

# 3Q11 Earnings Release

**Fleury ON (Bovespa FLRY3)**
**(Bloomberg FLRY3 BZ;**
**Thomson FLRY3-BR)**

**Shares Outstanding**
**(Sep30, 2011)**
131,298,550 shares

**Shares Outst Diluted**
**(Sep30, 2011)**
131,851,175 shares

**Free float (Sep30, 2011)**
42,643,294 shares (32.5%)

**Share price (Sep 30, 2011)**
R$ 22.44/share

**Market Cap (Sep 30, 2011)**
R$ 2,946 million

**Cash and Cash Equivalents**
**(Sep 30, 2011)**
R$ 88.1 million


**Investor Relations**

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**Conference Call**

**Nov 4, 2011**

English
11:30 AM (09:30 AM EST)

Portuguese
13:00 PM (11:00 AM EST)

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- **TOP LINE GROWTH ACHIEVES 16.9%, NOT INCLUDING LABS D'OR FIGURES. ORGANIC GROWTH[1] REACHES 13.7%, WELL DISTRIBUTED BETWEEN BUSINESS LINES AND BRANDS.**
- **LABS D'OR AUGUST & SEPTEMBER PSC'S FIGURES HAVE ALREADY BEEN CONSOLIDATED WITHIN THE GROUP'S RESULTS.**
- **ADDITIONAL 1.6K SQUARE METERS WERE DELIVERED IN 3Q11, INCLUDING FIVE NEW PSC'S.**
- **CORPORATE UNIVERSITY'S NEW BUILDING WAS OPENED; THIS WELL EQUIPPED FACILITY HAS 1600 M² AND CAN ACCOMODATE 300 PERSONS AT THE SAME TIME.**
- **GRUPO FLEURY HAS BEEN CONSIDERED ONE OF THE TWENTY MOST INNOVATIVE BRAZILIAN COMPANIES IN 2011 BY "ÉPOCA NEGÓCIOS" MAGAZINE.**

**São Paulo, Nov 3, 2011** - Grupo Fleury (BOVESPA: FLRY3) announces today 3rd Quarter's results (3Q11). Financial and Operating information presented in this report have been prepared on a consolidated basis, in accordance to the Brazilian Corporate Law as well as the accounting principles adopted in Brazil.

All figures are compared to 3Q10 except when stated otherwise.

## Financial highlights

**Consolidated Gross Revenue increases by 39.9% to R$ 348 million, or 16.9% if we exclude Labs D'Or figures. Organic growth achieves 13.7%.**

- **Patient Service Centers – Revenue increases by 44.4% to R$ 300 million** mainly driven by accelerating **Organic Growth** (12.7%) and recent acquisitions.
- **Diagnostics in Hospitals** - **Revenue increases by 25.2% to R$ 32 million,** reinforcing our optimistic approach to this Business Line and reflecting Hospitals expansions plans.
- **Reference Laboratory – Revenue decreases by -4.1% to R$ 8.4 million** with an improvement of almost 20% in the total Gross Profit, as a result of portfolio harmonization and differentiation strategy.
- **Preventive Medicine** - **Revenue Growth is 24.2%**.

**Gross Profit of R$ 120 million, achieving 37.6% of Net Revenues**. It's important to highlight that due to a review in allocation criterion implemented on 1Q11, some General and Administrative expenses have been reallocated to Cost of Services Provided. Adjusted by the same criterion, 3Q10's Gross Margin is 39.3%.

**EBITDA achieves R$ 47 million, 14.7% margin on Net Revenue.** the EBITDA margin would be 816 bps higher if we exclude the non-recurring expenses.

**Net Profit to Fleury's shareholders reaches R$ 24 million (R$ 0.18 per share), 7.4% margin** on Net Revenue. **Operational Cash inflow was R$ 24 million.**

1- Organic Gross Revenue Growth: excludes the impact of progressive discontinuation of activities in Clinical Trials, and Acquisitions ("Diagnoson" and "Labs Cardiolab").

**Financial indicators (IFRS)**

| R$ million | 3Q11 | 3Q10 | △ | 2Q11 | △ |
|---|---|---|---|---|---|
| **Gross Revenue** | 348 | 248 | 39.9% | 267 | 30.1% |
| **Net Revenue** | 320 | 232 | 37.9% | 245 | 30.9% |
| **Gross Profit** (adjusted criterion) | 120 | 91.2 | 32.0% | 83.1 | 44.8% |
| **EBITDA** | 47.1 | 60.0 | (21.5%) | 51.6 | (8.6%) |
| **Net Income** | 23.8 | 44.5 | (46.4%) | 33.3 | (28.3%) |
| **Shares Outstanding (million)** | 131 | 131 | | 131 | |
| **Shares Outs. diluted (million)** | 132 | 132 | | 132 | |
| **Gross Margin%** (adjusted criterion) | 37.6% | 39.3% | (170) bps | 34.0% | 362 bps |
| **EBITDA Margin %** | 14.7% | 25.9% | (1115) bps | 21.1% | (636) bps |
| **Effective Tax Rate** | 0.6% | 17.4% | (1675) bps | 24.8% | (2414) bps |
| **Net Income Margin** | 7.4% | 19.2% | (1172) bps | 13.6% | (615) bps |
| **P/E** | 25.6 | 23.1 | | 22.0 | |
| **EV / EBITDA (LTM)** | 15.6 | 11.5 | | 12.4 | |
| **ROE (LTM)** | 7.1% | 11.9% | | 12.7% | |
| **ROIC (LTM)** | 7.7% | 22.8% | | 18.1% | |

## Operational highlights

As from **July 1st** two new areas (named "**Customer Intimacy**" and "**Organizational Culture**") have been added to the structure, reporting directly to the CEO. The reason is to reinforce **the clear link between growth and improved relationship with clients and physicians.**

On **July 19th** Grupo Fleury launched a public call in order to gather project proposals aiming new scientific knowledge and technological innovation in Health and Medicine. Grupo Fleury received a total of 67 research projects, out of which 17 will be developed by Fleury's researchers in partnership with universities and research centers. **The total investment will be R$ 6.5 million** and will be financed by FINEP (Public Financing Agency for Studies and Projects).

