Fleury S.A.

Independent auditors' report on the parent company and consolidated financial statements at December 31, 2014

Independent auditor's report

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

We have audited the accompanying financial statements of Fleury S.A. ("Parent Company"), which comprise the balance sheet as at December 31, 2014 and the statements of income, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of Fleury S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2014 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 information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), 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.

Auditor's 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 auditor's 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 entity'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 entity'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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fleury S.A. and of Fleury S.A. and its subsidiaries as at December 31, 2014, and the parent company and consolidated financial performance and cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)

Other matters

Supplementary information - statements of value added

We also have audited the parent company and consolidated statements of value added for the year ended December 31, 2014, 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 they are 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 respects, in relation to the financial statements taken as a whole.

São Paul0, February 26, 2015.

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$)

Assets	Note	Parent Company		Consolidated	
		12/31/2014	12/31/2013	12/31/2014	12/31/2013
Current Assets					
Cash and cash equivalents	5	505,228	538,853	505,274	539,943
Derivative financial instruments	6	-	9	-	9
Trade receivables	7	384,757	398,056	390,193	400,063
Inventories	8	13,678	16,860	13,678	16,860
Taxes recoverable	9	100,533	83,831	101,560	84,751
Prepaid expenses		678	1,950	678	1,950
Other		6,050	11,068	6,051	11,070
Total current assets		**1,010,924**	**1,050,627**	**1,017,434**	**1,054,646**
Non-current Assets					
Long-term receivables:					
Judicial deposits	18	31,462	12,968	31,465	12,970
Deferred income tax and social contribution	27	132,078	119,317	132,078	119,317
Other		29,779	27,435	29,779	27,435
Total long-term receivables		**193,319**	**159,720**	**193,322**	**159,722**
Investments	10	29,235	28,787	7,741	7,806
Property and equipment	11	455,368	450,372	458,496	454,556
Intangible assets	12	1,518,442	1,519,051	1,532,775	1,534,437
Total non-current assets		**2,196,364**	**2,157,930**	**2,192,334**	**2,156,521**
Total Assets		**3,207,288**	**3,208,557**	**3,209,768**	**3,211,167**

Liabilities and Equity	Note	Parent Company		Consolidated	
		12/31/2014	12/31/2013	12/31/2014	12/31/2013
Current Liabilities					
Borrowings and financing	13	78,264	73,432	78,264	73,432
Trade payables	14	104,399	103,617	105,172	104,312
Payroll and related taxes	15	53,946	49,447	53,946	49,447
Taxes and contributions payable	16	23,835	23,691	24,017	23,753
Payables - business acquisitions	17	3,074	8,585	3,536	9,079
Other payables		146	125	146	125
Total current liabilities		**263,664**	**258,897**	**265,081**	**260,148**
Non-current Liabilities					
Borrowings and financing	13	960,556	911,094	960,556	911,094
Deferred income tax and social contribution	27	322,959	252,080	323,747	253,191
Provision for tax, labor and civil risks	18	20,334	18,089	20,334	18,089
Taxes and contributions payable	16	52,068	63,258	52,068	63,258
Payables - business acquisitions	17	14,743	16,106	15,018	16,354
Total non-current liabilities		**1,370,660**	**1,260,627**	**1,371,723**	**1,261,986**
Equity					
Share capital	21	1,379,747	1,379,747	1,379,747	1,379,747
Capital reserve - options granted		5,809	7,680	5,809	7,680
Revaluation reserve		621	968	621	968
Legal reserve		37,846	33,556	37,846	33,556
Investment reserve		148,941	267,082	148,941	267,082
Total Equity		**1,572,964**	**1,689,033**	**1,572,964**	**1,689,033**
Total Liabilities and Equity		**3,207,288**	**3,208,557**	**3,209,768**	**3,211,167**

The accompanying notes 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	
		01/01/2014 to 12/31/2014	01/01/2013 to 12/31/2013	01/01/2014 to 12/31/2014	01/01/2013 to 12/31/2013
Service revenue	22	**1,669,295**	**1,649,333**	**1,678,900**	**1,656,896**
Cost of services	23	(1,267,791)	(1,274,279)	(1,278,921)	(1,284,920)
Gross profit		**401,504**	**375,054**	**399,979**	**371,976**
Operating (expenses) income					
General and administrative expenses	24	(209,440)	(216,026)	(209,440)	(216,026)
Other operating income (expenses)	25	7,098	(2,080)	7,032	(2,038)
Provision for tax, labor and civil risks	18	(3,452)	15,240	(3,452)	15,240
Share of profits (losses) of subsidiaries	10	(1,308)	(2,604)	16	354
Operating profit before finance income (costs)		**194,402**	**169,584**	**194,135**	**169,506**
Finance income	26	66,598	57,082	66,636	57,143
Finance costs	26	(117,080)	(115,408)	(117,173)	(115,472)
Finance income (costs), net		**(50,482)**	**(58,326)**	**(50,537)**	**(58,329)**
Profit before income tax and social contribution		**143,920**	**111,258**	**143,598**	**111,177**
Income tax and social contribution					
Current	27	-	-	-	-
Deferred	27	(58,118)	(50,115)	(57,796)	(50,034)
Profit for the year		**85,802**	**61,143**	**85,802**	**61,143**
Total comprehensive income		**85,802**	**61,143**	**85,802**	**61,143**
Earnings per share attributable to owners of the Company					
Basic earnings per share (weighted average)	29	0.55	0.39	0.55	0.39
Diluted earnings per share (weighted average)	29	0.55	0.39	0.55	0.39

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

FLEURY S.A. AND SUBSIDIARIES

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

	Note	Share capital		Capital reserve	Revaluation reserve	Earnings reserves		Retained earnings (accumulated losses)	Equity attributable to owners of the Company
		Capital	Share issue costs	Options granted		Legal reserve	Investment reserve		
Balances at December 31, 2012		**1,402,531**	**(22,784)**	**3,766**	**1,476**	**30,499**	**290,420**	**-**	**1,705,908**
Realization of revaluation reserve	11	-	-	-	(508)	-	-	508	-
Stock option plan	28	-	-	3,914	-	-	-	-	3,914
Reversal of reserves		-	-	-	-	-	(23,338)	23,338	-
Profit for the year (R$0.39 per share)		-	-	-	-	-	-	61,143	61,143
Allocation of profit for the year:									-
Legal reserve		-	-	-	-	3,057	-	(3,057)	-
Dividends paid in advance		-	-	-	-	-	-	(81,932)	(81,932)
Balances at December 31, 2013		**1,402,531**	**(22,784)**	**7,680**	**968**	**33,556**	**267,082**	**-**	**1,689,033**
Realization of revaluation reserve	11	-	-	-	(347)	-	-	347	-
Stock option plan	28	-	-	(1,871)	-	-	-	-	(1,871)
Profit for the year (R$0.27 per share)		-	-	-	-	-	-	85,802	85,802
Allocation of profit for the year:		-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	(130,258)	(69,742)	(200,000)
Legal reserve		-	-	-	-	4,290	-	(4,290)	-
Investment reserve		-	-	-	-	-	12,117	(12,117)	-
Balances at December 31, 2014		**1,402,531**	**(22,784)**	**5,809**	**621**	**37,846**	**148,941**	**-**	**1,572,964**

The accompanying notes 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	
	12/31/2014	**12/31/2013**	**12/31/2014**	**12/31/2013**
Profit for the year	85,802	61,143	85,802	61,143
Items not affecting cash:				
Income tax and social contribution	58,118	50,115	57,796	50,034
Finance income (costs)	50,482	58,326	50,537	58,329
Depreciation and amortization	112,080	107,317	114,189	108,762
Share of profits (losses) of subsidiaries	1,308	2,604	(16)	(354)
Earnings before interest, taxes, depreciation and amortization	**307,790**	**279,505**	**308,308**	**277,914**
Stock option plan	(1,871)	3,914	(1,871)	3,914
Recognition (reversal) of provision for tax, labor and civil risks	3,452	(15,240)	3,452	(15,240)
Allowance for doubtful debts and disallowances	74,015	73,834	74,039	73,974
Labor provisions	6,706	6,387	6,706	6,387
Accrued trade payables	(31,959)	9,426	(32,604)	9,426
Other	(4,052)	695	(3,985)	654
Cash flows from operating activities before changes in assets and liabilities	**354,081**	**358,521**	**354,045**	**357,029**
Trade receivables	(66,240)	(117,926)	(69,693)	(118,038)
Inventories	2,478	489	2,478	489
Trade payables/Payroll and related taxes	29,596	20,834	30,256	20,779
Changes in other assets	(11,608)	(12,723)	(11,716)	(12,931)
Changes in other liabilities	(15,871)	(29,662)	(15,751)	(30,073)
Total changes in assets and liabilities	**(61,645)**	**(138,988)**	**(64,426)**	**(139,774)**
Finance costs paid	(3,889)	(7,638)	(3,910)	(7,641)
Income tax and social contribution paid	-	(29)	-	(29)
Net cash provided by operating activities	**288,547**	**211,866**	**285,709**	**209,585**
Purchase of property and equipment and IT systems	(117,948)	(148,056)	(117,948)	(148,056)
Sale of property and equipment	1,134	1,094	1,134	1,094
Related parties - capital increase	(1,756)	(11,800)	-	-
Acquired businesses:				
Payments	(3,577)	(8,539)	(3,658)	(17,673)
Merged net cash		-		
Net cash used in investing activities	**(122,147)**	**(167,301)**	**(120,472)**	**(164,635)**
New borrowings and debentures	102,953	503,319	102,953	503,319
Settlement of borrowings and debentures	(52,622)	(84,546)	(52,622)	(84,546)
Interest paid on borrowings and debentures	(107,138)	(66,155)	(107,138)	(66,155)
Interest received on financial investments	56,782	45,599	56,820	45,649
Dividends and/or interest on own capital	(200,000)	(84,072)	(200,000)	(84,072)
Dividends received Papaiz	-	-	81	-
Net cash provided by (used in) financing activities	**(200,025)**	**314,145**	**(199,906)**	**314,195**
Increase (decrease) in cash and cash equivalents	**(33,625)**	**358,710**	**(34,669)**	**359,145**
Cash and cash equivalents				
At the beginning of the year	538,853	180,143	539,943	180,798
At the end of the year	505,228	538,853	505,274	539,943
Increase (decrease) in cash and cash equivalents	**(33,625)**	**358,710**	**(34,669)**	**359,145**

The accompanying notes 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	
	12/31/2014	**12/31/2013**	**12/31/2014**	**12/31/2013**
Revenues	**1,811,532**	**1,797,115**	**1,821,714**	**1,805,184**
Sales of goods and services	1,869,153	1,848,050	1,879,359	1,856,215
Allowance for doubtful debts and disallowances	(74,015)	(73,834)	(74,039)	(73,974)
Other revenues	16,394	22,899	16,394	22,943
Inputs purchased from third parties	**(743,657)**	**(772,261)**	**(752,678)**	**(781,458)**
Cost of sales and services	(543,689)	(557,020)	(552,694)	(566,078)
Materials, electric power, outside services and other	(199,263)	(213,753)	(199,279)	(213,892)
Impairment/Recovery of assets	(705)	(1,488)	(705)	(1,488)
Gross value added	**1,067,875**	**1,024,854**	**1,069,036**	**1,023,726**
Depreciation and amortization	(112,080)	(107,317)	(114,189)	(108,762)
Net value addded	**955,795**	**917,537**	**954,847**	**914,964**
Value added received through transfer	**65,290**	**54,478**	**66,652**	**57,497**
Share of profits (losses) of subsidiaries	(1,308)	(2,604)	16	354
Finance income	66,598	57,082	66,636	57,143
Total value added	**1,021,085**	**972,015**	**1,021,499**	**972,461**
Distribution of value added	**(1,021,085)**	**(972,015)**	**(1,021,499)**	**(972,461)**
Personnel and payroll charges	(485,371)	(492,385)	(485,371)	(492,385)
Taxes and contributions	(184,006)	(174,853)	(184,260)	(175,234)
Interest, rentals and other operating expenses	(265,906)	(243,634)	(266,066)	(243,699)
Dividends and/or interest on own capital	(69,742)	(58,594)	(69,742)	(58,594)
Retained earnings	(16,060)	(2,549)	(16,060)	(2,549)

