



Earnings Release

4Q13

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

**Debentures: BRFLRYDBS007,
BRFLRYDBS015 and
BRFLRYDBS023**

On December 31st, 2013:

Shares Outstanding

156,293,356 shares

Shares Outst Diluted

156,300,065 shares

Free float

61,281,731 shares (39.2%)

Share price

R\$ 18.40 /US\$ 7.85

Market Cap

R\$ 2,876 MM / US\$ 1,227 MM

Cash and Cash Equivalents

R\$ 540 MM / US\$ 231 MM

Investor Relations

Phone +55 11 5014-7413

ri@grupofleury.com.br

www.fleury.com.br/ir

Conference Call

March 14th, 2014

English

12:30 PM (11:30 AM EST)

Portuguese

11:00 AM (10:00 AM EST)

Phone numbers:

Participants in Brazil:

+55 11 3193-1001

+55 11 2820-4001

+55 11 4688-6361

Participants in the U.S.:

(+1) 888-700-0802

Participants in other countries:

(+1) 786-924-6977

Password: Fleury

Webcast: www.fleury.com.br/ir

PORTFOLIO SELECTION DECELERATES GROWTH TO 5.8% IN 4Q13, TARGETING PROFITABILITY REBOUND. GROSS REVENUES REACHED R\$ 441 MM. GROWTH OF 10% IN FY13.

BUSINESSES' REBALANCING STRATEGY FOCUSES ON FLEURY BRAND EXPANSION, WITH 15.6% GROWTH IN 4Q13 (12.6% FY13). ACTION PLANS TO IMPROVE RETURN ON ASSETS, OPERATIONAL EFFICIENCY AND PROFITABILITY FOR 2014 AFFECTED 2H13 RESULTS: EBITDA MARGIN OF 11.6% IN 4Q13 (16.8% FY13), WITH PRE-OPERATIONAL AND NON-RECURRING COSTS AND EXPENSES REPRESENTING 276 BPS IN THE QUARTER (121 BPS IN FY13).

OPERATING ACTIVITIES GENERATED R\$ 76 MM CASH IN 4Q13, THE COMPANY'S HIGHEST HISTORICAL LEVEL (R\$ 210 MM IN FY13).

R\$ 38 MM WAS PAID AS DIVIDENDS IN THE QUARTER; R\$ 82 MM PAID IN FY13, REPRESENTING R\$ 0.52 PER SHARE.

MOODY'S MAINTAINED BA1 RATINGS FOR FLEURY AND ITS DEBENTURES.

São Paulo, March 13th, 2014 – Grupo Fleury (BOVESPA: FLRY3) announces today its 4th Quarter results (4Q13). Consolidated financial information is presented according to IFRS and accounting principles adopted in Brazil.

All figures are compared to 4Q12 (**YoY**) except when otherwise stated.

Financial highlights

- **Patient Service Centers:** Gross Revenue totals R\$ 365 MM in the quarter, a **6.5% organic growth (10.6% in FY13)**. Gross Revenue per m² increases by 6.9% (9.6% FY13) and Gross Revenue per PSC grows 24.6% (20.2% FY13). **Regional Brands ex-Rio de Janeiro** expands **14.1%** in 4Q13 (22.5% in FY13).
- **Diagnostic Operations in Hospitals:** Gross Revenue increases by 5.5% to R\$ 63 MM (11.1% in FY13).
- **Lab-to-lab:** R\$ 6.5 MM Gross Revenue, a 9.1% YoY decrease (11.1% decrease in FY13).
- **Preventive Medicine:** Health Assessment expands 12.6% in 4Q13 and 7.4% in FY13.

Gross Profit amounts to R\$ 67 MM in 4Q13, 17.1% of net revenue (22.5% in FY13).

EBITDA reaches R\$ 45 MM in 4Q13, 11.6% margin on Net Revenue (16.8% in FY13). **EBIT (Operating Profit) achieves R\$ 19 MM**, margin of 4.8% (10.2% in FY13).

Net Income amounts R\$ 61 MM in FY13 (R\$ 0.39 EPS), 3.7% of Net Revenue. **Cash Net Income¹** amounted to **R\$ 111 MM (R\$ 0.71 EPS)**, 6.7% margin.

1. Cash Net Income: excludes the impact of deferred income tax

Financial Indicators (IFRS)

R\$ MM	4Q13	4Q12	Δ	2013	2012	Δ
Gross Revenue	441.3	417.0	5.8%	1,856.2	1,688.0	10.0%
Net Revenue	389.9	376.1	3.7%	1,656.9	1,501.8	10.3%
Gross Profit	66.6	88.3	-24.6%	372.0	403.3	-7.8%
EBITDA	45.2	73.8	-38.7%	277.9	314.8	-11.7%
Net Income	-0.8	16.5	-104.8%	61.1	106.6	-42.6%
Net Income Cash	2.6	36.4	-92.8%	111.2	154.8	-28.2%
Operating Cash	76.5	18.2	320.2%	209.6	167.1	25.5%
Number of Shares (million)	156.3	156.3		156.3	156.3	
Number of Shares diluted (million)	156.3	156.3		156.3	156.3	
Gross Margin %	17.1%	23.5%	-640 bps	22.5%	26.9%	-440 bps
EBITDA Margin %	11.6%	19.6%	-801 bps	16.8%	21.0%	-419 bps
Effective Tax Rate	0.0%	-0.7%	70 bps	0.0%	-0.7%	67 bps
Net Income Margin	-0.2%	4.4%	-458 bps	3.7%	7.1%	-341 bps
Net Income Cash / Net Revenue	0.7%	9.7%	-901 bps	6.7%	10.3%	-360 bps
Operating Cash / Net Revenue	19.6%	4.8%	1478 bps	12.6%	11.1%	153 bps
EV/EBITDA (LTM)	8.7	10.1				
P/E (LTM)	47.0	33.8				

P/E = [(Last Price) x (number of shares)] / (Net Income LTM)

EV/EBITDA = [(Last Price) x (number of shares) + (Non-Current Debentures, Borrowings and Financings)-(Cash and Equivalents)] / (EBITDA LTM)

General highlights

- **Regional brands targets sustained profitability and cash conversion.** The offering of services was adjusted and **15 small unprofitable PSCs were closed in 4Q13 (29 in FY13)**. At the same time, selection of health plans, to the adherence of the Company's value proposition, took place, mainly in Rio de Janeiro. Additionally, the Company discontinued 11 operations in Hospitals in 4Q13 (gross revenue of R\$ 2 MM in 4Q13 and R\$ 18 MM in FY13).
- **Fleury brand's Expansion Plan accelerates to capture growing demand to premium best quality services in São Paulo.** New Integrated Medical Center for Cardio-neurovascular diseases, a 3.3m2 state-of-the-art PSC launched in 1Q14, was awarded by the "Grande Prêmio de Arquitetura Corporativa" (Corporate Architecture Award) in September 2013. In previous editions, Grupo Fleury was also recognized with the PSCs Fleury Itaim Bibi and Fleury Alphaville.
- Average revenue per test rises 13.2% in Patient Service Centers as a result of service mix enrichment and contracts' renegotiations.
- **Restructuring initiatives were introduced to drive operational efficiency and processes' redesign:** costs and expenses savings conducted in 4Q13 while building better risk management, operations chain's workflow, order to cash management, organizational development, methodologies and rituals as the "zero based budgeting".
- **Close relationship with customers.** In November, the Company's Ombudsman was awarded by "Época – As Melhores Empresas para o Consumidor 2013" and "XXIII Prêmio ABT". Both awards seek to identify and encourage companies to pursue excellence in service, improve relationship with consumers and achieve high level of efficiency in solving problems.
- **Innovation and R&D.** On November 4th, Grupo Fleury was ranked 8th among the companies that achieved best performance based on innovation. The Best Innovator Ranking, conducted by A.T. Kearney in partnership with Época Negócios magazine, highlighted the "Codification of Medical Knowledge" and other innovative projects. Throughout the year, 96 new products and improvements in lab methodologies were launched; more than 50 thousand integrated reports,

which cover highly complex diagnostic cases, were sent to patients' physicians; and the concept of Integrated Medical Centers was strengthened under Fleury brand.

- **Sustainability.** In November, Grupo Fleury was recognized, for the third consecutive year, as **one of the twenty best companies in sustainable practices in Brazil** according to "Guia Exame de Sustentabilidade" (Sustainability Guide) from "Exame Magazine" – **1st place in the Health Services** category. In addition, the Company **was selected to compose the ISE Index (BM&FBOVESPA's Corporate Sustainability Index) in 2014.** It is the result of a business model that incorporates the concept of sustainability as a basis for decision-making process and relationship with its stakeholders, balancing longevity with maximization of shareholders return.
- **Brand Awareness.** In March, 2014, Weinmann was recognized as the top of mind and most preferred brand in Rio Grande do Sul in 2013, in the category of Clinical Labs

Economic Scenario and Sector

Macroeconomics

- According the World Bank report, the global economy is expected to grow 3.2% in 2014, compared to 2.4% in the previous year, mainly due to crisis recovery in developed countries; for the Brazilian GDP, it is expected a growth of 2.4% in 2014 (vs. 2.3% in 2013).
- The Brazilian Consumer Price Index (IPCA) accumulated 5.9% in 2013, close to the upper limit of the target set by Central Bank, and there are low expectations of short-term reduction. Selic (interbank discount rate) was raised from 7.25% to 10.00% over the year.
- According to Focus research, conducted on March 10th, financial market expects GDP growth of 1.68% for 2014, with 6.01% IPCA.

