



## **REPORT Q3 2012**

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

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

Registered Office: Deva 330160, 43 DorobantilorStr., HunedoaraCounty,

Branch Office: Buchaest 041836, District 4, 78 MetalurgieiBlvd., Phone/Fax: +40 21 321 1640

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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

**REPORT Q 3 2012**  
**According to the National Securities Commission Regulation no. 1/2006**  
**Date of report: 30.10.2012**

**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 Dorobanților Street**  
**postal code 330160**

Telephone/fax.: **0254 223 260; 0254 226 197**

No. and date of registration  
 With the Trade Registry Office: **J20/700/25.07.1991**  
 Single tax registration code: **RO2115198**

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 in NSC book: **1636**  
 Total number of shares: **106.089.800**  
 National Securities Commission  
 code of shares: **16368**

<b>Registration</b>	<b>Date</b>	<b>Number of shares</b>	<b>Value of issue (RON)</b>
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
	<b>TOTAL</b>	<b>106.089.800</b>	<b>10.608.980,00</b>

Organized market on which the securities are traded:

**Starting with 05.02.2009, 2<sup>nd</sup> category of Bucharest Stock Exchange**

The total value on the market at the date of 29.10.2012 is RON 29.768.797,88

The value of one RMAH share is RON 0,2806 (at the date of 29.10.2012)

## 1. Important events to be reported

Farmaceutica REMEDIA S.A. acquired the commerce founds of the following pharmacies:

- **Bloc Magnolia** Cluj Napoca (95% owned by Farmaceutica REMEDIA S.A.)
- **Health Farm** Timisoara (95% owned by Farmaceutica REMEDIA S.A.)
- **Dacia Farm** Iasi

Consequently, Farmaceutica REMEDIA S.A. opened the following pharmacies:

- Sf. Sava Cluj Napoca
- Sf. Ecaterina Iasi
- Sf. Irina Timisoara

## 2. Company activity, general description of the financial position and of the performances achieved by the issuer and its subsidiaries during Q3 2012

The main activities developed by Farmaceutica REMEDIA S.A. include :

- **Retail sales** of pharmaceutical products in specialized locations (CAEN 4773,4774 and 4775). The share of retail product sales through 70 pharmacies and distribution centers directly or indirectly owned is 34% from total sales.
- **Wholesale** of pharmaceutical products (CAEN 4646) to :
  - o Hospitals ~ 13% from total sales of goods
  - o Pharmacies and warehouses ~ 40%
  - o Other distribution channels ~ 13%
- Logistic services (CAEN 5210)
- Lease and sublease of the own or rented real assets (CAEN 6820)

Beside the above mentioned main activities, Farmaceutica REMEDIA S.A. develops other activities related to the distribution of pharmaceutical products:

- Marketing services
- Registration of pharmaceutical products, clinical studies and clinical trials monitoring services

The wholesale activity is realized through 8 logistic centers from Bucharest, Deva, Timisoara, Brasov, Craiova, Iasi, Pitesti and Tg.Mures.

During 01.01.2012 – 30.09.2012 Farmaceutica REMEDIA S.A. registered the following financial results:

No.	Indicator	Achievements Jan.-Sept. 2012 (thousand RON)	Budget Jan.-Sept. 2012 (thousand RON)	Achievements Jan.-Sept. 2011 (thousand RON)
1.	Net sales of goods *	168.044	187.685	141.578
2.	Other operating incomes	3.991	4.526	3.592
3.	Total operating incomes	172.035	192.211	145.170
4.	Total operating expenses	166.907	185.007	139.896
5.	Operating result	5.128	7.204	5.274
6.	Financial result	0	- 222	- 203
7.	<b>Gross result (profit)</b>	<b>5.128</b>	<b>6.982</b>	<b>5.072</b>

- Including the commercial discounts offered

During the first 9 months of the year, the net sales registered 18,69% increase comparing to the same period of the last year, representing 90% from January-September 2012 budget.

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

- Marketing services – 45%
- Logistic services – 14 %
- Penalties ~ 14 %
- Rents ~ 11 %
- Registrations of pharmaceutical products and clinical trials monitoring services ~ 10%

The indicators “Total operating incomes” and “Total operating expenses” increased at the same rate (+18,7% incomes and 19,3% expenses) comparing to the corresponding values of 2011.

These evolutions, together with a financial positive result, lead to 1,1% increase of the gross profit comparing to the same period of the last year.

3. The financial situations were not audited by the independent financial auditor.

## B. Economic and financial indicators

- Thousands RON

<b>LIQUIDITY AND WORKING CAPITAL</b>	<b>30.09.2012</b>
<b>Current liquidity (Current assets/Current debts)</b>	<b>1,04</b>
Current assets *	146.075
Current debts *	140.131
<b>Indebtness level (Loan capital/Equity capitalx100)</b>	<b>10,4 %</b>
Loan capital *	4.342
Equity capital *	41.881
<b>Rotation speed of customer debts (average balance clients/turnover*270)</b>	<b>160 days</b>
Average balance clients *	101.416
Turnover *	171.405
<b>Rotation speed of debts (average balance suppliers/cogs*270)</b>	<b>231 days</b>
Average balance suppliers *	122.499
Cost of sold goods *	143.184
<b>Rotation speed of current assets (turnover/current assets)</b>	<b>4,59</b>
Turnover *	171.405
Current assets *	37.320
<b>Gross profit margin (%) (gross profit/net sales)</b>	<b>3%</b>
Gross profit *	5.128
Turnover *	171.405

**Note:**

<sup>1)</sup> **Current liquidity** – the level of this indicator reflects a good payment capacity, therefore a low risk, certifying the fact that the company is able to cover the debts on short term, on the account of creancies and monetary availabilty. This indicator remained at the same level comparing to the corresponding period of the last year.

<sup>2)</sup> **Indebtness level** express the efficacy of the credit risk management, indicating the potential financing problems, liquidity, with influences in honoring commitments. The value of 10,4% indicates the fact that the company has not any financing and liquidity problems. We mention that the company has available a credit line in value of 3,2 millions Euro, out of which only 800.000 Euro were used at the date of 30.09.2012 (500.000 Euro for letter of guarantee and 300.000 Euro for working capital). The remaining loan capital (up to the value of RON 4,34 millions) represents a financial leasing utilized for vehicles necessary in the distribution of pharmaceutical products.

<sup>3)</sup> **Rotation speed of customer debts** express the efficacy of the company in collecting creancies, respectively the number of days until the date when the debtors pay their debts to the company. Taking into consideration the custom of creancies collection in pharma distribution, we consider the value of 160 days a reasonable one, especially if we take into account that at the date of 30.09.2011 the creancies were collected on 167 days.

<sup>4)</sup> **Rotation speed of debts** represents the average period in which suppliers are paid. This indicator changed from 232 days at the date of 30.09.2011 to 231 days at the date of 30.09.2012.

<sup>5)</sup> **Rotation speed of current assets** express the current assets management efficacy, through the examination of the turnover generated by a certain quantity of current assets. The rotation speed of current assets diminished comparing to the same period of the last year (from 5,47 to 4,59) due to the increase of the value of current assets with approx RON 10 millions, following the reevaluation of lands and buildings in December 2011.

President of the Board of Administration – Valentin Norbert TARUS

General Manager – Robert Mihail PELOIU