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

Management Report
2014



GrupoFleury

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To our shareholders

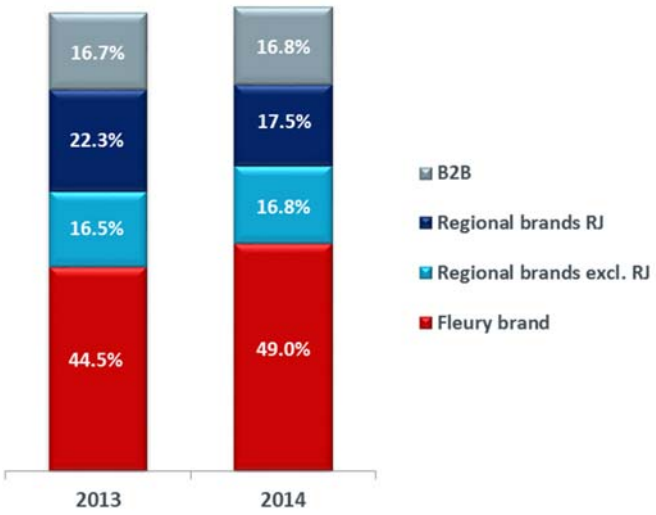
In compliance with the legal provisions in force, the Management of Fleury S.A. – "Grupo Fleury" or "the Company" - hereby submits the Management Report, as well as the Individual and Consolidated Financial Statements for the fiscal year ended December 31, 2014. All comparisons in this report take into account the consolidated data related to the same period in 2013, unless otherwise stated.

Message from the Management

Two major events marked the 2014 calendar. The World Cup in Brazil, which was held between June and July, affected the activities in the host cities, the main economic hubs of the country, increased the number of holidays, and reduced the demand for non-related services. The presidential elections impacted the perspective for the local macroeconomic scenario. In the same year, interest rate rose by 11.75% to control rising inflation, which closed the period at 6.41%. The Global Gross Domestic Product (GDP), which will be released in March 27th 2015, is expected to remain at 0.5%, according to the Brazilian Ministry of Planning report of revenue and expense of the fifth bimonthly period of 2014, and the market perspective should reach 0.15% according to the Focus survey disclosed on January 2nd.

For Grupo Fleury, the year of 2014 was distinct by the actions aimed at recovering profitability and continuing the organic growth of the premium segment, especially the "Fleury Medicina e Saúde" brand. Highlights in the period include the continuous adjustments for the operations in Rio de Janeiro after the cancelation of some health plans in the fourth quarter of 2013 and the reduction of the offering of services in the region. The actions taken addressed the conformity to the customer service processes, price repositioning, offering of tests, and Labs a+ brand positioning.

Business Portfolio Breakdown



The a+ brand, repositioned in São Paulo, with the services offered geared towards the high-intermediate segment, allowed the Company to qualify revenues and increase the company's profitability.

In parallel course with the profitability actions for the intermediate segment, investments were intensified in Fleury brand to capture the latent demand for quality diagnostic services in the premium segment. The other two brands in this segment, Felippe Mattoso, in Rio de Janeiro, and Weinmann, in the southern region of the country, also address expansion plans.

Internally, structuring initiatives have been strengthened to raise the level of operational efficiency, organizational integration, and institutionalization of processes. Examples include strategic projects for risk management; managing models and redesign of the process chain; service provision model; organizational development; and the strengthening of the medical relationship strategy. In addition, with the purpose of improving the management of resources throughout the Company and capturing the short-term cost savings and operating expenses, the review of receipt transversal process and conversion of profit into cash was expedited and methodologies such as matrix budgeting and the "project approval forum" were implemented.

In view of such a scenario, the gross revenue of the Company reached R$1.9 billion, a 1.2% increase when compared to the previous year. EBITDA in the period was R$308.3 million (18.4% margin) and net profit amounted to R$85.8 million (5.1% margin). Operating cash flow generation in the period totaled R$285.7 million, a conversion rate of 93% on EBITDA. Investments in fixed and intangible assets came to R$118 million.

Financial net debt, of a long-term nature, amounted to R$552 million, accounting for 1.8 times the EBITDA for the year.

The financial strength and the organic growth feature, based on operating cash flow generation, enabled the Company to increase dividend payouts, which reached R$200 million, or R$1.28 per share.



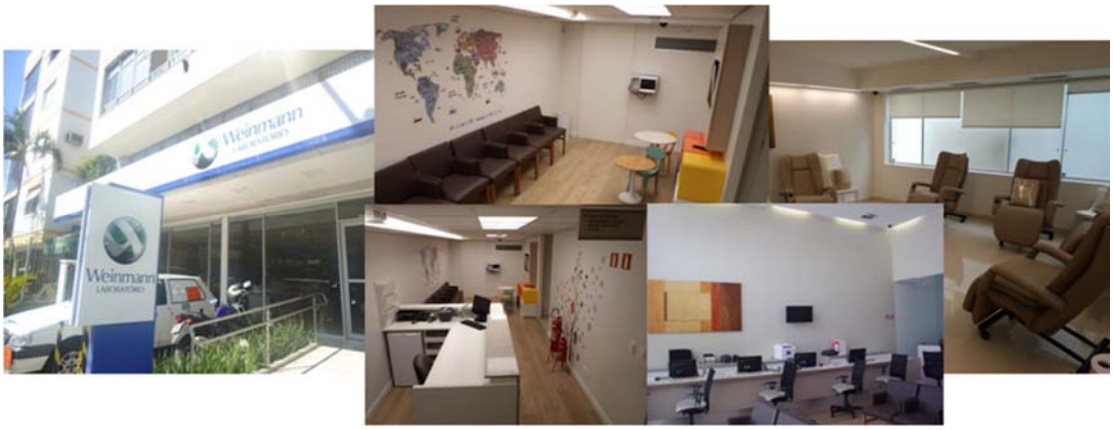
New Ponte Estaiada Center inaugurated by Fleury Medicina e Saúde in 2014

The Company ended 2014 with **153 patient service centers** (PSCs) through **six brands** in six states and in the Federal District, offering a portfolio of approximately **3,500 procedures** in **37 medical specialties**. In the period, more than **54 million tests** were carried out, **65,000 multidisciplinary integrated reports** of our specialties were submitted and medical advisory services were rendered to **163,000 cases**, up 19% and 43%, respectively, compared to 2013.

In São Paulo, the gross revenue of Fleury Medicina e Saúde brand, the leader in the premium segment, grew by 11.4%, thus enabling the Company to meet the growing demand for its services and preserve its profitability levels. In 2014, Fleury brand expanded by 4,700 m^2 with the inauguration of the Integrated Center for cardio-neurovascular diseases at Ponte Estaiada PSC, the transfer and expansion of the Braz Leme PSC, and the addition of a new floor in the Rochaverá PSC.

In the next two years, the Patient Service Centers (PSC) should be increased by approximately 7,000 m^2, especially in Fleury brand. A new PSC should be opened in 2015 and others will be opened in 2016.

In Rio de Janeiro, the premium brand Felippe Mattoso continued to offer a wide portfolio of services. The Labs D'Or brand went through adjustments related to the restructuration of its PSCs chain, services offered, and selection of payers.



Weinmann medical service unit expanded in 2014

Regional PSCs (with the exception of Rio de Janeiro) recorded a gross revenue growth of 3.1%, a result of the restructuring of the positioning of the a+ brand in the high-intermediate segment.

After reviewing the range of its operations in 2013, the Business-to-Business segment remained concentrating support to the institutions that require more complex tests. With 19 institutions in the portfolio, a new contract with the Hospital Santa Luzia, in Brasilia, was established into in the first half of this year.



Technical Area Operations in 19 hospitals

The operating results for the year reflect the short-term challenges embedded in the long-term structural preparation. The restructuring of the operations in Rio de Janeiro put pressure on the result of the year, especially in the first half. However, the first signs of recovery started to be recorded in the second half.

This report discloses the last year's key actions of the Company, which resulted in the recovery of the operating performance in the short term and the structuring of initiatives and fundamental processes for Grupo Fleury's long-term strategy.

Management remains confident in the basics of the sector, especially in the competitive edges of Grupo Fleury and its brands, even in 2015, a year in which economic challenges will have to be faced. In this context, management reinforces the Company's commitment to long-term sustainability in its business, along with a continuous improvement of growth and return indicators.

Market and Macroeconomic Conditions

According to the estimates from the International Monetary Fund (IMF), GDP should end 2014 with a growth of 3.3%. For this year, the Fund reviewed its global expectations for 3.5%, while Latin America is expected to grow 1.3% and Brazil, 0.3%. According to the institution, emerging economies will be impacted by the slowdown in China and Russia and the growth slump in the export of raw materials.

The Brazilian economy has failed to meet its growth potential due to high inflation, high interest rates, and foreign exchange rates. Inflation, measured by the Broad Consumer Price Index (IPCA), reached 6.41% in 2014, against 5.9% in 2013, without reduction perspectives in the short term. The basic interest (Selic) rate recorded growths in the year and has already reached 12.25%.

Brazil's Ministry of Labor and Employment (MTE) disclosed that 397,000 formal jobs were created in 2014, 64% down when compared to the 1.1 million jobs offered in 2013.

Despite the slowdown in the creation of formal jobs and moderate estimates of GDP growth, the basics and perspectives for the health sector in Brazil remain sound. The number of beneficiaries of health plans continues to grow, although less significantly. In the first nine months of 2014, over 992,000 new beneficiaries were added to private health plans, a growth of 2% when compared to December 2013. The coverage rate of the Brazilian population reached 26.1%, 25.3% in September 2013.

According to IESS (Institute of Supplementary Health Studies) data, health plan contracts soared by 2.5% in 2014, an increase of 1.26 million affiliations in 12 months, totaling R$50.84 million beneficiaries. Collective business health plans grew by 3.3% in 12 months, adding 1.07 million beneficiaries.

In the regulatory field, Brazil's National Agency for Supplementary Health (ANS) has published its regulatory agenda aimed at cutting out bureaucracy and increasing the transparency of the system as well as promoting qualifying payers and service providers. The agency also has played a greater role in the standardization of contracts entered into between payers and service providers, pursuant to the provisions set forth in Law

13003, as well as initiatives implemented to compare the qualifications among service providers and add value to health promotion and preventive medicine.

About Grupo Fleury

“To be present in the daily lives of people, welcoming them and promoting medical and healthcare integrated solutions through knowledge and the constant pursuit of excellence.”

Looking forward to this purpose, Grupo Fleury (BM&FBovespa: FLRY3) is one of the most traditional medical and healthcare organizations in Brazil, which has provided services for nearly 90 years, and recognized by the medical community, patients, and the public for its medical and service-rendering excellence, innovation, and sustainable development.

With its solid growth, Grupo Fleury operates to consolidate itself in the diagnostic medicine market and expand its presence in the chain of health care service providers. In 2014, roughly 54 million tests were performed and 8.5 million clients were served by more than 8,500 employees and 1,700 doctors through the following business lines:

Patient Service Centers. There are 153 PSCs in the states of São Paulo, Rio de Janeiro, Rio Grande do Sul, Pernambuco, Bahia, Paraná, and the Federal District, which provide private diagnostic medicine services to premium and high-intermediary health plans.