Employment

In 2013, 1.1 million new formal jobs were created (+2.8% over the end of 2012).

In the macroeconomic regions where the Group is present, net jobs created in 2013 and growth over the previous year are as follows:

São Paulo (city):	129 thousand (+1.9%)
Rio de Janeiro (city):	73 thousand (+2.6%)
Recife:	32 thousand (+3.7%)
Porto Alegre:	33 thousand (+2.8%)
Curitiba:	19 thousand (+1.8%)
Salvador:	18 thousand (+1.9%)
Federal District:	20 thousand (+2.6%)

Sector

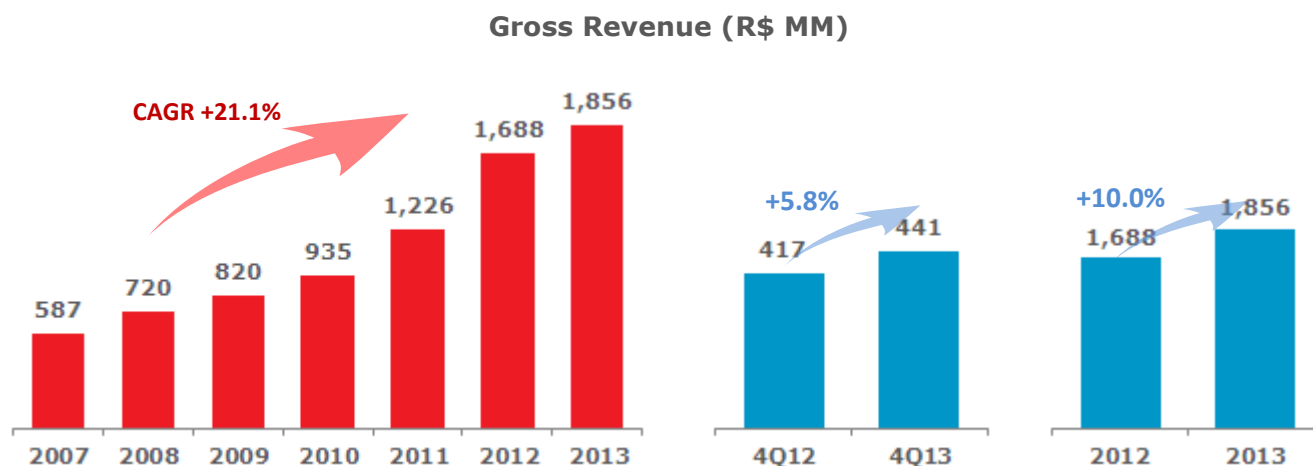
- The Healthcare sector ended 2013 with a share of 10.2% in GDP (vs 9.5% in 2012). The private sector corresponds to 57% of the growth.
- According to IPEA research, health and education are top priorities for Brazilian citizens. 88% of respondents demand improvements in healthcare and 73% desire qualified education.
- 37 oral medicines for cancer home treatment and 50 new procedures were included by ANS (Agency for Supplementary Health Services) in the mandatory coverage to health plans beneficiaries.
- Some initiatives to improve the public healthcare sector in Brazil were taken by the Ministry of Health. The objective is to encourage researchers to find innovative solutions to be applied in the public sector and improve the assistance to the population.
- The government announced investments of R\$ 420 million to build Medical School Hospitals in five different states in the north of the country.

Financial Performance

Gross Revenue

Gross Revenue achieves R\$ 441 MM in the quarter, a 5.8% YoY Organic Growth. Portfolio selection, focusing on profitability and cash conversion of revenues, slows down growth levels in comparison to the previous quarters. At the same time, growth rate remains robust on mature operations.

In the year, gross revenue of R\$ 1.9 billion represents a growth of 10.0%.



The main drivers of this performance are as follow:

- Fleury brand sustains a consistent double digit organic growth, leading premium diagnostics through strong relationship with customers and conclusive diagnostics for physicians, and through innovation and planned capacity expansion – e.g. Integrated Medical Diagnostic Centers.
- Felippe Mattoso and Weinmann brands continue to strength their differentiated premium positions respectively in Rio de Janeiro and Rio Grande do Sul markets. The “a+” brand, launched in May 2011, upholds double digit growth in important economic centers. Operations in Rio de Janeiro (Labs a+) select payers and services offering to improve asset efficiency and prospective profitability, affecting short term consolidated growth.
- Diagnostic Operations in Hospitals, enabled by Group´s medical heritage and driven by progressive intertwining with prominent Medical Institutions, kept growing, even discontinuing small operations.

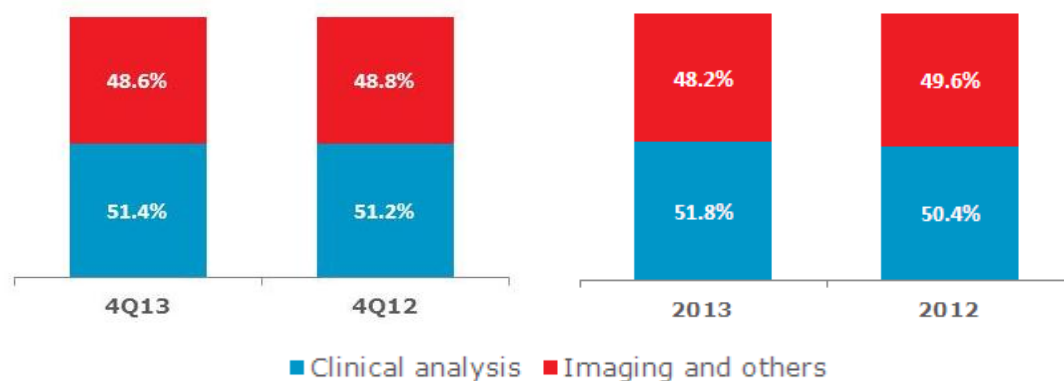
Average Gross Revenue per test grows by 7.9% in 4Q13 (4.3% in FY13) – 13.2% growth in PSCs. This indicator is impacted by different effects such as inflation on prices, mix of services, mix of exams, mix of brands, mix of payers, etc. The expansion of Fleury brand, while intensifying the selection and negotiation with payers of regional brands, contributed to the acceleration of the Gross Revenue per test.

Average Gross Revenue per Test (R\$)

	4Q13	4Q12	Δ	2013	2012	Δ
Grupo Fleury	34.4	31.9	7.9%	32.7	31.3	4.3%
- Patient Service Center	47.4	41.9	13.2%	43.6	41.4	5.3%
- Operations in Hospitals	13.5	13.8	-1.9%	13.3	13.2	0.8%
- Lab to Lab	24.8	22.6	9.9%	24.3	19.3	25.8%

During 2013, clinical analysis tests increased participation in the Company's revenue breakdown, mainly due to the expansion of these services in Labs D'Or PSCs, partially offsetting the remaining effects.

Gross Revenue Breakdown by Type of Test (%) - Patient Service Centers



Productivity Indicators:

- Gross Revenue per employee + physician (medical services) achieves R\$ 41.9 thousand in 4Q13, an increase of 13.1% YoY. In FY13, the indicator grows 5.4% to R\$ 165.6 thousand.
- Fixed-Asset Turnover Ratio ended 2013 at 4.3 X, an improvement of 6.1% over the previous year.

