



São Paulo, July 30, 2018. **RD – People, Health and Well-being** (Raia Drogasil S.A. – B3: RADL3) announces today its results for the 2<sup>nd</sup> quarter of 2018 (2Q18). The Company's parent company and consolidated quarterly financial statements for the periods ended in June 30, 2018 and 2017 have been prepared in accordance with technical pronouncement CPC 21 (R1) – “Interim Financial Reporting”, the requirements in Official Letter/CVM/SNC/SEP 003/2011 of April 28, 2011, and the International Financial Reporting Standards (IFRS) – IAS 34 and discloses all material information specific to the individual and consolidated quarterly information, which is consistent with the information used by management in managing the activities. Such information was prepared in Reais and all growth rates relate to the same period of 2017.

**QUARTERLY HIGHLIGHTS:**

- › **DRUGSTORES:** 1,708 stores in operation (62 openings and 5 closures)
- › **GROSS REVENUES:** R\$ 3.8 billion, 11.6% growth (2.5% retail same-store sales growth)
- › **GROSS MARGIN:** 29.1% of gross revenues, a 0.3 percentage point decrease
- › **EBITDA:** R\$ 316.6 million, a margin of 8.4%, an increase of 5.2%
- › **NET INCOME:** R\$ 141.8 million, 3.7% of net margin, an increase of 2.8%
- › **CASH FLOW:** R\$ 67.7 million negative free cash flow, R\$ 154.1 million of cash consumption
- › **EXPANSION:** Entered the Pará state with three stores in Belém

RADL3

**R\$ 75.00/share**

NUMBER OF SHARES

**330.386.000**

MARKET CAP

**R\$ 24,779 (million)**

CLOSING

**July 27, 2018**

IR CONTACTS:

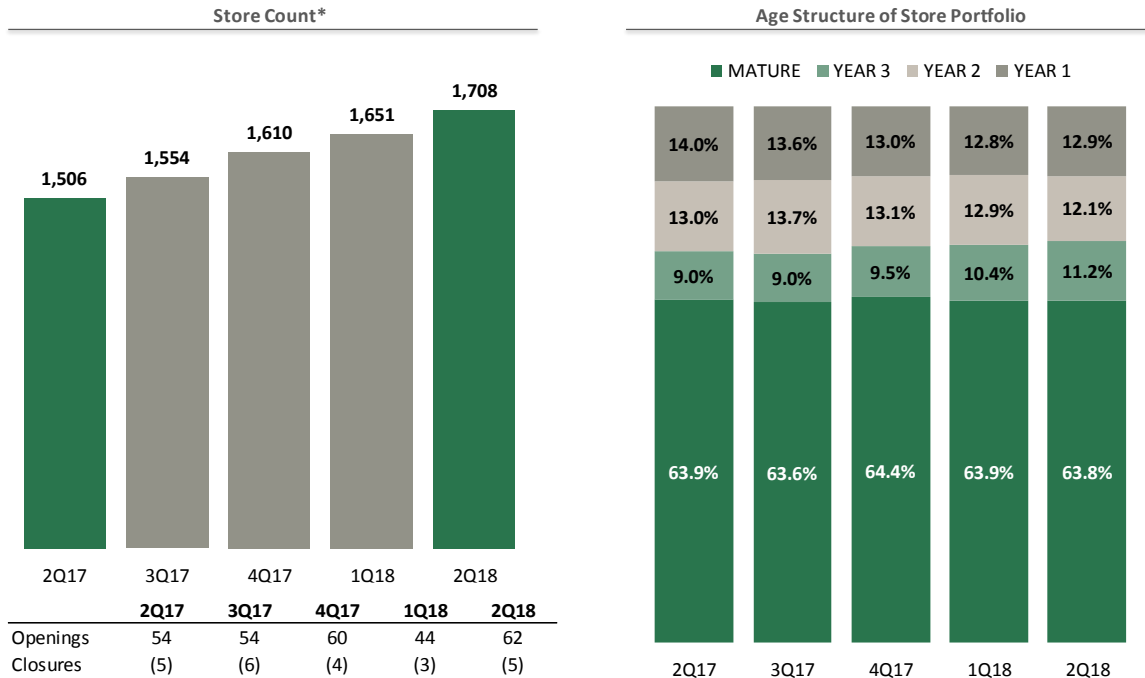
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Summary	2Q17	3Q17	4Q17	1Q18	2Q18
<i>(R\$ thousand)</i>					
# of Stores - Retail + 4Bio	1,506	1,554	1,610	1,651	1,708
Store Openings	54	54	60	44	62
Store Closures	(5)	(6)	(4)	(3)	(5)
# of Stores (average)	1,485	1,533	1,588	1,629	1,679
Headcount (EoP)	30,264	31,163	32,265	32,633	32,808
Pharmacist Count (EoP)	5,773	5,977	6,044	6,323	6,412
# of Tickets (000)	51,091	52,798	53,957	52,291	55,148
Gross Revenue	3,397,860	3,580,024	3,662,178	3,603,969	3,791,578
Gross Profit	999,721	1,020,396	1,046,258	1,026,758	1,104,199
% of Gross Revenues	29.4%	28.5%	28.6%	28.5%	29.1%
Adjusted EBITDA	301,085	296,463	288,719	272,185	316,648
% of Gross Revenues	8.9%	8.3%	7.9%	7.6%	8.4%
Adjusted Net Income	137,970	136,493	132,623	121,288	141,775
% of Gross Revenues	4.1%	3.8%	3.6%	3.4%	3.7%
Net Income	137,970	136,493	134,188	121,288	137,656
% of Gross Revenues	4.1%	3.8%	3.7%	3.4%	3.6%
Free Cash Flow	(47,500)	102,135	68,432	(102,012)	(67,705)

## STORE DEVELOPMENT



\* Includes three 4Bio stores.

We opened 62 new stores and closed 5 in the 2Q18, ending the quarter with 1,708 stores, including three 4Bio units. We reiterate our guidance of 240 gross openings per year for both 2018 and 2019. At the end of the period, 36.2% of our stores were still in the process of maturation and had not yet reached their full potential both in terms of revenue and of profitability. It is important to mention that the performance of the stores opened this year remains very robust, in line with our historical standards.

