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3rd Quarter 2011

Results Presentation | November 2011

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.

To ensure more accurate comparative analysis of the evolution of our consolidated results, we have decided to submit additional supplementary information with consolidated management financial data for the quarter ended September 30, 2010, retroactively applying the consolidation of results from Sapeka, Sanifill, Luper, York, Bitufo, Mantecorp, Mabesa, Rx Medley and Perfex brands, as if these acquisitions had occurred on January 1st, 2010, since our consolidated results for the quarter ended September 30, 2010 are not directly comparable with our consolidated results for the quarter ended September30, 2011 shown in this announcement.

Our consolidated management financial data ("Reference Base") have not been audited or subjected to special revision by our independent auditors, and should be taken merely as an aid to understand the historical evolution of our earnings.

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

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

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Agenda:

- Highlights
- Results

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Agenda:

Highlights

Hypermarcas Business Development Timeline

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	Industry Consolidation	Transition Period (Integration)	Sustainable Profitable Growth
Year	**2007 - 2010**	**2011**	**2012 onwards**
Focus	• Consolidation of pharma and personal care markets • Acquisition of best available companies ("Jewels of the Crown") • 23 transactions	○ **Focus on cash flow generation** ○ **Many integration fronts** • SG&A reductions • System transitions • Plant Consolidations • Mantecorp integration • Organizational restructuring • Productivity challenges ○ **Sales function integrations** • Consolidation of Sales Team • Standardization of Commercial Policy	• Strong competitive position • Solid growing demand for company products and brands • Profitability improvement: many costs reduction initiatives implemented • Strong cash flow generation • Focused organization • Extensive pipeline of new products • Benefits from potential deregulation

Sales Function Integration Process

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2010 and before: Maintained Original Teams

- Maintained original sales teams from acquired companies independent
- Kept original commercial policies
- 2010 “market euphoria”

2011: Integration

- Merged many sales teams at the same time
- Standardized commercial policies
- Price increases due to inflation
- Sharp deceleration of market conditions

2H11: Accelerated integration process to finalize in 2011

- Sales function integrations has been more challenging than expected
- Higher levels of inventories at clients than anticipated
- Clients’ risk aversion increased along the year

3Q11 Results Overview

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3Q11 Results

- Below expectations in sales and profitability …
- … but above expectations in Operating Cash Flow

Main Reasons

- Company accelerated the destocking process at high value businesses, such as OTC, RX and Cosmetics
- Given their high profitability, EBITDA level was materially impacted
- This process should end in 2011

Prospects for 2012 onwards

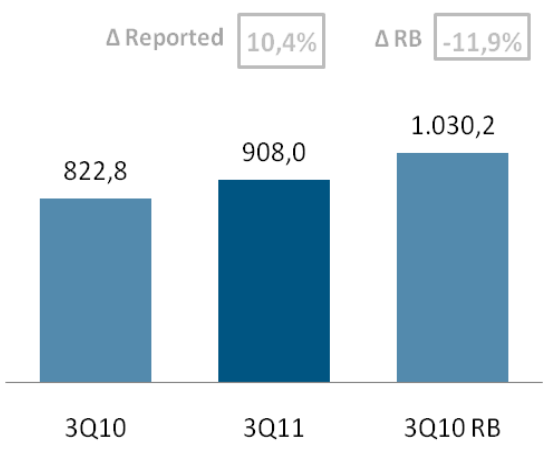
- Organic sales should normalize
- Profitability should improve due to many cost cutting initiatives
- Productivity gains from new implemented infrastructure

3Q11 Results Summary

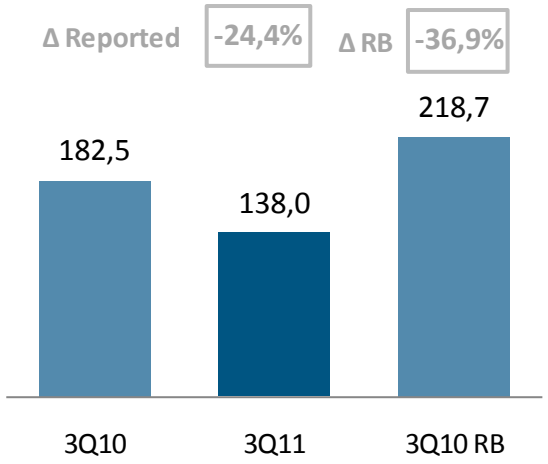
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Below expectations in…

Sales
(Net Sales; R$ mm)

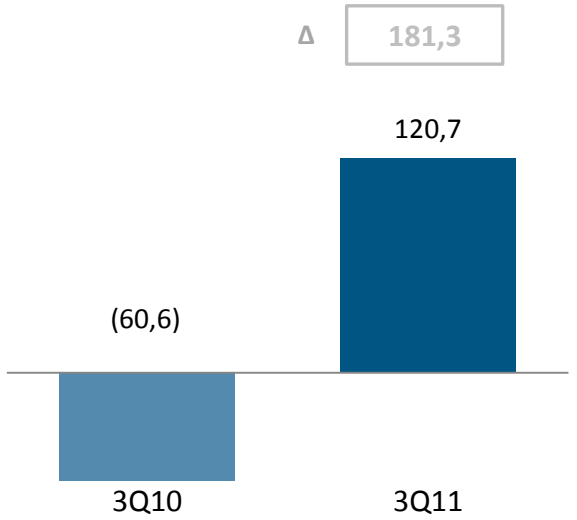


Profitability
(EBITDA; R$ mm)