In FY13, Group's Revenue by Source is as follow:

- MCOs and HMOs: 72%
- Individuals: 11%
- Hospitals, other Laboratories and Companies: 17%

Historical Growth Evolution (Gross Revenue)

	2010	2011	2012	2013
Group - Total	13.9%	31.2%	37.7%	10.0%
Group - Organic	9.2%	13.6%	13.2%	10.0%

Business Lines Performance

	4Q13		4Q12		△
	R\$ MM	%	R\$ MM	%	
Patient Service Centers	365.3	82.8%	343.0	82.3%	6.5%
Operations in Hospitals	63.0	14.3%	59.7	14.3%	5.5%
Reference Laboratory	6.5	1.5%	7.1	1.7%	-9.1%
Preventive Medicine	6.5	1.5%	7.1	1.7%	-9.6%
Total Gross Revenue	441.3	100.0%	417.0	100.0%	5.8%

	2013		2012		△
	R\$ MM	%	R\$ MM	%	
Patient Service Centers	1,545.9	83.3%	1,398.2	82.8%	10.6%
Operations in Hospitals	257.4	13.9%	231.7	13.7%	11.1%
Reference Laboratory	27.4	1.5%	30.9	1.8%	-11.1%
Preventive Medicine	25.4	1.4%	27.2	1.6%	-6.6%
Total Gross Revenue	1,856.2	100.0%	1,688.0	100.0%	10.0%

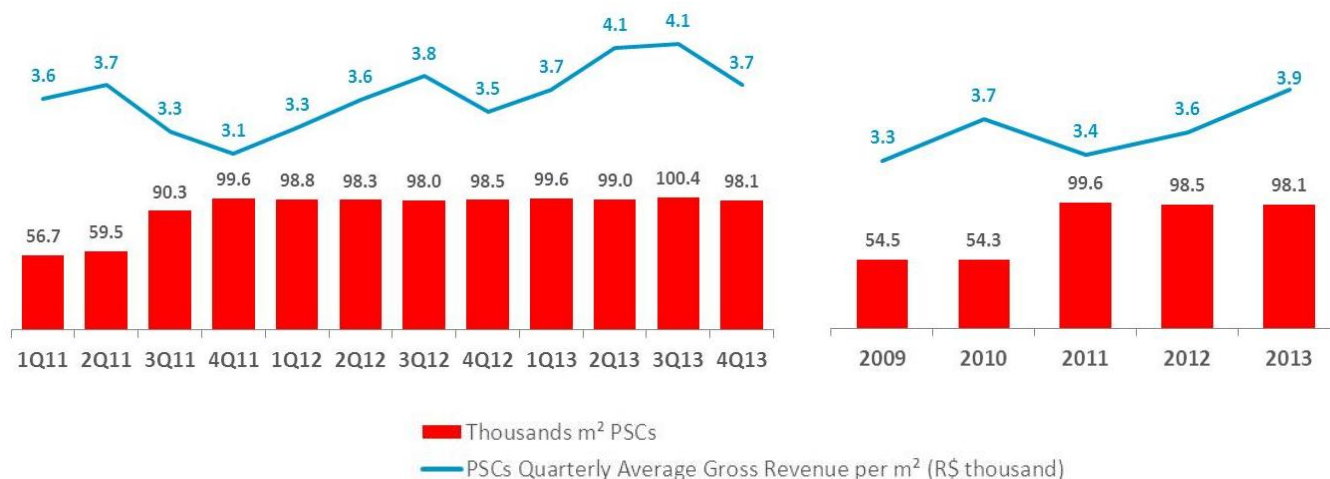
Patient Service Centers

PSCs Revenue increases by 6.5% in 4Q13 (10.6% in FY13), fully organic, adding up to R\$ 365 MM.

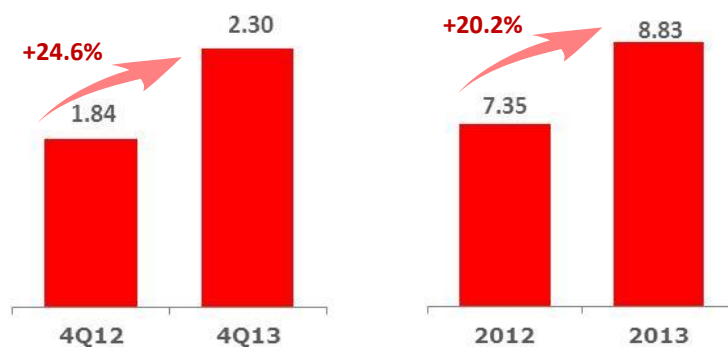
In order to adequate the Company's value proposition to health plans segmentation, especially in Rio de Janeiro, and improve cash collection, clients' portfolio was reviewed in regional brands. As a consequence, 15 small PSCs were closed in order to adjust the fixed costs' structure to an expected lower volume.

These adjustments, aligned with the growth acceleration on Fleury brand, have improved the Company's assets efficiency, as shown in the graphs below. Gross Revenue per m² increases by 6.9% YoY in 4Q13 (9.6% in FY13) and the indicator Gross Revenue per PSC grows 24.6% (20.2% in FY13).

PSCs Assets Efficiency – Gross Revenue per m² per quarter (R\$ thousand)



PSCs Assets Efficiency - Gross Revenue per PSC (R\$ MM)



4Q13 vs 4Q12

	Fleury Brand	Regional Brands	Total	Total (-) RJ
Indicators				
- Gross Revenue	15.6%	-3.2%	6.5%	15.2%
- SSS	13.4%	3.1%	8.1%	14.9%
- Gross Revenue / Number of Tests	4.9%	8.1%	13.2%	7.9%
- Gross Revenue / Sq. Meter	7.7%	1.3%	6.9%	9.3%
- Gross Revenue / PSC	10.6%	16.7%	24.6%	24.5%

	Fleury Brand	Regional Brands	Total	Total (-) RJ
Indicators				
- Gross Revenue	12.6%	8.3%	10.6%	15.1%
- SSS	11.7%	9.4%	10.5%	14.0%
- Gross Revenue / Number of Tests	3.4%	4.3%	5.3%	2.7%
- Gross Revenue / Sq. Meter	7.8%	9.4%	9.6%	11.5%
- Gross Revenue / PSC	8.9%	19.6%	20.2%	21.3%



Fleury brand, which represented 56% of the total PSCs revenue in 4Q13 (53% in FY13), accelerates the pace of growth and **increases by 15.6% in the quarter (12.6% in FY13)**.

Currently, there is an increasing demand for the services offered by this brand and several imaging equipment are operating at full capacity. The Company is focused on expanding Fleury services and launched a new PSC at the end of 3Q13: Fleury Vila Nova Conceição.

Additionally, two new PSCs are being launched in 1H14, including the Integrated Diagnostic Medical Center for Cardio and Neurovascular Diseases, further strengthening the presence of the brand in the Premium market in São Paulo.



clínica luiz felipe mattoso



Grupo Fleury



Grupo Fleury



Grupo Fleury

Regional brands decreased by 3.2% in 4Q13. The selection in the portfolio of clients and services were responsible for growth rate slow down – mainly in Rio de Janeiro operations (gross revenue growth achieves 14.1% excluding Rio de Janeiro). In FY13, an 8.3% growth rate (22.5% excluding Rio de Janeiro) is the result of the increasing recognition of a+ services by clients and by the medical community.

In order to increase the assets efficiency and focus on market repositioning, 15 small PSCs were closed in 4Q13, mainly in Rio de Janeiro. At the end of the year, there were 136 operating PSCs under regional brands (compared to 164 in the previous year).

B2B

1. Diagnostic Operations in Hospitals

Gross Revenue reaches R\$ 63.0 MM in 4Q13 (R\$ 257 MM in FY13), which represents a YoY growth of 5.5% (11.1% in FY13). This business line represents 13.9% of Group's Revenue.

Eleven operations, which represented about 8% of 9M13 Operations in Hospitals revenues (~ 1% of consolidated) were discontinued during 4Q13. In the quarter, such operations represent 3.0% in hospital business' revenue. This initiative is aligned to the Company's strategic position to provide differentiated services and high complexity tests to general and high complex focused hospitals.

Growth components:

- Same Hospitals Sales growth (SHS, which excludes cancelled contracts, new contracts and acquisitions) achieves 20.1% in 4Q13 and 13.9% in FY13.
- Progressive integration of systems in Rede D'Or Hospitals, enabling enriched tests portfolio.
- Marcelino Champagnat, a medium and high complex Hospital in Curitiba (PR) launched in the end of 2011, began operations in February 2013.

2. Reference Laboratory (Lab-to-lab)

Gross Revenue amounts to R\$ 6.5 MM in 4Q13 (R\$ 27.4 MM in FY13), which represents 1.5% of the Group's Revenue.

3. Preventive Medicine

- Health Assessment revenues increased 12.6% YoY in 4Q13 (7.4% in FY13). A new operation was launched in PSC Fleury Alphaville.
- Health Promotion Revenue and Chronic Disease Management were discontinued, as announced in 2Q13 – amounting revenues of R\$ 1 MM in 4Q13 (R\$ 7.5 MM in FY13).

Revenue's Tax and Cancellations/Allowances

Revenue's taxes are stable at 6.2% and Cancellations/Allowances amount to R\$ 24.0 MM in the Quarter (5.4% of Gross Revenues). **Non-recurring write-offs** related to some operations in Hospitals **amount to R\$ 4.7 MM**. In FY13, Cancellations (excluding allowances) represented 3.9% of Gross Revenue, compared to 4.5% in FY12.

