4Q13 Results – FLRY3

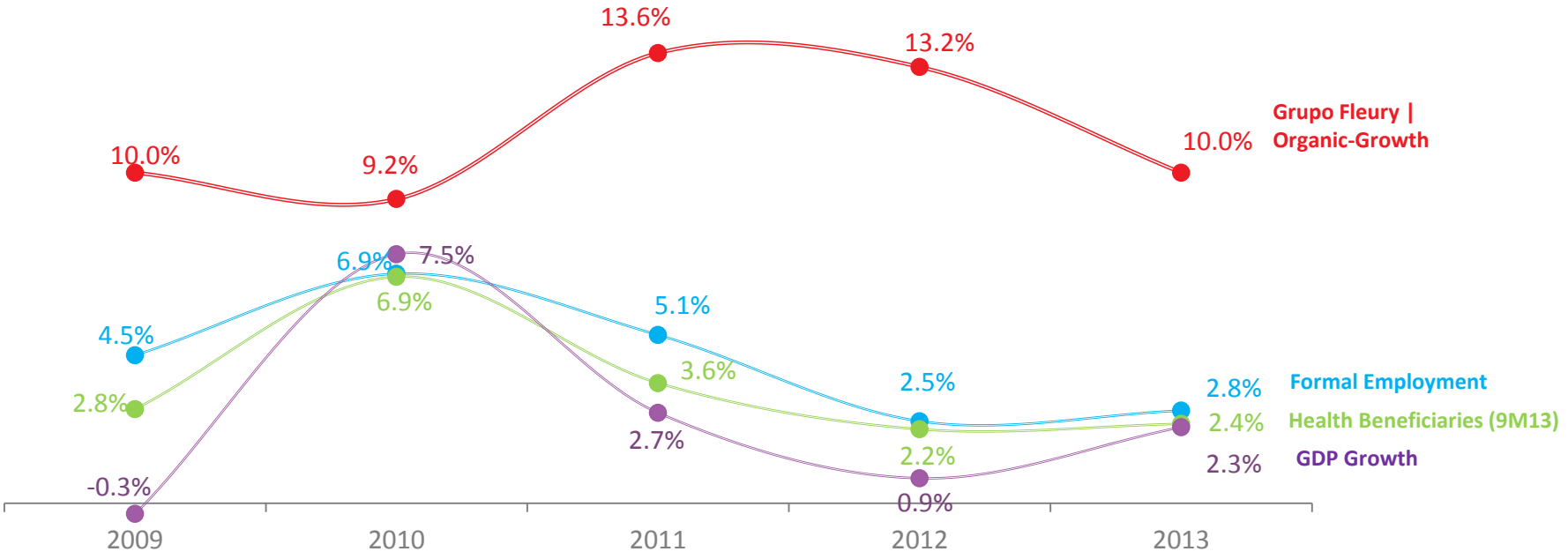
March, 2014

Disclaimer

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

All figures are compared to 4Q12 except when stated otherwise

Gross revenue increases by 10.0% to R$ 1.86 billion in 2013



1) For Grupo Fleury growth rate was considered a FY13 basis while for other macroeconomic indicators was considered the last information available

Highlights – CEO

- **Previous years accelerated revenues growth and portfolio transformation**: regional brands and B2B have jumped to 54% of total revenues in 2013, unbalancing margins. Operational results pressured due to the challenges and additional costs from Labs in RJ, a business under merger conclusion.

- **The company has implemented a strategy targeting profitability rebound:** to improve return on assets and operational efficiency, while **focusing 2014 on Fleury brand expansion plan** in order to capture growing demand.

  1. **Portfolio selection targeting sustained profitability**: services' line up enrichment, shut down of unprofitable small PSC's, terminate contracts with negative margins, disease management business phase out.

     This decision decelerated total growth to 5,8% in 4Q13, a U-turn point.

  2. **Restructuring initiatives were introduced to drive operational efficiency**, cost management, key processes redesign, such as cash conversion workflow, zero based budgeting, IT systems to workforce management.

- **Financials KPIs were affected in short term as expected**, due to restructuring initiatives, non-recurring write offs and pre-operational expenses, in a low seasonality quarter. **They are mandatory to ensure Grupo Fleury's profitability from 2014 onwards.**

Highlights – CEO

- **Fleury brand accelerated revenues growth to 15,6% in 4Q13** (vs. 12,6% in 2013), due to more efficient capacity offering and growing demand.

- **Regional brands (except Rio de Janeiro):** 22.5% in revenues growth FY13. Most recognized by clients and medical community for a+ brand; expansion of services of Diagnoson a+ in Bahia; consistent leadership of the Weinmann brand in Rio Grande do Sul.

- **B2B: Focus on high complexity,** unprofitable services were discontinued in Preventive Medicine.

- **Average revenue per test rose 13.2% in 4Q13 (vs. 4Q12)** in Patient Service Centers as a result of service mix enrichment and contracts' renegotiations. This effect will contribute to profitability recovering during 2014.

- **Operational KPIs improvements**: cost of services, personnel and general expenses started downward trend.

- Operating activities generated R$ 76 million cash, the **company highest historical level.**

- **Expand Fleury brand and keep Regional brands and B2B stronger and well positioned.** Our commitment is to enhance competitiveness and differentiation, preserve quality, culture and intellectual capital. To balance growth and sustainable profitability for the whole portfolio for long-term value creation.

Awards and Recognitions in 2013

- **Sustainability.** For the third consecutive year, **Grupo Fleury was elected one of the 20 most sustainable companies in Brazil by the Guia Exame de Sustentabilidade** magazine, and was ranked first in the Health Services category.

- **Best Innovator Ranking.** For the third consecutive year, Grupo Fleury is in the list of the 20 companies that obtained the most results based on innovation, according to the Época Negócios magazine and A.T. Kearney. Improvement in the ranking every year, from 15th in 2011 to 12th in 2012 and 8th in 2013.

- **The Best of Dinheiro magazine – Health Category.** Grupo Fleury was elected the top company in the health sector by The Best of Dinheiro ranking. Companies are evaluated according to five management criteria: financial sustainability, human resources, innovation and quality, social and environmental responsibility, and corporate governance.

- **Best and Biggest (Melhores & Maiores).** Grupo Fleury was ranked 1st among health service companies in Brazil (4th among all service companies) in the 2013 Best and Biggest (Melhores & Maiores) ranking of the Exame magazine.

- **Corporate Education.** The Group's Corporate University was honored as one of the five best corporate universities in Brazil by the International Quality Productivity Center (IQPC).

- **Brand Value**. The Fleury brand was elected one of the most valuable brands in Brazil by a survey by the Dinheiro magazine in partnership with BrandAnalytics/Millward Brown.

- **Corporate Hospitality.** The Fleury brand was the most mentioned for the fourth consecutive year in the Business Hospitality survey conducted by the Brazilian Business Hospitality Institute (IBHE). The company was the leader in aspects such as differentiated treatment, concern for clients and reception.