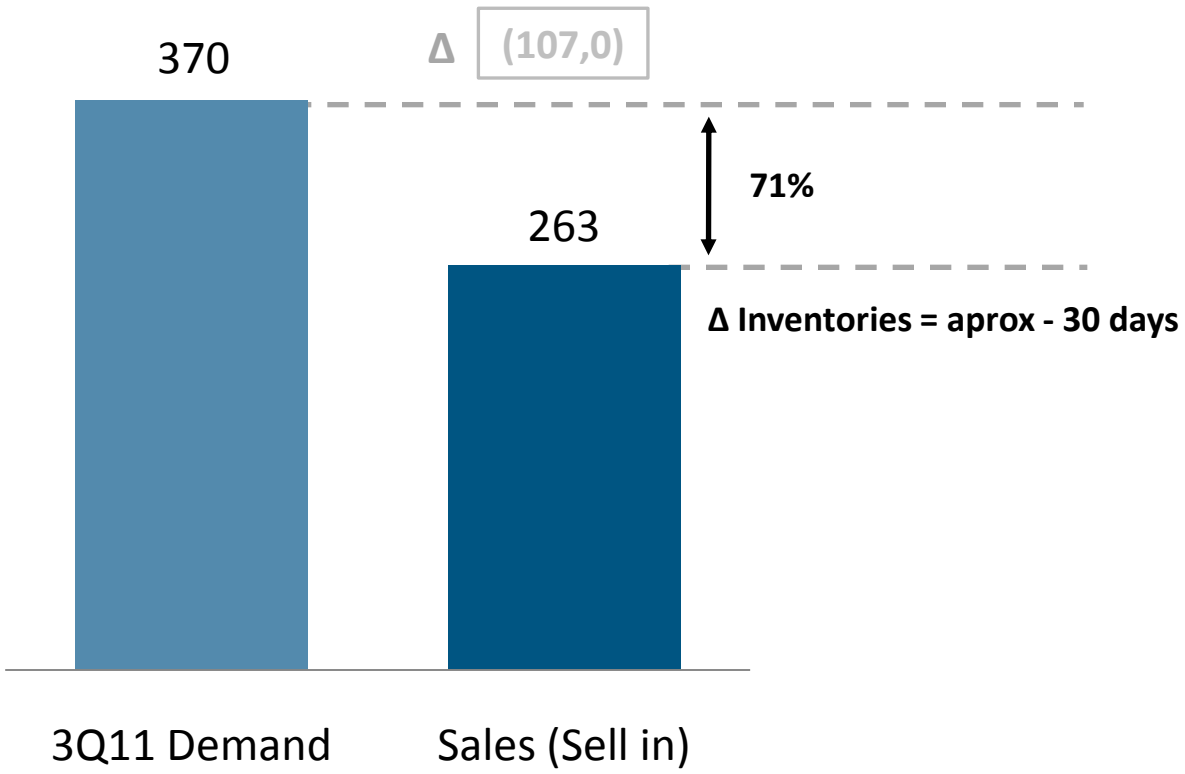
But above in …

Operating Cash Flow
(R$ mm)



Major Reason I: Destocking in High Value Pharma

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- High value pharma markets:
  - DM (OTC)
  - Farmasa (OTC/RX)
  - Mantecorp
- Material impact on EBITDA
- Better terms, lower discounts and better distribution

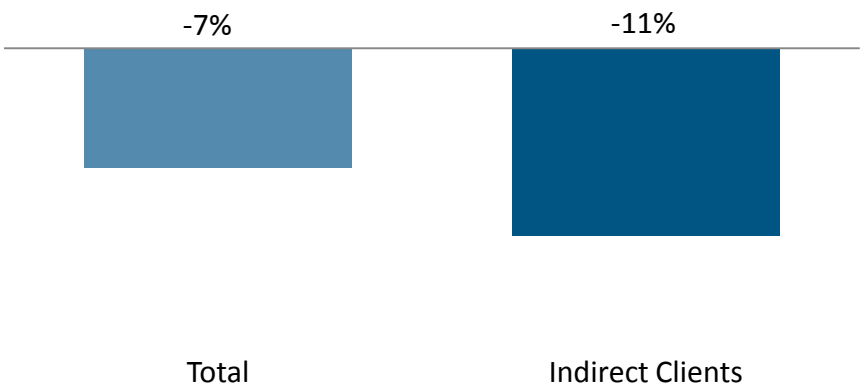
Note: Estimated based on IMS Health data

