(A free translation of the original in Portuguese)

Fleury S.A.

Quarterly Information (ITR) at March 31, 2012 and Report on Review of Quarterly Information

(A free translation of the original in Portuguese)

Report on Review of Quarterly Information

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

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Fleury S.A., included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2012, comprising the balance sheet as at that date and the statements of income, changes in equity and cash flows, for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with accounting standard CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers, Av. Francisco Matarazzo 1400, Torre Torino, São Paulo, SP, Brasil 05001-903, Caixa Postal 61005
T: (11) 3674-2000, F: (11) 3674-2000, www.pwc.com/br

Fleury S.A.

Conclusion on the parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the Brazilian Securities Commission (CVM).

Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the Brazilian Securities Commission (CVM).

Other matters

Interim statements of value added

We have also reviewed the parent company and consolidated interim statements of value added for the quarter ended March 31, 2012, which are required to be presented in accordance with standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which does not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been properly prepared, in all material respects, in relation to the parent company and consolidated interim accounting information taken as a whole.

São Paulo, May 3, 2012

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Marcelo Orlando
Contador CRC 1SP217518/O-7

Fleury S.A.

Informações Trimestrais (ITR) em 31 de março de 2012 e relatório sobre a revisão de informações trimestrais

pwc

Relatório sobre a revisão de informações trimestrais

Aos Administradores e Acionistas
Fleury S.A.

Introdução

Revisamos as informações contábeis intermediárias, individuais e consolidadas, do Fleury S.A., contidas no Formulário de Informações Trimestrais (ITR) referente ao trimestre findo em 31 de março de 2012, que compreendem o balanço patrimonial em 31 de março de 2012 e as respectivas demonstrações do resultado, das mutações do patrimônio líquido e dos fluxos de caixa para o trimestre findo nessa data, incluindo o resumo das principais políticas contábeis e as demais notas explicativas.

A administração é responsável pela elaboração das informações contábeis intermediárias individuais de acordo com o pronunciamento técnico CPC 21 - "Demonstração Intermediária" e das informações contábeis intermediárias consolidadas de acordo com o pronunciamento técnico CPC 21 - "Demonstração Intermediária" e com a norma internacional de contabilidade IAS 34 - *Interim Financial Reporting*, emitida pelo *International Accounting Standards Board* (IASB), assim como pela apresentação dessas informações de forma condizente com as normas expedidas pela Comissão de Valores Mobiliários, aplicáveis à elaboração das Informações Trimestrais (ITR). Nossa responsabilidade é a de expressar uma conclusão sobre essas informações contábeis intermediárias com base em nossa revisão.

Alcance da revisão

Conduzimos nossa revisão de acordo com as normas brasileiras e internacionais de revisão de informações intermediárias (NBC TR 2410 - "Revisão de Informações Intermediárias Executada pelo Auditor da Entidade" e ISRE 2410 - *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, respectivamente). Uma revisão de informações intermediárias consiste na realização de indagações, principalmente às pessoas responsáveis pelos assuntos financeiros e contábeis e na aplicação de procedimentos analíticos e de outros procedimentos de revisão. O alcance de uma revisão é significativamente menor do que o de uma auditoria conduzida de acordo com as normas de auditoria e, consequentemente, não nos permitiu obter segurança de que tomamos conhecimento de todos os assuntos significativos que poderiam ser identificados em uma auditoria. Portanto, não expressamos uma opinião de auditoria.

Conclusão sobre as informações intermediárias individuais

Com base em nossa revisão, não temos conhecimento de nenhum fato que nos leve a acreditar que as informações contábeis intermediárias individuais incluídas nas informações trimestrais acima referidas não foram elaboradas, em todos os aspectos relevantes, de acordo com o CPC 21 aplicável à elaboração das Informações Trimestrais (ITR), e apresentadas de forma condizente com as normas expedidas pela Comissão de Valores Mobiliários.

Fleury S.A.

Conclusão sobre as informações intermediárias consolidadas

Com base em nossa revisão, não temos conhecimento de nenhum fato que nos leve a acreditar que as informações contábeis intermediárias consolidadas incluídas nas informações trimestrais acima referidas não foram elaboradas, em todos os aspectos relevantes, de acordo com o CPC 21 e o IAS 34, aplicáveis à elaboração das Informações Trimestrais (ITR), e apresentadas de forma condizente com as normas expedidas pela Comissão de Valores Mobiliários.

Outros assuntos

Demonstrações intermediárias do valor adicionado

Revisamos, também, as demonstrações intermediárias do valor adicionado (DVA), individuais e consolidadas, referentes ao trimestre findo em 31 de março de 2012, cuja apresentação nas informações intermediárias é requerida de acordo com as normas expedidas pela Comissão de Valores Mobiliários aplicáveis à elaboração de Informações Trimestrais (ITR) e considerada informação suplementar pelas IFRS, que não requerem a apresentação da DVA. Essas demonstrações foram submetidas aos mesmos procedimentos de revisão descritos anteriormente e, com base em nossa revisão, não temos conhecimento de nenhum fato que nos leve a acreditar que não foram adequadamente elaboradas, em todos os seus aspectos relevantes, em relação às informações contábeis intermediárias individuais e consolidadas tomadas em conjunto.

São Paulo, 3 de maio de 2012

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Marcelo Orlando
Contador CRC 1SP217518/O-7

(Convenience Translation into English from the Original Previously Issued in Portuguese)

FLEURY S.A. AND SUBSIDIARIES

BALANCE SHEETS AS AT MARCH 31, 2012 AND DECEMBER 31, 2011
(In thousands of Brazilian reais - R$)

		Parent Company		Consolidated	
Assets	**Note**	**3/31/2012**	**12/31/2011**	**3/31/2012**	**12/31/2011**
Current Assets					
Cash and cash equivalents	5	247.689	481.400	251.537	486.006
Derivative financial instruments	6	-	434	-	434
Trade receivables	4,7	323.357	280.803	327.193	284.630
Inventories	8	10.539	17.065	11.209	17.651
Recoverable taxes	4,9	46.071	38.186	47.959	40.100
Prepaid expenses		4.634	2.563	4.639	2.569
Other		12.979	7.318	14.053	7.550
Total current assets		645.269	827.769	656.590	838.940
Non-current Assets					
Long-term receivables					
Related parties	21	900	-	-	-
Recoverable taxes	9	1.514	3.464	1.514	3.464
Judicial deposits	19	7.129	7.007	13.379	13.235
Deferred income tax and social contribution	4,28	86.194	79.176	86.194	79.176
Derivative financial instruments	6	3.977	5.502	3.977	5.502
Other		9.133	10.325	9.133	10.326
Total long-term assets		108.847	105.474	114.197	111.703
Investments	10	62.490	62.901	246	251
Property and equipment	11	399.743	361.013	414.068	375.625
Intangible assets	4,12	1.468.268	1.467.808	1.515.824	1.515.418
Total non-current assets		2.039.348	1.997.196	2.044.335	2.002.997
Total Assets		2.684.617	2.824.965	2.700.925	2.841.937

