Fleury S.A.

Parent Company and Consolidated financial statements at December 31, 2015 and independent auditors' report

Independent auditors' report on the Parent Company and Consolidated financial statements

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, 2015 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, 2015 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.

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Fleury S.A.

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, 2015, 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, 2015, 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 Paulo, March 3, 2016

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Marcelo Orlando
Contador CRC 1SP217518/O-7

FLEURY S.A. AND SUBSIDIARIES

BALANCE SHEETS AS AT DECEMBER 31
(In thousands of Brazilian reais - R$)

	Note	Parent Company		Consolidated	
Assets		**12/31/2015**	**12/31/2014** (Reclassified)	**12/31/2015**	**12/31/2014** (Reclassified)
Current Assets					
Cash and cash equivalents	4	624.110	505.228	624.586	505.274
Securities		4.703	-	4.703	-
Trade receivables	5	391.184	384.757	397.521	390.193
Inventories	6	16.406	13.678	16.406	13.678
Taxes recoverable	7	74.005	100.533	74.913	101.560
Other assets		14.081	6.728	14.081	6.729
Total current assets		**1,124,489**	**1,010,924**	**1,132,210**	**1,017,434**
Non-current Assets					
Taxes recoverable	7	14.758	-	14.758	-
Judicial deposits	8	42.236	31.462	42.238	31.465
Receivables	9	31.052	12.703	31.052	12.703
Other assets		19.205	17.076	19.205	17.706
Investments	10	28.542	29.235	7.634	7.741
Property and equipment	11	441.139	455.368	443.183	458.496
Intangible assets	12	1,500,334	1,518,442	1,513,717	1,532,775
Total non-current assets		**2,077,266**	**2,064,286**	**2,071,787**	**2,060,256**
Total Assets		**3,201,755**	**3,075,210**	**3,203,997**	**3,077,690**

	Note	Parent Company		Consolidated	
Liabilities and Equity		**12/31/2015**	**12/31/2014** (Reclassified)	**12/31/2015**	**12/31/2014** (Reclasssified)
Current Liabilities					
Financing	13	9.080	3.706	9.080	3.706
Debentures	14	179.343	74.558	179.343	74.558
Trade payables	15	103.682	104.399	104.517	105.172
Payroll and related taxes	16	83.890	53.946	83.890	53.946
Taxes and contributions payable	17	24.760	23.835	24.949	24.017
Payables - business acquisitions	18	4.616	3.074	4.616	3.536
Other payables		11.263	146	11.263	146
Total current liabilities		**416.634**	**263.664**	**417.658**	**265.081**
Non-current Liabilities					
Financing	13	101.604	110.556	101.604	110.556
Debentures	14	700.000	850.000	700.000	850.000
Income tax and social contribution deferred	19	240.450	190.881	240.951	191.669
Provision for tax, labor and civil risks	20	33.759	20.334	33.759	20.334
Taxes and contributions payable	17	48.095	52.068	48.095	52.068
Payables - business acquisitions	18	5.774	14.743	6.491	15.018
Total non-current liabilities		**1,129,682**	**1,238,582**	**1,130,900**	**1,239,645**
Equity					
Share capital	23	1,379,747	1,379,747	1,379,747	1,379,747
Capital reserve - stock options		5.709	5.809	5.709	5.809
Revaluation reserve		242	621	242	621
Legal reserve		43.213	37.846	43.213	37.846
Investment reserve		215.762	148.941	215.762	148.941
Additional dividend proposed		10.766	-	10.766	-
Total Equity		**1,655,439**	**1,572,964**	**1,655,439**	**1,572,964**
Total Liabilities and Equity		**3,201,755**	**3,075,210**	**3,203,997**	**3,077,690**

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

#VALOR! #VALOR!

FLEURY S.A. AND SUBSIDIARIES

INCOME STATEMENTS
YEARS ENDED DECEMBER 31
(In thousands of Brazilian - R$, except earnings per share)

	Note	Parent Company		Consolidated	
		12/31/2015	**12/31/2014**	**12/31/2015**	**12/31/2014**
Service revenue	25	**1,886,115**	**1,669,295**	**1,894,960**	**1,678,900**
Cost of services	26	(1,380,408)	(1,267,791)	(1,392,074)	(1,278,921)
Gross profit		**505.707**	**401.504**	**502.886**	**399.979**
					(209.440)
Operating (expenses) income					
General and administrative expenses	27	(222.203)	(209.440)	(222.211)	(209.440)
Other operating income (expenses), net	28	(37.629)	7.098	(37.686)	7.032
Provision for tax, labor and civil risks	20	(7.467)	(3.452)	(7.467)	(3.452)
Share of profits (losses) of subsidiaries/investees	10	(2.421)	(1.308)	117	16
Operating profit before finance income (costs)		**235.987**	**194.402**	**235.639**	**194.135**
Finance income	29	84.510	66.598	84.683	66.636
Finance costs	29	(147.730)	(117.080)	(147.842)	(117.173)
Finance costs, net		**(63.220)**	**(50.482)**	**(63.159)**	**(50.537)**
Profit before income tax and social contribution		**172.767**	**143.920**	**172.480**	**143.598**
Income tax and social contribution					
Current	19	(15.855)	-	(15.855)	-
Deferred	19	(49.569)	(58.118)	(49.282)	(57.796)
Profit for the year		**107.343**	**85.802**	**107.343**	**85.802**
Earnings per share attributable to owners of the Company					
Basic earnings per share (weighted average)	30	0.69	0.55	0.69	0.55
Diluted earnings per share (weighted average)	30	0.68	0.55	0.68	0.55

The statement of comprehensive income is not being presented because there is no comprehensive income other than the profit for the year.
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$)

		Capital		Capital reserve	Revaluation reserve	Earnings reserves				
	Note	Capital	Share issue costs	Stock options	Revaluation reserve	Legal reserve	Investment reserve	Additional dividend proposed	Retained earnings	Equity
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	24	-	-	(1.871)	-	-	-	-	-	(1.871)
Profit for the year (R$0.27 per share)		-	-	-	-	-	-	-	85.802	85.802
Allocation of profit for the year:		-	-	-	-	-	-	-	-	-
Dividends	23	-	-	-	-	-	(130.258)	-	(69.742)	(200.000)
Legal reserve	23	-	-	-	-	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**
Realization of revaluation reserve	11	-	-	-	(379)	-	-	-	379	-
Stock option plan	24	-	-	(100)	-	-	2.036	-		1.936
Profit for the year (R$0.30 per share)		-	-	-	-	-	-	-	107.343	107.343
Allocation of profit for the year:										-
Dividends	23	-	-	-	-	-	-	10.766	(27.861)	(17.095)
Interest on capital	23	-	-	-	-	-	-	-	(9.709)	(9.709)
Legal reserve	23	-	-	-	-	5.367	-	-	(5.367)	-
Investment reserve		-	-	-	-	-	64.785	-	(64.785)	-
Balances at December 31, 2015		**1,402,531**	**(22.784)**	**5.709**	**242**	**43.213**	**215.762**	**10.766**	**-**	**1,655,439**

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	
	12/31/2015	**12/31/2014**	**12/31/2015**	**12/31/2014**
Profit for the year	107.343	85.802	107.343	85.802
Items not affecting cash:				
Income tax and social contribution	65.424	58.118	65.137	57.796
Finance income (costs)	63.220	50.482	63.159	50.537
Depreciation and amortization	120.496	112.080	122.457	114.189
Share of profits (losses) of subsidiaries/investees	2.421	1.308	(117)	(16)
Earnings before interest, taxes, depreciation and amortization	**358.904**	**307.790**	**357.979**	**308.308**
Stock option plan	1.936	(1.871)	1.936	(1.871)
Recognition of provision for tax, labor and civil risks	7.466	3.452	7.466	3.452
Allowance for doubtful debts and disallowances	68.695	74.015	68.735	74.039
Capital gain on equity interests	(778)	-	(778)	-
Profit sharing	18.622	4.300	18.622	4.300
Other	14.437	(4.050)	14.495	(3.983)
Cash flows from operating activities before changes in assets and liabilities	**469.282**	**383.636**	**468.455**	**384.245**
Trade receivables	(75.239)	(66.240)	(76.179)	(69.693)
Inventories	(3.451)	2.478	(3.451)	2.478
Trade payables	(1.666)	(157)	(1.604)	(142)
Payroll and related taxes	11.322	198	11.322	198
Changes in other assets	19.711	(11.608)	19.844	(11.716)
Changes in other liabilities	(25.641)	(15.871)	(25.582)	(15.751)
Total changes in assets and liabilities	**(74.964)**	**(91.200)**	**(75.650)**	**(94.626)**
Finance costs paid	(4.390)	(3.889)	(4.416)	(3.910)
Income tax and social contribution paid	(19.467)	-	(19.467)	-
Net cash provided by operating activities	**370.461**	**288.547**	**368.922**	**285.709**
Purchase of property and equipment	(111.697)	(117.948)	(111.697)	(117.948)
Sale of property and equipment	166	1	166	1
Securities	(4.703)	-	(4.703)	-
Capital increase in investees	(4.788)	(1.756)	(2.848)	-
Payments of acquired businesses	(9.213)	(3.577)	(9.303)	(3.658)
Net cash (used in) investing activities	**(130.235)**	**(122.147)**	**(128.385)**	**(120.472)**
New borrowings and debentures	-	102.953	-	102.953
Settlement of borrowings and debentures	(53.705)	(52.622)	(53.705)	(52.622)
Interest paid on borrowings and debentures	(124.018)	(107.138)	(124.018)	(107.138)
Interest received on financial investments	72.508	56.782	72.616	56.820
Dividends and/or interest on own capital	(16.209)	(200.000)	(16.209)	(200.000)
Dividends received	80	-	91	81
Net cash (used in) financing activities	**(121.344)**	**(200.025)**	**(121.225)**	**(119.906)**
Increase (decrease) in cash and cash equivalents	**118.882**	**(33.625)**	**119.312**	**(34.669)**
Cash and cash equivalents				
At the beginning of the year	505.228	538.853	505.274	539.943
At the end of the year	624.110	505.228	624.586	505.274
Increase (decrease) in cash and cash equivalents	**118.882**	**(33.625)**	**119.312**	**(34.669)**

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	
	12/31/2015	**12/31/2014**	**12/31/2015**	**12/31/2014**
Revenues	**2,034,628**	**1,811,532**	**2,044,029**	**1,821,714**
Sales of goods and services	2,087,821	1,869,153	2,097,239	1,879,359
Allowance for doubtful debts and disallowances	(68.695)	(74.015)	(68.735)	(74.039)
Other revenues	15.502	16.394	15.525	16.394
Inputs purchased from third parties	**(769.844)**	**(743.657)**	**(779.556)**	**(752.678)**
Cost of sales and services	(574.709)	(543.689)	(584.414)	(552.694)
Materials, electric power, outside services and other	(194.412)	(199.263)	(194.419)	(199.279)
Impairment/Recovery of assets	(723)	(705)	(723)	(705)
Gross value added	**1,264,784**	**1,067,875**	**1,264,473**	**1,069,036**
Depreciation and amortization	(120.496)	(112.080)	(122.457)	(114.189)
Net value addded	**1,144,288**	**955.795**	**1,142,016**	**954.847**
Value added received through transfer	**82.089**	**65.290**	**84.800**	**66.652**
Share of profits (losses) of subsidiaries/investees	(2.421)	(1.308)	117	16
Finance income	84.510	66.598	84.683	66.636
Total value added	**1,226,377**	**1,021.085**	**1,226,816**	**1,021,499**
Distribution of value added	**(1,226.377)**	**(1,021.085)**	**(1,226.816)**	**(1,021.499)**
Personnel and payroll charges	(571.733)	(485.371)	(571.733)	(485.371)
Taxes and contributions	(202.889)	(184.006)	(203.133)	(184.260)
Interest, rentals and other operating expenses	(344.412)	(265.906)	(344.607)	(266.066)
Dividends and/or interest on own capital	(37.570)	(69.742)	(37.570)	(69.742)
Retained earnings	(69.773)	(16.060)	(69.773)	(16.060)

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

Management Report
2015



GrupoFleury

Summary

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Message from Management

With significant advances in its differentiation strategy, Grupo Fleury produced in 2015 important growth of its activities with profitability expansion of its businesses, demonstrating the competitiveness of the Company, despite the unfavorable macroeconomic environment that characterized the period.

This performance has been established through three main pillars: the expansion of Fleury Medicina e Saúde brand, the repositioning of a+ brand focused on the high-intermediate segment in the different markets where it is present and the turnaround process of our operations in Rio de Janeiro. Important to highlight that these pillars support the growth and profitability strategies of the Company as from its reputation, reinforced by increasing customer satisfaction indicators (NPS) in all geographies and public we serve.

For Fleury brand, in addition to seeing increased demand for its services, we continue consistently the expansion plan with the opening of the Advanced Diagnostic Center for Women – located at República do Líbano Avenue, one of the main medical centers in São Paulo - and the opening of Jundiaí PSC replacing the old unit in the region with a broader range of services.