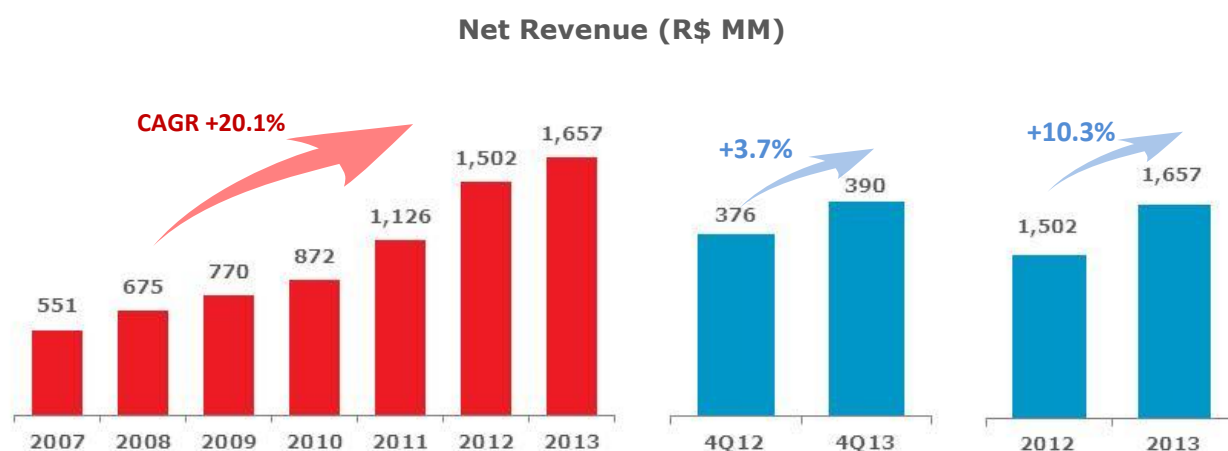
Under the company's policy for past due accounts, the provision coverage for receivables due to more than 120 days achieves 63.7% (63.5% in 4Q12). Accounts due to over 120 days represent 27.8% of the total receivables.

The provisions can be reverted if a payment related to receivables due to more than 120 days is identified. Accounting provision policy:

- From 120 days to 180 days: 15% of provision
- From 180 days to 360 days: 50% of provision
- More than 360 days: 85% of provision

Net Revenue

Net Revenue amounts to R\$ 390 million in the quarter, a 3.7% increase YoY (10.3% FY13).



As a consequence of the gross revenue growth, tax and cancellations, the net revenue breakdown by Business Lines is as follows:

Net Revenue breakdown

	4Q13		4Q12		△
	R\$ MM	%	R\$ MM	%	
Patient Service Centers	323.0	82.8%	307.8	81.9%	4.9%
Operations in Hospitals	54.8	14.1%	55.5	14.8%	-1.1%
Reference Laboratory	6.1	1.6%	6.4	1.7%	-4.1%
Preventive Medicine	5.9	1.5%	6.4	1.7%	-7.2%
Total Net Revenue	389.9	100.0%	376.1	100.0%	3.7%

	2013		2012		△
	R\$ MM	%	R\$ MM	%	
Patient Service Centers	1,374.3	82.9%	1,234.5	82.2%	11.3%
Operations in Hospitals	233.5	14.1%	215.0	14.3%	8.6%
Reference Laboratory	25.6	1.5%	27.9	1.9%	-8.5%
Preventive Medicine	23.5	1.4%	24.4	1.6%	-3.5%
Total Net Revenue	1,656.9	100.0%	1,501.8	100.0%	10.3%

Cost of Services

Cost of Services includes personnel remuneration, cost of medical services, materials, reagents, equipment and installation maintenance and depreciation, rental fees and general expenses with facilities, incurred by the Group in PSCs, Hospitals and Technical areas, as well as expenses to provide Customer Services (e.g.: Call Center costs).

Cost of Services provided amounts to R\$ 323.2 MM in 4Q13, representing 82.9% of Net Revenue (77.5% in FY13).

In order to accelerate return on investments and margin recovery for upcoming years, action plans have been intensified in the second semester of 2013, bringing additional costs in the short term.

Pre-operational costs (mainly rental) add up to **110 bps** while other costs not related to current operations (e.g. non-recurring personal dismissals and fines on PSCs termination) add up to **292 bps**. In FY13, non-recurring and pre-operational costs represented 202 bps.

Cost of Services – Non-recurring and pre-operational items

	4Q13	4Q12	FY13	FY12
Restructuring dismissals	4.4	-	9.3	-
Fines on PSCs termination	0.5	0.4	2.5	1.8
Termination of contracts	1.8	-	1.8	-
Adjustments in Hospital operations	4.7	-	4.7	-
Others	-	-	1.0	-
Operating non-recurring items (I)	11.4	0.4	19.3	1.8
Pre Operational Expenses (II)	4.3	0.9	14.2	4.4
(I) + (II)	15.7	1.3	33.4	6.2
% Net Revenue	4.02%	0.35%	2.02%	0.41%

The main costs lines are as follows:

- **Personnel and Medical Services** are the Group's main cost and represents 40.4% of net revenues in 4Q13 (38.0% in 4Q12 and 38.1% in FY13), reflecting our highly qualified professionals, which include 1,711 physicians (1,611 in 4Q12) and 8,822 employees (9,647 in 4Q12).

Additional costs, including personal dismissals, add 148 bps in the quarter.

- **Materials and Outsourcing** cost accounts for 11.0% of Net Revenue, compared to 11.1% in 4Q12 and 10.7% in FY13.
- **General Services, Rents and Utilities** represent 17.8% of Net Revenue in the quarter (15.5% in FY13). Pre-operational and other additional costs (e.g. fines on key returns) add 123 bps in 4Q13 and 100bps in FY13.
- **General Expenses**, which include mainly IT front-office systems and call center infrastructure expenses, represent 8.6% of Net Revenues in the quarter (7.9% in 4Q12 and 8.2% in FY13). Call center qualification and IT integration has driven the expansion.
- **Depreciation and Amortization** account for 5.2% of Net Revenue in 4Q13 (4.8% in 4Q12 and 5.0% in FY13).

	4Q13		4Q12		2013	2012
	R\$ thousand	% Net Revenues	R\$ thousand	% Net Revenues	% Net Revenues	
Personnel and medical services	157,339	40.4%	142,761	38.0%	38.1%	36.4%
Materials and outsourcing	42,882	11.0%	41,660	11.1%	10.7%	11.0%
General services, rent and utilities	69,314	17.8%	55,603	14.8%	15.5%	13.4%
General expenses	33,368	8.6%	29,830	7.9%	8.2%	7.7%
Depreciation and Amortization	20,345	5.2%	17,898	4.8%	5.0%	4.7%
Cost of Services	323,248	82.9%	287,752	76.5%	77.5%	73.1%

Gross Profit

Gross profit achieves R\$ 66.6 MM, which represents a margin-on-net-revenue of 17.1% in 4Q13 (22.5% in FY13).

Operating Expenses

Operating Expenses amount R\$ 47.9 MM in 4Q13, 12.3% of Net Revenues, as shown below:

	4Q13		4Q12		2013	2012
	R\$ thousand	% Net Revenues	R\$ thousand	% Net Revenues	% Net Revenues	
General and Administrative (Excl. Depreciation)	50,837	13.0%	43,380	11.5%	11.5%	10.7%
Depreciation and Amortization	6,058	1.6%	8,186	2.2%	1.6%	2.0%
Other Operating Income (Expenses), net	-463	-0.1%	-9,045	-2.4%	0.1%	-0.2%
Provision for Contingency	-8,646	-2.2%	-1,862	-0.5%	-0.9%	0.1%
Subsidiaries' share of profits	137	0.0%	0	0.0%	0.0%	0.0%
Operating Expenses	47,922	12.3%	40,659	10.8%	12.2%	12.6%

- **General and Administrative Expenses (exc. Depreciation)** amount to R\$ 50.8 MM, 13.0% of net revenue (11.5% in 4Q12 and 11.5% in FY13).
- **Depreciation and Amortization** is R\$ 6.1 MM in the quarter, 1.6% of net revenue.
- **Other Operating Income** of R\$ 0.5 MM in the Quarter. The impact of R\$ 5.2 MM regarding assets write-offs from closed PSCs is offset by several non-recurring events, such as reversal of fiscal provisions attributed to former owners of acquired companies.
- **Provision for Contingency** is a reversal of R\$ 8.6 MM mainly due to reclassification of some fiscal actions from Labs to "possible" and "remote" risks and to the payment of some processes which provisions were higher.
- **Subsidiaries' share of profits.** Grupo Papaiz, a diagnostic dental company in São Paulo, was acquired by Grupo Fleury and Odontoprev in the end of 2012. The figures have been reported as "Subsidiaries' share of profits" because the operation is characterized as a "Joint Venture" and Grupo Fleury holds 51% of this business. Find below the performance of Grupo Papaiz in FY13.