Corporate Highlights - 2013

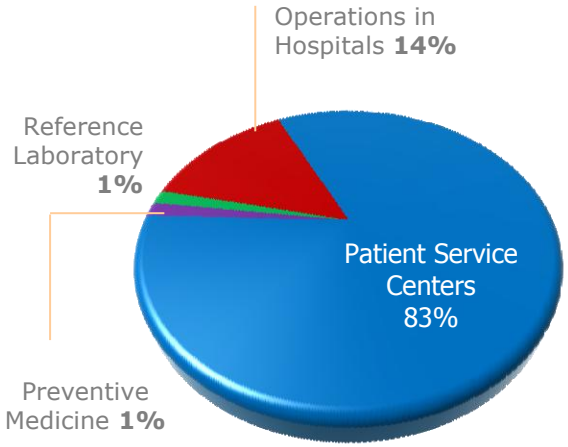
- **Innovation and R&D**:
  - 23rd edition of the Knowledge Journey: 211 papers (113 administrative cases and 98 scientific papers).
  - Open innovation initiatives with stakeholders.
  - Development of 96 new products and changes in lab medicine methodology.
  - More than 50,000 integrated reports sent to the patients' physicians.
  - The concept of Integrated Diagnostic Medicine Center was strengthened.
- **Sustainability**:
  - UN Global Compact.
  - BM&F Bovespa's Corporate Sustainability Index (ISE).
  - 3rd edition of the Annual Sustainability Report (GRI).
- **Human Capital**:
  - 8,800 employees.
  - 460,000 hours of training. Investments of R$5.8 million.
  - Each employee participated in 6.6 educational activities in the year.

Corporate Highlights - 2013

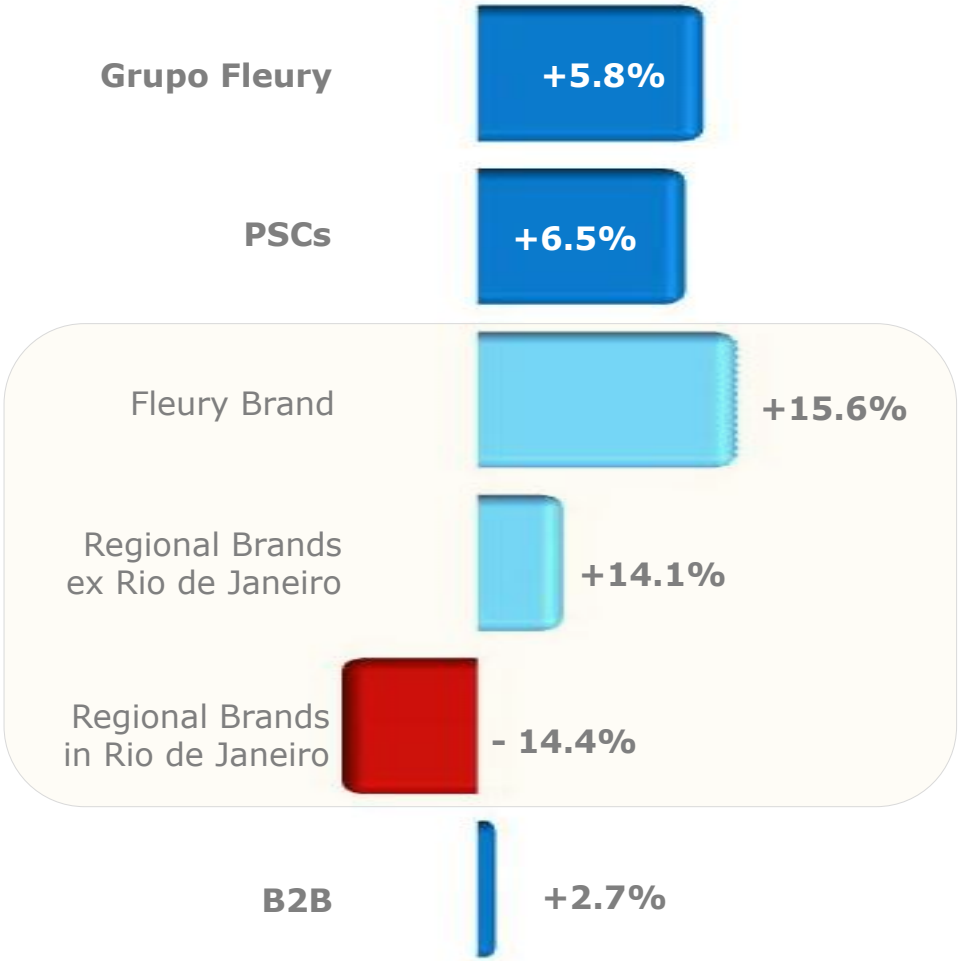
- **Relationship with the medical community**:
  - 1,711 accredited physicians.
  - 208 papers were published in scientific magazines; 161 scientific update meetings were conducted in various specialties at the Company's facilities.
  - 07 scientific newsletters were produced and sent to more than 50,000 physicians; 11 web meetings with live chat were organized in which 7,700 registered physicians participated; 30 on-site events were organized in various cities across Brazil.
  - Fellow program (accredited by the Brazilian College of Radiology), had 33 professionals specializing in Magnetic Resonance and CT scanning in the fields of musculoskeletal, neuroimaging and internal medicine.
  - The internship program for residency had 12 medical residents from Unifesp in the fields of Infectology, Endocrinology and Hematology.