On **August 1st**, Grupo Fleury launched the **Corporate University's new building**, with 1600 m2 and a capacity to serve 300 persons simultaneously. **This is a pioneer project and this new area will be used to training and develop leaders, employees and several stakeholders throughout the healthcare value chain**. The current curricula encompasses about 440 training topics which are fully aligned to Grupo Fleury's strategic planning. Another important differentiating factor refers to the **partnership with educational institutions**. As an example, the postgraduate course in diagnostic centers for nurses is held in partnership with "Santa Casa de Misericórdia de São Paulo"; the Leadership Development Program has the support from "Fundação Dom Cabral" and "Fundação Getúlio Vargas".
This initiative reflects one of Grupo Fleury's most important beliefs: **allow the Company to keep Sustainable Growth while establishing leading edge quality standards and reinforcing market differentiation**.

On **August 1st** Grupo Fleury paid **R$ 434 million by 50% of Labs Cardiolab shares**, the First Stage of the acquisition. The remaining R$ 186 million will be paid on January, 2012.

**On August 2nd Grupo Fleury announced the payment of R$ 18 million (R$ 0.14 per share) as Interest on Capital.**

On **August 15th**, **Capital Research and Management Company** became owner of **5.03% of total capital of Fleury's shares.**




On **August 29th**, the Company hosted the first "**Fleury Investor's Day**" at its headquarters in São Paulo. The event was attended by 92 investors and analysts.

On **September 1st**, Mr. Mauro Figueiredo resigned as Chairman of the Board in order to pursue new career challenges. **Mr. José Gilberto H. Vieira, Board's Vice-President and "Core Participações" President, has taken the role as Chairman of the Board.**

On **October 6th**, **Grupo Fleury was considered one of the twenty most innovative companies in Brazil** by "Época Negócios" Magazine, in partnership with A.T. Kearney consultancy.

On **October 31st** an **Extraordinary Shareholder's Meeting** was hold in order to approve (i) 50% acquisition of Labs Cardiolab's capital and the documents elaborated by the advisors; (ii) amendments in its Bylaws as a result of Labs Cardiolab acquisition coupled with "Novo Mercado" new requirements; (iii) the increase of the Board of Directors' number of members; and (iv) election of two members and one surrogate member to the Board of Directors as well as to appoint a new President and Vice-President. **Ms. Vivien Navarro Rosso, former Company's Business Executive Director, and Mr. Jorge Moll, one of the former owners of Labs Cardiolab, were appointed as new Board members.**

## Economic Scenario and Sector

**Macroeconomics**

- The Brazilian Consumer Price Index (IPCA) was 7.31% LTM in September, 2011, mainly driven by food and services. This level is above the 6.5% stipulated by the Brazilian Central Bank as the ceiling of the inflation target.
- Basic Interest Rate (SELIC) grew 0.5 points in two meetings , both held in the 3Q11. On October 19th Selic dropped to 12.00% due to international crisis concerns.
- The Brazilian Real exchange rate depreciated 18.7% against US Dolar during this quarter.

**Employment:**

During 3Q11 a total of 586 thousand new net jobs were created, accumulating 2.1 million in 2011 and 2.1 million LTM (5.7% growth compared to 3Q10).

In the macroeconomic regions where the Group is present, net jobs created LTM and growth vs 3Q10 are:

| | |
|---|---|
| São Paulo (city) | : 340 thousand (+5.6%) |
| Rio de Janeiro (city) | : 154 thousand (+6.0%) |
| Recife | : 68 thousand (+8.8%) |
| Porto Alegre | : 61 thousand (+5.7%) |
| Curitiba | : 54 thousand (+5.4%) |
| Salvador | : 39 thousand (+4.7%) |
| Federal District | : 30 thousand (+4.4%) |

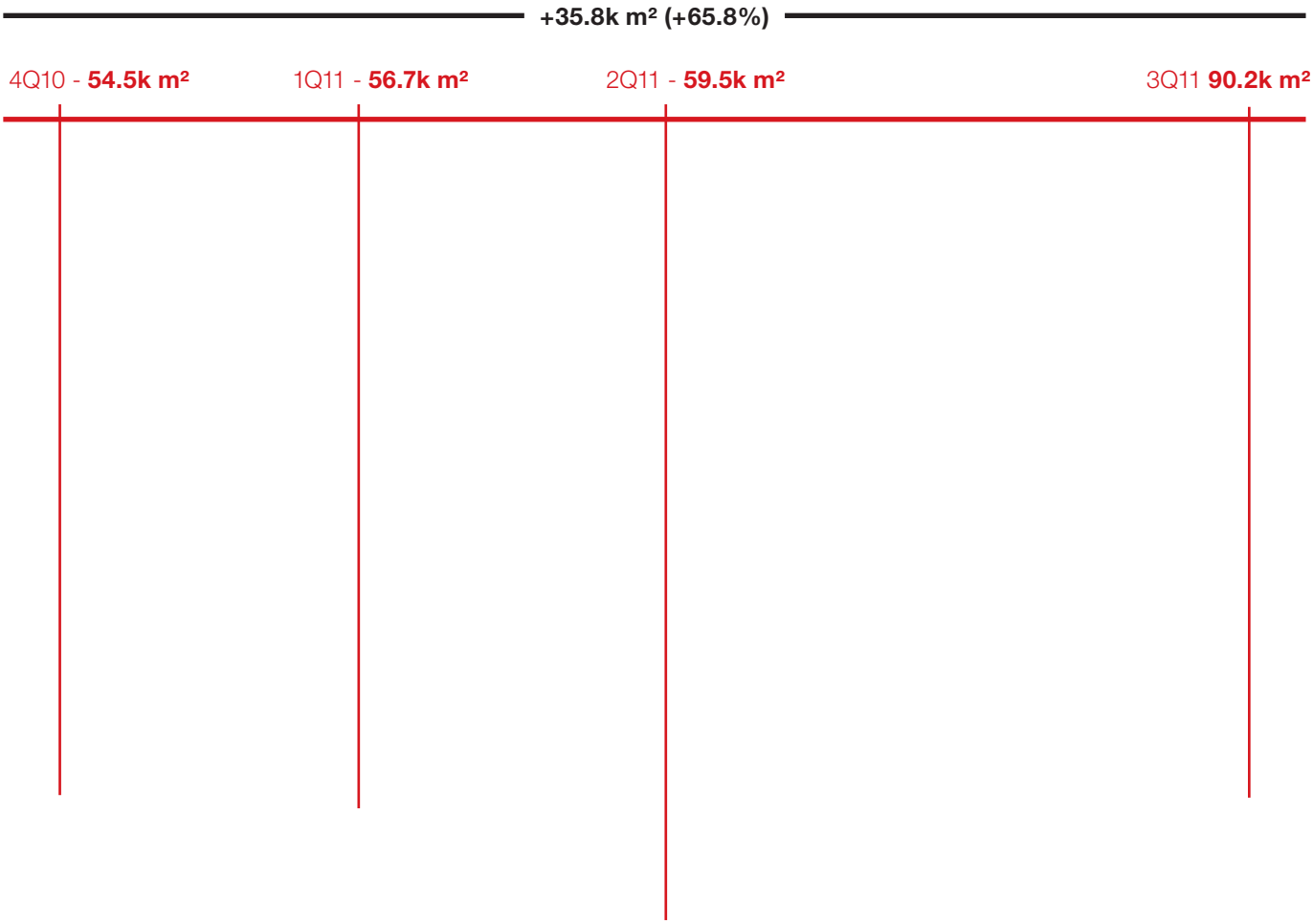
Unemployment achieved 6.0% by the end of September (20 bps below September 2010). This is the lowest estimated rate for the month of September since the series began in 2002.

