

hypermarcas

3rd Quarter 2012

Earnings Presentation

November 12, 2012

Disclaimer

This release contains forward-looking statements that are exclusively related to the prospects of the business, its operating and financial results, and prospects for growth. These data are merely projections and, as such, based exclusively on our management's expectations for the future of the business and its continued access to capital to fund its business plan. These forward-looking statements substantially depend on changing market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors, as well as the risks shown in our filed disclosure documents, and are therefore subject to change without prior notice.

In addition, unaudited information herein reflects management's interpretation of information taken from its financial statements and their respective adjustments, which were prepared in accordance with market practices and for the sole purpose of a more detailed and specific analysis of our results. Therefore, these additional points and data must also be analyzed and interpreted independently by shareholders and market agents, who should carry out their own analysis and draw their own conclusions from the results reported herein. No data or interpretative analysis provided by our management should be treated as a guarantee of future performance or results and are merely illustrative of our directors' vision of our results.

Our management is not responsible for compliance or accuracy of the management financial data discussed in this report, which must be considered as for informational purposes only, and should not override the analysis of our audited consolidated financial statements for purposes of a decision to invest in our stock, or for any other purpose.

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Agenda:

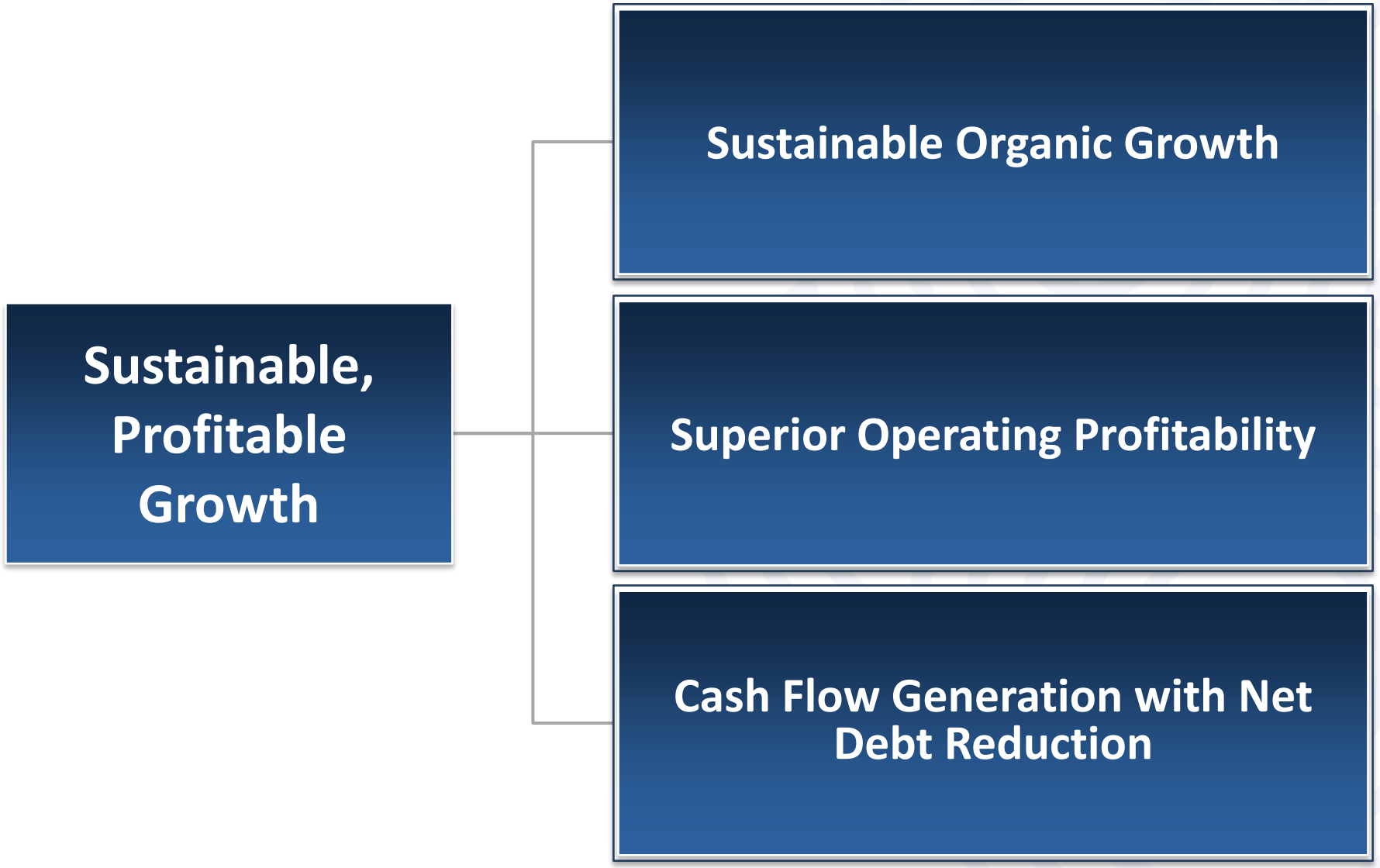
- Highlights
- Earnings

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Agenda:

Highlights

Strategic Plan



Strategic Plan

Sustainable, Profitable Growth

Sustainable Organic Growth

- 3Q12: 19.2%
- 9M12: 14.7%

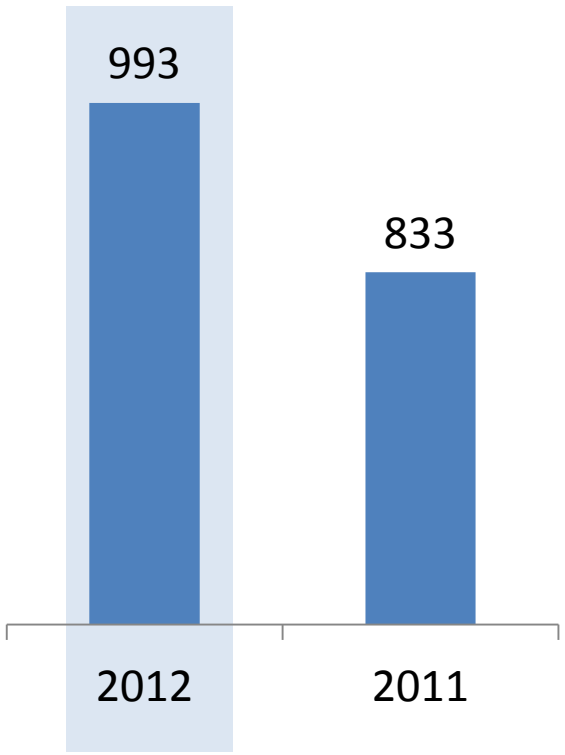
Rentabilidade Operacional Superior

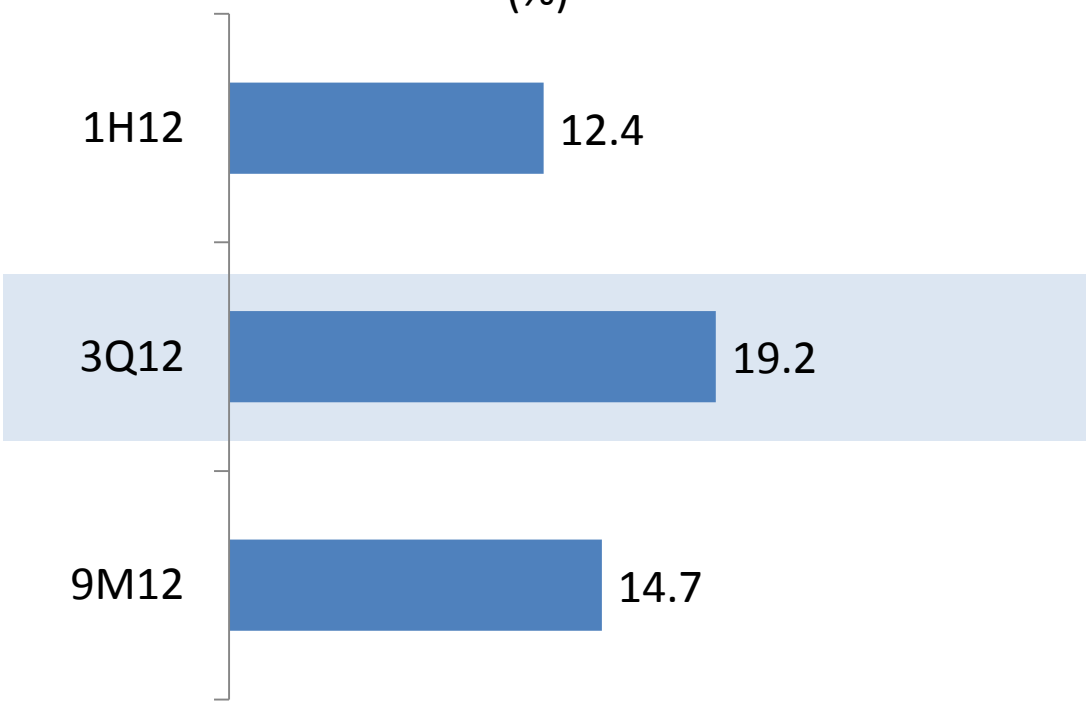
- Adjusted EBITDA of R$218.0 million, with margin of 22.0%
- SG&A reduction (ex marketing) by 250 bps

Cash Flow Generation with Net Debt Reduction

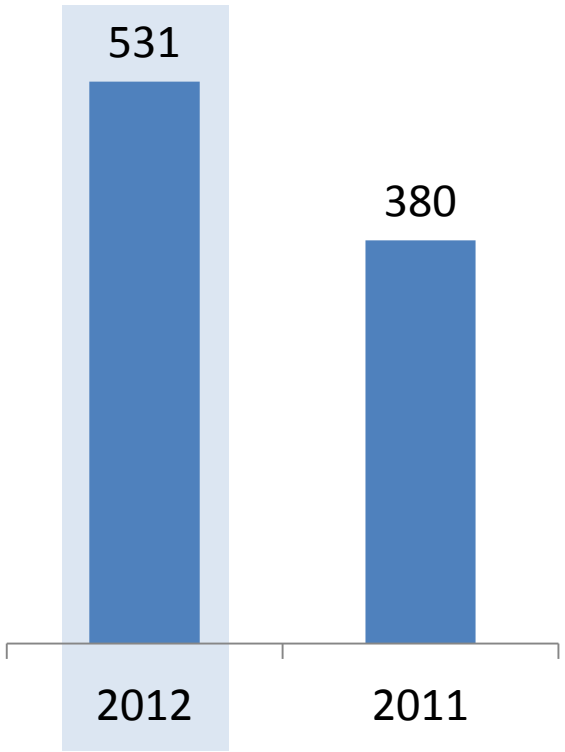
- Cash Flow from Operations of R$233.9 million, 102% above 3Q11
- Free Cash Flow of R$171.5 million in 3Q12, 135% higher than 3Q11
- Net Debt reduction by R$77.2 million