Diagnostic Services in Hospitals. Diagnostic tests on both clinical analyses and imaging and other specialties, carried out at partner hospitals, that provide high valued-added information on diagnosis to support doctors working in these hospitals. Currently, the Company provides services in 19 hospitals.

Reference Lab. High complexity tests for labs, hospitals and, clinics throughout Brazil, that offer clients a wider range of services with a unique diagnostic quality.

Preventive Medicine. Checkup services to assess the health of an individual on a custom-made basis.

Dental Diagnostic Imaging. Since 2013, the Company has operated in the dental diagnostic imaging segment under its 51% shareholding control of Papaiz.



Grupo Fleury: present in the key business centers

Corporate Governance: a practice improved constantly

Corporate governance practices, highly valued at Grupo Fleury, are aligned with the guidelines and recommendations from worldwide recognized institutions and act in strict compliance with legal requirements, capital market regulations, and by-laws. Thus, the Company maintains the highest principles of transparency, fairness, accountability, as well as corporate, and social and environmental responsibility.

Even before becoming a corporation or having its shares listed in the Stock Market, Grupo Fleury had already established a shared management between the Board of Executive Officers and the Board of Directors, with the participation of independent members. For this reason, when it became a publicly traded company, the Company naturally decided to join “Novo Mercado”, a special listing segment of BM&FBOVESPA that requires the adoption of the highest levels of Corporate Governance.

Established in 1998, the Board of Directors of Grupo Fleury comprises a minimum of 5 and a maximum of 10 full members and up to 7 alternate members and aims at setting the general business direction and electing the Board of Statutory Executive Officers, among other powers conferred to it by law and the Company’s Bylaws. The Board of Directors relies on Internal Rules of Procedure which govern its functions and operations as well as those of its advisory committees. Members have a term of office of two years and reelection is authorized.

There are three permanent committees established by the Board of Directors to advise on certain powers and which are governed by the Internal Rules of Procedure of the Board of Directors or their own regulations: The Audit and Risk Management Committee; The Compensation, Appointment, and Organizational Development Committee; and The Strategy Committee.

The Company's Board of Statutory Executive Officers is responsible for monitoring the compliance with the Bylaws, Code of Conduct, Strategic Planning; executing the decisions made by the Board of Directors and Shareholders Meeting; approving the plans, programs, and the general operating, management, and control rules; and, regularly, rendering accounts on business results to the Board of Directors, among other assignments.

When Vivien Rosso resigned from the Company in September 2014, the Board of Directors appointed Mr. Carlos Marinelli as the Company's CEO. Mr. Marinelli, who has been working at the Company for 10 years, held high-level positions in the New Business, Strategy, Innovation, and Sustainability areas. He had worked as Fleury's brand executive officer since 2012.

Board of Directors and Board of Statutory Executive Officers:

Directors	Title
Omar Magid Hauache	Chairman
Rendrik França Franco	Vice-Chairman
Márcio Serôa de Araújo Coriolano	Director
Marcos Bosi Ferraz	Director
Samuel Monteiro dos Santos Junior	Director
Luiz Carlos Vaini	Independent director
José Paschoal Rossetti	Independent director

Executive officers	Title
Carlos Alberto Iwata Marinelli	Chief Executive Officer
João Ricardo Kalil Patah	IRO
Paulo Pedote	Executive Director - Business
Adolpho Cyriaco Nunes de Souza Neto	CFO

Sustainability: Endurance of the operation intrinsic to the commitment to generate value for the society

For Grupo Fleury, sustainability is directly linked to the company's mission and is understood as the integrated and balanced management of the concepts of the triple bottom line: economic activity, environment, and well-being of the society, added to the quality of processes, the latter of which deemed an essential factor that permeates the organization as a whole. This concept is in line with the Group's strategy to add value to the organization, the environment and the society.

In 2014, Grupo Fleury set its new materiality matrix after a structured work on dialogues with stakeholders from a number of segments, such as health plan operators, suppliers, clients, employees, and universities. The new matrix covers seven themes and aims at positioning the company as a supportive agent and autonomy advisor in the personal relationship with health, generating shared value for all stakeholders, triggering inclusion, integration, and conscious consumption of health services in Brazil.



Fleury was the pioneer in the area of diagnostic medicine with the implementation of an Integrated Management System certified by ISO 9001: 2000 (Quality Management) and ISO 14001 (Environmental Management), which reflects its concern with the quality, the environment, the continuous improvement of procedures and sustainability. Currently, approximately 70% of the Company's operations already have these certifications. Also worth highlighting is the accreditation of the American College of Radiology (ACR) for mammography services at Itaim PSC and nuclear medicine and PET / CT at Fleury Paraíso, as well as the accreditation of the technical headquarters in São Paulo by the College of American Pathologists (CAP). All regional technical areas of the group are also accredited by PALC (Accreditation Program for Clinical Laboratories) of the Brazilian Society of Clinical Pathology.

Fleury's Rochaverá and Alphaville PSCs have already obtained the LEED - Leadership In Energy & Environmental Design - Certification to include sustainable aspects to the design of these facilities and future buildings under the brand. The Ponte Estaiada PSC, in the city of São Paulo, which aggregates the Integrated Cardiologic and Neurovascular Center, was also built this way and forecasts a reduction of approximately 40% in water consumption and about 30% in energy consumption for lighting. The project sought the use of recycled materials and prioritized regional materials. Almost 90% of the waste of the building were diverted from landfills and sent to recycling.

In 2014, the company also tool water and energy supply measures beforehand to minimize the effects of the water and energy crises, contributing to the reduction of water and energy consumption. These measures were additional to sustainable practices already established in the use of these resources. The actions taken include:

• Most PSCs have water tanks. Also, the Fleury Group has already entered into a contract on water supply through water tank trucks under a pre-specified term.

• Most PSCs also have power generators to ensure the continuity of the operations at the facilities in case of power failure.

• The technical area, in turn, has nine power generators and an artesian water well at its disposal. Grupo Fleury maps, monitors, and is fully aware of its responsibilities with the society in the regions where it operates, seeking to strengthen its relationship and minimize possible impacts from its operations through various social programs.

Grupo Fleury studies, monitors and is aware of its responsibilities towards society in the regions where it operates, seeking to strengthen its relationship and minimize possible impacts of its operations through various social programs. In this context, we highlight the volunteering program, with more than 2,500 participants, which addressed the initiatives supported by the company. The Projeto Pescar (Fishing Project) provided 29 more young students with training sessions on Customer Service Quality in the State of Rio Grande do Sul in 2014. The Conecta Saúde (Health Connection) Project, in partnership with Philips do Brasil, aims at raising awareness of public school students and adolescents served by third-sector institutions on issues related to teenage pregnancy and STDs (Sexually Transmitted Diseases). After the launch in Curitiba in 2013, the project was implemented at the regional units in the states of Bahia, Pernambuco, and Sao Paulo in 2014. In São Paulo, with a partnership with the health supervision areas of the municipal administrative divisions located at Jabaquara and Vila Mariana neighborhoods, provided more than 50 employees of these institutions with training sessions. The third edition of Projeto Dom (Dom Project), aimed at training health sector institutions to promote the quality in the services provided, was implemented in 12 more third-sector institutions in the country.

As a signatory of the United Nations Global Compact since 2013, Grupo Fleury was included in the ISE (Corporate Sustainability Index) stock portfolio of BM& FBOVESPA for the second consecutive year. Also in 2014, the Company was recognized as one of the most sustainable companies in the healthcare industry by the Sustainability Guide of the Exame Magazine, ranked 1st in Social Responsibility in the Health Section of the Anuário Época Negócios 360°, and 7th among the Most Sustainable Companies According to the Media.

The fourth edition of the Annual Sustainability Report, according to the guidelines of the Global Reporting Initiative (GRI 3.0), at B + level, was published to improve the transparency of the activities of the Company and record its level of maturity in managing challenges and opportunities. The document is available on the Company's IR website (www.fleury.com.br/ri).

Relationship with Suppliers: sustainability integrated to the productive chain

In the last few years, Grupo Fleury has developed actions to both strengthen its relationship with suppliers and incorporate pertinent sustainable principles and practices.

The process to assess and qualify suppliers comprises three basic stages: ratification, in which compliance and the level of impact on services are analyzed; evaluation and management of qualified suppliers with high impact on the rendering of services and inputs, defined in the previous stage; and strategic suppliers, the premise of which is the strengthening of the business relationship through the Program on Excellence in the Relationship with the Chain of Suppliers (PERC), which in 2013 was included in the Ethos Institute's best practices and AMCHAM's ECO award related to responsible practices and management tools.

The fifth edition of this program, with the participation of 64 companies, was held in 2014 and recognized five suppliers with outstanding performance in the year. Besides complying with Grupo Fleury's requirements on

Quality, Terms, and Conditions, the suppliers are encouraged to insert ideas in the “Suppliers Forum” innovation platform with suggestions and proposals aiming at the continuous improvement of the processes. In 2014, 141 out of the 401 ideas submitted by the suppliers which participated in PERC were implemented, with a R$1.9 million positive impact.

As the program is of great strategic importance, the Company expects to continue to invest in this relationship and have up to 65 suppliers in 2015.

Regional suppliers

Although most vendors are in the state of São Paulo, Grupo Fleury has made efforts to also address regional companies.

Currently, 95% of contracts are entered into in São Paulo as the business is fueled mainly by domestic and international manufacturers, mostly established in that region.

Although there is not a practical and formalized policy to select regional partners in a bidding process, preference is given to local suppliers when transportation costs are higher than the commercial advantages and quality requirements in relation to the suppliers contracted by the Head Office.

Logistics and supply

Another example of how sustainability pervades Grupo Fleury’s entire production chain lies on the Logistics area. The implementation of bicycle courier services, which resulted in a reduction of 390.4 kg in CO2 emissions in the atmosphere in five months.

To improve the management of materials and rationalize costs, a group of employees created an algorithm to support the "Demanda Empurrada" (Pushed Demand) Project, which enables the mapping of the acronyms and historical consumption of products at each unit or hospital and define the type of material which needs to be delivered and the right time. Thus, it avoids waste of time with wrong orders or the request of products which will not be used in the acronyms at that unit. In 2014, the practice was implemented, generated operating gains in some hospitals and units, and should be extended to the entire operation in the next few years.

Relationship with the medical community and opinion leaders

Grupo Fleury ends 2014 with 1,743 physicians, up 1.9% to 2013. Aiming at stimulating the generation and sharing of knowledge, the Company promotes internal actions linked to scientific studies and supports the participation of doctors at national and international congresses. The main actions in 2014 resulted in:

- ✓ 117 articles published;
- ✓ 20 scientific newsletters;
- ✓ 140 meeting on scientific updates on a number of specialties;
- ✓ 220 works at the 24th Journey of Knowledge;
- ✓ More than 30 medicine-related events;
- ✓ 10 web meetings with online discussion chats: 12,200 doctors registered and 24,900 accesses. A growth of 58% and 31%, respectively, when compared to 2013.

Grupo Fleury disseminates knowledge through the production of medical publications. In 2014, Weinmann's and Felippe Mattoso's medical records were released in addition to the existing ones related to a+ and Labs a+ brands. In addition, six issues of the Fleury magazine, launched in 2013, were distributed for a selected mailing list of approximately nine thousand doctors. All these publications are also available on Grupo Fleury's websites.

To conclude, the Company continues to invest in the training, development and relationship with new medical professionals through programs on Diagnostic Imaging Specialization and medical residency in clinical analyses. In 2014, 36 Magnetic Resonance, Tomography, and Echocardiography specialists attended the annual Fellow program, held in São Paulo and Rio de Janeiro. Thirteen medical residents from UNIFESP, UNIRIO, USP, Hospital Heliópolis, UNICAMP, and Mexico University in the areas of Endocrinology, Infectology, Hematology, and Clinical Pathology took part in the residency internship program.

