Hypermarcas S.A.

Report on review of
Quarterly Information - ITR
on June 30, 2015

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Hypermarcas grows 10.8%, posts Adjusted EBITDA of R$297.2 million in 2Q15

São Paulo, July 24, 2015 - Hypermarcas S.A. (BM&FBovespa: HYPE3; Reuters: HYPE3.SA; Bloomberg: HYPE3 BZ; ADR: HYPMY) announces its financial results for the second quarter of 2015. Financial data shown here are taken from quarterly financial information of Hypermarcas S.A., prepared in accordance with norms of the Brazilian Accounting Pronouncement Committee (CPC) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Highlights

- **Net Revenue of R$2,443.3 million in 1H15,** 13.1% above 1H14 (ex-third parties)
- **Adjusted EBITDA of R$584.1 million in 1H15,** 6.9% above 1H14
- **SG&A expenses (ex-marketing) reduction to 21.0% of Net Revenue in 1H15,** -0.9 p.p. compared to 1H14
- **Sell-out demand growth of 16.5% in Pharma[1] in 1H15 and of 23.6% in Consumer in the year through April**
- **Market share gains** of +0.9 p.p. in Pharma in 1H15, being +2.4 p.p. in generics, and of +1.3 p.p. in Consumer in the year through April, being +3.7 p.p. in infant diapers

Table 1

(R$ million)	1H14	% NR	1H15	% NR	Δ %	Δ NR p.p.	2Q14	% NR	2Q15	% NR	Δ %	Δ NR p.p.
Net Revenue	2,191.6	*100.0%*	2,443.3	*100.0%*	*11.5%*	-	1,132.7	*100.0%*	1,255.6	*100.0%*	*10.8%*	-
Gross Profit	1,423.7	*65.0%*	1,517.4	*62.1%*	*6.6%*	*-2.9 p.p.*	742.7	*65.6%*	782.3	*62.3%*	*5.3%*	*-3.3 p.p.*
S,G&A (ex-Marketing)	(480.4)	*21.9%*	(514.2)	*21.0%*	*7.0%*	*-0.9 p.p.*	(249.6)	*22.0%*	(272.1)	*21.7%*	*9.0%*	*-0.3 p.p.*
Marketing	(431.9)	*19.7%*	(464.7)	*19.0%*	*7.6%*	*-0.7 p.p.*	(223.2)	*19.7%*	(241.2)	*19.2%*	*8.0%*	*-0.5 p.p.*
Adjusted EBITDA (1)	546.6	*24.9%*	584.1	*23.9%*	*6.9%*	*-1.0 p.p.*	287.6	*25.4%*	297.2	*23.7%*	*3.3%*	*-1.7 p.p.*
Net Income	212.4	*9.7%*	201.5	*8.2%*	*-5.1%*	*-1.5 p.p.*	122.2	*10.8%*	110.9	*8.8%*	*-9.3%*	*-2.0 p.p.*
EPS	0.34	-	0.32	-	*-5.3%*	-	0.19	-	0.18	-	*-9.4%*	-

(1) *EBITDA of continuing operations before non-recurring expenses and other non-cash expenses. See Reconciliation of Adjusted EBITDA in Table 8.*

[1] *According to the IMS Health's PPP – Pharmacy Purchase Price – metric.*



Operating Scenario

In the second quarter of 2015, Hypermarcas achieved results which are consistent with its profitable growth strategy, with value creation to its shareholders. The Company continued to harvest the fruit of the restructuring plan carried out from 2011 through 2014, with focus on the creation of an operating platform with superior competitive advantage and on the strengthening of its businesses and brands.

As a result of this effort, in spite of the economic crisis, the Company's sell-out demand remained robust in the year, with double-digit growth on both business divisions. In Pharma, the demand grew 16.5% in the first half of the year according to IMS Health[2]; in Consumer, the expansion was 23.6% in the year through April, with acceleration of market share gains.

The Pharma division's market share advanced +0.8 p.p., climbing to 10.6% in the quarter, keeping the second position in generics in units and growing 29.6% in prescription products. In Consumer, the Company gained +1.5 p.p., reaching 9.3% of the market in April[3], after positive results of launches as *Bozzano* and *Risqué*, and, in particular, *Pom Pom* and *Cremer* infant diapers, which contributed to the +4.5 p.p. market share gain in the category, compared to the prior year.

The Company's Net Revenue reached R$1,255.6 million, a 10.8% growth compared to 2Q14. This expansion was consistent in both business divisions: 15.0% in Consumer and 7.7% in Pharma.

Adjusted EBITDA was R$297.2 million, 3.3% above 1Q14. It is worth highlighting that, in spite of the reduction of the Company's Gross Margin in the quarter, SG&A expenses were diluted, resulting in Adjusted EBITDA Margin of 23.7%, compared 25.4% in 2Q14. The Gross Margin reduction in the quarter was primarily due to the depreciation of the Real against the US Dollar, of about 28.6% in the period, with estimated negative impacts of 2.9 p.p. on the Gross Margin and of R$35.8 million on Adjusted EBITDA in the quarter.

Net Income amounted to R$110.9 million in 2Q15 and was also impacted by the depreciation of the Real against the US Dollar compared to 2Q14. In the period, the FX variation had an estimated impact of R$23.6 million on the Net Income.

The Company remains confident about Brazil, in spite of the crisis the country is going through, and will continue to invest in its businesses to capture opportunities by leveraging on the operating platform created over the past few years, with superior competitive advantage in the Brazilian market.

PHARMA DIVISION

The sell-out demand for the Pharma division's products increased 15.1% in the second quarter of 2015, compared to the same period of the prior year, according to IMS Health . The recent initiatives targeting demand generation supported double-digit demand growth in all of the Company's business lines, especially in generics, prescription drugs

[2] *According to the PPP – Pharmacy Purchase Price – criteria, at prices effectively practiced in the market.*

[3] *Nielsen data for March/April 2015.*



(RX) and dermocosmetics. As a result, Hypermarcas' share of the Brazilian pharmaceutical market climbed to 10.6% in the period, a +0.8 p.p. gain, on the same comparison basis.

Continuing with the initiatives aimed at broader coverage of the Brazilian pharmaceutical market, the Company launched the molecule *atorvastatin calcium*, one of most relevant in the market, in *Neo Química* line, both in the generic as well as in the branded generic version (under the brand *Atorvasterol*). Hypermarcas also launched its first nutraceutical product, *Ommax* (omega 3, omega 6). Among products launched over the past 12 months, the generic *omeprazole* and *Benegrip Multi*, the first liquid anti-flu product in the Brazilian market, remained in the Top 5 sell-out demand ranking.

The Company had more than 20 pharmaceutical brands on TV and radio, including new ads for *Apracur*, *Benegrip Multi*, *Engov*, *Coristina d* and *Neo Química*. In addition, the use of digital channels has been strengthened as communications tool, with internet campaigns for *Coristina d*, *Benegrip*, *Apracur* and *Doralgina* - this last one a great success which surpassed 22 million views on YouTube and Facebook.

To improve the demand generation with the medical community, the Company has structured the *Hyperselling* program, with new planning, training, data analysis and target control tools for its medical visit team. This program aims at excellence in execution, with better results by geographic areas and medical specialties.

In addition to the initiatives aimed at demand generation, the Company expanded initiatives aimed at improving the relationship with clients and the execution in the points of sale. Shared Business Plans seeking joint opportunities with large retailers and distributors are ongoing, as well as Category Management programs in the main pharmaceutical retail chains. In parallel, the *Hypertrade* program was extended, aiming at better control and optimization of trade marketing activities with clients.

CONSUMER DIVISION

The sell-out demand for the Consumer division's products remained in accelerated expansion in the first four months of the year, with 23.6% growth in the year through April, according to Nielsen data. In the second two-month period of the year, the Company's market share reached 9.3%, a +1.5 p.p. gain compared to the same period of the prior year.

This performance is mainly a consequence of attractive value propositions (*smart choice*), with effective communication to consumers and adequate actions in the points of sale, with improved execution. These propositions result from a combination of strong innovation index (80% in 2Q15), intensive studies on Brazilian consumer behavior and aggressive commercial strategy in selected categories.

With proper support, recent launches are resulting in consistent market share gains, both in high-volume categories, such as infant diapers (+4.5 p.p.) and deodorants (+1.1 p.p.), as well as in categories in which the Company is market leader, such as men's care (+8.4 p.p.) and nail polish (+3.0 p.p.).

In addition to traditional TV and radio ads for brands like *Paixão*, *Bozzano*, *Risqué* and *Monange*, the Company has been testing new digital formats, with 2.7 million views on Youtube for *Monange's* Mother's Day celebration campaign and great engagement with Risqué's Manicurist's Day ad, which came close to 600,000 likes on Facebook.



The division's performance in the quarter further reflects operating improvements resulting from the consolidation of operations in the state of Goiás, with productivity gains and manufacturing costs reduction. The division is still focused on broadening the distribution of its products and improving its execution in the points of sale, with continuous evolution in the assessment by means of the *Hyperexecução* system.



Income Statement

The following table is a summary of Hypermarcas' Income Statement:

Table 2

(R$ million)	1H14	% NR	1H15	% NR	Δ	2Q14	% NR	2Q15	% NR	Δ
Net Revenue	**2,191.6**	***100.0%***	**2,443.3**	***100.0%***	***11.5%***	**1,132.7**	***100.0%***	**1,255.6**	***100.0%***	***10.8%***
Gross Profit	**1,423.7**	***65.0%***	**1,517.4**	***62.1%***	***6.6%***	**742.7**	***65.6%***	**782.3**	***62.3%***	***5.3%***
Marketing	(431.9)	*-19.7%*	(464.7)	*-19.0%*	*7.6%*	(223.2)	*-19.7%*	(241.2)	*-19.2%*	*8.0%*
Selling Expenses	(360.8)	*-16.5%*	(382.6)	*-15.7%*	*6.0%*	(187.8)	*-16.6%*	(204.0)	*-16.2%*	*8.6%*
General and Administrative Expenses	(119.6)	*-5.5%*	(131.6)	*-5.4%*	*10.1%*	(61.7)	*-5.5%*	(68.1)	*-5.4%*	*10.3%*
Other Operational Net Expenses	(47.1)	*-2.1%*	(72.8)	*-3.0%*	*54.5%*	(24.6)	*-2.2%*	(34.0)	*-2.7%*	*38.2%*
Equity in Subsidiaries	(0.5)	*0.0%*	(1.4)	*-0.1%*	*218.5%*	(0.1)	*0.0%*	(0.5)	*0.0%*	*427.0%*
Continuing Operations EBIT	**463.8**	***21.2%***	**464.2**	***19.0%***	***0.1%***	**245.2**	***21.6%***	**234.6**	***18.7%***	***-4.3%***
Net Financial Expenses	(207.1)	*-9.5%*	(240.9)	*-9.9%*	*16.3%*	(99.2)	*-8.8%*	(108.8)	*-8.7%*	*9.7%*
Income Tax and CSLL	(38.2)	*-1.7%*	(16.8)	*-0.7%*	*-56.0%*	(19.9)	*-1.8%*	(13.1)	*-1.0%*	*-34.3%*
Net Income from Discontinued Operations	(6.1)	*-0.3%*	(4.9)	*-0.2%*	*-19.5%*	(3.9)	*-0.3%*	(1.9)	*-0.1%*	*-52.6%*
Net Income (Loss)	212.4	*9.7%*	201.5	*8.2%*	*-5.1%*	122.2	*10.8%*	110.9	*8.8%*	*-9.3%*
EBITDA [(1)]	516.4	*23.6%*	515.7	*21.1%*	*-0.1%*	271.4	*24.0%*	261.2	*20.8%*	*-3.7%*
Adjusted EBITDA [(1)]	**546.6**	***24.9%***	**584.1**	***23.9%***	***6.9%***	**287.6**	***25.4%***	**297.2**	***23.7%***	***3.3%***

[(1)] Based only on Continuing Operations.



Net Revenue

Chart 1

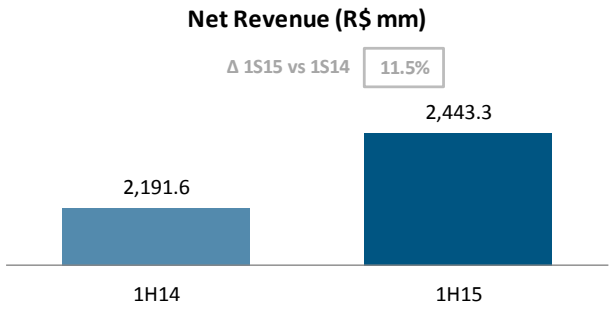


Chart 2

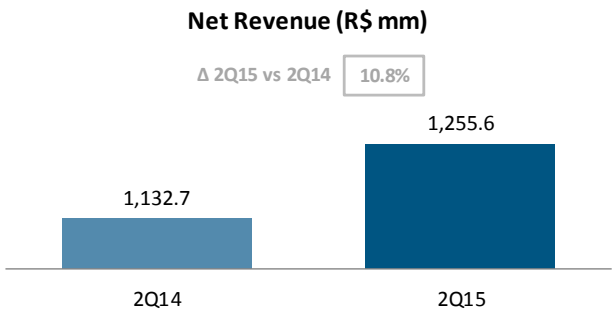


Table 3

(R$ million)	1H14	1H15	Δ	2Q14	2Q15	Δ
Pharma	1,257.6	1,369.3	*8.9%*	645.6	695.6	*7.7%*
Pharma ex-Third Parties [1]	1,223.7	1,367.4	*11.7%*	645.7	695.6	*7.7%*
Consumer	934.0	1,073.9	*15.0%*	487.1	560.0	*15.0%*
Total	**2,191.6**	**2,443.3**	***11.5%***	**1,132.7**	**1,255.6**	***10.8%***
Total ex-Third Parties [1]	**2,157.7**	**2,441.3**	***13.1%***	**1,132.8**	**1,255.6**	***10.8%***

[1] Revenue from the Company's brand portfolio (excluding third-party manufacturing contracts)

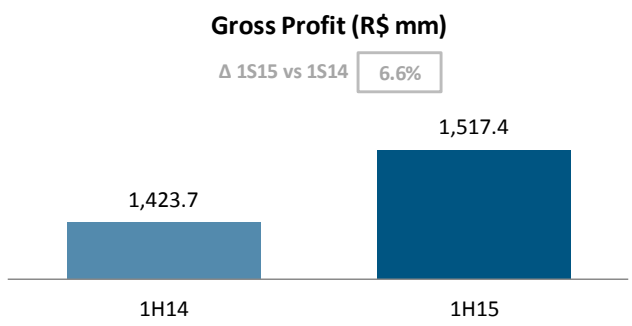
The Pharma division's Net Revenue grew 11.7% in the first half of 2015 compared to the same period of the prior year, excluding third parties. That performance was close to the market growth, according to the IMS Health. In 2Q15, growth in the division was impacted by an exceeding order backlog that was not fulfilled given temporary effects on production, restricted to certain products.

The Consumer division's Net Revenue grew 15.0% in 2Q15 compared to 2Q14, a figure similar to the two prior quarters. This growth is a consequence of the strategy of offering products with attractive value propositions to clients and consumers (*smart choice*), particularly in selected high-volume categories, especially infant diapers.

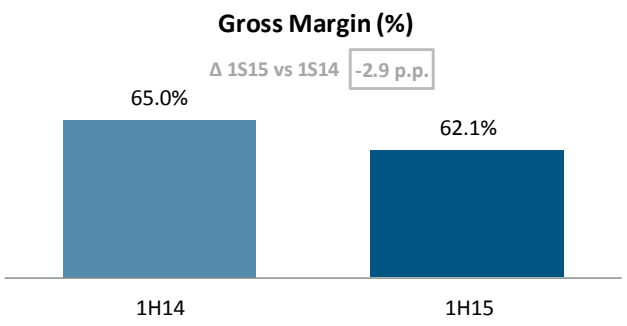


Gross Profit

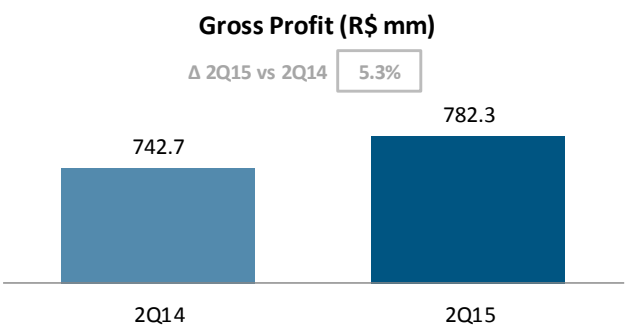
Graph 3



Graph 4



Graph 5



Graph 6

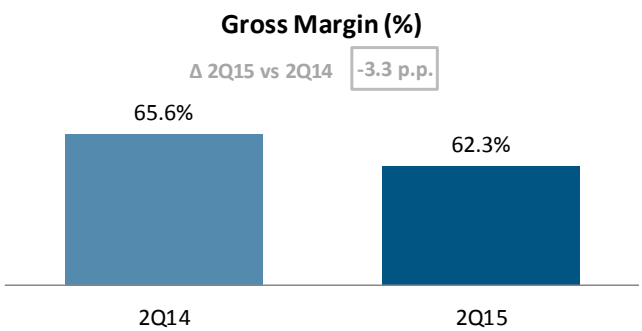


Table 4

(R$ million)	1H14	% NR	1H15	% NR	Δ	Δ R$	2Q14	% NR	2Q15	% NR	Δ	Δ R$
Pharma	961.8	76.5%	1,055.3	77.1%	*0.6 p.p.*	93.4	503.5	78.0%	538.3	77.4%	*-0.6 p.p.*	34.8
Consumer	461.9	49.5%	462.1	43.0%	*-6.5 p.p.*	0.2	239.2	49.1%	244.0	43.6%	*-5.5 p.p.*	4.9
Total	**1,423.7**	***65.0%***	**1,517.4**	***62.1%***	***-2.9 p.p.***	**93.6**	**742.7**	***65.6%***	**782.3**	***62.3%***	***-3.3 p.p.***	**39.7**

Gross Margin in the Consumer division was 43.6% in 2Q15, a 5.5 p.p. reduction compared to 2Q14, mainly because of a negative impact of 5.1 p.p. caused by the FX depreciation, which was not fully offset by price increases. In addition, the mix was less favorable compared to 2Q14.

Compared to 1Q15, there was a 1.2 p.p. increase at the Consumer Gross Margin, reflecting price increases introduced in the division, which offset a less favorable mix in the period.