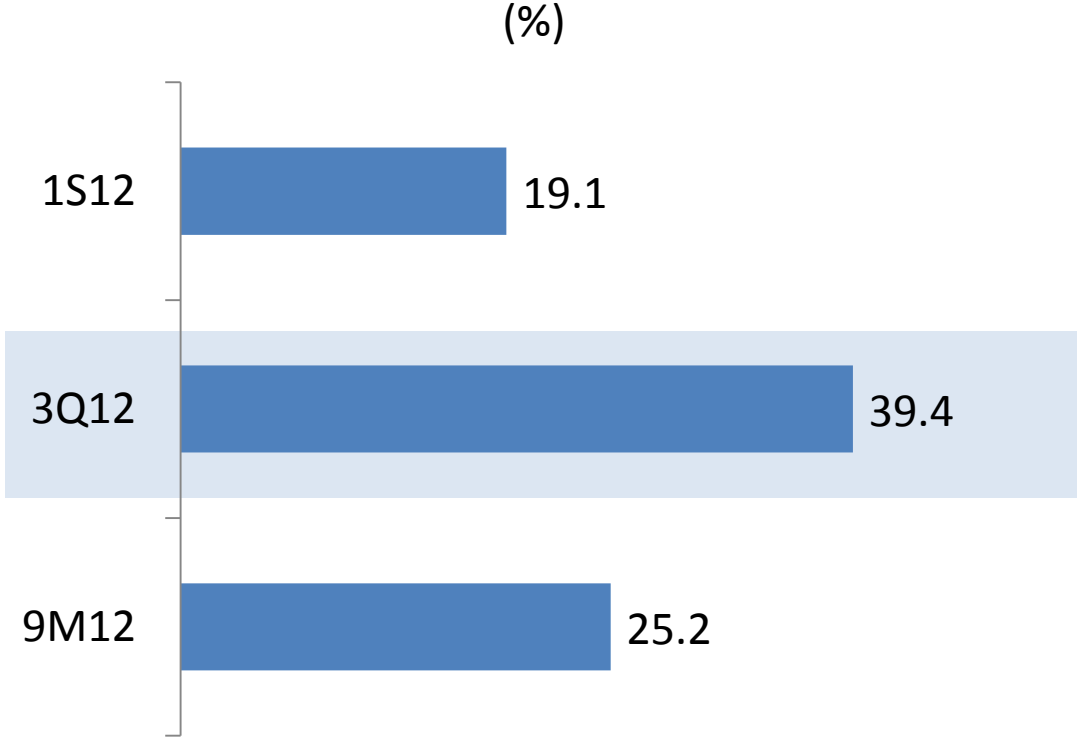
Organic Growth





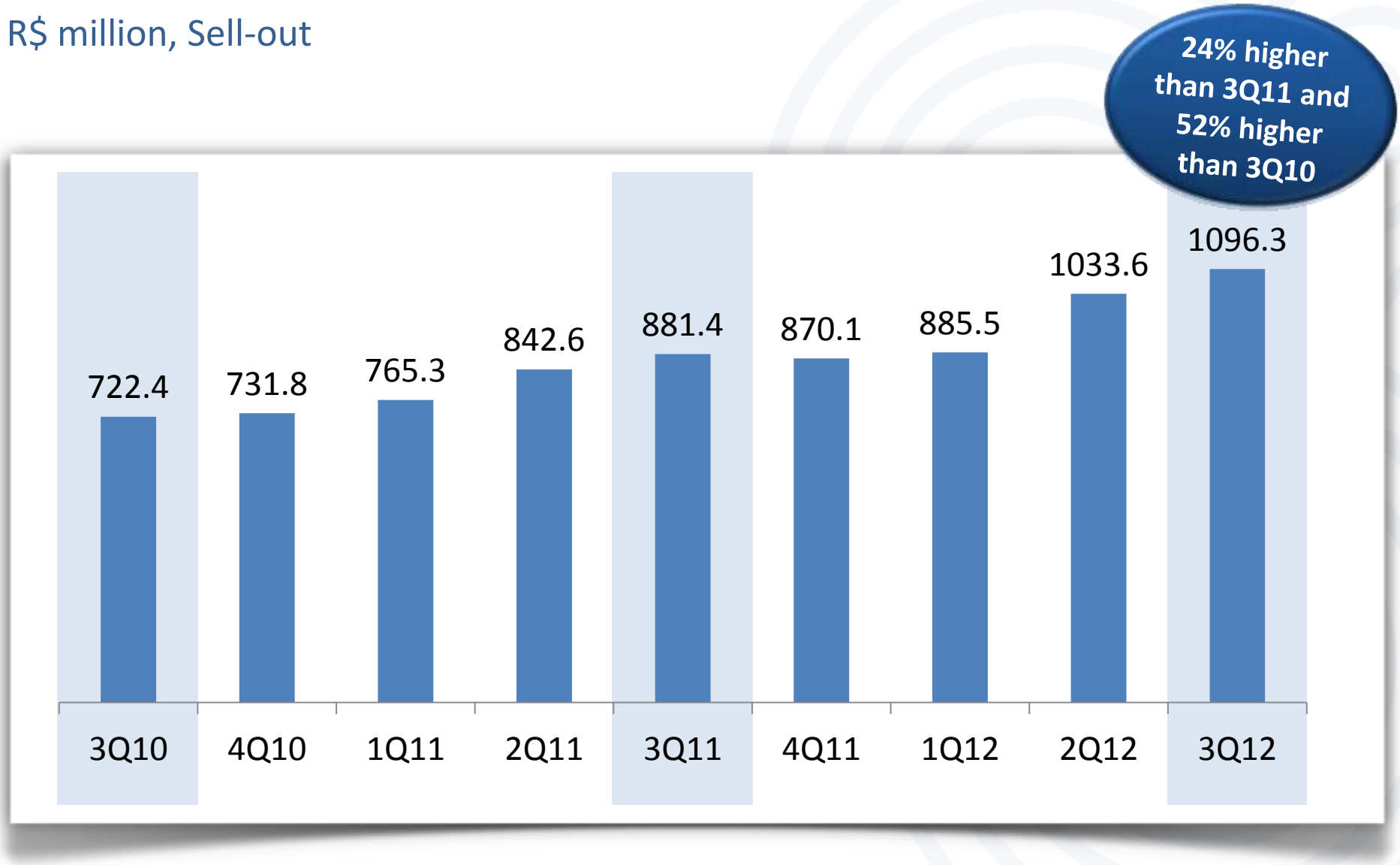
Organic Growth – Pharma Division





Demand Evolution – Pharma Division

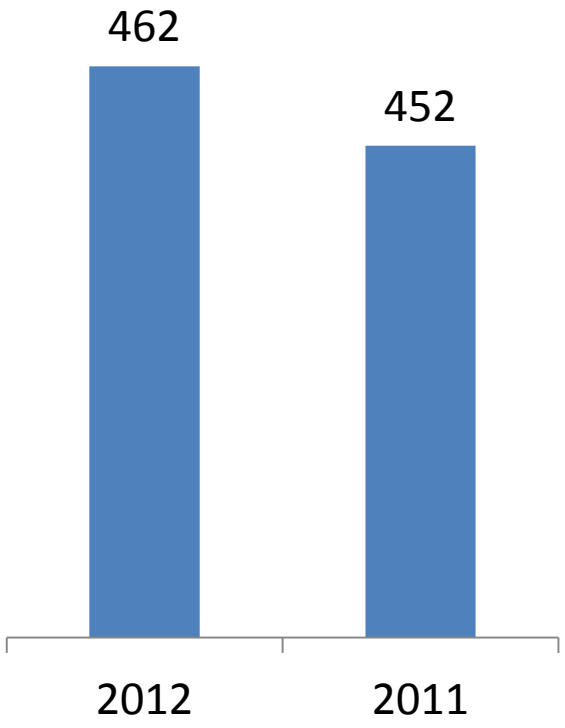
R$ million, Sell-out

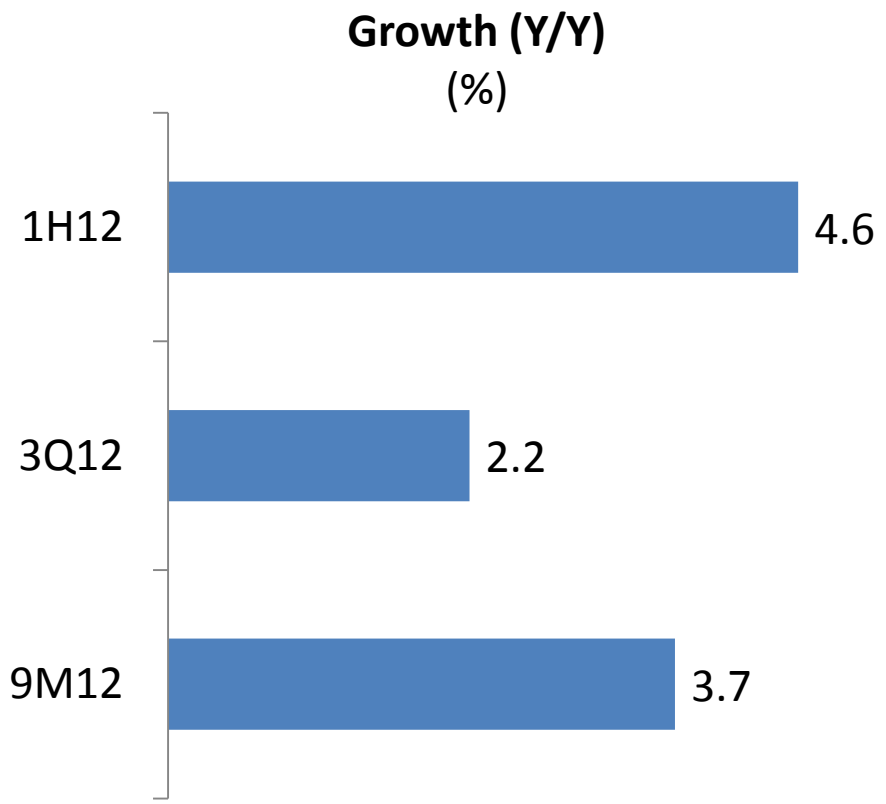


Highlights Q3 – Pharma Division

- Higher investments in media for OTC brands
- Higher investments in POS exposure
- Strengthened commercial structures
- Broader distribution in Generics

