type of report	**Current report**
number	38/2013
company	PHARMENA

May 2013 monthly report

The Management Board of Pharmena S.A. hereby presents its monthly report for May 2013.

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

To the best knowledge of the Management Board, in May 2013 no trends or events occurred in the Issuer's market environment which could significantly influence financial results of the company.

In May 2013, Pharmena accomplished sales revenue from its dermatological cosmetics in the amount of over 1.6 million PLN, which constitutes more than a tripled result when compared to May 2012. Such considerable increase of revenue was possible thanks to, among others, promotion of seasonal product THERMI and promotional and advertising campaign of Allerco line.

On 9th May 2013, the Issuer published Q1 quarterly report presenting a choice of separate and consolidated financial data.
At a separate level, the Issuer accomplished in Q1 2013 a dynamic increase in revenue (by 61.8% vs. Q1 2012), as well as within other spheres of the profit and loss account (net profit increased by 251.71% vs. Q1 2012). The Issuer also accomplished an increase in profit from operating activities (net profit margin increased from 14.03% in Q1 2012 to 30.50% in Q1 2013), mainly owing to the following factors:
1) extension of product range in the offer,
2) promotional activities conducted among distributors, as well as advertising campaigns directed to end users,
3) sales results accomplished thanks to new products introduced in 2012 (new products make up as much as ca. 25% of the entire sales revenue), i.e. Dermena Men (shampoo, ampoules, lotion), Dermena Repair (shampoo), Dermena Lash (conditioner and mascara), Dermena Complex and Allerco shampoo,
4) lower cost of manufacture vs. Q1 2012,
5) maintaining the costs of general management at the same level as in Q1 2012,
6) maintaining the costs of sales within the revenue generally at the same level as in Q1 2012.

At a consolidated level, the Issuer's Capital Group observed in Q1 2013 an increase in revenue resulting from a dynamic growth of revenue from the sales of dermatological cosmetics, which also added to a significant reduction of loss within other spheres of consolidated profit and loss account. At the same time, the consolidated financial results were negatively influenced upon by higher than in Q1 2012 costs related with bioavailability testing and preparations to the start of phase II clinical trials ("Proof of Concept") of the innovative 1-MNA anti-atherosclerotic medicinal product.
At a consolidated level, the Issuer's Capital Group demonstrated a negative profitability results, due to the fact that the Group's operations within the area of clinical trials over the innovative anti-atherosclerosis medicinal product and the area of placing on the market of an innovative dietary supplement generated only costs. From the financial point of view of the Capital Group, these costs constitute significant expenditure. Whereas, in Q1 2013, the Issuer's operations in the area of dermatological cosmetics was profitable at all levels of results and was characterized by a rapid increase in profitability.

On 24th May 2013, the Issuer published a notice of convening Ordinary General Meeting of Shareholders on 27th June 2013. The subject matter of the OGM will consist in, among others, adopting resolution on distribution of 2012 profit, as well as introducing changes to the Articles of Association of Pharmena S.A.
It will be proposed to adopt the following distribution of 2012 profit during the OGM:
a) for dividend – the amount of 879,505.20 PLN (say: eight hundred seventy-nine thousand five hundred and five PLN 20/100),
b) for supplementary capital – the amount of 573,527.01 PLN (say: five hundred seventy-three thousand five hundred twenty-seven PLN 01/100).
It is anticipated that:
a) a dividend per 1 (one) share equals to gross 0.10 PLN,
b) the right to dividend date is established for 30th August 2013,
c) Shareholders holding shares at the end of the day indicated in point b.) will be entitled to the right to dividend,
d) dividend payment date is established for 20th September 2013.
During the OGM, it will be proposed to change article 10 point 4 of Articles of Association, and introduce new content thereof:
"Article 10 point 4. Supervisory Board and shareholders representing at least 1/20 of share capital are entitled to request that specific items are put on the agenda of an oncoming General Meeting."

In the area of clinical trials on innovative anti-atherosclerotic medicinal product, during the period covered by this report, the following events occurred:
On 20th May 2013, the Issuer received KNF's (Polish Financial Supervision Authority) decision approving the Company's

prospectus, which was drawn up in connection with the planned public offering of series D shares with pre-emptive rights and applying for introducing to trading in Alternative Trading System on the NewConnect market of 1,759,010 (one million seven hundred fifty-nine thousand and ten) pre-emptive rights to series D shares, up to 1,759,010 (one million seven hundred fifty-nine thousand and ten) allotment certificates for series D shares, and up to 1,759,010 (one million seven hundred fifty-nine thousand and ten) series D ordinary bearer shares.
The Issuer's prospectus was published on the Issuer's website (www.pharmena.com.pl) and on its Lead Manager's website, i.e. brokerage house Dom Maklerski Prospectus S.A. on 22nd May 2013.
On 23rd May 2013, the Issuer submitted to Warsaw Stock Exchange S.A. an application for introducing pre-emptive rights, allotment certificates, and series D shares to trading on the NewConnect market, as well as an application for establishing the date of first listing of pre-emptive rights to Pharmena S.A. series D shares on the NewConnect market.
The goal of the issue of series D shares is to obtain funds for clinical trials of innovative anti-atherosclerosis medicinal product 1-MNA in the scope of phase II ("Proof of Concept").

