3Q15 Results – FLRY3

October 2015

Disclosure

This presentation may contain forward-looking statements. Such statements are not statements of historical facts and reflect the beliefs and expectations of the Company's management. The words "anticipates", "believes", "estimates", "expects", "forecasts", "plans", "predicts", "project", "targets" and similar words are intended to identify these statements, which necessarily involve known and unknown risks and uncertainties. Known risks and uncertainties include but are not limited to the impact of competitive services and pricing market acceptance of services, service transactions by the Company and its competitors, regulatory approval, currency fluctuations, changes in service mix offered, and other risks described in the Company's registration statement. Forward-looking statements speak only as of the date they are made and Grupo Fleury does not undertake any obligation to update them in light of new information or future developments.

All figures are compared to 3Q14 except when stated otherwise.

Highlights 3Q15 and YTD

Gross Revenue

R$ 547 MM

▲ 8.4% 3Q15

▲ 11.8% YTD

Net Revenue

R$ 496 MM

▲ 9.5% 3Q15

▲ 13.2% YTD

EBITDA

R$ 102 MM

▲ 4.4% 3Q15

▲ 28.8% YTD*

Net income

R$ 35 MM

▲ 13.5% 3Q15

▲ 64.8% YTD*

*Adjusted excluding non-recurring items

- **Gross Revenue grows 8.4%** in the quarter. Highlights: SSS PSCs (+6.9%); Fleury brand (+9.6%); regional brands excluding RJ (+7.5%) and Operations in Hospitals (+19.4%; SHS +13.2%)
- **Net Revenue keeps expading more than gross revenue,** result of actions to decrease cancellations, which index over gross revenue reaches 3.2% vs. 4.0%
- **Two-digit expansion in gross income** (+10% | 27.3% margin) and net income (+13.5%)
- **EBITDA margin of 20.6%** – stable vs 2Q15
- **Operational cash flow record of R$ 129.3 MM** in the quarter. Operating Cash/EBITDA conversion of 92% in year to date
- **Evolution in leverage, profiatability and service indicators:** reduction in net debt/Adjusted EBITDA (1.1x vs. 1.7x), evolution of ROIC adjusted without goodwill (21.5 % vs. 13.4%) and Grupo Fleury's NPS (73.2% vs. 71.1%)
- **Consistent evolution YTD:** two digit growth in gross revenue, net revenue, gross income, EBITDA and net income

3Q15 general highlights

2nd place among service companies at the Innovation Awards Brazil 2015 promoted by Valor Econômico newspaper and *Strategy&*

+ than 2 thousand congressmen visited Fleury brand's *stand* at São Paulo's Gynecology Society Congress

Exclusive lectures and promotion of SMD* in the 49th Brazilian Congress of Clinical Pathology

July: Market maker is hired

August: distribution of remuneration to shareholders in the form of interest on shareholders' equity of R$ 9.7 MM

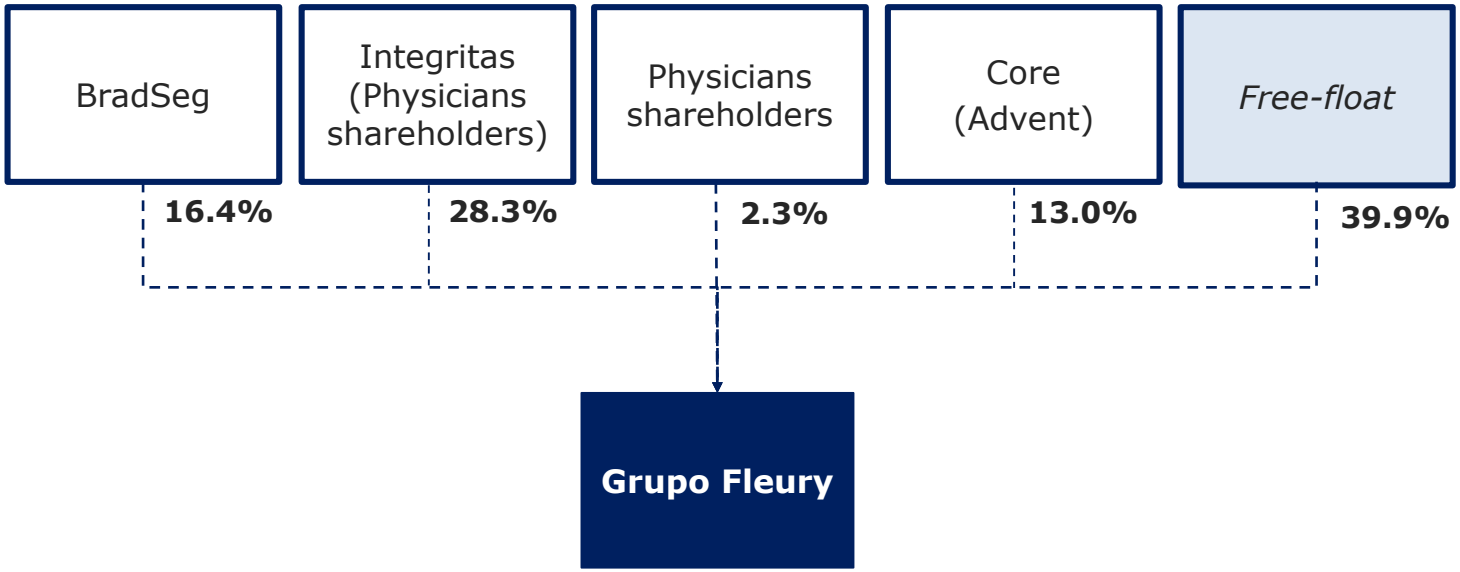
September: contract to sell Cruzeiro do Sul Medicina Diagnóstica Ltda., which holds the set of assets located in Rio de Janeiro that the Company has committed to dispose of, as established in the Performance Commitment Agreement signed with the Administrative Council for Economic Defense (CADE)

September: Core and Core's shareholders (physicians shareholders) signed an investment agreement for the sale of a 13% participation in Grupo Fleury' capital to Advent International

* SMD: Diagnostics Medical Services

October 6th: closing of the deal between Core and Advent

New corporate structure



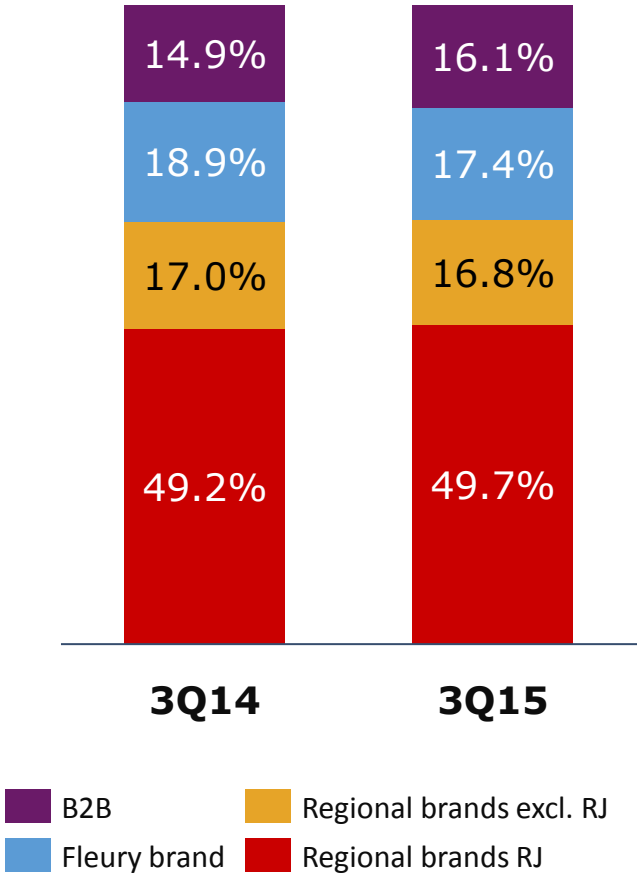
Board of Directors election

Total of 10 members, as follows:

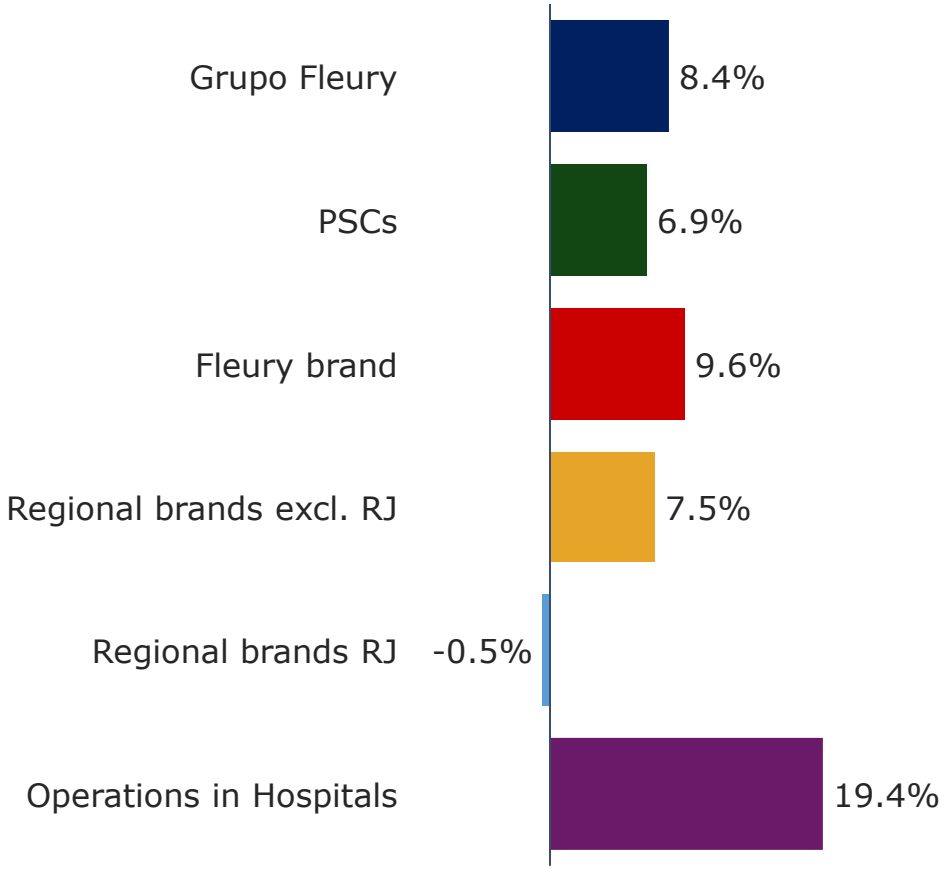
- 03 indicated by physicians shareholders
- 02 indicated by Advent
- 02 indicated by Bradseg
- 03 independente members

Gross revenue – 3Q15

Gross Revenue – business lines

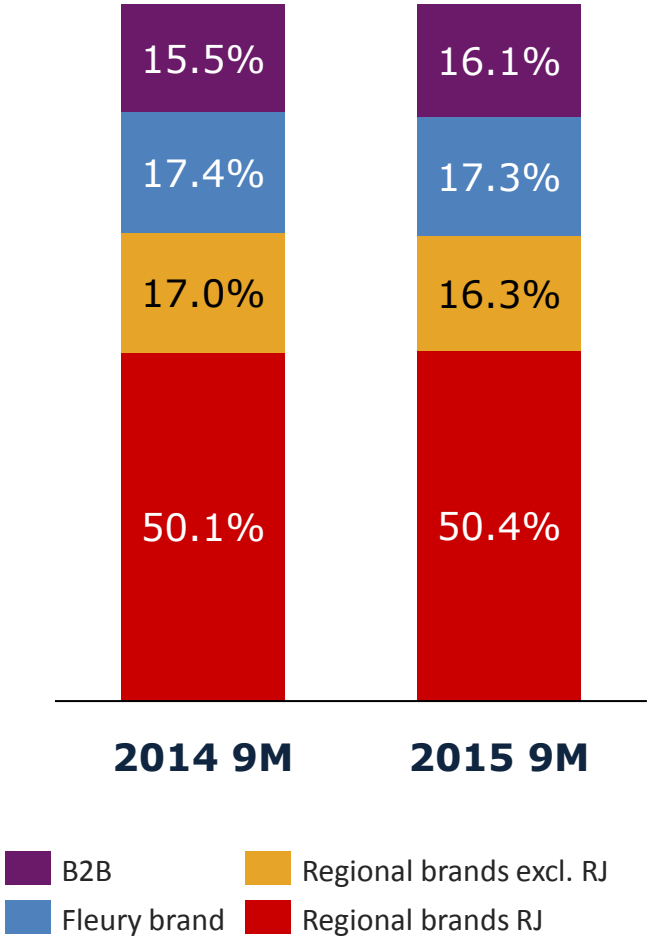


Business lines growth (3Q15 x 3Q14)