These initiatives enable Grupo Fleury to maintain a closer proximity and strengthen the communication channels with medical clients, introduce them to their differentials, processes, and use of internal knowledge to ensure the technical excellence present in its history.

This technical excellence stands for the basis for one of the key distinctions of the company, medical assistance, in which the Company's clinical staff supports the referring physician in understanding more complex diagnostic cases. In 2014, 163,300 advisory services were provided, an increase of 43% when compared to 2013.

Innovation and Research and Development (R&D): the competitive differential for the challenges of the present to build the health and medicine of the future

Innovation, one of Grupo Fleury's identity mainstays, is also one of the main competitive advantages of the Company, reinforced by knowledge management actions. Through methods, tools and structured processes, its professionals systematically apply their knowledge to medicine and health, seeking innovations that allow the establishment of an increasingly close relationship with customers and the delivery of conclusive diagnosis to physicians.

In the second half of 2014, Grupo Fleury managed to obtain loan of roughly R$155 million from FINEP (Fund for Studies and Projects) to continue investing in scientific and technological innovations in medicine and health.

In 2014, the development of new products increasingly favored the pioneering position of Grupo Fleury in diagnostic tests and health services, contributing to the improvement of professionals and the delivery of complete diagnostic solutions. Sixty-seven new products and methodology changes in laboratory medicine and diagnostic centers were implemented, thereby increasing the portfolio of tests on different hubs of medical specialties. Since 2009, Grupo Fleury has launched nearly 480 new products. Gross revenue from new products and services accounts for 3% of the gross revenue of the Group.

Over 65,300 integrated reports (up 19% when compared to 2013) were sent to physicians of patients who sought the services of Grupo Fleury, assessed under a multidisciplinary approach, and covered diagnostic

cases deemed highly complex. As a high value-added service, integrated reporting is a major tool to distinguish the Fleury brand.

Similarly, the Company also stands out for its open innovation initiatives through a multi-stakeholder engagement, such as funding agencies, universities and research institutions in Brazil and overseas, Grupo Fleury's researchers and partner institutions, among others. One example is the Projeto Central de Idéias (Idea Center Project), which gathers innovations suggestions of the internal and external public, such as the aforementioned supplier network.

People Management: the pillar of our success

Grupo Fleury believes that the recognition which highlights it as a benchmark in medical, technical, and service excellence results from the qualification of its team of professionals who, on a daily basis, provide the services that have turned the organization into a reference, including in other segments.

In 2014, the Company ended the year with 8,800 employees who had been the target of R$6.5 million investment for training and updating purposes. A total of 406,000 hours of training were provided and more than 2,400 educational activities were carried out by the Corporate University in the year, with an increase in the average attendance per employee participation: 7.3 activities to 6.6 in the previous year. In the Escola de Líderes (School of Leaders), 387 Company coordinators participated in the development courses, with an average of 24 hours of training per professional.

In parallel with the training sessions, Grupo Fleury continues to promote talent retention through internal recruitment. Currently, all openings are offered by the company internally before they are published externally. About 40% of them are filled by current employees.

In 2014, the Company adopted the 360-degree assessment method for managerial positions as the minimum level: A total of 1,540 assessments were carried out with 98 leaders analyzed by 595 assessors.

Operating and Financial Performance

Gross Revenue

In 2014, Grupo Fleury's consolidated gross revenue totaled R$ 1.9 billion, accounting for an YOY organic growth of 1.2%.

Patient Service Centers also increased by 1.2% to R$ 1.6 billion in the year, with the operations under the Fleury Medicina e Saúde brand as the highlights, maintaining their positive historical performance and growing by 11.4% in the year. Regional brands, excluding Rio de Janeiro, advanced 3.1%, impacted by the selection of payers, while in Rio de Janeiro revenue decreased by approximately 20%, as a consequence of the restructuring of supply and payers - resulting in improvements in contribution margins.

With regards to Business-to-Business (B2B), Diagnostic Operations in Hospitals grew by 3.1% in 2014, amounting to R$265 million and the Group ended the year serving 19 hospitals. Revenue from the Reference

Laboratory segment came to R$2 6.7 million in 2014 and revenues from Preventive Medicine reached R$ 22.5 million.

Taxes and Cancellations

Taxes on gross revenue, 6.3%, remained stable when compared to the prior year. Cancelations reduced from 4.4% to 4.3%.

The policy for the provisioning of losses from, which directly affect the Cancellation line, is as follows: for past due bills ranging from 121 days to 180 days, a 15% provision; from 181 days to 360 days, a 50% provision; above 360 days, an 85% provision. There are no discretionary items. Coverage of the amounts due for more than 120 days reached 63% (63.7% at the end of 2012).

The Group's net revenue rose by 1.3% to R$1.7 billion

Cost of Services Provided

The cost of services provided, which includes expenses with technicians, physicians, materials, leasing of Service Units, and maintenance of facilities and equipment, among others, totaled R$ 1.3 billion, accounting for 76.2% of the net revenue (77.5% in 2013).

During the year, the Company implemented a number of actions aimed at cost reduction and a higher level of efficiency in its operations, which resulted in a 0.5% drop in total costs.

Operating Revenues and Expenses

General and administrative expenses totaled R$ 209 million, including R$ 25 million with depreciation and amortization.

EBITDA

EBITDA came to R$ 308 million and EBITDA margin reached 18.4% of net revenue (16.8% in 2013).

Financial Result

The financial result disclosed a net expense of R$ 50.5 million in 2014, standing stable when compared to 2013.

Income Tax and Social Contribution Tax

In 2014, deferred taxes reached R$ 57.8 million, accounting for a rate of 40.2%. Atypical factors which formed the basis of calculation, along with the non-payment of proceeds arising from interest on equity, contributed to an unusual rate above 34%.

Taking into account the current tax amount recorded (cash effect), the rate was 0.0%, mainly influenced by the amortization of goodwill from acquisitions.

Net Profit and Net Earnings per Share

The Group's net profit came to R$ 85.8 million, a net margin of 5.1% in relation to net revenue. Net earnings per share stood at R$0.55.

Capital Expenditure

In 2014, Grupo Fleury's investments totaled R$118 million, focused mainly on the expansion plan of the Fleury brand and IT structuring projects.

Continuing the projects to expand the services offered by the Fleury brand, the company's management plans to invest R$189 million in 2015, as expressed in the proposed Capital Budget.

Debt

The Company closed 2014 with a net debt of R$ 552 million, 1.8 times the EBITDA in the year. Its gross debt totaled R$1 billion (with R$ 78.2 million of which accounting for current liabilities) composed mainly of the debentures issued in 2011 and in the beginning of 2013 to strengthen working capital, maintain the cash strategy, extend the debt profile, and finance investments and acquisitions in the forthcoming years.

In the fourth quarter of 2014, the Company carried out the first amortization of its debentures, amounting to R$ 50 million, over those of FLRY11 series (1st issue and 1st series). The first issue was concluded in December 2011 and the Company raised R$ 450 million in two series, of which, R$ 150 million will be amortized in 2014, 2015 and 2016, at a cost of DI+0.94% p.a., and R$ 300 million will be amortized in 2016, 2017 and 2018, at a cost of DI+1.20% p.a. The second issue was concluded in February 2013, with the Company raising R$500 million, to be amortized in 2018, 2019 and 2020, at a cost of DI+0.85% p.a.

Cash, cash equivalents and short-term investments reached R$ 505 million, at average rates of 103% of the CDI (Interbank Deposit Certificate) rate.

The Company did not have contracts on financing operations in foreign currency on December 31, 2014.

Risk Rating

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

Capital Markets

The shares of Grupo Fleury are traded under ticker FLRY3 in BM&FBOVESPA's Novo Mercado segment, which requires compliance with the highest corporate governance standards. In December 2014, the Company's free float came to 40%.

Since November 2013, the Company's indirect controlling shareholder, Core Participações, has been negotiating the potential sale of its interest in Grupo Fleury. These negotiations were unsuccessfully concluded in October 2014.

In 2014, the shares of Grupo Fleury ended the year at R$ 16.28, a devaluation of 11.5% YTD. The share trading average daily volume reached R$5.5 million, 27% lower than that of the same period in 2013. The

average daily number of trades executed fell by 37%, from a daily average of 1,100 trades in 2013 to 697 in 2014. As a result of this decrease in trading volume, Negotiability Index reached 0.08178%.

Dividends

In 2013, the Company's Board of Directors approved the payment of dividends amounting to a total gross value of R$200 million, or R$1.28 per share.

Outlook

Despite the unenthusiastic scenario for the country's growth in 2015 and the consequent generation of formal jobs, Grupo Fleury believes that there will be little impact on the operations in the short term. The Company is positioned in the premium segment, a sector that tends to be less impacted under such external scenario. Concurrently, the longevity of the population continues to grow, one of the drivers that can further increase the demand for health services in the next few years.

Under such perspective, Grupo Fleury will pursue an organic growth, particularly in the Fleury brand, investing in the expansion of services to capture the growing demand for diagnostic excellence. Constant investment to strengthen sustainable partnerships with health plans in all regions where the Group operates, seeking to meet the needs of clients, remains a management strategic pillar. Internally, the Company will continue to improve its internal control systems and processes to better manage costs and increase profitability.

Regarding diagnostic operations in hospitals, which account for 14% of the Group's revenue, there are growth opportunities, especially after the approval of the inflow of foreign investment capital for hospitals, which should enhance the chain in the medium and long terms. The positioning of Grupo Fleury in this segment is to expand the portfolio of services provided and the number of hospitals served by the Company to provide diagnostic services with distinguished quality.

We believe that the actions taken last year, besides those underway are crucial to enable a better return on invested capital. Among those actions, there are the capture of synergies, the acceleration of new PSCs and new business maturity curve, in addition to savings from the unification and integration of areas and systems. The effort to review the organization's processes and ensure standardization and efficiency, along with the assessment of the organizational structure, will enable the Company to reach delivery excellence while achieving greater profitability.

The Group will continue to maintain high standards of corporate governance, meritocracy and commitment to ethics, sustainability, the evolution of medicine, and the well-being of individuals for the improvement of the society.

Awards and Recognitions

We received significant management and excellence awards for our services provided in 2014, notably:

- Guia Exame de Sustentabilidade 2014: one of the most sustainable companies in the health segment.
- Anuário Época Negócios 360º: 1st place in Social Responsibility in the health segment.
- Ranked 7th among sustainable companies according to the media: one of the companies that best highlights its sustainable actions.
- Referências em Saúde 2014: a company which has become a reference in Social and Environmental Responsibility and People Management.
- Prêmio Hospitalium Causa Ambiental: for the actions taken to preserve the environment.
- Fleury as one of the most valuable brands in Brazil: according to a survey by Dinheiro magazine and BrandAnalytics/Millward Brown.

Arbitration Clause

The Company, its shareholders, managers, and Tax Council members agree to resolve, by means of arbitration, before the Market Arbitration Chamber, any dispute or controversy that may arise between them, related to, or resulting from, the application, validity, effectiveness, interpretation, breach and its effects, of the provisions set forth in the Brazilian Corporation Law, the Company's Bylaws, the rules issued by the National Monetary Council, the Central Bank of Brazil, and the Brazilian Securities and Exchange Commission (CVM), as well as the other rules applicable to the functioning 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 we did not outsource additional works to our Independent Auditors to provide services other than those related to external audit in the fiscal year ended December 31, 2014.

Grupo Fleury's policy on its independent auditors with reference to services which are not related to external audit is based on the principles that preserve the autonomy of the auditor, which derive from the fact that auditors should neither audit their own work, nor exercise managerial positions, or act as lawyers of their client.

Statement from the Board of Executive Officers

In compliance with CVM Instruction 480/09, the Board of Executive Officers hereby declares that it discussed, reviewed, and concurred with the opinions of the independent auditors and the financial statements for the fiscal year ended December 31, 2014.