		Parent Company		Consolidated	
Liabilities and Equity	**Note**	**3/31/2012**	**12/31/2011**	**3/31/2012**	**12/31/2011**
Current Liabilities					
Debentures	13	13.917	1.688	13.917	1.688
Borrowings and financing	14	30.612	33.025	32.309	34.427
Derivative financial instruments	6	226	70	226	70
Trade payables	15	62.267	73.096	64.679	75.441
Payroll and related taxes	16	50.416	42.463	51.439	43.000
Provision for income tax and social contribution		1.012	1.011	1.012	1.011
Taxes and contributions payable	17	27.892	24.567	30.944	27.216
Payables - business acquisitions	18	11.267	192.190	14.929	195.734
Other payables		2.534	1.446	2.958	1.446
Total current liabilities		200.143	369.556	212.413	380.033
Non-current Liabilities					
Debentures	13	451.568	451.568	451.568	451.568
Borrowings and financing	14	95.909	100.266	96.994	101.814
Deferred income tax and social contribution	28	125.248	113.565	125.248	113.565
Provision for tax, labor and civil risks	4,19	52.523	53.247	55.650	56.374
Taxes and contributions payable		64.869	70.166	65.115	70.593
Payables - business acquisitions	18	27.730	33.711	29.150	35.104
Related parties	21	1.840	-	-	-
Other		760	1.005	760	1.005
Total non-current liabilities		820.447	823.528	824.485	830.023
Equity					
Share capital	22	1.378.124	1.378.124	1.378.124	1.378.124
Capital reserve - options granted		2.979	2.561	2.979	2.561
Revaluation reserve		2.039	2.236	2.039	2.236
Legal reserve		25.169	25.169	25.169	25.169
Investment reserve		255.716	223.791	255.716	223.791
Total Equity		1.664.027	1.631.881	1.664.027	1.631.881
Total Liabilities and Equity		2.684.617	2.824.965	2.700.925	2.841.937

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

FLEURY S.A. AND SUBSIDIARIES

INCOME STATEMENTS
FOR THE PERIODS ENDED MARCH 31, 2012 AND MARCH 31, 2011
(In thousands of Brazilian reais - R$, except earnings per share)

	Note	Parent Company		Consolidated	
		1/1/2012 to 3/31/2012	1/1/2011 to 3/31/2011	1/1/2012 to 3/31/2012	1/1/2011 to 3/31/2011
Service revenue	23	**342.825**	**228.714**	**351.807**	**230.491**
Cost of services	24	(249.246)	(146.767)	(258.021)	(148.723)
Gross profit		**93.579**	**81.947**	**93.786**	**81.768**
Operating (expenses) income					
General and administrative expenses	25	(35.871)	(35.021)	(36.100)	(35.906)
Other operating income (expenses)	26	(3.089)	(2.913)	(3.094)	(2.922)
Provision for tax, labor and civil risks	19	20	(1.662)	20	(1.662)
Share of profits (losses) of subsidiaries	10	(406)	(1.648)	-	-
Operating profit before finance income (costs)	21	**54.233**	**40.703**	**54.612**	**41.278**
Finance income	27	16.818	14.992	16.823	15.020
Finance costs	27	(34.659)	(7.204)	(34.814)	(7.807)
Finance income (costs)		**(17.841)**	**7.788**	**(17.991)**	**7.213**
Profit before income tax and social contribution		**36.392**	**48.491**	**36.621**	**48.491**
Income tax and social contribution					
Current	28	-	(10.639)	(229)	(10.639)
Deferred	28	(4.664)	(10.451)	(4.664)	(10.451)
Profit for the period		**31.728**	**27.401**	**31.728**	**27.401**
Total comprehensive income		31.728	27.401	31.728	27.401
Earnings per share attributable to owners of the Company during the period (expressed in R$ per share):					
Basic earnings per share (weighted average)	30	**0,20**	**0,21**	**0,20**	**0,21**
Diluted earnings per share (weigthed average)	30	**0,20**	**0,21**	**0,20**	**0,21**

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

-	-

(Convenience Translation into English from the Original Previously Issued in Portuguese)

FLEURY S.A. AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (CONSOLIDATED)
FOR THE PERIODS ENDED MARCH 31, 2012 AND DECEMBER 31, 2011
(In thousands of Brazilian reais - R$, except earnings and dividends per share, proposed and distributed)

	Note	Capital		Capital reserve		Earnings reserves			Equity attributable to owners of the Company
		Share capital	Share issue costs	Options granted	Revaluation reserve	Legal reserve	Investment reserve	Profit for the perio	
Balances at December 31, 2010		854.842	(22.784)	1.196	3.142	20.137	155.270	-	1.011.803
Capital increase	22	546.066	-	-	-	-	-	-	546.066
Realization of revaluation reserve	11	-	-	-	(906)	-	-	906	-
Stock option plan	29	-	-	1.365	-	-		-	1.365
Profit for the period (R$0.74 per share)		-	-	-	-	-	-	100.647	100.647
Allocation of profit for the period:									
Interest on own capital proposed (R$0.21 per share)	22	-	-	-	-	-	-	(28.000)	(28.000)
Legal reserve	22	-	-	-	-	5.032	-	(5.032)	-
Investment reserve	22	-	-	-	-	-	68.521	(68.521)	-
Balances at December 31, 2011		1.400.908	(22.784)	2.561	2.236	25.169	223.791	-	1.631.881
Realization of revaluation reserve		-	-	-	(197)	-	-	197	-
Stock option plan		-	-	418	-	-	-	-	418
Profit for the period (R$0.20 per share)		-	-	-	-	-	-	31.728	31.728
Balances at March 31, 2012		1.400.908	(22.784)	2.979	2.039	25.169	223.791	31.925	1.664.027

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

FLEURY S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2012 AND MARCH 31, 2011
(In thousands of Brazilian reais - R$)

	Parent Company		Consolidated	
	3/31/2012	**3/31/2011**	**3/31/2012**	**3/31/2011**
Profit for the quarter	31.728	27.401	31.728	27.401
Items not affecting cash:				
Income tax and social contribution	4.664	21.090	4.893	21.090
Finance income (costs)	17.841	(7.788)	17.991	(7.213)
Depreciation and amortization	21.913	9.168	22.740	9.289
Share of profits (losses) of subsidiaries	406	1.648	-	-
Earnings before interest, taxes, depreciation and amortization	**76.552**	**51.519**	**77.352**	**50.567**
Stock option plan	418	252	418	252
Recognition (reversal) of provision for tax, labor and civil risks	(20)	1.662	(20)	1.662
Allowance for doubtful debts	22.241	1.225	22.274	1.225
Labor provisions	3.269	8.171	3.269	8.171
Other	1.474	2.239	1.475	2.248
Cash flows from operating activities before changes in assets and liabilities	**103.934**	**65.068**	**104.768**	**64.125**
Trade receivables	(62.133)	(23.756)	(62.175)	(23.434)
Inventories	6.492	939	6.408	1.376
Trade payables/payroll and related taxes	(16.576)	(7.635)	(15.986)	(6.934)
Other assets	(17.231)	(5.475)	(18.305)	(6.194)
Other liabilities	(1.004)	(4.687)	(563)	(4.468)
Total changes in assets and liabilities	**(90.452)**	**(40.615)**	**(90.621)**	**(39.654)**
Finance costs paid	(926)	(566)	(926)	(576)
Income tax and social contribution paid				
Net cash provided by (used in) financing activities	**12.556**	**23.887**	**13.221**	**23.896**
Purchases of property and equipment and IT systems	(61.112)	(22.372)	(61.596)	(22.372)
Sale of property and equipment	-	105	-	105
Acquired businesses:	-			
Payments	(190.719)	(2.469)	(190.719)	(2.469)
Net cash used in investing activities	**(251.831)**	**(24.736)**	**(252.315)**	**(24.736)**
Changes in borrowings and debentures:				
New borrowings	1.050		1.050	
Settlement	(2.848)	(8.565)	(2.848)	(8.565)
Interest paid on borrowings and debentures	(655)	(6.087)	(655)	(6.087)
Interest received on financial investments	7.077	14.425	7.078	14.425
Related parties	940	(1.072)	-	-
Net cash provided by financing activities	**5.564**	**(1.299)**	**4.625**	**(227)**
Decrease in cash and cash equivalents	**(233.711)**	**(2.148)**	**(234.469)**	**(1.067)**
Cash and cash equivalents				
At the beginning of the quarter	481.400	543.336	486.006	543.451
At the end of the quarter	247.689	541.188	251.537	542.383
Decrease in cash and cash equivalents	**(233.711)**	**(2.147)**	**(234.469)**	**(1.067)**

