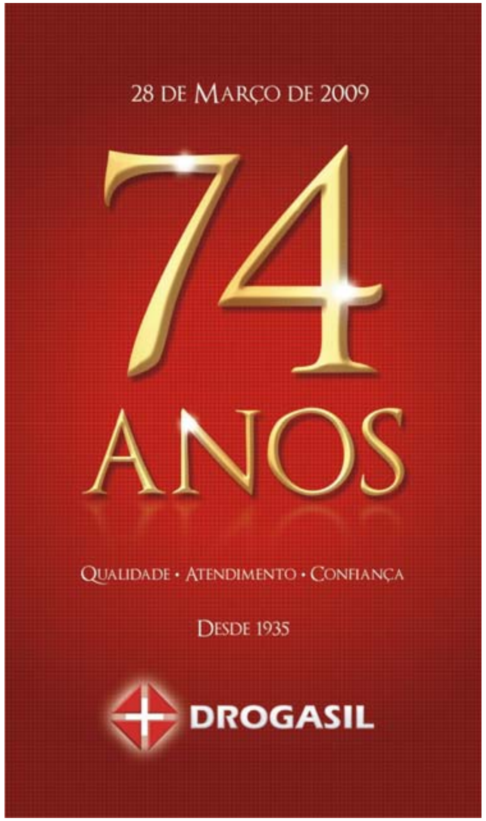
São Paulo – Shopping Bourbon



Goiânia- Av. 85

Uberaba

Brasilia Sudoeste 104

1935- Drogasil is founded on March 28, 1935, when owners of two small pharmacy chains, Drogaria Bráulio and Drogaria Brasil, combined their respective experience and financial resources to form a new company under the name Drogasil Ltda.

1972- Drogasil became a corporation (sociedade anônima) .

1977-, Drogasil became registered as a public company with the CVM(Brazilian SEC).

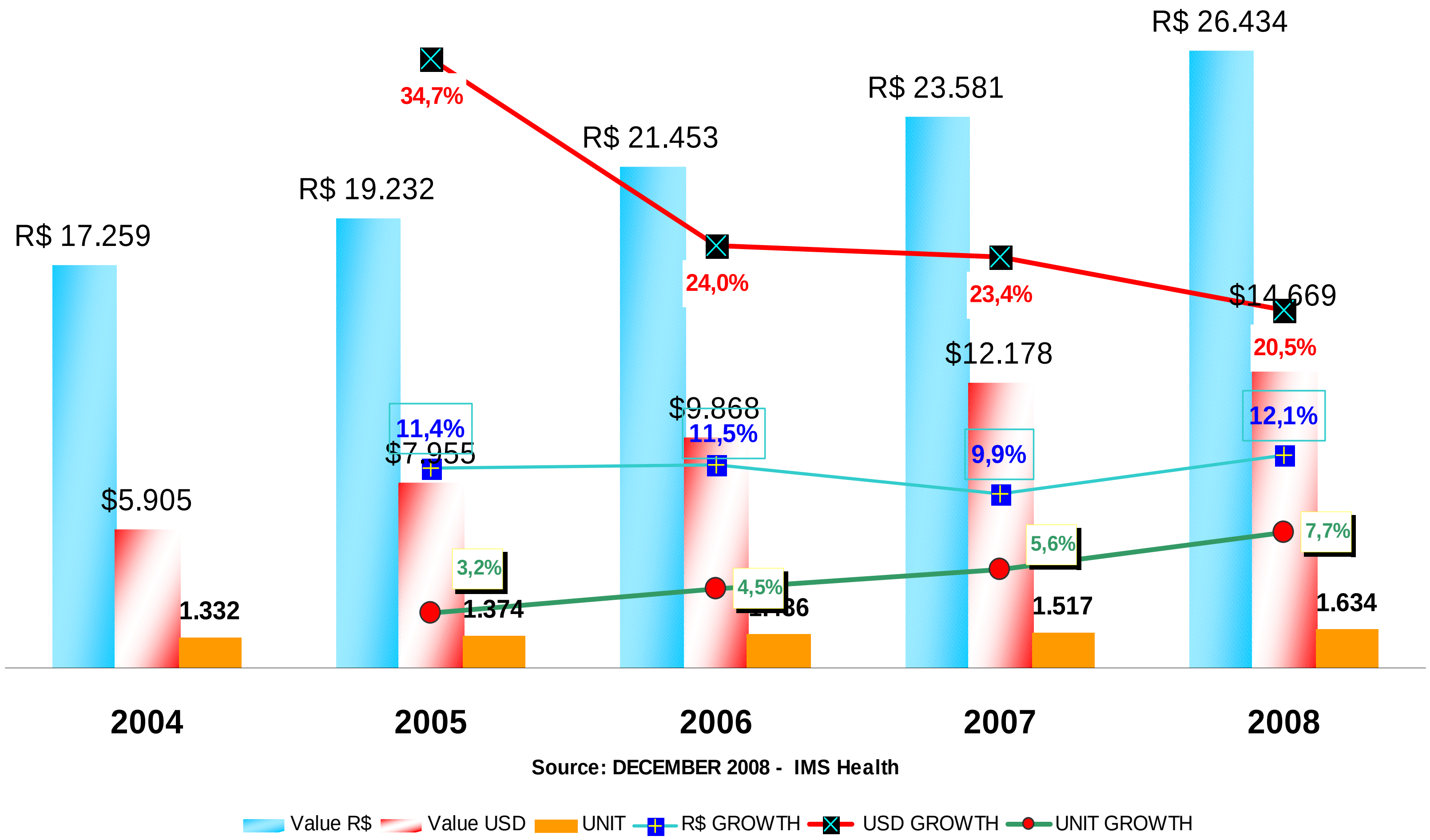
1979-, Drogasil is pioneer on developing self service concept on pharma retail sales.

2000- Drogasil speeds the information technology systems process to create a network linkage for all its stores with distribution center. In a turnaround process, implemented several other measures to increase the efficiency on inventory control, cash and sales activity reports.

2007- Drogasil register for the "Novo Mercado" listing segment, highest level of corporate governance at BM&FBovespa.