Organic Growth – Consumer Division





Rationalization of Portfolio

Actions

- End of outsourcing
- Rationalization of SKUs
- Discontinuation of low margin, low growth potential brands

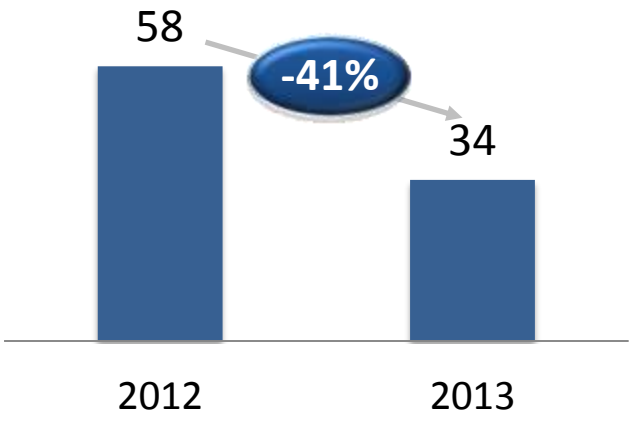


Benefits

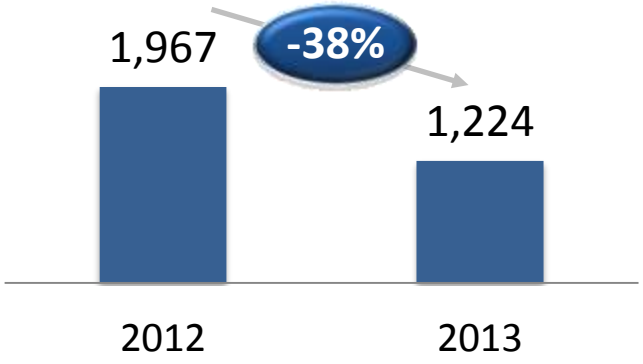
- Δ EBITDA = Zero
- Greater focus on leading brands Example:
  - Broader POS exposure
  - Greater focus of sales forces
  - Better mix in clients
- Reduction of working capital needs
- Lower discarding