Acknowledgements

The Management of Fleury S.A. would like to thank the clients, the medical community, health operators, and client companies for their confidence in its services; the shareholders for their continuous support and guidance; and the suppliers for their partnership in 2014. Our special thanks to our employees for their dedication and commitment to our project.

Omar Magid Hauache
Chairman of the Board of Directors

Carlos Alberto Iwata Marinelli
CEO

For further details of the analysis of our 2014 results, access our website:

www.fleury.com.br/ir.

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FLEURY S.A.

Notes to the parent company and consolidated financial statements at December 31, 2014
(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 as 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 and 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

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.

With 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

In the trial session held on August 6, 2014, CADE approved the acquisition of LabsCardiolab Exames Complementares S.A. (LabsCardiolab) by Fleury S.A, contingent upon the execution of a Performance Commitment Agreement (“TCD”) under which the Company undertook to fulfill the following obligations:

(i) sell a set of assets located in the city of Rio de Janeiro, state of Rio de Janeiro, which together earned a revenue of approximately R$ 28,000 in 2013.

(ii) not participate, for a term of three years, in any takeover or merger, direct or indirect acquisition, through purchase or exchange of shares, quotas, securities convertible into shares or tangible or intangible assets, or control of part(s) of one or more companies operating in the following SAD markets in the city of Rio de Janeiro: (i) magnetic resonance, (ii) tomography, (iii) ultrasonography, (iv) echocardiography, (v) mammography, and (vi) bone densitometry.

(iii) not enter into, for a term of three years, any association, consortium or joint venture agreements with other SAD laboratories that operate in the city of Rio de Janeiro, which provide the following exams in the city of Rio de Janeiro: (i) magnetic resonance, (ii) tomography, (iii) ultrasonography, (iv) echocardiography, (v) mammography, and (vi) bone densitometry.

(iv) submit, for a term of two years counted from the term of three years established in obligations (ii) and (iii) above, to the previous approval of CADE, any operation described in obligations (ii) and (iii) above involving companies that provide SAD services in the relevant markets of (i) magnetic resonance, (ii) tomography, (iii) ultrasonography, (iv) echocardiography, (v) mammography, and (vi) bone densitometry, in the city of Rio de Janeiro, even if they do not fit into the legal requirements of mandatory notification.

The Company has already fulfilled the obligations of transferring certain exams and equipment to the units to be sold and discontinuing a unit requested by CADE.

Moreover, the Company has fulfilled the obligations of sending monthly reports to CADE on the compliance with the commitments assumed and sending quarterly reports audited by an independent auditing firm containing all relevant information for the monitoring and inspection of the TCD.

The Company is receiving the last proposals from suppliers for the development of an equity appraisal report required for the corporate reorganization.

After defining the company that will develop such report, the Company will call a general meeting of shareholders to decide on the partial spin-off in Fleury of the assets related to the TCD, which will be transferred to the company that will receive the Business (“New Company”).

After the corporate reorganization, Fleury will put forth efforts to sell the New Company to a third party that, according to the TCD, cannot hold more than 20% of the SAD market in the city of Rio de Janeiro and cannot have any direct or indirect corporate relationship with Fleury.

The Fleury Group is already structuring the bidding process to hire a company to advise it on the sale of the Business, after the aforementioned corporate reorganization.

The scope of this advisory will include mainly structuring a financial model for the sale, defining the sale plan, and prospecting and presenting potential interested parties.

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 in accordance with accounting practices adopted in Brazil issued by the Brazilian Accounting Pronouncements Committee (CPC). As the accounting practices adopted in Brazil applied to the parent company financial statements as from 2014 do not differ from the IFRS applicable to separate financial statements since it permitted the application of the equity method in separate financial statements, they are also in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

These parent company financial statements are disclosed together with the consolidated financial statements.

Consolidated financial statements

The consolidated financial statements have been prepared and are being presented in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), as well as according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The presentation of the parent company and consolidated statements of value added is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil for listed companies, while it is not required by IFRS. Therefore, under the IFRS, the presentation of such statement is considered supplementary information, and not part of the set of financial statements.

The financial statements of the Fleury Group were approved by the Board of Directors in the meeting held on February 25, 2015.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in the years presented, unless otherwise stated.

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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Changes in accounting policies and disclosures

Amendments and interpretations adopted by the Company

The following standards and amendments to standards have been adopted by the Company for the first time in the financial year beginning on January 1, 2014 and no have material impacts on the Company.

(i) Amendment to CPC 01/IAS 36 - "Impairment of Assets" on the disclosure of the recoverable amount of non-financial assets. This amendment eliminates certain disclosures of the recoverable amount of Cash-Generating Units (CGU) that had been included in IAS 36 with the issuance of IFRS 13.

(ii) ICPC 19/IFRIC 21 - "Levies", addresses the recognition of the liability to pay a levy if the liability is within the scope of IAS 37 - "Provisions". The interpretation clarifies what is the obligating event that gives rise to the recognition of a liability to pay a levy and when the liability should be recognized.

(iii) OCPC 07 - "Presentation and Disclosures in General Purpose Financial Statements" addresses the quantitative and qualitative aspects of disclosures in notes to financial statements, reinforcing

the requirements already existing in the accounting standards and emphasizing that only relevant information for users of financial statements should be disclosed.

(iv) Revision CPC 07 - "Equity Method in Separate Financial Statements", changes the wording of CPC 35 - "Separate Financial Statements" to incorporate the amendments made by IASB into IAS 27 - Separate Financial Statements, which now permits the adoption of the equity method in separate financial statements, thus aligning the Brazilian accounting practices to international accounting standards. Especially for IFRS purposes, the amendments to IAS 27 were applied earlier.

Other amendments and interpretations effective for the financial year beginning on January 1, 2014 are not relevant for the Company.

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, 2014, the Fleury Group held financial instruments classified in the categories "financial assets at fair value through profit or loss" and "loans and receivables".

Loans and receivables

Loans and 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 loans and receivables comprise mainly cash and cash equivalents, trade and other receivables, borrowings and financing 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

Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method. Gains or losses arising from changes in fair values of financial assets at fair value through profit or loss are recorded in "Other gains (losses), net" in the income statement in the year in which they arise.

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

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Board, which also makes the Company's strategic decisions.

Foreign currency translation

Functional 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 tansactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the dates of valuation when items are remeasured.

Foreign exchange gains and losses arising from the settlement of such transactions and from the translation at year-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 on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less, and with immaterial risk of change in value.

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of Fleury Group's business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and 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

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. The consideration transferred, as well as the net fair value of the assets and liabilities are measured using the same criteria applicable to the consolidated financial statements previously described.

The goodwill relating to an investment that has been merged into the Company will be reclassified from line item "Investments" to "Intangible assets".

Consolidated financial statements

In the consolidated financial statements, the Group applies the acquisition method to account for business combinations. 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.

The 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 year 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 refer 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.

Goodwill

Goodwill results from the acquisition of subsidiaries and represents the excess of (i) the consideration transferred, (ii) the amount of any non-controlling interest in the acquiree, and (iii) the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement for the year.

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 years.

Property and equipment

Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items and borrowing 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 these costs will flow to the Group and they can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is recognized based on the estimated useful life of each asset or components of assets using the straight-line method to reduce their cost to their residual values over their estimated useful lives (except for land and construction in progress). 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*

An asset's carrying amount is written down immediately to the recoverable amount when it is greater than 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 interests

The Fleury Group treats transactions with non-controlling interests as transactions with equity owners of the Fleury Group. For purchases from non-controlling interests, the difference between any consideration paid and the proportion acquired of the carrying value of net assets of the subsidiary is recorded in equity.

Financial liabilities

Non-derivative financial liabilities

Financial liabilities are recognized when the Fleury Group becomes a party to the contractual provisions of the instruments. The Fleury Group derecognizes financial liabilities when its contractual obligations are discharged, cancelled or they expire.

Financial assets and liabilities are set off and the net amount presented in the balance sheet when and only when, the Fleury Group has a legally enforceable right to set off the recognized 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, debentures, payables for business acquisitions, trade payables and other payables. These financial liabilities are initially recognized at fair value, plus any attributable transaction costs. Subsequent to 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, when any, 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’s estimates of which stock options granted will vest, with a corresponding increase in equity. At the end of each quarter, 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 a 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 year 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 Group company based on rates in effect at the end of the year.

Deferred taxes

Deferred taxes are recognized on 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 balances of tax losses, when applicable. Deferred tax liabilities are generally recognized for all taxable temporary exclusions. Deferred tax assets are generally recognized for all taxable temporary additions 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 year 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 Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the 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 for legal claims 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 estimated based on 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 year. 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.

Rendering of services

Revenue from a contract to provide services is recognized based on the services rendered through the end of the reporting period. At the end of the reporting period, services rendered and not yet billed are recognized in line item "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 capital

The distribution of dividends to the Company's shareholders is recognized as a liability in the financial statements when approved on the basis of interim balance sheets or at the end of the year, based on the minimum dividend established in the Company's bylaws. Any amount that exceeds the required is only provided on the date it is approved by the board of directors to be submitted to the Annual Shareholders' Meeting (ASM).

The finance cost of interest on capital is recognized in the income statement, for compliance with tax rules, and reversed to equity in the same year.

Statement of value added

This statement is intended to evidence the wealth created by the Fleury Group and its distribution during the year and is presented, as required by Brazilian corporate legislation as part of the parent company financial statements and as supplementary 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 Law 12,973/2014 resulting from the conversion of Provisional Act (MP) 627/2013

On September 19, 2014, the Brazilian Federal Revenue published Normative Instruction 1,493/2014 (IN RFB 1,493/2014), which governs Law 12,973/2014, 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) includes a specific treatment on the potential taxation of profits or dividends; (iii) includes provisions on the calculation of interest on capital; and includes considerations on investments accounted for under the equity method; (iv) exemption from IRPJ/CSLL on profits or dividends calculated based on the results for 2008 to 2013.

This Law comes into force on January 1, 2015, except articles 3, 72 a 75 and 93 a 119, which come into force on the date of their publication. Its early adoption for 2014 will eliminate potential tax effects, especially related to the payment of dividends on the results for 2014. Management conducted studies of the early adoption of the New Tax Regime for 2014, deciding on its early adoption, and is currently awaiting the publication of the Normative Instruction that will regulate the accounting controls required for this New Tax Regime.

New standard not yet effective

The following new standard was issued by IASB but is not effective for 2014. The early adoption of standard, even though encouraged by IASB, is not permitted in Brazil by the Brazilian Accounting Pronouncements Committee (CPC).

IFRS 9, "Financial instruments" addresses the classification, measurement and recognition of financial assets and financial liabilities. The full version of the IFRS 9 was published in July 2014, effective for January 1, 2018. It supersedes the guidance in IAS 39 as regards the classification and measurement of financial instruments. IFRS 9 retains, but simplifies, the combined measurement model and establishes three main measurement categories for financial assets: amortized cost, fair value through other comprehensive income, and fair value through profit or loss. It also introduces a

new model of expected credit losses, replacing the current model of incurred losses. IFRS 9 smoothes the hedge effectiveness requirements and requires an economic relationship between the hedged item and the hedging instrument and that the hedge ratio be the same as that actually used by management for risk management purposes.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Fleury Group.

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 %	
		12/31/2014	12/31/2013
Papaiz Associados Diagnóstico por Imagem S/S Ltda. (indirect)	January 2013	51%	51%
Fleury Centro de Procedimentos Médicos Avançados ("Fleury CPMA") - SP	Incorporated in June 2003	100%	100%

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 it is a jointly-controlled entity, the interest is accounted for using the equity 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 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

5. CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Cash and banks	2,412	5,347	2,458	5,417
Short-term investments:				
Exclusive Funds (a)	492,359	523,304	492,359	523,304
Repurchase agreements (b)	10,457	10,202	10,457	11,222
	505,228	**538,853**	**505,274**	**539,943**

(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 seeking the appreciation of its quotas through the investment in a highly liquid conservative profile portfolio, with immediate liquidity. From December 31, 2013 to December 31, 2014, the Exclusive Funds had a weighted average yield of 102.9% of the CDI (Interbank Deposit Certificate).