Also in the premium segment, Weinmann brand, in Rio Grande do Sul, had maintained its leadership in this market, while Felippe Mattoso, in Rio de Janeiro, has expanded its portfolio of services, especially in laboratory tests.

In the brand a+ Medicina Diagnóstica, we had an important development in the repositioning process. In addition to the qualification of the revenues, this strategic shift has contributed to expand the competitiveness of the brand in this segment through a differentiated offering of diagnostics service related in a direct way to the Company's reputation of excellence.

In Rio de Janeiro, specifically, the unification of service systems for laboratory and imaging tests associated with significant advances in the management, provided productivity gains and significant improvement in the contribution margin for the company's results.

Very importantly, also, the B2B business remained demonstrating strong performance and growth, serving 17 hospitals in São Paulo, Rio de Janeiro, Rio Grande do Sul, Paraná and Brasília.

In this context, the business development of Grupo Fleury in 2015 generated a gross revenue of R$ 2.1 billion, an increase of 11.6% over the previous year. This expansion was accompanied by a 27.5% expansion in EBITDA, reaching a margin of 20.2% excluding non-recurring effects. Net income also presented strong growth reaching R$ 127.5 million, a 72.2% higher result compared to 2014. The growth is also seen cash flow, which reached the record figure of R$ 368.9 million, an increase of 29.1%.

This financial performance is accompanied by an evolution in customer satisfaction indicators, which demonstrates the sustainability of the growth and margin expansion of the Company. In a consolidated view of all the Company's brands, the Net Promoter Score (NPS), which measures the level of recommendation to family and friends after the use of services, reached 73.5% in 2015, an increase of 3.7% over the previous year. The satisfaction index reached the note 8.9, 2% more than in 2014.

These achievements had as levers our human capital, composed of about 8,600 employees and 1,700 physicians to produce the differentiation that sets us apart in the segment and allows us to take leading role in the Brazilian health sector.

Among the relevant facts in 2015, it is worth emphasizing the new ownership structure after the completion of the sale of 13% of the company's capital by the physicians' partners to Advent International.

Finally, we highlight that the Company enters 2016 confident in its fundamentals, anchored in the compound of technical, medical, service and management excellences. The combination of these attributes certainly enables Grupo Fleury to handle scenarios to come, as well as to capture gradually superior results.

Macroeconomic and industry scenario

Despite the Brazilian economy proving itself challenging, the health industry is showing resilience with stable indicators in 2015 compared to the previous year

The main Brazilian macroeconomic indicators had a negative performance in 2015. In a report released in February 2016, the Central Bank of Brazil (BC) reports that the Economic Activity Index, intend to be a preview of the Gross Domestic Product (GDP), showed a contraction of 4.08% in 2015.

The IPCA consumer price index reached 10.67% in 2015, the highest level since 2002. The SELIC rate was 14.25% at the end of the year. The dollar, in turn, reached its historical maximum in September (R$4.24) and has remained above four Reais. The data already published by the Ministry of Labor and Employment (MTE) shows that Brazil terminated 1.54 million formal jobs in 2015 - the worst performance since 1994, when the indicator started being registered.

In the short term, expectations for the national economy remain challenging. According to the Focus report, released by the Central Bank on January 5th, 2015, the market expects that the GDP will grow again only in 2017, with an estimate of 0.6%. Inflation, in turn, should reach 7.6% in 2016 and reach 6.0% in 2017.

The economic slowdown, however, does not impact the healthcare industry in the same proportion. The number of beneficiaries of medical operators showed a slight downturn of 0.3% over the first nine months of 2015, when compared to the same period last year. According to the National Regulatory Agency for Private Health Insurance and Plans (ANS), this indicator reached 50.3 million users in 2015. The Brazilian population's coverage rate reached 25.9% against 26.0% in the 9M14. According to the Institute of Supplementary Healthcare Studies (IESS), the contracting of group health plans by adherence - made by corporate entities in a professional, class or sector character - grew by 0.6% in the 12 months up to September 2015. Also according to the institution, this increase may be from the transfer of beneficiaries from individual plans, which showed a decrease of 0.9% in the same period. Total corporate plans bonds recorded a slight decrease of 0.1%.

In the regulatory field, the year was marked by the approval of Law 13,097, which allowed the entry of foreign capital in health care and has caused some transactions in the hospital sector and already caused movements in the segment, such as the investment Carlyle American fund made in D'or hospitals network.

Another highlight was the definition by ANS of new standards for the adjustment of contracts between operators and hospitals. According to the agency, in cases without an agreed contract rate and without a value agreed upon between the parties, the basis of calculation used shall be the IPCA, to which a quality factor will be applied. Establishments that achieve quality certification will be entitled to 105% of the IPCA, while the units that are not certified and that do not meet the criteria established by the Social Development Department (DIDES) will receive 85% of the IPCA.

About Grupo Fleury

"Being present in people's day-to-day lives, welcoming them and providing them with integrated medical and health solutions through knowledge and constant pursuit of excellence."

For this purpose, Grupo Fleury (BM&FBOVESPA: FLRY3) is one of the most traditional medical and health organizations in the country, with nearly 90 years of existence, referred by the medical community, the patients and the public opinion for its medical and care excellence, innovation and sustainable development.

The Company has four main business segments:

- **Patient Service Centers:** There are 144 units in the states of São Paulo, Rio de Janeiro, Rio Grande do Sul, Pernambuco, Bahia, Paraná and the Federal District, providing private medical diagnostics for premium and upper-middle income healthcare plans.
- **Diagnostic Operations in Hospitals:** Performs diagnostics in 17 partner hospitals, both clinical analysis and diagnostic imaging and other specialties, providing diagnostic information with high added value for the doctors of these institutions.
- **Reference Laboratory:** Carrying out high complexity tests for laboratories, hospitals and clinics throughout Brazil, enabling these customers to expand their offerings with unique diagnostic quality.
- **Dental Diagnostic Imaging:** Since 2013, the Company operates in the segment of dental diagnostic imaging through a 51% share control of Papaiz.

Grupo Fleury in numbers from 2015:

R$2.1 billion revenue and **R$107 million** net profit;

58 million exams performed, **172,400** medical advisory consultations performed, **75,200** integrated reports sent;

3,500 tests offered in 17 areas;

8,600 employees and **1,700** doctors providing care;

6 brands present in the major metropolitan areas of Brazil and positioned in premium and upper-middle income segments

Corporate sustainability

Grupo Fleury acts as a supportive agent and advisor in the individual's relationship with its health, generating value for the stakeholders, as well as driving innovation, integration and efficient use of resources and health care in Brazil

For Grupo Fleury, sustainability has a direct link with the Company's mission and is understood as the integrated and balanced management of the triple bottom line concepts: economic activity, environment and society well-being, together with process quality.

The new strategic sustainability agenda, established in 2014, aims to leverage the sustainability value through proprietary issues of the health market, selected together with our main stakeholders in order to generate organizational learning, business opportunities, innovation and competitive advantage - these concepts are already present in Grupo Fleury's business strategy. The new agenda addresses current challenges of the Brazilian healthcare market, transforming them into motivators to create shared value between system players.



Grupo Fleury maps, monitors and clearly knows its responsibilities towards society in the regions where it operates, seeking to strengthen its relationship and minimize any possible impacts of its operations through several social programs. In this context, it highlights the *Voluntários do Sertão* project, organized by the NGO of the same name, which promotes social welfare, health, nutrition and food safety for communities in the Brazilian backlands. In 2015, the campaign took place in the city of Condeúba in Bahia. With the involvement of 14 Company volunteers and strategic partnerships with the suppliers GE, Carestream, Truckvan, Gebramed and Germed, Grupo Fleury led two thousand medical consultations, divided into mammograms, ultrasound, bone densitometry, electrocardiograms and cardiology and gastroenterology consults. In addition, the Company promoted a donation campaign among its employees, which gathered 1.5 ton of food and 61.3 kg of drugs.

The *Conecta Saúde* project, in turn, in partnership with Philips in Brazil, aims to raise awareness in public school students and teenagers assisted by third sector institutions on issues related to teenage pregnancy and STDs (Sexually Transmitted Diseases). Already established in Porto Alegre, Bahia and Pernambuco, in 2015 the project was implemented in Rio Grande do Sul and consolidated in São Paulo, in the regions of the boroughs of Jabaquara, Vila Mariana and Santo Amaro. This year, it is expected to expand to other regions of São Paulo and to return the DOM project, which aims to train health sector institutions to promote quality care to the people they assist.

In partnership with the National Quality Foundation (FNQ), Grupo Fleury developed a pilot project for the improvement of public institutions' management. In 2015, it designed the diagnosis survey of the Emilio Ribas hospital and the Hospital das Clínicas Physical Medicine Rehabilitation Institute (IMREA). In 2016, the project will continue with the structure of the action plan for the improvement of the gathered diagnosis.

Environment

In 2015, Grupo Fleury registered a decrease in the water consumption, electricity and waste generation indicators.

Both the water supply and the electricity management were targets of strategic actions since 2014, due to the water crisis that hit the city of São Paulo. Since then, the water reservoirs in the patient service centers started being monitored, agreements for water supply with trucks were established, and power generators were made available to ensure the proper functioning of strategic units and the technical area. These initiatives resulted in a decrease in consumption of 14%.

The electricity consumption was 10% lower than in 2014, mainly affected by two factors: closing units throughout the year and initiatives to improve the Company's energy efficiency, such as upgrading the air conditioning system.

Grupo Fleury monitors and controls the segregation, disposal, storage and transportation of hazardous and non-hazardous waste from its operations. The allocation given to them is defined according to their type and is based on criteria in line with the procedures of the Environmental Management System and with the current law.

Since 2008, the Company prepares and publishes, in the Public Registry of Emissions of the GHG Protocol, the annual inventory, which calculates its direct and indirect emissions of greenhouse gases (GHGs). Each year, the ascertainment of data and the expansion of the reported scope advances, which includes emissions from air travel and fuel consumption in the transport of materials, paper consumption in the administrative areas and outsourced transportation. The inventory of 2015 will be published by April 2016.

Indicator	2015	2014
Eletricity (KWh)*	45,676,156	47,968,333
Water consumption (m3)**	118,800	138,723
Waste generation - Total (kg)	2,977,707	2,592,484
Common waste (kg)***	1,772,197	1,401,616
Infectious waste (kg)	1,205,510	1,190,868

* Purchased and consumed Intermediate energy (indirect) | ** Water from municipal utilities or other public sources (m^3) | *** Waste sent to landfill

Certifications and reports

In addition to being a signatory of the UN Global Compact since 2013, Grupo Fleury was included, for the third consecutive year, in the portfolio of the Corporate Sustainability Index (ISE) of BM&FBOVESPA. In addition, the Company joined the Carbon Disclosure Program (CDP), a program that brings together data and analysis on gas emissions that cause the greenhouse effect and how companies address the climate change issue in its management. Also in 2015, Fleury Ponte Estaiada unit got a LEED - Leadership in Energy & Environmental Design certification, which had already been conquered by the Fleury Rochaverá and Alphaville units.

Grupo Fleury pioneered the area of diagnostic medicine in the implementation of an Integrated Management System certified by ISO 9001:2000 (Quality Management) and ISO14001 (Environmental Management), which reflects its concern with quality, the environment, the continuous improvement of procedures and sustainability. The following accreditations in the technical area of São Paulo are also a highlight: from Colégio Americano de Patologistas (CAP), from the National Glycohemoglobin Standardization Program (NGSP) and from the Brazilian Clinical Pathology and Laboratory Medicine Society (SBPC/ML). All of the Group's regional branches are also accredited by the PALC (Clinical Laboratory Accreditation Program) of the Brazilian Clinical Pathology Society.

The complete list of certifications and awards received by Grupo Fleury and the full version of the fifth edition of the Annual Sustainability Report can be accessed on the Company's IR website (www.fleury.com.br/ri).

Relationship with clients

Technical, medical and service excellences are the pillars in the relationship with Grupo Fleury customers

Balanced with the expansion of its business and profit margins, Grupo Fleury also keeps increasing performance of customer satisfaction indicators, ensuring sustainable development of its activities.

In this scenario, one of the indicators monitored rigorously by the company is the Net Promoter Score (NPS), which is the recommendation and customer loyalty index on the services offered by the Company. Historical data are presented since 2014-second quarter, when the new research model has been implemented. In Rio de Janeiro, the research started 2015 third quarter.

In 2015 Grupo Fleury's NPS reached 71.8%. In 4Q15, this indicator reached 73.5%, an increase of 370 bps compared to the 4Q14 (69.8%). At the same time, the satisfaction index, which captures ratings from 0 to 10 on all stages of our services offering, expanded 2%, achieving the note 8.9, against 8.7 obtained in the previous period.

Similarly, due the constant attention to opportunities of operational improvements towards customer service, in 2015 the company had a significant reduction in adverse manifestations (9.9%), ending the period with a 0.43% rate.