	2013	
	R\$ thousand	% Net Revenues
Net Revenue	13,167	
EBITDA	2,288	17.4%
Net Income	694	5.3%
Net Income attributed to Grupo Fleury (51%)	354	-



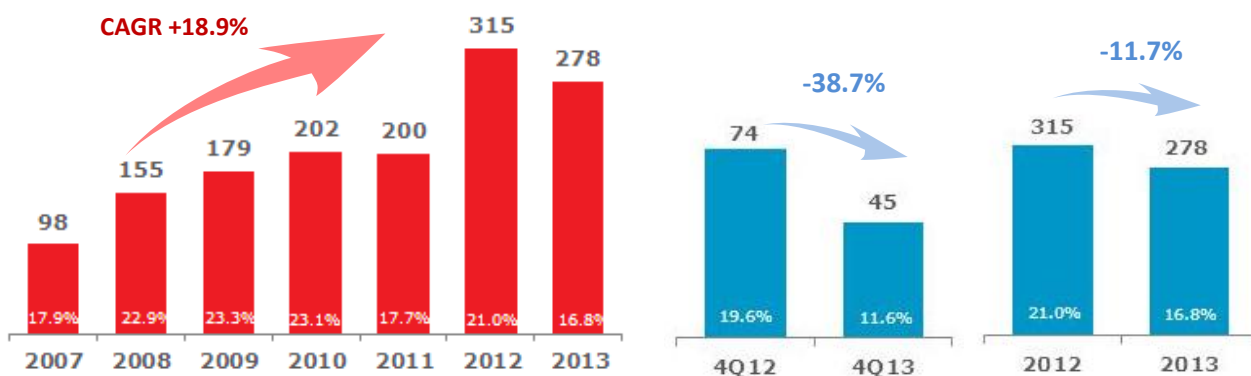
EBITDA

EBITDA reaches R\$ 45.2 MM in 4Q13, representing 11.6% of net revenue (16.8% in FY13).

EBITDA – Non-recurring and pre-operational items

	4Q13	4Q12	FY13	FY12
Cancellations & Bad Debt Write-Offs	4.7	-	4.7	-
Operating non-recurring items	11.4	0.4	19.3	1.8
Assets Write-off	5.3	-	6.1	-
Non-recurring income	-	(9.0)	-	(9.0)
Reversal of provisions	(8.7)	-	(17.9)	-
Others	(6.3)	-	(6.3)	-
Non-recurring costs and expenses	6.4	(8.6)	5.9	(7.2)
Pre Operational Expenses	4.3	0.9	14.2	4.4
(I) + (II)	10.7	(7.7)	20.0	(2.8)
% Net Revenue	2.76%	-2.04%	1.21%	-0.19%

EBITDA (R\$ MM)



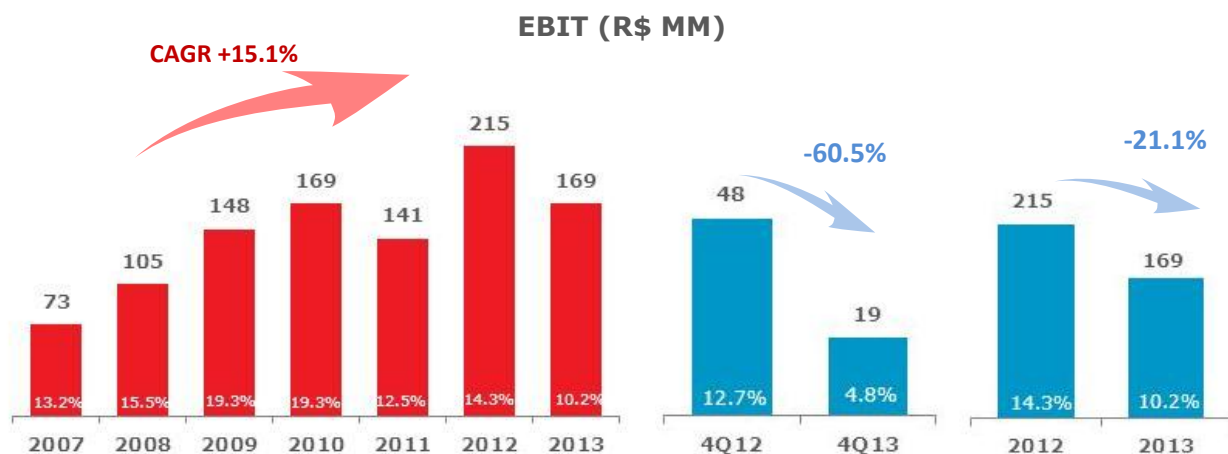
	4Q13		4Q12		△	2013	2012	△
	R\$ million	% Net Revenues	R\$ million	% Net Revenues		% Net Revenues		
Net Income	-0.8	-0.2%	16.5	4.4%	-458 bps	3.7%	7.1%	-341 bps
Financial Result	16.1	4.1%	11.0	2.9%	120 bps	3.5%	3.9%	-38 bps
Depreciation and Amortization	26.4	6.8%	26.1	6.9%	-16 bps	6.6%	6.7%	-11 bps
Income Tax and Social Contribution	3.4	0.9%	20.2	5.4%	-449 bps	3.0%	3.3%	-26 bps
Subsidiaries' share of profits	0.1	0.0%	0.0	0.0%	4 bps	0.0%	0.0%	-2 bps
EBITDA	45.2	11.6%	73.8	19.6%	-801 bps	16.8%	21.0%	-419 bps

Segment Analysis:

- Patient Service Centers (Diagnostic Medicine) EBITDA achieves R\$ 46.5 MM in the quarter and R\$ 243.7 MM in FY 13 (margin-on-net-revenue of 14.4% and 17.7%, respectively).
- B2B (Integrated Medicine) amounts - R\$ 1.3 MM in 4Q13, margin-on-net-revenue of -2.0% (12.1% in FY13) due to non-recurring events regarding the termination of some contracts with hospitals.

EBIT (Operating Profit)

EBIT reaches R\$ 18.8 MM in the quarter, representing a 4.8% margin (10.2% in FY13).



Financial Results

Financial net expenses amounts to R\$ 16.1 million in 4Q13 compared to R\$ 11.0 million in 4Q12, as shown in the tables below.

R\$ million	4Q13	4Q12	2013	2012
Financial income (expenses), net	(16.1)	(11.0)	(58.3)	(58.6)
Interest and inflation adjustment	(30.0)	(13.8)	(97.2)	(69.7)
Exchange rate change and hedge	0.1	(0.7)	(1.1)	(3.0)
Interest received	13.7	4.1	45.6	20.6
Bank fees and other expenses	0.2	(0.6)	(5.7)	(6.5)
Financial income	15.4	7.0	57.1	47.4
Financial expenses	(29.5)	(20.4)	(115.5)	(106.0)

The Company issued three series of Debentures in the last two years, amounting to R\$ 950 million to be paid until February, 2020 as follows:

1st Issuance (First Series): R\$ 150 MM; maturity in 2016; remuneration of CDI + 0.94% per year.

1st Issuance (Second Series): R\$ 300 MM; maturity in 2018; remuneration of CDI + 1.20% per year.

2nd Issuance: R\$ 500 MM; maturity in 2020; remuneration of CDI + 0.85% per year.

R\$ million	4Q12	1Q13	2Q13	3Q13	4Q13	next 12 months
Gross Financial Debt	595.4	1,099.8	1,030.3	1,016.5	1,010.0	82.5
- Loans and Financing	560.1	1,071.5	1,002.4	990.3	984.5	73.4
- Acquisition	35.3	28.3	27.9	26.2	25.4	9.1
Cash & Cash Equivalents	(180.8)	(675.5)	(635.4)	(583.2)	(539.9)	
Net Debt	414.6	424.3	394.9	433.4	470.0	
Net Financial Debt / EBITDA LTM	1.3	1.4	1.3	1.4	1.7	
EBITDA / Net Financial Expenses	5.4	5.6	5.9	5.8	4.8	

(1) Debentures Covenant:
Net Financial Debt / EBITDA LTM < 3x
EBITDA / Net Financial Expenses > 1.5x

Income Tax and Social Contribution

Mainly due to the goodwill amortization, the Effective Tax Rate is 0%, resulting in improvements of the Cash Net Income.