The exclusive funds' policies determine that financial assets must be of low credit risk directly related or indexed through derivatives to the variation of the domestic interest rate or the price index, or to both.

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, 2014, repurchase agreements had a weighted average yield of 100.4% of the CDI (in the year ended December 31, 2013, 98.4% 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	
	12/31/2014	12/31/2013
Borrowings and financing	1,038,820	984,526
Payables for acquisitions	18,554	25,433
Cash and cash equivalents	(505,274)	(539,943)
Net debt	552,100	470,016
	1,572,964	1,689,033
Gearing ratio	0.35	0.28

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 exposed to this risk as at December 31, 2014 represent 0.03% of the total consolidated liabilities.

The Company has assets in foreign currency (balance receivable from customers) as at December 31, 2014, representing 0.15% of the total consolidated receivables, which contributes to reducing its exposure to trade payables denominated in foreign currency.

As at December 31, 2014 the Company had the following net exposure (US$1.00 - R$2.6562):

	US$'000 Parent Company and Consolidated
Current assets - Trade receivables	226
Liabilities - Trade payables	(183)
Net exposure *	**43**

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$)			2.6629	3.3287	3.9944
Trade receivables	2014	US$ devaluation	1	152	303
Trade payables	2014	US$ appreciation	(1)	(123)	(245)
Net effect			**0**	**29**	**58**

(*) 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, 2014, 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.)	11.57%	14.46%	17.36%
Projected interest expenses (*)	435,820	526,862	619,431

** Debenture interest expenses 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, 2014, the Fleury Group had Cash and cash equivalents amounting to R$505,274 (R$539,943 as at December 31, 2013).

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, 2014				
Debentures	74,558	150,000	533,333	166,667
Borrowings and financing	3,851	9,133	55,431	46,957
Trade payables	105,172	-	-	-
Payables – business acquisitions	3,536	6,371	7,175	1,472
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

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.

As at December 31, 2014, the Company does not have outstanding derivatives (As at December 31, 2013, there was a net gain of R$9) recorded in the balance sheet in line item "Derivative financial instruments".

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	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Trade notes receivable				
Billed amounts	393,170	411,056	394,297	411,690
Unbilled services	41,627	73,132	46,101	74,646
	434,797	**484,188**	**440,398**	**486,336**
Allowance for doubtful debts and disallowances	(50,040)	(86,132)	(50,205)	(86,273)
Total trade receivables	**384,757**	**398,056**	**390,193**	**400,063**

The aging list of trade receivables is as follows:

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Balances not yet overdue (*)	253,735	262,975	258,678	264,958
Up to 120 days past due	101,527	86,012	102,020	86,012
121 to 360 days past due	50,582	68,228	50,582	68,228
Over 361 days past due	28,953	66,973	29,118	67,138
	434,797	**484,188**	**440,398**	**486,336**

(*) This year these receivables mature, on average, within 45 days (43 days as at December 31, 2013).

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

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Balance at the beginning of the year	(86,132)	(63,709)	(86,273)	(63,709)
Write-offs of uncollectible receivables	110,107	51,410	110,107	51,410
Additions of doubtful debts and disallowances (Notes 22 and 25)	(74,015)	(73,833)	(74,039)	(73,974)
Balance at the end of the year	**(50,040)**	**(86,132)**	**(50,205)**	**(86,273)**

The Company and its subsidiaries are exposed to a certain concentration in their customer base. As at December 31, 2014, the six major customers represented 51.6% of the total portfolio (51.5% as at December 31, 2013).

8. INVENTORIES

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Diagnosis kits	7,192	9,138	7,192	9,138
Collection and nursing material	3,534	4,105	3,534	4,105
Auxiliary lab supplies	1,627	1,915	1,627	1,915
Administrative, promotional and other supplies	1,325	1,702	1,325	1,702
	13,678	**16,860**	**13,678**	**16,860**

9. TAXES RECOVERABLE

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Corporate income tax (IRPJ) (a)	36,708	18,276	36,845	18,413
Withholding income tax (IRRF) (b)	36,098	34,307	36,607	34,696
Social contribution (CSLL) (c)	18,601	25,292	18,949	25,573
Tax on revenue (COFINS) (d)	3,886	108	3,901	187
Social security contribution (INSS) (e)	3,437	4,168	3,437	4,168
Service tax (ISS) (f)	956	92	956	92
Social Integration Program (PIS) (g)	847	26	865	60
Funrural (farming fund tax) (h)	-	1,562	-	1,562
	100,533	**83,831**	**101,560**	**84,751**

(a) IRPJ - negative balance from prior years.

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

(*) In the second quarter of 2014 the procedure for utilization of tax credits in offsets of balances payable was changed. The offset of credits will be made only in the month subsequent to the credit month. Until then the credits were offset in the same credit month so that the balance payable was presented on a net basis.

10. INVESTMENTS

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Fleury CPMA (direct subsidiary)	28,989	28,541	-	-
Papaiz (indirect subsidiary)	-	-	7,495	7,560
	28,989	**28,541**	**7,495**	**7,560**
Other	246	246	246	246
	29,325	**28,787**	**7,741**	**7,806**

	Fleury CPMA	Papaiz
Equity interest - %	100%	51%
Paid-up capital	78,887	1,466
Equity	27,638	1,646

The activity in the Investments accounts was as follows:

	Parent Company	Consolidated
Balances at December 31, 2013	**28,787**	**7,806**
Capital increase	1,756	-
Share of profits (losses) of subsidiaries	(1,308)	16
Dividends received	-	(81)
Balances at December 31, 2014	**29,235**	**7,741**

11. PROPERTY AND EQUIPMENT

		Parent Company			
	Average annual depreciation rate - %	12/31/2014 Cost	Accumulated depreciation	Net	12/31/2013 Net
Machinery and equipment	8	431,734	(232,750)	198,984	209,798
Facilities	10	253,352	(80,960)	172,392	163,868
Leasehold improvements	20	78,536	(67,300)	11,236	7,071
IT equipment	20	62,882	(44,511)	18,371	17,644
Furniture and fixtures	10	45,434	(30,187)	15,247	15,674
Buildings	2	28,128	(3,808)	24,320	24,752
Land	-	13,549	-	13,549	11,488
Construction in progress	-	1,269	-	1,269	-
Other	20	653	(653)	-	77
		915,537	**(460,169)**	**455,368**	**450,372**

		Consolidated			
	Average annual depreciation rate - %	12/31/2014 Cost	Accumulated depreciation	Net	12/31/2013 Net
Machinery and equipment	8	438,069	(236,712)	201,357	212,854
Facilities	10	255,124	(82,358)	172,766	164,419
Leasehold improvements	20	80,679	(69,394)	11,285	7,180
IT equipment	20	63,470	(45,067)	18,403	17,703
Furniture and fixtures	10	46,538	(30,993)	15,545	16,083
Buildings	2	28,129	(3,807)	24,322	24,752
Land	-	13,549	-	13,549	11,488
Construction in progress	-	1,269	-	1,269	-
Other	20	653	(653)	-	77
		927,480	**(468,984)**	**458,496**	**454,556**

The changes in property and equipment were as follows:

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Balances at the beginning of the year	450,372	419,587	454,556	424,288
Additions				
Facilities	33,884	42,754	33,884	42,755
Machinery and equipment	20,662	53,223	20,662	53,715
Leasehold improvements	6,385	4,414	6,385	4,414
Construction in progress	7,498	-	7,498	-
IT equipment	7,478	7,103	7,478	7,103
Furniture and fixtures	2,689	1,797	2,689	1,797
Land	2,060	-	2,060	-
Total additions	**80,656**	**109,291**	**80,656**	**109,784**
Depreciation	(71,303)	(71,448)	(72,359)	(72,458)
Transfers	(2,879)	(201)	(2,879)	(201)
Write-offs, net	(1,478)	(6,857)	(1,478)	(6,857)
Balances at the end of the year	**455,368**	**450,372**	**458,496**	**454,556**

As at December 31, 2014, the Company has a balance from a revaluation step-up of machinery and equipment, less depreciation, of R$620 (R$968 as at December 31, 2013).

12. INTANGIBLE ASSETS

		Parent Company			
		12/31/2014			12/31/2013
	Average annual amortization rate %	Cost	Accumulated amortization	Net	Net
Goodwill on acquisitions	-	1,353,125	(44,413)	1,308,712	1,308,712
Software licenses	20	172,261	(90,422)	81,839	78,057
Customer contracts	10	154,387	(50,176)	104,211	119,650
Trademarks and patents	7	13,226	(3,987)	9,239	10,082
Intangible assets in progress	-	11,891	-	11,891	-
Franchises	-	2,550	-	2,550	2,550
		1,707,440	**(188,998)**	**1,518,442**	**1,519,051**

		Consolidated			
		12/31/2014			12/31/2013
	Average annual amortization rate %	Cost	Accumulated amortization	Net	Net
Goodwill on acquisitions	-	1,364,466	(44,413)	1,320,053	1,320,053
Software licenses	20	172,797	(90,856)	81,941	78,189
Customer contracts	10	156,573	(50,722)	105,851	121,727
Trademarks and patents	7	14,963	(4,783)	10,180	11,196
Intangible assets in progress	-	11,891	-	11,891	-
Franchises	-	2,550	-	2,550	2,550
Non-compete agreement	10	825	(516)	309	722
		1,724,065	**(191,290)**	**1,532,775**	**1,534,437**

The changes in intangible assets were as follows:

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Balances at the beginning of the year	1,519,051	1,516,488	1,534,437	1,529,298
Additions				
Software licenses	28,280	38,765	28,280	38,765
Intangible assets in progress	9,012	-	9,012	-
Customer contracts	-	-	-	2,186
Non-compete agreements	-	-	-	825
Total additions	**37,292**	**38,765**	**37,292**	**41,776**
Transfers (*)	2,879	201	2,879	201
Write-offs, net	(3)	(339)	(3)	(339)
Amortization	(40,777)	(35,869)	(41,830)	(36,304)
Other	-	(195)	-	(195)
Balances at the end of the year	**1,518,442**	**1,519,051**	**1,532,775**	**1,534,437**

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

Goodwill

Goodwill was tested for impairment at the end of the last fiscal year. During the year ended December 31, 014, there were no events that would require revising its recoverable amount.

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:

	2014	**2013**
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% per year (2013 – 13.5%).

Cash flow projections for the budgeted year are based on the same expected gross margins and on the inflation of the raw material price, salaries, rentals and other expenses for the year. Cash flows after the five-year period were extrapolated to a constant annual growth rate of 5% (2013 - 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 CGU.

Software licenses

Software licenses refer to systems and intranet development. Software licenses are intangible assets with finite useful lives, the estimated useful life of this class of assets is 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	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Debentures	74,558	70,816	74,558	70,816
Borrowings in local currency	3,851	2,616	3,851	2,616
Borrowing cost	(145)	-	(145)	-
Total	**78,264**	**73,432**	**78,264**	**73,432**

	Parent Company		Consolidated	
Non-current	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Debentures	850,000	900,000	850,000	900,000
Borrowings in local currency	111,521	11,094	111,521	11,094
Borrowing cost	(965)	-	(965)	-
	960,556	**911,094**	**960,556**	**911,094**
Total borrowings and financing	**1,038,820**	**984,526**	**1,038,820**	**984,526**

Debentures

The Company used debenture issues to strengthen the working capital and to maintain its cash strategy, extend its debt profile and finance 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 issue 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 subject to semiannual payment of remuneration equivalent to 100% of the accumulated variation of the average daily rates 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 subject to semiannual payment of remuneration equivalent to 100% of the accumulated variation of the average daily rates 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 issue 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, payable 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:

					Parent Company and Consolidated	
	Issue amount (R$)	**Unit**	**Maturity**	**Interest (a)**	**12/31/2014**	**12/31/2013**
1st Issue - First Series	10,000	15,000	Dec/16	CDI + 0.94% p.a.	100,568	150,735
1st Issue - Second Series	10,000	30,000	Dec/18	CDI + 1.20% p.a.	301,741	301,507
2nd Issue - Single Series	10,000	50,000	Feb/20	CDI + 0.85% p.a.	522,249	518,574
					924,558	**970,816**
Current liabilities					74,558	70,816
Non-current liabilities					850,000	900,000

(a) Interbank Certificates of Deposit (CDI) equivalent to 11.57 % per year as at December 31, 2014. (9.80% per year as at December 31, 2013).