Drogasil HQ (1941) - Rua José Bonifácio, 166 - SP

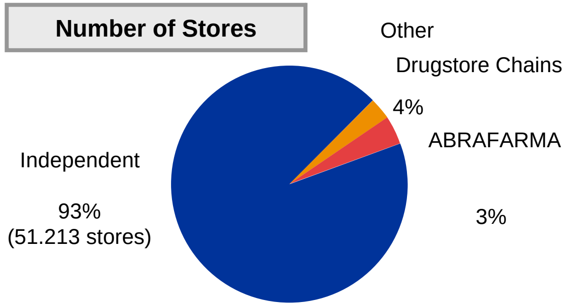
Brazilian Pharma Retail Market - Units, Sales in Reais & USD(000)



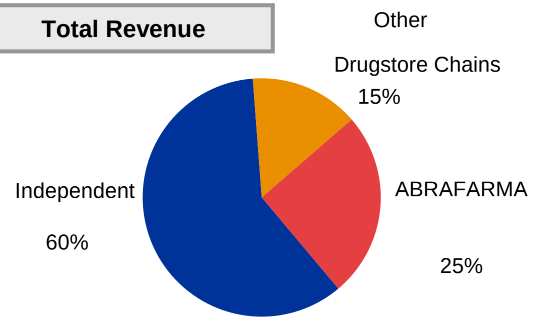
Comparison Framework

Highly Fragmented Market

Number of Stores



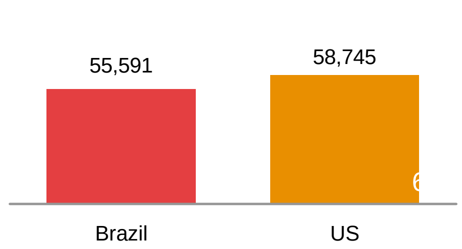
Total Revenue



Sourcee IMS Health as of 2006
Note:
1 Brazilian Drugstore Chains Association

Bra\il vs. USA

Drugstores Quantity



1

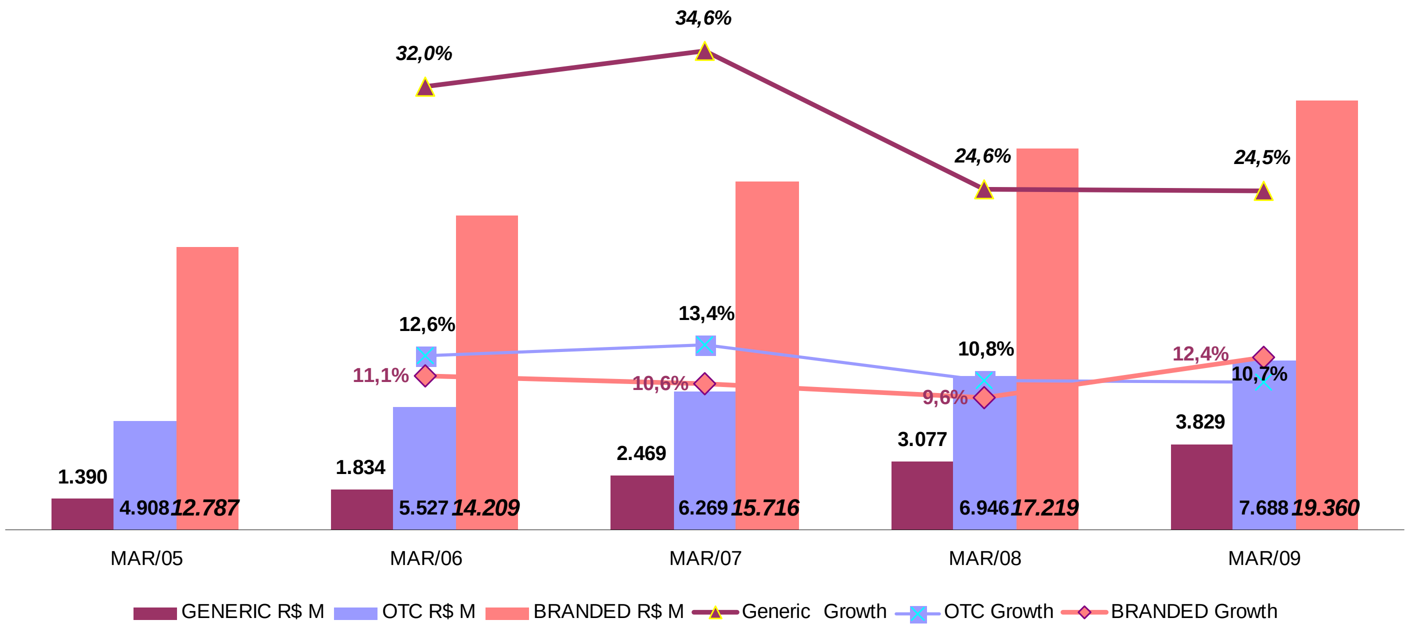
DROGASIL

Ranking - Drugstore Chain (ABRAFARMA)			
Company	State	2008	2007
Drogaria Pague Menos	CE	1ª	1ª
Drogasil	**SP**	**2ª**	**4ª**
Drogaria São Paulo	SP	3ª	2ª
Drogaria Pacheco	RJ	4ª	3ª

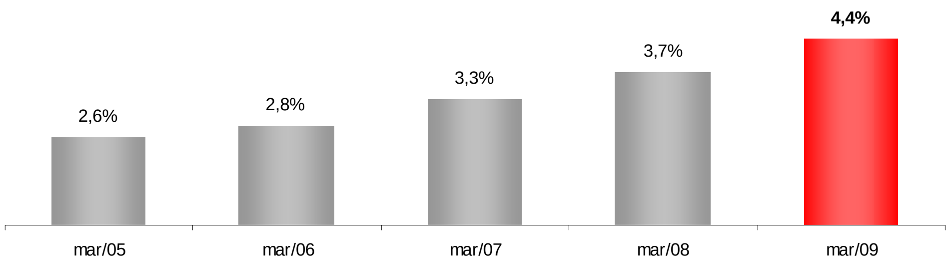
- **Second in ABRAFARMA BRAZIL ranking- 2008 Revenue criteria.**
- **Brazil Top 500 ed 2008: ranked in 365. Growth of 18 positions.**

Regulatory Marks on Pharma Retail Practices + Tax Evasion Reduction will contribute to Pharma Retail improvements in Brazil.