Major Reason II: Destocking in Personal Care

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Personal Care Sales Growth

Net Sales 9M11 vs 9M10 RB



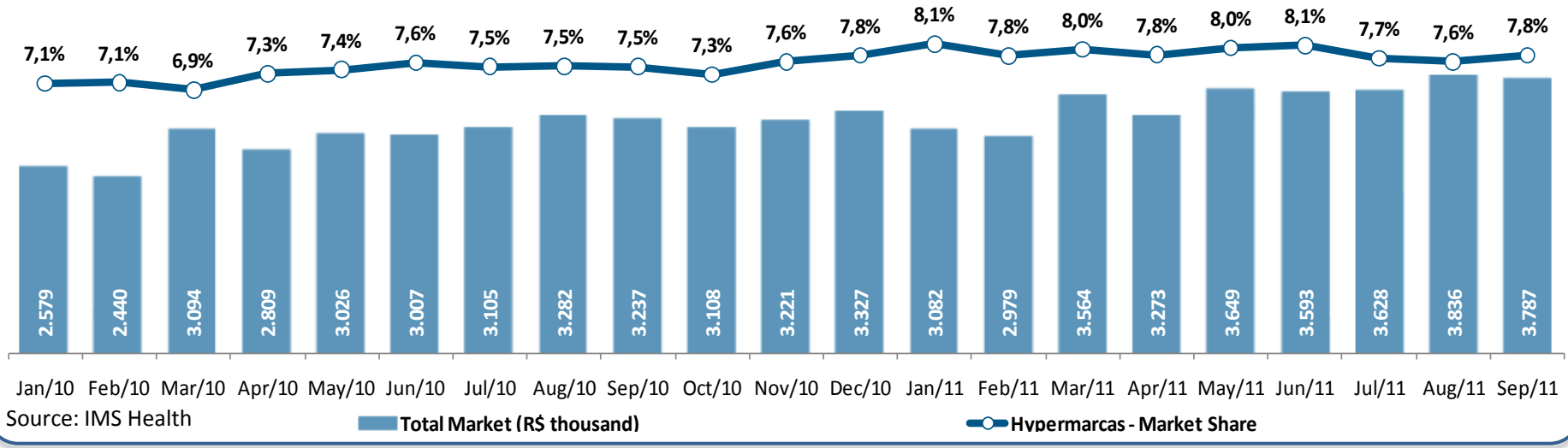
Results already achieved

- Reduced sales terms
- Reduced trade discounts
- Rebounded direct sales to retail
- Improved supply chain balance
- Improved Logistics

Market size and market share per Division

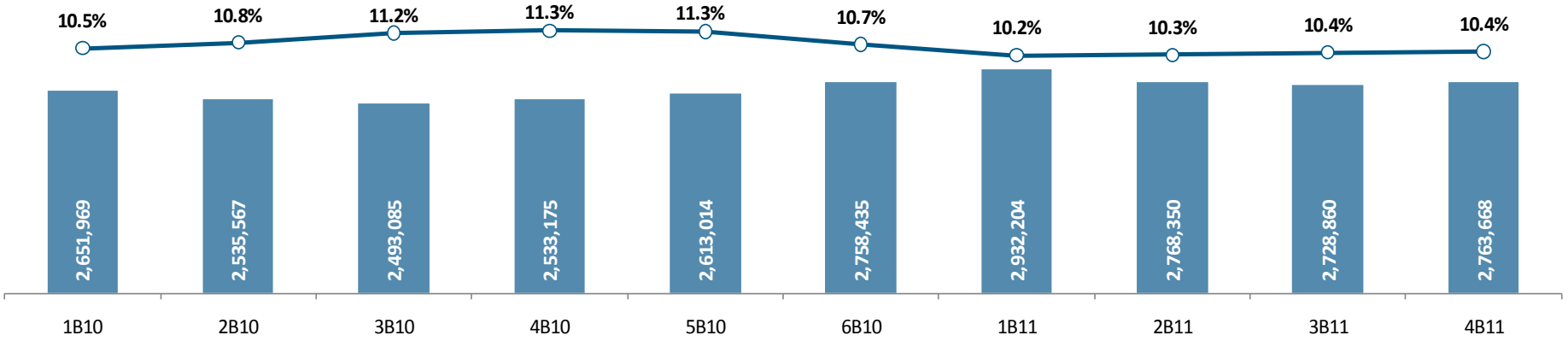
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Pharma



Source: IMS Health

Consumer (Ex Home Care & Food)



Source: A.C. Nielsen

Good prospects for 2012 onwards

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		Organic sales	Costs
Pharma Division	**High value categories:** • OTC • OTX • RX	• No need for destocking (sell demand) • Market growth of aprox. 10% • Deregulation of OTC • Benefits of new POS Sales Team • Benefits of new medical reps team • Product launches	• Project Magnum completed (total savings of aprox. R$55 million)
	Generics/ Similars	• Market growth in excess of 25% • Neo Química Brand gaining share • Extensive pipeline of new products • Benefits of new dedicated sales team for generics	• "Full year" benefits of lower cost and lower sales taxes • Improved logistics

Good prospects for 2012 onwards

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		Organic sales	Costs
Consumer Division	**Cosmetics and Toiletries (HB)**	• Market rebound with increase in purchasing power • Increased direct access to retail clients • Improved POS management • Exercise category management in leading markets (~70%) • Continued innovations and relaunch of brands	• Project Matrix in progress (estimated savings of R$230 mm to be captured during 2012-2014)
	Disposable products (DPP)	• Cross-regional / channel brand penetration • Improved price management • New product launches	• "Half year" benefits of lower costs and lower sales taxes • Improved Logistics

