EARNINGS RELEASE 2012

São Paulo, March 27th, 2013. RaiaDrogasil S.A. (BM&FBovespa: RADL3) announces today its results for the 4th quarter of 2012 (4Q12) and for the fiscal year of 2012. The consolidated financial statements of RaiaDrogasil S.A. for the period ended December 31st, 2012 were prepared in accordance with IFRS and were reviewed by our independent auditors in accordance with Brazilian and international standards of auditing. Such financial statements were prepared in Reais and all growth rates are related to the same period of 2011.

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

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

HIGHLIGHTS:

- **Drugstores: 864 stores in operation (101 new store openings and 13 closures in 2012)**
- **Gross Revenues: R$ 5.6 billion, 18.3% of growth (11.6% for same-store sales)**
- **Gross Margin: 26.7% of gross revenues, a 1.1 percentage point margin increase**
- **Adjusted EBITDA: R$ 325.8 million, an increase of 20.0%**
- **Adjusted EBITDA Margin: 5.8%, a 0.1 percentage point increase**
- **Adjusted Net Income: R$ 154.0 million, 2.8% of net margin**

RADL3: **R$ 21.46/share**

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

Market Cap: **R$ 7,090 million**

Closing: **March 27th, 2013**

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Combined Summary	2011	2012	4Q11	1Q12	2Q12	3Q12	4Q12
(R$ thousand)							
# of Stores (end of period)	776	864	776	785	807	828	864
Store Openings	99	101	40	9	26	24	42
Store Closures	11	13	7	0	4	3	6
# of Stores (average)	717	803	759	781	795	819	843
Head Count	17,244	20,113	17,244	18,510	19,383	19,927	20,113
Pharmacist Count	2,495	3,004	2,495	2,597	2,789	2,875	3,004
# of Tickets	776	125,548	30,143	29,790	31,193	32,360	32,205
Gross Revenues	4,730,034	5,593,835	1,287,973	1,286,847	1,375,185	1,451,824	1,479,979
Gross Profit (Adjusted)	1,212,293	1,494,258	337,353	326,515	387,060	380,105	400,578
% of Gross Revenues	25.6%	26.7%	26.2%	25.4%	28.1%	26.2%	27.1%
EBITDA (Adjusted)	271,548	325,845	76,167	61,361	100,246	81,144	83,094
% of Gross Revenues	5.7%	5.8%	5.9%	4.8%	7.3%	5.6%	5.6%
Net Income (Adjusted)	151,358	153,964	43,335	27,484	53,792	39,694	32,994
% of Gross Revenues	3.2%	2.8%	3.4%	2.1%	3.9%	2.7%	2.2%

LETTER TO OUR SHAREHOLDERS

The 2012 fiscal year marked the consolidation of RaiaDrogasil S.A. as a single company. Formed through a merger of equals between Raia S.A. and Drogasil S.A. on November 10th, 2011, RaiaDrogasil was born from shared values and visions by two companies with great tradition in the Brazilian retail market (Raia: 108 years, Drogasil: 78 years) and by their controlling shareholders, who are members of the founding families of each company, with four generations of experience and commitment to the Brazilian drugstore industry.

Although the full integration of Raia and Drogasil is still under way, we are proud to have accomplished several important milestones. Already in the beginning of 2012, both our top and middle management teams were unified by bringing together the best talents of each company. Our commercial terms with suppliers were renegotiated, generating significant cost synergies. Our future IT platform has been defined, our systems have been prepared for roll-out and several processes have already been integrated. Our corporate brand and identity have been defined and the positioning for Droga Raia and for Drogasil has also been established. All our corporate employees have been redeployed to a single unified corporate facility, following a major renovation. Finally, Raia S.A., until recently a full subsidiary, was incorporated by RaiaDrogasil on November 30th with minimum operational disruptions, which turned us into a single Company and paved the way for our full integration in 2013.

The Brazilian drugstore market has experienced tremendous growth, but has remained relatively fragmented. The pharmaceutical market has grown by 16.0% since 2007, powered by the aging of the population, a trend that is expected to persist for at least two more decades: according to a study by The World Bank, the Brazilian elder population is increasing from 7% to 14% of the total in only 21 years (from 2011 to 2032), a process that took 69 years for USA (from 1944 to 2013) and 115 years for France (from 1865 to 1980), for instance, to accomplish. The top five chains account for only 29.3% of the market, but consolidation is happening fast, as the industry leaders had less than 16.0% only eight years ago.

RaiaDrogasil aims to lead the consolidation of the Brazilian drugstore market. In 2012, we not only sustained our top position both in sales and in store count, according to the Abrafarma ranking, with 864 stores and R$ 5.6 billion in revenues, but also increased revenues by 18.3% and gained 0.3 percentage point of market share in the year. We also opened 101 stores and acquired another 26 stores to be opened in 2013 from Drogaria Santa Marta in Goiás, which will consolidate our leadership in the Midwestern region, with over 120 stores. We set a guidance of 130 new stores to be opened in 2013.

Our adjusted EBITDA reached R$ 325.8 million, a 5.8% margin and an increase of 20.0% over 2011. We achieved a margin expansion of 0.1 percentage point in spite of a transitory gross margin loss of 0.3 percentage point due to the adoption of a new tax regime that increased our tax burden, and of sales expenses pressures from the opening of two new distribution centers in the year and of 42 stores in the last quarter, which booked in 2012 only the pre-operational expenses and the negative results from the initial months of operation. Our adjusted net income totaled R$ 154.0 million, a net margin of 2.8%.

We opened two new distribution centers in the states of Rio de Janeiro and São Paulo, upgrading our distribution capacity to a total of seven facilities that will support our future growth. Another achievement was the consolidation of our proprietary brands: Pluii, our premium hair and body brand and Needs, our multi-category value brand introduced at Raia in 2011, have both been extended to Drogasil, while B-Well, our vitamins and supplements brand, was launched in the year with great success. Our proprietary brands will be instrumental not only in enhancing our margins, but also in improving product variety and in fostering consumer loyalty at our stores.

We believe that sustainable growth depends on shared growth with employees, clients and business partners. Therefore, we intensively invested in people development, including more than 500 thousand hours in training, and in mobilizing our suppliers and clients to promote health and wellbeing in the communities we serve. We undertook more than 14 thousand free pre-diagnostic clinical exams and collected more than 130 thousand used books that were donated to 230 public schools and libraries. Also, through the *Sorria* and *Ser Família* magazines, which sold over one million copies in our stores, we raised R$ 3.7 million for the expansion of the GRAACC's hospital (a reference child cancer institution in Brazil), for the *Superação Jovem* project of the Ayrton Senna Institute and for *Obra do Berço*, an institution that supports unassisted families. *Sorria* was Brazil´s third largest non-subscription magazine in terms of sales in the year, according to IDV.

Finally, we would like to thank our shareholders for the immense trust bestowed on us, to our more than 20 thousand employees for their relentless commitment, and to the millions of clients that, every month, entrust us with their health and wellbeing. We would like to reiterate our commitment to keep on creating value for our shareholders, opportunities for our employees and wellbeing for our clients, 'Serving Trust' with 'Pleasure in Caring'.