Marketing Expenses

Table 5

(R$ million)	1H14	% NR	1H15	% NR	Δ	2Q14	% NR	2Q15	% NR	Δ
Marketing Expenses	(431.9)	-19.7%	(464.7)	-19.0%	7.6%	(223.2)	-19.7%	(241.2)	-19.2%	8.0%
Advertisement and Consumer Promotion	(167.2)	-7.6%	(156.8)	-6.4%	-6.3%	(83.4)	-7.4%	(82.6)	-6.6%	-0.9%
Trade Deals	(123.2)	-5.6%	(145.1)	-5.9%	17.8%	(65.3)	-5.8%	(70.9)	-5.6%	8.7%
Medical Visits, Promotions and Samples	(141.5)	-6.5%	(162.8)	-6.7%	15.1%	(74.6)	-6.6%	(87.7)	-7.0%	17.5%

Marketing Expenses increased 8.0% in nominal terms and amounted to 19.2% of Net Revenue in 2Q15, versus 19.7% in 2Q14. The expansion of Marketing Expenses below the Net Revenue growth is in line with the Company's strategy for the year.

Selling Expenses

Table 6

(R$ million)	1H14	% NR	1H15	% NR	Δ	2Q14	% NR	2Q15	% NR	Δ
Selling Expenses	(360.8)	-16.5%	(382.6)	-15.7%	6.0%	(187.8)	-16.6%	(204.0)	-16.2%	8.6%
Commercial Expenses	(272.3)	-12.4%	(291.9)	-11.9%	7.2%	(141.6)	-12.5%	(156.1)	-12.4%	10.2%
Freights	(71.9)	-3.3%	(80.0)	-3.3%	11.4%	(38.6)	-3.4%	(42.0)	-3.3%	8.9%
Delinquency	(16.7)	-0.8%	(10.7)	-0.4%	-36.0%	(7.6)	-0.7%	(5.8)	-0.5%	-23.8%

Selling Expenses were reduced by 0.4 p.p. to 16.2% of Net Revenue in 2Q15, compared to 2Q14. Commercial Expenses increased in line with wage inflation and below the expansion of Net Revenue, resulting in dilution as percentage of Net Revenue both in the quarter, as well as in 1H15.

General / Administrative Expenses & Other Revenues and Operating Expenses

Table 7

(R$ million)	1H14	% NR	1H15	% NR	Δ	2Q14	% NR	2Q15	% NR	Δ
General, Administrative and Other Expenses	(119.6)	-5.5%	(131.6)	-5.4%	10.1%	(61.7)	-5.5%	(68.1)	-5.4%	10.3%
Other Operating Revenues (Expenses)	(47.1)	-2.1%	(72.8)	-3.0%	54.5%	(24.6)	-2.2%	(34.0)	-2.7%	38.2%

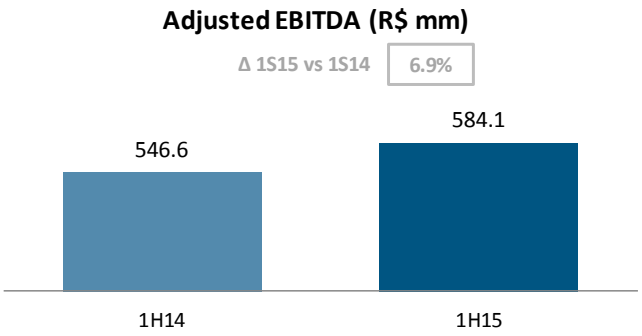
The 10.3% increase at G&A Expenses compared to the same quarter of the prior year was close to wage inflation. As percentage of Net Revenue, there was a 0.1 p.p. decrease in 1H15 compared to 1H14.

Other Operating Expenses amounted to R$34.0 million in 2Q15 and were mainly composed of expenses related to discharging inventory write-offs and costs related to plant transfer processes.

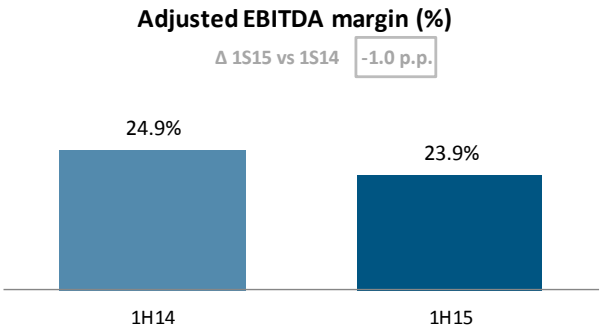


Adjusted EBITDA

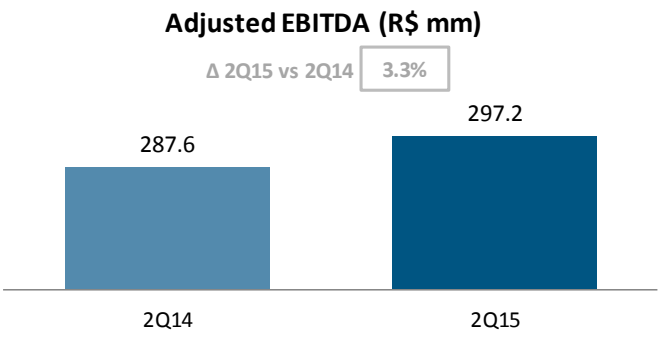
Graph 7



Graph 8



Graph 9



Graph 10

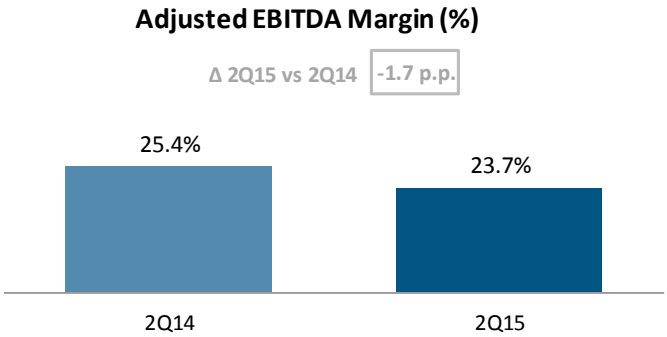


Table 8 - Adjusted EBITDA Reconciliation

(R$ million)	1H14	% NR	1H15	% NR	Δ	2Q14	% NR	2Q15	% NR	Δ
Net Income	212.4	*9.7%*	201.5	*8.2%*	*-5.1%*	122.2	*10.8%*	110.9	*8.8%*	*-9.3%*
(-) Net Income from Discontinued Operations	6.1	*0.3%*	4.9	*0.2%*	*-19.5%*	3.9	*0.3%*	1.9	*0.1%*	*-52.6%*
(+) Income Tax and CSLL	38.2	*1.7%*	16.8	*0.7%*	*-56.0%*	19.9	*1.8%*	13.1	*1.0%*	*-34.3%*
(+) Net Interest Expenses	207.1	*9.5%*	240.9	*9.9%*	*16.3%*	99.2	*8.8%*	108.8	*8.7%*	*9.7%*
EBIT	463.8	*21.2%*	464.2	*19.0%*	*0.1%*	245.2	*21.6%*	234.6	*18.7%*	*-4.3%*
(+) Depreciations / Amortizations	52.5	*2.4%*	51.6	*2.1%*	*-1.8%*	26.2	*2.3%*	26.6	*2.1%*	*1.6%*
EBITDA [1]	516.4	*23.6%*	515.7	*21.1%*	*-0.1%*	271.4	*24.0%*	261.2	*20.8%*	*-3.7%*
(+) Non-Recurring Expenses	29.6	*1.4%*	65.9	*2.7%*	*122.7%*	17.4	*1.5%*	34.8	*2.8%*	*99.8%*
(+) Non-Cash Expenses	0.7	*0.0%*	2.4	*0.1%*	*259.2%*	(1.2)	*-0.1%*	1.2	*0.1%*	-
Adjusted EBITDA [1]	**546.6**	***24.9%***	**584.1**	***23.9%***	***6.9%***	**287.6**	***25.4%***	**297.2**	***23.7%***	***3.3%***

[1] Refers only to Continuing Operations - please refer to Explanatory Note 15 of the quarterly financial information.

Adjusted EBITDA amounted to R$297.2 million, a 3.3% growth compared to 2Q14, with 23.7% margin of Net Revenue, against 25.4% in the prior year. This reduction is mostly related to the Gross Margin reduction, which was partially offset by the dilution of SG&A Expenses, as percentage of Net Revenue, in the same comparison basis.



Net Financial Expenses

Table 9

(R$ million)	1H14	% NR	1H15	% NR	Δ R$	2Q14	% NR	2Q15	% NR	Δ R$
Net Financial Expenses	(207.1)	-9.5%	(240.9)	-9.9%	(33.8)	(99.2)	-8.8%	(108.8)	-8.7%	(9.6)
Net Interest Expenses	(141.0)	-6.4%	(179.1)	-7.3%	(38.1)	(65.1)	-5.8%	(89.2)	-7.1%	(24.0)
Cost of Hedge and FX Gains (Losses)	(47.8)	-2.2%	(44.8)	-1.8%	3.0	(24.9)	-2.2%	(11.5)	-0.9%	13.3
Monetary Adjustment on Contingencies	(7.3)	-0.3%	(6.6)	-0.3%	0.8	(3.6)	-0.3%	(2.8)	-0.2%	0.8
NPV Adjustment Realization	(11.0)	-0.5%	(10.4)	-0.4%	0.6	(5.6)	-0.5%	(5.3)	-0.4%	0.3

Financial Expenses increased R$9.6 million in 2Q15 compared to 2Q14, mainly as a function of higher Net Interest Expenses, which increased mostly due to the IPCA and CDI hikes in the period, which were partially offset by gains in the quarter related to the mark-to-market of hedging instruments.

Net Income

Table 10

(R$ million)	1H14	1H15	Δ	2Q14	2Q15	Δ
Continuing Operations EBIT	463.8	464.2	0.1%	245.2	234.6	-4.3%
(-) Net Financial Expenses	(207.1)	(240.9)	16.3%	(99.2)	(108.8)	9.7%
(-) Income Tax and Social Contribution	(38.2)	(16.8)	-56.0%	(19.9)	(13.1)	-34.3%
(+) Discontinued Operation Net Income	(6.1)	(4.9)	-19.5%	(3.9)	(1.9)	-52.6%
Net Income	**212.4**	**201.5**	**-5.1%**	**122.2**	**110.9**	**-9.3%**
EPS	**0.34**	**0.32**	**-5.3%**	**0.19**	**0.18**	**-9.4%**

The Company's Net Income amounted to R$110.9 million in 2Q15, a 9.3% reduction compared to 2Q14, mainly because of the EBIT reduction and the Net Financial Expenses increase in the same comparison basis.

Cash Flow

Table 11

(R$ million)	1H14	1H15	2Q14	2Q15
Cash Flow from Operations	356.1	122.4	185.1	59.4
Net Purchase of Property, Plant and Equipment	(40.9)	(76.3)	(21.8)	(56.7)
Purchase of Property, Plant and Equipment	(95.0)	(106.5)	(40.0)	(64.2)
Sale of Property, Plant and Equipment	54.1	30.3	18.1	7.5
Purchase of Intangible Assets	(9.3)	(18.0)	(4.0)	(9.7)
(=) Free Cash Flow	**305.9**	**28.2**	**159.3**	**(7.0)**

Free Cash Flow was impacted in the quarter by lower Cash Flow from Operations, mostly as result of higher inventory building, given the strong sale volume growth witnessed in the past quarters, notably in the Consumer division.



Net Debt

Chart 8

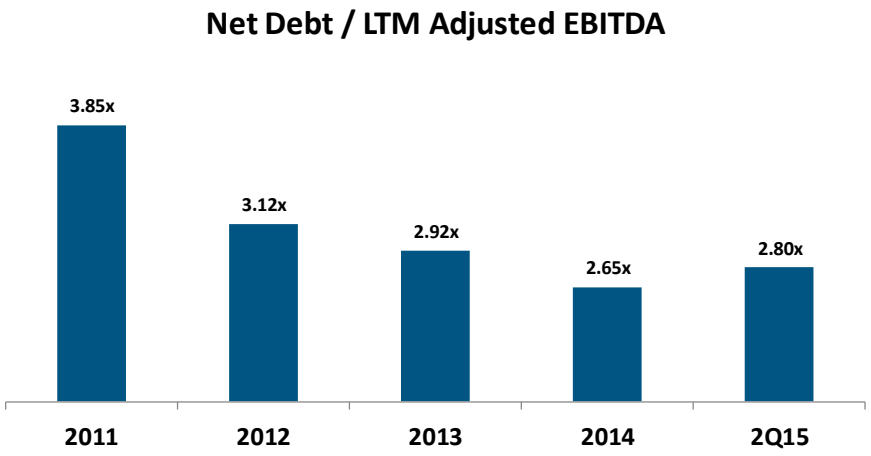


Table 12

(R$ million)	Balance on 2Q15	Short Term	Long Term							
			3Q - 4Q 2016	2017	2018	2019	2020	2021	2022	2023>
Loans and Financing	4,978.6	1,729.0	277.4	838.0	916.9	46.4	45.1	982.0	44.3	99.5
Notes Payable	47.6	47.6	-	-	-	-	-	-	-	-
Gross Debt	**5,026.2**	**1,776.6**	**277.4**	**838.0**	**916.9**	**46.4**	**45.1**	**982.0**	**44.3**	**99.5**
Cash and Cash Equivalents	(1,618.7)									
Net Debt	**3,407.4**									
Unrealized Gain/Loss on Debt Hedge	(209.1)									
Net Debt After Hedge	**3,198.3**									

The Company's leverage ratio increased from 2.65x LTM Adjusted EBITDA by the end of 2014 to 2.80 by the end of 2Q15. This increase results primarily from the Free Cash Flow after Net Financial Expenses in the period.



Investor Relations Agenda

Earnings Conference Call

	Portuguese	English
Date:	July 27, 2015	July 27, 2015
Time:	10:30 am (Brasília) 9:30 am (New York)	12:30 pm (Brasília) 11:30 am (New York)
Phone:	+55 (11) 2188-0155	+1 (877) 317-6776 (USA only) +1 (412) 317-6776 (other countries)
Code:	Hypermarcas	Hypermarcas
Webcast:	Click here	Click here
Replay:	+55 (11) 2188-0400	+1 (877) 344-7529 (USA only) +1 (412) 317-0088 (other countries)
Replay Code:	Hypermarcas	10068262

Contact Information

Phone: +55 (11) 3627-4242
Email: ri@hypermarcas.com.br
Site: www.hypermarcas.com.br/ir

Upcoming events

Table 13

Date	Event	Place
05-06-aug	Credit Suisse CEO/CFO Midsummer LatAm Conference	New York
18-20-aug	JP Morgan Consumer & Healthcare Checkup	Sao Paulo
08-10-sept	Morgan Stanley Global Healthcare Unplugged Conference	New York
09-11-sept	DB GEM Conference	New York
15-sept	UBS Healthcare Day	Sao Paulo
16-18-sept	BofA ML Global Consumer Conference	London
16-18-sept	BofA ML Global Healthcare Conference	London
22-25-sept	BofA ML Emerging Markets Leaders Asia Corporate Day	Singapore / Hong Kong
08-oct	3Q15 Quiet Period	-
23-oct	3Q15 Earnings Release	-



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 quarterly information 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 or our reviewed quarterly information for purposes of a decision to invest in our stock, or for any other purpose.



Consolidated Income Statement (R$ thousand)

Table 14

	1H14	1H15	2Q14	2Q15
Net Revenue	**2,191,619**	**2,443,270**	**1,132,744**	**1,255,561**
Cost of Goods Sold	(767,880)	(925,915)	(390,070)	(473,230)
Gross Profit	**1,423,739**	**1,517,355**	**742,674**	**782,331**
Operating Income (Expenses)				
Selling and Marketing Expenses	(792,737)	(847,305)	(411,056)	(445,146)
General and Administrative Expenses	(119,587)	(131,645)	(61,738)	(68,126)
Other Operating Income (Expenses)	(47,115)	(72,804)	(24,600)	(33,994)
Equity in Subsidiaries	(453)	(1,443)	(89)	(469)
Operating Income Before Equity Income and Financial Result	**463,847**	**464,158**	**245,191**	**234,596**
Net Financial Expenses	(207,116)	(240,910)	(99,213)	(108,819)
Financial Expenses	(285,976)	(342,002)	(143,683)	(164,041)
Financial Income	78,860	101,092	44,470	55,222
Profit Before Income Tax and Social Contribution	**256,731**	**223,248**	**145,978**	**125,777**
Income Tax and Social Contribution	(38,198)	(16,810)	(19,869)	(13,063)
Net Income from Contining Operations	**218,533**	**206,438**	**126,109**	**112,714**
Net Results from Discontinued Operations	(6,107)	(4,913)	(3,920)	(1,858)
Income for the Period	**212,426**	**201,525**	**122,189**	**110,856**
Earnings per Share – R$	**0.34**	**0.32**	**0.19**	**0.18**



Consolidated Balance Sheet (R$ thousand)

Table 15

Assets	12/31/2014	6/30/2015	Liabilities and Shareholders' Equity	12/31/2014	6/30/2015
Current Assets	**4,825,420**	**5,081,029**	**Current Liabilities**	**2,989,129**	**3,007,602**
Cash and Cash Equivalents	1,829,905	1,618,719	Suppliers	706,642	832,401
Accounts Receivable	1,553,826	1,709,211	Loans, Financing and Debentures	1,731,023	1,729,034
Inventories	661,666	827,371	Salaries Payable	156,550	151,911
Recoverable Taxes	525,518	616,884	Income Tax and Social Contribution	5,693	9,463
Financial Derivatives	87,881	74,150	Taxes Payable	41,744	48,383
Other Assets	166,624	234,694	Accounts Payable	289,899	173,885
			Notes Payable	51,660	47,557
			Financial Derivatives	5,918	14,968
Non-Current Assets	**9,062,271**	**9,179,820**	**Non-Current Liabilites**	**10,898,562**	**11,253,247**
Long Term Assets	**444,540**	**615,651**	**Long Term Liabilities**	**3,422,599**	**3,573,213**
Deferred Income Tax and Social Contribution	15,242	14,687	Loans, Financing and Debentures	3,073,876	3,249,568
Recoverable Taxes	254,125	259,567	Deferred Income Tax and Social Contribution	143,838	149,235
Financial Derivatives	47,791	165,248	Taxes Payable	28,814	24,078
Other Assets	127,382	176,149	Notes Payable	7,639	0
			Other Accounts Payable	9,068	5,391
			Provisions for Contingencies	156,778	140,193
			Financial Derivatives	2,586	4,748
Investments	**8,617,731**	**8,564,169**	**Shareholders' Equity**	**7,475,963**	**7,680,034**
Investments	10	2,067	Capital	5,269,124	5,269,272
Other Investments	631	564	Capital Reserve	1,421,371	1,423,769
Property, Plants and Equipments	1,666,691	1,601,723	Equity Valuation Adjustments	(204,443)	(204,443)
Intangible Assets	6,950,399	6,959,815	Profit Reserves	989,911	989,911
			Income for the Period	0	201,525
Total Assets	**13,887,691**	**14,260,849**	**Total Liabilities and Shareholders' Equity**	**13,887,691**	**14,260,849**



Consolidated Cash Flow Statement (R$ thousand)