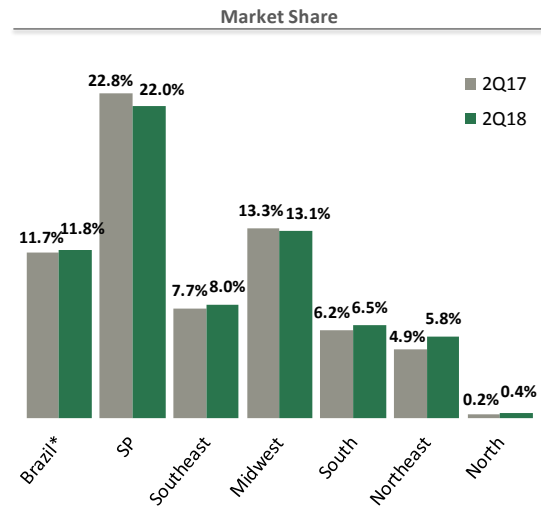
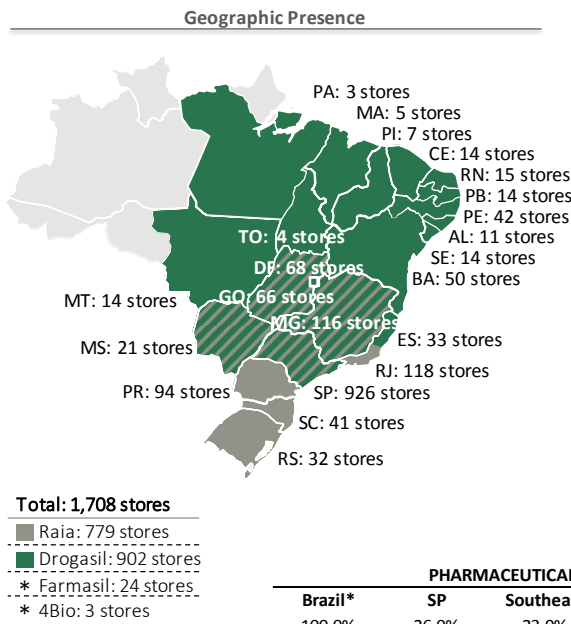
We closed five stores in the quarter, of which three stores were still in the maturation process, representing corrections of expansion mistakes that are normal in such large-scale expansion, and two mature store relocations, with positive return expectations associated to them.

Our national market share reached 11.8% in the 2Q18, a 0.1 percentage point increase when compared to the same period of the previous year. IMS recorded a market growth in the quarter of 9.6% (including an unprecedented 17.0% in April), a significant acceleration versus previous quarters, while the other Abrafarma chains (ex-RD), which had been growing almost identically to the market in the previous quarters, grew only 6.3% (versus 10.6% for RD's retail operation) in the quarter. Therefore, such acceleration was driven by small chains and independents, which numbers are captured by IMS as the sell-in from wholesalers and not the sell-out to consumers. This suggests that the sell-in peak in April may have impacted our figures, to be confirmed on the coming quarters.

Still, we increased our market share in four of the six regions where we operate under a context of increased competition due to accelerated store addition from the other chains. The Northeast remained as our main highlight, where we recorded a market share of 5.8%, a 0.9 percentage point increase driven by our organic expansion and store maturation. We also recorded market share gains in the South and Southeast regions of 0.3 percentage point, reaching a total of 6.5% and 8.0%, respectively. On the other hand, we have lost 0.8 percentage point of market share in São Paulo, reaching a total of 22.0% and lost 0.2 percentage point in the Midwest, reaching a share of 13.1%.

In addition to the sell-in peak, our market share in São Paulo was also impacted by the deceleration of our LTM expansion from 125 stores in the 2Q16 to 79 in the 2Q18, reflecting an increased decentralization in our growth. According to IMS, our expansion fell from 10.9% of the total LTM additions in the 2Q16, to only 5.7% in the 2Q18. Also, in light of increased competition, we reduced prices and changed our generics mix strategy to become more competitive, which has contributed negatively to the average ticket. Our share loss in São Paulo in units sold was only 0.3 percentage point, versus 0.8 percentage point in revenues.

In June, we entered the state of Pará by opening three stores in Belém, with very strong initial results, extending our presence to 22 states that account for 97% of the Brazilian pharmaceutical market. We already have 20 other locations already signed to be opened in Pará in the coming months. For that reason, we are starting to disclose in separate our share figures for the North region, where we already operated in Tocantins, amounting to a 0.4% market share.



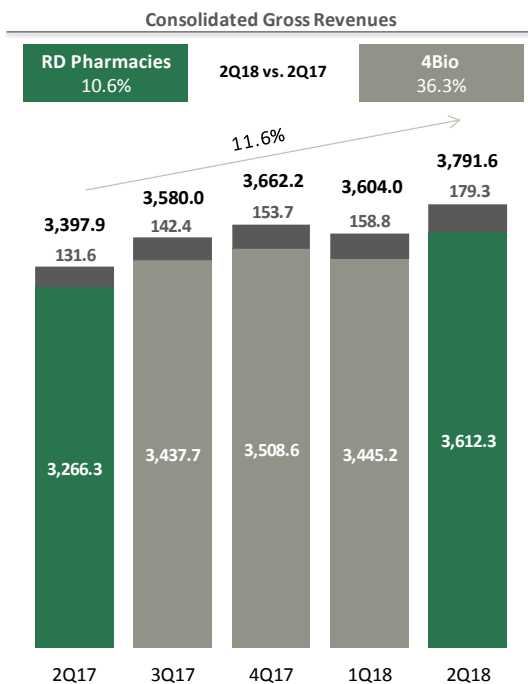
### PHARMACEUTICAL MARKET BREAKDOWN BY REGION (%)

Region	Brazil*	SP	Southeast	Midwest	South	Northeast	North
Market Share (%)	100.0%	26.9%	23.9%	9.5%	15.6%	19.0%	5.1%