Gross Revenue - Breakdown 4Q13

Gross Revenue: R$ 441MM

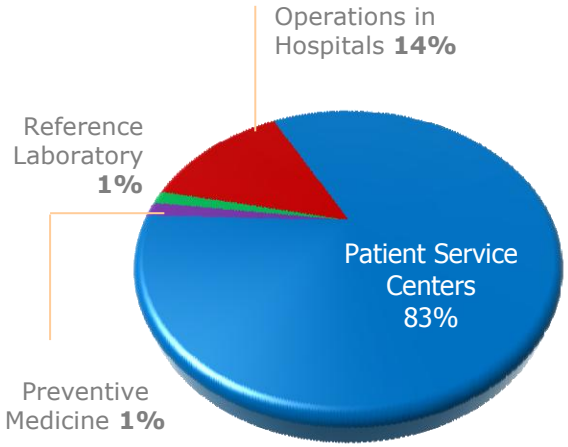


Business Lines Growth | 4Q13 *vs* 4Q12

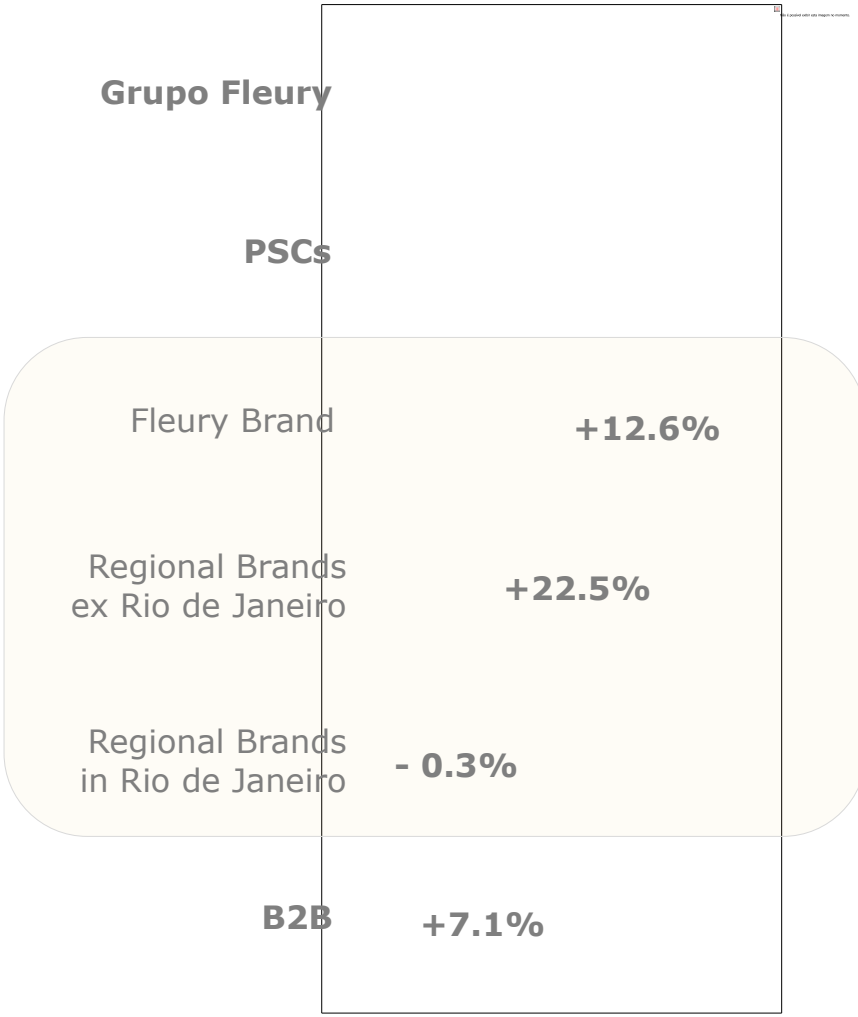


Gross Revenue - Breakdown FY13

Gross Revenue: R$ 1.86 Billion

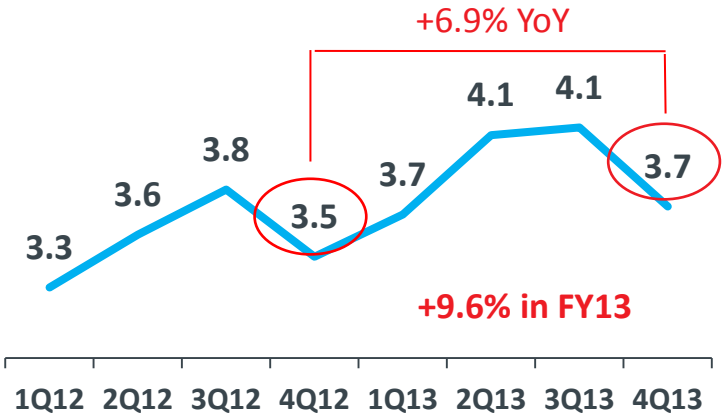


Business Lines Growth | FY13 *vs* FY12

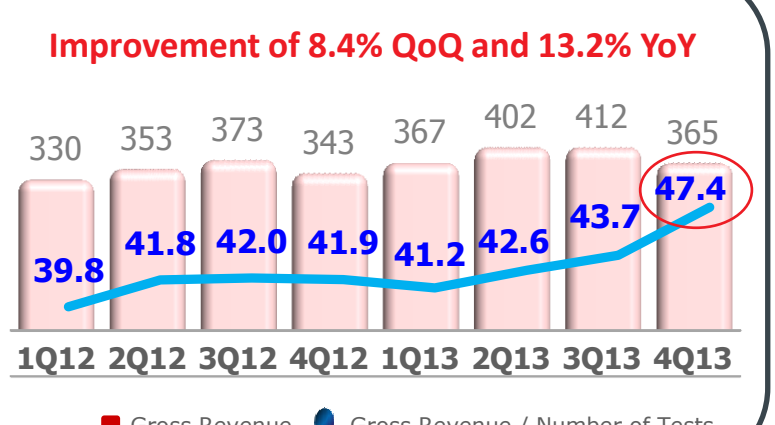


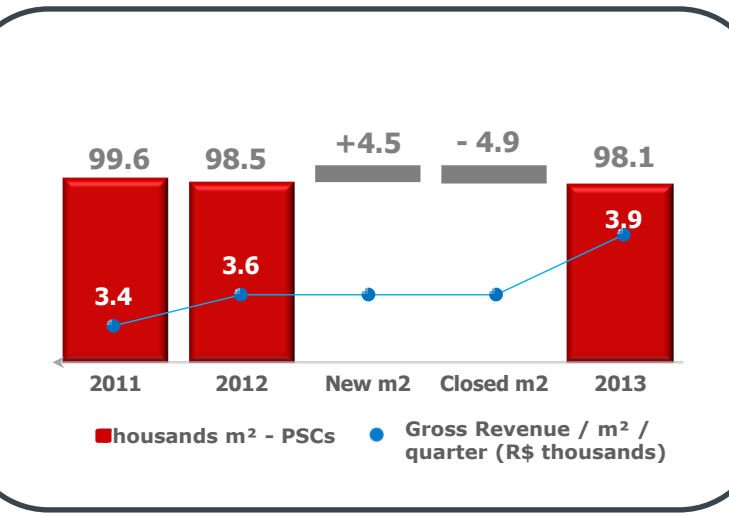
Patient Service Centers (1)
Business Line performance

PCSs Gross Revenue per m² (R$ thousands)