Table 16

	1H14	1H15	2Q14	2Q15
Cash Flows from Operating Activities				
Income (Loss) Before Income Taxes including Discontinued Operations	249,872	217,915	141,364	123,662
Depreciation and Amortization	52,514	51,589	26,175	26,601
Impairment	(1,444)	(4,013)	(2,904)	(6,678)
Gain on Permanent Asset Disposals	(5,458)	5,718	(5,985)	7,005
Equity Method	453	1,443	89	469
Foreign Exchange (Gains) Losses	47,771	44,798	24,863	11,539
Interest and Related Expense	159,345	196,112	74,350	97,280
Stock Option Expense	668	2,398	(1,173)	1,164
Provisions (Delinquency, Inventories and Contingencies)	54,885	35,645	29,735	19,047
Adjusted Results	**558,606**	**551,605**	**286,514**	**280,089**
Decrease (Increase) in Assets	**(148,893)**	**(448,880)**	**(117,910)**	**(264,547)**
Trade Accounts Receivable	(110,191)	(166,043)	(105,404)	(118,966)
Inventories	(8,301)	(196,457)	(1,033)	(101,283)
Recoverable Taxes	(37,654)	(71,466)	(12,667)	(31,528)
Judicial Deposits and Others	1,814	(10,242)	1,158	(6,443)
Other Accounts Receivable	5,439	(4,672)	36	(6,327)
Increase (Decrease) in Liabilities	**(53,617)**	**19,722**	**16,521**	**43,897**
Suppliers	(604)	119,492	15,980	69,694
Income Tax and Social Contribution Paid	(3,287)	(7,626)	(272)	(1,561)
Taxes Payable	(5,046)	4,459	1,051	2,268
Salaries and Payroll Charges	(1,438)	(4,622)	28,325	27,279
Accounts Payable	(41,152)	(78,883)	(28,506)	(39,426)
Operations Interest Paid	573	(9,422)	2,025	(12,474)
Other Accounts Payable	(2,663)	(3,676)	(2,082)	(1,883)
Net Cash Provided by Operating Activities	**356,096**	**122,447**	**185,125**	**59,439**
Cash flows from Investing Activities				
Capital Increase in Subsidiaries/Affiliates	0	(3,500)	0	(3,500)
Acquisitions of Property, Plant and Equipment	(95,014)	(106,528)	(39,954)	(64,211)
Intangible Assets	(9,285)	(17,952)	(3,973)	(9,726)
Proceeds from the Sale of Assets with Permanent Nature	54,092	30,277	18,121	7,507
Interest and Others	47,650	63,459	26,898	32,997
Net Cash Provided by (Used in) Investing Activities	**(2,557)**	**(34,244)**	**1,092**	**(36,933)**
Cash Flows from Financing Activities				
Capital Integralization	0	148	0	148
Borrowings	935,227	127,668	413,983	8,103
Treasury Stock Purchase / Sale	(7,199)	0	9,096	0
Repayment of Loans - Principal	(585,949)	(326,912)	(281,607)	(68,620)
Repayment of Loans - Interest	(133,536)	(98,338)	(72,206)	(9,810)
Debt Issuance Cost	(981)	(1,955)	(223)	(972)
Net Cash Provided by (Used in) Financing Activities	**208,543**	**(299,389)**	**69,266**	**(71,151)**
Net Increase in Cash and Cash Equivalents	**562,082**	**(211,186)**	**255,483**	**(48,645)**
Statement of Increase in Cash and Cash Equivalents, Net				
Cash and Cash Equivalents at the Beginning of the Period	1,158,833	1,829,905	1,464,674	1,667,364
Cash and Cash Equivalents at the End of the Period	1,719,934	1,618,719	1,719,934	1,618,719
Change in Cash and Cash Equivalent	**561,101**	**(211,186)**	**255,260**	**(48,645)**



Other Information

Non Recurring Expenses

Table 17

(R$ million)	1S14	1S15	2Q14	2Q15
Other Non-Recurring Expenses	17.2	35.1	7.8	17.2
Expenses Related to Restructurings [1]	50.1	49.8	26.8	19.8
Other Revenues	(37.7)	(18.9)	(17.1)	(2.1)
Non-Recurring from Continued Operations	**29.6**	**65.9**	**17.4**	**34.8**
Result from Divestitures / Discontinued Operations	6.9	5.3	4.6	2.1
Total Non-Recurring	**36.5**	**71.3**	**22.1**	**37.0**

[1] Expenses related to the integration of acquired businesses, or operating restructuring costs, such as severance and termination of labor and expenses related to shutting plants down to transfer production to Goiás.

Cash Conversion Cycle

Table 18

(Days)	2Q14	1Q15	2Q15
Receivables [1]	93	107	108
Inventories	130	148	157
Payables	(111)	(158)	(158)
Cash Conversion Cycle	**112**	**97**	**107**

[1] Calculations based on Gross Revenue of continuing and discontinued operations.



Tax Amortization for Fiscal Purposes / Tax Credits

The Company holds R$2,519.4 million in goodwill to be amortized for fiscal purposes over the coming years, according to the following table:

Table 19

(R$ million)	
3Q - 4Q15	373.6
2016	656.3
2017	607.4
2018	593.2
2019	250.0
2020	36.3
2021	2.7
Total	**2,519.4**

Source: Hypermarcas

In addition, the Company holds the following tax credits:

i) Recoverable Taxes: R$876.5 million (please refer to Explanatory Note 13 of the Quarterly Financial Information);

ii) Cash effect of Income Tax and Social Contribution Losses Carryforward: R$1,192.0 million (please refer to Explanatory Note 21(a) of the Quarterly Financial Information).

Historical Net Revenue and Third Parties - Pharma Division

Table 20

(R$ million)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
Pharma	520.3	530.6	530.6	494.4	543.9	601.2	613.6	570.0	612.0	645.6	653.9	672.5	673.8	695.6
Third Parties	(12.1)	(18.9)	(13.0)	(17.7)	(9.9)	(24.8)	(39.9)	(7.2)	(34.0)	0.1	(0.8)	-	(2.0)	-
Pharma ex-Third Parties[1]	**508.2**	**511.7**	**517.6**	**476.7**	**534.0**	**576.4**	**573.7**	**562.8**	**578.0**	**645.7**	**653.0**	**672.5**	**671.8**	**695.6**

[1] *Revenue from the Company's brand portfolio (excluding third-party manufacturing contracts).*

Net Debt After Hedge

Table 21

	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
Net Debt	(2,600.7)	(2,818.7)	(2,793.4)	(2,917.4)	(2,836.6)	(2,738.7)	(2,881.9)	(3,034.3)	(3,444.7)	(3,407.4)
Non-realized gains/losses on debt hedges	13.5	39.5	9.1	(7.5)	(78.8)	(140.8)	3.1	103.5	376.8	209.1
Net Debt After Hedge	**(2,587.2)**	**(2,779.3)**	**(2,784.3)**	**(2,924.8)**	**(2,915.4)**	**(2,879.5)**	**(2,878.8)**	**(2,930.8)**	**(3,068.0)**	**(3,198.3)**



Report on review of Quarterly Information - ITR

To the Board of Directors and Stockholders
Hypermarcas S.A.
São Paulo - SP

Introduction
We have reviewed the accompanying individual and consolidated interim financial information of Hypermarcas S.A. ("The Company"), comprised in the Quarterly Information Form - ITR for the quarter ended June 30, 2015, comprising the balance sheet as at June 30, 2015 and the respective statements of income and comprehensive income for the three and six months periods then ended, and changes in shareholders' equity and cash flows for the six months period then ended, including the footnotes.

Management is responsible for the preparation of the individual interim financial information in accordance with the Technical Pronouncement CPC 21(R1) - Interim Financial Information, and the consolidated interim financial information in accordance with CPC 21(R1) and the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, such as for the presentation of these information in accordance with the standards issued by the Brazilian Securities Commission - CVM, applicable to the preparation of Quarterly Information - ITR. Our responsibility is to express a conclusion on these interim financial information based on our review.

Review scope
We conducted our review in accordance with the Brazilian and International standards on reviews of interim 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 the 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 the audit standards 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 financial information
Based on our review, nothing has come to our attention that causes us to believe that the individual interim financial information included in the Quarterly Information - ITR referred to above has not been prepared, in all material respects, in accordance with CPC 21(R1) applicable to the preparation of Quarterly Information - ITR, and presented in accordance with the standards issued by the Brazilian Securities Commission - CVM.

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information included in the Quarterly Information - ITR referred to above has not been prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34 applicable to the preparation of Quarterly Information - ITR, and presented in accordance with the standards issued by the Brazilian Securities Commission - CVM.

Others matters

Interim information of the value added

We have also reviewed the individual and consolidated statements of value added (DVA), related to the six months period ended June 30, 2015, prepared under the responsibility of the Company's management, which presentation in the interim information is required in accordance with standards issued by the Brazilian Securities Commission - CVM applicable to the preparation of Quarterly Information - ITR, and is considered as a supplementary information under IFRS, which do not require the presentation of DVA. These statements were subject to the same review procedures described above, and based on our review, nothing has come to our attention that causes us to believe that it has not been prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

São Paulo, July 24, 2015

KPMG Auditores Independentes
CRC 2SP014428/O-6
(Original report in Portuguese signed by)
Wagner Bottino
Accountant CRC 1SP196907/O-7

Hypermarcas S.A.

Balance sheets
In thousands of reais

	Parent company		Consolidated			Parent company		Consolidated	
Assets	**June 30, 2015**	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**	**Liabilities and shareholders' equity**	**June 30, 2015**	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
Current assets					Current liabilities				
Cash and cash equivalents (Note 10)	1,094,253	1,374,225	1,618,719	1,829,905	Accounts payable to suppliers (Note 19)	326,967	280,738	832,401	706,642
Accounts receivable (Note 11)	1,712,773	1,557,903	1,709,211	1,553,826	Loans, financings and debentures (Note 20)	1,680,666	1,680,650	1,729,034	1,731,023
Inventories (Note 12)	292,600	258,643	827,371	661,666	Salaries payable	88,689	90,841	151,911	156,550
Related parties (Note 31(a))	36	4,812	-	-	Related parties (Note 31(a))	7,007	38,047	-	-
Recoverable taxes (Note 13)	541,043	461,925	616,884	525,518	Income tax and social contribution payable	-	-	9,463	5,693
Derivative financial instruments (Note 4(f))	61,310	73,801	74,150	87,881	Taxes payable (Note 22)	22,311	19,629	48,383	41,744
Proposed dividends receivable (Note 31 (a))	33,985	35,243	-	-	Notes payable (Note 24)	47,557	51,660	47,557	51,660
Other assets (Note 14)	206,836	143,698	234,694	166,624	Derivative financial instruments (Note 4(f))	14,746	5,683	14,968	5,918
	3,942,836	3,910,250	5,081,029	4,825,420	Accounts payable (Note 23)	115,860	243,670	173,885	289,899
						2,303,803	2,410,918	3,007,602	2,989,129
					Non-current liabilities				
Non-current assets					Loans, financings and debentures (Note 20)	3,014,304	2,831,586	3,249,568	3,073,876
Long-term receivables					Related parties (Note 31(a))	406	-	-	-
Related parties (Note 31(a))	282	262	-	-	Taxes payable (Note 22)	23,860	28,511	24,078	28,814
Deferred income tax and social contribution (Note 21 (a))	-	-	14,687	15,242	Notes payable (Note 24)	-	7,639	-	7,639
Recoverable taxes (Note 13)	229,528	227,904	259,567	254,125	Deferred income tax and social contribution (Note 21 (b))	53,659	54,099	149,235	143,838
Derivative financial instruments (Note 4(f))	165,248	47,791	165,248	47,791	Provisions for contingencies (Note 25)	128,770	145,434	140,193	156,778
Other assets (Note 14)	154,230	107,486	176,149	127,382	Derivative financial instruments (Note 4(f))	4,748	2,586	4,748	2,586
	549,288	383,443	615,651	444,540	Accounts payable (Note 23)	1,433	1,659	5,391	9,068
						3,227,180	3,071,514	3,573,213	3,422,599
					Shareholders' Equity				
					Capital (Note 26 (a))	5,269,272	5,269,124	5,269,272	5,269,124
Investments (Note 16)	1,473,929	1,296,195	2,067	10	Capital reserves (Note 26)	1,423,769	1,421,371	1,423,769	1,421,371
Other investments	564	631	564	631	Equity valuation adjustments	(204,443)	(204,443)	(204,443)	(204,443)
Property, plant and equipment (Note 17)	445,486	574,570	1,601,723	1,666,691	Profit reserves	989,911	989,911	989,911	989,911
Intangible assets (Note 18)	6,798,914	6,793,306	6,959,815	6,950,399	Income for the period	201,525	-	201,525	-
	8,718,893	8,664,702	8,564,169	8,617,731		7,680,034	7,475,963	7,680,034	7,475,963
Total assets	13,211,017	12,958,395	14,260,849	13,887,691	Total liabilities and shareholders' equity	13,211,017	12,958,395	14,260,849	13,887,691

See the accompanying notes to the financial statements.

	Parent company			
	Apr 1, 2015 to Jun 30, 2015	**Jan 1, 2015 to Jun 30, 2015**	**Apr 1, 2014 to Jun 30, 2014**	**Jan 1, 2014 to Jun 30, 2014**
Continuing operations				
Net revenue (Note 27)	1,275,510	2,490,269	1,152,174	2,232,214
Cost of sales (Note 28(a))	(577,509)	(1,118,583)	(471,006)	(899,779)
Gross profit	698,001	1,371,686	681,168	1,332,435
Selling and marketing expenses (Note 28 (a))	(418,685)	(801,716)	(392,837)	(754,922)
General and administrative expenses (Note 28 (a))	(56,035)	(103,899)	(37,287)	(79,466)
Other operating (expenses) income, net (Note 28(b))	(31,338)	(64,171)	(14,142)	(31,888)
Equity accounting (Note 16(b))	41,233	60,637	11,245	8,847
Income before financial income and expenses	233,176	462,537	248,147	475,006
Financial income (Note 28(c))	36,571	68,153	39,575	61,397
Financial expenses (Note 28(d))	(160,763)	(324,272)	(142,562)	(282,393)
Net financial expenses	(124,192)	(256,119)	(102,987)	(220,996)
Income before income tax and social contribution	108,984	206,418	145,160	254,010
Income tax and social contribution (Note 21(c))	3,730	20	(19,051)	(35,477)
Net income from continuing operations	112,714	206,438	126,109	218,533
Discontinued operations				
Net income from discontinued operations (Note 15)	(1,858)	(4,913)	(3,920)	(6,107)
Net income for the period	110,856	201,525	122,189	212,426
Income per share				
Basic income per share (in R$)	0.17534	0.31878	0.19349	0.33650
Diluted income per share (in R$)	0.17209	0.31285	0.18948	0.32935
Income per share - Continuing operations				
Basic income per share (in R$)	0.17828	0.32655	0.19350	0.33650
Diluted income per share (in R$)	0.17496	0.32047	0.18950	0.32935

Hypermarcas S.A.

Statements of income
Periods ended June 30
In thousands of Reais, except when indicated otherwise

	Consolidated			
	Apr 1, 2015 to Jun 30, 2015	**Jan 1, 2015 to Jun 30, 2015**	**Apr 1, 2014 to Jun 30, 2014**	**Jan 1, 2014 to Jun 30, 2014**
Continuing operations				
Net revenue (Note 27)	1,255,561	2,443,270	1,132,744	2,191,619
Cost of sales (Note 28(a))	(473,230)	(925,915)	(390,070)	(767,880)
Gross profit	782,331	1,517,355	742,674	1,423,739
Selling and marketing expenses (Note 28 (a))	(445,146)	(847,305)	(411,056)	(792,737)
General and administrative expenses (Note 28 (a))	(68,126)	(131,645)	(61,738)	(119,587)
Other operating (expenses) income, net (Note 28(b))	(33,994)	(72,804)	(24,600)	(47,115)
Equity accounting (note 16(b))	(469)	(1,443)	(89)	(453)
Income before financial income and expenses	234,596	464,158	245,191	463,847
Financial income (Note 28(c))	55,222	101,092	44,470	78,860
Financial expenses (Note 28(d))	(164,041)	(342,002)	(143,683)	(285,976)
Net financial expenses	(108,819)	(240,910)	(99,213)	(207,116)
Income before income tax and social contribution	125,777	223,248	145,978	256,731
Income tax and social contribution (Note 21(c))	(13,063)	(16,810)	(19,869)	(38,198)
Net income from continuing operations	112,714	206,438	126,109	218,533
Discontinued operations				
Net income from discontinued operations (Note 15)	(1,858)	(4,913)	(3,920)	(6,107)
Net income for the period	110,856	201,525	122,189	212,426
Income per share				
Basic income per share (in R$)	0.17534	0.31878	0.19349	0.33650
Diluted income per share (in R$)	0.17209	0.31285	0.18948	0.32935
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Basic income per share (in R$)	0.17828	0.32655	0.19350	0.33650
Diluted income per share (in R$)	0.17496	0.32047	0.18950	0.32935

See the accompanying notes to the financial statements.

	Parent company			
	Apr 1, 2015 to Jun 30, 2015	**Jan 1, 2015 to Jun 30, 2015**	**Apr 1, 2014 to Jun 30, 2014**	**Jan 1, 2014 to Jun 30, 2014**
Net income for the period	110,856	201,525	122,189	212,426
Other comprehensive income	-	-	-	-
Comprehensive income for the period	110,856	201,525	122,189	212,426

	Consolidated			
	Apr 1, 2015 to Jun 30, 2015	**Jan 1, 2015 to Jun 30, 2015**	**Apr 1, 2014 to Jun 30, 2014**	**Jan 1, 2014 to Jun 30, 2014**
Net income for the period	110,856	201,525	122,189	212,426
Other comprehensive income	-	-	-	-
Comprehensive income for the period	110,856	201,525	122,189	212,426

Hypermarcas S.A.

Statements of changes in shareholders' equity
In thousands of reais

		Capital reserves				Profit reserves				
	Capital	Goodwill on the issuing of shares	Stock options	Treasury shares	Equity valuation adjustments	Legal reserve	Government subsidy reserve	Profit retention reserve	Retained earnings	Total
On January 1st, 2014	**5,269,124**	**1,382,980**	**49,267**	**(5,558)**	**(204,443)**	**40,977**	**546,230**	**-**	**-**	**7,078,577**
Stock options	-	-	668	-	-	-	-	-	-	668
Result on sales of treasury shares	-	(10,827)	-	-	-	-	-	-	-	(10,827)
Sales of shares	-	-	-	24,813	-	-	-	-	-	24,813
Acquisitions of shares				(19,580)	-	-	-	-	-	(19,580)
Net income for the period	-	-	-	-	-	-	-	-	212,426	212,426
On June 30, 2014	**5,269,124**	**1,372,153**	**49,935**	**(325)**	**(204,443)**	**40,977**	**546,230**	**-**	**212,426**	**7,286,077**
On January 1st, 2015	**5,269,124**	**1,367,612**	**53,770**	**(11)**	**(204,443)**	**61,112**	**928,790**	**9**	**-**	**7,475,963**
Payment of capital - proceeds from the Stock options program (Note 26(a))	148	-	-	-	-	-	-	-	-	148
Stock options	-	-	2,398	-	-	-	-	-	-	2,398
Net income for the period	-	-	-	-	-	-	-	-	201,525	201,525
On June 30, 2015	**5,269,272**	**1,367,612**	**56,168**	**(11)**	**(204,443)**	**61,112**	**928,790**	**9**	**201,525**	**7,680,034**

See the accompanying notes to the financial statements.