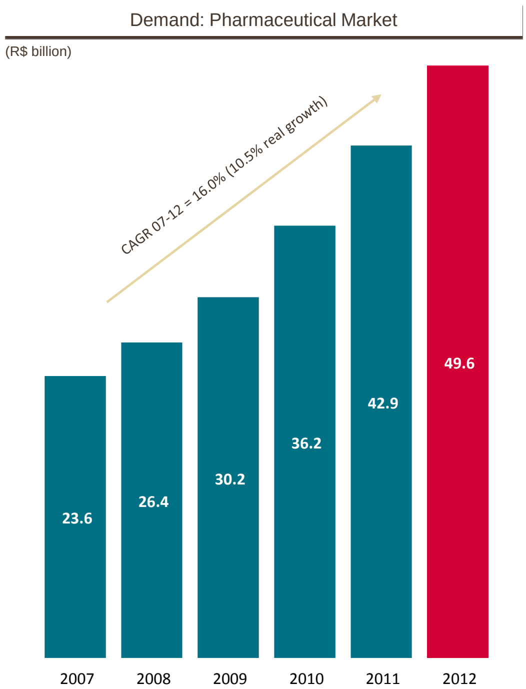
The Executive Board

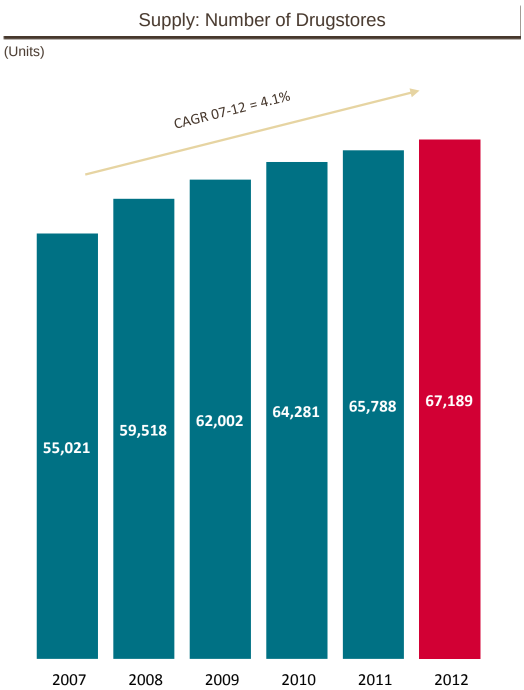
MARKET EVOLUTION

According to IMS Health, the Brazilian pharmaceutical market reached R$ 49.6 billion in 2012, which represented a nominal growth of 15.6% over 2011. Since 2007 the market has grown at a compound annual growth rate of 16.0%.

The main driver for that sustained growth has been the aging of the Brazilian population, a trend that is expected to persist for at least two more decades. According to a study by the World Bank ("Growing Older in an Older Brazil", 2011), the Brazilian population above 65 years of age is expected to grow from 7% to 14% of the total country population in only 21 years (from 2011 to 2032), something that took 69 years for the United States (from 1944 to 2013) and 115 years for France (from 1865 to 1980) to accomplish.

Another positive trend for the sector lies in the fact that, in spite of the aggressive organic growth pursued by the top players, demand has far outgrown supply in the drugstore industry. According to IMS Health, from 2007 to 2012, real demand has grown by 10.5% per year, while the number of pharmacies in Brazil has increased in average by only 4.1% per year (9.8% real demand growth versus 2.1% supply growth in 2012), as shown in the charts below.

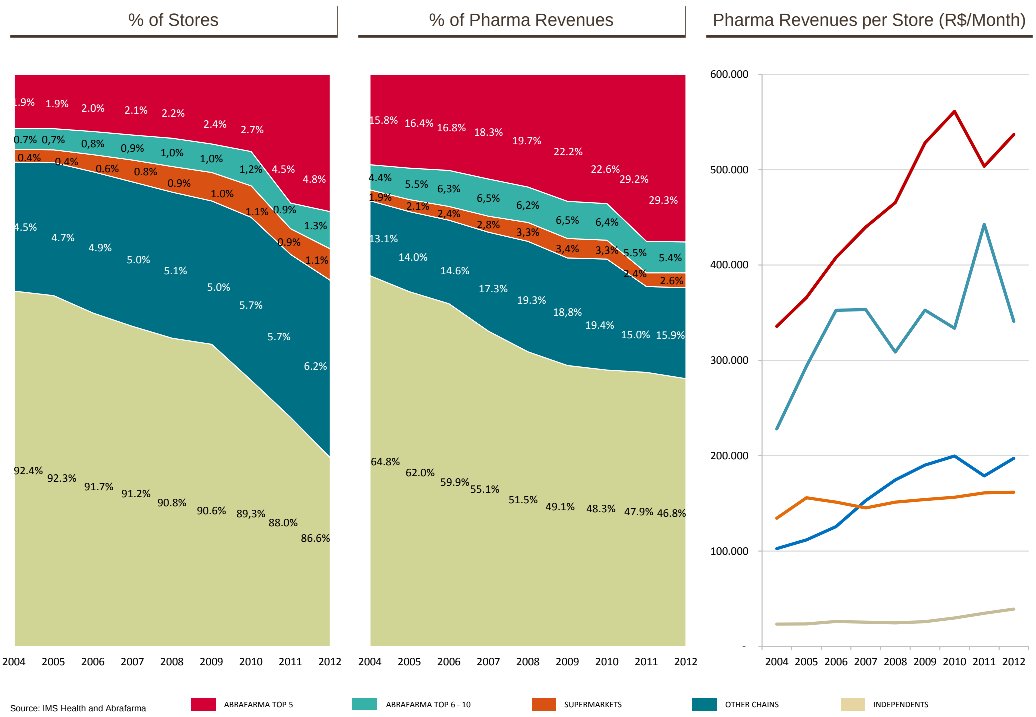




The Brazilian drugstore industry has remained a relatively fragmented market, with only 4.8% of the stores and 29.3% of the revenues concentrated by the top five players. However, due to the accelerated organic growth and to the recent mergers and acquisitions pursued by some of the leading players, industry consolidation has intensified, with a combined market share increase by the industry leaders from 15.8% to 29.3% in only eight years.

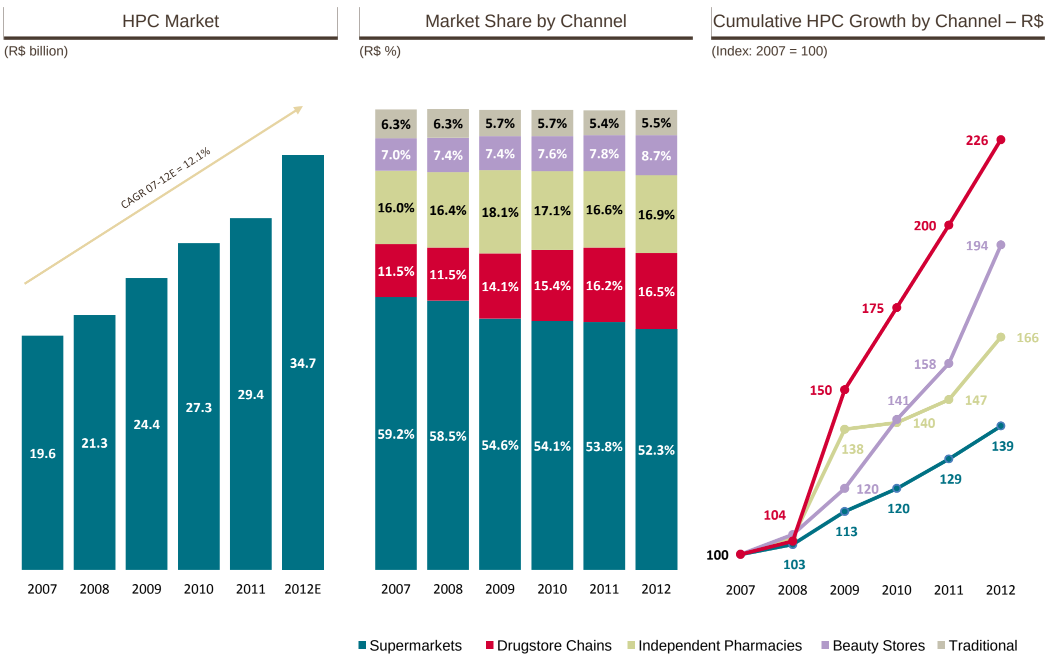
The top five players in the Brazilian drugstore industry have been able to capture the lion's share of the industry growth over the years by gaining market share in an environment in which demand has far outgrown supply. As a result, the leaders have boosted both their level of aggregate scale and their revenues per store, further enhancing their competitive advantage versus middle-sized chains, supermarkets, and independent pharmacies.