BRAZIL DRUG MARKET - FIVE YEAR ANALYSIS (base March) Source: IMS Health

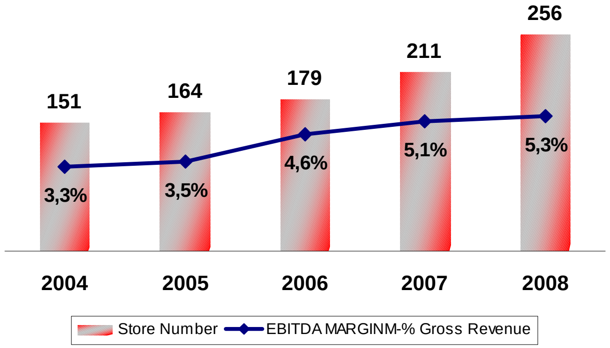


Drogasil
Drug Market Share Evolution - IMS Health

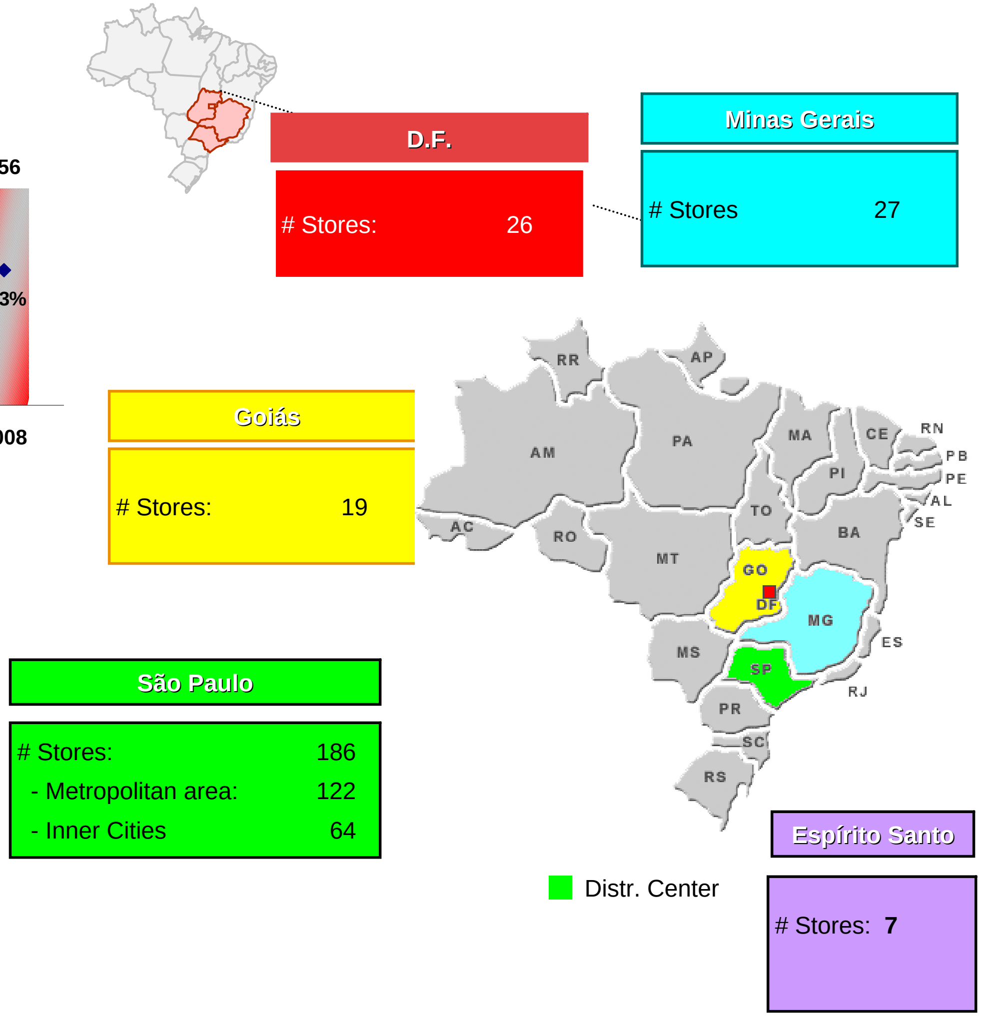


Expansion

- Acquisition: Brasilia Drugstore chain with 24 : stores D.F.(Feb 2008)
- Acquisition : Espirito Santo 12 store locations. (Feb, 2009)
- Organic Growth: Acum Dec 2008- 22 Stores.
- Net Addition: 45 Stores.
- *265 Stores*
- 72 Brazilian cities



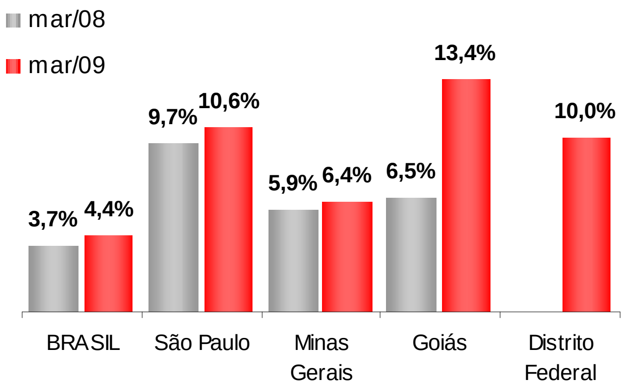
Drogasil Stores in Brazil



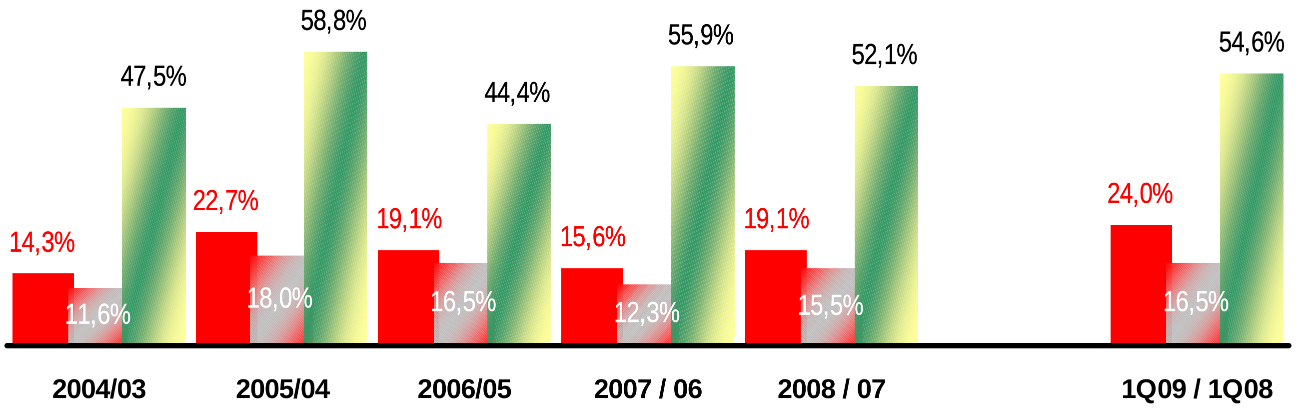
Market Share- Medicines

DRUG MARKET SHARE

Source: IMS Health -RD- Relatório de Distribuição



DROGASIL: SAME STORE SALES



DROGASIL	1Q09	1Q08	2008	2007
Sales Area- sq.m² total eop	34.781	30.688	34.537	29.741
Sales Area- sq.m² - avg in the period	34.781	30.579	33.360	27.325
Number of Stores- eop	258	215	256	211
Number of Stores- avg in the period	258	214	233	192
Transactions quantity(000)	11.046	9.039	40.626	33.520
Number of Store Employees- eop	4.683	3.803	4.571	3.714

Avg Store Size	**134,9**	**sq.m²**
Avg. Ticket	**R$34,3**	
Avg Transaction	**122.733**	**Tickets/Day**

DROGASIL: Same Store Sales – INDEX ANALYSIS.

Number of Stores on Dec, 2008: 256 stores

STORES	4Q07	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
(+) 3 YEARS.	149	154	159	159	163	171	179	182	190	205	212	214	243
(-) 3 YEARS	30	29	28	35	47	48	76	75	67	60	53	51	22
Not Included in the Index	32	32	56	54	46	39	10	8	8	0	0	0	0
TOTAL	211	215	243	248	256	258	265	265	265	265	265	265	265
Closed			1				1						

Obs.:

- Vison Stores included as of April/ 2008.

Enforcing Tax Collection... Driver for a Brazilian Pharma Retail Improvement.

