Quarterly Information (ITR)

Raia Drogasil S.A.

March 31, 2012

Contents

COMPANY INFORMATION / CAPITAL COMPOSITION

Number of shares (units)	Current Quarter 03/31/2012
Paid-up capital	
Common shares	330,386,000
Preferred shares	0
Total	330,386,000
Treasury shares	
Common shares	0
Preferred shares	0
Total	0

Versão : 1

Company data / Cash earnings

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

Individual financial information / Balance sheet - Assets

(In thousands of reais)

Account code	Description	Current quarter 03/31/2012	Prior Year 12/31/2011
1	Total assets	2,581,469	2,596,652
1.01	Current assets	740,971	770,563
1.01.01	Cash and cash equivalents	64,667	144,863
1.01.03	Trade accounts receivable	166,779	168,790
1.01.03.01	Trade accounts receivable	143,999	146,788
1.01.03.01.01	Checks receivable	3,272	3,359
1.01.03.01.02	Credit and debit cards	128,114	126,848
1.01.03.01.03	PBM – Pharmacy Benefits Management	9,928	14,040
1.01.03.01.04	Agreements with companies	3,376	3,191
1.01.03.01.08	(-) Allowance for doubtful accounts	-691	-650
1.01.03.02	Other receivables	22,780	22,002
1.01.03.02.01	Advances to employees	1,361	1,511
1.01.03.02.02	Advances to suppliers	3,282	3,357
1.01.03.02.03	Commercial agreements	15,922	14,030
1.01.03.02.08	Other	2,215	3,104
1.01.04	Inventories	445,980	388,763
1.01.04.01	Products for resale	446,794	388,974
1.01.04.02	Materials	2,261	2,245
1.01.04.03	(-) Allowance for losses on products	-3,075	-2,456
1.01.06	Taxes recoverable	54,861	61,579
1.01.06.01	Current taxes recoverable	54,861	61,579
1.01.07	Prepaid expenses	8,684	6,568
1.02	Non-current assets	1,840,498	1,826,089
1.02.01	Long-term receivables	48,930	39,102
1.02.01.03	Accounts receivable	607	608
1.02.01.03.02	Other receivables	607	608
1.02.01.07	Prepaid expenses	339	136
1.02.01.09	Other non-current assets	47,984	38,358
1.02.01.09.03	Compulsory deposits and tax incentives	27	0
1.02.01.09.04	Judicial deposits	5,128	4,562
1.02.01.09.05	Taxes recoverable	42,268	33,235
1.02.01.09.06	Court-ordered debt payments (“*precatórios*”)	561	561
1.02.02	Investments	1,553,889	1,554,303
1.02.02.01	Shareholding interest	1,553,889	1,554,303
1.02.02.01.02	Investments in subsidiaries	1,553,889	1,554,303
1.02.03	Property and equipment	172,693	175,126
1.02.04	Intangible assets	64,986	57,558

Individual financial information / Balance sheet – Liabilities and equity

(In thousands of reais)

Account code	Account description	Current quarter 03/31/2012	Prior year 12/31/2011
2	Total liabilities and equity	2,581,469	2,596,652
2.01	Current liabilities	291,812	324,547
2.01.01	Labor and social charges	34,674	38,112
2.01.01.01	Social obligations	8,033	6,935
2.01.01.02	Labor obligations	26,641	31,177
2.01.02	Trade accounts payable	178,665	211,047
2.01.02.01	Local suppliers	178,665	211,047
2.01.03	Tax obligations	19,170	16,781
2.01.03.01	Federal tax obligations	9,148	6,655
2.01.03.01.01	Income and social contribution taxes payable	3,268	865
2.01.03.01.02	Other federal tax obligations	5,880	5,790
2.01.03.02	State tax obligations	8,847	9,957
2.01.03.03	Local tax obligations	1,175	169
2.01.04	Loans and financing	27,793	24,928
2.01.04.01	Loans and financing	27,793	24,928
2.01.04.01.01	In local currency	27,793	24,928
2.01.05	Other liabilities	28,153	30,225
2.01.05.02	Other	28,153	30,225
2.01.05.02.01	Dividends and interest on equity capital payable	9,719	3,662
2.01.05.02.04	Rental	6,287	6,070
2.01.05.02.05	Key money	819	699
2.01.05.02.06	Other payables	11,328	19,794
2.01.06	Provisions	3,357	3,454
2.01.06.01	Tax, social security, labor and civil provisions	1,199	1,521
2.01.06.01.01	Provisions for tax contingencies	93	93
2.01.06.01.05	Provisions for legal proceedings	1,106	1,428
2.01.06.02	Other provisions	2,158	1,933
2.01.06.02.04	Provisions for internal campaigns	1,135	1,180
2.01.06.02.05	Provisions for extraordinary expenses	708	708
2.01.06.02.06	Provisions for sundry obligations	315	45
2.02	Non-current liabilities	76,097	70,931
2.02.01	Loans and financing	65,937	62,749
2.02.01.01	Loans and financing	65,937	62,749
2.02.01.01.01	In local currency	65,937	62,749
2.02.02	Other liabilities	3,034	3,020
2.02.02.02	Other	3,034	3,020
2.02.02.02.03	Other	3,034	3,020
2.02.03	Deferred taxes	6,300	4,484
2.02.03.01	Deferred income and social contribution taxes	6,300	4,484
2.02.04	Provisions	826	678
2.02.04.01	Tax, social security, labor and civil provisions	826	678
2.02.04.01.05	Provisions for legal claims	826	678
2.03	Equity	2,213,560	2,201,174
2.03.01	Paid-in capital	908,639	908,639
2.03.02	Capital reserves	1,039,935	1,039,935
2.03.03	Revaluation reserves	13,275	13,325
2.03.04	Income reserves	239,275	239,275
2.03.04.01	Legal reserve	14,375	14,375
2.03.04.02	Statutory reserve	215,162	215,162
2.03.04.08	Additional proposed dividends	9,738	9,738
2.03.05	Retained earnings/accumulated losses	12,436	0

Individual financial information / Income statement

(In thousands of reais)

Account code	Account description	YTD 01/01/2012 to 03/31/2012	Accrued - prior year 01/01/2011 to 03/31/2011
3.01	Revenue from sale of products and/or services	624,416	522,050
3.01.01	Gross revenue from sale of products and/or services	651,061	544,660
3.01.02	Taxes on sales	-23,621	-19,951
3.01.03	Rebates	-3,024	-2,659
3.02	Cost of goods sold and/or services rendered	-456,180	-393,724
3.03	Gross profit	168,236	128,326
3.04	Operating income/expenses	-142,551	-116,068
3.04.01	Selling expenses	-105,762	-88,087
3.04.02	General and administrative expenses	-29,859	-27,981
3.04.02.01	Administrative	-17,777	-17,453
3.04.02.03	Depreciation and amortization	-12,082	-10,528
3.04.05	Other operating expenses	-6,516	0
3.04.05.01	Extraordinary expenses	-6,516	0
3.04.06	Equity pickup	-414	0
3.05	Income before financial income (expenses) and taxes	25,685	12,258
3.06	Financial income (expenses)	567	2,956
3.06.01	Financial income	3,065	4,615
3.06.02	Financial expenses	-2,498	-1,659
3.07	Income before income taxes	26,252	15,214
3.08	Income and social contribution taxes	-6,866	-3,627
3.08.01	Current	-5,024	-1,892
3.08.02	Deferred	-1,842	-1,735
3.09	Net income from continuing operations	19,386	11,587
3.11	Income/loss for the period	19,386	11,587
3.99	Earnings per share (Reais/share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares	0.05868	0.06173
3.99.02	Diluted earnings per share		
3.99.02.01	Common shares	0.05868	0.06155

Individual financial information / Statement of comprehensive income

(In thousands of reais)

Account code	Account description	YTD 01/01/2012 to 03/31/2012	Accrued - prior year 01/01/2011 to 03/31/2011
4.01	Net income for the period	19,386	11,587
4.03	Comprehensive income for the period	19,386	11,587

Individual financial information / Cash flow statement – Indirect method

(In thousands of reais)

Account code	Account description	YTD 01/01/2012 to 03/31/2012	Accrued - prior year 01/01/2011 to 03/31/2011
6.01	Net cash from operating activities	-66,898	-46,783
6.01.01	Cash from operations	40,925	27,563
6.01.01.01	Income before IRPJ and CSLL	26,252	15,214
6.01.01.02	Depreciation and amortization	12,082	10,528
6.01.01.03	Stock option plan	0	133
6.01.01.04	Gain (loss) on disposal of property and equipment and intangible assets	47	43
6.01.01.05	Reversal of provision for legal claims	-723	-398
6.01.01.06	Allowance for doubtful accounts	41	5
6.01.01.07	Interest expenses	2,194	1,397
6.01.01.08	Provision for inventory losses	618	641
6.01.01.09	Equity pickup	414	0
6.01.02	Changes in assets and liabilities	-105,177	-68,315
6.01.02.01	Short-term investments	0	-454
6.01.02.02	Accounts receivable	1,970	-7,785
6.01.02.03	Inventories	-57,835	-75,715
6.01.02.04	Other current assets	5,556	-7,249
6.01.02.05	Long-term receivables	-11,396	197
6.01.02.06	Trade accounts payable	-32,349	9,351
6.01.02.07	Salaries and social charges	-3,438	357
6.01.02.08	Taxes, charges and mandatory contributions	-343	3,421
6.01.02.09	Other liabilities	-7,559	9,270
6.01.02.10	Rental payable	217	292
6.01.03	Other	-2,646	-6,031
6.01.03.01	Income and social contribution taxes paid	-2,646	-6,031
6.02	Net cash from investing activities	-17,156	-9,501
6.02.01	Additions to property and equipment and intangible assets	-17,158	-9,501
6.02.02	Proceeds from disposal of property and equipment	2	0
6.03	Net cash from financing activities	3,858	36,202
6.03.01	Financing raised	10,326	41,672
6.03.02	Repayment of financing	-4,974	-5,079
6.03.03	Interest paid	-1,494	-655
6.03.04	Proceeds from exercise of stock option plans	0	265
6.03.05	Interest on equity capital and dividends paid	0	-1
6.05	Increase/(decrease) in cash and cash equivalents	-80,196	-20,082
6.05.01	Opening cash and cash equivalents balance	144,863	180,846
6.05.02	Closing cash and cash equivalents balance	64,667	160,764

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

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury stock	Income reserves	Retained earnings/ accumulated losses	Other comprehensive income	Equity
5.01	Opening balances	908,639	1,039,935	252,600	0	0	2,201,174
5.03	Adjusted opening balances	908,639	1,039,935	252,600	0	0	2,201,174
5.04	Capital transactions with shareholders	0	0	0	-7,000	0	-7,000
5.04.07	Interest on equity capital	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	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 changes in equity – 01/01/2011 to 03/31/2011

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves Options granted and treasury stock	Income reserves	Retained earnings/ Accumulated losses	Other comprehensive income	Equity
5.01	Opening balances	285,400	100,889	212,328	0	0	598,617
5.03	Adjusted opening balances	285,400	100,889	212,328	0	0	598,617
5.04	Capital transactions with shareholders	0	-601	999	-8,150	0	-7,752
5.04.03	Options granted and recognized	0	133	0	0	0	133
5.04.05	Treasury stock disposed of	0	-734	999	0	0	265
5.04.07	Interest on equity capital	0	0	0	-8,150	0	-8,150
5.05	Total comprehensive income	0	0	0	11,587	0	11,587
5.05.01	Net income for the period	0	0	0	11,587	0	11,587
5.06	Internal changes in equity	0	0	-51	51	0	0
5.06.02	Realization reserve valuation reserve released to retained earnings	0	0	-77	77	0	0
5.06.03	Taxes on realization of revaluation reserve	0	0	26	-26	0	0
5.07	Closing balances	285,400	100,288	213,276	3,488	0	602,452

Individual financial information / Statement of value added

(In thousands of reais)

Account code	Account description	YTD 01/01/2012 to 03/31/2012	Accrued prior year 01/01/2011 to 03/31/2011
7.01	Revenues	647,967	541,969
7.01.01	Sale of goods, products and services	648,006	541,974
7.01.02	Other revenue	2	0
7.01.04	Set up/reversal of allowance for doubtful accounts	-41	-5
7.02	Inputs acquired from third parties	-440,782	-379,490
7.02.01	Cost of goods, products and services sold	-411,514	-361,410
7.02.02	Materials, electricity, third party services and other	-29,216	-18,047
7.02.03	Loss/recovery of amounts receivable	-52	-33
7.03	Gross value added	207,185	162,479
7.04	Withholdings	-12,082	-10,528
7.04.01	Depreciation, amortization and depletion	-12,082	-10,528
7.05	Net value added produced	195,103	151,951
7.06	Value added received in transfer	2,651	4,615
7.06.01	Equity pickup	-414	0
7.06.02	Financial income	3,065	4,615
7.07	Total value added to be distributed	197,754	156,566
7.08	Distribution of value added	197,754	156,566
7.08.01	Personnel	59,625	53,313
7.08.01.01	Direct compensation	47,420	43,591
7.08.01.02	Benefits	8,074	6,354
7.08.01.03	Unemployment Compensation Fund (FGTS)	4,131	3,368
7.08.02	Taxes, charges and mandatory contributions	89,028	67,169
7.08.02.01	Federal	27,113	19,826
7.08.02.02	State	60,944	46,550
7.08.02.03	Local	971	793
7.08.03	Debt remuneration	29,715	24,497
7.08.03.01	Interest	10,840	8,959
7.08.03.02	Rental	18,875	15,538
7.08.04	Equity remuneration	19,386	11,587
7.08.04.01	Interest on equity capital	7,000	8,150
7.08.04.03	Retained profit/loss for the period	12,386	3,437