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

FLEURY S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED
FOR THE PERIODS ENDED MARCH 31, 2012 AND MARCH 31, 2011
(In thousands of Brazilian reais - R$)

	Parent Company		Consolidated	
	3/31/2012	**3/31/2011**	**3/31/2012**	**3/31/2011**
Revenues	**365.475**	**243.806**	**374.990**	**245.685**
Sales of goods and services	388.776	244.904	398.324	246.783
Allowance for doubtful debts	(22.241)	(1.225)	(22.273)	(1.225)
Other revenues	(1.060)	127	(1.060)	127
Inputs purchased from third parties	**(144.920)**	**(89.359)**	**(149.190)**	**(91.539)**
Cost of goods and services sold	(112.477)	(69.602)	(115.713)	(71.617)
Materials, electric power, outside services and other	(32.340)	(19.755)	(33.374)	(19.920)
Impairment/recovery of assets	(103)	(2)	(103)	(2)
Gross value added	**220.555**	**154.447**	**225.800**	**154.146**
Depreciation and amortization	(21.912)	(9.168)	(22.740)	(9.289)
Net value added	**198.643**	**145.279**	**203.060**	**144.857**
Value added received through transfer	**15.645**	**13.344**	**16.823**	**15.020**
Share of profits (losses) of subsidiaries	(406)	(1.648)	-	-
Finance income	16.051	14.992	16.823	15.020
Total value added	**214.288**	**158.623**	**219.883**	**159.877**
Distribution of value added	**(214.288)**	**(158.623)**	**(219.883)**	**(159.877)**
Personnel and payroll charges	(99.507)	(65.864)	(103.409)	(65.916)
Taxes and contributions	(32.202)	(38.881)	(32.974)	(39.053)
Interest, rentals and other operating expenses	(50.851)	(26.477)	(51.773)	(27.507)
Dividends and interest on own capital	-		-	
Retained earnings	(31.728)	(27.401)	(31.727)	(27.401)

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

Contents

1. GENERAL INFORMATION 2
2. PRESENTATION OF FINANCIAL STATEMENTS 3
3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 4
4. CONSOLIDATED FINANCIAL STATEMENTS 16
5. CASH AND CASH EQUIVALENTS 20
6. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT 21
7. TRADE RECEIVABLES 28
8. INVENTORIES 29
9. RECOVERABLE TAXES 30
10. INVESTMENTS 31
11. PROPERTY AND EQUIPMENT 31
12. INTANGIBLE ASSETS 34
13. DEBENTURES 36
14. BORROWINGS AND FINANCING 38
15. TRADE PAYABLES 40
16. PAYROLL AND RELATED TAXES 40
17. TAXES AND CONTRIBUTIONS PAYABLE 41
18. PAYABLES - BUSINESS ACQUISITIONS 43
19. PROVISION FOR TAX, LABOR AND CIVIL RISKS 44
20. COMMITMENTS 46
21. RELATED PARTIES 47
22. EQUITY 48
23. SERVICE REVENUE 49
24. COST OF SERVICES 49
25. GENERAL AND ADMINISTRATIVE EXPENSES 50
26. OTHER OPERATING INCOME (EXPENSES), NET 50
27. FINANCE INCOME (COSTS) 51
28. INCOME TAX AND SOCIAL CONTRIBUTION - CURRENT AND DEFERRED 52
29. EMPLOYEE BENEFITS 55
30. EARNINGS PER SHARE 57
31. SEGMENT REPORTING 58
32. INSURANCE 59
33. EVENTS AFTER THE REPORTING PERIOD 59

FLEURY S.A.
Notes to the financial statements at march 31, 2012
(Amounts in thousands of Brazilian reais - R$, unless otherwise stated)

1. GENERAL INFORMATION

Fleury S.A. ("Fleury", "Company" or "Parent" and, together with its subsidiaries, "Fleury Group" or "Group"), is engaged in the provision of medical diagnostic services for treatment and clinical testing areas, and may hold investments in other companies as partner or shareholder, as well as promote conditions for the development of the medical profession and foster research and studies for the scientific progress of medicine.

The Fleury Group is publicly-held corporation with its registered office in São Paulo and operates in the states of São Paulo, Rio de Janeiro, Rio Grande do Sul, Paraná, Bahia, Pernambuco and the Federal District. The Company's shares are traded on the New Market the highest corporate governance level of the Brazilian Stock, Futures and Mercantile Exchange (BM&FBOVESPA).

On July 13, 2011, Fleury S.A. entered into an Investment Agreement for the acquisition of 100% of Labs Cardiolab Exames Complementares S.A. ("Labs Cardiolab"). Labs Cardiolab is a leading provider of diagnostic medicine services in the State of Rio de Janeiro.

The merger of shares of Labs Cardiolab was approved by Fleury S.A.'s shareholders at the Extraordinary Shareholders' Meeting held on December 30, 2011.

The acquisition of the equity interest in Labs Cardiolab by the Company was submitted for the appreciation of the Administrative Council of Economic Defense - CADE on August 3, 2011, pursuant to prevailing legislation (Antitrust Act No. 08012.008448/2011-13). The process is currently under analysis by the Secretariat for Economic Monitoring- SEAE. Management does not believe this acquisition represents market concentration that may threaten competition and, for this reason, expects full approval from CADE.

The financial statements of Fleury S.A. and subsidiaries were approved by the Board of Directors on May 2, 2012.

2. PRESENTATION OF FINANCIAL STATEMENTS

The Quarterly Information – ITR (parent company and consolidated) is presented in thousands of reais - R$, unless otherwise stated, rounded to the closest thousand.

Parent Company Quarterly Information

The parent company quarterly information has been prepared and is presented in accordance with accounting practices adopted in Brazil, based on the provisions of the Brazilian Corporation Law, pronouncements, guidance and interpretations issued by the Accounting Pronouncements Committee (CPC) and rules and regulations of the Brazilian Securities Commission (CVM).

Consolidated Quarterly Information

The consolidated quarterly information of the Fleury Group has been prepared in accordance with the International Accounting Standard (IAS) 34, for interim reporting.

The consolidated quarterly information has been prepared in accordance with the International Financial Reporting Standards ("IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with accounting practices adopted in Brazil fully converged with IFRS, as issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities Commission (CVM), pursuant to CVM Instruction No. 485 of September 1, 2010, and is filed with the CVM and the (BM&FBOVESPA) via its IPE system, under "Economic and Financial Data".

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The parent company quarterly information presents investments in subsidiaries accounted for under the equity method, in accordance with prevailing Brazilian legislation. Therefore, this parent company quarterly information is not considered as being in conformity with IFRS, which require the measurement of these investments in the parent company's separate financial statements at their fair value or cost.

As there is no difference between (i) consolidated equity and profit attributable to owners of the Company, in the consolidated quarterly information - ITR prepared in accordance with IFRS and accounting practices adopted in Brazil, and (ii) parent company equity and profit included in the parent company quarterly information - ITR prepared in accordance with accounting practices adopted in Brazil, the Fleury Group elected to present its parent company and consolidated quarterly information concurrently as a single set, of statements.

Basis of preparation

CPC standards require, the measurement criterion used in the preparation of the quarterly information - ITR to consider either the historical cost, the net realizable value, the fair value or the recoverable amount, depending on the standard. When the CPC permits the choice between the acquisition cost and other measurement criterion, the acquisition cost is used.

In the preparation of the financial statements in accordance with CPCs, the Company's management is required to make decisions, estimates and judgments that affect the adoption of the accounting policies and the reported amounts of the balance sheet and income statement accounts. The estimates and judgments are based on historical experience and other factors considered reasonable in the circumstances, and their results are used for decision-making on the carrying amount of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

Subsidiaries are all entities whose financial and operating policies can be governed by the Company. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and de-consolidated from the date that control ceases. Control is obtained when the Company has the power to govern an entity's financial and operating policies so as to obtain benefits from its activities.