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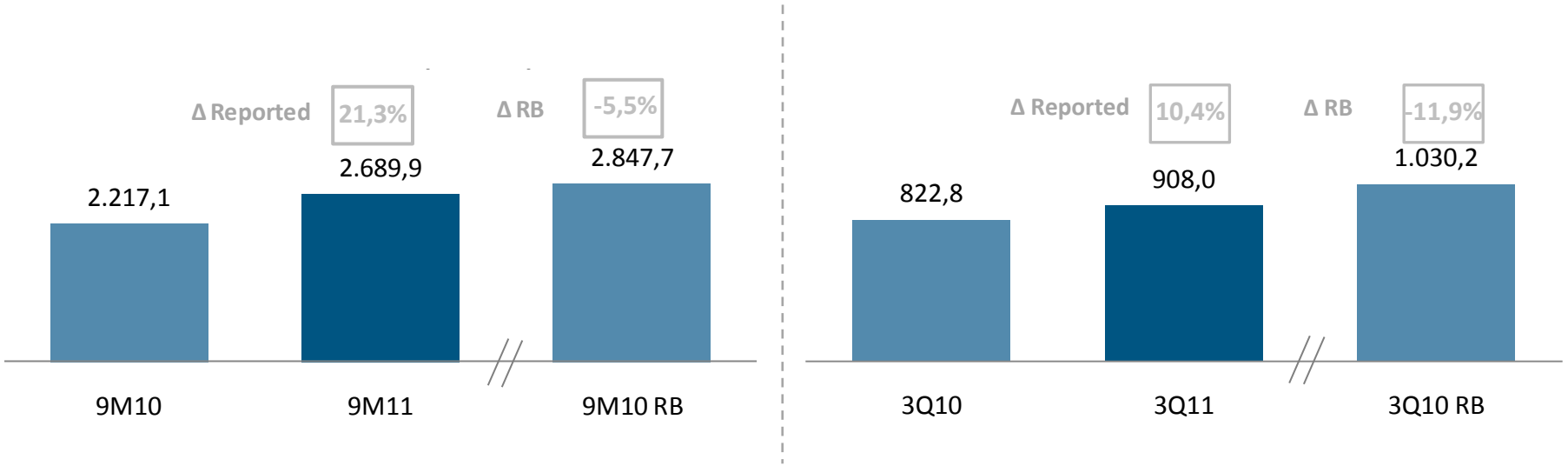
Agenda:

Financial Results

Net Revenue

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Net Revenue
(R$ mm)



- Expansion of the macroeconomic impacts across the economy and also in our indirect channel customers

- Acceleration of customer destocking

Net Revenue per BU

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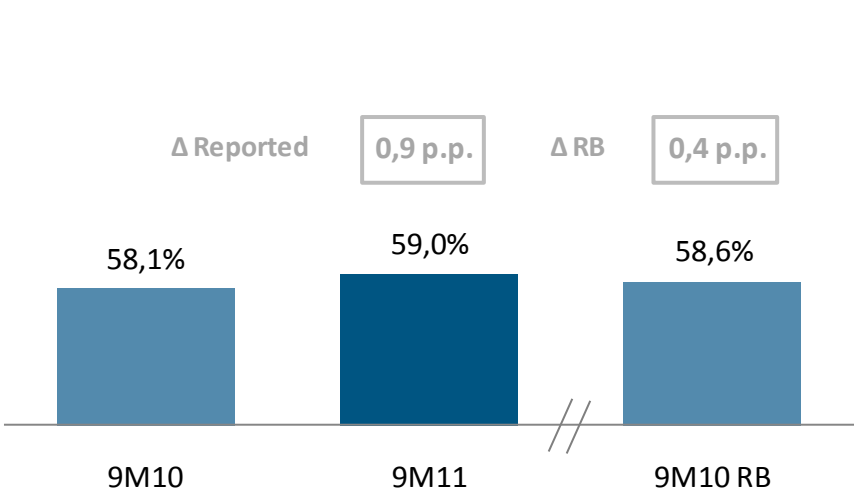
R$ million	9M10		9M11		Δ	9M10 RB [1]		Δ RB
Pharma	1.060,5	47,8%	1.396,3	51,9%	*31,7%*	1.426,3	50,1%	*-2,1%*
Personal Care	901,1	40,6%	1.086,5	40,4%	*20,6%*	1.165,8	40,9%	*-6,8%*
Home Care and Food	255,6	11,5%	207,1	7,7%	*-19,0%*	255,6	9,0%	*-19,0%*
Total	**2.217,1**	**100,0%**	**2.689,9**	**100,0%**	***21,3%***	**2.847,7**	**100,0%**	***-5,5%***

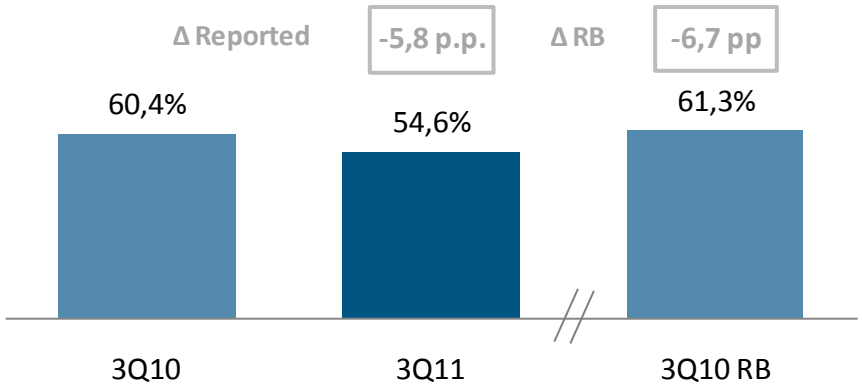
R$ million	3Q10		3Q11		Δ	3Q10 RB [1]		Δ RB
Pharma	358,5	43,6%	435,7	48,0%	*21,5%*	490,7	47,6%	*-11,2%*
Personal Care	378,9	46,0%	397,1	43,7%	*4,8%*	454,2	44,1%	*-12,6%*
Home Care and Food	85,4	10,4%	75,2	8,3%	*-11,9%*	85,4	8,3%	*-11,9%*
Total	**822,8**	**100,0%**	**908,0**	**100,0%**	***10,4%***	**1.030,2**	**100,0%**	***-11,9%***