Consolidated financial information / Balance sheet - Assets

(In thousands of reais)

Account code	Account description	Current quarter 03/31/2012	Prior year 12/31/2011
1	Total assets	3,121,129	3,168,308
1.01	Current assets	1,558,229	1,625,795
1.01.01	Cash and cash equivalents	169,441	339,971
1.01.03	Accounts receivable	377,954	367,183
1.01.03.01	Trade accounts receivable	286,599	287,843
1.01.03.01.01	Checks receivable	6,117	6,367
1.01.03.01.02	Credit and debit cards	247,946	242,470
1.01.03.01.03	PBM – Pharmacy Benefits Management	14,473	21,188
1.01.03.01.04	Agreements with companies	18,877	18,782
1.01.03.01.09	(-) Allowance for doubtful accounts	-814	-964
1.01.03.02	Other receivables	91,355	79,340
1.01.03.02.01	Advances to employees	2,950	7,406
1.01.03.02.02	Advances to suppliers	12,029	12,123
1.01.03.02.03	Commercial agreements	71,568	55,288
1.01.03.02.08	Other	4,808	4,523
1.01.04	Inventories	910,613	814,975
1.01.04.01	Products for resale	907,320	810,576
1.01.04.02	Materials	9,394	9,402
1.01.04.03	(-) Allowance for losses on products	-6,101	-5,003
1.01.06	Taxes recoverable	85,585	93,160
1.01.06.01	Current taxes recoverable	85,585	93,160
1.01.07	Prepaid expenses	14,636	10,506
1.02	Non-current assets	1,562,900	1,542,513
1.02.01	Long-term receivables	55,104	44,063
1.02.01.03	Accounts receivable	607	608
1.02.01.03.02	Other receivables	607	608
1.02.01.07	Prepaid expenses	339	136
1.02.01.09	Other non-current assets	54,158	43,319
1.02.01.09.03	Compulsory deposits and tax incentives	27	0
1.02.01.09.04	Judicial deposits	8,758	7,445
1.02.01.09.05	Taxes recoverable	44,812	35,313
1.02.01.09.06	Court-ordered debt payments (“*precatórios*”)	561	561
1.02.03	Property and equipment	376,808	370,605
1.02.04	Intangible assets	1,130,988	1,127,845

Consolidated financial information / Balance sheet – Liabilities and equity

(In thousands of reais)

Account code	Account description	Current quarter 03/31/2012	Prior year 12/31/2011
2	Total liabilities and equity	3,121,129	3,168,308
2.01	Current liabilities	737,440	791,232
2.01.01	Labor and social charges	85,344	92,460
2.01.01.01	Social obligations	17,967	16,553
2.01.01.02	Labor obligations	67,377	75,907
2.01.02	Trade accounts payable	495,722	536,399
2.01.02.01	Local suppliers	495,722	536,399
2.01.03	Tax obligations	35,257	30,035
2.01.03.01	Federal tax obligations	15,558	11,496
2.01.03.01.01	Income and social contribution taxes payable	3,903	865
2.01.03.01.02	Other federal tax obligations	11,655	10,631
2.01.03.02	State tax obligations	17,470	17,332
2.01.03.03	Local tax obligations	2,229	1,207
2.01.04	Loans and financing	51,678	50,325
2.01.04.01	Loans and financing	51,678	50,325
2.01.04.01.01	In local currency	51,678	50,325
2.01.05	Other liabilities	60,371	72,935
2.01.05.02	Other	60,371	72,935
2.01.05.02.01	Dividends and interest on equity capital payable	9,720	3,662
2.01.05.02.04	Rental	13,253	12,815
2.01.05.02.05	Key money	819	699
2.01.05.02.06	Other payables	36,579	55,759
2.01.06	Provisions	9,068	9,078
2.01.06.01	Tax, social security, labor and civil provisions	1,373	1,730
2.01.06.01.01	Provisions for tax contingencies	93	93
2.01.06.01.05	Provisions for legal claims	1,280	1,637
2.01.06.02	Other provisions	7,695	7,348
2.01.06.02.04	Provisions for internal campaigns	1,135	1,180
2.01.06.02.05	Provisions for extraordinary expenses	708	708
2.01.06.02.06	Provisions for sundry obligations	5,852	5,460
2.02	Non-current liabilities	170,129	175,902
2.02.01	Loans and financing	104,983	111,985
2.02.01.01	Loans and financing	104,983	111,985
2.02.01.01.01	In local currency	104,983	111,985
2.02.02	Other liabilities	8,501	8,930
2.02.02.02	Other	8,501	8,930
2.02.02.02.03	Other	8,501	8,930
2.02.03	Deferred taxes	52,673	51,715
2.02.03.01	Deferred income and social contribution taxes	52,673	51,715
2.02.04	Provisions	3,972	3,272
2.02.04.01	Tax, social security, labor and civil provisions	3,972	3,272
2.02.04.01.05	Provisions for legal claims	3,972	3,272
2.03	Consolidated equity	2,213,560	2,201,174
2.03.01	Paid-in capital	908,639	908,639
2.03.02	Capital reserves	1,039,935	1,039,935
2.03.03	Revaluation reserves	13,275	13,325
2.03.04	Income reserves	239,275	239,275
2.03.04.01	Legal reserve	14,375	14,375
2.03.04.02	Statutory reserve	215,162	215,162
2.03.04.08	Additional proposed dividends	9,738	9,738
2.03.05	Retained earnings/accumulated losses	12,436	0

Consolidated financial information / Income statement

(In thousands of reais)

Account code	Account description	YTD 01/01/2012 to 03/31/2012	Accrued - prior year 01/01/2011 to 03/31/2011
3.01	Revenue from sale of products and/or services	1,237,074	0
3.01.01	Gross revenue from sale of products and/or services	1,286,847	0
3.01.02	Taxes on sales	-42,279	0
3.01.03	Rebates	-7,494	0
3.02	Cost of goods sold and/or services rendered	-911,508	0
3.03	Gross profit	325,566	0
3.04	Operating income/expenses	-301,351	0
3.04.01	Selling expenses	-223,716	0
3.04.02	General and administrative expenses	-71,011	0
3.04.02.01	Administrative	-42,098	0
3.04.02.02	Depreciation and amortization	-28,913	0
3.04.05	Other operating expenses	-6,624	0
3.04.05.01	Extraordinary expenses	-6,624	0
3.05	Income before financial income (expenses) and taxes	24,215	0
3.06	Financial income (expenses)	1,814	0
3.06.01	Financial income	6,691	0
3.06.02	Financial expenses	-4,877	0
3.07	Income before income taxes	26,029	0
3.08	Income and social contribution taxes	-6,643	0
3.08.01	Current	-5,659	0
3.08.02	Deferred	-984	0
3.09	Net income from continuing operations	19,386	0
3.11	Consolidated income/loss for the period	19,386	0
3.11.01	Attributed to the parent company's shareholders	19,386	0
3.99	Earnings per share (Reais/share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares	0.05868	0.00000
3.99.02	Diluted earnings per share		
3.99.02.01	Common shares	0.05868	0.00000

Consolidated financial information / Statement of comprehensive income

(In thousands of reais)

Account code	Account description	YTD 01/01/2012 to 03/31/2012	Accrued - prior year 01/01/2011 to 03/31/2011
4.01	Consolidated net income for the period	19,386	0
4.03	Consolidated comprehensive income for the period	19,386	0
4.03.01	Attributed to the parent company’s shareholders	19,386	0

Consolidated financial information / Cash flow statement – Indirect method

(In thousands of reais)

Account code	Account description	YTD 01/01/2012 to 03/31/2012	Accrued - prior year 01/01/2011 to 03/31/2011
6.01	Net cash from operating activities	-122,053	0
6.01.01	Cash from operations	60,327	0
6.01.01.01	Income before IRPJ and CSLL	26,029	0
6.01.01.02	Depreciation and amortization	28,913	0
6.01.01.03	Gain (loss) on disposal or write-off of property and equipment and Intangible assets	249	0
6.01.01.04	Reversal of provision for legal claims	-784	0
6.01.01.05	Allowance for doubtful accounts	535	0
6.01.01.06	Interest expenses	4,287	0
6.01.01.07	Provision for inventory losses	1,098	0
6.01.02	Changes in assets and liabilities	-179,734	0
6.01.02.01	Accounts receivable	-11,306	0
6.01.02.02	Inventories	-96,735	0
6.01.02.03	Other current assets	4,397	0
6.01.02.04	Long-term receivables	-12,609	0
6.01.02.05	Trade accounts payable	-40,645	0
6.01.02.06	Salaries and social charges	-7,115	0
6.01.02.07	Taxes, charges and mandatory contributions	1,856	0
6.01.02.08	Other liabilities	-18,015	0
6.01.02.09	Rental payable	438	0
6.01.03	Other	-2,646	0
6.01.03.01	Income and social contribution taxes paid	-2,646	0
6.02	Net cash from investing activities	-38,540	0
6.02.01	Additions to property and equipment and intangible assets	-38,542	0
6.02.02	Proceeds from disposal of property and equipment	2	0
6.03	Net cash from financing activities	-9,937	0
6.03.01	Financing raised	10,326	0
6.03.02	Repayment of financing	-15,492	0
6.03.03	Interest paid	-4,771	0
6.05	Increase/(decrease) in cash and cash equivalents	-170,530	0
6.05.01	Opening cash and cash equivalents balance	339,971	0
6.05.02	Closing cash and cash equivalents balance	169,441	0

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

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury stock	Income reserves	Retained earnings/ accumulated losses	Other comprehensive income	Equity	Non-controlling interest	Consolidated equity
5.01	Opening balances	908,639	1,039,935	252,600	0	0	2,201,174	0	2,201,174
5.03	Adjusted opening balances	908,639	1,039,935	252,600	0	0	2,201,174	0	2,201,174
5.04	Capital transactions with shareholders	0	0	0	-7,000	0	-7.000	0	-7,000
5.04.07	Interest on equity capital	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)

Account Code	Account description	YTD 01/01/2012 to 03/31/2012	Accrued - prior year 01/01/2011 to 03/31/2011
7.01	Revenues	1,278,790	0
7.01.01	Sale of goods, products and services	1,279,323	0
7.01.02	Other revenue	2	0
7.01.04	Set up/reversal of allowance for doubtful accounts	-535	0
7.02	Inputs acquired from third parties	-899,011	0
7.02.01	Cost of goods, products and services sold	-839,394	0
7.02.02	Materials, electricity, third party services and other	-59,565	0
7.02.03	Loss/recovery of amounts receivable	-52	0
7.03	Gross value added	379,779	0
7.04	Withholdings	-28,913	0
7.04.01	Depreciation, amortization and depletion	-28,913	0
7.05	Net value added produced	350,866	0
7.06	Value added received in transfer	6,691	0
7.06.02	Financial income	6,691	0
7.07	Total value added to be distributed	357,557	0
7.08	Distribution of value added	357,557	0
7.08.01	Personnel	127,863	0
7.08.01.01	Direct compensation	99,695	0
7.08.01.02	Benefits	20,203	0
7.08.01.03	Unemployment Compensation Fund (FGTS)	7,965	0
7.08.02	Taxes, charges and mandatory contributions	149,906	0
7.08.02.01	Federal	52,122	0
7.08.02.02	State	96,055	0
7.08.02.03	Local	1,729	0
7.08.03	Debt remuneration	60,402	0
7.08.03.01	Interest	20,249	0
7.08.03.02	Rental	40,153	0
7.08.04	Equity remuneration	19,386	0
7.08.04.01	Interest on equity capital	7,000	0
7.08.04.03	Retained profit/loss for the period	12,386	0

EARNINGS RELEASE – FIRST QUARTER OF 2012

São Paulo, May 10, 2012. RaiaDrogasil S.A. (BM&FBovespa: RADL3) announces today its results for the 1st quarter of 2012 (1Q12). The consolidated financial statements of RaiaDrogasil S.A. and of its wholly-owned subsidiary Raia S.A. for the period ended March 31st, 2012 were prepared in accordance with IFRS and were audited 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 unaudited combined financial information of RaiaDrogasil S.A. and for Raia S.A. for 2011. This unaudited combined financial information represents a summation of the audited unconsolidated individual financial statements of each RaiaDrogasil and Raia for the fiscal year, without the equity effects of Raia recognized into RaiaDrogasil. The combined non-audited financial statements for the period ended on March 31st, 2012 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 presented periods. This way, the combined information 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 expenses 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 the first quarter of 2012 and of 2011, excluding the effects of non-recurring expenses.

