

3Q12 Results – FLRY 3

NOVO MERCADO
BOVESPA BRASIL

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Grupo FLEURY

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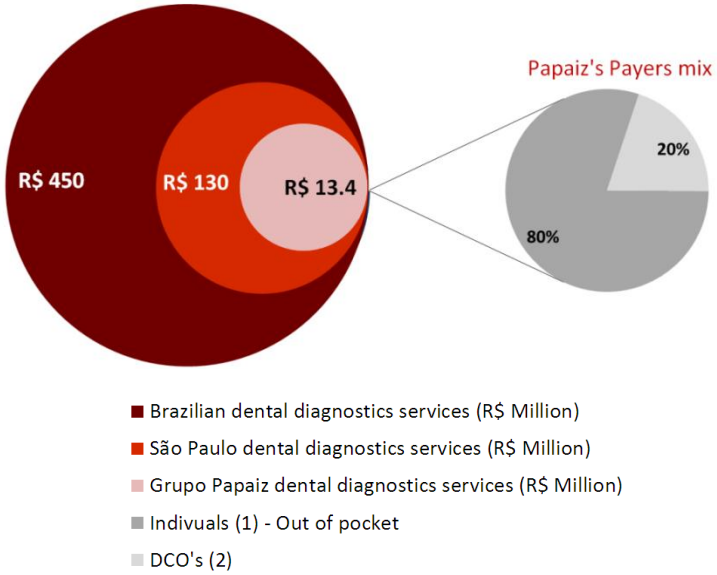
All figures are compared to 3Q11 except when stated otherwise

CEO s highlights

- 3Q12 results
- Branding strategy update
- Twenty second consecutive annual Grupo Fleury scientific meeting
- Perspectives for revenue and margins growth
- Acquisition of Grupo Papaiz
- Labs integration update

Acquisition of Grupo Papaiz

- **Grupo Fleury** announced the **acquisition of Grupo Papaiz**, a company with more than 30 years of tradition in the market of dental diagnostics and leadership position in São Paulo.
- **The negotiated enterprise value is R$ 18.4 million** (5.0x EBITDA jun12 LTM). Net debt is estimated at R$ 260 thousand.
- **Grupo Fleury will hold 51%** of Grupo Papaiz and will lead the business. Odontoprev controls the company that will hold the remaining 49%.
- The acquisition's conclusion is conditioned to CADE's (Brazilian anti-trust authority) approval
- This acquisition expands **Grupo Fleury's** role in the Brazilian healthcare value chain and presents successful opportunities in this potential market.



[1] Individuals: clients that pay for the service without intermediation of a DCO

[2] DCO: dental care organization's

Between 2006 and 2011, Grupo Papaiz **CAGR is 20%**.

In the last twelve months ended in June 2012, the company reached net revenues of **R$ 13.4 million and R$ 3.7 million EBITDA (27.6% margin).**

Labs D'Or Integration Process

Concluded Items

- Evolution of the cultural integration
- Review of administrative hierarchical structure
- Processes standardization (services/operation)
- Negotiations with suppliers
- Internalization of exams previously outsourced to other Companies
- Employees benefits in accordance with Grupo Fleury policy
- ERP fully integrated (SAP)
- Call center unification and migration to a single provider (gains in quality, synergy and comfort for employees)
- Rede D'Or platform of services: 4 out of 7 administrative services already migrated to Grupo Fleury. The remaining services will be integrated by the end of the year.