Medical relationship

Grupo Fleury encourages the generation and sharing of knowledge internally and externally in order to strengthen the communication channels with medical customers

Grupo Fleury ended 2015 with 1,747 medical care providers, stable when compared to the previous year, despite the 7.8% growth in the number of tests, demonstrating the Company's improved operational management in the period.

In order to stimulate the generation and sharing of medical knowledge, the Company promotes internal actions of scientific studies, in addition to supporting the participation of doctors in national and international conferences. The main actions of the year were:

- 25 scientific newsletters
- 306 scientific articles published
- 118 update meetings and medical specialties
- 196 papers gathered at the 25th *Jornada do Conhecimento*

Grupo Fleury is a disseminator of knowledge through the production of papers for doctors. In 2015, the medical bulletin Diagnoson a+ was launched, in addition to the existing ones from the brands Weinmann, Felippe Mattoso, a+ and Labs a+. Each of the bulletins had four editions throughout the year, while the medical journal *Fleury Medicina e Saúde* had five editions. The total circulation of all publications reaches 97,400. All of these publications are also available in Grupo Fleury's websites.

At the same time, Grupo Fleury participated in 40 events throughout the year, impacting 4,900 doctors. For the second consecutive year, the Fleury brand had a special participation in the São Paulo State Cardiology Society Conference (SOCESP), promoting the international symposium about women's heart health, with the attendance of over 700 participants. Also, Fleury had a stand where it received, during the three-day event, the medical community, with particular focus to the Integrated Cardiac and Neurovascular Center, which is in its second year of operation in the Ponte Estaiada unit. Another highlight of the Fleury brand was the participation in the São Paulo State Gynecology Society Conference, with a symposium on 'advanced diagnostic tests in patients at risk and pregnant women' and the stand was visited by over 2,000 congresspersons, and the highlight was the dissemination of the Advanced Women's Diagnostic Center, at the newly opened República do Líbano II Unit.

These initiatives allow Grupo Fleury to get closer and strengthen the communication channels with medical customers, presenting them with its advantages, processes and use of internal knowledge that guarantee its historical technical excellence. This technical excellence, based on medical knowledge, is one of the Company's operating pillars, which proposes to deliver conclusive diagnoses for physicians and clients. For this, the Group has services such as medical assistance, in which Grupo Fleury's clinical staff supports the requesting physician in understanding cases with more complex diagnoses. In 2015, it provided 172,400 advisory consultations, an increase of 5.6% compared to 2014.

The number of integrated reports increased 15.2%, to 75,200 documents sent to physicians of clients who sought the Fleury brand's care, including diagnostic cases of high complexity that are evaluated with a multidisciplinary approach.

Innovation

One of Grupo Fleury's operating pillars, the investment in innovation and Research and Development (R&D), is the Company's competitive advantage that enables the acquisition and development of new pioneering skills in the health sector

The incorporation of new tests in Grupo Fleury begins with the mapping of opportunities brought by the medical team in a structured flow of projects with results measurement. This process allows the Company to select its initiatives, covering the use of new technologies, market needs and medical knowledge. Thus, in addition to maintaining its leading position in the health sector, the incorporation of new products allows Grupo Fleury to have, among other advantages, lower costs with the internalization of tests that were previously sent to overseas processing, less dependence on suppliers and improved tests sensitivity. This R&D structured process still favors obtaining financing focused in innovation, such as from the Studies and Project Financier (FINEP), which in 2014 allocated about R$155 million for these initiatives.

In 2015, 66 new products and methodology changes in laboratory medicine and diagnostic center were implemented, increasing the portfolio of tests on different segments of medical specialties. Among the highlights is the test for the zika virus, implemented in December in order to rapidly meet the increasing demand due to the increase in the number of infections. It is worth noting that Grupo Fleury already offers tests for two other diseases caused by the Aedes Aegypti mosquito: the chikungunya fever, incorporated in a pioneer way by the Company in Brazil in 2014, and the dengue, available in the portfolio of exams since 2002.

Another highlight was the inclusion of the OncotypeDX®, a test focusing on research of breast, colon and prostate cancer, in partnership with the US company Genomic Health. The year was also marked by the structuring, development and validation of the new, next-generation sequencing platform in the technical operations for clinical analysis in order to implement, in 2016, products for the diagnosis of cancer and genetic syndromes, among other factors.

It's important to highlight that the year was also marked by the renovation of the technical area of São Paulo, located at the Company's headquarters in Jabaquara, which will gain operational capacity and efficiency with the integration of new technologies and equipment. The renovation will be completed in 2016, the same year in which the technical area of Rio de Janeiro will be transferred to the Del Castilho neighborhood, where the administrative office of Grupo Fleury is already located. This change, in addition to reducing costs, will promote the expansion of space to extend the processing capacity and also to house more modern equipment to improve efficiency.

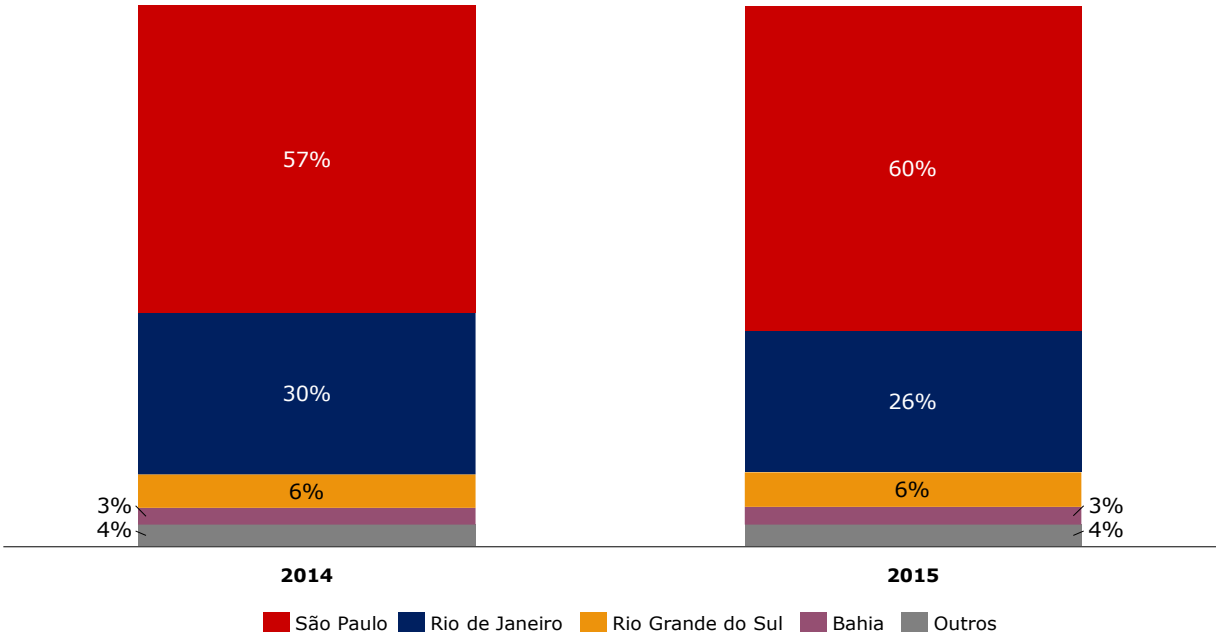
Personnel Management

One of Grupo Fleury's culture basis, the Company's employees reflect the characteristics of our values such as excellence, respect and enthusiasm

Grupo Fleury believes that the recognition that makes the Company stand out as a benchmark in medical, technical, service and management excellences is due to the qualification of its team of professionals. They are the ones responsible for daily delivering the care that has made the organization a benchmark, even for other segments.

In 2015, the Company ended the year with 8,600 employees (-2.6% when compared to 2014), with the highest concentration in the markets of São Paulo and Rio de Janeiro. The gender diversity remained stable in the annual comparison, with 80.5% of female employees (compared to 80.7% in 2014).

Employees by region



In the year, we invested R$5.0 million in training and updating professionals. There were 433,000 hours of training and more than 2,100 educational activities carried out by the Corporate University in the year, with an increase in the average participation per employee (10 activities/employee against 7.3/ employee from the previous year).

Alongside with the training, Grupo Fleury continues to promote talent retention through internal recruitment. Currently, all vacancies are made available by the Company internally before being released to the market in general. About 46.7% of them are filled by internal employees.

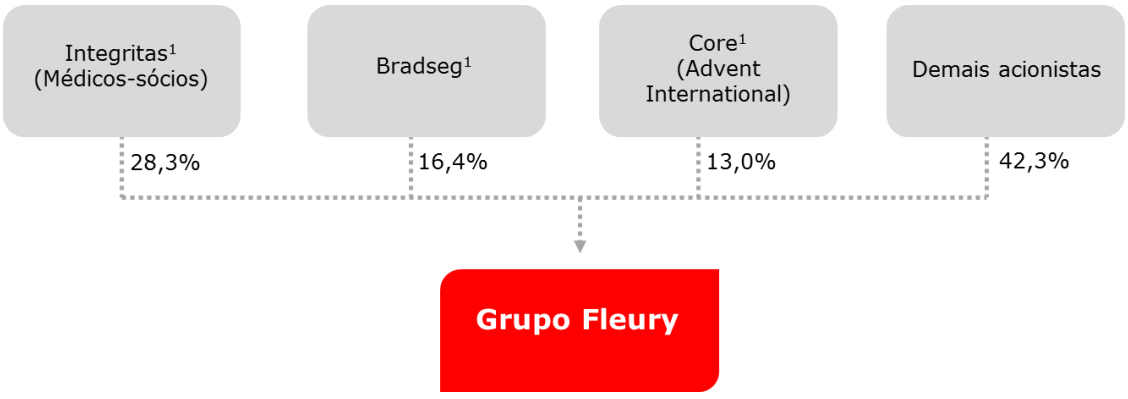
In 2015, the 360-degree assessment was carried out for leadership positions, totaling 3,926 assessments carried out involving 456 leaders. The Company's turnover reached a total of 22.1%, a decrease of 263 bps (24.7% in 2014). The turnover per employee was 9.1%, a decrease of 326 bps (12.4% in 2014).

Corporate Governance

New shareholding structure also changed the composition of the Board of Directors in October

Member of the Novo Mercado, a special listing segment of the BM&FBOVESPA, which requires the adoption of the highest standards of Corporate Governance, Grupo Fleury has practices and processes aligned with the highest principles of transparency, fairness, accountability and environmental and corporate responsibility. This was a natural process for the Company, since that, before listing its shares on the stock exchange, Fleury already had a shared management between the executives and the Board of Directors, with the participation of independent board members.

In October 2015, it completed the sale of 13% of the Company's capital, held by medical partners, to Advent International ("Advent"), ending the minority stake's sale process initiated in February of the same year. With the operation, the corporate structure of the Company was changed: Advent, through Core, now has a 13% stake; the medical partners now have a 28.3% stake through Integritas; and Bradseg, Grupo Bradesco's member, maintained its 16.4% stake. The new Shareholders' Agreement provides that the voting rights of the parties shall be exercised freely, the Company's control not being assured, by any shareholder, individually or together.



[1] Exclude physicians members.

The operation also resulted in the change of the composition of the Board of Directors and its Advisory Committees.

Created in 1998, Grupo Fleury's Board of Directors is composed of a minimum of seven and a maximum of 11 sitting members, with up to eight alternate members. The Board of Directors aims to establish the general business guidelines and to elect the Statutory Executive Board, among other powers conferred by law and by the Bylaws. The Board of Directors has Internal Regulations governing its operation and its Advisory Committees. The tenure of the board members is established for two years, and reelection is allowed.

- **Composition of the Board of Directors**

Directors	Title	End of term
Marcos Bosi Ferraz	Chairman	2017 ASM
Marcio Pinheiro Mendes	Vice-Chairman	2017 ASM
Marcos Ferraz Rezende	Director	2017 ASM
Marcio Serôa de Araujo Coriolano	Director	2017 ASM
Samuel Monteiro dos Santos Junior	Director	2017 ASM
Juan Pablo Zucchini	Director	2017 ASM
Brenno Raiko de Souza	Director	2017 ASM
Flávio Benício Jansen Ferreira	Independent Director	2017 ASM
José Rogério Luiz	Independent Director	2017 ASM
Luiz Antonio de Moraes Carvalho	Independent Director	2017 ASM
Manoel Antonio Peres	Alternate director	2017 ASM
Randal Luiz Zanetti	Alternate director	2017 ASM

Currently, the Board of Directors has four Advisory Committees: Audit and Risk Management, Finance, Projects and Compensation. The committees are permanent, meet every month and have at least one member of the Board of Directors in their composition.

Grupo Fleury's Executive Board ended 2015 with six members, three of them statutory. The statutory members have two-year terms, which should coincide with the Board of Directors' term, reelection being allowed.