## Expansion Plan

Grupo Fleury delivers additional **1.6 thousand square meters** in this quarter, which are expected to achieve maturity within 12 to 18 months. These deliveries include:

- PSC **"a+ Amaral Peixoto**" and "**a+ Jardim Botânico**" in Rio de Janeiro, which provide clinical analysis and image services (ultrasound, mammography and densitometry);
- PSC "**Weinmann Anita Mall**" (RS), which is located in a well developed area in Porto Alegre;
- PSC "**a+ Caminho das Árvores**" and "**a+ Campo da Pólvora**" in Salvador (BA); and
- Expansion of image services in the "**Fleury Sumaré**" **PSC**, such as mammography, densitometry and echocardiogram.

Grupo Fleury has already delivered **5.0k organic square meters in 9M11** and will launch additional 9.0k in 4Q11, adding up to 14.0k new square meters - **a 25.7% increase**. The acquired companies "Diagnoson" (BA) and "Labs D'Or" (RJ) have contributed with 1.6k square meters of imaging services in 2Q11 and 29.2k square meters in 3Q11.




Grupo Fleury will deliver important projects during 4Q11, as for example the three mentioned below:

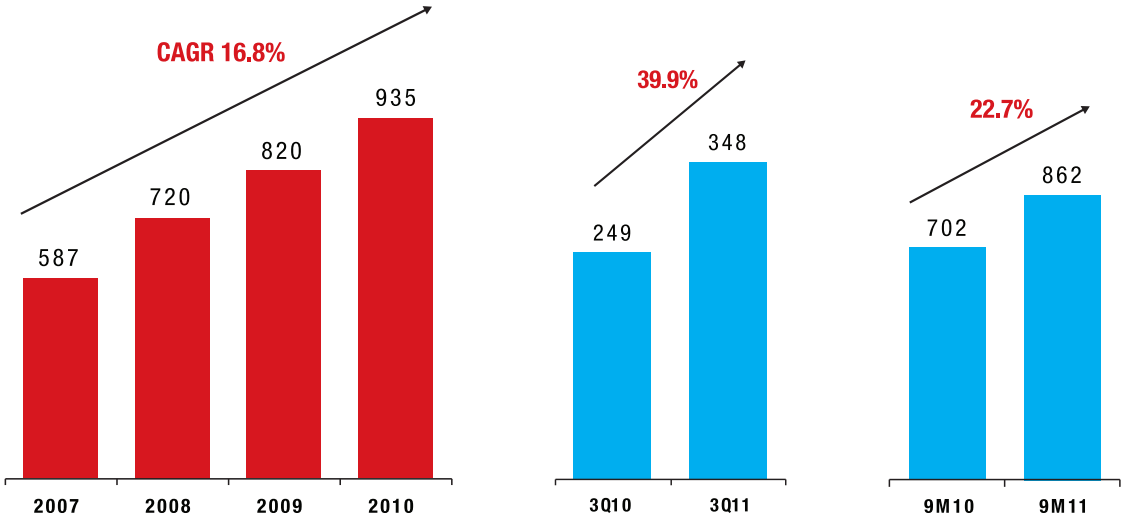
- "**Fleury Alphaville**" (SP) will add 4.2k m² and offer a complete portfolio of services. **It will be one of the largest PSCs in the Group**, as well as "Fleury Paraiso" and "Fleury Itaim Bibi".
- "**a+ Morumbi**" (SP) will add 1.1k m² and will be located in an important avenue. **This PSC will play an important role for "a+" portfolio of services** due to a large image offer, including MRIs.
- "**a+ Leblon**" **will add 0.9 square meters of imaging and clinical analysis services.**

## Financial Performance

### Gross Revenue

**Fleury Group's Gross Revenue grew by 39.9% YoY to R$ 348 million. Organic Growth achieved 13.7% and is well distributed in all Business Lines (PSC's Hospital-based Diagnostics and Preventive Medicine). "Labs D'Or" figures are consolidated as from August 1st.**