HIGHLIGHTS:

- **Drugstores: 785 stores in operation (9 new store openings)**
- **Gross Revenues: R$ 1,286 million, 22.4% of growth (14.8% for same-store sales)**
- **Adjusted Gross Margin: 25.4% of gross revenues (1.2 percentage point increase)**
- **Adjusted EBITDA: R$ 61.4 million, an increase of 37.5%**
- **Adjusted EBITDA Margin: 4.8%, a 0.6 percentage point margin expansion**
- **Adjusted Net Income: R$ 27.5 million, 2.1% of net margin**

Combined Summary	1Q11	2Q11	3Q11	4Q11	1Q12
(R$ thousand)					
# of Stores (end of period)	696	715	743	776	785
Store Openings	8	20	31	40	9
Store Closures	0	1	3	7	0
# of Stores (average)	694	707	734	762	781
Head Count	14,749	15,583	16,278	17,244	18,510
Ticket Count	26,471	28,160	29,315	30,143	29,790
Gross Revenues	1,051,744	1,158,037	1,232,279	1,287,973	1,286,847
Gross Profit (Adjusted)	254,593	305,753	314,639	337,867	327,176
% of Gross Revenues	24.2%	26.4%	25.5%	26.2%	25.4%
EBITDA (Adjusted)	44,616	82,333	68,433	76,167	61,362
% of Gross Revenues	4.2%	7.1%	5.6%	5.9%	4.8%
Net Profit (Adjusted)	21,874	51,101	35,049	43,334	27,484
% of Gross Revenues	2.1%	4.4%	2.8%	3.4%	2.1%

RADL3: **R$20.90/share**

Number of Shares: **330,386,020**

Market Cap: **R$ 6,905 million**

Closing: **May 9th, 2012**

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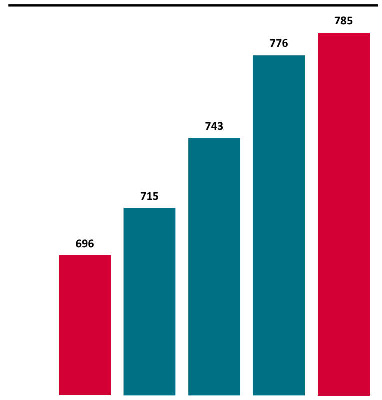
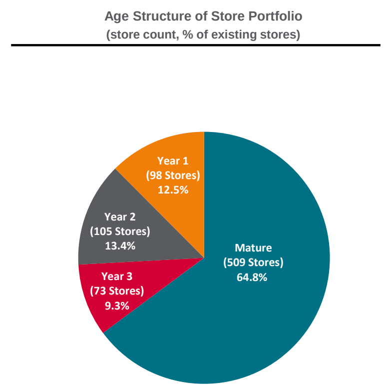
STORE DEVELOPMENT

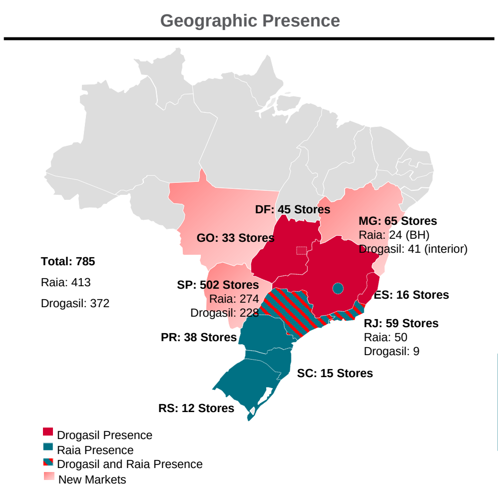
We ended the first quarter of 2012 with 785 stores in operation through the opening of 9 new stores (6 for Raia and 3 for Drogasil). At the end of the period, 34% of our stores were still undergoing maturation, and had not yet reached their full potential in terms of revenues and profitability.

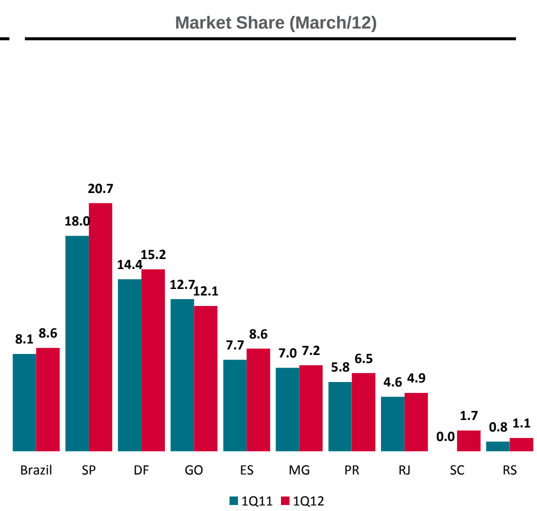


	1Q11	2Q11	3Q11	4Q11	1Q12
Opened	8	20	31	40	9
Closed	0	1	3	7	0



The chart below illustrates our geographic presence and the market share evolution that we obtained in each of the states where we operate.





PHARMACEUTICAL MARKET DISTRIBUTION BY STATE

Brazil	SP	DF	GO	ES	MG	PR	RJ	RS	SC
100.0%	26.0%	2.3%	3.2%	2.0%	10.5%	5.7%	13.0%	7.8%	3.9%

We reached in March 2012 a national market share of 8.6%, which represents an annual share increase of 0.5 percentage point. We also increased our market share in almost all the states where we operate.

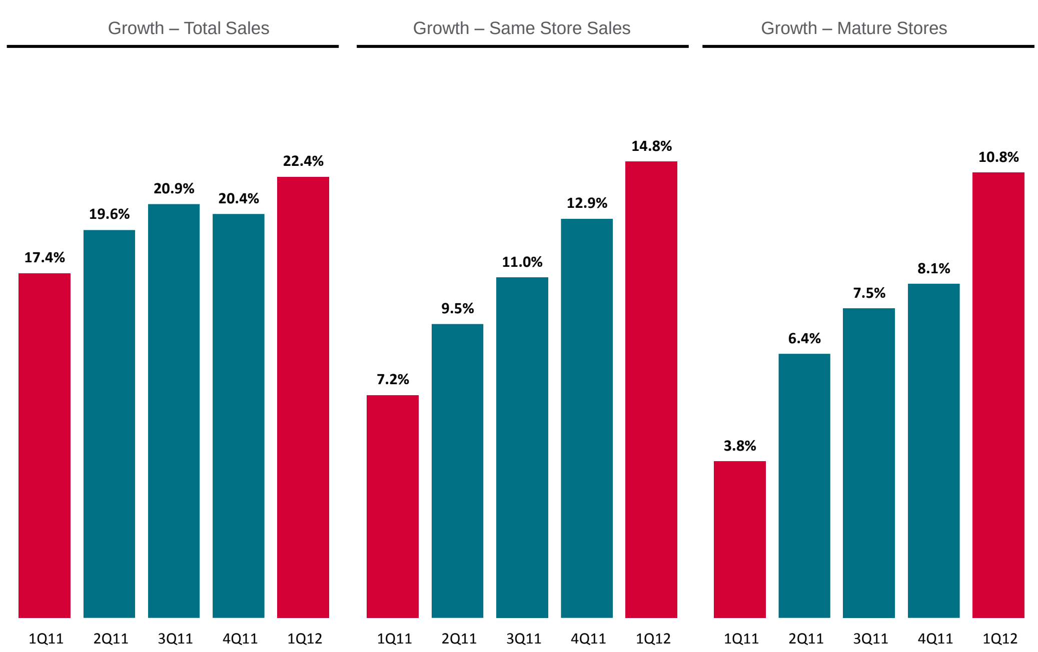
We highlight the significant market share increase achieved in the state of São Paulo, our main market. The consistent improvement in inventory levels of our existing stores and the quality of our expansion in the region, were the main drivers behind a market share gain of 2.7 percentage points.

We also recorded important market share gains in recent markets, like Distrito Federal (0.8 percentage point gain) and Espírito Santo (0.9 percentage point increase) with the ongoing maturation of our operations, as well as in Paraná (0.7 percentage point increase) due to our recent entry into the countryside, and in Santa Catarina, where we entered in May of 2011 and have already reached a total of 15 stores in operation that totaled 1,7% of market share in the state.

GROSS REVENUES

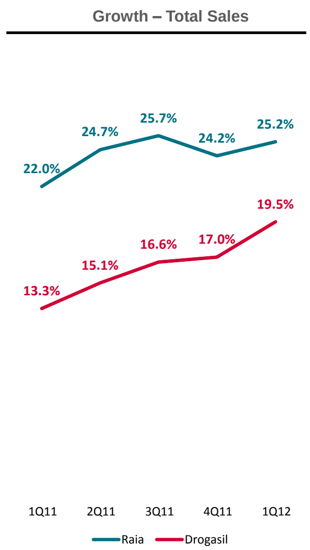
We recorded gross revenues of R$ 1,286 million in the quarter, a 22.4% increase when compared to the same period in 2011. We reached 14.8% of growth for our same store sales and 10.8% for our mature stores, which have three or more years in operation. We sustained the recovery trend that began in the second quarter of 2011 and accelerated growth for the fourth consecutive quarter. It is important to highlight that a favorable calendar positively imparted our growth by 1.2 percentage point, since 2012 is a leap year with an extra day of sales in the quarter.

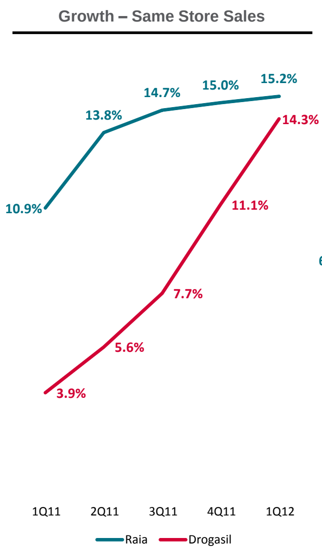
Combined Revenue Growth



We recorded in the quarter similar mature store growth levels for both Droga Raia and Drogasil, which grew by 10.9% and 10.7%, respectively. However, due to its higher maturation momentum, Droga Raia achieved higher total revenue and same-store sales growth, as shown in the graph below.

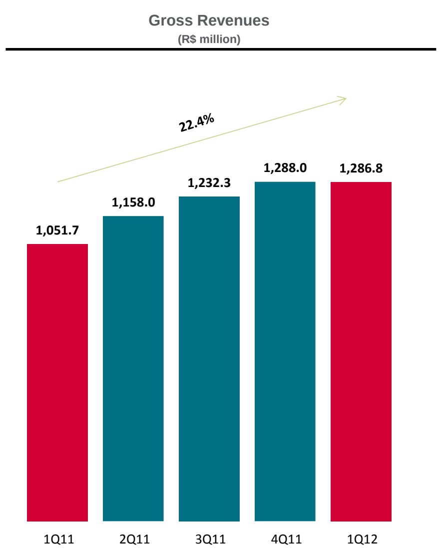
Sales Evolution of Raia and Drogasil

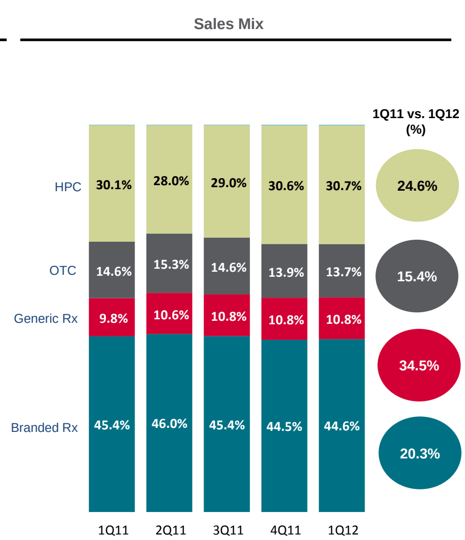




Droga Raia sustained the strong mature store growth pace that started in the beginning of 2011, in spite of the high comp base of 6.7% that had been recorded at the 1Q11. This performance can be credited to an improvement in our operating standards that was achieved through stock-out reductions and increased staff deployment at Droga Raia in 2011 following its IPO. Likewise, Drogasil, which faced the lower comp base of 2011, was able to further accelerate on the strong sales recovery that had started in the second half of 2011.

We maintained in the quarter our strong growth momentum in Generics and were able to accelerate growth in Hygiene & Personal Care, which, this time, was positively impacted by favorable weather in the quarter.





We recorded a 34.5% increase in Generics, our fastest growing category in the quarter. Generics share in our sales mix remained at 10.8%, the same level of the 4Q11 and a 1.0 percentage point increase over the 1Q11.

Generics growth constitutes an important gross margin expansion lever, because they are significantly more profitable than branded pharmaceuticals. The main drivers of this growth have been the wave of new generics introductions, which started in the end of 2010 and intensified in 2011, and our improved execution in generics at our stores.

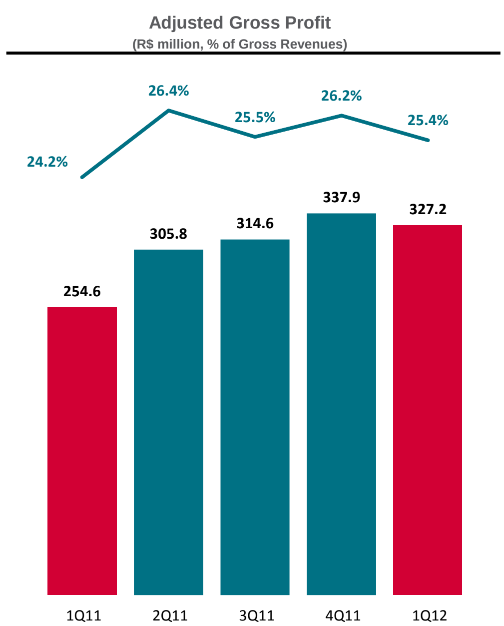
Hygiene & Personal care grew 24.6% in the quarter, an increase of 0.6 percentage point over the previous year and of 0.1 percentage point over the 4Q11, which is a seasonally favorable quarter for the category.