Hypermarcas S.A.

Statements of cash flows
Periods ended June 30
In thousands of reais

	Parent company (*)		Consolidated (*)	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Cash flows from operating activities				
Income before income tax and social contribution, including discontinued operations	201,085	247,152	217,915	249,872
Adjustments				
Depreciation and amortization	17,587	27,517	51,589	52,514
Decrease to recoverable value of assets (Impairment)	(5,370)	(1,301)	(4,013)	(1,444)
Results on the sale of permanent assets	6,468	(6,070)	5,718	(5,458)
Equity accounting	(56,540)	(4,199)	1,443	453
Foreign exchange losses	31,878	41,344	44,798	47,771
Interest and related expenses	224,241	179,652	196,112	159,345
Costs of stock options	873	(626)	2,398	668
Provisions (Doubtful accounts, Inventories and Contingencies)	42,744	54,231	35,645	54,885
Adjusted results	462,966	537,700	551,605	558,606
Changes in asset and liability accounts				
Trade accounts receivable	(165,745)	(108,858)	(166,043)	(110,191)
Inventories	(84,503)	18,623	(196,457)	(8,301)
Recoverable taxes	(69,635)	(37,892)	(71,466)	(37,654)
Deposits in court and others	(8,312)	1,660	(10,242)	1,814
Other accounts receivable	373	52	(4,672)	5,439
Accounts payable to suppliers	46,825	(48,732)	119,492	(604)
Income tax and social contribution paid	-	-	(7,626)	(3,287)
Taxes payable	510	1,189	4,459	(5,046)
Salaries and payroll charges	(2,154)	(8,655)	(4,622)	(1,438)
Accounts payable	(83,325)	(24,115)	(78,883)	(41,152)
Interest on the transaction	(3,071)	6,358	(9,422)	573
Other accounts payable	(228)	(1,996)	(3,676)	(2,663)
Net cash provided by operating activities	93,701	335,334	122,447	356,096
Cash flows from investment activities				
Capital (increase)/decrease in the subsidiaries	(153,655)	318,274	(3,500)	
Purchase of property, plant and equipment	(11,318)	(17,668)	(106,528)	(95,014)
Purchase of Intangible assets	(11,067)	(4,509)	(17,952)	(9,285)
Dividends received	35,243	7,697		
Proceeds from sale of assets of a permanent nature	28,905	52,273	30,277	54,092
Interest and others	43,184	38,427	63,459	47,650
Net cash (used in) provided by investment activities	(68,708)	394,494	(34,244)	(2,557)
Cash flows from financing activities				
Proceeds from loans taken out	103,027	1,020,338	127,668	935,227
Payment of loans - principal	(312,734)	(575,170)	(326,912)	(585,949)
Payment of loans - interest	(93,451)	(127,743)	(98,338)	(133,536)
Capital payment	148	-	148	-
Purchase of treasury shares	-	(19,580)	-	(19,580)
Sales of treasury shares	-	12,381	-	12,381
Cost of funding transaction	(1,955)	(981)	(1,955)	(981)
Net cash (used in) provided by financing activities	(304,965)	309,245	(299,389)	207,562
Net increase (decrease) in cash and cash equivalents	(279,972)	1,039,073	(211,186)	561,101
Cash and cash equivalents at beginning of period	1,374,225	416,634	1,829,905	1,158,833
Cash and cash equivalents at end of period	1,094,253	1,455,707	1,618,719	1,719,934
Change in cash equivalents	(279,972)	1,039,073	(211,186)	561,101
Transactions not involving cash		**13,291**	**981**	**15,694**
Acquisition of fixed assets through financing	-	13,291	981	15,694

See the accompanying notes to the financial statements.

Hypermarcas S.A.

Statements of added value (*)
Periods ended June 30
In thousands of reais

	Parent company		Consolidated	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Gross income				
Sales of goods and products, including discontinued operations	2,629,248	2,382,337	2,620,011	2,371,404
Other income	(1,761)	(33,511)	(1,089)	(48,699)
Income related to the construction of own assets	13,567	15,331	77,512	68,227
Allowance for doubtful accounts	(10,875)	(17,209)	(10,659)	(16,652)
	2,630,179	2,346,948	2,685,775	2,374,280
Inputs acquired from third parties				
Costs of materials, goods and services sold	(1,220,958)	(908,013)	(950,332)	(675,661)
Materials, power, third-party services and others	(669,914)	(578,353)	(860,729)	(729,510)
Losses/recovery of asset amounts	(41,362)	(38,584)	(36,130)	(31,960)
	(1,932,234)	(1,524,950)	(1,847,191)	(1,437,131)
Gross added value	697,945	821,998	838,584	937,149
Depreciation/amortization	(17,587)	(27,517)	(51,589)	(52,514)
Net added value produced by the Company	680,358	794,481	786,995	884,635
Transferred added value received				
Equity accounting	56,540	4,199	(1,443)	(453)
Financial income	68,153	61,397	101,092	78,860
	124,693	65,596	99,649	78,407
Total added value to be distributed	805,051	860,077	886,644	963,042
Distribution of added value				
Personnel and charges	259,618	237,028	448,197	416,761
Direct remuneration	211,314	187,410	356,319	324,638
Benefits	33,799	36,880	67,329	70,843
FGTS (Government severance indemnity fund for employees)	14,505	12,738	24,549	21,280
Taxes, fees and contributions	(11,216)	99,424	(145,772)	8,077
Federal	(52,358)	42,562	(85,752)	17,683
State	40,147	55,395	(61,372)	(11,465)
Municipal	995	1,467	1,352	1,859
Interest	333,631	288,462	358,853	296,089
Rents	21,493	22,737	23,841	29,689
Retained earnings	201,525	212,426	201,525	212,426
Added value distributed	805,051	860,077	886,644	963,042

(*) The Statements of added value are not an integral part of the consolidated financial statements in conformity with IFRS.

See the accompanying notes to the financial statements.

Notes to the quarterly financial statements

(In thousands of Reais, except when indicated otherwise)

1 General Information

Hypermarcas S.A. ("Company"), with its headquarters in São Paulo (SP), is a Brazilian Company that manufactures products of health and well-being brands, operating in two major business segments: Pharma, which concentrates the activities related to the Pharmaceutical industry, and Consumer, which operates in the beauty and personal care markets.

The Pharma Division holds one of the most complete portfolios in the country, with a presence in the major Pharmaceutical segments of the Brazilian market and leadership in non-prescription (OTC) drugs and branded generics, in addition to an increasing share in generics and a prominent position in prescription products. The main brands of the Division include Addera D3, Alivium, Benegrip, Biotônico Fontoura, Doril, Engov, Epocler, Histamin, Lisador, Polaramine, Predsim, Rinosoro, Torsilax and Neo Química.

The Consumer division owns brands in segments such as diapers, moisturizers, sweeteners, nail polish, and condoms, many of them leaders or vice leaders on the domestic market, such as Pom Pom, Monange, Paixão, Zero-Cal, Finn, Risqué, Jontex, Olla, and Bozzano, among others.

The production of goods is carried out mainly in the subsidiaries Brainfarma Indústria Química e Farmacêutica S.A., and Cosmed Indústria de Cosméticos e Medicamentos S.A., located in the State of Goiás in the municipalities of Anápolis and Senador Canedo. Its major distribution centers are located in Anápolis-GO and Goiânia-GO.

The company also has a wide sales and distribution structure with national coverage and each of the business segments has segmented and specialized sales forces, with experienced professionals. Its products are distributed to over 700 thousand sales points throughout Brazil, directly to retailers or indirectly, via distributors and wholesalers.

For a decade - from 2001 until 2011 - Hypermarcas acquired a number of companies with attractive assets and strong brands, in a position of leadership in their markets of operation. The main targets in this period were mainly family businesses or non-strategic assets of multinational groups in Brazil.

Since 2011, after a phase of rapid consolidation of the Pharmaceutical and Consumer Goods markets in Brazil, the company directed its focus towards taking advantage of synergies from the integration of the businesses acquired and the quest for greater operational efficiency. In this new phase, Hypermarcas has adopted a strategy focused on organic, profitable, sustainable growth and with cash generation, based on strong brands, efficient and low-cost operations, as well as agile organization and focused on results.

2 Description of significant accounting policies

The main accounting policies applied in the preparation of these individual and consolidated Quarterly Information have not changed materially with respect to the policies presented in the financial statements for the year ended December 31, 2014. In cases where the notes to these quarterly information reports are not presented in full, due to redundancy of information in relation to that presented in the financial statements, the complete information should be read in the corresponding note to the annual financial statements. Certain new accounting standards in force for 2015, as disclosed in the annual financial statements for 2014, have had no impact on the accounting policies adopted previously.

The individual and consolidated interim financial information reports were prepared in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and with 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.

The present quarterly information was approved by the Board of Directors on July 24, 2015.

3 Critical accounting estimates and judgements

Accounting estimates and judgements are evaluated on an on-going basis and are based on past experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances. The estimates and critical accounting judgements of these quarterly information have not been changed in relation to that published in the annual financial statements of 2014.

4 Financial risk management

a. Financial risk factors

There has been no change in the financial risk factors and in the management policy for these risks in relation to that described in the financial statements presented as of December 31, 2014. In the following tables, the financial data for the current period are presented comparatively with the financial data as of December 31, 2014.

b. Foreign exchange risk

On June 30, 2015 and December 31, 2014, the assets and liabilities denominated in foreign currencies and the financial instruments that mitigate exchange risks are as follow:

	Consolidated			
	June 30, 2015		December 31, 2014	
	US$ '000	R$ '000	US$ '000	R$ '000
Assets				
Accounts receivable	(32)	(98)	(143)	(379)
Other assets	-	-	(5,990)	(15,915)
Liabilities				
Accounts payable to suppliers	107,881	334,872	95,066	252,571
Loans and financing	592,275	1,838,480	635,401	1,688,132
Derivative instruments that mitigate risks	(693,022)	(2,151,208)	(713,339)	(1,895,199)
Net exposure	7,102	22,046	10,995	29,210

In this note, forward contracts without a corresponding entry on the balance sheet are not considered. The Swap agreement of 50 million dollars which loan will be disbursed on July 15, 2015 and the NDFs (Non Deliverable Forward) with settlement forecast on July 1, 2015 and adjusted by the Ptax of June 30, 2015 in the amount of US$ 66,021 are excluded.

c. Cash flow or fair value risk associated with the interest and inflation rate

The exposure to interest rate risk of the transactions related to the variation of the CDI (Interbank Deposit Certificate), TJLP (long-term interest rate), TR (Referential rate) and IPCA (Amplified Consumer Price Index) is presented in the following table:

	June 30, 2015	
	Parent company	Consolidated
Loans, financing and Swaps - CDI	659,239	659,239
Financing - TJLP	75,754	83,458
Financing - TR	54,007	173,133
Debentures - CDI	1,398,365	1,398,365
Debentures - IPCA	935,063	935,063
Notes payable - CDI	48,145	48,145
Financial investments (note 10)	(1,071,082)	(1,594,311)
Net exposure	2,099,491	1,703,092

d. Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments, deposits in banks and financial institutions and credit exposures to wholesale and retail customers, including outstanding accounts receivable and repurchase agreements.

For banks and financial institutions, the Company has a policy of diversifying its financial

investments in top-tier institutions with ratings described in note 9 (Quality of the Credit of the financial assets).

e. Liquidity risk

The amounts disclosed in the table below are the non-discounted future cash flows, which include interest to be incurred, which is why these amounts do not match the amounts disclosed on the balance sheet.

	June 30, 2015				
	Consolidated				
	Less than one year	From one to two years	From two to five years	More than five years	Overall total
Debentures	1,511,965	581,982	1,066,540	-	3,160,487
Loans and financing	355,735	784,021	404,653	1,415,712	2,960,121
Notes payable	40,419	-	-	-	40,419
Accounts payable to suppliers	832,401	-	-	-	832,401
Accounts payable	173,885	5,391	-	-	179,276
Derivative financial instruments	(3,450)	(301,818)	(70,391)		(375,659)
‘	2,910,555	1,069,576	1,400,802	1,415,712	6,797,045

	December 31, 2014				
	Consolidated				
	Less than one year	From one to two years	From two to five years	More than five years	Overall total
Debentures	1,500,058	446,853	1,310,057	-	3,256,968
Loans and financing	157,836	140,956	1,200,210	1,301,409	2,800,411
Notes payable	36,136	9,267	-	-	45,403
Accounts payable to suppliers	706,642	-	-	-	706,642
Accounts payable	289,899	9,068	-	-	298,967
Derivative financial instruments	(47,805)	38,784	(238,189)	-	(247,210)
	2,642,766	644,928	2,272,078	1,301,409	6,861,181

f. Derivatives

On June 30, 2015, derivative instrument operations contracted by the Company totaled R$ 2,206,477 (On December 31, 2014 - R$ 2,015,199) in consolidated and R$ 2,158,591 (On December 31, 2014 - R$ 1,855,832) in the parent company. The results of the transactions not yet settled represented gains of R$ 219,682 (On December 31, 2014 gains of R$ 127,168) in consolidated and gains of R$ 207,064 (On December 31, 2014 gains of R$ 113,323) in the parent company.

On June 30, 2015 and December 31, 2014, these transactions can be summarized as follows:

Parent company

Type	Counterparties	Notional value		Fair value receivable (payable)		Realized gains (losses)	
(In R$ thousands)		**Jun 2015**	**Dec 2014**	**Jun 2015**	**Dec 2014**	**Jun 2015**	**Dec 2014**
Foreign Currency							
Forward contracts		**1,076,396**	**926,018**	**28,870**	**60,886**	**178,463**	**(29,443)**
Long position	Merrill Lynch, Deutsche Bank, HSBC, JP Morgan, Itaú, Santander, Bradesco, BTG Pactual, Morgan Stanley, BR Partners, Citibank	1,164,570	1,026,615	26,204	66,187	184,269	(29,431)
Short position	Deutsche Bank, Citibank	(88,174)	(100,597)	2,666	(5,301)	(5,806)	(12)
Swaps		**977,195**	**809,814**	**181,209**	**55,023**	**(22,634)**	**(12,208)**
Long position	Citibank, Itaú, Safra	821,990	809,814	182,943	55,023	(22,634)	(12,208)
Forward long position	Tokyo-Mitsubishi	155,205	-	(1,734)	-	-	-
Subtotal		**2,053,591**	**1,735,832**	**210,079**	**115,909**	**155,829**	**(41,651)**
Interest rate							
Swaps		**105,000**	**120,000**	**(3,015)**	**(2,586)**	**(124)**	**(1,091)**
Asset Position - Pre	Santander	105,000	120,000	(3,015)	(2,586)	(124)	(1,091)
Total		**2,158,591**	**1,855,832**	**207,064**	**113,323**	**155,705**	**(42,742)**

Consolidated

Type	Counterparties	Notional value		Fair value receivable (payable)		Realized gains (losses)	
(In R$ thousands)		**Jun 2015**	**Dec 2014**	**Jun 2015**	**Dec 2014**	**Jun 2015**	**Dec 2014**
Foreign Currency							
Forward contracts		**1,124,282**	**1,085,385**	**41,489**	**74,731**	**204,776**	**(31,411)**
Long position	Merrill Lynch, Deutsche Bank, HSBC, JP Morgan, Itaú, Santander, Bradesco, BTG Pactual, Morgan Stanley, BR Partners, Citibank	1,397,983	1,187,887	38,823	80,266	210,582	(31,429)
Short position	Deutsche Bank, Citibank	(273,701)	(102,502)	2,666	(5,535)	(5,806)	18
Swaps		**977,195**	**809,814**	**181,208**	**55,023**	**(22,634)**	**(12,208)**
Long position	Citibank, Itaú, Safra	821,990	809,814	182,942	55,023	(22,634)	(12,208)
Forward long position	Tokyo-Mitsubishi	155,205	-	(1,734)	-		-
Subtotal		**2,101,477**	**1,895,199**	**222,697**	**129,754**	**182,142**	**(43,619)**
Interest rate							
Swaps		**105,000**	**120,000**	**(3,015)**	**(2,586)**	**(124)**	**(1,091)**
Asset Position - Pre	Santander	105,000	120,000	(3,015)	(2,586)	(124)	(1,091)
Total		**2,206,477**	**2,015,199**	**219,682**	**127,168**	**182,018**	**(44,710)**

The forward long position in foreign currency includes a position of R$ 68,765 concerning operations with settlement on July 01, 2015 and fixed by the Ptax rate of June 30, 2015, which resulted in a gain of R$ 11,783. The short position of forward foreign currency contracts includes a position of R$ 273,701 concerning operations with settlement on July 01, 2015 and fixed by the Ptax rate of June 30, 2015, which resulted in a gain of R$ 2,666.

The consolidated contracts listed above have maturity dates on:

Maturity	**Future value**	
Foreign currency - USD	**Jun 2015**	**Rate**
Jul 2015	(177,598)	2.99
Aug 2015	37,220	2.96
Sep 2015	20,528	3.04
Oct 2015	287,783	2.90
Nov 2015	21,750	3.15
Dec 2015	214,094	3.28
Jan 2016	27,611	3.21
Feb 16	23,113	3.26
Mar 16	27,858	3.29
Apr 2016	906,693	3.47
May 2016	6,289	3.43
Jun 2016	11,799	3.45
Jan 2017	310,232	3.66
Feb 2017	442,358	3.69
Mar 2018	201,407	4.03
	2,361,137	3.44

Maturity		
Interest rate	**Jun 2015**	**Liability rate on loans % CDI**
Oct 2015	(1,183)	98.1%
Apr 2016	(1,075)	98.1%
Oct 2016	(679)	98.1%
Apr 2017	(260)	98.1%
Oct 2017	(121)	98.1%
Apr 2018	(35)	98.1%
Oct 2018	(24)	98.1%
Total	(3,377)	98.1%

g. Methodology for calculating the fair value of derivatives

- Foreign currency forward contracts are valued using the interpolation of the market rates of US dollar futures contracts for each base date, as informed by BM&F BOVESPA.

- Swaps are valued using the interpolation of the exchange coupon market and future interbank deposit rates for each base date, as informed by BM&F BOVESPA.

h. Sensitivity analysis

We present below the sensitivity analysis table of the financial instruments, including derivatives that describe the risks that may cause material losses for the company, with the most likely scenario (scenario I, considering a fluctuation of 5.98% for the US dollar which corresponds to 3 standard deviations of the fluctuation of the three months of the first quarter of the year) according to the evaluation made by Management, considering a range of perception of three months, when the next financial information containing this analysis should be released. In addition, two other scenarios are presented in order to provide a 25% and 50% deterioration in the exchange rate of the real against the U.S. dollar, respectively (scenarios II and III).

