

Medley.

2005 Corporate Social
Responsibility Report

On the Way to Sustainability

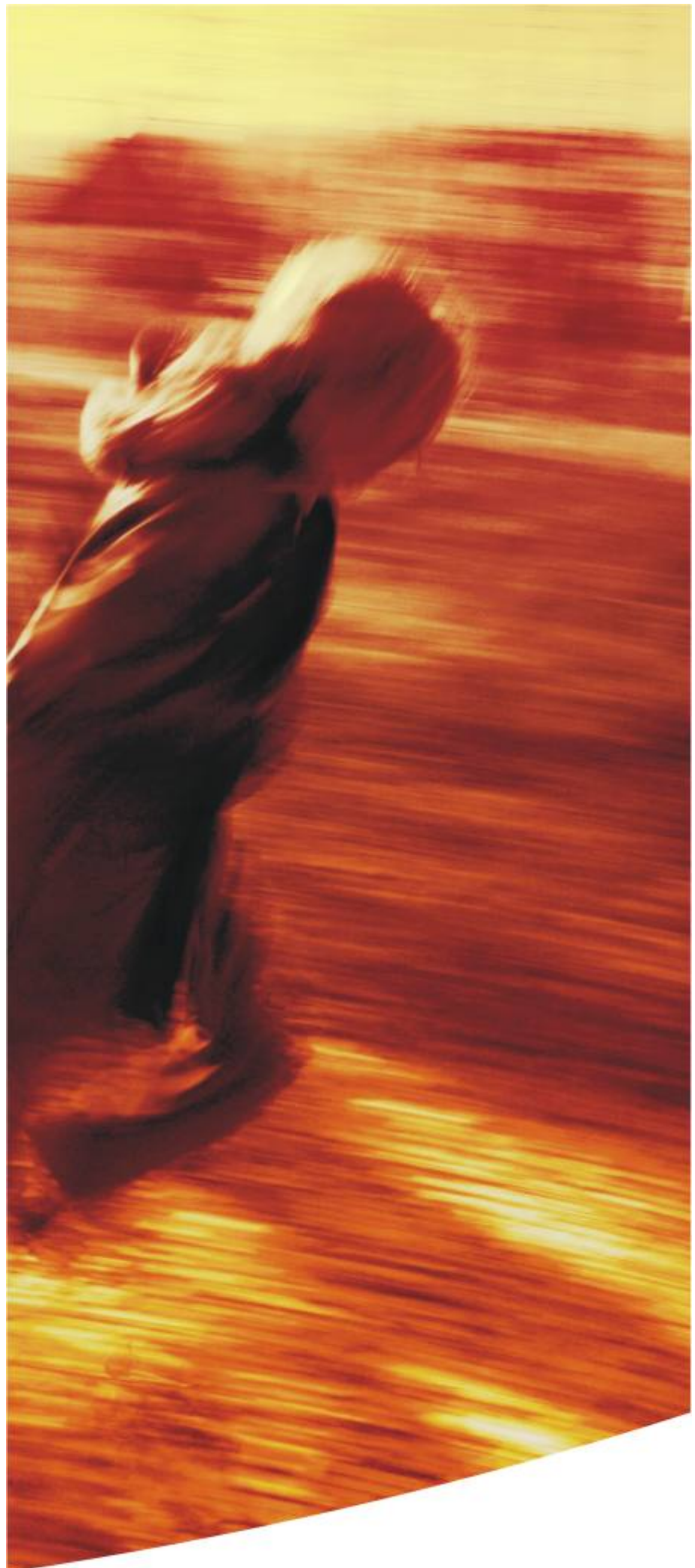


Table of Contents

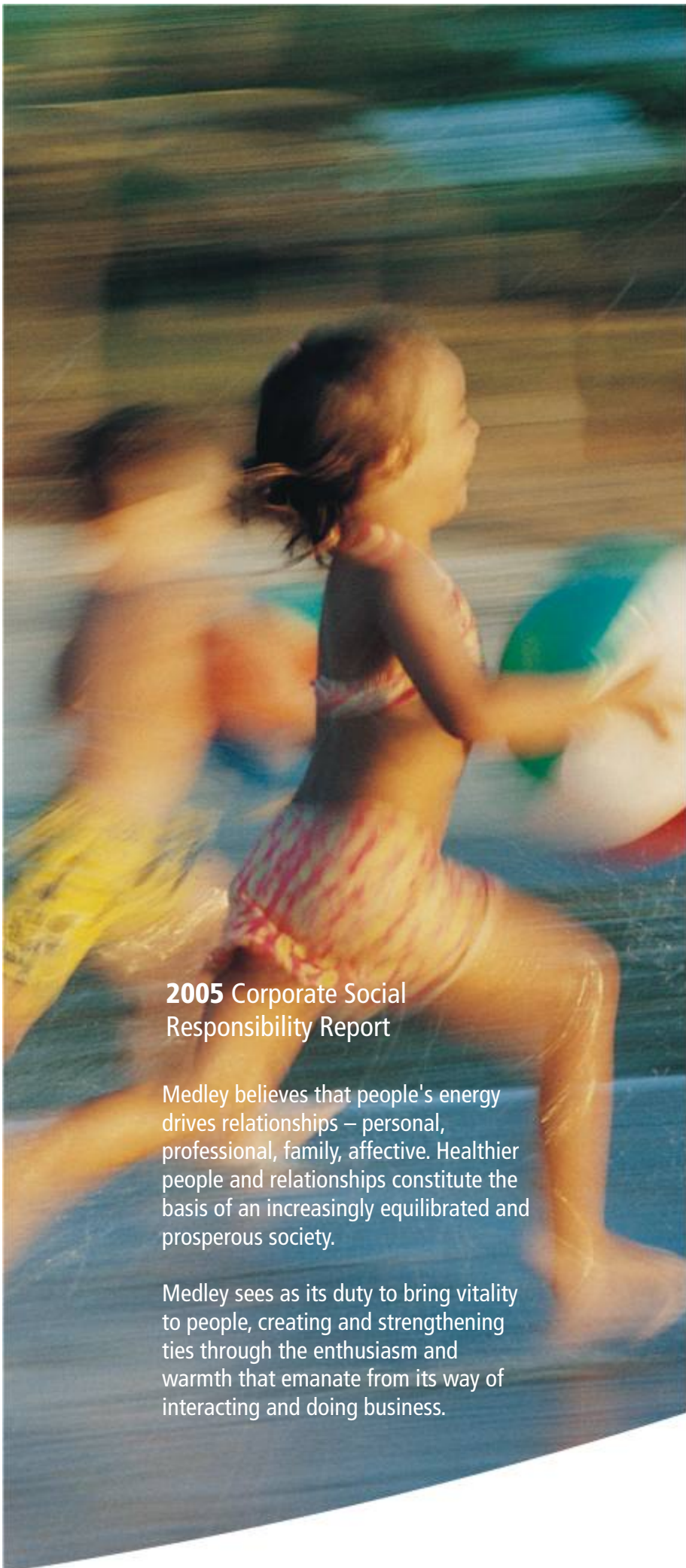
Table of Contents

02		Opening
04		Introduction
06		Message from Top Management
08		Profile
12		Corporate Governance and Management Systems
16		Innovative Products
17		Strategic Public
35		Goals and Challenges
39		Letter from the Auditors
41		Contributors & Contact Information

2005 Corporate Social Responsibility Report

On the Way to Sustainability

Medley.



**2005 Corporate Social
Responsibility Report**

Medley believes that people's energy drives relationships – personal, professional, family, affective. Healthier people and relationships constitute the basis of an increasingly equilibrated and prosperous society.

Medley sees as its duty to bring vitality to people, creating and strengthening ties through the enthusiasm and warmth that emanate from its way of interacting and doing business.

*"Excellence, joviality, and dynamism.
All in one unique word: Energy."*



Energy to grow

These qualities led Medley to witness, over the past years, an impressive growth. Growth always aligned with a strong commitment to corporate responsibility.

According to IMS Health (December 2005), between 1997 and 2005, Medley climbed the sector's ranking in Brazil from the 38th to the 6th position. When considering only Brazilian companies, Medley ranks 3rd.

During this trajectory, the capacity to improve not only through adjustments but also with errors proved itself to be determining, as well as the ability to foresee innovative ways to be explored. The emphasis on generic drugs manufacturing starting in 2000 and the successful partnerships with international companies are a few examples of the company's ability to continuously reinvent itself, in search of promising opportunities.

The new Medley brand seeks to embody these concepts and to transmit them to its stakeholders. **The need to create a new brand came from the desire to express the company's vocation toward growth and corporate responsibility, and to show society the values that guide the company.**

Therefore, at the end of 2004, an international consultancy was hired to develop studies to verify how some strategic groups – employees, clients, doctors and end consumers – perceived Medley, as well as to internally draw the competencies that define the company's presence. Based on this information, a group of people from Medley, together with a contracted company, developed a process for internal thinking, debated in various meetings, and the group culminated with the definition of the company's positioning and with the creation of the brand and of the new visual identity.

On May 29th, 2005, the brand was introduced to all company collaborators through folders and presentations. Subsequently, events directed at other interested parties, such as health professionals, distributors, drugstore networks, the sales force and the media were realized. A large part of Medley's products packaging has already been redesigned and launched, in a process that includes the development of over 800 final arts.

It is worth emphasizing the company's initiative to structure its Corporate Social Responsibility area, responsible for helping the company to tread the path toward sustainable development. We know that there is still a lot of work ahead of us. But evolution, at Medley, is continuous.

Who are stakeholders? The concept of Corporate Social Responsibility deals with all people influenced by or who can influence the actions of an organization. They are the stakeholders, also called strategic public, groups of interest or interested parties. Medley's main stakeholders are suppliers, shareholders, the government, the community, consumers, distributors, collaborators, doctors and the environment.



Mission

Vision

Values

Mission

To develop, produce and commercialize pharmaceutical products and to provide services to healthcare professionals and consumers, within ethical and trustworthy standards, in an adequate cost-benefit relationship.

Vision

To be a pharmaceutical company with an internationally recognized brand name in terms of quality excellence and trust in products and services.

Values

Simplicity

Choices based on simple, direct and objective ways.

Excellence in business

Commitment to the search for excellence through innovation, quality, agility and results.

Responsible actions

To seek to attend to society's needs, with responsibility, through actions that involve collaborators and communities, respecting environmental and social aspects.

Integrity

To act with integrity, abiding by the law, respecting collaborators, partners, suppliers and clients.

Pride to be Medley

To be a company where employees are proud to work.

What is Corporate Social Responsibility?

According to the definition given by the Ethos Institute, Corporate Social Responsibility is a way of conducting business that takes the company as partner and co-responsible for social development. The socially responsible company is the one that has the capacity to hear the interests of the different parties (shareholders, employees, service providers, suppliers, consumers, the community, the government and the environment) and that is able to incorporate them in the planning of its activities, striving to fulfill everyone's requirements, not just those of the shareholders or owners.

Introduction

Despite having been only recently incorporated in the company, the concept of Corporate Social Responsibility has always been present in Medley's trajectory, mainly with the company's constant care about the production of quality drugs at fair costs.

In practice, its presence generates benefits that extend to everyone from shareholders to the end consumers of its products and services, its internal collaborators, external partners, the medical and pharmaceutical sectors and the community in general. Aligned with the concept of sustainability, this business vision is at the basis of the company's growth.

The company's socially responsible attitude starts at home. Medley seeks to guarantee to its collaborators the conditions that enable them, during working hours, to be free from worries, thereby being able to concentrate exclusively on their activities.

The actions extend to the other interested parties in various ways, such as through the construction of communication channels and training programs for healthcare professionals, suppliers, distributors and drugstore and pharmacy networks, as well as through the supply of trustworthy products and services to the end consumer and through the investment in social projects developed in the surrounding communities, through volunteering and the grant of financial resources.

This [Corporate Social Responsibility Report](#) aims at reporting Medley's social and environmental performance to its stakeholders. Since 2002, the company publishes social reports, at the beginning only distributed to its internal public, and since 2004, to all of its stakeholders. As the previous edition, this publication is inspired by the model proposed by the Ethos Institute of Companies and Social Responsibility (Instituto Ethos de Empresas e Responsabilidade Social).

And there is a lot to tell: in 2005, the company officially structured the Corporate Social Responsibility area, responsible for keeping Medley's actions aligned with sustainable development. Therefore, the professionals hired for this sector are dedicated to developing an ethical and transparent relationship with strategic groups; to seeking the integration of the different areas of the company on the way to sustainability, in search for the continuity of the business; and to developing and applying the private social investment policy.

The main tasks of the new area are to promote and disseminate the sustainable development culture and to implement responsible management in Medley's environment. Task that is fulfilled through diverse activities, such as the application and the accompanying of social and environmental indicators; the involvement in the procedures linked to management systems; training programs; the participation to forums and committees of the pharmaceutical sector; and the elaboration of this report.

The 2005 Corporate Social Responsibility Report will have fulfilled its mission of contributing to the debates about the challenges faced by the pharmaceutical sector, by Medley and, more specifically, by the company's Corporate Social Responsibility area on the way to sustainable development.



What is private social investment?

It is one of the ways of exercising social responsibility. It is the planned, monitored and voluntary use of private resources in social projects of public interest.