Impact of Rationalization Program

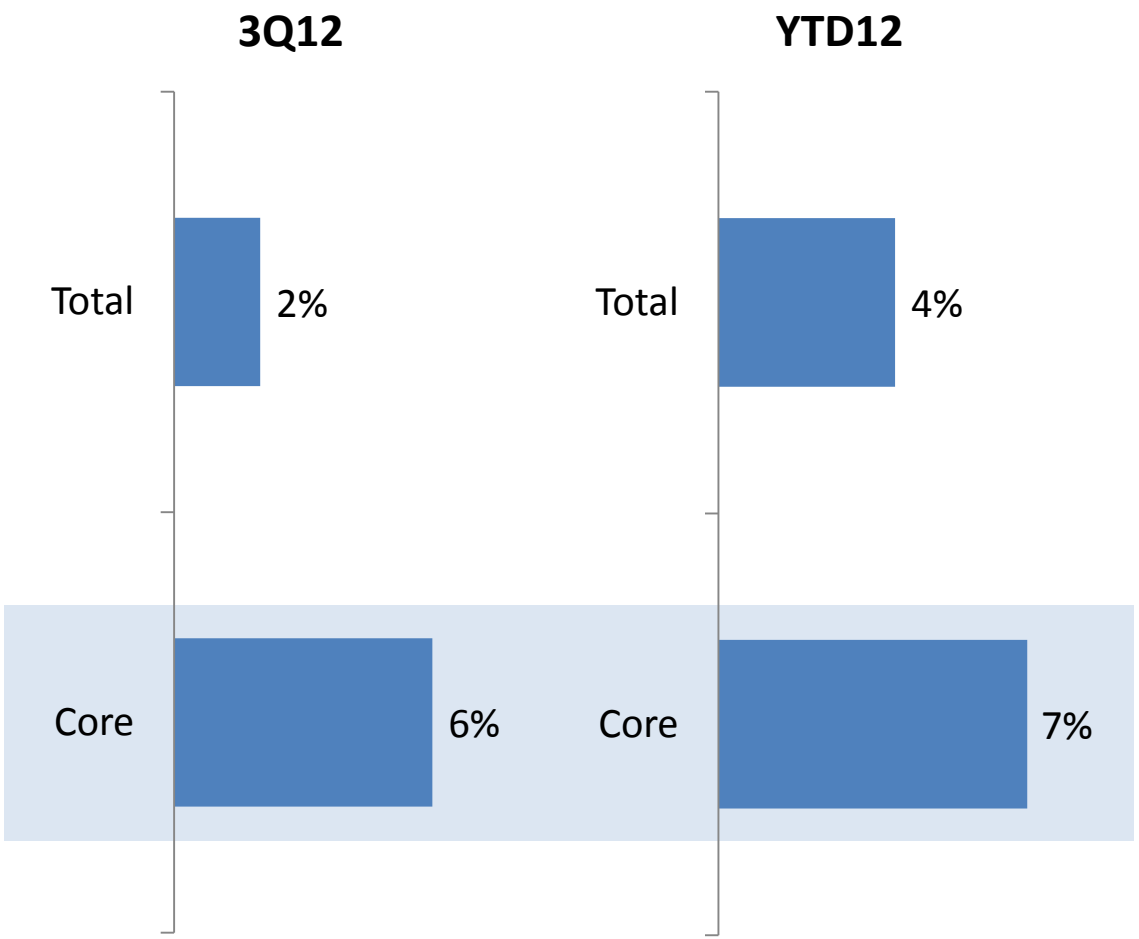
Consolidation of Brands



Reduction of SKUs



Growth rates



Other Actions – Consumer division

- Unification of sales and merchandising forces
- Simplification of logistics – Distribution Center Goiânia
- Ongoing transfer of production to Senador Canedo (Deodorants, Oral Care)
- Relaunch of Sanifill and York brands

Relaunch– Sanifill

Before and After





Relaunch – York

Before and After





Cash Flow

(R$ million)	3Q11	3Q12	Δ
Cash Flow from Operations	115.7	233.9	118.3
(-) *Capex*	(42.7)	(62.5)	(19.7)
(=) Free Cash Flow	**73.0**	**171.5**	**98.5**
(-) Net Interest Expenses	(78.8)	(49.3)	29.4
(=) *Free Cash Flow* after Net Interest Expenses	**(5.8)**	**122.2**	**128.0**

Cash Flow

(R$ million)	9M11	9M12	Δ
Cash Flow from Operations	279.3	610.5	331.2
(-) *Capex*	(155.7)	(179.9)	(24.2)
(=) Free Cash Flow	**123.6**	**430.6**	**307.0**
(-) Net Interest Expenses	(227.6)	(166.0)	61.6
(=) *Free Cash Flow* after Net Interest Expenses	**(104.0)**	**264.6**	**368.6**



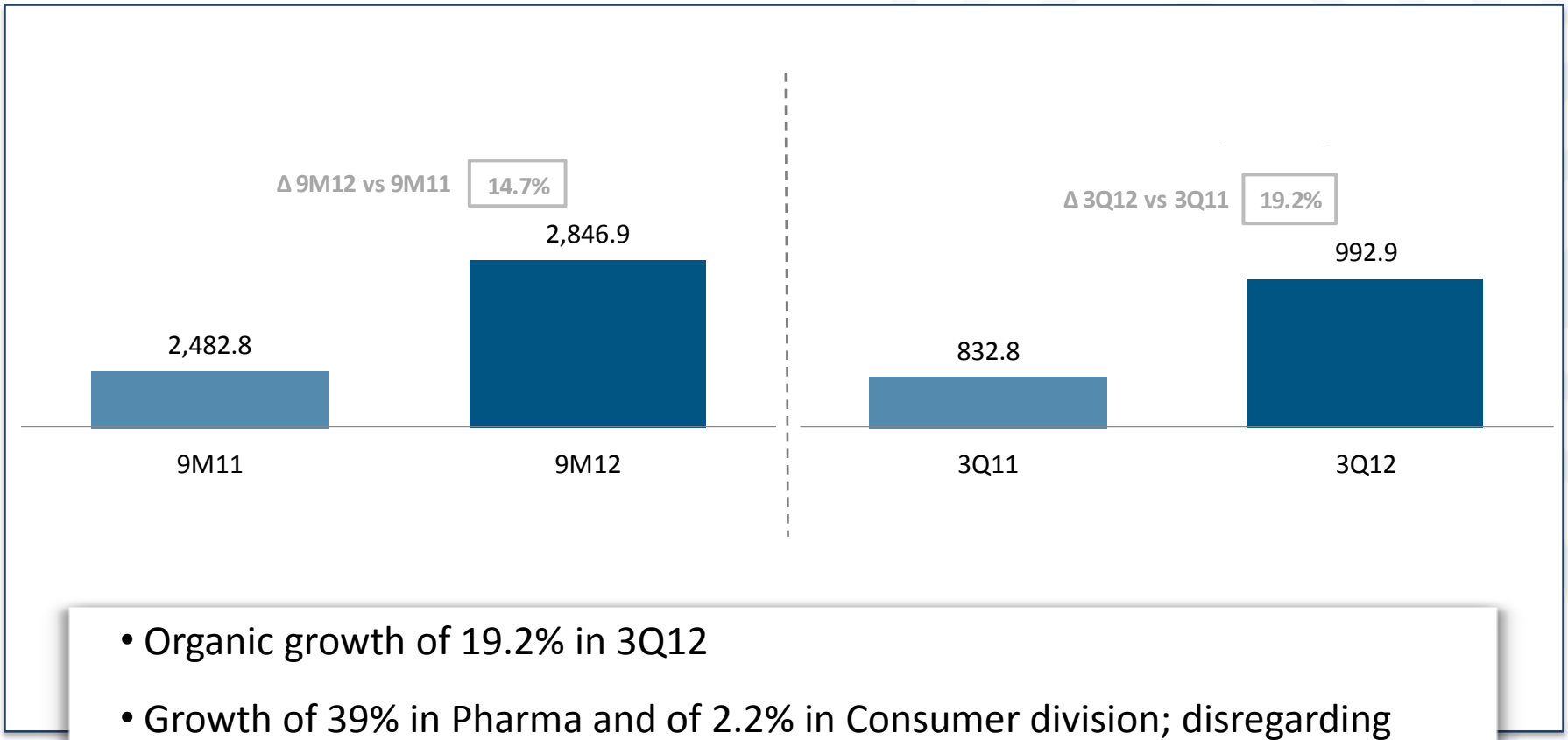
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Agenda:

Earnings

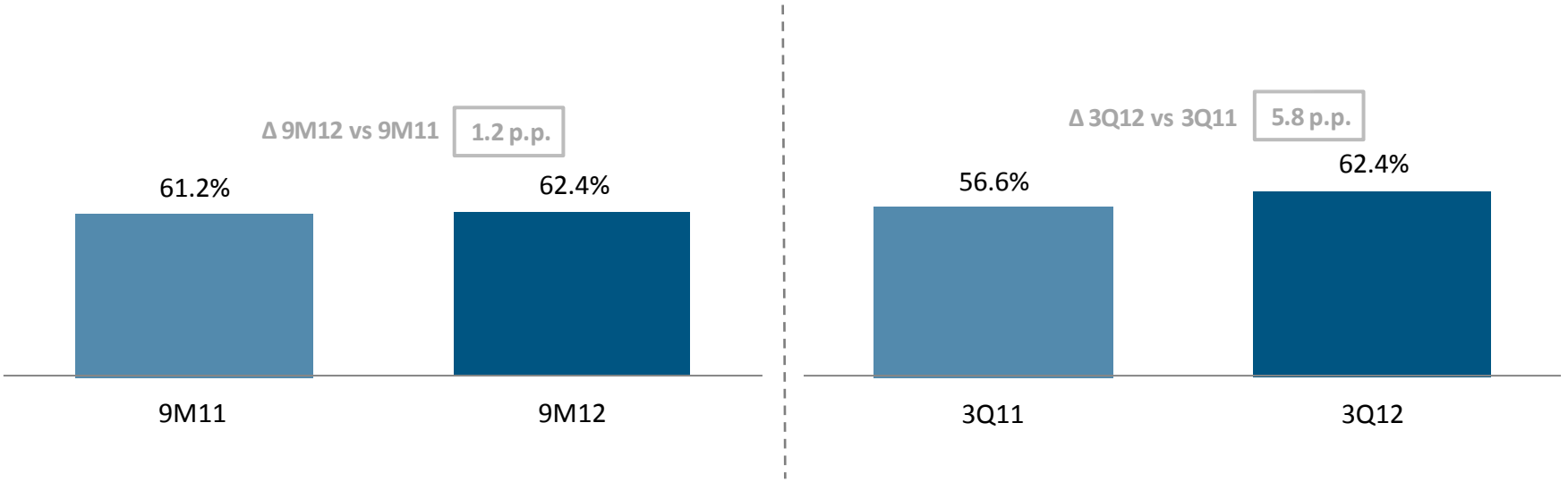
Net Revenue

(R$ mm)



- Organic growth of 19.2% in 3Q12
- Growth of 39% in Pharma and of 2.2% in Consumer division; disregarding brands and products under discontinuation, growth in Consumer would be of 6.0% in 3Q12
- Pharma division corresponded to 53% of net revenue; Consumer, to 47%

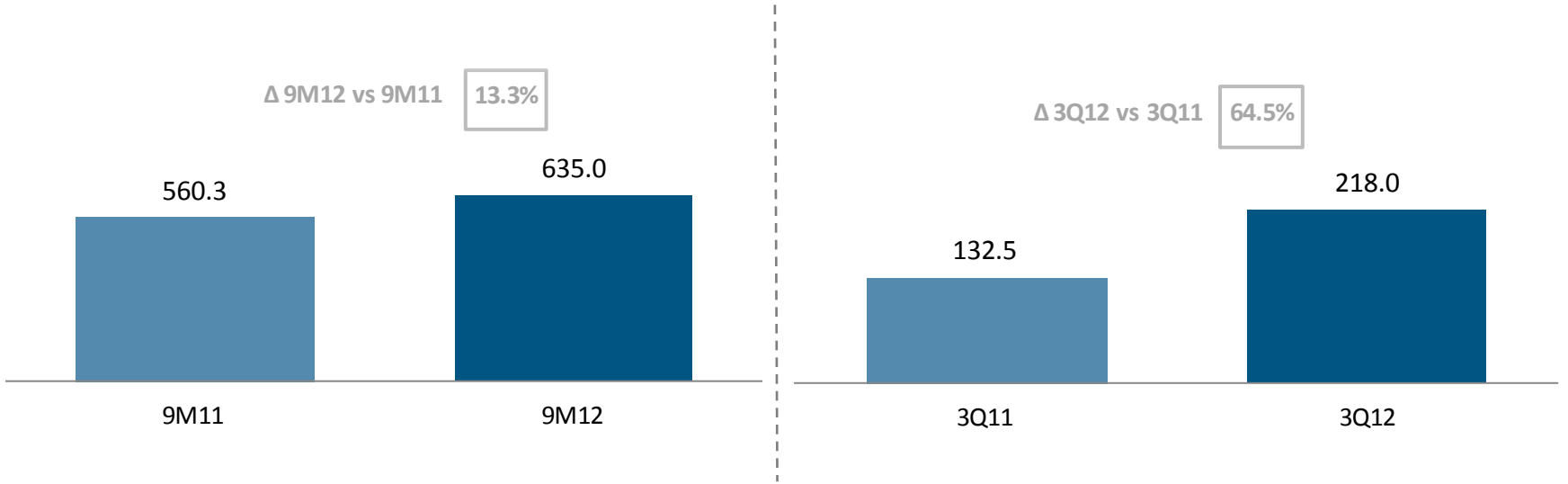
Gross Margin (%)



- Margin in Pharma was of 76.3% in 3Q12 versus 69.7% in 3Q11, explained especially by price increase and better product mix
- Margin in Consumer was of 46.3% in 3Q12 versus 45.5% in 3Q11