GROSS PROFIT

We ended the first quarter of 2012 with an adjusted gross margin of 25.4%, a 28.5% increase and a 1.2 percentage point gross margin gain over the 1Q11. It is important to mention that we returned to the same gross margin level of the 3Q11, which constituted a 0.8 percentage point margin decrease over the 4Q11.

The quarter marked the starting of the purchasing terms renegotiation cycle with our main suppliers as a new merged company, which is now in its final stages. As the process unfolded, we faced a postponement of certain trade allowances that partially and provisionally penalized our gross margin in the quarter.

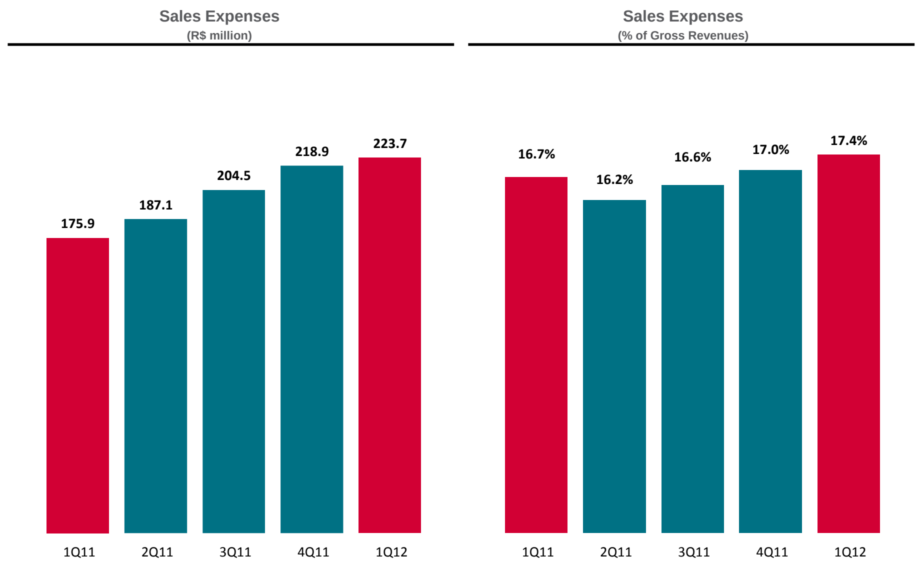
It is important to mention that we booked in the quarter R$ 1.6 million in non-recurring expenses related to the final amortization of the PPA on inventories. We also recorded in the 1Q11 a gross profit reduction of R$ 2.2 million related to the alignment in the criteria for trade allowances recognition, which consisted in the quarter's accrual of the R$ 11.0 million reported in the 4Q11.



* Adjusted Gross Profit excludes the R$ 1.6 million amortization of the PPA on inventories in the 1Q12 and the R$ 7.1 million amortization in 2011, as well as the effects of the accounting practice alignment between Raia and Drogasil, which amounted to another R$ 23.3 million in 2011.

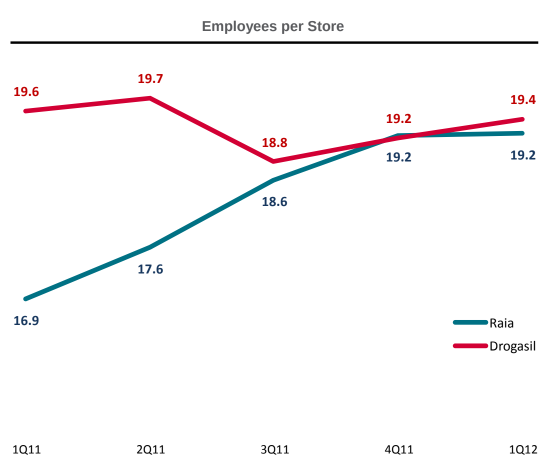
SALES EXPENSES

Sales expenses totaled R$ 223.7 million in the quarter, equivalent to 17.4% of gross revenues. We experienced a 0.7 percentage point increase when compared to the same period in 2011. Our revenues per store in the quarter increased by 8.7%, while expenses per store grew 13.0% in the same period, which negatively affected our expense absorption.



The increase in sales expenses resulted from the acceleration of inflation rates in 2011, from the opening of two additional distribution centers, one in Goiás in 2011 and the other in Rio de Janeiro that started operating in the 1Q12, and especially, from the enhancement in the number of employees per store at Droga Raia.

We raised the average number of employees per store at Droga Raia in order to fulfill an important competitive gap in relation to Drogasil and to our main competitors. This new headcount level (circa 19 employees per store) is allowing us to materially improve our service standards and customer satisfaction, thus contributing in a decisive way to increase our average revenues and profitability per store so as to progressively close the gap to Drogasil.



The rise in inflation has also pressured our expenses in 2011 and into the 1Q12. The main inflationary pressure came from the annual salary readjustment undertook in July. The negotiated readjustment applied in July 2011 was of 8.3%, which was above the CPI of 6.5% registered in the year. The increase in the store headcount and the salary readjustments caused a raise of 0.4 percentage point in our sales personnel expenses.

Finally, in order to support our growth, we opened in the 2H11 a new Distribution Center with a footprint of 12,600 square meters in the state of Goiás in order to serve our stores in the Midwest region, and started the opening process of a 8,400 square meter distribution center in Rio de Janeiro. In the first months of operation, new DCs generally work significantly under capacity, which is progressively solved as our operations grow and mature in the region. These new distribution centers brought additional expenses of R$ 2.3 million, equivalent to 0.2 percentage point of our gross revenues in the 1Q12.

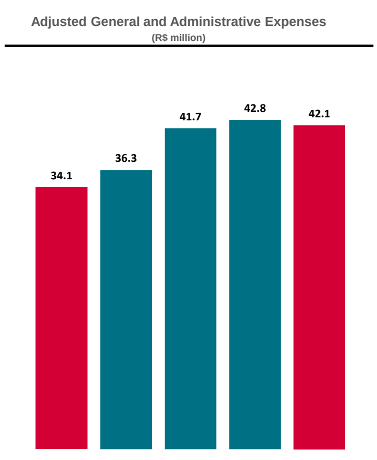
GENERAL AND ADMINISTRATIVE EXPENSES

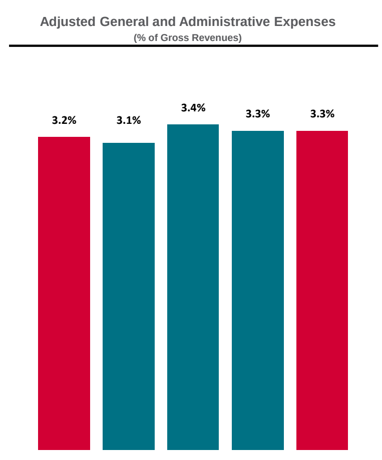
General and Administrative expenses amounted to R$ 42.1 million in the quarter, equivalent to 3.3% of our gross revenues, which represented a 0.1 percentage point increase when compared to the same period in 2011.

We strengthened our corporate structure in 2011 by upgrading our human resources area so as to support our expansion program. Also, as we raised the average number of employees per store, we had to bear higher admission and training expenses.

We recorded a R$ 0.7 million reduction in general and administrative expenses over the 4Q11, which is credited to the synergies captured in the unification of our top and middle management and to a freeze in new hires at our headquarters. As a result, we maintained an expense absorption level in line with the ones of the 3Q11 and 4Q11 in spite of a seasonally unfavorable quarter in terms of revenues. Therefore, the 0.1 percentage point expense increase over the 1Q11 was mainly due to the maintenance of the structure that had already been established through 2011.

We emphasize that these reported expenses do not reflect non-recurring expenses related to management consulting fees and severance payments generated by our post-merger integration process that totaled R$ 6.6 million in the quarter, as well as the non-recurring transaction expenses recorded at the 4Q11.



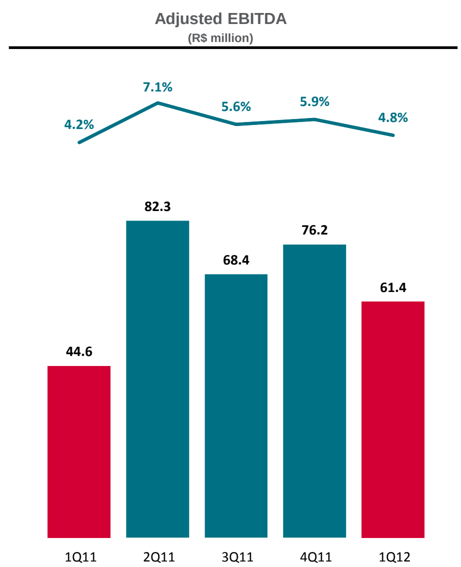


* Excludes R$ 6.6 million of non-recurring expenses recorded in the 1Q12 (consultancy and resignation expenses) and R$ 35.3 million recorded in 2011 (general transaction expenses, including Bank fees, consultancy expenses and alignment of accounting practices).

EBITDA

We reached R$ 61.4 million of adjusted EBITDA in the quarter, a 37.7% increase when compared to the 1Q11. Our EBITDA margin grew by 0.6 percentage point over the previous year, and represented 4.8% of gross revenues. We recorded an important gross margin increase over the 1Q11 that allowed us to offset the sales expenses pressure and the slight increase in administrative expenses in the quarter.

It is important to highlight that the stores opened or in the process of opening in 2012 generated gross revenues of R$ 2.2 million in the quarter, and penalized our EBITDA by R$ 2.5 million. Therefore, the 776 stores we had at the end of 2011 produced an adjusted EBITDA of R$ 63.9 million, an EBITDA margin of 5.0% over gross revenues of R$ 1.3 billion in the quarter.



* Excludes R$ 8.2 million of non-recurring expenses (R$ 6.6 million in consulting and R$ 1.6 million in PPA amortization over inventories) incurred in the 1Q12 and R$ 57.9 million of non-recurring expenses (general transaction expenses, including investment bank fees, consultig expenses, alignment of accounting practices and amortization of the PPA over inventories) recorded in 2011.

EBITDA Reconciliation	1Q11	1Q12
(R$ thousand)		
Net Income	**18.9**	**19.4**
Net Financial Expenses (Revenues)	(8.1)	(1.8)
Income Tax	9.9	6.6
Depreciation and Amortization	21.7	28.9
EBITDA	**42.5**	**53.1**
Consultancy and Resignation Expenses		6.6
PPA Amortization over Inventories		1.6
Trade Allowance Alignment	2.2	
Adjustments	**2.2**	**8.2**
Adjusted EBITDA	**44.6**	**61.4**
% of Gross Revenues	4.2%	4.8%

* The 1Q11 EBITDA was impacted by R$ 2.2 million of non-recurring expenses, which corresponded to the quarter's accrual of the R$ 11.0 million charge for the alignment in the criteria for trade allowance recognition, which was reported in the 4Q11.

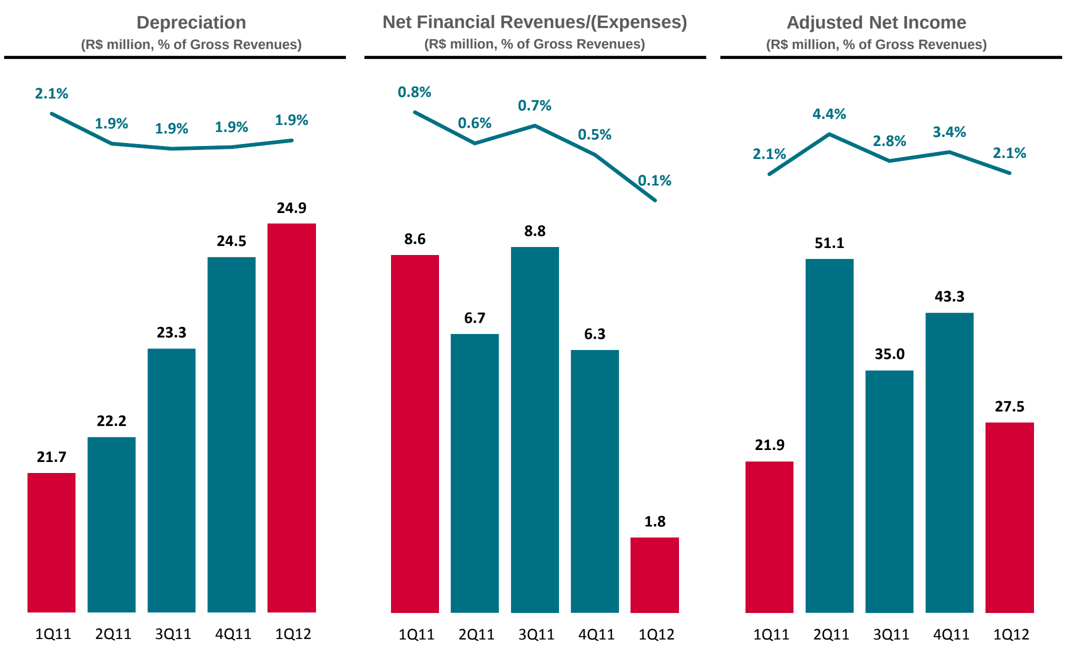
FINANCIAL REVENUES, DEPRECIATION AND NET INCOME

Our net financial revenues totaled R$ 1.8 million in the quarter, equivalent to 0.1% of our gross revenues, when compared to net financial revenues of R$ 8.6 million in 1Q11. This reduction stemmed from the cash consumption incurred in the last 12 months, which reduced net cash and financial income.