Therefore, it does not refer to assistantship. The basic difference is that in a private social investment, the company that invests cares about evaluating the return on this investment in terms of transformations to the benefited community.

What is the Ethos Institute of Companies and Social Responsibility?

This is a non-governmental organization created with the mission to mobilize, move and help companies to manage their business in a socially responsible way, turning them into partners in the construction of a sustainable and fair society. The entity was idealized by businesspeople and executives of the private sector and is today an organization pole for knowledge, experience sharing and tools development that help companies analyze their management practices and to deepen their commitment to corporate responsibility.



What is Sustainability?

The concept of Sustainability for Medley includes the guaranty of the best quality of life now and in the future, for future generations, through organized and profitable business development and through the equilibrium between individuals, companies, society and the environment.

The ground for the existence of the Corporate Social Responsibility Department is the concept of Sustainability supported by four important foundations:

1 Individual responsibility

Example: Everyone is responsible for his/her attitude and behaviors and has an essential role in the awareness process, in the dissemination of socially responsible practices, and in conscious consumption.

2 Economic responsibility

Example: Economic efficiency, wealth generation and distribution from companies respecting and benefiting the environment, the individual and society.

3 Social responsibility

Example: The continuous practice of the respect for human rights, law, diversity, healthcare and safety in the work environment.

4 Environmental responsibility

Example: Continuous search for the preservation of natural resources starting from proactive attitudes that do not cause negative effects and/or impacts on the environment.

"The nature of our business is our best social action, as we contribute to the increase of the population's effective access to drugs."

Jairo Yamamoto
President



Innovation at the service of people

Year 2005 brought very positive results to Medley. The sector grew 32% in revenues while Medley registered a growth 17 percentage points above the pharmaceutical market average, going from the 7th position in the ranking (3.46% market share) in December 2004 to the 6th position (3.94%) at the end of last year, according to data from IMS Health (December 2005, values in dollars).

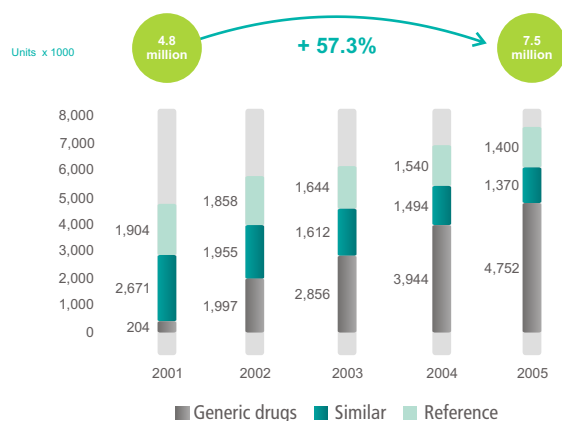
Once more, the star products of our business portfolio were the generic drugs. This proves Medley's social role, as increasing the population's access to generic drugs corresponds to increasing citizens' well-being opportunities and right to healthcare, as shown by the data on drugs for diabetes and high blood pressure, two illnesses that significantly hit the population, for which, in turn, the company increases accessibility to treatments with generic drugs.

Generic drugs: progress in the accessibility to drugs

Generic drugs | Important progresses

Accessibility increase – Diabetes
Metformina

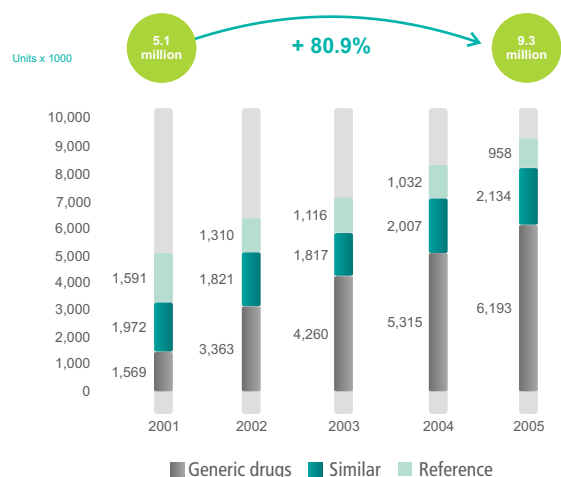
Source: IMS Health (Dec. 2005)



Generic drugs | Important progresses

Accessibility increase – High blood pressure
Atenolol

Source: IMS Health (Dec. 2005)



The increase of this accessibility was the threshold for the growth in revenues that reached 58.9% in December 2005, compared to the same month in 2004. We increased our leadership in this market growing from a 27.2% market share in December 2004 to a 29.9% share in December 2005. We also regained the 1st place in the generic drugs ranking in sales per unit, with 29.22% in December 2005. In the accumulated yearly balance, Medley ranks 1st. According to IMS Health (December 2005, values in US Dollars), of the 20 generic drugs currently most sold, 11 are produced by Medley.

The Brand Line drugs also presented very satisfactory results, with a 32.5% evolution in sales over the period. In 2005 we also surprised the market by launching, in partnership with Bayer AG, Vivanza, a drug for erectile dysfunction, patented by the German company. We are the first 100% Brazilian company to enter this segment, that generated about US\$ 70.5 million in Brazil in 2004. Vivanza showed sales of US\$1.2 million in only three months of commercialization (IMS Health data of December 2005, values in US Dollars).

Part of the success obtained by Medley is due, as well, to the increase in the **exports of its products**. The expectation for 2006, year when the brand completes 10 years of activities, is equally very good, and the generic drugs, again, account for a large part of this optimism. Last year, generic drugs helped the pharmaceutical industry as a whole to maintain a positive performance. While general sales of drugs units increased 1.04% over the period, the growth of the generic drugs commercialization reached about 24% (IMS Health data of December 2005).

There is still a lot of room for progress in the field of generic drugs, not only by substituting drugs which patent will expire but also by entering therapeutic areas not yet covered. We would like to increase our participation, consolidating our leadership in generic drugs with new launches and with creative strategies, investing in two other areas: in the broadening of important partnerships in the Brand Line Drugs, as it occurred with Vivanza, and in the launch of innovative products that would increase our participation in the global market, reaching more Latin American countries and entering Europe. We will be, in this way, generating wealth for the Country.

We believe that our growth trajectory will continue and we are prepared to follow it in a sustainable manner, driving our business based on five pillars: human resources training; financial training; technological training; training aimed at new product development; and training in order to create new commercialization techniques.

Medley's strategy is materialized through actions and decisions. In 2005, several areas were created such as the **Internal Audit Area**, the **Corporate Social Responsibility Area** and the **Clinical Research Area**. The **ISO 9000 management system** gained the support of the **Integrated Management System (IMS)**.

Initiatives like this one, detailed in our report, show the company's commitment to the **Triple Bottom Line** – financial-economic, environmental and social – and to the interested parties in the Medley's activities. They guarantee that we reach our final objective, making available quality products to healthcare professionals and to consumers, through an ethical and transparent involvement, at an adequate cost.

Top Management



Jairo Yamamoto
President



Roberto Mangabeira
Administrative-Financial Vice-President



Jorge Coelho
Industrial Vice-President

What is sustainable development? Concept that appeared at the end of the 20th century that proposes an economic development that aims not only at growth, but also at the improvement of quality of life. Therefore it involves the satisfaction of society's basic needs without compromising future generations.

Profile



Structuring in view of challenges

In 2006, the Medley brand completes 10 years of activities, in great shape. A 100% Brazilian privately-owned company, it has 179 products, in 411 different packages, that include nearly 83 therapeutic classes.

Divided in three lines of business: the Brand Drugs Line, with prescription drugs, the generic drugs and the OTC (prescription exempt) (IMS Health data of December 2005), the products are commercialized in the domestic market and in two other Latin American markets.

Two units of production manufacture Medley's drugs, in the countryside of the State of São Paulo: in Sumaré and in Campinas, where the administrative headquarter of the company is also located.

Main 2005 numbers

1,191

Total number of employees

55,911,192

Total number of units sold

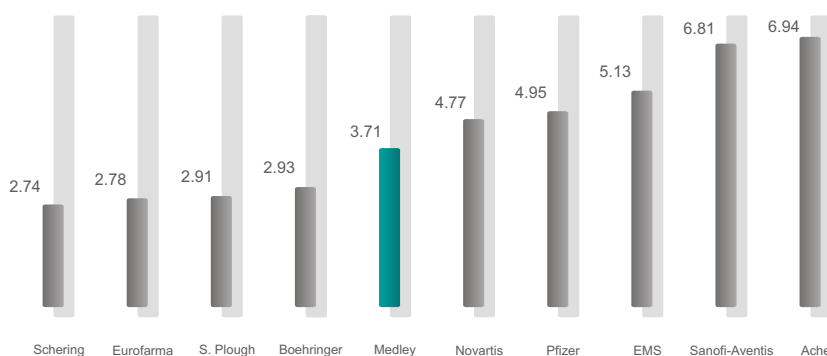
75,983,724

Total number of units produced*

R\$459,641,114.00

Gross revenues

*We considered the production for third parties, free samples and others.



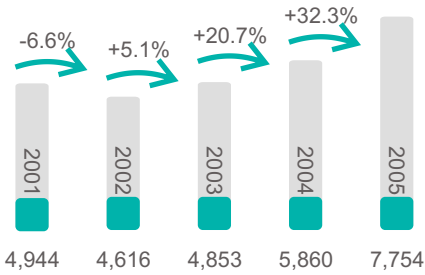
Source: IMS Health US\$ - December 2005

6th in market share in the Brazilian market
3rd among the Brazilian companies
Leader in the generic drugs market

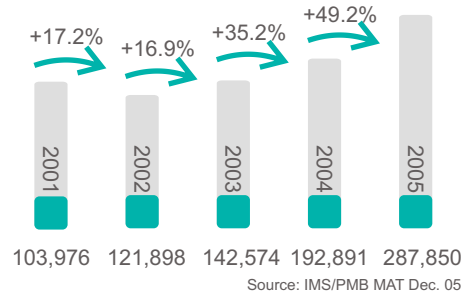
What is Triple Bottom Line? The sustainability triangle includes the following sides: society, the environment and the economy. The bottom line, that is, the ideal state for the parties involved in a company's activity, is that it is able to align its financial, social and environmental performance.

Evolution in US Dollars

MARKET growth in Billion USD

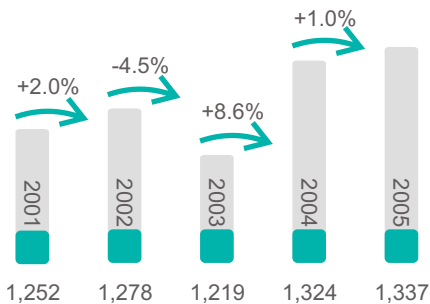


MEDLEY's growth in Billion USD

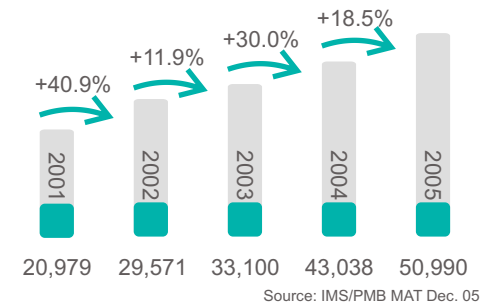


Evolution in Units

MARKET growth in Million Units



MEDLEY's growth in Million Units



New areas

In 2005, Medley created new areas and expanded other existing ones in order to respond to the corporate requirements resulting from the company's growth. **Additional details are provided here below.**

Corporate Social Responsibility

Created with the objectives to implement the sustainable development culture in the company; to diagnose and implement Corporate Social Responsibility principles; to manage private social investment and to act so as for Medley to always maintain ethical and transparent relationships with the parties interested in the business.

Internal Auditing

Created to evaluate the internal controls and procedures adopted in all departments, identifying the critical points to be improved and formalizing the processes that are not yet properly documented.

Analytical Development Laboratory

Physically expanded, integrating the Analytical and Pharmaceutical-Technical Development Laboratories. With this expansion, a pilot plant installed whose equipment has the same concepts as in the case of industrial plants where the tests

required for drug manufacturing are realized, on a pilot scale.

Clinical Research Area

Subordinated to the Medical Department, the area was created in order to conduct clinical research in view of developing new Medley products.

Corporate Marketing and Sports Marketing

Restructured, the departments work on Medley's visibility in society, with actions that range from the new brand creation to the sponsorship of Brazilian athletes and include a public relations function, now developed internally by a specialized agency.

Sales Force and Market Intelligence Effectiveness

With the modernization of its equipment, the area can respond with agility to the requirements of departments and the company's top management, providing strategic information for business planning and decision making.

Timeline

In 1932, the first generation of the family discovered the vocation for making drugs. In the 1960's, growth began, with the opening of the first branch, and in the 1970's it reached the threshold of 200 collaborators.

Innovation, growth, training and professionalization are among the outstanding factors of the 1990's. The company, managed by the third family generation, also confirms a vocation for entrepreneurship and a new growth trajectory, this time accelerated. Please find below some of the determining facts of Medley's history.

Enters the generic drugs market.
First Brazilian pharmaceutical company to obtain ISO 9001.
Conducts the first study of a drug's bioequivalence in Brazil.
Launches Estrofem, Trisequens and Kliogest (all for hormonal reposition treatment) in partnership with Novo Nordisk.
Launches Prandin (antidiabetes), again in partnership with Novo Nordisk.
Inaugurates the Santa Genebra daycare center.
First corporate volunteering actions.

