

## **Quarterly Information (ITR)**

**Raia Drogasil S.A.**

March 31, 2013

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## Company Information / Capital Composition

Number of shares (units)	Current Quarter 3/31/2013
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**

<b>Event</b>	<b>Approval</b>	<b>Cash earnings</b>	<b>Payment</b>	<b>Share type</b>	<b>Share class</b>	<b>Earnings per share (Reais / Share)</b>
Ordinary General Meeting	03/22/2013	Interest on equity capital	12/02/2013	Common Shares		0.01029

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	Account description	Current quarter 03/31/2013	Prior year 12/31/2012
1	Total assets	3,243,082	3,340,186
1.01	Current assets	1,581,484	1,693,864
1.01.01	Cash and cash equivalents	127,007	166,963
1.01.03	Accounts receivable	452,061	452,543
1.01.03.01	Trade accounts receivable	313,175	335,771
1.01.03.01.01	Checks receivable	5,874	5,153
1.01.03.01.02	Credit and debit card	268,695	289,225
1.01.03.01.03	PBM – Pharmacy Benefits Management	20,197	23,120
1.01.03.01.04	Agreements with companies	19,318	19,011
1.01.03.01.08	(-) Allowance for doubtful accounts	-909	-738
1.01.03.02	Other accounts receivable	138,886	116,772
1.01.03.02.01	Advances to employees	3,264	2,796
1.01.03.02.02	Return to suppliers	18,612	16,194
1.01.03.02.03	Commercial agreements	111,545	92,281
1.01.03.02.08	Other	5,465	5,501
1.01.04	Inventories	907,468	973,396
1.01.04.01	Goods for resale	913,076	974,455
1.01.04.02	Materials	8,502	9,854
1.01.04.03	(-) Allowance for losses on products	-14,110	-10,913
1.01.06	Taxes recoverable	82,370	96,316
1.01.06.01	Current taxes recoverable	82,370	96,316
1.01.07	Prepaid expenses	12,578	4,646
1.02	Non-current assets	1,661,598	1,646,322
1.02.01	Long-term receivables	22,151	21,802
1.02.01.03	Accounts receivable	610	610
1.02.01.03.02	Other accounts receivable	610	610
1.02.01.07	Prepaid expenses	529	561
1.02.01.09	Other non-current assets	21,012	20,631
1.02.01.09.03	Statutory deposits and tax grants	7	7
1.02.01.09.04	Judicial deposits	10,782	11,010
1.02.01.09.05	Taxes recoverable	9,662	9,053
1.02.01.09.06	Court-ordered debt payments (“precatórios”)	561	561
1.02.03	Property and equipment	475,099	454,322
1.02.04	Intangible	1,164,348	1,170,198

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

<b>Account code</b>	<b>Account description</b>	<b>Current quarter 3/31/2013</b>	<b>Prior year 12/31/2012</b>
2	Total liabilities	3,243,082	3,340,186
2.01	Current liabilities	740,178	863,276
2.01.01	Social and labor obligations	93,266	92,899
2.01.01.01	Social security obligations	27,984	21,019
2.01.01.02	Labor obligations	65,282	71,880
2.01.02	Trade accounts payable	456,464	575,587
2.01.02.01	Local suppliers	456,464	575,587
2.01.03	Tax obligations	36,772	40,489
2.01.03.01	Federal tax obligations	11,085	16,457
2.01.03.01.01	Income and social contribution tax payable	0	5,881
2.01.03.01.02	Other federal tax obligations	11,085	10,576
2.01.03.02	State tax obligations	22,993	22,944
2.01.03.03	Municipal tax obligations	2,694	1,088
2.01.04	Loans and financing	61,551	60,712
2.01.04.01	Loans and financing	61,551	60,712
2.01.04.01.01	In local currency (BRL)	61,551	60,712
2.01.05	Other payables	79,844	79,468
2.01.05.02	Other	79,844	79,468
2.01.05.02.01	Dividends and interest on equity payable	8,378	5,451
2.01.05.02.04	Rental	16,893	15,749
2.01.05.02.05	Key money	14,924	22,392
2.01.05.02.06	Other accounts payable	39,649	35,876
2.01.06	Provisions	12,281	14,121
2.01.06.01	Tax, social security, labor and civil provisions	4,489	4,223
2.01.06.01.01	Tax provisions	93	94
2.01.06.01.05	Provision for legal proceedings	4,396	4,129
2.01.06.02	Other provisions	7,792	9,898
2.01.06.02.04	Provision for internal campaigns	382	0
2.01.06.02.06	Provision for sundry obligations	7,410	9,898
2.02	Non-current liabilities	227,366	212,251
2.02.01	Loans and financing	140,386	131,460
2.02.01.01	Loans and financing	140,386	131,460
2.02.01.01.01	In local currency (BRL)	140,386	131,460
2.02.02	Other payables	6,673	7,049
2.02.02.02	Other	6,673	7,049
2.02.02.02.03	Tax Recovery Program (REFIS)	6,673	7,049
2.02.03	Deferred taxes	70,542	64,021
2.02.03.01	Deferred income and social contribution taxes	70,542	64,021
2.02.04	Provisions	9,765	9,721
2.02.04.01	Tax, social security, labor and civil provisions	9,765	9,721
2.02.04.01.05	Provision for legal proceedings	9,765	9,721
2.03	Equity	2,275,538	2,264,659
2.03.01	Realized capital	908,639	908,639
2.03.02	Capital reserves	1,039,935	1,039,935
2.03.03	Revaluation reserves	13,057	13,127
2.03.04	Income reserves	302,958	302,958
2.03.04.01	Legal reserve	14,375	14,375
2.03.04.02	Statutory reserve	280,346	280,346
2.03.04.08	Proposed additions dividends	8,237	8,237
2.03.05	Retained earnings (accumulated losses)	10,949	0

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

<b>Account code</b>	<b>Account description</b>	<b>YTD - 01/01/2013 to 3/31/2013</b>	<b>Prior year accumulated 01/01/2012 to 03/31/2012</b>
3.01	Revenue from sale of products and/or services	1,388,442	624,416
3.01.01	Gross revenue from sale of products and/or services	1,438,405	651,061
3.01.02	Sales taxes	-43,066	-23,621
3.01.03	Rebates	-6,897	-3,024
3.02	Cost of goods sold and/or services rendered	-1,007,501	-456,840
3.03	Gross profit	380,941	167,576
3.04	Operating income/expenses	-356,540	-141,891
3.04.01	Selling expenses	-266,660	-105,762
3.04.02	General and administrative	-79,717	-29,199
3.04.02.01	Administrative	-43,652	-17,117
3.04.02.03	Depreciation and amortization	-36,065	-12,082
3.04.05	Other operating expenses	-10,163	-6,516
3.04.05.01	Extraordinary expenses	-10,163	-6,516
3.04.06	Equity results	0	-414
3.05	Income before financial income and taxes	24,401	25,685
3.06	Financial income (expenses)	-3,615	567
3.06.01	Financial income	2,010	3,065
3.06.02	Financial expenses	-5,625	-2,498
3.07	Income before income taxes	20,786	26,252
3.08	Income and social contribution taxes	-6,507	-6,866
3.08.01	Current	14	-5,024
3.08.02	Deferred	-6,521	-1,842
3.09	Net income from continued operations	14,279	19,386
3.11	Income (loss) for the period	14,279	19,386
3.99	Earnings per share – (Reais/Share)	0	0
3.99.01	Basic earnings per share	0	0
3.99.01.01	Common shares	0.04322	0.05868
3.99.02	Diluted earnings per share	0	0
3.99.02.01	Common shares	0.04322	0.05868

**Individual financial information / Statement of comprehensive income**

**(In thousands of reais)**

<b>Account code</b>	<b>Account description</b>	<b>YTD - 01/01/2013 to 3/31/2013</b>	<b>Prior year accumulated 01/01/2012 to 03/31/2012</b>
4.01	Net income for the period	14,279	19,386
4.03	Comprehensive income for the period	14,279	19,386



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

<b>Account code</b>	<b>Account description</b>	<b>YTD - 01/01/2013 to 3/31/2013</b>	<b>Prior year accumulated 01/01/2012 to 03/31/2012</b>
6.01	Net cash from operating activities	6,699	-66,898
6.01.01	Cash from operations	66,076	41,585
6.01.01.01	Net income before income and social contribution taxes	20,786	26,252
6.01.01.02	Depreciation and amortization	36,065	12,082
6.01.01.03	Income from sale or disposal of fixed and intangible assets	859	47
6.01.01.04	Provision (reversal) for legal proceedings	1,218	-723
6.01.01.05	Provision for inventory losses	3,197	618
6.01.01.06	(Reversal of) allowance for doubtful accounts	-519	701
6.01.01.07	Interest expenses	4,470	2,194
6.01.01.08	Equity results	0	414
6.01.02	Changes in assets and liabilities	-51,644	-105,837
6.01.02.02	Accounts receivable	999	1,310
6.01.02.03	Inventories	62,731	-57,835
6.01.02.04	Other current assets	6,374	5,556
6.01.02.05	Long-term receivables	5,492	-9,828
6.01.02.06	Trade accounts payable	-119,123	-32,349
6.01.02.07	Salaries and social charges	370	-3,438
6.01.02.08	Taxes, fees and contributions	-2,582	-1,911
6.01.02.09	Other payables	-7,050	-7,559
6.01.02.10	Rental payable	1,145	217
6.01.03	Other	-7,733	-2,646
6.01.03.01	Income and social contribution taxes paid	-7,733	-2,646
6.02	Net cash used in investing activities	-51,949	-17,156
6.02.01	Acquisition of fixed and intangible assets	-51,992	-17,158
6.02.02	Receivables for sale of fixed assets	43	2
6.03	Net cash from financing activities	5,295	3,858
6.03.01	Financing raised	26,121	10,326
6.03.02	Repayment of financing	-16,831	-4,974
6.03.03	Interest paid	-3,996	-1,494
6.03.04	Interest on equity and dividends paid	1	0
6.05	Increase (decrease) in cash and cash equivalents	-39,955	-80,196
6.05.01	Opening balance of cash and cash equivalents	166,963	144,863
6.05.02	Closing balance of cash and cash equivalents	127,008	64,667

### Individual financial information / Statement of changes in equity – 01/01/2013 to 03/31/2013

(In thousands of reais)

Account code	Account description	Paid-up capital	Capital reserve, options granted and treasury shares	Income reserve	Retained earnings (accumulated losses)	Other comprehensive income	Equity
5.01	Opening balances	908,639	1,039,935	316,085	0	0	2,264,659
5.03	Adjusted opening balances	908,639	1,039,935	316,085	0	0	2,264,659
5.04	Capital transactions with shareholders	0	0	0	-3,400	0	-3,400
5.04.07	Interest on equity	0	0	0	-3,400	0	-3,400
5.05	Total comprehensive income	0	0	0	14,279	0	14,279
5.05.01	Net income for the period	0	0	0	14,279	0	14,279
5.06	Internal changes in equity	0	0	-70	70	0	0
5.06.02	Realization of revaluation reserve	0	0	-70	70	0	0
5.07	Closing balances	908,639	1,039,935	316,015	10,949	0	2,275,538

## Individual financial information / Statement of changes in equity – 01/01/2012 to 03/31/2012

(In thousands of reais)

Account code	Account description	Paid-up capital	Capital reserve, options granted and treasury shares	Income reserve	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	0	-7,000	0	-7,000
5.04.07	Interest on equity	0	0	0	-7,000	0	-7,000
5.05	Total comprehensive income	0	0	0	19,386	0	19,386
5.05.01	Net income for the period	0	0	0	19,386	0	19,386
5.06	Internal changes in equity	0	0	-50	50	0	0
5.06.02	Realization of revaluation reserve	0	0	-76	76	0	0
5.06.03	Taxes on realization of revaluation reserve	0	0	26	-26	0	0
5.07	Closing balances	908,639	1,039,935	252,550	12,436	0	2,213,560

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

<b>Account code</b>	<b>Account description</b>	<b>YTD – 01/01/2013 to 03/31/2013</b>	<b>Prior year accumulated 01/01/2012 to 03/31/2012</b>
7.01	Revenues	1,431,830	647,307
7.01.01	Sales of goods, products and services	1,431,479	648,006
7.01.02	Other income	-168	2
7.01.04	Set up/reversal of allowance for doubtful accounts	519	-701
7.02	Input products acquired from third parties	-1,015,750	-440,122
7.02.01	Cost of products, goods and services sold	-946,769	-412,174
7.02.02	Materials, energy, third-party services and others	-68,411	-27,896
7.02.03	Loss/recovery of asset values	-570	-52
7.03	Gross value added	416,080	207,185
7.04	Retentions	-36,065	-12,082
7.04.01	Depreciation, amortization and exhaustion	-36,065	-12,082
7.05	Net value added produced by the entity	380,015	195,103
7.06	Value added received in transfer	2,011	2,651
7.06.01	Equity results	0	-414
7.06.02	Financial income	2,011	3,065
7.07	Total value added to be distributed	382,026	197,754
7.08	Distribution of value added	382,026	197,754
7.08.01	Personnel	156,077	59,625
7.08.01.01	Direct remuneration	129,916	47,420
7.08.01.02	Benefits	16,351	8,074
7.08.01.03	FGTS	9,810	4,131
7.08.02	Taxes, charges and contributions	136,985	89,028
7.08.02.01	Federal	47,861	27,113
7.08.02.02	State	86,783	60,944
7.08.02.03	Municipal	2,341	971
7.08.03	Remuneration of third-party capital	74,685	29,715
7.08.03.01	Interest	23,638	10,840
7.08.03.02	Rental	51,047	18,875
7.08.04	Equity remuneration	14,279	19,386
7.08.04.01	Interest on equity	3,400	7,000
7.08.04.03	Retained earnings (accumulated losses) for the period	10,879	12,386

