Fleury S.A.

Independent auditors' report on the parent company and consolidated financial statements at December 31, 2013

Independent auditors' report

To the Board of Directors and Shareholders
Fleury S.A.

We have audited the accompanying parent company financial statements of Fleury S.A. ("Parent Company"), which comprise the balance sheet as at December 31, 2013 and the statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

We have also audited the accompanying consolidated financial statements of Fleury S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2013 and the consolidated statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with accounting practices adopted in Brazil, and for the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the parent company financial statements

In our opinion, the parent company financial statements referred to above present fairly, in all material respects, the financial position of Fleury S.A. as at December 31, 2013, and its financial performance and cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Fleury S.A. and its subsidiaries as at December 31, 2013, and the consolidated financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil.

Emphasis of matter

As disclosed in Note 2 to these financial statements, the parent company financial statements have been prepared in accordance with accounting practices adopted in Brazil. In the case of Fleury S.A., these practices differ from IFRS applicable to separate financial statements only in relation to the measurement of investments in the subsidiaries based on the equity accounting method, whereas IFRS requires measurement based on cost or fair value. Our opinion is not qualified in respect of this matter.

Other matters

Supplementary information – statement of value added

We have also audited the parent company and consolidated statements of value added for the year ended December 31, 2013, which are the responsibility of the Company's management. The presentation of these statements is required by the Brazilian corporate legislation for listed companies, but is considered supplementary information for IFRS. These statements were subject to the same audit procedures

described above and, in our opinion, are fairly presented, in all material aspects, in relation to the financial statements taken as a whole.

São Paulo, March 12, 2014

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Marcelo Orlando
Contador
CRC 1SP000160/O-7

FLEURY S.A. AND SUBSIDIARIES

BALANCE SHEETS AS AT DECEMBER 31
(In thousands of Brazilian reais - R$)

	Note	Parent Company		Consolidated	
Assets		**12/31/2013**	**12/31/2012**	**12/31/2013**	**12/31/2012**
Current Assets					
Cash and cash equivalents	5	538,853	180,143	539,943	180,798
Derivative financial instruments	6	9	12,735	9	12,735
Trade receivables	7	398,056	357,008	400,063	359,043
Inventories	8	16,860	18,838	16,860	18,838
Recoverable taxes	9	83,831	78,375	84,751	79,087
Prepaid expenses		1,950	4,108	1,950	4,108
Other		11,068	7,790	11,070	8,249
Total current assets		**1,050,627**	**658,997**	**1,054,646**	**662,858**
Non-current Assets					
Long-term receivables:					
Judicial deposits	18	12,968	10,852	12,970	10,855
Deferred income tax and social contribution	27	119,317	99,740	119,317	99,740
Other		27,435	10,875	27,435	10,874
Total long-term receivables		**159,720**	**121,467**	**159,722**	**121,469**
Investments	10	28,787	19,590	7,806	246
Property and equipment	11	450,372	419,587	454,556	424,288
Intangible assets	12	1,519,051	1,516,488	1,534,437	1,529,298
Total non-current assets		**2,157,930**	**2,077,132**	**2,156,521**	**2,075,301**
Total Assets		**3,208,557**	**2,736,129**	**3,211,167**	**2,738,159**

	Note	Parent Company		Consolidated	
Liabilities and Equity		**12/31/2013**	**12/31/2012**	**12/31/2013**	**12/31/2012**
Current Liabilities					
Borrowings and financing	13	73,432	88,332	73,432	88,332
Derivative financial instruments	6	-	127	-	127
Trade payables	14	103,617	70,238	104,312	70,997
Payroll and related taxes	15	49,447	43,102	49,447	43,102
Provision for income tax and social contribution		-	29	-	29
Taxes and contributions payable	16	23,691	29,950	23,753	30,463
Payables - business acquisitions	17	8,585	10,100	9,079	10,574
Other payables		125	-	125	-
Total current liabilities		**258,897**	**241,878**	**260,148**	**243,624**
Non-current Liabilities					
Borrowings and financing	13	911,094	471,731	911,094	471,731
Deferred income tax and social contribution	27	252,080	182,388	253,191	182,388
Provision for tax, labor and civil risks	18	18,089	51,524	18,089	51,524
Taxes and contributions payable	16	63,258	58,238	63,258	58,238
Payables - business acquisitions	17	16,106	24,462	16,354	24,746
Total non-current liabilities		**1,260,627**	**788,343**	**1,261,986**	**788,627**
Equity					
Share capital	21	1,379,747	1,379,747	1,379,747	1,379,747
Capital reserve - options granted		7,680	3,766	7,680	3,766
Revaluation reserve		968	1,476	968	1,476
Legal reserve		33,556	30,499	33,556	30,499
Investment reserve		267,082	290,420	267,082	290,420
Total Equity		**1,689,033**	**1,705,908**	**1,689,033**	**1,705,908**
Total Liabilities and Equity		**3,208,557**	**2,736,129**	**3,211,167**	**2,738,159**

The accompanying nores are an integral part of these financial statements.

FLEURY S.A. AND SUBSIDIARIES

INCOME STATEMENTS
YEARS ENDED DECEMBER 31
(In thousands of Brazilian - R$, except earnings per share)

	Note	Parent Company		Consolidated	
		01/01/2013 to 12/31/2013	01/01/2012 to 12/31/2012	01/01/2013 to 12/31/2013	01/01/2012 to 12/31/2012
Service revenue	22	**1,649,333**	**1,458,491**	**1,656,896**	**1,501,783**
Cost of services	23	(1,274,279)	(1,062,661)	(1,284,920)	(1,098,530)
Gross profit		**375,054**	**395,830**	**371,976**	**403,253**
Operating (expenses) income					
General and administrative expenses	24	(216,026)	(188,365)	(216,026)	(190,497)
Other operating income (expenses)	25	(2,080)	7,228	(2,038)	3,240
Provision for tax, labor and civil risks	18	15,240	(1,464)	15,240	(1,485)
Share of profits (losses) of subsidiaries/ investees	10	(2,604)	(376)	354	
Operating profit before finance income (costs)		**169,584**	**212,853**	**169,506**	**214,511**
Finance income	26	57,082	47,160	57,143	47,363
Finance costs	26	(115,408)	(105,166)	(115,472)	(105,982)
Finance income (costs), net		**(58,326)**	**(58,006)**	**(58,329)**	**(58,619)**
Profit before income tax and social contribution		**111,258**	**154,847**	**111,177**	**155,892**
Income tax and social contribution					
Current	27	-	-	-	(1,045)
Deferred	27	(50,115)	(48,259)	(50,034)	(48,259)
Profit for the year		**61,143**	**106,588**	**61,143**	**106,588**
Total comprehensive income		61,143	**106,588**	**61,143**	**106,588**
Earnings per share attributable to owners of the Company					
Basic earnings per share (weighted average)	29	**0.39**	0.68	0.39	0.68
Diluted earnings per share (weighted average)	29	**0.39**	0.68	0.39	0.68

The accompanying nores are an integral part of these financial statements.

FLEURY S.A. AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)
YEAR ENDED DECEMBER 31, 2013
(In thousands of Brazilian reais - R$, except earnings and dividends per share, proposed and distributed)

	Note	Capital		Capital reserve	Revaluation reserve	Earnings reserves		Retained earnings (accumulated losses)	Equity attributable to owners of the Company
		Share capital	Share issue costs	Options granted		Legal reserve	Investment reserve		
Balances at December 31, 2011		**1,400,908**	**(22,784)**	**2,561**	**2,236**	**25,169**	**223,791**	**-**	**1,631,881**
Capital increase	21	1,623	-	-	-	-	-	-	1,623
Realization of revaluation reserve	11	-	-	-	(760)	-	-	760	-
Stock option plan	28	-	-	1,205	-	-	-	611	1,816
Profit for the year (R$0.68 per share)		-	-	-	-	-	-	106,588	106,588
Appropriation of profit for the year:									
Interest on own capital proposed (R$ 0.10 per share)		-	-	-	-	-	-	(16,000)	(16,000)
Dividends paid in advance		-	-	-	-	-	-	(20,000)	(20,000)
Legal reserve		-	-	-	-	5,330	-	(5,330)	-
Investment reserve		-	-	-	-	-	66,629	(66,629)	-
Balances at December 31, 2012		**1,402,531**	**(22,784)**	**3,766**	**1,476**	**30,499**	**290,420**	**-**	**1,705,908**
Realização da reserva de reavaliação	11	-	-	-	(508)	-	-	508	-
Plano de opção de compra de ações	28	-	-	3,914	-	-	-	-	3,914
Reversão de reservas		-	-	-	-	-	(23,338)	23,338	-
Lucro líquido do período (R$0,39 por ação)		-	-	-	-	-	-	61,143	61,143
Destinação do lucro:									-
Constituição da reserva legal		-	-	-	-	3,057	-	(3,057)	-
Dividendos antecipados		-	-	-	-	-	-	(81,932)	(81,932)
Saldos em 31 de dezembro de 2013		**1,402,531**	**(22,784)**	**7,680**	**968**	**33,556**	**267,082**	**-**	**1,689,033**

The accompanying nores are an integral part of these financial statements.

FLEURY S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31
(In thousands of Brazilian reais - R$)

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Profit for the year	**61,143**	**106,588**	**61,143**	**106,588**
Items not affecting cash:				
Income tax and social contribution	50,115	48,259	50,034	49,304
Finance income (costs)	58,326	58,006	58,329	58,619
Depreciation and amortization	107,317	97,240	108,762	100,263
Share of profits (losses) of subsidiaries	2,604	376	(354)	-
Earnings before interest, taxes, depreciation and amortization	**279,505**	**310,469**	**277,914**	**314,774**
Stock option plan	3,914	1,816	3,914	1,816
Recognition (reversal) of provision for tax, labor and civil risks	(15,240)	1,464	(15,240)	1,485
Allowance for doubtful debts and disallowances	73,834	76,811	73,974	77,848
Labor provisions	6,387	12,149	6,387	12,352
Accrued trade payables	9,426	(1,640)	9,426	(896)
Other	695	152	654	320
Cash flows from operating activities before changes in assets and liabilities	**358,521**	**401,221**	**357,029**	**407,699**
Trade receivables	(117,926)	(142,554)	(118,038)	(151,598)
Inventories	489	(1,811)	489	(1,720)
Trade payables/Payroll and related taxes	20,834	(16,556)	20,779	(17,001)
Changes in other assets	(12,723)	(48,062)	(12,931)	(39,640)
Changes in other liabilities	(29,662)	(24,646)	(30,073)	(26,394)
Total changes in assets and liabilities	**(138,988)**	**(233,629)**	**(139,774)**	**(236,353)**
Finance costs paid	(7,638)	(3,776)	(7,641)	(3,809)
Income tax and social contribution paid	(29)	-	(29)	(483)
Net cash provided by operating activities	**211,866**	**163,816**	**209,585**	**167,054**
Purchase of property and equipment and IT systems	(148,056)	(155,380)	(148,056)	(162,845)
Sale of property and equipment	1,094	513	1,094	513
Related parties	(11,800)	(8,350)	-	-
Acquired businesses:				
Payments	(8,539)	(205,171)	(17,673)	(209,045)
Merged net cash		1,187		
Net cash used in investing activities	**(167,301)**	**(367,201)**	**(164,635)**	**(371,377)**
New borrowings and debentures	503,319	7,976	503,319	7,976
Settlement of borrowings and debentures	(84,546)	(39,541)	(84,546)	(42,633)
Interest paid on borrowings and debentures	(66,155)	(54,535)	(66,155)	(54,569)
Interest received on financial investments	45,599	20,462	45,649	20,575
Dividends and/or interest on own capital	(84,072)	(33,857)	(84,072)	(33,857)
Capital increase	-	1,623	-	1,623
Net cash provided by (used in) financing activities	**314,145**	**(97,872)**	**314,195**	**(100,885)**
Increase (decrease) in cash and cash equivalents	**358,710**	**(301,257)**	**359,145**	**(305,208)**
Cash and cash equivalents				
At the beginning of the year	180,143	481,400	180,798	486,006
At the end of the year	538,853	180,143	539,943	180,798
Increase (decrease) in cash and cash equivalents	**358,710**	**(301,257)**	**359,145**	**(305,208)**

The accompanying nores are an integral part of these financial statements.

FLEURY S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED
YEARS ENDED DECEMBER 31
(In thousands of Brazilian reais - R$)

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Revenues	**1,797,115**	**1,575,149**	**1,805,184**	**1,621,157**
Service revenue	1,848,050	1,640,972	1,856,215	1,687,987
Allowance for doubtful debts and disallowances	(73,834)	(76,811)	(73,974)	(77,847)
Other revenues	22,899	10,988	22,943	11,017
Inputs purchased from third parties	**(772,261)**	**(644,020)**	**(781,458)**	**(669,905)**
Cost of services	(557,020)	(489,138)	(566,078)	(510,702)
Materials, electric power, outside services and other	(213,753)	(154,369)	(213,892)	(158,626)
Impairment/Recovery of assets	(1,488)	(513)	(1,488)	(577)
Gross value added	**1,024,854**	**931,129**	**1,023,726**	**951,252**
Depreciation and amortization	(107,317)	(97,240)	(108,762)	(100,263)
Net value addded	**917,537**	**833,889**	**914,964**	**850,989**
Value added received through transfer	**54,478**	**46,784**	**57,497**	**47,363**
Share of profits (losses) of subsidiaries/ investees	(2,604)	(376)	354	-
Finance income	57,082	47,160	57,143	47,363
Total value added	**972,015**	**880,673**	**972,461**	**898,352**
Distribution of value added	**(972,015)**	**(880,673)**	**(972,461)**	**(898,352)**
Personnel and payroll charges	(492,385)	(416,281)	(492,385)	(422,697)
Taxes and contributions	(174,853)	(161,716)	(175,234)	(164,474)
Interest, rentals and other operating expenses	(243,634)	(196,088)	(243,699)	(204,593)
Dividends and interest on own capital	(58,594)	(36,000)	(58,594)	(36,000)
Retained earnings	(2,549)	(70,588)	(2,549)	(70,588)

The accompanying nores are an integral part of these financial statements.

GrupoFleury

Health and well-being *that enable* ***people*** *to fully realize their potential.*



Índice de Sustentabilidade Empresarial ISE 2014

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FLEURY S.A.
Public Company
CNPJ/MF nº 60.840.055/0001-31 | NIRE 35300197534
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MANAGEMENT REPORT 2013

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To Our Shareholders

In compliance with law, the Management of Fleury S.A. – "Grupo Fleury" or "Company" - presents the Management Report, as well as the Individual and Consolidated Financial Statements for the fiscal year ended December 31, 2013. All comparisons in this report consider consolidated data in relation to the same period in 2012, except where indicated otherwise.

Message from the Management

The year 2013 was marked by a challenging macroeconomic scenario, and the performance of the Brazilian economy belied expectations. GDP increased by a mere 2.3% and interest rate was hiked to 10% p.a. in order to control inflation, which came close to the ceiling of the target established by the Central Bank of Brazil, with no prospects of a cutback in the short term. New jobs created fell to 1.1 million, from 1.3 million the previous year.

For Grupo Fleury, the year 2013 was marked by the conclusion of an important growth cycle experienced in previous years, with the consolidation and expansion of the brand a+ Medicina Diagnóstica and the acquisition of Diagnoson, Labs D'Or and Felippe Mattoso, all of which were acquired in 2011. These achievements enabled the Company to expand its footprint in regional markets, broaden its imaging services offering and grow its market share among clients across diverse income segments.

As a result, the balance in the share of the business and brands in the Group's portfolio changed, with the services of Fleury Medicina e Saúde brand, which is in a mature stage and has higher profitability, accounting for nearly 46% of the company's total revenues.

The main challenges of 2013 were related to managing this new business scenario of a greater strategic scope but which, in the short term, resulted in loss of profitability for the company, greater operational complexity and gaps resulting from the intensive strategy growth.