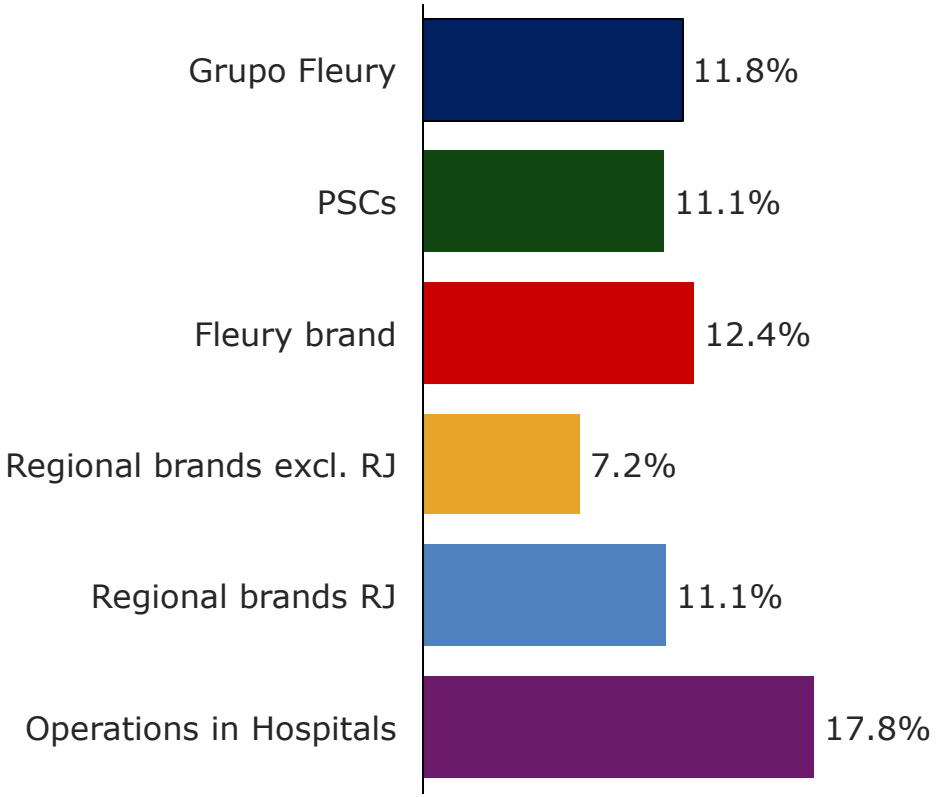


Gross Revenue – YTD

Gross Revenue – business lines

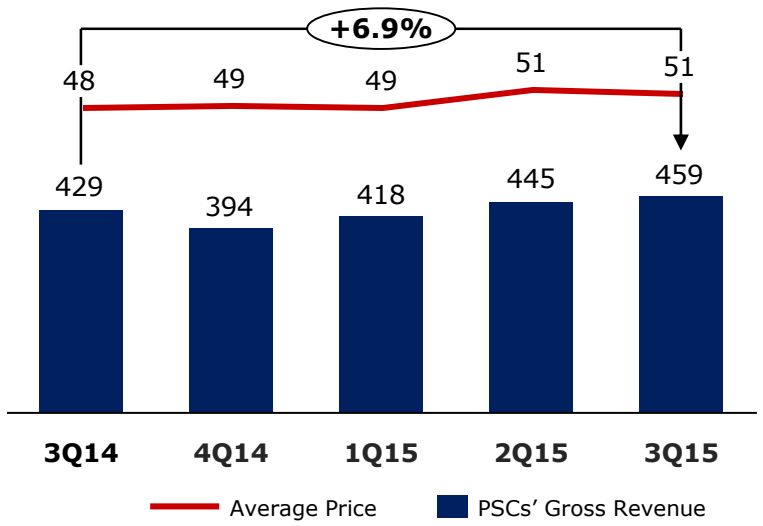


Business lines growth (9M15 x 9M14)

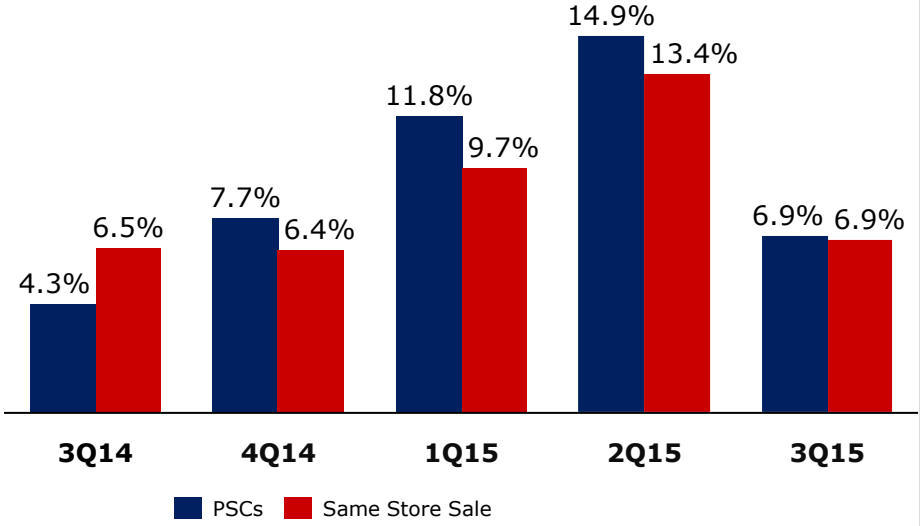


Patient Service Centers (PSC)
Revenue indicators

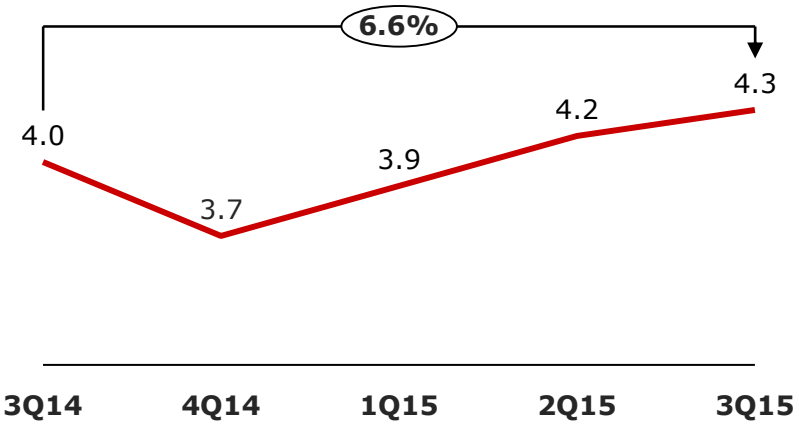
Gross revenue PSCs (R$ MM) and Average Price



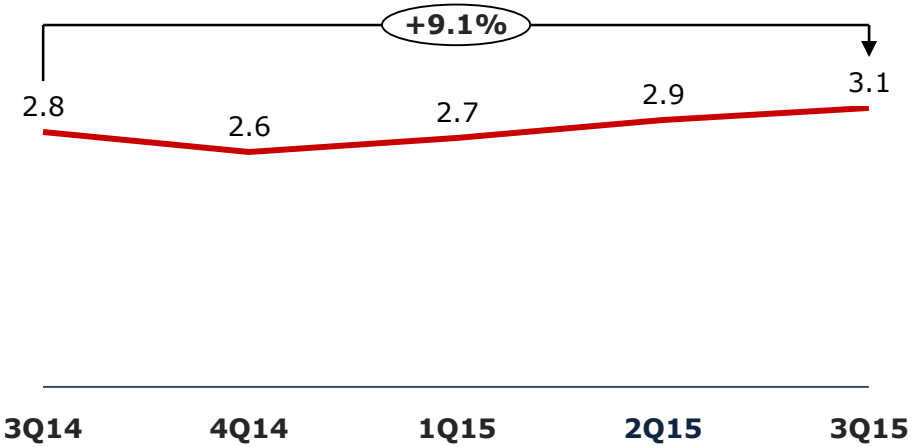
Gross Revenue growth YoY



PSCs gross revenue per m² (R$ thousands)



Gross Revenue per PSC (R$ MM)



Patient Service Centers (PSCs)
Results by business

- **Fleury brand:** solid growth in Same Store Sales with PSCs maturation, addition of República do Líbano II PSC in may/15 and maturation of expansions

- **Rio de Janeiro brands:** mild slowdown impacted by comparative basis in 3Q14 (volume/revenue recovery after restructuring and dammed up demand after the World Cup) and transition of service system for imaging test, which occasionally affected the supply schedule

- **Regional brands excl. RJ:** volume recovery after repositioning actions and revenue qualification with average price growth (especially a+ São Paulo with an increase of 11.4% YoY)

	3Q15 vs 3Q14			
	Fleury Brand	Regional Brands excl. RJ	Brands RJ	Total (PSCs)
Indicators PSCs				
- Gross Revenue	9.6%	7.5%	-0.5%	6.9%
- SSS	8.5%	7.5%	0.0%	6.9%
- Gross Revenue / Number of Tests	2.6%	9.7%	-6.9%	4.5%
- Gross Revenue / Sq. Meter	8.2%	7.4%	0.3%	6.6%
- Gross Revenue / PSC	5.0%	11.9%	1.5%	9.1%

Diagnostic Operations in Hospitals

- **Gross revenue grows 19.4%** and reaches R$ 79.9 MM
- **2.8% growth in average price** and strong demand in the segment
- Same Hospital Sales (SHS): 13.2% growth

Reference Lab (Lab-to-Lab) and PM[1]

- Gross revenue reaches R$ 7.4 MM in 3Q15 – 3.8% growth vs. 3Q14
- **17.8% increase in growth in average price**, result of unprofitable contracts adjustments on the past quarters
- Preventive Medicine amounts to R$ 702 thousand