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

<b>Account code</b>	<b>Account description</b>	<b>Current quarter 03/31/2013</b>	<b>Prior year 12/31/2012</b>
1	Total assets	3,243,082	3,340,186
1.01	Current assets	1,581,484	1,693,864
1.01.01	Cash and cash equivalents	127,007	166,963
1.01.03	Accounts receivable	452,061	452,543
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1.01.03.01.02	Credit and debit card	268,695	289,225
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1.01.03.01.04	Agreements with companies	19,318	19,011
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1.01.03.02.01	Advances to employees	3,264	2,796
1.01.03.02.02	Return to suppliers	18,612	16,194
1.01.03.02.03	Commercial agreements	111,545	92,281
1.01.03.02.08	Other	5,465	5,501
1.01.04	Inventories	907,468	973,396
1.01.04.01	Goods for resale	913,076	974,455
1.01.04.02	Materials	8,502	9,854
1.01.04.03	(-) Allowance for losses on products	-14,110	-10,913
1.01.06	Taxes recoverable	82,370	96,316
1.01.06.01	Current taxes recoverable	82,370	96,316
1.01.07	Prepaid expenses	12,578	4,646
1.02	Non-current assets	1,661,598	1,646,322
1.02.01	Long-term receivables	22,151	21,802
1.02.01.03	Accounts receivable	610	610
1.02.01.03.02	Other accounts receivable	610	610
1.02.01.07	Prepaid expenses	529	561
1.02.01.09	Other non-current assets	21,012	20,631
1.02.01.09.03	Statutory deposits and tax grants	7	7
1.02.01.09.04	Judicial deposits	10,782	11,010
1.02.01.09.05	Taxes recoverable	9,662	9,053
1.02.01.09.06	Court-ordered debt payments (“precatórios”)	561	561
1.02.03	Property and equipment	475,099	454,322
1.02.04	Intangible assets	1,164,348	1,170,198

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

<b>Account code</b>	<b>Account description</b>	<b>Current quarter 03/31/2013</b>	<b>Prior year 12/31/2012</b>
2	Total liabilities	3,243,082	3,340,186
2.01	Current liabilities	740,178	863,276
2.01.01	Social and labor obligations	93,266	92,899
2.01.01.01	Social security obligations	27,984	21,019
2.01.01.02	Labor liabilities	65,282	71,880
2.01.02	Suppliers	456,464	575,587
2.01.02.01	Local suppliers	456,464	575,587
2.01.03	Taxes payable	36,772	40,489
2.01.03.01	Federal tax obligations	11,085	16,457
2.01.03.01.01	Income and social contribution tax payable	0	5,881
2.01.03.01.02	Other federal tax obligations	11,085	10,576
2.01.03.02	State tax obligations	22,993	22,944
2.01.03.03	Municipal tax obligations	2,694	1,088
2.01.04	Loans and financing	61,551	60,712
2.01.04.01	Loans and financing	61,551	60,712
2.01.04.01.01	In local currency (BRL)	61,551	60,712
2.01.05	Other liabilities	79,844	79,468
2.01.05.02	Other	79,844	79,468
2.01.05.02.01	Dividends and interest on equity payable	8,378	5,451
2.01.05.02.04	Rental	16,893	15,749
2.01.05.02.05	Key money	14,924	22,392
2.01.05.02.06	Other accounts payable	39,649	35,876
2.01.06	Provisions	12,281	14,121
2.01.06.01	Tax, social security, labor and civil provisions	4,489	4,223
2.01.06.01.01	Tax provisions	93	94
2.01.06.01.05	Provision for legal proceedings	4,396	4,129
2.01.06.02	Other provisions	7,792	9,898
2.01.06.02.04	Provision for internal campaigns	382	0
2.01.06.02.06	Provision for sundry obligations	7,410	9,898
2.02	Non-current liabilities	227,366	212,251
2.02.01	Loans and financing	140,386	131,460
2.02.01.01	Loans and financing	140,386	131,460
2.02.01.01.01	In local currency (BRL)	140,386	131,460
2.02.02	Other liabilities	6,673	7,049
2.02.02.02	Other	6,673	7,049
2.02.02.02.03	Tax Recovery Program (REFIS)	6,673	7,049
2.02.03	Deferred taxes	70,542	64,021
2.02.03.01	Deferred income and social contribution taxes	70,542	64,021
2.02.04	Provisions	9,765	9,721
2.02.04.01	Tax, social security, labor and civil provisions	9,765	9,721
2.02.04.01.05	Provision for legal proceedings	9,765	9,721
2.03	Consolidated equity	2,275,538	2,264,659
2.03.01	Realized capital	908,639	908,639
2.03.02	Capital reserves	1,039,935	1,039,935
2.03.03	Revaluation reserves	13,057	13,127
2.03.04	Profit reserves	302,958	302,958
2.03.04.01	Legal reserve	14,375	14,375
2.03.04.02	Statutory reserve	280,346	280,346
2.03.04.08	Proposed additions dividends	8,237	8,237
2.03.05	Retained earnings (accumulated losses)	10,949	0

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

<b>Account code</b>	<b>Account description</b>	<b>YTD – 01/01/2013 to 03/31/2013</b>	<b>Prior year accumulated 01/01/2012 to 03/31/2012</b>
3.01	Revenue from sale of products and/or services	1,388,442	1,236,300
3.01.01	Gross revenue from sale of products and/or services	1,438,405	1,286,847
3.01.02	Sales taxes	-43,066	-42,279
3.01.03	Rebates	-6,897	-8,268
3.02	Cost of goods sold and/or services rendered	-1,007,501	-911,394
3.03	Gross profit	380,941	324,906
3.04	Operating income/expenses	-356,540	-300,691
3.04.01	Selling expenses	-266,660	-223,716
3.04.02	General and administrative expenses	-79,717	-70,351
3.04.02.01	Administrative	-43,652	-41,438
3.04.02.02	Depreciation and amortization	-36,065	-28,913
3.04.05	Other operating expenses	-10,163	-6,624
3.04.05.01	Extraordinary expenses	-10,163	-6,624
3.05	Income before financial income and taxes	24,401	24,215
3.06	Financial income (expenses)	-3,615	1,814
3.06.01	Financial income	2,010	6,691
3.06.02	Financial expenses	-5,625	-4,877
3.07	Income before income taxes	20,786	26,029
3.08	Income and social contribution taxes	-6,507	-6,643
3.08.01	Current	14	-5,659
3.08.02	Deferred	-6,521	-984
3.09	Net income from continued operations	14,279	19,386
3.11	Consolidated income (loss) for the period	14,279	19,386
3.11.01	Attributed to shareholders of parent company	14,279	19,386
3.99	Earnings per share – (Reais/Share)	0	0
3.99.01	Basic earnings per share	0	0
3.99.01.01	Common shares	0.04322	0.05868
3.99.02	Diluted earnings per share	0	0
3.99.02.01	Common shares	0.04322	0.05868

**Consolidated financial information / Statement of comprehensive income****(In thousands of reais)**

<b>Account code</b>	<b>Account description</b>	<b>YTD – 01/01/2013 to 03/31/2013</b>	<b>Prior year accumulated 01/01/2012 to 03/31/2012</b>
4.01	Consolidated net income for the period	14,279	19,386
4.03	Consolidated comprehensive income for the period	14,279	19,386
4.03.01	Attributed to shareholders of parent company	14,279	19,386



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

<b>Account code</b>	<b>Account description</b>	<b>YTD – 01/01/2013 to 03/31/2013</b>	<b>Prior year accumulated 01/01/2012 to 03/31/2012</b>
6.01	Net cash from operating activities	6,699	-122,053
6.01.01	Cash from operations	66,076	60,840
6.01.01.01	Net income before income and social contribution taxes	20,786	26,029
6.01.01.02	Depreciation and amortization	36,065	28,913
6.01.01.03	Income from sale or disposal of fixed and intangible assets	859	249
6.01.01.04	Provision (reversal) for legal proceedings	1,218	-739
6.01.01.05	Provision for inventory losses	3,197	1,098
6.01.01.06	Reversal (set up) of allowance doubtful accounts	-519	1,003
6.01.01.07	Interest expenses	4,470	4,287
6.01.02	Asset and liability variations	-51,644	-180,247
6.01.02.02	Accounts receivable	999	-11,774
6.01.02.03	Inventories	62,731	-96,735
6.01.02.04	Other current assets	6,374	4,397
6.01.02.05	Long-term receivables	5,492	-11,041
6.01.02.06	Suppliers	-119,123	-40,645
6.01.02.07	Salaries and social charges	370	-7,115
6.01.02.08	Taxes, charges and contributions	-2,582	287
6.01.02.09	Other liabilities	-7,050	-18,059
6.01.02.10	Rental payable	1,145	438
6.01.03	Other	-7,733	-2,646
6.01.03.01	Income and social contribution taxes paid	-7,733	-2,646
6.02	Net cash used in investing activities	-51,949	-38,540
6.02.01	Acquisition of fixed and intangible assets	-51,992	-38,542
6.02.02	Receivables for sale of fixed assets	43	2
6.03	Net cash from financing activities	5,295	-9,937
6.03.01	Financing raised	26,121	10,326
6.03.02	Repayment of financing	-16,831	-15,492
6.03.03	Interest paid	-3,996	-4,771
6.03.04	Interest on equity and dividends paid	1	0
6.05	Increase (decrease) in cash and cash equivalents	-39,955	-170,530
6.05.01	Opening balance of cash and cash equivalents	166,963	339,971
6.05.02	Closing balance of cash and cash equivalents	127,008	169,441

**Consolidated financial information / Statement of changes in equity – 01/01/2013 to 03/31/2013****(In thousands of reais)**

<b>Account code</b>	<b>Account description</b>	<b>Paid-up capital</b>	<b>Capital reserve, options granted and treasury shares</b>	<b>Income reserve</b>	<b>Retained earnings (accumulated losses)</b>	<b>Other comprehensive income</b>	<b>Equity</b>	<b>Non-controlling interest</b>	<b>Consolidated equity</b>
5.01	Opening balances	908,639	1,039,935	316,085	0	0	2,264,659	0	2,264,659
5.03	Adjusted opening balances	908,639	1,039,935	316,085	0	0	2,264,659	0	2,264,659
5.04	Capital transactions with shareholders	0	0	0	-3,400	0	-3,400	0	-3,400
5.04.07	Interest on equity	0	0	0	-3,400	0	-3,400	0	-3,400
5.05	Total comprehensive income	0	0	0	14,279	0	14,279	0	14,279
5.05.01	Net income for the period	0	0	0	14,279	0	14,279	0	14,279
5.06	Internal changes in equity	0	0	-70	70	0	0	0	0
5.06.02	Realization of revaluation reserve	0	0	-70	70	0	0	0	0
5.07	Closing balances	908,639	1,039,935	316,015	10,949	0	2,275,538	0	2,275,538

**Consolidated financial information / Statement of changes in equity – 01/01/2012 to 03/31/2012****(In thousands of reais)**

<b>Account code</b>	<b>Account description</b>	<b>Paid-up capital</b>	<b>Capital reserve, options granted and treasury shares</b>	<b>Income reserve</b>	<b>Retained earnings (accumulated losses)</b>	<b>Other comprehensive income</b>	<b>Equity</b>	<b>Non-controlling interest</b>	<b>Consolidated equity</b>
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	0	-7,000	0	-7,000	0	-7,000
5.04.07	Interest on equity	0	0	0	-7,000	0	-7,000	0	-7,000
5.05	Total comprehensive income	0	0	0	19,386	0	19,386	0	19,386
5.05.01	Net income for the period	0	0	0	19,386	0	19,386	0	19,386
5.06	Internal changes in equity	0	0	-50	50	0	0	0	0
5.06.02	Realization of revaluation reserve	0	0	-76	76	0	0	0	0
5.06.03	Taxes on realization of revaluation reserve	0	0	26	-26	0	0	0	0
5.07	Closing balances	908,639	1,039,935	252,550	12,436	0	2,213,560	0	2,213,560

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

<b>Account code</b>	<b>Account description</b>	<b>YTD – 01/01/2013 to 03/31/2013</b>	<b>Prior year accumulated 01/01/2012 to 03/31/2012</b>
7.01	Revenues	1,431,830	1,277,512
7.01.01	Sales of goods, products and services	1,431,479	1,278,549
7.01.02	Other income	-168	-34
7.01.04	Set up/reversal of allowance for doubtful accounts	519	-1,003
7.02	Input products acquired from third parties	-1,015,750	-897,350
7.02.01	Cost of products, goods and services sold	-946,769	-839,330
7.02.02	Materials, energy, third-party services and others	-68,411	-57,801
7.02.03	Loss/recovery of asset values	-570	-219
7.03	Gross value added	416,080	380,162
7.04	Retentions	-36,065	-28,913
7.04.01	Depreciation, amortization and exhaustion	-36,065	-28,913
7.05	Net value added produced by the entity	380,015	351,249
7.06	Value added received in transfer	2,011	6,691
7.06.02	Financial income	2,011	6,691
7.07	Total value added to be distributed	382,026	357,940
7.08	Distribution of value added	382,026	357,940
7.08.01	Personnel	156,077	128,296
7.08.01.01	Direct remuneration	129,916	100,128
7.08.01.02	Benefits	16,351	20,203
7.08.01.03	FGTS	9,810	7,965
7.08.02	Taxes, charges and contributions	136,985	149,856
7.08.02.01	Federal	47,861	52,123
7.08.02.02	State	86,783	96,004
7.08.02.03	Municipal	2,341	1,729
7.08.03	Remuneration of third-party capital	74,685	60,402
7.08.03.01	Interest	23,638	20,249
7.08.03.02	Rental	51,047	40,153
7.08.04	Equity remuneration	14,279	19,386
7.08.04.01	Interest on equity	3,400	7,000
7.08.04.03	Retained earnings (accumulated losses) for the period	10,879	12,386

## EARNINGS RELEASE 1Q13

São Paulo, May 9<sup>th</sup>, 2013. RaiaDrogasil S.A. (BM&FBovespa: RADL3) announces today its results for the 1<sup>st</sup> quarter of 2013 (1Q13). The consolidated quarterly information of RaiaDrogasil S.A. for the period ended March 31<sup>st</sup>, 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.