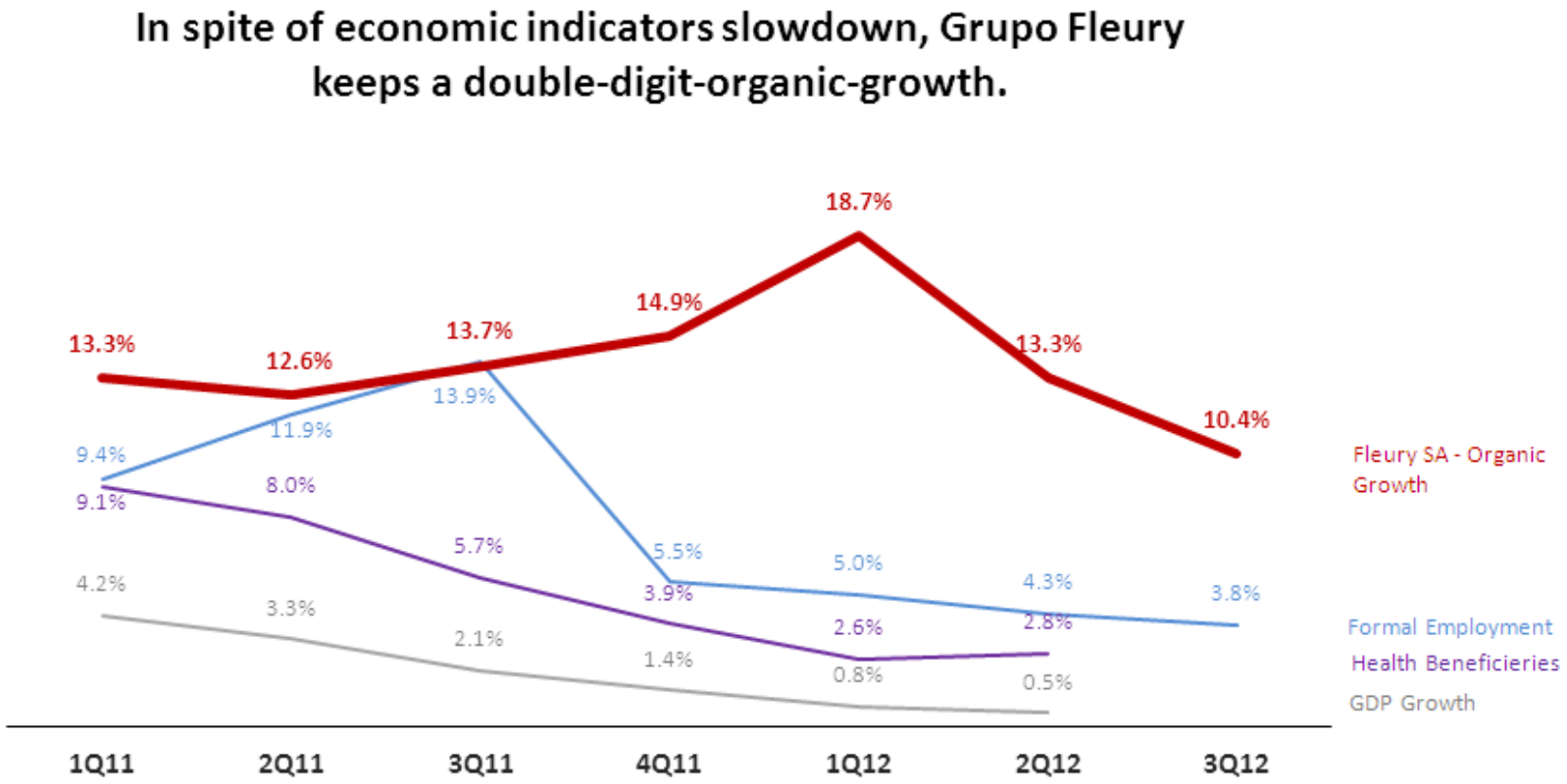


Next Steps

- Implementation of the Company's IT front office system in all operations for Clinical Analyses
- Unification of Technical Area. Benefits include reductions in cost, logistics synergies and improvement on quality and tests portfolio for Labs brand
- Branding project in Rio de Janeiro

Financial Highlights

- **Gross revenue increases by 28.5%** to **R$ 447 MM**.



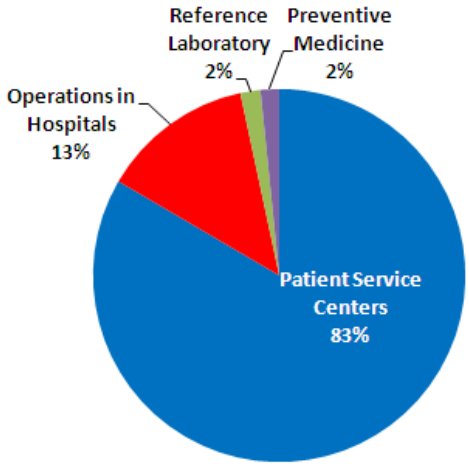
Financial Highlights

- **Highest Gross Profit** (R$ 120 MM) and EBITDA (R$ 82 MM) figures in History.
- **Gross Margin improving 293 bps QoQ**.
- **Stable EBITDA margin (20.5%)**, including strong marketing expenses.
- **Cash Net Income increases 96% to R$ 42 MM.**
- **Operating cash of R$ 62 MM** in 3Q12, R$ 149 MM 9M12.
- **Payment of R$ 20 million (R$ 0.13 per share) as Anticipated Distribution of Dividends**.

Gross Revenue
Breakdown 3Q12

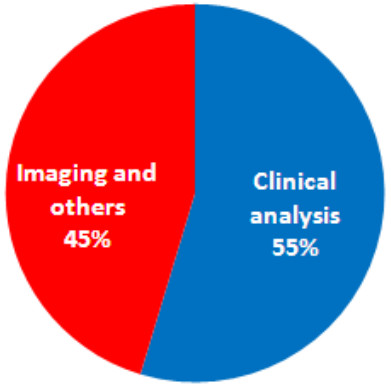
In 3Q12, the allocation criterion between Business Lines was changed. As a result, some operations previously allocated as "PSCs" are now included in "Diagnostic Operations in Hospitals". The historical data were also changed to reflect this movement.