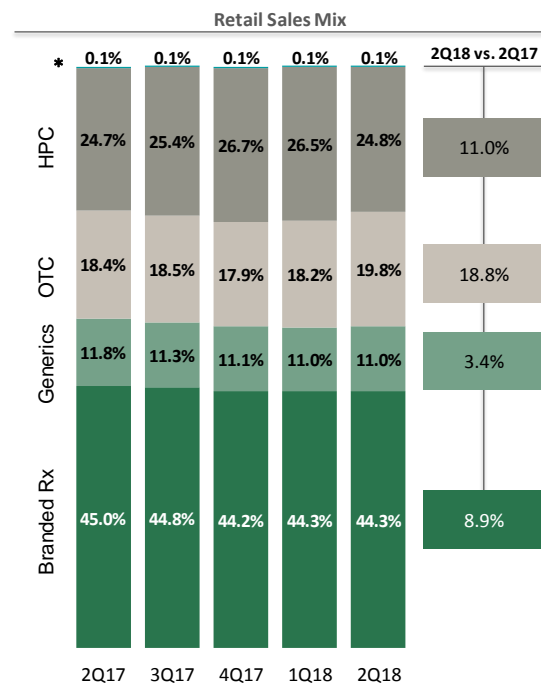
Source: IMS  
\* Includes 4Bio only for Brazil total.

## GROSS REVENUES

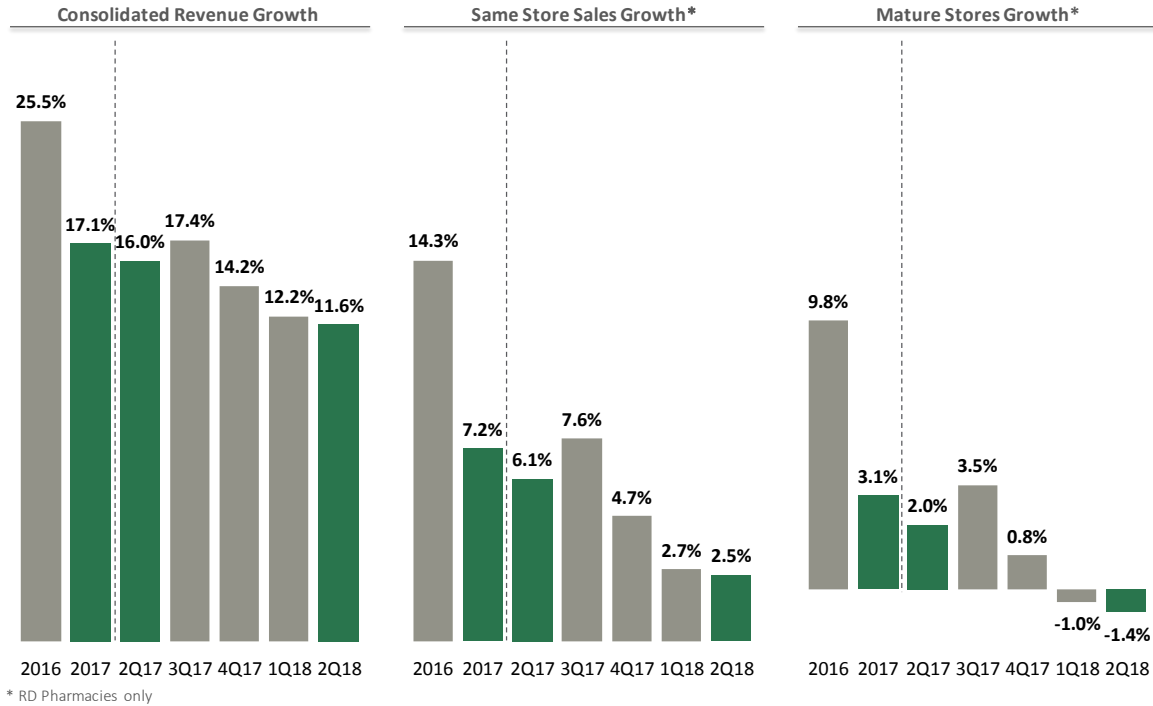
We ended the 2Q18 with consolidated gross revenues of R\$ 3,791.6 million, an 11.6% increase over the same period of the previous year. Our drugstore revenues increased by 10.6%, while 4Bio grew 36.3% in the period.



\* Services

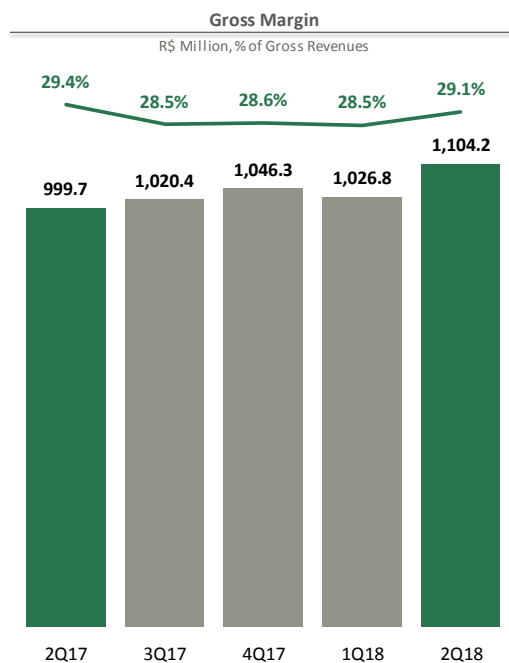


OTC was the highlight of the quarter by growing 18.8% and gaining 1.4 percentage point in the mix. HPC grew 11.0%, gaining 0.1 percentage point. On the other hand, Branded Rx grew 8.9% in the quarter, losing 0.7 percentage point. The outperformance by OTC at the expense of Branded was helped by drug switches, a migration of 0.4 percentage point. Generic revenues grew 3.4%, with 13.7% of growth in units sold, reflecting our successful investment in pricing while preserving the total gross margin.



Our same store sales increased by 2.5%, while our mature stores declined by 1.4%. Although we recorded a positive calendar effect of 0.6%, it was fully offset by a 0.6% negative impact in revenues from the days Brazil played in the FIFA World Cup.