Expected Amortization of Goodwill	
Period	R\$ MM
2014	206
2015	176
2016	168
2017	161

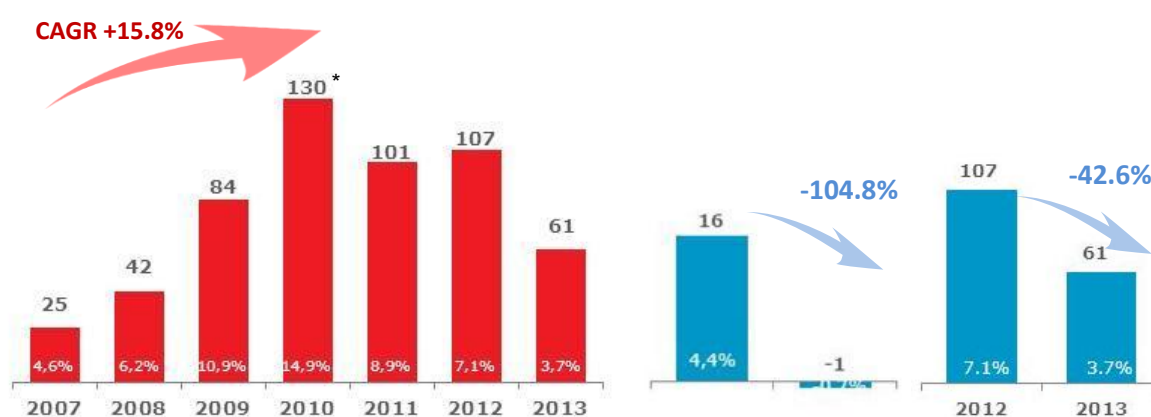
Deferred Income Tax is R\$ 3.4 million in 4Q13 and R\$ 50.0 in FY13 (45% of EBT). Non-deductible expenses, mainly regarding write-offs and provisions, increase the taxable basis in R\$ 11.6 MM, as shown below:

(R\$ million)	1Q13	2Q13	3Q13	4Q13	FY13	FY12
Earnings Before Taxes	30.5	43.0	35.1	2.6	111.2	155.9
Standard (34%)	10.4	14.6	11.9	0.9	37.8	53.0
Non-Deductable Expenses	2.0	1.7	2.7	5.2	11.6	7.5
Recurring Taxes	12.4	16.3	14.6	6.1	49.4	60.6
% EBT	40.6%	38.0%	41.7%	233.3%	44.4%	38.9%
Interest on Capital	-	-	-	-	-	(8.8)
Hedge Income	-	3.8	-	0.1	3.9	-
Adjustment between quarters	(2.7)	-	2.7	-	-	-
Others	(0.8)	0.8	(0.5)	(2.7)	(3.2)	(2.5)
Accounting Taxes	8.9	20.9	16.8	3.4	50.0	49.3
% EBT	29.2%	48.6%	47.9%	130.2%	45.0%	31.6%
Current Taxes	-	-	-	-	-	1.0
Deferred Taxes	8.9	20.9	16.8	3.4	50.0	48.3

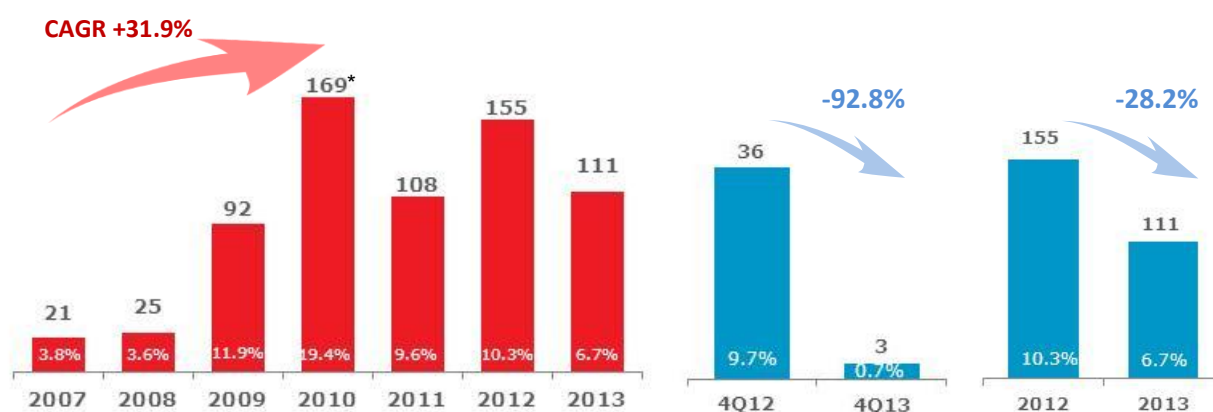
Net Income

In FY13, Net Income achieves R\$ 61.1 MM representing a net-income-margin of 3.7% (7.1% in FY12). Excluding deferred taxes impact, cash net income amounts to R\$ 111.2 MM in FY13.

Net Income (R\$ MM)



Net Income Cash (R\$ MM)



* In 2010 financial result was R\$ 27 million positive, reflecting cash resources from the IPO, which were used in mid 2011.

Cash Flow

Operating activities provide cash of R\$ 76.0 MM in the quarter, the highest value in the Company's history. In FY13 it amounts to R\$ 210 MM (25.5% above FY12), which represents an EBITDA conversion of 75% (53% in FY12).

The improvement in Working Capital cost, which represents 7.5% of Gross Revenue in FY13 (14.0% in FY12), is the result of cash collection programs over the year.

R\$ thousand	4Q13	4Q12	2013	2012
Net Income	-788	16,479	61,143	106,588
Deferred Income Tax	3,397	19,920	50,034	48,259
Cash Net Income	2,609	36,399	111,176	154,847
Depreciation and amortization	26,403	26,084	108,762	100,263
Provisions	-8,546	3,227	79,115	92,925
Working Capital	41,753	-57,349	-139,774	-236,353
Others	14,263	9,839	50,306	55,372
Operational Cash Flow	76,482	18,200	209,585	167,054
Changes in PP&E and IT System	-64,131	-32,011	-146,962	-162,332
Acquisitions	0	-1,432	-17,673	-209,045
Financing Activities	-55,568	-42,695	314,195	-100,885
Cash Flow	-43,217	-57,938	359,146	-305,208
Conversion (Operational Cash Flow / EBITDA)	169%	25%	75%	53%
Working Capital / Gross revenue	9.5%	-13.8%	-7.5%	-14.0%

Account Receivables

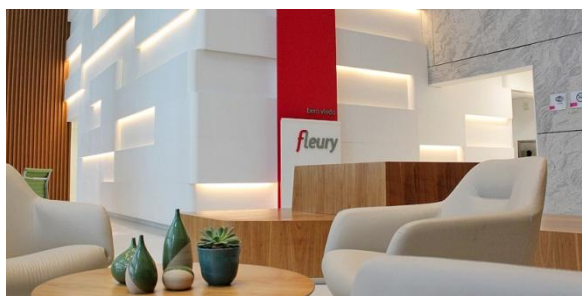
R\$ million	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
Trade Receivables	410.0	422.8	476.4	498.7	529.7	486.3
- Current	229.4	235.1	262.6	312.5	323.4	265.0
- Up to 120 days past due	88.8	87.4	94.4	71.2	82.3	86.0
- 121 to 360 days past due	69.7	66.5	77.9	70.3	71.8	68.2
- Over 360 days past due	22.1	33.7	41.6	44.6	52.2	67.1
Sales Deductions Provisions	(55.0)	(63.7)	(70.5)	(70.4)	(77.6)	(86.3)
Total	355.0	359.0	405.9	428.2	452.1	400.1
Provisions / Over 121 days past due	59.9%	63.5%	59.0%	61.3%	62.6%	63.7%

Investments

CAPEX achieves R\$ 148.1 MM in FY13, mainly concentrated on PSCs expansion (54%). It is expected a total CAPEX of R\$ 221 in 2014.

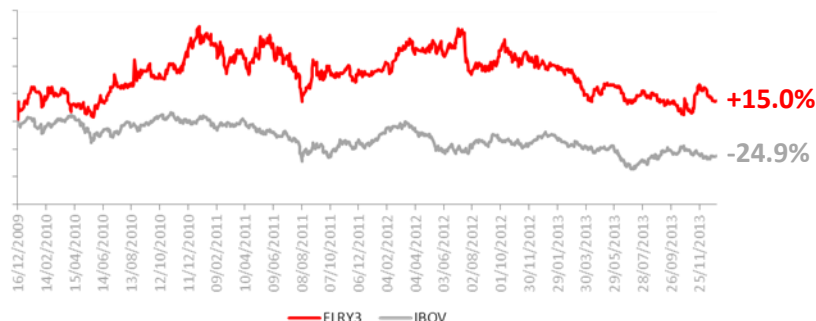
Most of the 4Q13 CAPEX was focused on the two new Fleury PSCs launched in February 2014, adding up 3 thousand square meters to the brand:

- The Integrated Diagnostic Medical Center for Cardio and Neurovascular Diseases will provide multidisciplinary services for diagnosis of specific medical conditions in the areas of cardiology and neurovascular medicine. The tests will be performed in sequence, in an environment equipped with modern technologies and supported by the Fleury medical specialists to support the patient's physician in a faster and more accurate diagnosis. The patient's physician will have an excellent diagnostic service with comprehensive and integrated approach. For the patient, this pioneering concept will ensure the benefit of convenience and comfort, outside the hospital environment, focusing on their needs and on solving their problems.
- The new Fleury PSC Ponte Estaiada, will deliver clinical analysis and imaging services, and a Women Health Area with Mammography, Ultrasound, Densitometry and Colposcopy, among others. With this unit, Fleury brand expands its capillarity to 23 PSCs in São Paulo State.

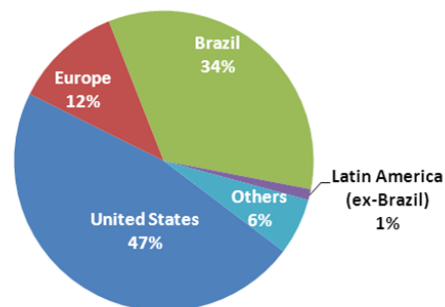


Stock Market Performance

Fleury shares (BOVESPA: FLRY3) end up the 4Q13 at R\$ 18.40, a 0.3% increase compared to 3Q13 and 20.2% decrease compared to December 31st, 2012 (Ibovespa Index decreased 1.6% and 15.5% in the same period respectively). ADTV (Average Daily Trade Volume) in 2013 is R\$ 7.6 MM (43% above 2012).