The ICMS(VAT) Systematic- A Comparison
- São Paulo

	BASE CAL	DEBIT	CREDIT		SUBSTITUIÇÃO TRIBUTÁRIA
PURCHASE	Supplier		100,00		100,00
	Purchase Price		100,00		100,00
	ICMS Crédito(VAT Credit)	18%	(18,00)	18%	(18,00)
	ICMS Retido(VAT Advance)				**6,88**
	IVA (38,24%)=Base de Retenção				138,24
	ICMS Débito (VAT Debit)			18%	24,88
	CMV= COGS		**82,00**		**106,88**
SALE	**Rec. Vendas Brutas= Gross Sales**		138,24		138,24
	Preço de Venda= **Sales Price**		**138,24**		**138,24**
	ICMS DEBITO= **VAT DEBIT**	18%	(24,88)		
	Venda Líquida= Net SALES		**113,36**		**138,24**
	GROSS MARGIN VALUE		**31,36**		**31,36**
	GROSS MARGIN (Compared to Net Sales)		**27,66%**		**22,68%**
	GROSS MARGIN(Compared to Gross Sales)		**22,68%**		**22,68%**
VAT ADVANCE	ICMS DEBITO= VAT DEBIT		(24,88)		
	ICMS CREDITO=VAT CREDIT		18,00		
	ICMS ANTECIPADO= **VAT ADVANCED**				(6,88)
	Total		**(6,88)**		**(6,88)**

(1)DRUGS

3 Categories for Drugs- Price Reference Basis (Mark-Up Basis) for VAT Calculation under "Substituição".
38,24% -Drug products that collect Pis/Pasep and Cofins taxes(also denominated positive list) .
33,00% -Drug products that does not collect Pis/Pasep and Cofins taxes(also denominated negative list).
41,38%- Drug Product is under no classification for Pis/Pasep and Cofins taxes(also denominated neutral list)

(1)Cosméticos & Toiletries.
IVA (Mark-Up Basis) for VAT Calculation under "Substituição".
CAT 8 as of January 31, 2008.
Parfums: 165,55%
Deo Colonies, Skin Care, Permanents, products : 71,60%(any CFT product subsject to previous icms =vat @ 25%)
Hair Care, Oral Care, bath& Shower, Men´s Toiletries, Baby Care:38.90%(any CFT product subject to previous icms=vat@ 12
(2) In the first VAT Advance collection based on January 31, 2008 inventories, divided in 6 installments.

	Minas Gerais		
	Regime	Tax Rate	Calc. Basis
Medicines	VAT ADVANCE	12 ou 18%	PMC
Non Drugs	VAT ADVANCE	12, 18 ou 25%	MVA

	Distrito Federal		
	Regime	Tax Rate	Calc. Basis
Medicines	VAT ADVANCE	17%	90% do PMC
Non Drugs	VAT ADVANCE	17%	MVA

	Espirito Santo		
	Regime	Tax Rate	Calc. Basis
Medicines	VAT ADVANCE	17%	90% do PMC
Non Drugs	VAT ADVANCE	17%	MVA

DROGASIL

SUPPLY CHAIN

- LOGISTICS :Integrated to cover five Brazilian states.
- Creative Solutions. Tailor Made to our operation needs.
- Own Vehicle Fleet Management

- Chain of choice of our suppliers in new launchings.
- Drogasil increases its relevance as distribution channel for C&T, OTC, V.D.S. + Pharma Industry.
  - Strategic Points of Presence in Brazil:71 Cities in Brazil.
  - Geographic Predominance: 5 Brazilian States.
  - Balance Sheet Structure: Cash Generation + Low Indebtness.
  - Central Distribution : Organized on 11,700 sq.m² , working one shift and able to process 600,000 items /day.
  - I.T. support

...

DROGASIL- Services

Call Center
Drogasil CRM.

CENTRAL DE RELACIONAMENTO COM CLIENTES

Fone Farmácia
Home Delivery.

fone farmácia
3767 2222
SERVIÇO COM QUALIDADE DROGASIL

Dermocenter
Skin Care Sales with Pharmacist Consultancy.

Beauty Center
Beauty and Make Up center with Sales Assitance from beauty specialists..

DROGASIL TEM*
FARMÁCIA POPULAR

Programa Farmácia Popular do Brasil
Developed by Brazilian Health Ministry offer discounts on selected drugs from therapeutic classes related to birh control, blood pressure, diabetes and obesity

Pharmacists Consultancy
Pharmacists in place during Drugstores working hours.
Currently
827 Pharmacists for 265 Stores

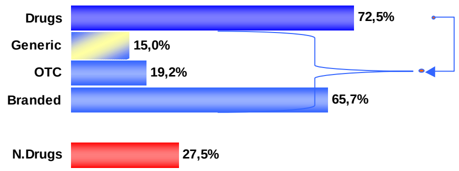
Drogasil : Continuous Path Towards Service Excellence.

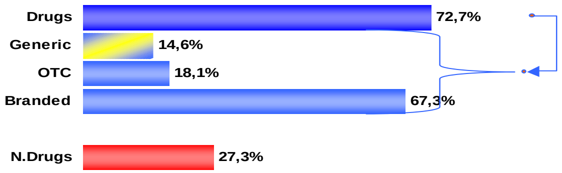
- .160,000 hours of employee training in 2008.
- 827 pharmacists for 265 stores. Pharmacists available during store working hours.
- Number of Employees per area.

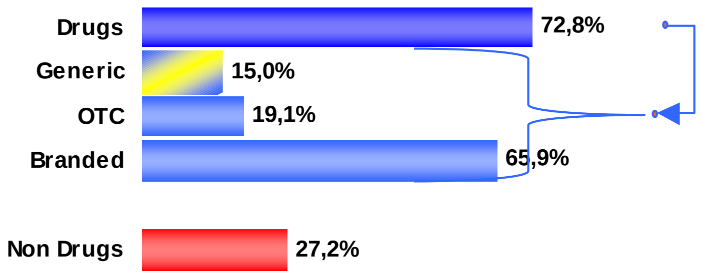
	2006	2007	2008	2009 1ST Q
Adm	201	220	245	258
Dist..Center	271	314	411	422
Stores	2.989	3.714	4.571	4.683
Total	3.461	4.248	5.227	5.363

- Affiliate Programs with Companies.
- Affiliate Cards: 3.0 million cards on active use.