Gross Margin

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Gross Margin
(%)





- Fall of 6.7 pp of 3Q11 x 3Q10RB is explained by 1.6 pp of mix effect and 5.1 pp of margin effect
- 3Q10 is a strong comparation basis.
- Slight margin gain when considering 9M11 x 9M10RB

Gross Margin per BU

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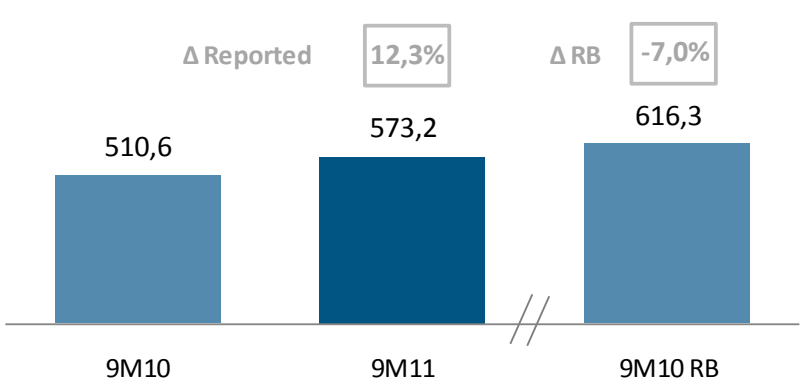
% margin	9M10		9M11		Δ	9M10 RB [1]		Δ RB
Pharma	709,7	66,9%	1.012,3	72,5%	*5,6 p.p.*	983,5	69,0%	*3,5 p.p.*
Personal Care	471,9	52,4%	508,3	46,8%	*-5,6 p.p.*	577,5	49,5%	*-2,8 p.p.*
Home Care and Food	106,8	41,8%	66,8	32,3%	*-9,5 p.p.*	106,8	41,8%	*-9,5 p.p.*
Total	**1.288,4**	**58,1%**	**1.587,4**	**59,0%**	***0,9 p.p.***	**1.667,8**	**58,6%**	***0,4 p.p.***

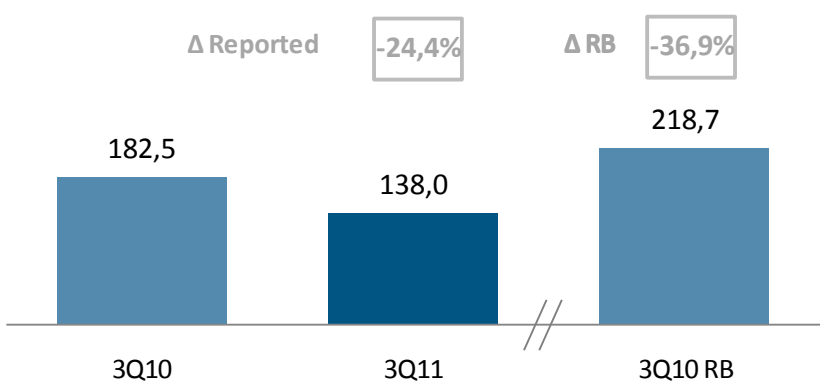
% margin	3Q10		3Q11		Δ	3Q10 RB [1]		Δ RB
Pharma	242,0	67,5%	299,6	68,8%	*1,3 p.p.*	345,5	70,4%	*-1,7 p.p.*
Personal Care	219,0	57,8%	171,4	43,2%	*-14,6 p.p.*	249,6	55,0%	*-11,8 p.p.*
Home Care and Food	36,0	42,2%	24,4	32,5%	*-9,7 p.p.*	36,0	42,2%	*-9,7 p.p.*
Total	**497,1**	**60,4%**	**495,4**	**54,6%**	***-5,8 p.p.***	**631,1**	**61,3%**	***-6,7 p.p.***

EBITDA

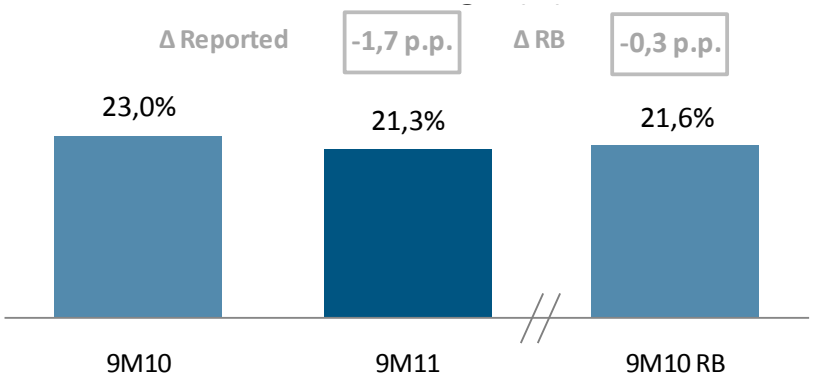
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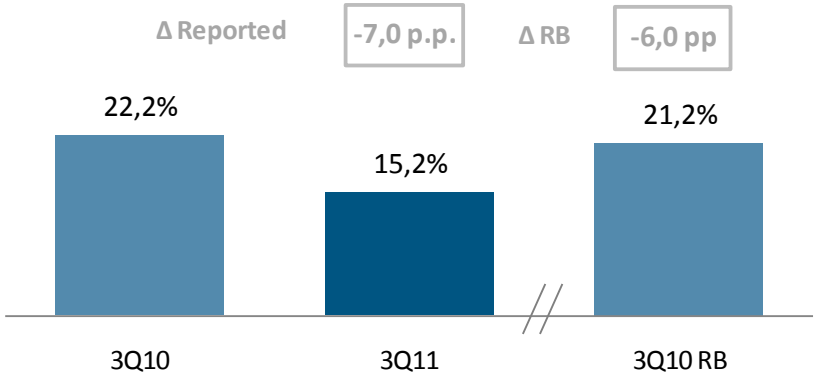
R$ mm