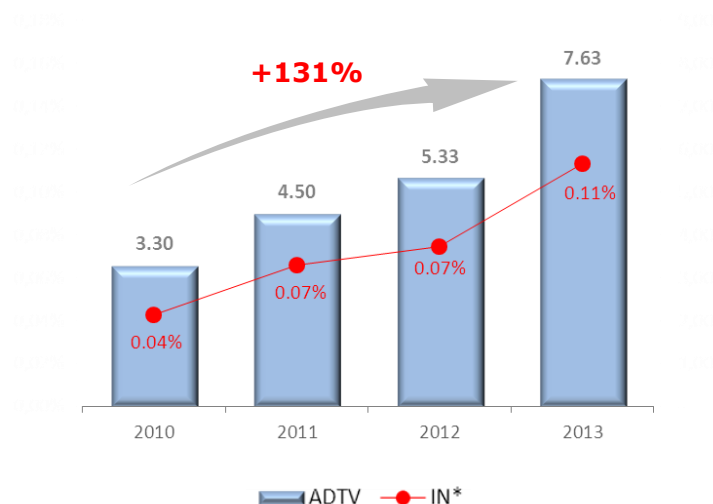


Free Float breakdown



Source: Fleury data, December 2013
Not considering "Integritas" (Controlling Group), and "Members of this Group".

Average Daily Trade Volume – R\$ MM



*Negotiability Index

Investor Relations Department

Phone: + 55 11 5014-7413 | **E-mail:** ri@grupofleury.com.br | **Website:** www.fleury.com.br/ir
Address: Avenida General Valdomiro de Lima, 508 - 04344-903 - São Paulo, SP – Brasil

Performance Indicators

According to the accounting principles adopted in Brazil and IFRS

Income Statement	Description	Unit	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
Gross Revenue	Gross Revenue	R\$ MM	398	426	447	417	440	485	489	441
Net Revenue	Gross Revenue - Tax (ISS) - Cancellations	R\$ MM	352	374	400	376	394	434	440	390
COGS	Personnel and Medical Services + Materials and Outsourcing + General Services, Rent and Utilities + General Expenses + Depreciation	R\$ MM	(258)	(273)	(280)	(288)	(301)	(321)	(340)	(323)
SG&A	Does not include Other Operating Expenses / Revenues neither Contingency Provisions	R\$ MM	(36)	(44)	(59)	(52)	(45)	(55)	(59)	(57)
EBIT	Earnings Before Interest and Taxes	R\$ MM	55	56	56.1	48	45	57	49	18.8
Finance Income (Costs)	Interest Revenue - Interest Expenses	R\$ MM	(18)	(16)	(13)	(11)	(15)	(14)	(14.0)	(16.1)
Net Income	Net Profit	R\$ MM	32	32	26	16	22	22	18	(1)
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	R\$ MM	77	82	82	74	73	84	76	45
Gross Margin	Gross Profit / Net Revenue	%	26.7%	27.1%	30.0%	23.5%	23.6%	26.0%	22.6%	17.1%
EBIT Margin	Earnings Before Interest and Tax / Net Revenue	%	15.5%	15.0%	14.0%	12.7%	11.4%	13.0%	11.1%	4.8%
EBITDA Margin	Earnings Before Interest, Tax, Depreciation and Amortization / Net Revenue	%	22.0%	21.9%	20.5%	19.6%	18.6%	19.4%	17.2%	11.6%
Effective Tax Rate	Current Tax / Earnings Before Tax	%	-0.6%	-0.7%	-0.7%	-0.7%	0.0%	0.0%	0.0%	0.0%
Net Income Margin	Net Profit / Net Revenue	%	9.0%	8.6%	6.5%	4.4%	5.5%	5.1%	4.2%	-0.2%

Balance Sheet

Cash & Equivalents	Cash & Equivalents	R\$ MM	252	236	239	181	676	635	583	540
Current Assets	Current Assets	R\$ MM	657	664	705	663	1,204	1,187	1,155	1,055
PP&E, net	Tangible Fixed Assets	R\$ MM	414	420	418	424	427	427	430	455
Total Assets	Total Assets	R\$ MM	2,701	2,728	2,777	2,738	3,301	3,280	3,249	3,211
Short Term Debt	Loans and Financing - Current Liabilities	R\$ MM	46	90	100	88	100	34	26	73
Current Liabilities	Current Liabilities	R\$ MM	212	265	286	244	275	217	210	260
Long Term Debt	Loans and Financing - Long Term	R\$ MM	549	482	484	472	971	968	964	911
Total Liabilities	Total Liabilities	R\$ MM	1,037	1,030	1,072	1,032	1,573	1,529	1,522	1,522
Total Equity	Total Equity	R\$ MM	1,664	1,698	1,705	1,706	1,728	1,751	1,727	1,689

Market and Multiples

Price	Closing price in the last day of the quarter	R\$	24.1	25.5	24.3	23.1	19.1	18.2	17.3	18.4
Volume	Average daily trading volume	R\$ MM	5.6	3.9	6.2	5.6	7.5	8.9	7.3	6.9
P/E (Price-to-Earnings Ratio)	Quarter Closing Price / Net Income LTM / # Shares	Multiple	35.9	38.3	35.7	33.8	31.0	33.0	34.5	47.0
P/B (Price-to-Book Ratio)	Quarter Closing Price / (Asset excl. Intangibles) / # Shares	Multiple	3.2	3.3	3.0	3.0	1.7	1.6	1.6	1.7
P/S (Price-to-Sales Ratio)	Quarter Closing Price / Gross Revenue LTM / # Shares	Multiple	2.7	2.6	2.3	2.1	1.7	1.6	1.5	1.5
EV/EBITDA	(Market Capitalization + Short and Long Term Debt - Cash and Equivalents) / EBITDA LTM	Multiple	14.9	14.1	11.7	10.1	8.2	7.8	7.4	8.7

Financial Debt

Debt / Equity	Loans and Financing - Short and Long Term / Equity	%	36%	34%	34%	33%	62%	57%	57%	58%
Net Debt / Equity	(Loans and Financing / Short and Long Term less Cash and Equivalents) / Equity	%	21%	20%	20%	22%	23%	21%	24%	26%
Debt / Assets	Loans and Financing Short and Long Term / Total Assets	%	22%	21%	21%	20%	32%	31%	30%	31%
Net Debt / EBITDA	(Loans and Financing / Short and Long Term less Cash and Equivalents) / EBITDA LTM. Include Acquisition debt	Multiple	1.7	1.5	1.3	1.3	1.4	1.3	1.4	1.7

Liquidity

Cash / Current Liability	Cash & Equivalents / Current Liabilities	#	1.2	0.9	0.8	0.7	2.5	2.9	2.8	2.1
Quick Ratio	Current Assets (wo/ Inventory) / Current Liabilities	#	3.0	2.5	2.4	2.6	4.3	5.4	5.4	4.0
Current Ratio	Current Assets / Current Liabilities	#	3.1	2.5	2.5	2.7	4.4	5.5	5.5	4.1

Profitability and Return

Adjusted ROE (LTM)	Cash Net Income LTM / Shareholders Equity	%	6.4%	6.3%	7.7%	9.1%	8.6%	8.7%	8.4%	6.6%
Adjusted ROIC (LTM)	NOPAT LTM (effective rate) / Capital Employed (Shareholders Equity + Net Debt)	%	10.4%	11.7%	9.4%	10.4%	9.7%	9.7%	9.3%	7.9%

FLEURY S.A. CONSOLIDATED
BALANCE SHEETS AS AT DECEMBER 31, 2013 AND DECEMBER 31, 2012
(In thousands of Brazilian - R\$)

Assets	Consolidated	
	12/31/2013	12/31/2012
Current Assets		
Cash and cash equivalents	539,943	180,798
Derivative financial instruments	9	12,735
Accounts receivables	400,063	359,043
Inventories	16,860	18,838
Recoverable taxes	84,751	79,087
Prepaid expenses	1,950	4,108
Other	11,070	8,249
Total current assets	1,054,646	662,858
Non-current Assets		
Long-term assets:		
Judicial deposits	12,970	10,855
Deferred income tax and social contribution	119,317	99,740
Other	27,435	10,874
Total long-term assets	159,722	121,469
Investments	7,806	246
Property and equipment	454,556	424,288
Intangible assets	1,534,437	1,529,298
Total non-current assets	2,156,521	2,075,301
Total Assets	3,211,167	2,738,159