Since 1Q15, health assessment is included in Fleury brand revenues

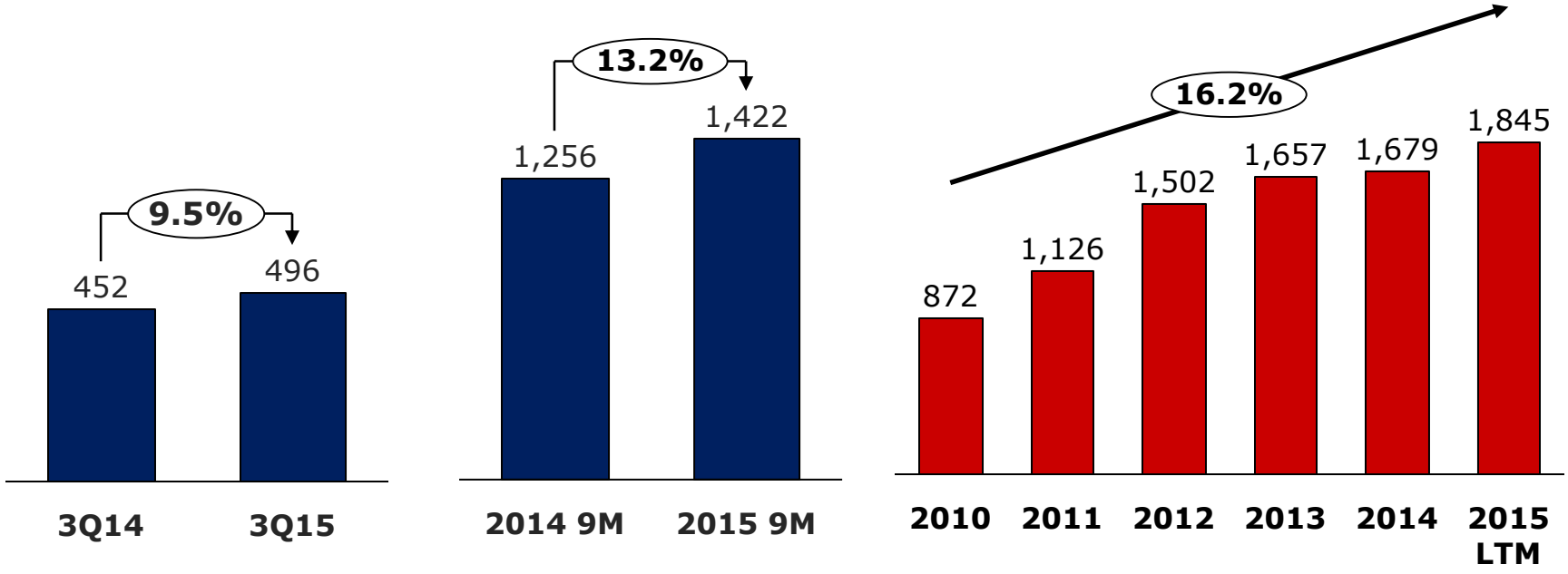
[1]MP – Preventive Medicine

Sales taxes, deductions, allowances and net revenue

Qualification of revenue

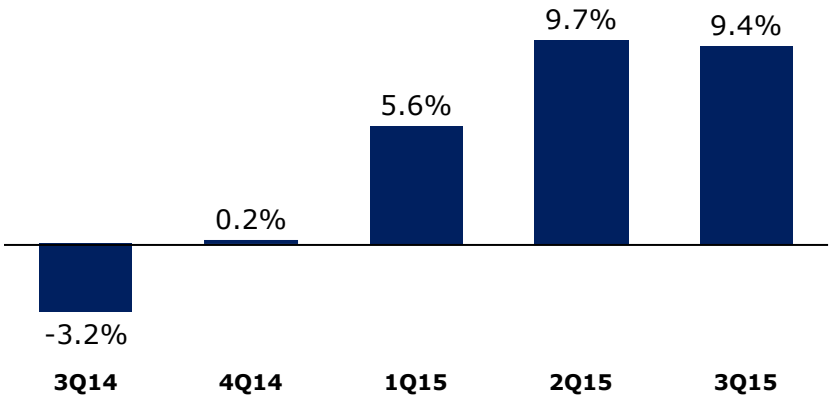
- **Deductions + allowances** amounted R$ 17.4 MM in 3Q15 (3.2% of Gross Revenue – 80 bps reduction compared to 3Q14)
- **Sales taxes over gross revenue** represent 6.2% on the quarter (6.4% on 3Q14) and 6.2% YTD (6.3% in 9M14)

Net Revenue (R$MM)

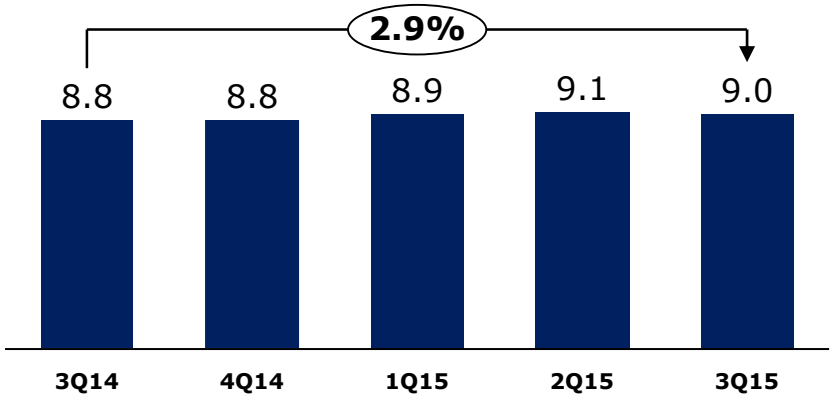


Cost of Services
Indicators

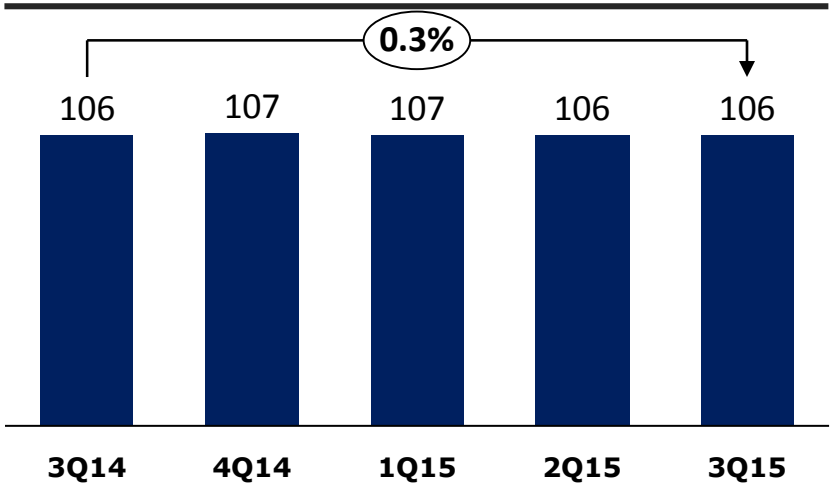
Costs Growth (YoY)



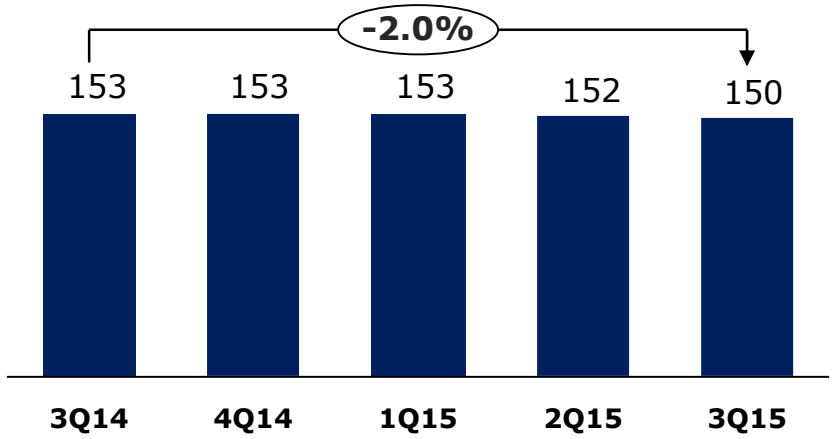
Number of Employees (thousand)



m² - PSCs (thousand)