All intra-group transactions, balances, unrealized gains and losses are eliminated in full on consolidation.

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

As at March 31, 2012 and December 31, 2011, the Fleury Group held financial instruments classified in the categories "financial assets at fair value through profit or loss" and "receivables".

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments and that are not quoted in an active market. The financial assets classified by the Fleury Group in the category of receivables comprise mainly cash and cash equivalents, trade and other receivables, and judicial deposits. These assets are measured at amortized cost using the effective interest method, except for short-term receivables when the recognition of interest would be at cost, less any impairment loss. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if it has been acquired principally for the purpose of selling it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Fleury Group manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument. Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Fleury Group's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Segment reporting

Information by operating segment is presented based on the operating characteristics of each segment.

Foreign currency translation

(a) Functional currency and presentation currency

Items included in the financial statements of each of the Fleury Group's companies are measured using the currency of the primary economic environment in which the company operates ("functional currency"). The parent company and consolidated financial statements are presented in Brazilian Real/Reais - R$, which is the functional and presentation currency of the Fleury Group.

(b) Transactions and balances

Foreign currency-denominated transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions or on the valuation date when items are remeasured.

Foreign exchange gains and losses arising from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other highly-liquid short-term investments with original maturities not exceeding three months and subject to immaterial risk of change in value. The balance is presented net of the balances of overdraft accounts in the statement of cash flows.

Trade receivables

Trade receivables are amounts receivable from customers for services provided in the normal course of business of the Fleury Group. If the collection term is equivalent to one year or less, receivables are classified in current assets. Otherwise, they are classified in non-current assets.

Trade receivables are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method, except for short-term receivables when the recognition of costs would be immaterial, less the allowance for doubtful debts (or impairment losses).

Inventories

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

Business combination

Consolidated financial statements:

In the consolidated financial statements, business acquisitions are accounted for under the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Fleury Group, the liabilities incurred at the acquisition date to the former owners of the acquiree, and the equity interests issued in exchange for the control of the acquiree.

Assets, liabilities and contingent liabilities of a subsidiary are measured at fair value at the acquisition date. Any excess of the acquisition cost over the fair value of the identifiable net assets acquired is recorded as goodwill. If the acquisition cost is lower than the fair value of the identifiable net assets, the difference is recorded as a gain in the income statement for the year in which the acquisition occurs. Non-controlling interests are presented as a proportion of the fair value of the identifiable assets and liabilities.

When the consideration transferred in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at the acquisition-date fair value as part of the consideration transferred in a business combination. The changes in the fair value of the contingent consideration classified as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments to goodwill. Measurement period adjustments correspond to adjustments resulting from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) related to facts and circumstances existing at the acquisition date.

The subsequent recognition of changes in the fair value of the contingent consideration not classified as measurement period adjustments depends upon the classification of the contingent consideration. The contingent consideration classified as equity is not remeasured in subsequent reporting periods and its settlement is accounted for within equity. The contingent consideration classified as asset or liability is remeasured in subsequent reporting periods, and the related gain or loss is recognized in profit or loss.

Transaction costs other than those associated with the issue of debt securities or equity interests incurred by the Fleury Group in a business combination are recognized as expenses as incurred.

Quarterly information

In the quarterly information, the Fleury Group applies the requirements of Technical Interpretation ICPC - 09, which requires that the excess of the acquisition cost over the Fleury Group's share of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the acquisition date be recognized as goodwill. The goodwill is added to the carrying amount of the investment. Any amount of the Fleury Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities that exceeds the acquisition cost, after revaluation, is immediately recognized in profit or loss. Consideration transferred, as well as the net fair value of assets and liabilities are measured using the same criteria applicable to the consolidated financial statements previously described.

The goodwill related to an investment that was merged by the Company was reclassified from "Investments" to "Intangible assets".

Goodwill

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 annually, 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 periods.

Property and equipment

Property and equipment items are stated at historical cost, less depreciation. Historical cost includes costs directly attributable to the acquisition of items and financing 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 the item will flow to the entity and the cost of the item can be reliably measured. All other repair and maintenance costs are recognized in profit or loss, when incurred.

Depreciation is recognized so as to write off the cost of assets (other than land and properties under construction) net of their residual values over their useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Classes of Property and Equipment	**Useful life (years)**
Buildings	60
Machinery and equipment	13
Facilities	10
Furniture and fixtures	10
Vehicles	5
IT equipment	5
Leasehold improvements	5*

** Average rental agreement periods*

The carrying amount of an asset is immediately written down to its recoverable amount if it exceeds its estimated recoverable amount.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement, under "Other operating income (expenses), net".

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date, which is regarded as their cost. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as

the difference between net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Fleury Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss: if it is not possible to estimate the recoverable amount of an individual asset, the Fleury Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, as long as the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Transactions with interests of non-controlling shareholders

The Fleury Group recognizes transactions with non-controlling interests as transactions with Fleury Group's owners. For acquisitions of non-controlling interests, the difference between the consideration transferred and the acquired portion of the carrying amount of the net assets is recorded in equity.

Financial liabilities

Non-derivative financial liabilities

Financial liabilities are recognized on the date the Fleury Group becomes a party to the contractual provisions of the instrument. The Fleury Group writes off a financial liability when its obligations specified in the contract are discharged, cancelled or expire.

Financial assets and liabilities are set off and the net amount is presented in the balance sheet, only when the Fleury Group has a legally enforceable right to set off the 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, payables for business acquisitions, trade payables and other payables. These financial liabilities are initially recognized at fair value, plus any attributable transaction costs. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Derivative financial instruments

The Fleury Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency swaps. Further details on derivative financial instruments are disclosed in "Financial Instruments and Financial Risk Management".

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to the fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. For the periods presented in the financial statements there were no designated hedging instruments, and no derivative financial instrument for speculative purposes was contracted.

Employee benefits

Defined contribution pension plan

Payments to the defined contribution pension plan are recognized as expense when the services that entitle the right to these payments are provided.

Share-based payment

The Fleury Group offers to its executives share-based payment plans under which it receives employee services as consideration for share options granted.

The fair value of options granted at grant date is recorded on a straight-line basis as expense for the period in which the vesting conditions are met, based on the Fleury Group" s estimates of which stock options granted will be eventually acquired, with corresponding increase in equity. At the end of each year, the Fleury Group reviews its estimates of the number of equity instruments that will be acquired. 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 the corresponding adjustment to equity, in the account "Capital Reserve - options granted" where the employee benefit is recorded.

Profit sharing

The Fleury Group provides profit sharing to its employees, based on their performance for the period. This profit sharing is recognized as a liability and a profit sharing expense.

Taxation

The income tax and social contribution expense represents the sum of current and deferred taxes.

Current taxes

The provision for income tax and social contribution is based on the taxable profit for the year. Taxable profit differs from profit as reported in the income statement because of items of income or expense that are taxable or deductible in the current or other years and items that are never taxable or deductible. 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

The deferred income tax is recognized on temporary differences at the end of each year 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 tax losses balance, when applicable. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination, if applicable) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Fleury Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are set off only when: (a) there is a legally enforceable right to set off the current tax asset against the current tax liability; (b) when they relate to taxes levied by the same tax authority; (c) and the Fleury Group intends to settle its current tax assets and liabilities on a net basis.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The provisions are recognized when the Fleury Group has a present or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the obligation can be made. The provisions are quantified at the estimated amount of probable losses, considering their nature and supported by the advice of the legal counsel of the Company and its subsidiaries. The bases and nature of the provision for tax, civil, and labor risks are described in the note "Provision for Tax, Labor and Civil Risks".

