(A free translation of the original in Portuguese)

Hypermarcas S.A.

Quarterly information (ITR) at March 31, 2013 and report on review of quarterly information

(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Stockholders
Hypermarcas S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Hypermarcas S.A., included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2013, comprising the balance sheet as at that date and the statements of income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (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 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 Brazilian and 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 parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Hypermarcas S.A.

Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statement of value added

We have also reviewed the parent company and consolidated statements of value added for the quarter ended March 31, 2013. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

São Paulo, May 3, 2013

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Valdir Renato Coscodai
Contador CRC 1SP165875/O-6

Hypermarcas S.A.

Balance sheet

All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent		Consolidated	
Assets	**March 31, 2013**	**December 31, 2012**	**March 31, 2013**	**December 31, 2012**
Current assets				
Cash and cash equivalents (Note 9)	820,960	727,356	1,826,872	1,736,402
Trade receivables (Note 10)	1,038,230	1,221,833	1,040,475	1,209,054
Inventories (Note 11)	302,148	268,938	553,233	438,779
Taxes recoverable (Note 12)	448,710	414,928	521,578	473,897
Other assets	135,304	109,972	148,826	153,557
	2,745,352	2,743,027	4,090,984	4,011,689
Non-current assets held for sale	10,785	10,785	10,785	10,785
	2,756,137	2,753,812	4,101,769	4,022,474
Non-current assets				
Long-term receivables				
Related parties (Note 30)	45	8,974		
Deferred income tax and social contribution (Note 19(a))	14,033	72,583	45,203	116,833
Taxes recoverable (Note 12)	48,804	62,745	72,692	78,002
Other assets	81,008	103,924	85,211	107,854
	143,890	248,226	203,106	302,689
Investments in subsidiaries (Note 14)	1,667,158	1,670,183	1,761	1,980
Other investments	631	631	631	631
Property, plant and equipment (Note 15)	668,389	660,368	1,403,610	1,376,971
Intangible assets (Note 16)	6,799,482	6,802,597	6,947,687	6,951,766
	9,135,660	9,133,779	8,353,689	8,331,348
Total assets	12,035,687	12,135,817	12,658,564	12,656,511

	Parent		Consolidated	
Liabilities and equity	**March 31, 2013**	**December 31, 2012**	**March 31, 2013**	**December 31, 2012**
Current liabilities				
Trade payables (Note 17)	213,224	264,680	486,747	465,726
Borrowings (Note 18)	715,443	317,727	743,367	346,103
Salaries payable	76,471	111,233	114,770	146,141
Income tax and social contribution payable			1,720	
Taxes payable (Note 20)	28,509	34,897	54,718	63,058
Notes payable (Note 22)	232,172	326,447	244,943	338,985
Proposed dividends	7	7	7	7
Other payables (Note 21)	176,953	232,122	256,858	298,847
	1,442,779	1,287,113	1,903,130	1,658,867
Non-current liabilities				
Borrowings (Note 18)	3,171,297	3,518,745	3,298,237	3,613,847
Related parties (Note 30)	7,422	414		
Notes payable (Note 22)	141,003	138,718	141,003	138,718
Deferred income tax and social contribution (Note 19(b))		29,154	26,287	66,221
Provisions for contingencies (Note 28)	217,632	211,952	218,822	212,960
Other payables	79,471	81,355	95,002	97,532
	3,616,825	3,980,338	3,779,351	4,129,278
	5,059,604	5,267,451	5,682,481	5,788,145
Equity				
Share capital (Note 25(a))	5,231,066	5,231,066	5,231,066	5,231,066
Capital reserves (Note 25)	1,414,553	1,409,146	1,414,553	1,409,146
Carrying value adjustments	(204,443)	(204,443)	(204,443)	(204,443)
Revenue reserves	432,597	432,597	432,597	432,597
Profit for the period	102,310		102,310	
	6,976,083	6,868,366	6,976,083	6,868,366
Total liabilities and equity	12,035,687	12,135,817	12,658,564	12,656,511

The accompanying notes are an integral part of this quarterly information.

	Parent		Consolidated	
	March 31, 2013	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**
Continuing operations				
Net revenue (Note 27)	972,778	907,071	958,432	897,110
Cost of sales	(404,581)	(369,677)	(345,837)	(339,545)
Gross profit	568,197	537,394	612,595	557,565
Selling and marketing expenses (Note 24(a))	(318,029)	(316,243)	(339,621)	(333,169)
General and administrative expenses (Note 24(b))	(41,894)	(53,568)	(53,132)	(60,559)
Other operating income (expenses), net (Note 24(c))	(14,582)	(15,919)	(28,867)	(20,037)
Equity in the results of investees (Note 14)	6,787	(8,036)	(219)	
Operating profit	200,479	143,628	190,756	143,800
Finance income (Note 24(e))	19,679	66,454	36,369	67,814
Finance costs (Note 24(d))	(88,755)	(120,365)	(89,601)	(124,182)
Finance costs, net	(69,076)	(53,911)	(53,232)	(56,368)
Profit before income tax and social contribution	131,403	89,717	137,524	87,432
Income tax and social contribution (Note 19(d))	(29,293)	(38,432)	(35,414)	(36,147)
Profit for the period from continuing operations	102,110	51,285	102,110	51,285
Discontinued operations				
Profit (loss) for the period from discontinued operations (Note 13)	200	(10,478)	200	(10,478)
Profit for the period	102,310	40,807	102,310	40,807
Basic earnings per share (in reais)				
From continuing operations			0.16305	0.08203
From discontinued operations			0.00032	(0.01676)
			0.16337	0.06527
Diluted earnings per share (in reais)				
From continuing operations			0.18643	0.10106
From discontinued operations			0.00030	(0.01561)
			0.18673	0.08545

The Company does not have other comprehensive results in addition to those presented in these statements of income.

The accompanying notes are an integral part of this quarterly information.

		Capital reserves				Revenue reserves						
	Capital	Share premium	Share options	Treasury shares	Carrying value adjustments	Legal reserve	Tax incentives reserve	Statutory reserve	Profit retention reserve	Proposed additional dividends	Retained earnings	Total
At December 31, 2011	**5,227,017**	**1,390,996**	**26,399**	**(22,719)**	**(204,443)**	**17,945**	**62,339**	**77,701**	**70,699**			**6,645,934**
Payment of capital - funds obtained from the stock option program (Note 25 (a))	1,629											1,629
Stock options			3,191									3,191
Profit for the period											40,807	40,807
At March 31, 2012	**5,228,646**	**1,390,996**	**29,590**	**(22,719)**	**(204,443)**	**17,945**	**62,339**	**77,701**	**70,699**		**40,807**	**6,691,561**
Payment of capital - funds obtained from the stock option program (Note 25 (a))	2,420											2,420
Stock options			10,293									10,293
Result from the sale of treasury shares (Note 25(c))		(336)										(336)
Sale of shares (Note 25(c))				1,322								1,322
Profit for the period											163,106	163,106
Reversal of reserves (Note 25(g))								(77,701)	(33,699)		111,400	
Transfer to reserves (Note 25)						10,196	203,005				(213,201)	
Proposed additional dividends										102,112	(102,112)	
At December 31, 2012	**5,231,066**	**1,390,660**	**39,883**	**(21,397)**	**(204,443)**	**28,141**	**265,344**		**37,000**	**102,112**		**6,868,366**
Stock options			1,292									1,292
Result from the sale of treasury shares (Note 25(c))		(3,649)										(3,649)
Sale of shares (Note 25(c))				7,764								7,764
Profit for the period											102,310	102,310
At March 31, 2013	**5,231,066**	**1,387,011**	**41,175**	**(13,633)**	**(204,443)**	**28,141**	**265,344**		**37,000**	**102,112**	**102,310**	**6,976,083**

The accompanying notes are an integral part of this quarterly information.

	Parent		Consolidated	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Cash flows from operating activities				
Profit before taxation, including discontinued operations	131,706	77,062	137,827	74,777
Adjustments				
Depreciation and amortization	14,950	15,925	25,574	24,750
Impairment of assets		6,252		6,252
Result on sale of permanent assets	(1,929)	1,863	(1,165)	1,827
Equity in the results of continuing operations	(6,787)	8,036	219	
Foreign exchange losses	(18,935)	(32,063)	(20,209)	(32,311)
Interest and other related expenses	88,011	85,974	73,441	88,679
Stock option expenses	1,250	2,972	1,292	3,191
Adjusted profit	208,266	166,021	216,979	167,165
Decrease (increase) in asset and liability accounts				
Trade receivables	183,603	(115,600)	168,579	(116,004)
Inventories	(33,210)	43,091	(114,454)	40,488
Taxes recoverable	(19,843)	1,536	(42,372)	4,915
Judicial deposits and other	558	(1,227)	575	(1,338)
Other receivables	(825)	27,041	29,376	19,569
Trade payables	(51,456)	(15,693)	21,021	921
Income tax and social contribution paid		(13,742)		(13,742)
Taxes payable	(5,382)	(2,099)	(7,283)	1,710
Salaries and social charges	(34,760)	848	(31,388)	306
Other payables	(59,272)	25,384	(64,919)	27,757
Interest paid	5,793	4,684	7,229	4,975
Other payables	804	2,696	980	2,691
Net cash provided by operating activities	194,276	122,940	184,323	139,413
Cash flows from investing activities				
Capital increase in subsidiaries/associates	(5,370)	(55,635)		(15,635)
Purchases of property, plant and equipment	(9,710)	(21,539)	(34,212)	(49,795)
Purchases of intangible assets	(2,815)	(588)	(5,000)	(1,708)
Proceeds from the sale of permanent assets	6,816	786	5,958	945
Interest received	12,851	62,078	29,260	63,239
Net cash provided by (used in) investing activities	1,772	(14,898)	(3,994)	(2,954)
Cash flows from financing activities				
Proceeds from borrowings	37,480	42,286	58,373	(1,747)
Repayment of borrowings - principal	(96,946)	(324,943)	(103,267)	(334,409)
Repayment of borrowings - interest	(47,093)	(120,595)	(49,080)	(122,184)
Payment of capital		1,629		1,629
Sale of treasury shares	4,115		4,115	
Net cash used in financing activities	(102,444)	(401,623)	(89,859)	(456,711)
Net increase (decrease) in cash and cash equivalents	93,604	(293,581)	90,470	(320,252)
Cash and cash equivalents at the beginning of the period	727,356	2,521,029	1,736,402	2,596,325
Cash and cash equivalents at the end of the period	820,960	2,227,448	1,826,872	2,276,073
Changes in cash and cash equivalents	93,604	(293,581)	90,470	(320,252)
Transactions not involving cash				
Acquisition of property, plant and equipment through leases	3,160	964	3,160	964
Permanent assets	5,259		24,086	

The accompanying notes are an integral part of this quarterly information.