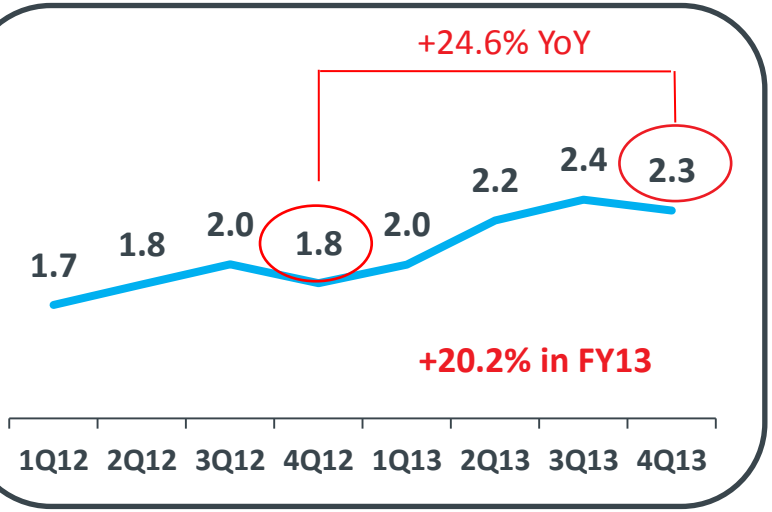


Gross Revenue (R$ MM) and Average Price





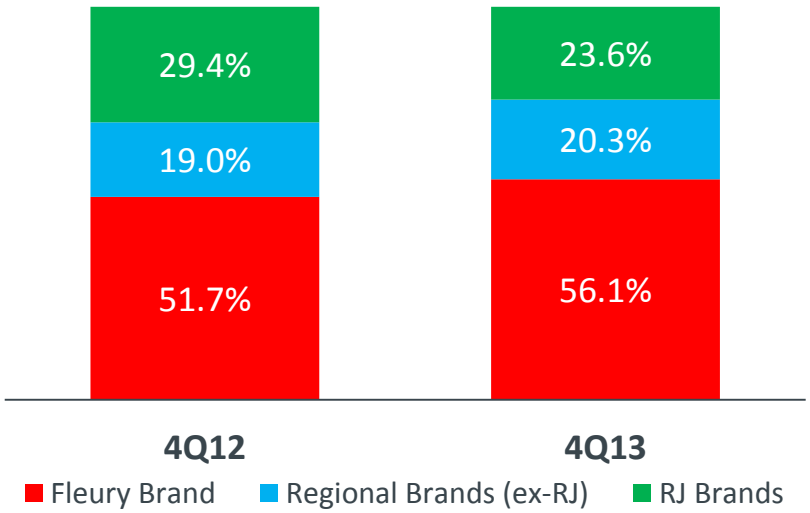
Gross Revenue per PSC (R$ MM)



Patient Service Centers (2)

- In 4Q13 Fleury brand share increased by 106 bps YoY
- Acceleration through 2014 / 2015 will reflect positively on businesses' balance

PSCs Gross Revenue: breakdown per brand



Patient Service Centers (3)

- **Fleury Brand:** double-digit historical growth has been maintained. A new PSC was launched in the end of 3rd quarter: Vila Nova Conceição.

- **Regional Brands:** selection of clients, services and operations in order to improve margins and accelerate returns slowed down the top-line growth rate during 2H13 (mainly in Rio de Janeiro).

	Fleury Brand	Regional Brands	Total (PSCs)	Total (-) PSCs in RJ
	4Q13 vs 4Q12			
Gross Revenue	15.6%	-3.2%	6.5%	15.2%
Same-Store-Sales	13.4%	3.1%	8.1%	14.9%
Gross Revenue / Square Meters	7.7%	1.3%	6.9%	9.3%
Gross Revenue / PSC	10.6%	16.7%	24.6%	24.5%

	FY13 vs FY12			
Gross Revenue	12.6%	8.3%	10.6%	15.1%
Same-Store-Sales	11.7%	9.4%	10.5%	14.0%
Gross Revenue / Square Meters	7.8%	9.4%	9.6%	11.5%
Gross Revenue / PSC	8.9%	19.6%	20.2%	21.3%

B2B
Business Line performance

Diagnostic Operations in Hospitals

- Gross revenue increases by 5.5% in 4Q13 and 11.1% in FY13.
- **Eleven operations discontinued during 4Q13** (8% of 9M13 Operations in Hospitals revenues and 1% of consolidated).
- **SHS achieves 20.1% in 4Q13 and 13.9% in FY13.**

Reference Lab

- Gross Revenue of R$ 6.5 million in 4Q13 (R$ 27.4 MM in FY13).
- Average price growing, reflecting the Company's focus in medium and high complexity exams – strategic alignment and better margins.

Preventive Medicine

- **Health Assessment:** growth of 12.6% in 4Q13 (7.4% in FY13). A new operation in Alphaville (SP) was launched.
- **Health Promotion and Chronic Disease Management:** phasing out process. Revenue of R$ 1.0 MM in 4Q13 (R$ 7.5MM FY13).

Revenue's Tax and Cancellations/Allowances

- **Cancellations/Allowances** amounts 5.4% of Gross Revenue in 4Q13 (4.4% in FY13).

Non-recurring write-offs amount R$ 4.7 MM. Cancelations (excluding allowances) represented 3.9% of Gross Revenue in FY13 (4.5% in FY12).

- **Revenue's Tax Rate is stable at 6.2%** (6.4% in FY13).

- As a consequence, **net revenue** increases by 3.7% in 4Q13 (10.3% in FY13).



Cost of Services (as % of Net Revenue)

	4Q13	4Q12	FY13	FY12
Personnel and Medical Services	40.4%	38.0%	38.1%	36.4%
Materials and Outsourcing	11.0%	11.1%	10.7%	11.0%
General Services, Rent and Utilities	17.8%	14.8%	15.5%	13.4%
General Expenses	8.6%	7.9%	8.2%	7.7%
Depreciation and Amortization	5.2%	4.8%	5.0%	4.7%
Cost of Services	**82.9%**	**76.5%**	**77.5%**	**73.1%**
Cost of Services (excl. Depreciation)	**77.7%**	**71.8%**	**72.6%**	**68.4%**

- Expenses regarding PSCs pre-operational costs (mainly rental) and other expenses not related to current operations (e.g. non-recurring personal dismissals and penalties on PSCs termination) add up to **402bps in 4Q13 (202 bps in FY13)**.

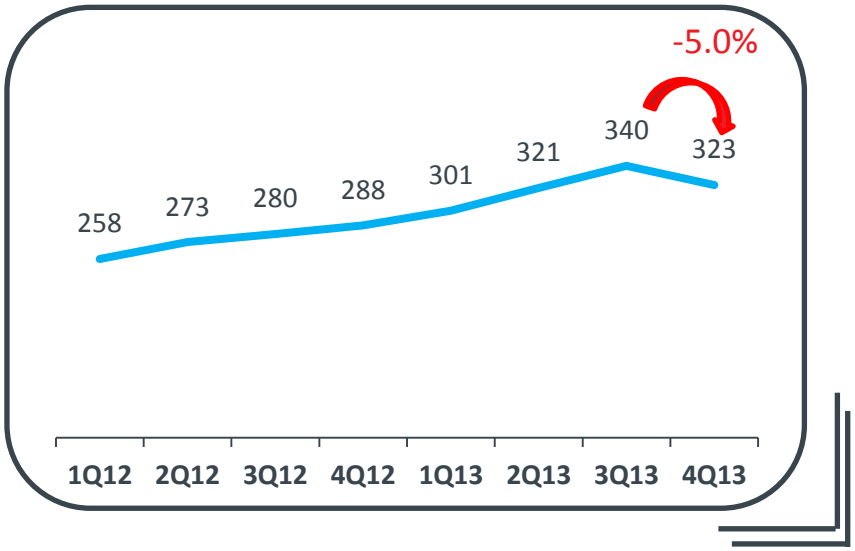
(1) The salary increase negotiated in São Paulo is 7.2%, divided in two installments (50% in May and 50% in August)