- **Composition of the Executive Board:**

	Officers	Position
Executives officers	Carlos Alberto Iwata Marinelli	CEO
	Paulo Pedote	Executive Directors - Business
	Adolpho Cyriaco Nunes de Souza Neto	CFO and IRO
Directors	Fernando L. Alberto	Executive Business Director - B2B and Soth
	Jeane Tsutsui	Medical, Technical and Customer Services Director
	Teresa Sacchetta	IT Director

The year was also marked by initiatives that reinforced the internal control's environment of Grupo Fleury. Among the highlights are the structure of the two-year plan of Internal Audit, the business continuity plan's implementation, the launching of the new Conduct channel, in addition to the formalization and review of more than 40 corporate policies, including the Information Disclosure Policy and Securities Trading Policy, which amended the communication vehicle for the publication of material facts on the online portal of the newspaper *Valor Econômico*.

Code of Conduct Channel

Grupo Fleury implemented in 2015 the new Code of Conduct Channel, aiming to provide more efficiency. The late structure offered access via e-mail only; currently, it has two exclusive channels of communication for questions or comments related to potential breaches of its Code of Conduct.

Contact can be made via phone: 0800-771-7887 or through the website www.contatoseguro.com.br/grupofleury.

The analysis of cases is individually and impartially performed and with full guarantee of confidentiality of the author's identity and defense to said professional. All messages are answered.

Economic and Financial Performance

Double-digit growth in revenue; excluding the effects of non-recurring items, up 27.5% of EBITDA, with an adjusted margin of 20.2%, and 72.2% increase of net income

Gross Revenue

Consolidated gross revenue of Grupo Fleury totaled R$2.1 billion, an increase of 11.6%. The Patient Service Centers grew 11.1%, to R$1.8 billion, highlighting the Fleury brand, which has maintained its good, historical performance and grew by 12.4%. In this year was already possible to note the recovery of Rio de Janeiro's operation, which increased 9.8%, with Same Store Sales ("*SSS*") growth of 10.7%, following a series of restructuring initiatives and funding sources in 2014. In turn, the regional labels, excluding RJ, increased by 8.7%.

In B2B, the Diagnostic Operations in Hospitals grew 15.7%, to R$307.1 million. Considering the existing agreements, Same Hospital Sales ("SHS") had a realized growth of 11.6%. Grupo Fleury ended the year serving 17 hospitals.

Taxes and Cancellations

Taxes on gross revenue remained constant compared to the previous year, at 6.2%. Cancellations decreased from 4.3% to 3.4%, a result of the improved processes and systems to optimize the receiving cycle and reduce glosses with operators.

The better management of this cycle maintained the growth of net revenue higher than gross revenue: an increase of 12.9% in 2015, reaching R$1.9 billion.

Cost of Services

The cost of services - including expenses with technical professionals, doctors, materials, patient service centers rental and facilities and equipment maintenance - totaled R$1.4 billion, representing 73.5% of net revenue (compared to the 76.2% in 2014).

Aimed at cost containment and greater efficiency of operations, the Company has, among other things, maintained a low transfer to prices in significant lines, such as direct materials, and general services, rents and utilities. Thus, the increase in costs was of 8.8% in the year, below inflation.

Operating Revenue and Expenses

General and administrative expenses totaled R$222.2 million, including R$31.1 million of depreciation and amortization.

EBITDA

EBITDA, excluding non-recurring items, totaled R$382.0 million, representing a margin of 20.2% of net revenue, an increase of 230bps when compared to the adjusted basis of the previous year. The non-recurring effects that impacted the results of this year and of 2014 were:

- On March 31, 2015, the Company joined the Tax Installment Program of the City of São Paulo (TRSS) to settle debts for the period of 2003-2013, and recognized 2014 liabilities totaling R$27.2 million to be paid, already considering the 75% fine and 85% interest discounts set out in that program. The impact on EBITDA was R$ (24,1MM) and on net income was R$ (18.3 million).

- For comparison between quarters, it is important to remember that the results of the 1Q14 was favored by the reversal of R$18.4 million in ICMS provisions on the importation of equipment after the Supreme Court decided the unenforceability of the tax. The impact on EBITDA was R$ 8.7 MM and net income of R$ 12.8 MM.

Reported EBITDA was R$357.9 million (a margin of 18.9% versus 18.4% in 2014).

Financial Result

The adjusted financial result presented a net expense of R$60.0 million, compared to the R$61.2 million in 2014. Reported net expense was R$63.2 million (R$50.5 million in 2014).

Income Tax and Social Contribution

In 2015, the effective rate was 37.8%, resulting in R$65.1 million of IR/CSLL recorded (R$15.9 million current).

In 2015 and 2014, the Company has been taking advantage, for tax purposes, of the amortization of the goodwill from acquisitions and tax losses, resulting in a current tax in 2015 of R$15.9 million and nil for 2014.

Net Income and Earnings per Share

Excluding non-recurring items, net income grew 72.2% to R$125.7 million, a margin of 6.6%. Reported net income was R$107.3 million, an increase of 25.1% over the previous year, representing a margin of 5.7%.

Net income per adjusted and reported share was, respectively, R$0.80 and R$0.69.

Capital Investments

In 2015, Grupo Fleury's investments totaled R$111.7 million, mainly focused in IT (34.0%), due to investments in systems, and in expansion (32.8%), because of the expansion plan of the Fleury brand.

Financing

The Company issued three series of debentures in the last three years, totaling R$950 million, which will be amortized until February 2020, according to the schedule below:

1st Issue (1st Series): R$150 million; maturing up to 2016; CDI payment + 0.94% pa.
1st Issue (2nd Series): R$300 million; maturing up to 2018; CDI payment + 1.20% pa.
2nd Issue: R$500 million; maturing up to 2020; CDI payment + 0.85% pa.

The second payment of the 1st Issue occurred in the 4Q15, of which R$50 million are related to principal and R$30.0 million are related to interest (R$7.4 million of the 1st series and R$22.6 million of the 2nd series).

In August 2014, the Company signed an agreement for a loan of R$155 million with FINEP (Studies and Project Financier). Of this amount, R$101.7 million were released in October 2014. The deadline for settlement is 97 months (24 months of grace period and 73 months for the principal repayment) from the signing of the contract, with annual interest rate of 4%.

This funding is related to projects such as: (i) expansion plan; (ii) technologies for increased productivity; (iii) development of the care process; (iv) employee's education and development.

Rating

On February 25 2016, Moody's rating agency downgraded the corporate rating of Fleury SA from Ba1/Aa1 to Ba2/Aa2. The outlook was also changed to negative from stable. The rating action follows the downgrade of the Brazilian Government's debt securities promoted by Moody's.

Capital Markets

Grupo Fleury's shares are traded under the code FLRY3 on the Novo Mercado segment of BM&FBOVESPA, a level that requires the highest standards of Corporate Governance.

In 2015, Grupo Fleury's shares ended the year at R$16.00, with a devaluation of 1.7% in the last 12 months. The average daily financial trading volume of the shares reached R$ 3.0 million in the full year, 46.6% lower than the amount in 2014. Reflecting this reduction in volume, the business tradability index reached 0.057% in the year.

However, in the assessment of the quarters, we noticed an increase in the index in the second half of the year, after the hiring of Credit Suisse in July as a market maker, in order to increase the liquidity of our shares. The 3Q15 business tradability index reached 0.074%, up from 0.050% in the 2Q15.

Dividends

On June 12, 2015 and August 17, 2015, the Board of Directors approved the payment of a compensation to the shareholders in the amount of R$16.2 million, equivalent to R$0.10 per share regarding the results of the first half of 2015. Of this amount, R$6.5 million was distributed as dividends and R$9.7 million in the form of interest on equity.

The Management Proposal, which will be submitted for presentation at the Annual Shareholders Meeting of April 7th 2016, include proposed dividends of R$ 21.4 MM. If approved, the gross distribution for the year 2015 will be of R$ 37.6 million, equivalent to R$ 0.24 per share.

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Income statement
Statement of changes in equity
Statement of cash flows
Statement of value added

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1. General information

1.1 – The Company

Fleury S.A. ("Fleury", "Parent" or "Company" and, together with its subsidiaries, "Fleury Group" or "Group") is a publicly-held corporation listed on the special segment named "New Market" of BM&FBOVESPA S.A – Brazilian Stock, Futures and Mercantile Exchange, under ticker symbol "FLRY3". The Company has its registered office in the city of 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 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.

At December 31, 2015, the Company had 149 patient service centers and 17 operations in hospitals, operating under six brands: Fleury, Weinmann, Clínica Felippe Mattoso, a+, Labs a+ and Diagnoson a+.

1.2 – Business Combination

1.2.1 – Labs Cardiolab

On August 6, 2014, the antitrust authority CADE (Administrative Council of Economic Defense) approved the acquisition of Labs Cardiolab Exames Complementares S.A. (LabsCardiolab) by Fleury, contingent upon the execution of a Performance Commitment Agreement ("TCD") under which the Company undertook to fulfill the following obligations:

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

(ii) not participate, for 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 (diagnostic support service) 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 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 medical tests 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 two years from the date the three-year obligations (ii) and (iii) above commence, for the preapproval of CADE, any operation described in (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.

Pursuant to the TCD signed with CADE, on September 3, 2015 the Company, as the seller, agreed to sell to Rise do Brasil Participações Ltda. all its shares of Cruzeiro do Sul Medicina Diagnóstica Ltda., which holds certain assets located in the city of Rio de Janeiro. CADE published on October 20, 2015 the decision that approved such operation without restrictions.

On November 5, 2015, with the fulfillment of the conditions precedent contained in the sale agreement, the sale of the shares of Cruzeiro do Sul for the final price of R$ 19,000 was completed. The result of the operation is shown below:

Final sale value	19,000
Selling expenses	(1,227)
Investment in the company Cruzeiro do Sul	(6,092)
Goodwill	(10,903)
	778

The sale resulted in a gain of R$778 recognized in line item Other operating income.

The results derived from the assets of Cruzeiro do Sul were not presented as discontinued operation because it does not meet the classification criteria to be considered as a discontinued operation.

2. Presentation of financial statements and summary of significant accounting policies

2.1. Basis of presentation

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, 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.

a) Financial statements

The parent company and 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), and evidence all information material to the financial statements, which is consistent with the information used by Management.

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.

b) Parent company financial statements

In the parent company balance sheet, investments in subsidiaries are accounted for using the equity method. Under this method, the investment is initially recognized at cost and subsequently adjusted through the recognition of the share attributable to the Company of the changes in the investee's net assets.

c) Consolidated financial statements

Transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of subsidiaries are consistent with the policies adopted by the Company.

d) Basis of consolidation

The Company consolidates all entities which it controls, that is, when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to direct the significant activities of the investee.

Selected information on the Company's subsidiaries, as well as the Company's (direct and indirect) interest therein is summarized below:

		Equity interest %		
Company	**Type of equity interest**	**2015**	**2014**	**Description of operations**
Papaiz Associados Diagnóstico por Imagem S/S Ltda.	Indirect	51%	51%	Dental operation
Fleury Centro de Procedimentos Médicos Avançados ("Fleury CPMA")	Direct	100%	100%	Concentrates the Imaging Diagnosis activities in certain hospitals

e) Approval of the financial statements

The financial statements of the Fleury Group were approved by the Board of Directors in the meeting held on March 2, 2016.

2.2. New standards, amendments to and interpretation of standards issued by IASB and CPC

The following standards were issued by IASB but are not effective for 2015. The early adoption of standards, even though encouraged by IASB, is not permitted in Brazil by the Brazilian Accounting Pronouncements Committee (CPC).

IFRS 16 – "Leases". This standard replaces IAS 17/CPC 06 (R1) – Leases and corresponding interpretations and establishes principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract, that is, the customers (lessees) and the suppliers (lessors). Lessees are required to recognize the liability of the future payments and the right of use of the leased asset for virtually all lease contracts, except for certain short-term and low-value contracts. For lessors, the accounting treatment remains virtually the same, with the classification of leases as operating leases or finance leases, and the recognition of these two types of lease contracts differently. This standard shall be adopted beginning on or after January 1, 2019.

IFRS 9, "Financial instruments" addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014 and is effective as from January 1, 2018. It replaces the guidance in IAS 39 related to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. There is now a new expected credit losses model that replaces the current incurred loss impairment model. IFRS 9 relaxes the requirements for hedge effectiveness. It also requires an economic relationship between the hedged item and the hedging instrument and for the "hedged ratio" to be the same as the one management actually uses for risk management purposes. The Company is assessing the adoption of this standard.

IFRS 15 – "Revenue from contracts with customers", establishes a five steps model applicable to revenue obtained from a contract with a customer, regardless of the type of revenue transaction or industry. The standard applies to all revenue contracts and provides a model for recognition and measurement of gains or losses on the sale of certain non-financial assets that are not related to the entity's ordinary activities (for example, sale of properties, facilities and equipment or intangibles). Extensive disclosures are also required by this standard. This standard is effective for annual periods beginning on or after January 1, 2017, with early application permitted only for IFRS reporting entities. The Company is assessing the adoption of this standard.