Hypermarcas S.A.

Statement of value added
Quarters ended March 31

All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent		Consolidated (*)	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Gross revenue				
Sale of goods and products, including discontinued operations	1,134,630	1,192,015	1,127,176	1,192,575
Other revenue	(14,582)	(15,919)	(28,867)	(20,037)
Provision for impairment of trade receivables	(866)	(11,638)	(1,013)	(11,638)
	1,119,182	1,164,458	1,097,296	1,160,900
Inputs acquired from third parties				
Cost of materials, goods and services sold	(444,142)	(440,715)	(366,352)	(388,916)
Materials, electricity, outsourced services and other	(318,537)	(382,703)	(359,208)	(408,098)
	(762,679)	(823,418)	(725,560)	(797,014)
Gross value added	356,503	341,040	371,736	363,886
Depreciation and amortization	(14,950)	(15,925)	(25,574)	(24,750)
Net value added generated by the Company	341,553	325,115	346,162	339,136
Value added received through transfer				
Equity in the results of continuing operations	6,787	(8,036)	(219)	
Finance income	19,679	66,454	36,369	67,814
	26,466	58,418	36,150	67,814
Total value added to distribute	368,019	383,533	382,312	406,950
Distribution of value added				
Personnel and social charges	104,348	126,608	170,784	169,225
Direct remuneration	81,842	98,852	130,208	129,026
Benefits	16,737	21,379	31,159	31,696
Government Severance Indemnity Fund for Employees (FGTS)	5,769	6,377	9,417	8,503
Taxes and contributions	66,467	88,446	10,391	61,512
Federal	26,168	59,065	10,761	56,117
State	39,476	28,044	(2,455)	2,946
Municipal	823	1,337	2,085	2,449
Interest	88,525	117,856	89,286	121,443
Rentals	6,369	9,816	9,541	13,963
Retained profit for the period	102,310	40,807	102,310	40,807
Value added distributed	368,019	383,533	382,312	406,950

(*) The statement of value added is not part of the consolidated financial statements, according to IFRS.

The accompanying notes are an integral part of this quarterly information.

1 General information

Hypermarcas S.A. (the "Company") is a Brazilian company manufacturing mass consumer products, operating two main business lines (i) Pharmaceutical and (ii) Consumer products (beauty and personal hygiene), with a wide portfolio of traditional brands. Among the several brands of the Company's portfolio, the following should be highlighted: Agecare, Alivium, Apracur, Atroveran, Apraz, Bambair, Biotônico Fontoura, Blumel, Calminex, Celastamine, Celestone, Cibrato, Cizax, Coristina, Dersab, Diprogenta, Diprosalio, Diprosone, Diprospan, Dramovit, Doril, Engov, Epocler, Estomazil, Epidac, Epidrat, Episol, Fluir, Furacin, Gastrol, Garasone, Gelol, Lactopurga, Lisador, Lucretin, Melhoral, Merthiolate, Macrodantina, Milgamma, Nasaleze, Neo Química Genéricos, Ovatel, Oximax, Pelus, Polaramine, Pratium, Predsim, Procsim, Quadriderm, Rinosoro, Scaflam, Senareti, Tamarine, Tefin, Virilon, Active, Avanço, Affective, Bigfral, Biocolor, Bitufo, Bozzano, Cenoura & Bronze, Cremer, Éh!, Finn, Gigafral, Jontex, Leve, Maturidade, Monange, NY.Looks, Olla, Paixão, Palinetes, Pom Pom, Protegy, Rastro, Risqué, Sanifill, Sapeka, Sensibaby, Silhouette, Trés Marchand, Única, York, Zero Cal.

The manufacture of products is substantially carried out by the subsidiaries Cosmed Indústria de Cosméticos e Medicamentos S.A. (Consumer products) and Brainfarma Indústria e Farmacêutica S.A. (Pharmaceutical).

The plants are located in: Anápolis-GO, Senador Canedo-GO, Rio de Janeiro-RJ, Guarulhos-SP, Cabo de Santo Agostinho-PE, Taboão da Serra-SP, Mogi das Cruzes-SP, São Roque-SP, Goiânia-GO, Aparecida de Goiânia-GO and Juiz de Fora-MG. The Company is headquartered in São Paulo, capital of the State of São Paulo.

The distribution centers are located in: Anápolis-GO, Goiânia-Go, Cajamar-SP, Duque de Caxias-RJ, Contagem-MG and Extrema-MG.

2 Summary of significant accounting policies

The main accounting policies applied in the preparation of this parent company and consolidated Quarterly Information (ITR) were not significantly changed in relation to those disclosed in the financial statements for the year ended December 31, 2012. When the Notes to this Quarterly Information are not presented completely because of redundancy in relation to the information presented in the Company's annual financial statements, the complete information should be read in the corresponding Note in the Company's annual financial statements. Certain new accounting standards applicable as from 2013, as disclosed in the 2012 annual financial statements, did not cause impacts in relation to the Company's accounting policies.

The parent company interim accounting information has been prepared in accordance with the Technical Pronouncement CPC 21 - Interim Financial Reporting, and the consolidated interim accounting information has been prepared in accordance with the Technical Pronouncement CPC 21 and International Accounting Standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), and presented in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR).

This Quarterly Information was approved by the Company's Board of Directors on May 3, 2013.

3 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The critical accounting estimates and judgments utilized for this Quarterly Information were not altered in relation to those disclosed in the 2012 annual financial statements.

4 Financial risk management

(a) Financial risk factors

There were no alterations in the financial risk factors and risk management policy in relation to those described in the annual financial statements for the year ended December 31, 2012. The financial information for the current period is presented in the tables below, in comparison to December 31, 2012.

(b) Foreign exchange risk

At March 31, 2013 and December 31, 2012, the assets and liabilities denominated in foreign currency and the financial instruments that mitigated foreign exchange risks were as follows:

	Consolidated			
	March 31, 2013		December 31, 2012	
	US$ thousand	R$ thousand	US$ thousand	R$ thousand
Assets				
Trade receivables	(61)	(122)	(72)	(148)
Liabilities				
Trade payables	92,838	186,957	84,949	173,613
Borrowings	874,098	1,760,258	860,729	1,758,900
Notes payable	40,847	82,257	63,370	129,497
Derivative instruments used to mitigate risks	(266,271)	(536,216)	(236,213)	(466,159)
Net exposure	741,451	1,493,134	772,763	1,595,703

(c) Risk of share price volatility

The Company had investments in shares amounting to R$ 4,675 at March 31, 2013. However, these investments do not represent a risk of share price variation for the Company, since these shares are linked to a guarantee related to a liability of the Company in respect of the acquisition of the NY Looks brands (Note 22 - Notes payable).

(d) Cash flow and fair value interest rate risk

The Company's exposure to the interest rate risk for transactions linked to the variation of the Interbank Deposit Certificate (CDI) interest rate and to the Long-term Interest Rate (TJLP) is shown below:

	March 31, 2013	
	Parent	Consolidated
Borrowings	964,970	997,352
Notes payable	202,366	213,520
Financial investments	(813,505)	(1,819,841)
Net exposure	353,831	(608,969)

(e) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and other financial institutions, as well as credit exposures with wholesale and retail customers, including outstanding receivables and commitments.

For banks and financial institutions, the Company's policy is to diversify its financial investments in prime financial institutions with the ratings classifications described in Note 8 (Credit quality of financial assets).

(f) Liquidity risk

The amounts disclosed in the table below are undiscounted future cash flows, which include interest to be incurred. For this reason, these amounts cannot be reconciled with the amounts disclosed in the balance sheet.

	Consolidated March 31, 2013				
	No later than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Debentures	444,564	407,282	1,613,288	99,105	2,564,239
Borrowings	376,879	142,520	375,686	1,949,969	2,845,054
Notes payable	262,001	117,420	43,779		423,200
Trade payables	486,747				486,747
Other payables		95,002			95,002
Derivative financial instruments	8,785	2,039			10,824
	1,578,976	764,263	2,032,753	2,049,074	6,425,066

	Consolidated December 31, 2012				
	No later than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Debentures	243,014	621,245	1,631,530	99,104	2,594,893
Borrowings	165,945	361,327	363,797	1,935,944	2,827,013
Notes payable	359,887	117,852	43,779		521,518
Trade payables	465,726				465,726
Other payables		97,532			97,532
Derivative financial instruments	3,178	(30,022)			(26,844)
	1,237,750	1,167,934	2,039,106	2,035,048	6,479,838

(g) Derivatives

Foreign exchange derivative instruments contracted by the Company totaled R$ 525,392 at March 31, 2013 (December 31, 2012 - R$ 466,159), and the results of transactions not yet settled represented gains of R$ 10,823 (December 31, 2012, gains of R$ 24,604).

The transactions at March 31, 2013 and December 31, 2012 can be summarized as follows:

Type	Counterparties	Notional amount		Fair value		Amounts receivable/payable		Realized gains/ losses		Unrealized gains/losses	
(in thousands of reais)		Mar/13	Dec/12	Mar/13	Dec/12	Mar/13	Dec/12	Mar/13	Dec/12	Mar/13	Dec/12
Foreign currency Forward contracts											
Purchased position	Merrill Lynch, DB, HSBC, JP, Itau, Santander	319,938	259,220	319,446	266,836	(493)	7,616	2,991	11,608	(493)	7,616
Swap contracts- purchased position	Citibank	205,454	206,939	216,770	223,030	11,316	16,988	(4,103)	(24,507)	11,316	16,988
Subtotal		**525,392**	**466,159**	**536,216**	**489,866**	**10,823**	**24,604**	**(1,112)**	**(12,899)**	**10,823**	**24,604**
Interest rate Swap contracts									**285**		
Asset position - fixed rate	BTG Pactual										
Liability position - floating rate									285		
Total		**525,392**	**466,159**	**536,216**	**489,866**	**10,823**	**24,604**	**(1,112)**	**(12,614)**	**10,823**	**24,604**

The contracts listed above fall due as follows:

Maturity				Notional amount
Foreign currency -USD	**Mar/13**	**Rate**	**Dec/12**	**Rate**
Jan-13			78,744	1.981
Feb-13			2,326	1.883
Apr-13	55,052	2.009		
May-13	43,155	2.059	48,841	2.011
Jun-13	8,235	2.020		
Jul-13	14,777	1.939	8,571	1.874
Aug-13	6,104	1.968	2,313	1.883
Sep-13	5,190	2.045		
Oct-13	63,152	2.143	60,416	2.147
Nov-13	10,343	2.051		
Dec-13	33,515	2.212	32,563	2.217
Jan-14	574	2.063		
Feb-14	202,735	1.883	202,300	1.883
Apr-14	52,476	2.153		
Dec-14	30,084	2.069	30,085	2.069
Total	**525,392**	**2.010**	**466,159**	**1.983**

(h) Methodology to calculate fair value of derivatives

Forward currency contracts were valued by using an interpolation of the market rates of US dollar futures contracts for each reporting date, as informed by the Brazilian Futures, Commodities and Securities Exchange (BM&F BOVESPA).