Depreciation totaled R$ 24.9 million, or 1.9% of gross revenues, a 0.2 percentage point decrease over the same period in 2011 that resulted from our same-store sales growth.

As a consequence of the improvement in our performance, we recorded an adjusted net income of R$ 27.4 million, a 25.5% increase over 2011.

When considering our non-recurring expenses related to the transaction, our net income totaled R$ 19.4 million, a reduction of 11.4% over the 1Q11 and a net margin of 1.5% of gross revenues.

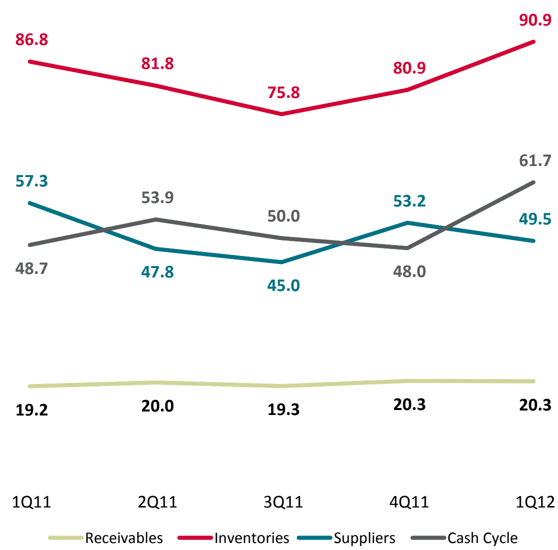


* Excludes R$ 8.2 million of non-recurring expenses in the 1Q12 (net effect of R$ 4.1 million in consultancy and resignation and R$ 4.1 million of PPA amortization over inventories, commercial points, PBM and loyalty card) and R$ 45.7 million in 2011.

CASH CYCLE

We invested 13 days of cash cycle when compared to the 1Q11, as shown below:

Cash Cycle



The increase in our cash consumption over the 1Q11 was due to the new purchasing strategy adopted by Raia at the beginning of 2011, following its IPO, which assumed a reduction of payment terms and an increase in inventory levels through opportunistic purchases, which aimed at improving the purchasing conditions with our suppliers. The adoption of this strategy was the main driver behind the gross margin expansion of 1.2 percentage point over 2011.

It is important to highlight that the first quarter of each year implies in a seasonal cash consumption, which is due to the payment of summer products sold at the end of the previous year that were purchased with extended terms, as well as to the forward buying in anticipation to the annual pharmaceuticals price increase that happened at the end of March.

CASH FLOW

We experienced in the first quarter of 2012 a cash consumption of R$ 154.0 million.

We generated R$ 65.9 million in resources from operations, corresponding to 5.1% of our gross sales, an increase of 33.7% over 2011, and employed R$ 181.3 million in working capital, when compared to a cash consumption o R$ 197.7 million in the 1Q11. We invested R$ 38.5 million in the quarter: R$ 19.3 million in store development, R$ 3.9 million in the maintenance of existing stores, and R$ 15.3 million in the upgrade of our infrastructure.

It is important to mention that the first quarter is a seasonally unfavorable quarter in terms of cash consumption, due to our lower sales, to the payment of summer products sold in the fourth quarter, and to the inventory increase through forward buying in anticipation of the annual price increase for pharmaceutical products.

Cash Flow	1Q12	1Q11	Var.
(R$ million)			
EBT	**38.3**	**28.8**	**9.5**
(-) Income Tax	(2.6)	(7.4)	4.7
(+) Depreciation	24.9	21.7	3.1
(-) Other Adjustments	5.4	6.1	(0.7)
Resources from Operations	**65.9**	**49.3**	**16.6**
Cash Cycle*	(150.3)	(205.0)	54.7
Others	(31.0)	7.3	(38.4)
Operations	**(115.4)**	**(148.4)**	**33.0**
Investments	**(38.5)**	**(25.0)**	**(13.5)**
Total Cash Flow	**(154.0)**	**(173.5)**	**19.5**

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

** Does not include financing cash flow

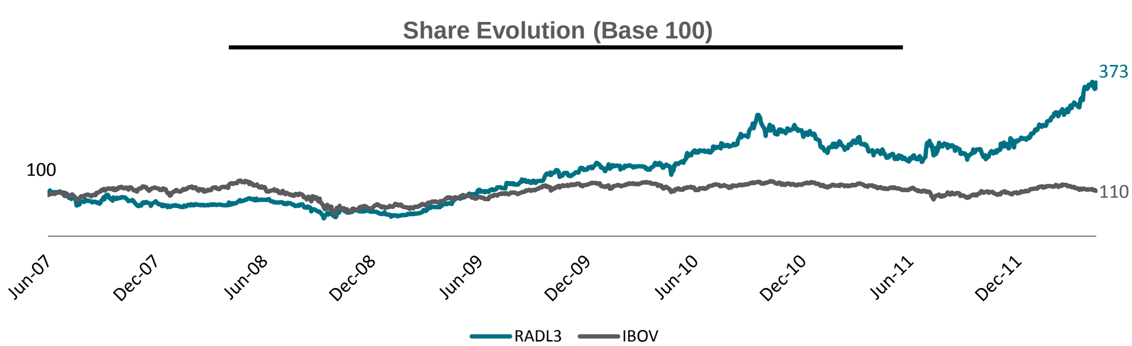
We accrued R$ 7.0 million in interest on equity in the quarter, a 14.1% decrease over the R$ 8.2 million accrued in 2011 as a result of our non-recurring expenses, which penalized our net income.

CAPITAL MARKETS

Considering the stock price of R$ 20.90 in May 9th, 2012, we recorded a cumulative return of 61.1% in 2012. Our appreciation exceeded IBOVESPA's by 55.8 percentage points, reflecting both our performance and the trust bestowed on us by our investors.

As a consequence of the increase in our trading index, we recorded a significant increase in our liquidity. In April, our average daily trading volume was of R$ 25.1 million, when compared to the average liquidity of R$ 11.5 million that we recorded since the beginning of 2012.

The chart below highlights the increase in our stock price since the IPO of Drogasil in June 2007. We achieved a cumulative increase of 273.2% when compared to only 9.9% registered by the IBOVESPA over the same period, a compounded annual return of 30.8% in the period. For those who invested at the Raia IPO in December of 2010, the cumulative return in the period amounted to 99.5% when compared to a decrease of 12.1% recorded by the IBOVESPA, a compounded annual return of 63.0% in the period.



Adjusted Income Statement	1Q11	1Q12
(R$ thousand)		
Gross Revenues	**1,051,744**	**1,286,847**
Taxes, Discounts and Returns	(40,846)	(49,773)
Net Revenues	**1,010,898**	**1,237,074**
Cost of Goods Sold	(756,306)	(909,899)
Gross Profit	**254,592**	**327,175**
Operational (Expenses) Revenues		
Sales	(175,906)	(223,716)
General and Administrative	(34,071)	(42,099)
Other Operational Expenses, Net		
Operational Expenses	**(209,977)**	**(265,815)**
EBITDA	**44,615**	**61,360**
Depreciation and Amortization	(21,746)	(24,876)
Operational Earnings before Financial Results	**22,869**	**36,484**
Financial Expenses	(5,807)	(4,877)
Financial Revenues	14,418	6,691
Financial Expenses/Revenues	**8,611**	**1,814**
Earnings before Income Tax and Social Charges	**31,480**	**38,298**
Income Tax and Social Charges	**(9,607)**	**(10,815)**
Net Income	**21,873**	**27,483**

Income Statement *(R$ thousand)*	**1Q11**	**1Q12**
Gross Revenues	**1,051,744**	**1,286,847**
Taxes, Discounts and Returns	(40,846)	(49,773)
Net Revenues	**1,010,898**	**1,237,074**
Cost of Goods Sold	(758,458)	(911,508)
Gross Profit	**252,440**	**325,566**
Operational (Expenses) Revenues		
Sales	(175,906)	(223,716)
General and Administrative	(34,071)	(42,099)
Other Operational Expenses, Net		(6,624)
Operational Expenses	**(209,977)**	**(272,439)**
EBITDA	**42,463**	**53,127**
Depreciation and Amortization	**(21,746)**	**(28,913)**
Operational Earnings before Financial Results	**20,717**	**24,215**
Financial Expenses	(5,807)	(4,877)
Financial Revenues	13,860	6,691
Financial Expenses/Revenues	**8,053**	**1,814**
Earnings before Income Tax and Social Charges	**28,770**	**26,028**
Income Tax and Social Charges	(9,872)	(6,643)
Net Income	**18,898**	**19,385**

Assets	**1Q11**	**1Q12**
(R$ thousand)		
Current Assets		
Cash and Cash Equivalents	436,795	169,441
Financial Assets Held to Maturity	15,773	
Accounts Receivable	221,957	286,599
Inventories	723,148	910,612
Taxes Receivable	63,326	85,585
Other Accounts Receivable	62,397	91,355
Following Fiscal Year Expenses	9,138	14,636
	1,532,534	1,558,228
Non-Current Assets		
Deposit in Court	4,609	8,758
Taxes Receivable	27,150	45,373
Income Tax and Social Charges deferred	47,289	
Other Credits	698	974
Investments		
Property, Plant and Equipment	317,836	376,808
Intangible	97,926	1,130,988
Goodwill		
	495,509	1,562,901
ASSETS	2,028,042	3,121,129

Liabilities and Shareholder's Equity	**1Q11**	**1Q12**
(R$ thousand)		
Current		
Suppliers	477,726	495,722
Loans and Financing	49,839	51,678
Salaries and Social Charges Payable	67,567	85,344
Taxes Payable	23,995	35,256
Dividend and Interest on Equity	18,878	9,720
Provision for Lawsuits	1,092	1,280
Other Accounts Payable	48,222	58,438
	687,319	737,438
Non-Current Assets		
Loans and Financing	124,796	104,983
Provision for Lawsuits	5,671	3,972
Income Tax and Social Charges deferred	81	52,673
Other Accounts Payable	10,807	8,501
	141,355	170,129
Shareholder's Equity		
Common Stock	840,372	908,639
Capital Reserves	137,954	1,039,935
Revaluation Reserve	19,473	13,275
Income Reserves	199,636	229,536
Accrued Income		12,436
Treasury Stock	(2,304)	
Additional Dividend Proposed	4,238	9,738
	1,199,369	2,213,559
LIABILITIES AND SHAREHOLDERS' EQUITY	2,028,043	3,121,126

Notes to quarterly information

1. Operations

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

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

Sales are carried out by 785 stores, located in the states of São Paulo, Minas Gerais, Rio de Janeiro, Federal District, Paraná, Goiás, Espírito Santo, Santa Catarina and Rio Grande do Sul as follows:

	Company (not reviewed)	Consolidated (not reviewed)
	Mar-2012	Mar-2012
São Paulo	228	502
Minas Gerais	41	65
Rio de Janeiro	9	59
Federal District	45	45
Paraná		38
Goiás	33	33
Espírito Santo	16	16
Santa Catarina		15
Rio Grande do Sul		12
	372	785

2. Presentation of the quarterly information

Individual and consolidated quarterly information was approved by the Executive Board on April 30, 2012.

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

Once the association between the Company and its subsidiary Raia S.A. occurred on November 10, 2011 and that, at March 31, 2011 there was no consolidated financial information, the information presented in the consolidated statement of changes in equity, cash flow statement, statement of value added and income statement referring to such period is zeroed.

The Company's individual and consolidated interim financial information for the periods ended March 31, 2012 and 2011 was prepared and is presented in accordance with accounting pronouncement CPC 21 (Interim Financial Information) and with IAS 34, with observance of the provisions contained in Circular CVM/SNC/SEP No. 003/2011, of April 28, 2011.

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

Notes to quarterly information

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

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

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

(i) Revenues from commercial agreements with suppliers, net of taxes (PIS and COFINS), previously presented as operating and financial revenues, are now presented as accounts reducing cost of goods sold; and

(ii) Service revenues (cell phone credits, sale of tokens for scales, publicity in points of sale, among others), net of taxes (ISS), previously recorded under: Other operating revenues and accounts reducing selling expenses are now recognized as net sales revenues.

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

To enable comparison between the years, the amounts reclassified in the 1st quarter of 2011 are shown below:

(i) Income statements	**1st quarter - 2011**	**Reclassifications**	**1st quarter-2011 (reclassified)**
Net sales revenue	521,271	779	522,050
Cost of products sold	(403,706)	9,982	(393,724)
Selling expenses	(89,839)	1,752	(88,087)
General and administrative	(28,602)	621	(27,981)
Other operating income (expenses), net	12,576	(12,576)	
Financial income	5,173	(558)	4,615

(ii) Statements of value added	**1st quarter - 2011**	**Reclassifications**	**1st quarter-2011 (reclassified)**
Gross sales of products, goods and services	541,155	819	541,974
Cost of products, goods and services sold	(371,392)	9,982	(361,410)
Materials, electric energy, outsourced services and other	(9,072)	(8,975)	(18,047)
Financial income	5,173	(558)	4,615
Direct compensation	42,363	1,228	43,591
Local	753	40	793

In the 1st quarter of 2011, the Company reclassified deferred income and social contribution taxes in the amount of R$4,116 from non-current liabilities to non-current assets.

Notes to quarterly information

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

The Company adopted all the standards, revised standards and interpretations issued by the CPC and IASB in effect as of March 31, 2012.