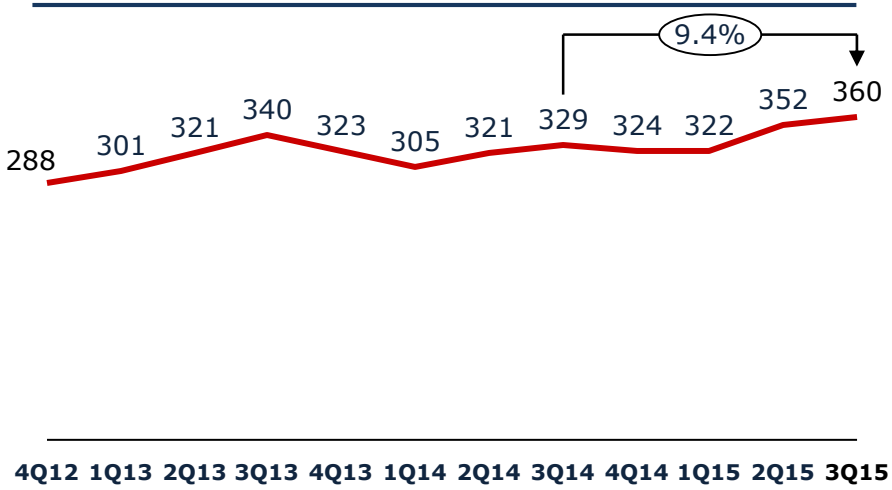
Number of PSCs



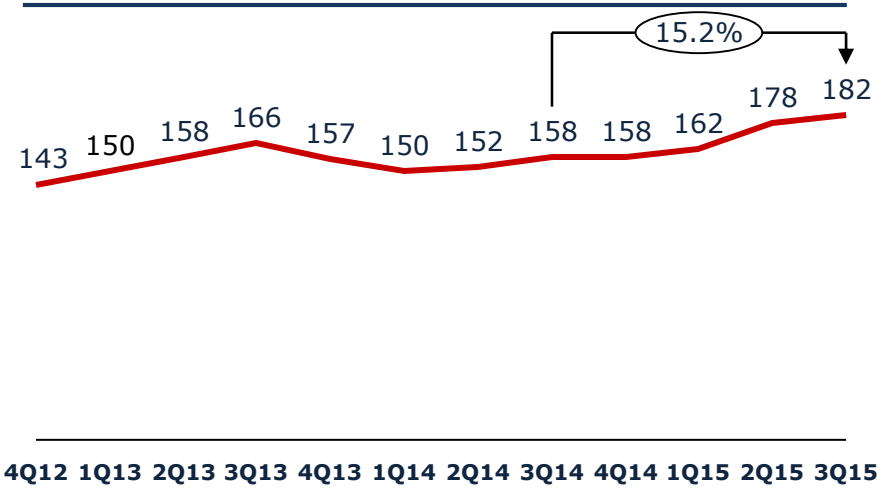
* Note: On 3Q15, there is a correction in the m2 total and number of PSCs impacting 3Q15 and previous quarters.

Cost of Services
Breakdown

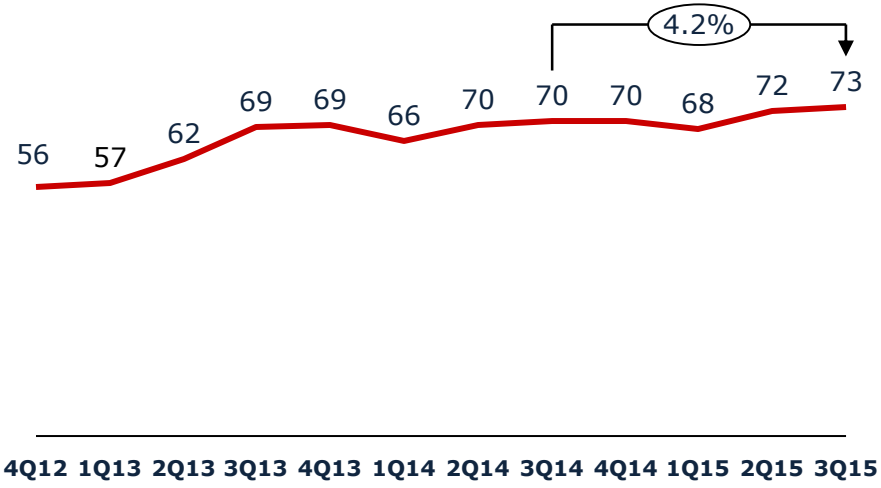
Evolution of Costs (R$ MM)



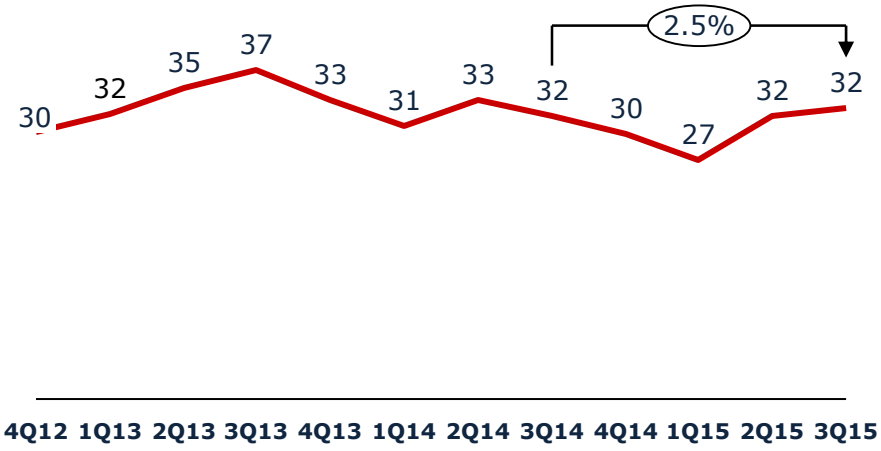
Personnel and Medical Services (R$ MM)



Gen. Services, Rentals and Util. (R$ MM)



General Expenses (R$ MM)



Cost of Services

	3Q15		3Q14		2015 9M	2014 9M
	R$ MM	% Net Revenue	R$ MM	% Net Revenue	% Net Revenue	
Personnel and medical services	181.6	36.6%	157.6	34.8%	36.7%	36.6%
Materials and outsourcing	73.4	14.8%	70.4	15.6%	15.1%	16.4%
General services, rent and utilities	49.4	10.0%	47.3	10.5%	9.8%	10.1%
General expenses	32.4	6.5%	31.6	7.0%	6.4%	7.6%
Depreciation and Amortization	23.4	4.7%	22.4	5.0%	4.8%	5.3%
Cost of Services	360.3	72.7%	329.4	72.8%	72.7%	76.0%

- **Costs of Services:** There was a dilution of 331 bps (% Net revenue) compared to 9M14 and 10 bps between quarters
- **Personnel and Medical Services line** is the Company's **main cost** and it was impacted by: (i) inflation, (ii) provision in the 3Q15 regarding profit sharing against partial reversal in the 3Q14, (iii) an increase in the number of employees (+2.9%), (iii) adjustment of health insurance costs for employees after renegotiation of the contract with operators in April 2015