The initiatives during the year were targeted at speeding up business integration in Rio de Janeiro and Salvador, intensifying the use of assets invested in previous years in the a+ Medicina Diagnóstica brand, capturing the latent demand for diagnostics services, growing revenue from the portfolio, as well as accelerating and concentrating new investments in the Fleury Medicina e Saúde brand. At the same time, a series of projects and actions were implemented, especially in the second half of the year, to recover the company's profitability and business by structuring process flows to improve operational efficiency across the organization, to take decisions on divestment of businesses and service units, as well as the revision of business agreements that are not profitable and with no prospects for improvement in the medium term.

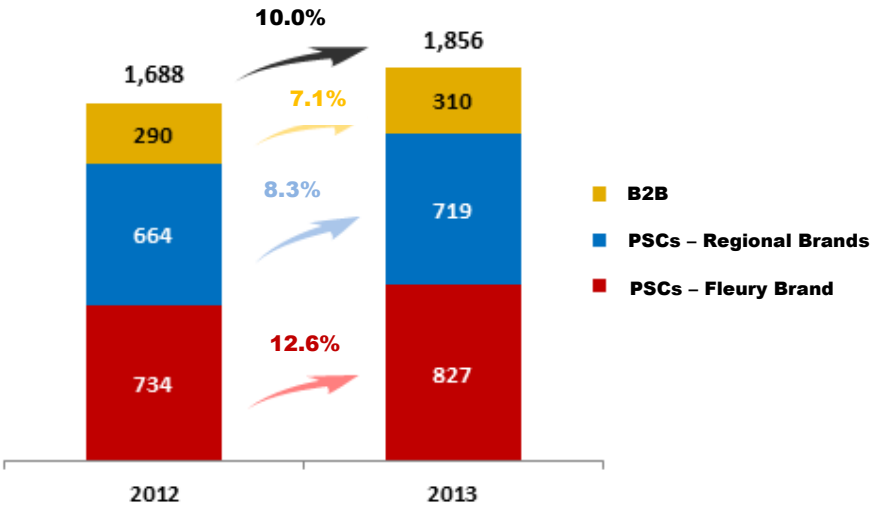
Moreover, this new scenario brought with it the challenge of ensuring and disseminating the strong and homogenous organizational culture in order to build cohesion in a company with a growing number of employees from diverse backgrounds.

During these 88 years of history, two fundamental principles have guided the company: "to offer clients the most appropriate solution, with the focus on medical and technical excellence resulting from the installed knowledge base that is constantly updated by professionals in the organization," and "focus on providing welcoming, courteous and supportive service to clients and their needs," that enable it to build and perpetuate personalized and innovative solutions for the benefit of people's health and well-being. These characteristics have historically been the foundation of the recognized differentiation that Grupo Fleury enjoys in its segment, among both the medical community and its

clients. Continuing to practice these principles in a new, dynamic and changing scenario is a formidable challenge.

We seek to promote the engagement of our employees and physicians with the desired culture, disseminate the integration of teams currently with greater geographic dispersion, respect and take advantage of the elements of its diversity and size. This requires that the twin concepts of "culture" and "strategy" walk in an integrated manner and are disseminated so that the performance of each employee and physician in the company is guided by this "way of being" that has guided the competitiveness of the Company over the course of its history and will do so in the future.

Gross Revenue and Growth – Grupo Fleury and segments



In such a scenario, the gross revenue of the Company increased 10.0% to R$ 1.9 billion. EBITDA in the period was R$ 277.9 million (margin of 16.8%) and Net Profit was R$ 61.1 million (margin of 3.7%). Operating cash flow in the period was R$ 210 million, which signifies a conversion rate of 75% on EBITDA, while investments in fixed and intangible assets were R$ 148 million.

Together with the operating cash flow, the Company raised R$ 500 million at the beginning of the year to further strengthen its financial structure and lengthen its debt profile: through the second issue of debentures, with term of seven (7) years and remuneration of 0.85% above the Interbank Rate (CDI), whose proceeds were invested in exclusive funds and can be used in future growth and consolidation opportunities. Net debt, which is long-term in nature, totaled R$ 470 million, corresponding to 1.7 times the EBITDA in 2013.

The solid financial health and organic growth, fueled by operational cash flow, enabled the Company to increase dividend payouts, which reached R$ 82 million, corresponding to R$ 0.52 per share.

The Company ended 2013 with **159 patient service centers** of **six brands** in **six states and the Federal District**, offering a portfolio of nearly **3,500 procedures** in **37 medical specialties**. During this period, more than **56 million exams** were conducted, **51,000 multidisciplinary integrated reports** of our specialties were dispatched and **112,000 cases were given medical advice**, an **increase of 89%** in relation to 2013.

In São Paulo, the Fleury Medicina e Saúde brand, the leader in the premium segment, registered 12.6% growth in gross revenue in the year, meeting the growing demand for its services and perpetuating its profitability levels. Besides concentrating investments in the expansion program, the company launched a new marketing campaign to highlight its differentials in a continuous initiative to

capture its market in which it is the leader by virtue of its differentiated and innovative offering of integrated and increasingly more comprehensive solutions in medicine and heath.



New Fleury PSCs Ponte Estaiada and Integrated Cardioneurovascular Diagnostic Medicine Center, launched in 2014

In Rio de Janeiro, while the premium brand Felippe Mattoso expanded its service portfolio, growing more than 15% over 2012, the Labs D'Or brand accelerated the restructuring of its network of units and its service offering, and also intensified the process of selection of payment sources in line with its differentiated service level. Advances in operational integration in Rio de Janeiro were mainly related to the merger of the technical areas of clinical analyses in a single site, merger of the client service systems, as well as cultural events and educational programs for employees.



PSC Clínica Luiz Felippe Mattoso in Leblon (RJ)

Regional brands (except Rio de Janeiro) posted gross revenue growth of 22.5%, thanks to the growing preference of clients and the medical community for a+ Medicina Diagnóstica, launched in 2011, the expansion of services of Diagnoson a+ in Bahia, and the consistent leadership of the Weinmann brand in Rio Grande do Sul.

The Business-to-Business (B2B) segment had its scope of operations revised during the year. In the Diagnostic Operations in Hospitals segment, the Company concentrated its efforts on serving institutions that require more complex exams. In Preventive Medicine, the Health Promotion and Chronic Disease Management services were discontinued, turning the organization's focus to its core operations in diagnostic medicine.

Structuring initiatives were launched to increase the level of operational efficiency, integration of the organization and institutionalization of processes in the medium term. Following are examples of strategic projects for managing risks: model for managing and redesigning the process chain, service

model, organizational development, strengthening of the strategy for medical relationship, and operational expansion by specialties. However, with the objective of improving the management of resources across the Company and capturing in the short term the savings in operating costs and expenses, the Company accelerated the process of receipts across the organization and the conversion of profit into cash, and implemented methodologies and procedures such as the "matrix budget" and "project approval forum".

Significant advances were made in the Innovation and Sustainability initiatives. For the third straight year, the Company was recognized for its practices in these areas, with the Guia Exame de Sustentabilidade electing the company as the leader in the health sector and one of the model companies in Brazil. Moreover, for the third time, the company was included in the list of the most innovative companies in Brazil by consulting firm A.T. Kearney, with assistance from the Época Negócios magazine. These achievements are a result of the culture that has permeated the Fleury Group since 1926 and which is embedded in its operational strategy.



PSC Diagnoson a+ in Pituba, Salvador (BA)

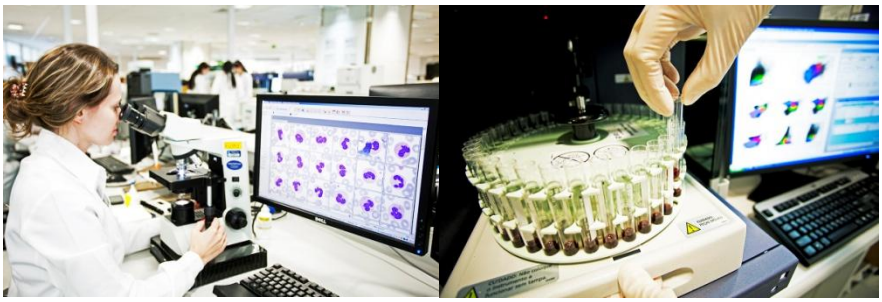
Examples in this regard are the 96 new services launched, as well as the changes to the methodology in laboratory medicine and the diagnostic center, increasing the portfolio of exams in different medical specialties centers. Also worth highlighting is that the Company signed the UN Global Compact, underlining its commitment to sustainable growth, and was included in the ISE 2014 (Corporate Sustainability Index of BM&FBOVESPA) portfolio.

At the same time, the third edition of the Annual Sustainability Report was published in accordance with the guidelines of the Global Reporting Initiative (GRI), with a gradual evolution in the level of application (currently B+). The 3rd Fleury Day was held for investors. These initiatives demonstrate the commitment, the growing relationship and transparency of the Fleury Group with its stakeholders.

The results and achievements of 2013 described in this report are based on a long-term vision and the partnership built on a daily basis through honest, ethical and transparent relations with all stakeholders. Within the scope of the operational results from the year, these reflect the short-term challenges involved in the structural preparation for the long term. Thus, the restructuring processes and the integration in Rio de Janeiro, which were accelerated at the end of 2013, added pressure to the year's results but consolidated its commitment to the growth and returns for the Company in a consistent and sustainable manner.

The management remains confident about the industry fundamentals and, especially, the competitive advantages of Grupo Fleury and its brands. In this regard, the Company's total investments in 2014 are estimated at R$ 221 million and will notably go towards the expansion of the service offering of the Fleury Medicina e Saúde brand. These investments include the Integrated Cardioneurovascular

Diagnostic Medicine Center of the Fleury brand. We believe that 2014 will be marked by efforts to strengthen the robustness of the strategy of differentiating all the brands and business of the Company.



Technical área operations: presence in 18 hospitals

In 2013, the investments made in the Fleury brand, combined with advances in the integration of Labs D´Or and the restructuring efforts, underline the Company's commitment to the long-term sustainability of its businesses together with continuous improvement in the indicators of growth and returns.

Macroeconomic and Market Conditions

According to estimates from the International Monetary Fund (IMF), global gross domestic product (GDP) should end 2013 with growth of 2.9%, below the 3.2% registered in 2012 and 3.9% in 2011. The scenario was marked by both the slowdown of emerging economies and by the uncertainties about the pace of recovery of the Euro zone, as well as the political situation in the United States regarding its handling of its public deficit. In 2014, the global economy is expected to grow 3.6%, fueled mainly by the continued expansion of the Chinese economy and the acceleration in mature economies, especially the United States and the European Union.

The Brazilian economy has grown below its potential, accompanied by high inflation and interest rates and a weak real. Domestic demand continues to be the main driver of economic activity, albeit at a slower pace. Inflation, measured by the Amplified Consumer Price Index (IPCA), stood at 5.9% in 2013, close to the ceiling of the target set by the government and without any prospects of any decline in the short term. The basic interest rate (Selic) once again climbed to end the year at 10%, after reaching its lowest ever mark of 7.25% at the end of 2012.

Data from Brazil's Ministry of Labor and Employment (MTE) shows that 1.1 million formal jobs were created, which is below initial expectations and equivalent to a 2.8% increase over the balance at the end of the previous period. The data shows that although the labor market continues solid, there are signs of a lower margin.

However, despite the slowdown in formal job creation and modest estimates of GDP growth, the fundamentals and prospects for Brazil's health sector continue to be solid. The number of beneficiaries of medical and hospital operations continues to grow, though at a slower pace. During the nine first months of 2013, there were 1.1 million new beneficiaries in the medical and hospital health insurance plans, an increase of 2.4% in relation to December 2012. Coverage of the Brazilian population reached 25.3%, 80 bps higher than in September 2012.

In the regulatory field, Brazil's National Health Agency (ANS) has disclosed its regulatory agenda to eliminate bureaucracy and increase system transparency, as well as to increase the qualification of

clients and service providers. ANS has also signaled greater efforts to standardize the agreements between service recipients and service providers, and initiatives to enable comparison of the qualifications of service providers, and improvement of health promotion and preventive medicine.

About Grupo Fleury

"To provide increasingly more comprehensive and integrated solutions to manage the health and well-being of people with excellence, humanity and sustainability".

Grupo Fleury (BM&FBovespa: FLRY3) is one of the most traditional medicine and health organizations in Brazil, in the market for nearly 90 years, and is recognized among the medical community, patients and the public for its excellence in services, innovation, technical quality and sustainability standards.

We do the best because we are passionate about what we do: Grupo Fleury has, since the beginning, been driven by its passion for medicine and for the permanent restlessness that drives it to seek the best in all dimensions.

Whoever loves whatever they do, give the best of themselves. That is why the foundation of its essence is "passion," above all, about people. They are the drivers of the Company's success, which is best reflected in the satisfaction of clients, who feel employees close, committed and determined to serve them with the genuine desire to do good.

Backed by solid growth, Grupo Fleury focuses on consolidating the Diagnostic Medicine market and expanding its presence in the health services chain.

With a team of professionals renowned in Brazil and abroad, the Group offers increasingly more integrated and comprehensive solutions in medicine and health, and stands out for creating knowledge, as well as innovation and excellence in client service. For this, the Company has a portfolio of approximately 3,500 tests in 37 different diagnostic fields. In 2013, around 56 million tests were carried out and 9 million clients were served by more than 8,500 employees and 1,700 physicians through the following business lines:

- Patient Service Centers. Around 160 units spread across the states of São Paulo, Rio de Janeiro, Rio Grande do Sul, Pernambuco, Bahia and Paraná, as well as the Federal District, providing private diagnostic medicine services to premium and intermediary Health plans..

- Diagnostic Operations in Hospitals. It involves diagnostic tests at partner hospitals, including both clinical analyses and imaging and other specialties, providing high-value diagnostics information to assist medical professionals working in these hospitals. At present, the Company provides services in 18 hospitals.

- Reference Lab. Medium- and high-complexity tests for labs, hospitals and clinics throughout Brazil, enabling these clients to broaden their service offering backed by outstanding diagnostic quality;

- Preventive Medicine. Checkup services that evaluate the health of an individual in a personalized manner. In 2013, the Company decided to discontinue the Health Promotion and Chronic Disease Management services.

- • Dental Diagnostic Imaging. In 2013, the Company entered the dental diagnostic imaging segment by acquiring a 51% interest in Papaiz Associados.



Grupo Fleury: presence in the main economic centers

Corporate Governance: a practice constantly improved

Corporate governance practices are highly valued at the Fleury Group, are aligned with the guidelines and recommendations of world renowned institutions, and strictly comply with legal requirements, capital market regulations and corporate laws. Hence, the Fleury Group maintains the highest principles of transparency, fairness, accountability, as well as corporate, social and environmental responsibility.

Even before becoming a publicly traded company or having its shares listed in the stock market, the Company had established shared management between the Board of Executive Officers and the Board of Directors consisting of independent directors. For this very same reason, when it became a publicly traded company, it naturally decided to join the Novo Mercado, a special listing segment of BM&FBovespa that requires the highest levels of corporate governance.

Created in 1998 and currently consisting of nine members, including three independent members, the Board of Directors sets the general business direction and elects the members of the Statutory Board of Executive Officers, among other responsibilities given to it by law and the Company's Bylaws. The Board of Directors has Internal Regulations that govern its functioning as well as of its advisory committees. Directors serve two-year terms and reelection is allowed.

There are three permanent committees established by the Board of Directors for assistance with certain duties and these are governed by the Internal Regulations of the Board of Directors or their own regulations: Audit and Risk Management Committee; Compensation, Appointments and Organizational Development Committee; and Strategy Committee.

In 2012, the Board of Directors established the Temporary Corporate Governance Committee to analyze and improve the Company's corporate governance practices. Among the initiatives suggested by the Committee and implemented by the Board are the creation of a Governance Secretariat to advise the Board, improvement of performance appraisals of the CEO, as well as the Board of Directors, with individual appraisal of its members, appraisal of the Board by the Board of Executive Officers, and an evaluation of the Company's governance system through a structured and comprehensive methodology.

The duties of the Executive Officers include enforcing compliance with the Company's Bylaws, Code of Conduct and Strategic Plan, and carrying out the decisions of the Board of Directors and Shareholders

Meetings. They must also approve plans, programs and general operational, administrative and control norms, and periodically provide information about the business results to the Board of Directors.