In 2012, the combined market share of the top five players increased by only 0.1 percentage point as shown in the chart below, in spite of the fact that RaiaDrogasil alone was able to materially increase its market share in the year. This is due to the fact that some of the top five players lost market share in the year.



Source: IMS Health and Abrafarma

For Hygiene and Personal Care, 2012 was another strong year. In the first 10 months of the year, the market grew nominally by 17.9% over the same period of 2011, according to ABIHPEC, which would translate in a total market size of R$ 34.7 billion should the market sustain that pace for the whole year, as shown below.



Source: ABIHPEC

Source: AC Nielsen.

According to AC Nielsen, a significant HPC market share migration has been recorded from supermarkets to drugstore chains in 2012. This trend, which has persisted for several years, is due to the improved convenience and shopping experience provided by drugstores to consumers. Drugstore chains gained 0.3 percentage point in the year, while supermarkets lost another 1.5 percentage point.

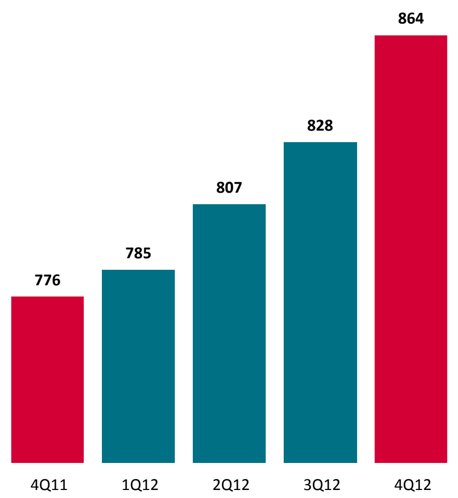
Between 2007 and 2012, drugstore chains increased market share by 5.0 percentage point, while supermarkets registered a market share loss of 6.9 percentage point. Drugstore chains grew 126% in nominal terms in the period, a 17.7% compound annual growth rate, while supermarkets grew cumulatively only 39%, a CAGR of 6.8% in nominal terms. It is important to mention that the average inflation in the period was of 5.5%. Finally, RaiaDrogasil maintained its market leadership both in revenues and in store count, according to the 2012 ABRAFARMA (Brazilian Association of Pharmacies and Drugstores) ranking below.

	Revenues	Store Count
1st	RaiaDrogasil	RaiaDrogasil
2nd	DPSPsa	DPSPsa
3rd	Farmácias Pague Menos Drugstore	pharma
4th	pharma	Farmácias Pague Menos Drugstore

STORE DEVELOPMENT

We ended 2012 with 864 stores in operation, by opening 101 new stores and closing 13 during the year.

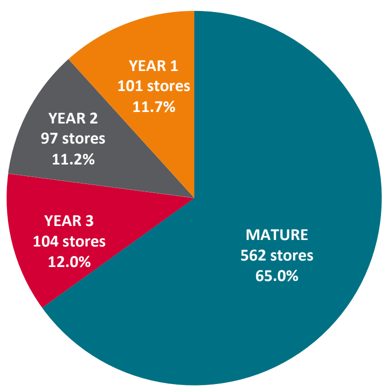
Store Count



	4Q11	1Q12	2Q12	3Q12	4Q12
Opened	40	9	26	24	42
Closed	7	0	4	3	6

Age Structure of Store Portfolio

(Store Count, % of Existing Stores)



In the 4Q12 we opened 42 stores, 29 of which were opened in December alone due to the incorporation of Raia by RaiaDrogasil in November, which required the postponement of several Raia openings. At the end of the period 35% of our stores were still in the process of maturation, and had not yet reached their full potential in terms of revenues and profitability.

We reached a national market share of 9.3% in December, an annual increase of 0.3 percentage point, by gaining share in most markets where we operate. The main highlights have been São Paulo, our main market, and Rio de Janeiro, where we recorded a 1.7 percentage point and a 0.7 percentage point increase, respectively.

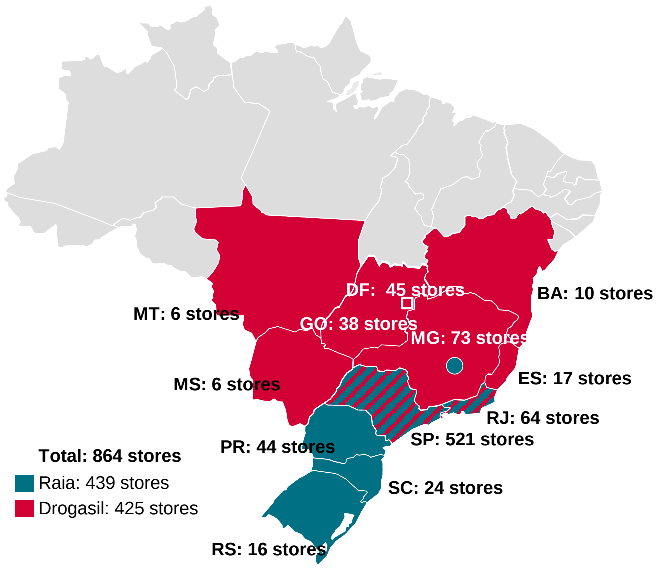
Another highlight has been the entry into the Northeast, the fastest growing region in Brazil, through the opening of 10 stores in Bahia, the region's main state both in economic and in population terms, where we recorded in December a market share of 0.9%.

We have also started operations in the states of Mato Grosso do Sul and of Mato Grosso, located in the Midwestern region of Brazil, with the opening of six stores in each state, where we reached market shares of 4.9% and of 2.8%, respectively. Additionally, we have also enhanced our presence in Santa Catarina, a market we entered in 2011, where we opened 11 stores in the year and increased our presence from 13 to 24 stores and our market share from 1.1% to 3.2% in December.

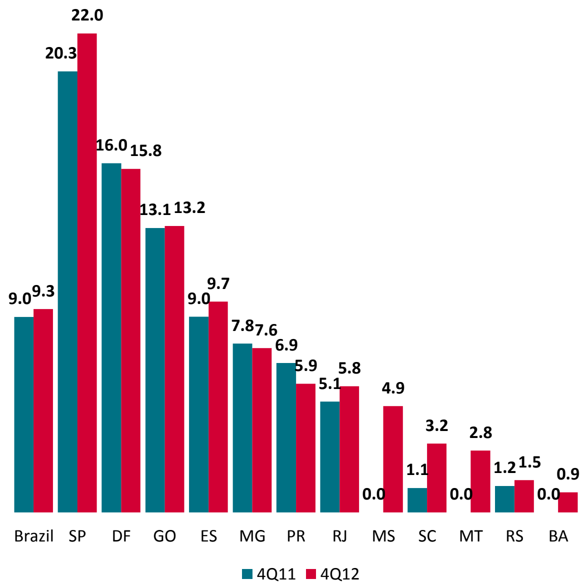
We acquired 26 stores from Drogaria Santa Marta in Goiás, which are expected to be opened in 2013. This acquisition will be instrumental in consolidating our leadership not only in Goias, but also in the whole Midwestern region of Brazil, where we will reach over 120 stores in 2013.