### HIGHLIGHTS:

- **Drugstores:** 895 stores in operation and 36 openings (record for a 1<sup>st</sup> quarter)
- **Gross Revenues:** R\$ 1.4 billion, 11.8% of growth (5.2% for same-store sales)
- **Gross Margin:** 26.6% of gross revenues, a 1.2 percentage point margin increase
- **Adjusted EBITDA:** R\$ 66.2 million, an increase of 7.8%
- **Adjusted EBITDA Margin:** 4.6%, a 0.2 percentage point decrease
- **Adjusted Net Income:** R\$ 26.5 million, 1.8% of net margin

RADL3: R\$ 22.70/share

Number of Shares: 330,386,000

Market Cap: R\$ 7,500 million

Closing: May 8<sup>th</sup>, 2013

#### IR Contacts:

Eugênio De Zagottis  
Gabriel Rozenberg  
Corina Steindler

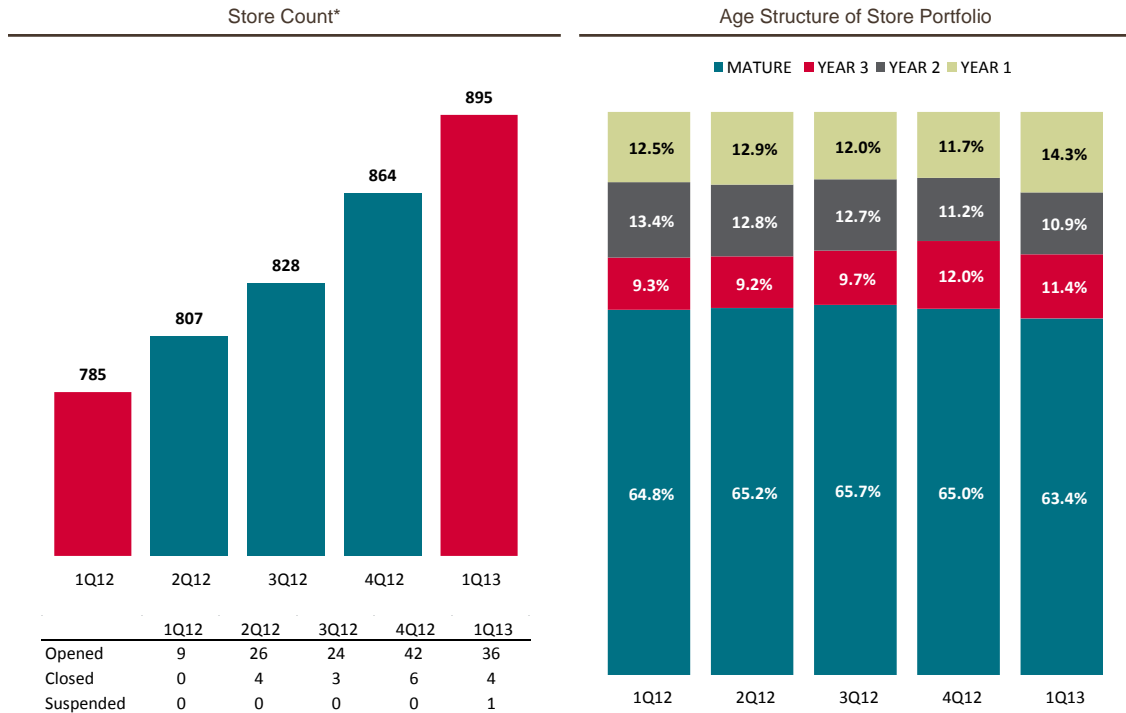
Phone: +55 11 3769-7159

E-mail: ri@raiadrogasil.com.br

Combined Summary	1Q12	2Q12	3Q12	4Q12	1Q13
<i>(R\$ thousand)</i>					
# of Stores (end of period)	785	807	828	864	895
Store Openings	9	26	24	42	36
Store Closures	0	4	3	6	4
Suspended Stores	0	0	0	0	1
# of Stores (average)	781	795	819	843	879
Head Count	18,510	19,383	19,927	20,113	20,274
Pharmacist Count	2,597	2,789	2,875	3,004	3,073
# of Tickets	29,790	31,193	32,360	32,205	30,958
Gross Revenues	1,286,847	1,375,185	1,451,824	1,479,979	1,438,405
Gross Profit (Adjusted)	326,515	387,060	380,105	400,578	382,340
% of Gross Revenues	25.4%	28.1%	26.2%	27.1%	26.6%
EBITDA (Adjusted)	61,361	100,246	81,144	83,094	66,165
% of Gross Revenues	4.8%	7.3%	5.6%	5.6%	4.6%
Net Income (Adjusted)	24,819	51,127	37,030	34,784	26,486
% of Gross Revenues	1.9%	3.7%	2.6%	2.4%	1.8%

## STORE DEVELOPMENT

We opened 36 new stores in the 1Q13, an all-time record for a first quarter. We closed four stores, temporarily suspended the operations of one store for rebranding, and ended the quarter with a total of 895 stores.



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

In the 1Q13 we opened 23 stores acquired from Drogaria Santa Marta in Goiás. Of these stores, 11 were opened under the Droga Raia brand, which hallmarks the launching of this brand in the Midwestern region of Brazil and will allow us to consolidate our leadership in the region, where we already have 119 stores in operation.

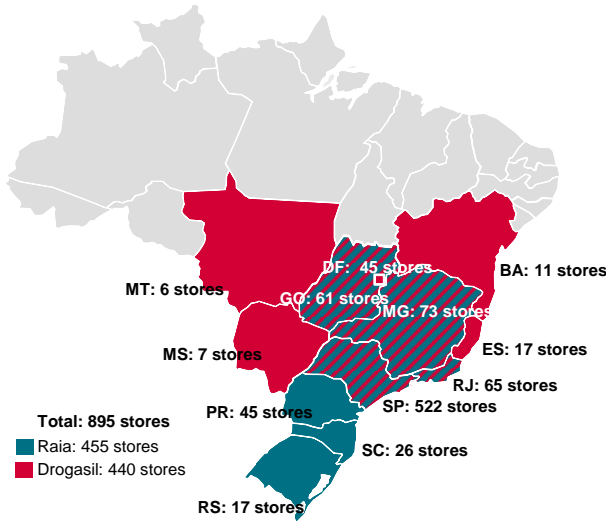
We have opened a total of 78 stores in the last six months, and a total of 65 stores if we consider only the last four months ending in March, 2013. At the end of the period, 36.6% of our stores were still in the process of maturation, and had not yet reached their full potential in terms of revenues and profitability.

This is our greenest store portfolio since the 2Q11, with the highest percentage of immature stores as a proportion of our total portfolio. This also means that we have a higher pressure from new stores but a larger future maturation potential when compared to previous periods.

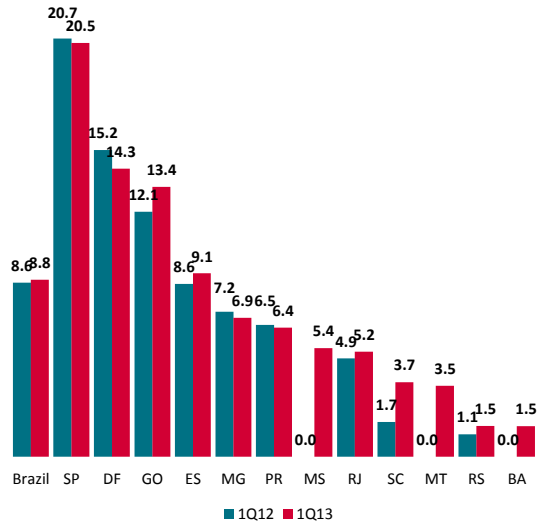
We reached a national market share of 8.8% in March, an annual increase of 0.2 percentage point. Our successful entry into Bahia, Mato Grosso and Mato Grosso do Sul allowed us to reach market shares of 1.5%, 3.5% and 5.4%, respectively. We have also enhanced our market share in Santa Catarina, a recent market, from 1.7% to 3.7%. Finally, we also posted strong share gains in Espírito Santo, Rio de Janeiro and in Goiás (0.5, 0.3 and 1.3, respectively), where the acquired stores, opened in February and March, have already made a difference.

The chart below illustrates the geographic presence and market share increase in the states where we operate.

Geographic Presence



Market Share (March '13)



PHARMACEUTICAL MARKET DISTRIBUTION BY STATE (LAST 12 MONTHS)

State	Market Share (%)
Brazil	100.0%
SP	27.5%
DF	2.7%
GO	3.5%
ES	2.0%
MG	10.4%
PR	6.0%
MS	1.1%
RJ	13.0%
SC	3.8%
MT	1.1%
RS	7.3%
BA	4.6%

Source: IMS Health

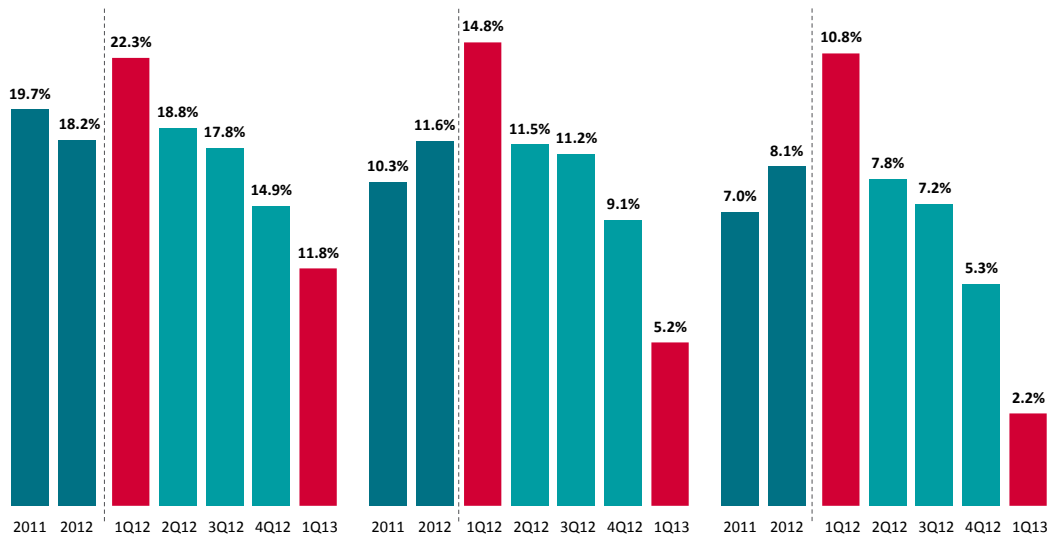
GROSS REVENUES

We recorded gross revenues of R\$ 1,438.4 million, an 11.8% increase over 2012. Same store sales grew 5.2%, while mature stores, with three or more years in operation, grew 2.2%.