Cost of Services
Non-recurring and pre-operational items

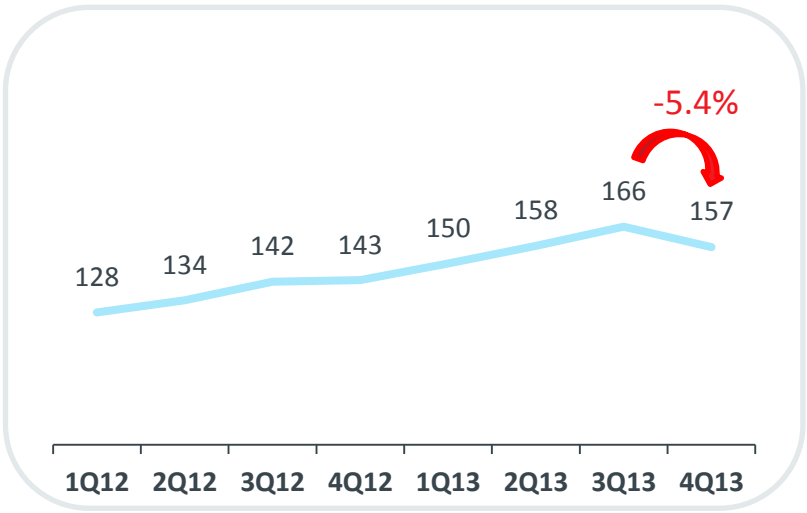
	4Q13	4Q12	FY13	FY12
Restructuring dismissals	112 bps	-	56 bps	-
Fines on PSCs termination	13 bps	10 bps	15 bps	12 bps
Termination of contracts	46 bps	-	11 bps	-
Adjustments in Hospital operations	121 bps	-	29 bps	-
Others	-	-	6 bps	-
Operating non-recurring items (i)	**292 bps**	**10 bps**	**116 bps**	**12 bps**
Pre Operational Expenses (ii)	**110 bps**	**25 bps**	**85 bps**	**29 bps**
(i) + (ii)	**402 bps**	**35 bps**	**202 bps**	**41 bps**

Cost of Services
Indicators: turning-point in fixed costs evolution, even including non-recurring and pre-operational

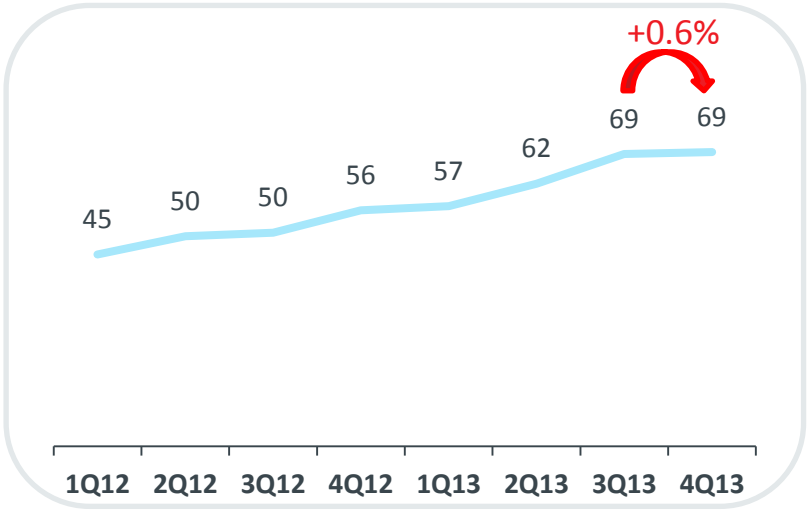
Evolution of Costs (R$ MM)



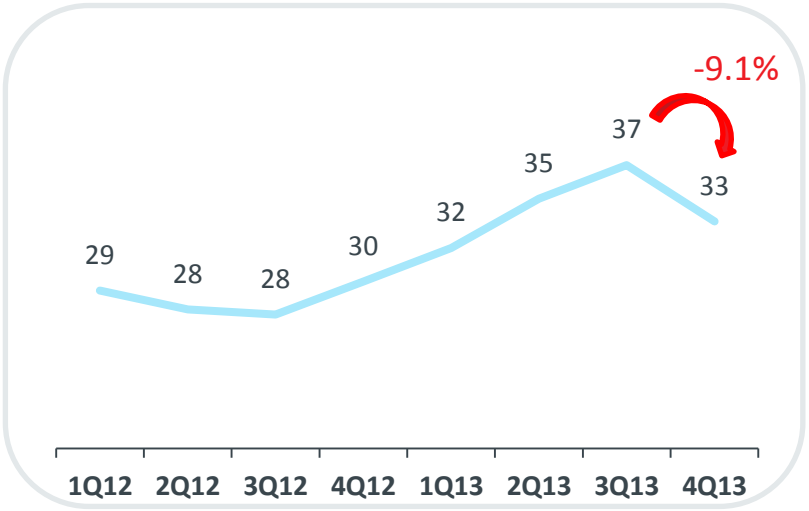
Personnel and Medical Services (R$ MM)



General Services, Rent and Utilities (R$ MM)



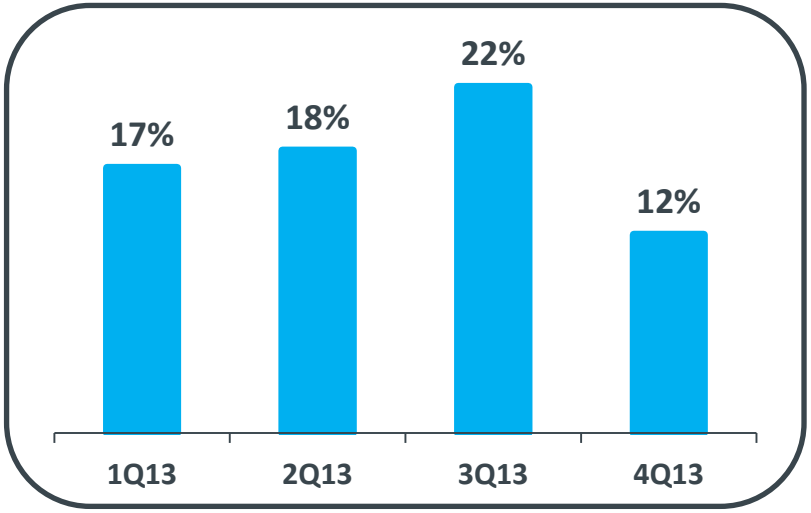
General Expenses (R$ MM)