Swaps were valued by using an interpolation of the market rates of foreign exchange coupons and the future interbank deposit (DI) interest rate for each reporting date, as informed by the BM&F BOVESPA.

(i) Additional sensitivity analysis required by the Brazilian Securities Commission (CVM)

The table below presents the sensitivity analysis of the financial instruments, including derivatives, disclosing risks that could result in material losses for the Company. It comprises the most probable scenario (scenario I, with a fluctuation of approximately 4.63% for the US dollar, which corresponds to 3 standard deviations in the fluctuation for the three months of the fourth quarter), according to an evaluation carried out by management, considering a horizon of three months, when the next financial information containing this analysis should be disclosed. In addition, in accordance with CVM Instruction 475/08, two other scenarios (II and III) are presented, which contemplate deteriorations of 25% and 50%, respectively, in the exchange rate of the Real against the US dollar.

Risk	Scenario I		Scenario II		Scenario III	
(in thousands of reais)			25% fluctuation		50% fluctuation	
	Appreciation	Depreciation	Appreciation	Depreciation	Appreciation	Depreciation
US dollar exchange rate	**1.921**	**2.107**	**1.510**	**2.517**	**1.007**	**3.021**
Foreign currency						
Hedge	**(13,977)**	**35,624**	**(123,230)**	**144,878**	**(257,284)**	**278,931**
Forward contracts	(15,267)	14,282	(80,354)	79,369	(160,215)	159,230
Swaps	1,290	21,342	(42,876)	65,509	(97,069)	119,701
Hedged transactions	**(39,024)**	**(86,455)**	**65,449**	**(190,928)**	**193,637**	**(319,116)**
Short-term borrowings and notes payable subject to exchange variations	(39,024)	(86,455)	65,449	(190,928)	193,637	(319,116)
Net effect	**(53,001)**	**(50,831)**	**(57,781)**	**(46,050)**	**(63,647)**	**(40,185)**
Other liabilities	**70,193**	**(70,193)**	**379,409**	**(379,409)**	**758,819**	**(758,819)**
Other borrowings and notes payable subject to exchange variations	70,193	(70,193)	379,409	(379,409)	758,819	(758,819)

The sensitivity analysis presented above considers changes in the US dollar exchange rate, with all variables associated with other risks maintained constant.

Based on the current monetary policy which prioritizes economic stability, the Company expects an increase of 0.50 p.p. in the variable interest rates to which it is exposed, which would increase the official interest (SELIC) rate to 7.75% by June 2013. In accordance with the sensitivity analysis concerning the risk of increase in interest rates, considering an increase of 0.50 p.p. as the most probable scenario and alternative scenarios, the Company could have a positive impact on its finance income as follows:

Scenarios of changes in the SELIC	Increase of 0.50 p.p.	Increase of 25%	Increase of 50%
Impact (R$ thousand)	3,326	12,058	24,116

5 Capital management

The gearing ratios at March 31, 2013 and December 31, 2012 were as follows:

	Consolidated	
	March 31, 2013	December 31, 2012
Total borrowings (Note 18)	4,041,604	3,959,950
Total notes payable (Note 22)	385,946	477,703
Less: cash and cash equivalents (Note 9)	(1,826,872)	(1,736,402)
Net debt	2,600,678	2,701,251
Total equity	6,976,083	6,868,366
Total capital	9,576,761	9,569,617
Gearing ratio - %	27%	28%

6 Fair value estimation

No changes were made in the quarter to the criterion or method for fair value measurement. Furthermore, as the nature of the amounts measured at fair value did not change, the reference utilized (prices quoted or not) also did not change. Therefore, consistent with December 31, 2012, the Company's assets measured at fair value through profit or loss (there were no liabilities in this category) were substantially represented by the funds invested classified as "Cash and cash equivalents" and "Financial investments" (Note 9).

7 Financial instruments by category

Except for the financial assets at fair value through profit or loss (financial investments (Note 9) and derivative financial instruments (Note 4(g))), the other financial assets and liabilities were recorded in "Loans and receivables" and "Other financial liabilities", respectively.

8 Credit quality of financial assets

The credit quality of financial assets (cash and cash equivalents) is assessed by reference to historical information about default rates:

	Parent		Consolidated	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Short-term current account and bank deposits (*)				
AAA	820,791	727,215	1,826,620	1,736,188
BBB+		24		24
	820,791	727,239	1,826,620	1,736,212

The remaining balance of "Cash and cash equivalents" in the balance sheet substantially comprises cash on hand.

	Parent		Consolidated	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Derivative financial assets				
AAA	10,129	24,604	10,140	24,604
AA	13		13	
A+	357		445	
AA-	156		156	
A	30		69	
	10,685	24,604	10,823	24,604

(*) Source: credit rating agencies Moody's, Standard & Poor's and Fitch, on local scale.

None of the financial assets that are fully performing has been renegotiated in the last year. None of the loans to related parties is past due or impaired.

Trade receivables - The credit analysis area evaluates a customer's credit quality by taking into consideration its financial position, payment history, public information and information from credit analysis entities (Serasa, CISP and Credinfar). Individual risk limits are determined based on ongoing internal monitoring.

A significant part of the Company's sales is made to distributors, large retail networks and supermarkets with a distribution network spread throughout Brazil, which mitigates the consolidated credit risk of the Company. Additionally, the credit analysis area utilizes the controls mentioned above for the constant monitoring and evaluation of the Company's portfolio. Historically, there is no record of significant losses in the Company's trade receivables. See details on the aging analysis in Note 10.

9 Cash and cash equivalents

	Parent		Consolidated	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Cash and banks	7,455	10,854	7,031	8,693
Financial investments:				
Repurchase commitments	289,499	188,787	817,521	726,177
CDBs	524,006	527,715	1,002,320	1,001,532
	813,505	716,502	1,819,841	1,727,709
	820,960	727,356	1,826,872	1,736,402

Repurchase transactions yield from 99.5% to 104.0% of the Interbank Deposit Certificate (CDI) interest rate (with a weighted average of 101.8%). Bank Deposit Certificates (CDB) yield between 96.5% and 101.7% of the CDI rate (with a weighted average of 101%).

10 Trade receivables

	Parent		Consolidated	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Local customers	1,113,903	1,299,508	1,121,866	1,290,878
Foreign customers	122	148	122	148
Customers - related parties (Note 30(a))	1,372	710		
	1,115,397	1,300,366	1,121,988	1,291,026
Provision for impairment of trade receivables	(77,167)	(78,533)	(81,513)	(81,972)
	1,038,230	1,221,833	1,040,475	1,209,054

The fair values of trade receivables approximate the above carrying amounts, as all these amounts are realizable in the short term.

Consolidated trade receivables of R$ 140,215 at March 31, 2013 (December 31, 2012 - R$ 115,093) were past due, but not impaired. These relate to a number of independent customers for whom there is no recent history of default. As of March 31, 2013, trade receivables of the parent company of R$ 137,767 (December 31, 2012 - R$ 110,530) were past due but not impaired. These receivables were also from customers for whom there was no history of default. The ageing analysis of these trade receivables is as follows:

	Parent		Consolidated	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Up to 3 months	122,531	98,599	122,930	99,138
Over 3 months	15,236	11,931	17,285	15,955
	137,767	110,530	140,215	115,093

The recording and reversals of the provision for impaired receivables have been included in "Selling and marketing expenses" in the statement of income. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.
The maximum exposure to credit risk at the balance sheet date was the carrying value of each class of receivables mentioned above. The Company pledged certain notes receivable, as mentioned in Note 18 (a).

11 Inventories

	Parent		Consolidated	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Finished products and goods for resale	318,319	278,959	331,789	280,119
Semi-finished products	9,085	9,309	36,800	36,249
Raw materials	58,829	51,890	313,905	236,787
Maintenance materials and supplies	7,946	8,833	15,847	15,655
Provision for loss on inventories (*)	(92,031)	(80,053)	(145,108)	(130,031)
	302,148	268,938	553,233	438,779

(*) Primarily shelf life, slow-moving and discontinued items.

12 Taxes recoverable

	Parent		Consolidated	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
PIS/COFINS/IPI and other(i)	196,900	168,442	240,299	201,306
ICMS (credit balance and tax substitute system)	172,234	180,364	221,467	218,496
Income Tax (IRPJ) and Social Contribution (CSLL) recoverable (i)	128,380	128,867	132,504	132,097
	497,514	477,673	594,270	551,899
Current	448,710	414,928	521,578	473,897
Non-current	48,804	62,745	72,692	78,002

(i) Income Tax Withheld at Source (IRRF) on financial investments, which was classified in the line item PIS/COFINS/IPI and other, was reclassified to IRPJ and CSLL recoverable.

13 Discontinued operations

Analysis of the results of the discontinued operations

	Consolidated					
	First quarter of 2013			First quarter of 2012		
	Discontinued operation	Profit (loss) on sale/ impairment	Total discontinued operation	Discontinued operation	Profit (loss) on sale/ impairment	Total discontinued operation
Net sales revenue	(1)		(1)	70,814		70,814
Cost of products sold				(67,648)		(67,648)
Gross profit	(1)		(1)	3,166		3,166
Expenses	304		304	(8,867)		(8,867)
Result on sale					(702)	(702)
Impairment (i)					(6,252)	(6,252)
Operating profit (loss)	303		303	(5,701)	(6,954)	(12,655)
Profit (loss) before income tax and social contribution	303		303	(5,701)	(6,954)	(12,655)
Income tax and social contribution	(103)		(103)	2,177		2,177
Profit (loss) for the period	200		200	(3,524)	(6,954)	(10,478)

(i) Refers to the Serenity (Argentina) investment.