Gross Revenue: R$ 447 million

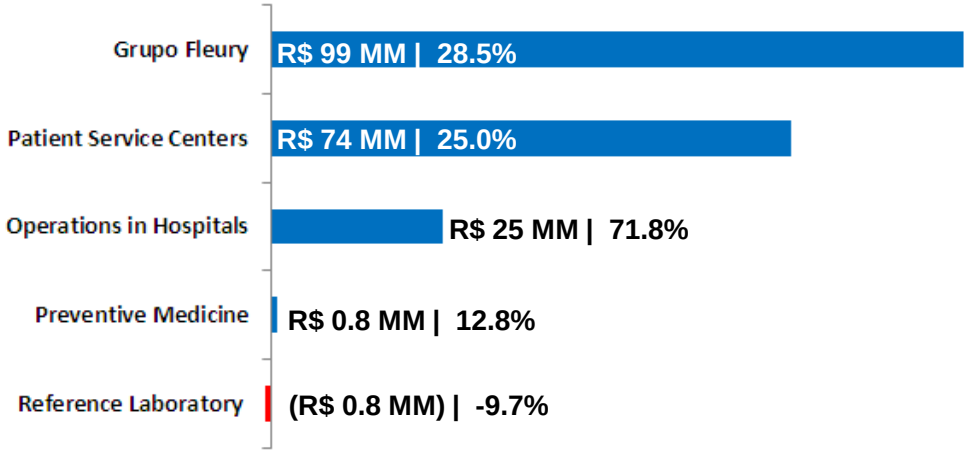


Balanced Mix of Services

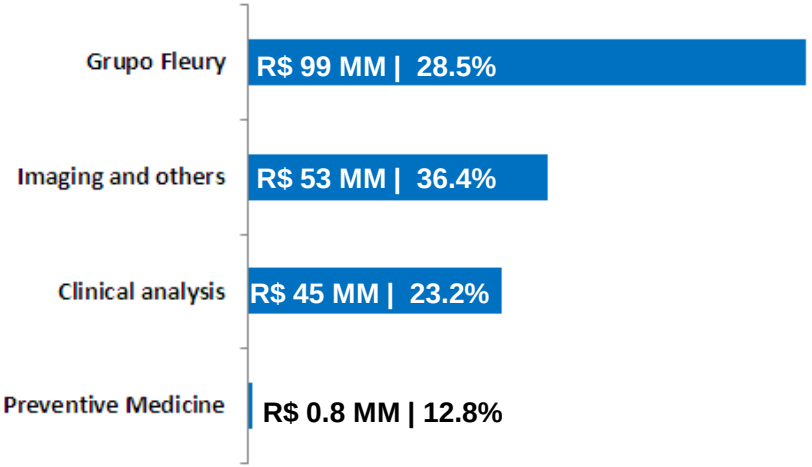
Preventive Medicine not included



Growth 3Q12 vs 3Q11:



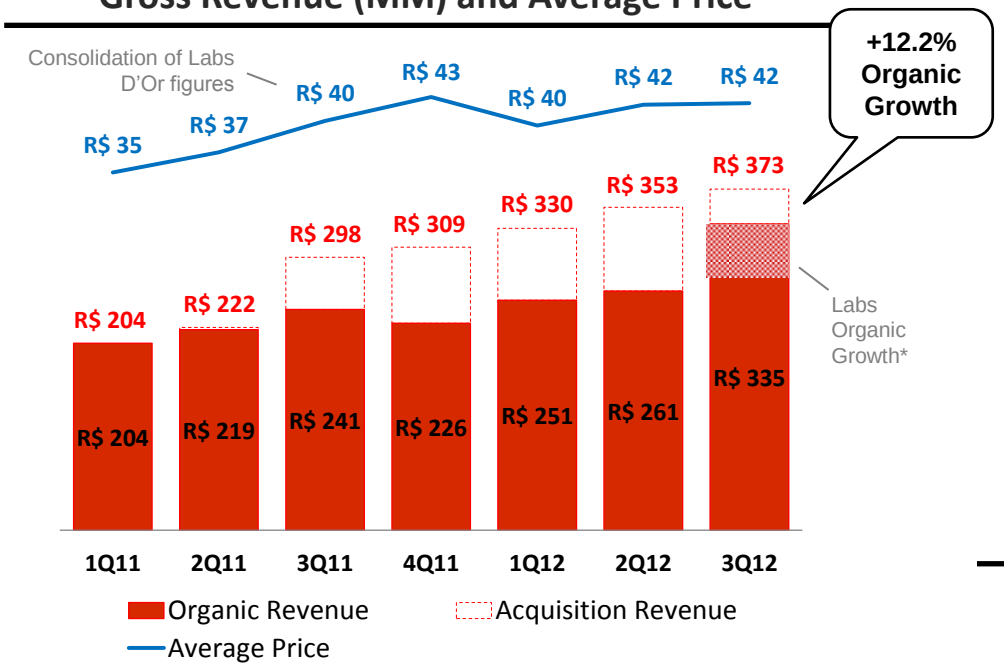
Growth 3Q12 vs 3Q11:



Patient Service Centers

Business lines performance

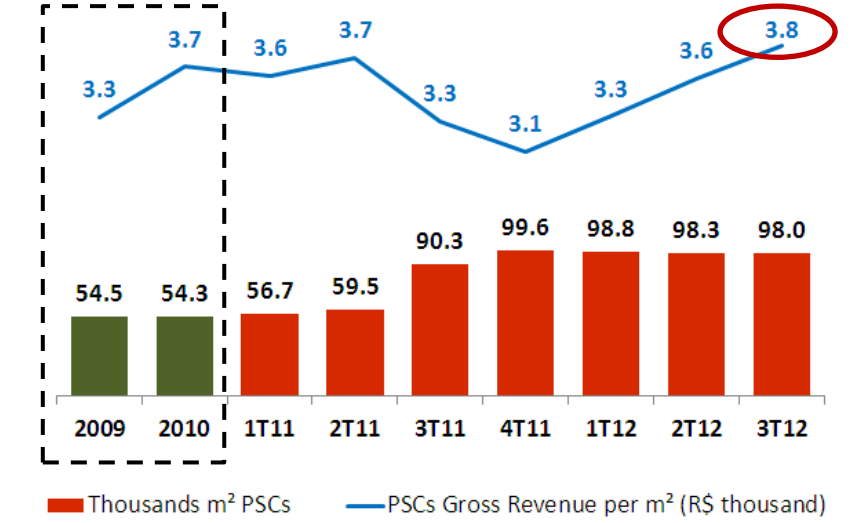
Gross Revenue (MM) and Average Price



*In 3Q12, the group's organic performance includes two months of Labs D'Or revenues, as its PSCs figures have been consolidated as from August/2011.

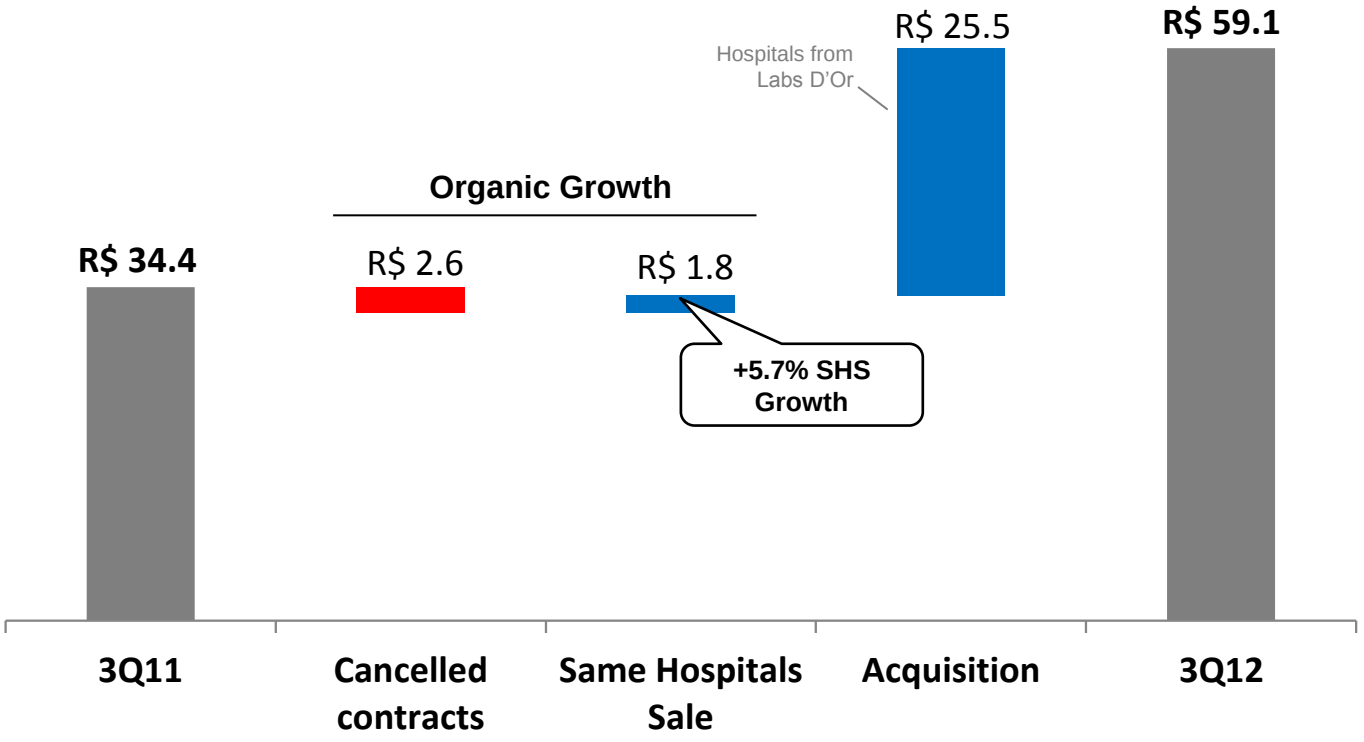
- **Gross Revenue increases by 25.0% YoY**, amounting to R$ 373 million.
- **12.2% Organic Growth** (8.7% SSS).
- **Assets usage achieves R$ 3.8 k / m²**, the highest level since the Labs D'Or acquisition and services expansion.

PSCs Assets Efficiency



Diagnostic Operations in Hospitals

Business lines performance



- Gross revenue increases by 71.8% YoY. Excluding acquisitions and cancelled contracts, growth would be 5.7% YoY.
- Figures of Labs operations in hospitals have been consolidated as from 4Q11, therefore it is fully included as “Acquisition”.