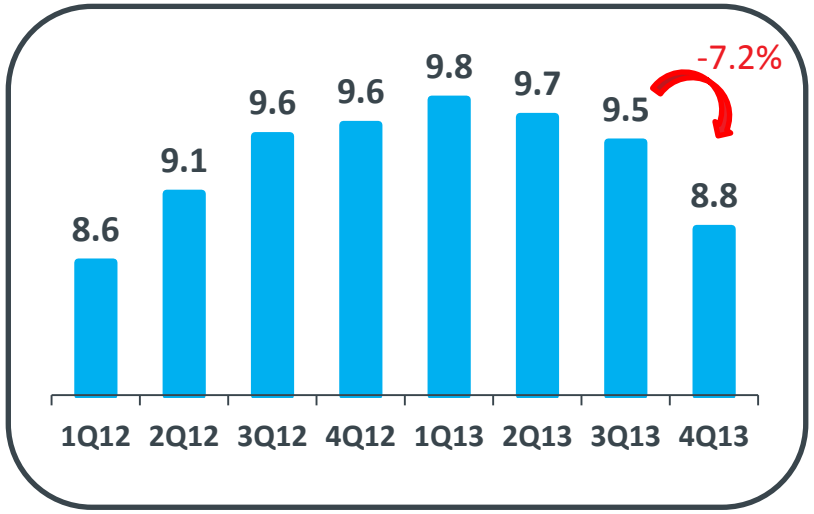
Cost of Services (Indicators)

GrupoFleury

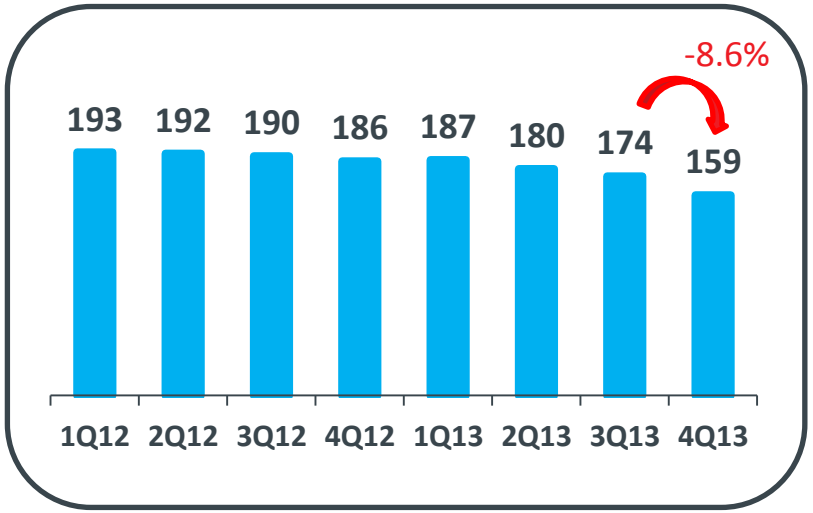
Costs Growth (YoY)



Number of Employees (Thousand)



Fixed Assets: Number of PSCs



Operating Expenses (as % of Net Revenue)

	4Q13	4Q12	FY13	FY12
G&A	13.0%	11.5%	11.5%	10.7%
Depreciation and Amortization	1.6%	2.2%	1.6%	2.0%
Other Operating Income (Expenses), net	(0.1%)	(2.4%)	0.1%	(0.2%)
Provision for Contingency	(2.2%)	0.5%	(0.9%)	0.1%
Subsidiaries' share of profits	0.0%	0.0%	0.0%	0.0%
Operating Expenses	**12.3%**	**10.8%**	**12.2%**	**12.6%**

Main highlights in 4Q13:

- **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.

EBITDA
Non-recurring and pre-operational items

	4Q13	4Q12	FY13	FY12
Cancellations & Bad Debt Write-Offs	122 bps	-	29 bps	-
Operating non-recurring items	292 bps	10 bps	116 bps	12 bps
Assets Writte-of	135 bps	-	37 bps	-
Non-recurring income	-	-239 bps	-	-60 bps
Reversal of provisions	-222 bps	-	-108 bps	-
Others	-162 bps	-	-38 bps	-
Non-recurring costs and expenses (i)	**166 bps**	**-229 bps**	**36 bps**	**-48 bps**
Pre Operational Expenses (ii)	**110 bps**	**25 bps**	**85 bps**	**29 bps**
(i) + (ii)	**276 bps**	**-204 bps**	**121 bps**	**-19 bps**

Debt and Financial Result

Debt Position (R$ MM)	Dec/13	Dec/12
Bank Loans	14	108
Debentures	971	452
Acquisitions	25	35
Cash & Equivalents	(540)	(181)
Net Financial Debt	**470**	**415**
EBITDA (LTM)	278	315
Net Financial Debt / EBITDA (LTM)	**1.69**	**1.32**

1st Company's Debenture Issuance concluded in Dec/2011

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

2nd Series: R$ 300MM (CDI+1.2%)
Amortization in installments:
2016, 2017, 2018

2nd Company's Debenture Issuance concluded in Feb/2013

R$ 500MM (CDI + 0.85%)
Amortization in installments:
2018, 2019, 2020

R$ million	4Q13	4Q12	FY13	FY12
Financial income (expenses), net	**(16.1)**	**(11.0)**	**(58.3)**	**(58.6)**
Interest and inflation adjustment	(28.8)	(13.8)	(96.0)	(69.7)
Exchange rate change and hedge	(1.1)	(0.7)	(2.3)	(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**	**11.3**	**57.1**	**47.4**
Financial expenses	**(29.5)**	**(20.4)**	**(115.5)**	**(106.0)**

Reconciling EBITDA and EBIT

	FY13		FY12		Var.
	R$ mm	% NR	R$ mm	% NR	
Net Income	**61.1**	**3.7%**	**106.6**	**7.1%**	**-42.6%**
Deferred Income Tax and Social Contribution	50.0	3.0%	48.3	3.2%	3.7%
Cash Net Income	**111.2**	**6.7%**	**154.8**	**10.3%**	**-28.2%**
Current Income Tax and Social Contribution	-	0.0%	1.0	0.1%	0.0%
Financial Expenses (Income)	58.3	3.5%	58.6	3.9%	-0.5%
EBIT	**169.2**	**10.2%**	**214.5**	**14.3%**	**-21.1%**
Depreciation and Amortization	108.8	6.6%	100.3	6.7%	8.5%
EBITDA	**277.9**	**16.8%**	**314.8**	**21.0%**	**-11.7%**

Cash has not been impacted by taxes mainly due to acquisitions goodwill, which is expected to be amortized over the next 05 years.