In September 2013, Vivien Rosso took over as CEO after the appointment of Omar Hauache as Chairman of the Board of Directors. Vivien worked in the Company from 2002 to 2010, as Chief Commercial, New Business and Marketing Officer, and as Executive Director of Diagnostic Medicine. She was on the Board of Directors since October 2011, which she left upon being appointed CEO.

Board of Directors and Board of Executive Officers:

Members of the Board of Directors	Position
Omar Magid Hauache	Chairman
Rendrik França Franco	Vice-Chairman
Márcio Serôa de Araújo Coriolano	Director
Marcos Bosi Ferraz	Director
Rogério Rabelo	Director
Samuel Monteiro dos Santos Junior	Director
Marcelo Pereira Malta de Araújo	Independent Director
Luiz Carlos Vaini	Independent Director
José Paschoal Rossetti	Independent Director

Executive Officers	Position
Vivien Bouzan Gomez Navarro Rosso	Chief Executive Officer
Adolpho Cyriaco Nunes de Souza Neto	Chief Financial Officer
João Ricardo Kalil Patah	Investor Relations Officer
Jose Marcelo A. Oliveira	Executive Officer
Paulo Pedote	Executive Officer

Sustainability: Company's commitment to create value for society

The integration and balance among the environmental, social and economic aspects, aligned with the quality and efficiency of organizational processes, are crucial for sustainable development. The Fleury Group is guided by these principles and seeks to add value for stakeholders through its strategic sustainability plan.

Among the initiatives is the Eco-Efficiency Project that seeks to value products with low environmental impact. In 2013, the Company implemented 222 sustainable actions in its processes, with the focus always on reducing the consumption of natural resources. The Fleury Rochaverá and Alphaville units have already obtained the LEED (Leadership in Energy & Environmental Design) certification in order to incorporate sustainable aspects to the project in these facilities and future installations of the brand.

The Company's operations follow high standards of quality and environmental care, and around 70% of the operations are already certified ISO 9001 (Quality Management) and ISO14001 (Environment Management). Recently, the Company was recertified by the College of American Pathologists (CAP), and is also accredited by the American College of Radiology (ACR) for the nuclear medicine and PET/CT services at the PSC Fleury Paraíso.

Grupo Fleury maps and monitors, and is clear about its responsibilities towards society in the regions where it operates. It seeks to build close relations and minimize the possible impacts of its operations through diverse social projects.

One such initiative is the volunteer program which, in 2013, took the Semear project to six regions, organizing solidarity actions in charity institutions with the help of 200 volunteer employees. The volunteer program also launched the CAC Solidário Project in São Paulo and Rio de Janeiro, which stimulates in the employees at the service units the desire to do good. In the first year of the project, more than 700 voluntary actions were taken and three institutions were given assistance. Under the Pescar Project, 38 more youth were trained in Quality in Client Service in 2013, the year in which the Conecta Saúde and Projeto Dom programs also took shape. Conecta Saúde, in partnership with Philips do Brasil, seeks to raise awareness among students of public schools and teens cared for by charitable institutions on topics related to teen pregnancy and sexually transmitted diseases (STD). The Projeto Dom provides training to health institutions to improve the quality of their patient services.

In 2013, Grupo Fleury also signed the UN Global Compact, underlining its commitment to sustainable growth, and was also included in the portfolio of the BM&F Bovespa's Corporate Sustainability Index (ISE). The Company was awarded the Brazilian Environmental Benchmarking Program seal, which recognizes healthy social and environmental practices, and was, for the third straight year, was recognized as one of the model companies in social and environmental responsibility by the Guia Exame de Sustentabilidade.

In addition, for the sixth year in a row, the Company led important discussions in the health sector on topics of common interest and on aspects that promote and strengthen balanced relations among all the players in the segment, including regulatory agencies, industry associations, payment sources and service providers, among others. In this regard, it organized three events: the SIDHRIO and Fleury Group Seminar on "The bottlenecks in supplementary health"; the 6th SINDHOSP and Fleury Group Seminar on "The direction taken by ANS for the sustainability of the private health system"; and the ANVISA Seminar on "Sustainability of the heath sector". The Fleury Group believes it is its role to make a positive contribution so that these interactions strengthen the sustainability and perpetuity of the sector.

The third edition of the Annual Sustainability Report according to the guidelines of the Global Reporting Initiative (GRI) was published to provide greater transparency on the Company's operations and register its level of maturity in managing challenges and opportunities. The application level of this report rose from C+ to B+. Grupo Fleury thus underscores it commitment to managing and reporting sustainability. The report is available at the Company's IR website (www.fleury.com.br/ri).

Innovation and R&D: competitive advantage for the challenges of the present and the desire to build the future of medicine and health.

Grupo Fleury considers as one of its key competitive advantages, its strong culture of innovation, expressed in business through appreciation, attraction and retention of differentiated intellectual capital and constant incentive to maintaining this practice. By using structured methods, tools and processes, its professionals apply their knowledge in medicine and healthcare systematically in the pursuit of innovation. As a result, Grupo Fleury is the pioneer in the health service sector, being recognized for the third consecutive year, as one of the 20 most innovative companies in Brazil,

according to a survey by the consulting firm A. T. Kearney, with support from the Época Negócios magazine. The Fleury Group is the only company in the health sector in this list.

One of the initiatives of the organization to foster research and development among its employees and physicians - the Knowledge Journey - reached its 23rd edition, bringing 211 papers, composed of 113 administrative cases and 98 scientific papers resulting from research conducted at the institution itself, some in partnerships with universities.

The Company also stands out for its open innovation initiatives through engagement of multiple stakeholders, such as development agencies, universities and research institutions in Brazil and abroad, Grupo Fleury researchers and researchers from partner institutions.

In 2013, the development of new products further strengthened its position as the pioneer in diagnostic tests and healthcare services, contributing to improved employee qualification the delivery of diagnostic solutions. A total of 96 new products and changes in lab medicine methodology and diagnostic center were implemented, broadening the exam portfolio in several medical specialties. In the past three years (2011-2013), the Fleury Group launched more than 340 new products.

More than 50,000 integrated reports were sent to the physicians of patients who sought our services, covering diagnostic cases considered to be highly complex and which require multidisciplinary approach. Integrated reports are considered a high value added service and are an important tool that set apart the Fleury brand.

Lastly, the concept of Integrated Diagnostic Medicine Center is increasingly intrinsic to Grupo Fleury business model, which aims to provide multidisciplinary services for the diagnosis of specific clinical conditions in environments equipped with cutting-edge technology and supported by expert medical and support teams. For physicians we offer an excellent service in diagnostic support, and a complete and integrated approach. For patients, this pioneering concept provides more accurate and safer diagnostics in a single location, outside the hospital environment, reinforcing the strategic position of close relationship with clients, with the focus on their needs and on solving their problems.

Relationship with Suppliers: strategic partnerships

In recent years, Grupo Fleury has implemented actions to strengthen its relationship with suppliers and to incorporate sustainable principles and practices in this relationship.

The process of evaluating and qualifying suppliers involves three basic stages. The first stage is ratification, in which compliance and the level of impact on services are analyzed. The second stage involves the evaluation and management of the suppliers qualified with moderate and high impact on services, defined in the previous stage. The final stage of the process focuses on strategic suppliers, whose premise is the strengthening business relationship through the Excellence in Relationship with the Suppliers Chain Program (PERC), which in 2013 was included in the best practices of Ethos and AMCHAM.

The fourth edition of this program, in which 65 companies participated, took place in the beginning of 2013, in which five suppliers with outstanding performance in the previous year were honored. Besides meeting the expectations of Grupo Fleury, the companies are encouraged to submit proposals for streamlining processes through an Open Innovation platform. The participating companies submitted 381 ideas, of which 170 were implemented.

All the companies contracted by the Group sign the Citizenship and Sustainability Agreement, in which the parties undertake to comply with all the laws and regulations related to the national environment policy, including practices on the sustainable use of legally originated resources and the management and correct disposal of waste. Under the agreement, the parties undertake not to adopt or support practices of a negative and / or insulting discrimination based on race, color, gender, religion, sexual orientation, origin or any other personal characteristic of their professionals. The signatories also undertake not use forced labor, employ workers in conditions similar to slavery, hire children below 16 years of age, except as apprentices, from the age of 14, and employ workers under 18 years in places that prejudicial to their training and development, under hazardous or unhygienic conditions, or in night work.

People Management: the foundation of our success

Grupo Fleury believes the distinction that makes it a benchmark in medical, technical and service excellence is the qualification of its team of professionals. They are the ones engaged on a daily basis in offering the services that made the organization a benchmark, even for other segments.

The Company ended 2013 with 8,800 employees, who received training and development investments of R$5.8 million. A total of 460,000 hours of training were completed in the year, 48% more than in 2012. Over 3,600 educational activities were conducted by the Corporate University in 2013 – on average, each employee participated in 6.6 educational activities in the year.

The Talent Management Program registered a 15.7% increase in internal turnovers in relation to 2012, which had a direct impact on identifying and developing leaders in-house. Aligned with this program, *Escola de Líderes* (School of Leaders) created 3,600 development programs related to people management, project management and risk management. It also created a program for the personal and professional development in communication, feedback and coaching.

The trainee program, the main program for grooming young talent in the Company, reached its fourth year with a record 17,100 applications, of whom 1% (22 trainees) were hired.

The Stock Options Program has been running for 4 years now after being revamped and expanded. The program aims to recognize and retain professionals, providing them with an additional contribution in their variable compensation, which is linked to the Company's long-term objectives.

Relationship with the medical community, opinion makers and disseminators.

Grupo Fleury ended 2013 with 1,711 accredited physicians, up 6.2% from 2012. The increase was driven by the expansion of the service offering and increased service availability at the service units, particularly in São Paulo.

The pursuit of professional enhancement and exchange of knowledge are highly esteemed by Grupo Fleury. The Company encourages physicians to participate in national and international congresses, as well as to produce and share knowledge. In 2013, a total of 208 papers were published in scientific magazines, and 161 scientific update meetings were conducted in various specialties at the Company's facilities.

Moreover, a new bimonthly medical magazine under the Fleury Medicina e Saúde brand was launched in June, with three issues sent to a select group of 8,500 physicians last year. Also, seven scientific newsletters were produced and sent to more than 50,000 physicians and published at the Grupo Fleury websites. Furthermore, 11 web meetings with live chat were organized in which 7,700 registered physicians participated, a 50% increase compared to 2012, resulting in nearly 19,000 visits. In addition, 30 on-site events were organized in various cities across Brazil, including three events with international guests.

Finally, the Group continues to invest in training and development and in building relations with new medical professionals through specialization programs in diagnostic imaging and internships in clinical analyses. In 2013, the Fellow program, which is a one year program accredited by the Brazilian College of Radiology, had 33 professionals specializing in Magnetic Resonance and CT scanning in the fields of musculoskeletal, neuroimaging and internal medicine. The internship program for residency had 12 medical residents from Unifesp in the fields of Infectology, Endocrinology and Hematology.

These initiatives help Grupo Fleury to get closer and strengthen its communication with client physicians, offering them its differentials, processes and use of internal knowledge to ensure the technical excellence that permeates its history. Considered one of the main differentials of the company over its more than eight decades of operations, medical advisory services, whereby the Company's medical staff supports requesting physicians in preparing more complex diagnostics, continued to be one of the fundamental differentiating factors of the organization. In 2013, this interaction increased 89% from the prior year, which helped the Fleury brand receive recommendation from 74% of the physicians as the best and most reliable service in São Paulo, according to an independent survey conducted by IBOPE early in the year.

For 2014, to further forge our bonds with the medical community, which has strong opinion-making power to recommend medical services, we will implement an intensive relationship program, which includes furthering the support services offered to medical professionals, as well as including the Fleury brand as a sponsor and provider of content in congresses and symposiums at major events in the fields of cardiology, gynecology and endocrinology to be held in São Paulo. At the same time, the Company will organize, under its brands, events among the medical community in all the markets where it operates.

Operating and Financial Performance

Gross Revenue

In 2013, the Fleury Group's consolidated gross revenue was R$1.9 billion, for organic growth of 10.0% from the previous year.

Patient Service Centers increased 10.6% to R$1.5 billion in the year, led by operations under the brand Fleury Medicina e Saúde, which maintained their healthy historical pace by growing 12.6% in the year. Regional brands, excluding Rio de Janeiro, increased 22.5%, due mainly to the growing approval for and recognition of the a+ brand among clients and the medical community.

In B2B, Diagnostic Operations in Hospitals grew 11.1% in 2013, reaching R$257 million. At the end of the year, the Fleury Group served 18 hospitals. Revenue from the Reference Laboratory segment was R$27.4 million in 2013. In Preventive Medicine, Check-Up grew 7.4%, while Health Promotion and Chronic Disease Management services were discontinued.

Taxes and Cancellations

Taxes corresponded to 6.4% of gross revenue, stable compared to the prior year. Cancelations fell from 4.7% to 4.4%.

The policy of provisioning for losses due to disallowance, with a direct impact in the Cancellations lines is as follows: for bills overdue 121 days to 180 days, 15% provision; from 181 days to 360 days, 50% provision; above 360 days, 85% provision. There are no discretionary items. Coverage of amounts overdue for more than 120 days reached 63.7% (62.6% at the end of 2012).

As a result, the Group's net revenue rose 10.3% to R$1.7 billion.

Cost of Services Provided

The cost of services provided, which includes expenses with technicians, physicians, supplies, leasing of Service units and maintenance of facilities and equipment, among others, totaled R$1.3 billion, accounting for 77.5% of net revenue (compared to 73.1% in 2012).

Pre-operating expenses with rents of units to be opened, mainly in São Paulo, accounted for 85 bps of the 2013 result.

Also, one-off initiatives to restructure the service offering of the a+ and Labs D'Or brands led to non-recurring costs in the year, such as shutdown of operations and redeployment of the team.

The accelerated growth of the Fleury brand, driven by the inauguration of new units in 2014 and the resumption of growth in Rio de Janeiro, on the back of restructuring initiatives and conclusion of the final stages of the integration of Labs D'Or, will increase the efficiency of the Group's assets in the coming years.

Operating Revenues and Expenses

General and administrative expenses reached R$216 million, including R$26 million with depreciation and amortization. Other operating expenses totaled R$2.0 million.

The reversal of R$15.2 million in provisions for tax, labor and civil risks is related mainly to the reclassification of tax and labor lawsuits, whose loss is deemed as "possible" or "remote" by the legal counsel and the Management.

EBITDA

EBITDA reached R$278 million, with EBITDA margin of 16.8% of net revenue (21.0% in 2012).

Financial Result

The financial result was a net expense of R$58.3 million in 2013, remaining stable compared to 2012.

Income Tax and Social Contribution

In 2013, deferred taxes came to R$50.0 million, for a tax rate of 45.0%. Extraordinary factors forming the calculation base, coupled with the non-payment of interest on equity, led to a higher-than-normal rate of 34%.

Considering current tax amounts (cash effect), the effective rate was 0.0%, mainly influenced by the amortization of goodwill from acquisitions.

Net Profit and Earnings per Share

The Group posted net profit of R$61 million, for a net margin of 3.7% of net revenue. Earnings per share stood at R$0.39.

Capex

In 2013, the Fleury Group's capex was R$148.5 million and was mainly allocated to the Expansion Plan and the structuring of operations of the Fleury brand, which will be inaugurated in the beginning of 2014.

Continuing the projects to expand the service offering of the Fleury brand, Management plans to invest R$221 million in 2014, as per the proposed Capital Budget.

Debt

Grupo Fleury closed 2013 with net debt of R$470 million, or 1.7 times the EBITDA in the year. The Company's gross debt was R$985 million, of which R$73.4 million were current, composed mainly of Debentures issued in 2011 and early 2013, to strengthen working capital, maintain the cash strategy, lengthen the debt profile and finance investments and acquisitions in the years to come.

The first issue was concluded in December 2011 with the Company raising R$450 million in two series, of which R$150 million will be amortized in 2014, 2015 and 2016, at a coupon of DI+0.94% p.a., and R$300 million will be amortized in 2016, 2017 and 2018, at a coupon of DI+1.20% p.a. The second issue was concluded in February 2013, with the Company raising R$500 million, which will be amortized in 2018, 2019 and 2020, at a coupon of DI+0.85% p.a.