3. Standards and interpretations of standards not yet effective

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

4. Significant accounting practices

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

5. Cash and cash equivalents

	Company		Consolidated	
	Mar-2012	**Dec-2011**	**Mar-2012**	**Dec-2011**
Cash and banks	**12,111**	15,750	**26,911**	31,050
Bank deposit certificates	**25,786**	102,997	**115,760**	282,805
Time deposits with special guarantee of the FGC (Credit Guarantee Fund)	**26,770**	26,116	**26,770**	26,116
	64,667	144,863	**169,441**	339,971

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

Notes to quarterly information

6. Trade accounts receivable

The aging list of trade accounts receivable is as follows:

	Company		Consolidated	
	Mar-2012	**Dec-2011**	**Mar-2012**	**Dec-2011**
Falling due	**143,834**	141,903	**284,094**	279,588
Overdue				
From 1 to 30 days	**424**	4,927	**1,688**	7,811
From 31 to 60 days	**118**	128	**797**	614
From 61 to 90 days	**87**	74	**409**	74
From 91 to 180 days	**197**	201	**395**	201
From 181 to 360 days	**6**	4	**6**	4
More than 360 days	**24**	201	**24**	515
Allowance for doubtful accounts	**(691)**	(650)	**(814)**	(964)
	143,999	146,788	**286,599**	287,843

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

Changes in allowance for doubtful accounts are as follows:

	Company		Consolidated	
	Mar-2012	**Dec-2011**	**Mar-2012**	**Dec-2011**
Opening balance	**(650)**	(494)	**(964)**	(494)
Additions	**(343)**	(650)	**(465)**	(650)
Additions arising from business combinations				(314)
Reversals	**302**	494	**615**	494
Closing balance	**(691)**	(650)	**(814)**	(964)

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

Notes to quarterly information

7. Inventories

	Company		Consolidated	
	Mar-2012	**Dec-2011**	**Mar-2012**	**Dec-2011**
Products for resale	**446,794**	388,974	**907,320**	810,575
Materials	**2,261**	2,245	**9,394**	9,403
Provision for losses on goods	**(3,075)**	(2,456)	**(6,101)**	(5,003)
Total inventories	**445,980**	388,763	**910,613**	814,975

The Company's inventories are stated at cost.

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

	Company		Consolidated	
	Mar-2012	**Dec-2011**	**Mar-2012**	**Dec-2011**
Opening balance	**(2,456)**	(1,197)	**(5,003)**	(1,197)
Additions	**(619)**	(1,928)	**(5,024)**	(1,928)
Additions arising from business combinations	**0**	0		(3,306)
Reversals	**0**	669	**3,926**	1,428
Closing balance	**(3,075)**	(2,456)	**(6,101)**	(5,003)

In the quarter ended March 31, 2012, cost of goods sold recognized in P&L in relation to continuing operations totaled R$ 451,440 (R$ 390,270 in the 1st quarter of 2011), Company, and R$ 906,288, consolidated.

Inventories written off and recognized as loss in the quarter totaled R$ 4,740 (R$ 3,454 in the 1st quarter of 2011), Company, and R$ 5,220, consolidated, posted to Cost of goods sold.

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

Notes to quarterly information

8. Taxes recoverable

	Company		Consolidated	
	Mar-2012	Dec-2011	Mar-2012	Dec-2011
Current assets				
State VAT (ICMS)	**49,176**	55,761	**59,805**	65,929
ICMS - refund of ICMS withheld in advance (CAT Ruling 17/99)	**1,940**	1,671	**6,319**	6,790
ICMS on capital expenditures	**2,109**	2,102	**2,109**	2,102
ICMS – other	**153**	171	**153**	171
Social Contribution Tax on Gross Revenue for Social Integration Program (PIS)			**609**	1,635
Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS)			**2,690**	3,137
Withholding Income Tax (IRRF)	**1,415**	1,806	**3,323**	4,017
Corporate Income Tax (IRPJ)			**7,394**	6,252
Social Contribution Tax on Net Profit (CSLL)			**2,319**	2,287
Social Security Tax (INSS)	**68**	68	**800**	776
Other			**64**	64
	54,861	61,579	**85,585**	93,160
Non-current				
ICMS – credit balance	**39,372**	30,178	**39,372**	30,178
ICMS on capital expenditures	**2,896**	2,998	**5,440**	5,076
Social Security Funding Tax (FINSOCIAL) - 1982 – securities issued to cover court-ordered debts	**561**	561	**561**	561
Other		59		59
	42,829	33,796	**45,373**	35,874
	97,690	95,375	**130,958**	129,034

Accumulated ICMS credits (articles 71 to 84 of RICMS-SP), representing virtually all ICMS credit balances, arise from application of different rates on receipt (purchases in the state of São Paulo) and shipment of goods (transfers to other Brazilian states), according to item I, article 71, of RICMS-SP. Between February 1, 2008 and March 31, 2012, accrued credits totaled R$ 88,548 (current - R$ 49,176 and non-current - R$ 39,372), Company, and R$ 99,177 (current - R$ 59,805 and non-current - R$ 39,372), consolidated; and, at December 31, 2011 – R$ 85,939 (current – R$ 55,761 and non-current – R$ 30,178), Company, and R$ 96,107 (current - R$ 65,929 and non-current - R$ 30,178), consolidated.

With a view to using the accrued credit at issue, the Company applied for the recognition of credits accumulated from February 2008 to March 2010, corresponding to R$ 37,897, under the system provided for in CAT Ruling No. 53/1996 (DCA). As a result of such application, the São Paulo State Treasury Department carried out a tax audit of the claimed credits and, on March 29, 2012, released the accrued credits to the Company. The Company is now awaiting authorization for the immediate transfer of such credits so that it may pay suppliers for purchase of goods for resale, among other possibilities, as determined by CAT Ruling No. 26/2010.

Notes to quarterly information

The Company also maintained an electronic filing of the documents generating the credit accrued from April 2010 to March 31, 2012, as provided for by CAT Ruling 26/2010 (e-CredAc), amounting to R$ 50,651.

In this regard, the Company filed a new application for the preliminary recognition of credits accrued from April 2010 to June 2011, informed on the e-CredAc system. Such application, supported by the provisions of CAT Ruling No. 118/2010, claims the release of 90% of the credit accrued in the period. This application is still under analysis by the São Paulo State Treasury Department.

Furthermore, as reported in Note 29 to the financial statements as of December 31, 2011 (Subsequent Events), considering the publication of Decree No. 57608, of December 12, 2011, which governs the granting of special regime for assigning the tax substitution condition to retailers operating with goods by means of distribution centers located in this state, for the purpose of withholding and paying ICMS on subsequent shipments, new credits are no longer generated, and the amounts already accrued will be consumed on a monthly basis in tax registers (debit and credit system) as a result of the generation of ICMS debts under the tax substitution condition.

In addition to the actions referred to above, the Company opened its new Distribution Center, located in the City of Aparecida de Goiânia, state of Goiás, and such facilities will provide supplies to the stores located in the state of Goiás and the Federal District. Such measure has already reduced the generation of accrued credits by approximately 60% in comparison with the same prior-year period.

This measure, which began in 2010 with the opening of the Distribution Center of Contagem, state of Minas Gerais, and the direct purchase of goods from local distributors, eliminates the generation of credits accrued by virtue of the direct purchase of products for the new Center, without involving the Distribution Center located in the state of São Paulo, thus eliminating the operation that could generate accrued credits.

The Company management analyzed the ICMS credit use considering the authorization for their recognition on March 29, 2012, as mentioned above, as well as expected granting of special regime assigning the tax substitution condition to the Distribution Center located in the state of São Paulo, plus the opening of its Distribution Center in the state of Goiás in August 2011.

Notes to quarterly information

9. Investments

At March 31, 2012, the balance of investments of the Company is as follows:

Company name	Business objective	Interest (%)	3/31/2012
Raia S.A.	Retail sale of drugs, perfumery and related activities	100%	**1,553,889**

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

	Company	
	Mar-2012	**Dec-2011**
Balance at the beginning of the period	**1,554,303**	
Acquisition of equity holding at November 10, 2011		1.564,146
Equity pickup	**(414)**	(9,843)
Balance at the end of the period	**1,553,889**	1,554,303

In order to calculate the equity pickup of Raia S.A., the Company adjusts the assets, liabilities and respective changes in profit or loss of Raia S.A. on the basis of allocation of the purchase price determined on the date of acquisition. The table below shows the adjustments to net income for the year of Raia S.A. for the purpose of determining equity pickup at March 31, 2012:

	Company
	1Q12
Income Raia S.A.	**3,313**
Amortization of interest on capital gains arising from business combination	**(3,727)**
Adjusted income Raia S.A.	**(414)**

	Company	
Adjusted equity	**Mar 2012**	**Dec 2011**
Investment at book value (100%)	**613,444**	610,131
Allocation of purchase price (asset and liability appreciation)	**242,971**	248,618
Deferred income tax liabilities on allocation adjustments	**(82,610)**	(84,530)
	773,805	774,219
Goodwill on expected future profitability	**780,084**	780,084
	1,553,889	1,554,303

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

Notes to quarterly information

10. Property and equipment and intangible assets

a) Property and equipment

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

	Land	Buildings	Furniture, fixtures and facilities	Machinery and equipment	Vehicles	Leasehold improvements	Store renovation and refit	Total
Cost								
Balance at December 31, 2011	24,637	32,662	64,910	33,321	10,596	100,767	10,174	277,067
Additions		264	2,424	1,086	119	2,349	407	6,649
Disposals			(152)	(151)		(1,218)	(166)	(1,687)
Balance at March 31, 2012	24,637	32,926	67,182	34,256	10,715	101,898	10,415	282,029
Accumulated depreciation								
Average annual depreciation rates (%)		2.7	10	16.3	24.4	20.7	20	
Balance at December 31, 2011		(14,374)	(19,806)	(17,857)	(4,991)	(40,261)	(4,652)	(101,941)
Additions		(215)	(1,541)	(1,009)	(615)	(5,147)	(504)	(9,031)
Disposals			112	140		1,218	166	1,636
Balance at March 31, 2012		(14,589)	(21,235)	(18,726)	(5,606)	(44,190)	(4,990)	(109,336)
Net balance								
At December 31, 2011	24,637	18,288	45,104	15,464	5,605	60,506	5,522	175,126
At March 31, 2012	24,637	18,337	45,947	15,530	5,109	57,708	5,425	172,693

Notes to quarterly information

Changes in consolidated property and equipment are as follows:

	Land	Buildings	Furniture, fixtures and facilities	Machinery and equipment	Vehicles	Leasehold improvement	Store renovation and refit	Total
Cost								
Balance at December 31, 2011	27,725	33,391	178,067	77,375	19,650	304,562	10,174	650,944
Additions		264	8,186	2,435	2,763	11,844	407	25,899
Disposals			(215)	(153)	(324)	(1,218)	(166)	(2,076)
Balance at March 31, 2012	27,725	33,655	186,038	79,657	22,089	315,188	10,415	674,767
Accumulated depreciation								
Average annual depreciation rates (%)		2.5 – 2.7	7.4 – 10	7.1 – 16.3	20 – 24.4	17 – 20.7	20	
Balance at December 31, 2011		(14,543)	(68,289)	(43,030)	(8,982)	(140,843)	(4,652)	(280,339)
Additions		(221)	(3,931)	(2,006)	(1,111)	(11,670)	(504)	(19,443)
Disposals			112	141	186	1,218	166	1,823
Balance at March 31, 2012		(14,764)	(72,108)	(44,895)	(9,907)	(151,295)	(4,990)	(297,959)
Net income								
At December 31, 2011	27,725	18,848	109,778	34,345	10,668	163,719	5,522	370,605
At March 31, 2012	27,725	18,891	113,930	34,762	12,182	163,893	5,425	376,808

Notes to quarterly information

Other subsidiary's information

Certain operating assets of the subsidiary are leased by means of irreversible agreements, subject to average interest of 1.74% per month. These agreements are effective for two to four years and have a stock option clause, which has already been exercised by the subsidiary. Accordingly, these lease agreements were recorded in the financial statements as financed purchase of assets, balances of which amount to R$ 3,131 at March 31, 2012, (December 2011 – R$ 3,419) and refer basically to equipment, improvements, vehicles, and furniture and fixtures.