Expected Amortization of Goodwill

Period	R$ million
2014	206
2015	176
2016	168
2017	161

Fiscal Loss (0% Current Taxes)

R$ million

Current Taxes (Fiscal)	1Q13	2Q13	3Q13	4Q13	FY13
Income Before Taxes	**30.5**	**43.0**	**35.1**	**2.6**	**111.3**
Goodwill Amortization	(57.7)	(56.0)	(53.7)	(53.9)	(221.3)
Hedge	1.5	10.8	0.2	0.1	12.6
Recurring Provisions	8.8	6.8	3.0	(15.3)	3.3
Others	5.3	5.8	7.5	21.8	40.4
Fiscal Earnings	**(11.6)**	**10.4**	**(7.9)**	**(44.5)**	**(53.6)**
Current Taxes (34%)	**-**	**-**	**-**	**-**	**-**

- Fiscal loss of R$ 53.6 MM in FY13 mainly due to goodwill amortization.

Tax Calculation

(R$ million)	1Q13	2Q13	3Q13	4Q13	FY13	FY12
Earnings Before Taxes (EBT)	**30.5**	**43.0**	**35.1**	**2.6**	**111.2**	**155.9**
Default (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	**40.7%**	**37.8%**	**41.5%**	**233.3%**	**44.4%**	**38.9%**
Interest on Capital	0.0	0.0	0.0	0.00	0.0	(8.8)
Hedge income	0.0	3.8	0.0	0.1	3.9	0.0
Adjustment between quarters	(2.7)	0.0	2.7	0.0	0.0	0.0
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%**	**30.9%**
Current Taxes	0.0	0.0	0.0	0.0	0.0	1.0
Deferred Taxes	8.9	20.9	16.8	3.4	50.0	48.3

Cash Flow

R$ million	4Q13	4Q12	FY13	FY12
Net Income	(0.8)	16.5	61.1	106.6
Deferred Income Tax	3.4	19.9	50.0	48.3
Cash Net Income	**2.6**	**36.4**	**111.2**	**154.8**
Depreciation and Amortization	26.4	26.1	108.8	100.3
Provisions	(8.5)	3.2	79.1	93.0
Working Capital	42.2	(57.3)	(139.3)	(236.4)
Others	14.3	9.8	50.3	55.4
Operational Cash Flow	**77.0**	**18.2**	**210.1**	**167.1**
Capex	(64.6)	(32.0)	(147.5)	(162.3)
Acquisition	0	(1.4)	(17.7)	(209.0)
Financing Activities	(55.6)	(42.7)	314.2	(100.9)
Cash Flow	**(43.2)**	**(57.9)**	**359.1**	**(305.2)**

+26%

Op. Cash Flow / EBITDA	**170%**	**25%**	**76%**	**53%**
Δ Working Capital / Gross Revenue	**9.6%**	**-13.8%**	**-7.5%**	**-14.0%**

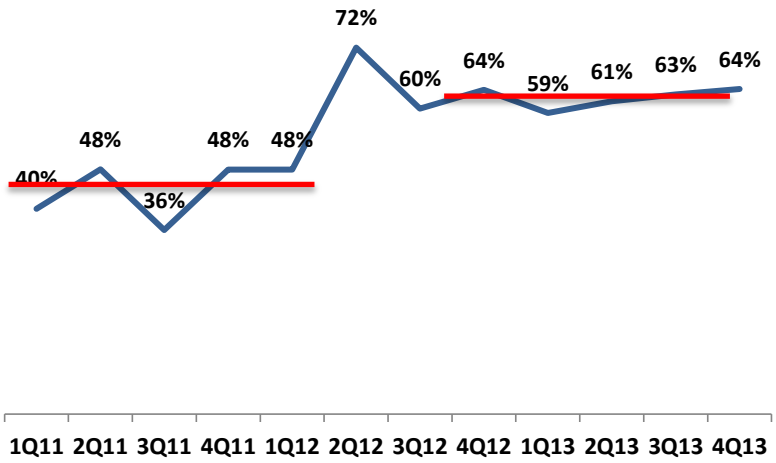
Receivables Profile

Account Receivable (R$ MM)	12/31/2013	12/31/2012
Trade receivables	486	423
Sales Deductions Provisions	(86)	(64)
Total	**400**	**359**

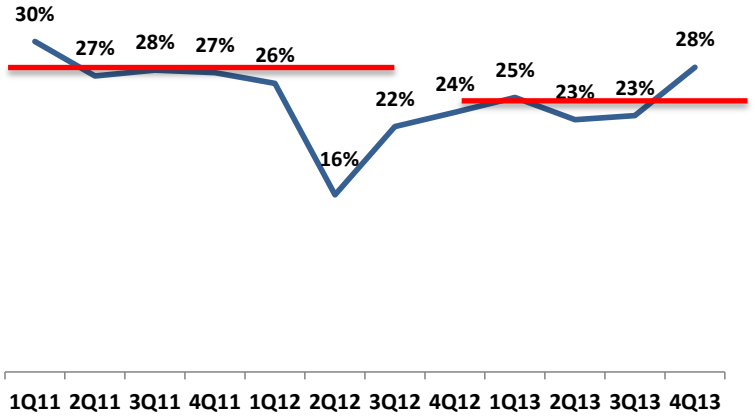
Aging Acc. Receivable (R$ MM)	12/31/2013	12/31/2012
Current	265	235
Up to 120 days past due	86	87
121 to 360 days past due	68	67
Over 360 days past due	67	34

Cancellations achieves 4.4% of Gross Revenue in FY13 (vs 4.7% in FY12).