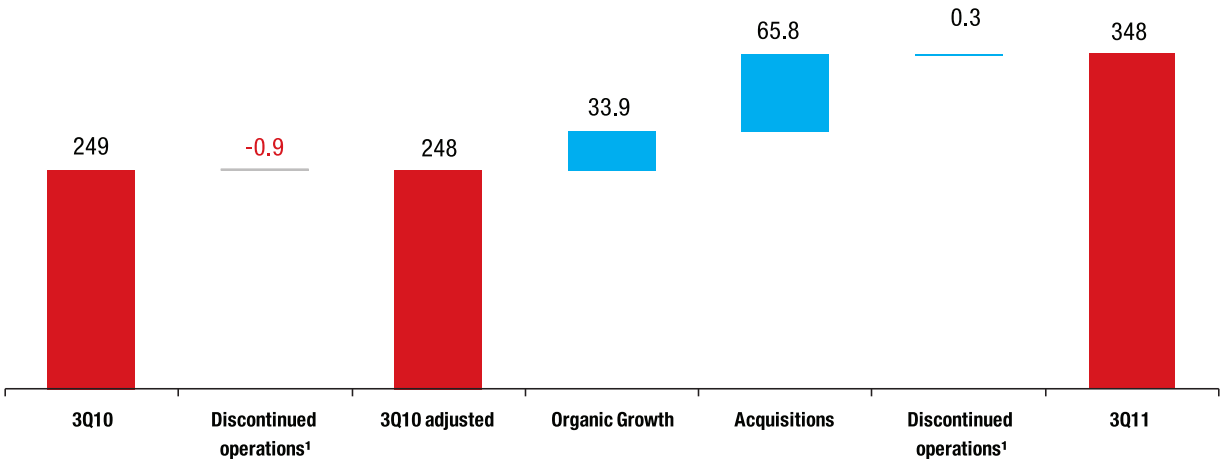
**Gross Revenues (R$ Million)**




These growth rates are the result of:

- Consistent delivery of the Group's **differentiation strategy,** satisfying existing clients and attracting new ones through the offer of Integrated Solutions and alternative Brands for each plan segment;
- **Expansion Plan**, increasing the offer of Image Services, optimizing and increasing PSC's service area ;
- Innovation in tests, procedures and services, mainly new **Integrated Medical Centers**;
- **The successful launch of "a+"** and its national media campaign;
- Hospital-Based Diagnostics Services, **developing alliances with prominent Medical Institutions**;
- **Solid growth of Preventive Medicine** (Chronic Disease Management, Health Assessment and Health Promotion programs); and
- **Strategic acquisitions** aligned to the Company's values.

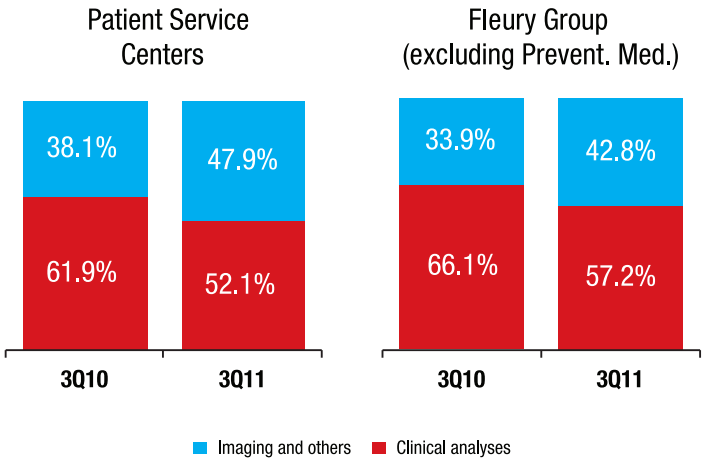
**Gross Revenue Growth Breakdown (R$ Million)**




1- Discountinued operations: Clinical Trials
2 - Acquisition's figure includes Diagnoson and August + September Labs D'Or PSCs results

Revenue in "Imaging & Other Specialties" has an increased share of Total Reveue, reflecting Labs D'Or portfolio of services.

**Gross Revenue Breakdown by Type of Test (%)**




Group's Revenue by Source has remained relatively stable, as follows:

- Health Plan Providers contribute with 75% of Group Revenues;
- Private Customers add up to 12% of Revenues;
- Hospitals, other Laboratories and Companies are responsible for 13% of Revenues.

**Gross Revenue breakdown by Business Line**

| | 3Q 11 | | 3Q 10 | | |
|---|---|---|---|---|---|
| | R$ million | % GR | R$ million | % GR | △ |
| **Patient Service Centers** | **300.3** | **86.4%** | **208.0** | **83.7%** | **45.4%** |
| **Operations in Hospitals** | **32.3** | **9.3%** | **25.8** | **10.4%** | **16.7%** |
| **Reference Laboratory and Clinical Trial** | **8.7** | **2.5%** | **9.6** | **3.9%** | **-9.8%** |
| Ref. Laboratory (ex- Clinical Trial) | 8.4 | 2.4% | 8.7 | 3.5% | -4.1% |
| **Preventive Medicine** | **6.4** | **1.8%** | **5.1** | **2.1%** | **24.2%** |

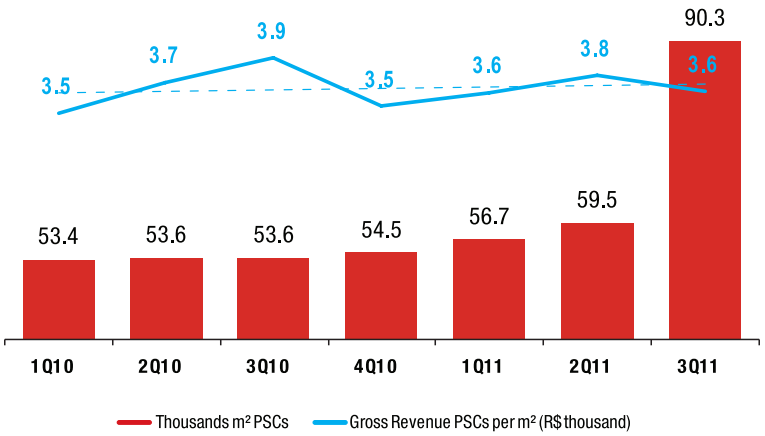
Excluding the "Labs D'Or" effect, PSCs would represent 83.7% of Total Revenues.

## Business Lines Performance

### Diagnostic Medicine / Patient Service Centers

PSCs growth achieves 44.4%, adding up to R$ 300 million. Organic growth accelerated to 12.7%.
The growth, well distributed across geographies and brand segments, is the result from the sustainable growth of Fleury brand alligned with "a+" successfull recognition by the clients and physician's communities all over the country and complemented by Labs D'Or acquisition.
PSCs' total Area achieved 90.3k m², a 30.7k m² increase during the 3Q11. The Average Revenue per square meter is R$ 3.6K. Excluding Labs D'Or figures the indicator would be R$ 4.0k.