Margin (%)

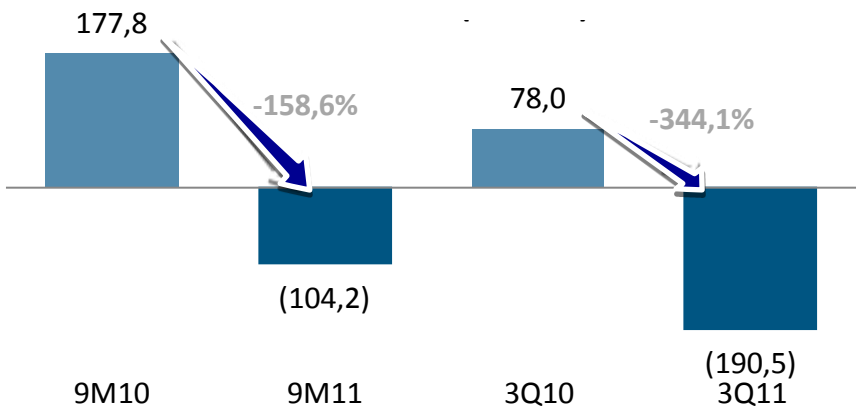




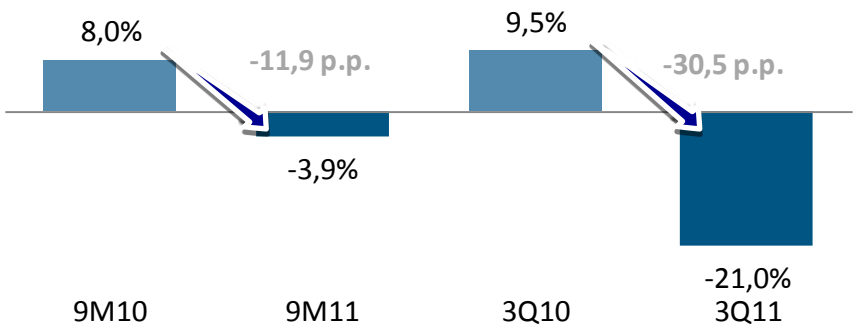
Net Income

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Net Income
(R$ mm)



Net Income
(%)

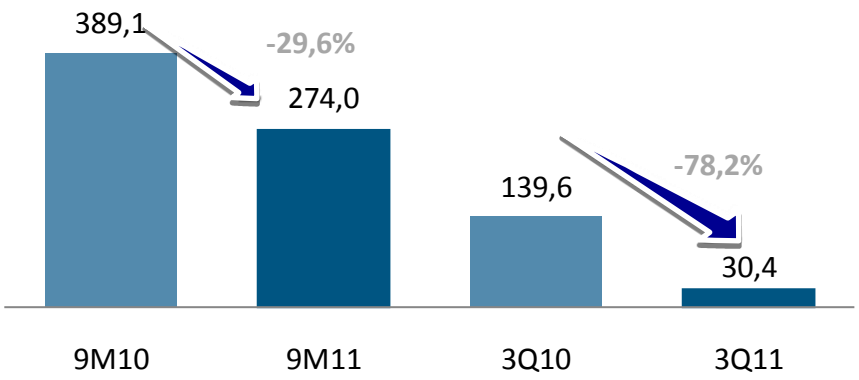


- 3T11 net impact of R$158.0 million due to foreign exchange variation and R$36.1 million due to non-recurring expenses
- 9M11 net impact of R$138.8 million due to foreign exchange variation and R$73.7 million due to non-recurring expenses
- Strong rise in interest expenses due to increased debt

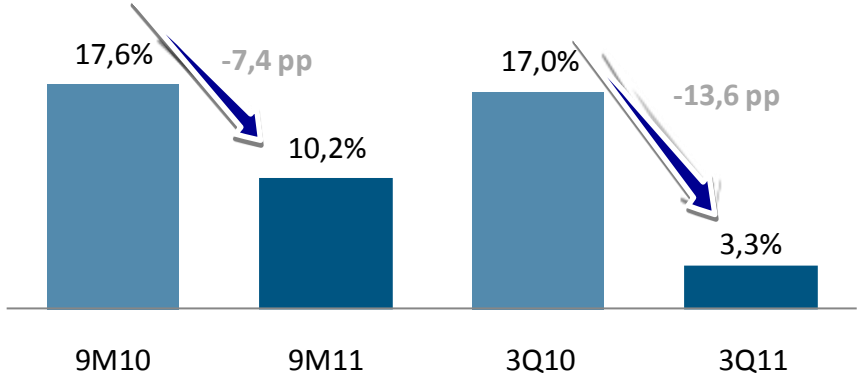
Cash Earnings

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Cash Earnings
(R$ mm)



Cash Earnings
(%)