Cash, cash equivalents and short-term marketable securities totaled R$540 million, with marketable securities yielding on average 103% of the overnight rate (CDI).

The Company does not have foreign currency loan agreements on December 31, 2013.

Risk Rating

Risk rating agency Moody´s maintained the corporate rating at Ba1/Aa1 for Fleury S.A. and its debentures, with a stable outlook.

Capital Markets

The shares of Grupo Fleury are traded under the ticker FLRY3 in BM&FBovespa's Novo Mercado segment, which requires compliance with the highest corporate governance standards. In December 2013, the Company had a free float of 38.4%.

The shares of the Fleury Group ended 2013 at R$18.40, losing 20.2% of their value in 12 months. The daily average financial volume was R$7.63 million, 43% higher than in the previous year. The average daily trading volume increased 88%, from a daily average of 590 trades in 2012 to 1,100 trades in 2013.

As a result, the liquidity ratio increased from 0.0656% in 2011 to 0.0745% in 2012 and to 0.1132% in 2013.

Dividends

In 2013, the Board of Directors approved the payment of dividends in the gross total amount of R$82 million, equivalent to R$0.53 per share.

Outlook

The Brazilian macroeconomic scenario, especially the continuous creation of formal jobs, the current trend for a greater use of medical services, and higher life expectancy rates, creates a favorable environment for all healthcare companies. Grupo Fleury will pursue significant organic growth by investing in expanding its service offering at its service units and by further strengthening the value perception of its brands. One of the strategic pillars of management remains the constant investments in partnerships with health plans in all the regions where Fleury operates in order to meet the needs of clients. Notable among the ongoing projects is the expansion of the services offered at the PSCs, especially under the Fleury Medicina e Saúde brand in São Paulo.

For Diagnostic Operations in Hospitals, which already account for 14% of the Group's revenue, growth opportunities are tremendous, and the Company expects the number of beds in partner institutions, opportunities to expand the portfolio of services offered and the number of hospitals with high quality diagnostic services served by the Company to increase.

The constant innovations in services and solutions for physicians in all the regions will continue to help strengthen the brands of Grupo Fleury and foster its sustainable growth.

We believe the actions taken last year and those being implemented are essential to improve the return on capital invested through synergies, the maturity curve of new units and businesses, and savings originated from the unification and integration of areas and systems. The revision of the organization's processes to ensure standardization and efficiency, coupled with organizational restructuring, will enable the Company to deliver service excellence while also increasing profitability.

The Group will maintain its high corporate governance standards, meritocracy and commitment to ethics, sustainability, evolution of medicine and the well-being of individuals in order to promote the development of society.

Awards and Recognition

We received important awards for the management and excellence of our services in 2013, notably:

- Guia Exame de Sustentabilidade 2013. For the third consecutive year, Grupo Fleury was elected one of the 20 most sustainable companies in Brazil by the Guia Exame de Sustentabilidade magazine, and was ranked first in the Health Services category.

- *Best Innovator Ranking*. For the third consecutive year, Grupo Fleury is in the list of the 20 companies that obtained the most results based on innovation, according to the Época Negócios

magazine and the consulting firm A.T. Kearney. The company has been improving its ranking every year, climbing from 15th in 2011 to 12th in 2012 and 8th in 2013.

- The Best of Dinheiro magazine – Health Category. Grupo Fleury was elected the top company in the health sector by The Best of Dinheiro ranking. Companies are evaluated according to five management criteria: financial sustainability, human resources, innovation and quality, social and environmental responsibility, and corporate governance.

- Best and Biggest. Grupo Fleury was ranked 1st among health service companies in Brazil (4th among all service companies) in the 2013 Best and Biggest (Melhores & Maiores) ranking of the Exame magazine.

- Corporate Education. The Group's Corporate University was honored as one of the five best corporate universities in Brazil by the International Quality Productivity Center (IQPC).

- Brand Value. The Fleury brand was elected one of the most valuable brands in Brazil by a survey by the Dinheiro magazine in partnership with BrandAnalytics/Millward Brown.

- Corporate Hospitality. The Fleury brand was the most mentioned for the fourth consecutive year in the Business Hospitality survey conducted by the Brazilian Business Hospitality Institute (IBHE). The company was the leader in aspects such as differentiated treatment, concern for clients and reception.



Campaign "Vocêlogia" from Fleury Medicina e Saúde in 2013

Arbitration Clause

The Company, its shareholders, administrators, and Audit Board members agree to decide, by means of arbitration at the Market Arbitration Chamber, any and all dispute that may arise between them, especially related to, or resulting from, the application, validity, effectiveness, interpretation, breach and its effects of the provisions contained in the Brazilian Law of Corporations, the Company's Bylaws, the rules issued by the National Monetary Council, the Central Bank of Brazil and the Securities and Exchange Commission of Brazil (CVM), as well as other rules applicable to the operation of the capital markets in general, as well as those contained in the Novo Mercado Listing Rules, Arbitration Regulations, Rules regarding Sanctions, and the Novo Mercado membership agreement.

Relationship with Auditors

In compliance with CVM Instruction 381/2003, we hereby inform that in the fiscal year ended December 31, 2013, we did not engage our Independent Auditors for services other than those related to external audit.

The Company's policy involving its independent auditors concerning services unrelated to external audit is based on the principles that preserve the autonomy of the auditor. These principles are based on the fact that auditors may not audit their own work, may not occupy managerial positions or advocate for their client.

Statement from the Board of Executive Officers

In compliance with CVM Instruction 480/90, the Board of Executive Officers hereby declares that it discussed, reviewed and agreed with the opinions expressed in the independent auditors report and the financial statements for the fiscal year ended December 31, 2013.

Acknowledgements

The Management of Fleury S.A. thanks its clients, the medical community, health operators and client companies for their confidence in its services; its shareholders for their continuous support and guidance; and the suppliers for their partnership throughout 2013. Our special thanks go to our employees for their dedication and commitment to our project.

Omar Magid Hauache
Chairman of the Board of Directors

Vivien Bouzan Gomez Navarro Rosso
CEO

For further details on the analysis of our 2013 results, visit:

www.fleury.com.br/ir.

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FLEURY S.A.

Notes to the parent company and consolidated financial statements at December 31, 2013
(Amounts in thousands of Brazilian reais - R$, unless otherwise stated)

1. GENERAL INFORMATION

1.1 The Company

Fleury S.A. (“Fleury”, “Company” or “Parent” and, together with its subsidiaries, "Fleury Group" or “Group”), is engaged in the provision of medical diagnostic services for treatment and clinical testing areas, and may hold investments in other companies a partner or shareholder, as well as promote conditions for the development of the medical profession and foster research and studies for the scientific progress of medicine.

The Fleury Group is a publicly-held corporation with registered office in São Paulo and operates in the States of São Paulo, Rio de Janeiro, Rio Grande do Sul, Paraná, Bahia, Pernambuco and the Federal District. The Company’s shares are traded on the New Market, the highest corporate governance level of the Brazilian Stock, Futures and Mercantile Exchange (BM&FBOVESPA).

1.2 – Business Combination

1.2.1 – Papaiz Group

On January 31, 2013, the subsidiary Fleury Centro de Procedimentos Médicos Avançados S.A. ("Fleury CPMA") completed the acquisition of Papaiz Associados Diagnósticos por Imagem S.A. ("Papaiz Group") after the fulfillment of the conditions precedent by the parties and the approval without restrictions by the Administrative Council of Economic Defense - CADE.

Upon the completion of the transaction, a Shareholders' Agreement was signed between Fleury CPMA and Clidec (parent company of Odontoprev S.A.) in which Fleury S.A. and Odontoprev S.A. are the consenting intervening parties, in order to regulate certain aspects of their relationships as shareholders of Papaiz. Fleury CPMA holds 51% of the Papaiz Group's capital and Clidec holds the remaining 49%.

1.2.2 – Labs Cardiolab

The merger of shares of Labs Cardiolab was approved by Fleury S.A.’s shareholders at the Extraordinary General Meeting held on December 31, 2011.

The acquisition of the equity interest in LabsCardiolab by the Company was submitted for the appreciation of CADE on August 3, 2011, pursuant to prevailing legislation (Antitrust Act No. 08012.008448/2011-13). The proceeding has not been judged so far.

On July 13, 2011, Fleury S.A. entered into an Investment Agreement for the acquisition of 100% of LabsCardiolab Exames Complementares S.A. ("LabsCardiolab"). LabsCardiolab is a leading provider of diagnostic medicine services in the State of Rio de Janeiro.

2. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements are presented with amounts expressed in thousands of reais - R$, unless otherwise stated, rounded to the closest thousand.

Parent Company Financial Statements

The parent company financial statements have been prepared and are presented in accordance with accounting practices adopted in Brazil, based on the provisions of the Brazilian Corporation Law, pronouncements, guidance and interpretations issued by the Accounting Pronouncements Committee (CPC) and rules and regulations of the Brazilian Securities Commission (CVM).

Consolidated Financial Statements

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with accounting practices adopted in Brazil issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities Commission (CVM), pursuant to CVM Instruction No. 485 of December 1, 2010, and are filed with the CVM and the BM&FBOVESPA via its IPE system, under "Economic and Financial Data".

The financial statements of the Fleury Group were approved by the Board of Directors in the meeting held on March 12, 2014.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The parent company financial statements present investments in subsidiaries accounted for under the equity method, in accordance with the CPC and prevailing Brazilian legislation. Therefore, these parent company financial statements are not considered as being in conformity with IFRS, which require the measurement of these investments in the parent company's separate financial statements at their fair value or cost.

As there is no difference between the consolidated equity and consolidated profit attributable to owners of the Company, included in the consolidated financial statements prepared in accordance with IFRS and accounting practices adopted in Brazil, and the parent company equity and profit included in the parent company financial statements prepared in accordance with accounting practices adopted in Brazil, the Fleury Group elected to present these parent company and consolidated financial statements concurrently as a single set of statements.

Basis of preparation

CPC standards require the measurement criterion used in the preparation of the financial statements to consider either the historical cost, the net realizable value, the fair value or the recoverable amount, depending on the standard. When the CPC permits the choice between the acquisition cost and other measurement criterion, the acquisition cost is used.

In the preparation of the financial statements in accordance with CPCs, the Company's management is required to make decisions, estimates and judgments that affect the adoption of the accounting policies and the reported amounts of the balance sheet and income statement accounts. The estimates and judgments are based on historical experience and other factors considered reasonable in the circumstances, and their results are used for decision-making on the carrying amount of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

Subsidiaries are all entities whose financial and operating policies can be governed by the Company. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and de-consolidated from the date that control ceases.

Control is obtained when the Company has the power to govern an entity's financial and operating policies so as to obtain benefits from its activities.

All intra-group transactions, balances, unrealized gains and losses are eliminated in full on consolidation.

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

As at December 31, 2013 and 2012, the Fleury Group held financial instruments classified in the categories "financial assets at fair value through profit or loss" and "receivables".

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments and that are not quoted in an active market. The financial assets classified by the Fleury Group in the category of receivables comprise mainly cash and cash equivalents, trade and other receivables, and judicial deposits. These assets are measured at amortized cost using the effective interest method, except for short-term receivables when the recognition of costs would be immaterial, less any impairment loss. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial assets at fair value through profit or loss

A financial asset is classified as held for trading if it has been acquired principally for the purpose of selling it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Fleury Group manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument. Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Fleury Group's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Segment reporting

Information by operating segment is presented based on the operating characteristics of each segment.

Foreign currency translation

Functional currency and presentation currency

Items included in the financial statements of each of the Fleury Group's companies are measured using the currency of the primary economic environment in which the company operates ("functional currency"). The parent company and consolidated financial statements are presented in Brazilian Real/Reais - R$, which is the Fleury's Group functional currency.

Transactions and balances

Foreign currency-denominated transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions or on the valuation date when items are remeasured.

Foreign exchange gains and losses arising from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other highly-liquid short-term investments with original maturities not exceeding three months and subject to immaterial risk of change in value.

Trade receivables

Trade receivables are amounts receivable from customers for services provided in the normal course of business of the Fleury Group. If the collection term is equivalent to one year or less, receivables are classified in current assets. Otherwise, they are classified in non-current assets.

Trade receivables are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method, except for short-term receivables when the recognition of costs would be immaterial, less the allowance for doubtful debts and disallowances (or impairment losses).

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined using the average cost method.

Business combination

Consolidated financial statements

In the consolidated financial statements, business acquisitions are accounted for under the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Fleury Group, the liabilities incurred at the acquisition date to the former owners of the acquiree, and the equity interests issued in exchange for the control of the acquiree.

Assets, liabilities and contingent liabilities of a subsidiary are measured at fair value at the acquisition date. Any excess of the acquisition cost over the fair value of the identifiable net assets acquired is recorded as goodwill. If the acquisition cost is lower than the fair value of the identifiable net assets, the difference is recorded as a gain in the income statement for the period in which the acquisition occurs. Non-controlling interests are presented as a proportion of the fair value of the identifiable assets and liabilities.

When the consideration transferred in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at the acquisition-date fair value as part of the consideration transferred in a business combination. The changes in the fair value of the contingent consideration classified as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments to goodwill. Measurement period adjustments correspond to adjustments resulting from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) related to facts and circumstances existing at the acquisition date.

The subsequent recognition of changes in the fair value of the contingent consideration not classified as measurement period adjustments depends upon the classification of the contingent consideration. The contingent consideration classified as equity is not remeasured in subsequent reporting periods and its settlement is accounted for within equity. The contingent consideration

classified as asset or liability is remeasured in subsequent reporting periods, and the related gain or loss is recognized in profit or loss.

Transaction costs other than those associated with the issue of debt securities or equity interests incurred by the Fleury Group in a business combination are recognized as expenses as incurred.

Parent company financial statements

In the parent company financial statements, the Fleury Group applies the requirements of Technical Interpretation ICPC - 09, which requires that the excess of the acquisition cost over the Fleury Group's share of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the acquisition date be recognized as goodwill. The goodwill is added to the carrying amount of the investment. Any amount of the Fleury Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities that exceeds the acquisition cost, after revaluation, is immediately recognized in profit or loss. Consideration transferred, as well as the net fair value of assets and liabilities are measured using the same criteria applicable to the consolidated financial statements previously described.

The goodwill related to an investment that was merged by the Company was reclassified from "Investments" to "Intangible assets".

Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Fleury Group's cash-generating units, or groups of cash-generating units, as long as not larger than the operating segments that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill has been allocated are tested for impairment at the end of each reporting period, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Property and equipment

Property and equipment items are stated at historical cost, less depreciation. Historical cost includes costs directly attributable to the acquisition of items and financing costs related to the acquisition of qualifying assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be reliably measured. All other repair and maintenance costs are recognized in profit or loss, when incurred.

Depreciation is recognized so as to write off the cost of assets (other than land and properties under construction) net of their residual values over their useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Classes of Property and Equipment	**Useful Life (years)**
Buildings	60
Machinery and equipment	13
Facilities	10
Furniture and fixtures	10
Vehicles	5
IT equipment	5
Leasehold improvements	5*

** Average rental agreement periods*

The carrying amount of an asset is immediately written down to its recoverable amount if it exceeds its estimated recoverable amount.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement, under "Other operating income (expenses), net".

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date, which is their cost. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Fleury Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss: if it is not possible to estimate the recoverable amount of an individual asset, the Fleury Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, as long as the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Transactions with non-controlling shareholders

The Fleury Group recognizes transactions with non-controlling interests as transactions with Fleury Group's owners. For acquisitions of non-controlling interests, the difference between the consideration transferred and the acquired portion of the carrying amount of the net assets is recorded in equity.

Financial liabilities

Non-derivative financial liabilities

Financial liabilities are recognized on the date the Fleury Group becomes a party to the contractual provisions of the instrument. The Fleury Group writes off a financial liability when its obligations specified in the contract are discharged, cancelled or expire.