Amendments to IAS 16/CPC 27 and IAS 38/CPC 04, "Clarification of acceptable methods of depreciation and amortization", revision issued in May 2014.The purpose of this amendment to standard was to provide clarifications about the depreciation and amortization methods, considering the alignment to the concept of expected future economic benefits through the use of the asset during its economic useful life. The standard is effective for annual periods beginning on or after January 1, 2016.

There are no other standards and interpretations issued and not yet adopted that, in Management's opinion, may have a significant impact on the profit or loss or equity.

2.3. Foreign currency translation

a) Functional and presentation currency

The parent company and consolidated financial statements are presented in Brazilian reais (R$), which is the Fleury Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the foreign 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.

2.4. 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.

2.5. 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.

At December 31, 2015, the Fleury Group held financial instruments classified in the categories of: (a) held-to-maturity investments, (b) loans and receivables.

a) Held-to-maturity investments

Held-to-maturity investments comprise investments in non-derivative securities that the Company has the ability and intention to hold to maturity and are initially recognized at fair value, including the transaction cost, and subsequently at amortized cost.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and 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.

c) 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.

2.6. Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of Fleury Group's business, less the allowance for doubtful debts and disallowances.

2.7. Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined using the average cost method.

2.8. Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured by the sum of the consideration transferred, assessed based on the fair value at the acquisition date. Costs directly attributable to the acquisition should be accounted for as expenses as incurred.

When acquiring a business, the Company assesses the financial assets and liabilities assumed in order to classify and allocate them according to the contractual terms, the economic circumstances and the related conditions at the acquisition date, which includes the segregation, by the acquiree, of embedded derivatives existing in contracts in the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration considered as an asset or as a liability shall be recognized in accordance with CPC 38 in the income statement or in other comprehensive income.

When the consideration paid exceeds the value of the net assets acquired, this value is recorded as goodwill, otherwise the value is recognized as a gain in the income statement. Subsequent to initial recognition, goodwill is measured at cost, less any accumulated impairment losses.

2.9. 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 least annually, with the effect of any changes in estimate accounted for on a prospective basis.

The average annual depreciation rates are mentioned in Note 11.

If an asset's carrying amount is greater than its recoverable amount, a provision for impairment is recognized in order to adjust it to its estimated recoverable amount.

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".

2.10. Intangible assets

a) 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.

b) Trademarks and licenses

Separately acquired trademarks and licenses are initially stated at historical cost. Trademarks and licenses acquired in a business combination are carried at fair value at the acquisition date. Subsequently, trademarks and licenses, assessed with definite useful life, are recognized at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of 10 to 25 years.

c) Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the customer relationship.

d) Software

Computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over the estimated useful life of the software.

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of applicable overheads.

Other development costs that do not meet the capitalization criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

2.11. Impairment of non-financial 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.

2.12. 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.

2.13. Employee benefits

a) 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.

b) 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 reporting period, 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.

c) Profit sharing

The Fleury Group provides profit sharing to its employees, based on their performance for the year according to established targets. The Group recognizes a liability and an expense for profit sharing based on a methodology that takes into consideration the profit attributed to the Company's shareholders after certain adjustments.

2.14. Current and deferred income tax and social contribution

Taxes on profit comprise current and deferred income tax and social contribution.

The provision for current 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 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 deductible 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.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available to offset temporary differences, based on projections of future results using internal assumptions and future economic scenarios, which may, therefore, suffer changes.

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.

2.15. Provisions

Assets, previously considered as contingent, are recognized when there are guarantees or favorable unappealable court decisions that are reliably measurable. Contingent assets assessed as probable favorable outcome are only disclosed in the explanatory notes when material.

Contingent liabilities are provided for to the extent that the Company expects to disburse cash flows. Tax and civil lawsuits are provided for when losses are assessed as probable and the amounts involved are reliably measurable. When losses on these lawsuits are assessed as possible, a description of the lawsuits and the amounts involved is disclosed in the explanatory notes. Labor lawsuits are provided for based on the historical percentage of disbursements. Contingent tax and civil liabilities assessed as remote losses are not provided for nor disclosed. The bases and nature of the provision for tax, civil, and labor risks are described in note 20 "Provision for Tax, Labor and Civil Risks".

2.16. 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.

2.17. Revenue recognition

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.

a) Rendering of services

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

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.

b) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.18. 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.

2.19. Reclassification of the comparative figures

In relation to the balances as at December 31, 2014, the line item "Deferred taxes", previously recognized in the current assets group, was reclassified to comply with the accounting practices as required by CPC 32.

The effects of such reclassification are as follows:

	Parent Company		
	December 31, 2014		
	Original	Reclassification	Adjusted closing balance
Statement of financial position			
Assets			
Current	1,010,924		1,010,924
Noncurrent	2,196,364	(132,078)	2,064,286
Total assets	3,207,288	(132,078)	3,075,210

Liabilities and equity			
Current	263,664		263,664
Noncurrent	1,370,660	(132,078)	1,238,582
Equity	1,572,964		1,572,964
Total liabilities and equity	3,207,288	(132,078)	3,075,210

	Consolidated		
	December 31, 2014		
	Original	Reclassification	Adjusted opening balance
Statement of financial position			
Assets			
Current	1,017,434		1,017,434
Noncurrent	2,192,334	(132,078)	2,060,256
Total assets	3,209,768	(132,078)	3,077,690
Liabilities and equity			
Current	265,081		265,081
Noncurrent	1,371,723	(132,078)	1,239,645
Equity	1,572,964		1,572,964
Total liabilities and equity	3,209,768	(132,078)	3,077,690

3. Risk management

The main risk factors to which the Company and its subsidiaries are exposed are financial and operational risks, including market risk, foreign exchange risk, interest rate risk, credit risk and liquidity risk. These risks are inherent to their operations and are managed through policies and internal controls.

The oversight and monitoring of the policies in place are carried out using monthly management reports.

a) 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 consolidated gearing ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowings and financing and payables on business acquisitions, as stated in the consolidated balance sheet, less cash and cash equivalents.

Gearing ratio

	Consolidated	
	12/31/2015	12/31/2014
Borrowings and financing	990,027	1,038,820
Payables for acquisitions	11,107	18,554
Cash and cash equivalents	(624,586)	(505,274)
Net debt	376,548	552,100
Equity	1,656,749	1,572,964
Gearing ratio	0.23	0.35

Capital is managed considering the consolidated position, not only the parent entity.

b) **Financial and market risks**

Foreign exchange rate 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 at December 31, 2015 represent 0.05% of the total consolidated liabilities.
The Fleury Group has assets in foreign currency (balance receivable from customers) at December 31, 2015, representing 0.17% of the total consolidated receivables, which contributes to reducing its exposure to trade payables denominated in foreign currency.

The Company had the following net exposure at December 31, 2015 (US$1.00 - R$3.9042) and 2014 (US$1.00 - R$2.6562):

	Consolidated			
	2015	2015	2014	2014
	US$'000	R$' 000	US$'000	R$' 000
Trade receivables	176	688	226	600
Trade payables	(56)	(220)	(183)	(486)
Net exposure	**120**	**468**	**43**	**114**

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 affect cash flows. The Company and its subsidiaries have not entered into derivative contracts to hedge this risk, as they believe the risk is mitigated by the existing assets pegged to the CDI.

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 invested in financial investments with appropriate maturities or sufficient liquidity to provide the necessary margin, as determined by the forecast cash flows mentioned above.

The table below provides an analysis of the Fleury Group's liabilities and 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 and, therefore, they may not agree with the amounts.

	Consolidated			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At December 31, 2015				
Debentures	179,343	100,000	600,000	-
Borrowings and financing (*)	9,225	19,046	18,211	65,168
Trade payables	104,517	-	-	-
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	-	-	-

(*) Not considering the borrowing cost

Derivative policy

The Fleury Group has policy for its derivative instruments which, according to Management's opinion, is appropriate to manage associated risks, as well as to ensure the correct recognition in its financial statements. The Company and its subsidiaries do not enter into derivative transactions for speculative purposes.

At December 31, 2015 and 2014, the Fleury Group did not have outstanding derivatives recorded in the balance sheet.

c) Operational risk management

Operational risk, as defined by IBGC ("Brazilian Institute of Corporate Governance"), is the risk associated to the possibility of occurrence of losses (on production, assets, customers, revenues) resulting from failures, deficiencies or inadequacy of internal processes, people and systems, as well as from external events such as natural catastrophes, strikes and terrorist acts. Operational risks generally result in total or partial reduction, degradation or interruption of the activities, with a negative impact on the company's reputation, and the potential generation of contractual, regulatory and environmental liabilities.

In order to properly manage its operational risks, the Fleury Group has put forth efforts to establish a governance structure that starts with the involvement of Top Management, includes the structuring of the Risk Management and Internal Audit departments, and mainly assures the involvement of all leaders in the implementation of actions that reduce the Company's exposure to this risk category and assures this commitment through incentives consistent with the organization's reality.

The main operational risk features are mitigated as below:

a) Biannual cycle of internal audit covering the Company's main processes;
b) Mapping and documentation of the risks and internal controls;
c) Establishment of internal policies and procedures;
d) Periodic review of the risk portfolio;
e) Monitoring of the internal controls;
f) Establishment of business continuity plans;
g) Training of employees and third parties;
h) Clear establishment of approval levels; and
i) Implementation of actions to reduce the risk exposure.

All these measures are monitored and periodically reported to the Audit Committee and Risk Management established by the Fleury Group's Board of Directors, which guides and oversees management in conducting this process.

d) Sensitivity analysis

Sensitivity analysis for exchange rate changes
The assessment of the risk related to the fluctuation of the US dollar takes into consideration the thirty-days period for the assessment. The probable scenario considered the fair value based on the market curves at December 31, 2015.

For the probable scenario calculation, the exchange rate at the end of the reporting period (R$ x US$ = 3.9290) was used. In scenarios "Possible" and "Remote", the exchange rate was stressed by 25% and 50%, respectively, before taxes:

	Maturity	Risk	Possible (loss) gain (+25%)	Remote (loss) gain (+50%)
Trade receivables	2015	US$ devaluation	178	351
Trade payables	2015	US$ appreciation	(57)	(112)
Net effect			**121**	**239**

Sensitivity analysis for interest rate changes

For the probable scenario calculation, the benchmark rates obtained on the BM&FBOVESPA at December 31, 2015 were used. Scenarios Possible and Remote take into consideration a 25% and 50% stress factor on these rates, respectively. The results, in nominal amounts, are as follows and the expenses on interest on debentures are calculated through the end of each indexed contract.

	Possible +25%	Remote +50%
CDI rate (p.a.)	17.68%	21.21%
Projected interest expenses	392,843	463,525

4. Cash and cash equivalents

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Cash and banks	1,626	2,412	1,639	2,458
Short-term investments:				
Exclusive Funds (a)	620,397	492,359	620,397	492,359
Repurchase agreements (b)	2,087	10,457	2,550	10,457
	622,484	502,816	622,947	502,816
	624,110	**505,228**	**624,586**	**505,274**

These transactions are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

(a) Refer to quotas in exclusive investment funds that are classifiable into the category of fixed income. The purpose of the investment policy is to seek the appreciation of its quotas by applying the funds in a conservative profile portfolio with immediate liquidity. The exclusive funds' policies determine that financial assets must be of low credit risk. These exclusive investment funds cannot carry out speculative transactions or transactions that expose them to obligations higher than the amount of their equity or that expose to certain assets, such as shares, share index and derivatives referenced to them.

In 2015 and 2014, the exclusive investment funds had a weighted average yield of 102.8% and 102.9% of the CDI (Interbank Deposit Certificate), respectively.

(b) In 2015, repurchase agreements had a weighted average yield of 76.5% of the CDI (in 2014 – 100.4% of the CDI). 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.

Short-term investments balance activity schedule

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Opening balance	502,816	533,506	502,816	534,527
Short-term investments	1,327,460	1,561,992	1,335,880	1,569,216
Yield	72,322	56,782	72,427	56,820
Redemption	(1,274,068)	(1,649,464)	(1,282,130)	(1,657,747)
Reclassification (*)	(5,827)	-	(5,827)	-
Write-offs	(219)	-	(219)	-
	622,484	**502,816**	**622,947**	**502,816**

(*) Balance reclassified to line item Securities.