Leases

Leases in which the Fleury Group does not retain substantially the risks and rewards of ownership of the asset are classified as operating leases. Operating lease payments (net of any incentives received from the lessor) are recognized on a straight-line basis over the lease term.

Leases of property and equipment items in which the Fleury Group retains substantially all risks and rewards of ownership are classified as finance leases. These are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of minimum lease payments. Each lease payment is allocated partly to liabilities and partly to finance charges, in order to achieve a constant rate on the outstanding debt balance. The related obligations, net of finance charges, are included as "borrowings". 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 period. Property and equipment items purchased under finance leases are depreciated over the useful lives of the assets.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Fleury Group's activities. Revenue is reduced for taxes, estimated customer returns, rebates and other similar allowances.

Services rendered

Revenue from services provided is recognized for services rendered through the end of the reporting period. At the end of the reporting period, services provided and not yet billed are recorded under "Unbilled amounts", within "Trade receivables".

The Fleury Group recognizes revenue when: (i) the amount of revenue can be reliably measured; (ii) it is probable that future economic benefits will flow to the Fleury Group; and (iii) specific criteria have been met for each of the Fleury Group's activities. The amount of revenue is not considered to be reliably measurable until all the contingencies related to the sale have been

resolved. The Fleury Group bases its estimates on historical results, taking into consideration the type of customer, type of transaction, and specifications of each sale.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Fleury Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Fleury Group and the amount of revenue can be measured reliably).

Distribution of dividends and interest on own capital

The distribution of dividends to the Company's shareholders is recognized as a liability in the financial statements at the end of the reporting period, based on the minimum dividend established in the Company's bylaws. Any amount above the minimum requirement is accrued at the date when it is approved by the board of directors to be submitted to the Annual Shareholders' Meeting (AGM).
The finance cost of interest on own capital is recognized in the income statement, for compliance with tax rules, and is reversed for reporting purposes.

Statement of value added

This statement is intended to evidence the wealth created by the Fleury Group and its distribution during the period and is presented, as required by Brazilian corporate law, as part of the parent company financial statements and as supplemental information to the consolidated financial statements.

The statement of value added has been prepared based on information obtained from the accounting records used as a basis for the preparation of the financial statements and following the requirements in CPC 09 - Statement of Value Added. The first part of the statement of value added presents the wealth created by the Fleury Group, represented by revenues, inputs purchased from third parties and the value added received through transfer. The second part presents the distribution of wealth among its personnel and payroll charges, taxes and contributions, lenders and shareholders.

New and revised standards and interpretations of standards issued but not yet adopted

The following new and revised standards and interpretations were issued by the IASB but are not effective for 2012. The early adoption of these standards, even though encouraged by the IASB, was not permitted in Brazil by the (CPC).

. IAS 19 *Employee Benefits* amended in June 2011. The main impacts of the amendments are as follows: (i) elimination of the corridor approach, (ii) recognition of actuarial gains and losses in other comprehensive income, if any, (iii) immediate recognition of cost of past services in profit or loss, and (iv) replacement of interest cost and the expected return on plan assets with net interest income, where the net interest is measured based on the net defined benefit asset (liability) discount rate. The Fleury Group is assessing the impact of IAS 19. The standard is effective for annual periods beginning on or after January 1, 2015.

. IFRS 9 *Financial Instruments* prescribes the classification, measurement and recognition of financial assets and liabilities. IFRS 9 was issued in November 2009 and October 2010 and replaces the sections of IAS 39 related to the classification and measurement of financial instruments. IFRS 9 requires that financial assets be classified into two categories: measured at fair value or measured at amortized cost. Measurement shall be made on initial recognition. The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. With regard to financial liabilities, this standard maintains most of the requirements of IAS 39. The main change is that in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is assessing the impact of IFRS 9. The standard is effective for annual periods beginning on or after January 1, 2013.

. IFRS 10 *Consolidated Financial Statements* builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control. The Company is assessing the impact of IFRS 10. The standard is effective for annual periods beginning on or after January 1, 2013.

. IFRS 11 *Joint Arrangements*, issued in May 2011. This standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangement: joint operations - where a joint operator has rights to the assets and obligations and hence accounts for its interest in assets, liabilities, revenue and expenses; and (ii) joint ventures - where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures will no longer be allowed. The Company is assessing the impact of IFRS 11. The standard is effective for annual periods beginning on or after January 1, 2013.

. IFRS 12 *Disclosure of Interests in Other Entities*, addresses the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. The Company is assessing the impact of IFRS 12. The standard is effective for annual periods beginning on or after January 1, 2013.

. IFRS 13 *Fair Value Measurement*, issued in May 2011. The objective of IFRS 13 is to improve the consistency and reduce the complexity of fair value measurement by providing a more precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements, which are aligned both with IFRS and US GAAP, do not increase the use of fair value but provide guidance on how to use fair value when its use is required or permitted by other IFRSs or US GAAP. The Company is still assessing the full impact of IFRS 13. The standard is effective for annual periods beginning on or after January 1, 2013.

There are no other IFRSs or IFRICs that are still not effective and that could have a material impact on the Fleury Group.

4. CONSOLIDATED FINANCIAL STATEMENTS

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

	Acquisition date	Equity interest %	
		3/31/2012	12/31/2011
Felippe Mattoso	August 2011	100%	100%
Fleury Centro de Procedimentos Médicos Avançados ("Fleury CPMA") - SP	Incorporated in June 2003	100%	100%
Labs Cardiolab Exames Complementares S.A.	August 2011	-	Merged into Fleury S.A. in December 2011
Diagnoson Ultra Sonografia e Densitometria Óssea Ltda	May 2011	-	Merged into Fleury S.A. in August 2011
DI Serviços Médicos – SP	May 2010	-	Merged into Fleury S.A. in August 2011

Corporate restructurings

Fleury's Extraordinary Shareholders' Meeting held on December 30, 2011 approved the merger of the wholly-owned subsidiary Labs Cardiolab, based on its equity as at December 31, 2011, amounting to R$186,715.

Fleury's Extraordinary Shareholders' Meeting held on August 1, 2011 approved the merger of the wholly-owned subsidiary Diagnoson Ultra-Sonografia e Densiometria Óssea Ltda. ("Diagnoson"), based on its equity as at July 31, 2011, amounting to R$6,511.

Also on August 1, 2011, the subsidiary Fleury CPMA merged the wholly-owned subsidiary DI Serviços Médicos Associados Ltda. ("DIS"), based on its equity as at July 31, 2011, amounting to R$2,077.

The table below presents the balances merged by Fleury S.A. and Fleury CPMA, on the date of the corresponding corporate events (per table above):

	Year 2011		
	Labs Cardiolab	**Diagnoson**	**DIS**
Cash and cash equivalents (merged net cash)	10,291	5,536	64
Trade receivables	101,425	612	2,473
Investments	12,016	-	-
Property and equipment and intangible assets	118,519	5,958	284
Other receivables	34,020	254	1,175
Trade payables	(5,196)	(682)	(617)
Tax liabilities	(27,522)	(1,094)	(228)
Borrowings and financing	(14,031)	(2,569)	(1,074)
Provision for tax, labor and civil risks	(26,040)	(1,284)	-
Other payables	(16,767)	(220)	-
Merged net assets	**186,715**	**6,511**	**2,077**

Business combinations

i. On august 1, 2011, the Fleury Group completed the acquisition of Labs Cardiolab, which provides diagnostic imaging services in the state of Rio de Janeiro.

During 2011, the analysis of recognition and preliminary measurement of assets acquired and liabilities assumed resulted in the following adjustments to the carrying amount of the acquired company:

Assets not recognized through the business acquisition date by the acquiree - Contract with hospitals: Intangible assets – Contracts amortized over ten years: R$154,387.