Consolidated

Risk	**Scenario I**		**Scenario II**		**Scenario III**	
(In R$ thousands)			**25% fluctuation**		**50% fluctuation**	
	Appreciation	**Depreciation**	**Appreciation**	**Depreciation**	**Appreciation**	**Depreciation**
Quotation of the dollar	2.919	3.290	2.328	3.880	1.552	4.656
Foreign Currency						
Economic hedge	**(136,982)**	**136,982**	**(572,988)**	**572,988**	**(1,145,992)**	**1,145,992**
Forward contracts	(78,585)	78,585	(328,697)	328,697	(657,394)	657,394
Swap	(58,397)	58,397	(244,291)	244,291	(488,598)	488,598
Object of the economic hedge	**137,737**	**(137,737)**	**576,145**	**(576,145)**	**1,152,306**	**(1,152,306)**
Loans and financing and notes payable subject to short term exchange rate variation	137,737	(137,737)	576,145	(576,145)	1,152,306	(1,152,306)
Net effect	**755**	**(755)**	**3,157**	**(3,157)**	**6,314**	**(6,314)**

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

Below are shown the resulting values of monetary variations and floating interest on our loans, financing, debentures and bonds payable projected for the second quarter of 2015.

Parent company

Change scenarios	**Likely scenario***	**25% change**	**50% change**
Loan - CDI	2,146	2,683	3,220
Financing - TJLP	357	447	536
Debentures - CDI	4,553	5,691	6,829
Debentures - IPCA	(8,363)	(10,454)	(12,545)
Loan - TR	122	153	183
Notes payable - CDI	157	196	235
Financial investments	(3,487)	(4,359)	(5,231)
Total effect loss (gain)	**(4,515)**	**(5,643)**	**(6,773)**

Consolidated

Change scenarios	Likely scenario*	25% change	50% change
Loan - CDI	2,146	2,683	3,220
Financing - TJLP	394	492	591
Debentures - CDI	4,553	5,691	6,829
Debentures - IPCA	(8,363)	(10,454)	(12,545)
Loan - TR	392	490	588
Notes payable - CDI	157	196	235
Financial investments	(5,191)	(6,489)	(7,786)
Total effect loss (gain)	**(5,912)**	**(7,391)**	**(8,868)**

*** Likely Scenario Assumptions**
Predicted CDI of 14.01% p.a. in the period
Accumulated IPCA of 1.34% in the period
Predicted TJLP of 6.5% p.a. in the period
Predicted TR of 1.79% p.a. in the period

5 Capital management

The Company's objectives when managing its capital are to safeguard the Company's ability to continue to offer a return for its shareholders and benefits for the other interested parties and to maintain an optimal capital structure for reducing this cost.

To maintain or adjust the capital structure, the Company can review the dividend payment policy, return capital to shareholders, or even issue new shares or sell assets to reduce, for example, the level of indebtedness.

The Company monitors its capital based on the financial leverage ratio. This ratio is calculated as net debt divided by total capital. Net debt, in turn, corresponds to total loans (including short and long term loans, financing, debentures and short and long-term notes payable and also loss (gain) on financial hedge on loans, as presented in the consolidated balance sheet), less the amount of cash and cash equivalents and financial hedge result. Total capital is calculated based on the sum of shareholders' equity, as presented in the consolidated balance sheet, with net debt.

The financial leverage ratios on June 30, 2015 and December 31, 2014 may be summarized as follows:

	Consolidated	
	June 30, 2015	**December 31, 2014**
Total loans, financings and debentures (Note 20)	4,978,602	4,804,899
Total notes payable (Note 24)	47,557	59,299
Loss (gain) with financial hedge	(209,098)	(103,468)
Less: Cash and cash equivalents (Note 10)	(1,618,719)	(1,829,905)
Net debt	3,198,342	2,930,825
Total shareholders' equity	7,680,034	7,475,963
Adjusted shareholders' equity	10,878,376	10,406,788
Index of net debt by adjusted equity %	29%	28%

6 Estimate of fair value (Consolidated)

It is assumed that the balances of trade accounts receivable and accounts payable to suppliers at book value, less the loss (impairment), closely approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows by the prevailing interest rate on the market, which is available to the Company for similar financial instruments (note 20 b).

The company applies CPC 40/IFRS 7 to financial instruments stated on the balance sheet at fair value, which requires disclosure of the fair value measurements per level of the following hierarchy of fair value measurement:

- Prices quoted (unadjusted) on active markets for similar assets and liabilities (level 1).
- Information, besides quoted prices included in level 1 that are adopted by the market for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2).
- Inputs for the assets or liabilities that are not based on data adopted by the market (i.e. unobservable inputs) (level 3).

The table below presents the Company's assets and liabilities measured at fair value as of June 30, 2015, as well as the amounts stated at fair value.

	Consolidated			
	Level 1	**Level 2**	**Level 3**	**Total balance**
Assets				
Financial investments (Note 10)	-	1,594,311	-	1,594,311
Derivative financial instruments	-	239,398	-	239,398
Total assets	-	1,833,709	-	1,833,709
Liabilities				
Loans and financing stated at fair value (Note 20 (b))	1,060,253	3,858,924	-	4,919,177
Derivative financial instruments	-	19,716	-	19,716
Total liabilities	1,060,253	3,878,640	-	4,938,893

The table below presents the Company's assets and liabilities measured at fair value as of December 31, 2014, as well as the amounts stated at fair value.

	Consolidated			
	Level 1	**Level 2**	**Level 3**	**Total balance**
Assets				
Financial investments (Note 10)	-	1,815,597	-	1,815,597
Derivative financial instruments	-	135,672	-	135,672
Total assets	-	1,951,269	-	1,951,269
Liabilities				
Loans, financing and debentures stated at fair value (Note 20(b))	912,440	3,826,913	-	4,739,353
Derivative financial instruments	-	8,504	-	8,504
Total liabilities	912,440	3,835,417	-	4,747,857

The fair value of financial instruments that are not traded on active markets (e.g. derivatives) is determined through the use of valuation techniques. These valuation techniques maximize the use of data adopted by the market where it is available and rely as little as possible on the Company's specific estimates.

7 Hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency variation and interest rate risk exposures.

According to the characteristics of the hedge, it is the Company's accounting policy to adopt hedge accounting in selected operations, as established in CPC 38. For operations that are designated for hedge accounting, the company formally documents the relationship between hedge instruments and the items object of hedge, including the risk management objectives and the strategy in conducting the hedge transaction, together with the methods that will be used to evaluate the effectiveness of the hedge relationship. The company makes a forward-looking assessment, both at the time of the designation of the hedge relationship, and continuously, if there is an expectation that the hedge instruments will be "highly effective" in offsetting changes in the fair value of the respective items object of hedge during the period for which the hedge is designated, and if the actual results of each hedge are within the range of 80% to 125%.

Hedges of fair value flows

Currently the company adopts the hedge of the fair value for some of its transactions, so that both the hedge instruments and the hedge objects are recorded in the accounting by the fair value against profit or loss. See below the transactions and accounting effects arising from adopting this practice:

Transaction	Indexing	Type of *Hedge*	Principal amount	Assets/(Liabilities) Balance	Gain (Loss) in the Income
Loan	USD + Spread	Fair value	161,574	(189,106)	(370)
Swap	USD + Spread vs. % CDI	Fair value	161,574	18,352	-

If the hedge instrument no longer meets hedge accounting criteria, expires or is sold, closed, exercised, or has its designation revoked, then the hedge accounting is discontinued prospectively. Hedge objects previously recognized at fair value, are recorded at amortized cost.

8 Financial instruments by category (Consolidated)

	June 30, 2015		
	Loans and receivables	**Assets at fair value through profit or loss**	**Total**
Assets, according to the balance sheet			
Trade accounts receivable (Note 11)	1,709,211	-	1,709,211
Financial investments (Note 10)	-	1,594,311	1,594,311
Cash and banks (Note 10)	24,408	-	24,408
Derivative financial instruments	-	239,398	239,398
Notes receivable	95,819	-	95,819
	1,829,438	1,833,709	3,663,147

	June 30, 2015		
	Liabilities at fair value through profit or loss	**Other financial liabilities**	**Total**
Liabilities, according to the balance sheet			
Loans, financings and debentures (Note 20)	189,106	4,789,496	4,978,602
Accounts payable to suppliers (Note 19)	-	832,401	832,401
Derivative financial instruments	19,716	-	19,716
	208,822	5,621,897	5,830,719

	December 31, 2014		
	Loans and receivables	**Assets at fair value through profit or loss**	**Total**
Assets, according to the balance sheet			
Trade accounts receivable (Note 11)	1,553,826	-	1,553,826
Financial investments (Note 10)	-	1,815,597	1,815,597
Cash and banks (Note 10)	14,308	-	14,308
Derivative financial instruments	-	135,672	135,672
Notes receivable	48,280	-	48,280
	1,616,414	1,951,269	3,567,683

	December 31, 2014		
	Fair value through profit or loss	**Other financial liabilities**	**Total**
Liabilities, according to the balance sheet			
Loans, financings and debentures (Note 20)	-	4,804,899	4,804,899
Accounts payable to suppliers (Note 19)	-	706,642	706,642
Derivative financial instruments	8,504	-	8,504
	8,504	5,511,541	5,520,045

9 Credit quality of financial assets

The credit quality of financial assets (cash and cash equivalents) can be evaluated using historical information on default rates:

	Parent company		Consolidated	
	June 30, 2015	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
Current account and short-term bank deposits (*)				
AAA	1,094,023	1,373,951	1,618,418	1,829,532
A+	-	24	-	53
	1,094,023	1,373,975	1,618,418	1,829,585

The residual balance of "cash and cash equivalents" in the balance sheet is substantially cash on hand.

	Parent company		Consolidated	
	June 30, 2015	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
Derivative financial assets (*)				
AAA	226,530	121,460	237,573	133,105
AA	2	-	2	45
BBB	26	132	1,823	2,522
	226,558	121,592	239,398	135,672

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

None of the fully performing financial assets was renegotiated in the last period. None of the loans with related parties is overdue or impaired.

Trade accounts receivable - The credit analysis department assesses the credit quality of the client considering their financial position, payment history, public information and credit analysis institutions (Serasa, CISP and Credinfar). Individual risk limits are determined based on regular internal monitoring processes.

A significant portion of the Company's sales is made to distributors, large retail chains and supermarkets with a widespread distribution network in Brazil, which mitigates the Company's consolidated credit risk. Additionally, the credit analysis department uses the aforementioned controls to constantly monitor and assess the Company's portfolio. See details on the analysis of due dates in note 11.

10 Cash and cash equivalents

	Parent company		Consolidated	
	June 30, 2015	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
Cash and banks	23,171	14,406	24,408	14,308
Financial investments:				
Repurchase operations	712,257	1,071,206	1,035,459	1,422,431
CDB (Bank deposit certificates)	358,825	288,613	558,852	393,166
	1,071,082	1,359,819	1,594,311	1,815,597
	1,094,253	1,374,225	1,618,719	1,829,905

Financial investments have a yield from 97% to 102% (on December 31, 2014 from 98.5% to 101.8%) of the CDI with a weighted average of 100.98% (on December 31, 2014 - 100.95%).

11 Accounts receivable

	Parent company		Consolidated	
	June 30, 2015	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
Domestic customers/foreign customers	1,788,713	1,631,129	1,788,334	1,630,054
Customers - related parties (Note 31(a))	2,314	1,855	-	-
	1,791,027	1,632,984	1,788,334	1,630,054
Allowance for doubtful accounts	(78,254)	(75,081)	(79,123)	(76,228)
	1,712,773	1,557,903	1,709,211	1,553,826

The fair values of trade accounts receivables closely approximate their carrying values because all the amounts are realized in the short term.

On June 30, 2015, the balance of domestic customers/foreing customers in the amount of R$ 28,504 (December 31, 2014 - R$ 24,532) in consolidated is overdue, but not impaired. These accounts refer to a series of independent clients for whom there is no recent history of default. On June 30, 2015, the balance of domestic customers/foreing customers in the amount of R$ 28,474 (December 31, 2014 - R$ 24,653) in the Parent company are overdue, but not impaired. These accounts receivables are related to clients for whom there is no history of default. The aging analysis of these trade receivables is presented as follows:

	Parent company		Consolidated	
	June 30, 2015	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
Up to three months	17,299	24,184	17,543	24,069
Over three months	11,175	469	10,961	463
	28,474	24,653	28,504	24,532

The additions and write-off of the allowance for doubtful accounts were recorded in the income statement as “Selling and marketing expenses”. Amounts charged to the allowance are generally written off from accounts receivable when there is no expectation of recovery of the funds.

The maximum exposure to credit risk on the reporting date is the carrying amount of each class of receivables mentioned above. The Company holds certain notes as a guarantee, as described in Note 20 (a).

Changes in the allowance for doubtful accounts for the period ended June 30, 2015 are presented as follows:

	Parent company	Consolidated
Balance on December 31, 2014	(75,081)	(76,228)
Additions for the period	(9,746)	(9,746)
Write-offs for the period	6,573	6,851
Balance on June 30, 2015	(78,254)	(79,123)

12 Inventories

	Parent company		Consolidated	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Finished goods and resale	260,280	212,081	295,452	251,546
Semi-finished goods	4,111	11,000	37,219	35,235
Raw material	17,692	27,827	423,263	335,427
Maintenance and Supplies	10,517	7,735	71,437	39,458
	292,600	258,643	827,371	661,666

The balance of inventories is presented net of provision for losses. The balancing item of this provision has been included in "other operating expenses".

The table below presents the changes in the provision:

	Parent company	Consolidated
Balance on December 31, 2014	(40,628)	(73,625)
Additions for the period (a)	(45,282)	(81,122)
Write-offs for the period (b)	53,452	92,577
Balance on June 30, 2015	(32,458)	(62,170)

(a) They refer to the additions to the provision for losses due to discontinuity, validity, quality and low turnover to cover expected losses on the realization of the inventories, in accordance with the policy established by the Company.

(b) Refer to the write-offs of products discarded by the company and its subsidiaries.

13 Recoverable taxes

	Parent company		Consolidated	
	June 30, 2015	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
PIS/COFINS/IPI and others	522,864	423,670	550,175	449,689
ICMS (credit balance and tax substitution)	185,932	178,249	246,596	227,618
Recoverable IRPJ and CSSL	61,775	87,910	79,680	102,336
	770,571	689,829	876,451	779,643
Current	541,043	461,925	616,884	525,518
Non-current	229,528	227,904	259,567	254,125

14 Other assets

	Parent company		Consolidated	
	June 30, 2015	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
Prepaid expenses	102,360	78,997	117,057	87,858
Bills receivable	95,819	48,030	95,819	48,280
Deposits in court	100,569	89,744	120,828	107,183
Advances	31,526	34,003	45,154	48,982
Other	30,792	410	31,985	1,703
	361,066	251,184	410,843	294,006
Current	206,836	143,698	234,694	166,624
Non-current	154,230	107,486	176,149	127,382

15 Discontinued operations

Analysis and reconciliation of continuing and discontinued operations

Below is an analysis of the results of discontinued operations and reconciliation of statements of income from continuing and discontinued operations with the consolidated income statement.

	Consolidated					
	Accumulated at June 30, 2015			Accumulated at June 30, 2014		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Net sales	2,443,270	-	2,443,270	2,191,619	4	2,191,623
Costs of goods sold	(925,915)	-	(925,915)	(767,880)	-	(767,880)
Gross profit	**1,517,355**	**-**	**1,517,355**	**1,423,739**	**4**	**1,423,743**
(Expenses)/Income	(1,053,197)	(1,236)	(1,054,433)	(959,892)	(2,215)	(962,107)
Impairment (*)	-	(4,097)	(4,097)	-	(4,648)	(4,648)
Income before financial income and expenses	**464,158**	**(5,333)**	**458,825**	**463,847**	**(6,859)**	**456,988**
Financial expenses	(240,910)	-	(240,910)	(207,116)	-	(207,116)
Income before income tax and social contribution	**223,248**	**(5,333)**	**217,915**	**256,731**	**(6,859)**	**249,872**
Income tax and social contribution	(16,810)	420	(16,390)	(38,198)	752	(37,446)
Net income for the year	**206,438**	**(4,913)**	**201,525**	**218,533**	**(6,107)**	**212,426**

(*) substantially a closed operation in Argentina.

16 Investments

The investments held by the Company are presented below:

Company	Country	Business	Direct interest in shares/quotas
Cosmed Indústria de Cosméticos e Medicamentos S.A.	Brazil	Consumer	100%
My Agência de Propaganda Ltda.	Brazil	Advertising agency	100%
Brainfarma Indústria Química e Farmacêutica S.A.	Brazil	Pharma	100%
Bionovis S.A.	Brazil	Biotechnology	25%
Savoy Indústria de Cosméticos S.A.	Brazil	Consumer	100%
Hypera Participações Ltda.	Brazil	Consumer	100%
Novitá Distribuição, Armazenamento e Transporte S.A.	Brazil	Consumer	100%
Damien Participações Ltda.	Brazil	Consumer	100%

a. Changes in investments

	Brainfarma		Cosmed	My	Bionovis	Savoy	
	Cost	Cost	Goodwill	Cost	Cost	Cost	Total
Balance on January 1, 2014	542,953	1,115,054	48,085	3,492	623	136	1,710,343
Capital increase/(decrease)	(35,000)	(550,000)	-	4,000	-	410	(580,590)
Equity in the results of investees	37,653	63,918	-	(677)	(613)	122	100,403
Stock Option	1,110	(660)	-	(5)	-	-	445
Merger/Drop Down/Split off	-	(248,532)	-	-	-	355,589	107,057
Dividends/Interest on shareholders' equity	(23,771)	(17,692)	-	-	-	-	(41,463)
Balance on December 31, 2014	522,945	362,088	48,085	6,810	10	356,257	1.296.195
Capital increase	-	150,000	-	-	3,500	155	153,655
Equity in the results of investees	27,809	28,734	-	71	(1,443)	1,369	56,540
Stock Option	936	565	-	23	-	-	1,524
Drop Down	-	(6,850)	-	-	-	6,850	-
Dividends/Interest on shareholders' equity	(14,589)	(19,396)	-	-	-	-	(33,985)
Balance on June 30, 2015	537,101	515,141	48,085	6,904	2,067	364,631	1,473,929

Below is the Company's interest in the results of its main direct subsidiaries, as well as in their total assets (including goodwill) and liabilities:

June 30, 2015	Assets	Liabilities	Revenue	Profit (loss)	Adjusted Profit (Loss) (*)
Cosmed Indústria de Cosméticos e Medicamentos S.A.	1,347,411	815,330	781,936	29,496	28,734
My Agência de Propaganda Ltda.	8,559	1,655	4,800	71	71
Brainfarma Indústria Química e Farmacêutica S.A.	1,032,639	490,852	440,285	27,183	27,809
Savoy Indústria de Cosméticos S.A.	401,152	37,793	-	225	1,369

December 31, 2014	Assets	Liabilities	Revenue	Net Profit/(loss)	Adjusted net Profit/(loss) (*)
Cosmed Indústria de Cosméticos e Medicamentos S.A.	1,102,132	723,867	1,338,859	81,442	63,918
My Agência de Propaganda Ltda.	8,410	1,600	7,650	(677)	(677)
Brainfarma Indústria Química e Farmacêutica S.A.	977,194	448,937	749,175	40,380	37,653
Savoy Indústria de Cosméticos S.A.	392,216	36,087	-	122	122

(*) Refers to the net income (loss) for the period adjusted by the elimination of transactions between the parent company and the subsidiaries.

b. Equity in the results of investees

	Number of shares and quotas	Adjusted shareholders' equity at June 30, 2015	Ownership %	Equity in the results of investees - June 30, 2015 (i)	Balance of the investment as of June 30, 2015	Equity in the results of investees - June 30, 2014	Balance of the investment as of December 31, 2014
Cosmed Indústria de Cosméticos e Medicamentos S.A.	1,525,000,947	515,141	100%	28,734	515,141	8,122	362,088
My Agência de Propaganda Ltda.	14,009,999	6,904	99.99%	71	6,904	(991)	6,810
Brainfarma Indústria Química e Farmacêutica S.A.	182,749,221	537,101	100%	27,809	537,101	(2,479)	522,945
Bionovis S.A.	6,000,000	8,268	25%	(1,443)	2,067	(453)	10
Savoy Indústria de Cosméticos S.A.	18,468,392,059	364,631	100%	1,369	364,631	-	356,257
				56,540	1,425,844	4,199	1,248,110
Goodwill of non-merged Companies				-	48,085	-	48,085
				56,540	1,473,929	4,199	1,296,195

(i) Equity accounting of continuing operations R$ 60,637 and of discontinued operations: R$ (4,097).