Reconciliation of continuing and discontinued operations

The reconciliation of the statements of income for the continuing and discontinued operations with the consolidated statements is as follows:

	Consolidated					
	First quarter of 2013			First quarter of 2012		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Net sales revenue	958,432	(1)	958,431	897,110	70,814	967,924
Cost of products sold	(345,837)		(345,837)	(339,545)	(67,648)	(407,193)
Gross profit (loss)	612,595	(1)	612,594	557,565	3,166	560,731
Expenses	(421,839)	304	(421,535)	(413,765)	(8,867)	(422,632)
Result on sale					(702)	(702)
Impairment					(6,252)	(6,252)
Operating profit (loss)	190,756	303	191,059	143,800	(12,655)	131,145
Finance costs, net	(53,232)		(53,232)	(56,368)		(56,368)
Profit (loss) before income tax and social contribution	137,524	303	137,827	87,432	(12,655)	74,777
Income tax and social contribution	(35,414)	(103)	(35,517)	(36,147)	2,177	(33,970)
Profit (loss) for the period after taxation	102,110	200	102,310	51,285	(10,478)	40,807

14 Investments in subsidiaries

The investments in related companies are as follows:

Company	Country	Business	Direct investment
Cosmed Indústria de Cosméticos e Medicamentos S.A.	Brazil	Consumer products	100%
My Agência de Propaganda Ltda.	Brazil	Advertising agency	100%
Brainfarma Indústria e Farmacêutica S.A.	Brazil	Pharmaceutical	100%
Bionovis S/A	Brazil	Pharmaceutical	25%

Changes in investments

	Brainfarma	Cosmed		My	Bionovis (i)	Braga Holding (ii)	
	Cost	Cost	Goodwill	Cost	Cost	Cost	Total
At December 31, 2012	515,056	1,092,726	48,085	(2,887)	1,980	15,223	1,670,183
Payment of capital				5,370			5,370
Disposals						(15,223)	(15,223)
Equity in results of investees	6,440	1,426		(860)	(219)		6,787
Stock options	171	(135)		5			41
At March 31, 2013	521,667	1,094,017	48,085	1,628	1,761		1,667,158

(i) Bionovis S.A. - Companhia Brasileira de Biotecnologia Farmacêutica - Payment of capital on April 2, 2012, referring to the investment of 25%. The business ("joint venture") comprises the research, development, production, distribution and sale of biotechnological products.

(ii) Braga Holding S.A. - Established from a partial spin-off, under the name Braga Holding S.A, which became a wholly-owned subsidiary of Hypermarcas and was sold on February 5, 2013.

The Company's share in the results of its main direct subsidiaries, all of which are unlisted, as well as in the total assets (including goodwill) and liabilities, was as follows:

March 31, 2013	Assets	Liabilities	Revenue	Profit (loss)
Cosmed Indústria de Cosméticos e Medicamentos S.A.	1,514,486	409,596	246,324	4,767
My Agência de Propaganda Ltda.	2,705	1,076	450	(860)
Brainfarma Indústria e Farmacêutica S.A.	794,593	274,146	124,437	6,154

December 31, 2012	Assets	Liabilities	Revenue	Profit (loss)
Cosmed Indústria de Cosméticos e Medicamentos S.A.	1,476,191	375,934	1,188,604	(55,137)
My Agência de Propaganda Ltda.	2,235	5,121	1,800	(2,816)
Brainfarma Indústria e Farmacêutica S.A.	783,234	269,113	486,870	(5,594)
Braga Holding S.A	17,325	2,101		

(a) Equity in results of investees

	Adjusted equity at March 31, 2013	Interest %	Equity in the results of continuing operations - March 31, 2013	Investment balance at March 31, 2013	Equity in the results of continuing operations - March 31, 2012	Investment balance at December 31, 2012
Cosmed Indústria de Cosméticos e Medicamentos S.A. (i)	1,094,017	100%	1,426	1,094,017	(4,709)	1,092,726
My Agência de Propaganda Ltda. (ii)	1,628	100%	(860)	1,628	(551)	(2,887)
IPH&C Indústria de Produtos de Higiene e Cosméticos Ltda. (iii)		100%			(44)	
Brainfarma Indústria e Farmacêutica S.A. (iv)	521,667	100%	6,440	521,667	(2,732)	515,056
Bionovis S.A. (v)	1,761	25%	(219)	1,761		1,980
Braga Holding S.A.		100%				15,223
			6,787	1,619,073	(8,036)	1,622,098
Goodwill in non-merged companies				48,085		48,085
			6,787	1,667,158	(8,036)	1,670,183

(i) Hypermarcas holds 1,543,063,439 common shares of its subsidiary Cosmed Indústria de Cosméticos e Medicamentos S.A.
(ii) Hypermarcas holds 6,009,999 of the 6,010,000 quotas of its subsidiary My Agência de Propaganda Ltda.
(iii) The subsidiary IPH&C Indústria de Produtos de Higiene e Cosméticos Ltda. was merged in December 2012 by the subsidiary Cosmed Indústria de Cosmésticos e Medicamentos S.A.
(iv) Hypermarcas is the holder of 174,833,227 common shares of its subsidiary Brainfarma Indústria e Farmacêutica S.A.
(v) Hypermarcas holds 2,500,000 common shares of the capital of Bionovis S.A.

15 Property, plant and equipment

Parent

	Land	Buildings and improvements	Machinery, equipment and facilities	Vehicles	Furniture and fittings	Tools, containers and other	Total in operation	Construction in progress	Total property, plant and equipment
At December 31, 2012	72,209	170,762	318,667	6,073	14,560	9,626	591,897	68,471	660,368
Additions			6,262	61	53	106	6,482	11,648	18,130
Disposals			(1,018)	(34)	(38)		(1,090)		(1,090)
Transfers (*)		1	1,218				1,219	(1,219)	
Depreciation		(2,075)	(5,504)	(423)	(390)	(627)	(9,019)		(9,019)
At March 31, 2013	72,209	168,688	319,625	5,677	14,185	9,105	589,489	78,900	668,389
Total cost	72,209	245,685	569,909	13,681	25,744	15,028	942,256	78,900	1,021,156
Accumulated depreciation		(76,997)	(250,284)	(8,004)	(11,559)	(5,923)	(352,767)		(352,767)
Net book value	72,209	168,688	319,625	5,677	14,185	9,105	589,489	78,900	668,389

Consolidated

	Land	Buildings and improvements	Machinery, equipment and facilities	Vehicles	Furniture and fittings	Tools, containers and other	Leases	Total in operation	Construction in progress	Total property, plant and equipment
At December 31, 2012	83,152	356,965	627,065	7,463	24,537	24,590	1,078	1,124,850	252,121	1,376,971
Additions	8		14,574	61	562	1,608		16,813	43,794	60,607
Disposals	(838)	(9,153)	(6,066)	(34)	(11)			(16,102)	(1,667)	(17,769)
Transfers (*)		1	36,990		2	33	(844)	36,182	(36,182)	
Depreciation		(3,436)	(9,920)	(490)	(626)	(1,727)		(16,199)		(16,199)
At March 31, 2013	82,322	344,377	662,643	7,000	24,464	24,504	234	1,145,544	258,066	1,403,610
Total cost	82,322	441,366	1,097,009	16,861	48,719	47,631	234	1,734,142	258,066	1,992,208
Accumulated depreciation		(96,989)	(434,366)	(9,861)	(24,255)	(23,127)		(588,598)		(588,598)
Net book value	82,322	344,377	662,643	7,000	24,464	24,504	234	1,145,544	258,066	1,403,610

(*) Mainly reclassification of construction in progress.

16 Intangible assets

	Parent		Consolidated	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Goodwill in non-merged companies				
Cosmed Indústria de Cosméticos e Medicamentos S.A.			48,085	48,085
Goodwill on acquisition of investments in merged companies				
Active Indústria e Comércio de Produtos de Higiene Pessoal e Cosmésticos S.A.			10,992	10,992
IPH&C Indústria de Produtos de Higiene e Cosméticos Ltda.			16,003	16,003
Mantecorp Indústria Química Farmacêutica S.A.	1,798,470	1,798,470	1,798,470	1,798,470
Mabesa do Brasil S.A.	353,146	353,146	353,146	353,146
Luper Indústria Farmacêutica Ltda.	45,917	45,917	45,917	45,917
Sapeka Indústria e Comércio de Fraldas Descartáveis S.A.	413,775	413,775	413,775	413,775
Versoix Participações Ltda.	150,059	150,059	150,059	150,059
York S.A Indústria e Comércio Ltda.	57,001	57,001	57,001	57,001
Facilit Odontológica e Perfumaria Ltda.	39,011	39,011	39,011	39,011
DPH Distribuidora de produtos de Higiene Ltda.	28,267	28,267	28,267	28,267
Laboratório Neo Química Comércio e Indústria S.A.	965,820	965,820	965,820	965,820
DM Indústria Farmacêutica Ltda.	743,029	743,029	743,029	743,029
Farmasa - Laboratório Americano de Farmacoterapia S.A.	666,808	666,808	666,808	666,808
Pom Pom Produtos Higiênicos Ltda.	269,263	269,263	269,263	269,263
Aprov Comércio de Cosméticos Ltda.	275,535	275,535	275,535	275,535
Inal - Indústria Nacional do Látex S.A.	156,260	156,260	156,260	156,260
Ceil Comércio e Distribuidora Ltda.	148,887	148,887	148,887	148,887
Barrenne Indústria Farmacêutica Ltda.	33,955	33,955	33,955	33,955
Finn Administradora de Marcas Ltda.	17,857	17,857	17,857	17,857
Éh Cosméticos S.A.	15,860	15,860	15,860	15,860
	6,178,920	6,178,920	6,254,000	6,254,000
Rights of use	18,545	17,972	20,277	19,553
Trademarks and patents	590,829	594,028	591,806	595,004
Computer software	6,234	6,911	7,060	7,787
Product development	4,954	4,766	74,544	75,422
	6,799,482	6,802,597	6,947,687	6,951,766

Goodwill represents the excess of the consideration paid over the fair value of the net assets acquired and was mainly based on expected future profitability, supported by appraisal reports prepared by a specialized company, utilizing the cash flow discounted to present value method. The discount rates used in the calculations were determined through the adoption of the Weighted Average Cost of Capital (WACC). For acquisitions carried out as from 2009, portions of the initial goodwill were allocated to certain assets acquired in the transactions (inventories, property, plant and equipment, trademarks, among others).

Changes in the balances

Parent

	Rights of use (i)	Trademarks and patents (ii)	Computer software	Product development	Goodwill	Total
At December 31, 2012	17,972	594,028	6,911	4,766	6,178,920	6,802,597
Additions	2,414		91	311		2,816
Transfers		(21)	21			
Amortization	(1,841)	(3,178)	(789)	(123)		(5,931)
At March 31, 2013	18,545	590,829	6,234	4,954	6,178,920	6,799,482
Total cost	53,415	637,697	25,379	6,921	6,178,920	6,902,332
Accumulated amortization	(34,870)	(46,868)	(19,145)	(1,967)		(102,850)
Net book value	18,545	590,829	6,234	4,954	6,178,920	6,799,482

Consolidated

	Rights of use (i)	Trademarks and patents (ii)	Computer software	Product development	Goodwill	Total
At December 31, 2012	19,553	595,004	7,787	75,422	6,254,000	6,951,766
Additions	2,775		91	2,133		4,999
Disposals	(8)			305		297
Transfers		(21)	21			
Amortization	(2,043)	(3,177)	(839)	(3,316)		(9,375)
At March 31, 2013	20,277	591,806	7,060	74,544	6,254,000	6,947,687
Total cost	62,785	638,698	26,413	119,872	6,254,000	7,101,768
Accumulated amortization	(42,508)	(46,892)	(19,353)	(45,328)		(154,081)
Net book value	20,277	591,806	7,060	74,544	6,254,000	6,947,687

(i) substantially software
(ii) includes trademarks and patents and right of use of trademarks

Impairment of assets

The Company annually evaluates the recoverable value of its intangible assets with indefinite useful lives, or when there are indications that the amount may not be recovered. These assets are mainly represented by the portion of goodwill based on expected profitability and trademarks arising from business combinations.