Future minimum payments of these financial leases are as follows:

	Consolidated	
	Mar/2012	**Dec/2011**
First 12 months	**103**	**301**
Between 13 and 60 months		**45**
Discount effect	**(8)**	**(67)**
	95	**279**

b) Intangible assets

Changes in Company's intangible assets are as follows:

	Point of sale	**License for software use**	**Goodwill on acquisition of company**	**Total**
Cost				
Balance at December 31, 2011	59,290	7,341	22,275	88,906
Additions	6,926	3,583		10,509
Disposals	(392)			(392)
Balance at March 31, 2012	65,824	10,924	22,275	99,023
Accumulated amortization				
Average annual amortization rates (%)	21.0	20.0	Infinite useful life	
Balance at December 31, 2011	(22,845)	(6,116)	(2,387)	(31,348)
Additions	(2,952)	(99)		(3,051)
Disposals	362			362
Balance at March 31, 2012	(25,435)	(6,215)	(2,387)	(34,037)
Net balance				
At December 31, 2011	36,445	1,225	19,888	57,558
At March 31, 2012	40,389	4,709	19,888	64,986

Notes to quarterly information

Changes in consolidated intangible assets:

	Point of sale	Software use license and implementation of systems	Goodwill on acquisition (Vison)	Goodwill on acquisition (Raia S.A.)	Brands	Customer portfolio	Other intangible assets	Total
Cost								
Balance at December 31, 2011	150,387	45,028	22,275	780,084	151,700	41,700	2,252	1,193,426
Additions	8,204	4,337					101	12,642
Disposals	(392)							(392)
Balance at March 31, 2012	158,199	49,365	22,275	780,084	151,700	41,700	2,353	1,205,676
Accumulated amortization								
Average annual amortization rates (%)	12.3 - 21	20	Infinite useful life	Infinite useful life	Infinite useful life	6.7 - 25	20	
At December 31, 2011	(40,382)	(20,784)	(2,387)			(1,527)	(501)	(65,581)
Additions	(5,620)	(1,530)				(2,290)	(29)	(9,469)
Disposals	362							362
Balance at March 31, 2012	(45,640)	(22,314)	(2,387)			(3,817)	(530)	(74,688)
Net balance								
At December 31, 2011	110,005	24,244	19,888	780,084	151,700	40,173	1,751	1,127,845
At March 31, 2012	112,559	27,051	19,888	780,084	151,700	37,883	1,823	1,130,988

Notes to quarterly information

c) Goodwill on acquisition of Drogaria Vison Ltda

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

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

d) Goodwill on acquisition of Raia S.A.

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

11. Loans and financing

		Company		Consolidated	
Acquisition financing	**Average long-term interest rate**	**Mar-2012**	**Dec-2011**	**Mar-2012**	**Dec-2011**
BNDES - FINAME					
Machinery , equipment and vehicles	TJLP + 3.40% (+ 3.40% at Dec/2011) p.a.	**180**	279	**180**	279
BNDES - FINEM					
Ventures	TJLP + 2.27% (+ 2.27% at Dec/2011) p.a.	**15,678**	17,957	**15,678**	17,957
Ventures	IPCA + 7.44% + 2.30% (+ 7.44% + 2.30% at Dec/2011) p.a.	**4,063**	3,909	**4,063**	3,909
Ventures	IPCA + 7.32% + 2.38% (+ 7.32% + 2.38% at Dec/2011) p.a.	**7,164**	6,893	**7,164**	6,893
BNDES – Sub-credit					
Loans	TJLP + 3.62% p.a. (+ 3.59% at Dec/2011) p.a.	**47,733**	42,740	**47,733**	42,740
Loans	Selic + 3.40% p.a. (+ 2.45% at Dec/2011) p.a.	**4,805**	4,687	**4,805**	4,687
Machinery and equipment	Fixed 6.63% p.a. (+ 6.63% at Dec/2011) p.a.	**3,791**	4,062	**3,791**	4,062
Machinery, equipment and vehicles	TJLP + 1.55% p.a. (+ 1.79% at Dec/2011) p.a.	**3,485**	3,480	**3,485**	3,480
Working capital	Selic + 2.86% p.a. (+ 3.15% at Dec/2011) p.a.	**6,831**	3,670	**6,831**	3,670
BNDES					
Store expansion	TJLP + 4.49% p.a.(+ 4.49% at Dec/2011) p.a.			**59,001**	69,081
Banco Indusval					
Working capital	Fixed 14.75% p.a. (14.75% at Dec/2011) p.a.			**3,834**	5,273
Lease					
Machinery, equipment and vehicles	Fixed 1.74% p.m. (1.74% at Dec/2011) p.m.			**96**	279
		93,730	87,677	**156,661**	162,310
Current liabilities		**(27,793)**	(24,928)	**(51,678)**	(50,325)
Non-current liabilities		**65,937**	62,749	**104,983**	111,985

Notes to quarterly information

Company's obligations

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

The Company is part of the financing with BNDES, substantially taken out under sub-credits, totaling R$ 85,887 (Dec/2011 - R$ 79,062) subject to the fulfillment of two covenants:

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

Measurement of covenants is made on an annual basis and at March 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.

Subsidiary obligations (Raia S.A.)

The purpose of the loans taken out by Raia S.A. from BNDES, totaling approximately R$ 59,001, is to expand the number of stores. Interests and principal are amortized on a monthly basis over the term of the contracts, until March 2015. A bank guarantee was offered by Banco Itaú, at the cost of 0.3% p.a., which includes the following restrictive covenants.

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

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

The purpose of the lease agreements is to expand the number of stores and to purchase vehicles and equipment. Interest and principal are amortized on a monthly basis over the term of the contracts, until September 2012. The assets subject matter of the lease were pledged as guarantee for these loans, in the amount of R$ 3,191 (Dec-2011 - R$ 3,419) as well as the shareholders' collateral signatures.

Non-current loans mature as follows:

	Company		Consolidated	
	Mar-2012	**Dec-2011**	**Mar-2012**	**Dec-2011**
2013	**23,089**	26,694	**33,788**	47,839
2014	**23,596**	20,236	**39,726**	36,222
2015	**13,629**	11,846	**23,280**	21,413
2016	**5,623**	3,973	**8,189**	6,511
	65,937	62,749	**104,983**	111,985

12. Provision for legal proceedings and judicial deposits

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

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

	Company		Consolidated	
	Mar-2012	**Dec-2011**	**Mar-2012**	**Dec-2011**
Labor and social security	**2,661**	3,384	**3,949**	4,754
Tax			**310**	300
Civil			**2,341**	2,286
	2,661	3,384	**6,600**	7,340
(-) Corresponding judicial deposits	**(729)**	(1,278)	**(1,348)**	(2,431)
Total	**1,932**	2,106	**5,252**	4,909
Current liabilities	**(1,106)**	(1,428)	**(1,280)**	(1,637)
Non-current liabilities	**826**	678	**3,972**	3,272

Changes in this provision are as follows:

	Company		Consolidated	
	Mar-2012	**Dec-2011**	**Mar-2012**	**Dec-2011**
Opening balance	**2,106**	2,330	**4,909**	2,330
Additions from business combinations				2,954
Additions	**266**	1,232	**1,501**	1,649
Charge-offs – payments	**(899)**	(1,359)	**(911)**	(1,608)
Revaluation of amounts	**(212)**	(1,042)	**(373)**	(1,408)
Monetary restatements	**123**	1,074	**197**	1,121
Appeal related deposits	**548**	(129)	**(71)**	(129)
Final balance	**1,932**	2,106	**5,252**	4,909

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

Possible loss

At March 31, 2012 and December 31, 2011, the Company is party to legal proceedings of a tax, civil and labor nature, whose likelihood of loss is estimated as possible by management and its legal advisors, amounting to R$ 9,182 (Dec/2011 R$ 7,580) for the Company and R$ 19,169 (Dec/2011 R$ 15,799) consolidated .

Notes to quarterly information

Judicial deposits

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

	Company		Consolidated	
	Mar-2012	**Dec-2011**	**Mar-2012**	**Dec-2011**
Labor and social security	**531**	368	**2,254**	1,343
Tax	**4,576**	4,194	**6,371**	5,989
Civil	**21**		**133**	113
Total	**5,128**	4,562	**8,758**	7,445

Labor contingencies

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

Tax contingencies

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

Civil contingencies

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

Notes to quarterly information

13. Income and social contribution taxes

(a) Effective income and social contribution taxes

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

	Company		Consolidated
	1st Quarter-2012	1st Quarter-2011	1st Quarter-2012
Income before income and social contribution taxes	**26,252**	15,214	**26.029**
Interest on equity capital	**(7,000)**	(8,150)	**(7,000)**
Taxable profit	**19,252**	7,064	**19,029**
Combined rate (income tax - 25% and social contribution - 9%)	**34**	34	**34**
Theoretical expenses	**(6,546)**	(2,402)	**(6,470)**
Permanent additions	**(437)**	(793)	**(405)**
Equity pickup	**(141)**		
Tax reduction incentives	**258**	104	**241**
Other		(536)	**(9)**
Effective income and social contribution tax expenses	**(6,866)**	(3,627)	**(6,643)**
Effective rate	**26.2%**	23.8%	**25.5%**

(b) Deferred income and social contribution taxes

Deferred income and social contribution tax assets in the amount of R$ 4,886 at March 31, 2012 (Dec-2011 - R$ 6,454) for the Company R$ 41,123 (Dec-2011 R$ 43,753) consolidated, derive from expenses which are temporarily non-deductible, for which there is no expiration date and whose realization is foreseen for the following year as under in item (c).

Deferred income and social contribution liabilities amounting to R$ 11,186 at March 31, 2012 (Dec-2011 - R$ 10,938) for the Company R$ 93,796 (Dec-2011 - R$ 95,468) consolidated, comprise the tax charges levied on the remaining balances: (i) revaluation reserve; and (ii) goodwill on future profitability.

Notes to quarterly information

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

	Company				Consolidated		
	Balance sheet		Net income		Balance sheet		Net income
	Mar-2012	**Dec-2011**	**Q1 -2012**	**Q1 -2011**	**Mar-2012**	**Dec-2011**	**Q1 -2012**
Revaluation at fair value of land and buildings	**(7,621)**	(7,647)			**(7,621)**	(7,647)	
Amortization of goodwill on future profitability	**(3,565)**	(3,291)	**(274)**	(274)	**(3,565)**	(3,291)	**(274)**
Temporarily non-deductible intangibles – Business combination					**(82,610)**	(84,530)	**1.920**
Provision for legal proceedings	**905**	1,150	**(245)**	(137)	**2,245**	2,495	**(77)**
Allowance for doubtful accounts	**235**	222	**13**	2	**621**	440	**8**
Provision for bonuses	**265**	918	**(653)**	(709)	**265**	918	**(653)**
Provision for officers' bonuses	**214**	711	**(497)**	(467)	**214**	711	**(497)**
Provision for internal campaigns	**386**	401	**(15)**	128	**386**	401	**(15)**
Provision for obsolete inventories	**1,046**	835	**211**	218	**2,075**	1,701	**374**
Provision for employees' profit sharing	**332**	1,190	**(858)**	(662)	**332**	1,190	**(858)**
Goodwill on profitability of Drogaria Vison	**366**	366		(1)	**366**	366	
Sundry provisioned liabilities	**896**	420	**476**	(74)	**896**	420	**476**
Provision for extraordinary expenses	**241**	241		241	**1,703**	1,357	**347**
Provision for losses on loans to employees					**1,247**	1,199	**48**
Tax losses to be offset against future taxable profits					**13,989**	14,373	**(384)**
Tax benefit from goodwill on merger					**16,784**	18,182	**(1,399)**
Deferred income and social contribution tax expense (revenue)			**(1,842)**	(1,735)			**(984)**
Deferred tax asset (liability), net	**(6,300)**	(4,484)			**(52,673)**	(51,715)	

	Company		Consolidated	
Reconciliation of deferred tax asset (liability), net	**Mar-2012**	**Dec-2011**	**Mar-2012**	**Dec-2011**
Opening balance	**(4,484)**	1,628	**(51,715)**	1,628
Additions from business combination				(50,212)
Taxable revenue/ (expense) recognized in the income statement	**(1,842)**	(220)	**(984)**	2,761
Tax expense recognized in equity	**26**	104	**26**	104
Deferred tax on land revaluation		(5,996)		(5,996)
Closing balance	**(6,300)**	(4,484)	**(52,673)**	(51,715)

Notes to quarterly information

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

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

	Company		Consolidated	
	Mar-2012	**Dec-2011**	**Mar-2012**	**Dec-2011**
2012	**4,886**	6,454	**19,680**	21,926
2013			**11,619**	11,619
2014			**8,425**	8,809
2015			**1,399**	1,399
	4,886	6,454	**41,123**	43,753

14. Earnings per share

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

	Company		Consolidated
	Q1-2012	**Q1-2011**	**Q1-2012**
Base			
Net income	19,386	11,587	19,386
Weighted average number of common shares (in thousands)	330,386	187,695	330,386
Earnings per share – base	0.05868	0.06173	0.05868
Diluted			
Net income	19,386	11,587	19,386
Weighted average number of common shares (in thousands)	330,386	187,695	330,386
Potential increase in common shares due to stock option plan (in thousands)	0	547	0
Weighted average number of common shares adjusted by dilution effect (in thousands)	330,386	188,241	330,386
Earnings per share – diluted	0.05868	0.06155	0.05868

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

Notes to quarterly information

15. Net equity

(a) Capital

At March 31, 2012 , fully paid in capital of R$ 908,639, was divided into 330,386,000 common book shares with o par value of which 178,464,212 were outstanding (176,375,078 at December 31, 2011).

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

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

	Outstanding shares (units)
At December 31, 2011	176,375,078
Sale of shares through exercise of the stock option plan	2,091,415
Purchase of shares through exercise of the stock option plan	(2,281)
Position at March 31, 2012	178,464,212

At March 31, 2012 Company common shares were quoted at R$ 17.75 (closing price).