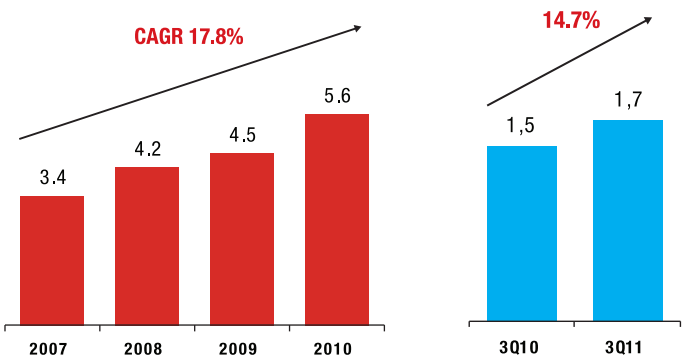
**PSCs Assets Efficiency***




*Labs Cardiolab" indicator is adjusted for 02 months of Revenues.

The Average Revenue per PSC grew by 15% as a result of increase in services' portfolio, continuous effort of network optimization and improved capacity utilization.

**Gross Revenue per PSC (R$ million)***




*Labs Cardiolab" indicator is adjusted for 02 months of Revenues.

"Same store sales" growth (which only considers PSCs operating during the comparison period) was 14.1%.

**Integrated Medicine**

It includes Diagnostic Operations in Hospitals, Reference Laboratory and Preventive Medicine. This business line grew 16.8% and added up to R$ 47.4 million (13.6% of Group's Revenue), as detailed below:

**1. Diagnostic Operations in Hospitals**

Operations in Hospitals continue to grow at remarkable rates. Revenue achieves R$ 32.3 million, a 25.2% increase, based on organic growth. This business line currently represents 9.3% of Group's Revenue but as soon as the operations in Rede D'Or hospitals are consolidated, this participation will increase above 15%. Number of tests performed continues to expand by more than 30%.

Intrinsic features of Hospitals environment, precise and fast delivery of integrated diagnostics is an undisputed differentiation factor. Growth components:

- Increasing demand at prominent Medical Institutions where Fleury Group is already responsible for diagnostic operations is driving this business.
- In addition, the Group started to deliver clinical analysis services as of March 5th to Hospital A.C. Camargo - one of the main centers for diagnostic, treatment, education and research of cancer in Latin America.

**2. Reference Laboratory**

Reference Laboratory reaches R$ 8.4 million in the quarter, same level as the previous quarter and 4.1% lower than 3Q10. It's important to highlight that this result is aligned with the company's strategic intent to improve this business line's Gross Profit and Gross Margin, through its differentiation strategy.

**3. Preventive Medicine**

This business line encompasses Health Assessment, Health Promotion and Chronic Disease Management. Revenue has increased by 24.2% to R$ 6.4 million (13% growth Q/Q).

- Health Assessment Revenue increased by 27%, with a 18.2% growth in the number of assessments;
- Health Promotion Revenue increased by 31%.
- The Chronic Disease Management service reached 46k authorized lives - a 20% growth over the previous quarter. Revenue in 3Q11 achieved R$ 1.3 million. We highlight that this service has delivered return on investment in less than one year for clients (HMOs/MCOs/Companies), allied with improvements in quality of life for the beneficiaries.

## Tax on Revenue and cancellations

Tax on Revenue Rate was 5.8% (from 5.7% in 3Q10).

Cancellations amounted to R$ 7.3 million, 2.1% of Gross Revenue. The cash recovery effort net impact was R$ 2.4 million (63bps impact on EBITDA).

## Net Revenue

Consolidated Net Revenue amounted to R$ 320 million, a 37.9% increase.

## Cost of Services

Cost of Services includes mainly personnel, medical services, materials, equipment maintenance and general expenses with facilities, incurred by the Group to perform Clinical Analysis Tests and Diagnostic Imaging procedures both in PSCs and Hospitals, as well as expenses to provide Customer Services (Call Center included).

A change in allocation criterion was implemented in 1Q11 and, as a result, there was reallocation of expenses related to operational back-office activities (which were previously classified as SG&A) to the Cost of Services Provided. Therefore, 2010 numbers have been adjusted in this report for comparison purposes.

The Cost of Services amounted to R$200 million, 41.8% above (adjusted) 3Q10. This cost represents 62% of the Net Revenue (compared to 61% in 3Q10).

- Personnel and Medical Services are the Group's main cost, reflecting our highly qualified professionals (which include 1242 physicians) and the relevance of high added-value services. During 3Q11 this cost line represented 32.1% of Net Revenue, an increase of 229 bps over adjusted 3Q10 mainly due to pre-operational expenses and the greater participation of PSC Business Line, which is more concentrated in personnel and medical services expenses.

- Materials and Outsourcing represents 11.0% of Net Revenue, a dilution of 48 basis points over adjusted 3Q10. Efficiency gains in the processing plants and negotiations with suppliers have driven the improvement;
- General Services, Rents and Utilities represents 12.3% of Net Revenues, an increase of 14 basis points over adjusted 3Q10 mainly due to pre-operational rental expenses;
- General Expenses represent 6.9% of Net Revenues.