Reference Lab and Preventive Medicine

Business lines performance

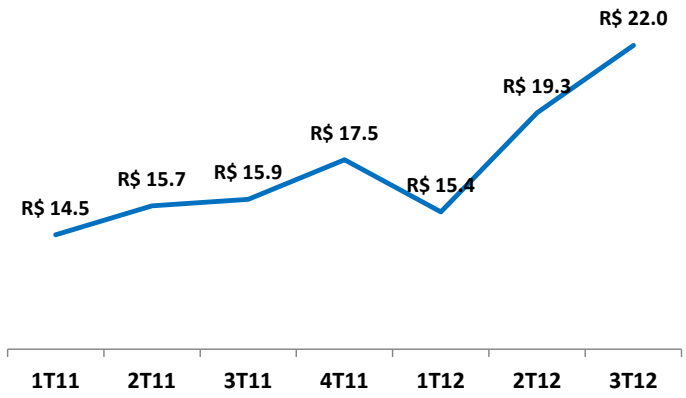
Reference Lab (Excl. Discontinued Operations)

- Gross Revenue of **R$ 7.8 million**, representing 1.7% of the Group (- R$ 0,8 MM YoY).
- Anvisa's strike affecting August and September.
- Average price growing, reflecting the Company's focus in medium and high complexity exams – better margins and enforcement of the Group's position in the market.

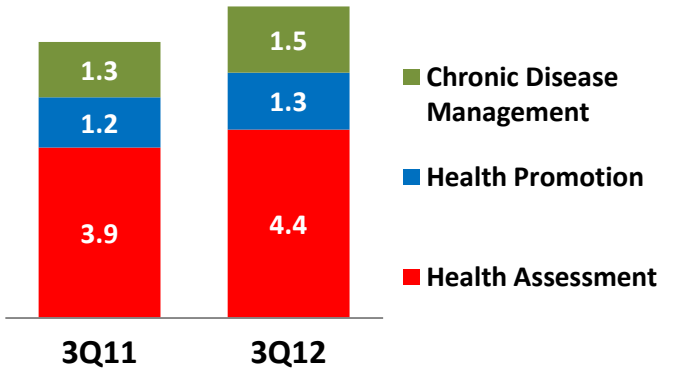
Preventive Medicine

- Gross Revenue of **R$ 7.2 million** – a 12.8% increase YoY.
- Health Assessment Revenue grows by 10.5% to R$ 4.4 MM.
- Health Promotion Revenue is R$ 1.3 MM in the quarter, a 13.1% increase YoY.
- The Chronic Disease Management service increases by 19.6% and achieves gross revenue of R$ 1.5 MM.

Historical Average Price



Gross Revenue (R$ million)



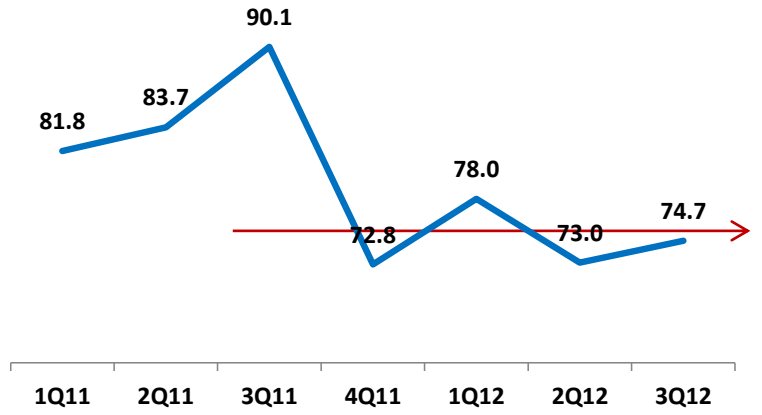
Cancellations and Receivables Profile

Account Receivable (R$ MM)	9/30/2012	12/31/2011
Trade receivables	410	328
Sales Deductions Provisions	(55)	(43)
Total	**355**	**285**

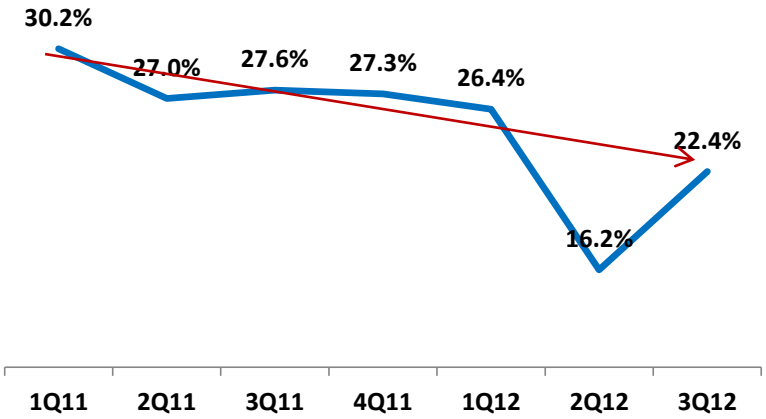
Aging Acc. Receivable (R$ MM)	9/30/2012	12/31/2011
Current	229	176
Up to 120 days past due	89	62
121 to 360 days past due	70	69
Over 360 days past due	22	20

Days Receivables Turnover*

*(Trade Receivables) / (Gross Revenue - Cancellation) x 90



Receivables due over 120 days / Total Receivables



- The new provision policy established by the Group in the beginning of the year, coupled with the Cash Collection Program, are the main drivers to the improvements in the receivables profile.
- **Provision coverage for receivables due for more than 120 days reaches 60% (48% in 4Q11).**
- **The cancellations level is reduced as % of Gross Revenue from 5.5% in 1H12 to 4.3% in 3Q12.**