17 Property, Plant and Equipment

Parent company

	Land	Buildings and improvements	Machinery, equipment and facilities	Vehicles	Furniture and fixtures	Other	Total in operation	Fixed assets under construction *	Total property, plant and equipment
Balance on December 31, 2014	66,822	186,019	177,404	3,642	12,570	21,647	468,104	106,466	574,570
Additions	-	253	4,216	-	343	799	5,611	13,567	19,178
Disposal	(58,432)	(63,572)	(8,273)	(1,783)	(32)	(59)	(132,151)	-	(132,151)
Transfer	503	33	(2,537)	25	285	106	(1,585)	-	(1,585)
Impairment	-	-	(2,293)	-	(374)	-	(2,667)	-	2,667
Depreciation	-	(2,893)	(6,213)	(435)	(417)	(1,901)	(11,859)	-	(11,859)
Balance on June 30, 2015	8,893	119,840	162,304	1,449	12,375	20,592	325,453	120,033	445,486
Total cost	8,893	140,275	257,282	5,960	17,542	34,220	464,172	120,033	584,205
Accumulated depreciation		(20,435)	(94,978)	(4,511)	(5,167)	(13,628)	(138,719)		(138,719)
Residual value	8,893	119,840	162,304	1,449	12,375	20,592	325,453	120,033	445,486

* Substantially enlargement of the Goiânia Distribution Center

Consolidated

	Land	Buildings and improvements	Machinery, equipment and facilities	Vehicles	Furniture and fixtures	Other	Total in operation	Fixed assets under construction (*)	Total property, plant and equipment
Balance on December 31, 2014	77,647	464,594	799,419	4,141	27,085	48,316	1,421,202	245,489	1,666,691
Additions	-	288	36,786	48	902	7,440	45,464	77,512	122,976
Disposal	(58,432)	(63,573)	(8,863)	(1,787)	(53)	(59)	(132,767)	-	(132,767)
Transfer	503	711	(13,465)	25	336	579	(11,311)	(3,444)	(14,755)
Impairment	-	-	152	-	(75)	(3)	74	-	74
Depreciation	-	(6,613)	(27,117)	(539)	(1,161)	(5,066)	(40,496)	-	(40,496)
Balance on June 30, 2015	19,718	395,407	786,912	1,888	27,034	51,207	1,282,166	319,557	1,601,723
Total cost	19,718	459,260	1,193,369	9,259	49,568	95,135	1,824,309	319,557	2,143,866
Accumulated depreciation	-	(63,853)	(406,457)	(7,371)	(22,534)	(41,928)	(542,143)	-	(542,143)
Residual value	19,718	395,407	786,912	1,888	27,034	51,207	1,282,166	319,557	1,601,723

* Substantially expansion of the Goiânia distribution center and adaptation of the Anápolis Industrial Park for receiving the lines originating from Rio de Janeiro.

18 Intangible Assets

	Parent company		Consolidated	
	June 30, 2015	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
Goodwill in non-merged company				
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 Cosméticos 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.	62,061	62,061	62,061	62,061
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.	967,154	967,154	967,154	967,154
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
PomPom Produtos Higiênicos Ltda.	267,928	267,928	267,928	267,928
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
	6,183,979	6,183,979	6,259,059	6,259,059
Trademarks and patents	594,303	586,063	594,625	586,385
Rights of use and software	15,220	18,351	18,512	20,761
Product development	5,412	4,913	87,619	84,194
	6,798,914	6,793,306	6,959,815	6,950,399

Goodwill is measured as the surplus of the consideration transferred in relation to the net assets acquired and is based mainly on future profitability which is supported by appraisal reports prepared by a specialized company, where the cash flow method discounted to present value is used. The discount rates used in the calculations were determined by adopting the Weighted Average Cost of Capital (WACC). For acquisitions after 2009, the consideration transferred was allocated to certain assets acquired in the business (inventories, property, plant and equipment, and trademarks, among others).

Changes in the balances

Parent Company

	Trademarks and patents	Rights of use and software	Product development	Goodwill	Total
Balance on December 31, 2014	586,063	18,351	4,913	6,183,979	6,793,306
Additions	9,799	1,024	519	-	11,342
Transfer	-	(6)	-	-	(6)
Amortization	(1,559)	(4,149)	(20)	-	(5,728)
Balance on June 30, 2015	594,303	15,220	5,412	6,183,979	6,798,914
Total cost	654,103	87,998	5,694	6,183,979	6,931,774
Accumulated amortization	(59,800)	(72,778)	(282)	-	(132,860)
Residual value	594,303	15,220	5,412	6,183,979	6,798,914

Consolidated

	Trademarks and patents	Rights of use and software	Product development	Goodwill	Total
Balance on December 31, 2014	586,385	20,761	84,194	6,259,059	6,950,399
Additions	9,799	2,321	8,431	-	20,551
Transfer	-	(6)	(36)	-	(42)
Amortization	(1,559)	(4,564)	(4,970)	-	(11,093)
Balance on June 30, 2015	594,625	18,512	87,619	6,259,059	6,959,815
Total cost	654,449	100,923	162,647	6,259,059	7,177,078
Accumulated amortization	(59,824)	(82,411)	(75,028)	-	(217,263)
Residual value	594,625	18,512	87,619	6,259,059	6,959,815

Decrease to recoverable value of assets (Impairment)

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

19 Accounts payable to suppliers

	Parent company		Consolidated	
	June 30, 2015	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
Domestic suppliers	39,085	48,387	488,261	444,328
Foreign suppliers	41,283	41,330	334,872	252,571
Related party suppliers (Note 31(a))	246,599	191,021	9,268	9,743
	326,967	280,738	832,401	706,642

20 Loans, financing and debentures

		Parent company		Consolidated	
	Nominal rate	**June 30, 2015**	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
Foreign Currency					
Loans (i)	US$ + 2.15% to 3.08% p.a.	831,162	827,307	831,162	827,307
Bonds (ii)	US$ + 6.50% p.a.	1,007,318	860,825	1,007,318	860,825
Domestic currency					
FCO (i)	Fixed rate from 2.50% to 8.50% p.a.	39,726	41,818	175,383	185,198
Financing	Fixed from 2.50% to 8.70% p.a. and CDI + 1.57% p.a.	11,444	16,775	26,654	36,202
BNDES (i)	Fixed rate of 3.50% to 4.50% p.a. and TJLP + 1.50% to 3.00% p.a.	15,521	21,761	24,966	36,417
Debentures (i)	IPCA + 3.00% to 8.43% p.a.; 109.95% to 111.00% of the CDI; CDI + 1.85% p.a. and Fixed rate of 11.30% p.a.	2,660,791	2,619,359	2,660,791	2,619,359
Finep	TJLP - 1.00%	73,145	72,385	73,145	72,385
Mortgages	TR + 9.60%	55,863	52,006	179,183	167,206
		4,694,970	4,512,236	4,978,602	4,804,899
Current		1,680,666	1,680,650	1,729,034	1,731,023
Non-current		3,014,304	2,831,586	3,249,568	3,073,876

Long-term loans, financing and debentures have the following breakdown, by year of maturity:

	Parent company	Consolidated
	June 30, 2015	June 30, 2015
2016	10,487	28,731
2017	640,868	668,045
2018	21,793	48,898
2019	19,731	46,420
2020	18,699	45,055
2021	955,903	981,971
2022	18,550	44,266
2023	18,156	40,212
2024	14,862	31,899
2025	4,263	13,675
2026	4,262	13,666
	1,727,574	1,962,838

(i) Contracts with covenants on debt levels and coverage of interest with respect to certain financial information (EBITDA and net interest expenses), disposal, spin-off, merger, incorporation or any corporate restructuring, which occur, must be approved in advance by the financial agents. If any of these events occur without the consent of the lenders, the outstanding balances will have early maturity. On June 30, 2015 the covenants were met.

(ii) On April 20, 2011, the Company issued debt securities abroad ("Bonds") in the amount of US$ 750,000,000 bearing interest at 6.5% per annum and maturing on April 20, 2021. The total charges correspond to an internal rate of return of 8% p.a., amortized semiannually.

The amount of R$ 70,115 is recorded as current and R$ 937,203 as non-current.

Transaction costs totaled R$ 32,383, of which R$ 8,717 are unrealized long term costs, in accordance with the following breakdown:

	June 30, 2015
2016	769
2017	1,617
2018	1,747
2019	1,888
2020	2,045
2021	651
	8,717

Debentures - Breakdown (Parent company and Consolidated)

	Date of issue	Due Date	Form of amortization	Type of issue	Value on date of issue	Number issued	Quantity placed on the market	Unit Value	Annual financial charges	Convertibility
3rd Public Issue 2nd Series ‘	7/15/2010	7/15/2015	Closing balance	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	Closing balance	Private	549,998,042	548,725	548,725	1,002.32	IPCA + 3%	Right to subscription of common shares
1st Private Issue 2nd Series ‘ ‘	10/15/2010	10/15/2018	Semiannual as from 4/15/2013	Private	549,998,042	548,725	548,725	1,002.32	11.30%	Not convertible into shares
5th Public Issue Single Series ‘	8/02/2013	8/02/2018	Closing balance	Public	400,000,000	40,000	40,000	10,000	109.95% Interbank deposit	Not convertible into shares
6th Public Issue Single Series	11/24/2013	7/24/2017	Closing balance	Public	200,000,000	200	200	1,000,000	110.75% Interbank deposit	Not convertible into shares
7th Public Issue Single Series	4/10/2014.	4/10/2019	Annual from 4/10/2017	Public	400,000,000	400	400	1,000,000	110.00% Interbank deposit	Not convertible into shares

Debentures - Changes (Parent company and Consolidated)

	1st Private Issue 1st & 2nd Series	3rd Public Issue 1st, 2nd & 3rd Series	5th Public Issue Single series	6th Public Issue Single series	7th Public Issue Single series	Total
Balance on December 31, 2014	1,072,307	509,707	418,705	210,377	408,263	2,619,359
Amortization of principal	(45,865)					(45,865)
Financial charges	85,430	39,676	26,199	13,182	26,428	190,915
Amortization of interest	(20,048)	(21,980)	(24,295)	(12,376)	(24,919)	(103,618)
Balance on June 30, 2015	1,091,824	527,403	420,609	211,183	409,772	2,660,791
Current	881,670	448,709	21,295	11,299	11,088	1,374,061
Non-current	210,154	78,694	399,314	199,884	398,684	1,286,730
Unrealized transaction cost	545	153	965	216	2,057	3,936
Current	316	148	281	99	741	1,585
Non-current	229	5	684	117	1,316	2,351

Debentures have the following breakdown (Parent company and Consolidated), by year of maturity:

	June 30, 2015
2016	248,686
2017	169,993
2018	868,051
	1,286,730

a. Guarantee for loans and financing

	Parent company	Consolidated
	June 30, 2015	June 30, 2015
Accounts receivable - pledged in guarantee	32,800	110,026
Letter of Guarantee	88,234	97,679
Pledged fixed assets	76,342	277,421
	197,376	485,126

b. Book values and estimated fair value

The book values and estimated fair values of loans, financing and debentures are as follows:

		Consolidated		Fair Value	
	Nominal rate	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Foreign Currency					
Loans	US$ + 2.15% to 3.05% p.a.	831,162	827,307	831,162	827,307
Bonds	US$ + 6.50% p.a.	1,007,318	860,825	1,060,253	912,440
Domestic Currency					
FCO	Fixed rate from 2.50% to 8.50% p.a.	175,383	185,198	124,921	131,948
Financing	Fixed rate of 2.50% to 8.70% p.a. and TJLP + 2.91% to 3.00% p.a.	26,654	36,202	27,357	30,358
BNDES	Fixed rate of 3.50% to 4.50% p.a. and TJLP + 1.50% to 3.00% p.a.	24,966	36,417	22,651	33,483
Debentures	IPCA + 3.00% to 8.43% p.a.; 109.95% and 111.00% of CDI; CDI + 1.85% p.a. and Fixed rate of 11.30% p.a.	2,660,791	2,619,359	2,640,655	2,608,802
Finep	TJLP - 1.00%	73,145	72,385	49,268	45,393
Mortgages	TR + 9.60%	179,183	167,206	162,910	149,622
		4,978,602	4,804,899	4,919,177	4,739,353

The fair value of some of the current loans is equal to their book value, since the impact of the discount is not material. The fair values are based on discounted cash flows using a market rate of CDI + 0.62% to CDI + 2.23% p.a. (December 31, 2014 - CDI + 0.57% to CDI + 2.16% p.a.).

c. Debentures with indexed subscription bonus

Linked to the issue of the simple debentures issued on October 15, 2010, 548,725 share subscription bonuses were issued at the subscription price of R$ 29.48 (twenty-nine reais and forty-eight cents) per share, updated in the same way as the debt balance of the debentures of the first series, so that the conversion will always give a fixed number of common shares of 34 shares for each subscription bonus, totaling a fixed number of 18,656,650 common shares.

The fair value of the liability component included in non-current loans was calculated using the market interest rate for an equivalent non-convertible bond. The residual amount, representing the amount of the subscription bonus, is included in shareholders' equity in an equity valuation adjustment, net of income taxes and social contribution in the amount of R$ 50,243.

The balance of the first series of the first private issue of simple debentures with a floating guarantee, together with a subscription bonus, recognized in the balance sheet is composed as follows on June 30, 2015:

Updated value of the convertible debentures	771,009
Expenses to be incurred	(6,547)
Liability component on June 30, 2015	764,462

For the second series, which does not include the option of being converted into shares, the amount recorded in liabilities is R$ 327,362.

21 Deferred income tax and social contribution

a. Breakdown of deferred tax assets

Refer to the tax credits on accumulated tax loss carry forwards, negative bases of social contribution and temporary differences. These assets are recognized in proportion to the likelihood of realization of the related tax benefit through future taxable income based on a study of future realization which the projection is the generation of taxable income as from 2015. Tax loss carry forwards and negative bases of social contribution are generated mainly due to the tax use of goodwill from the acquisition of companies (Note 18). According to projections prepared by management, the use of the goodwill is already showing signs of reduction and will cease in 2021.

	Parent company		Consolidated	
	June 30, 2015	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
‘				
Deferred tax assets:				
Tax loss carry forwards and negative bases of CSLL	1,166,647	1,099,736	1,191,973	1,126,337
Exchange Variation/Hedge	147,362	104,319	147,362	104,319
Contingencies	48,740	53,655	53,428	57,991
Amortized goodwill	129,352	150,604	129,352	150,604
Provisions for doubtful accounts and others	26,606	25,528	26,902	25,918
Allowance for losses on inventories	11,035	13,813	21,138	25,024
Other temporary differences	34,579	45,752	65,292	72,023
Total deferred tax assets	1,564,321	1,493,407	1,635,447	1,562,216
‘				
(-) Portion of deferred tax assets recoverable through deferred liabilities of the same company with the same tax authority (also recoverable in the calculation of the current tax)	(1,564,321)	(1,493,407)	(1,620,760)	(1,546,974)
Remaining balance of deferred tax assets	-	-	14,687	15,242

b. Deferred tax liabilities

It is comprised mainly by deferred income tax and social contribution tax liabilities, arising from temporary differences between the tax basis of goodwill and its book value in the balance sheet, considering that the goodwill continues to be amortized for tax purposes but is no longer amortized in the accounting records since January 1, 2009. This temporary difference may result in amounts to be added in the calculation of taxable income of future years when the book value of the asset is reduced (impairment) or settled, thus making it necessary to record a deferred tax liability.

	Parent company		Consolidated	
	June 30, 2015	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
Goodwill	1,552,023	1,446,248	1,552,023	1,446,248
Other adjustments from business combinations	35,881	77,997	118,339	163,874
Other	30,076	23,261	99,633	80,690
Total tax debt	1,617,980	1,547,506	1,769,995	1,690,812
(-) Portion of deferred tax liabilities recoverable through deferred assets of the same company with the same tax authority (also recoverable in the calculation of the current tax)	(1,564,321)	(1,493,407)	(1,620,760)	(1,546,974)
Remaining balance of deferred liabilities	53,659	54,099	149,235	143,838

c. Reconciliation of the income tax and social contribution expense

	Parent company		Consolidated	
	June 30, 2015	**June 30, 2014**	**June 30, 2015**	**June 30, 2014.**
Income before income tax and social contribution	201,085	247,152	217,915	249,872
Income tax and social contribution rate - %	34%	34%	34%	34%
Income tax and social contribution at the statutory rate	(68,369)	(84,032)	(74,067)	(84,947)
Equity in the results of investees	19,223	1,428	(491)	(154)
Non-deductible expenses/additions-exclusions	(23,429)	(18,325)	(14,847)	(18,549)
Tax Incentives	73,015	66,204	73,015	66,204
Income tax and social contribution expense on the results	440	(34,725)	(16,390)	(37,446)
Continuing operations				
Current	65,601	96,915	57,533	102,191
Deferred	(65,581)	(132,392)	(74,343)	(140,389)
	20	(35,477)	(16,810)	(38,198)
Discontinued operations				
Current	420	752	420	752
Total	440	(34,725)	(16,390)	(37,446)
	-	14%	8%	15%

d. Transition Tax Regime (RTT)

For purposes of calculating the income tax and social contribution on net income for the years 2014, 2013 and 2012, the Company and its subsidiaries opted for the transition tax regime (RTT), which allows the legal entity to eliminate the accounting effects of Law 11638/07 and Provisional Measure 449/08, transformed into Law 11941/09, through entries in the Taxable Income Control Register (LALUR) or auxiliary controls, without any change in the commercial accounting.