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

Geographic Presence



Market Share (December '12)



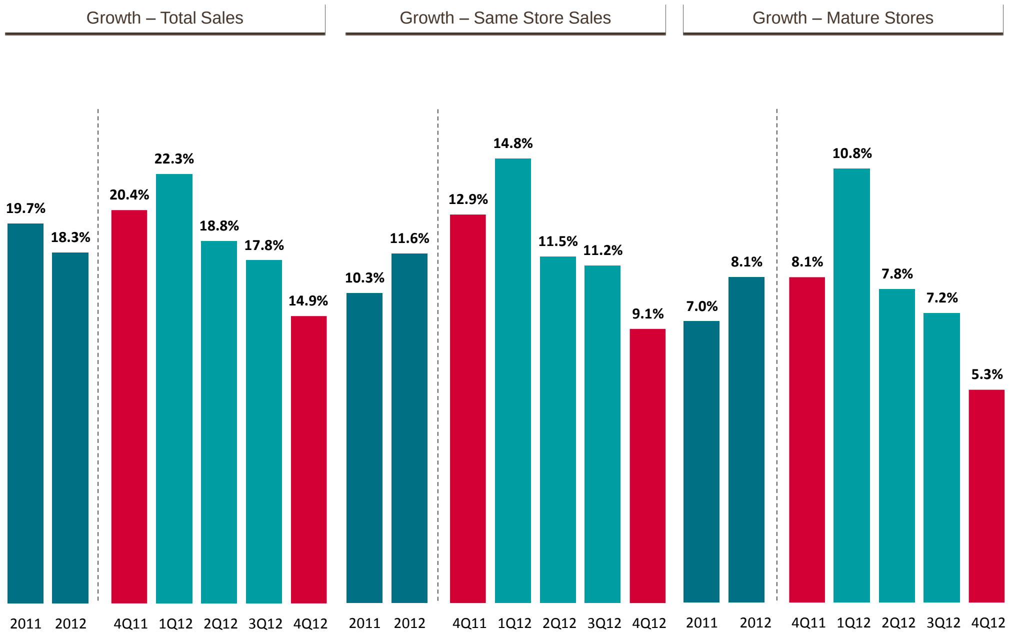
PHARMACEUTICAL MARKET DISTRIBUTION BY STATE (LAST 12 MONTHS)

Brazil	SP	DF	GO	ES	MG	PR	RJ	MS	SC	MT	RS	BA
100.0%	27.7%	2.7%	3.4%	2.0%	10.3%	6.0%	13.1%	1.1%	3.8%	1.1%	7.3%	4.6%

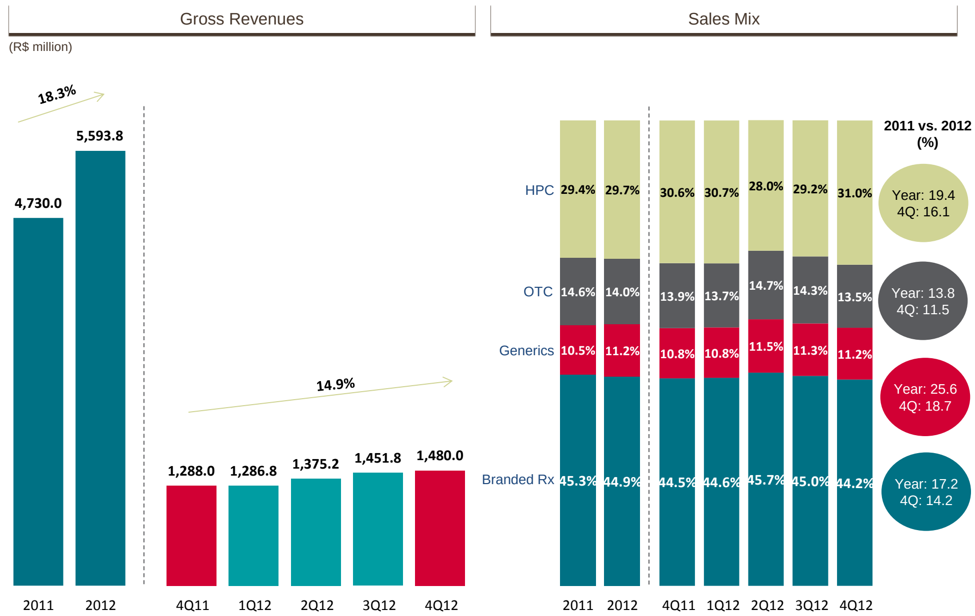
Source: IMS Health

GROSS REVENUES

We recorded gross revenues of R$ 5,593.8 million, an 18.3% increase over 2011 (14.9% in the 4Q12). Same store sales grew 11.6% (9.1% in the 4Q12), while mature stores, with three or more years in operation, grew 8.1% (5.3% in the 4Q12). The 4Q12 had a negative calendar effect that penalized our growth by 1.0 percentage point.



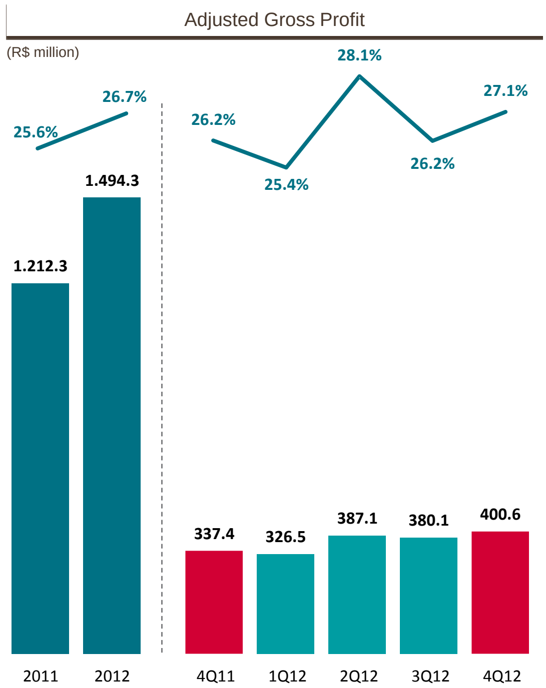
Generics increased by 25.6% (18.7% in the 4Q12), while HPC increased by 19.4% (16.1% in the 4Q12).



Generics share in the sales mix expanded to 11.2%, a 0.7 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.

GROSS PROFIT

Our adjusted gross margin reached 26.7%, a 1.1 percentage point gross margin expansion and a 23.3% increase in nominal terms. In the 4Q12 our adjusted gross margin was of 27.1%, 0.9% above the previous year.



* Excludes R$ 1.6 million of PPA amortization on inventories in the 2012 and R$ 22.8 million of adjustments in 2011 (alignment of accounting practices and PPA amortization).

Gross margins have been largely boosted by cost synergies captured through the year as a consequence of the merger between Raia and Drogasil. However, it has also been negatively affected in the 2H12 due to a change in taxation, which caused a margin loss of 0.3 percentage point in 2012 and of 0.4 percentage point in the 4Q12.

In the 3Q12 we adopted a new tax regime, upon which we became our own substitute taxpayer in São Paulo. Therefore, instead of purchasing products with taxes previously retained by our suppliers on our behalf, we began paying our own ICMS (state taxes) when products are shipped to the stores.

This allows the conversion of the retained ICMS on inventories (R$ 50.4 million, equivalent to 4.5 days of cash cycle) into cash, since payment is now delayed from purchasing to the shipment to the stores, as well as the recovery of the outstanding tax credits by using them to offset the tax payments due.

However, this new regime generated an increase in our tax burden for all products which suppliers, as part of their tax planning, distribute through interdependent distributors that belong to the same economic group. In this instance, the savings from this tax structure, which results in artificially low transfer prices from the manufacturer to the distributor, is now offset by us, thus resulting in a higher tax burden.