Occupies the 38th position in the pharmaceutical industry's ranking.

1996 1997 1998 1999 2000

Timeline

Launches the Captopril generic drug.
Reaches the 28th position in the sector's ranking.

Launches Plenty (treatment against obesity), in partnership with Abbott laboratory.

The Medley brand appears.

Launches the new Medley logo. Creates the Corporate Social Responsibility area. Launches Vivanza (erectile dysfunction treatment) in partnership with Bayer. Medley's team wins the Stock Car V8 title, the most important Brazilian car racing category. Occupies the 6th place in the sector's ranking. For the third consecutive year, Medley Sumaré is recognized by the Brazil Agency of Safety (Agência Brasil de Segurança - ABS) for Safety at Work, totaling 1.3 million men/hour worked without accidents or leaves of absence over the period from 2002 to February 2006.

Launches Zanidip (high blood pressure control), in partnership with Recordati laboratory. Launches the Ureadin moisturizers line, in partnership with the ISDIN Laboratory of Spain. Reaches the 10th place in the sector's ranking. Appears in the first list of the 50 Best Companies for Women to Work For, of the Exame magazine, that repeats itself in 2004. Medley's two manufacturing units are prized by the Brazil Agency of Safety (Agência Brasil de Segurança - ABS) for Safety at Work, which occurs again for the Sumaré unit in 2004.

The shareholders start participating exclusively to the Advisory Committee. Consolidates its leadership in the generic drugs market. The company occupies the 15th position in the ranking. Launches Activelle for hormonal reposition treatment. Medley Voluntary Initiative (Ação Voluntária Medley) is recognized by the Center of the Industries of São Paulo State Regional Campinas with the prize of Best Social Project, fact that repeats itself in 2003.

2006

The Medley brand completes 10 years of activities.

2005

Reaches the 7th position in the pharmaceutical industry's ranking.

2004

The Pride to Be Medley event is created.

2003

Launches the line of sun protectors, in partnership with the ISDIN Laboratory of Spain. Participates and figures, for the first time, in the Exame/Você S.A. Guide of the Best Companies to Work For, fact that repeats itself in 2003 and 2004.

2002

2001



Corporate governance and management systems

Management with ethics and quality

A professionally managed family-owned business, Medley has an Executive Management Team composed of six (6) professionals and an Advisory Committee formed by four (4) members of the company's founding family, representing three family holdings. An Executive Management Team meets monthly to evaluate the results and to define the directions to be taken. The Executive Management Team has a one-year term, that can be renewed by the Ordinary General Assembly, realized yearly to approve the company's strategic planning and to take the decisions driving the business. An external company runs monthly audits of Medley's economic and financial data. With this corporate governance structure, Medley acts in an ethical and transparent way in front of society.

What is corporate governance?

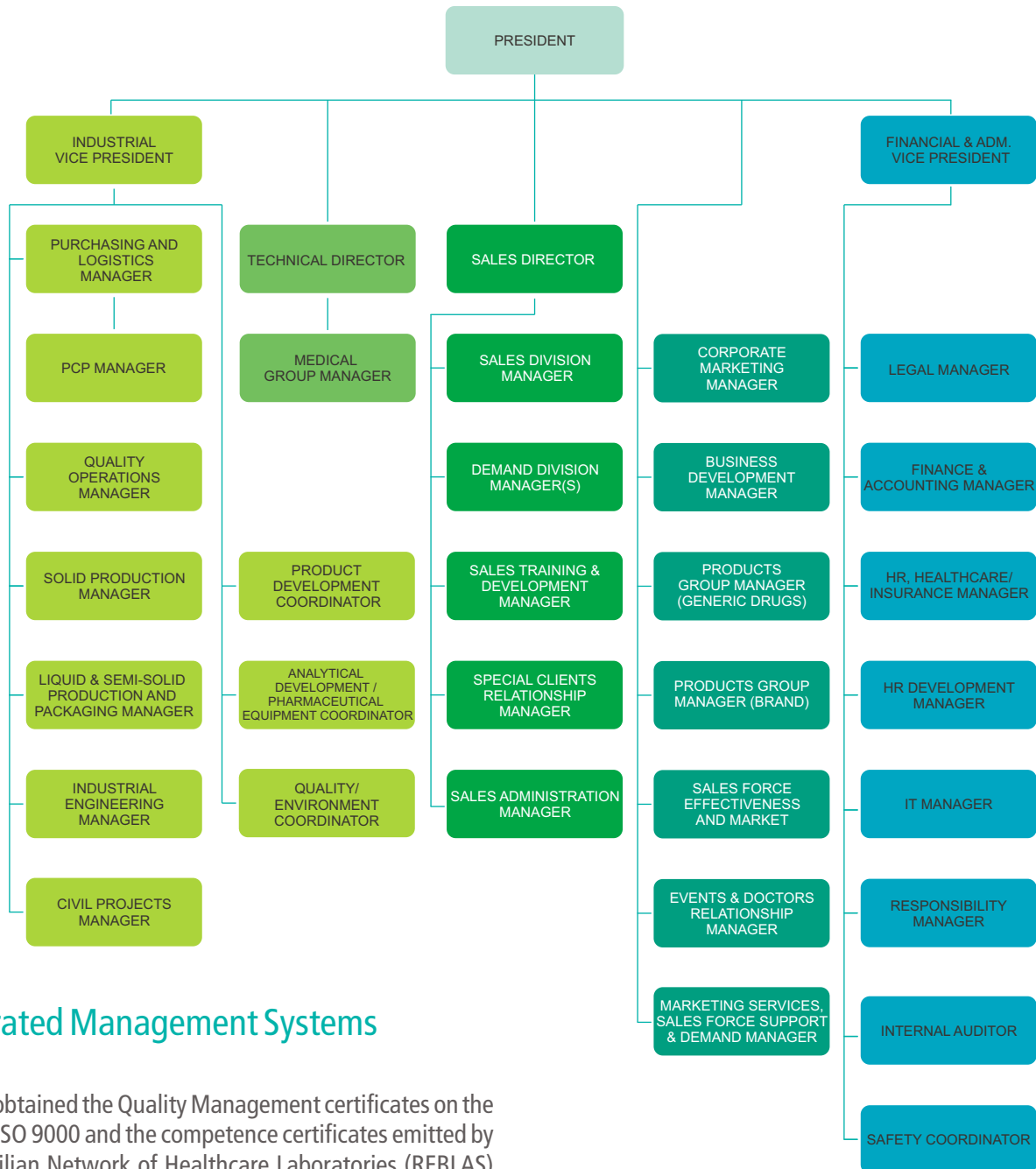
It is the system by which societies are managed and monitored, involving the relationships between Shareholders, the Executive Committee, Top Management, Independent Auditors and the Tax Committee. Good corporate governance practices have the objective of adding value to society, of facilitating its access to capital and of contributing to its continuity.

What is OHSAS 18001?

It is a management systems guide related to safety at work and occupational health. The OHSAS acronym means Occupational Health and Safety Assessment Series. The OHSAS 18001 certification attributes to the organization the management quality of the existing risks through prevention.

What is ISO 14001?

ISO (International Organization for Standardization) is an organization headquartered in Geneva (Switzerland). Since 1947, when it was founded, it has been the international standards forum. The ISO 14001 Environmental Management certificate states an organization's environmental responsibility in the development of its activities and includes the central elements of an Environmental Management System (EMS) to be used for certification and registration. Among these principles there is the need to identify, measure, monitor and evaluate the organization's environmental performance.



Integrated Management Systems

Medley obtained the Quality Management certificates on the basis of ISO 9000 and the competence certificates emitted by the Brazilian Network of Healthcare Laboratories (REBLAS) for the activities of Pharmaceutical Equivalence on the basis of ISO 17025.

In the 2004 Social Responsibility Report, Medley communicated the directives that lead its Integrated Management Policy. In 2005, the company started the integration of its management systems through the Integrated Management System (IMS) that aims at managing environmental, healthcare and safety systems integrated to the quality system. The IMS is based on the ISO 9001, ISO 14001 and OHSAS 18001 norms. In addition to the control of the respect of the laws, this management deals with the identification of the environmental aspects and impacts of company activities and the health and safety dangers and risks that these activities can involve. As such, it is possible to act preventively with regards to pollution control and to labor-related accidents and occupational illnesses prevention.

With this integrated system, Medley expects to contribute in order for its activities to be developed on the basis of sustainability, within standards that are internationally recognized and validated by competent entities.

In addition to the ISO 9001 quality certificates and the ISO 17025 habilitation, Medley obtained the Manufacturing Good Practices certificate (Boas Práticas de Fabricação – BPF), issued by the National Agency of Sanitary Vigilance (Agência Nacional de Vigilância Sanitária - Anvisa), required from pharmaceutical companies present in the generic drugs sector. The BPCS software enables total control of the manufacturing process, since the weighing of the raw material to the finished product.

Integrated System Policy

- To promote the technical and personal training of Medley's professionals to enable them to work on their tasks and responsibilities, respecting the environment, keeping from polluting, following the rules of occupational health and safety in the workplace, in a proactive and preventive manner, thereby aggregating human quality to our final product.
- To produce drugs with quality raw materials obtained from suppliers committed to quality, the environment, occupational health and safety at work.
- To guarantee that the manufacturing conditions of our products are within the Good Manufacturing Practices (Boas Práticas de Fabricação), observing legal and other requirements of the Integrated Management System.
- Attend to our clients' requirements, providing quality products and services, making technical and scientific information based on legal and trustworthy standards available.
- Ensure that the right quality, environmental and occupational health and safety management reaches the proposed objectives, promoting an on-going improvement process and the continuity of the business.

Corporate Social Responsibility Management

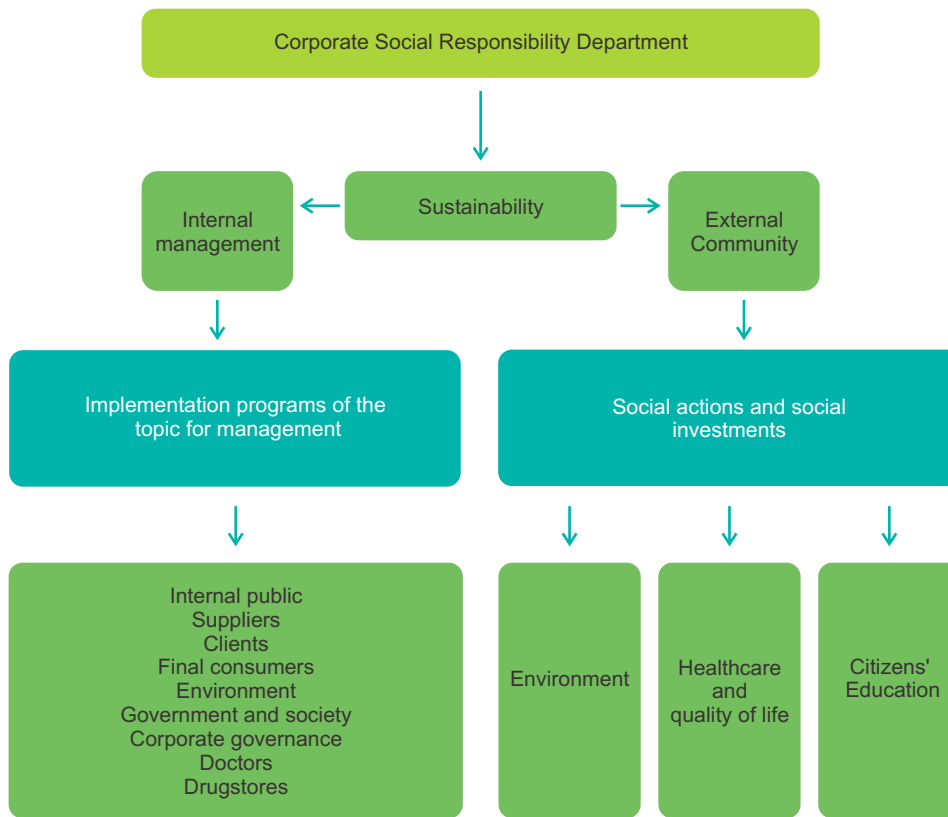
The first step in the creation of Medley's Corporate Social Responsibility area (CSR) was the structuring of a Corporate Social Responsibility Committee, formed by twelve (12) people, including directors, managers and representatives of diverse areas of the company. The group, after having aligned concepts, filled in the Ethos Corporate Social Responsibility Self-Evaluation Indicators, a diagnosis tool.

Meetings with members of the committee validated or not the answers to the indicators provided by the departments. The results, sent to the database of the Ethos Institute, constitute bases to guide the strategy of the area's continuous improvement.

All year long, the area structured itself, realizing benchmarking and diagnoses, with the help of the external consultancy of BDO Trevisan, at the same time that the first projects began, focused mainly on the awareness and dissemination of the Corporate Social responsibility (CSR) concepts. After filling in the Ethos Indicators, a better understanding of the topics was noticed by the leaders. The planning aimed at the adaptation and growth of a few topics mentioned in the self-evaluation work.

It was defined that Medley's social actions and investments would be supported by three pillars: the environment, healthcare and quality of life, and citizens' education. The results reached in 2005 on these three pillars can be seen in the chapter dedicated to the strategic groups in this report.