Growth with Efficiency

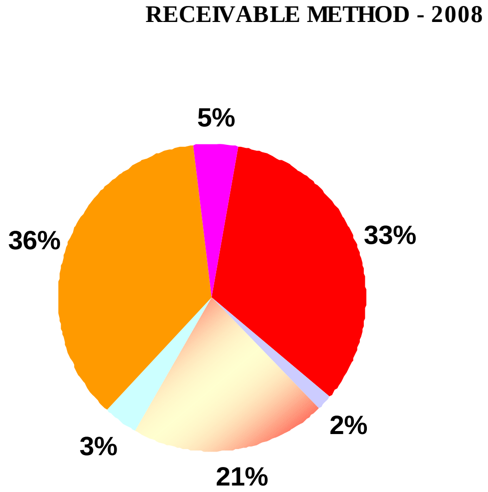


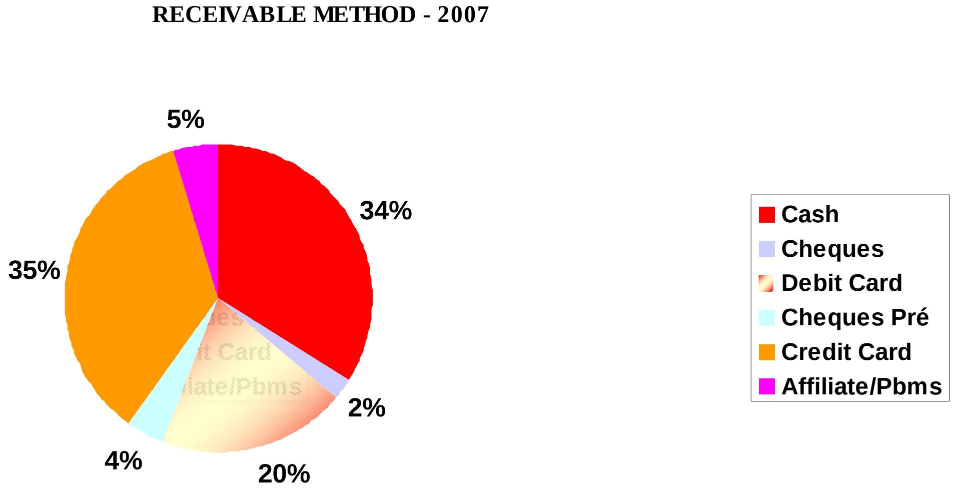




	1Q09/ 1Q08	Market Performance
Drugs	30,4%	9,9%
Non Drugs	29,0%	28,7%
Branded	33,5%	10,2%
.OTC	22,3%	9,4%
Generic	26,8%	21,7%

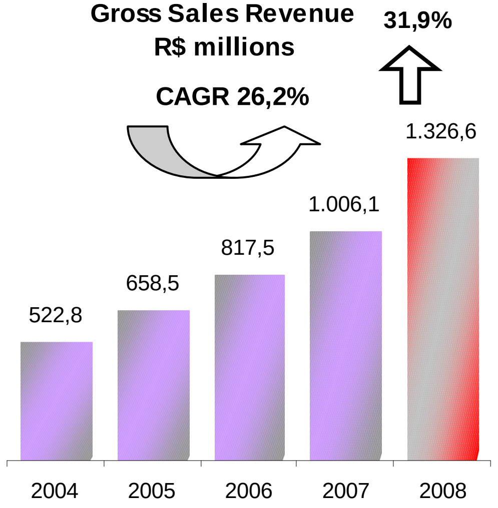
Source: IMS Health & Abrafarma(Non Drugs.)



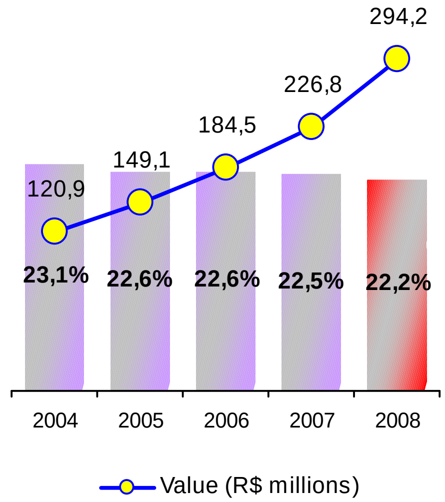


DROGASIL : Financial Highlights

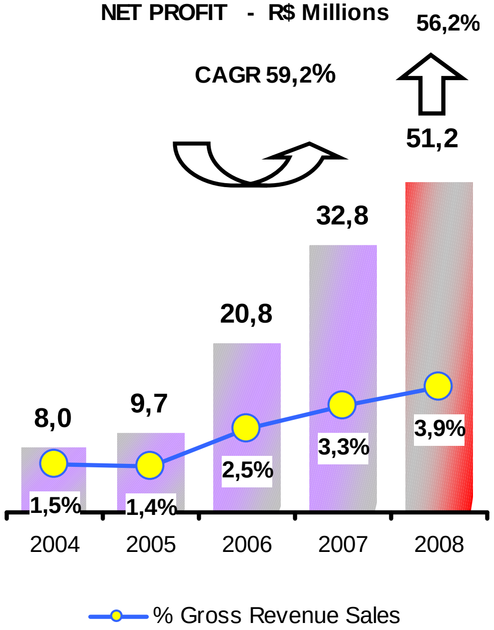
Gross Sales Revenue
R$ millions



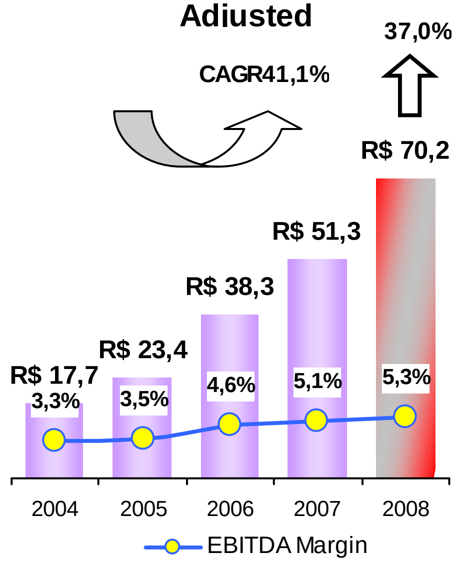
GROSS MARGIN
% Gross Profit / Gross Sales Revenue



