter amounted to a positive R$ 57.9 million. We booked R$ 2.6 million in net financial expenses, which was fully offset by a tax shield of R$ 2.8 million in the quarter. Finally, the interest on equity accrued in the quarter amounted to R$ 5.5 million.

INDEBTEDNESS

We recorded a net debt of R$ 61.4 million, equivalent to 0.2 times our last twelve months adjusted EBITDA. We have a total gross debt of R$ 183.8 million, of which 100% is comprised by BNDES (Brazilian Economic and Social Development Bank) lines. Of our total indebtedness, 56.5% is long-term and 43.5% relates to the short-term parcels of our long-term debt. We ended the quarter with a total cash position (cash and marketable securities) of R$ 122.4 million.

On October 15th, BNDES granted us a new financing line of R$ 706.0 million to fund a five-year investment program (2013-2017). The resources shall be claimed annually to reimburse investments previously made. The first tranche, which shall be received still in 2013, amounts to R$ 132.0 million, followed by an estimated average of R$ 140.0 million per year from 2014 to 2017. The actual amounts may vary, since they depend on the investments made annually over the term of the contract.

The cost of the line varies by investment type, but, on average, it is expected to be similar to the Brazilian Interbank Deposit Certificate Rate (CDI).

INTEGRATION

We have started the roll-out of our unified retail system (purchasing, inventory management, pricing, etc.), which is already fully implemented at Droga Raia, at the Drogasil stores and distribution centers. This consists in unplugging the stores and DCs from the Drogasil legacy system and in reconnecting them to the new unified system.

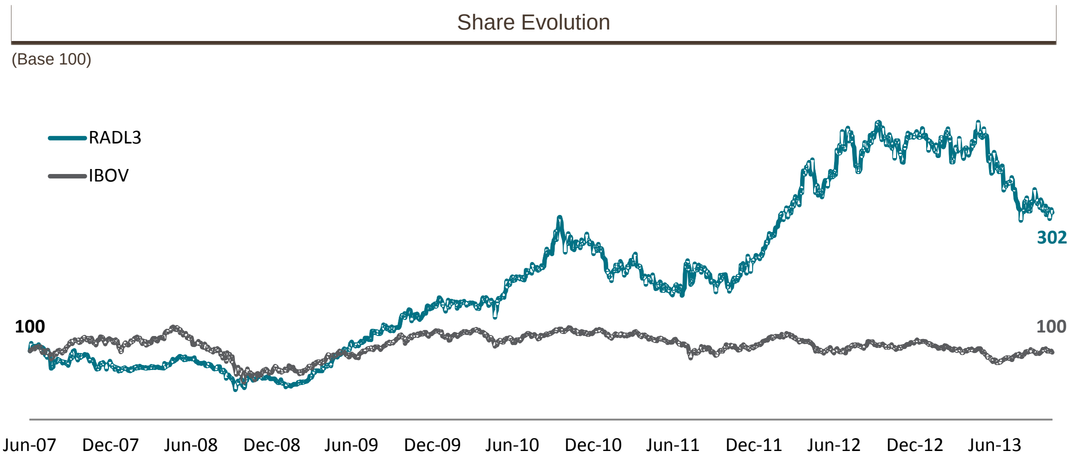
Wave	Month	Roll Out	Status
1st	September-13	Pilot store in São Paulo	Concluded
2nd	October-13	8 Rio de Janeiro stores and Headquarter store (SP)	Concluded
3rd	November-13	52 stores and Ribeirão Preto DC	Concluded
4th	December-13	51 stores and Contagem DC	Estimated
5th	January-14	E-commerce and telesales hub	Estimated
6th	February-14	117 stores and Goiânia DC	Estimated
7th	March-14	231 stores and Butantã DC	Estimated

The conclusion of this stage, which is expected to end in March 2014, will allow us to unify all our corporate systems, processes and structure, including the full integration of our distribution network. We will also pave the way for better execution at Drogasil, especially in pricing.

The final step of the integration will be the implementation of the Raia checkout system at the Drogasil stores, which will allow them to operate with our full CRM-driven proprietary retail platform. We believe this upgrade will allow us to boost promotional execution and customer service at Drogasil, which is expected to translate in higher store productivity, and shall be completed in 2014.