What are the Ethos Corporate Social Responsibility Self-evaluation Indicators? The Ethos Institute developed the Ethos Corporate Social Responsibility Self-evaluation Indicators as a tool for companies to evaluate the status of their Social Responsibility, as well as to identify improvement opportunities. The indicators include the following topics: values, transparency and governance, internal public, the environment, suppliers, consumers and clients, the community, government and society.



Topic	Grade of the company	Average of the benchmark group	Average of Ethos database	Best performance on the topic
General performance	3.94	8.20	5.11	
Values, Transparency and Governance	4.88	8.35	5.54	9.53
Internal Public	5.32	8.11	5.12	9.67
Environment	3.51	8.28	4.72	9.95
Suppliers	2.24	7.26	3.91	8.75
Consumers and Clients	4.79	8.94	6.39	10.00
Community	4.06	8.92	5.58	10.00
Government and Society	2.81	7.54	4.54	10.00

Innovative products

Rational and planned product development

The capacity to innovate constitutes the decisive characteristic of the growth experienced by Medley over the past years. The company's history includes the launch of successful generic drugs, the realization of partnerships with multinationals to produce and commercialize branded drugs and the creation of solutions that combine, in a unique packaging, different molecules used in the treatment of certain illnesses, such as in the case of Pyloripac, sold in Mexico since the beginning of 2003 and in Peru since 2006.

Starting in 2005, decision making for the development of products gained even more consistency through the [Medley's Projects Feasibility program \(Viabilidade de Projetos Medley - VPM\)](#), developed by various departments under the coordination of the Business Development Area. The program consists of a database with the objective to align and standardize the evaluations of all the areas involved in the implementation of a project. (This through the management and systematization of the information related to an identified opportunity of portfolio expansion).

Starting in 2005, decision making for the development of products gained even more consistency through the Medley's Projects Feasibility program (Viabilidade de Projetos Medley - VPM), developed by various departments under the coordination of the Business Development Area. The program consists of a database with the objective to align and standardize the evaluations of all the areas involved in the implementation of a project. (This through the management and systematization of the information related to an identified opportunity of portfolio expansion).

At the end of the feasibility analysis process, Medley's management will have the bases for detecting which projects are aligned with the targets established by the company, as well as for determining a prioritization agenda of projects to be developed by the areas involved.

In addition, all of the data and information relevant to the critical analysis developed will be documented and stored with the help of the computerized system. By aligning such information and actions through the prioritization of projects, we will be seeking a highly strategic management model of Medley's business, associated with the commitment to continuous growth and the agility for broadening of our portfolio.

Vivanza surprises the market

Vivanza's launch, Medley's second patented product, resulting from an agreement with Bayer, proved to the market the solidity and competence of the company in the realization of partnerships with multinationals. Until then, Medley had already signed agreements with Novo Nordisk, Aventis, Abbott and Recordati. The partnership with Abbott, in fact, resulted into the first patented product of the company, Plenty, one of the most modern drug for healthy weight loss, launched in 1998.

With Vivanza, whose patent will be in effect until 2018, Medley became the first Brazilian laboratory to enter the erectile dysfunction market.

The results obtained with these partnerships, together with the trustworthiness and credibility of the Medley brand, accredit the company as one of the best prepared in the domestic market to realize agreements with multinational companies.

This alliance capacity enables Medley to explore markets not yet open to generic drugs, an important differential in its growth strategy, since the discovery of new molecules is still not a reality for Brazilian companies, as investments in research in the country continue to be focused on the realization of bioequivalence tests and clinical studies.

Focus on relationships

The objective of the Corporate Social Responsibility area (CSR) is to seek ethical and transparent relationships with the parties interested in Medley's activities. Making sure that the communication between the company and its strategic public enables a business management beneficial to all, is essential to reach Sustainability.

In its first year of existence, the area concentrated on the dissemination of the concepts of Corporate Social Responsibility among the collaborators. Employees participated to meetings in which they received Medley's 2004 Corporate Social Responsibility report. The Pride to Be Medley (Orgulho de Ser Medley) yearly integration event, that brings all of the employees together, focused on the Corporate Social Responsibility topic. During the event, a video was presented about the area, concepts related to the topic and the main social activities developed by the company. Other activities related to CSR were also developed. Speeches on CSR were integrated to the Sales Force Congresses and Conventions.

Another important action was that of the beginning of the development of the drugs donation flow. In addition, Medley participated to the structuring of the Forum for Citizenship and Solidarity (Fórum pela Cidadania e Solidariedade), an informal group of non-profit organizations that has for mission engaging the Primary, the Secondary and the Tertiary sectors in the strengthening of society toward civic attitudes.

Medley also participates to the ISO 26000 work group, coordinated by the Ethos Institute. The group discusses the future world standard for Social Responsibility, to which it will present guiding objectives to be fulfilled by business entrepreneurs who adhere voluntarily, without a certification title as it occurs with the similar ISO 9000 and ISO 14000.

The ISO 26000 work group

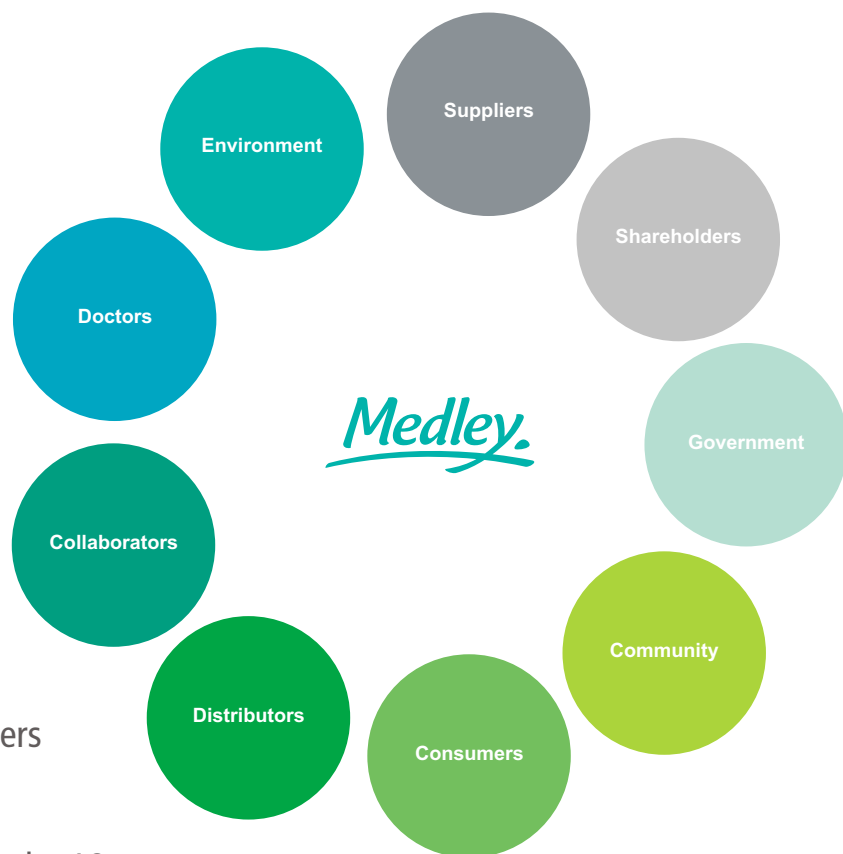
Coordinated by the Ethos Institute and by UniEthos, the group has for objective "to contribute to the training of the associated companies on the emerging topics of the elaboration process of the Social Responsibility standard (ISO 26000)". In addition, the initiative expects to provide to the process participants a wide vision of the trends of the Social Responsibility movement in the world. Around 70 companies associated to Ethos, including Medley, participate to this work group.



Strategic
Public

Internal Public

Employee satisfaction is a question of honor for Medley. Therefore, the company develops a series of training and education programs for its workforce.



Total number of employees (December 2005)

1,191

Employees

93

Service providers

172

Interns

21

Apprentices under 18

All workers of the operational area go through a training process, based on their position, based on a skills matrix that includes technical, safety, quality and behavioral modules. In 2004, the **Multipliers Development Program** (Programa de Desenvolvimento de Multiplicadores) was launched, with the objective to qualify production multiplying operators (employees with a larger experience) to do, among other tasks, on the job training in the area. Leadership development has been an important focus over the past years.

Managers and coordinators concluded the **Developing our Leaders** (Desenvolvendo nossas Lideranças) program, conducted by the Dorsey Rocha and Associates Consultancy. Along the same line, managers, directors, vice-presidents and the president participated to the **Medley Program of Executive Development** (Programa Medley de Desenvolvimento de Executivos), produced by the Dom Cabral Foundation (Fundação Dom Cabral). Such initiatives aim at developing specific managerial skills and abilities, in view of a managerial action aligned with Medley's philosophy and objectives.

For the Sales Force, the **Medley Sales Program** (Programa Medley de Vendas – PMV) was elaborated in order to promote the development and professional qualification of the collaborators through the improvement of their technical, scientific and market knowledge.

Another example is the **Medley Knowledge Forum** (Fórum de Conhecimento Medley), that has for purpose to offer to new sales representatives the basic tools for their field work, such as sales and promotion techniques, medical and strategic marketing courses, among others. The Forum also includes visits to the Medley's factories. This training is always provided when a new group of representatives is hired.

In 2005 the leadership improvement course was also ministered for the Sales Force and Sales Conventions managers, focused on training, integration and motivation.

At the production unit in Campinas, the **Self-Learning Center** (Centro de Auto-aprendizado) was created, center dedicated to the digital inclusion of employees who do not have access to computers in the company. In addition to this equipment, the center has newspapers, books and magazines. Employees have already been able to participate to computer classes at this location.

The **Legal Orientation program** (Orientação Legal) was instituted, with the objective to help clarify to collaborators the main legal questions of personal matter, providing coaching in specific cases. The service is provided confidentially and realized by Law professionals, who are available at least once a week, attending in the units of Campinas and Sumaré.

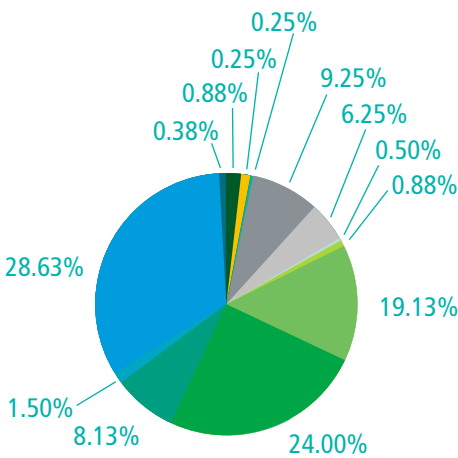
Human Resources Management

To improve Medley's performance through management by competence of its professionals, to proportionate self-knowledge and to identify improvement opportunities, to disseminate a culture of coaching and constant feedback. These are among the main objectives of the Performance Management System based on Competences, aimed at Medley's managers and technical-administrative employees. Access to the system is given via the digital tool, the Intranet, in an environment to which only employees and their managers have access.

Structured in three modules- Work Plan, Behavioral Competences Evaluation and Professional Competences Evaluation (to be developed) -, the program allows the planning of activities, a yearly accompanying, and, after the year has been completed, an evaluation of performance and of behavioral competences in the 360° model for managers (the manager does his/her own evaluation, is evaluated by his/her immediate reporting manager, by four subordinates and by three or four peers) and 180° for non-managers (the collaborator does his/her own evaluation, is evaluated by his/her immediate reporting manager and by three or four peers). The evaluation result is discussed during a meeting in order to exchange feedback between the evaluated and evaluators, meeting during which an Individual Development Plan (Plano de Desenvolvimento Individual – PDI) is also established. Taken together, the evaluations also guide the corporate development program.

In the operational areas, the evaluation has been implemented according to the specificities of the areas and production plants. However, there is an alignment in the tool used.