- Fair value of property and equipment items: (R$33,737).
- Fair value of possible and remote contingencies: R$12,534.
- Deferred income tax liability calculated on the value of contracts: R$52,492.
- Deferred income tax asset calculated on the contingencies and property and equipment: R$15,733.

During the first quarter of 2012, the analysis of recognition and measurement of assets acquired and liabilities assumed resulted in the following adjustments to the carrying amount and allocation of goodwill:

- Fair value of trade receivables: (R$28,365).
- Fair value of recoverable taxes: (R$6,675.)

- Fair value of possible and remote contingencies: R$10,216.
- Deferred income tax asset calculated on the contingencies: R$3,473.

ii. On May 31, 2011, the Fleury Group completed the acquisition of Diagnoson, which operates in Salvador, State of Bahia, providing diagnostic imaging and nuclear medicine services.

The analysis of recognition and measurement of assets acquired and liabilities assumed resulted in the following adjustments to the carrying amount of the acquired companies:

- Assets not recognized through the business acquisition date by the acquiree - DIS: Intangible assets - Trademarks and Patents, amortizable over the next 10 years: R$1,737.

- Assets not recognized through the business acquisition date by the acquiree - Diagnoson: Intangible assets – Trademarks and Patents, amortizable over the next 10 years: R$2,973.

- Fair value of property and equipment items - Diagnoson: R$870.

- Deferred income tax liability calculated on the value of trademarks and patents and goodwill on property and equipment - Diagnoson: R$1,306.

The Fleury Group used the "Relief from Royalty" method to calculate the trademark value in business combinations. The net present value of royalties applied to future revenue assumptions is considered as the brand value. Future cash flows from the brand were defined based on future profitability calculations used in the acquisition studies and discounted to present value at the discount rate used for Fleury Group's goodwill impairment testing.

The table below shows the calculation of goodwill:

	Year 2011		
	Carrying amount of acquiree	Fair value adjustment and recognition	Fair value of acquiree
Total assets	317,247	108,442	425,689
Total liabilities	108,578	77,494	186,072
Net carrying amount	208,669		
Net value of adjustments		30,948	
Net value of assets acquired and liabilities assumed			**239,617**
Goodwill			977,530
Cash consideration paid			457,938
Consideration payable			209,623
Consideration payable in shares			546,066
Contingent consideration			3,520
Consideration transferred			**1,217,147**

Through March 31, 2012 there were no business acquisitions.

Goodwill arising on acquisitions represents the expected future economic benefit of synergies arising from business combinations. The amount of goodwill expected to be deductible for tax purposes is R$1,012,756 arising from the business combinations in 2011.

Outside legal counsel fees and due diligence expenses related to the business combinations were included in administrative expenses in the income statement.

Recognition of goodwill in business combinations

In the first quarter of 2012 the Company obtained new information related to facts and circumstances existing at the acquisition date of Labs Cardiolab. In accordance with the accounting standards applicable to Business Combination, the Company retrospectively adjusted, within the measurement period, the provisional amounts recognized at the acquisition date of Labs Cardiolab. The table below shows the balance sheet accounts presented in the 2011 Annual Financial Statements compared to the balance sheet accounts presented in this Quarterly Financial Information:

	Balance sheet as at 12.31.2011 in 2011 annual financial statements		**Retrospective adjustments (Parent Company and Consolidated)**		**Balance sheet as at 12.31.2011 adjusted in 2012 quarterly information**	
	Parent Company	Consolidated	Debits	Credits	Parent Company	Consolidated
Trade receivables	309,168	312,995	-	28,365	280,803	284,630
Recoverable taxes	44,861	46,775	-	6,675	38,186	40,100
Deferred income tax and social contribution asset	75,703	75,703	3,473	-	79,176	79,176
Intangible assets	1,426,025	1,473,635	41,783	-	1,467,808	1,515,418
Total assets	2,814,749	2,831,721	45,256	35,040	2,824,965	2,841,937
Provision for tax, labor and civil risks	43,031	46,158	-	10,216	53,247	56,374
Total liabilities and equity	2,814,749	2,831,721		10,216	2,824,965	2,841,937

5. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	03/31/2012	12/31/2011	03/31/2012	03/12/2011
Cash and banks	15,385	10,746	17,275	12,649
Short-term investments	232,304	470,654	234,262	473,357
	247,689	481,400	251,537	486,006

Short-term investments are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value. These short-term investments refer to repurchase agreements, which consist of commitments by the seller (bank) to buy a security back from the purchaser (customer), who commits to resell it in the future. As at March 31, 2012, investments yielded an average weighted rate of 104% of CDI (interbank deposit rate) (103% of CDI at December 31, 2011).

6. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments, depending on their nature, may involve known or unknown risks and a potential risk assessment is important.

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

The Company has a financial risk management policy. The oversight and monitoring of the policies in place are carried out using monthly management reports.

Market risks

Foreign exchange risk

The Company and its subsidiaries have trade receivables, borrowings and financing, 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. Liabilities exposed to this risk as at March 31, 2012 account for approximately 4.4% of total consolidated borrowings and financing and 3.6% of total consolidated trade payables. The Company has trade receivables denominated in foreign currency that account for 0.5% of total consolidated trade receivables, which reduces its exposure to financing installments and trade payables.

The Company has derivative financial instruments to hedge against foreign exchange fluctuations on the purchase of services and borrowing and financing agreements denominated in foreign currency.

As at March 31, 2012 the Company had the following net exposure (US$1.00=R$1.8221):

	US$'000	
	Parent	Consolidated
Current assets:		
Trade receivables	887	887
Liabilities:		
Borrowings and financing – current	(2,021)	(2,690)
Borrowings and financing – non-current	(32,249)	(32,845)
Trade payables	(1,279)	(1,279)
Total liabilities	(35,549)	(36,814)
Derivatives	33,717	33,717
Net exposure	**(944)**	**(2,209)**

For financial instruments, the Company and its subsidiaries consider as probable scenario (Scenario I) the weighted average of future exchange rates of the Brazilian Real in relation to the US dollar, obtained on the BM&FBOVESPA (Brazilian Stock, Futures and Mercantile Exchange) for the maturity of the instrument, and calculated based on the notional amount of the contract.

In compliance with the provisions of CVM Instruction 475/08, the Fleury Group prepared a sensitivity analysis, stressing Scenario I by 25% (Scenario II) and 50% (Scenario III) with foreign exchange volatility, to determine the effects on the fair value of financial instruments and financial position arising from a favorable fluctuation of foreign exchange rates.

Amounts below are net of tax effects:

		Unfavorable variation - consolidated			
		Scenario I		Scenario II	Scenario III
	Maturity	(loss) gain	Risk (*)	(loss) gain	(loss) gain
				+25%	+50%
Foreign exchange rate (in R$)		1.9577		2.4471	2.9365
Trade receivables	2012	120	US$ devaluation	555	989
Trade payables	2012	(173)	US$ appreciation	(799)	(1,425)
Borrowings and financing	2013	(319)	US$ appreciation	(1,472)	(2,625)
Borrowings and financing	2012	(4.389)	US$ appreciation	(20,236)	(36,082)
Borrowings and financing	2014	(47)	US$ appreciation	(217)	(388)
Borrowings and financing	2015	(61)	US$ appreciation	(283)	(505)
Borrowings and financing	2016	-		-	-
Derivatives		4,740		21,756	38,771
Net effect		(130)		(697)	(1,265)

(*) Risk considering the nature of each financial instrument.

Interest rate risk

The Company and its subsidiaries have borrowings and financing denominated in local currency subject to interest rates pegged to indices such as the TJLP (Federal benchmark long-term interest) and CDI, and taxes payable bearing interest equivalent to SELIC (Central Bank's policy rate) and TJLP. The risk inherent to these liabilities arises from the possibility of fluctuations in these rates that impact cash flows. The Company and its subsidiaries have not entered into derivative contracts to hedge this risk, as they understand that the risk is mitigated by the existing assets pegged to CDI.