17 Trade payables

	Parent		Consolidated	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Local suppliers	78,729	72,599	299,790	292,113
Foreign suppliers	82,616	81,583	186,957	173,613
Suppliers - related parties (Note 30(a))	51,879	110,498		
	213,224	264,680	486,747	465,726

18 Borrowings

		Parent		Consolidated	
		March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Foreign currency					
Borrowings in US$ (i)	US$+2.33% to 3.74% p.a.	228,222	232,658	229,048	233,510
Bonds (ii)	US$ + 6.50% p.a.	1,531,210	1,525,390	1,531,210	1,525,390
Local currency					
Financing for ventures in Center-West (FCO) (i)	Fixed rate of 2.5% to 8.50% p.a.	21,425		128,445	70,230
Borrowings (*)	Fixed rate of 2.50% to 8.70% p.a. and TJLP + 2.91% to 3.00% p.a.	15,404	13,953	28,573	28,248
National Bank for Economic and Social Development (BNDES) (i)	Fixed rate of 3.50% to 6.00% p.a. and TJLP + 1.50% to 3.00% p.a.	26,210	28,642	60,059	66,743
Debentures (i)	IPCA + 3% to 8.43% p.a.; 111.00% of CDI; CDI + 1.85% p.a. and fixed rate of 11.30% p.a.	2,064,269	2,035,829	2,064,269	2,035,829
		3,886,740	3,836,472	4,041,604	3,959,950
Current		715,443	317,727	743,367	346,103
Non-current		3,171,297	3,518,745	3,298,237	3,613,847

(*) Includes Leasing, National Agency for Machinery and Equipment Financing (FINAME), Fund for Financing of Studies and Projects (FINEP) and pledges

(i) Agreements containing covenants restricting the level of indebtedness and interest coverage in relation to certain financial information (EBITDA and net interest expenses), sale, spin-off, combination, merger or any other corporate restructuring which, if applicable, should be previously authorized by the financial agents. If any of these events occur without the approval of the creditors, the outstanding balances will fall due immediately.

(ii) The Company issued foreign bonds amounting to US$ 750 million on April 20, 2011. The total finance charges correspond to the internal rate of return of 8% per annum, payable semi-annually and maturing on April 20, 2021. Transaction costs totaled R$ 32,383. The amounts of R$ 106,771 and R$ 1,424,438 of the outstanding debt balance are recorded in current and non-current liabilities, respectively.

The analysis of transaction costs to be amortized, by year, is as follows:

	March 31, 2013
2013	2,254
2014	2,848
2015	3,075
2016	3,331
2017	3,587
2018	3,874
2019	4,184
2020	4,531
2021	1,442
	29,126

Debentures - composition

	Date of issue	Maturity	Form of repayment	Type of issue	Amount at date of issue	Number of debentures issued	Number in the market	Unit value	Annual financial charges	Convertibility
3rd public issue 2nd series	7/15/2010	7/15/2015	Final	Public	335,601,000	335,601	335,601	1,000	CDI + 1.85%	Not convertible into shares
3rd public issue 3rd series	7/15/2010	7/15/2016	50% - 7/15/2015 50% - 7/15/2016	Public	114,415,000	114,415	114,415	1,000	IPCA + 8.4%	Not convertible into shares
1st private issue 1st series	10/15/2010	10/15/2015	Final	Private	549,998,042	548,725	548,725	1,002.32	IPCA + 3%	Right to subscribe common shares
1st private issue 2nd series	10/15/2010	10/15/2018	In periods of six months as from 4/15/13	Private	549,998,042	548,725	548,725	1,002.32	11.3%	Not convertible into shares
4th public issue 1st series	3/28/2011	3/28/2014	Final	Public	200,000,000	200	200	1,000,000	111.00% DI	Not convertible into shares
4th public issue 2nd series	3/28/2011	4/28/2014	Final	Public	200,000,000	200	200	1,000,000	111.00% DI	Not convertible into shares

Debentures - changes

	3rd public issue 2nd and 3rd series	1st private issue 1st, 2nd series	4th public issue 1st and 2nd series	Total
At December 31, 2012	661,186	943,592	431,051	2,035,829
Financial charges	5,925	37,955	14,535	58,415
Payment of interest	(15,125)		(14,850)	(29,975)
At March 31, 2013	651,986	981,547	430,736	2,064,269
Unamortized costs of transactions	2,692	2,022	456	5,170
Current	985	513	320	1,818
Non-current	1,707	1,509	136	3,352
	2,692	2,022	456	5,170

The composition of long-term borrowings and debentures by maturity year is as follows:

	Parent	Consolidated
2014	296,431	310,327
2015	1,101,361	1,122,778
2016	155,170	169,472
2017	89,478	101,245
2018	89,478	101,163
2019	2,835	14,105
2020	2,676	13,612
2021	1,427,114	1,437,763
2022	2,526	12,835
2023	2,130	9,504
2024	2,098	5,433
	3,171,297	3,298,237

(a) Collateral provided for borrowings

	Parent March 31, 2013	Consolidated March 31, 2013
Trade receivables - pledged in guarantee	17,765	68,893
Letter of guarantee (i)	26,231	32,993
Surety of stockholder and former stockholder		27,630
Property, plant and equipment (net) pledged in guarantee	20,275	92,315
	64,271	221,831

(i) Financial investments amounting to R$ 66,980 (R$ 64,510 at 12/31/2012) have also been given as guarantee.

(b) Book values and fair value estimates

The book values and fair value estimates of borrowings are as follows:

		Consolidated book value		Fair value	
		March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Foreign currency					
Borrowings in US$ (i)	US$ + 2.33% to 3.74% p.a.	229,048	233,510	229,048	233,510
Bonds (ii)	US$ + 6.50% p.a.	1,531,210	1,525,390	1,756,200	1,795,693
Local currency					
Financing for ventures in Center-West (FCO) (i)	Fixed rate of 2.5% to 8.50% p.a.	128,445	70,230	97,785	61,421
Borrowings (*)	Fixed rate of 2.50% to 8.70% p.a. and TJLP + 2.91% to 3.00% p.a.	28,573	28,248	24,082	28,248
National Bank for Economic and Social Development (BNDES) (i)	Fixed rate of 3.50% to 6.00% p.a. and TJLP + 1.50% to 3.00% p.a.	60,059	66,743	54,741	61,680
Debentures (i)	IPCA + 3% to 8.43% p.a.; 111.00% of CDI; CDI + 1.85% p.a. and fixed rate of 11.30% p.a.	2,064,269	2,035,829	1,970,781	1,990,705
		4,041,604	3,959,950	4,132,637	4,171,257

(*) Includes Leasing, Finame, FINEP and pledges

The fair values of certain borrowings are equal to their book values, since the impact of the discount to present value is not significant. The fair values are based on the discounted cash flows, using a CDI to CDI + 2.21% p.a. market rate (2012 - CDI to CDI + 1.79% p.a.).

(c) Simple debentures with a share subscription warrant

In connection with the issue of simple debentures on October 15, 2010, the Company issued 548,725 share subscription warrants at a subscription price of R$ 29.48 per share, to be adjusted at the Amplified Consumer Price Index (IPCA), so that the conversion will always be made for a fixed number of common shares, namely 34 shares for each subscription warrant, totaling a fixed number of 18,656,650 common shares.

The fair value of the liability component, included in non-current borrowings, was calculated using a market interest rate for an equivalent non-convertible bond. The remaining amount, representing the value of the subscription warrant, is included in equity, within "Carrying value adjustments", in the amount of R$ 50,243, net of income tax and social contribution.

The balance of the first series of the first private issue of simple debentures with floating guarantee, combined with the subscription warrants, recorded in the balance sheet, was comprised as follows at March 31, 2013:

Face value of the convertible debentures	653,760
Unexpired costs	(47,572)
Liability component at March 31, 2013	606,188

For the second series, which is not convertible into shares, the amount recorded in liabilities was R$ 576,370.

19 Deferred income tax and social contribution

(a) Analysis of deferred tax assets

The deferred tax assets relate to tax loss carry-forwards and temporary differences. These tax assets are recognized to the extent that the realization of the related tax benefit through future taxable profits is probable, based on a study of their utilization against taxable income as from 2013. Income tax and social contribution losses were mainly generated from the tax utilization of goodwill on the acquisition of companies (Note 16). In accordance with projections prepared by management, the utilization of goodwill has already presented decreases and will be terminated in 2020.

	Parent		Consolidated	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Tax assets:				
Income tax and social contribution loss carry-forwards	683,718	616,657	716,112	649,353
Temporary differences, mainly: contingencies, goodwill amortization and exchange variations	487,153	517,129	545,706	579,591
Goodwill of merged companies, pursuant to CVM 319/99:	30,571	32,100	30,571	32,100
Total deferred tax assets	1,201,442	1,165,886	1,292,389	1,261,044
(-) Portion of deferred tax assets that can be offset against deferred tax liabilities of the same nature (also available for offset in the calculation of the current tax)	(1,187,409)	(1,093,303)	(1,247,186)	(1,144,211)
Remaining balance of tax assets	14,033	72,583	45,203	116,833

(b) Deferred tax liabilities

Deferred income tax and social contribution liabilities mainly relate to temporary difference between the tax basis of goodwill and its carrying amount in the balance sheet, since goodwill continues to be amortized for tax purposes, but is no longer being amortized in the accounting records since January 1, 2009. This temporary difference could result in amounts to be added back in the calculation of taxable income of future years, when the book value of the asset is reduced by impairment or is written off, making it necessary to constitute a deferred tax liability.

	Parent		Consolidated	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Goodwill	1,026,452	959,848	1,026,452	959,848
Other business combination adjustments	128,885	130,141	187,371	191,853
Adjustment to present value and others	32,072	32,468	59,650	58,731
	1,187,409	1,122,457	1,273,473	1,210,432
(-) Portion of deferred tax liabilities that can be offset against deferred tax assets of the same nature	(1,187,409)	(1,093,303)	(1,247,186)	(1,144,211)
Remaining balance of deferred tax liabilities		29,154	26,287	66,221

(c) Estimated realization period

Deferred tax assets are expected to be realized as follows:

	Consolidated
Tax assets	
Utilization period	**Total**
2013	113,430
2014	72,812
2015	94,044
2016	119,847
2017	146,717
2018 to 2022	745,539
	1,292,389

The deferred tax assets arising from tax loss carry-forwards and temporary differences are expected to be realized by the end of 2022, in accordance with studies carried out by management, considering the projected future positive results expected to arise from the corporate restructuring actions, which take into consideration: (i) the large number of brands which are well placed in the market; (ii) the diversification of operations in two market segments; and (iii) positive cash flows.