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

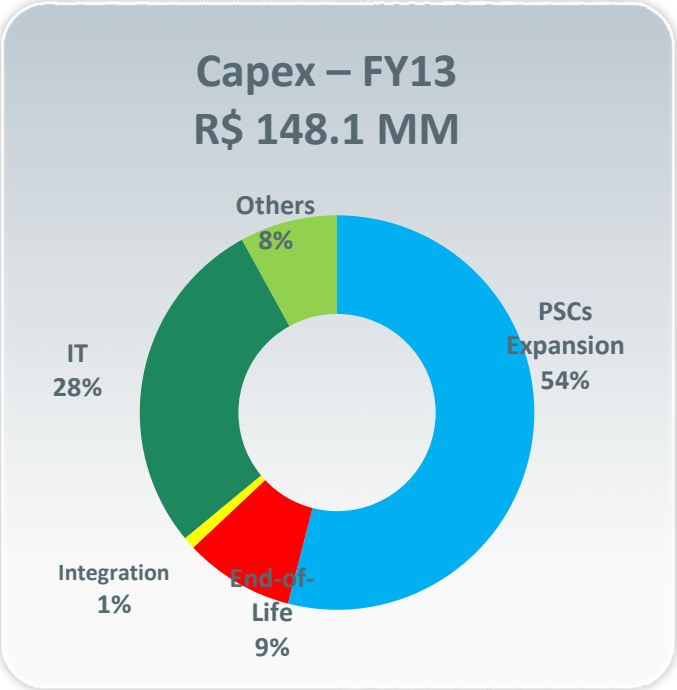


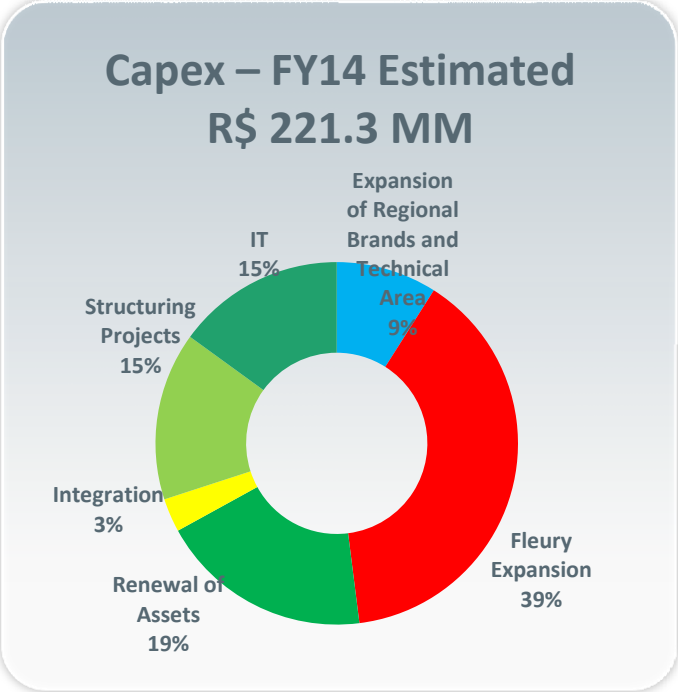
Receivables due over 120 days / Total Receivables



Capex: FY13

- R$ 148.1 MM in FY13, mainly concentrated on PSCs expansion (54%): 3 thousand square meters launched in 1Q14 for Fleury brand.
- The Capex expected for 2014 amounts to R$ 221 MM.





Integrated Medical Center for Cardio-neurovascular diseases

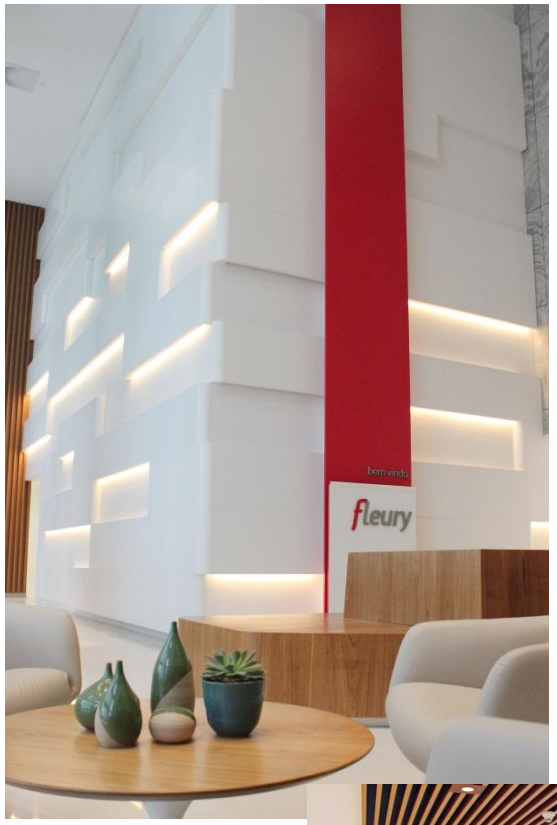
9th integrated diagnostic medical center
Cardio-neurovascular Diagnostic center

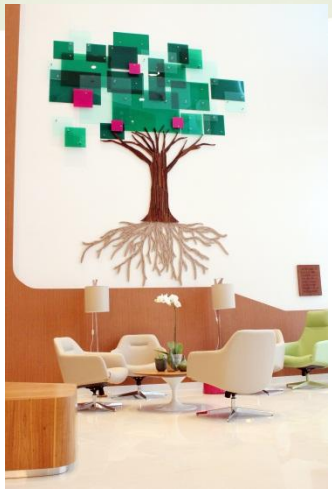
- Highly specialized internal team
- Leading doctors in cardiovascular diagnoses, with focus on SADT
- Excellent integration between prescribing doctor and Fleury team



Integrated Medical Center for Cardio-neurovascular diseases

GrupoFleury







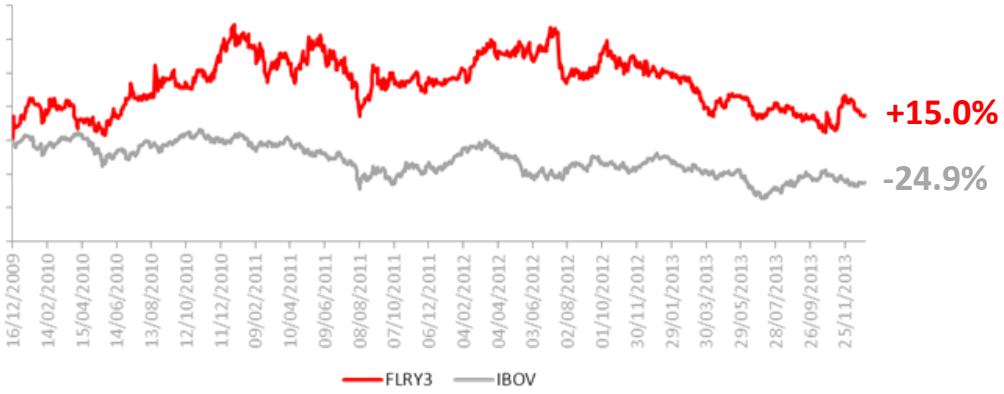






Stock Market Performance

Shares and Market Cap 12/31/2013	
Number of Shares	156,293,356
Free Float	39.2%
Market Cap	R$ 2.9 billion
Closing Price	R$ 18.40



	IN*	ADTV – R$ MM
2010	0.0427%	3.27
2011	0.0656%	4.49
2012	0.0745%	5.33
2013	0.1132%	7.63

+43%

Stock Performance	
2H13	+1.1%
1H13	-21.0%
2013	-20.2%
Since IPO	+15.0%

Total Shareholder Return (TSR)	
Since IPO	+22.7%

* Negotiability Index

IR Schedule – Upcoming events

Date	Event	Location
March 20	BofA Merrill Lynch Brazil Conference	São Paulo | Brazil
March 31 – April 01	Itau BBA 2nd Latam Consumer Event	London | UK
April 02 – April 04	NDRS Europe (Itau BBA)	Europe
April 09	Bradesco 1st Brazil Investment Forum	São Paulo | Brazil

4Q13 Results – FLRY3

March, 2014