Adjusted EBITDA

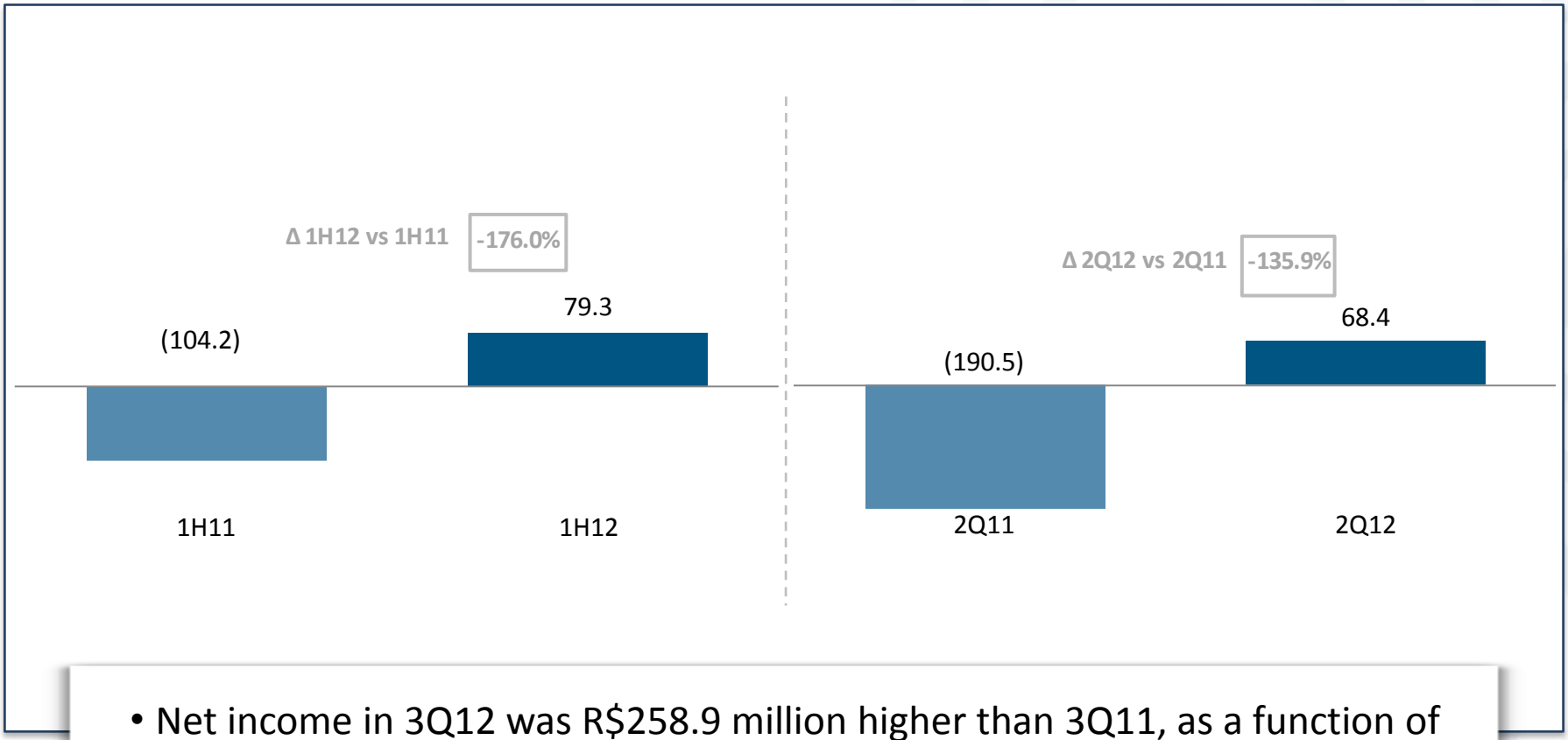
(R$ mm)



- Adjusted EBITDA margin of 22.0% in 3Q12 versus 15.9% in 3Q11
- Adjusted EBITDA margin of 22.3% in 9M12 versus 22.6% in 9M11
- Adjusted EBITDA margin improvement is consequence of gross profit growth added to operating leverage over fixed costs (SG&A ex-marketing)

Net Income

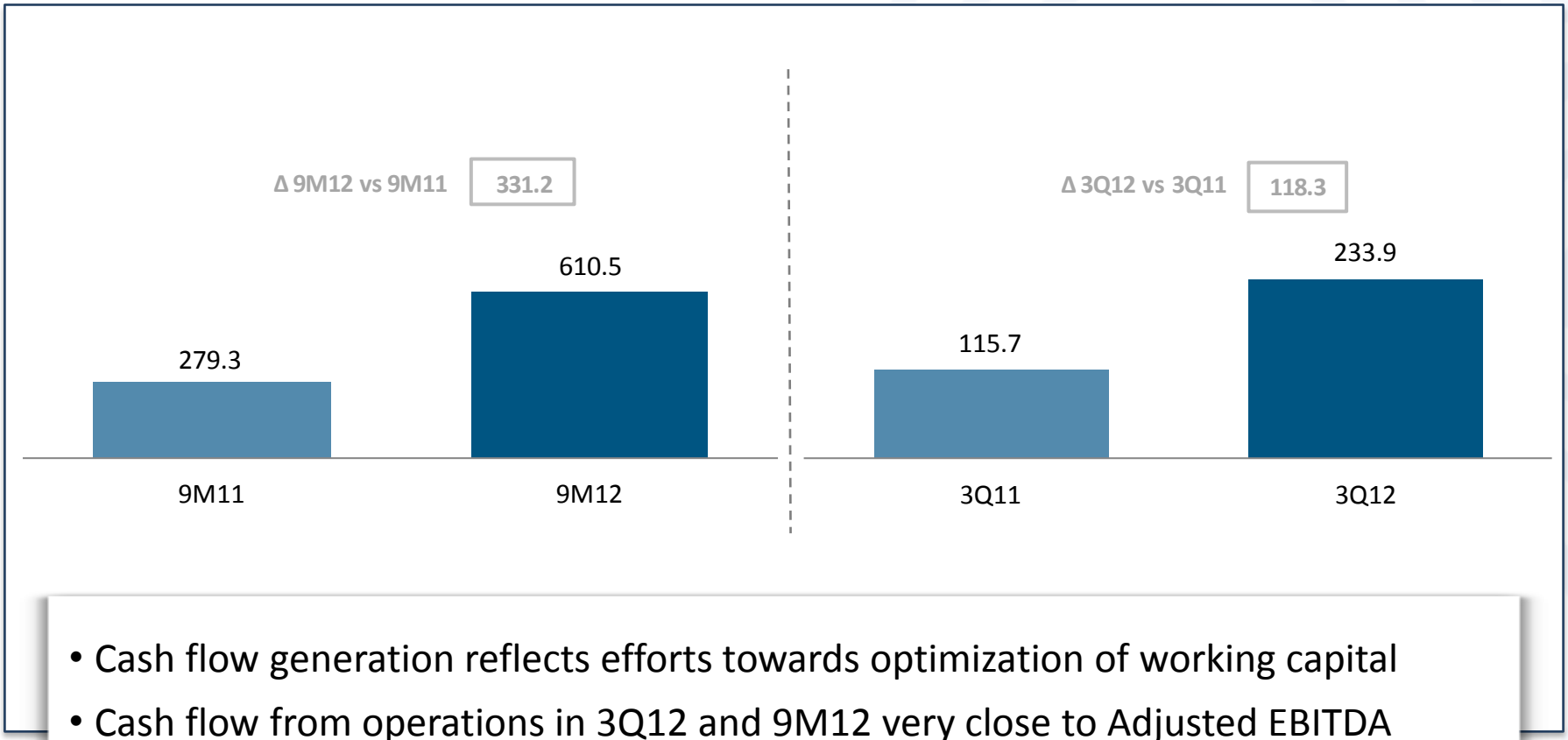
(R$ mm)