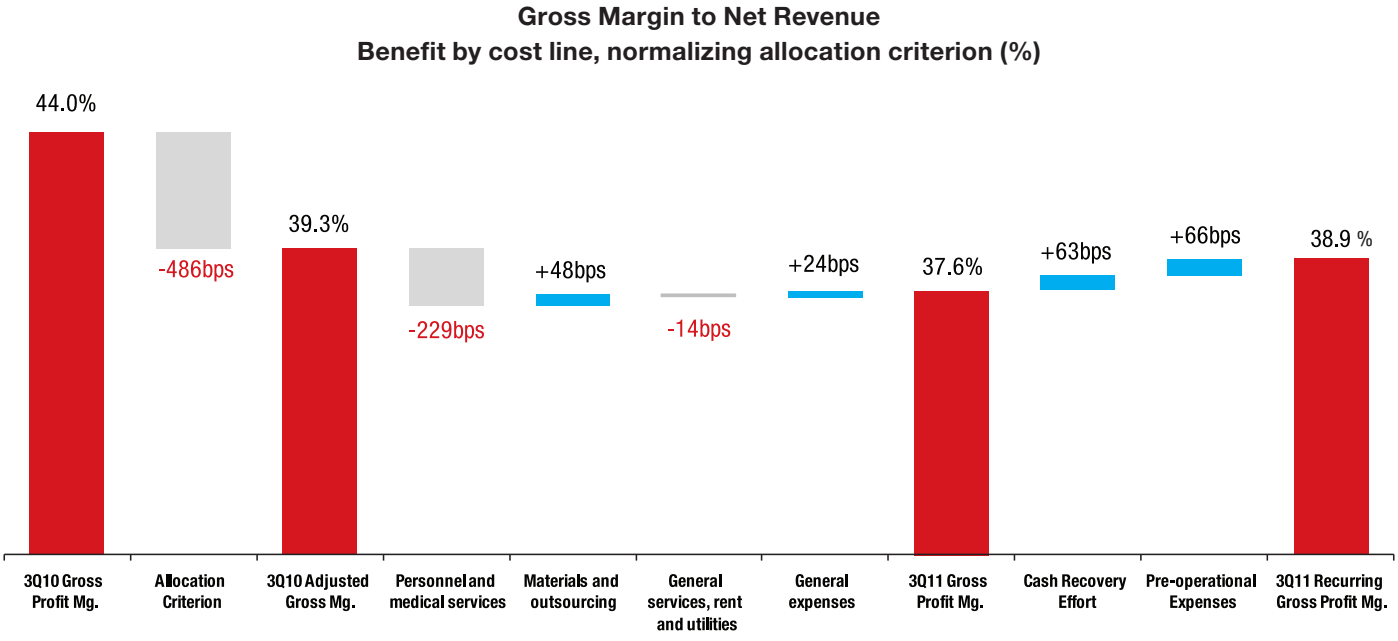
The Cost of Services in 3Q11 compared to the adjusted 3Q10 and 2Q11, are shown below:

| | 3Q11 | | 3Q10 | | 2Q11 | |
|---|---|---|---|---|---|---|
| | | | Adjusted criterion [1] | | | |
| | R$ million | % Net Revenue | R$ million | % Net Revenue | R$ million | % Net Revenue |
| Personnel and medical services | 102.9 | 32.1% | 69.3 | 29.9% | 74.9 | 30.6% |
| Materials and outsourcing | 35.3 | 11.0% | 26.7 | 11.5% | 28.5 | 11.7% |
| General services, rent and utilities | 39.4 | 12.3% | 28.3 | 12.2% | 33.5 | 13.7% |
| General expenses | 22.1 | 6.9% | 16.6 | 7.2% | 24.6 | 10.1% |
| Cost of services | 199.8 | 62.4% | 140.9 | 60.7% | 161.5 | 66.0% |

1- Change in allocation criterion implemented in 1Q11, operational back-office costs were formerly allocated as SG&A.

## Gross Profit

Gross Profit in 3Q11 has reached R$ 120.3 million, a 32.0% increase over adjusted 3Q11 and 37.6% of Net Revenues (170 basis points decrease mainly due to pre-operational expenses and cash recovery efforts).




## Operating Expenses

As previously mentioned, the change in allocation criterion resulted in reclassification of expenses to Cost of Services Provided. Normalizing the allocation criterion for 3Q11, there was a 945 bps increase YoY in Operating Expenses.

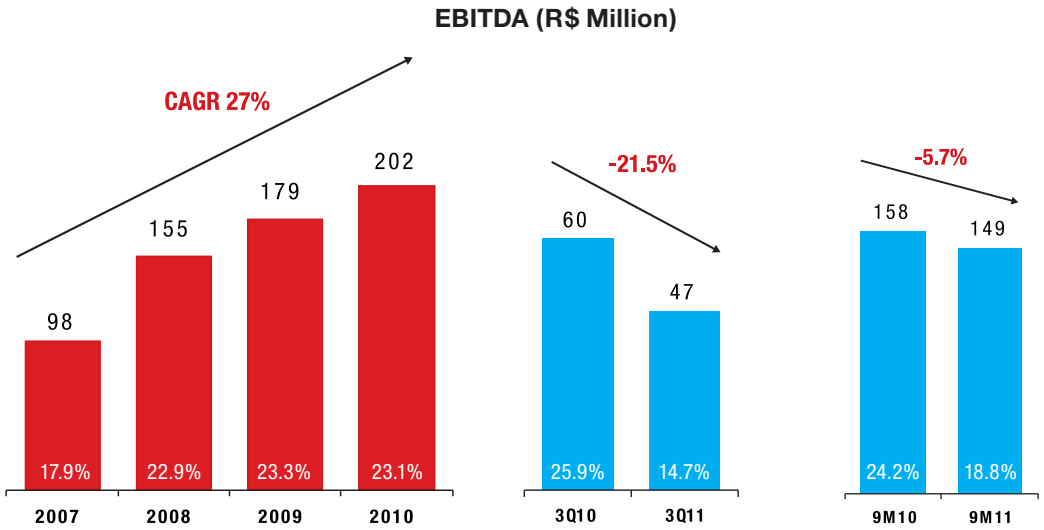
- **General and Administrative Expenses (exc. Depreciation)** amounted to R$ 61.5 million, representing 19.2% of Net Revenue, a 402 bps above 3Q10 mainly due to:
  - I. "a+" Marketing campaign : 187 bps
  - II. "Labs Cardiolab" acquisition fees : 250 bps
- **Other Operating Income (Expenses), net** amounted to R$ 12 million net expenses. The cash recovery effort net impact was 250bps as receivables writen-off.
- **Contingency Provision:** credit of R$ 271K as the consequence of some executions which values were below the expectations provisioned.

| | 3Q11 | | 3Q10 | | 2Q11 | |
|---|---|---|---|---|---|---|
| | R$ million | % Net Revenue | Adjusted criterion [1] | | R$ million | % Net Revenue |
| | | | R$ million | % Net Revenue | | |
| General and Administrative | 61.5 | 19.2% | 35.2 | 15.2% | 28.6 | 11.7% |
| Other operating expenses (income), net | 12.0 | 3.7% | (0.9) | (0.4%) | 1.6 | 0.7% |
| Contingency provision | (0.3) | (0.1%) | (3.2) | (1.4%) | 1.3 | 0.5% |
| Operating Expenses (ex-depreciation) | 73.2 | 22.9% | 31.1 | 13.4% | 31.5 | 12.9% |

1- Change in allocation criterion implemented in 1Q11, operational back-office costs were formerly accounted in G&A.