Cost of Services
(as % of Net Revenue)

	1Q12	2Q12	3Q12	3Q11	9M12	9M11
Personnel and medical services	36.5%	35.8%	35.5%	32.1%	35.9%	31.1%
Materials and outsourcing	11.0%	11.3%	10.6%	11.0%	11.0%	11.3%
General services, rent and utilities	12.8%	13.2%	12.6%	12.3%	12.9%	13.0%
General expenses	8.3%	7.5%	7.0%	6.9%	7.6%	7.8%
Depreciation and Amortization	4.6%	5.1%	4.4%	4.5%	4.7%	3.6%
Cost of Services	73.3%	72.9%	70.0%	66.9%	72.0%	66.8%

Drivers:

- Increasing personnel capacity (Call-Center and Physicians)
- Maturation curve of new square meters launched in 2011
- A higher participation of exams which require intensive human capital
- Labs portfolio of services still has room for improvement.

Operating Expenses
(as % of Net Revenue)

GrupoFleury

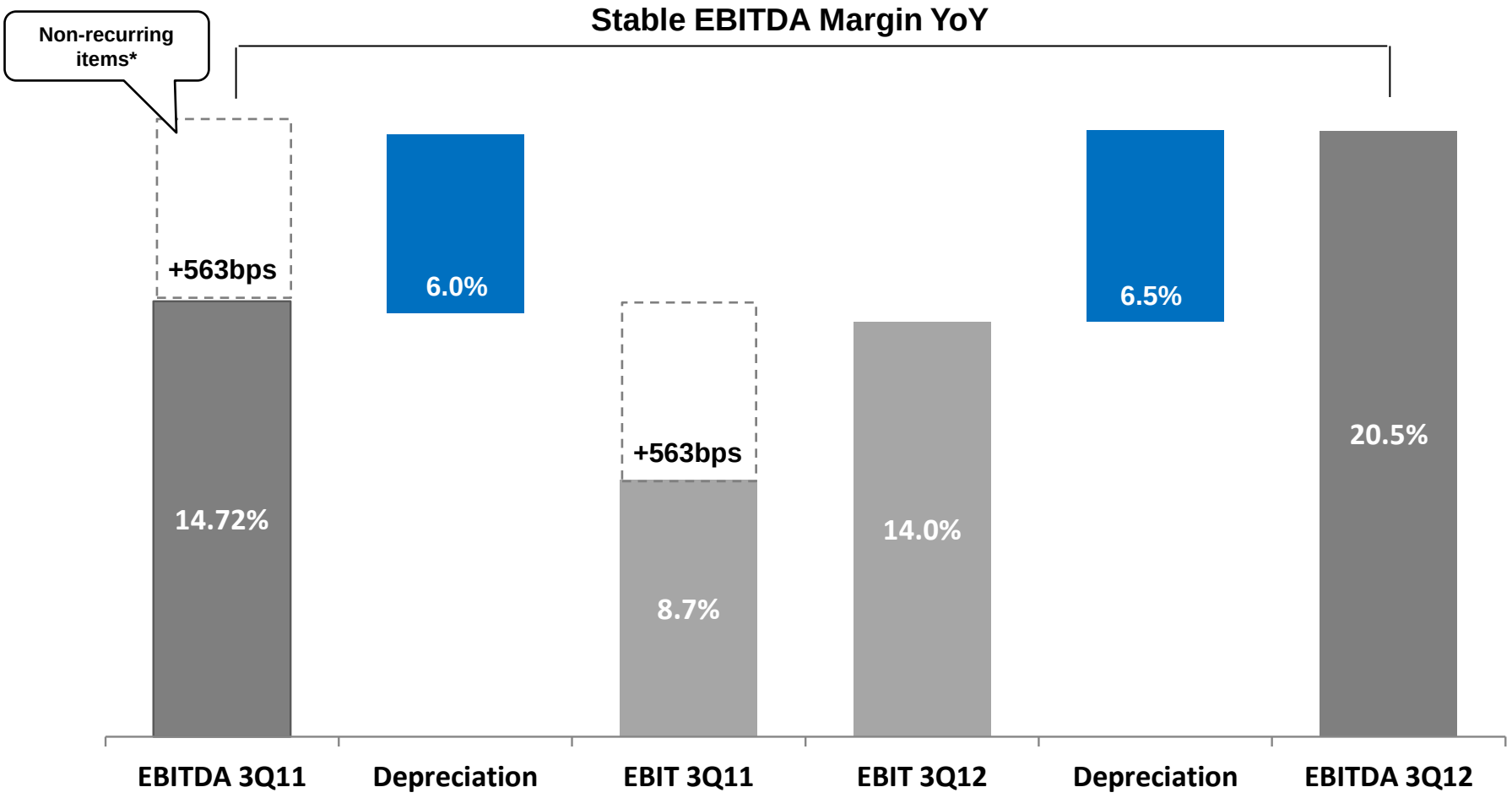
a+ Marketing Campaign

	1Q12	2Q12	3Q12	3Q11	9M12	9M11
Sales, General and Administrative	**10.3%**	**11.8%**	**14.7%**	**20.7%**	**12.3%**	**16.7%**
G&A	8.0%	8.5%	9.3%	12.8%	8.8%	12.3%
Promotions and Events	0.4%	1.5%	3.0%	3.9%	1.7%	2.3%
Depreciation and Amortization	1.8%	1.9%	2.4%	1.5%	1.9%	1.1%
Non-recurring expenses (Acquisition Fees)	0.0%	0.0%	0.0%	2.5%	0.0%	1.0%
Other Operating Income (Expenses), net	**0.9%**	**0.1%**	**0.6%**	**3.7%**	**0.5%**	**2.1%**
Provision for Contingency	**0.0%**	**0.1%**	**0.7%**	**-0.1%**	**0.3%**	**0.3%**
Operating Expenses	**11.1%**	**12.0%**	**16.0%**	**24.4%**	**13.2%**	**19.1%**
Operating Expenses (excl. non-recurring items)	**11.1%**	**12.0%**	**16.0%**	**19.4%**	**13.2%**	**17.1%**

2.5% non-recurring (receivables write-off)

- Improvements as % of Net Revenue when compared to previous years.
  - Marketing expenses (a+ Campaign) concentrated on 2H12

EBITDA Composition and EBIT



*Non-recurring itens on 3Q11:

- Operating Expenses - Labs D'Or acquisition fees (+250 bps)
- Operating Expenses - CashRecovery Effort (+250 bps)
- Cancelations - CashRecovery Effort (+63 bps)

Financial Result and Debt

Debt Position (R$ MM)	3Q11	3Q12
Bank Loans	149	122
Debentures	-	462
Acquisitions	238	35
Taxes	101	93
Total Debt	**488**	**712**
Cash & Equivalents	88	239
Net Debt	**400**	**473**
EBITDA (LTM)	193	291
Net Debt / EBITDA (LTM)	**2.07**	**1.63**