Growth – Total Sales

Growth – Same Store Sales

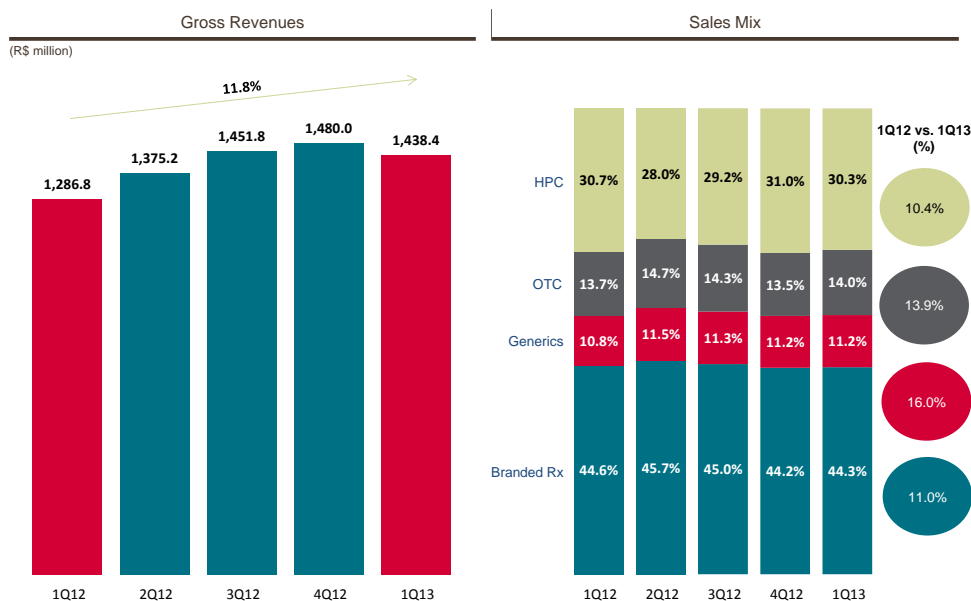
Growth – Mature Stores



The 1Q13 had a negative calendar effect when compared to 2012 due to the absence of the leap year and to the fact that the Easter Holiday fell in the quarter. This reduced our growth by 2.1 percentage point. Additionally, our growth has also been penalized due to the very strong 1Q12, when we recorded revenue growth of 14.8% for our same-stores and 10.8% for mature stores. Finally, the rainy weather in the quarter also affected our growth.

It is important to emphasize that, already in the 2Q13, our growth should get closer to historical levels, since the comps recorded from the 2Q12 to the 4Q12 were significantly below the peak observed in the 1Q12. We also do not see any correlation between our revenue growth and the Brazilian economy, as we operate in one of the most defensive sectors and serve primarily affluent consumers who are less affected by economic cycles when buying essential categories like pharmaceuticals and hygiene and personal care.

Generics and OTC have been the highlights of the quarter, as shown in the charts below.



Generics share in the sales mix expanded to 11.2%, a 0.4 percentage point increase over the previous year. Generics growth constitutes an important gross margin expansion lever, because they are significantly more profitable than branded drugs. Finally, OTC products have increased their contribution to the sales mix by 0.3 percentage point as a function of the colder and rainier weather in the quarter.

## GROSS PROFIT

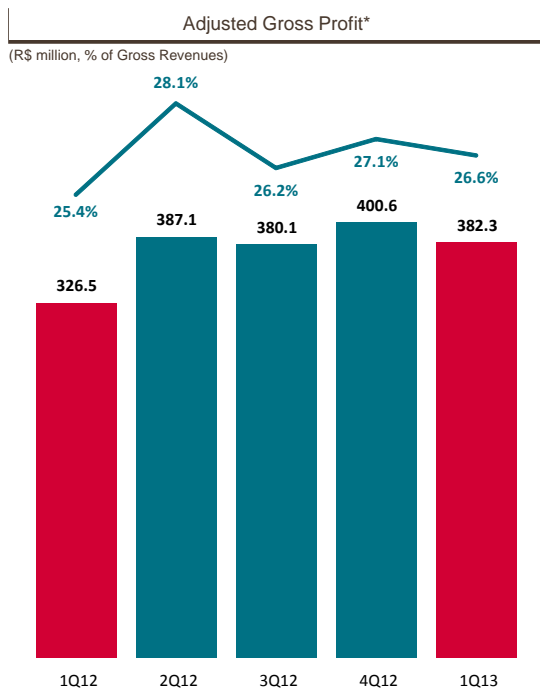
Our adjusted gross margin reached 26.6%, a 1.2 percentage point gross margin expansion and a 17.1% increase in nominal terms. This margin increase was due to the cost synergies achieved as a consequence of the merger between Raia and Drogasil.

Our gross margin was negatively affected by an increase in inventory losses (shrinkage and product expirations) of 0.3 percentage point in the quarter, and by the change in taxation that occurred in the 3Q12, which increased our tax burden and caused a loss of 0.4 percentage point in the 1Q13.

However, the government of São Paulo issued the Decree Number 59,089 on April 16<sup>th</sup>, 2013 that allows the tax authorities to summon specific manufacturers that sell to a distribution company that belongs to the same economic group to shift their point of tax collection from the manufacturer to the distribution company. This change in tax collection won't be applicable universally, but only for the specific manufacturers to be notified by the tax authorities under their sole discretion.



Since the increase in our tax burden is due to manufacturers that sell under a low transfer price to their proprietary distributors to achieve a tax break, we believe this decree has the potential of neutralizing our margin losses, depending on which manufacturers will have their tax regime changed.



\* Excludes R\$ 1.4 million of non-recurring expenses recorded in the 1Q13 and R\$ 1.6 million in the 1Q12.

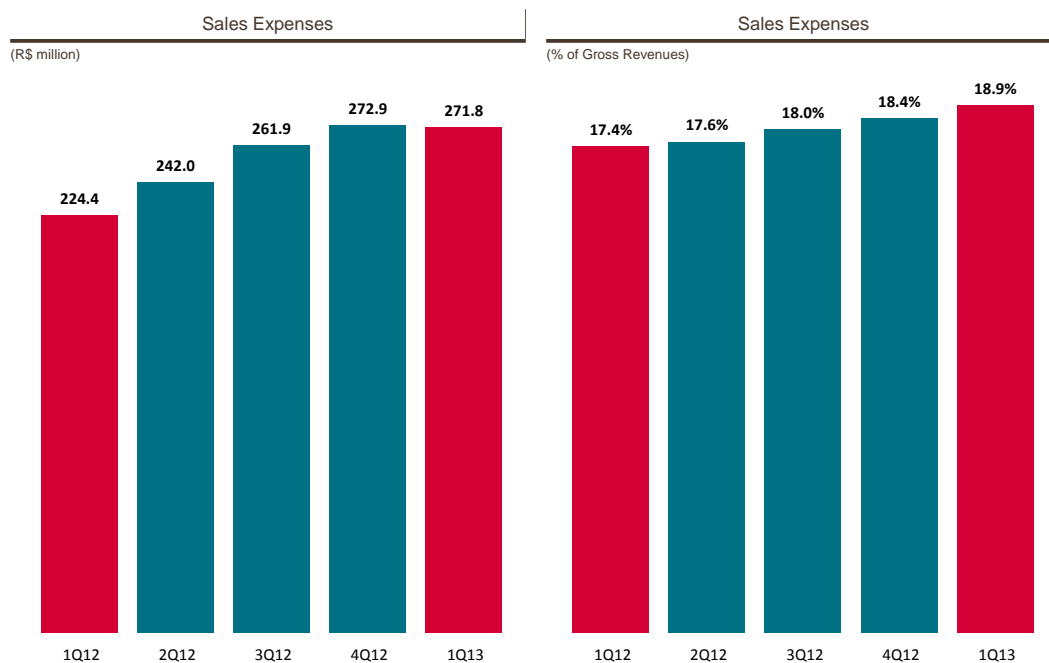
## SALES EXPENSES

Sales expenses totaled R\$ 271.8 million, amounting to 18.9% of gross revenues, a 1.5 percentage point increase when compared to 2012.

The main items that penalized sales expenses were payroll (0.4 percentage point) and rental increases (0.3 percentage point) for stores already in operation at the end of 2012, as well as logistics expenses (0.3 percentage point) and the pressure exerted by the 36 new stores opened in the 1Q13 when compared to the 1Q12, when only 9 stores had been opened (an additional 0.4 percentage point).

The increase in store headcount and the wage adjustments granted in 2012 have increased labor expenses by 0.4 percentage point in the quarter. Also, the steep appraisal in the Brazilian property market generated a 0.3 percentage point increase in commercial lease expenses in the 1Q13. These pressures relate to the comparable stores, those already in operations at the end of 2012, and have a more structural nature.

The main source of logistics pressure was the opening of a new distribution center in Ribeirão Preto, SP in the 4Q12, which brought additional expenses that corresponded to 0.2 percentage point of gross revenues.



\* Excludes R\$ 5.1 million of non-recurring gain recorded in the 1Q13 and R\$ 0.7 million of non-recurring expenses in the 1Q12.

In the 1Q13 we opened a total of 36 new stores, which generated only negative effects in the quarter (pre-operational expenses and the negative results that happen in the initial months of operation). As we had opened only 9 stores in the 1Q12, the pressure arising from the new stores represented an incremental increase of 0.4% of gross revenues.

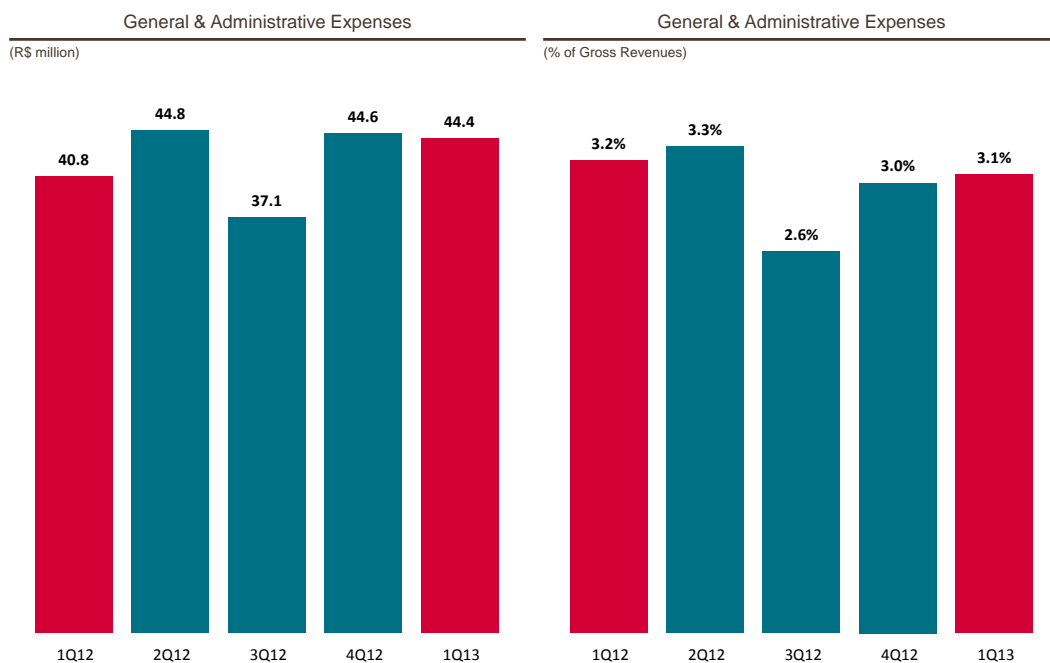
The pressures from logistics expenses and new store openings have a more transitory nature, and may be diluted in the coming years, as we do not expect to open new DCs both in 2013 and in 2014 and have had a store opening peak in the quarter.

It is important to highlight that, as the bulk of our expenses are fixed, the fact that our revenue growth was penalized by 2.1 percentage points penalized our total expense absorption by 0.4 percentage point when compared to the 1Q12.

## GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses amounted to R\$ 44.4 million in the quarter, equivalent to 3.1% of our gross revenues, which represented a 0.1 percentage point dilution when compared to 2012.

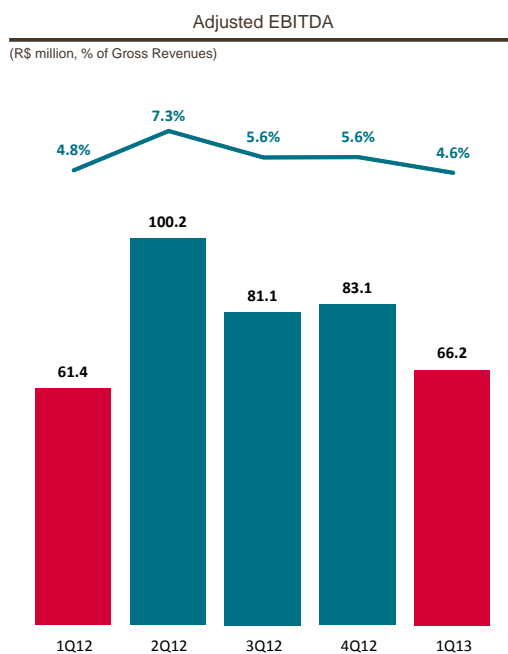
Corporate expenses have been diluted since 2012 due to the unification of top and middle management and to a limitation in new admissions, as the merger of Raia and Drogasil has allowed us to be more productive.



\* Excludes R\$ 9.4 million of non-recurring expenses recorded in the 1Q13 and R\$ 7.3 million in the 1Q12.

## EBITDA

We reached R\$ 66.2 million of EBITDA, a 7.8% increase, with a margin of 4.6%, a reduction of 0.2 percentage point.



\* Excludes R\$ 5.7 million of non-recurring expenses in the 1Q13 and R\$ 8.2 million in the 1Q12.