Equity and Liabilities	Consolidated	
	12/31/2013	12/31/2012
Current Liabilities		
Borrowings and financing	73,432	88,332
Derivative financial instruments	-	127
Accounts payable	104,312	70,997
Payroll and related taxes	49,447	43,102
Provision for income tax and social contribution	-	29
Taxes payable	23,753	30,463
Payables - business acquisitions	9,079	10,574
Other payables	125	-
Total current liabilities	260,148	243,624
Non-current Liabilities		
Borrowings and financing	911,094	471,731
Deferred income tax and social contribution	253,191	182,388
Provision for tax, labor and civil risks	18,089	51,524
Taxes payable	63,258	58,238
Payables - business acquisitions	16,354	24,746
Total non-current liabilities	1,261,986	788,627
Equity		
Share capital	1,379,747	1,379,747
Capital reserve - recognized options granted	7,680	3,766
Revaluation reserve	968	1,476
Legal reserve	33,556	30,499
Investment reserve	267,082	290,420
Total Equity	1,689,033	1,705,908
Total Equity and Liabilities	3,211,167	2,738,159

FLEURY S.A. CONSOLIDATED
NET INCOME STATEMENT FOR THE PERIODS ENDED DECEMBER 31, 2013 AND DECEMBER 31,
2012 (In thousands of Brazilian - R\$)

	Consolidated		Consolidated	
	4Q13	4Q12	FY13	FY12
Service revenue	389,867	376,086	1,656,896	1,501,783
Cost of services	(323,248)	(287,752)	(1,284,920)	(1,098,530)
Gross Profit	66,619	88,334	371,976	403,253
General and administrative expenses	(56,895)	(51,566)	(216,026)	(190,497)
Other operating income (expenses)	463	9,045	(2,038)	3,240
Provision for tax, labor and civil risks	8,646	1,862	15,240	(1,485)
Share of profits (losses) of subsidiaries	(137)	-	354	-
Operating profit before finance income (costs)	18,697	47,675	169,506	214,511
Finance income	15,449	11,326	57,143	47,363
Finance costs	(31,536)	(22,345)	(115,472)	(105,982)
Finance income (costs)	(16,087)	(11,019)	(58,329)	(58,619)
Net income before income tax and social contribution	2,609	36,656	111,177	155,892
Income tax and social contribution:				
Current	-	(257)	-	(1,045)
Deferred	(3,397)	(19,920)	(50,034)	(48,259)
Net income for the period	(788)	16,479	61,143	106,588
Earnings per share attributable to owners of the Company				
Basic earnings per share	(0.01)	0.11	0.39	0.68
Diluted earnings per share	(0.01)	0.11	0.39	0.68

**FLEURY S.A. CONSOLIDATED
STATEMENTS OF CHANGES IN EQUITY (CONSOLIDATED) FOR THE PERIOD ENDED DECEMBER 31, 2013**
(In thousands of Brazilian - R\$)

	Share Capital	Expenditures on Issuance of shares	Capital Reserve Recognized options granted	Revaluation reserve	Earnings Reserves Legal Reserve	Investment Reserve	Net Income for the Period	Equity attributable to the owners of the Company
Balances at December 31, 2011	<u>1,400,908</u>	<u>(22,784)</u>	<u>2,561</u>	<u>2,236</u>	<u>25,169</u>	<u>223,791</u>	<u>-</u>	<u>1,631,881</u>
Capital increase	1,623	-	-	-	-	-	-	1,623
Realization of revaluation reserve	-	-	-	(760)	-	-	760	-
Stock option plan	-	-	1,205	-	-	-	611	1,816
Profit for the period (R\$0.68 per share)	-	-	-	-	-	-	106,588	106,588
Allocation of profit for the period:								
Interest on capital proposed (R\$0.10 per share)	-	-	-	-	-	-	(16,000)	(16,000)
Dividends	-	-	-	-	-	-	(20,000)	(20,000)
Legal reserve	-	-	-	-	5,330	-	(5,330)	-
Investment reserve	-	-	-	-	-	66,629	(66,629)	-
Balances at December 31, 2012	<u>1,402,531</u>	<u>(22,784)</u>	<u>3,766</u>	<u>1,476</u>	<u>30,499</u>	<u>290,420</u>	<u>-</u>	<u>1,705,908</u>
Realization of revaluation reserve	-	-	-	(399)	-	-	399	-
Stock option plan	-	-	3,005	-	-	-	-	3,005
Reversal of reserves	-	-	-	-	-	(23,338)	23,338	-
Profit for the period (R\$0.39 per share)	-	-	-	-	-	-	61,143	61,143
Allocation of profit for the period:	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(81,932)	(81,932)
Legal reserve	-	-	-	-	3,057	-	(3,057)	-
Balances at December 31, 2013	<u>1,402,531</u>	<u>(22,784)</u>	<u>6,771</u>	<u>1,077</u>	<u>33,556</u>	<u>267,082</u>	<u>(109)</u>	<u>1,688,124</u>

**FLEURY S.A. CONSOLIDATED
STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED DECEMBER 31, 2013 AND
DECEMBER 31, 2012 (In thousands of Brazilian - R\$)**

	Consolidated		Consolidated	
	4Q13	4Q12	FY13	FY12
Net income	(788)	16,479	61,143	106,588
Items not affecting net cash provided by operating activities				
Income tax and social contribution	3,398	20,176	50,034	49,304
Finance income (costs)	16,087	11,018	58,329	58,619
Depreciation and amortization	26,403	26,084	108,762	100,263
Share of profits (losses) of subsidiaries	138	-	(354)	-
EBITDA	45,237	73,757	277,914	314,774
Stock option plan	909	567	3,914	1,816
Recognition (reversal) of provision for tax, labor and civil risks	(8,646)	(1,861)	(15,240)	1,485
Provision for doubtful accounts	22,382	13,581	73,974	77,848
Labor Provisions	(17,669)	(20,775)	6,387	12,352
Provisions for Suppliers	(4,511)	14,003	9,426	(896)
Others	(1,011)	(2,288)	654	320
Net cash provided by operating activities before changes in working capital	36,691	76,984	357,029	407,699
Accounts receivables	28,784	(17,989)	(118,038)	(151,598)
Inventories	(4,378)	(7,502)	489	(1,720)
Trade payables / Payroll and Benefits	29,257	(11,044)	20,779	(17,001)
Other assets	934	(10,423)	(12,931)	(39,640)
Other liabilities	(12,844)	(10,391)	(30,073)	(26,394)
Changes in working capital	41,753	(57,349)	(139,774)	(236,353)
Financial expenses paid	(1,962)	(1,265)	(7,641)	(3,809)
Income tax and social contribution paid	0	(170)	(29)	(483)
Net cash provided by operating activities	76,482	18,200	209,585	167,054
Additions to property and equipment	(64,325)	(32,377)	(148,056)	(162,845)
Sale of fixed assets	194	366	1,094	513
Acquired Companies:				
Payments	-	(1,432)	(17,673)	(209,045)
Net cash used in investing activities	(64,131)	(33,443)	(164,635)	(371,377)
Change in loans and debentures:				
Raising	(0)	-	503,319	7,976
Settlement	(7,833)	(11,843)	(84,546)	(42,633)
Interest paid	(23,110)	(21,095)	(66,155)	(54,569)
Interest received (investments)	13,660	4,100	45,649	20,575
Capital Increase	-	-	-	1,623
Dividends and Interest on Capital	(38,285)	(13,857)	(84,072)	(33,857)
Net cash provided by financing activities	(55,568)	(42,695)	314,195	(100,885)
Decrease in cash and cash equivalents	(43,217)	(57,938)	359,145	(305,208)
Cash and cash equivalents				
At the beginning of the period	583,160	238,736	180,798	486,006
At the end of the period	539,943	180,798	539,943	180,798
Decrease in cash and cash equivalents	(43,217)	(57,938)	359,145	(305,208)

**FLEURY S.A. CONSOLIDATED
STATEMENTS OF VALUE ADDED FOR THE PERIODS ENDED DECEMBER 31, 2013 AND
DECEMBER 31, 2012 (In thousands of Brazilian - R\$)**

	Consolidated	
	<u>12/31/2013</u>	<u>12/31/2012</u>
Revenues	1,805,184	1,621,157
Sales of goods and services	1,856,215	1,687,987
Provision for doubtful accounts	(73,974)	(77,847)
Other revenues	22,943	11,017
Inputs purchased from third parties	(781,458)	(669,905)
Cost of sales and services	(566,078)	(510,702)
Materials, electric power, outside services and other	(213,892)	(158,626)
Impairment/Recovery of assets	(1,488)	(577)
Gross value added	1,023,726	951,252
Depreciation and amortization	(108,762)	(100,263)
Net value added	914,964	850,989
Value added received through transfer	57,497	47,363
Share of profits (losses) of subsidiaries	354	-
Finance income	57,143	47,363
Total value added	972,461	898,352
Distribution of value added	(972,461)	(898,352)
Personnel and payroll charges	(492,385)	(422,697)
Taxes and contributions	(175,234)	(164,474)
Interest, rentals and other operating expenses	(243,699)	(204,593)
Interest on capital and dividends	(58,594)	(36,000)
Retained earnings	(2,549)	(70,588)