5. Trade receivables

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Billed amounts	397,625	393,170	398,607	394,297
Unbilled services	38,653	41,627	44,045	46,101
	436,278	**434,797**	**442,652**	**440,398**
Allowance for doubtful debts and disallowances	(45,094)	(50,040)	(45,131)	(50,205)
Total trade receivables	**391,184**	**384,757**	**397,521**	**390,193**

The aging list of trade receivables is as follows:

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Balances not yet overdue	317,682	253,323	323,563	258,267
Past due:				
Up to 120 days	53,478	101,971	53,971	102,464
121 to 360 days	37,836	50,582	37,836	50,582
Over 361 days	27,282	28,921	27,282	29,085
	436,278	**434,797**	**442,652**	**440,398**

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

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Balance at the beginning of the year	(50,040)	(86,132)	(50,205)	(86,273)
Write-offs of uncollectible receivables	73,641	110,107	73,809	110,107
Additions of doubtful debts and disallowances (Notes 25 and 28)	(68,695)	(74,015)	(68,735)	(74,039)
Balance at the end of the year	**(45,094)**	**(50,040)**	**(45,131)**	**(50,205)**

The Company and its subsidiaries are exposed to a certain concentration in their customer base. At December 31, 2015, the six major customers represented 49.8% of the total portfolio (44% at December 31, 2014).

6. Inventories

	Parent Company and Consolidated	
	12/31/2015	12/31/2014
Diagnosis kits	8,480	7,192
Administrative, promotional and other supplies	3,191	1,325
Collection and nursing material	3,158	3,534
Auxiliary lab supplies	1,577	1,627
	16,406	**13,678**

7. Taxes recoverable

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Social contribution (CSLL)	30,961	18,601	31,258	18,949
Withholding income tax (IRRF)	29,072	36,098	29,222	36,607
Corporate income tax (IRPJ)	20,014	36,708	20,425	36,845
Taxes on revenue (PIS and COFINS)	5,527	4,733	5,577	4,766
Social security contribution (INSS)	2,330	3,437	2,330	3,437
Service tax (ISS)	859	956	859	956
	88.763	**100.533**	**89.671**	**101.560**
Current	74,005	100,533	74,913	101,560
Non-current	14,758		14,758	

The amounts related to taxes recoverable at December 31, 2014 have been reclassified between Current and Non-current for comparability.

8. Judicial deposits

Non-current assets

At December 31, 2015 judicial deposits total R$42,236 (R$31,462 at December 31, 2014) (Parent Company) and R$42,238 (R$31,465 at December 31, 2014) (Consolidated) and refer to lawsuits considered by the Company's legal counsel as remote or possible risk of loss. Among the causes, we can highlight the amount of R$24,435 related to ICMS (state VAT) levied on equipment imports (Note 20).

Non-current liabilities

Judicial deposits related to lawsuits considered as probable loss risk are classified in non-current liabilities, reducing the related provision in the amount of R$7,796 at December 31, 2015 (R$13,663 at December 31, 2014). Judicial deposits also include R$12,684 related to ISS (service tax) shown in Note 18, in line item "Other", net of the obligation in the same amount.

9. Receivables

	Parent Company and Consolidated	
	12/31/2015	12/31/2014
AES Eletropaulo (a)	15,852	12,703
Cruzeiro do Sul Medicina Diagnóstica Ltda. (b)	15,200	-
	31,052	**12,703**

(a) Refers to receivables from AES Eletropaulo on behalf of the Parent Company in the amount of R$15,852 at December 31, 2015 (R$12,703 at December 31, 2014), as a result of a final decision issued by ANEEL (National Electric Power Agency) that recognized the illegal collection of amounts paid by the Company from November 2000 to August 2001 and required its reimbursement twofold.

(c) Refers to inflation adjusted amounts from sale of the investment Cruzeiro do Sul totaling R$19,000, of which R$4,255 in current and R$15,200 in non-current (Note 1.2.1.).

10. Investments

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Fleury CPMA (direct subsidiary)	28,430	28,989	-	-
Papaiz (indirect subsidiary)	-	-	7,522	7,495
	28,430	**28,989**	**7,522**	**7,495**
Other	112	246	112	246
	28,542	**29,235**	**7,634**	**7,741**

Subsidiary/investee	Base date	Number of shares	% of interest in paid-up capital	Paid-up capital	Equity	Profit for the year
Fleury CPMA	12/31/2015	80,827	100%	80,827	27,079	2,499
	12/31/2014	78,887	100%	78,887	27,638	1,308
Papaiz	12/31/2015	2,875	51%	2,875	3,380	74
	12/31/2014	2,875	51%	2,875	3,220	31

The activity in the Investments accounts was as follows:

Parent Company	Subsidiary	Balance at 12/31/2014	Capital payment	Dividends	Impairment	Share of profits (losses)	Sale	Balance at 12/31/2015
Fleury S.A.	Fleury CPMA	28,989	1,940	-	-	(2,499)	-	28,430
Fleury CPMA	Papaiz	7,495	-	(10)	(1)	38	-	7,522
Fleury S.A.	Cruzeiro do Sul (*)	-	5,254	-	-	78	(5,332)	-
Fleury S.A.	Other	246	-	-	(134)	-	-	112

(*) Part of the amount paid up was realized using property and equipment in the amount of R$3,102 (Note 11).
(Reclassifications/transfers).

11. Property and equipment

		Parent Company			
		12/31/2015			12/31/2014
	Average annual depreciation rate - %	Cost	Accumulated depreciation	Net	Net
Machinery and equipment	8	407,427	(222,949)	184,478	198,984
Facilities	10	258,426	(103,993)	154,433	172,392
Leasehold improvements	20	103,407	(72,011)	31,396	11,236
Buildings	2	28,025	(4,159)	23,866	24,320
IT equipment	20	65,244	(47,659)	17,585	18,371
Furniture and fixtures	10	47,808	(32,824)	14,984	15,247
Land	-	13,637	-	13,637	13,549
Construction in progress	-	760	-	760	1,269
Vehicles	20	653	(653)	-	-
		925,387	**(484,248)**	**441,139**	**455,368**

		Consolidated			
		12/31/2015			12/31/2014
	Average annual depreciation rate - %	Cost	Accumulated depreciation	Net	Net
Machinery and equipment	8	413,689	(227,594)	186,095	201,357
Facilities	10	260,198	(105,567)	154,631	172,766
Leasehold improvements	20	105,549	(74,125)	31,424	11,285
Buildings	2	28,026	(4,158)	23,868	24,322
IT equipment	20	65,831	(48,235)	17,596	18,403
Furniture and fixtures	10	48,913	(33,741)	15,172	15,545
Land	-	13,637	-	13,637	13,549
Construction in progress	-	760	-	760	1,269
Vehicles	20	653	(653)	-	-
		937,256	**(494,073)**	**443,183**	**458,496**

At December 31, 2015, the Company has a balance from a revaluation step-up of machinery and equipment, less depreciation, of R$242 (R$621 at December 31, 2014).

The changes in property and equipment were as follows:

	Changes – Parent Company					
	Balance at 12/31/2014	Additions	Write-offs, net	Depreciation	Reclassifications / Transfers	Balance at 12/31/2015
Machinery and equipment	198,984	29,168	(8,867)	(35,524)	717	184,478
Facilities	172,392	7,881	(1,849)	(23,974)	(17)	154,433
Leasehold improvements	11,236	25,620	(613)	(4,847)	-	31,396
Buildings	24,320	-	(31)	(423)	-	23,866
IT equipment	18,371	6,338	(497)	(7,027)	400	17,585
Furniture and fixtures	15,247	1,268	(1,326)	(3,423)	3,218	14,984
Land	13,549	88	-	-	-	13,637
Construction in progress	1,269	760	-	-	(1,269)	760
	455,368	**71,123**	**(13,183)**	**(75,218)**	**3,049**	**441,139**

	Changes – Consolidated					
	Balance at 12/31/2014	Additions	Write-offs, net	Depreciation	Reclassifications / Transfers	Balance at 12/31/2015
Machinery and equipment	201,357	29,168	(8,940)	(36,207)	717	186,095
Facilities	172,766	7,881	(1,849)	(24,150)	(17)	154,631
Leasehold improvements	11,285	25,620	(613)	(4,868)	-	31,424
Buildings	24,322	-	(31)	(423)	-	23,868
IT equipment	18,403	6,338	(497)	(7,048)	400	17,596
Furniture and fixtures	15,545	1,268	(1,326)	(3,533)	3,218	15,172
Land	13,549	88	-	-	-	13,637
Construction in progress	1,269	760	-	-	(1,269)	760
	458,496	**71,123**	**(13,256)**	**(76,229)**	**3,049**	**443,183**

12. Intangible assets

		Parent Company			
		12/31/2015			12/31/2014
	Average annual amortization rate - %	Cost	Accumulated amortization	Net	Net
Goodwill based on future profitability	-	1,342,222	(44,413)	1,297,809	1,308,712
Customer contracts	10	154,387	(65,615)	88,772	104,211
Licenses and software developed	20	190,979	(119,230)	71,749	81,839
Software development (in progress)	-	33,782	-	33,782	11,891
Trademarks and patents	7	13,226	(5,004)	8,222	9,239
Other		-	-	-	2,550
		1,734,596	**(234,262)**	**1,500,334**	**1,518,442**

		Consolidated			
		12/31/2015			12/31/2014
	Average annual amortization rate - %	Cost	Accumulated amortization	Net	Net
Goodwill based on future profitability	-	1,353,563	(44,413)	1,309,150	1,320,053
Customer contracts	10	156,573	(66,599)	89,974	105,851
Licenses and software developed	20	191,516	(119,694)	71,822	81,941
Software development (in progress)	-	33,782	-	33,782	11,891
Trademarks and patents	7	14,963	(5,974)	8,989	10,180
Others					2,550
Non-compete agreement	10	825	(825)	-	309
		1,751,222	**(237,505)**	**1,513,717**	**1,532,775**

The changes in intangible assets were as follows:

	Changes – Parent Company					
	Balance at 12/31/2014	Additions	Write-offs	Amortization	Reclassifications / Transfers	Balance at 12/31/2015
Goodwill based on future profitability	1,308,712	-	(10,903)	-	-	1,297,809
Customer contracts	104,211	-	-	(15,439)	-	88,772
Software licenses	81,839	15,362	(12)	(28,822)	3,382	71,749
Software development (in progress)	11,891	25,212	(194)	-	(3,127)	33,782
Trademarks and patents	9,239	-	-	(1,017)	-	8,222
Others	2,550				(2,550)	-
	1,518,442	**40,574**	**(11,109)**	**(45,278)**	**(2,295)**	**1,500,334**

	Changes - Consolidated					
	Balance at 12/31/2014	Additions	Write-offs	Amortization	Reclassifications / Transfers	Balance at 12/31/2015
Goodwill based on future profitability	1,320,053	-	(10,903)	-	-	1,309,150
Customer contracts	105,851	-	-	(15,877)	-	89,974
Software licenses	81,941	15,362	(12)	(28,851)	3,382	71,822
Software development (in progress)	11,891	25,212	(194)	-	(3,127)	33,782
Trademarks and patents	10,180	-	-	(1,191)	-	8,989
Others	2,550				(2,550)	
Non-compete agreement	309	-	-	(309)	-	-
	1,532,775	**40,574**	**(11,109)**	**(46,228)**	**(2,295)**	**1,513,717**

Software development (in progress)

Refer basically to expenses on restructuring and implementation of the SAP functional business management and business intelligence software that will allow the Fleury Group to optimize processes and minimize risks.

Impairment test

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:

	2015	2014
Diagnostic Medicine	1,094,240	1,105,143
Hospitals	214,910	214,910
	1,309,150	**1,320,053**

At December 31, 2015, the Company assessed the impairment of goodwill based on its value in use, using the discounted cash flow model for Cash-Generating Units (CGus) The process of estimating the value in use involves the use of assumptions, judgments and estimates on future cash flows and represent the Company's best estimate, and such projections were approved by Management. The impairment testing of CGUs did not identify the need to recognize an impairment loss.

The cash flow projection comprised the tem-year period plus the residual value calculated by perpetuating the cash balance in the tenth year, discounted to present value by the Weighted Average Cost of Capital (WACC) of 14% in 2015 (13% in 2014).

The cash flow projection for the first year is based on the budget approved by Management. Management determined the budgeted gross margin based on its expectations for the market development and believes 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.

13. Financing

		Borrowings			
Lenders **Local currency – R$**	**Fixed rate charges**	**Signing date**	**Borrowed amount**	**Accumulated disbursed amount**	**Final maturity**
BNDES FINAME	8.70% p.a.	10/11/2011	4,753	4,753	10/2016
FINEP 1	4.25% p.a.	05/08/2009	7,098	7,098	09/2017
FINEP 2	4.00% p.a.	08/06/2012	8,975	6,542	08/2020
FINEP GRANT	0% p.a.	07/13/2012	825	104	07/2016
FINEP PROMETHEUS I and II	4.00% p.a.	08/28/2014	155,444	101,666	09/2022

	Parent Company and Consolidated				
Lenders Local currency – R$	12/31/2014	Interest incurred	Interest paid	Repayment of principal	12/31/2015
BNDES FINAME	1,976	121	(125)	(1,074)	898
FINEP 1	2,933	101	(103)	(1,065)	1,866
FINEP 2	8,507	308	(311)	(1,498)	7,006
FINEP GRANT	104	21	(21)	(68)	36
FINEP PROMETHEUS I and II	101,852	4,040	(4,049)	-	101,843
	115,372	4,591	(4,609)	(3,705)	111,649
Borrowing cost (*)	(1,110)	-	-	145	(965)
	114,262	4,591	(4,609)	(3,560)	110,684
Current	3,706				9,080
Non-current	110,556				101,604

(*) The borrowing cost is R$1,146 disbursed by FINEP on inspection and overseeing of the Prometheus I and Prometheus II projects.