Financial assets and liabilities are set off and the net amount is presented in the balance sheet, only when the Fleury Group has a legally enforceable right to set off the amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Fleury Group has the following non-derivative financial liabilities: borrowings and financing, payables for business acquisitions, trade payables and other payables. These financial liabilities are initially recognized at fair value, plus any attributable transaction costs. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Derivative financial instruments

The Fleury Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency swaps. Further details on derivative financial instruments are disclosed in Note 6 "Financial Instruments and Financial Risk Management".

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to the fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately.

Employee benefits

Defined contribution pension plan

Payments to the defined contribution pension plan are recognized as expense when the services that entitle the right to these payments are provided.

Share-based payment

The Fleury Group offers to its executives share-based payment plans under which it receives employee services as consideration for share options granted.

The fair value of options at grant date is recorded on a straight-line basis as expense for the year in which the vesting conditions are met, based on the Fleury Group estimates of which stock options granted will be eventually acquired, with corresponding increase in equity. At the end of each reporting period, the Fleury Group revises its estimates of the number of options that are expected to vest based on the vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss, so that the cumulative expense reflects the revised estimates, with the corresponding adjustment to equity, in the account "Capital Reserve - options granted" where the employee benefit is recorded.

Profit sharing

The Fleury Group provides profit sharing to its employees, based on their performance for the period according to established targets. This profit sharing is recognized as a liability and a profit sharing expense.

Taxation

The income tax and social contribution expense represents the sum of current and deferred taxes.

Current taxes

The provision for income tax and social contribution is based on the taxable profit for the year. Taxable profit differs from profit as reported in the income statement because of the addition of non-deductible expenses and the exclusion of non-taxable revenues, as well as the exclusion of non-taxable or non-deductible items on a permanent basis. The provision for income tax and social contribution is calculated individually for each Fleury Group company based on rates in effect at the end of the year.

Deferred taxes

The deferred income tax is recognized for temporary differences at the end of each reporting period between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, including the income tax and social contribution tax losses balance, when applicable. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all taxable temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination, if applicable) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Fleury Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are set off only when: (a) there is a legally enforceable right to set off the current tax asset against the current tax liability; (b) when they relate to taxes levied by the same tax authority; (c) and the Fleury Group intends to settle its current tax assets and liabilities on a net basis.

Provisions

Provisions are recognized when the Fleury Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Fleury Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The provisions are recognized when the Fleury Group has a present or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the obligation can be made. The provisions are quantified at the estimated amount of probable losses, considering their nature and supported by the advice of the legal counsel of the Company and its subsidiaries. The bases and nature of the provision for tax, civil, and labor risks are described in note 18 “Provision for Tax, Labor and Civil Risks”.

Leases

Leases in which the Fleury Group does not retain substantially the risks and rewards of ownership of the asset are classified as operating leases. Operating lease payments (net of any incentives received from the lessor) are recognized on a straight-line basis over the lease term.

Leases of property and equipment items in which the Fleury Group retains substantially all risks and rewards of ownership are classified as finance leases. These are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of minimum lease payments. Each lease payment is allocated partly to liabilities and partly to finance charges, in order to achieve a constant rate on the outstanding debt balance. The related obligations, net of finance charges, are included as "borrowings and financing". Interest is charged to the income statement during the lease term, to achieve a constant periodic interest rate on the remaining balance of the liability for each period. Property and equipment items purchased under finance leases are depreciated over the useful lives of the assets.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Fleury Group's activities. Revenue is reduced for taxes, estimated customer returns, rebates and other similar allowances.

Services rendered

Revenue from services provided is recognized for services rendered through the end of the reporting period. At the end of the reporting period, services provided and not yet billed are recorded under "Unbilled amounts", within "Trade receivables".

The Fleury Group recognizes revenue when: (i) the amount of revenue can be reliably measured; (ii) it is probable that future economic benefits will flow to the Fleury Group; and (iii) specific criteria have been met for each of the Fleury Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all the contingencies related to the sale have been resolved. The Fleury Group bases its estimates on historical results, taking into consideration the type of customer, type of transaction, and specifications of each sale.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Fleury Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Fleury Group and the amount of revenue can be measured reliably).

Distribution of dividends and interest on own capital

The distribution of dividends to the Company's shareholders is recognized as a liability in the financial statements at the end of the reporting period, based on the minimum dividend established in the Company's bylaws. Any amount above the minimum requirement is accrued at the date when it is approved by the board of directors to be submitted to the shareholders'Annual General Meeting (AGM).

The finance cost of interest on own capital is recognized in the income statement, for compliance with tax rules, and is reversed for reporting purposes.

Statement of value added

This statement is intended to evidence the wealth created by the Fleury Group and its distribution during the period and is presented, as required by Brazilian corporate law, as part of the parent company financial statements and as supplemental information to the consolidated financial statements.

The statement of value added has been prepared based on information obtained from the accounting records used as a basis for the preparation of the financial statements and following the requirements in CPC 09 - Statement of Value Added. The first part of the statement of value added presents the wealth created by the Fleury Group, represented by revenues, inputs purchased from third parties and the value added received from third parties. The second part presents the distribution of wealth among its personnel and payroll charges, taxes and contributions, lenders and shareholders.

Assessment of the impacts of the Provisional Act (MP) 627

On November 11, 2013, Provisional Act 627 was enacted, revoking the Transitional Tax Regime (RTT) and introducing other changes, among them: (i) amendments to Decree Law 1,598/77, which addresses the income tax of the legal entities and changes the legislation related to social contribution on net income; (ii) establishes that the modification or adoption of accounting methods and criteria through administrative acts issued based on a competence attributed in commercial law, which are subsequent to the enactment of such MP, will not have impacts on the calculation of the federal taxes until the date when the tax law regulates the matter; (iii) includes a specific treatment on the potential taxation of profits or dividends; (iv) includes provisions on the calculation of interest on own capital; and includes considerations on investments accounted for under the equity method.

The provisions contained in the MP are effective as from 2015. The early adoption of the Act for 2014 may eliminate potential tax effects, especially as regards dividends and interest on own capital actually paid through the date of publication of this MP, as well as to share of profits (losses) of subsidiaries. Management awaits the development of the amendments to the wording of such Provisional Act in order to assess and decide on its early adoption or not, within the terms stipulated by such tax regulation.

4. CONSOLIDATED FINANCIAL STATEMENTS

Selected information on the Company's subsidiaries is summarized below, as well as the Company's total (direct and indirect) interest therein:

	Acquisition date	Equity interest %	
		12/31/2013	12/31/2012
Papaiz Associados Diagnóstico por Imagem S/S Ltda. (indirect)	January 2013	51%	-
Fleury Centro de Procedimentos Médicos Avançados ("Fleury CPMA") - SP	Incorporated in June 2003	100%	100%
Clínica Luiz Felippe Mattoso.	August 2011	100% merged into Fleury S.A. in December 2012	100% merged into Fleury S.A. in December 2012

Corporate restructurings

Fleury's shareholders' Extraordinary General Meeting held on December 31, 2012 approved the merger of the wholly-owned subsidiary Clínica Luiz Felippe Mattoso ("Felippe Mattoso"), based on its equity as at December 31, 2012, amounting to R$20,393, as shown in the table below:

	12/31/2012
	Felippe Mattoso
Cash and cash equivalents (merged net cash)	1,187
Trade receivables	11,347
Property and equipment and intangible assets	14,432
Trade payables	(2,369)
Tax liabilities	(223)
Provision for tax, labor and civil risks	(1,355)
Other payables	(2,626)
Merged net assets	**20,393**

Business combinations

On January 31, 2013, the subsidiary Fleury CPMA completed the acquisition of 51% of the Papaiz Group, which operates in the city of São Paulo, providing dental radiology and orthodontic documentation services. The other 49% of the capital is held by Clidec (subsidiary of Odontoprev S.A.).

As control is shared, the interest is accounted for using the equity accounting method, in conformity with CPC 19 (R 2) - Joint Ventures.

The goodwill allocation in accordance with accounting standards applicable to business combination was made in the third quarter of 2013. The analysis of the recognition and measurement resulted in adjustments to the carrying amount of the acquired company.

Fair value of property and equipment items	492
Recognized asset - Customer relationship	2,186
Recognized asset - Non-compete agreement	825
Deferred income tax	(876)
Deferred social contribution	(315)
Goodwill	5,853

On August 1, 2011, the Fleury Group completed the acquisition of LabsCardiolab, which provided diagnostic imaging services in the state of Rio de Janeiro.

On August 30, 2012, the payment of R$7,121 was made, related to the Adjustment of the Purchase Price of Labs Cardiolab, as set out in the Investment Agreement entered into on July 13, 2011.

5. CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Cash and banks	5,347	6,268	5,417	6,444
Short-term investments:				
Exclusive Funds (a)	523,304	-	523,304	-
Repurchase agreements (b)	10,202	173,875	11,222	174,354
	538,853	**180,143**	**539,943**	**180,798**

(a) Through the financial settlement of the 2nd issue of debentures, on February 15, 2013, quotas in Exclusive Funds, in the fixed income category, were constituted in accordance with the prevailing regulation, the investment policy of which has the purpose of seeks the appreciation of its quotas through the investment in a highly liquid conservative profile portfolio, with immediate liquidity. In the period from February 15, 2013 to September 30, 2013 the Exclusive Funds had a weighted average yield of 102.8% of the CDI (Interbank Deposit Certificate).

These exclusive funds cannot carry out speculative transactions or transactions that expose them to obligations higher than the amount of their equity.

The exclusive funds cannot invest in certain assets, such as shares, share index and derivatives referenced to them.

(b) In the year ended December 31, 2013, repurchase agreements had a weighted average yield of 98.4% of the CDI (in the year ended December 31, 2012, 103% of the CDI). These transactions are readily convertible into known amounts

of cash and are subject to an insignificant risk of change in value. Repurchase agreements are featured by the sale of a security with the commitment, by the Bank (Seller), to buy it back and the commitment, by the Company (Purchaser), to resell it in the future.

6. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments, depending on their nature, may involve known or unknown risks and a potential risk assessment is important. The main risk factors to which the Company and its subsidiaries are exposed are: market risks (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. These risks are inherent to their operations and are managed through policies and internal controls.

The Company has a policy for capital and market risk management and uses derivative instruments to hedge against the associated risks. The oversight and monitoring of the policies in place are carried out using monthly management reports.

Capital risk management

The Fleury Group's objectives in managing its capital are to safeguard its ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders, and to maintain an optimal capital structure to reduce its cost.

To maintain or adjust the capital structure, the Fleury Group may review its dividend payment policy, return capital to shareholders or, also, issue new shares or sell assets to reduce, for example, the indebtedness level.

In common with other companies of the same sector, the Fleury Group monitors capital based on the gearing ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowings and financing as stated in the consolidated balance sheet, less cash and cash equivalents.

Gearing ratio

	Consolidated	
	12/31/2013	12/31/2012
Borrowings and financing	(984,526)	(560,063)
Cash and cash equivalents	539,943	180,798
Net debt	(444,583)	(379,265)
Equity	1,689,033	1,705,908
Gearing ratio	0.26	0.22

Market risks

Foreign exchange risk

The Company and its subsidiaries have trade receivables and trade payables denominated in foreign currency (mainly the US dollar). The risk associated with these assets and liabilities arises from the possibility of the Company and its subsidiaries incurring losses due to fluctuations in foreign exchange rates. The liabilities in foreign currency represent 1% of the total consolidated liabilities. The Company has derivative financial instruments to hedge against foreign exchange fluctuations. The Company has assets in foreign currency

(balance receivable from customers), representing 0.1% of the total consolidated receivables, which contributes to reducing its exposure to trade payables denominated in foreign currency.

The Company has derivative financial instruments to hedge against foreign exchange fluctuations on the purchase of services and borrowing and financing agreements denominated in foreign currency.

As at December 31, 2013 the Company had the following net exposure (US$1.00=R$2.34):

	US$'000 Parent Company and Consolidated
Current assets - Trade receivables	206
Liabilities - Trade payables	(575)
Derivatives	107
Net exposure *	**(262)**

In compliance with the provisions of CVM Instruction 475/08, to determine the effects of the fair value of financial instruments and financial position arising from an unfavorable fluctuation of foreign exchange rates, the Company and its subsidiaries considered as probable scenario (Scenario I) the weighted average of future exchange rates of the Brazilian Real in relation to the US dollar, obtained on the BM&FBOVESPA (Brazilian Stock, Futures and Mercantile Exchange) for the maturity of the instrument and calculated based on the nominal amount of the contract, and adopted the minimum positive variation scenarios defined by such instruction stressing exchange rates variables by 25% (Scenario II) and 50% (Scenario III).

Amounts below are net of tax effects:

			Unfavorable fluctuation - consolidated		
	Maturity	Risk (*)	Scenario I (loss) gain	Scenario II (loss) gain +25%	Scenario III (loss) gain +50%
Foreign exchange rate (in R$)			2.4414	3.0517	3.6621
Trade receivables	2014	US$ devaluation	20	146	272
Trade payables	2014	US$ appreciation	(57)	(408)	(758)
Derivatives			13	77	140
Net effect			**(24)**	**(185)**	**(346)**

(*) Risk considering the nature of each financial instrument.

Interest rate risk

The Company and its subsidiaries have borrowings and financing denominated in local currency subject to interest rates pegged to indices such as the TJLP (Federal benchmark long-term interest) and CDI, and taxes

payable bearing interest equivalent to SELIC (Central Bank's policy rate) and TJLP. The risk inherent to these liabilities arises from the possibility of fluctuations in these rates that impact cash flows. The Company and its subsidiaries have not entered into derivative contracts to hedge this risk, as they understand that the risk is mitigated by the existing assets pegged to CDI.

The sensitivity analysis of interest on borrowings and financing used as the probable scenario (Scenario I) the benchmark tax rates obtained on the BM&FBOVESPA at December 31, 2013, and Scenarios II and III take into consideration a 25% and 50% stress factor on these rates, respectively. The sensitivity analysis, in notional amounts, is as follows:

Scenarios	Scenario I Current	Scenario II +25%	Scenario III +50%
CDI rate (p.a.)	9.77%	12.21%	14.66%
Projected interest expenses (*)	**445,317**	**538,923**	**631,508**

** Calculated up to the end of each indexed contract*

Credit risk

Credit risk arises from the possibility of a counterparty not fulfilling its obligation in a financial instrument or agreement with the customer, which would cause financial loss. The Fleury Group is exposed to credit risk in its operating (mainly in regard to trade receivables) and financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. When there is evidence of risk of loss on these assets, the Group records provisions to adjust them to their probable realizable value.

Liquidity risk

The Fleury Group's cash flow forecast is made by the Treasury area. This area monitors rolling forecasts of the Fleury Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. There is also sufficient availability in its committed credit lines at any time, to prevent the Fleury Group from exceeding its limits or violating clauses related to loans and debentures (when applicable) of any of its credit lines. This forecast takes into consideration the Fleury Group's debt financing plans, compliance with clauses, compliance with balance sheet ratio goals and, if applicable, compliance with legal or foreign regulatory requirements - for example, currency restrictions.

The surplus cash maintained by operating units, as well as the balance required for working capital management, is transferred to the Treasury area. The Treasury area invests the surplus cash in financial investments, choosing instruments with appropriate maturities or sufficient liquidity to provide the necessary margin, as determined by the forecast cash flows. As at December 31, 2013, the Fleury Group had Cash and cash equivalents amounting to R$539,943 (R$180,798 as at December 31, 2012).

The table below provides an analysis of the Fleury Group's liabilities and derivative and non-derivative financial instruments, by maturity, related to the remaining period in the balance sheet through the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At December 31, 2013				
Debentures	70,816	50,000	516,667	333,333
Borrowings and financing	2,616	3,318	5,984	1,792
Derivative financial instruments	(9)	-	-	-
Trade payables	104,312	-	-	-
Payables - business acquisitions	9,079	7,852	7,155	1,347
At December 31, 2012				
Debentures	1,669	50,000	300,000	100,000
Borrowings and financing	86,663	13,833	6,485	1,413
Derivative financial instruments	(12,608)	-	-	-
Trade payables	70,997	-	-	-
Payables - business acquisitions	10,574	4,491	16,287	3,968

Derivative policy

The Company and its subsidiaries have internal policies for their derivative instruments which, according to Management's opinion, are appropriate to manage associated risks, as well as to ensure the correct recognition in their financial statements.