16. Net sales revenue

	Company		Consolidated
	Q1-2012	Q1-2011	Q1-2012
Gross sales revenue			
Revenue from products sold	**649,962**	543,841	**1,284,651**
Revenue from services rendered	**1,099**	819	**2,196**
	651,061	544,660	**1,286,847**
Sales taxes	**(23,621)**	(19,951)	**(42,279)**
Sales returns	**(3,024)**	(2,659)	**(7,494)**
Net sales revenue	**624,416**	522,050	**1,237,074**

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

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

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

	Company		Consolidated
	Q1-2012	**Q1-2011**	**Q1-2012**
Cost of goods sold	**(456,180)**	(393,724)	**(911,508)**
Expenses with personnel	**(71,781)**	(63,304)	**(153,790)**
Expenses with services rendered	**(7,086)**	(6,177)	**(14,166)**
Depreciation and amortization	**(12,082)**	(10,528)	**(28,913)**
Other (i)	**(44,672)**	(36,059)	**(97,858)**
	(591,801)	(509,792)	**(1,206,235)**

Classified in the income statement as:

	Company		Consolidated
	Q1-2012	**Q1-2011**	**Q1-2012**
Cost of goods sold	**(456,180)**	(393,724)	**(911,508)**
Sales commission	**(105,762)**	(88,087)	**(223,716)**
General and administrative	**(17,777)**	(17,453)	**(42,098)**
Depreciation and amortization	**(12,082)**	(10,528)	**(28,913)**
	(591,801)	(509,792)	**(1,206,235)**

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

18. Other operating expenses

Other operating revenue in the first quarter of 2012, totaled R$ 6,516 for the Company and R$ 6,624 consolidated. These amounts are comprised on extraordinary expenses incurred in the merger relating to the incorporation, synergy and unification of the Company and its subsidiary Raia S.A.

19. Financial income (expenses)

(a) Financial income

	Company		Consolidated
	Q1-2012	Q1-2011	Q1-2012
Discounts obtained	**2**	6	**107**
Gains from short-term investments	**2,921**	4,589	**6,259**
Interest received	**10**	9	**10**
Monetary gains	**131**	10	**314**
Other financial income	**1**	1	**1**
Total financial income	**3,065**	4,615	**6,691**

(b) Financial expenses

	Company		Consolidated
	Q1-2012	Q1-2011	Q1-2012
Interest, charges and bank fees	**(255)**	(226)	**(436)**
Financing charges	**(2,204)**	(1,433)	**(4,297)**
Monetary losses	**(39)**		**(144)**
Total financial expenses	**(2,498)**	(1,659)	**(4,877)**
Financial income	**567**	2,956	**1,814**

20. Procedural guarantees

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

	Company		Consolidated	
	Mar-2012	Dec-2011	Mar-2012	Dec-2011
Furniture and facilities	**4**	4	**354**	354
Machinery and equipment	**13**	15	**104**	22
Vehicles			**189**	189
	17	19	**647**	565

21. Lease agreement commitments

Company and subsidiary have entered into lease agreements with terms ranging from one to fifteen years. Expenses with annual lease vary depending on the number of stores opened. Total monthly expenses with these rental agreements (including rent, condominium Property Tax – IPTU) were R$ 6,269 (Dec/2011 - R$ 6,096) for the Company and R$ 12,720 (Dec/2011 R$ 12,686) consolidated.

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

	Company		Consolidated	
	Mar-2012	Dec-2011	Mar-2012	Dec-2011
First 12 months	**53,203**	49,979	**124,421**	114,904
Between 13 and 60 months	**115,026**	108,167	**282,170**	249,067
Over 60 months	**18,975**	17,761	**72,946**	45,763
	187,204	175,907	**479,537**	409,734

Notes to quarterly information

22. Financial instruments and risk management policy

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

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

Financial assets

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

	Company		Consolidated	
	Mar-2012	**Dec-2011**	**Mar-2012**	**Dec-2011**
Fair value through profit and loss – held for trading				
Cash and cash equivalents (Note 5)	**64,667**	144,863	**169,441**	339,971
	64,667	144,863	**169,441**	339,971
Receivables				
Accounts receivable (Note 6)	**143,999**	146,788	**286,599**	287,843
Other accounts receivable	**22,780**	22,002	**91,355**	79,340
	166,779	168,790	**377,954**	367,183
Total	**231,446**	313,653	**547,395**	707,154

Financial liabilities

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

	Company		Consolidated	
Other financial liabilities	**Mar-2012**	**Dec-2011**	**Mar-2012**	**Dec-2011**
Trade accounts payable	**178,665**	211,047	**495,722**	536,399
Loans and financing (Note 11)	**93,730**	87,677	**156,661**	162,310
Other accounts payable	**23,719**	31,609	**66,940**	85,644
Total	**296,114**	330,333	**719,323**	784,353

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

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

Notes to quarterly information

(a) Market risk

Currency risk

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

Interest rate risk

The Company and its subsidiary are exposed to interest rate risk, basically referring to obligations subject to rate variation. The understanding of Company management is that the sole risk which the Company and its subsidiary are exposed to refers to the mismatch between BNDES financing (R$ 11,227) in IPCA interests, against investments in CDI.

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

(b) Credit risk

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

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

The granting of credit upon the sales of goods follows a policy which aims at minimizing default. At March 31, 2011, credit sales represented 47% (48% consolidated), of this total 87% (85% under consolidated) refer to credit card sales which, in the opinion of the Company and based on historical losses, pose extremely low risk. The remaining 13% (15% consolidated) which are credits from Drug Benefit Programs (PBMs), special plans with companies and postdated checks pose low risk, due to client selectivity and adoption of individual limits.

(c) Liquidity risk

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

Notes to quarterly information

(d) Sensitivity analysis

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

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

Company				
Operation	**Risk**	**Scenario I (probable)**	**Scenario II**	**Scenario III**
Short-term investments - CDI	0.5% Increase	263	329	395
Revenue		263	329	395
BNDES Financing (IPCA + interest)	1% mismatch	112	140	168
Expenses		112	140	168

Consolidated				
Operation	**Risk**	**Scenario I (probable)**	**Scenario II**	**Scenario III**
Short-term investments - CDI	Increase of 0.5%	708	885	1,063
Revenue		708	885	1,063
BNDES Financing (IPCA + interest)	Mismatch of 1%	293	140	168
REFIS (SELIC)	Increase of 0.5%	19	24	19
Expenses		313	164	197

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.

Net debt is the sum of financing less cash and cash equivalents as stated below:

	Company		**Consolidated**	
	Mar-2012	**Dec-2011**	**Mar-2012**	**Dec-2011**
Short term financing	**93,730**	87,677	**156,661**	162,310
(-) Cash and cash equivalents	**(64,667)**	(144,863)	**(169,441)**	(339,971)
Net debt	**29,063**	(57,186)	**(12,780)**	(177,661)
Net equity	**2,213,560**	2,201,174	**2,213,560**	2,201,174
Financial leverage ratio	**1%**	-3%	**-1%**	-8%

Notes to quarterly information

(f) Fair value measurement

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

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

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

23. Derivative financial instruments

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

Notes to quarterly information

24. Transactions with related parties

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

	Relationship	Company			
		Current assets		Revenues	
		Mar-2012	Dec-2011	Q1-2012	Q1-2011
Amounts receivable					
Agreements (i)					
Regimar Comercial S.A.	Shareholder/ family	**10**	4	**17**	11
Heliomar S.A.	Shareholder/ Board member	**1**	2	**3**	4
		11	6	**20**	15
Lease of store space (i)					
Enox Publicidade S.A.	Shareholder/ Board member		20	**45**	11
			20	**45**	11
		11	26	**65**	26

	Relationship	Current liabilities		Expenses	
		Mar-2012	Dec-2011	Q1-2012	Q1-2011
Amounts payable					
Rent (ii)					
Administradora PMV S.A.	Shareholder/ family	**42**	40	**122**	109
Heliomar S.A.	Shareholder/ Board member	**13**	13	**36**	32
		55	53	**158**	141
Service providers (ii)					
Tulipa Comunicação Ltda.	Shareholder/ family			**191**	178
Zurcher, Ribeiro Filho, Pires Oliveira Dias e Freire - Advogados	Shareholder/ family	**30**		**187**	193
		30		**378**	371
		85	53	**536**	512

Notes to quarterly information

	Relationship	Consolidated	
		Current assets	Revenue
		Mar-2012	Q1-2012
Amounts receivable			
Agreements (i)			
Regimar Comercial S.A.	Shareholder/ family	**10**	**17**
Heliomar S.A.	Shareholder/ board member	**1**	**3**
		11	**20**
Lease of store space (i)			
Enox Publicidade S.A.	Shareholder/ board member		**45**
			45
		11	**65**

		Current liabilities	Expenses
		Mar-2012	Q1-2012
Amounts payable			
Rent (ii)			
Administradora PMV S.A.	Shareholder/ family	**42**	**122**
Heliomar S.A.	Shareholder/ Board member	**13**	**36**
Antonio Carlos Pipponzi	Shareholder/ Board member	**5**	**16**
Rosalia Pipponzi Raia	Shareholder/ Board member	**5**	**16**
Franco Maria David Pietro Pipponzi	Shareholder/ Board member	**5**	**16**
		70	**206**
Service providers (ii)			
Tulipa Comunicação Ltda.	Shareholder/ family		**191**
Zurcher, Ribeiro Filho, Pires Oliveira Dias e Freire - Advogados	Shareholder/ family	**30**	**187**
Rodrigo Wright Pipponzi (Editora Mol Ltda.) (iii)	Shareholder/ family	**68**	**342**
Rodrigo Wright Pipponzi (Estúdio Mol Design) (iii)	Shareholder/ family	**7**	
		105	**720**
		175	**926**

(i) Sales carried out through agreements and space rental contracts. These transactions are signed in commercial conditions equivalent to those practiced by other companies.

(ii) Store rental, rendering of marketing and legal advisory services. These transactions are engaged under usual market conditions.

(iii) Balances and transactions with Editora Mol Ltda. and Estúdio Mol Design regard service agreements relative to the preparation, creation and production of disclosure material for the corporate sales area and the concept of the Company's internal monthly magazine. The contracts are valid for an undetermined period and may be terminated at any time by one of the parties without cost or penalties.

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

Notes to quarterly information

(b) Key management personnel.

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

	Company		Consolidated
	Q1-2012	**Q1-2011**	**Q1-2012**
Payment and social charges	**1,093**	1,082	**1,868**
Bonuses and social charges	**1,589**	3,076	**1,912**
Stock option plan		133	
	2,682	4,291	**3,780**

25. Insurance coverage

The Company has a policy maintain insurance policies at amounts considered to be sufficient to cover possible claims which could affect its equity or civil responsibility. Considering the nature of its activities and the guidance of its insurance consultants, the Company and its subsidiary at March 31, 2012:

	Company		Consolidated	
	Mar-2012	**Dec-2011**	**Mar-2012**	**Dec-2011**
Inventories losses risk	**55,152**	45,164	**104,015**	250,164
Permanent asset items	**32,383**	49,477	**95,384**	78,227
Loss of profits	**4,100**	3,607	**24,100**	23,727
Civil liability risk	**5,311**	7,934	**10,474**	8,534
	96,946	106,182	**233,973**	360,652

The risk assumptions adopted do not form part of our scope of work for audit of financial statements. Accordingly, it was not audited by our independent auditors.

26. Transactions not involving cash

In the first quarter of 2012, there were no transactions involving the Company’s cash.

Reports and Statements / Independent Auditor's Review Report/Unqualified

Independent auditor's review report

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. for the quarter ended March 31, 2012, comprising the balance sheet as of March 31, 2012 and the related income statement, statement of changes in equity and cash flow statement for the three-month period then ended, and a summary of significant accounting practices and other explanatory notes. Management is responsible for the preparation of the individual interim financial information in accordance with CPC 21 – Interim Financial Reporting, and of the consolidated interim financial information in accordance with CPC 21 and with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the individual interim financial information

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

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 interim consolidated financial information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 and IAS 34 applicable to preparation of quarterly information (ITR) and presented consistently with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Interim statement of value added

We have also reviewed the individual and consolidated interim statement of value added (SVA) for the three-month period ended March 31, 2012, prepared under management's responsibility, whose presentation in the interim financial information is required by rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to preparation of Quarterly Information (ITR), and as supplementary information by IFRS, which do not require SVA presentation. These statements have been subject to the same review procedures previously described and, based on our review, are presented fairly, in all material respects, in relation to the overall accompanying individual and consolidated interim financial information.

São Paulo, April 30, 2012.

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

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

Alexandre Rubio
Accountant CRC-SP223361/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, 2012, and based on the examination carried out, clarification provided by management, and also considering the favorable and unqualified Limited Review Report from the Independent Auditor, Ernst & Young Terco Auditores Independentes, the members of the Supervisory Committee concluded that the documents above are presented adequately, in all material respects .

São Paulo, April 30, 2012.

Gilberto Lério
Supervisory Committee Member

Fernando Carvalho Braga
Supervisory Committee Member

Mário Antonio Luiz Corrêa
Supervisory Committee Member

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

Raia Drogasil S.A.

In accordance with article 25, paragraph 1, items V and VI, of CVM Rule 480/09, the Executive Board declares that it reviewed, discussed and agreed upon the Quarterly Financial Information (ITR), for the quarter ended March 31, 2012.

São Paulo, April 30, 2012.

Cláudio Roberto Ely
Chief Executive Officer

Antonio Carlos de Freitas
Director

Eugênio de Zagottis
Director

Fernando Varela
Director

Marcello de Zagottis
Director

Ricardo Castro de Azevedo
Director

Rosângela Lutti
Director

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

Raia Drogasil S.A.

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

São Paulo, April 30, 2012.

Cláudio Roberto Ely
Chief Executive Officer

Antonio Carlos de Freitas
Director

Eugênio de Zagottis
Director

Fernando Varela
Director

Marcello de Zagottis
Director

Ricardo Castro de Azevedo
Director

Rosângela Lutti
Director