- Net income in 3Q12 was R$258.9 million higher than 3Q11, as a function of significantly higher operating result and lower net financial expenses in the quarter

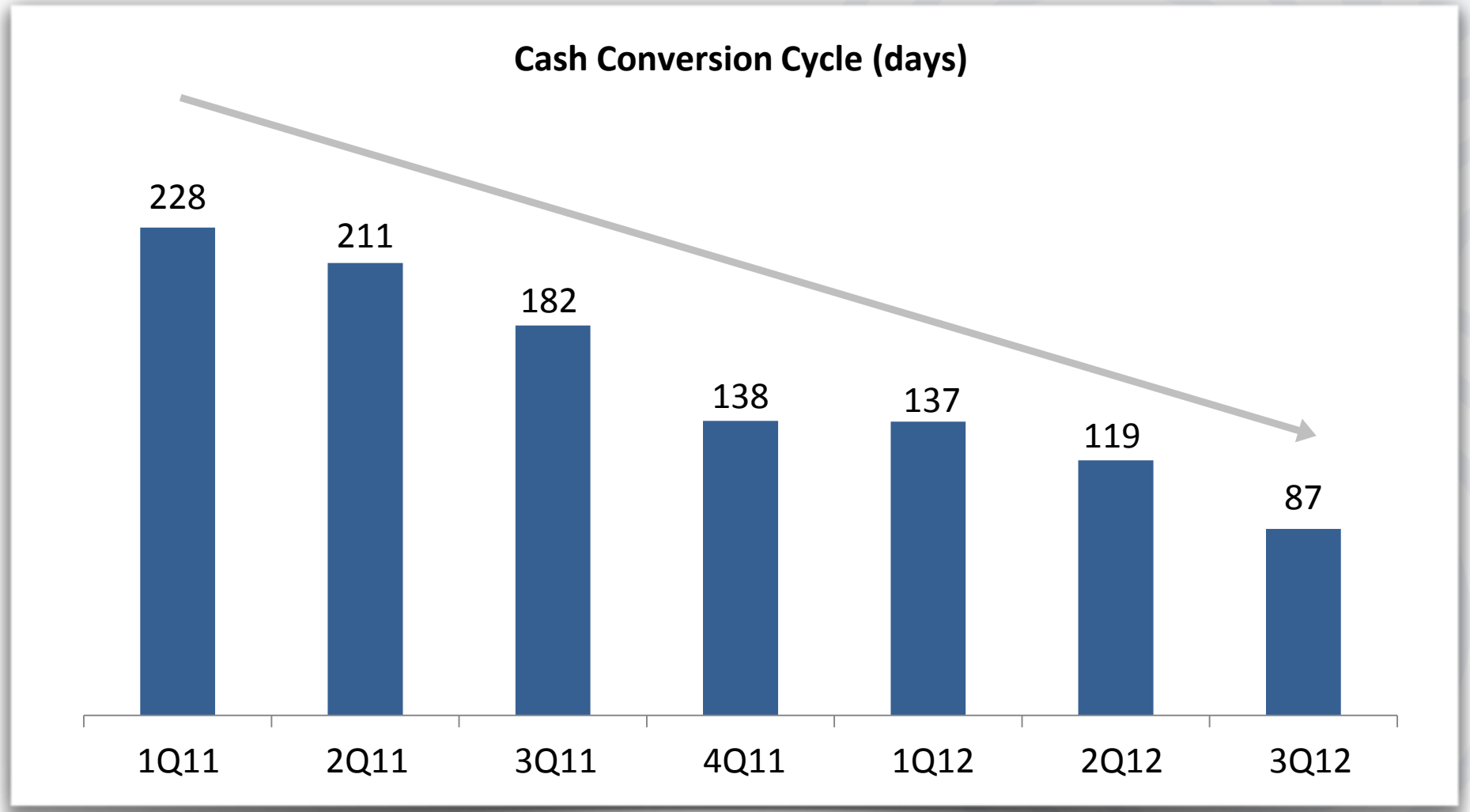
Cash Flow from Operations

(R$ mm)



- Cash flow generation reflects efforts towards optimization of working capital
- Cash flow from operations in 3Q12 and 9M12 very close to Adjusted EBITDA

Working Capital



Free Cash Flow

(R$ mm)	9M11	9M12	3Q11	3Q12
Cash flow from operations	279.3	610.5	115.7	233.9
Purchase of property, plant and equipment	(155.7)	(179.9)	(42.7)	(62.5)
(=) Free cash flow	**123.6**	**430.6**	**73.0**	**171.5**
Net interest expenses	(227.6)	(166.0)	(78.8)	(49.3)
(=) Free cash flow after interest expenses	**(104.0)**	**264.6**	**(5.8)**	**122.2**

- 3Q12 was fourth-consecutive quarter of positive free cash flow after net interest expenses, in spite of Capex of consolidation projects

Guidance

- Based on the analysis of the macroeconomic environment, of the markets in which it operates and of its perspectives, the Company
  - maintains its guidance of Adjusted EBITDA above R$850.0 million in the year of 2012 and
  - introduces a new guidance of Adjusted EBITDA of around R$950.0 million for the year of 2013.

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