The Company and its subsidiaries do not enter into derivative transactions for speculative purposes. Derivative contracts do not include any margin guarantees.

The amounts are calculated based on models and quotations available in the market, which take into consideration current or future market conditions. These are gross amounts, before taxes.

In view of fluctuations in market rates, these amounts can suffer changes up to the maturity or early settlement of the transactions.

The fair value of these instruments at the end of the reporting period, by counterparty, classified in "Derivative financial instruments", is as follows:

Type	Notional amount (US$'000)	Currency	Counterparty	Maturity	Average exchange rate – R$	Balance at 12/31/2012	Profit (loss) through 12/31/2013	Settlement	Balance at 12/31/2013
NDF	1.158	US$	Itaú BBA	4/30/13 to 6/28/13	2.1063	(33)	26	7	-
NDF	3.818	US$	Votorantim	1/28/13 to 12/27/13	2.1033	(94)	284	(190)	-
NDF	107	US$	Santander	3/25/14 to 6/24/14	2.3152	-	9	-	9
Swap	30.922	US$	Itaú BBA	5/13/13	.,617	12,735	(1,651)	(11.083)	-
Total Parent company and consolidated						**12.608**	**(1.332)**	**(11.266)**	**9**

As at December 31, 2013, the Company has outstanding derivative positions to cover its borrowings in foreign currency and payments to suppliers in the amount of US$107,000, which present a net gain of R$9 Parent Company and consolidated (2012 - net gain of R$12,608, Parent Company and consolidated) recorded in the balance sheet under "Derivative financial instruments".

The derivative contracts settled in 2013 resulted in a cash inflow of R$11,266, of which R$ 11,083 refers to the swap transaction to hedge against the fluctuation of the financing exchange rate (Resolution 4,131, settled in May 2013).

Pursuant to CVM Instruction 475/08, for derivative financial instruments the Company and its subsidiaries considered as probable scenario (Scenario I) the future exchange rates of the Brazilian real in relation to the US dollar, obtained on the BM&FBOVESPA for the maturity of the instruments, calculated based on the notional amount of the contract.

As per CVM Instruction 475/08, the Company and its subsidiaries stressed the scenarios by 25% (Scenarios II and IV) and 50% (Scenarios III and V) using as a base the probable scenario foreign exchange rates.

Status	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate change	0%	-25%	-50%	25%	50%
US$ devaluation (rate in R$)	-	1.8310	1.2207	-	-
US$ appreciation (rate in R$)	2.4414	-	-	3.0517	3.6621

	Exchange rate change Parent Company and Consolidated				
	Scenario I (loss) gain	Scenario II (loss) gain	Scenario III (loss) gain	Scenario IV (loss) gain	Scenario V (loss) gain
Effect on Liabilities in US$					
Trade payables	(57)	294	645	(408)	(758)
Effect on Derivatives					
NDF	13	(50)	(114)	77	140
Net effect (a)	**(44)**	**244**	**531**	**(331)**	**(618)**

(a) Changes in the net effect resulting from the contracting of derivative instruments to support imports in transit contracted in US dollars. Imports in transit are recorded as liabilities only when the product/service is received by the Company.

7. TRADE RECEIVABLES

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Trade notes receivable				
Billed amounts	411,056	351,629	411,690	352,264
Unbilled services	73,132	69,088	74,646	70,488
	484,188	**420,717**	**486,336**	**422,752**
Allowance for doubtful debts and disallowances	(86,132)	(63,709)	(86,273)	(63,709)
Total trade receivables	**398,056**	**357,008**	**400,063**	**359,043**

The aging list of trade receivables is as follows:

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Balances not yet overdue (*)	262,975	233,748	264,958	235,126
Up to 120 days past due	86,012	86,695	86,012	87,352
121 to 360 days past due	68,228	66,525	68,228	66,525
Over 361 days past due	66,973	33,749	67,138	33,749
	484,188	**420,717**	**486,336**	**422,752**

(*) In this period these receivables mature, on average, within 43 days (39 days as at December 31, 2012).

The activity in the allowance for doubtful debts and disallowances was as follows:

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Balance at the beginning of the year	(63,709)	(42,720)	(63,709)	(42,880)
Write-offs of uncollectible receivables	51,410	55,822	51,410	57,018
Additions of doubtful debts and disallowances (Notes 22 and 25)	(73,833)	(76,811)	(73,974)	(77,847)
Balance at the end of the year	**(86,132)**	**(63,709)**	**(86,273)**	**(63,709)**

The Company and its subsidiaries are exposed to a degree of concentration risk from the customer base. As at December 31, 2013, the four major customers represented 42% of the total portfolio (40% as at December 31, 2012).

8. INVENTORIES

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Diagnosis kits	9,138	11,133	9,138	11,133
Collection and nursing material	4,105	3,740	4,105	3,740
Auxiliary lab supplies	1,915	2,359	1,915	2,359
Administrative, promotional and other supplies	1,702	1,606	1,702	1,606
	16,860	**18,838**	**16,860**	**18,838**

9. RECOVERABLE TAXES

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Withholding income tax (IRRF) (a)	34,307	42,561	34,696	42,818
Social contribution (CSLL) (b)	25,292	20,156	25,573	20,357
Corporate income tax (IRPJ) (c)	18,276	1,116	18,413	1,254
Social security contribution (INSS) (d)	4,168	9,107	4,168	9,107
Funrural (farming fund tax) (e)	1,562	1,563	1,562	1,577
Tax on revenue (COFINS) (f)	108	2,142	187	2,225
Service tax (ISS) (g)	92	893	92	893
Social Integration Program (PIS) (h)	26	837	60	856
	83,831	**78,375**	**84,751**	**79,087**

(a) IRRF on redemption of short-term investments and services provided to health maintenance organizations and other entities.
(b) CSLL on services provided to health maintenance organizations and other entities.
(c) IRPJ - negative balance from prior periods
(d) INSS withheld on invoices related to services rendered mainly to hospitals where there is labor assignment by the Company.
(e) Funrural paid for merged companies that will be refunded through administrative proceeding in progress.
(f) COFINS withheld on invoices related to services provided to health maintenance organizations and other entities.
(g) ISS withheld on invoices related to services rendered to the accredited network.
(h) PIS withheld on invoices related to services provided to health maintenance organizations and other entities.

10. INVESTMENTS

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	31/12//2013	12/31/2012
Fleury CPMA (direct subsidiary)	28,541	19,344	-	-
Papaiz (indirect subsidiary)	-	-	7,560	-
	28,541	**19,344**	**7,560**	**-**
Other	246	246	246	246
	28,787	**19,590**	**7,806**	**246**

	Fleury CPMA	Papaiz
Equity interest - %	100%	51%
Paid-up capital	77,131	1,466
Equity	27,190	1,708

The activity in the Investments accounts were as follows:

Balances at December 31, 2012	**19,590**	**246**
Capital increase	11,800	-
Share of profits (losses) of subsidiaries	(2,603)	354
Merger	-	7,206
Balances at December 31, 2013	**28,787**	**7,806**

11. PROPERTY AND EQUIPMENT

		Parent Company			
	Average annual depreciation rate - %	12/31/2013 Cost	Accumulated depreciation	Net	12/31/2012 Net
Machinery and equipment	8	411,336	(201,538)	209,798	196,366
Facilities	10	223,546	(59,678)	163,868	142,915
Leasehold improvements	20	73,110	(66,039)	7,071	7,333
IT equipment	20	56,327	(38,683)	17,644	18,120
Furniture and fixtures	10	43,588	(27,914)	15,674	17,273
Buildings	2	28,138	(3,386)	24,752	25,175
Land	-	11,488	-	11,488	11,488
Property and equipment under development	-	-	-	-	784
Other	-	719	(642)	77	133
		848,252	**(397,880)**	**450,372**	**419,587**

		Consolidated			
	Average annual depreciation rate - %	12/31/2013 Cost	Accumulated depreciation	Net	12/31/2012 Net
Machinery and equipment	8	417,671	(204,817)	212,854	199,538
Facilities	10	225,318	(60,899)	164,419	143,645
Leasehold improvements	20	75,253	(68,073)	7,180	7,526
IT equipment	20	56,915	(39,212)	17,703	18,206
Furniture and fixtures	10	44,693	(28,610)	16,083	17,793
Buildings	2	28,138	(3,386)	24,752	25,175
Land	-	11,488	-	11,488	11,488
Property and equipment under development	-	-	-	-	784
Other	-	719	(642)	77	133
		860,195	**(405,639)**	**454,556**	**424,288**

Changes in property and equipment are as follows:

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Balances at the beginning of the year	419,587	361,013	424,288	375,625
Additions:				
Machinery and equipment	53,223	63,237	53,715	66,011
Facilities	42,754	44,974	42,755	48,904
IT equipment	7,103	5,352	7,103	5,459
Leasehold improvements	4,414	2,271	4,414	2,271
Furniture and fixtures	1,797	2,391	1,797	2,480
Other	-	713	-	1,162
Total additions	**109,291**	**118,938**	**109,784**	**126,287**
Transfers	(201)	(1,077)	(201)	(1,077)
Write-offs, net	(6,857)	(6,915)	(6,857)	(7,091)
Depreciation	(71,448)	(66,681)	(72,458)	(69,456)
Balance of acquisition/merger	-	14,309	-	-
Balances at the end of the year	**450,372**	**419,587**	**454,556**	**424,288**

As at December 31, 2013, the Company has a balance from a revaluation step-up of machinery and equipment, less depreciation, of R$968 (R$1,476 as at December 31, 2012).

12. INTANGIBLE ASSETS

		Parent Company			
		12/31/2013			12/31/2012
	Average annual amortization rate %	Cost	Accumulated amortization	Net	Net
Goodwill on acquisitions	-	1,353,125	(44,413)	1,308,712	1,308,712
Customer contracts	10	154,387	(34,737)	119,650	135,089
Software licenses	20	143,983	(65,926)	78,057	59,125
Trademarks and patents	7	13,226	(3,144)	10,082	11,012
Franchises	-	2,550	-	2,550	2,550
		1,667,271	**(148,220)**	**1,519,051**	**1,516,488**

		Consolidated			
		12/31/2013			12/31/2012
	Average annual amortization rate %	Cost	Accumulated amortization	Net	Net
Goodwill on acquisitions	-	1,364,466	(44,413)	1,320,053	1,320,053
Customer contracts	10	156,573	(34,846)	121,727	135,089
Software licenses	20	144,519	(66,330)	78,189	59,305
Trademarks and patents	7	14,963	(3,767)	11,196	12,301
Franchises	-	2,550	-	2,550	2,550
Non-compete agreement	10	825	(103)	722	-
		1,683,896	**(149,459)**	**1,534,437**	**1,529,298**

Changes in intangible assets are as follows:

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Balances at the beginning of the year	1,516,488	1,467,808	1,529,298	1,515,418
Additions:				
Goodwill on acquisitions	-	7,121	-	7,121
Customer contracts	-	-	2,186	-
Software licenses	38,765	36,442	38,765	36,558
Non-compete agreements	-	-	825	-
Total additions	**38,765**	**43,563**	**41,776**	**43,679**
Transfers (*)	201	35,622	201	1,077
Write-offs, net	(339)	(69)	(339)	(69)
Amortization	(35,869)	(30,559)	(36,304)	(30,807)
Other	(195)	-	(195)	-
Balance of acquisition/merger	-	123	-	-
Balances at the end of the year	**1,519,051**	**1,516,488**	**1,534,437**	**1,529,298**

(*) Comprises mainly goodwill from subsidiaries merged during the years, previously classified as investments.

The amortization of intangible assets is recorded under "General and administrative expenses", in the income statement.

Review of impairment

Goodwill arising in a business combination is an intangible asset with indefinite useful life and, therefore, it is not amortized but it is tested for impairment annually.

Goodwill arising in a business combination is allocated to Cash Generating Units (CGUs), defined under the Group's accounting practices. The allocation of goodwill by CGU is as follows:

	2013	**2012**
Diagnostic Medicine	1,105,143	1,105,143
Hospitals	214,910	214,910
	1,320,053	**1,320,053**

The recoverable amount of these cash-generating units is determined based on the calculation of the value in use using cash flow projections based on a financial budget of five years approved by Management and a discount rate of 13.5% per year (2012 - 11%).

Cash flow projections for the budgeted period are based on the same expected gross margins and on the inflation of the raw material price, salaries, rentals and other expenses for the period. Cash flows after the five-year period were extrapolated to a constant annual growth rate of 5% (2012 - 5%), which corresponds to the average long-term growth rate projected for the industry. Management understands that any type of change reasonably possible in key assumptions, on which the recoverable amount is based, would not lead the total carrying amount to exceed the total recoverable amount of the UGC.

Software licenses

Software licenses refer to systems and their development. Software licenses are intangible assets with finite useful lives, estimated at five years.

Trademarks and patents

Trademarks and patents refer mainly to trademarks and patents acquired in business combinations. Trademarks and patents are intangible assets with finite useful lives, the estimated useful life of this class of assets is 10 to 25 years.

13. BORROWINGS AND FINANCING

	Parent Company		Consolidated	
Current	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Debentures	70,816	1,669	70,816	1,669
Borrowings in local currency	2,616	20,504	2,616	20,504
Borrowings in foreign currency	-	66,159	-	66,159
	73,432	**88,332**	**73,432**	**88,332**

	Parent Company		Consolidated	
Non-current	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Debentures	900,000	450,000	900,000	450,000
Borrowings in local currency	11,094	21,312	11,094	21,312
Borrowings in foreign currency	-	419	-	419
	911,094	**471,731**	**911,094**	**471,731**
Total borrowings and financing	**984,526**	**560,063**	**984,526**	**560,063**

Debentures

The Company used debenture issues to strengthen the working capital and to maintain its cash strategy, extension of its debt profile and financing of its investments and acquisitions for the next years. The debentures issued are not convertible into shares and do not have guarantees.

1st Issue of Debentures

The Company conducted its first issuance of debentures under a restricted public placement of simple debentures, in two series, which ended on December 12, 2011.

The Company raised R$450,000 under the Restricted Offering, in two series:

"First Series Debentures", totaling R$150,000, will be amortized in three annual, equal installments, payable on December 12, 2014, 2015 and 2016, and interest will accrue based on 100% of the average daily rate of extragroup, one-day interbank deposit (DI) rate, expressed as a percentage of a base year of 252 business days, plus a 0.94% spread on a base year of 252 business days, without option to early redeem or restructure.

"Second Series Debentures", totaling R$300,000, will be amortized in three annual, equal installments, payable on December 12, 2016, 2017 and 2018, and interest will accrue based on 100% of the average daily rate of extragroup, one-day interbank deposit (DI) rate, expressed as a percentage of a base year of 252 business days, plus a 1.20% spread on a base year of 252 business days, without option to early redeem or restructure.

2nd Issue of Debentures

The Company conducted its second issuance of debentures under a restricted public placement of simple debentures, in a single series, which ended on February 19, 2013.

50,000 debentures were subscribed, with nominal unit value of R$ 10, totaling R$ 500,000, with a term of seven years, maturing on February 15, 2020 and with remuneration equivalent to 100% of the accumulated variation of the average daily rates of extra group, one-day interbank deposit (DI) rate, expressed as a percentage of a base year of 252 business days, plus a 0.85% spread per year.

The debentures will be amortized in three annual, equal installments, payable on February 15, 2018, 2019 and 2020. The payment of the remuneration will be semiannual, and there is no option to restructure.

Debentures issued are as follows:

	Issuance amount (R$)	Unit	Maturity	Interest (a)	Parent Company and Consolidated 12/31/2013	Parent Company and Consolidated 12/31/2012
1st Issue - First Series	10,000	15,000	Dec/16	CDI + 0.94% p.a.	150,735	150,544
1st Issue - Second Series	10,000	30,000	Dec/18	CDI + 1.20% p.a.	301,507	301,125
2nd Issue - Single Series	10,000	50,000	Feb/20	CDI + 0.85% p.a.	518,574	-
					970,816	**451,669**
Current liabilities					70,816	1,669
Non-current liabilities					900,000	450,000

(a) (a) Interbank Certificates of Deposit (CDI) equivalent to 9.8 % per year as at December 31, 2013. (6.9% per year as at December 31, 2012).