CAPITAL MARKETS

Considering our share price on November 6th of R$ 16.90, we have posted a negative return of 26.7% in the year, 14.3 percentage points below the IBOVESPA, that was down by 12.4% over the same period. In the 3Q13, our average daily trading volume was of R$ 26.7 million.



Since the IPO of Drogasil, we achieved a cumulative increase of 201.8% when compared to a negative return of 1.9% of the IBOVESPA over the same period, a compound annual return of 17.0% in the period.

Considering the IPO of Raia in December of 2010, the cumulative return in the period amounted to 61.3% when compared to a decrease of 21.5% by the IBOVESPA, a compounded annual return of 18.0%. These figures do not include dividends and interest on own capital paid over the period.

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Adjusted Income Statement *(R$ thousand)*	3Q12	3Q13	9M12	9M13
Gross Revenues	**1,451,824**	**1,682,958**	**4,113,857**	**4,725,454**
Taxes, Discounts and Returns	(56,601)	(57,421)	(159,662)	(161,785)
Net Revenues	**1,395,223**	**1,625,537**	**3,954,195**	**4,563,670**
Cost of Goods Sold	(1,015,118)	(1,173,752)	(2,860,515)	(3,295,785)
Gross Profit	**380,105**	**451,785**	**1,093,680**	**1,267,885**
Operational (Expenses) Revenues				
Sales	(261,867)	(317,061)	(728,250)	(878,616)
General and Administrative	(37,094)	(43,933)	(122,679)	(128,841)
Other Operational Expenses, Net				
Operational Expenses	**(298,961)**	**(360,994)**	**(850,929)**	**(1,007,457)**
EBITDA	**81,144**	**90,791**	**242,751**	**260,428**
Depreciation and Amortization	(31,868)	(41,220)	(91,165)	(116,290)
Operational Earnings before Financial Results	**49,276**	**49,571**	**151,586**	**144,138**
Financial Expenses	(4,650)	(4,823)	(14,076)	(15,335)
Financial Revenues	3,086	2,183	12,931	6,033
Financial Expenses/Revenues	**(1,564)**	**(2,640)**	**(1,145)**	**(9,302)**
Earnings before Income Tax and Social Charges	**47,712**	**46,931**	**150,441**	**134,836**
Income Tax and Social Charges	(10,682)	(4,308)	(37,464)	(7,093)
Net Income	**37,030**	**42,623**	**112,977**	**127,743**

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Income Statement	3Q12	3Q13	9M12	9M13
(R$ thousand)				
Gross Revenues	**1,451,823**	**1,682,958**	**4,113,856**	**4,725,454**
Taxes, Discounts and Returns	(56,602)	(57,421)	(159,663)	(172,506)
Net Revenues	**1,395,221**	**1,625,537**	**3,954,193**	**4,552,948**
Cost of Goods Sold	(1,015,118)	(1,173,752)	(2,862,124)	(3,297,184)
Gross Profit	**380,103**	**451,785**	**1,092,070**	**1,255,764**
Operational (Expenses) Revenues				
Sales	(261,255)	(322,162)	(726,625)	(867,435)
General and Administrative	(37,704)	(44,694)	(124,302)	(129,300)
Other Operational Expenses, Net	(3,486)	(14,300)	(12,828)	(32,595)
Operational Expenses	**(302,446)**	**(381,156)**	**(863,756)**	**(1,029,330)**
EBITDA	**77,657**	**70,629**	**228,314**	**226,434**
Depreciation and Amortization	(31,868)	(41,220)	(91,165)	(116,290)
Operational Earnings before Financial Results	**45,789**	**29,409**	**137,148**	**110,144**
Financial Expenses	(4,650)	(4,823)	(14,077)	(15,336)
Financial Revenues	3,086	2,183	12,931	6,033
Financial Expenses/Revenues	**(1,564)**	**(2,640)**	**(1,146)**	**(9,303)**
Earnings before Income Tax and Social Charges	**44,225**	**26,769**	**136,002**	**100,841**
Income Tax and Social Charges	(9,497)	(8,151)	(32,556)	(27,674)
Net Income	**34,728**	**18,618**	**103,447**	**73,167**