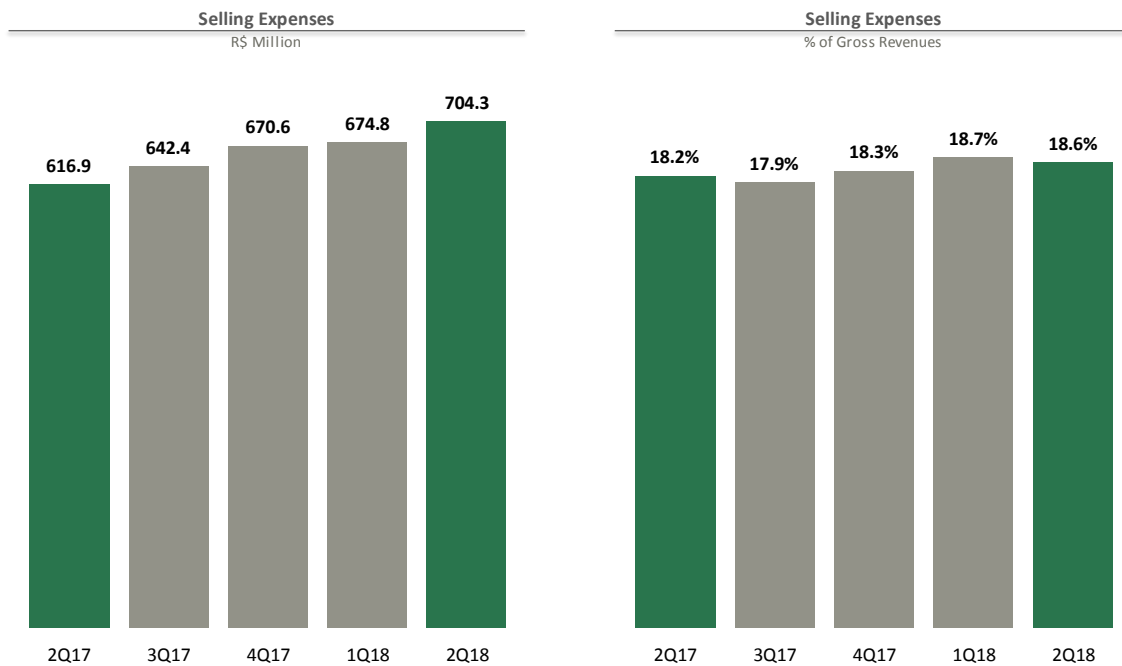
## GROSS MARGIN



Our gross margin reached 29.1%, a 0.3 percentage point pressure versus the 2Q17. We recorded a 0.2 percentage point margin pressure due to the lower inflationary gains on inventories, and 0.2 percentage point pressure from 4Bio, due to its negative mix effect. These pressures were partially offset by other commercial gains of 0.1 percentage point.

## SELLING EXPENSES

In the 2Q18, selling expenses totaled R\$ 704.3 million, equivalent to 18.6% of gross revenues, a 0.4 percentage point pressure compared to the same quarter of the previous year.



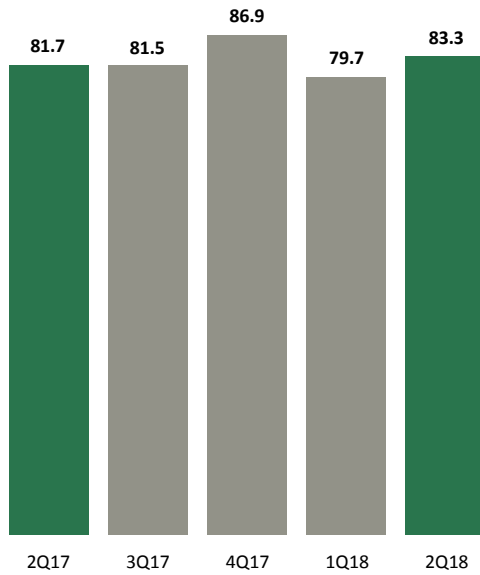
We experienced personnel expenses pressure of 0.3 percentage point, as well as 0.1 percentage point pressure from rentals, 0.1 percentage point from logistics, and another 0.1 percentage point from new store openings. These pressures were mainly driven by the loss of operating leverage due to a mature-stores sales performance below inflation. They were partially offset by a 0.2 percentage point dilution due to 4Bio, which has lower selling expenses and recorded significant expense dilution in the quarter.

## GENERAL & ADMINISTRATIVE EXPENSES

G&A expenses amounted to R\$ 83.3 million in the 2Q18, equivalent to 2.2% of gross revenues and a 0.2 percentage point dilution over the 2Q17. This expense dilution reflects a lower variable compensation allowance in the quarter compared to the previous year.

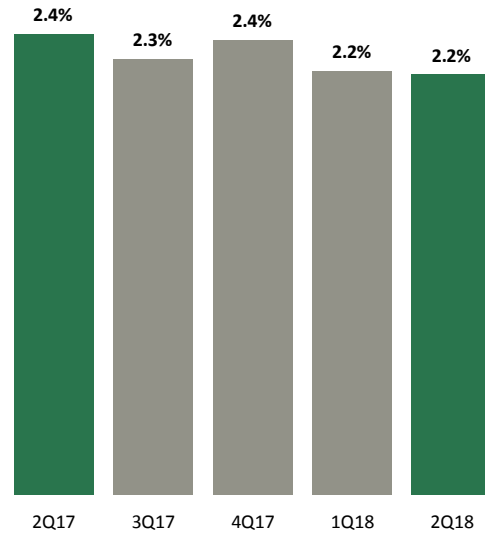
**General & Administrative Expenses**

R\$ Million



**General & Administrative Expenses**

% of Gross Revenues

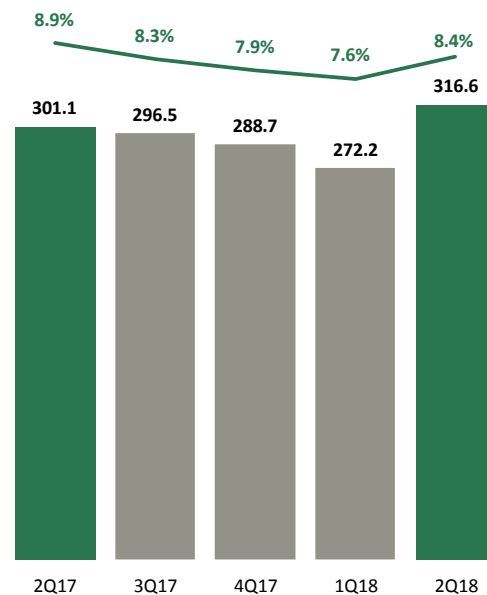


**EBITDA**

Our adjusted EBITDA reached R\$ 316.6 million in the quarter, an EBITDA margin of 8.4% and a 0.5 percentage point pressure over the same period of last year.