The non-current portion as at December 31, 2013 matures as follows:

Maturity	1st Issue (1st Series)	1st Issue (2nd Series)	2nd Issue Single Series	Consolidated
2015	50,000			50,000
2016	50,000	100,000		150,000
2017		100,000		100,000
2018		100,000	166,667	266,667
2019			166,667	166,667
2020			166,666	166,666
				900,000

The debentures contain restrictive financial covenants under which the maturity of all obligations can be accelerated if the Company fails to meet the following financial ratios: net financial debt-to-EBITDA equal to three times or less; and/or EBITDA-to-net finance cost equal to 1.5 times or higher, as verified by the trustee based on the financial statements filed by the issuer with the CVM.

"Net financial debt": is the result of the difference between the outstanding balance of the principal account + interest on short- and long-term borrowings and financing with financial institutions, including capital market transactions, and the balance of cash and banks + cash equivalents, plus debts and obligations related to the acquisitions made by the issuer and/or its subsidiaries, as per the latest consolidated financial statements of the issuer filed with the CVM.

EBITDA: is the result of the profit or loss before income tax and social contribution, finance income (cost), provisions, depreciation and amortization for a twelve-month period.

"Net finance cost": is the result of the difference between the consolidated gross finance cost and consolidated gross finance income for a twelve-month period, as per the latest consolidated financial statements of the issuer.

As at December 31, 2013, the Company and its subsidiaries were compliant with said financial ratios.

Other borrowings and financing

Other borrowings and financing have maturities through 2020 and bear average interest of 6.6% per year (6.9% per year as at December 31, 2012).

The non-current portion as at December 31, 2013 matures as follows:

	Parent Company and Consolidated
2015	3,317
2016	3,035
2017	1,874
2018	1,075
2019 and thereafter	1,793
	11,094

Certain borrowings include restrictive financial covenants, such as, but not limited to: (a) pledging of collateral or liens on assets; (b) restrictions as to the change, transfer, or assignment of shareholding control, merger, takeover, or spin-off without the previous consent of the creditor; and (c) compliance with financial and liquidity ratios measured semiannually (September and December).

The Company has financing contracts with Financiadora de Estudos e Projetos - FINEP totaling R$10,657 as at December 31, 2013 (R$8,398 as at December 31, 2012). The FINEP contracts contain a clause that requires the Company to ensure the payment of any obligations derived from the contract through the issuance of a bank letter of guarantee in the amount of total financing, and this clause is essential for signing the contract.

Borrowings in foreign currency

The Fleury Group uses financial instruments to hedge the identified risks. Derivative transactions are used solely to reduce the exposure to foreign currency fluctuations.

The Company does not have financing agreements in foreign currency as at December 31, 2013 (R$ 66,578 as at December 31, 2012).

14. TRADE PAYABLES

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Domestic suppliers	102,270	65,572	102,965	66,331
Foreign suppliers	1,347	4,666	1,347	4,666
	103,617	**70,238**	**104,312**	**70,997**

15. PAYROLL AND RELATED TAXES

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Accrued vacation and 13th salary	36,005	31,741	36,005	31,741
Payroll taxes and other taxes payable	12,355	10,261	12,355	10,261
Payroll payable	1,087	1,100	1,087	1,100
	49,447	**43,102**	**49,447**	**43,102**

16. TAXES AND CONTRIBUTIONS PAYABLE

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Tax Amnesty and Refinancing Program (REFIS) - Law 11,941(a)	55,874	46,480	55,874	46,480
State VAT (ICMS) on imports (b)	18,640	17,021	18,640	17,021
Judicial deposits (ICMS) (b)	(15,016)	(14,024)	(15,016)	(14,024)
Service tax (ISS) in installments (c)	11,775	15,367	11,775	15,737
Service tax (ISS) included in the Industry Tax Refinancing Program (Prefis) (d)	3,893	3,891	3,893	3,891
Service tax (ISS) (e)	2,114	5,749	2,164	5,787
State VAT (ICMS) in installments (f)	2,056	2,427	2,056	2,427
Tax on revenue (PIS)	1,045	731	1,045	733
Withholding income tax (IRRF)	1,020	2,994	1,031	3,005
Social security contribution (INSS)	906	1,152	906	1,152
Installment payment in the municipality of Niterói	842	1,333	842	1,333
Tax on revenue (COFINS)	-	1,192	-	1,192
Other	3,800	3,875	3,801	3,967
	86,949	**88,188**	**87,011**	**88,701**
Current	23,691	29,950	23,753	30,463
Non-current	63,258	58,238	63,258	58,238

(a) The Company applied for the tax refinancing and amnesty program known as REFIS IV, regulated by Law 11,941/09. The application encompassed both the obligations in other previous installment programs and new tax obligations. For the payment of fine and interest on these installment payments, the Company utilized the tax loss carryfowards recorded in August 2009, and the principal would be paid in up to 180 monthly installments with a 60% decrease in fines, a 25% decrease in interest, and a 100% decrease in legal charges, as provided for by Article 1 of such Law and articles 15 and 17 of PGFN/RFB Joint Administrative Rule 06/09. In December 2009, the Federal Revenue Service approved all applications of the Company.

On Octobre 10, 2013, Law 12,865/13 was enacted, reopening the term for applying for the REFIS IV program. Therefore, the Company decided to include tax debts amounting to R$ 18,982 which were being challenged at courts. With the benefits introduced by the REFIS IV program, these tax debts totaled R$ 14,578.

(b) The Company is required to pay ICMS on the acquisition of machinery and equipment intended for its property and equipment. The Company has filed a lawsuit against the State of São Paulo because it understands that this collection is inappropriate. Of the amount accrued by the Company, R$15,016 is deposited in escrow with the courts at December 31, 2013, and the Company awaits the consolidation by the Brazilian Federal Revenue.

(c) Installment Program of the Municipal Government of São Paulo named Tax Installment Incentive Program (PPI), related to ISS tax debts.

(d) The entirety of the balance refers to installment payment of ISS due to the City of Recife included in the Industry Tax Refinancing Program (PREFIS), pursuant to Law 17,029/2004. As permitted by Law 17,384/07, the Company waived its right to participate in the installment program, which granted it remission of the partial amount of the principal obligation, adjusted for inflation in conformity with the municipal legislation, and awaits approval of the request.

(e) Refers to service tax (ISS) levied on services rendered.

(f) The Company joined the Tax Restructuring Program of the State of Rio de Janeiro (REFERJ) for installment payment of the ICMS debts on imports of the acquired company Labs Cardiolab.

The non-current portion as at December 31, 2013 matures as follows:

	Consolidated
2015	10,348
2016	6,740
2017	4,333
2018	4,234
2019 and thereafter	37,603
	63,258

17. PAYABLES - BUSINESS ACQUISITIONS

The payables refer to the acquisition of businesses, to be paid according to contractual maturities inflation-indexed on a monthly basis using mainly the IGP-M released by Fundação Getúlio Vargas - FGV and the IPCA issued by Instituto Brasileiro de Geografia e Estatística - IBGE (Brazilian statistics bureau), as follows. These amounts total:

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	31/12//2013	12/31/2012
Current	8,585	10,100	9,079	10,574
Non-current	16,106	24,462	16,354	24,746
	24,691	**34,562**	**25,433**	**35,320**

The non-current portion as at December 31, 2013 matures as follows:

Maturity	Parent Company	Consolidated
2014	7,604	7,852
2015	4,877	4,877
2016	1,492	1,492
2017	786	786
2018 and thereafter	1,347	1,347
	16,106	**16,354**

18. PROVISION FOR TAX, LABOR AND CIVIL RISKS

The Company and its subsidiaries are subject to tax, labor and civil risks arising in the normal course of their operations. Periodically, Management reviews known contingencies, assesses the likelihood of probable losses and adjusts the related provision based on the opinion of legal counsel and other data available at the end of the reporting period, such as the nature of lawsuits and past experience. As at December 31, 2013, the balance of line item 'Provision for tax, labor and civil risks' is as follows:

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Tax and social security	12,033	39,223	12,033	39,223
Labor	17,675	22,670	17,675	22,670
Civil	2,044	3,277	2,044	3,277
	31,752	**65,170**	**31,752**	**65,170**
Judicial deposits	(13,663)	(13,646)	(13,663)	(13,646)
	18,089	**51,524**	**18,089**	**51,524**

The changes in the provision for tax, labor and civil risks were as follows:

	Parent Company and Consolidated					
	Balance at 12/31/2012	Additions	Reversal	Reclassifications and payments	Inflation adjustment	Balance at 12/31/2013
Tax and social security	39,223	522	(12,062)	(17,606)	1,956	12,033
Labor	22,670	17,000	(19,595)	(3,613)	1,213	17,675
Civil	3,277	240	(1,343)	(266)	136	2,044
	65,170	**17,762**	**(33,000)**	**(21,485)**	**3,305**	**31,752**
Judicial deposits	(13,646)	-	-	-	(17)	(13,663)
	51,524	**17,762**	**(33,000)**	**(21,485)**	**3,288**	**18,089**

Lawsuits classified as probable losses, for which provisions were recorded

Refer to lawsuits for which there is a probable likelihood of an unfavorable outcome, the main cases of which involve:

Tax and social security

COFINS: this refers to a discussion at court regarding the exemption from this contribution for service companies that provide services related to legally regulated professions. Supplementary Law 70/91, which established COFINS, provided for the exemption from this contribution for these types of companies; however, Law 9,430/96 expressly revoked it, requiring the contribution based on the gross revenue of such service companies. The Company's legal counsel understands that as an Ordinary Law, Law 9,430/96 could not have revoked the exemption established by Supplementary Law 70/91. Nevertheless, as the Federal Supreme Court has already expressed its position contrary to the above thesis, the Company records a provision and a judicial deposit to cover the risks in the amount of R$5,912 as at December 31, 2013 (R$5,463 as at December 31, 2012).

In the quarter ended December 31, 2013, the Company decided to withdraw from the discussion involving the Contribution for Social Security Funding (COFINS), as regards the rate increase from 2% to 3% introduced by Law 9,718/98, revoking a provision of the Supplementary Law 70/91. The accrued amount of R$ 8,736 was paid in a lump sum of R$ 5,004 considering the reductions granted by Law 11,941/2009 (Refis IV), whose term for application was reopened by Law 12,865/2013.

Labor and Civil

The Company considers the provision recognized sufficient to cover expected losses on ongoing lawsuits.

Lawsuits classified as possible losses

As at December 31, 2013, the Company has a consolidated amount of R$301,287 (R$255,878 as at December 31, 2012) related to lawsuits classified as risk of possible loss by legal counsel, of which R$195,827 refers to tax and social security contingencies, R$38,430 to civil contingencies, and R$67,030 to labor contingencies.

The Company was summoned in a Civil Action Lawsuit at the Rio de Janeiro Labor Court which, in general, challenges the legality of contracting specialized medical companies. Moreover, the Civil Action Lawsuit requires the payment of R$5,000 for collective personal damages. The Company is defending itself in this lawsuit and is fully convinced that the practice adopted by it of contracting medical companies is regular and in conformity with the prevailing legislation, including case law favorable to contracting legal entities to provide medical services.

Judicial deposits

When required, the Company makes court-mandated escrow deposits for pending litigation. These deposits total R$12,968 (Parent Company) and R$12,970 (consolidated) as at December 31, 2013 (R$10,852 Parent Company and R$10,855 consolidated as at December 31, 2012), classified in non-current assets, and refer to lawsuits considered by the Company’s legal counsel as remote or possible risks of loss. Judicial deposits related to lawsuits considered as probable risk of loss are classified in non-current liabilities, reducing the related provision.

19. COMMITMENTS

A significant portion of the properties used in operating activities is leased, under terms and conditions set out in agreements effective for periods ranging from four to six years. Property rental expenses totaled R$96,822 for the year ended December 31, 2013 (R$76,197 for the year ended December 31, 2012).

The agreements are IGP-M inflation indexed after the original maturity date (generally annually). Consolidated property rental commitments totaled R$441,860 as at December 31, 2013 (R$273,533 as at December 31, 2012). The consolidated position of commitments assumed is as follows:

	Consolidated
2014	95,888
2015	87,827
2016	69,173
2017	57,698
2018 and thereafter	131,274
	441,860

20. RELATED PARTIES

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Rental expenses:				
Transinc Serviços Médicos S.A (a)	(3,975)	(6,520)	(3,975)	(6,520)
Fundo Investimento Imobiliário EDOM (b)	(2,949)	-	(2,949)	-
Benefit expenses:				
Companies associated to Bradseg (c)	(75,119)	(45,455)	(75,119)	(45,873)
	(82,043)	**(51,975)**	**(82,043)**	**(52,393)**
Balance sheet account:				
Transinc Serviços Médicos S.A	-	(551)	-	(551)
Fundo Inv. Imobiliário EDOM	(590)	-	(590)	-
Companies associated to Bradseg	(2,093)	(58)	(2,093)	(58)
Assets:				
Bradesco(d)	284,292	3,590	284,292	3,616
	281,609	**2,981**	**281,609**	**3,007**

(a) Transinc Serviços Médicos S.A. owns and manages some properties used by Fleury S.A. and its shareholders are individuals who also hold interests in the Fleury Group's indirect parent company, Core Participações. The rental agreement amounts payable to this entity have been determined based on market prices calculated by independent consultants and are inflation adjusted based on the average of the IGP-M, IPCA and INPC indices.

(b) In 2013 Transinc Serviços Médicos S.A. transferred the properties to Fundo Investimentos Imobiliário EDOM, which comprises the same shareholders of Transinc.

(c) Bradseg, shareholder of Integritas (parent company of the Fleury Group), holds the control of Bradesco Seguros which, in turn, holds the control of Odontoprev, which is the parent company of Clidec, partner of Fleury in the Papaiz Group. These amounts refer to service agreements mainly related to health care, meal and transportation. The increase in the expense is due to the migrations of insurance coverage with other operators to the Bradseg associates during the last quarter of 2012.

Several companies associated to Bradseg are among the largest clients of the Fleury Group, and this revenue is not disclosed for competitive reasons.

(d) The Fleury Group holds financial investments and balances in accounts with Bradesco. As at December 31, 2013, the financial investments refer to an exclusive fund classified in the category of fixed income and to repurchase agreements, subject to yield at the rates stated in the note on cash and cash equivalents.

Management compensation for the year ended December 31, 2013 includes salaries, fees and bonuses in the amount of R$6,939 (R$7,225 in 2012) and is recorded in the income statement as 'General and administrative expenses'.

The Company does not grant post-employment benefits to its officers.

21. EQUITY

Share capital

As at December 31, 2013, the Company's fully paid-up capital, totaling R$1,402,530, is represented by 156,293,356 book-entry, registered common shares without par value. The Company is authorized to increase its capital, regardless of any amendment to its bylaws, up to 160,000,000 common shares.

The Board of Directors' Meeting held on April 4, 2012 approved the Company's capital increase, within the limit of the authorized capital, through private subscription, to comply with the exercise of options of the First Grant of Share Call Option approved at the Board of Directors' Meeting held on February 9, 2010, amounting to R$1,622, through the issuance of 89,437 book-entry, registered common shares without par value, for the issue price of R$18.14 per share, as established for the first grant.

At the end of each fiscal year, shareholders are entitled to mandatory minimum dividends of 25% of profit for the year adjusted as per Corporate Law.

On December 20, 2013, distributions, in the form of dividends, were paid in advance to shareholders. The gross amount paid of R$20,000, with origin of the reversal of part of the balance

of the investment reserve account, corresponds to R$0.13 per share, based on the shareholding position on December 9, 2013.

On November 21, 2013, distributions, in the form of dividends, were paid in advance to shareholders. The gross amount paid of R$18,286, with origin of the reversal of part of the balance of the investment reserve account of R$3,338 and of the profit for the year calculated through September 2013 of R$14,948, corresponds to R$0.12 per share, based on the shareholding position on November 6, 2013.

On August 21, 2013, distributions, in the form of dividends, were paid in advance to shareholders. The gross amount paid of R$43,646, with origin of the profit for the year calculated through June 2013, corresponds to R$0.28 per share, based on the shareholding position on August 7, 2013.