This new tax regime caused a margin loss of 0.8 percentage point in the 3Q12 and a loss of 0.4 percentage point in the 4Q12, when we were able to negotiate with some of those suppliers for them to absorb the losses generated by their tax planning.

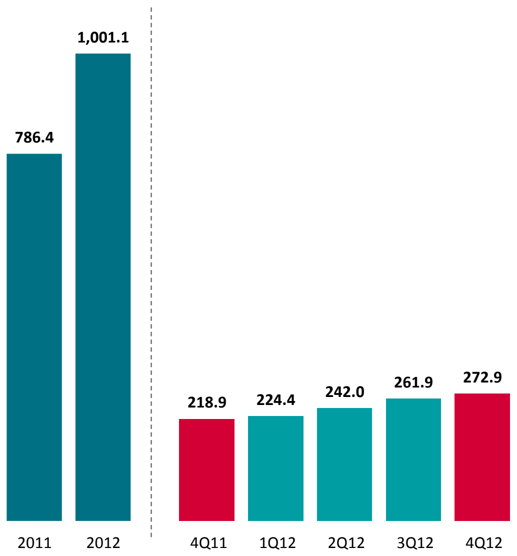
SALES EXPENSES

Sales expenses totaled R$ 1,001.2 million, amounting to 17.9% of gross revenues (18.4% in the 4Q12), a 1.3 percentage point increase when compared to 2011 (1.4 percentage point in the 4Q12).

The main items that penalized sales expenses were payroll (0.6 percentage point increase both in 2012 and in the 4Q12) and rental increases (0.1 percentage point increase in the year and 0.2 percentage point in the quarter) for the stores already in operation at the end of 2011, as well as the opening of two new distribution centers (0.2 percentage point increase in 2012 and 0.3 percentage point in the 4Q12) and the pressure exerted by the new stores opened in the year when compared to 2011 (an additional 0.2 percentage point both in the year and in the quarter).

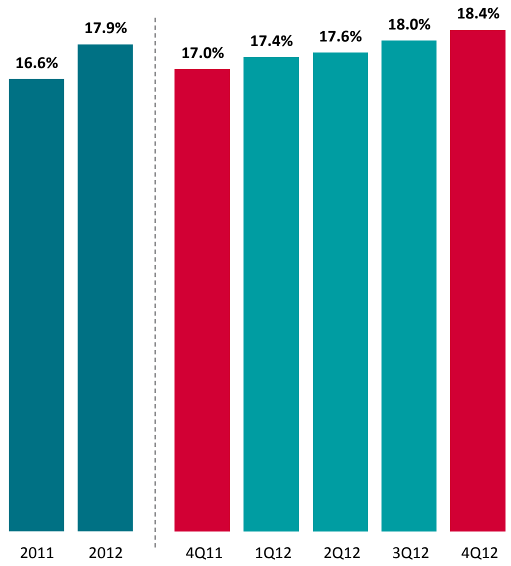
Sales Expenses

(R$ million)



Sales Expenses

(% of Gross Revenues)



Payroll increases have stemmed from staff enhancements at the stores and from real wage adjustments granted in 2012 as part of labor negotiations, which amounted to 0.6 percentage point in the year and in the 4Q12. Also, the steep appraisal in the Brazilian property market generated a 0.1 percentage point increase in commercial lease expenses in the year and of 0.2 percentage point in the quarter. These pressures relate to the comparable stores, those already in operations at the end of 2011, and have a more structural nature.

We opened two new distribution centers (Barra Mansa, RJ in the 1Q12 and Ribeirão Preto, SP in the 4Q12), which brought additional expenses that corresponded to 0.2 percentage point of gross revenues (0.3 percentage point in the quarter).

In 2012 we opened a total of 101 new stores, of which 41.6% were opened in the 4Q12 and 65.3% were opened in the 2H12. These late openings represented a major source of pressure, since the stores operated for only a few months, thus recording in 2012 only the pre-operational expenses and the negative results that happen in the initial months of

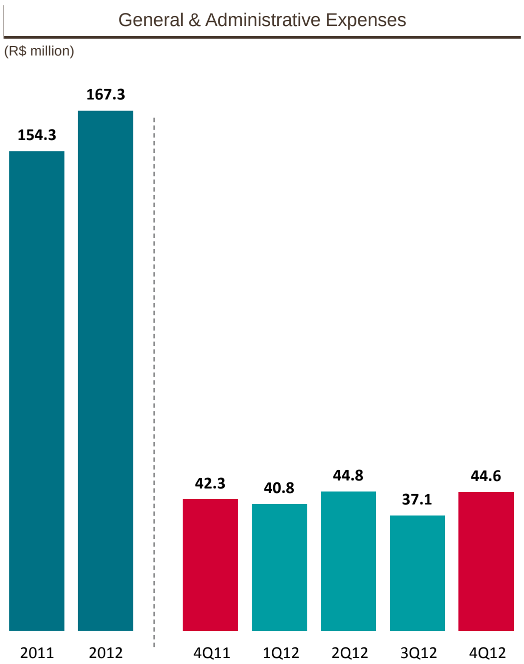
operation. Additionally, a significant number of stores were opened in recent markets (Bahia, Mato Grosso do Sul, Mato Grosso and Santa Catarina), which demands much higher levels of pre-operational expenses than usual, as it takes longer for them to be opened. As a result, pre-operational expenses and operating expenses of new stores represented an incremental pressure of 0.2% of gross revenues, both in the year and in the quarter.

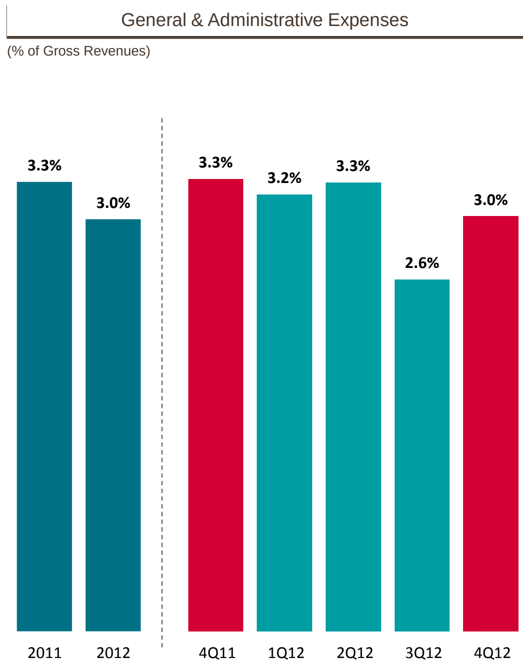
The pressures arising from logistics expenses and from new store openings have a more transitory nature, and may be diluted in the coming years. A significant capacity increase (two new distribution centers) was pursued to support future growth, and we do not expect to open any new distribution centers in 2013 or 2014. Also, as new store openings get better paced through the year and as the new stores to be opened in 2013 will be more concentrated in mature markets, store opening pressures shall be mitigated.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses amounted to R$ 167.3 million in the year, equivalent to 3.0% of our gross revenues, which represented a 0.3 percentage point dilution when compared to 2011. In the 4Q12, we recorded R$ 44.6 million in general and administrative expenses, or 3.0% of gross revenues, a 0.3 percentage point reduction when compared to the 4Q11.

Corporate expenses have been diluted in 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. It is important to highlight that reported expenses do not reflect non-recurring items related to the merger, such as consulting, advisory, integration and severance expenses, which totaled R$ 39.3 million in the year.