On November 11, 2013, Provisional Measure (MP) 627 was published, repealing the Transition Tax Regime (RTT) and governing the taxation of individuals resident in Brazil related to profits earned abroad. One of the objectives of the standard is to establish the adjustments that must be made in tax books for determining the basis for calculating corporate income tax (IRPJ) and the social contribution on net income (CSLL) with the end of tax neutrality for the new accounting methods and criteria introduced by Laws 11638/07 and 11941/09. Given the text of the Provisional Measure to be transformed into Law 12,973/14, the Company opted not to anticipate the end of the RTT, adopting the new procedures from January 1, 2015.

22 Taxes payable

	Parent company		Consolidated	
	June 30, 2015	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
ICMS (value added tax) payable	44,844	46,874	54,206	54,766
IPI/PIS/COFINS payable	343	2	14,181	5,683
Other taxes payable	984	1,264	4,074	10,109
	46,171	48,140	72,461	70,558
Current liabilities	22,311	19,629	48,383	41,744
Non-current liabilities	23,860	28,511	24,078	28,814

23 Accounts payable

	Parent company		Consolidated	
	June 30, 2015	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
Freight payable	32,303	35,087	36,462	38,402
Services rendered	23,038	21,386	39,289	34,478
Commercial agreements and advertising	50,530	102,883	50,530	102,883
Rents	1,383	1,473	6,623	6,866
Revenue to elapse	1,433	1,659	3,040	3,520
Purchases of fixed assets	3,722	1,511	24,537	14,972
Advances for sale of real estate property	-	70,022	-	70,022
Other	4,884	11,308	18,795	27,824
	117,293	245,329	179,276	298,967
Current liabilities	115,860	243,670	173,885	289,899
Non-current liabilities	1,433	1,659	5,391	9,068

24 Notes payable

	Parent company		Consolidated	
	June 30, 2015	**December 31, 2014**	**June 30, 2015**	**December 31, 2014**
Acquisition of Sapeka Indústria de Fraldas Descartáveis Ltda. (i)	26,200	25,089	26,200	25,089
Acquisition of Facilit Odontológica e Perfumaria Ltda. (i)	6,699	13,042	6,699	13,042
Acquisition of Bitufo (IPH&C, Maripa and DPH) (i)	11,891	11,125	11,891	11,125
Acquisition of Luper Indústria Farmacêutica Ltda. (i)	-	6,601	-	6,601
Other	2,767	3,442	2,767	3,442
	47,557	59,299	47,557	59,299
Current liabilities	47,557	51,660	47,557	51,660
Non-current liabilities	-	7,639	-	7,639

(i) Updated according to the CDI.

Adjustments to present value

Adjustments to present value were applied in accordance with Technical Pronouncement CPC-12 for notes payable resulting from the acquisition of companies and/or assets, adjusted by the exchange rate or CDI, without interest. For the calculation of the initial adjustment and the applicable updates, the average rate for raising funds on the date of acquisition was used.

25 Contingencies

Provisions for contingencies

On June 30, 2015 the Company presented the following provisions for contingencies and corresponding deposits in court related to the contingencies:

	Parent company							
	June 30, 2015				December 31, 2014			
	Probable loss	Contingencies assumed in the business combination (a)	Deposits in Court	Contingencies net of deposit in court	Probable loss	Contingencies assumed in the business combination (a)	Deposits in Court	Contingencies net of deposit in court
Civil (i)	1,177	8,590	(113)	9,654	1,402	19,877	(107)	21,172
Labor (ii)	17,889	31,043	(10,745)	38,187	14,725	27,278	(7,496)	34,507
Fiscal and Tax (iii)	102	79,016	(3,715)	75,403	102	89,193	(4,767)	84,528
Administrative/other (iv)	3,140	2,396	(10)	5,526	2,998	2,235	(6)	5,227
	22,308	121,045	(14,583)	128,770	19,227	138,583	(12,376)	145,434

	Consolidated							
	June 30, 2015				December 31, 2014			
	Probable loss	Contingencies assumed in the business combination (a)	Deposits in Court	Contingencies net of deposit in court	Probable loss	Contingencies assumed in the business combination (a)	Deposits in Court	Contingencies net of deposit in court
Civil (i)	1,275	8,590	(129)	9,736	1,798	19,877	(122)	21,553
Labor (ii)	31,198	31,043	(13,094)	49,147	27,310	27,278	(9,456)	45,132
Fiscal and Tax (iii)	102	79,016	(3,715)	75,403	102	89,193	(4,767)	84,528
Administrative/other (iv)	3,521	2,396	(10)	5,907	3,336	2,235	(6)	5,565
	36,096	121,045	(16,948)	140,193	32,546	138,583	(14,351)	156,778

Changes in the contingencies

	Parent company					
	December 31, 2014	Monetary restatements	Additions	Reversals	Payments	June 30, 2015
Civil	21,279	1,097	383	(10,618)	(2,374)	9,767
Labor	42,003	2,428	11,934	(6,111)	(1,322)	48,932
Fiscal and Tax	89,295	1,805	-	(11,982)	-	79,118
Administrative/ other	5,233	484	42	(223)	-	5,536
	157,810	5,814	12,359	(28,934)	(3,696)	143,353
Deposits in Court	(12,376)	(2,824)	(243)	787	73	(14,583)
	145,434	2,990	12,116	(28,147)	(3,623)	128,770

						Consolidated
	December 31, 2014	**Monetary restatements**	**Additions**	**Reversals**	**Payments**	**June 30, 2015**
Civil	21,675	1,103	390	(10,929)	(2,374)	9,865
Labor	54,588	3,141	15,640	(8,734)	(2,394)	62,241
Fiscal and Tax	89,295	1,805	-	(11,982)	-	79,118
Administrative/ other	5,571	526	43	(223)	-	5,917
	171,129	6,575	16,073	(31,868)	(4,768)	157,141
Deposits in Court	(14,351)	(3,311)	(284)	826	172	(16,948)
	156,778	3,264	15,789	(31,042)	(4,596)	140,193

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

Table summarizing the main contingencies:

	Labor / Civil / Administrative and Other		**Fiscal and Tax**		
	Probable	**Possible**	**Probable**	**Possible**	**Total**
Mabesa	5,335	46	9,728	14,499	29,608
Mantecorp	32,433	4,215	-	54,789	91,437
	37,768	4,261	9,728	69,288	121,045

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 combination are estimated at R$ 121,045, of which R$ 31,043 refers to labor lawsuits, R$ 8,590 to civil lawsuits, R$ 79,016 to tax lawsuits and R$ 2,396 refers to administrative, regulatory and other proceedings.

(i) Civil

There are approximately 25 processes, 7 of which resulted from the acquisition of Mabesa and 18 from the acquisition of Mantecorp Indústria Química, where the likelihood of losses in the business combination is estimated at R$ 8,590.

The Medicine Market Regulation Chamber (CMED) applied a fine in the restated amount of R$ 6,079, against Mantecorp, in view of the alleged irregular increase in the prices of Desalex. This fine has been discussed in court. According to the opinion of external legal counsel, the likelihood of loss is probable.

(ii) Labor

There are approximately 213 processes, 64 of which resulted from the acquisition of Mabesa, 90 from the acquisition of Mantecorp Logística and 59 from the acquisition of Mantecorp Indústria Química, with a consolidated loss prognosis estimated at R$ 31,043.

(iii) Fiscal and Tax

There are approximately 337 processes, 148 of which resulted from the acquisition of Mabesa, 29 from the acquisition of Mantecorp Logística and 160 from the acquisition of Mantecorp Indústria Química, with forecasts of loss in the business combination estimated at R$ 79,016.

Mantecorp was questioned by the Brazilian Federal Revenue Department regarding the offsetting made based on an injunction granted in the case records of the process in which the illegitimacy of the inclusion of ICMS in the calculation basis of PIS/COFINS is being discussed. The updated value of possible loss is R$ 17,030, and the process is at the administrative level, with the debt guaranteed by a Letter of Guarantee.

(iv) Administrative / other

There are approximately 42 claims of a regulatory nature, arising from the acquisition of Mantecorp Indústria Química, with a consolidated loss prognosis estimated at R$ 2,396.

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 assessment of the outcome, based on the opinion of legal counsel and legal aspects, do not require the recording of provisions, either because they are classified as possible losses, or because of exclusion of responsibility arising from contractual agreements.

	Parent company		Consolidated	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
	Possible loss	Possible loss	Possible loss	Possible loss
Civil	32,461	29,080	32,765	29,444
Labor	125,842	94,573	249,101	183,903
Fiscal and Tax	80,350	73,511	98,399	89,076
Administrative/other	3,067	3,165	3,764	4,097
	241,720	200,329	384,029	306,520

The Company is in litigation with competitors, where it is discussing the registration of trademarks at the National Institute of Industrial Property (INPI), with no estimable financial contingency at this time.

(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 pharmaceutical industries start to produce drugs, based on Law 5.348/05, which authorizes the sale of drugs in drugstores where the contents of the package can be sold in varying quantities and not only as a complete packet (Hereinafter referred to as "fractionalized drugs".) On September 11, 2013 a decision was handed down upholding the action to order the defendants to produce fractionalized drugs registered with ANVISA (Brazilian Sanitary Surveillance Agency) with this possibility. The Company will file an appeal on the merits of the case. 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 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 Medicines Market Regulation Chamber (CMED). The Public Prosecution Office also required the conviction of laboratories to the payment of collective moral damages in an amount to be determined in Court.

A decision was handed down that dismissed the process and, currently, the Prosecutor has a deadline to file an appeal. The amount involved is inestimable and, according to the opinion of outside counsel, the chance of loss is possible.

The city of Caxias do Sul filed a public civil action against the company and several other laboratories, to oblige them to sell medicines to the Municipality in accordance with the rules of the Medicines Market Regulation Chamber (CMED). The process is in the fact-finding phase. The amount involved is inestimable and, according to the opinion of external legal counsel, the likelihood of loss is possible.

(ii) Labor

The Company and its subsidiaries are parties to legal proceedings in labor cases, which is the responsibility of the Company, its subsidiaries and/or selling partners of the acquired and merged companies , where the possible loss of liability for the Company and/or its subsidiaries is estimated at R$ 249,101 (R$ 183,903 on December 31, 2014).

In these proceedings, subjects such as overtime, wage differentials, compensation due to occupational diseases and/or accidents, health hazard allowances or allowances for hazardous work, and recognition of employment relationships, among other claims are discussed.

69 of these labor proceedings, arise from the acquisition of Laboratório Americano de Farmacoterapia S.A. (Farmasa), which was incorporated by the Company, and present a likelihood of possible loss for the Company in the amount of R$ 5,094 and R$ 149 (R$ 4,943 and R$ 142 on December 31, 2014) arise from the acquisition of Mantecorp Logística Distribuição e Comércio S.A. and Mantecorp Indústria Química e Farmacêutica S.A, which present a likelihood of possible loss for the Company in the amount of R$ 47,860 (R$ 35,291 on

December 31, 2014), where compensation resulting from illnesses or accidents at work, employment relationships and consequent payment of labor charges, wage differentials, overtime and effects and tenure, among other claims, are being discussed.

The Company is the subject of a civil investigation in which the São Paulo Regional Prosecutor's Office of Labor is investigating compliance with the quota of minor apprentices by the Company. This is an investigative procedure in which the Company, at this point, is unable to estimate the amount involved.

Brainfarma Indústria Química e Farmacêutica S.A. (Brainfarma), a wholly-owned subsidiary of the Company figure as an investigated party in a Civil Investigation through which the Regional Labor Attorney of Goiânia is investigating compliance with the rules related to the limitation of working hours of employees of "Brainfarma" in Goiânia, however it is not yet possible to estimate the amounts involved.

Cosmed Indústria de Cosméticos e Medicamentos S.A. (Cosmed), a wholly owned subsidiary of the company, is the subject of a Civil investigation in which the Prosecutor's Office of Labor of Osasco is investigating compliance with the quota for junior apprentices. These are investigative procedures for which, Cosmed at this time is unable to estimate the amounts involved.

Cosmed is defendant in a collective labor claim filed by the Workers' Union of the Chemical, Pharmaceutical, Plastic Material and Alcohol Industries in the State of Goiás, in which the union (i) is requesting the payment of hours in transit and their effects for employees using transport provided by Cosmed, where the possible loss is estimated at R$ 3,436; (ii) is requesting the payment of overtime due to the time the employee is on stand-by, where the possible loss is estimated at R$ 3,714; and (iii) is discussing the payment of additional allowances for night work, where the possible loss is estimated at R$ 6,468. These lawsuits are being heard by the 1st Labor Court of Aparecida de Goiânia and involve workers of the factory in Senador Canedo, State of Goiás. Decisions have not yet been handed down for these court suits.

Cosmed is also a defendant in a collective labor claim filed by the Workers' Union of the Chemical, Pharmaceutical, Plastic Material and Alcohol Industries in the State of Goiás, in which the union, is requesting the payment of extra hours of work due to time spent at the employer`s disposal. This lawsuit is being heard by the 1st Labor Court of Aparecida de Goiânia and the court decision has not yet been published. Cosmed's estimated possible loss in this claim is assessed at R$ 3,602.

c. Contingencies of acquired companies, the responsibility of the former owners - possible and probable:

The Company has no provision for contingencies whose likelihood is a probable and possible loss, in cases that are the responsibility of the former owners.

The State of São Paulo filed a public civil action against the Company to require the payment of compensation for alleged illegal sale of medicines by Mantecorp in 2008. The amount involved was assessed at R$ 139,060 and, according to the opinion of external lawyers, the chance of loss is possible. The process is in the fact-finding phase.

Johnson & Johnson filed a lawsuit against the company Facilit claiming that Fio Dental Sanifill Premium, Fio Extrafino Sanifill Premium and Fita Dental Sanifill Premium violate the exclusive rights arising from patent PI 9805134-2 entitled "dental floss which features improved resistance to fraying and unravelling". The action was considered to have grounds and the calculation of amounts of damages was determined through calculation of the award. In light of this, we changed the estimate of success to Likely and the process is now at the appellate level.

Below, is a summary of the contingencies with likely and possible prognosis, which are responsibility of the former owners:

Company and/or acquired brands	Possible	Likely	Total
Aprov	641	809	1,450
Bitufo	920	227	1,147
Ceil	6,241	1,076	7,317
Cosmed - Pompom	4,895	3,808	8,703
DM	-	38	38
Etti	-	925	925
Facilit	3,589	3,135	6,724
Farmasa	74,631	3,134	77,765
Inal	76	-	76
Luper	333	1,219	1,552
Mabesa	3,801	821	4,622
Mantecorp	139,060	-	139,060
Brainf.-NQ	22,735	14,357	37,092
Ny Looks	2,120	154	2,274
Sapeka	8,573	1,295	9,868
Sul Química	150	1,521	1,671
York	8,945	3,141	12,086
	276,710	35,660	312,370

26 Share capital

a. Share capital

On June 30, 2015, the Company was authorized to increase the 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 at the Extraordinary General Meeting held on January 24, 2011.

The capital on June 30, 2015 is R$ 5,269,272 (on December 31, 2014 - R$ 5,269,124), represented by 632,117,926 common shares (on December 31, 2013 - 632.100.787).

On April 24, 2015, the share capital was increased by R$ 148, through the issuing of 17,139 common shares, with funds obtained from the Stock options program.

b. Treasury shares

There were no changes in the number of treasury shares on June 30, 2015, and the balance of 635 is still the same as in December 31, 2014.

27 Revenue

The reconciliation of gross revenue with net revenue is as follows:

	Parent company			
	Apr 1, 2015 to Jun 30, 2015	**Jan 1, 2015 to Jun 30, 2015**	**Apr 1, 2014 to Jun 30, 2014**	**Jan 1, 2014 to Jun 30, 2014**
Gross revenue of products and services	1,420,728	2,776,570	1,277,585	2,491,250
Returns	(20,594)	(45,647)	(24,717)	(48,651)
Unconditional discounts	(22,378)	(44,274)	(2,342)	(4,562)
Promotional discounts	(29,448)	(57,402)	(30,143)	(55,704)
Taxes	(72,798)	(138,978)	(68,209)	(150,119)
Net revenue	1,275,510	2,490,269	1,152,174	2,232,214

	Consolidated			
	Apr 1, 2015 to Jun 30, 2015	**Jan 1, 2015 to Jun 30, 2015**	**Apr 1, 2014 to Jun 30, 2014**	**Jan 1, 2014 to Jun 30, 2014**
Gross revenue of products and services	1,420,740	2,766,418	1,274,373	2,479,429
Returns	(20,594)	(44,732)	(23,971)	(47,763)
Unconditional discounts	(22,378)	(44,274)	(2,342)	(4,562)
Promotional discounts	(29,448)	(57,402)	(30,143)	(55,704)
Taxes	(92,759)	(176,740)	(85,173)	(179,781)
Net revenue	1,255,561	2,443,270	1,132,744	2,191,619

28 Breakdown of the statement of income accounts

a. Operating expenses and cost of goods sold

	Parent company			
	Apr 1, 2015 to Jun 30, 2015	**Jan 1, 2015 to Jun 30, 2015**	**Apr 1, 2014 to Jun 30, 2014**	**Jan 1, 2014 to Jun 30, 2014**
Cost of goods sold	(577,509)	(1,118,583)	(471,006)	(899,779)
Raw material	(31,748)	(61,127)	(30,386)	(67,926)
Packaging material	(2,952)	(6,504)	(5,805)	(11,116)
Cost of processing	(19,565)	(38,764)	(18,089)	(36,483)
Depreciation and amortization expenses	(1,392)	(3,833)	(4,682)	(9,459)
Resale	(565,266)	(1,084,146)	(416,959)	(778,556)
Changes in inventories/others	43,414	75,791	4,915	3,761
Selling and marketing expenses	(418,685)	(801,716)	(392,837)	(754,922)
Advertisement and Consumer Promotion expenses	(84,638)	(160,750)	(85,305)	(169,469)
Trade Deals	(71,358)	(146,987)	(66,196)	(124,553)
Medical visits, promotions, gifts and samples	(90,514)	(168,227)	(75,678)	(144,340)
Sales force and selling expenses	(120,798)	(227,377)	(115,689)	(220,581)
Freight and insurance on sales	(41,922)	(79,694)	(38,231)	(70,388)
Allowances for doubtful accounts and losses	(5,781)	(10,875)	(7,551)	(17,209)
Depreciation and amortization expenses	(3,674)	(7,806)	(4,187)	(8,382)
General and administrative expenses	(56,035)	(103,899)	(37,287)	(79,466)
Other expenses	(52,889)	(97,519)	(33,808)	(72,408)
Depreciation and amortization expenses	(3,146)	(6,380)	(3,479)	(7,058)