On December 28, 2012, distributions, in the form of interest on own capital, were paid in advance to shareholders. The gross amount paid of R$16,000 corresponds to R$0.10 per share, based on the shareholding position on December 17, 2012.

On August 17, 2012, distributions, in the form of dividends, were paid in advance to shareholders. The gross amount paid of R$20,000 corresponds to R$0.13 per share, based on the shareholding position on August 3, 2012.

Statement of comprehensive income

There were no significant transactions recorded through equity to be included in the statement of comprehensive income.

22. SERVICE REVENUE

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Gross revenue	1,848,050	1,640,971	1,856,215	1,687,986
Disallowances	(72,450)	(75,274)	(72,591)	(76,306)
Rebates	(8,820)	(2,546)	(8,820)	(2,585)
Taxes	(117,447)	(104,660)	(117,908)	(107,312)
Net revenue	**1,649,333**	**1,458,491**	**1,656,896**	**1,501,783**

23. COST OF SERVICES

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Staff and medical services	(622,469)	(523,673)	(631,527)	(546,968)
General services, leases and public services	(256,563)	(194,669)	(256,573)	(200,656)
Materials and outside services	(177,436)	(162,789)	(177,436)	(164,947)
General expenses	(136,459)	(113,810)	(136,587)	(115,216)
Depreciation and amortization	(81,352)	(67,720)	(82,797)	(70,743)
	(1,274,279)	**(1,062,661)**	**(1,284,920)**	**(1,098,530)**

24. GENERAL AND ADMINISTRATIVE EXPENSES

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Staff and medical services	(101,830)	(76,577)	(101,830)	(77,692)
Depreciation and amortization	(25,965)	(29,520)	(25,965)	(29,520)
Promotions and events	(29,546)	(26,312)	(29,546)	(26,451)
General services, leases and public services	(17,132)	(16,952)	(17,132)	(17,146)
Consulting services	(18,090)	(16,659)	(18,090)	(16,999)
Services provided by law firms	(6,184)	(7,318)	(6,184)	(7,323)
Materials and outside services	(5,275)	(2,562)	(5,275)	(2,583)
Other	(12,004)	(12,465)	(12,004)	(12,783)
	(216,026)	**(188,365)**	**(216,026)**	**(190,497)**

25. OTHER OPERATING INCOME (EXPENSES), NET

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Allowance for doubtful debts	(1,383)	(1,557)	(1,383)	(1,561)
Write-off of assets	(6,099)	(237)	(6,099)	(414)
Other	5,402	9,022	5,444	5,215
	(2,080)	**7,228**	**(2,038)**	**3,240**

26. FINANCE INCOME (COSTS)

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Finance income:				
Yield on short-term investments	45,599	20,462	45,649	20,575
Exchange rate change	2,994	8,991	2,994	9,004
Derivative financial instruments	2,916	13,801	2,916	13,801
Indexation of judicial deposits	1,811	1,926	1,811	1,942
Other	3,762	1,980	3,773	2,041
	57,082	**47,160**	**57,143**	**47,363**
Finance costs:				
Interest on debentures	(79,817)	(41,947)	(79,817)	(41,947)
Indexation of trade payables and payables for business acquisitions	(8,917)	(14,092)	(8,974)	(14,477)
Interest on borrowings and financing	(6,872)	(11,562)	(6,873)	(11,823)
Derivative financial instruments	(4,249)	(10,683)	(4,249)	(10,683)
Bank fees and expenses	(3,824)	(3,073)	(3,826)	(3,126)
Indexation of provision for tax, labor and civil risks	(3,366)	(3,363)	(3,366)	(3,363)
Exchange rate change	(2,761)	(15,086)	(2,761)	(15,109)
Other	(5,602)	(5,360)	(5,606)	(5,454)
	(115,408)	**(105,166)**	**(115,472)**	**(105,982)**
Finance income (costs), net	**(58,326)**	**(58,006)**	**(58,329)**	**(58,619)**

27. INCOME TAX AND SOCIAL CONTRIBUTION – CURRENT AND DEFERRED

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Tax loss carryforwards	149,642	95,898	149,642	95,898
Provision for tax, labor and civil risks	42,126	75,227	42,126	75,227
Allowance for doubtful debts and disallowances	86,133	63,709	86,133	63,709
Amortization of goodwill non-deductible up to 2008 and deductible for tax purposes in future periods	24,782	24,782	24,782	24,782
Asset revaluation	(1,517)	(2,286)	(1,517)	(2,286)
Provision for stock options	7,680	-	7,680	-
Gain on hedge transactions	1,333	-	1,333	-
Net value adjustment of assets acquired and liabilities assumed	(91,965)	(112,949)	(91,965)	(112,949)
Effects of goodwill amortization for tax purposes (a)	(608,692)	(387,464)	(608,692)	(387,464)
Goodwill allocation – Papaiz	-	-	(3,268)	-
Tax base	**(390,478)**	**(243,083)**	**(393,746)**	**(243,083)**
Deferred income tax and social contribution at the combined tax rate of 34%	**(132,763)**	**(82,648)**	**(133,874)**	**(82,648)**
Non-current assets	119,317	99,740	119,317	99,740
Non-current liabilities	(252,080)	(182,388)	(253,191)	(182,388)

(a) Goodwill on merger of companies, mainly LabsCardiolab.

The Company expects that the deferred taxes on the balances of tax loss carryforwards and temporary differences, in the net amount of R$132,763, will be realizable through the capacity of generation of the results projected for the next eight years, according to the schedule below:

Year	Consolidated
2014	15,511
2015	(3,031)
2016	(94,154)
2017	(36,594)
2018	(1,891)
2019 to 2021	(13,715)

The expected realization of the amounts recorded at December 31, 2013 was based on taxable profit projections taking into account several financial and business assumptions. Therefore, the expected realization may not occur and the actual results may differ from the estimate.

Current and deferred income tax and social contribution in the income statement are reconciled as follows:

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Profit before income tax and social contribution	111,258	154,847	111,177	155,892
Combined income tax and social contribution rate	34%	34%	34%	34%
Income tax and social contribution	**(37,828)**	**(52,648)**	**(37,800)**	**(53,003)**
Benefit of distribution in the form of Interest on Own Capital	-	8,779	-	8,779
Depreciation	-	3,259	-	3,259
Share of profits (losses) of subsidiaries	(885)	(128)	(885)	-
Loss (gain) on settlement of hedge	(3,830)	-	(3,830)	-
Other non-deductible expenses - permanent	(7,572)	(7,521)	(7,519)	(8,339)
Income tax and social contribution expense	**(50,115)**	**(48,259)**	**(50,034)**	**(49,304)**
Current	-	-	-	(1,045)
Deferred	(50,115)	(48,259)	(50,034)	(48,259)

The Company calculates corporate income tax, social contribution, social integration program tax on revenue (PIS), and social security funding tax on revenue (COFINS) based on the rules of the Transitional Tax Regime (RTT) introduced by Law 11,941/09 in order to annul the effects of the accounting adjustments introduced by Law 11,638/07. Of the determination of these taxes continues to be made based on the accounting methods and criteria defined by Law 6,404/76.

28. EMPLOYEE BENEFITS

Pension Plan

The Company sponsors a pension plan, Itaú Vida e Previdência S.A., the main purpose of which is to supplement social security benefits; participation in this plan is optional for all employees of the Company and its subsidiary Fleury CPMA; the plan is managed by Itaú Vida e Previdência S.A. The plan is a defined contribution pension plan and for the year ended December 31, 2013 the Company made contributions of R$1,900 (R$1,823 for the year ended December 31, 2012), charged to "General and administrative expenses".

All employees and officers with an employment relationship with the Company or Fleury CPMA are eligible for the plan. The maximum age limit to join the plan is 60 years old and the maximum age limit to leave the plan is 70 years old.

Plan participants can make basic contributions corresponding to 1% to 5% of their contribution salary, to be paid monthly, limited to a minimum contribution of R$20.00. Participants can also make voluntary contributions, at their sole discretion, at any time and at amounts above R$20.00.

Company's and subsidiary's contributions are made as follows:

Employment relationship time or plan participation time	Sponsor contribution
4 years or less	50% of the participant's basic contribution
From 5 to 9 years	75% of the participant's basic contribution
10 years or higher	100% of the participant's basic contribution

Stock option plan

The Extraordinary General Meeting held on November 12, 2009 approved the Company's Stock Option Plan, authorizing the granting of share options to employees chosen by the Board of Directors. The options granted under the plan are limited to 3% of the total shares of the Company's subscribed and paid-up capital.

Each stock option granted to employees can be converted into a common share of Fleury S.A. when vested, and can be exercised at any time after the vesting date within up to six years after the grant date, after which they expire. No amount is paid or will be paid by the beneficiary when receiving the stock options. The stock options do not entitle their holders to dividends or votes until they are exercised.

The Company's Board of Directors is responsible for determining, on each grant date, the employees eligible to the plan and the number of shares to be acquired upon the exercise of each option, the effective period, the exercise price, the payment terms, and other conditions.

The exercise of the shares can be made within four years from the option contract signing date, in portions defined as follows: (a) up to 33% of the total shares subject to the option as from the end of the second year; (b) up to 33%, deducting the ones already exercised, as from the end of the third year, or up to 66% of the total shares, deducting the ones already exercised; and (c) remaining 34% or up to 100% of the total shares as from the fourth year.

Participants will have six years to exercise the options, from the option grant date.

The exercise price of options will be based on the weighted average of the trading sessions for the month immediately prior to the signing of the option contract. In the case of the first grant, the exercise price of options will be equivalent to the Company´s IPO price per share.

The following grants were conducted through the date:

	Grant date	Call options granted	Exercise price of options*	Position at 12/31/2013		Position at 12/31/2012	
				Number	Exercise price	Number	Exercise price
2013 grant	April 30, 2013	1,189,296	19.74	1,087,804	20.33	-	-
2012 grant	May 2, 2012	732,746	24.21	533,321	26.05	623,163	24.93
2011 grant	February 22, 2011	327,825	25.76	183,625	29.07	204,122	27.82
2010 grant	February 2, 2010	552,624	16.00	127,132	18.87	135,397	18.06

**.The price of options will be adjusted based on the IPCA variation.*

The Company recognized an expense for the year ended December 31, 2012, prorated since the grant date, of R$3,914 (R$1,205 for the year ended December 31, 2012 charged to “General and administrative expenses”).

29. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of common shares issued during the year, excluding common shares purchased by the Company and those held as treasury shares.

	12/31/2013	12/31/2012
Profit attributable to owners of the Company	61,143	106,588
Weighted average number of common shares issued	156,293,356	156,270,003
Weighted average number of common shares outstanding	156,293,356	156,270,003
Basic earnings per share - R$	0.39	0.68

Diluted earnings per share

Diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. The Company had dilutive potential common shares outstanding during the year according to the Company's Stock Option Plan as follows:

	12/31/2013	12/31/2012
Profit attributable to owners of the Company	61,143	106,588
Weighted average number of common shares outstanding	156,293,356	156,270,003
Adjustment for share call options	6,709	48,133
Weighted average number of common shares for diluted earnings per share	156,300,065	156,318,136
Diluted earnings per share - R$	0.39	0.68

30. SEGMENT REPORTING

Management performs analyses of the Fleury Group based on three significant business segments: Diagnostic Medicine, Integrated Medicine and Dental. The segments presented in the financial statements are strategic business units that offer distinct products and services. Sales between segments are made at prices similar to those that could be charged from third parties.

	12/31/2013				12/31/2012		
	Diagnostic Medicine (DM)	Integrated Medicine (IM)	Dental	**Consolidated**	Diagnostic Medicine (DM)	Integrated Medicine (IM)	**Consolidated**
Net revenue	**1,374,296**	**282,600**	**-**	**1,656,896**	**1,234,504**	**267,279**	**1,501,783**
Profit of the segment	**243,709**	**34,205**	**-**	**277,914**	**256,832**	**57,942**	**314,774**
Share of profit of indirect subsidiary	**-**	**-**	**354**	**354**	**-**	**-**	**-**
Depreciation and amortization				(108,762)			(100,263)
Finance income (costs)				(58,329)			(58,619)
Profit before taxes				111,177			155,892
Total assets includes:							
Goodwill	1,105,143	214,910	-	1,320,053	1,105,143	214,910	1,320,053
Brands	10,082	1,114	-	11,196	11,013	1,288	12,301
Customer contracts	-	121,727	-	121,727	-	135,089	135,089
Non-allocated assets				1,758,191			1,270,716
Total assets				3,211,167			2,738,159

In accordance with CPC 19, the indirect subsidiary "Papaiz" is accounted for using the equity method, as it has a shared control. The breakdown of the Dental segment is as follows:

Net revenue	6,715
Profit of the segment	1,167
Depreciation and amortization	(162)
Finance income (costs)	(129)
Profit before taxes	876
Income tax and social contribution	(522)
Company profit	**354**

31. INSURANCE

The Company contracts blanket insurance coverage for its assets, loss of profits and/or liabilities, in amounts considered sufficient to cover potential losses, which take into account the nature of its operations, and based on the assessment of Management and its insurance consultants. The net premium of the Company's insurance policies in effect at December 31, 2013 is approximately R$1,152. The insurance contracts are effective until November 2014. The table below shows the maximum sum insured (MSI) of the main insurance coverage as at December 31, 2013:

	Consolidated
Operating risks	R$ 532,000
Civil liability	R$ 35,000
International freight - imports	US$ 1,200

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BOARD OF EXECUTIVE DIRECTORS DECLARATION ABOUT FINANCIAL STATEMENTS

Pursuant to subsection VI of Article 25 of CVM Instruction 480 of December 7 2009, the Board of Executive Directors declares that it has reviewed, discussed and agreed with the Company's Financial Statements for the period ended on December 31, 2013, authorizing its conclusion on this date.

São Paulo, March 12, 2014.

Board of Executive Directors

Vivien Bouzan Gomez Navarro Rosso - CEO

João Ricardo Kalil Patah - Head of IR

José Marcelo Amatuzzi de Oliveira - Executive Director for Human Resources

Paulo Pedote - Executive Director for Business

BOARD OF EXECUTIVE DIRECTORS DECLARATION ABOUT INDEPENDENT AUDITOR´S REPORT

Pursuant to subsection V of Article 25 of CVM Instruction 480 of December 7 2009, the Board of Executive Directors declares that it has reviewed, discussed and agreed with the contents and opinions expressed in the Independent Auditor´s Report on the Company's Financial Statements for the period ended on December 31, 2013, issued on March 12, 2014.

São Paulo, March 12, 2014

Board of Executive Directors

Vivien Bouzan Gomez Navarro Rosso - CEO

João Ricardo Kalil Patah - Head of IR

José Marcelo Amatuzzi de Oliveira - Executive Director for Human Resources

Paulo Pedote - Executive Director for Business

FLEURY S.A.
CNPJ/MF nº 60.840.055/0001-31
NIRE nº 35.300.197.534

Minutes of the Audit and Risk Management Committee Meeting
held on February 28, 2014

Date, Time and Place: Held 09:00 am on February 28, 2014, at the Company´s headquarters located at Av. General Valdomiro de Lima, nº 508, Jabaquara, in the city of São Paulo, state of São Paulo.

Attendance: Mr. Luiz Carlos Vaini, Ewaldo M. K. Russo and Mr. Haydewaldo Roberto Chamberlain da Costa; and as guests: Adolpho Souza – CFO, Sergio L. Ribeiro – Controller, João Patah – IRO, Giulianna Rossi and Marcelo Orlando - representing Pricewaterhousecoopers Auditores Independentes.

Resolutions: Considering the submission of the financial statements to the Board of Directors' evaluation and subsequent submission to the Annual General Meeting as well as the explanations provided by Mr. Marcelo Orlando about the audit conducted, the financial statements and auditors' report, the Committee recommends to the Board of Directors the approval of the accounts, the management report and the 2013 financial statements prepared by the Company and audited by independent auditors PricewaterhouseCoopers company.

Closing. With no further matters on the agenda and the absence of any other expression, this meeting was concluded. These minutes were draft, having been read and approved, and signed by all.

Members of the Committee:

Luiz Carlos Vaini

Ewaldo M. K. Russo

Haydewaldo Roberto Chamberlain da Costa