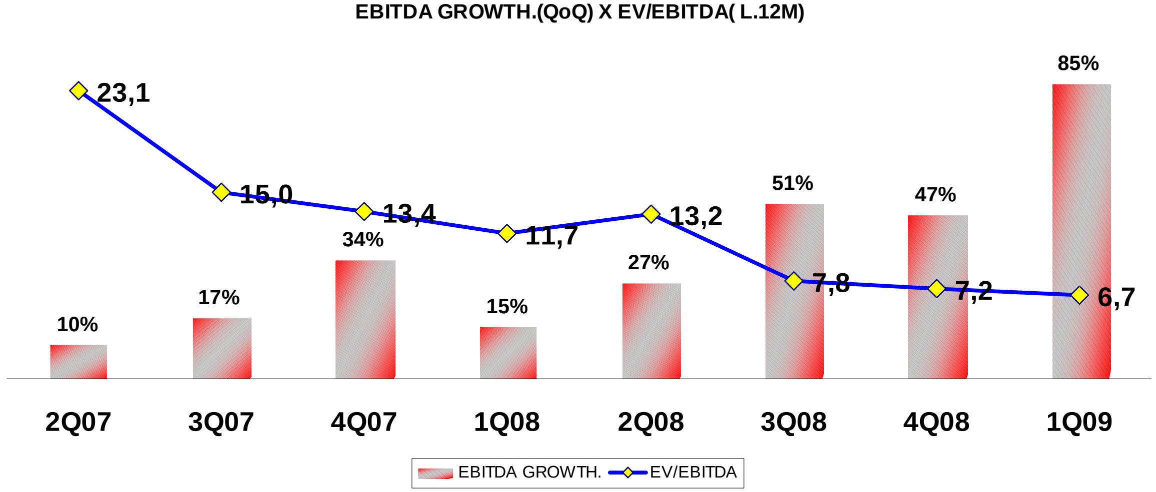
NET PROFIT - R$ Millions



EBITDA (EX IPO)
Adjusted

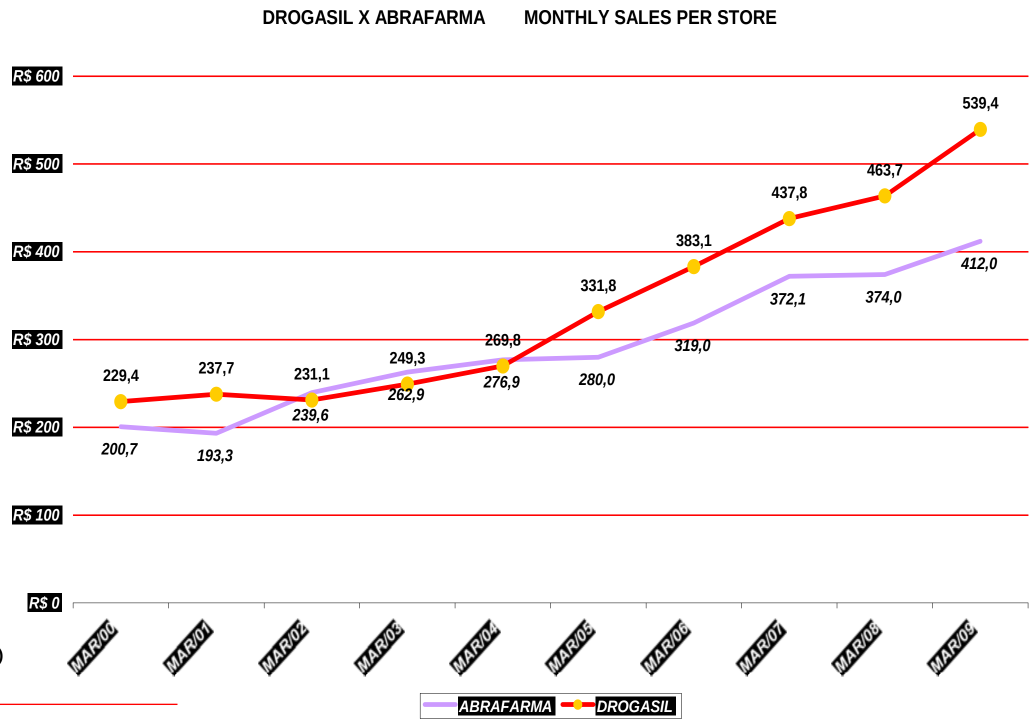


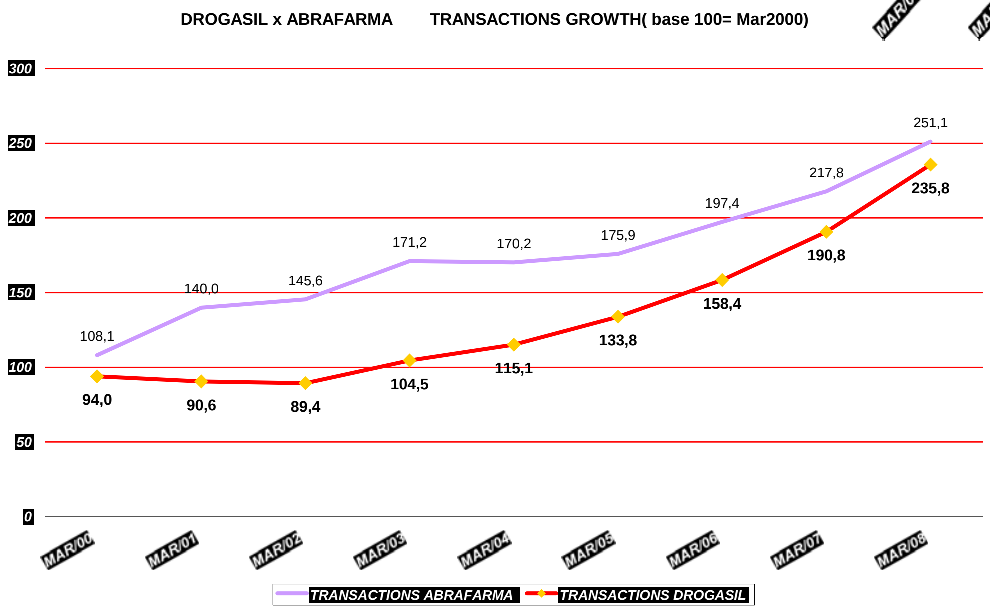
DROG3 : EBITDA trailing twelve months



	EBITDA	EBITDA L..12M	EBITDA GROWTH.	EBITDA CUMM	SALES	SALES L.12M	SALES GROWTH	Share Pric	QTY	Mkt Valor	Cash	Debt	E.V.	EV/EBITDA
1Q09	19.846	79.176	85%	179.452	379.408	1.427.245	30,4%	10,5	59.060	620.130	135.550	46.299	530.879	6,7
4Q08	21.158	70.050	47%	159.606	369.353	1.338.742	32,6%	10	59.060	590.600	125.204	40.474	505.870	7,2
3Q08	19.295	63.245	51%	138.448	348.724	1.247.859	34,9%	10,15	59.496	603.884	143.806	33.751	493.829	7,8
2Q08	18.877	56.764	27%	119.153	329.760	1.157.575	33,8%	14,9	61.142	911.016	198.521	36.558	749.053	13,2
1Q08	10.720	52.702	15%	100.276	290.905	1.074.343	30,7%	13	61.859	804.167	225.402	39.147	617.912	11,7
4Q07	14.353	51.305	34%	89.556	278.470	1.006.091	23,1%	14,35	62.773	900.793	271.411	57.951	687.333	13,4
3Q07	12.814	47.648	17%	75.203	258.440	953.864	20,8%	14,75	62.773	925.902	269.550	56.336	712.688	15,0
2Q07	14.815	45.751	10%	62.389	246.528	909.369	21,9%	16,69	62.773	1.047.681	34.624	44.473	1.057.530	23,1