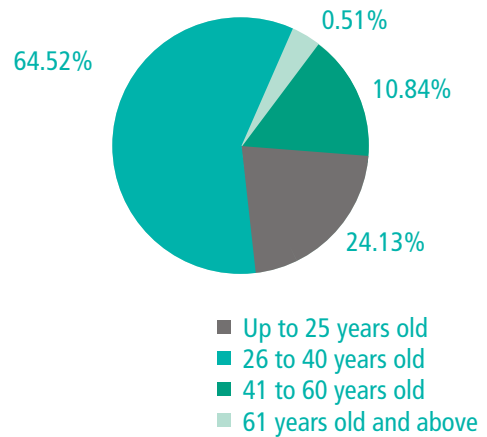
Level of Education of Medley Employees



- Ph.D. - in progress
- Specialized Graduate Degree - Completed
- Specialized Graduate Degree - in progress
- Master's degree - Completed
- Master's degree - in progress
- Bachelor's degree - Completed
- Bachelor's degree - in progress
- Technical high school - Completed
- Technical high school - in progress
- High school - Completed
- High school - in progress
- Grade School - Completed
- Grade school - in progress

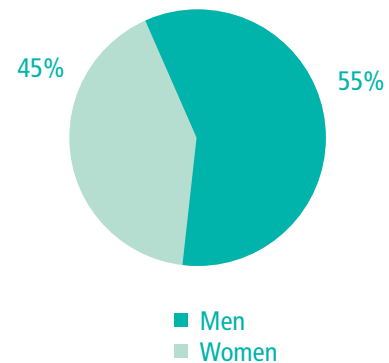
Medley Age Groups

December 2005



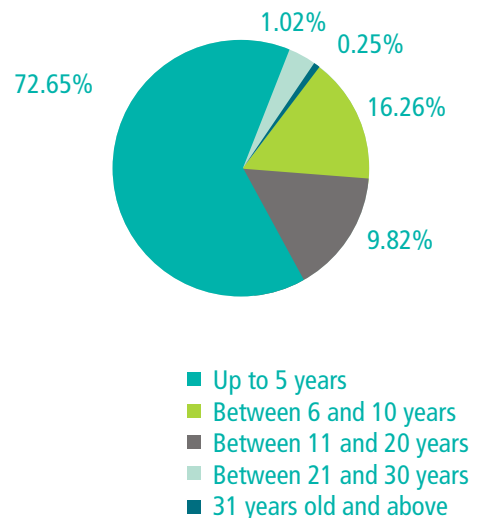
Men x Women at Medley

December 2005



Employment Time at Medley

December 2005



Collaborators' profile

Collaborators	Percentage in relation to the total number of collaborators	Percentage in managerial positions in relation to the total number of managers	Percentage in directors' positions in relation to the total number of directors
Women	45%	26%	17%
Non-Caucasian women	5%	0	0
Non-Caucasian men	8%	5%	0
Disabled people	3%	0	0
People above 45 years old	8%	18%	67%

Salary profile (in average salary)

Categories	Black & Mixed men	Caucasian & Asian men	Black & Mixed women	Caucasian & Asian women
Managerial positions	11,852.00	13,631.00	0	12,252.00
Coordination positions	7,975.00	7,050.00	6,466.00	5,797.00
Functional positions	1,757.00	2,392.00	1,455.00	2,229.00

Calculation: addition of salaries divided by the number of employees in each position category.
Directors are not considered as they are statutory.

Education and training

Investments	2003	2004	2005
Percentage of investments in education and training in relation to total revenues	0.28%	0.21%	0.35%
Percentage of investments in education and training in relation to total operating expenses	0.55%	0.49%	0.79%
Percentage of investments in education and training in relation to total human resources expenses	1.51%	1.24%	1.88%

Turnover

Year	Index (%)
2002	16.4
2003	11.3
2004	16.17
2005	11.54

Errata:

Turnover calculation formula:

2004

Total number of dismissals per year divided by the total number of employees per year.

2005

Total number of dismissals per year divided by the average number of employees per year.

Benefits

In 2005, the company inaugurated a leisure area in the unit of Sumaré, with a soccer field, a volleyball court and a barbecue place. The initiative responded to the demand identified in the [Organizational Climate Study](#) realized by the company in 2004.

See below other benefits offered to employees.

Food

Two restaurants installed in the production plants offer breakfast, lunch, diner and supper.

Medical plan

It is offered with free basic coverage to all company employees and with optional superior coverage to coordinators and managers.

Daycare center

Aimed at employees' children up to the age of 6 years and 11 months old. 30% of the daycare center enrollment is reserved for children of the communities surrounding the company.

Drugstore plan

Allows the purchase of drugs with discounts, in addition to withdrawing the purchase amount directly from the employee's pay.

Basic food basket

Two kinds of food baskets are offered, with the possibility to have them home delivered in exchange for a fee.

Life insurance

Group life insurance policy that guarantees a capital of 24 salaries in the case of natural death and 48 salaries in the case of accidental death, covering spouses and children.

Transportation

Chartered bus and vans for the transportation of employees who live in Campinas metropolitan area, from their residences to work. In this case, the employee contributes with up to 4.5% of his/her salary.

Dental plan

Allows the dental treatment free of charge in 90% of all cases.

Birthday party

Two birthday parties are realized every month in each one of the manufacturing plants, one for employees of the day shift and another one for employees of the night shift.

Baby kit

Offered to employees' newly-born babies. Composed of hygiene products and utensils such as a pacifier, a bottle, a blanket, shoulder diapers, a hooded towel, among other things.

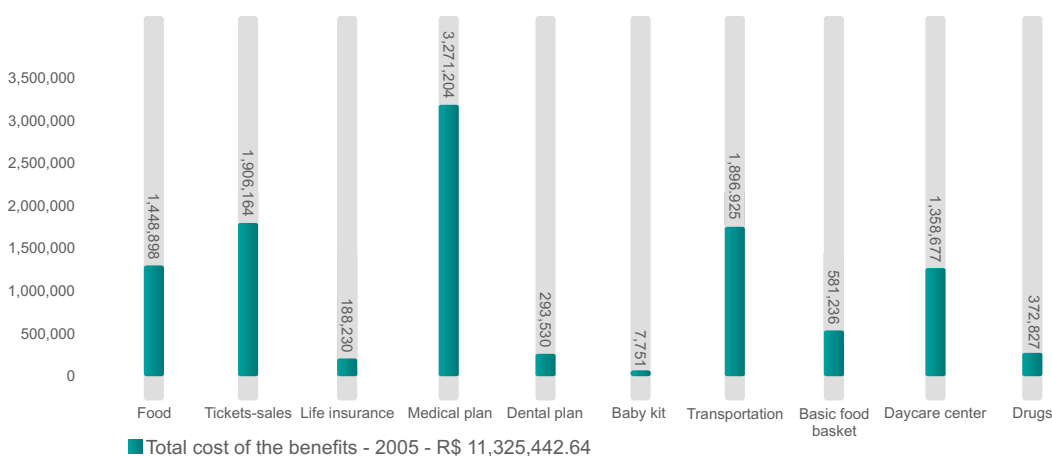
Drugs distribution

All drugs manufactured or commercialized by Medley are provided to employees and their dependents upon the presentation of a prescription, with discounts that vary between 60% and 100%.

Prize for employment time

Recognizes employees for their dedication to the company.

Total cost of the benefits - 2005



What is digital inclusion? The concept does not only relate to the citizen's "literacy" process in computer tools, but also to the improvement of the quality of life of a determined region or community with the help of technology. In pragmatic terms, digital inclusion does not include teaching the mastery of technology, but rather aims at showing the citizen how technology can insert him/her in the labor market and improve his/her quality of life.

Communication channels

In addition to Medley's efforts to have satisfied employees, the company believes that it will know whether its objectives are being reached only by maintaining communication channels open. The relationship between the company and the employees must be ethical and transparent. **Please see here below the main communication channels offered to collaborators:**

Help Rep

The most important communication channel with the Sales Force. The 320 sales representatives, 30 district managers, 6 regional managers and 2 division managers have a phone service available with an average problems resolution index of 1 to 2 days. The service fulfills functions that range issues clarification to the fleet maintenance.

Pride to Be Medley

Yearly meeting between the president and all employees to share information on the pharmaceutical market, Medley's objectives and results. In 2005, the topic of the event was Corporate Social Responsibility.

Leadership Engagement in Medley's Objectives (ELO Engajamento da Liderança nos Objetivos Medley)

Three annual meetings between the president and the company's leaders, during which information about the business is shared.

Bate-PAC (Proximity, Openness and Trust)

Nine yearly meetings at different times, in the units of Campinas and Sumaré, during which management shares information about the company, and employees have the opportunity to question, clarify doubts, debate and make suggestions.

Family Program at Medley (Programa Família na Medley)

In 2005, 14 visits to the plant of Campinas were organized, on Sunday morning, in order to know a few areas of the manufacturing plant, to participate to conferences and to realize leisure activities, involving 316 people, including employees and relatives.

Vide Bula

Internal newspaper that communicates to employees important information on the daily activities of all of Medley's areas. It completed, in 2005, 100 published editions.

Health and safety

At Medley, occupational health and safety at work are priority issues. The promotion of employees' health and labor in a safe environment constitute the bases of the company's operation, as it is seeking the OHSAS 18001 certification.

The objectives of occupational health, according to the International Labor Organization (ILO), are to promote and maintain at the highest level the physical, mental and social well-being of the workers in all occupations; to prevent occupational illnesses among workers caused by their work conditions; to protect workers in their employment against risks resulting from adverse health factors; and to keep occupational environments adapted to workers' physiological and psychological aptitudes. In summary, to adapt work to man and every man to his own work.

The occupational health sector realizes diverse actions to promote the quality of life of Medley's employees:

Heart risk campaign

An analysis of the potential risk of a coronary event to which collaborators could be victims is done. It includes additional exams, corporal mass indexes, an analysis of eating habits and physical activities.

Immunization against the flu

It gives protection against to the flu to the collaborators and children aged 6 months to 6 years and 11 months through vaccination, which guarantees immunity for one year.

Ergonomic projects

Evaluation of work locations in terms of health risks and consequent proposed improvements.

Laboral gymnastics

Physical exercises in the work environment, at the beginning and at the end of the work shift.

Medley's Chorus Voices

Quality of life project having for objective to offer to all of the collaborators the opportunity to enter in contact with vocal music. Seeks to improve interpersonal and professional relationships between its participants.

Prize for good ideas. Medley's employees have an open channel available for sending practical suggestions and good ideas for daily problems: the Good Ideas and Suggestions channel (Boas Idéias e Sugestões – BIS). The author of each feasible idea receives a cash bonus for his/her contribution. A yearly event takes place to give prizes for the ten best ideas. In 2005, a software was implanted via Intranet access in order to facilitate the registration and suggestions approval process.

First aid training

Aimed at members of the Firefighting Brigade (Brigada de Incêndio), members of the Internal Commissions of Accidents Prevention (Comissões Internas de Prevenção de Acidentes - Cipa) and electricians.

Quick massage

Relieves tensions, physical and mental fatigue, in addition to improving blood circulation and reactivating natural energies.

Carnival campaign

Distribution of Carnival Kits, containing serpentines, whistles, condoms and educational folders on sexually transmitted diseases (STD) and AIDS, emphasizing the danger of drugs and alcoholism.

Blood donation campaign

For donations at Unicamp's Hemocenter (Hemocentro da Unicamp)

Maternal group

Helps and orients future parents, clarifying doubts and suggesting practices that contribute to the improvement of the quality of life of mothers and children.

Chiropractic

Alternative and complementary treatment, aimed at collaborators complaining about osteomuscular pain, realized through manipulative techniques of the spinal cord.

Nutritional orientation

Provides a differentiated nutritional consulting service, in view of a quality of life improvement and the prevention or treatment of illnesses related to bad eating habits.

The sector of work safety acts in a preventive manner, reducing and/or eliminating accidents, prioritizing the maintenance of our collaborators' physical integrity. It is exercised through management tools and practices on the basis of the law and through the preservation of quality of work conditions.

As such, the sector of work safety guarantees the effectiveness of low accidents rates and the promotion of a safe and healthy workplace.

Total number of accidents

Type of accident	2003	2004	2005
With leave of absence	03	07	05
Without leave of absence	21	07	07
Total	24	14	12



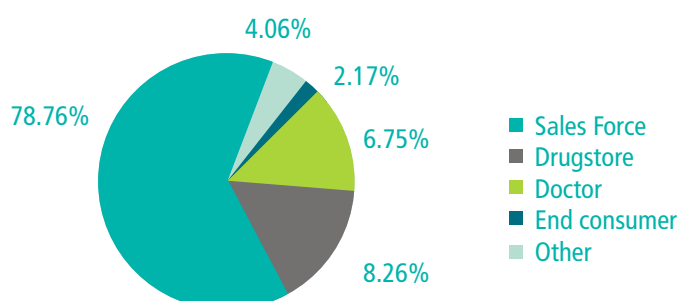
Clients

Health professionals, distributors, pharmacies/drugstores networks and end consumers are Medley's consumers. The harmonious and beneficial relationship for all parties constitutes the basis of the business sustainability.

Medley's Information Service (Serviço de Informações Medley – SIM) is the communication link between the company and its clients. Contacts with the SIM can be made through the toll free 0800 service, via Medley's home page, or via email, fax or letter. In 2005, the SIM realized a study with 195 clients who had switched drugs. Results were positive: only four considered the service as poor.

The Pharmaceuvigilance System (Sistema de Farmacovigilância) that monitors the data related to the efficiency and safety of drugs received, in 2005, 1,602 reports. It is up to Pharmaceuvigilance to collect and evaluate the data for the reports on the Adverse Reactions to Drugs (Reações Adversas ao Medicamento – RAM) and the lack of efficiency, as well as to manage and evaluate hypotheses for the likely causes, guaranteeing, in this manner, safety in the use of drugs.

Distribution of the service realized by the SIM



Key numbers of Medley's Information Service

Values	2003	2004	2005
Total number of queries attended by the SIM	50,293	63,838	56,183
Percentage of complaints in relation to the total number of queries attended by the SIM	1.62%	1.53%	2.86%*
Average phone waiting time of the SIM until the beginning of the service	0.5 minute	0.5 minute	0.5 minute
Quantity of innovations implanted as a result of the SIM	<p>With regards to the SIM: integration of a pharmacist in the service of responsibilities related to technical questions</p> <p>In terms of products: packaging amendment, in view of the improvement of the presentations descriptions of specific products cartridges.</p>	<p>With regards to the SIM: elaboration and field distribution of the Medical Department Manual; visits to the service pharmacists; a pharmacist now takes care exclusively of the reporting of adverse events; pharmaceuvigilance system organization.</p>	<p>With regards to the SIM: Service software update in order to optimize the SIM database; clients satisfaction survey in exchange for drugs.</p>

*The increase in exchanges occurred due to the increase in the number of users of our drugs and, in an isolated way, due to the difficulty of our consumers in seeing the "shake before using" orientation, which, consequently, made the reuse of the Cefalexina and Cefaclor drugs difficult. As a preventive measure, the labels and cartridges of these drugs were modified. Now, they include the sentence "Shake before using" written in evidence and in red.