The sensitivity analysis of interest on borrowings and financing used as the probable scenario (Scenario I) the benchmark tax rates obtained on the BM&FBOVESPA at march 31, 2012, and Scenarios I and II take into consideration a 25% and 50% stress factor on these rates, respectively. The sensitivity analysis is as follows.

	Scenario I	Scenario II	Scenario III
Scenarios		+25%	+50%
CDI rate (p.a.)	9.52%	11.90%	14.28%
Borrowings and financing	3,539	4,330	5,108
Debentures	251,859	306,489	360,553
Projected interest expenses (*)	**255,398**	**310,818**	**365,661**
TJLP rate (p.a.)	6.00%	7.50%	9.00%
Projected interest expenses (*)	**180**	**184**	**189**

(*) Calculated up to the end of the contract

Credit risk

Credit risk arises from the possibility of a counterparty not fulfilling its obligation in a financial instrument or agreement with the customer, which would cause financial loss. The Fleury Group is exposed to credit risk in its operating (mainly in regard to trade receivables) and financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. When there is evidence of risk of loss on these assets, the Group records provisions to adjust them to their probable realizable value.

Liquidity risk

The Fleury Group's cash flow forecast is made by the Treasury area. This area monitors rolling forecasts of the Fleury Group’s liquidity requirements to ensure it has sufficient cash to meet operational needs. There is also sufficient availability in its committed credit lines at any time, to prevent the Fleury Group from exceeding its limits or violating clauses related to loans and debentures (when applicable) of any of its credit lines. This forecast takes into consideration the Fleury Group’s debt financing plans, compliance with clauses, compliance with balance sheet ratio goals and, if applicable, compliance with legal or foreign regulatory requirements - for example, currency restrictions.

The surplus cash maintained by operating units, as well as the balance required for working capital management, is transferred to the Treasury area. The Treasury area invests the surplus cash in Bank Certificates of Deposit (CDB) and repurchase agreements, choosing instruments with appropriate

maturities or sufficient liquidity to provide the necessary margin, as determined by the forecast cash flows. As at March 31, 2012, the Fleury Group had short-term investments classified in Cash and cash equivalents amounting to R$234,262 (R$473,357 at December 31, 2011).

The table below provides an analysis of the Fleury Group's derivative and non-derivative financial liabilities, by maturity, related to the remaining period in the balance sheet through the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At March 31, 2012				
Debentures	13,917	-	250,835	200,733
Borrowings and financing	32,309	79,553	15,816	1,625
Derivative financial instruments	(226)	3,977	-	-
Trade payables	64,679	-	-	-
Payables – business acquisitions	14,929	4,576	18,701	5,873
At December 31, 2011				
Debentures	1,688	-	250,835	200,733
Borrowings and financing	34,427	84,380	16,636	798
Derivative financial instruments	364	-	5,502	-
Trade payables	75,441	-	-	-
Payables – business acquisitions	195,734	9,140	20,141	5,823

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 line with other companies of the same sector, the Fleury Group monitors capital based on the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including debentures, current and non-current borrowings as stated in the consolidated balance sheet), less cash and cash equivalents. Total capital is calculated as the sum of equity, as stated in the consolidated balance sheet, and net debt.

The gearing ratios at March 31, 2012 and December 31, 2011 are summarized as follows:

	3/31/2012	12/31/2011
Total cash and cash equivalents	251,537	486,006
Total debentures	(465,485)	(453,256)
Total borrowings	(129,303)	(136,241)
Net cash	**(343,251)**	**(103,491)**
Total equity	1,664,027	1,631,881
Total capitalization	**1,320,776**	**1,528,390**
Gearing ratio	0.26	0.07

Derivatives

The Company and its subsidiaries have internal policies for their derivative instruments which, according to Management's opinion, are appropriate to manage associated risks, as well as to ensure the correct recognition in their financial statements.

The Company and its subsidiaries do not enter into derivative transactions for speculative purposes. Derivative contracts do not include any margin guarantees.

The amounts are calculated based on models and quotations available in the market, which take into consideration current or future market conditions. These are gross amounts, before taxes.

In view of fluctuations in market rates, these amounts can suffer changes up to the maturity or early settlement of the transactions.

The fair value of these instruments at the end of the reporting period, by counterparty, classified in "Derivative financial instruments", is as follows:

Type	Notional amount (US$'000)	Currency	Counterparty	Exchange rate (average) – R$/USD	Maturity	Balance at 12/31/2011	Profit (loss) at 3/31/2012	Settlement	Balance at 3/31/2012
NDF	1,745	US$	Itaú BBA	1.9210	4/16/2012 to 6/15/2012	(39)	(262)	159	(142)
NDF	1,050	US$	HSBC	1.9314	5/15/2012 to 6/29/2012	403	(445)	(42)	(83)
Swap	30,922	US$	Itaú BBA	1.6170	41407	5,502	(1,525)	-	3,977
Total Parent and consolidated						**5,866**	**(2,232)**	**117**	**3,751**

As at March 31, 2012, the Company has outstanding derivative positions to cover its borrowings in foreign currency and payments to suppliers in the amount of US$33,717, which present a net gain receivable of R$3,751 Parent Company and consolidated (Net gain of R$5,866 Parent Company and consolidated at December 31, 2011) recorded in the balance sheet under "Derivative financial instruments".

The Non-deliverable Forwards (NDFs) contracts settled up to the first quarter of 2012 resulted in a loss of R$117.

Pursuant to CVM Instruction 475/08, for derivative financial instruments the Company and its subsidiaries consider as probable scenario (Scenario I) the future exchange rates of the Brazilian real in relation to the US dollar, obtained on the BM&FBOVESPA for the maturity of the instruments, calculated based on the notional amount of the contract.

As per CVM Instruction 475/08, the Company and its subsidiaries stressed the scenarios by 25% (Scenario II and IV) and 50% (Scenarios III and V) using as a base the probable scenario foreign exchange rates.

	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Exchange rate change	0%	-25%	-50%	25%	50%
US$ devaluation (rate in R$)	-	1.4682	0.9788	-	-
US$ appreciation (rate in R$)	1.9577	-	-	2.4471	2.9365

	Exchange rate change Consolidated					
	Scenario I (loss) gain	Risk (1)	Scenario II (loss) gain	Scenario III (loss) gain	Scenario IV (loss) gain	Scenario V (loss) gain
Effect on Liabilities in US$	(4,990)		13,026	31,044	(23,008)	(41,025)
Financing in US$	(4,817)	US$ appreciation	12,574	29,966	(22,209)	(39,600)
Trade payables	(173)	US$ appreciation	452	1,078	(799)	(1,425)
Effect on Derivatives	4,740		(12,275)	(29,291)	21,756	38,771
Swap	4,417	US$ devaluation	(11,251)	(26,919)	20,085	35,753
NDF	323	US$ devaluation	(1,024)	(2,372)	1,671	3,018
Net effect (2)	**(250)**		**751**	**1,753**	**(1,252)**	**(2,254)**

(1) Risk to which the Company is exposed considering the nature of each financial instrument.

(2) Changes in the net effect resulting from the contracting of derivative instruments to support imports in transit contracted in US dollars. Imports in transit are recorded as liabilities only when the product/service is received by the Company.

7. TRADE RECEIVABLES

	Parent		Consolidated	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Trade notes receivable				
Billed amounts	346,189	306,038	348,788	308,545
Unbilled services	24,298	17,485	25,728	18,965
	370,488	**323,523**	**374,517**	**327,510**
Allowance for doubtful debts and disallowances	(47,131)	(42,720)	(47,324)	(42,880)
Total trade receivables	**323,357**	**280,803**	**327,193**	**284,630**

The aging list of trade receivables is as follows:

	Parent Company		Consolidated	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Balances not yet overdue (*)	225,307	172,371	228,547	176,092
Up to 120 days past due	46,732	61,886	47,250	61,900
121 to 360 days past due	80,159	69,367	80,162	69,382
Over 361 days past due	18,290	19,899	18,558	20,136
	370,488	**323,523**	**374,517**	**327,510**

(*) These receivables fall due within 35 days on average.