The non-current portion as at December 31, 2014 matures as follows:

Maturity	1st Issue (1st Series)	1st Issue (2nd Series)	2nd Issue Single Series	Consolidated
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
				850,000

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.

On December 12, 2014, the Company settled the 1st (first) amortization of R$50,000 relating to the debentures of series FLRY11 (1st issue and 1st series).

As at December 31, 2014, the Company and its subsidiaries were compliant with said financial ratios.

Other borrowings and financing

On October 3, 2014 the Company obtained the release of R$101,665 relating to the financing from FINEP for the Prometheus I and Prometheus II projects, with interest rate of 4% p.a, grace period of 24 months (counted from the agreement signing date on August 28, 2014) and payable in 73 monthly installments (starting September 15, 2016), and on November 26, 2014 the Company obtained the release of the 3rd installment of a financing of R$2,433, signed on August 6, 2012, with interest rate of 4% p.a. and payable in 69 monthly installments since the agreement is under amortization of principal and payment of interest.

The borrowing cost is the amount of R$1,146 disbursed by FINEP on inspection and supervision of the Prometheus I and Prometheus II projects.

The other borrowings and financing have maturities through 2022 and bear average interest of 4.1% per year (5.1% per year as at December 31, 2013).

The non-current portion as at December 31, 2014 matures as follows:

	Parent Company and Consolidated
2016	9,133
2017	19,009
2018	18,211
2019	18,211
2020 to 2022	46,957
	111,521

The Company has financing contracts with Financiadora de Estudos e Projetos - FINEP totaling R$111,521 as at December 31, 2014 (R$10,657 as at December 31, 2013). 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 total amount of the financing, and this clause is essential for signing the contract.

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).

14. TRADE PAYABLES

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Domestic suppliers	103,912	102,270	104,685	102,965
Foreign suppliers	487	1,347	487	1,347
	104,399	**103,617**	**105,172**	**104,312**

15. PAYROLL AND RELATED TAXES

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Accrued vacation and 13th salary	35,056	36,005	35,056	36,005
Payroll taxes and other taxes payable	14,564	12,355	14,564	12,355
Accrued profit sharing (a)	4,300	-	4,300	-
Payroll payable	26	1,087	26	1,087
	53,946	**49,447**	**53,946**	**49,447**

(a) In 2014, the profit sharing payment policy was changed.

16. TAXES AND CONTRIBUTIONS PAYABLE

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Tax Amnesty and Refinancing Program (REFIS) - Law 11,941(a)	53,203	55,874	53,203	55,874
Service tax (ISS) in installments (b)	7,686	11,775	7,686	11,775
Tax on revenue (COFINS) (c)	3,966	-	3,993	-
Service tax (ISS) (d)	3,897	2,114	4,007	2,164
PIS, COFINS and Contribution (e)	1,387	1,045	1,416	1,045
Installment payment in the municipality of Niterói (f)	911	842	911	842
Tax on revenue (PIS) (c)	859	-	865	-
Withholding income tax (IRRF)	776	1,020	785	1,031
Social security contribution (INSS)	637	906	637	906
State VAT (ICMS) in installments (g)	555	2,056	555	2,056
Service tax (ISS) included in the Industry Tax Refinancing Program (Prefis) (h)	-	3,893	-	3,893
State VAT (ICMS) on imports (i)	-	18,640	-	18,640
Judicial deposits (ICMS) (i)	-	(15,016)	-	(15,016)
Other	2,026	3,800	2,027	3,801
Total	**75,903**	**86,949**	**76,085**	**87,011**
Current	23,835	23,691	24,017	23,753
Non-current	52,068	63,258	52,068	63,258

(a) The Company applied for the tax refinancing and amnesty program known as REFIS IV, regulated by Law 11,941/2009. 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 October 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.

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

(c) PIS and COFINS levied on services rendered. In the second quarter of 2014, a new procedure was started for utilization of credits, which will be recognized in a subsequent year, justifying the material missatement in the comparative years.

(d) Service tax (ISS) levied on services rendered.

(e) PIS, COFINS and Contribution levied on services taken from third parties.

(f) Installment Payment of the ISS Overdue Debt of the acquired company Labs Cardiolab signed with the Attorney's Office of the Municipality of Niterói.

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

(h) The entirety of the balance refers to installment payment of ISS due with the municipal government of Recife included in the Industry Tax Refinancing Program (PREFIS), pursuant to Law 17,029/2004. In 2014 the Company fully settled the debt balance of this installment payment.

(i) The Company was required to pay ICMS on the purchase of machinery and equipment intended for its property and equipment and has filed lawsuits against the State of São Paulo challenging these collections since it understands that they were not due. In a decision published on March 17, 2014, the Federal Supreme Court decided the matter based on the general repercussion principle, recognizing the inapplicability of the tax based on the current legislation that regulates the matter, which is also applicable to the State of São Paulo and, consequently, favorable to the Company. Consequently, in the first quarter of 2014 the Company reversed the provision recorded as at December 31, 2013 and reclassified to non-current assets the balance of judicial deposits made for these lawsuits.

The non-current portion as at December 31, 2014 matures as follows:

	Consolidated
2016	7,316
2017	4,723
2018	4,604
2019	4,447
2020 and thereafter	30,978
	52,068

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 released by Instituto Brasileiro de Geografia e Estatística - IBGE (Brazilian statistics bureau). These amounts total:

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Current	3,074	8,585	3,536	9,079
Non-current	14,743	16,106	15,018	16,354
	17,817	**24,691**	**18,554**	**25,433**

The non-current portion as at December 31, 2014 matures as follows:

Maturity	Parent Company	Consolidated
2016	6,096	6,371
2017	4,750	4,750
2018	1,350	1,350
2019	1,075	1,075
2020 and thereafter	1,472	1,472
	14,743	**15,018**

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, 2014, the balance of line item 'Provision for tax, labor and civil risks' is as follows:

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Tax and social security	13,532	12,033	13,532	12,033
Labor	18,565	17,675	18,565	17,675
Civil	1,900	2,044	1,900	2,044
	33,997	**31,752**	**33,997**	**31,752**
Judicial deposits	(13,663)	(13,663)	(13,663)	(13,663)
	20,334	**18,089**	**20,334**	**18,089**

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

	Parent Company and Consolidated					
	Balance at 12/31/2013	Additions	Reversal	Reclassifications and payments	Adjustment for inflation	Balance at 12/31/2014
Tax and social security	12,033	2,067	(1,402)	(324)	1,158	13,532
Labor	17,675	8,603	(6,161)	(2,884)	1,332	18,565
Civil	2,044	951	(581)	(723)	209	1,900
	31,752	**11,621**	**(8,144)**	**(3,931)**	**2,699**	**33,997**
Judicial deposits	(13,663)	-	-	-	-	(13,663)
	18,089	**11,621**	**(8,144)**	**(3,931)**	**2,699**	**20,334**

Lawsuits classified as probable losses, for which provisions were recorded:

Regarding lawsuits classified as probable loss risk, the main discussions involving the Company and its subsidiary are:

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$6,557 as at December 31, 2014 (R$5,912 as at December 31, 2013).

Labor and Civil

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

Lawsuits classified as possible loss risk

As at December 31, 2014, the Company has a consolidated amount of approximately R$354,079 (R$301,287 as at December 31, 2013) related to lawsuits classified as possible loss risk by its legal counsel.

The tax matters classified as possible loss total R$246,150, of which R$98,324 refer mainly to claims involving non-compulsory payment of Social Contribution on Profit, Income Tax, COFINS, PIS and PIS Imports. The federal tax matters involving social security contributions amount to R$50,067. There are also lawsuits involving other different tax matters totaling R$9,697. At the state level, the lawsuits classified as possible loss total R$28,391 and refer mainly to the challenge of the ICMS levied on equipment imports. As regards tax matters involving municipal taxes, the lawsuits classified as possible loss total R$59,671 and refer mainly to challenges regarding the ISS (service tax) and municipal fees, including the solid waste fee for the health segment.

At the civil level the Company has lawsuits classified as possible loss totaling R$35,022, R$19,935 of which refer to civil liability lawsuits claiming compensation for property damages and pain and suffering due to alleged diagnostic error or procedure malpractice and R$13,314 refer to lawsuits for recovery of credits for the Company. There are also other lawsuits in progress involving minor amounts, totaling R$1,773.

The labor lawsuits classified as possible loss total R$72,907, of which R$42,111 refer to labor claims filed by former employees, R$7,721 to secondary liability lawsuits filed by employees of outsourced companies that provide specialized services to the Company, and there are also administrative proceedings in progress, totaling R$18,075. At the labor level, the Company was summoned in a public civil action at the Rio de Janeiro labor court that, in general lines, challenges the lawfulness of contracting specialized medical companies. Moreover, the public civil action requires the payment of R$5,000 for collective pain and suffering. The Company is defending itself in this lawsuit and is fully convinced that its practice of contracting medical companies is lawful and in conformity with the prevailing legislation since there is a case law favorable to contracting companies to provide medical services. In March 2014 a decision favorable to the Company was issued, fully dismissing the claim of the public civil action, to which the Regional Attorney General's Office filed an ordinary appeal. Currently the lawsuit is pending filing of action at the 1st Region's Regional Labor Court.

Judicial deposits

When required, the Company makes court-mandated escrow deposits for pending litigation. These deposits total R$31,462 (Parent Company) and R$31,465 (consolidated) as at December 31, 2014

(R$12,968 Parent Company and R$12,970 consolidated as at December 31, 2013), classified in non-current assets, and refer to lawsuits considered by the Company's legal counsel as remote or possible loss risk. Judicial deposits related to lawsuits considered as probable loss risk 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. During the year ended December 31, 20134, the Company's property rental expenses amounted to R$105,370 (R$96,822 during the year ended December 31, 2013).

The agreements are IGP-M inflation indexed after the original maturity date (generally annually). Consolidated property rental commitments was R$468,614 as at December 31, 2014 (R$441,860 as at December 31, 2013). The consolidated position of commitments assumed is as follows:

	Consolidated
2015	102,620
2016	91,021
2017	80,492
2018	64,278
2019 and thereafter	130,203
	468,614

20. RELATED PARTIES

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Rental expenses				
Transinc Serviços Médicos S.A (a)	-	(3,975)	-	(3,975)
Fundo Inv. Imobiliário EDOM (b)	(7,394)	(2,949)	(7,394)	(2,949)
Benefit expenses:				
Companies associated to Bradseg (c)	(81,767)	(75,119)	(81,767)	(75,119)
	89,161	**(82,043)**	**89,161**	**(82,043)**
Balance sheet account:				
Liabilities:				
Fundo Inv. Imobiliário EDOM (b)	(629)	(590)	(629)	(590)
Companies associated to Bradseg (c)	(19)	(2,093)	(19)	(2,093)
Assets:				
Bradesco (d)	254,337	284,292	254,337	284,292
	253,689	**281,609**	**253,689**	**281,609**

(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 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 certain properties to Fundo Investimentos Imobiliário EDOM, which comprises the same shareholders of Transinc.