Health professionals

According to Cisfarma data, in 2005, Medley's sales representatives visited nearly 60,000 doctors per month, with emphasis on eight specialties (general clinic, gastroenterology, dermatology, pediatric, gynecology, cardiology, endocrinology and urology).

The Medical Department provides bibliographical research and clarifications to healthcare professionals and responds to technical and scientific inquiries about products. In addition, the clinical research area was created in order to perform activities in clinical studies development and to coordinate the Drugs Donation Program (Programa Doação de Medicamentos) to attend to the demands of professors and researchers linked to important universities of the country.

In a study realized in 2005 by IMS Health, with 740 doctors of all over Brazil, Medley appeared **as one of the ten laboratories with the highest number of spontaneous indications and with the highest receptivity on the part the medical area**; one of the eight that most inspire trust and an image of quality products; and one of the five that maintain the most regular visits agenda. It is the third laboratory that improved its image the most, in all specialties, over the past years.

Last year, the company realized training activities in clinical management and counted with the edition of publications oriented at this public (Almanaque Genéricos). Furthermore, Medley invests in the medical societies in order to enable the realization of continuous education projects.

Distributors and pharmacy/ Drugstores networks

In 2005, the company launched the Mega Medley, event aimed at representatives of pharmacies, drugstores networks and drugs distributors. The partners participated to conferences given by the company's president and special guests. This was an opportunity to consolidate the relationship with this public and to strengthen Medley's image, offering differentiated services to the market.

The activities of continuous education and training of the distributors and pharmacy networks were restructured. The company has two axis of relationship with special clients: training and development of the best partners through modular courses and live conferences; and conferences for various target audiences backed by information on the pharmaceutical market, its trends and the understanding of the social role of generic drugs in the country's future.

The program also trained clients in continuous education programs and conferences all over the country, including the small, medium and large retail industry, associations and franchises, distributors, doctors and secretaries.

We believe that Medley's differential in the pharmaceutical market is its focus on development and partners' selection.

What are the Good Manufacturing Practices (GMP)?

According to the Sanitary Vigilance Agency (Agência de Vigilância Sanitária Anvisa), the Good Manufacturing Practices are systemized information of work procedures and instructions described in a quality manual, based on the specificities of the manufactured products, not taking into account the dimension of the establishment, its nationality and production line.

Suppliers

Medley's suppliers selection process, strongly based on the Good Manufacturing Practices (Boas Práticas de Fabricação – BPF), takes into account the quality and prices used. Suppliers answer self-evaluation questionnaires that, subsequently, go through the company's critical analysis, in addition to making documents that prove its legality available.

After having been selected, the companies have their performance constantly monitored, with the possibility of audits realized in their locations, especially in the case of strategic material suppliers.

In 2005, Medley's database registered 3,008 active suppliers, among which 648 were suppliers of productive inputs, commodities, services as well as international suppliers. The company made approximately 1,225 visits to suppliers' locations and realized around 11 audits.

If, on the one hand, Medley imposes a series of requirements in order for a company to become a supplier, on the other hand, the company develops qualifying programs aimed exclusively at suppliers. In 2005, the Quality Guarantee Sector elaborated a training on Good Manufacturing Practices (Boas Práticas de Fabricação).

The suppliers Bispharma (aluminium tubes) and Laramara participate to this program, with a total of 104 people reached with 10 hours of training. In addition to participating to presentations, movies and conferences, the suppliers visited the Campinas and Sumaré manufacturing plants.

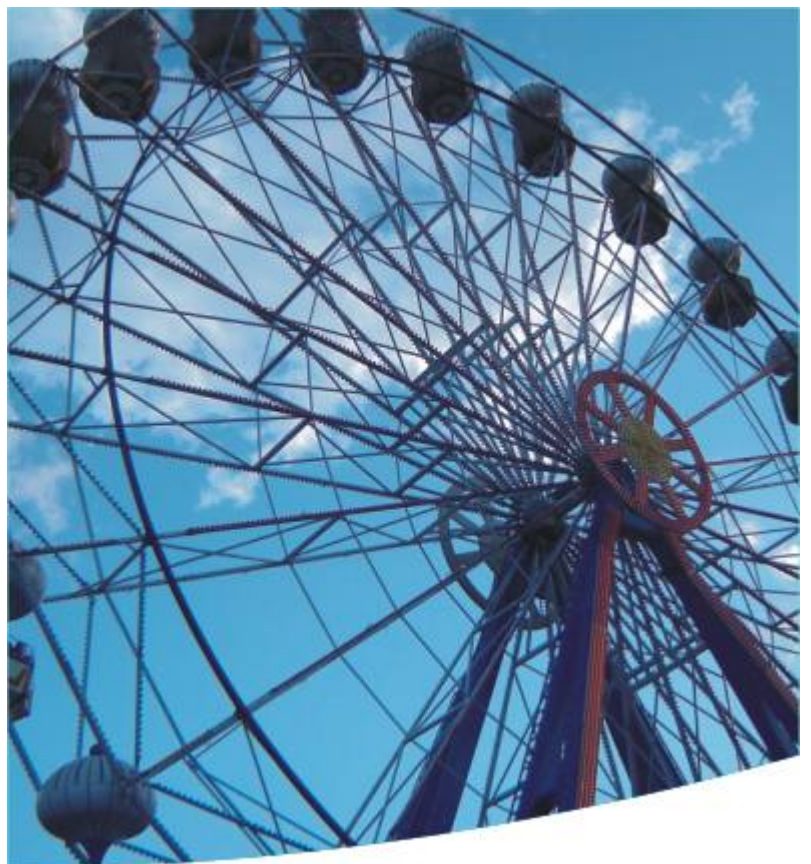
A word from the suppliers

“The visits of two groups of 20 people from Bispharma to Medley's installations internally strengthened the GMP concepts, as they could see live how the pharmaceutical industry's production areas are cleaned and taken care of and could verify procedures and impeccable uniforms. Furthermore, the people chosen for the visits, who are opinion leaders, could apply the role of concept multipliers.”

Dr. Lúcia Decot Zidoi Sdoia, responsible for Bispharma Quality Guarantee.

“We realized a training program at Laramara's headquarters that added value to our phase of continuous improvement in attending to the pharmaceutical market. We learned a lot with the quality of the training, perceived by the satisfaction of our collaborators”.

Adilson Guimarães, Administrative Manager, Laramara



Community

Throughout 2005, various support and relationship actions were developed for the communities. Following, we present a few of the initiatives that deserve emphasis.

The **Gincana do Bem** was realized with Campinas and Sumaré collaborators and had for main objective to address environmental issues. The collaborators realized the task of collecting and selling recyclable waste, gathering R\$ 14,192.93, value given to Medley Voluntary Initiative (Ação Voluntária Medley) that subsequently realized, through volunteers and the community, tree planting in all of the Estácio de Sá extension. This action and the funds gathered through the Gincana do Bem were aimed at the **Bairro Limpo** (Clean Neighborhood) project that mobilized inhabitants of the Santa Genebra's neighborhood and counted with the participation of the Adalberto Prado e Silva Municipal School, as well as 78 volunteers that realized an environmental awareness project, with the support of Dr. Ecolino and the bairro limpo groups (clean neighborhood). They cleaned an old landfill located in one of the neighboring streets, planted 80 trees and made awareness visits to 3,500 residences in the neighborhood.

The **NutriAção** (NutriAction) project also deserves emphasis. Developed by Medley Voluntary Initiative (Ação Voluntária Medley) at the EMEI Lúcia, in the Matão neighborhood (nearby the Sumaré plant), the project had for objective the eating habit reeducation of children in pre-school phase. The project, developed based on a didactic, dynamic and motivational approach, brought key information to parents, professors and students. In partnership with the Brazilian Food Organization (Organização Brasileira de Alimentos – OBA), the project coached kids in a leisure-oriented manner through acting. Parents and professors were also oriented by nutritionists and volunteers. The results were very positive and during the project evaluation, a second phase was suggested.

A year of improvements at the Santa Genebra daycare center

In 2005, the Santa Genebra daycare center, a non-governmental organization in which Medley invests, received 166 kids under 6 years and 11 months old, children of employees and members of under-privileged communities in the surroundings of the company. A series of improvements was implemented, including the expansion of the eating area, that increased the service capacity from 50 to 80 kids; the expansion of the changing room; the creation of a leisure room with costumes, make-up and hairdresser instruments; the inauguration of a new laundry area; the hiring of a psychologist; and the inauguration of a new daycare center installation, which enables the split of the children into daycare center 1 (under 1 year old) and daycare 2 (between 1 and 2 years old).

In addition to the work with children and the pedagogical projects realized throughout the year, the courses developed for the parents gained emphasis, with an approach related to children education and sexuality. In two steps, the daycare center technicians realized dynamic and technical conferences for the invited parents.

Medley provided support to realize, in 2005, a Study of Organizational Climate with the 46 daycare center employees. Based on the study results, a work plan was developed, to be implemented in 2006, with the objective to promote the improvement of working conditions, as per the employees' evaluation.

Social investments

Values	2004	2005
Percentage of gross revenues aimed at the totality of Medley's social actions	0.49%	0.50%
Of the total aimed at social actions, percentage corresponding to donations of products and services	7.33%	4.5%
Of the total aimed at social actions, percentage corresponding to cash donations	92.67%	95%
Of the total aimed at social actions, percentage corresponding to investments in Medley's own social projects	100%	4.8%

Medley Voluntary Initiative

With the support of the Corporate Social Responsibility area and of a volunteer consultant, Medley Voluntary Initiative (Ação Voluntária Action) was restructured in 2005, with the objective to formalize a few programs and processes. Its Mission, Vision and Values were reviewed, and an organization chart and a statute were created in order to manage its operations and to determine its standards of actuation. In addition, a new logo was created, reflecting the new Medley brand.

As part of the process, members of **Medley Voluntary Initiative Committee** received a training ministered by the São Paulo Volunteering Center, an NGO recognized for its excellence in the area. The concepts of corporate volunteering were sought to be aligned with the issues related to the elaboration of social projects.

During 2005, in addition to the projects already mentioned, innumerable actions were undertaken, such as the supportive traditional June party, movie sessions, education and health conference cycle, walks and Mother's Day event.

It was a year of restructuring with the objective to intensify employees' participation in the volunteer corps, creating a transformation culture and not just assistantship. One of the tools developed with this objective was that of volunteers' registration via the Intranet.



Voluntary Initiative Mission

To transform reality and people through sustainable projects that support communities and causes, promoting social reintegration, quality of life, the spirit of solidarity and partners involvement.

Vision

To be a sustainable program in volunteering and social actions of national reference.

Values

Respect for diversity
Solidarity
Humility
Integrity
Pride to be a volunteer
Commitment



What are assistantship and philanthropy? The classical definition for assistantship refers to the actions taken, together with the poorest layers of society, by people, governmental or non-governmental organizations and companies, with the objective to support or help, but without intending to transform reality. Philanthropy is related to non-profit social actions such as donations or social investment, in the case of companies.

Organizations supported by Medley Voluntary Initiative (Ação Voluntária Medley)

CMPCA (Municipal Center for the Protection of Children and Teenagers)

Administration

Campinas Municipal Townhall

Description

Support to children and teenagers victims of abuses

Realized activities

Walks and educational activities

Investments

R\$ 3,522.50

Benefited people

70

House of the elderly

Administration

Campinas Municipal Townhall

Description:

Service to HIV-positive people

Realized activities

Walks, educational activities, commemorations of special dates, donation of proteinic dishes and drugs, Reiki application.

Investments

R\$ 8,088.25

Benefited people

25

Friendship Group

Administration

Campinas Municipal Townhall

Description

Service to HIV-positive people

Realized activities

Walks, educational activities, commemorations of special dates, donation of proteinic dishes and drugs, Reiki application.

Investments

R\$ 8,088.25

Benefited people

25

Renascer Shelter

Administration

Campinas Municipal Townhall

Description

Service to psychiatric patients

Realized activities

Walks, educational activities, commemorations of special dates, culinary and theater workshops, educational conferences.

Investments

R\$ 3,783.87

Benefited people

30

Adalberto Prado and Silva State School

Administration

São Paulo State Government

Description

Public teaching institution

Realized activities

Environmental awareness programs with students and professors.

Investments

R\$ 2,023.40

Benefited people

950

Sound & Action (Som & Ação) School of Music

Administration

Private company social project

Description

Provide under-privileged children the opportunity to learn a musical instrument

Realized activities

Tuition payments, purchase of gifts and graduation grants for low-income children

Investments

R\$ 3,470.20

Benefited people

31

Jd. Lúcia Children Education Municipal School

Administration

Sumaré Municipal Townhall

Description

To subsidize resources for the school to develop projects that integrate the community to the school

Realized activities

Vegetable garden, mothers' bingo club and conferences

Investments

R\$ 834.98

Benefited people

500

What are citizenship and transformation? Citizenship is the exercise of social rights by individuals without being seen as objective by the market. When talking about creating a transformation culture, the idea is to escape from the simple assistantship (in which reality is not transformed), allying philanthropy with a structured practice that transforms in a sustainable way the individual's reality.