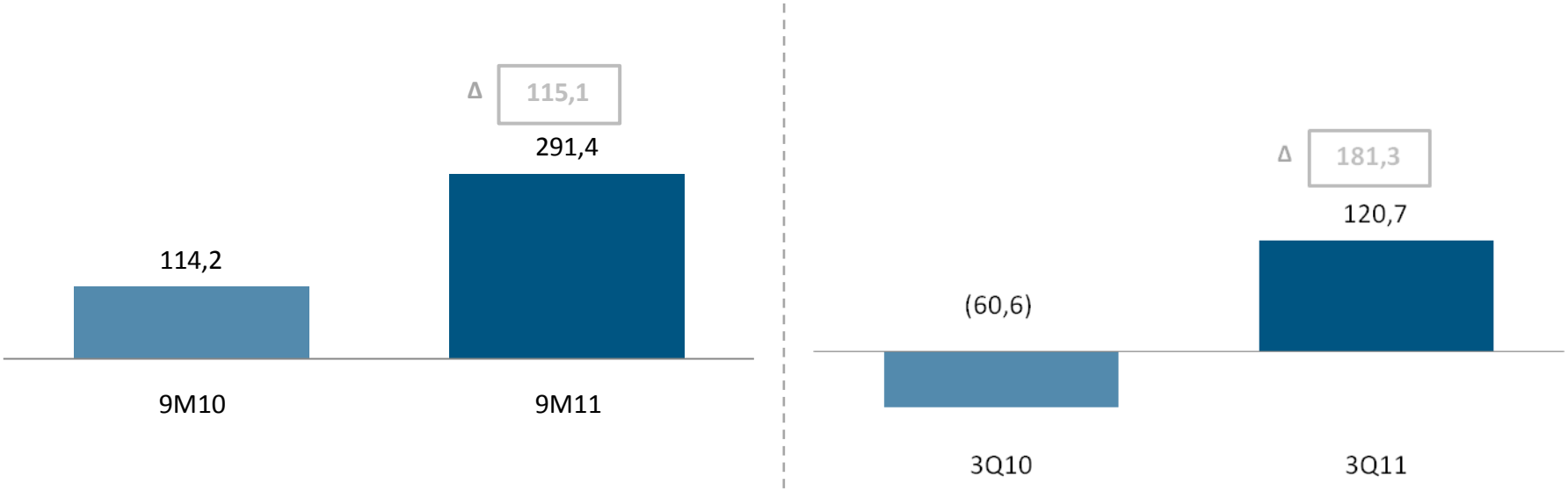
- Reductions in the 3T11 and 9M11 are explained by the EBITDA reduction combined with increased interest expense

Operating Cash Flow

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Operating Cash Flow

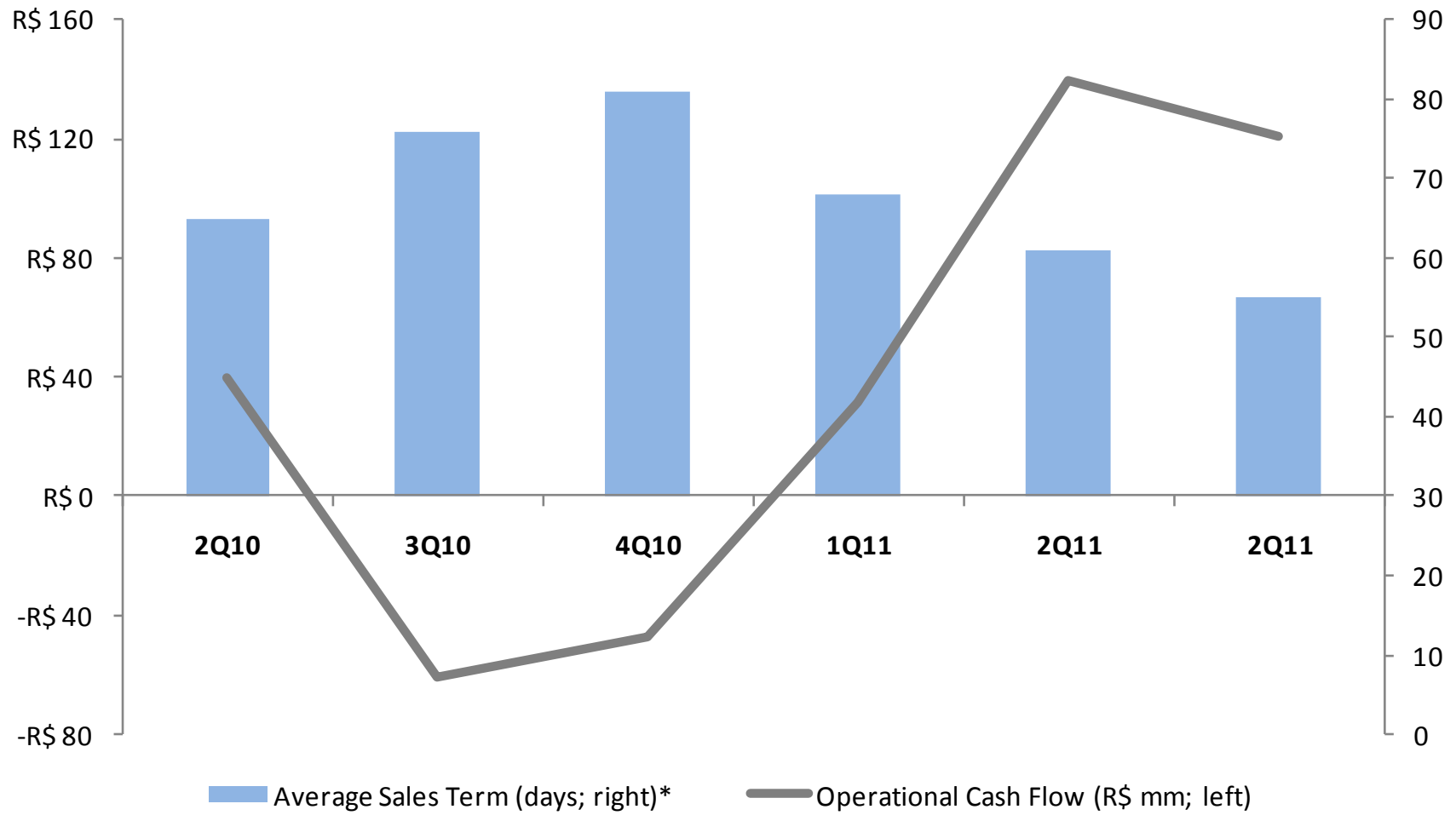
(%)