(d) Reconciliation of the income tax and social contribution expense

	Parent		Consolidated	
	March 31, 2013	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**
Profit before taxation - continuing operations	131,403	89,717	137,524	87,432
Profit (loss) before taxation - discontinued operations	303	(12,655)	303	(12,655)
Profit before taxation	131,706	77,062	137,827	74,777
Share of results of continuing operations of subsidiaries	(6,787)	8,036	219	
Calculation basis	124,919	85,098	138,046	74,777
Income tax and social contribution rate (%)	34%	34%	34%	34%
Income tax and social contribution at the statutory rate	(42,472)	(28,933)	(46,923)	(25,277)
Provision for impairment of trade receivables and other	8,747	(14,330)	14,156	(11,113)
Exchange rate variations - deferred	11,473	16,555	11,473	16,555
Permanent additions, net	(3,453)	(5,264)	(5,123)	(6,970)
Amortization of goodwill - Transitional Tax System	78,777	103,492	78,777	103,492
Other adjustments - Transitional Tax System	13,988	(4,919)	12,678	(5,850)
Offset of tax loss carry-forwards			742	
Income tax and social contribution benefit - current	67,060	66,601	65,780	70,837
Derecognition of income tax and social contribution due to offset			(742)	
Realization of income tax and social contribution on temporary differences	(22,004)	(3,915)	(27,414)	(7,127)
Income tax and social contribution on goodwill (CPC 32)	(75,463)	(95,390)	(75,463)	(95,390)
Realization of deferred tax liabilities	2,539	2,712	3,850	3,973
Realization on goodwill - CVM Regulatory Instruction 319/99	(1,528)	(6,263)	(1,528)	(6,263)
Income tax and social contribution expense - deferred	(96,456)	(102,856)	(101,297)	(104,807)
Income tax and social contribution	(29,396)	(36,255)	(35,517)	(33,970)
Continuing operations	(29,293)	(38,432)	(35,414)	(36,147)
Discontinued operations	(103)	2,177	(103)	2,177

Deferred tax assets are recognized for tax loss carry-forwards to the extent that the offset of the related tax benefit through future taxable profits is probable.

20 Taxes payable

	Parent		Consolidated	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Value-added Tax on Sales and Services (ICMS)	15,073	21,042	24,084	32,375
Excise Tax (IPI)	1,150	1,118	5,321	4,972
Social Integration Program (PIS)			1,599	1,717
Social Contribution on Revenues (COFINS)			6,904	7,950
Tax Recovery Program (REFIS)	7,858	7,943	10,513	10,601
Other taxes payable	4,428	4,794	6,297	5,443
	28,509	34,897	54,718	63,058

21 Payables

	Parent		Consolidated	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Freight payable	19,073	26,067	22,265	28,988
Services rendered	35,797	35,096	50,934	48,375
Allowances, commercial agreements and other	37,223	104,814	37,414	105,006
Advertising	46,292	30,144	46,292	30,144
Rentals	2,362	2,496	6,950	6,302
Hedge	9,986	11,142	9,986	11,142
Provision for operational restructuring			31,519	39,911
Other	26,220	22,363	51,498	28,979
	176,953	232,122	256,858	298,847

22 Notes payable

	Parent		Consolidated	
	March 31, 2013	December 31, 2012	March 31, 2013	December 31, 2012
Acquisition of DM Indústria Farmacêutica Ltda.		49,940		49,940
Acquisition of Sapeka Indústria de Fraldas Descartáveis Ltda. (iv)	31,993	31,369	31,993	31,369
Acquisition of Pom Pom Produtos Higiênicos Ltda. (i)	95,501	93,603	95,501	93,603
Acquisition of Mabesa do Brasil S.A. (iii)	17,516	64,771	17,516	64,771
Acquisition of Ind. Nacional de Artefatos de Látex S.A. (iii)	55,556	55,767	55,556	55,767
Acquisition of Facilit Odontológica e Perfumaria Ltda. (i)	26,881	26,334	26,881	26,334
Acquisition of Luper Indústria Farmacêutica Ltda. (i)	17,744	17,587	17,744	17,587
Acquisition of Bitufo (i)	27,129	26,574	27,129	26,574
Acquisitions of Aprov Comércio de Cosméticos Ltda. / Niasi Ind. de Cosmésticos Ltda. (i)	88,996	87,199	88,996	87,199
Other (i, ii and v)	11,859	12,021	24,630	24,559
	373,175	465,165	385,946	477,703
Current liabilities	232,172	326,447	244,943	338,985
Non-current liabilities	141,003	138,718	141,003	138,718

(i) Adjusted based on the rates used in the financial market, basically the CDI.

(ii) The contract for the acquisition of the brands (NY Looks, Bia Blanc, Radical, Aroma & Cor, Day, Dois!, Earth, Um!, Três!, Ski, Sun, and Eco) from Brasil Global Ltda. established an escrow deposit of R$ 12,000 to collateralize possible contingencies of the seller. This amount is invested following the instructions of the creditor and, at March 31, 2013, totaled R$ 4,675, being invested in shares and recorded as a reduction of the related balance of notes payable. Consequently, both the investment and the related portion of the debt were stated at the market value of the shares. The remaining balance of the debt (net of investments in shares) is adjusted in accordance with the foreign exchange variation. The debt is collateralized by a Letter of Guarantee.

(iii) The agreement contains a clause that determines the adjustment of the installments based on the variation of the US dollar exchange rate.

(iv) Installment subject to price adjustment. It is being adjusted by the CDI since 2011.

(v) Adjusted based on the General Market Price Index (IGP-M).

The rates utilized to calculate the adjustment to present value are disclosed in Note 29.

The long-term amounts mature as follows:

	Consolidated
2014	105,385
2015	28,980
2016	6,638
	141,003

23 Insurance

The Company's policy for insurance cover principally takes into consideration the concentration of risks and the significance and replacement values of the assets. The main information on the insurance coverage in effect, by insurance policy, is as follows:

	Total
Fire, IDT, lightning and explosion of any nature	1,752,917
Maximum indemnity limit	1,751,180
Windstorm/smoke	480,000
Electrical damages	99,000

24 Analysis of the statement of income accounts

a) Selling and marketing expenses

	Parent		Consolidated	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Salaries, social charges and other	(67,110)	(65,129)	(75,726)	(72,124)
Freight and insurance on sales	(30,742)	(34,134)	(32,519)	(34,351)
Advertising and publicity	(75,069)	(79,756)	(74,992)	(79,371)
Allowances, commercial agreements and other	(50,305)	(38,463)	(50,317)	(38,472)
Promotions, gifts and samples	(30,910)	(27,779)	(31,250)	(28,976)
Medical visits (i)	(21,679)	(18,356)	(21,679)	(18,356)
Sales commissions	(1,405)	(8,251)	(1,405)	(8,251)
Services rendered	(12,128)	(11,654)	(14,934)	(13,247)
Travel and lodging	(3,686)	(3,318)	(3,901)	(3,407)
Car rentals	(1,606)	(3,193)	(1,634)	(3,194)
Provision for impairment of trade receivables and other losses	(877)	(6,285)	(1,023)	(6,285)
Depreciation and amortization	(4,733)	(4,541)	(9,206)	(9,358)
Other selling expenses	(17,779)	(15,384)	(21,035)	(17,777)
	(318,029)	(316,243)	(339,621)	(333,169)

(i) Substantially salaries and social charges.

b) General and administrative expenses

	Parent		Consolidated	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Salaries, social charges and other	(19,673)	(30,043)	(27,492)	(31,810)
Travel and lodging	(1,015)	(1,159)	(1,099)	(1,257)
Rentals	(808)	(619)	(853)	(2,072)
Donations and contributions	(444)	(1,427)	(650)	(1,427)
Services rendered	(12,072)	(13,584)	(14,238)	(14,700)
Depreciation and amortization	(3,046)	(3,841)	(3,355)	(4,062)
Other administrative expenses	(4,836)	(2,895)	(5,445)	(5,231)
	(41,894)	(53,568)	(53,132)	(60,559)

c) Other operating income (expenses), net

	Parent		Consolidated	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Other income	7,369	1,839	7,218	3,437
Operational restructuring expenditures	(2,417)	(8,569)	(12,677)	(9,736)
Losses on products and inputs	(20,169)	(9,236)	(23,054)	(13,553)
Other losses	635	47	(354)	(185)
	(14,582)	(15,919)	(28,867)	(20,037)

d) Finance costs

	Parent		Consolidated	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Working capital		(5,150)		(5,150)
Interest on borrowings				
In local currency				
Center-West Financing (FCO)		(56)	(409)	(513)
FINEP/ Import Financing (FINIMP)	(176)	(473)	(206)	(537)
BNDES	(386)	(788)	(805)	(1,695)
FINAME	(172)	(342)	(324)	(459)
	(734)	(1,659)	(1,744)	(3,204)
Interest on foreign-currency borrowings	(32,153)	(32,872)	(32,153)	(32,872)
Interest on notes payable	(5,056)	(7,653)	(5,263)	(8,224)
Monetary restatements of contingencies	(4,876)	(19,621)	(4,886)	(19,677)
Tax Recovery Program (REFIS)	(1,405)	(2,767)	(1,832)	(3,176)
Debentures	(54,939)	(66,345)	(54,939)	(66,345)
Interest and commissions on letters of guarantee	(1,168)	(3,093)	(1,168)	(3,110)
Bank expenses, discounts granted and other	(662)	(3,529)	(932)	(3,852)
Exchange variations on loans (net)	18,745	39,492	18,757	39,500
Exchange variations on acquisition of company	(1,151)	(8,161)	(1,151)	(8,161)
Exchange variations on trade payables and receivables (net)	1,341	733	2,603	973
Other	(804)	153	(920)	(915)
	(82,128)	(103,663)	(81,884)	(105,859)
Reversals of adjustments to present value	(5,893)	(9,893)	(5,973)	(9,969)
	(88,755)	(120,365)	(89,601)	(124,182)

e) Finance income

	Parent		Consolidated	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Interest receivable	5,643	3,877	5,724	3,979
Income from financial investments and other	14,036	62,577	30,645	63,835
	19,679	66,454	36,369	67,814

25 Share capital and reserves

(a) Share capital

At March 31, 2013, the Company was authorized to increase share capital up to the limit of R$ 5,500,000, pursuant to a provision in its bylaws and as approved by the Board of Directors and at the Extraordinary General Meeting held on January 24, 2011.