Alignment with the Goals of the Millennium

The actions of Medley's Corporate Social Responsibility seek to be aligned with the eight Millennium Goals defined by the United Nations Organization (UNO). Through the Forum for the Citizenship and Solidarity, the company participated to the second National Week for Citizenship and Solidarity, realized in 2005 in Campinas, during which the participation and commitment of Brazilian institutions in the attainment of the Millennium Goals and the current Brazilian situation were discussed.

What are the Eight Millennium Development Goals?

In 2000, 191 UN countries approved the Eight Millennium Goals in the largest summit of worldwide leaders ever realized. 124 State and Government Leaders were present. The countries, including Brazil, committed to fulfilling by 2015 the following objectives:

- 1** Eradicate extreme poverty and hunger;
- 2** Achieve universal primary education;
- 3** Promote gender equality and empower women;
- 4** Reduce child mortality;
- 5** Improve maternal health;
- 6** Combat HIV/AIDS, malaria and other diseases;
- 7** Ensure environmental sustainability;
- 8** Develop a global partnership for development.



Project: Clean Neighborhood (Bairro Limpo)
Nature of the investment: Corporate volunteer work
Contemplated target: Environmental sustainability
Objectives: Educate the company's neighboring population of the importance of cleanliness in the healthcare area and for people's well-being, as well as of environmental awareness.
People benefited directly or indirectly: 14,00
Administration: Medley, volunteers and the community.
Investments: R\$ 20,294.86



Project: Medley Voluntary Action (Ação Voluntária Medley)
Nature of the investment: Voluntary work
Contemplated target: Partnerships for development
Objectives: Promote volunteering for the development of individual responsibility and volunteer actions and projects motivating the participation of employees, family members and partners.
People benefited directly or indirectly: 6,618
Administration: Company Employees Volunteer Program
Investments: R\$ 90,449.98



Project: Gincana do Bem
Nature of the investment: Corporate
Contemplated target: Partnerships for development
Objectives: Mobilize, through recreational education, employees to contribute to a cause and with conscious consumption
People benefited directly or indirectly: 760
Administration: Company Employees Volunteer Program
Investments: Without cost



Project: Drugs Donation
Nature of the investment: Social Assistance
Contemplated target: Access to healthcare
Objectives: Enable larger accessibility to drugs and decrease the environmental impact
People benefited directly or indirectly: 18,136
Administration: Company Employees Volunteer Program
Investments: R\$ 103,397.90



Project: RecyclAction (Reciclação)
Nature of the investment: Volunteer work
Contemplated target: Environmental sustainability
Objectives: Motivate support entities of the company's neighborhoods to practice selective trash collection
People benefited directly or indirectly: 102
Administration: Volunteering
Investments: Without costs

Projects supported by Medley



Project: NutriAction (NutriAção)

Nature of the investment: Voluntary work

Contemplated target: Partnerships for development

Objectives: Nutritional orientation program for parents, professors and students of Sumaré municipal school.

People benefited directly or indirectly: 500 students and families

Professors and volunteers: 20

Administration: Medley and Medley Voluntary Initiative (Ação Voluntária Medley)

Investments: R\$ 2,800.30



Project: Santa Genebra Daycare Center

Nature of the investment: Social investment

Contemplated target: Elementary school

Objectives: Promote the well-being and physical, psychological and social development of kids aged 0 to 6, children of the company's employees and of community members

People benefited directly or indirectly: 360

Administration: Santa Genebra Daycare Center, Medley

Investments: R\$ 2,071,655.00



Project: Digital Inclusion

Nature of the investment: Volunteer work

Contemplated target: Partnerships for development

Objectives: Train employees in computer use

People benefited: 13

Administration: Medley and Volunteering

Investments: Without cost

Government and society

Medley participates to diverse corporate committees and associations, seeking to represent the pharmaceutical sector in the definition of regulations and public policies formulations. Pró-Genéricos (Pro-generic Drugs), Federação Brasileira da Indústria Farmacêutica (Febrafarma Brazilian Federation of the Pharmaceutical Industry), Fórum pela Cidadania e Solidariedade de Campinas (Forum for the Citizenship and Solidarity of Campinas), Grupo Ethos de Acompanhamento da ISO 26000 (Ethos Group for ISO 26000 accompanying), Fórum Farma Sustentável de Sustentabilidade da Indústria Farmacêutica (Sustainable Pharma Forum of the Pharmaceutical Industry Sustainability), as well as committees of the Health Ministry and governmental forums, are among the debate instances in which the company is present.

What is ISO 26000?

Also known as the ISO Social Responsibility, the ISO 26000 will be launched in 2008. Discussions are happening all over the world, with the private sector, Non-Profit Organizations, consultants, among other groups of interest. In Brazil, the Ethos Institute coordinates the works. Contrary to the other standards, the ISO 26000 does not include any certification. Brazil's participation is historical. For the first time, a developed country (Sweden) and another developing one (Brazil) divide the presidency of the group that is formulating a standard.

What is Sustainable Pharma (Farma Sustentável)? It is a sector forum in which companies of the pharmaceutical area have the opportunity to work in groups to identify the main business issues related to Corporate Responsibility actions. This is given in a sector study with Brazilian and international scope, and by consulting stakeholders (interested parties) of the sector. It is a tool that helps directing actions of Corporate Responsibility and will motivate new business opportunities.

Well beyond marketing

When professional athletes sponsored by Medley compete all over the world, the company's brand name gains emphasis. Sports marketing is important for the company, but it is not the only factor that motivates the investment in Brazilian sports.

Health, physical preparation, enthusiasm and determination of the athletes support the concepts that sustain the company's vocation: joviality, energy, excellence, joy and dynamism. Sports represent what moves Medley's actuation: to provide well-being to people and to disseminate healthcare. The disabled athlete support project is exemplary: it sponsors visually disabled and wheelchair athletes, betting on sports as an important constructing element of the future.

In 2005, to strengthen its presence in this area, the company created the Sports Projects Management (Gerência de Projetos Esportivos), responsible for the brand exposition, for the accompanying of athletes, for events preparation and for the monitoring of the return on media, among other functions. Support extends to new modalities, such as beach volleyball and tennis for athletes in wheelchairs.

Main results obtained by Medley's athletes

Athlete	Modality	Results
Adenir Mendes Fonseca e Luciano Bispo Dantas (Gadecamp Team) Medley's Collaborators	Wheelchair Basketball	4th place in the Brazilian Championship
Carolina Solberg e Camillinha	Beach Volley	Two-time world champions(Under 21)
Carolina Solberg e Maria Clara	Beach Volley	3rd place in the World Circuit
Fabiana Sugimori	Swimming for blind and visually challenged athletes	5 gold medals in the Pan-American Games
Giuliano Losacco	Car Racing	Brazilian Stockcar Two-time champion, Champion of the Brazilian 1000-Miles and two-time champion of Endurance
Guto Negrão	Car Racing	Champion of the Brazilian 1000-Miles and two-time champion of Endurance
Marcio Araújo e Fábio Luiz	Beach Volley	World champions, Brazilian champions and vice-champions of the World Circuit
Pedro Solberg e Roberto Lopes	Beach Volley	Vice-champion of the Brazilian Circuit in Vitória
Robert Scheidt	Sailing	Eight-time world champion, six-time Europ Cup champion, ten-time Brazilian champion, and European champion of the Laser category
Samanta de Almeida	Wheelchair Tennis	Champion of Buenos Aires Open and Champion of the Brazilian Circuit in Vitória
Xandinho Negrão	Car Racing	Champion of the Brazilian 1000-Miles and two-time champion of Endurance
Xandy Negrão	Car Racing	Two-time champion of the Brazilian 1000-Miles and two-time champion of Endurance

Environment

Medley's productive activities were mapped and the consequent environmental aspects were identified. The environmental impacts are monitored and actions are implemented for the minimization or elimination of impacts. One example was the adaptation of the packaging layouts, motivated by the new brand, as well as the digitalization of the registration processes of new drugs. With the packaging adaptation and standardization, the need to realize adjustments to the machines at the moment of product changes was reduced, which decreased the waste of material in this process.

In 2005, based on the survey realized at the occasion of the study for the implantation of the Integrated Management System, various improvement opportunities were identified, which brought the development and implantation of actions such as the program of measurement and impact monitoring (noise, effluents, emissions); fluorescent light bulbs recycling; water consumption measuring device installation; control of underground water absorption; reduction of waste quantity in the Sumaré unit; and inclusion of critical environmental analysis for new projects.

To implement ISO 14001 still in 2006 constitutes one the goals of the company.

What is environmental impact? It is the alteration of the environment or one of its components caused by some action or activity, whether corporate or not. The alteration can be positive or negative, large or small. In order to quantify adequately an environmental impact, it is necessary to develop an evaluation system that considers the consequence of the actions undertaken.

A few 2005 environmental indicators

	Total
Industrial waste generation*	31,305.15 kg
Energy consumption	7,505,062 Kwh
GLP consumption	250,709 kg
Solid waste /MP manipulated	4.63 %

2005 waste destination

Industrial landfill: 22,019.00 Kg

Organic landfill: 62,775.60 Kg

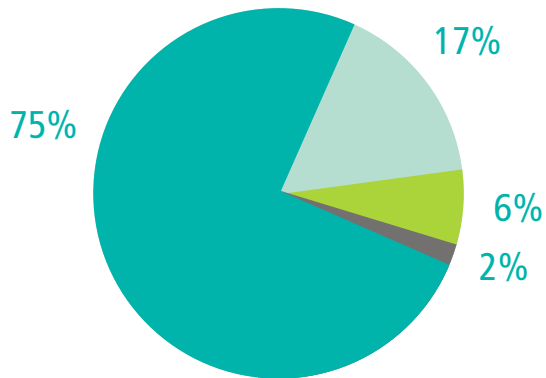
Incineration: 5,795.25 Kg

Recycled: 278,018.40 Kg

Co-processing: 3,490 Kg

* The total value of industrial waste generation relates to industrial landfill, incineration and co-processing.

Waste distribution per destination



- Organic
- Industrial
- Incineration
- Recycled



Result of the 2005 goals

Legend

- OK
- In progress
- Goal not reached

- Create a Corporate Social Responsibility Policy.
- Establish new donation criteria.
- Re-evaluate the vision, mission and values of Medley Voluntary Initiative (Ação Voluntária Medley), in order to monitor the social projects.
- Research and develop new products, with the association of molecules under the same packaging, that would lead to an improvement of drugs accessibility.
- Train doctors through the training and consulting program for special clients.
- Amplify the support to athletes, providing better training conditions in order to achieve more important wins.
- Increase employees' participation in volunteer actions.
- Obtain the ISO 14001 certificate, granted by the International Organization for Standardization, that attests environmental management excellence.
- Adapt to OHSAS 18001 criteria, that recognize the quality of health management and safety at work.
- Integrate the management system of environmental quality and health and safety at work.
- Construct the new building (expansion of the Santa Genebra unit). This goal will be reached in 2006.
- Keep among the best companies to work for in Brazil (Exame Magazine). The company participated to the evaluation process, however it did not meet the requirements of the first phase, as it did not reach the minimum number of completed questionnaires by employees.

Goals and challenges



Evolution based on sustainability

Medley is prepared to continue growing in a sustainable manner over the next years. In order to take advantage of the opportunities in the pharmaceutical sector, the company invests in three areas:

- **Partnerships expansion in the Brand Drugs Line;**
- **Consolidation of generic drugs leadership with new product launches and innovative strategies;**
- **Launch of innovative products that increase the participation in the global marketplace, expanding presence in Latin American countries and entering Europe.**

With these measures and its business orientation toward sustainability, Medley expects, at the end of 2006, to reach the 5th position in terms of revenues in the sector's ranking. Please see below a few of the 2006 targets.