Operating Expenses

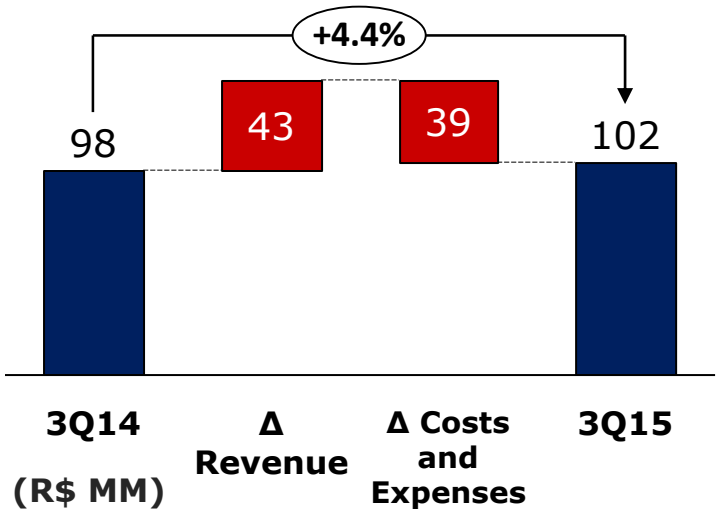
	3Q15		3Q14		2015 9M	2014 9M
	R$ MM	% Net Revenue	R$ MM	% Net Revenue	% Net Revenue	
General and Administrative (Excl. Depreciation)	50.0	10.1%	43.4	9.6%	9.9%	10.4%
Depreciation and Amortization	7.8	1.6%	6.5	1.4%	1.6%	1.5%
Other Operating Income (Expenses), net	2.8	0.6%	2.1	0.5%	2.6%	-0.5%
Provision for Contingency	4.0	0.8%	2.3	0.5%	0.5%	0.4%
Subsidiaries' share of profits	-0.2	0.0%	-0.1	0.0%	0.0%	0.0%
Operating Expenses	64.5	13.0%	54.2	12.0%	14.5%	11.7%

- **General and administrative expenses (excluding depreciation):** adjusting salaries due to collective agreement, provision for profit sharing (against partial reversal in 3Q14), adjustment of health insurance costs for employees and impact related to costs of labor termination of R$ 1.4 million, after reestruture of G&A area
- **Other Operating Income (expenses):** R$ 2.8 million impact, but with no effect in the cash, due to write-off of R$ 1.6 million related to improvement and facilities in closed PSCs and Rio de Janeiro's office change; and R$ 1.2 million related write-off provision, mainly medical equipments

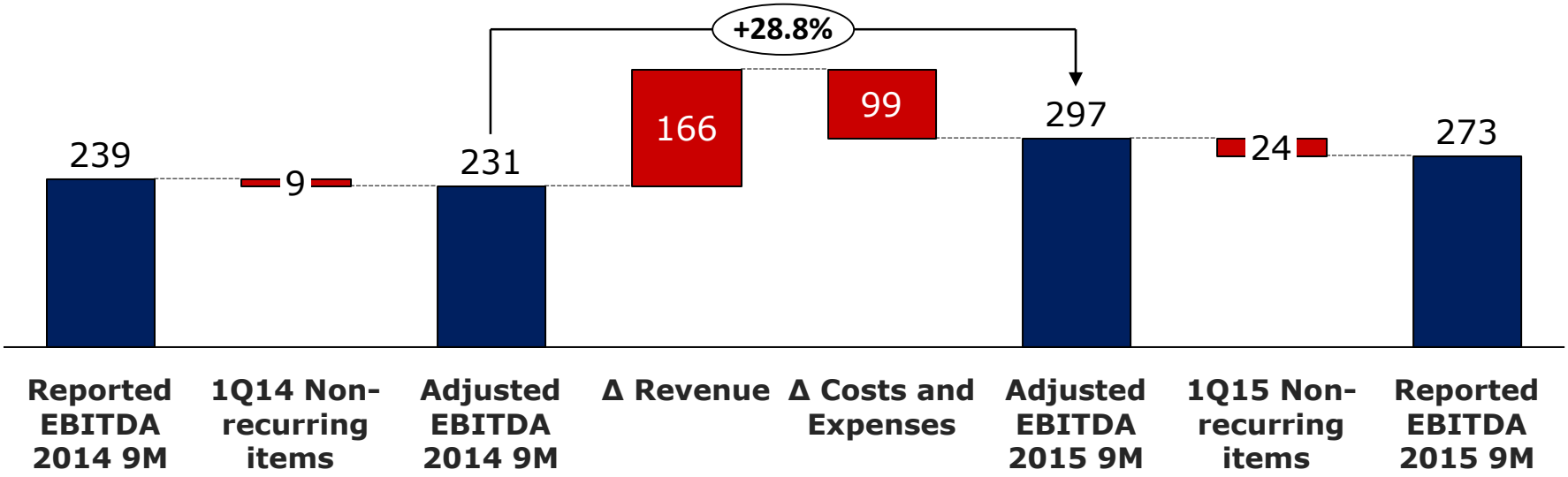
EBITDA

- **Increase of 4.4% in EBITDA** (R$ 102 MM) in 3Q15; **stable margin** compared to 2Q15
- **Consistent control of costs and expenses** contribute to this indicator evolution
- YTD, EBITDA margin excluding non-recurring items grows 254 bps (20.9%)

EBITDA 3Q15 x 3Q14 (R$ MM)



EBITDA 2015 9M x 2014 9M (R$ MM)



Debt

R$ million	3Q14	2Q15	3Q15	Next 12 months
Gross Financial Debt	**984.9**	**1,038.6**	**1,037.8**	**80.3**
Cash & Cash Equivalents	(518.8)	(544.3)	(617.1)	
Net Debt	**466.2**	**494.3**	**420.7**	
Net Debt / Adjusted EBITDA LTM	**1.7**	**1.4**	**1.1**	
Net Debt / EBITDA LTM	**4.4**	**5.9**	**6.0**	
EBITDA / Financial Income	**1.6**	**1.5**	**1.2**	

98.5% of CDI

Average weighted cost of debt

Debentures

1st issuance in dec/11

1st Series: R$ 150MM (CDI+0.94%)

Amortization: 4Q14, 4Q15 e 4Q16

2nd Series: R$ 300MM (CDI+1.2%)

Amortization: 4Q16, 4Q17, 4Q18

2nd issuance in feb/13

R$ 500MM (CDI + 0,85%)

Amortization: 1Q18, 1Q19, 1Q20

Finep

- R$ 155MM contract signed in August 2014
- R$ 101.7 MM released in October 2014
- Deadline for settlement: 97 months, anual interest rate of 4%

Financial Result

R$ million	3Q15	3Q14	Excl - Non-recurring Items 2015 9M	Excl - Non-recurring Items 2014 9M	Reported 2015 9M	Reported 2014 9M
Financial income (expenses), net	(15.9)	(16.5)	(46.5)	(46.8)	(49.7)	(36.1)
Financial income	23.4	16.5	60.0	46.2	60.0	46.2
Interest and inflation adjustment	4.4	2.4	10.5	3.2	10.5	5.2
Exchange rate change and hedge	0.1	0.0	0.2	0.1	0.2	0.1
Interest received	20.1	14.0	50.2	40.1	50.2	40.1
Other expenses	(1.3)	0.0	(1.0)	2.9	(1.0)	0.9
Financial expenses	(39.3)	(33.0)	(106.5)	(93.0)	(109.7)	(82.3)
Interest and inflation adjustment	(38.0)	(32.0)	(103.2)	(90.1)	(106.4)	(79.4)
Exchange rate change and hedge	(0.1)	(0.1)	(0.4)	(0.2)	(0.4)	(0.2)
Other expenses	(1.2)	(1.0)	(2.9)	(2.8)	(2.9)	(2.8)