The share capital amounted to R$ 5,231,066 at March 31, 2013 (December 31, 2012 - R$ 5,231,066), represented by 627,396,559 (December 31, 2012 - 627,396,559) common shares. Capital was increased by R$ 4,049 in 2012 through the issue of 611,647 shares, with funds obtained from the Stock Option Program.

(b) Share premium

This reserve is constituted in connection with share issues and refers to the portion of the issue price of shares without par value exceeding the amount allocated to capital.

(c) Treasury shares

In 2013, 571,110 shares were sold, totaling R$ 4,115 and in 2012, 97,220 shares were sold, totaling R$ 986.

(d) Legal reserve

The legal reserve is credited annually with 5% of the profit for the year and cannot exceed 20% of the capital. The purpose of the legal reserve is to protect the Company's capital, and it can only be used to offset losses and increase capital.

(e) Tax incentive reserve

The reserve was constituted in accordance with article 195-A of Brazilian Corporation Law (amended by Law 11,638 of 2007). The reserve is credited with the benefits of tax incentives, which are recognized in the results of operations for the year and are appropriated from retained earnings to this reserve. These incentives are not included in the calculation of the minimum mandatory dividend.

(f) Unrealized profits reserve

This reserve was constituted in accordance with the provisions of article 197 of the Brazilian Corporation Law, when the mandatory dividend, calculated according to the Company's bylaws or article 202, exceeded the realized portion of profit for the year.

(g) Statutory reserve

This reserve was constituted in accordance with the provisions of article 194 of Brazilian Corporation Law and article 44, sole paragraph, of the Company's bylaws.

(h) Profit retention reserve

Constituted or reversed in accordance with article 196 and prescribed in article 44 of the Company's bylaws.

26 Segment information

Management has determined the Company's operating segments based on the reports utilized to make strategic decisions reviewed by the Chief Executive Officer (CEO). The CEO analyzes the business also from a business segment perspective. The defined segments are: Pharmaceutical and Consumer products.

The revenue generated by the operating segments reported mainly arises from the manufacture and sale of pharmaceutical, hygiene and beauty products.

The consolidated segment information reviewed by the CEO for the period ended March 31, 2013 and 2012 is as follows:

	March 31, 2013			March 31, 2012		
	Pharmaceutical	**Consumer products**	**Total**	**Pharmaceutical**	**Consumer products**	**Total**
Net sales revenue	543,902	414,530	958,432	520,279	376,831	897,110
Cost of sales	(128,583)	(217,254)	(345,837)	(137,211)	(202,334)	(339,545)
Gross profit	415,319	197,276	612,595	383,068	174,497	557,565

The consolidated assets per business segment are as follows:

	March 31, 2013	**December 31, 2012**
Pharmaceutical	6,133,528	6,143,805
Consumer products	3,703,531	3,675,671
Unallocated (*)	2,821,505	2,837,035
	12,658,564	12,656,511

(*) Mainly cash and cash equivalents, taxes recoverable and other.

27 Revenue

The reconciliation between gross and net revenue is as follows:

	Parent		Consolidated	
	March 31, 2013	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**
Gross sales and services	1,134,630	1,096,842	1,127,176	1,097,403
Returns	(42,611)	(35,084)	(41,723)	(35,196)
Unconditional discounts	(792)	(20,090)	(792)	(20,090)
Promotional discounts	(17,298)	(22,063)	(17,298)	(22,063)
Income tax and social contribution	(101,151)	(112,534)	(108,931)	(122,944)
Net revenue	972,778	907,071	958,432	897,110

28 Contingent liabilities

Provisions for contingencies

At March 31, 2013, the Company had the following provisions for contingencies and the corresponding judicial deposits related to contingencies:

	Parent							
	March 31, 2013				December 31, 2012			
	Probable losses	**Contingencies assumed in business combinations (a)**	**Judicial deposits**	**Contingencies net of judicial deposits**	**Probable losses**	**Contingencies assumed in business combinations (a)**	**Judicial deposits**	**Contingencies net of judicial deposits**
Labor	8,125	12,676	(4,883)	15,918	8,005	10,709	(4,631)	14,083
Civil	982	20,784	(374)	21,392	1,002	20,445	(358)	21,089
Tax	21,858	175,194	(20,209)	176,843	20,983	171,375	(19,026)	173,332
Administrative/other	1,122	2,357		3,479	1,105	2,345	(2)	3,448
	32,087	211,011	(25,466)	217,632	31,095	204,874	(24,017)	211,952

	Consolidated							
	March 31, 2013				December 31, 2012			
	Probable losses	Contingencies assumed in business combinations (a)	Judicial deposits	Contingencies net of judicial deposits	Probable losses	Contingencies assumed in business combinations (a)	Judicial deposits	Contingencies net of judicial deposits
Labor	8,716	12,676	(4,983)	16,409	8,462	10,709	(4,704)	14,467
Civil	1,202	20,784	(374)	21,612	1,132	20,445	(358)	21,219
Tax	28,362	175,194	(26,361)	177,195	26,820	171,375	(24,497)	173,698
Administrative/other	1,249	2,357		3,606	1,233	2,345	(2)	3,576
	39,529	211,011	(31,718)	218,822	37,647	204,874	(29,561)	212,960

a) Judicial claims under the responsibility of the Company, assumed in business combinations

The significant contingencies can be summarized as follows:

	Labor / Civil		Tax		
	Probable	Possible	Probable	Possible	Total
Mabesa	1,722	48	57,727	16,625	76,122
Mantecorp	15,458	18,588		100,843	134,889
	17,180	18,636	57,727	117,468	211,011

On the acquisition of Mabesa and Mantecorp, the Company assumed some of their contingencies. In addition to the provision for probable losses, the Company also recorded provisions for possible losses, at fair value, as required by CPC 15 - Business Combinations.

The possible and probable losses arising from the business combinations are estimated at R$ 211,011, of which R$ 12,676 refers to labor lawsuits, R$ 20,784 to civil lawsuits, R$ 175,194 to tax lawsuits and R$ 2,357 to administrative, regulatory and other proceedings.

(i) Civil

There are approximately 52 claims, of which 19 resulted from the acquisition of Mabesa, 33 of Mantecorp Indústria Química, in which the forecast of loss in the business combination is estimated at R$ 20,784.

The Medicine Market Regulation Chamber (CMED) applied a fine of R$ 3,192 against Mantecorp, in view of the alleged irregular increase in medicine prices. This fine is being challenged at the administrative and judicial levels and, according to the opinion of external legal counsel, the likelihood of loss is possible.

The Medicine Market Regulation Chamber (CMED) applied a fine against Mantecorp in the restated amount of R$ 4,695, in view of the alleged irregular increase in the medicine Desalex. This matter is being challenged in court. According to the opinion of external legal counsel, the likelihood of loss is probable.

Lawsuit 2008.34.00.000496-0 challenges the application of a fine of R$ 8,019, by the Brazilian Antitrust Agency (CADE) against Mantecorp, due to the alleged formation of a cartel of pharmaceutical laboratories, in order to prejudice the sale of generic products. According to the opinion of the external lawyers, the likelihood of loss is possible.

(ii) Labor

There are 188 claims, of which 50 resulted from the acquisition of Mabesa, 71 of Mantecorp Logística and 67 of Mantecorp Indústria Química, in which the forecast of loss in the business combination is estimated at R$ 12,676.

The Company is also a defendant in labor claims filed by service providers of Mabesa (merged into the Company), in which the plaintiffs seek the recognition of an employment relationship and the consequent payment of labor-related remuneration, social charges and other benefits. The Company's estimated possible loss in these processes is R$ 5,500.

Hypermarcas (successor of Mantecorp) is being investigated in a Public Civil Inquiry, in which the Ministry of Labor, through the Labor Public Prosecutors Office of the 15th Region, is examining the possible existence of anti-union behavior of the Company. This is an investigatory procedure for which it is presently not possible to estimate the amounts involved.

(iii) Tax

There are 327 claims, of which 143 resulted from the acquisition of Mabesa, 29 of Mantecorp Logística and 155 of Mantecorp Indústria Química, in which the forecast of loss in the business combination is estimated at R$ 175,194.

Mabesa transferred finished products to a specific warehouse, which were subsequently sold to customers. Due to procedural failures, the company did not issue an invoice registering the return of the stored products to the establishment responsible for the sales. Consequently, the São Paulo State Revenue Department ("SEFAZ/SP") filed a tax assessment notice alleging that the products were sold without invoices. The tax execution phase started in March 2011 and the restated amount considered to be a probable debt is R$ 48,526.

Mantecorp was challenged by the Federal Revenue Secretariat in relation to the offsets made based on a preliminary injunction conceded by decision MS 2000.51.01.004617-1, which discussed the illegality of the inclusion of ICMS in the PIS/COFINS calculation basis. The restated possible loss totals R$ 27,676 and the litigation is at the administrative level, with the amount guaranteed by a Letter of Guarantee.

(iv) Regulatory

There are approximately 59 regulatory processes, resulting from the acquisition of Mantecorp Indústria Química, in which the forecast of loss in the business combination is estimated at R$ 2,357.

b) Possible contingencies - (responsibility of the Company and its subsidiaries)

The Company and its subsidiaries are parties to labor, civil, tax and regulatory lawsuits which, because of the current evaluation of the outcome, based on the opinion of legal counsel and legal aspects, do not require the constitution of provisions, either because they are classified as possible losses, or because of exclusion of responsibility arising from contractual agreements.

	Parent		Consolidated	
	2013	2012	2013	2012
	Possible losses	**Possible losses**	**Possible losses**	**Possible losses**
Labor	45,853	36,877	78,123	62,154
Civil	17,189	11,612	17,623	12,056
Tax	48,928	48,207	48,928	48,430
Administrative/other	1,970	1,938	2,311	2,279
	113,940	98,634	146,985	124,919

The amount of possible losses, in the consolidated, arising from these lawsuits was estimated at R$ 146,985 at December 31, 2012, of which R$ 78,123 refers to labor lawsuits, R$ 17,623 to civil lawsuits, R$ 48,928 to tax lawsuits and R$ 2,311 to administrative, regulatory and other proceedings.

The Company is in litigation with competitors regarding the registration of trademarks with the National Institute of Industrial Property (INPI), with no financial contingency determinable at present.

(i) Civil

The Public Prosecutions Office of the State of Mato Grosso filed a Public Civil Suit against the Company and various other laboratories to require that the medicine industries start to produce drugs in fractional (small) units, based on Law 5,348/05, which authorizes the sale of such packaged drugs in drugstores. The Company has already filed an objection and, currently, is awaiting the defense of the other parties. The amount involved cannot be estimated and, according to the opinion of external legal counsel, the likelihood of loss is possible.