- **Create a running club for employees, with the hiring of a trainer.**
- **Develop training in Corporate Social Responsibility for collaborators at all hierarchical levels of the company.**
- **Formalize the Corporate Social Responsibility area.**
- **Create Medley's Code of Conduct.**
- **Double the production capacity of the solid area, with the acquisition of new equipment and its installation expected for 2007.**
- **Implement the project of processed water reuse of the 2nd, 3rd and 4th washes of industrial equipment (the water used in these washes is almost exempt of waste).**
- **Obtain the ISO 14001 certification.**
- **Develop and train Bioequivalence Centers (Centros de Bioequivalência).**
- **Develop and implement a questionnaire to verify the practice of Corporate Social Responsibility by suppliers.**
- **Construct a new building (expansion of the Santa Genebra plant).**
- **Figure among the best companies to work for in Brazil (Exame Magazine).**



Annual Environment and Community Report / 2005

IBASE table

1 - Taxable Income	2005 Amount (Thousand Reals)		2004 Amount (Thousand Reals)	
Net Income (NI)		395,077		345,621
Operating Income (OI)		16,278		10,834
Gross Payroll (GPR)		72,268		61,392

2 - Internal Social Indicators	Amount (thousand)	% on GPR	% on NI	Amount (thousand)	% on GPR	% on NI
Food	4,129	5.71%	1.05%	2,911	4.74%	0.84%
Compulsory social contributions	18,365	25.41%	4.65%	15,554	25.34%	4.50%
Pension funds	0	0.00%	0.00%	0	0.00%	0.00%
Health	3,854	5.33%	0.98%	3,045	4.96%	0.88%
Occupational Health & Safety	198	0.27%	0.05%	62	0.10%	0.02%
Education	1,509	2.09%	0.38%	1,583	2.58%	0.46%
Culture	0	0.00%	0.00%	0	0.00%	0.00%
Professional development & qualification	5,048	6.99%	1.28%	2,128	3.47%	0.62%
Day care center or allowance	1,450	2.01%	0.37%	1,163	1.89%	0.34%
Profit sharing	1,425	1.97%	0.36%	1,313	2.14%	0.38%
Other	2,360	3.27%	0.60%	2,209	3.60%	0.64%
Total Internal Social Indicators	38,338	53.05%	9.70%	29,968	48.81%	8.67%

3 - External Social Indicators	Amount (thousand)	% on OR	% on NI	Amount (thousand)	% on OR	% on NI
Education	622	3.82%	0.16%	498	4.60%	0.14%
Culture	0	0.00%	0.00%	0	0.00%	0.00%
Health and sewage	103	0.63%	0.03%	0	0.00%	0.00%
Sport	103	0.63%	0.03%	146	1.35%	0.04%
Program for fighting hunger and ensuring food safety	3	0.02%	0.00%	0	0.00%	0.00%
Other	90	0.55%	0.02%	0	0.00%	0.00%
Overall contribution to society	921	5.66%	0.23%	644	5.95%	0.19%
Taxes (excluding social contributions)	0	0.00%	0.00%	0	0.00%	0.00%
Total External Social Indicators	921	5.66%	0.23%	644	5.95%	0.19%

4 - Environmental Indicators	Amount (thousand)	% on OR	% on NI	Amount (thousand)	% on OR	% on NI
Investments related to the company's production/operation	135	0.83%	0.03%	0	0.00%	0.00%
Investments in external programs and/or projects	20	0.12%	0.01%	0	0.00%	0.00%
Total investments in environment	155	0.95%	0.04%	0	0.00%	0.00%

As regards "annual goals" to minimize residues, general consumption in production/operation and enhance efficiency in the use of natural resources, the company:

() Has no goals	() Achieves 51 to 75%	() Has no goals	() Achieves 51 to 75%
() Achieves 0 to 50%	(X) Achieves 76 to 100%	() Achieves 0 to 50%	(X) Achieves 76 to 100%

5 - Functional Body Indicators	2005	2004
Number of employees at the end of the year	1,191	1,128
Number of employees hired throughout the year	198	210
Number of outsourced employees	93	84
Number of interns	172	171
Number of employees over 45 years old	75	65
Number of women working in the company	537	516
Percentage of women in leadership positions	4.10%	3.50%
Number of African Brazilians working in the company	20	16
Percentage of African Brazilians in leadership positions	4.40%	2.40%

6 - Relevant information on corporate leadership	2005			2006 Goals		
Ratio between The highest and lowest wage in the company	0			0		
Total number of job-related accidents	12			0		
Social and environmental projects carried out by the company have been conceived by:	() Board of Directors	() Board of Directors and Management	(X) all employees	() Board of Directors	() Board of Directors	(X) all employees
Safety and security procedures in the working environment have been established by:	() Board of Directors and Management	() all employees	(X) all + APC	() Board of Directors and Management	() all employees	(X) All + APC
As regards trade unions, collective bargaining and employee representation rights, the company:	(X) does not get involved	() follows ILO procedures	() stimulates and follows ILO	(X) will not get involved	() will follow ILO procedures	() will stimulate and follow ILO procedures
Pension funds apply to:	() Board of Directors	() Board of Directors and Management	() All employees	() Board of Directors	() Board of Directors and Management	() All employees
Profit sharing applies to:	() Board of Directors	() Board of Directors and Management	(X) All employees	() Board of Directors	() Board of Directors and Management	(X) All employees
When selecting suppliers, ethical, social and environmental responsibility procedures adopted by the company:	(X) are not considered	() are suggested	() are required	() will not be considered	(X) will be suggested	() will be required
As regards voluntary work that employees may take part in, the company:	() does not get involved	() Supports	(X) organizes and stimulates	() will not get involved	() will support	(X) will organize and stimulate
Total number of complaints and criticisms by consumers:	In the company (0)	At Procon (1)	In Court battle (0)	In the company (0)	At Procon (2)	In Court battle (2)
Percentage of complaints and criticisms that have been accepted or solved:	In the company 0%	At Procon 100%	In Court battle 100%	In the company 0%	At Procon 100%	In Court battle 100%
Total added value to be distributed (in thousand R\$):	In 2005:		204,537	In 2004:		151,869
Distribution of Added Value (DAV):	36.09% government	43.41% collaborators	4.72% retained	35.82% government	43.03% collaborators	3.77% retido
	0.00% shareholders	15.78% third parties		0.00% shareholders	17.38% third parties	

7 -Other information

Added value distribution (Distribuição valor adicionado – DVA)

Wealth generation

Wealth generation and distribution	2003	2004	2005
(A) Gross revenues	307,531,747	397,091,614	459,641,114
(B) Goods and services acquired from third parties	(177,704,953)	(242,044,499)	(246,959,267)
(C) Gross added value (A - B)	129,826,794	155,047,115	212,681,847
(D) Retentions (depreciation, amortization, exhaustion)	(5,932,371)	(7,337,891)	(8,144,672)
(E) Net added value (C - D)	123,894,423	147,709,224	204,537,175
(F) Transfers Result of the patrimonial equivalence Result of share participations Financial revenues	9,069,817	4,160,255	–
(G) Added value to be distributed (E + F)	132,964,240	151,869,479	204,537,175

Wealth distribution

Distribution per stakeholders	2003	2004	2005
Government	44,108,662	54,396,839	73,809,552
Taxes removing subsidies (exemptions)	44,108,662	54,396,839	73,809,552
Collaborators	55,590,542	65,346,356	88,793,933
Salaries	34,576,445	40,344,750	44,614,897
Retirement charges	13,248,573	15,820,866	27,652,877
Private retirement	0	0	0
Benefits	6,974,414	7,867,302	15,101,699
Profit sharing	791,110	1,313,438	1,424,460
Financers	32,083,420	26,387,781	32,267,782
Remuneration of third party capital	32,083,420	26,387,781	32,267,782
Shareholders	0	0	0
Interests on own capital and dividends	0	0	0
Retained profits/losses during the exercise	1,181,616	5,738,503	9,665,908

Report letter from the independent auditors on Medley S.A. Pharmaceutical Industry 2005 Corporate Social Responsibility Report

1. We conducted a special review audit of the information included in Medley's 2005 Corporate Social Responsibility Report. The preparation of this report is of Medley's managing responsibility. The objective of our work was to validate that the information contained in this report refers to the 2005 social exercise, that the information is backed by internal and external communication and information systems and that it is appropriately presented in all of its relevant aspects.

2. Our work was realized with the objective to support the issue of our report letter, including the following procedures:

A) Knowledge of the systems and processes used in obtaining and refining the information divulged in the 2005 Corporate Social Responsibility Report;

B) Work planning, considering the relevance and volume of the information presented in the report, as well as the systems and processes used in obtaining this data;

C) Meetings and interviews with the managers responsible for the elaboration of the information;

D) Verification, through sampling, based on tests of evidences and of records that support the information contained in the following sections: Energy to Grow, Introduction, Management Message, Profile, Corporate Governance and Management Systems, Innovative Products, Strategic Target Groups, Targets and Challenges, Ibase and DVA (demonstration of the added value) tables.

E) Tests to inquire and observe, through a sampling process, the information of qualitative nature and of the on-going projects;

F) Calculations and re-calculations, based on tests, of the formulas, spreadsheets, percentages and indicators described in the report and

G) Verification of the information, quantitative data and the nature of activities by consulting the various locations of the company.

3. Our work was limited to the validation of the information included in the 2005 Corporate Social Responsibility Report, without any judgment analysis about the policies and practices of sustainability adopted by Medley S.A. Pharmaceutical Industry. Our work did not have for objective the validation of the safety environment of the systems used, since our main goal was to verify whether the information included in those systems corresponded to the data contained in the 2005 Corporate Social Responsibility Report. The procedures adopted do not represent a review according to the norms of accounting demonstrations of independent auditing, for which we will issue an opinion later. However, we used alternative auditing procedures, which allowed us to conclude regarding the information contained in the referred report, according to paragraph 5.

4. The financial and accounting information contained in the 2005 Corporate Social Responsibility Report, concerning the fiscal exercises ended December 31st of 2004 and of 2005, presented in view of comparative purposes and comments, were reviewed by other independent auditors.

5. Based on the procedures described earlier and according to the limitations mentioned in paragraph 3, we verified that the information contained in Medley S.A. Pharmaceutical Industry 2005 Corporate Social Responsibility Report was presented in an appropriate manner in all relevant aspects. The final version of our report including suggestions and recommendations for improvement, is held by Medley S.A. Pharmaceutical Industry Management.

Campinas, May 29th, 2006



BDO Trevisan

A handwritten signature in blue ink, appearing to be 'Mauro de Almeida Ambrósio'.

Mauro de Almeida Ambrósio
Owner - Accountant
CRC 1SP199692/O-5
BDO Independent Auditors
CRC 2SP013439/O-5

Medley 2005 Corporate Social Responsibility Report

Editorial Committee

Jairo Yamamoto (President); Roberto Mangabeira (Administrative and Financial Vice-President); Jorge Coelho (Industrial Vice-President); Clarice Mitie Sano Yui (Technical Director); Rodolpho Brugugnonle (Purchasing and Logistics Director); Wilson Borges (Marketing Director); Aramis Antonio C. Dumont (Sales Director)

Edition and Coordination

Fernanda Negrão and Juliana Puggina

Data auditing

BDO Trevisan Independent Auditors

Editorial Coordination, Apuration and Writing

Social Reports

Art, Graphical Project and Art Edition Direction

Solo Propaganda

Review

Assertiva Comunicação

Pictures

Marco Flavio Santos

Fotolito and Printing

H Rosa

Printer

H Rosa

Print run

69,000 copies

Paper

Reciclato

Company address

Rua Macedo Costa, 55, Jardim Santa Genebra
Cep 13080-180 Campinas SP

Address of the electronic version

www.medley.com.br

Contact channels and people feedback on this report

Fernanda Negrão or Juliana Puggina

WebSite: www.medley.com.br, link fale conosco.

E-mail: medley@medley.com.br

Phone: 0800 7298000

Ways through which users of this report can obtain additional information about the economic, environmental and social aspects of the organization's activities.

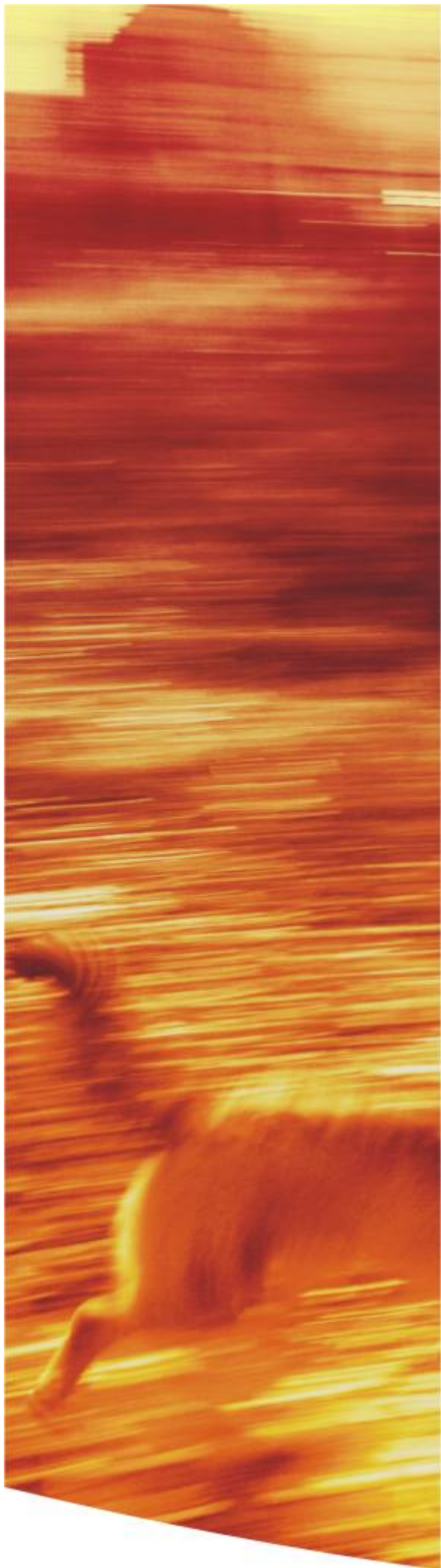
WebSite: www.medley.com.br, "fale conosco" link.

E-mail: medley@medley.com.br

Phone: 0800 7298000

We thank everyone involved for their huge dedication and collaboration in the realization of this report.

We thank suppliers, clients, collaborators, shareholders, consumers and the community for their support and partnership in the search for a healthier society.



Medley.

www.medley.com.br