Assets	3Q12	3Q13
(R$ thousand)		
Current Assets		
Cash and Cash Equivalents	218,404	122,367
Accounts Receivable	332,875	364,639
Inventories	829,405	948,534
Taxes Receivable	62,110	58,136
Other Accounts Receivable	103,853	96,374
Following Fiscal Year Expenses	11,472	11,889
	1,558,119	1,601,939
Non-Current Assets		
Deposit in Court	10,349	10,276
Taxes Receivable	66,609	11,202
Other Credits	1,168	715
Property, Plant and Equipment	422,083	518,411
Intangible	1,127,769	1,156,102
	1,627,978	1,696,706
ASSETS	3,186,097	3,298,645

Liabilities and Shareholder's Equity	3Q12	3Q13
(R$ thousand)		
Current		
Suppliers	466,636	445,899
Loans and Financing	61,011	79,878
Salaries and Social Charges Payable	120,587	139,259
Taxes Payable	40,998	39,721
Dividend and Interest on Equity	35,051	22,049
Provision for Lawsuits	3,131	4,948
Other Accounts Payable	52,608	58,884
	780,022	790,638
Non-Current Assets		
Loans and Financing	87,962	103,933
Provision for Lawsuits	4,123	8,463
Income Tax and Social Charges deferred	51,488	87,876
Other Accounts Payable	7,487	2,868
	151,060	203,140
Shareholder's Equity		
Common Stock	908,639	908,639
Capital Reserves	1,039,935	1,039,935
Revaluation Reserve	13,174	12,988
Income Reserves	229,536	294,721
Accrued Income	63,731	48,584
	2,255,015	2,304,867
LIABILITIES AND SHAREHOLDERS' EQUITY	3,186,097	3,298,645

Cash Flow	3Q12	3Q13	9M12	9M13
Earnings before Income Tax and Social Charges	**44,226**	**26,769**	**136,004**	**100,841**
Adjustments				
Depreciations and Amortization	31,868	41,220	91,165	116,290
P,P&E and Intangible Assets residual value	696	2,723	1,691	4,661
Provisioned Lawsuits	590	114	1,162	2,329
Provisioned Inventories Loss	1,551	(237)	3,227	9,413
Allowance for Doubtful Accounts	928	(469)	1,901	(1,246)
Interest Expenses	3,817	4,154	11,850	12,943
	83,676	**74,274**	**247,000**	**245,231**
Assets and Liabilities variation				
Accounts Receivable	(23,523)	13,769	(71,447)	(7,189)
Inventories	69,804	60,148	(17,658)	15,448
Other Short Term Assets	32,757	13,559	32,009	35,780
Long Term Assets	(42,830)	2,282	(35,240)	8,092
Suppliers	56,805	(43,491)	(69,731)	(129,688)
Salaries and Social Charges	15,115	28,065	28,128	46,362
Taxes Payable	(8,148)	(7,448)	(9,205)	(5,408)
Other Liabilities	(2,666)	(13,321)	(26,218)	(35,450)
Rent Payable	63	477	1,851	3,412
Cash from Operations	**181,053**	**128,314**	**79,489**	**176,590**
Income Tax and Social Charges Paid	(12,065)	(2,918)	(18,244)	(11,629)
Net Cash from (invested) Operational Activities	**168,988**	**125,396**	**61,245**	**164,961**
Investment Activities Cash Flow				
P,P&E and Intangible Acquisitions	(56,780)	(64,564)	(146,276)	(176,648)
P,P&E Sale Payments	215	1,186	1,368	1,383
Net Cash from Investment Activities	**(56,565)**	**(63,378)**	**(144,908)**	**(175,265)**
Financing Activities Cash Flow				
Funding	20,000		46,562	26,121
Payments	(36,301)	(13,112)	(61,951)	(40,800)
Interest Paid	(2,568)	(96)	(9,797)	(6,625)
Interest on Equity and Dividends Paid	(77)		(12,718)	(12,988)
Net Cash from Funding Activities	**(18,946)**	**(13,208)**	**(37,904)**	**(34,292)**
Cash and Cash Equivalents net increase	**93,477**	**48,810**	**(121,567)**	**(44,596)**
Cash and Cash Equivalents in the beggining of the period	**124,927**	**73,557**	**339,971**	**166,963**
Cash and Cash Equivalents in the end of the period	**218,404**	**122,367**	**218,404**	**122,367**

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3Q13 Results Conference Calls – November 8th, 2013

Portuguese
at 10:00 am (Brasília) / 8:00 am (US ET)

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