In the area of works over 1-MNA dietary supplement, during the period covered by this report, the following events occurred:
On 16th May 2013, conceptual works (commissioned by the Issuer to Master Pharm Polska Sp. z o.o.) over the development of 1-MNA dietary supplement formulation were finalised. The Company's next step is to produce a pilot batch of the product and undertake its analytical research. Having concluded the above described works and successfully finalised the registration processes of 1-MNA dietary supplement as new foodstuff within the European procedure, the company Pharmena S.A. will place the product on EU markets.

On 17th May 2013, upon confirmation of the accuracy the draft proposal performed by Food Standards Agency (FSA) in London, the Company submitted its application to the said agency for authorisation of novel food ingredient pursuant to Art. 4 of Regulation (EC) no. 258/97.
The Company intends to conduct authorisation process of 1-MNA as novel food ingredient for the production of dietary supplements (containing 1-MNA) in 2013. Successful authorisation will open EU markets for the product.
The 1-MNA dietary supplement will be an innovative product with a capacity to influence the risk biomarkers of cardiovascular diseases and to stimulate the endogenous (natural) production of prostacyclin. Low levels of prostacyclin in human organism increase the risk of atherosclerosis. Studies have shown that the concentration of endogenous 1-MNA in human organism decreases with age. 1-MNA dietary supplement can complement 1-MNA deficiency in the organism and therefore stimulate the production of prostacyclin which reduces the risk of atherosclerosis development.

The procedure stipulated in the provisions of Art. 4 of Regulation (EC) no. 258/97 of the European Parliament and of the Council of 27th January 1997, concerns foods and food ingredients that have no record of safe consumption in the Community, which means they were not used in foods before 15th May 1997 in any EU Member State. The goal of subjecting the above ingredient to this procedure is to prove, by the use of available for PHARMENA S.A. research and scientific publications, the safety of the ingredient's use within the proposed area. Within this procedure, the entity responsible for placing on the Community market submits appropriate application to EU Member State, where the new foodstuff is to be first placed on the market. An additional scientific assessment at European level may appear necessary. In such case, it will be performed by European Food Safety Authority. Following full assessment, the European Commission grants permission for placing the new foodstuff on the market.

Moreover in May 2013, Issuer's Capital Group 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 Issuer's Capital Group.

In the said period, Pharmena S.A. enhanced the availability of its products and carried out marketing actions in order to increase sales profit from marketed products.

2. Achievement of the goals of an issue
In May 2013, Pharmena S.A. did not make any money expenditure directly on issue-related purposes. However, a subsidiary company Cortria Corporation spent in its funds mainly on bioavailability testing.

3. A list of all information published by the Issuer in the form of current reports in the reporting period from 1st May 2013 to 31st May 2013.
During the period covered by this report, Pharmena S.A. published the following reports in EBI system:
• Current report no. 21/2013 of 6th May 2013 - Change in date of publication of Q1 2013 quarterly report
• Current report no. 22/2013 of 9th May 2013 - PHARMENA S.A. - Q1 2013 quarterly report
• Current report no. 23/2013 of 13th May 2013 - April 2013 monthly report
• Current report no. 24/2013 of 16th May 2013 - Formulation development of 1-MNA dietary supplement
• Current report no. 25/2013 of 17th May 2013 - Submitting application for authorisation of 1-MNA as novel food ingredient
• Current report no. 26/2013 of 20th May 2013 - Approval of prospectus by Polish Financial Supervision Authority (KNF)
• Current report no. 27/2013 of 23rd May 2013 - Publication of prospectus
• Current report no. 28/2013 of 23rd May 2013 - Submitting application for introducing pre-emptive rights, allotment certificates, series D shares to trading on NewConnect market
• Current report no. 29/2013 of 23rd May 2013 - Submitting application for establishing the date of the first listing of Pharmena S.A. pre-emptive rights to series D shares on the NewConnect market

• Current report no. 30/2013 of 24th May 2013 - Notice of convening Ordinary General Meeting of Shareholders on 27th June 2013
• Current report no. 31/2013 of 24th May 2013 - Draft resolutions for Ordinary General Meeting of Shareholders on 27th June 2013
• Current report no. 32/2013 of 24th May 2013 - Planned changes to Articles of Association during Ordinary General Meeting of Shareholders on 27th June 2013

During the period covered by this report, Pharmena S.A. published the following reports in ESPI system:
• Current report no. 6/2013 of 24th May 2013 - Notice of convening Ordinary General Meeting of Shareholders on 27th June 2013

4. Investor's calendar for June 2013

14th June 2013 – termination of listing of pre-emptive rights to series D shares
19th June 2013 – termination of subscription for series D shares within the realisation of pre-emptive rights, i.e. basic and additional subscriptions
27-06-2013 – Ordinary General Meeting of Pharmena S.A. Shareholders
28-06-2013 – allocation of series D shares
Publication of June 2013 monthly report until 14th July 2013.

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