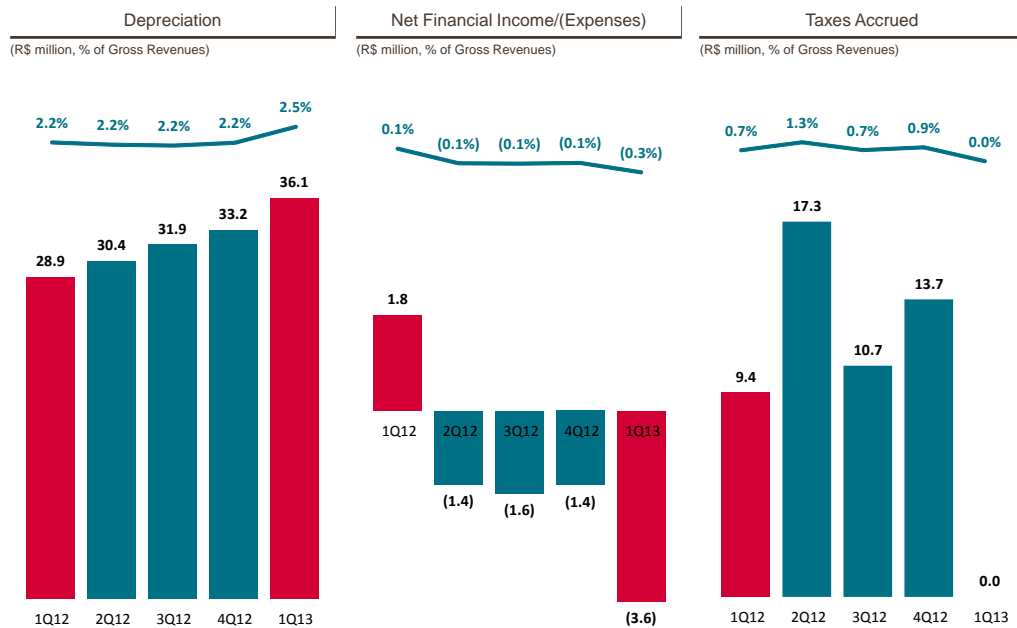
New stores opened in the year, as well as those that were already in the opening process, reduced the EBITDA by R\$ 7.0 million in the 1Q13. Therefore, the 864 stores in operation at the end of 2012 produced an adjusted EBITDA of R\$ 73.2 million, equivalent to an EBITDA margin of 5.1% in the quarter. It is important to highlight that the R\$ 7.0 million of negative results in the quarter stemming from new stores represented a significant increase over the R\$ 2.5 million incurred in the 1Q12.

Finally, our EBITDA was also affected by the adverse calendar of the quarter. As the bulk of our expenses are fixed, the fact that our revenue growth was penalized by 2.1 percentage points resulted in an estimated additional EBITDA loss of R\$ 7.2 million when compared to the 1Q12, a margin pressure of 0.5 percentage point over the quarter's gross revenues (considering the higher revenues that would be otherwise achieved, the pressure would represent 0.4 percentage point).

## DEPRECIATION, FINANCIAL EXPENSES AND INCOME TAXES

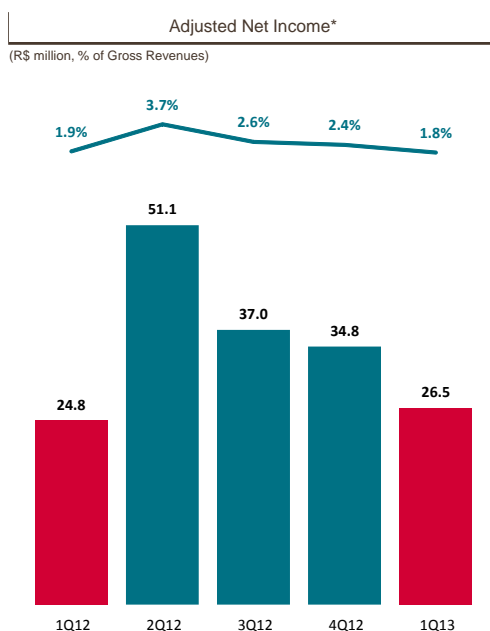
Our lower cash position resulted in an increase in financial expenses of 0.4 percentage point in the quarter. Additionally, depreciation expenses represented 2.5% of gross revenues, a 0.3 percentage point increase. Since Raia's incorporation in November, PPA amortization over intangible has been booked as part of Raia Drogasil's recurrent depreciation and amortization expenses. Therefore, we have also adjusted the 2012 figures under the same criteria.

Finally, as we started amortizing the goodwill generated in the incorporation of Raia in December of 2013, which will result in a total tax shield of R\$ 235.4 million to be converted in cash over 66 months, we are reflecting it in our adjusted net income both for 2013 and for the 4Q12. In the 1Q13, the tax shield from the goodwill amortization amounted to R\$ 8.4 million, a reduction in taxes accrued from 0.7% of sales in the 1Q12 to 0.0%.



## ADJUSTED NET INCOME

We recorded an adjusted net income of R\$ 26.5 million in the quarter, a net margin of 1.8%, according to the chart below:



\* Excludes R\$ 12.2 million of non-recurring expenses incurred in the 1Q13 and R\$ 5.4 million in the 1Q12.

Our net margin remained in line with the 1Q12, as the lower EBITDA margin (0.2 percentage point) and the increases both in depreciation (0.3 percentage point) and in financial expenses (0.4 percentage point) were offset by the tax shield from the goodwill amortization.

## NON-RECURRING EXPENSES

In the 1Q13 we incurred R\$ 5.7 million in net non-recurring expenses, according to the table below:

<u>Adjustments</u> (R\$ million)	<u>Gross Profit</u>	<u>SG&amp;A</u>	<u>EBITDA</u>	<u>Income Tax</u>	<u>Net Profit</u>
<b>Integration Expenses</b>		<b>(10.2)</b>	<b>(10.2)</b>	<b>3.5</b>	<b>(6.7)</b>
Consulting		(0.8)	(0.8)	0.3	(0.5)
Legal and Accounting		(1.6)	(1.6)	0.6	(1.1)
Farmácia Popular Program		(5.5)	(5.5)	1.9	(3.7)
Store/Raia Office Closures		(2.2)	(2.2)	0.8	(1.5)
<b>Income/(Expenses) from Previous Years</b>	<b>(1.4)</b>	<b>5.9</b>	<b>4.5</b>	<b>(1.5)</b>	<b>2.9</b>
Reversion in Payroll Taxes		5.9	5.9	(2.0)	3.9
Inventory Losses	(1.4)		(1.4)	0.5	(0.9)
<b>Total</b>	<b>(1.4)</b>	<b>(4.3)</b>	<b>(5.7)</b>	<b>1.9</b>	<b>(3.8)</b>

The post-merger integration generated R\$ 10.2 million in non-recurring expenses, including R\$ 0.8 million in consulting expenses, R\$ 1.6 million in legal and advisory expenses related to the incorporation of Raia, and also R\$ 2.2 million in store and office closures.

We also booked R\$ 5.5 million of expenses related to the Farmacia Popular government program, under which selected products are sold with little or no co-pays, as the cost is subsidized by the federal government. Since all Droga Raia stores lost their licenses after the incorporation of Raia and since the new Farmacia Popular licenses take months to be granted, we decided to assume the cost of the program during that transition in order to minimize disruptions to the clients. This expense has progressively declined as the licenses have been obtained, and already in March, it was reduced to R\$ 1.2 million.

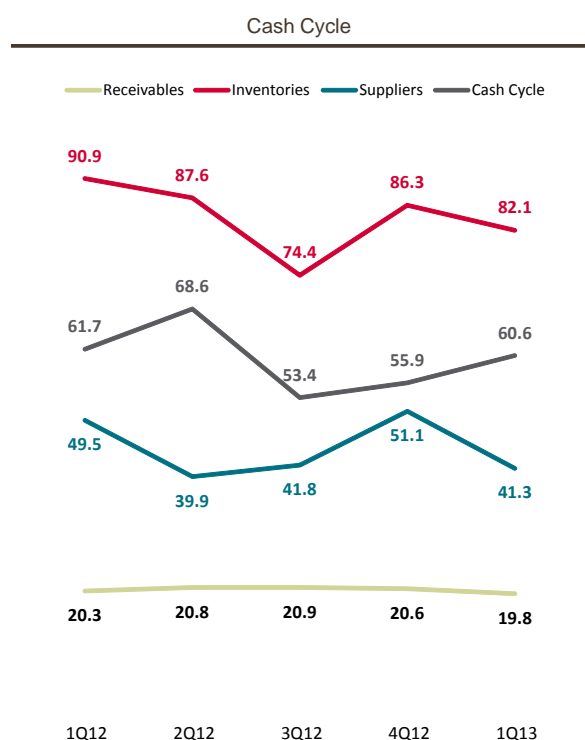
Finally, we recorded in the quarter a reversion in payroll taxes of sales and corporate personnel, which generated a non-recurring gain of R \$ 5.9 million in the quarter, and a non-recurring charge of R\$ 1.4 million due to an adjustment in our inventory losses allowance, both of which had been accrued in previous years.

## CASH CYCLE

Cash cycle was reduced by 1.1 day in the 1Q13.

Inventories decreased by 8.8 days in the quarter, reflecting an improvement in inventory management. However, as we reduced purchasing to lower inventories, especially of generics, our days of suppliers also reduced by 8.2 days. As our inventory levels get normalized and we start repurchasing normally, we believe our payables will progressively normalize and our cash cycle shall get further down.

Finally, receivables decreased by 0.5 days as we discounted R\$ 34.5 million in receivables to fulfill our short-term financing needs, which resulted in an artificial decrease by 2.2 days.



## CASH FLOW

We recorded a cash consumption after investments of R\$ 49.7 million, versus R\$ 164.9 million in the 1Q12.

<b>Cash Flow</b>	<b>1Q13</b>	<b>1Q12</b>
<i>(R\$ million)</i>		
<b>EBT</b>	<b>20.8</b>	<b>26.0</b>
(-) Income Tax	(11.3)	(2.6)
(+) Goodwill Cash Effect	3.6	-
(+) Depreciation	36.1	28.9
(-) Other Adjustments	4.8	1.6
<b>Resources from Operations</b>	<b>53.9</b>	<b>53.9</b>
Cash Cycle*	(55.4)	(149.2)
ICMS Recovery	18.5	-
Others	(14.8)	(31.1)
<b>Cash Flow Before Investments</b>	<b>2.2</b>	<b>(126.3)</b>
<b>Investments</b>	<b>(51.9)</b>	<b>(38.5)</b>
<b>Total Cash Flow</b>	<b>(49.7)</b>	<b>(164.9)</b>

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

\*\* Does not include financing cash flow

We generated R\$ 53.9 million in resources from operations, including R\$ 3.6 million in tax shield from goodwill amortization, the same amount of the 1Q12, which corresponded to 3.8% of our gross revenues. We invested R\$ 51.7 million in working capital, including R\$ 18.5 million in ICMS tax credits recovery. As a result, our cash flow before investments amounted to R\$ 2.2 million, versus a cash consumption of R\$ 126.3 million in the 1Q12.

Fixed asset investments amounted to R\$ 51.9 million in the quarter, versus R\$ 38.5 million in the 1Q12, including R\$ 35.3 million in store development, R\$ 9.9 million in existing stores renovation, and R\$ 6.7 million in infrastructure.

We accrued R\$ 3.4 million of interest on equity in the quarter.

## CAPITAL MARKETS

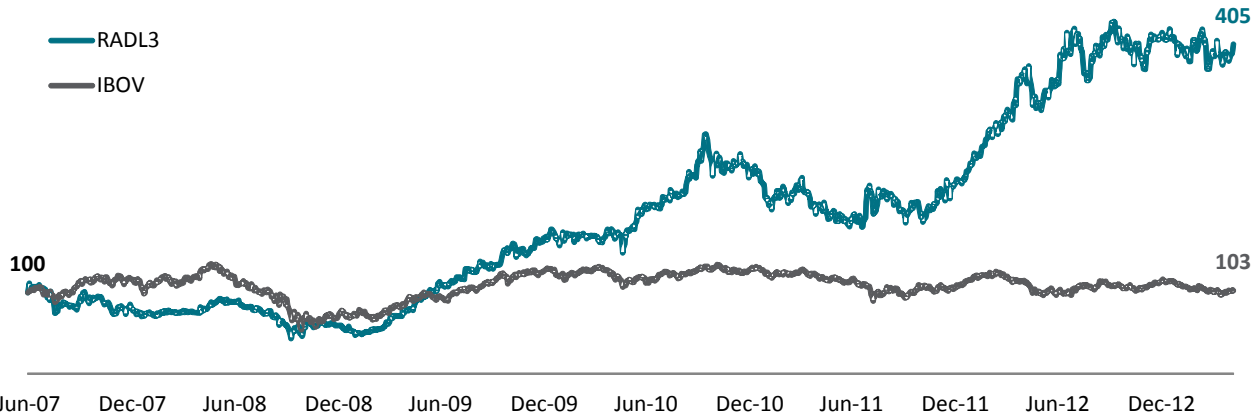
Considering our share price on May 8<sup>th</sup> of R\$ 22.70, we have posted a negative return of 1.6% in the year, a superior performance than the IBOVESPA, that was down by 8.4% over the same period. In the 1Q13, our average daily trading volume was of R\$ 26.0 million.

We recorded a total return of 8.6% in the last 12 months, exceeding the IBOVESPA's by 15.3 percentage point. Since the IPO of Drogasil, we achieved a cumulative increase of 305.4% when compared to 2.6% of the IBOVESPA over the same period, a compounded annual return of 27.0% in the period.

