



QUARTERLY REPORT – 3RD QUARTER 2013

**Of the Board of Administration of
Farmaceutica REMEDIA S.A.**

Farmaceutica R E M E D I A S.A.

Registered Office: Deva 330160, 43 Dorobantilor Str, Hunedoara County

Branch Office: Bucharest 041836, District 4, 78 Metalurgiei Blvd., Phone /Fax: +40 21 321 1640

Phone/Fax: + 40 254 223 260 remedia@remedia.ro, www.remedia.ro;

Trade Registry: J20/700/1991, single tax identification code: R02115198; Share capital: RON 10.608.980

IBAN: R031 VBBU 2511 BU03 0110 2701, VOLKSBANK Bucharest, Apolodor Branch

QUARTERLY REPORT – 3RD QUARTER 2013
As per the National Securities Commission Regulation no.1 / 2006
 Report Date October 28th, 2013

A.

Company name:: **Farmaceutica REMEDIA S.A.**

Subscribed share capital: **RON 10,608,980**

Paid-in share capital: **RON 10,608,980**

Registered office: **DEVA, 43 Dorobantilor Street, postal code 330160**

Telephone/ Fax: **+40 254 223 260 / +40 254 226 197**

No. and date of registration with the **J20/700/25.07.1991**

Trade Registry Office:

Single tax registration code: **R02115198**

Securities: **RMAH shares**

(Registration certificate no. 1470/04.05.2009)

Type: **Common Nominal**

Registration date: **17.03.1997**

Nominal value /share: **RON 0.10**

Entry no. in NSC book: **1636**

Total number of shares: **106,089,800**

National Securities Commission code of shares: **16368**

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Registration	Date	Number of shares	Value of issue (RON)
1	10.11.1999	3,370,107	337,010.70
2	06.09.2001	1,500,000	150,000.00
3	23.07.2003	42,402	4,240.20
4	05.01.2006	5,696,471	569,647.10
5	21.12.2007	87,905,969	8,790,596.90
6	08.04.2009	7,574,851	757,485.10
	TOTAL	106,089,800	10,608,980.00

Organized securities market: **since February 5th 2009**

2nd category of the Bucharest Stock Exchange

The total value on the market as at October 23rd, 2013 is RON 27,583,348.

The value of one RMAH share is RON 0.26 (as at October 23rd, 2013).

1. Significant events to report

During the period July 01st, 2013 – September 30th, 2013 no significant events occurred, that may have had a significant impact on the financial position of the company Farmaceutica REMEDIA S.A.

2. General description of the financial position and performances of the issuer and its branches during the first 9 months of 2013

During the period January 01st, 2013 – September 30th, 2013 the company Farmaceutica REMEDIA S.A. registered the following financial results:

Crt. No.	Indicator	Achievements Jan-Sep 2013 (RON)	Achievements Jan-Sep 2012 (RON)	Variance 2013/2012 (%)
1.	Net sales of goods *	174,315,666	168,043,531	+ 3.73
2.	Other operating revenues	3,727,791	3,991,273	-6.6
3.	Total operating revenues	178,043,457	172,034,804	+ 3.49
4.	Total operating expenses	176,439,268	166,907,281	+ 5.71
5.	Operating result	1,604,189	5,127,523	- 68.71
6.	Financial result	+ 150,353	+ 131	+ 114,673.3
7.	Gross result (profit)	1,754,542	5,127,654	- 65.78

(*) Including trade discounts granted

“Other operating revenues” are mainly represented by the following income categories:

- personnel leasing – 30 % of “other operating revenues”
- rents – 14 %
- clinical studies – 6%
- logistic services – 19%
- marketing services – 3%
- sale of fixed assets, accounting corrections – 27.5 %

Compared to the same period of last year, the net sales of goods were up by almost 4%, and the results of the “other operating revenues” category were down by 6.6% due to the decrease of the revenues from rent and personnel leasing. Overall, the operating revenues increased by 3.49%. Operating expenses increased at a quicker pace than operating revenues, mainly due to the decrease of the margin of sold goods. This was caused by the change in the mix of sold products, i.e. by increasing the ratio of low-margin products.

Consequently, although overall the operating expenses grew by 5.71%, the product-related expenses (including received discounts) increased by 6%, personnel expenses by 4.15%, other operating expenses (including depreciations and provisions) by 2.36%.

3. The financial statements on September 30th, 2013 were not audited by the independent financial auditor.

B. Economic and financial indicators:

LIQUIDITY AND WORKING CAPITAL	Sept.30, 2013
Current (quick) ratio (Current assets / Current liabilities)	1.04
Current assets	140,305,445
Current liabilities	134,750,295
Indebtedness (Debt / Shareholder equity x 100)	5.99%
Debt	2,405,895
Shareholder equity	40,160,589
Days sales outstanding (client account average balance / turnover *270)	170 days
Client account average balance	111,293,032
Net turnover	177,017,332
Non-current asset turnover ratio (turnover / non-current assets)	4.78
Net turnover	177,017,332
Non-current assets	36,985,116

Notes:

¹⁾ **Current (quick) ratio** – the level of the indicator reflects good paying capability, consequently reduced risk, certifying that the company is able to cover its short-term debts on the basis of receivables and cash on hand.

²⁾ **Indebtedness** shows the efficacy of credit risk management, indicating any potential financing or liquidity issues, with impact on honoring undertaken commitments. The 5.99% value shows that the company has no financing or liquidity issues. In calculating this indicator, debt includes both bank loans and financial leasing debts.

³⁾ **Days sales outstanding** indicates the efficiency of the company in collecting its receivables, namely the number of days until its debtors pay their debts to the company. Considering the increase of the sales and the specificity of debt collection in the field of medical product distribution, as well as the Ministry of Health’s delays in the payment of medicines, we believe that 170 days is normal under current conditions (the contractual payment term is of 180 days for most goods sold by Farmaceutica REMEDIA S.A.).

⁴⁾ **Non-current asset turnover ratio** shows the efficiency of the non-current asset management, by examining the turnover generated by a certain amount of non-current assets. The indicator had evolved during the past 12 months, from 4.62 to 4.78.

Chairman of the Board of Directors – “TARUS” – Valentin Norbert Tarus e.U.

General Manager – Robert Mihail PELOIU