**Adjusted EBITDA**

R\$ Million, % of Gross Revenues



New stores opened in the year, as well as those in the opening process, reduced the EBITDA by R\$ 14.4 million. Therefore, considering only the 1,602 stores in operation since the end of 2017 and the full absorption of logistics, general and administrative expenses by such stores, our EBITDA would have totaled R\$ 331.1 million, equivalent to a margin of 8.9% over gross revenues and a 0.4 percentage point pressure compared to the 2Q17.

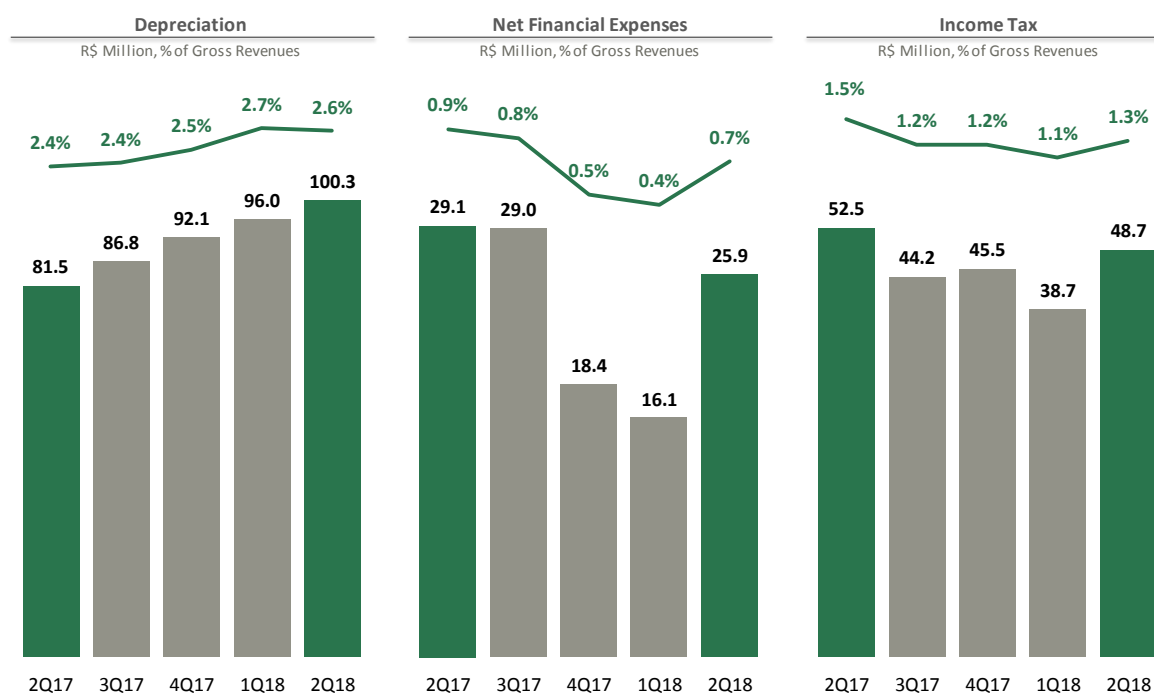
RD Pharmacies reached an adjusted EBITDA of R\$ 311.1 and a margin of 8.6% in the 2Q18, a 0.5 percentage point pressure over the same period of last year. Finally, 4Bio reached an EBITDA of R\$ 5.5 million and a margin of 3.1%, a 0.5 percentage point margin expansion.

## NON-RECURRING REVENUES / EXPENSES

During the 2Q18, we recorded R\$ 6.2 million in non-recurring net expenses, which included R\$ 9.6 million in consulting expenses related to the development of our Strategic Planning for the next five years. We also recorded R\$ 3.3 million in non-recurring gains arising from tax credits that relate to previous years.

Non-Recurring Revenues / (Expenses)		2Q18
		(R\$ million)
Expenses related to the Strategic Planning		(9.6)
Tax credits from previous years		3.3
<b>Total</b>		<b>(6.2)</b>

## DEPRECIATION, NET FINANCIAL EXPENSES AND INCOME TAXES

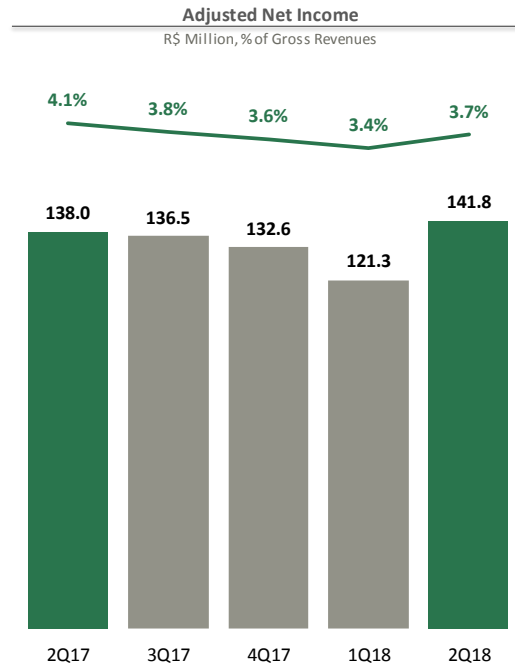


Depreciation expenses amounted to R\$ 100.3 million in the 2Q18, equivalent to 2.6% of gross revenues, a 0.2 percentage point increase due to the acceleration of our expansion program and to a lower dilution due to a weaker sales performance.