The non-current portion at December 31, 2015 matures as follows:

	Parent Company and Consolidated
2017	18,913
2018	18,066
2019	18,066
2020 to 2022	46,559
	101,604

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: pledging of collateral or liens on assets; restrictions as to the change, transfer, or assignment of shareholding control, merger, takeover, or spin-off without the previous consent of the creditor; and compliance with financial and liquidity ratios measured semiannually.

For purposes of compliance with FINEP requirement and as a form of supplemental presentation, the Company shows below the total expenditures incurred in 2015 related to FINEP 1 and 2 financing.

a) FINEP 1

In 2015 the expenditures in accordance with the agreement [09.14.0055.00] entered into between Finep and FLEURY S.A. related to the Prometheus I project, are:

Expenditure items	**Amount**
Internal R&D	9,375
Acquisition of other external knowledge	633
Acquisiton of software	243
Acquisition of machinery and equipment	442
Pioneer production and other preparations for production and distribution:	2,939
i. Civil works and installations for pioneer production	2,477
ii. Other preparations for production and distribution	462
	13,632

Of the expenditures described above, some have already been reported and approved in advance by FINEP, as shown in the table below.

	Amounts in Reais		
	Reported	**Not Reported**	**Total**
Acquisition of machinery and equipment	184	258	442
Acquisition of other external knowledge	-	633	633
Acquisiton of software	-	243	243
Internal R&D	-	9,375	9,375
Pioneer production – civil works and installations	409	2,068	2,477
Pioneer production – other preparations	6	456	462
Total	**599**	**13,033**	**13,632**

b) FINEP 2

In 2015 the expenditures in accordance with the agreement [09.14.0054.00] entered into between Finep and FLEURY S.A. related to the Prometheus II project, are:

Expenditure items	Amount in Reais
Internal R&D	5,903
Acquisition of other external knowledge	25,831
Acquisiton of software	2,228
Training	1,021
Acquisition of machinery and equipment	3,517
Pioneer production and other preparations for production and distribution:	143
i. i. Civil works and installations for pioneer production	135
ii. Other preparations for production and distribution	8
	38,643

We have not reported in advance any expenditures listed above.

14. Debentures

Debentures were placed as follows:

	Issue amount (R$)	Unit	Final maturity	Semiannual interest	Total issued
1st Issue - First Series	10,000	15,000	Dec/16	CDI + 0.94% p.a.	150,000,000
1st Issue - Second Series	10,000	30,000	Dec/18	CDI + 1.20% p.a.	300,000,000
2nd Issue - Single Series	10,000	50,000	Feb/20	CDI + 0.85% p.a.	500,000,000

The Company used proceeds amounts raised from the debenture issues to strengthen working capital and uphold its cash strategy, extend its debt tenure 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.

First Series Debentures, totaling R$150,000, is amortizable in three annual, equal installments, the first and the second installments were paid on December 12, 2014 and 2015, without option to early redeem or restructure.

Second Series Debentures will be amortized in three annual, equal installments, payable on December 12, 2016, 2017 and 2018, 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.

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.

Changes in debentures

	Parent Company and Consolidated				
Local currency – R$	12/31/2014	Interest incurred	Interest paid	Repayment of principal	12/31/2015
1st Issue - First Series	100,568	13,466	(13,696)	(50,000)	50,338
1st Issue - Second Series	301,742	42,231	(41,905)	-	302,068
2nd Issue - Single Series	522,248	68,497	(63,808)	-	526,937
	924,558	124,194	(119,409)	(50,000)	879,343
Current	74,558				179,343
Non-current	850,000				700,000

The non-current portion at December 31, 2015 matures as follows:

Maturity	1st Issue (1st Series)	1st Issue (2nd Series)	2nd Issue Single Series	Consolidated
2017	-	100,000	-	100,000
2018	-	100,000	166,667	266,667
2019	-	-	166,667	166,667
2020	-	-	166,667	166,667
				700,000

Covenants

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:

(a) Net financial debt-to-EBITDA equal to three times or less; and/or
(b) EBITDA-to-net finance cost equal to 1.5 times or higher.

At December 31, 2015, the Company and its subsidiaries were compliant with said financial ratios and with the other covenants.

15. Trade payables

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Domestic suppliers	103,462	103,912	104,297	104,685
Foreign suppliers	220	487	220	487
	103,682	**104,399**	**104,517**	**105,172**

16. Payroll and related taxes

	Parent Company and Consolidated	
	12/31/2015	12/31/2014
Accrued vacation and related taxes	40,999	37,227
Accrued profit sharing	22,922	4,300
Payroll taxes payable	15,431	12,092
Other	4,538	327
	83,890	**53,946**

17. Taxes and contributions payable

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Tax Amnesty and Refinancing Program (REFIS) - Law 11,941(a)	51,311	53,203	51,311	53,203
Tax on revenue (COFINS) (b)	5,036	3,966	5,051	3,993
Service tax (ISS)	4,365	3,897	4,484	4,007
Service tax (ISS) in installments (c)	3,456	7,686	3,456	7,686
PIS, COFINS and Contribution	1,908	1,387	1,946	1,416
Tax on revenue (PIS) (b)	1,069	859	1,073	865
Accident Prevention Factor (FAP)	1,918	1,693	1,918	1,693
Withholding income tax (IRRF)	808	776	820	785
Social security contribution (INSS)	677	637	677	637
Installment payment - municipality of Niterói (d)	642	911	642	911
State Vat (ICMS) in installments	-	555	-	555
Other	1,665	333	1,666	334
Total	**72,855**	**75,903**	**73,044**	**76,085**
Current	24,760	23,835	24,949	24,017
Non-current	48,095	52,068	48,095	52,068

(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. To settle fines and interest on these installment payments, the Company utilized the tax loss carryforwards recorded in August 2009. The principal is payable in up to 180 monthly installments with a 60% discount on 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.

(b) PIS and COFINS levied on services rendered.

(c) Installment Program of the Municipal Government of São Paulo named Tax Installment Incentive Program (PPI).

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

The non-current portion at December 31, 2015 matures as follows:

	Consolidated
2017	5,111
2018	5,002
2019	4,823
2020	4,804
2021 and thereafter	28,355
	48,095

18. Payables – business acquisitions

The maturities of the non-current portions at December 31, 2015 are subject to final and unappealable decisions on the lawsuits and, therefore, they are not determinable for the next years.

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Current	4,616	3,074	4,616	3,536
Non-current	5,774	14,743	6,491	15,018
	10,390	**17,817**	**11,107**	**18,554**

19. Income tax and social contribution – Deferred

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Tax loss carryforwards	205,293	225,668	205,293	225,668
Allowance for doubtful debts and disallowances	45,094	50,040	45,094	50,040
Provision for tax, labor and civil risks	27,792	23,141	27,792	23,141
Amortization of goodwill non-deductible up to 2008 and deductible for tax purposes in future periods	24,782	24,782	24,782	24,782
Profit sharing	22,922	4,300	22,922	4,300
Provision for stock options and others	10,342	7,151	10,342	7,151
Asset revaluation	(672)	(991)	(672)	(991)
Net value adjustment of assets acquired and liabilities assumed	(58,424)	(80,753)	(58,424)	(80,753)
Effects of goodwill amortization for tax purposes (a)	(984,336)	(814,754)	(984,336)	(814,754)
Goodwill allocation – PAPAIZ	-	-	(1,473)	(2,317)
Tax base	**(707,207)**	**(561,416)**	**(708,680)**	**(563,733)**
Deferred income tax and social contribution at the combined tax rate of 34%	**(240,450)**	**(190,881)**	**(240,951)**	**(191,669)**
Income tax and social contribution asset	134,492	132,078	134,492	132,078
Income tax and social contribution liability	(374,942)	(322,959)	(375,443)	(323,747)

(a) Goodwill on merger of companies, mainly Labs Cardiolab.

The balance is presented net in noncurrent liabilities, as set out in CPC 32.

The Company expects the deferred taxes on tax loss carryforwards and temporary differences, in the amount of R$134,492 (Consolidated), to be realizable through the capacity to generate the results projected for the next six years, according to the schedule below:

Year	Consolidated
2016	8,516
2017	24,419
2018	34,906
2019	38,063
2020 to 2021	28,588

The expected realization of the amounts recorded at December 31, 2015 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	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Profit before income tax and social contribution	172,767	143,920	172,480	143,598
Combined income tax and social contribution rate	34%	34%	34%	34%
Income tax and social contribution – Standard rate	**(58,741)**	**(48,933)**	**(58,643)**	**(48,823)**
Share of profits (losses) of subsidiaries/investees	(823)	(445)	(823)	(445)
Interest on capital	3,301	-	3,301	
Other non-deductible expenses - permanent	(9,161)	(8,740)	(8,971)	(8,528)
Income tax and social contribution expense:	**(65,424)**	**(58,118)**	**(65,137)**	**(57,796)**
Current	(15,855)	-	(15,855)	-
Deferred	(49,569)	(58,118)	(49,282)	(57,796)
Effective rate - %	37.9%	40.4%	37.8%	40.2%

20. Provision for tax, labor and civil risks

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. At December 31, 2015, the balance of line item 'Provision for tax, labor and civil risks' is as follows:

	Parent Company and Consolidated	
	12/31/2015	12/31/2014
Labor	21,278	18,565
Tax	17,603	13,532
Civil	2,674	1,900
	41,555	**33,997**
Judicial deposits (Note 8)	(7,796)	(13,663)
	33,759	**20,334**

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

	Balance at 12/31/2014	Addition/ Reversal	Payments	Adjustment for inflation	Balance at 12/31/2015
Labor	18,565	3,879	(2,960)	1,794	21,278
Tax	13,532	2,414	-	1,657	17,603
Civil	1,900	1,173	(625)	226	2,674
	33,997	**7,466**	**(3,585)**	**3,677**	**41,555**
Judicial deposits	(13,663)	5,867	-	-	(7,796)
	20,334	**13,333**	**(3,585)**	**3,677**	**33,759**

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

Tax

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 believes that 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 this thesis, the Company records a provision and a judicial deposit to cover the risks in the amount of R$7,189 at December 31, 2015 (R$6,557 at December 31, 2014).

Labor and civil

The Company considers that the provision for risks in civil and labor lawsuits is sufficient to cover the expected losses. The Group's legal counsel performs an individual analysis of the lawsuits, classifying the risk of loss according to guidelines established by the Company.

Lawsuits classified as possible loss risk

The Company is party to tax, civil and labor lawsuits that are not provided for because they involve risk of loss classified by Management, and supported by legal counsel, as possible. At December 31, 2015, the consolidated amount was approximately R$360,035 (R$354,079 at December 31, 2014).

The tax matters classified as possible loss total R$253,742, those at the federal level are as follows: (i) R$125,728 refer mainly to discussions involving the non-requirement of the payment of Social Contribution on Income, Income Tax, COFINS, PIS and PIS/COFINS Import, (ii) federal tax matters involving social security contributions totaling R$55,118, and (iii) various federal matters totaling R$10,806.

At the state level, the lawsuits classified as possible loss total R$28,252 and refer mainly to the challenge of the ICMS levied on equipment imports.

At the municipal level, the lawsuits classified as possible loss total R$33,646 and refer mainly to cases involving the ISSQN (service tax).

At December 31, 2014 the Company had debts related to the TRSS (Solid Waste Fee for the Health Segment) classified as risk of possible loss, which were being challenged at court in a class action filed by SINDHOSP (Union of Hospitals, Clinics, Health Centers, and Clinical Research and Analysis Laboratories of the State of São Paulo).

On March 31, 2015, the Company applied for the Tax Installment Incentive Program of the Municipal Government of São Paulo, established by Law 16,097/2014, allowing for the cash payment to settle TRSS debts for the period from 2003 to 2013 and recognized a liability in 2014, totaling an amount payable of R$ 27,625, already considering the discounts of 75% in fines and 85% in interest established in such Program.

Although there is not yet a final and unappealable decision on this lawsuit, the Company's management believes that the requirements for settlement of debts set out in such law were advantageous due to the uncertainties as to the date of the final court decision and the chances of success in such lawsuit.

At the civil level the Company has lawsuits classified as possible loss totaling R$16,213, of which R$14,885 refer to civil liability lawsuits claiming compensation for property damages and pain and suffering due to alleged diagnostic error or procedure malpractice and other lawsuits in progress of lesser importance amounting to R$1,328.

Also at the civil level, the Company has approximately R$13,581 relating to credit recovery lawsuits with likelihood of loss considered as possible.

