



QUARTERLY REPORT – 3rd QUARTER 2014

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

Farmaceutica REMEDIA S.A.

Registered Office: Deva 330160, 43 Dorobantilor St., Hunedoara County

Branch Office: Bucharest, 041836, Sistrict 4,78 Metalurgiei Blvd., Telephone/fax +40 21 321 16 40

Telephone/fax: + 40 254 223 260 remedia@remedia.ro, www.remedia.ro

Trade Registry J20/700/1991, single tax identification code: RO2115198; Share capital: RON 10.608.980

IBAN: R031VBBU 2511 BU03 0110 2701, VOLKSBANK Bucharest, Apolodor Branch

REPORT for the 3rd quarter of 2014

As per the National Securities Commission (NSC) Regulation no.1 / 2006

Report Date October 28th 2014

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 St., postal code 330160
Telephone/Fax:	+40 254 223 260, +40 254 226 197
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: **RON 0,10**

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

Total no.: **106.089.800**

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

Registration	Date	Number of shares	Value of issue
1	10.11.1999	3.370.107	337.010,70 RON
2	06.09.2001	1.500.000	150.000,00 RON
3	23.07.2003	42.402	4.240,20 RON
4	05.01.2006	5.696.471	569.647,10 RON
5	21.12.2007	87.905.969	8.790.596,90 RON
6	08.04.2009	7.574.851	757.485,10 RON
	TOTAL	106.089.800	10.608.980,00 RON

Organized securities market:

since February 5th 2009, 2nd category of the Bucharest Stock Exchange

The total value on the market as at October 28th, 2014 is RON 28.113.797

The value of one RMAH share is RON 0,265. (as at October, 28th 2014)

1. Significant events to report

During the period July 1st, 2014 – September 30th, 2014 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 2014

During the period January 1st, 2014 – September 30th, 2014 the company Farmaceutica REMEDIA S.A. registered the following financial results:

Crt. No.	Indicator	Achievements Jan-Sep 2013 (RON)	Achievements Jan-Sep 2014 (Lei)	Evolution 2014/2013 (%)
1.	Net sales of goods *	174.315.666	175.560.738	+0,7
2.	Other operating revenues	3.727.791	1.575.907	-57,7
3.	Total operating revenues	178.043.457	177.136.645	-0,5
4.	Total operating expenses *	176.439.268	174.743.641	-1,0
5.	Operating result	1.604.189	2.393.003	+49,0
6.	Financial result	+ 150.353	+ 79.712	-47,0
7.	Gross result (profit)	1.754.542	2.472.715	+41,0

*Including commercial discounts granted

“Other operating revenues” include the following main categories of revenues:

- logistic services – 49,5% of “other operating revenues”

- rents – 30%
- clinical studies – 12%
- marketing services in owned pharmacies– 6,5%
- collected penalties, sales of non-current assets – 2 %

Compared to the same period of last year, the net sales of goods have increased by 0,7% and “other operating revenues” have decreased by almost 58% caused by the fact that there were no revenues from staff leasing and by accounting corrections. The total operating revenues were maintained at the same level as in the previous year. Operating expenses have decreased at a higher pace than operating revenues, which had a positive impact on company profitability. The change of product mix also had a positive impact on profitability, increasing the quota of sales with a higher margin. Hence, while net revenues from the sales of goods have increased by 0,7%, the net cost of sold goods has decreased by 0,4%.

3. The financial statements on September 30th, 2014 were not audited by the independent financial auditor.

B. Economic and financial indicators

LIQUIDITY AND	30.09.2014
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WORKING CAPITAL	
Current (quick) ratio (Current assets / Current liabilities)	1,05
Current assets	98.964.228
Current liabilities	94.071.161
Indebtedness (Debt / Shareholder equity x 100)	4,06%
Debt	1.705.271
Shareholder equity	42.036.833
Days sales outstanding (client account average balance / turnover *90)	120 days
Client account average balance	78.850.000
Net turnover	177.114.985
Non-current asset turnover ratio (turnover / non-current assets)	4,67
Net turnover	177.114.985
Non-current assets	37.965.633

Note:

1) **Current (quick) ratio** – the level of the indicator reflects a good payment capacity, consequently a low risk, certifying that the company is able to cover its short-term debts on the basis of receivables and cash on hand. The indicator had a positive evolution, from 1,04 on 30.09.2013 to 1,05 on 30.09.2014

2) **Indebtedness** shows the efficacy of credit risk management, indicating any

potential financing or liquidity issues, with an impact on meeting the undertaken commitments. The 4,06% rate 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** show the company's efficacy in collecting its receivables, i.e. the number of days until its debtors pay their debts to the company. Considering the specificity of debt collection in the field of medicines distribution and the payment terms of the Ministry of Health, we consider that 120 days is normal term under the circumstances.

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 has stayed at the same level as in the previous year.

Chairman of the Board of Administrators – „TARUS” – Valentin Norbert Tarus e.U.

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General Manager – Robert Mihail PELOIU

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