* Excludes R$ 39.3 million of non-recurring expenses recorded in 2012 (consulting and severance expenses, store closures, incorporation of Raia into RaiaDrogasil), and R$ 35.3 million recorded in 2011 (general transaction expenses, including banking fees, consulting expenses and alignment of accounting practices).

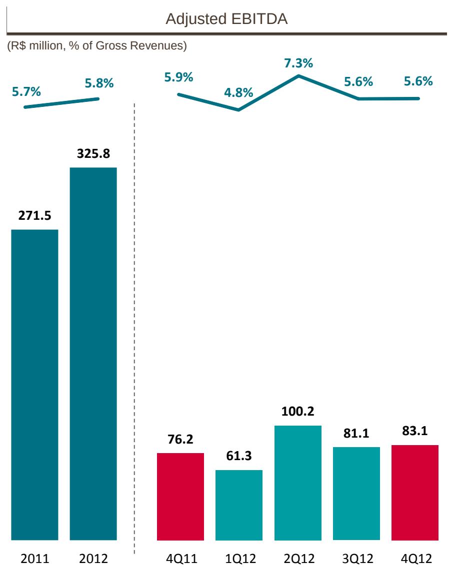
EBITDA

We reached R$ 325.8 million of adjusted EBITDA in 2012, a 20.0% increase over 2011. The EBITDA margin corresponded to 5.8% of gross revenues, a 0.1 percentage point increase. In the 4Q12 our adjusted EBITDA was of R$ 83.1 million, a 9.1% growth over the same quarter in the previous year, and a margin of 5.6%.

New stores opened in the year, as well as those that were already in the opening process for 2013, reduced the EBITDA by R$ 25.2 million in the year (R$ 6.8 million in the 4Q12). Therefore, the 776 stores in operation at the end of 2011 produced an adjusted EBITDA of R$ 351.0 million (R$ 89.9 million in the 4Q12), equivalent to an EBITDA margin of 6.3% in the year (6.1% in the quarter).

We benefited from a gross margin increase of 1.1 percentage point from cost synergies generated through the merger, and sustained an expense increase of 1.0 percentage point in the year.

We had a gross margin pressure of 0.3 percentage point due to the adoption of a new tax regime (0.4 in the 4Q12) and expense pressures of 0.2 percentage point (0.3 in the 4Q12) due to a logistics expansion to support future growth and of 0.2 percentage point both in the year and in the quarter due to the incremental pressure from new stores, which shall be diluted in the future.

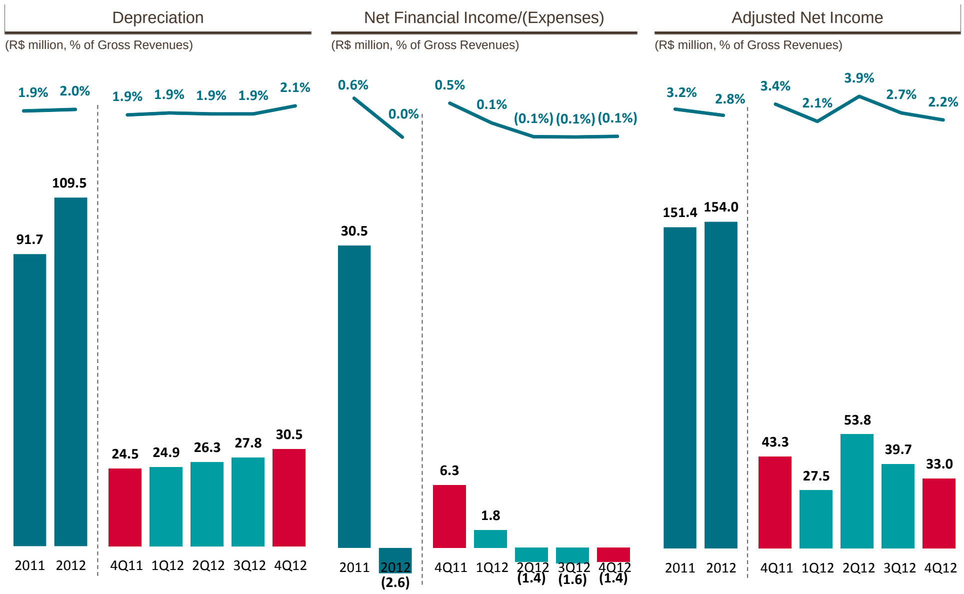


* Excludes R$ 40.8 million of non-recurring expenses in the 2012 and R$ 57.9 million in 2011.

FINANCIAL EXPENSES, DEPRECIATION AND NET INCOME

We had an adjusted net income of R$ 154.0 million (R$ 33.0 million in the 4Q12), a 2.8% net margin (2.2% in the 4Q12).

Due to the lower average cash position recorded in the year, financial expenses increased by 0.6 percentage point both in 2012 and in the 4Q12, while depreciation expenses increased by 0.1 percentage point in the year and by 0.2 percentage point in the quarter.



* Excludes R$ 49.1 million of non-recurring expenses incurred in the 2012 and R$ 45.7 million in 2011.

NON-RECURRING EXPENSES

In 2012 we continued our integration process, which resulted in non-recurrent expenses during the year.

Adjustments *(R$ million)*	**Gross Profit**	**SG&A**	**EBITDA**	**D&A and Income Tax**	**Net Profit**
Transaction Expenses		**(25.9)**	**(25.9)**	**8.8**	**(17.1)**
Consulting		(10.0)	(10.0)	3.4	(6.6)
Legal and Accounting		(8.8)	(8.8)	3.0	(5.8)
Severance Expenses		(3.7)	(3.7)	1.3	(2.4)
Farmácia Popular Program		(3.4)	(3.4)	1.2	(2.2)
Alignment of Accounting Practices		**(8.8)**	**(8.8)**	**3.0**	**(5.8)**
Store/Raia Office Closures		**(4.5)**	**(4.5)**	**1.5**	**(3.0)**
PPA Amortization	**(1.6)**		**(1.6)**	**(9.1)**	**(10.7)**
Inventories	(1.6)		(1.6)	0.5	(1.1)
Intangible				(9.7)	(9.7)
Income Tax and Social Charges over Raia's Fiscal Loss				**(12.4)**	**(12.4)**
Total	**(1.6)**	**(39.2)**	**(40.8)**	**(8.2)**	**(49.0)**

The post-merger integration has generated significant non-recurring expenses throughout the year, including R$ 10.0 million in consulting expenses, R$ 4.5 million in store and office closures, and R$ 3.7 million in severance payments.

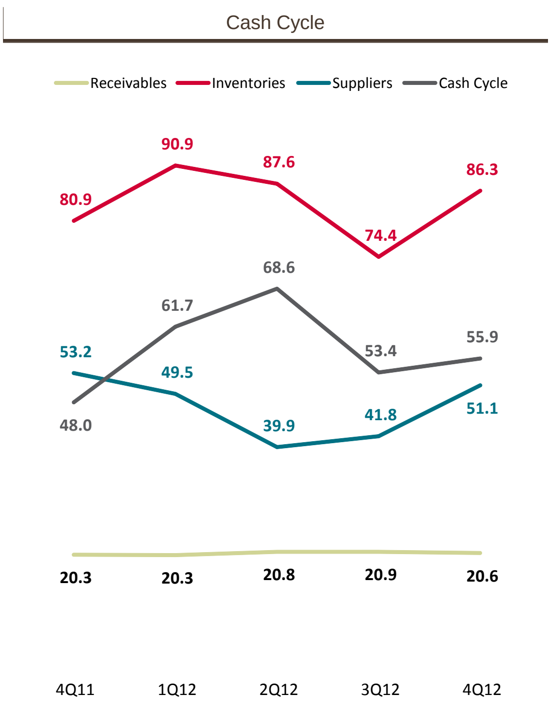
The incorporation of Raia, concluded in November 30th, required that existing Raia stores be fully relicensed under RaiaDrogasil by reapplying for all required tax, sanitary and operating licenses for more than 400 stores. As a result, the Company booked R$ 8.8 million in legal and advisory expenses and R$ 3.4 million in expenses related to the Farmacia Popular program. Also, as Raia ceased to exist, we have written off R$ 12.4 million in accumulated tax losses.