- Net financial expenses of R$ -15.9 MM vs. R$ -16.5 MM in 3Q15, impacted mainly by the increase of financial revenues (+41.1%)

- YTD, the result was mainly impacted by non-recurring items related to Health's Solid Waste Tax in 1Q15

Income tax and social contribution

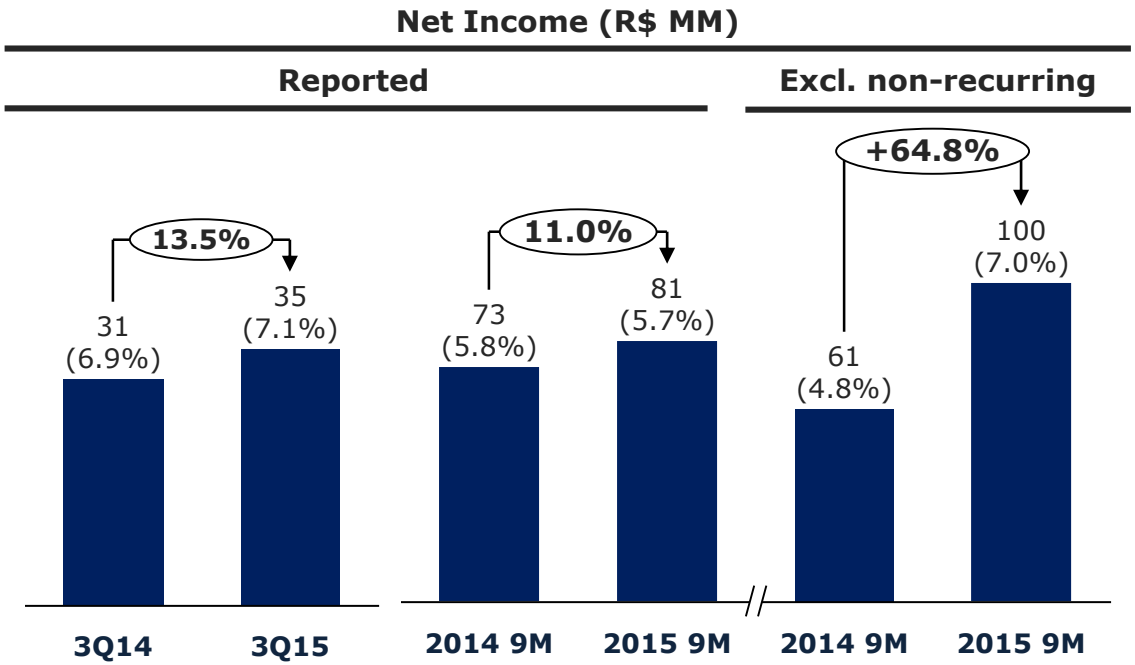
(R$ million)	3Q15	3Q14
Earnings Before Taxes (EBT)	54.8	52.2
Combined income tax and social contribution rate	18.6	17.8
Non-deductible Expenses	0.9	3.5
Equity Pickup	0.2	0.1
Income tax and social contribution	19.7	21.2
% EBT	35.8%	40.6%
Current	5.0	0.0
Deferred	14.7	21.2

- The corporate tax rate reached 35,8%

- The deferred taxes were R$ 14.7 MM in 3Q15 and current taxes achieved R$ 5.0 MM

Net income and EBITDA reconciliation

	3Q15		3Q14		Var.	2015 9M		2014 9M		Var.
	R$ MM	Net Reven	R$ MM	% Net Re		R$ MM	% Net Rev	R$ MM	% Net Rev	
Net Income	**35.2**	**7.1%**	**31.0**	**6.9%**	**13.5%**	**81.5**	**5.7%**	**73.4**	**5.8%**	**11.0%**
Deferred Income Tax and Social Contribution	14.7	3.0%	21.2	4.7%	-30.9%	37.4	2.6%	44.9	3.6%	-16.7%
Cash Net Income	**49.8**	**10.1%**	**52.2**	**11.5%**	**-4.6%**	**118.9**	**8.4%**	**118.3**	**9.4%**	**0.5%**
Current Income Tax and Social Contribution	5.0	1.0%	-	0.0%		12.6	0.9%	-	0.0%	
Financial Expenses (Income)	15.9	3.2%	16.5	3.7%	-3.6%	49.7	3.5%	36.1	2.9%	37.7%
Subsidiaries' share of profits	- 0.2	0.0%	- 0.1	0.0%	15.4%	- 0.1	0.0%	- 0.1	0.0%	27.3%
EBIT	**70.6**	**14.3%**	**68.6**	**15.2%**	**2.9%**	**181.1**	**12.7%**	**154.4**	**12.3%**	**17.4%**
Depreciation and Amortization	31.2	6.3%	28.9	6.4%	8.0%	91.8	6.5%	84.9	6.8%	8.1%
EBITDA	**101.9**	**20.6%**	**97.5**	**21.6%**	**4.4%**	**272.9**	**19.2%**	**239.3**	**19.0%**	**14.1%**



Taxes have had a minor impact in cash mainly due goodwill amortization for fiscal purposes

Expected Amortization of Goodwill	
Period	Balance R$ MM
4Q15	43
2016	168
2017	161

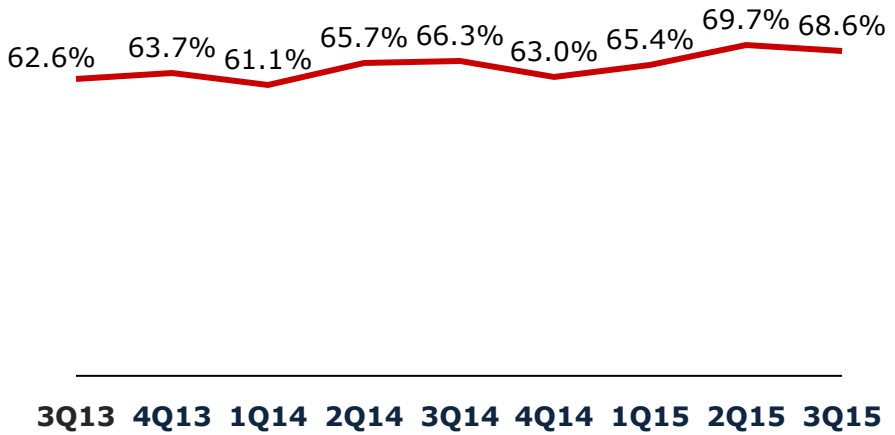
Receivables

Account Receivable (R$ MM)	3Q14	2Q15	3Q15
Trade receivables	495	498	482
Sales Deductions Provisions	(73)	(60)	(50)
Total	**422**	**438**	**433**

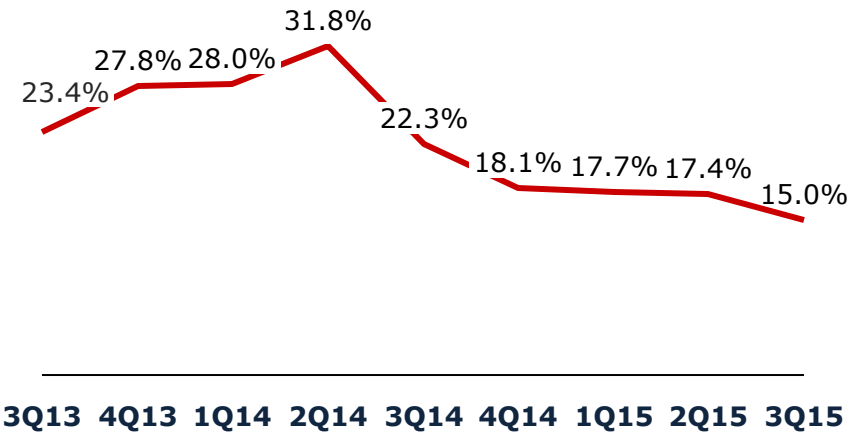
Aging Acc. Receivable (R$ MM)	3Q14	2Q15	3Q15
Current	281	334	352
Up to 120 days past due	103	77	58
121 to 360 days past due	59	51	43
Over 360 days past due	51	36	30