Maturity until 2017
100% - 105% CDI

1st Series
R$ 150 million (CDI + 0.94%)
Amortization in installments:
Dec/2014, Dec/2015, Dec/2016

2nd Series
R$ 300 million (CDI + 1.20%)
Amortization in installments:
Dec/2016, Dec/2017, Dec/2018

R$ million	3Q11	3Q12
Financial income (expenses), net	**(6.0)**	**(13.4)**
Interest and inflation adjustment	(10.7)	(14.6)
Exchange rate change and hedge	(2.1)	(0.1)
Interest received	7.3	4.1
Bank fees and other expenses	(0.6)	(2.8)
Financial income	**17.4**	**7.0**
Financial expenses	**(23.4)**	**(20.4)**

Net Income and "Net Income Cash"

	3Q12		3Q11			9M12	9M11	
	R$ million	% Net Revenues	R$ million	% Net Revenues	△	R$ million		%
EBITDA	**81.9**	**20.5%**	**47.1**	**14.7%**	**577 bps**	**241.0**	**149.3**	**61.5%**
Depreciation and Amortization	25.9	6.5%	19.3	6.0%	43 bps	74.2	37.3	98.7%
EBIT	**56.1**	**14.0%**	**27.8**	**8.7%**	534 bps	**166.8**	**111.9**	49.1%
Financial Result	13.4	3.4%	6.0	1.9%	148 bps	47.6	(9.7)	-591.2%
Current Income Tax and Social Contribution	0.3	0.1%	0.1	0.0%	3 bps	0.8	23.5	-96.6%
Net Income Cash	**42.4**	**10.6%**	**21.7**	**6.8%**	**383 bps**	**118.4**	**98.1**	**20.7%**
Deferred Income Tax and Social Contribution	16.2	4.1%	(5.6)	-1.7%	580 bps	28.3	10.2	177.1%
Net Income	**26.1**	**6.5%**	**27.2**	**8.5%**	**-197 bps**	**90.1**	**87.9**	**2.5%**

Interest on Capital payment

Improvement of 383bps mainly due to acquisitions goodwill, which is expected to be amortized over the next 06 years.

Expected Amortization of Goodwill	
Period	R$ MM
2012	231
2013	221
2014	206
2015	176
2016	168
2017	161

Capex and Expansion Plan

Capex achieves **R$ 33MM** in 3Q12 (R$ 130 MM YTD).

Company focus on **the network optimization and productivity**. Important deliveries in the period:

- "**Fleury Jardim America**" (SP) has been renewed and updated. Imaging expansion (MRI, Ultrasound).
- Imaging expansion in "**a+ Osasco**" (SP) (mammography and densitometry) and "**a+ Campo Belo**" (SP) (mammography, densitometry and ultrasound).
- Improvements in clinical analyses areas in "**a+ Matriz**" (PR) and "**a+ Moema**" (SP).
- "**a+ Olinda**" (PE) transferred to a better location.