	Consolidated			
	Apr 1, 2015 to Jun 30, 2015	**Jan 1, 2015 to Jun 30, 2015**	**Apr 1, 2014 to Jun 30, 2014**	**Jan 1, 2014 to Jun 30, 2014**
Cost of goods sold	(473,230)	(925,915)	(390,070)	(767,880)
Raw material	(293,097)	(547,987)	(180,607)	(358,731)
Packaging material	(90,958)	(169,891)	(68,302)	(131,047)
Cost of processing	(107,512)	(202,733)	(96,692)	(193,972)
Depreciation and amortization expenses	(9,762)	(19,562)	(11,661)	(23,275)
Resale	(25,249)	(47,452)	(14,193)	(29,628)
Changes in inventories/others	53,348	61,710	(18,615)	(31,227)
Selling and marketing expenses	(445,146)	(847,305)	(411,056)	(792,737)
Advertisement and Consumer Promotion expenses	(82,594)	(156,756)	(83,370)	(167,249)
Trade Deals	(70,923)	(145,136)	(65,271)	(123,184)
Medical visits, promotions, gifts and samples	(87,671)	(162,841)	(74,603)	(141,505)
Sales force and selling expenses	(143,677)	(267,492)	(133,227)	(255,478)
Freight and insurance on sales	(42,049)	(80,016)	(38,603)	(71,851)
Allowances for doubtful accounts and losses	(5,776)	(10,659)	(7,582)	(16,652)
Depreciation and amortization expenses	(12,456)	(24,405)	(8,400)	(16,818)
General and administrative expenses	(68,126)	(131,645)	(61,738)	(119,587)
Other expenses	(64,572)	(124,479)	(57,916)	(111,857)
Depreciation and amortization expenses	(3,554)	(7,166)	(3,822)	(7,730)

b. Other operating (expenses) income, net

	Parent company			
	Apr 1, 2015 to Jun 30, 2015	**Jan 1, 2015 to Jun 30, 2015**	**Apr 1, 2014 to Jun 30, 2014**	**Jan 1, 2014 to Jun 30, 2014**
Tax revenues and others	2,729	4,707	8,991	24,578
Expenditures on operational restructuring	(8,877)	(26,796)	(12,449)	(28,998)
Losses on products and inputs	(20,587)	(52,136)	(18,028)	(39,835)
Sporadic gains /(losses) and others	(4,603)	10,054	7,344	12,367
	(31,338)	(64,171)	(14,142)	(31,888)

	Consolidated			
	Apr 1, 2015 to Jun 30, 2015	**Jan 1, 2015 to Jun 30, 2015**	**Apr 1, 2014 to Jun 30, 2014**	**Jan 1, 2014 to Jun 30, 2014**
Tax revenues and others	4,176	8,103	15,617	33,815
Expenditures on operational restructuring	(17,929)	(45,922)	(27,275)	(49,755)
Losses on products and inputs	(17,144)	(45,548)	(14,872)	(36,120)
Sporadic gains /(losses) and others	(3,097)	10,563	1,930	4,945
	(33,994)	(72,804)	(24,600)	(47,115)

c. Financial income

	Parent company			
	Apr 1, 2015 to Jun 30, 2015	**Jan 1, 2015 to Jun 30, 2015**	**Apr 1, 2014 to Jun 30, 2014**	**Jan 1, 2014 to Jun 30, 2014**
Interest received	11,571	15,348	6,550	11,682
Income from financial investments and others	25,000	52,805	33,025	49,715
	36,571	68,153	39,575	61,397

	Consolidated			
	Apr 1, 2015 to Jun 30, 2015	**Jan 1, 2015 to Jun 30, 2015**	**Apr 1, 2014 to Jun 30, 2014**	**Jan 1, 2014 to Jun 30, 2014**
Interest received	12,995	17,508	6,793	12,194
Income from financial investments and others	42,227	83,584	37,677	66,666
	55,222	101,092	44,470	78,860

d. Financial expenses

	Parent company			
	Apr 1, 2015 to Jun 30, 2015	**Jan 1, 2015 to Jun 30, 2015**	**Apr 1, 2014 to Jun 30, 2014**	**Jan 1, 2014 to Jun 30, 2014**
Interest on financing	(3,381)	(6,410)	(496)	(943)
Interest on loans	(37,171)	(64,085)	(28,567)	(56,895)
Interest on notes payable	(1,967)	(3,719)	(2,850)	(6,473)
Monetary restatement on contingencies	(2,413)	(5,812)	(3,513)	(7,282)
Refis (Financing of tax liabilities)	(1,703)	(3,490)	(3,163)	(6,467)
Debentures	(85,340)	(177,269)	(70,738)	(141,387)
Interest and commission on letter of guarantee	(690)	(1,599)	(672)	(1,344)
Bank expenses, discounts granted and others	(3,791)	(6,014)	(1,570)	(1,960)
Cost of hedge and exchange variation on loans	(13,644)	(32,834)	(18,628)	(33,851)
Cost of hedge and exchange variation on acquisition of company	-	-	(825)	(1,181)
Cost of hedge and exchange variation on suppliers and clients	1,831	956	(3,077)	(6,312)
Other	(7,164)	(13,559)	(2,886)	(7,350)
	(155,433)	(313,835)	(136,985)	(271,445)
Reversals of adjustment to present value	(5,330)	(10,437)	(5,577)	(10,948)
	(160,763)	(324,272)	(142,562)	(282,393)

	Consolidated			
	Apr 1, 2015 to Jun 30, 2015	**Jan 1, 2015 to Jun 30, 2015**	**Apr 1, 2014 to Jun 30, 2014**	**Jan 1, 2014 to Jun 30, 2014**
Interest on financing	(8,499)	(16,255)	(2,180)	(4,585)
Interest on loans	(35,642)	(61,549)	(29,283)	(55,181)
Interest on notes payable	(1,967)	(3,719)	(2,850)	(6,473)
Monetary restatement on contingencies	(2,785)	(6,575)	(3,589)	(7,326)
Refis (Financing of tax liabilities)	(1,715)	(3,511)	(3,552)	(7,239)
Debentures	(81,800)	(170,253)	(66,464)	(137,113)
Interest and commission on letter of guarantee	(794)	(1,841)	(712)	(1,471)
Bank expenses, discounts granted and others	(4,115)	(6,470)	(1,699)	(2,327)
Cost of hedge and exchange variation on loans	(13,644)	(32,834)	(18,628)	(33,851)
Cost of hedge and exchange variation on acquisition of company	-	-	(825)	(1,181)
Cost of hedge and exchange variation on suppliers and clients	2,105	(11,964)	(5,410)	(12,738)
Other	(9,855)	(16,594)	(2,870)	(5,455)
	(158,711)	(331,565)	(138,062)	(274,940)
Reversals of adjustment to present value	(5,330)	(10,437)	(5,621)	(11,036)
	(164,041)	(342,002)	(143,683)	(285,976)

29 Segment information

Management has determined the Company's operating segments, based on the reports used for strategic decision making, reviewed by the Chief Executive Officer (CEO).

The President (CEO) also analyzes the business from the perspective of business segments. The defined segments are: Pharma and Consumer.

The income generated by the reporting operating segments arises mainly from the manufacture and sale of Pharmaceuticals and hygiene & beauty products.

As disclosed on May 7, 2015, the company hired investment banking advice to analyze strategic alternatives for its Disposable Products business, mainly composed of the infant and incontinence diapersportfolio. It is the company's understanding that the strategic alternatives under analysis will be able to optimize its performance in the markets-focus of health and well-being, as well as allow a better understanding of the value of the company's different businesses and, consequently, the value of the Company as a whole. The strategic alternatives under analysis may include business associations, segregation or disposal of assets, adopting the option that turns out to be strategically more appropriate to the interests of the company and its shareholders.

The consolidated information per business segment , reviewed by the CEO and corresponding to the periods ended June 30, 2015 and 2014 are as follows:

	Consolidated					
	Apr 1, 2015 to Jun 30, 2015			Jan 1, 2015 to Jun 30, 2015		
	Pharma	**Consumer**	**Total**	**Pharma**	**Consumer**	**Total**
Net sales	695,553	560,008	1,255,561	1,369,337	1,073,933	2,443,270
Cost of goods sold	(157,265)	(315,965)	(473,230)	(314,079)	(611,836)	(925,915)
Gross profit	538,288	244,043	782,331	1,055,258	462,097	1,517,355

	Consolidated					
	Apr 1, 2014 to Jun 30, 2014			Jan 1, 2014 to Jun 30, 2014		
	Pharma	**Consumer**	**Total**	**Pharma**	**Consumer**	**Total**
Net sales	645,644	487,100	1,132,744	1,257,619	934,000	2,191,619
Cost of goods sold	(142,135)	(247,935)	(390,070)	(295,778)	(472,102)	(767,880)
Gross profit	503,509	239,165	742,674	961,841	461,898	1,423,739

The consolidated assets per business segment are as follows:

	June 30, 2015	**December 31, 2014**
Pharma	6,507,391	6,349,464
Consumer	4,495,448	4,308,577
Unallocated (*)	3,258,010	3,229,650
	14,260,849	13,887,691

(*) Substantially cash and cash equivalents, taxes and others.

30 Insurance coverage

The insurance policy takes into consideration mainly the concentration of risks, their relevance and the replacement value of the assets. The main information on the current insurance coverage, according to the insurance policies, is presented below:

	Parent company	Consolidated
Fire, IDT, lightning and explosions of any nature	357,100	1,324,440
Change in values at risk	100,000	300,000
Other Coverage	51,499	167,699

31 Transactions with related parties

Transactions and balances

The main asset and liability balances as well as transactions between related parties that influenced the results for the period arise from transactions with the Company and its subsidiaries, which management considers to have been conducted under normal market conditions and within normal time frames for the respective types of transactions.

Loans with related parties are restated by the variation of the CDI plus a spread and the term is one year.

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

Business transactions for purchase and sale of products, raw materials, contracting services and rents, as well as financial loan transactions and fund raising between companies of the group are presented as follows:

- The rental agreement with TV Serra Dourada Ltda. is corrected by the IGPM-FGV, the maturity is indetermined.
- The rent agreement with Brainfarma Indústria Química Farmacêutica S.A. is inflation adjusted by the IGPM - FGV and the date of maturity is May 1, 2016, which may be extended according to the desire of the parties.

a. In assets and liabilities

	Parent company									
	June 30, 2015									
	Cosmed Indústria de Cosméticos e Medicamentos S.A.	My - Agência Propaganda Ltda.	Brainfarma Ind. Quim. e Farmacêutica S.A.	Neolatina Comércio e Ind. Farmacêutica Ltda.	Savoy Industria Cosméticos S.A.	Embalagens Allbox Ltda.	Macro Etiquetas e Rótulos Adesivos Ltda	Gráfica e Editora Faberprint Ltda	Indústria Farmacêutica Melcon do Brasil S.A.	Total
Accounts receivables	-		2,314	-	-	-	-	-	-	2,314
Other receivables	-	-	-	36	-	-	-	-	-	36
Dividends receivable	19,396	-	14,589	-	-	-	-	-	-	33,985
Loans	-	-	199	83	-	-	-	-	-	282
Suppliers	(135,121)	-	(111,458)	-	-	-	(20)	-	-	(246,599)
Other amounts payable	(2,583)	(7)	(4,417)	-	-	-	-	-	-	(7,007)
Loans	(406)	-	-	-	-	-	-	-	-	(406)

	Consolidated								
	June 30, 2015								
	Cosmed Indústria de Cosméticos e Medicamentos S.A.	My - Agência Propaganda Ltda.	Brainfarma Ind. Quim. e Farmacêutica S.A.	Neolatina Comércio e Ind. Farmacêutica Ltda.	Embalagens Allbox Ltda.	Macro Etiquetas e Rótulos Adesivos Ltda	Gráfica e Editora Faberprint Ltda	Indústria Famracêutica Melcon do Brasil S.A.	Total
Accounts payable to suppliers	-	-	-	-	(5,814)	(747)	(2,481)	(226)	(9,268)

	Parent company								
									Dec 31, 2014
	Cosmed Indústria de Cosméticos e Medicamentos S.A.	**My - Agência Propaganda Ltda.**	**Brainfarma Ind. Quim. e Farmacêutica S.A.**	**Neolatina Comércio e Ind. Farmacêutica Ltda.**	**Embalagens Allbox Ltda.**	**Macro Etiquetas e Rótulos Adesivos Ltda**	**Gráfica e Editora Faberprint Ltda**	**Indústria Famracêutica Melcon do Brasil S.A.**	**Total**
Accounts receivables	-	-	1,855	-	-	-	-	-	1,855
Proposed dividends receivable	15,038	-	20,205	-	-	-	-	-	35,243
Other receivables	4,760	16	-	36	-	-	-	-	4,812
Loans	123	-	61	78	-	-	-	-	262
Accounts payable to suppliers	(113,375)	-	(77,225)	-	-	(7)	(414)	-	(191,021)
Other amounts payable	-	-	(38,047)	-	-	-	-	-	(38,047)

	Consolidated								
									Dec 31, 2014
	Cosmed Indústria de Cosméticos e Medicamentos S.A.	**My - Agência Propaganda Ltda.**	**Brainfarma Ind. Quim. e Farmacêutica S.A.**	**Neolatina Comércio e Ind. Farmacêutica Ltda.**	**Embalagens Allbox Ltda.**	**Macro Etiquetas e Rótulos Adesivos Ltda**	**Gráfica e Editora Faberprint Ltda**	**Indústria Farmacêutica Melcon do Brasil S.A.**	**Total**
Accounts payable to suppliers	-	-	-	-	(4,811)	(640)	(3,442)	(850)	(9,743)

b. In the results for the period

	Parent company										
	June 30, 2015										
	Cosmed Indústria de Cosméticos e Medicamentos S.A.	My - Agência Propaganda Ltda.	TV Serra Dourada Ltda.	Brainfarma Ind. Quim. e Farmacêutica S.A.	Neolatina Comércio e Ind. Farmacêutica Ltda.	Embalagens Allbox Ltda.	Macro Etiquetas e Rótulos Adesivos Ltda	Gráfica e Editora Faberprint Ltda	Universo Online S.A.	Indústria Famracêutica Melcondo Brasil S.A.	Total
Transactions	(781,629)	-	-	(429,457)	-	-	(38)	(414)	-	-	(1,211,538)
Sales of goods/products	-		-	10,501	-	-	-	-	-	-	10,501
Purchases of goods/products	(781,629)	-	-	(439,958)	-	-	(38)	(414)	-	-	(1,222,039)
Other expenses/income	-	(4,800)	(9,130)	(1,128)	-	-	-	-	(1,549)	-	(16,607)
Advertising	-	(4,800)	(9,130)	-	-	-	-	-	-	-	(13,930)
Rents	-	-	-	(1,128)	-	-	-	-	-	-	(1,128)
Services provided	-	-	-	-	-	-	-	-	(1,549)	-	(1,549)
Interest on loan	(13)	-	-	(1)	5	-	-	-	-	-	(9)
Financial expenses	(13)	-	-	(1)	-	-	-	-	-	-	(14)
Financial income	-	-	-	-	5	-	-	-	-	-	5

	Consolidated										
	June 30, 2015										
	Cosmed Indústria de Cosméticos e Medicamentos S.A.	My - Agência Propaganda Ltda.	TV Serra Dourada Ltda.	Brainfarma Ind. Quim. e Farmacêutica S.A.	Embalagens Allbox Ltda.	ICF Instituto de Ciências Farmacêuticas Ltda	Macro Etiquetas e Rótulos Adesivos Ltda	Gráfica e Editora Faberprint Ltda	Universo Online S.A.	Indústria Famracêutica Melcon do Brasil S.A.	Total
Transactions	-	-	-	-	(15,782)	-	(2,064)	(7,578)	-	(1,868)	(27,292)
Purchases of goods / products / raw material	-	-	-	-	(15,782)	-	(2,064)	(7,578)	-	(1,868)	(27,292)
Other expenses/income	-	-	(9,398)	(1,128)	-	(329)	-	-	(1,549)	-	(12,404)
Advertising	-	-	(9,130)	-	-	-	-	-	-	-	(9,130)
Rents	-	-	(268)	(1,128)	-	-	-	-	-	-	(1,396)
Services provided	-	-	-	-	-	(329)	-	-	(1,549)	-	(1,878)

	Parent company								
	June 30, 2014								
	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 Ind. Quim. e Farmacêutica S.A.	Embalagens Allbox Ltda.	ICF Instituto de Ciências Farmacêuticas Ltda	Universo Online S.A.	Total
Transactions	(503,940)	(2,850)	-	-	(346,397)	-	-	-	(853,187)
Sales of goods/products	4,891	-	-	-	6,278	-	-	-	11,169
Purchases of goods/products	(508,831)	(2,850)	-	-	(352,675)	-	-	-	(864,356)
Other expenses/income	-	(2,850)	(6,685)	(480)	(658)	-	-	(134)	(10,807)
Advertising	-	(2,850)	(6,474)		-	-	-	-	(9,324)
Rents	-	-	(211)	(480)	(658)	-	-	-	(1,349)
Services provided	-	-	-	-	-	-	-	(134)	(134)
Interest on loan	(21)	-	-	(3)	18	-	-	-	(6)
Financial expenses	-	-	-	-	-	-	-	-	-
Financial income	(21)	-	-	(3)	18	-	-	-	(6)

	Consolidated								
	June 30, 2014								
	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 Ind. Quim. e Farmacêutica S.A.	Embalagens Allbox Ltda.	ICF Instituto de Ciências Farmacêuticas Ltda	Universo Online S.A.	Total
Transactions	-	-	-	-	-	17,050	-	-	17,050
Purchases of goods / products / raw material	-	-	-	-	-	17,050	-	-	17,050
Other expenses/income	-	-	(6,685)	(480)	(658)	-	(596)	(134)	(8,553)
Advertising	-	-	(6,474)	-	-	-	-	-	(6,474)
Rents	-	-	(211)	(480)	(658)	-	-	-	(1,349)
Services provided	-	-	-	-	-	-	(596)	(134)	(730)

c. Key management compensation

The key management personnel comprise the board members and directors and members of the executive committees. The remuneration paid or payable to key management personnel is as follows:

	Parent company		Consolidated	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Salaries and other short term benefits	36,000	26,521	44,225	32,701
Board members' fees	613	518	649	561
Share-based payments	873	2,765	2,398	3,366
	37,486	29,804	47,272	36,628

32 Subsequent Events

New loan USD 50 million

On July 15, 2015 the Bank of Tokyo-Mitsubishi UFJ LTD disbursed a type 4131 loan, taken out on March 6, 2015, in the amount of USD 50 million, with payments of quarterly interest and settlement of the principal on March 6, 2018, at an interest rate of 3.2% p.a. At the same time, a swap was contracted, so that the cost of the transaction operation is 104.5% of CDI on a 252 day basis.

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