Financial expenses represented 0.7% of gross revenues, a 0.2 percentage point decrease. Of the R\$ 25.9 million recorded in the quarter, R\$ 11.7 million refers to the NPV adjustment while other R\$ 1.4 million refers to interest on the option to acquire the remaining 45% of 4Bio in 2021. Excluding the NPV adjustments and expenses related to the option to acquire 4Bio, the interest accrued on net debt amounted to R\$ 12.8 million in the 2Q18, equivalent to 0.3 percentage point of gross revenues and a 0.1 percentage point dilution over the 2Q17. Finally, we booked R\$ 48.7 million in income taxes, equivalent to 1.3% of gross revenues.

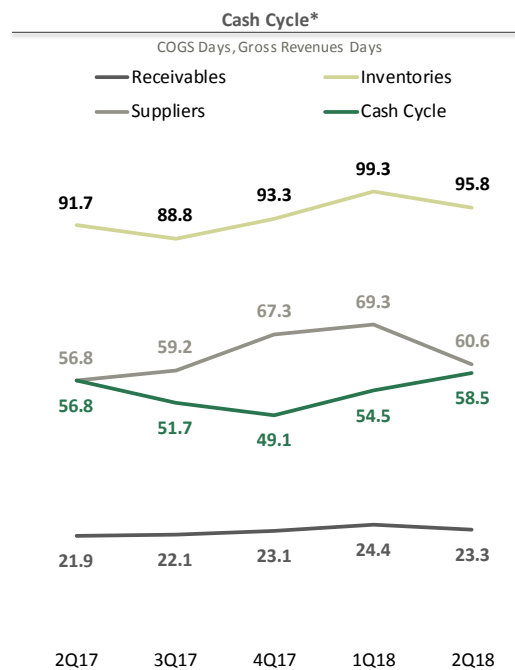
## NET INCOME

Adjusted Net income totaled R\$ 141.8 million in the quarter, a 2.8% increase over the same period of the previous year. We achieved a net margin of 3.7%, a 0.4 percentage point pressure over the 2Q17.



## CASH CYCLE

Our cash cycle in the 2Q18 was 1.7 day higher when compared to the same period of the previous year. Inventories increased by 4.1 days while accounts payable increased by 3.8 days. Lastly, receivables increased by 1.4 day, reflecting an unfavorable calendar at the end of June when compared to the same period in 2017.



\* Adjusted to discounted receivables.



## CASH FLOW

In the 2Q18, we recorded a negative free cash flow of R\$ 67.7 million, and a negative total cash flow of R\$ 154.1 million.

Resources from operations amounted to R\$ 230.5 million, equivalent to 6.1% of gross revenues, while we recorded a working capital investment of R\$ 132.1 million (reincorporating the discounted receivables), amounting to a total operating cash flow of R\$ 98.4 million.

Of the R\$ 166.1 million invested in the quarter, R\$ 110.5 million corresponded to new store openings, R\$ 29.1 million to the renovation or expansion of existing stores and R\$ 26.5 million to investments in infrastructure.

Net financial expenses totaled R\$ 14.2 million in the quarter, excluding NPV adjustments. These were more than fully offset by the R\$ 22.0 million tax shield related to the net financial expenses and to the interest on equity accrued in the period, which shall be paid in the following quarters.

We accrued R\$ 50.5 million in interest on equity in the 2Q18, reflecting a payout of 36.7%, through the full usage of the legal interest on equity limit.

Cash Flow (R\$ million)	2Q18	2Q17	YTD '18	YTD '17
<b>Adjusted EBIT</b>	<b>216.4</b>	<b>219.6</b>	<b>392.5</b>	<b>386.1</b>
NPV Adjustment	(12.6)	(11.1)	(21.1)	(32.2)
Non-Recurring Expenses	(6.2)	-	(6.2)	(2.2)
Income Tax (34%)	(67.2)	(70.9)	(124.2)	(119.6)
Depreciation	100.3	81.5	196.3	159.0
Others	(0.2)	3.9	2.0	20.2
<b>Resources from Operations</b>	<b>230.5</b>	<b>223.0</b>	<b>439.4</b>	<b>411.3</b>
Cash Cycle*	(169.9)	(149.2)	(323.2)	(395.9)
Other Assets (Liabilities)**	37.8	31.9	4.5	52.7
<b>Operating Cash Flow</b>	<b>98.4</b>	<b>105.7</b>	<b>120.6</b>	<b>68.1</b>
<b>Investments</b>	<b>(166.1)</b>	<b>(153.2)</b>	<b>(290.3)</b>	<b>(288.3)</b>
<b>Free Cash Flow</b>	<b>(67.7)</b>	<b>(47.5)</b>	<b>(169.7)</b>	<b>(220.2)</b>
Interest on Equity	(87.1)	(85.1)	(87.2)	(85.2)
Income Tax Paid over Interest on Equity	(7.1)	(7.0)	(7.1)	(7.0)
Net Financial Expenses***	(14.2)	(16.7)	(19.5)	(27.7)
Share Buyback	-	-	(46.9)	-
Income Tax (Tax benefit over financial expenses and interest on equity)	22.0	22.3	41.2	43.4
<b>Total Cash Flow</b>	<b>(154.1)</b>	<b>(134.0)</b>	<b>(289.3)</b>	<b>(296.7)</b>

\*Includes adjustments to discounted receivables.

\*\*Includes tax shield from goodwill amortization and NPV adjustments.

\*\*\*Excludes NPV adjustments.

## INDEBTEDNESS

At the end of the quarter, we recorded an adjusted net debt position of R\$ 682.9 million, versus R\$ 479.3 million recorded in the same period of 2017. The adjusted Net Debt to EBITDA totaled 0.6x, 0.1x higher than the 2Q17 reflecting the acceleration in our expansion plan.