- Increase explained by reduced working capital needs, despite the EBITDA drop
- Working capital reduction due to the consistent receivables terms reduction and inventory reduction

Operating Cash Flow Evolution

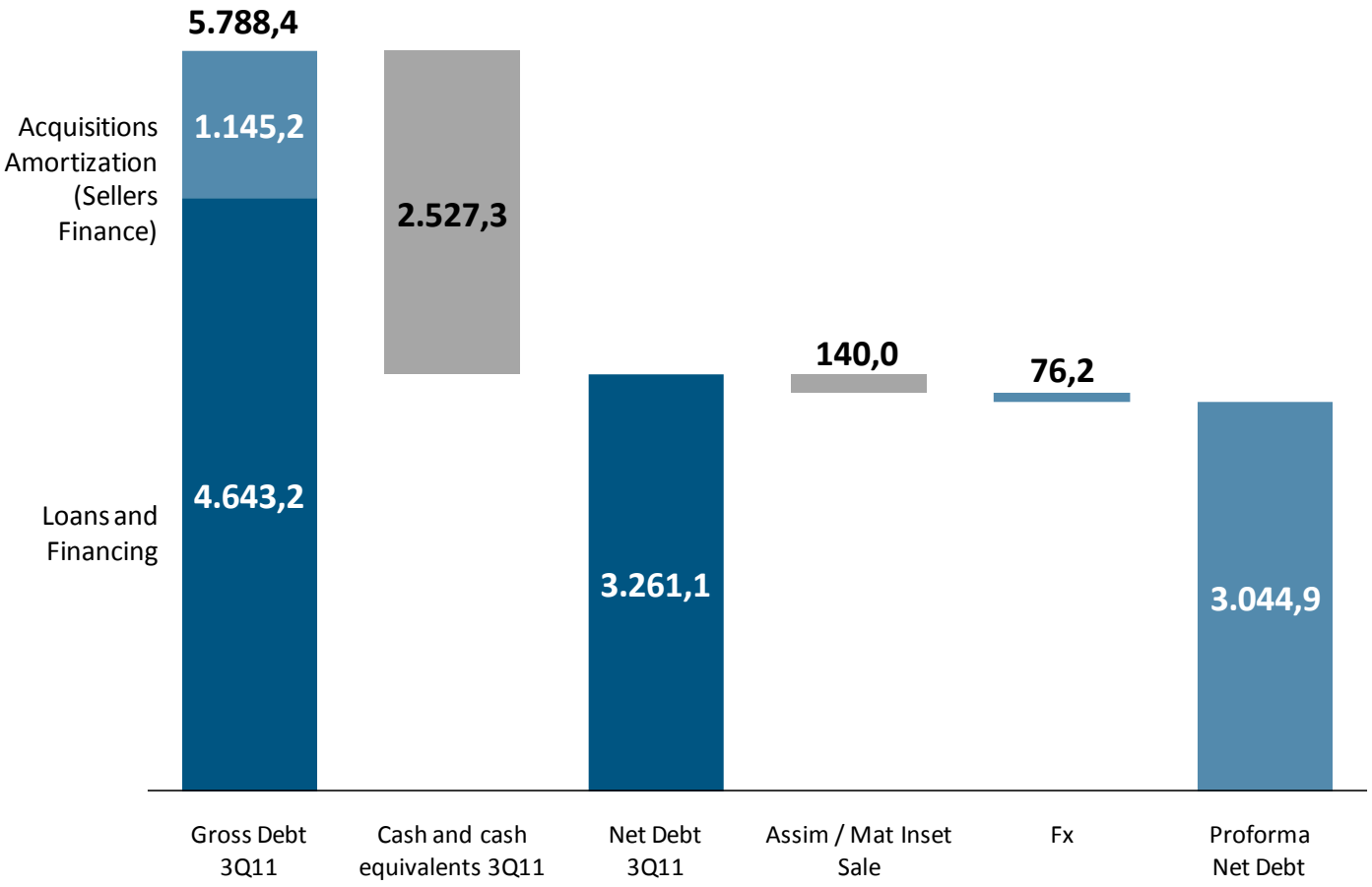
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*-Average Payment Terms: It doesn´t consider acquisitions not interegrated in SAP (mainly Mantecorp and Mabesa)

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Indebtedness
(R$ mm)



Guidance

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- **Reason for revision:**
  - Economy deceleration
  - Acceleration of new commercial policy implementation
  - Company´s decision to finalize implementation process in 2011

- **New estimates:**
  - 2011: R$700 million
  - 2012: north of R$850 million

** Does not include results from the Home Care and Foods BUs*

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