PSC Fleury Jardim América



Cash Flow

	3Q12		3Q11		9M12	9M11
	R$ Million	% Net Revenues	R$ Million	% Net Revenues	R$ Million	
Net Income	26.1	6.5%	27.2	8.5%	90.1	87.9
Depreciation and amortization	25.9	6.5%	19.3	6.0%	74.2	37.3
Provisions	26.1	6.5%	31.4	9.8%	85.7	54.4
Working Capital	(49.4)	-12.4%	(69.9)	-21.8%	(182.2)	(143.6)
Others	33.0	8.2%	(2.1)	-0.7%	81.1	20.4
Operational Cash Flow	**61.6**	**15.4%**	**6.0**	**1.9%**	**148.9**	**56.5**
Capex	(33.0)	-8.3%	(43.5)	-13.6%	(130.3)	(100.6)
Acquisitions	(10.2)	-2.6%	(425.5)	-132.9%	(207.6)	(450.4)
Financing Activities	(15.5)	-3.9%	(14.2)	-4.4%	(58.2)	39.2
Cash Flow	**2.9**	**0.7%**	**(477.2)**	**-149.1%**	**(247.3)**	**(455.4)**

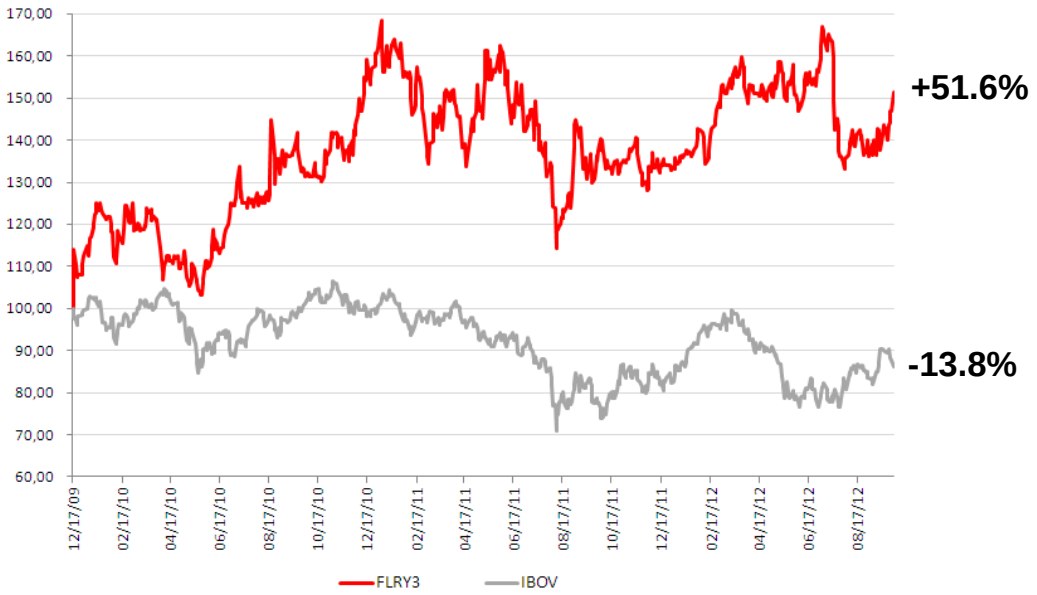
Include Dividends and Interest on Capital Payments

enough cash flow generated by operating activities to support Company's organic Capex.

Capital Market

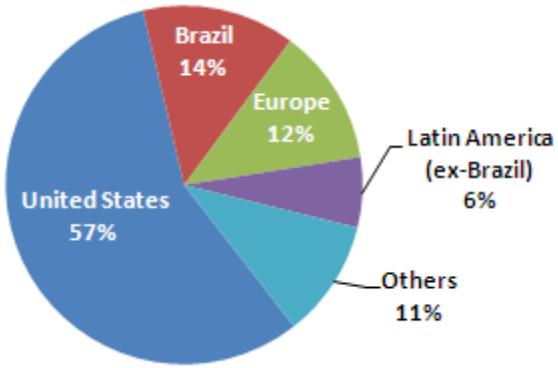
Shares and Market Cap 09/30/2012	
Number of Shares	156,293,356
Free Float	31.2%
Market Cap	R$ 3.8 billion
Closing Price	R$ 24.25

Negotiability Index	
2010	0.0095%
2011	0.0138%
9M12	0.0144%



Free Float breakdown

Source: Fleury data, September 2012
Not considering "Integritas – Controlling Group" , "FIP – Labs Former Owners" and "Members of these Groups".



Stock performance	
3Q12	-4.9%
LTM	8.1%
Since IPO	+51.6%

Total Shareholder Return (TSR)	
Since IPO	+55.3%

IR Schedule – Upcoming events

2012	Events
Nov 12-13	**Non-Deal Road Show – USA**
Nov 14-15	**Bradesco – CEO Fórum Brasil 2013 Uma Visão de Líderes – New York**
Nov 16-26	**Non-Deal Road Show – USA and Toronto**
Nov 27-28	**UBS Global Emerging Markets One-on-One Conference - New York**
Nov 28	**JP Morgan - Brazil opportunities Conference - São Paulo**
Nov 29	**Goldman Sachs Fourth Annual Latin America One-on-One Conference - New York**
Jan 7-9	**31st Annual J.P. Morgan Healthcare Conference - San Francisco**
Jan 10-11	**Morgan Stanley Latin America Executive Conference - Miami**
Jan 22-24	**VI Brazil Equity Ideas Conference – Credit Suisse - São Paulo**
Jan 29	**Santander Healthcare Trip – São Paulo**
Jan 30	**Bradesco Healthcare Field Trip - São Paulo**
Mar 5-6	**Global Healthcare One-on-One Conference - Credit Suisse - London**