

type of report	Current report
number	75/2012
company	PHARMENA

October 2012 monthly report

The Management Board of Pharmena S.A. hereby presents its monthly report for October 2012

1. Information on trends and events occurring in the Issuer's market environment

To the best knowledge of the Management Board, in October 2012 no trends or events occurred in the Issuer's market environment which could significantly influence financial results of the company.

With reference to public offering of series C shares with pre-emptive rights carried out in September 2012, on 11th October 2012, the Management Board of the Company allocated series C shares through the realisation of individual pre-emptive rights. All 781,782 series C shares were allocated within the subscription. 4,905,632 PLN was acquired through the issue of series C shares (taking costs of the issue into account).

The goal of the issue of series C shares was to obtain funds for:

- 1) production of tablets for the purposes of clinical trials on bioavailability and later for phase II trials of anti-atherosclerosis medicinal product based on active substance 1-MNA,
- 2) clinical trials on bioavailability anti-atherosclerosis medicinal product based on active substance 1-MNA.

The production of tablets for phase II clinical trials, as well as carrying out bioavailability testing of 1-MNA medicinal product is indispensable for carrying phase II clinical trials (on people) of anti-atherosclerosis medicinal product and the commercialisation of this project.

The goals of the issue of series C shares will be realised by subsidiary company Cortria Corporation (USA). Thus, on 19th October 2012, the Issuer increased share capital of subsidiary company Cortria Corporation by 1,000,000 USD (through issue of 10,000 new shares). The share capital increase is financed from the Issuer's own funds obtained from the issue of series C shares.

After the share capital increase, on 30th October 2012, the subsidiary company Cortria Corporation applied to Health Canada's Natural Health Products Directorate, for granting permission for bioavailability testing of innovative anti-atherosclerosis medicinal product based on active substance 1-MNA (working name of the product TRIA-662). Bioavailability testing is indispensable for carrying out phase II of clinical trials ("Proof of Concept") of anti-atherosclerotic medicinal product 1-MNA, in order to confirm its efficacy and absence of adverse side effects with increased doses.

Bioavailability testing determines the time and levels of absorption of medicinal substance into the general circulation of human organism after single administration. A bioavailability testing (randomised, double-blind) on a group of 20 patients is planned. It will focus on two testing groups: 1-MNA vs. niacin (active substance used in currently sold anti-atherosclerotic medicines).

In the Management Board's opinion, the successful issue of series C shares will partly enable the realisation of the Company's Strategy for 2012-2015 (published in current report no. 16/2012 of 13th April 2012) in the area of bioavailability tests of innovative anti-atherosclerosis medicinal product 1-MNA. Thereby, it increases the chances of future revenue from commercialisation of the anti-atherosclerosis medicinal product, which may have significant influence on the Issuer's financial and economic situation.

Simultaneously, the Company prepares for public offering of series D shares (planned for Q1 2013), which goal is to obtain funds for carrying out phase II of clinical trials ("Proof of Concept") of anti-atherosclerotic medicinal product 1-MNA.

Moreover, in October the Company continued its research and development work on new products and searched for new applications for active substances protected by patents and patent applications owned by the Company.

In October 2012, Pharmena S.A. expanded its product offer and carried out marketing actions in order to increase sales profit from its marketed products.

Within the realisation of the Company's Strategy for 2012-2015 in the area of dermatology (published in current report no. 16/2012 of 13th April 2012), in October 2012, the Issuer introduced the following new dermatological products onto the market:

- Dermena MEN shampoo impeding hair loss in men,
- Dermena MEN lotion impeding hair loss in men,
- Dermena REPAIR shampoo impeding hair loss for dry and damaged hair.

The goal of the above products is to expand the company's offer and reach new target groups. The issuer envisages that placing new dermatological products on the market, may have significant influence on the Company's revenue in the next few years.

At the same time, the Issuer informed of a change in date of placing Allerco protective cream against irritation on the market, due to the fact that a manufacturer of one of the components used in the production of Allerco protective cream changed its product's composition. Thus, it is necessary to exchange the current component with a new one, which is specifically developed for children and people with sensitive skin. It will be also necessary to re-take stability and application tests of the product. Taking the above into consideration, the placement of Allerco protective cream on the market, which was planned for November 2012, will be postponed. Only after conducting all necessary research, will the Allerco protective cream be introduced onto the market.

2. Achievement of the goals of an issue

In October 2012, Pharmena S.A. did not make any money expenditure directly on issue-related purposes. However, a subsidiary company Cortria Corporation spent in October 2012 its funds on production of tablets containing 1-MNA for planned bioavailability tests, as well as on preparing application for granting permission on bioavailability tests and on patent protection.

3. A list of all information published by the Issuer in the form of current reports in the reporting period from 1st October 2012 to 31st October 2012

During the period covered by this report, Pharmena S.A. published the following reports in EBI system:

- Current report no. 62/2012 of 5th October 2012 - Postponing of date of publication of information on series C shares allocation
- Current report no. 63/2012 of 8th October 2012 - Introduction of new dermatological products on the market
- Current report no. 64/2012 of 10th October 2012 - Entering into agreement with an audit firm with relation to public offering of series D shares
- Current report no. 65/2012 of 11th October 2012 - Allocation of series C shares
- Current report no. 66/2012 of 11th October 2012 - Summary of subscription of series C shares
- Current report no. 67/2012 of 15th October 2012 - September 2012 monthly report
- Current report no. 68/2012 of 19th October 2012 - Share capital increase of Cortria Corporation
- Current report no. 69/2012 of 19th October 2012 - Change in date of placing Allerco protective cream on the market
- Current report no. 70/2012 of 23rd October 2012 - Submitting application for registration of share capital increase through the issue of series C shares
- Current report no. 71/2012 of 31st October 2012 - Submitting application to Health Canada for granting permission for bioavailability testing of TRIA-662 medicinal product

During the period covered by this report, Pharmena S.A. did not publish any reports in ESPI system:

4. Investor's calendar for November 2012

14th November 2012 – publishing Q3 2012 quarterly report

26th November 2012 – registration for participation in Extraordinary General Meeting convened for 12th December 2012

Publication of November 2012 monthly report until 14th December 2012

Legal basis: Resolution No. 795/2008 of the Warsaw Stock Exchange Management Board dated 31st November 2008 concerning the adoption of the codes of best practice applicable on the NewConnect market, Appendix 1, point 16.

Representatives of the company:

Konrad Palka - President of the Board

Marzena Wieczorkowska – Vice President of the Board