Performance BenchMark



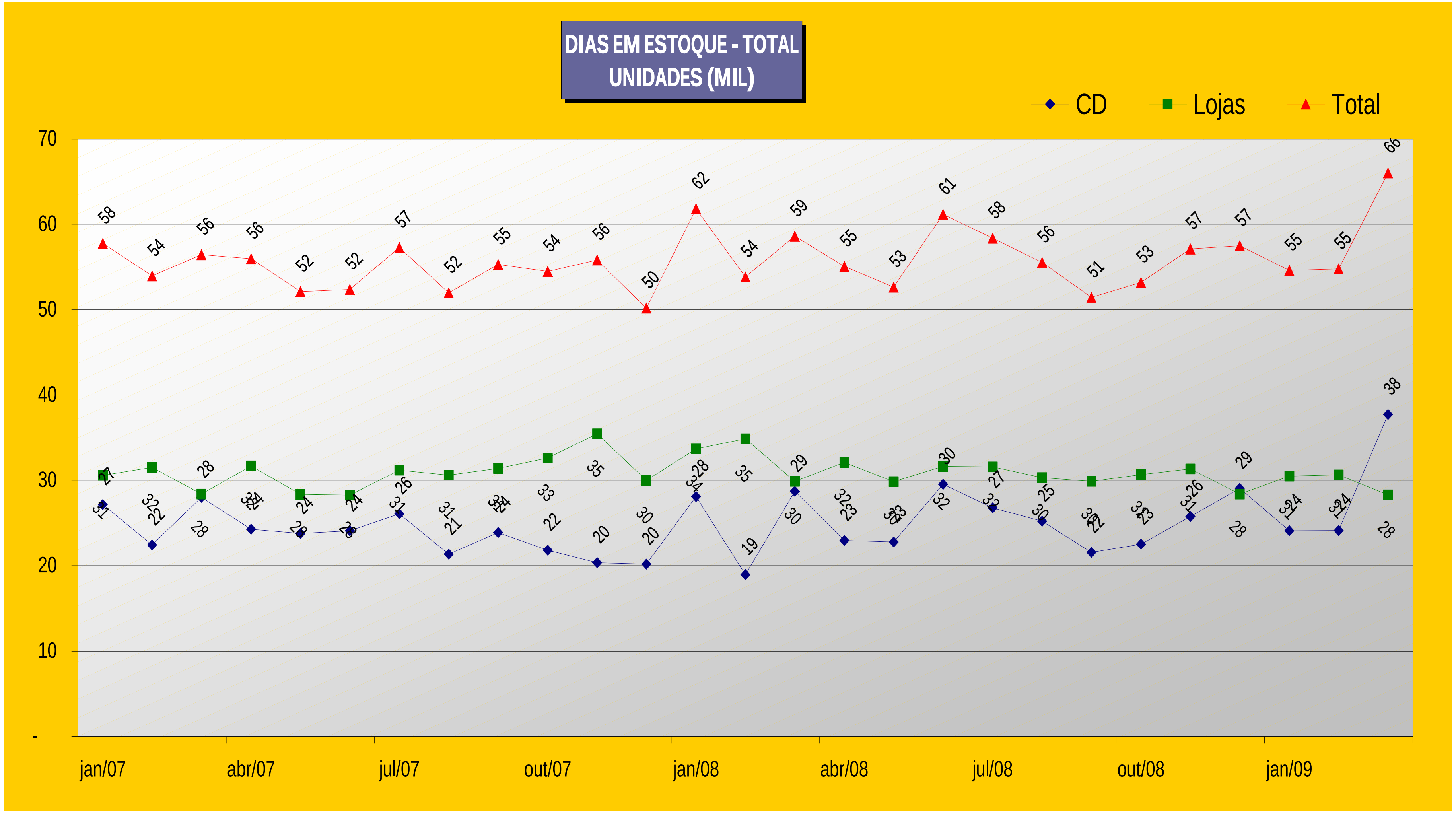


Performance BenchMark

	ABRAFARMA BRAZIL			ABRAFARMA (-) Drogasil			DROGASIL		
	2005	2006	2007	2005	2006	2007	2005	2006	2007
Gross Sa SALES	6.269.404	6.804.195	7.892.692	5.610.861	5.986.682	6.886.601	658.543	817.513	1.006.091
Sales Growth		8,5%	16,0%		6,7%	15,0%		24,1%	23,1%
Gross Profit	1.386.209	1.478.047	1.593.654	1.237.043	1.293.531	1.366.820	149.166	184.516	226.834
Gross Margin	*22,1%*	*21,7%*	*20,2%*	*22,0%*	*21,6%*	*19,8%*	*22,7%*	*22,6%*	*22,5%*
Net Profit	38.682	80.087	62.731	28.957	59.292	29.975	9.725	20.795	32.756
ROS	*0,62%*	*1,18%*	*0,79%*	*0,52%*	*0,99%*	*0,44%*	*1,48%*	*2,54%*	*3,26%*
EBITDA	136.970	168.167	141.770	113.565	129.916	90.505	23.405	38.251	51.265
EBITDA MARGIN	*2,18%*	*2,47%*	*1,80%*	*2,02%*	*2,17%*	*1,31%*	*3,55%*	*4,68%*	*5,10%*

Stores	dez-05	dez-06	dez-07
ABRAFARMA Brasil	**1869**	**1842**	**2017**
ABRAFARMA -SP	**660**	**630**	**684**
DROGASIL	**164**	**179**	**211**

Working Capital Analysis: Inventory Days(1/2)



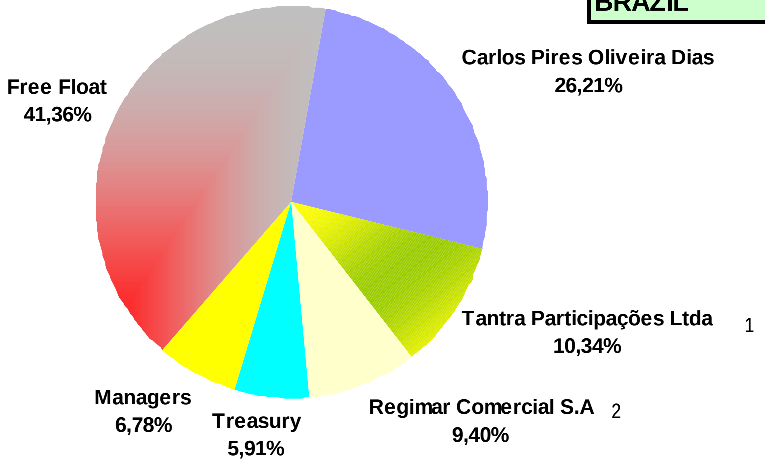
Working Capital Analysis (2/2)