Farmacia Popular is a federal 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 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.

Finally, as the unification process progressed, remaining differences in accounting practices between Raia and Drogasil have been realigned, resulting in non-recurring adjustments of R$ 5.4 million in the contingency provision and in tax write-offs of R$ 3.4 million.

CASH CYCLE

Cash cycle increased by 7.9 days in 2012, as shown below:



Inventories increased by 5.4 days in 2012, reflecting the addition of two new distribution centers (Barra Mansa, RJ and Ribeirão Preto, SP) and a contingency plan executed at the end of 2012 to mitigate the risk of stock-outs during the incorporation of Raia by RaiaDrogasil.

There was also a reduction in suppliers of 2.1 days due to improved negotiations during the year, in which payment terms were sacrificed to improve gross margins, with very favorable return profiles.

Finally, receivables increased by 0.3 days due to a higher proportion of credit card payments, a trend that has intensified over the years.

CASH FLOW

We recorded a cash consumption of R$ 168.8 million and generated R$ 278.3 million in resources from operations, corresponding to 5.0% of our gross revenues, an increase of 42.1% over 2011. We also invested R$ 189.1 million in working capital, including R$ 66.3 million in ICMS tax credits recovery.

Fixed asset investments amounted to R$ 258.0 million in the year, including R$ 161.8 million in store development, of which R$ 46.5 million was paid to acquire the right to operate 26 Santa Marta stores in Goiás, R$ 29.0 million in existing stores renovation, and R$ 67.2 million in infrastructure.

We accrued R$ 40 million and paid R$ 34.1 million of interest on equity.

Cash Flow *(R$ million)*	**4Q12**	**4Q11**	**2012**	**2011**
EBT	**22.1**	**3.4**	**158.1**	**144.2**
(-) Income Tax	(12.0)	(13.4)	(30.3)	(43.4)
(+) Depreciation	33.2	27.2	124.3	94.4
(-) Other Adjustments	18.2	(1.8)	26.2	0.2
Resources from Operations	**61.4**	**15.4**	**278.3**	**195.4**
Cash Cycle*	(57.2)	(5.0)	(216.1)	(289.1)
ICMS Recovery	23.1	-	66.3	-
Others	12.5	19.3	(39.3)	8.6
Operations	**39.8**	**29.6**	**89.2**	**(85.2)**
Investments	**(113.0)**	**(53.3)**	**(258.0)**	**(151.0)**
Total Cash Flow	**(73.3)**	**(23.7)**	**(168.8)**	**(236.2)**

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

** Does not include financing cash flow

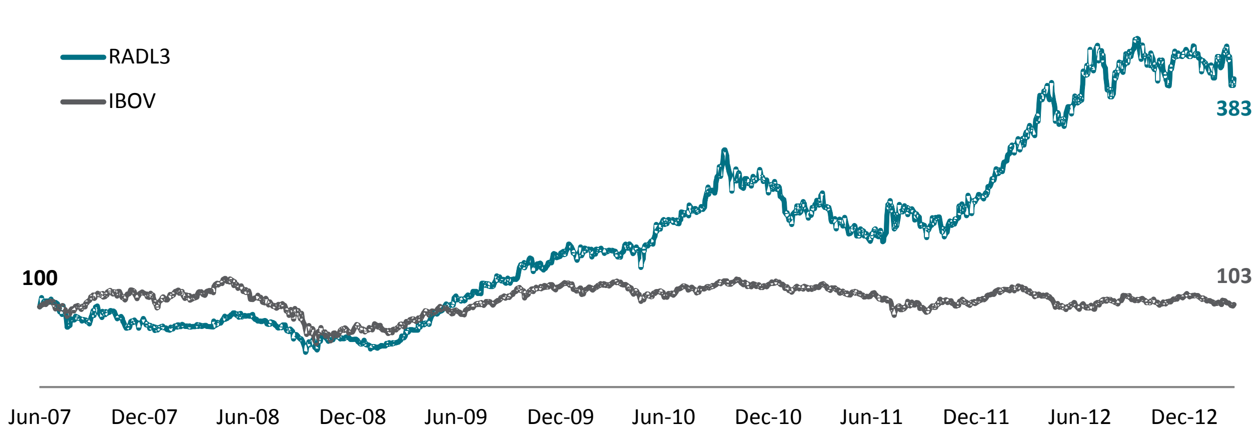
CAPITAL MARKETS

We recorded a total return of 21.6% in the last 12 months, exceeding the IBOVESPA's by 35.6 percentage point. Since the IPO of Drogasil, we achieved a cumulative increase of 282.3% when compared to 2.9% of the IBOVESPA over the same period, a compounded annual return of 26.3% in the period. Considering the IPO of Raia in December of 2010, the cumulative return in the period amounted to 104.8% when compared to a decrease of 17.7% by the IBOVESPA, a

compounded annual return of 37.0%. In the 4Q12, our average daily trading volume was of R$ 20.5 million, when compared to the average liquidity of R$ 20.0 million recorded in 2012.

Share Evolution

(Base 100)



Adjusted Income Statement	4Q11	4Q12	2011	2012
(R$ thousand)				
Gross Revenues	**1,287,973**	**1,479,979**	**4,730,034**	**5,593,835**
Taxes, Discounts and Returns	(50,263)	(53,446)	(184,963)	(213,107)
Net Revenues	**1,237,710**	**1,426,533**	**4,545,071**	**5,380,728**
Cost of Goods Sold	(900,357)	(1,025,955)	(3,332,778)	(3,886,470)
Gross Profit	**337,353**	**400,578**	**1,212,293**	**1,494,258**
Operational (Expenses) Revenues				
Sales	(218,884)	(272,853)	(786,430)	(1,001,103)
General and Administrative	(42,302)	(44,631)	(154,315)	(167,310)
Other Operational Expenses, Net				
Operational Expenses	**(261,186)**	**(317,484)**	**(940,745)**	**(1,168,413)**
EBITDA	**76,167**	**83,094**	**271,548**	**325,845**
Depreciation and Amortization	(24,460)	(30,471)	(91,717)	(109,525)
Operational Earnings before Financial Results	**51,707**	**52,623**	**179,831**	**216,320**
Financial Expenses	(4,950)	(4,826)	(21,662)	(18,902)
Financial Revenues	11,276	3,421	52,124	16,352
Financial Expenses/Revenues	**6,326**	**(1,405)**	**30,462**	**(2,550)**
Earnings before Income Tax and Social Charges	**58,033**	**51,218**	**210,293**	**213,770**
Income Tax and Social Charges	**(14,698)**	**(18,224)**	**(58,935)**	**(59,806)**
Net Income	**43,335**	**32,994**	**151,358**	**153,964**