Considering the IPO of Raia in December of 2010, the cumulative return in the period amounted to 116.7% when compared to a decrease of 17.9% by the IBOVESPA, a compounded annual return of 38.2%.

# Share Evolution

(Base 100)





<b>Adjusted Income Statement</b>	<b>1Q12</b>	<b>1Q13</b>
<i>(R\$ thousand)</i>		
<b>Gross Revenues</b>	<b>1,286,847</b>	<b>1,438,405</b>
Taxes, Discounts and Returns	(50,547)	(49,963)
<b>Net Revenues</b>	<b>1,236,300</b>	<b>1,388,441</b>
Cost of Goods Sold	(909,785)	(1,006,102)
<b>Gross Profit</b>	<b>326,515</b>	<b>382,340</b>
Operational (Expenses) Revenues		
Sales	(224,401)	(271,761)
General and Administrative	(40,753)	(44,413)
Other Operational Expenses, Net		
<b>Operational Expenses</b>	<b>(265,154)</b>	<b>(316,174)</b>
<b>EBITDA</b>	<b>61,361</b>	<b>66,165</b>
Depreciation and Amortization	(28,913)	(36,065)
<b>Operational Earnings before Financial Results</b>	<b>32,448</b>	<b>30,100</b>
Financial Expenses	(4,877)	(5,625)
Financial Revenues	6,691	2,010
<b>Financial Expenses/Revenues</b>	<b>1,814</b>	<b>(3,614)</b>
<b>Earnings before Income Tax and Social Charges</b>	<b>34,262</b>	<b>26,486</b>
Income Tax and Social Charges	(9,442)	0
<b>Net Income</b>	<b>24,819</b>	<b>26,486</b>

<b>Income Statement</b>	<b>1Q12</b>	<b>1Q13</b>
<i>(R\$ thousand)</i>		
<b>Gross Revenues</b>	<b>1,286,847</b>	<b>1,438,405</b>
Taxes, Discounts and Returns	(50,547)	(49,963)
<b>Net Revenues</b>	<b>1,236,300</b>	<b>1,388,441</b>
Cost of Goods Sold	(911,394)	(1,007,501)
<b>Gross Profit</b>	<b>324,906</b>	<b>380,940</b>
Operational (Expenses) Revenues		
Sales	(223,716)	(266,660)
General and Administrative	(41,438)	(43,652)
Other Operational Expenses, Net	(6,624)	(10,163)
<b>Operational Expenses</b>	<b>(271,778)</b>	<b>(320,475)</b>
<b>EBITDA</b>	<b>53,128</b>	<b>60,465</b>
Depreciation and Amortization	(28,913)	(36,065)
<b>Operational Earnings before Financial Results</b>	<b>24,215</b>	<b>24,400</b>
Financial Expenses	(4,877)	(5,625)
Financial Revenues	6,691	2,010
<b>Financial Expenses/Revenues</b>	<b>1,814</b>	<b>(3,614)</b>
<b>Earnings before Income Tax and Social Charges</b>	<b>26,029</b>	<b>20,786</b>
Income Tax and Social Charges	(6,643)	(6,507)
<b>Net Income</b>	<b>19,386</b>	<b>14,279</b>

<b>Assets</b>	<b>1Q12</b>	<b>1Q13</b>
<i>(R\$ thousand)</i>		
<b>Current Assets</b>		
Cash and Cash Equivalents	169,441	127,007
Accounts Receivable	286,599	313,176
Inventories	910,612	907,468
Taxes Receivable	85,585	82,370
Other Accounts Receivable	91,355	138,885
Following Fiscal Year Expenses	14,636	12,578
	<u>1,558,228</u>	<u>1,581,484</u>
<b>Non-Current Assets</b>		
Deposit in Court	8,758	10,782
Taxes Receivable	45,373	10,223
Other Credits	974	1,146
Property, Plant and Equipment	376,808	475,099
Intangible	1,130,988	1,164,348
Goodwill		
	<u>1,562,901</u>	<u>1,661,599</u>
<b>ASSETS</b>	<u>3,121,129</u>	<u>3,243,082</u>

<b>Liabilities and Shareholder's Equity</b>	<b>1Q12</b>	<b>1Q13</b>
<i>(R\$ thousand)</i>		
Current		
Suppliers	495,722	456,464
Loans and Financing	51,678	61,551
Salaries and Social Charges Payable	85,344	93,267
Taxes Payable	35,256	36,772
Dividend and Interest on Equity	9,720	8,378
Provision for Lawsuits	1,280	4,396
Other Accounts Payable	58,439	79,352
	<u>737,439</u>	<u>740,179</u>
Non-Current Assets		
Loans and Financing	104,983	140,386
Provision for Lawsuits	3,972	9,765
Income Tax and Social Charges deferred	52,673	70,542
Other Accounts Payable	8,503	6,673
	<u>170,130</u>	<u>227,365</u>
Shareholder's Equity		
Common Stock	908,639	908,639
Capital Reserves	1,039,936	1,039,935
Revaluation Reserve	13,275	13,057
Income Reserves	229,536	294,720
Accrued Income	12,437	10,949
Additional Dividend Proposed	9,738	8,237
	<u>2,213,560</u>	<u>2,275,538</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u><b>3,121,129</b></u>	<u><b>3,243,082</b></u>

	<u>1Q12</u>	<u>1Q13</u>
<b>Cash Flow</b>		
<b>Earnings before Income Tax and Social Charges</b>	<b>26,029</b>	<b>20,786</b>
<b>Adjustments</b>		
Depreciations and Amortization	28,913	36,065
Stock Option Plan		
P,P&E and Intangible Assets residual value	249	859
Provisioned Lawsuits	(739)	1,218
Provisioned Inventories Loss	1,098	3,197
Allowance for Doubtful Accounts	1,003	(519)
Interest Expenses	4,287	4,470
	<b>60,840</b>	<b>66,076</b>
<b>Assets and Liabilities variation</b>		
Financial Investments		
Accounts Receivable	(11,774)	999
Inventories	(96,735)	62,731
Other Short Term Assets	4,397	6,374
Long Term Assets	(11,041)	5,492
Suppliers	(40,645)	(119,123)
Salaries and Social Charges	(7,115)	370
Taxes Payable	287	(2,582)
Other Liabilities	(18,059)	(7,050)
Rent Payable	438	1,145
<b>Cash from Operations</b>	<b>(119,407)</b>	<b>14,432</b>
Income Tax and Social Charges Paid	(2,646)	(7,733)
<b>Net Cash from (invested) Operational Activities</b>	<b>(122,053)</b>	<b>6,699</b>
<b>Investment Activities Cash Flow</b>		
P,P&E and Intangible Acquisitions	(38,542)	(51,992)
P,P&E Sale Payments	2	43
Restricted Investments		
<b>Net Cash from Investment Activities</b>	<b>(38,540)</b>	<b>(51,949)</b>
<b>Financing Activities Cash Flow</b>		
Funding	10,326	26,121
Payments	(15,492)	(16,831)
Interest Paid	(4,771)	(3,996)
Common Stock increase, net from Share Issuance expenditures		
Exercise of Stock Option Plan Payment		
Treasury Stock Sale Payment		
Interest on Equity and Dividends Paid		1
<b>Cash and Cash Equivalents in the beggining of the period</b>	<b>(9,937)</b>	<b>5,295</b>
<b>Cash and Cash Equivalents net increase</b>	<b>(170,530)</b>	<b>(39,955)</b>
<b>Cash and Cash Equivalents in the beggining of the period</b>	<b>339,971</b>	<b>166,963</b>
<b>Cash and Cash Equivalents in the end of the period</b>	<b>169,441</b>	<b>127,008</b>

## Notes to quarterly information

### 1. Operations

Raia Drogasil S.A. (“Company”) is a publicly-traded corporation, registered at 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 is primarily engaged in retail sales of medications, perfumery, personal care and beauty products, cosmetics and dermocosmetics. Sales are carried out by 895 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 do Sul and Mato Grosso as follows:

	<u>Mar - 2013</u>
São Paulo	522
Minas Gerais	73
Rio de Janeiro	65
Distrito Federal	45
Paraná	45
Goiás	61
Santa Catarina	26
Espírito Santo	17
Rio Grande do Sul	17
Bahia	11
Mato Grosso do Sul	7
Mato Grosso	6
	<u>895</u>

### 2. Presentation of the quarterly information

Individual and consolidated quarterly information was approved by the Executive Board on May 7, 2013.

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

The Company’s individual and consolidated quarterly information for periods ended March 31, 2013 and 2012 were prepared and are presented in accordance with CPC 21 (R1) (interim financial information) and in accordance with IAS 34, observing the provisions of Circular Letter CVM/SNC/SEP 003/2011 of April 28, 2011.

The Company’s financial statements for year ended December 31, 2012 were prepared in accordance with de accounting practices adopted in Brazil, observing the standards issued by the Brazilian Securities and Exchange Commission (CVM), in addition to the Pronouncements, Guidelines and Interpretations issued by the Brazilian FASB (“CPC”).

The consolidated financial statements for the year ended December 31, 2012 were prepared in accordance with the accounting practices adopted in Brazil, including CVM standards and CPC pronouncements, and are in compliance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standard Board (IASB).

The Company’s individual financial statements present an evaluation of investments in subsidiaries under the equity method, in accordance with the Brazilian legislation in force. Therefore, the Company’s individual financial statements are not considered to be in accordance with the IFRS, which require the evaluation of these investments in separate financial statements from the parent company at fair value or cost.

## Notes to quarterly information

Considering the relevance of the assets acquired from subsidiary Raia S.A. at November 30, 2012 (for further details, see Note 1 of the financial statements for the year ended December 31, 2012) and aiming at providing the correct and complete understanding of the quarterly information, the Company elected to present, in this quarterly information statement, the income statements, statements of cash flows and consolidated value added statements for the quarter ended March 31, 2012, in addition to their respective explanatory notes, where applicable. The balance sheets for the year ended December 31, 2012 and the period ended March 31, 2013 are being presented consolidated, only for the purpose of providing supplementary information, since subsidiary Raia S.A. had already been acquired at said dates; therefore, there was no need for consolidation.

The quarterly information include estimates referring to provision for inventory losses, allowance for doubtful accounts, valuation of financial instruments, fixed and intangible assets depreciation and amortization terms, provisions required for legal proceedings, and provisions for taxes, as well as other similar provisions.

The Company adopted all standards, review of standards and interpretations issued by the Brazilian FASB (CPC) and IASB in effect at March 31, 2013.

### 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, 2012.

### 4. Summary of 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, 2012.

### 5. Cash and cash equivalents

	<b>Raia Drogasil S.A.</b>	
	<b>Mar-2013</b>	<b>Dec-2012</b>
Cash and banks	<b>35,885</b>	43,399
Bank deposit certificates	<b>37,495</b>	7,766
Secured debentures	<b>24,791</b>	87,432
Time deposits with special guarantee of the FGC (Credit Guarantee Fund)	<b>28,836</b>	28,366
	<b>127,007</b>	166,963

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:

	<b>Raia Drogasil S.A.</b>	
	<b>Mar-2013</b>	<b>Dec-2012</b>
Falling due	<b>303,668</b>	325,694
Overdue		
From 1 to 30 days	<b>8,327</b>	9,075
From 31 to 60 days	<b>800</b>	798
From 61 to 90 days	<b>460</b>	291
From 91 to 180 days	<b>774</b>	624
From 181 to 360 days	<b>32</b>	
Over 360 days	<b>24</b>	27
(-) Allowance for doubtful accounts	<b>(909)</b>	(738)
	<b>313,175</b>	335,771

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.

For the quarter ended March 31, 2013, the Company assigned credits held with certain credit card companies to financial institutions, totaling R\$ 51,001, on which was applied a 116% discount of CDI. These charges were allocated to the statements of profit or loss (P&L) under "Financial expenses". The Company, by means of prepayment of credit cards, transfers to financial institutions all risks related to receiving credits from customers and, consequently, derecognizes accounts receivable referring to these credits. The respective financial charges are then recorded in P&L for the year upon said derecognition.

At March 31, 2013, accounts receivable were decreased by R\$ 32,522 due to the referred to prepaid receivables.

Changes in allowance for doubtful accounts are as follows:

	<b>Raia Drogasil S.A.</b>	
	<b>Mar-2013</b>	<b>Dec-2012</b>
Opening balance	<b>(738)</b>	(650)
Additions	<b>(1,323)</b>	(778)
Additions arising from acquisition of Raia S.A.		(57)
Reversals	<b>1,152</b>	747
Closing balance	<b>(909)</b>	(738)

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, 2012.

### 7. Inventories

	<b>Raia Drogasil S.A.</b>	
	<b>Mar-2013</b>	<b>Dec-2012</b>
Goods for resale	<b>913,076</b>	974,455
Materials	<b>8,502</b>	9,854
Provision for losses on goods	<b>(14,110)</b>	(10,913)
Total inventories	<b>907,468</b>	973,396

The Company's inventories are stated at cost.