The Federal Public Prosecutions Office of the judicial district of Bauru, State of São Paulo, filed a Public Civil Suit against the Company and various other laboratories in order to compel them to sell medicines to the public administration in accordance with the rules of the Medicine Market Regulation Chamber (CMED). The Public Prosecutions Office also required the conviction of the laboratories to the payment of damages for collective pain and suffering in an amount to be determined in court. A decision was handed down by the Federal Regional Court (TRF) to compel the defendants to supply medicines to the public administration, whenever they are requested, at the maximum sale price to the government and the application of the Coefficient of Adequacy of Price (CAP), subject to a daily fine of R$ 50. The Company will file an objection and will appeal against the decision of the TRF. The amount involved cannot be estimated and, according to the opinion of external legal counsel, the likelihood of loss is possible.

(ii) Labor

The Company and/or its subsidiaries are parties to 1,142 labor lawsuits under their responsibility and/or that of vendor partners of companies acquired by, and merged into, the Company, in which the possible loss is estimated at R$ 78,123.

These lawsuits discuss overtime, failure to compensate overtime hours worked, salary differences, indemnities related to occupational diseases and/or work accidents, health hazard or hazardous duty premiums and recognition of an employment relationship, among other issues.

100 of these labor lawsuits arose from the acquisition of Laboratório Americano de Farmacoterapia S.A. (Farmasa), merged into the Company, with possible losses under the Company's responsibility estimated at R$ 6,798, and 138 arose from the acquisition of Brainfarma Indústria Química e Farmacêutica S.A., Mantecorp Logística Distribuição e Comércio S.A. and Mantecorp Indústria Química e Farmacêutica S.A., with possible losses under the Company's responsibility estimated at R$ 19,138. The lawsuits claim, among other issues, indemnities related to occupational diseases and/or accidents, employment relationship and resulting payment of payroll amounts, salary differences, overtime and related effects, as well as temporary job stability.

(iii) Tax

The Company received a tax assessment notice issued by the Santa Catarina State Revenue Department ("SEFAZ/SC/Itajaí plant") due to the appropriation of ICMS credits on the return of products stored in a third-party warehouse and the consequent reversal of ICMS debits in the tax records, at the restated amount of R$ 9,808. The decision is pending analysis at the administrative level.

c) Contingencies of companies acquired - possible and probable losses (responsibility of sellers)

The Company does not have provisions for contingencies, in which the likelihood of loss is classified as probable and possible and which are the responsibility of the selling partners. Should these losses be confirmed, the Company has contractual mechanisms for reimbursement. There are amounts payable to the selling partners which are not yet due, recorded in notes payable, which can be retained in case of losses arising from these contingencies.

The State of São Paulo filed a Public Civil Suit against the Company for the payment of an indemnity due to the alleged illegal sale of drugs in 2008 by Mantecorp. The amount involved was estimated at R$ 108,648 and, according to the opinion of external legal counsel, the likelihood of loss is possible. The process is in the evidence phase.

A summary of the contingencies with probable and possible losses which are the responsibility of the sellers is presented below:

Company and/or trademarks acquired	Possible	Probable	Total
Aprov	2,004	97	2,101
Bitufo	1,647	50	1,697
Ceil	27,256	1,170	28,426
Cosmed (Niasi) + Pom Pom	18,492	4,304	22,796
DM	17,165	3,736	20,901
Etti	368	655	1,023
Facilit	7,360	719	8,079
Farmasa	75,966	11,908	87,874
Inal	8,203	25	8,228
Luper	1,854	959	2,813
Mabesa	20,815	11,211	32,026
Mantecorp	109,290		109,290
Neo Química	17,362	7,908	25,270
Ny Looks	1,599	128	1,727
Sapeka	5,227	4,747	9,974
Sul Química	3,991	272	4,263
York	10,529	2,603	13,132
	329,128	50,492	379,620

29 Adjustment to present value

In accordance with Technical Pronouncement CPC 12/08 and CVM Resolution 564/08, adjustments to present value were applied to the following principal liabilities:

(a) Long-term notes payable (Note 22) - Resulting from the acquisition of companies and/or assets, adjusted by foreign exchange variations or the CDI rate, but not bearing fixed interest. Besides the utilization of the applicable adjustment indexes, the initial adjustment was calculated utilizing the average funding rate at the date of acquisition. The corresponding entries for the initial adjustments were recorded as a reduction of the costs of the assets-goodwill, as follows:

Companies	Rates	Balance adjusted to present value	
		3/31/2013	12/31/2012
NY Looks	7.73% p.a.	(224)	(394)
Inal	5.00% p.a.	(3,246)	(3,969)
Pom Pom	2.00% p.a.	(2,219)	(2,642)
Luper	2.00% p.a.	(335)	(407)
Sapeka	2.00% p.a.	(818)	(929)
Facilit	2.00% p.a.	(547)	(654)
Niasi/Aprov	2.00% p.a.	(789)	(1,143)
ASR	2.00% p.a.	(28)	(38)
Bitufo	2.00% p.a.	(861)	(972)
Mabesa	2.00% p.a.		(113)
Active	2.00% p.a.	(38)	(62)

(b) Payments in installments - The adjustment to present value was calculated by installment, considering the funding rate in the period in which the borrowing was obtained (2% rate).

(c) "Fomentar" loan - The long-term debt, bearing interest of 2.4% per annum, was discounted to present value utilizing the estimated discount at auctions (89%). The corresponding entry for the original adjustments was recorded in "ICMS on sales/sales deductions", since the amount financed referred to ICMS payable.

Analysis of adjustment to present value

				3/31/2013
	Federal taxes payable in installments	**Fomentar**	**Notes payable**	**Total**
a) Recognition: ICMS expenses		2,058		2,058
b) Reversal of adjustment to present value - finance costs	(228)		(5,745)	(5,973)

				3/31/2012
	Federal taxes payable in installments	**Fomentar**	**Notes payable**	**Total**
c) Recognition: ICMS expenses		6,096		6,096
d) Reversal of adjustment to present value - finance costs	(1,077)	(9)	(8,883)	(9,969)

30 Related-party transactions

(a) Transactions and balances

Management considers that the main intercompany asset and liability balances, as well as the transactions that impacted the results of operations for the periods, were realized under normal market terms and conditions for such types of transactions.

Intercompany loans are adjusted by the Interbank Deposit Certificate (CDI) interest rate and fall due in one year.

In business transactions with related parties, prices are established considering the characteristics and nature of the transactions.

The business transactions related to the purchase and sale of products, raw materials, services and rentals, as well as the financial transactions referring to intercompany loans, are presented below:

(i) The rental agreement with TV Serra Dourada Ltda. is adjusted based on the General Price Index - Market (IGPM - FGV) variation for an indefinite period.

(ii) The rental agreement with Neo Marcas Indústria Farmacêutica e Alimentos e Participações Ltda. does not contain clauses related to monetary restatement and maturity date.

	3/31/2013						
	Cosmed Indústria de Cosméticos e Medicamentos S.A.	My - Agência Propaganda Ltda.	TV Serra Dourada Ltda.	Neo Marcas Ind. Farm. E Alim. e Participações Ltda.	Brainfarma	Neolatina	Total
Balances							
Current receivables	1,371	1					1,372
Trade receivables	1,371	1					1,372
Long-term receivables						45	45
Loans						45	45
Current liabilities	(21,823)	(1)			(30,055)		(51,879)
Trade payables	(21,823)	(1)			(30,055)		(51,879)
Long-term liabilities	(5,050)	(201)			(2,171)		(7,422)
Loans	(5,050)	(201)			(2,171)		(7,422)
Transactions	(173,528)	(300)			(108,039)		(281,867)
Sales of products							
Purchases of products	(173,528)	(300)			(108,039)		(281,867)
Sundry expenses/revenues		(450)	(520)	(240)			(1,210)
Advertising		(450)	(397)				(847)
Rentals			(123)	(240)			(363)
Interest on intercompany loans	(29)	(75)			17	(1)	(88)
Finance costs	(29)	(75)				(1)	(105)
Finance income					17		17

	12/31/2012									
	Cosmed Indústria de Cosméticos e Medicamentos S.A.	My - Agência Propaganda Ltda.	TV Serra Dourada Ltda.	Neo Marcas Ind. Farm. E Alim. e Participações Ltda.	Neolatina	Versoix Participações Ltda.	IPH&C	Mantecorp IQ	Brainfarma	Total
Balances										
Current receivables	699	3						8		710
Trade receivables	699	3						8		710
Long-term receivables	1,413	4,299			39		3,223			8,974
Loans	1,413	4,299			39		3,223			8,974
Current liabilities	(65,057)						(140)		(45,301)	(110,498)
Trade payables	(65,057)						(140)		(45,301)	(110,498)
Long-term liabilities									(414)	(414)
Loans									(414)	(414)
Transactions	(1,162,651)	(1,800)					(28,649)		(485,594)	(1,678,694)
Sales of products										
Purchases of products	(1,162,651)	(1,800)					(28,649)		(485,594)	(1,678,694)
Sundry expenses/ revenues		(1,650)	(6,950)	(960)						(9,560)
Advertising		(1,650)	(6,501)							(8,151)
Rentals			(449)	(960)						(1,409)

(b) Key management compensation

Key management personnel include the directors, statutory directors and other key executives. The compensation paid or payable to key management for employee services is shown below:

	March 31, 2013	March 31, 2012
Salaries and other short-term key management benefits	21,531	12,869
Directors' fees	165	111
Share-based payments	1,292	3,191
	22,988	16,171

* * *

Atenção

**** *Não destacar esta folha do trabalho* ****

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Departamento de Traduções - 10. andar

Dados do Projeto

Cliente	**Hypermarcas S.A.**
Departamento	Assurance
Tipo de trabalho	ITR mar/13
Idioma	P/I
Nome do arquivo	**HYPERMARCAS313FC.DOCX**
Código para débito	01032000/0001
Sócio	
Gerente	Lazaro Serruya
Sócio substituto	
Encaminhar para	**Lazaro Serruya**

Andamento - Traduções

	Nome	Data	Observações
Entrada		06.05.2013	☐ Track Changes ☐ _____
Tradução	FC	08-10.05.13	☐ Free Translation
Correções	Amanda	10.05.13	☐ Ponto por vírgula ☐ _____
Cheque padrão	Yara	13.05.13	☐ Corretor ortográfico
Revisão da tradução	GHM	13-14.05.13	☐ Montagem ITR ☐ _____
Correções	Amanda	14.05.13	☐ Formatação
2a.. Revisão			☐ Correções ☐ _____
Correções			☐ Rodapé
3a.. Revisão			☐ OK

	HISTÓRICO DE ALTERAÇÕES / PONTOS DE ATENÇÃO PARA O USUÁRIO		
Página da versão original	VERSÃO ORIGINAL	Página da versão traduzida	VERSÃO TRADUZIDA