## EBITDA

EBITDA reaches R$ 47.1 million, a 21.5% decrease over 3Q10, representing a margin-to-net-revenue of 14.7%. Non-recurring costs and expenses added up to 816 bps in the Quarter.




| | 3Q 11 | | 3Q 10 | | |
|---|---|---|---|---|---|
| | R$ million | % Net Revenue | R$ million | % Net Revenue | △ |
| Net Income to Fleury's Shareholders | 23.8 | 7.4% | 44.5 | 19.2% | -1172 bps |
| Financial Expenses (Income) | 6.0 | 1.9% | (8.0) | (3.4%) | 531 bps |
| Depreciation and amortization | 19.3 | 6.0% | 8.3 | 3.6% | 248 bps |
| Income Tax and Social Contribution | (5.5) | (1.7%) | 15.3 | 6.6% | -828 bps |
| Minority interests | 3.4 | 1.1% | 0.0 | 0.0% | 106 bps |
| EBITDA (not adjusted) | 47.1 | 14.7% | 60.0 | 25.9% | -1115 bps |

## Financial Results

Financial net expenses reached R$ 6.0 million, compared to net income of R$ 8.0 million in 3Q10.

| R$ million | 3Q11 | 3Q10 |
|---|---|---|
| **Financial Income (expenses), net** | **(6.0)** | **8.0** |
| Interest and inflation adjustment | (7.4) | (5.5) |
| Exchange rate change and hedge | (2.9) | (0.0) |
| Interest received | 7.3 | 14.8 |
| Bank fees and other expenses | (3.0) | (1.3) |
| Financial income | 17.4 | 15.5 |
| Financial expenses | (23.4) | (7.6) |

## Income Tax and Social Contribution

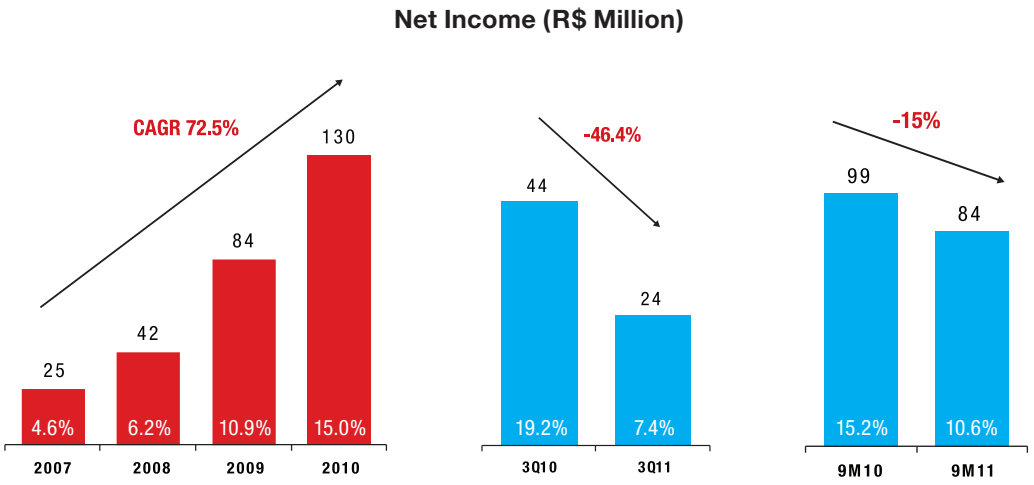
The non current events in EBITDA margin, aligned with some assets write-off (depreciation), goodwill amortization and the Interest on Capital payment, have contributed to the generation of a negative taxable base. As a result, the Company's current taxes were negligible.

| Amortization of goodwill * | |
|---|---|
| **Period** | **R$ million** |
| Sep-Dec 2011 | 16.9 |
| 2012 | 67.7 |
| 2013 | 62.6 |
| 2014 | 41.0 |
| 2015 | 10.9 |
| 2016 | 5.8 |

* Not including Labs D'Or

## Net Income to Fleury's Shareholders

Net Profit reaches R$ 23.8 million, representing a profit margin of 7.4% of the Net Revenue.



## Investments and Return

Organic Capital Expenditure added up to R$ 40.1 million in 3Q11. Movements related to PSCs added 1.6 thousand square meters.

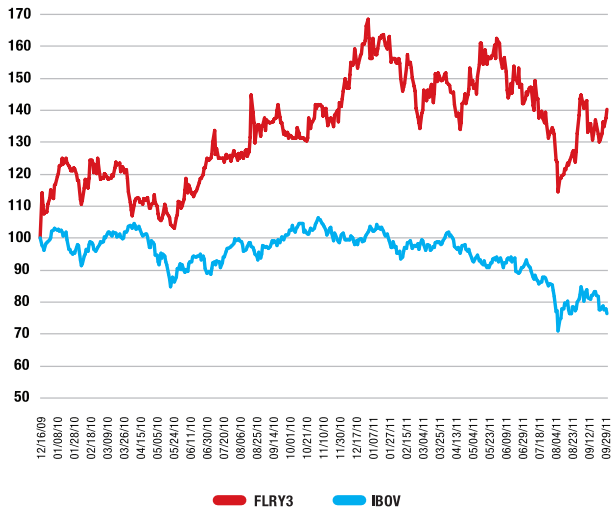
## Debt and Exchange Rate risk

Fleury Group ended the quarter with R$ 400 million of net debt. Excluding tax installments, net debt was R$ 387 million. Out of R$ 149 million of financial debt, 44.9% is denominated in foreign currency, being mostly hedged. Also, around 4.8% of Trade Accounts Payable is exposed to exchange rate fluctuation.