## Notes to quarterly information

Changes in provision for inventory losses are as follows:

	<b>Raia Drogasil S.A.</b>	
	<b>Mar-2013</b>	<b>Dec-2012</b>
Opening balance	(10,913)	(2,456)
Additions	(6,696)	(1,622)
Additions arising from acquisition of Raia S.A.		(8,225)
Reversals	3,499	1,390
Total	<u>(14,110)</u>	<u>(10,913)</u>

Cost of goods sold referring to continued operations recognized in P&L for the quarter ended March 31, 2013 was R\$ 990,661 (R\$ 452,100 in the first quarter of 2012 and R\$ 906,174 for the consolidated).

The amount of inventory write-offs recognized as losses under cost of goods sold for the quarter totaled R\$ 16,840 (R\$ 4,740 in the first quarter of 2012, and R\$ 9,146 for the consolidated).

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

	<b>Raia Drogasil S.A.</b>	
	<b>Mar-2013</b>	<b>Dec-2012</b>
<b>Current assets</b>		
State VAT (ICMS) – debt balance	<b>53,649</b>	70,974
State VAT (ICMS – ST) Dec. 57.608/2011	<b>2,037</b>	8,147
ICMS - Refund of ICMS withheld in advance (CAT Ruling 17/99)	<b>18,690</b>	10,889
ICMS on acquisition of fixed assets	<b>3,304</b>	3,149
ICMS - Other	<b>198</b>	502
Social Contribution Tax on Gross Revenue for Social Integration Program (PIS)	<b>1</b>	5
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	<b>5</b>	24
Withheld Income Tax (IRRF)	<b>3,890</b>	2,463
Corporate income tax (IRPJ)		40
Social Contribution Tax on Net Profit (CSLL)	<b>528</b>	56
Social Security Tax (INSS)	<b>68</b>	67
Other		
	<b><u>82,370</u></b>	<u>96,316</u>
<b>Non-current assets</b>		
State VAT (ICMS) – credit balance		
ICMS on acquisition of fixed assets	<b>9,662</b>	9,053
Social Security Funding Tax (FINSOCIAL) - 1982 – securities issued to cover court-ordered debts	<b>561</b>	561
Other		
	<b><u>10,223</u></b>	<u>9,614</u>
Total	<b><u>92,593</u></b>	<u>105,930</u>

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 March 31, 2013, the Company accumulated credits totaling R\$ 53,649 (R\$ 70,974 in December 2012).

**Notes to quarterly information**

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). This amount was fully used by the Company for payment of suppliers referring to acquisition of goods for resale, under CAT Administrative Ruling No. 26/2010.

The Company electronically delivered the accumulated credit generation files for the period from April 2010 to June 2012, according to the effective legislation, totaling R\$ 55,782. This request remains under the analysis of São Paulo State Finance Department.

In addition, as from July 2012, 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, under the terms of Decree No. 57.608 of December 12, 2011.

This change generated an additional ICMS credit on inventories, amounting to R\$ 30,074, and enabled the Company to no longer generate accumulated credits from its operations, being certain that the already accumulated amounts are then consumed on a monthly basis in the tax return (debit and credit system) due to the ICMS credits generated under the tax substitution regime.

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, thus concluding that the credit balance will be consumed in the short term.

**Notes to quarterly information**

**9. Property and equipment and intangible assets**

**a) Property and equipment**

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

	<b>Lands</b>	<b>Buildings</b>	<b>Furniture, fixtures and facilities</b>	<b>Machinery and equipment</b>	<b>Vehicles</b>	<b>Leasehold improvements</b>	<b>Store renovation and refit</b>	<b>Total</b>
<b>Cost</b>								
Balance at December 31, 2012	27,725	41,615	219,465	100,917	21,024	368,736	11,685	791,167
Additions		312	12,739	5,266	427	26,263	126	45,133
Disposals			(579)	(13)	(170)	(4,795)	(46)	(5,603)
Balance at March 31, 2013	27,725	41,927	231,625	106,170	21,281	390,204	11,765	830,697
<b>Accumulated depreciation</b>								
Average depreciation annual rates (%)		2.5 - 2.7	7.4 - 10	7.1 - 15.9	20 - 23.8	17 - 21.5	20	
Balance at December 31, 2012		(15,486)	(84,085)	(45,498)	(9,792)	(176,118)	(5,866)	(336,845)
Additions		(276)	(4,987)	(2,667)	(1,058)	(13,949)	(586)	(23,523)
Disposals			309	10	103	4,311	37	4,770
Balance at March 31, 2013		(15,762)	(88,763)	(48,155)	(10,747)	(185,756)	(6,415)	(355,598)
<b>Net balance</b>								
At December 31, 2012	27,725	26,129	135,380	55,419	11,232	192,618	5,819	454,322
At March 31, 2013	27,725	26,165	142,862	58,015	10,534	204,448	5,350	475,099

**Notes to quarterly information**

**b) Intangible assets**

Changes in the Company's intangible assets are as follows:

	<b>Point of sale</b>	<b>License for software use</b>	<b>Goodwill on company acquisition (Vision)</b>	<b>Goodwill on company acquisition (Raia S.A)</b>	<b>Brands</b>	<b>Customer portfolio</b>	<b>Other intangible assets</b>	<b>Total</b>
<b>Cost</b>								
Balance at December 31, 2012	215,281	54,560	22,275	780,084	151,700	41,700	3,138	1,268,738
Additions	5,302	1,337					220	6,859
Disposals	(1,381)						(2)	(1,383)
Balance at March 31, 2013	219,202	55,897	22,275	780,084	151,700	41,700	3,356	1,274,214
<b>Accumulated amortization</b>								
Average annual amortization rates (%)	12.3 - 23.5	20	Infinite useful life	Infinite useful life	Infinite useful life	6.7 - 25	20	
Balance at December 31, 2012	(56,969)	(27,880)	(2,387)			(10,687)	(617)	(98,540)
Additions	(8,337)	(1,886)				(2,290)	(29)	(12,542)
Disposals	1,214						2	1,216
Balance at March 31, 2013	(64,092)	(29,766)	(2,387)			(12,977)	(644)	(109,866)
<b>Net balance</b>								
At December 31, 2012	158,312	26,680	19,888	780,084	151,700	31,013	2,521	1,170,198
At March 31, 2013	155,110	26,131	19,888	780,084	151,700	28,723	2,712	1,164,348

## 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

## 10. Loans and financing

Acquisition financing	Average long-term interest rate	Raia Drogasil S.A.	
		Mar-2013	Dec-2012
<b>BNDES - FINAME</b>			
Machinery , equipment and vehicles	TJLP + 3.62% (+ 3.62% in Dec/2012) p.a.		79
Ventures	TJLP + 3.78% (+ 3.80% in Dec/2012) p.a..	1,387	1,864
<b>BNDES - FINEM</b>			
Ventures	TJLP + 2.72% (+ 2.70% in Dec/2012) p.a.	29,497	34,572
Ventures	IPCA + 7.48% + 1.59% (+ 7.50% + 1.51% in Dec/2012) p.a.	18,826	24,939
Machinery and equipment	TJLP + 1.94% (+ 1.91% in Dec/2012) p.a.	1,719	2,072
Machinery and equipment	IPCA + 7.44% + 2.30% (+ 7.44% + 2.30% in Dec/2012) p.a.	2,160	2,063
<b>BNDES – Sub-credit</b>			
Ventures	TJLP + 3.37% a.a.(+ 3.40% in Dec/2012) p.a.	82,192	62,857
Ventures	SELIC + 2.36% a.a.(+ 2.36% in Dec/2012) p.a.	16,897	16,938
Machinery, equipment and vehicles	Prefixed 3.35% a.a.(+ 3.84% in Dec/2012) p.a.	13,078	9,184
Machinery, equipment and vehicles	TJLP + 1.79% a.a.(+ 1.79% in Dec/2012) p.a.	3,174	3,390
Working capital	TJLP + 4.15% a.a.(+ 4.15% in Dec/2012) p.a.	5,740	6,312
Working capital	SELIC + 3.05% a.a.(+ 3.06% in Dec/2012) p.a.	27,267	27,902
		<b>201,937</b>	<b>192,172</b>
Current liabilities		<b>(61,551)</b>	<b>(60,712)</b>
Non-current liabilities		<b>140,386</b>	<b>131,460</b>

In FINAME operations of the Company, financed assets were offered as collateral, while bank guarantees were offered for part of FINEM operations.

Loans taken from BNDES are for expansion of stores, acquisition of machinery/equipment, vehicles and also to finance the Company's working capital.

The contracts enable the Company to replace bank guarantees for other guarantees of first-tier financial institutions.

The Company is part of the financing with BNDES, substantially taken out under sub-credits, totaling R\$ 159,704 (Dec/2012 - R\$ 139,161) subject to the fulfillment of two covenants:

- (i) Adjusted EBITDA margin (adjusted EBITDA/Net operating income): equal to or greater than 3.6%, and

## Notes to quarterly information

(ii) Total net debt/Total assets: equal to or less than 20%.

Measurement of covenants is made on an annual basis and at March 31, 2013 and December 31, 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.

Long-term amounts are broken down as follows as per maturity year:

	<u>Mar-2013</u>
2013	
2014	<b>43,051</b>
2015	<b>59,380</b>
2016	<b>27,858</b>
2017	<b>10,097</b>
	<u><b>140,386</b></u>

## 11. Provisions for contingencies and judicial deposits

In the ordinary course of business, the Company is subject to legal proceedings of tax, labor and civil nature. 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 March 31, 2013 and December 31, 2012, the Company had the following liabilities and corresponding judicial deposits relating to legal proceedings:

	<u>Raia Drogasil S.A.</u>	
	<u>Mar-2013</u>	<u>Dec-2012</u>
Labor and social security	<b>10,972</b>	9,729
Tax	<b>473</b>	454
Civil	<b>4,843</b>	4,887
	<b>16,288</b>	15,070
(-) Corresponding judicial deposits	<b>(2,127)</b>	(1,220)
Total	<b>14,161</b>	13,850
Current liabilities	<b>(4,396)</b>	(4,129)
Non-current liabilities	<b>9,765</b>	9,721

Changes in provisions are as follows:

	<u>Raia Drogasil S.A.</u>	
	<u>Mar-2013</u>	<u>Dec-2012</u>
Opening balance	<b>13,850</b>	2,106
Additions through acquisition of Raia S.A.		6,066
Additions	<b>2,455</b>	4,719
Charge-offs – payments	<b>(537)</b>	(1,807)
Revaluation of amounts	<b>(1,028)</b>	(589)
Monetary restatements	<b>330</b>	3,053
Appeal related deposits	<b>(909)</b>	302
Closing balance	<b>14,161</b>	13,850

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 19) or judicial deposits.

## Notes to quarterly information

### Possible loss

At March 31, 2013 and December 31, 2012, 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\$ 26,868 (Dec/2012 – R\$ 25,074).

### Judicial deposits

At March 31, 2013 and December 31, 2012, the Company had the following judicial deposit amounts for which no corresponding provision was set up:

	Raia Drogasil S.A.	
	Mar-2013	Dec-2012
Labor and social security	3,427	3,728
Tax	6,710	6,637
Civil	645	645
Total	10,782	11,010

### 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 part 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 part 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.).

## 12. Income and social contribution taxes

### a) Effective income and social contribution taxes

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

	Raia Drogasil S.A.		Consolidated	
	1Q13	1Q12	1Q13	1Q12
Income before income and social contribution taxes	20,786	26,252	20,786	26,029
Interest on equity	(3,400)	(7,000)	(3,400)	(7,000)
Taxable profit	17,386	19,252	17,386	19,029
Combined rate (income tax - 25% and social contribution - 9%)	34	34	34	34
Theoretical expenses	(5,911)	(6,546)	(5,911)	(6,470)
Permanent additions	(518)	(437)	(518)	(405)
Equity pickup		(141)		
Tax reduction incentives		258		241
Other	(78)		(78)	(9)
Effective income and social contribution tax expenses	(6,507)	(6,866)	(6,507)	(6,643)
Effective rate (%)	31.3	26.2	31.3	25.5

## Notes to quarterly information

### b) Deferred income and social contribution taxes

Deferred income and social contribution tax assets in the amount of R\$ 33,049 at March 31, 2013 (Dec-2012 - R\$ 29,970) 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\$ 103,591 at March 31, 2013 (Dec-2012 - R\$ 93,991) comprise the tax charges levied on the remaining balances: (i) revaluation reserve; and (ii) goodwill on future profitability.