This net debt includes R\$ 50.2 million in liability related to the exercise of the put option granted and/or call option obtained for the acquisition of the remaining 45% minority stake of 4Bio. This liability reflects the estimated valuation of 4Bio as of December 2017, assuming the pre-agreed multiple, the average forecasted annual EBITDA for 2018, 2019 and 2020 and the forecasted average net debt for 2020 as stipulated in the acquisition contracts. This estimate is revisited annually to reflect changes in the economic outlook of 4Bio. Further, 4Bio ended the quarter with R\$ 2.3 million in discounted receivables.

Net Debt	2Q17	3Q17	4Q17	1Q18	2Q18
<i>(R\$ million)</i>					
Short-term Debt	240.6	231.8	196.2	186.2	227.2
Long-term Debt	513.0	486.7	414.7	387.3	684.4
<b>Total Gross Debt</b>	<b>753.7</b>	<b>718.5</b>	<b>611.0</b>	<b>573.5</b>	<b>911.6</b>
(-) Cash and Equivalents	324.4	394.6	264.9	102.7	281.3
<b>Net Debt</b>	<b>429.3</b>	<b>323.9</b>	<b>346.1</b>	<b>470.8</b>	<b>630.4</b>
Discounted Receivables	-	-	-	9.1	2.3
Put/Call option to acquire 4Bio (estimated)	50.0	52.5	47.5	48.9	50.2
<b>Adjusted Net Debt</b>	<b>479.3</b>	<b>376.4</b>	<b>393.6</b>	<b>528.8</b>	<b>682.9</b>
Adjusted Net Debt / EBITDA	0.5x	0.3x	0.3x	0.5x	0.6x

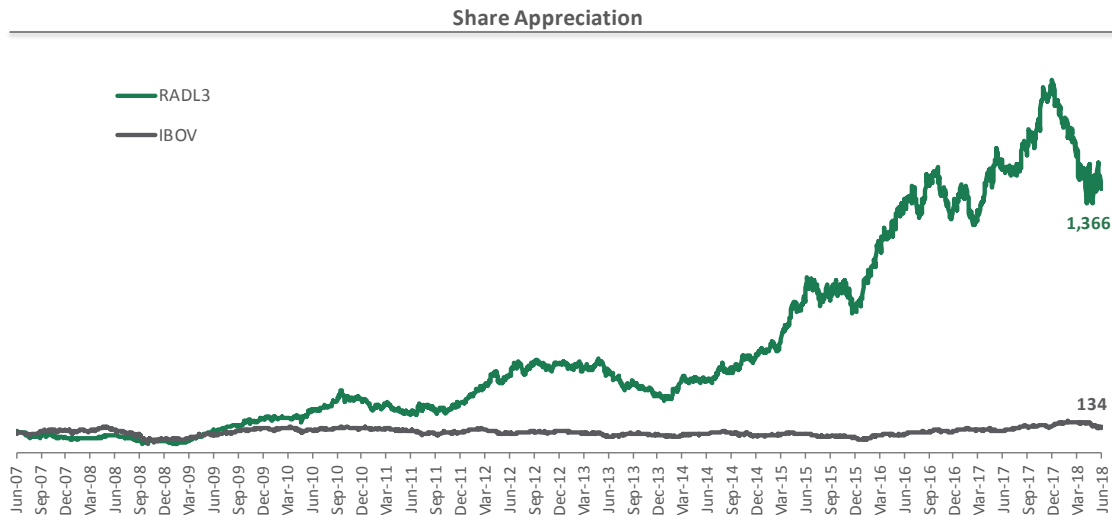
Our gross debt totaled R\$ 911.6 million, of which 26.1% corresponds to BNDES (Brazilian Economic and Social Development Bank) lines, and 73.9% correspond to the debentures issued on April 2017 and 2018. Of our total debt, 75.1% is long-term, while 24.9% relates to its short-term parcels. We ended the quarter with a total cash position (cash and marketable securities) of R\$ 281.3 million.

In April 2018, we raised R\$ 400 million in the Company's second Debenture issuance. The emission was divided in nine different series with a 2.7 years duration, 5 years maturity to the payment of the last series and an average cost of 104.5% of CDI.

## TOTAL SHAREHOLDER RETURN

Our share price fell by 11.2% in the 2Q18 versus a 14.8% drop of the Ibovespa. Since the IPO of Drogasil, we achieved a cumulative share appreciation of 1,266.3% versus a return of only 33.8% for the Ibovespa. Considering the IPO of Raia in December of 2010, the cumulative return amounted to 533.8% versus an increase of only 7.0% of the Ibovespa. Considering the payment of interest on equity, this resulted in an average annual total return to shareholders of 28.1%.

We recorded an average daily trading volume of R\$ 108.9 million in the quarter.



<b>Adjusted Income Statement</b> <i>(R\$ thousand)</i>	<u>2Q17</u>	<u>2Q18</u>
<b>Gross Revenue</b>	<b>3,397,860</b>	<b>3,791,578</b>
Taxes, Discounts and Returns	(160,602)	(177,589)
<b>Net Revenue</b>	<b>3,237,258</b>	<b>3,613,989</b>
Cost of Goods Sold	(2,237,537)	(2,509,790)
<b>Gross Profit</b>	<b>999,721</b>	<b>1,104,199</b>
Operational (Expenses) Revenue		
Sales	(616,900)	(704,268)
General and Administrative	(81,735)	(83,283)
<b>Operational Expenses</b>	<b>(698,635)</b>	<b>(787,552)</b>
<b>EBITDA</b>	<b>301,085</b>	<b>316,648</b>
Depreciation and Amortization	(81,510)	(100,268)
<b>Operational Earnings before Financial Results</b>	<b>219,576</b>	<b>216,380</b>
Financial Expenses	(57,947)	(44,199)
Financial Revenue	28,806	18,336
<b>Financial Expenses/Revenue</b>	<b>(29,141)</b>	<b>(25,863)</b>
<b>Earnings before Income Tax and Social Charges</b>	<b>190,435</b>	<b>190,517</b>
Income Tax and Social Charges	(52,465)	(48,742)
<b>Net Income</b>	<b>137,970</b>	<b>141,775</b>