	Y2009		1Q09		4Q08		Y2008		1Q08		4Q07	
Gross Revenue Sales	379.408		379.408		369.353		1.326.619		290.905		278.471	
Net Sales	364.931		364.931		354.987		1.260.147		264.767		230.208	
Current Assets		S/ Vd Bruta		S/ Vd Bruta		S/ Vd Bruta		S/ Vd Bruta		S/ Vd Bruta		S/ Vd Bruta
Checks	4.918	1,3%	4.918	1,3%	4.548	1,2%	4.548	0,3%	4.398	1,5%	4.279	1,5%
Debit & Credit Cards	68.097	17,9%	68.097	17,9%	61.994	16,8%	61.994	4,7%	48.203	16,6%	48.470	17,4%
Others	8.595	2,3%	8.595	2,3%	8.464	2,3%	8.464	0,6%	7.124	2,4%	6.511	2,3%
(-) Provision for Bad Debt	(847)	-0,2%	(847)	-0,2%	(749)	-0,2%	(749)	-0,1%	(638)	-0,2%	-476	-0,2%
Taxes to Recover	34.431	9,1%	34.431	9,1%	30.528	8,3%	30.528	2,3%	5.833	2,0%	1.211	0,4%
Difered Income Tax	4.414	1,2%	4.414	1,2%	4.771	1,3%	4.771	0,4%	2.370	0,8%	2.129	0,8%
Inventories	247.479	65,2%	247.479	65,2%	218.120	59,1%	218.120	16,4%	168.601	58,0%	118.883	42,7%
Current Liabilities												
Suppliers	170.344	44,9%	170.344	44,9%	133.330	36,1%	133.330	10,1%	115.752	39,8%	96.112	34,5%
Taxes	13.594	3,6%	13.594	3,6%	7.855	2,1%	7.855	0,6%	32.016	11,0%	8.359	34,5%
Salaries	20.798	5,5%	20.798	5,5%	22.675	6,1%	22.675	1,7%	16.986	5,8%	16.294	3,0%
Rentals	2.774	0,7%	2.774	0,7%	2.803	0,8%	2.803	0,2%	2.258	0,8%	2.068	5,9%
Tenure Entitlement	651	0,2%	651	0,2%	430	0,1%	430	0,0%	114	0,0%	124	0,1%
Current Assets	367.087		367.087		327.677		327.677		235.891		181.006	
Current Liabilities	208.160		208.160		167.094		167.094		167.126		122.958	
W.I.>	158.927	41,9%	158.927	*41,9%*	160.583	*43,5%*	160.583	12,1%	68.764	23,6%	*58.048*	20,8%
Additional W.C>	(1.656)	-0,4%	(1.656)	-0,4%	37.165	10,1%	102.534	7,7%	10.716	3,7%	-1.511	20,8%
Days on Receivables	19		19		18		20		18		19	
Inventories	79		79		72		81		75		64	
Suppliers	55		55		44		50		51		51	
Cash Cycle	44		44		46		52		42		31	

Drogasil :Shareholders

SHAREHOLDERS PROFILE in the FREE FLOAT	
INTERNATIONAL	55,6%
BRAZIL	44,4%

“Novo Mercado” Segment.
Fiscal Board.
Tag Along.

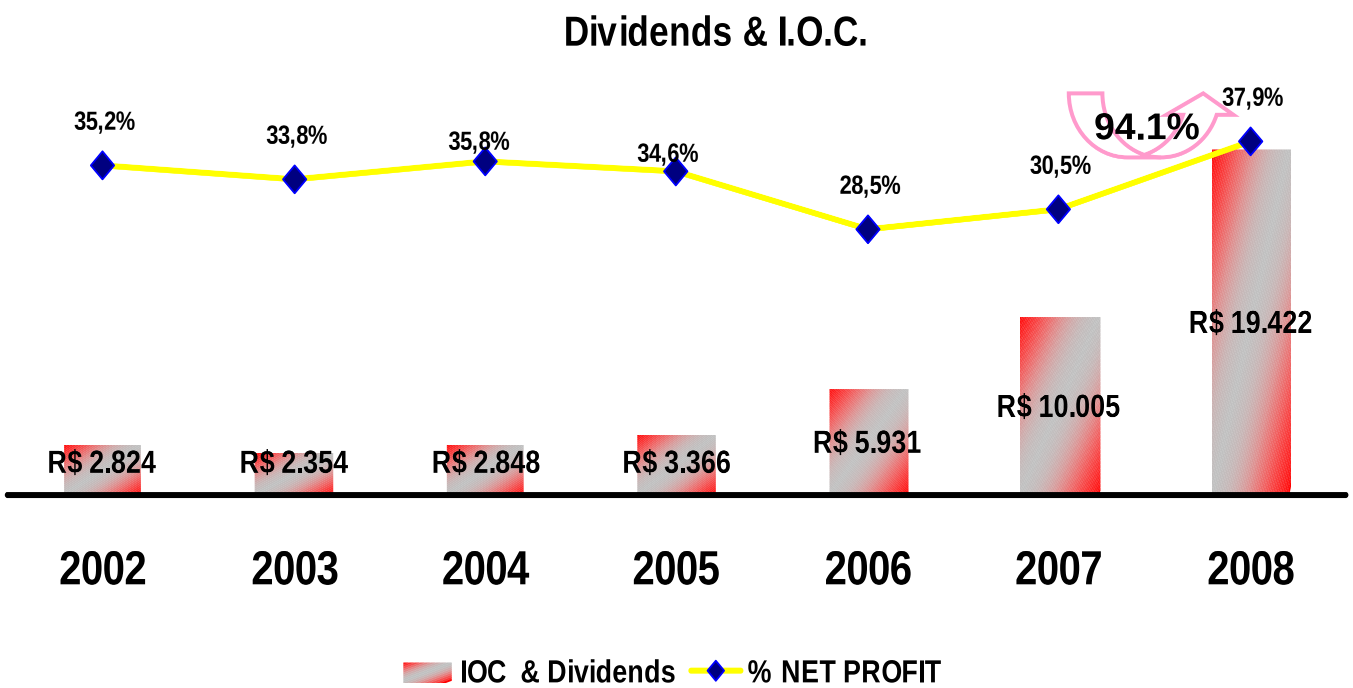


Nota:

1. Tantra –Lafer Galvão Family(100%)
2. Oliveira Dias Family (100%)
3. Stock Option Plan dilution up to 3% total of 605.264 stocks. (June 2007)
4. Share Price: R$15,10 (May 20, 2009))
5. Buy Back completed: total of 3,706,696 shares in October 08, 2008.

Number of Outstanding Shares:
59.060 M shares
Market Cap: R$ 891,8 MM 4

DROG3: Increasing Dividends / IOC Pay-Out



DROGASIL

DROG3: Research Coverage

Capital Stock	**59.060.064**	*Shares*
Capital Stock	**R$ 285.400**	*Million*
Free Float	**28.042.074**	*Shares*
% Free Float	**41,36%**	
Share Price May 19, 2009	**R$ 15,10**	
IOC & DIVIDENDS FY 2007	**R$ 10.005**	*Million*
IOC & DIVIDENDS FY 2008	**R$ 19.422**	*Million*
Market Value	**R$ 891.807**	*Million*
Net Debt (Mar09)	**(R$ 89.251)**	*Million*
E.V	**R$ 802.556**	*Million*

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NGO Sponsorship- Social Commitment

•**Projetos Cegonha Drogasil**

• Provides Baby Care basket & support to employees that became mother.

• **Meu Primeiro Emprego,**
opportunity for youngs to have their First Job.

• **Projeto de Inclusão Social,**
Opportunity for Disability Persons to have a job.

• **AACD,**
Treatment and rehabilitation programs for children and adults with physical disabilities .

• **Instituto WCF Brasil,**
against child and adult abuse.

• **Ação Comunitária,**
Promotes social and education care for poor population in São Paulo city.

• **Doutores da Alegria,**
Bring Joy and Happiness to Children in hospitals.

• **Campanha do Agasalho,**
Forward sweaters and blankets collected in Drogasil stores to charity institutions.

• **Fundação Abrinq,**
Promotes citizenship of children and young adults.

• **Projeto "Obra do Berço",**
Promotes education, health and social welfare to children and their families.

Thank You.

Drogasil S.A.

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