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

	Raia Drogasil S.A.			Consolidated		
	Balance sheet		Income	Income		
	Mar-2013	Dec-2012	1Q13	1Q12	1Q13	1Q12
Revaluation at fair value of land and buildings	(7,545)	(7,545)				
Amortization of goodwill on future profitability	(18,926)	(7,953)	(10,973)	(274)	(10,973)	(274)
Non-deductible intangibles – Business combination						1,920
Non-deductible intangibles - Incorporação da Raia S.A.	(77,120)	(78,493)	1,373		1,373	
Other	(1,840)	(1,765)	(75)		(75)	
Provision for legal proceedings	5,538	5,055	483	(245)	483	(77)
Allowance for doubtful accounts	1,553	1,572	(19)	13	(19)	8
Provision for bonuses		2,506	(2,506)	(653)	(2,506)	(653)
Provision for officers' bonuses	132	376	(244)	(497)	(244)	(497)
Provision for internal campaigns	130		130	(15)	130	(15)
Provision for obsolete inventories	4,798	3,710	1,088	211	1,088	374
Provision for employees' profit sharing	676	1,795	(1,119)	(858)	(1,119)	(858)
Goodwill on profitability of Drogeria Vison	366	366				
Sundry provisioned liabilities	2,154	2,080	74	476	74	476
Tax loss to be offset with future taxable profit	6,708		6,708		6,708	(384)
Provision for extraordinary expenses	495	1,688	(1,193)		(1,193)	347
Provision for losses on loans to employees	1,150		1,150		1,150	48
Tax benefit from goodwill on merger	11,189	12,587	(1,398)		(1,398)	(1,399)
<b>Deferred income and social contribution tax expense (revenue)</b>			<b>(6,521)</b>	<b>(1,842)</b>	<b>(6,521)</b>	<b>(984)</b>
<b>Deferred tax asset (liability), net</b>	<b>(70,542)</b>	<b>(64,021)</b>				
	<b>Raia Drogasil S.A.</b>					
	<b>Mar-2013</b>	<b>Dec- 2012</b>				
<b>Reconciliation of deferred tax asset (liability), net</b>						
<b>Opening balance</b>	<b>(64,021)</b>	<b>(4,484)</b>				
Additions on acquisition of Raia S.A.		(57,515)				
Taxable income (expense) recognized in the income statement	<b>(6,521)</b>	(2,124)				
Realization of deferred tax recognized in equity		102				
<b>Closing balance</b>	<b>(70,542)</b>	<b>(64,021)</b>				

### 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. In accordance with these projections, tax credit amounting to R\$ 33,049 will be fully realized up to the end of year 2013.



## Notes to quarterly information

### 13. Earnings per share

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

	Raia Drogasil S.A.		Consolidated	
	1Q13	1Q12	1Q13	1Q12
<b>Base</b>				
Net income	14,279	19,386	14,279	19,386
Weighted average of common shares	330,386	330,386	330,386	330,386
<b>Earnings per share - base</b>	<b>0.04322</b>	0.05868	<b>0.04322</b>	0.05868
<b>Diluted</b>				
Net income	14,279	19,386	14,279	19,386
Weighted average of common shares	330,386	330,386	330,386	330,386
Potential increase in common shares due to stock option plan				
Weighted average number of common shares adjusted by dilution effect	330,386	330,386	330,386	330,386
<b>Earnings per share – diluted</b>	<b>0.04322</b>	0.05868	<b>0.04322</b>	0.05868

### 14. Equity

#### (a) Capital

At March 31, 2013, fully paid in capital of R\$ 908,639, was divided into 330,386,000 common book shares with a par value of which 191,391,790 were outstanding (184,715,125 at December 31, 2012).

The Company's 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</u>
December 31, 2012	184,715,125
Sale of shares	6,676,665
Purchase of shares	
Position at March 31, 2013	<b>191,391,790</b>

At March 31, 2013, the Company's common shares were quoted at R\$ 21.55 (closing price).

### 15. Net sales revenue

	Raia Drogasil S.A.		Consolidated	
	1Q13	1Q12	1Q13	1Q12
Gross revenue from sales				
Revenue from goods sold	1,436,131	649,962	1,436,131	1,284,651
Revenue from services rendered	2,274	1,099	2,274	2,196
	<b>1,438,405</b>	651,061	<b>1,438,405</b>	1,286,847
Sales taxes	(43,066)	(23,621)	(43,066)	(42,279)
Sales returns	(6,897)	(3,024)	(6,897)	(8,268)
Net sales revenue	<b>1,388,442</b>	624,416	<b>1,388,442</b>	1,236,300

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

## Notes to quarterly information

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

The Company's income statements classify expenses according to their nature. Information on the nature of these expenses, recognized in P&L, is as follows:

	Raia Drogasil S.A.		Consolidated	
	1Q13	1Q12	1Q13	1Q12
Cost of goods sold	(1,007,501)	(456,840)	(1,007,501)	(911,394)
Personnel expenses	(179,425)	(71,782)	(179,425)	(154,203)
Service provider expenses	(17,212)	(7,086)	(17,212)	(14,166)
Depreciation and amortization	(36,065)	(12,082)	(36,065)	(28,913)
Other (i)	(113,675)	(44,011)	(113,675)	(96,785)
	<b>(1,353,878)</b>	<b>(591,801)</b>	<b>(1,353,878)</b>	<b>(1,205,461)</b>

Classified in the income statement as:

	1Q13	1Q12	1Q13	1Q12
	Cost of goods sold	(1,007,501)	(456,840)	(1,007,501)
Selling expenses	(266,661)	(105,763)	(266,661)	(223,716)
General and administrative expenses	(43,651)	(17,116)	(43,651)	(41,438)
Depreciation and amortization	(36,065)	(12,082)	(36,065)	(28,913)
	<b>(1,353,878)</b>	<b>(591,801)</b>	<b>(1,353,878)</b>	<b>(1,205,461)</b>

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

### 17. Other operating expenses

Other operating revenue in the first quarter of 2013, totaled R\$ 10,163 (1Q12 – R\$ 6,516, and R\$ 6,624 for the consolidated). These amounts are comprised on extraordinary expenses incurred in the merger relating to the incorporation, synergy and unification of the Company.

### 18. Financial income (expenses)

#### a) Financial income

	Raia Drogasil S.A.		Consolidated	
	1Q13	1Q12	1Q13	1Q12
Discounts	198	2	198	107
Short-term investment yield	1,647	2,921	1,647	6,258
Interest received	127	10	127	10
Monetary gains	37	131	37	315
Other financial income	1	1	1	1
Total financial income	<b>2,010</b>	<b>3,065</b>	<b>2,010</b>	<b>6,691</b>

## Notes to quarterly information

### b) Financial expenses

	Raia Drogasil S.A.		Consolidated	
	1Q13	1Q12	1Q13	1Q12
Discounted granted to customers	(3)		(3)	
Interest, charges and bank fees	(1,052)	(255)	(1,052)	(436)
Financing charges	(4,473)	(2,204)	(4,473)	(4,297)
Monetary losses	(97)	(39)	(97)	(144)
Total financial expenses	(5,625)	(2,498)	(5,625)	(4,877)
<b>Financial income</b>	<b>(3,615)</b>	<b>567</b>	<b>(3,615)</b>	<b>1,814</b>

## 19. Procedural guarantees

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

	Raia Drogasil S.A.	
	Mar-2013	Dec-2012
Furniture and facilities	144	155
Machinery and equipment	215	217
Vehicles	8	10
	<b>367</b>	<b>382</b>

## 20. Lease agreement commitments

Company has entered into lease agreements with terms ranging from one to fifteen years. Lease expenses vary depending on the number of stores opened. Total monthly expenses with these rental agreements (including rent, condominium and Property Tax – IPTU) were R\$ 16,569 (Dec/2012 - R\$ 17,048) for the Company.

At March 31, 2013 and December 31, 2012, future minimum payments referring to lease of stores (revocable commercial lease agreements) are as follows:

	Raia Drogasil S.A.	
	Mar-2013	Dec-2012
First 12 months	149,415	145,269
Between 13 and 60 months	366,384	356,111
After 60 months	129,997	130,953
	<b>645,796</b>	<b>632,333</b>

## 21. Financial instruments and risk management policy

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

At March 31, 2013 and December 31, 2012, the Company has short-term investments measured at fair value through profit or loss which are classified as “level 1”, according to Note 4 d).(iii) of the financial statements for the year ended December 31, 2012.

## Notes to quarterly information

### Financial assets

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

	<b>Raia Drogasil S.A.</b>	
	<b>Mar-2013</b>	<b>Dec-2012</b>
<b>Fair value through profit or loss - held for trading</b>		
Cash and cash equivalents (Note 5)	<b>127,007</b>	166,963
	<b>127,007</b>	166,963
<b>Receivables</b>		
Trade accounts receivable (Note 6)	<b>313,175</b>	335,771
Other accounts receivable	<b>138,886</b>	116,772
	<b>452,061</b>	452,543
<b>Total</b>	<b>579,068</b>	619,506

### Financial liabilities

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

	<b>Raia Drogasil S.A.</b>	
	<b>Mar-2013</b>	<b>Dec-2012</b>
<b>Other financial liabilities</b>		
Trade accounts payable	<b>456,464</b>	575,587
Loans and financing (Note 10)	<b>201,937</b>	192,172
Other accounts payable	<b>86,024</b>	91,058
<b>Total</b>	<b>744,425</b>	858,817

The Company is 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 focuses on the unpredictability of financial and operating markets and aims at mitigating 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.

#### a) **Market risk**

##### **Foreign exchange risk**

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

##### **Interest rate risk**

The Company is 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 is exposed to refers to the mismatch between BNDES financing (R\$ 20,986) in IPCA interests, against investments in CDI.

## Notes to quarterly information

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 trade 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 March 31, 2013, credit sales represented 48%, of this total 86% refer to credit card sales which, in the opinion of the Company and based on historical losses, pose extremely low risk. The remaining 14% 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.

### 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).

Operation	Risk	Scenario I (probable)	Scenario II	Scenario III
Short-term investments - CDI	0.5% increase	456	570	684
Revenue		456	570	684
BNDES financing (IPCA + interest)	1% mismatch	210	263	315
REFIS (SELIC rate)	0.5% increase	13	17	20
Expenses		223	280	335

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.

## Notes to quarterly information

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

	<b>Raia Drogasil S.A.</b>	
	<b>Mar-2013</b>	<b>Dec-2012</b>
Short- and long-term financing	<b>201,937</b>	192,172
(-) Cash and cash equivalents	<b>(127,007)</b>	(166,963)
Net debt	<b>74,930</b>	25,209
Equity	<b>2,275,538</b>	2,264,659
Financial leverage ratio (%)	<b>3</b>	1

### 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 5) and measured at fair value through profit or loss were valued based on the remuneration rate agreed upon with respective financial institution, considered a usual market rate.

## 22. Derivative financial instruments

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



## Notes to quarterly information

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

### b) Key management personnel compensation

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

	Raia Drogasil S.A.		Consolidated	
	1Q13	1Q12	1Q13	1Q12
Payment and social charges	<b>2,306</b>	1,093	<b>2,306</b>	1,868
Bonuses and social charges	<b>3,152</b>	1,589	<b>3,152</b>	1,912
Reversal of provision for bonuses	<b>(293)</b>		<b>(293)</b>	
Stock option plan				
	<b>5,165</b>	2,682	<b>5,165</b>	3,780

## 24. Insurance coverage

The Company has a policy to 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, at March 31, 2013, the Company maintains the following insurance coverage:

	Raia Drogasil S.A.	
	Mar-2013	Dec-2012
Inventory loss risk	<b>107,368</b>	98,541
Permanent asset items	<b>121,031</b>	100,858
Loss of profit	<b>24,100</b>	24,100
Civil liability risk	<b>12,422</b>	10,474
	<b>264,921</b>	233,973

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 any losses.

## 25. Transactions not involving cash

In the first quarter of 2013, there were no transactions involving the Company's cash.



**A free translation from Portuguese into English of Review Report on individual interim financial information in accordance with accounting practices adopted in Brazil and on consolidated interim financial information in accordance International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB) and accounting practices adopted in Brazil**

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## **Independent Auditor’s Report on Review of Quarterly Information (ITR)**

The  
Shareholders, Board of Directors and Officers  
**Raia Drogasil S.A.**  
São Paulo – SP

### **Introduction**

We have reviewed the individual and consolidated interim financial information contained in the Quarterly Information Form (ITR) of Raia Drogasil S.A. (“Company”) as of March 31, 2013, comprising the balance sheet as at March 31, 2013 and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, and other explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with Accounting Pronouncement CPC 21 (R1) – Interim Financial Reporting, and of the consolidated interim financial information in accordance 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 Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of the review**

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 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 prepared, in all material respects, in accordance with CPC 21(R1) applicable to the preparation of Quarterly Information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission.

### **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 prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, applicable to the preparation of Quarterly Information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission.

### **Other matters**

#### **Statements of value added**

We have also reviewed the individual and consolidated Statements of Value Added for the three-month period ended March 31, 2013, prepared under the responsibility of Company management, the presentation of which in the interim information is required by the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to preparation of Quarterly Information (ITR), and as supplemental information under the IFRS, whereby no statement of value added presentation is required. 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 prepared, in all material respects, consistently with the overall individual and consolidated interim financial statements.

São Paulo, May 7, 2013.

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 March 31, 2013, 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, May 7, 2013

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 March 31, 2013.

São Paulo, May 7, 2013.

Cláudio Roberto Ely  
Chief Executive Officer

Antonio Carlos de Freitas  
Director

Eugênio de Zagottis  
Director

Fernando Varela  
Director

Marcello de Zagottis  
Director

Renato Cepollina Raduan  
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 March 31, 2013.

São Paulo, May 7, 2013.

Cláudio Roberto Ely  
Chief Executive Officer

Antonio Carlos de Freitas  
Director

Eugênio de Zagottis  
Director

Fernando Varela  
Director

Marcello de Zagottis  
Director

Renato Cepollina Raduan  
Director

Ricardo Castro de Azevedo  
Director

Rosângela Lutti  
Director