<b>Consolidated Income Statement</b> (R\$ thousand)	<u>2Q17</u>	<u>2Q18</u>
<b>Gross Revenue</b>	<b>3,397,860</b>	<b>3,791,578</b>
Taxes, Discounts and Returns	(160,602)	(177,589)
<b>Net Revenue</b>	<b>3,237,258</b>	<b>3,613,989</b>
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Operational (Expenses) Revenue		
Sales	(616,900)	(704,268)
General and Administrative	(81,735)	(83,283)
Other Operational Expenses, Net	0	(6,240)
<b>Operational Expenses</b>	<b>(698,635)</b>	<b>(793,791)</b>
<b>EBITDA</b>	<b>301,085</b>	<b>310,408</b>
Depreciation and Amortization	(81,510)	(100,268)
<b>Operational Earnings before Financial Results</b>	<b>219,576</b>	<b>210,140</b>
Financial Expenses	(57,947)	(44,199)
Financial Revenue	28,806	18,336
<b>Financial Expenses/Revenue</b>	<b>(29,141)</b>	<b>(25,863)</b>
<b>Earnings before Income Tax and Social Charges</b>	<b>190,435</b>	<b>184,277</b>
Income Tax and Social Charges	(52,465)	(46,621)
<b>Net Income</b>	<b>137,970</b>	<b>137,656</b>

<b>Assets</b> <i>(R\$ thousand)</i>	<u>2Q17</u>	<u>2Q18</u>
<b>Current Assets</b>		
Cash and Cash Equivalents	324,363	281,255
Accounts Receivable	818,151	967,282
Inventories	2,254,560	2,640,798
Taxes Receivable	86,415	66,874
Other Accounts Receivable	138,950	134,342
Anticipated Expenses	27,172	35,179
	<u>3,649,611</u>	<u>4,125,731</u>
<b>Non-Current Assets</b>		
Deposit in Court	26,474	33,399
Taxes Receivable	30,002	36,126
Other Credits	5,511	2,599
Property, Plant and Equipment	1,114,876	1,368,359
Intangible	1,181,935	1,193,602
	<u>2,358,798</u>	<u>2,634,085</u>
<b>ASSETS</b>	<u>6,008,409</u>	<u>6,759,816</u>

<b>Liabilities and Shareholder's Equity</b> (R\$ thousand)	<b>2Q17</b>	<b>2Q18</b>
<b>Current Liabilities</b>		
Suppliers	1,396,476	1,670,111
Loans and Financing	240,626	227,242
Salaries and Social Charges Payable	224,889	254,223
Taxes Payable	116,917	83,200
Dividend and Interest on Equity	87,626	89,932
Provision for Lawsuits	4,244	1,060
Other Accounts Payable	122,939	112,332
	<u>2,193,716</u>	<u>2,438,100</u>
<b>Non-Current Liabilities</b>		
Loans and Financing	513,038	684,376
Provision for Lawsuits	8,694	6,090
Income Tax and Social Charges deferred	204,823	255,521
Other Accounts Payable	64,889	61,069
	<u>791,443</u>	<u>1,007,056</u>
<b>Shareholder's Equity</b>		
Common Stock	1,808,639	1,808,639
Capital Reserves	144,731	110,346
Revaluation Reserve	12,290	12,109
Income Reserves	919,117	1,228,149
Accrued Income	141,512	156,256
Equity Adjustments	(30,230)	(30,230)
Non Controller Interest	27,190	29,392
	<u>3,023,250</u>	<u>3,314,660</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u>6,008,409</u>	<u>6,759,816</u>

<b>Cash Flow</b> (R\$ thousand)	<b>2Q17</b>	<b>2Q18</b>
<b>Earnings before Income Tax and Social Charges</b>	<b>190,435</b>	<b>184,277</b>
<b>Adjustments</b>		
Depreciation and Amortization	81,510	100,268
Compensation plan with restricted shares, net	3,424	2,872
Interest over additional stock option	2,427	1,386
P,P&E and Intangible Assets residual value	2,257	2,734
Provisioned Lawsuits	(1,511)	(3,703)
Provisioned Inventory Loss	958	576
Provision for Doubtful Accounts	(738)	(2,013)
Provisioned Store Closures	(462)	(636)
Interest Expenses	19,016	15,382
Debt Issuance Costs Amortization	60	542
	<b>297,376</b>	<b>301,685</b>
<b>Assets and Liabilities variation</b>		
Clients and Other Accounts Receivable	(35,742)	1,454
Inventories	(34,402)	(14,301)
Other Short Term Assets	10,589	(1,004)
Long Term Assets	(6,840)	(4,379)
Suppliers	(85,001)	(163,926)
Salaries and Social Charges	31,564	48,966
Taxes Payable	(27,835)	(26,049)
Other Liabilities	5,693	(539)
Rent Payable	579	(754)
<b>Cash from Operations</b>	<b>155,981</b>	<b>141,153</b>
Interest Paid	(6,173)	(13,542)
Income Tax and Social Charges Paid	(36,059)	(31,561)
<b>Net Cash from (invested) Operational Activities</b>	<b>113,749</b>	<b>96,050</b>
<b>Investment Activities Cash Flow</b>		
P,P&E and Intangible Acquisitions	(153,282)	(166,097)
P,P&E Sale Payments	72	7
<b>Net Cash from Investment Activities</b>	<b>(153,210)</b>	<b>(166,090)</b>
<b>Financing Activities Cash Flow</b>		
Funding	314,608	400,002
Payments	(47,254)	(64,269)
Interest on Equity and Dividends Paid	(85,131)	(87,114)
<b>Net Cash from Funding Activities</b>	<b>182,223</b>	<b>248,619</b>
<b>Cash and Cash Equivalents net increase</b>	<b>142,762</b>	<b>178,579</b>
<b>Cash and Cash Equivalents in the beggining of the period</b>	<b>181,601</b>	<b>102,675</b>
<b>Cash and Cash Equivalents in the end of the period</b>	<b>324,363</b>	<b>281,254</b>

### 2Q18 Results Conference Calls – July 31, 2018

#### Portuguese

at 3:30 pm (Brasília)

Dial in access:

+55 (11) 2188-0155

+55 (11) 2188-0155

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#### English

at 2:00 pm (Brasília)

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For more information, please contact our Investor Relations department.

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