(c) Bradseg, shareholder of Integritas Participações S.A. (parent company of the Fleury Group), holds the control of Odontoprev S.A., 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.

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, 2014, 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.

In the period from July to August 2014, the Company made monthly capital contributions to the direct subsidiary Fleury Centro de Procedimentos Médicos Avançados S.A., totaling an advance for future capital increase of R$ 146, which was subscribed on December 31, 2014 through Minutes.

Management compensation for the year ended December 31, 2014 includes salaries, fees, benefits, charges and bonuses in the amount of R$6,262 (R$6,939 as at December 31, 2013) and is recorded in the income statement as 'General and administrative expenses'.

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

The Company records a provision for employee and management profit sharing, which amounted to R$4,300 in the year ended December 31, 2014.

21. EQUITY

Share capital

As at December 31, 2014, the Company's fully paid-up capital is R$1,402,531, comprising 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 the limit of 160,000,000 common shares.

Dividends and Interest on capital

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 November 21, 2014, dividends were paid in advance to shareholders. The gross amount paid of R$100,000 refers to R$0.64 per share, where R$69,742 corresponds to R$0.45 per share from the balance of retained earnings at September 30, 2014 and R$30,258 corresponds to R$0.19 per share, as a charge to the investment reserve account, based on the shreholding position of November 6, 2014.

On May 28, 2014, dividends were paid to shareholders. The gross amount paid of R$100,000, from the reversal of part of the investment reserve account balance, corresponds to R$0.64 per share, based on the shareholding position of April 28, 2014.

On December 20, 2013, dividends were paid to shareholders. The gross amount paid of R$20,000, from the reversal of part of the investment reserve account balance, corresponds to R$0.13 per share, based on the shareholding position of December 9, 2013.

On November 21, 2013, dividends were paid to shareholders. The gross amount paid of R$18,286, from the reversal of part of the investment reserve account balance of R$3,338 and from 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 of November 6, 2013.

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

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	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Gross revenue	1,869,152	1,848,050	1,879,358	1,856,215
Disallowances	(73,493)	(72,450)	(73,517)	(72,591)
Rebates	(8,145)	(8,820)	(8,145)	(8,820)
Taxes	(118,219)	(117,447)	(118,796)	(117,908)
Net revenue	**1,669,295**	**1,649,333**	**1,678,900**	**1,656,896**

23. COST OF SERVICES

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Staff and medical services	(609,389)	(622,469)	(618,394)	(631,527)
General services, leases and public services	(276,128)	(256,563)	(276,128)	(256,573)
Materials and outside services	(170,275)	(177,436)	(170,275)	(177,436)
General expenses	(125,221)	(136,459)	(125,237)	(136,587)
Depreciation and amortization	(86,778)	(81,352)	(88,887)	(82,797)
	(1,267,791)	**(1,274,279)**	**(1,278,921)**	**(1,284,920)**

24. GENERAL AND ADMINISTRATIVE EXPENSES

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Staff and medical services	(106,540)	(101,830)	(106,540)	(101,830)
Depreciation and amortization	(25,302)	(25,965)	(25,302)	(25,965)
Consulting services	(21,401)	(18,090)	(21,401)	(18,090)
Promotions and events	(19,178)	(29,546)	(19,178)	(29,546)
General services, leases and public services	(17,495)	(17,132)	(17,495)	(17,132)
Other	(12,590)	(12,004)	(12,590)	(12,004)
Services provided by law firms	(4,542)	(6,184)	(4,542)	(6,184)
Materials and outside services	(2,392)	(5,275)	(2,392)	(5,275)
	(209,440)	**(216,026)**	**(209,440)**	**(216,026)**

25. OTHER OPERATING INCOME (EXPENSES), NET

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Reversal of provision for ICMS on imports (Note 16i)	8,734	-	8,734	-
Write-off of assets	(297)	(6,099)	(297)	(6,099)
Allowance for doubtful debts	(522)	(1,383)	(522)	(1,383)
Other	(817)	5,402	(883)	5,444
	7,098	**(2,080)**	**7,032**	**(2,038)**

26. FINANCE INCOME (COSTS)

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Finance income:				
Yield on short-term investments	56,782	45,599	56,820	45,649
Indexation of taxes and judicial deposits	3,601	1,811	3,601	1,811
Exchange rate change	107	2,994	107	2,994
Derivative financial instruments	3	2,916	3	2,916
Other	6,105	3,762	6,105	3,773
	66,598	**57,082**	**66,636**	**57,143**
Finance costs:				
Interest on debentures	(109,445)	(79,817)	(109,445)	(79,817)
Indexation of taxes and payables for business acquisitions	(8,601)	(8,917)	(8,676)	(8,974)
Bank fees and expenses	(3,444)	(3,824)	(3,456)	(3,826)
Indexation of provision for tax, labor and civil risks	(2,699)	(3,366)	(2,699)	(3,366)
Interest on borrowings and financing	(2,489)	(6,872)	(2,492)	(6,873)
Exchange rate change	(892)	(2,761)	(892)	(2,761)
Derivative financial instruments	(12)	(4,249)	(12)	(4,249)
Other	(204)	(5,602)	(207)	(5,606)
Reversal of indexation of taxes (Ne 16i)	10,706	-	10,706	-
	(117,080)	**(115,408)**	**(117,173)**	**(115,472)**
Finance income (costs), net	**(50,482)**	**(58,326)**	**(50,537)**	**(58,329)**

27. INCOME TAX AND SOCIAL CONTRIBUTION – CURRENT AND DEFERRED

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Tax loss carryforwards	225,668	149,642	225,668	149,642
Allowance for doubtful debts and disallowances	50,040	86,133	50,040	86,133
Amortization of goodwill non-deductible up to 2008 and deductible for tax purposes in future years	24,782	24,782	24,782	24,782
Provision for tax, labor and civil risks	23,141	42,126	23,141	42,126
Provision for stock options	5,809	7,680	5,809	7,680
Profit sharing	4,300	-	4,300	-
Gain on hedge transactions	1,342	1,333	1,342	1,333
Asset revaluation	(991)	(1,517)	(991)	(1,517)
Net value adjustment of assets acquired and liabilities assumed	(80,753)	(91,965)	(83,070)	(91,965)
Effects of goodwill amortization for tax purposes (a)	(814,754)	(608,692)	(814,754)	(608,692)
Goodwill allocation – PAPAIZ	-	-	-	(3,268)
Tax base	**(561,416)**	**(390,478)**	**(563,733)**	**(393,746)**
Deferred income tax and social contribution at the combined tax rate of 34%	**(190,881)**	**(132,763)**	**(191,669)**	**(133,874)**
Non-current assets	132,078	119,317	132,078	119,317
Non-current liabilities	(322,959)	(252,080)	(323,747)	(253,191)

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

The Company expects the deferred final amounts on the balances of tax loss carryforwards and temporary differences, in the net amount of R$191,669, to be realizable through the generation of results projected for the next eight years, according to the schedule below:

Year	Consolidated
2015	16,014
2016	(11,138)
2017	(96,869)
2018	(80,893)
2019	(2,187)
2020 to 2022	(16,596)

The expected realization of the amounts recorded at December 31, 2014 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	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Profit before income tax and social contribution	143,920	111,258	143,598	111,177
Combined income tax and social contribution rate	34%	34%	34%	34%
Income tax and social contribution	**(48,933)**	**(37,828)**	**(48,823)**	**(37,800)**
Share of profits (losses) of subsidiaries	(445)	(885)	(445)	(885)
Loss (gain) on settlement of hedge	-	(3,830)	-	(3,830)
Other non-deductible expenses - permanent	(8,740)	(7,572)	(8,528)	(7,519)
Income tax and social contribution expense:	**(58,118)**	**(50,115)**	**(57,796)**	**(50,034)**

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. 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, 2014 the Company made contributions of R$1,702 (R$1,900 for the year ended December 31, 2013), 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 more	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 vested upon the exercise of each option, the effective period, the exercise price, the payment terms, and other conditions.

The total exercise of the options 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 12/31/2014		Position at 12/31/2013	
				Number	Exercise price	Number	Exercise price
2014 grant	October 5, 2014	1,149,335	14.28	1,149,062	14.33	-	-
2013 grant	April 30, 2013	1,189,296	19.74	971,268	21.24	1,087,804	20.33
2012 grant	May 2, 2012	732,746	24.21	440,258	27.23	533,321	26.05
2011 grant	February 22, 2011	327,825	25.76	153,173	30.38	183,625	29.07
2010 grant	February 2, 2010	552,624	16.00	99,799	19.72	127,132	18.87

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

The Company calculated and recognized an expense for the year ended December 31, 2014, prorated since the grant date, of R$2,204 (R$3,914, charged to "General and administrative expenses" for the year ended December 31, 2013).

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.

	12/31/2014	12/31/2013
Profit attributable to owners of the Company	85,802	61,143
Weighted average number of common shares issued	156,293,356	156,293,356
Weighted average number of common shares outstanding	156,293,356	156,293,356
Basic earnings per share - R$	0.55	0.39

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:

	12/31/2014	12/31/2013
Profit attributable to owners of the Company	85,802	61,143
Weighted average number of common shares outstanding	156,293,356	156,293,356
Adjustment for share call options	9,909	6,709
Weighted average number of common shares for diluted earnings per share	156,303,265	156,300,065
Diluted earnings per share - R$	0.55	0.39

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.

	12/31/2014				12/31/2013			
	Diagnostic Medicine (DM)	Integrated Medicine (IM)	Dental	**Consolidated**	Diagnostic Medicine (DM)	Integrated Medicine (IM)	Dental	**Consolidated**
Net revenue	**1,390,128**	**288,772**		**1,678,900**	**1,374,096**	**282,600**		**1,656,896**
Profit of the segment	**270,747**	**37,561**		**308,308**	**243,709**	**34,205**		**277,914**
Share of profit of indirect subsidIary			**16**	**16**			**354**	**354**
Depreciation and amortization				(114,189)				(108,762)
Finance income (costs)				(50,537)				(58,329)
Profit before taxes				**143,598**				**111,177**
								3,211,167
Total assets				**3,209,768**				
Total assets includes:								
Goodwill	1,105,143	214,910	-	1,320,053	1,105,143	214,910	-	1,320,053
Brands	9,239	941	-	10,180	10,082	1,114	-	11,196
Customer contracts	-	105,851	-	105,851	-	121,727	-	121,727
Non-allocated assets	-	-	-	1,773,684	-	-	-	1,758,191

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:

	12/31/2014	**12/31/2013**
Net revenue	7,442	6,715
Profit of the segment	1,261	1,167
Depreciation and amortization	(242)	(162)
Finance income (costs)	(156)	(129)
Profit before taxes	863	876
Income tax and social contribution	(847)	(522)
Company profit	**16**	**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 specialized consultants. The net premium of the Company's insurance policies in effect at December 31, 2014 is approximately R$1,063. The insurance contracts are effective until December 2015. The table below shows the maximum sum insured (MSI) of the main insurance coverage as at December 31, 2014:

	Consolidated
Operating risks	R$ 633,000
Civil liability	R$ 35,500
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, 2014, authorizing its conclusion on this date.

São Paulo, February 26th, 2015.

Board of Executive Directors

Carlos Alberto Iwata Marinelli – CEO

João Ricardo Kalil Patah – Head of IR

Adolpho Cyriaco Nunes de Souza Neto – CFO

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, 2014, issued on February 26th, 2015.

São Paulo, February 26th, 2015

Board of Executive Directors

Carlos Alberto Iwata Marinelli - CEO

João Ricardo Kalil Patah - Head of IR

Adolpho Cyriaco Nunes de Souza Neto – CFO

Paulo Pedote - Executive Director for Business