- **Improvement in the aging profile:** current receivables respond for 70.3 % against 56.8 % in 3Q14
- **Average Sales Days decreased :** 74 days vs. 78 3Q14

Provision Coverage Index
(BDP/ receivables due for more than 120 days)



Receivables due over 120 days / Total Receivables



Cash flow

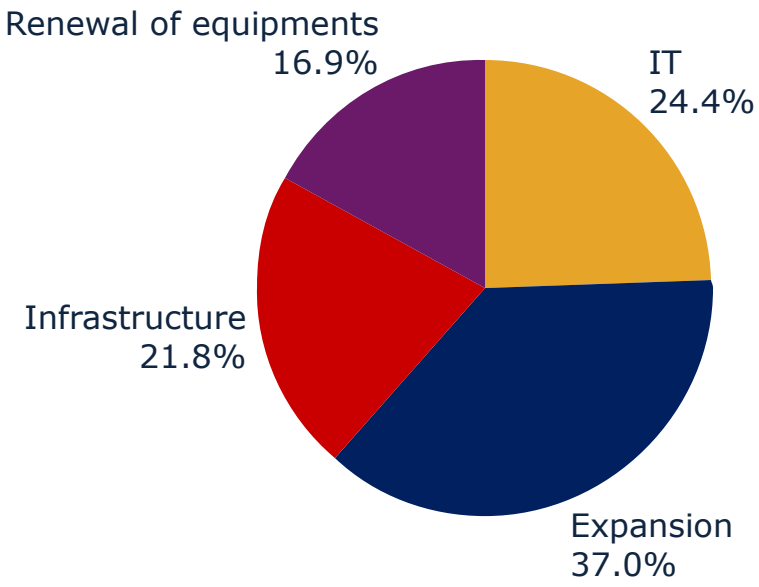
R$ MM	3Q15	3Q14	2015 9M	2014 9M
Net Income	**35.2**	**31.0**	**81.5**	**73.4**
Deferred Income Tax	14.7	21.2	37.4	44.9
Cash Net Income	**49.8**	**52.2**	**118.9**	**118.3**
Depreciation and amortization	31.2	28.9	91.8	84.9
Δ Provisions	28.7	-19.0	-19.9	-37.6
Others	19.6	15.4	59.2	33.3
Operational Cash Flow	**129.3**	**77.5**	**250.0**	**198.9**
Changes in PP&E and IT System	-31.4	-24.5	-71.3	-76.0
Acquisitions	0.0	-1.5	-5.3	-3.7
Financing Activities	-15.4	-14.6	-45.4	-40.4
Dividends	-9.7	0.0	-16.2	-100.0
Cash Flow	**72.8**	**36.9**	**111.8**	**-21.2**
Conversion (Operational Cash Flow / EBITDA)	**127%**	**79%**	**92%**	**83%**

Historical record on operational cash flow in 3Q15

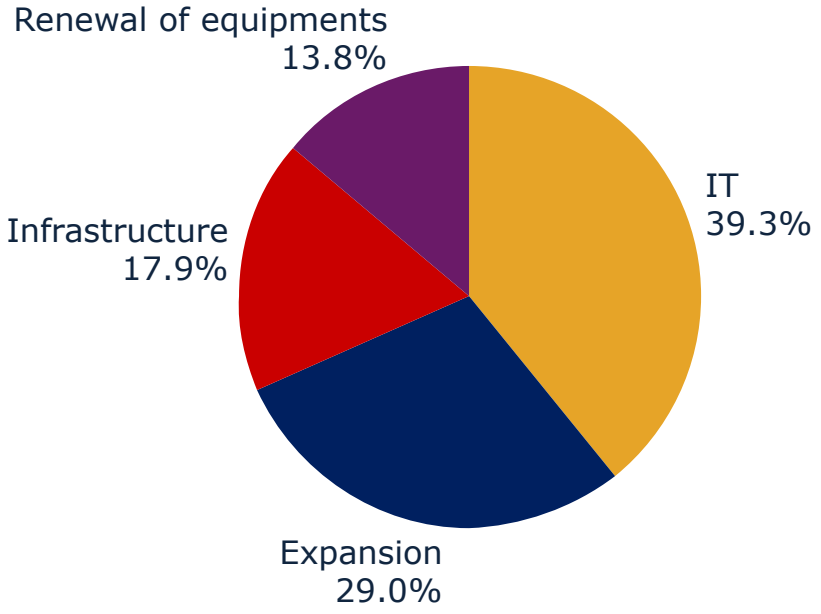
Capex

- Investments concentrated in the Fleury brand expansion plan and strategic projects related to IT, that include SAP reimplementation and front office system integration in Rio de Janeiro, this one ended on August 2015.

3Q15 = R$ 30.4 MM



2015 YTD = R$ 70.4 MM



Market Performance (Setptember 30th)

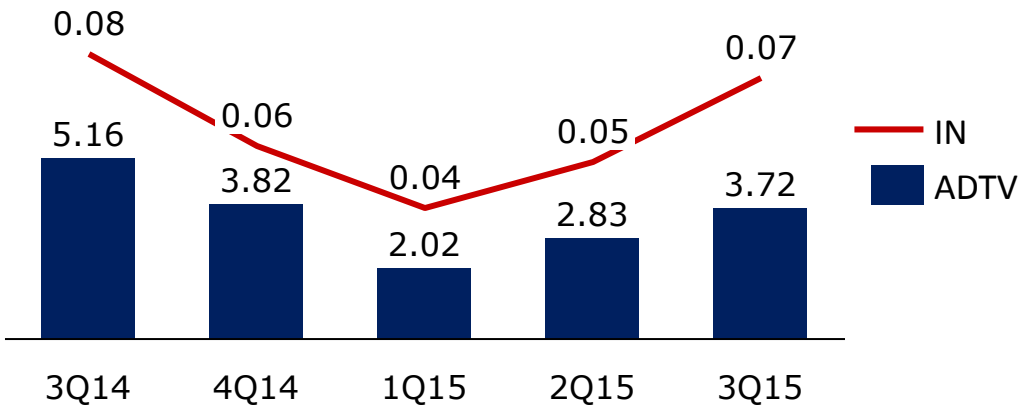
Shares performance x Ibovespa (IPO)



+14.8% 3Q15

-0.2% 2015

Average Daily Trading Volume (ADTV) R$ MM and Negotiability Index* (IN)



Shares and Market Cap	
Total Shares	156,293,356
Free Float	39.9%
Market Cap	R$ 2.6 bn
Closing price	R$ 16.25

Agenda

Grupo Fleury's management will attend the following events on 4Q15:

Date	Event	Location
November 16th	NDR – BTG Pactual	Chicago e Austin | USA
November 17th	NDR – BTG Pactual	San Francisco | USA
November 19th and 20th	Bradesco - CEO Forum	New York| USA

For further information, please access: www.fleury.com.br/ri

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Click here to watch the 5th Fleury Investors Day (Portuguese only) and access the event's presentation

3Q15 Results – FLRY3

October 2015