Income Statement	4Q11	4Q12	2011	2012
(R$ thousand)				
Gross Revenues	**1,287,973**	**1,479,979**	**4,730,034**	**5,593,835**
Taxes, Discounts and Returns	(50,263)	(53,446)	(183,224)	(213,107)
Net Revenues	**1,237,710**	**1,426,533**	**4,546,810**	**5,380,728**
Cost of Goods Sold	(916,725)	(1,025,955)	(3,357,286)	(3,888,079)
Gross Profit	**320,985**	**400,578**	**1,189,524**	**1,492,649**
Operational (Expenses) Revenues				
Sales	(218,943)	(275,705)	(786,488)	(1,002,330)
General and Administrative	(42,025)	(47,146)	(154,084)	(171,450)
Other Operational Expenses, Net	(34,576)	(21,090)	(35,331)	(33,918)
Operational Expenses	**(295,544)**	**(343,941)**	**(975,903)**	**(1,207,698)**
EBITDA	**25,441**	**56,637**	**213,622**	**284,952**
Depreciation and Amortization	(27,151)	(33,162)	(94,408)	(124,327)
Operational Earnings before Financial Results	**(1,710)**	**23,475**	**119,214**	**160,624**
Financial Expenses	(4,950)	(4,826)	(21,661)	(18,902)
Financial Revenues	10,072	3,421	46,687	16,352
Financial Expenses/Revenues	**5,122**	**(1,405)**	**25,025**	**(2,550)**
Earnings before Income Tax and Social Charges	**3,412**	**22,070**	**144,238**	**158,074**
Income Tax and Social Charges	7,412	(20,663)	(38,586)	(53,219)
Net Income	**10,824**	**1,407**	**105,652**	**104,855**

RaiaDrogasil

Assets	**4Q11**	**4Q12**	**2011**	**2012**
(R$ thousand)				
Current Assets				
Cash and Cash Equivalents	339,971	166,963	339,971	166,963
Accounts Receivable	287,843	335,771	287,843	335,771
Inventories	814,975	973,396	814,975	973,396
Taxes Receivable	93,160	96,316	93,160	96,316
Other Accounts Receivable	79,340	116,772	79,340	116,772
Following Fiscal Year Expenses	10,506	4,646	10,506	4,646
	1,625,795	1,693,864	1,625,795	1,693,864
Non-Current Assets				
Deposit in Court	7,445	11,010	7,445	11,010
Taxes Receivable	35,874	9,614	35,874	9,614
Other Credits	744	1,178	744	1,178
Property, Plant and Equipment	370,605	454,322	370,605	454,322
Intangible	327,873	1,170,198	327,873	1,170,198
Goodwill	799,972		799,972	
	1,542,513	1,646,322	1,542,513	1,646,322
ASSETS	3,168,308	3,340,186	3,168,308	3,340,186

Liabilities and Shareholder's Equity	4Q11	4Q12	2011	2012
(R$ thousand)				
Current				
Suppliers	536,399	575,587	536,399	575,587
Loans and Financing	50,325	60,712	50,325	60,712
Salaries and Social Charges Payable	92,460	92,899	92,460	92,899
Taxes Payable	30,035	40,489	30,035	40,489
Dividend and Interest on Equity	3,662	5,451	3,662	5,451
Provision for Lawsuits	1,637	4,129	1,637	4,129
Other Accounts Payable	76,714	84,009	76,714	84,009
	791,232	863,276	791,232	863,276
Non-Current Assets				
Loans and Financing	111,985	131,460	111,985	131,460
Provision for Lawsuits	3,272	9,721	3,272	9,721
Income Tax and Social Charges deferred	51,715	64,021	51,715	64,021
Other Accounts Payable	8,930	7,049	8,930	7,049
	175,902	212,251	175,902	212,251
Shareholder's Equity				
Common Stock	908,639	908,639	908,639	908,639
Capital Reserves	1,039,935	1,039,935	1,039,935	1,039,935
Revaluation Reserve	13,325	13,127	13,325	13,127
Income Reserves	229,537	294,721	229,537	294,721
Additional Dividend Proposed	9,738	8,237	9,738	8,237
	2,201,174	2,264,659	2,201,174	2,264,659
LIABILITIES AND SHAREHOLDERS' EQUITY	3,168,308	3,340,186	3,168,308	3,340,186

RaiaDrogasil

	4Q11	4Q12	2011	2012
Cash Flow				
Earnings before Income Tax and Social Charges	**3,412**	**22,070**	**144,239**	**158,074**
Adjustments				
Depreciations and Amortization	27,151	33,162	94,408	124,327
Stock Option Plan	(285)		532	
P,P&E and Intangible Assets residual value	973	5,203	771	6,896
Provisioned Lawsuits	(870)	6,575	(260)	7,738
Provisioned Inventories Loss	(2,935)	2,681	183	5,909
Allowance for Doubtful Accounts	1,289	3,713	(1,071)	5,614
Interest Expenses	4,428	4,314	10,175	16,164
	33,163	**77,718**	**248,977**	**324,722**
Assets and Liabilities variation				
Financial Investments	16,444		15,319	
Accounts Receivable	(32,998)	(19,527)	(74,195)	(90,974)
Inventories	(76,821)	(146,672)	(203,589)	(164,330)
Other Short Term Assets	(7,577)	(26,997)	(48,156)	5,014
Long Term Assets	(4,955)	67,469	(9,523)	36,745
Suppliers	104,834	108,951	(11,331)	39,220
Salaries and Social Charges	(9,912)	(27,689)	22,378	439
Taxes Payable	6,681	(8,135)	5,752	(21,855)
Other Liabilities	17,636	29,917	33,938	3,699
Rent Payable	939	1,083	4,174	2,934
Cash from Operations	**47,434**	**56,118**	**(16,256)**	**135,614**
Income Tax and Social Charges Paid	(13,366)	(12,034)	(43,444)	(30,280)
Net Cash from (invested) Operational Activities	**34,068**	**44,084**	**(59,700)**	**105,334**
Investment Activities Cash Flow				
P,P&E and Intangible Acquisitions	(53,673)	(113,360)	(152,496)	(259,639)
P,P&E Sale Payments	329	313	1,509	1,680
Restricted Investments				
Net Cash from Investment Activities	**(53,344)**	**(113,047)**	**(150,987)**	**(257,959)**
Financing Activities Cash Flow				
Funding	19,193	62,184	66,325	108,746
Payments	(14,499)	(19,877)	(42,065)	(81,829)
Interest Paid	(4,590)	(3,423)	(15,596)	(13,219)
Common Stock increase, net from Share Issuance expenditures			21,899	
Exercise of Stock Option Plan Payment	644		909	
Treasury Stock Sale Payment				
Interest on Equity and Dividends Paid	(25,295)	(21,362)	(42,535)	(34,081)
Cash and Cash Equivalents in the beggining of the period	**(24,547)**	**17,522**	**(11,063)**	**(20,383)**
Cash and Cash Equivalents net increase	**(43,823)**	**(51,441)**	**(221,750)**	**(173,008)**
Cash and Cash Equivalents in the beggining of the period	**383,794**	**218,404**	**561,721**	**339,971**
Cash and Cash Equivalents in the end of the period	**339,971**	**166,963**	**339,971**	**166,963**

4Q12/2012 Results Schedule

RaiaDrogasil will disclose its results for the 4Q12/2012 on March 27th, 2013, after BM&FBovespa's trading hours.

Conference Calls – March 28th, 2013

Portuguese
at 10:00 am (Brasília) / 9:00 am (US ET)

Dial in access:
+55 (11) 3127-4971 or +55 (11) 3728-5971
Conference ID: RaiaDrogasil

Replay (available 'til 4/3/13):
+55 (11) 3127-4999
Replay ID: 80836593

English
at 12:00 pm (Brasília) / 11:00 am (US ET)

Dial in access:
+1 (412) 317-6776
Conference ID: RaiaDrogasil

Replay (available 'til 4/3/13):
+1 (412) 317-0088
Replay ID: 10024602

Live broadcast through the internet at: www.raiadrogasil.com.br

Quiet Period: According to best Corporate Governance Practices, we will be in quiet period from March 12**th**, 2013 to March 28**th**, 2013, after the Conference call.

For more information, please contact our Investor Relations department.

E-mail: ri@raiadrogasil.com.br