The labor lawsuits classified as possible loss total R$90,080, of which (i) R$60,864 refer to labor claims filed by former employees, (ii) R$11,103 to secondary liability lawsuits filed by employees of outsourced companies that provide specialized services to the Company, and (iii) administrative proceedings in progress totaling R$18,113.

At the labor level, the Company was summoned in a public civil action at the Rio de Janeiro labor court that challenges the lawfulness of contracting specialized medical companies. Moreover, the public civil action requires the payment of R$5,000 for collective personal damages. The Company is vigorously defending its position and is confident that its practice of contracting medical companies will prevail as being lawful since there is 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.

21. 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. Property rental expenses totaled R$109,117 for the year ended December 31, 2015 (R$105,730 at December 31, 2014).

The agreements are IGP-M inflation indexed (generally annually). Consolidated property rental commitments totaled R$458,715 at December 31, 2015 (R$468,614 at December 31, 2014). The consolidated position of commitments assumed is as follows:

	Consolidated
2016	102,820
2017	92,823
2018	77,676
2019	65,073
2020 and thereafter	120,323
	458,715

22. Related parties

a) Related-party balances

	Parent Company and Consolidated	
	12/31/2015	12/31/2014
Rental expenses		
Transinc Fundo Inv. Imobiliario	7,717	7,394
Harmonikos 32 Participações e Empreendimentos Ltda. (c)	2,302	1,994
Amicabilis Participações e Empreendimentos Ltda. (c)	3,018	2,829
Benefit expenses		
Companies associated to Bradseg (a)	115,024	81,767
	128,061	**93,984**

	Parent Company and Consolidated	
	12/31/2015	12/31/2014
Balance sheet account:		
Liabilities:		
Transinc Fundo Inv. Imobiliario	650	629
Companies associated to Bradseg (a)	853	19
Assets:		
Bradesco (b)	233,357	254,337
Net balance	**231,854**	**253,689**

(a) Bradseg, shareholder of Integritas Participações S.A. (parent company of the Fleury Group at December 31), 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.

A number of companies associated to Bradseg are among the Company's largest customers. This revenue was not disclosed for reasons of competitive sensitivity.

(b) The Fleury Group holds financial investments and balances with Bradesco. At December 31, 2015, 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 presented in Note 4.

(c) These companies are partners of Core Participações S.A. and Integritas Participações S.A., which are shareholders of the Fleury Group.

In 2015, the Company made capital contributions in the form of advance for future capital increase to Fleury CPMA and Cruzeiro do Sul totaling R$8,088, of which R$4,788 was contributed in cash, R$3,102 in property and equipment and R$198 in other assets.

b) Management compensation

Management compensation for the year ended December 31, 2015 includes salaries, fees, benefits, charges, stock options and bonuses in the amount of R$10,822 (R$6,262 at December 31, 2014, which does not include stock options) and is recorded in the income statement as 'General and administrative expenses'.

The compensation of officers and members of Management recognized in the income statement did not exceed the maximum limit approved at the meeting held on April 1, 2015.

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$22,922 in the year ended December 31, 2015 (R$4,300 in the year ended December 31, 2014).

23. Equity

a) Share capital

At December 31, 2015, the Company's fully paid-up capital, totaling R$1,402,531, is represented by 156,293,356 book-entry, registered common shares without par value. The net amount of the share issue expenses is R$1,379,747. 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.

b) Dividends

At the end of each fiscal period, shareholders are entitled to mandatory minimum dividends of 25% of profit for the year adjusted as per Corporate Law.

Dividends were calculated as follows:

	2015	2014
Profit attributable to owners of the Company	107,343	85,802
Recognition of legal reserve 5%	5,367	4,290
Calculation base of dividends	101,976	81,512
Mandatory minimum dividends (25%)	**25,494**	**20,378**
Additional dividend proposed	**10,767**	-

The portion of the dividends exceeding the mandatory minimum dividend, proposed by Management after the accounting period to which the financial statements refer, but prior to the date of authorization for their issue, shall not be recognized as a liability in the financial statements, the effects of the portion of the supplementary dividends shall be disclosed in explanatory notes. Therefore, at December 31, 2015, the portion related to the amount exceeding the mandatory minimum dividends was recognized in equity as "Additional dividend proposed":

On June 24, 2015, the Company made distribution to the shareholders in the form of interim dividends. The gross amount distributed of R$6,500 corresponds to R$0.042 per share, related to the balance of retained earnings at March 31, 2015.

c) Interest on capital

The Company's management approved, at the meeting of the Board of Directors held on August 17, 2015, the payment of interest on capital to its shareholders, calculated based on the variation of the Long-Term Interest Rate (TJLP), amounting to R$9,709, corresponding to R$0.062 per share.

As permitted by legislation and established in the Company's bylaws, the amount related to interest on capital, net of income tax, is being attributed to the mandatory minimum dividend.

Calculation of interest on capital:

Description	
Profit until June 2015	46,311
(-) Dividends paid - 2015	(6,500)
(=) Balance to be paid	39,811
Gross interest on capital paid	9,709
(-) Withholding Income Tax - IRRF	(1,310)
Net interest on capital paid	**8,399**

d) **Statement of comprehensive income**

There were no significant transactions recorded through equity to be included in the statement of comprehensive income.

24. Employee benefits

Private 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 a defined contribution pension plan and for the year ended December 31, 2015 the Company made contributions of R$1,517 (R$1,702 for the year ended December 31, 2014), charged to "Cost of services" and "General and administrative expenses".

All employees and officers with an employment relationship with the Company or its subsidiary 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	Company 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. Exceptionally for the first grant, the exercise price of options was equivalent to the Company´s IPO price per share.

The following grants were conducted through the date:

				At 12/31/2015		At 12/31/2014	
	Grant date	**Call options granted**	**Exercise price of options***	**Number**	**Price for the year**	**Number**	**Price for the year**
2014 grant	October 5, 2014	1,149,335	14.28	1,018,088	16.01	1,149,062	14.33
2013 grant	April 30, 2013	1,189,296	19.74	643,403	24.02	971,268	21.24
2012 grant	May 2, 2012	732,746	24.21	282,434	31.26	440,258	27.23
2011 grant	February 22, 2011	327,825	25.76	87,303	35.63	153,173	30.38
2010 grant	February 2, 2010	552,624	16.00	53,931	23.46	99,799	19.72

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

The Company recognized an expense for the year ended December 31, 2015, prorated since the grant date, of R$1,936 (R$2,204, charged to "General and administrative expenses" for the year ended December 31, 2014).

25. Service revenue

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Gross revenue	2,087,821	1,869,152	2,097,239	1,879,358
Taxes	(130,013)	(118,219)	(130,546)	(118,796)
Disallowances	(66,791)	(73,493)	(66,831)	(73,517)
Rebates	(4,902)	(8,145)	(4,902)	(8,145)
Net revenue	**1,886,115**	**1,669,295**	**1,894,960**	**1,678,900**

26. Cost of services

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Staff and medical services	(689,395)	(609,389)	(699,093)	(618,394)
General services, leases and public services	(350,547)	(343,847)	(350,554)	(343,849)
Materials and outside services	(198,104)	(178,796)	(198,104)	(178,796)
General expenses	(53,004)	(48,981)	(53,004)	(48,995)
Depreciation and amortization	(89,358)	(86,778)	(91,319)	(88,887)
	(1,380,408)	**(1,267,791)**	**(1,392,074)**	**(1,278,921)**

27. General and administrative services

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Staff and medical services	(124,741)	(106,540)	(124,749)	(106,540)
General services, leases and public services	(35,554)	(27,152)	(35,554)	(27,152)
Depreciation and amortization	(31,139)	(25,302)	(31,139)	(25,302)
General expenses	(26,076)	(45,928)	(26,076)	(45,928)
Materials and outside services	(4,693)	(4,518)	(4,693)	(4,518)
	(222,203)	**(209,440)**	**(222,211)**	**(209,440)**

28. Other operating income (expenses), net

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Waste disposal fee (a)	(24,417)	-	(24,417)	-
Net proceeds from write-off/sale of assets	(10,532)	(297)	(10,605)	(297)
Losses on customers	(1,904)	(522)	(1,904)	(522)
Other	(776)	(817)	(760)	(883)
Reversal of provision for ICMS on imports	-	8,734	-	8,734
	(37,629)	**7,098**	**(37,686)**	**7,032**

(a) Waste Disposal Fee related to 2011, 2012, 2013 and 2014, according to the significant event notice published on March 31, 2015.
(b) Refer mainly to write-off of property and equipment due to inventories taken at the RJ and SP units, comprising mainly medical equipment.

29. Finance income (costs)

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Finance income:				
Yield on short-term investments	72,508	56,782	72,616	56,820
Indexation of taxes and judicial deposits	13,775	3,601	13,844	3,601
Exchange rate change	438	107	438	107
Derivative financial instruments	-	3	-	33
PIS/Cofins on finance income	(2,545)	-	(2,549)	-
Other	334	6,105	334	6,105
	84,510	**66,598**	**84,683**	**66,636**
Finance costs:				
Interest on debentures	(124,194)	(109,445)	(124,194)	(109,445)
Interest on borrowings and others	(8,060)	(2,489)	(8,060)	(2,492)
Indexation of taxes and payables for business acquisitions	(7,652)	(8,601)	(7,740)	(8,676)
Indexation of provision for tax, labor and civil risks	(3,677)	(2,699)	(3,677)	(2,699)
Bank fees and expenses	(3,499)	(3,444)	(3,520)	(3,456)
Exchange rate change	(434)	(892)	(434)	(892)
Derivative financial instruments	-	(12)	-	(12)
Reversal of indexation of taxes	-	10,706	-	10,706
Other	(214)	(204)	(217)	(207)
	(147,730)	**(117,080)**	**(147,842)**	**(117,173)**
Finance income (costs), net	**(63,220)**	**(50,482)**	**(63,159)**	**(50,537)**

30. 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.

	12/31/2015	12/31/2014
Profit attributable to owners of the Company	107,343	85,802
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$	0.69	0.55

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:

	12/31/2015	12/31/2014
Profit attributable to owners of the Company	107,343	85,802
Weighted average number of common shares outstanding	156,293,356	156,293,356
Adjustment for share call options	1,576,792	971,583
Weighted average number of common shares for diluted earnings per share	157,870,148	157,264,939
Diluted earnings per share - R$	0.68	0.55

31. Segment reporting

Diagnostic Medicine, Integrated Medicine and Dental segment. The segments presented in the financial statements are strategic business units that offer distinct products and services.

	Year ended 12/31/2015				Year ended 12/31/2014			
	Diagnostic Medicine	Integrated Medicine	Dental	**Consolidated**	Diagnostic Medicine	Integrated Medicine	Dental	**Consolidated**
Net revenue	1,585,541	309,419	-	1,894,960	1,390,128	288,772	-	1,678,900
EBITDA	313,126	44,854	-	357,980	270,747	37,561	-	308,308
Share of profit (loss) of indirect subsidiary	-	-	38	38	-	-	16	16
Share of profit (loss) of Cruzeiro do Sul	78	-	-	78				
Depreciation and amortization	-	-	-	(122,457)	-	-	-	(114,189)
Finance income (costs)	-	-	-	(63,159)	-	-	-	(50,537)
EBT	-	-	-	**172,480**	-	-	-	**143,598**
Total assets	-	-	-	**3,203,997**	-	-	-	**3,077,690**
Total assets includes:								
Goodwill	1,094,240	214,910	-	1,309,150	1,105,143	214,910	-	1,320,053
Brands	8,222	767	-	8,989	9,239	941	-	10,180
Customer contracts	-	89,974	-	89,974	-	105,851	-	105,851
Non-allocated assets	-	-	-	1,795,884	-	-	-	1,641,606

In accordance with CPC 19 (R2) – Joint Arrangements, 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:

	12/31/2015	12/31/2014
Net revenue	7,497	7,442
Operating profit	926	1,261
Depreciation and amortization	(283)	(242)
Finance income (costs)	(215)	(156)
Profit before taxes	428	863
Income tax and social contribution	(390)	(847)
Profit for the year	**38**	**16**

32. 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, 2015 is approximately R$644. The insurance contracts are effective until December 2016. The table below shows the maximum sum insured (MSI) of the main insurance coverage at December 31, 2015.

	Consolidated
Operating risks	R$ 368,000
Civil liability	R$ 35,500
International freight - imports	US$ (000) 500

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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 31st, 2015, authorizing its conclusion on this date.

São Paulo, March 03rd, 2016.

Board of Executive Directors

Carlos Alberto Iwata Marinelli – CEO

Adolpho Cyriaco Nunes de Souza Neto – CFO and Head of IR

Paulo Pedote – Executive Director for Business

GrupoFleury

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 31st, 2015, issued on March 3rd, 2016.

São Paulo, March 3rd, 2016.

Board of Executive Directors

Carlos Alberto Iwata Marinelli - CEO

Adolpho Cyriaco Nunes de Souza Neto – CFO and Head of IR

Paulo Pedote - Executive Director for Business