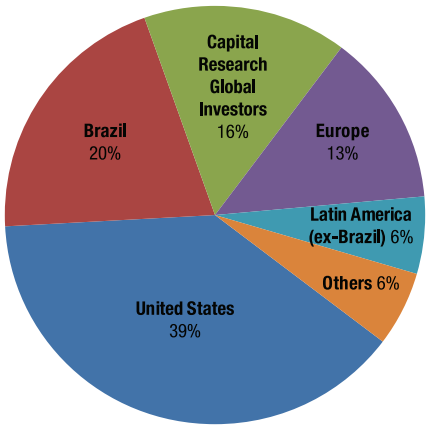
## Capital Market

Fleury shares (BOVESPA: FLRY3) ended up the 3Q11 at R$ 22.44, a 1.28% decrease compared to June 30th, 2011 (the Ibovespa Index decreased -16.2%). Daily average trade volume in the quarter was R$ 4.65 million.
Since the IPO until September 30th, 2011, shares price grew 40.3%.

**CAPITAL MARKET**




**FREE FLOAT BREAKDOWN**




## Investor Relations Department

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## Performance Indicators

According to the accounting principles adopted in Brazil and IFRS

| Income Statement | Description | Unit | 3Q10 | 1Q11 | 2Q11 | 3Q11 |
|---|---|---|---|---|---|---|
| **Gross Revenue** | Gross Revenue | R$ MM | 249 | 247 | 267 | 348 |
| **Net Revenue** | Gross Revenue - Tax (ISS) - Cancellations | R$ MM | 232 | 230 | 245 | 320 |
| **COGS** [1] | Personnel and Medical Services + Materials and Outsourcing + General Services, Rent and Utilities + General Expenses | R$ MM | (141) | (141) | (161) | (200) |
| **SG&A** [1] | Does not include Other Operating Expenses / Revenues neither Contingency Provisions | R$ MM | (43.5) | (43.4) | (37.3) | (80.8) |
| **EBIT** | Earnings Before Interest and Taxes | R$ MM | 51.8 | 41.3 | 42.8 | 27.8 |
| **Interest Revenue (net)** | Interest Revenue - Interest Expenses | R$ MM | 8.0 | 7.2 | 8.5 | (6.0) |
| **Net Income** | Net Profit | R$ MM | 44.5 | 27.4 | 33.3 | 23.8 |
| **EBITDA** | Earnings Before Interest, Taxes, Depreciation and Amort. | R$ MM | 60.0 | 50.6 | 51.6 | 47.1 |
| **Gross Margin** [1] | Gross Profit / Net Revenue | % | 39.3% | 38.7% | 34.0% | 37.6% |
| **EBIT Margin** | Earnings Before Interest and Tax / Net Revenue | % | 22.3% | 17.9% | 17.5% | 8.7% |
| **EBITDA Margin** | Earnings Before Interest, Tax, Depreciation and Amortization / Net Revenue | % | 25.9% | 21.9% | 21.1% | 14.7% |
| **Effective Tax Rate** | Current Tax / Earnings Before Tax | % | 17.4% | 21.9% | 24.8% | 0.6% |
| **Net Income Margin** | Net Profit / Net Revenue | % | 19.2% | 11.9% | 13.6% | 7.4% |
| **Balance Sheet** | | | | | | |
| **Cash & Equivalents** | Cash and Equivalents | R$ MM | 573 | 542 | 565 | 88,1 |
| **Current Assets** | Current Assets | R$ MM | 811 | 807 | 845 | 501 |
| **PP&E, net** | Tangible Fixed Assets | R$ MM | 170 | 191 | 222 | 314 |
| **Total Assets** | Total Assets | R$ MM | 1.35 | 1.35 | 1.48 | 2.38 |
| **Short Term Debt** | Loans and Financing - Current Liabilities | R$ MM | 35.8 | 24.2 | 24.3 | 34.3 |
| **Current Liabilities** | Current Liabilities | R$ MM | 151 | 130 | 158 | 380 |
| **Long Term Debt** | Loans and Financing - Long Term | R$ MM | 63.9 | 54.1 | 95.2 | 114 |
| **Total Liabilities** | Total Liabilities | R$ MM | 349 | 316 | 406 | 749 |
| **Total Equity** | Total Equity | R$ MM | 1,00 | 1,04 | 1,07 | 1,63 |
| **Valuation Multiples** | | | | | | |
| **Price** | Closing price in the last day of the quarter | R$ | 21.0 | 24.3 | 22.7 | 22.4 |
| **Volume** | Average daily trading volume | R$ MM | 2.37 | 5.03 | 3.63 | 4.65 |
| **P/E** (Price-to-Earnings Ratio) | Quarter Closing Price / Net Income LTM / # Shares | Multiple | 23.1 | 23.8 | 22.0 | 25.6 |
| **P/B** (Price-to-Book Ratio) | Quarter Closing Price / (Asset excl. Intangibles) / # Shares | Multiple | 2.68 | 3.09 | 2.71 | 3.27 |
| **P/S** (Price-to-Sales Ratio) | Quarter Closing Price / Gross Revenue LTM / # Shares | Multiple | 3.00 | 3.30 | 3.00 | 2.69 |
| **EV/EBITDA** | (Market Capitalization + Short and Long Term Debt - Cash and Equivalents) at Quarter Closing / EBITDA LTM | Multiple | 11.5 | 13.1 | 12.4 | 15.6 |
| **Financial Debt** | | | | | | |
| **Debt / Equity** | Loans and Financing - Short and Long Term / Tangible Equity (Equity less Intangibles) | % | 14.7% | 10.9% | 17.6% | 96,9% |
| **Net Debt / Equity** | (Loans and Financing / Short and Long Term less Cash and Equivalents) / Tangible Equity (Equity less Intangibles) | % | -69,5% | -64.9% | -63.9% | 39,5% |
| **Debt / Assets** | Loans and Financing Short and Long Term / Total Assets | % | 7.4% | 5.8% | 8.3% | 6.3% |
| **Debt / EBITDA** | Loans and Financing Short and Long Term / EBITDA LTM | % | 50.1% | 37.8% | 59.4% | 77.2% |
| **Liquidity** | | | | | | |
| **Cash / Current Liability** | Cash & Equivalents / Current Liabilities | % | 380% | 419% | 358% | 23.2% |
| **Quick Ratio** | Current Assets (wo/ Inventory) / Current Liabilities | % | 533% | 616% | 529% | 129% |
| **Current Ratio** | Current Assets / Current Liabilities | % | 539% | 623% | 535% | 132% |

1- Change in allocation criterion implemented in 1Q11, operational back-office costs formerly accounted in SG&A.