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

	Parent		Consolidated	
	3/31/2012	3/31/2011	3/31/2012	3/31/2011
Balance at the beginning of the period	(55,837)	(32,890)	(55,997)	(33,039)
Write-offs of uncollectible receivables	30,737	3,314	30,736	3,314
Additions of doubtful debts and disallowance (Notes 23 and 26)	(22,031)	(1,225)	(22,063)	(1,225)
Balance at the end of the period	**(47,131)**	**(30,801)**	**(47,324)**	**(30,950)**

The Company and its subsidiaries are exposed to a degree of concentration risk from the customer base. As at march 31, 2012, the four largest customers represented 38.4% of the total portfolio (45% as at December 31, 2011).

8. INVENTORIES

	Parent		Consolidated	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Diagnosis kits	6,399	9,393	6,823	9,850
Collection and nursing material	1,811	3,832	1,813	3,862
Auxiliary lab supplies	1,620	2,785	1,642	2,785
Administrative, promotional and other supplies	708	1,055	930	1,154
	10,539	**17,065**	**11,209**	**17,651**

9. RECOVERABLE TAXES

	Parent Company		Consolidated	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Withholding income tax (IRRF) (a)	27,721	23,226	27,948	23,796
Social contribution (CSLL) (b)	9,029	8,841	9,187	8,985
Social security contribution (INSS) (c)	4,244	2,508	4,244	2,508
Service tax (ISS) (d)	2,815	2,049	2,770	2,049
Funrural (farming fund tax) (e)	1,562	1,562	1,562	1,562
Corporate income tax (IRPJ) (b)	1,234	2,264	1,766	2,401
Tax on revenue (COFINS)	826	1,029	1,407	2,037
Other	154	171	589	226
	47,585	**41,650**	**49,473**	**43,564**
Current	46,071	38,186	47,959	40,100
Non-current	1,514	3,464	1,514	3,464

(a) IRRF on redemption of short-term investments and services provided to health maintenance organizations and other entities.

(b) Refers mainly to amounts derived from acquired businesses that will be utilized to offset taxes payable.

(c) INSS withheld on invoices related to services rendered mainly to hospitals.

(d) ISS withheld on invoices related to services rendered to the accredited network.

(e) Funrural paid for merged companies that will be refunded through administrative proceedings in progress

10. INVESTMENTS

	Parent	
	3/31/2012	12/31/2011
Investments in subsidiaries:		
Fleury CPMA		
Cost	14,117	14,742
Goodwill	1,351	1,351
	15,468	**16,093**
Felippe Mattoso		
Cost	12,231	12,011
Goodwill	34,546	34,546
	46,777	**46,557**
	62,245	**62,650**
Other investments	245	251
	62,490	**62,901**

The activity in the Investments accounts were as follows:

	Fleury CPMA	Felippe Mattoso	Total
Balances at December 31, 2011	16,093	46,557	62,650
Share of earnings (losses) of subsidiaries	(625)	220	(405)
Balances at march 31, 2012	**15,468**	**46,777**	**62,245**

Selected data on Fleury CPMA is as follows:

	3/31/2012	12/31/2011
Equity interest - %	100%	100%
Paid-up capital	58.981	58.981
Equity	14.117	14.742
Profit for the year	(626)	(6.443)

Selected data on Felippe Mattoso is as follows:

	3/31/2012	12/31/2010
Equity interest - %	100%	100%
Paid-up capital	400	400
Equity	12.231	12.011
Profit for the year	220	-

11. PROPERTY AND EQUIPMENT

	Average annual depreciation rate - %	Parent 3/31/2012 Cost	Accumulated depreciation	Net	12/31/2011 Net
Machinery and equipment	8	342,164	(160,503)	181,661	156,231
Facilities	10	152,682	(30,832)	121,850	109,955
Properties	2	28,754	(3,005)	25,749	25,873
IT equipment	20	63,373	(42,301)	21,072	20,919
Furniture and fixtures	10	43,966	(26,336)	17,630	17,403
Leasehold improvements	20	65,676	(49,587)	16,089	15,956
Land		11,488	-	11,488	11,488
Property and equipment under development	-	3,595	-	3,595	2,535
Other	-	1,487	(878)	609	653
		713,185	**(313,442)**	**399,743**	**361,013**

	Average annual depreciation rate - %	Consolidated 3/31/2012 Cost	Accumulated depreciation	Net	12/31/2011 Net
Machinery and equipment	8	369,494	(178,448)	191,046	166,090
Facilities	10	154,562	(31,742)	122,820	111,153
Properties	2	28,754	(3,005)	25,749	25,873
IT equipment	20	65,150	(43,629)	21,521	21,311
Furniture and fixtures	10	46,046	(27,450)	18,596	18,383
Leased improvements	20	71,382	(53,018)	18,364	18,012
Land	-	11,488	-	11,488	11,488
Property and equipment in progress	-	3,797	-	3,797	2,585
Other	-	1,678	(991)	687	730
		752,351	**(338,283)**	**414,068**	**375,625**

Changes in property and equipment are as follows:

	Parent		Consolidated	
	3/31/2012	3/31/2011	3/31/2012	3/31/2011
Balances at the beginning of the period	361,013	173,614	375,625	179,361
Additions:				
Machinery and equipment	32,871	7,780	32,934	7,780
Facilities	15,185	9,335	15,293	9,335
Properties	-	-	-	-
IT equipment	1,858	1,407	1,944	1,407
Furniture and fixtures	1,022	571	1,057	571
Leasehold improvements	1,658	110	1,693	110
Other	1,063	11	1,187	11
Total additions	**53,657**	**19,214**	**54,108**	**19,214**
Write-offs, net	(9)	(5)	(9)	(5)
Depreciation	(14,918)	(7,211)	(15,656)	(7,215)
Balances at the end of the period	**399,743**	**185,612**	**414,068**	**191,355**

As at March 31, 2012, the Company has balance from a revaluation step-up for machinery and equipment, less depreciation, of R$2,039 (R$2,236 as at December 31, 2011).

Leases

Lease transactions by category at March 31, 2012 are as follows:

		Consolidated			
	Average annual depreciation rate - %	3/31/2012			12/31/2011
		Cost	Accumulated depreciation	Net	Net
Machinery and equipment	10	45,733	(19,549)	26,184	27,320
IT equipment	20	2,452	(672)	1,780	1,902
Other	10	-	-	-	51
		48,185	**(20,221)**	**27,964**	**29,273**

Leased assets were pledged as collateral for the underlying lease transactions. Depreciation of assets acquired under leases for the period ended march 31, 2012, recorded under "Cost of services", total R$1,258 (R$4,951 at December 31, 2011).

12. INTANGIBLE ASSETS

	Parent				
		3/31/2012			12/31/2011
	Average annual amortization rate %	Cost	Accumulated amortization	Net	Net
Goodwill on acquisitions	-	1,311,459	(44,413)	1,267,046	1,267,046
Customer contracts	10	154,387	(7,719)	146,668	150,527
Software licenses	20	75,274	(34,983)	40,291	35,739
Trademarks and patents	7	13,226	(1,513)	11,713	11,945
Franchises	-	2,550	-	2,550	2,551
		1,556,896	**(88,628)**	**1,468,268**	**1,467,808**

	Consolidated				
		3/31/2012			12/31/2011
	Average annual amortization rate %	Cost	Accumulated amortization	Net	Net
Goodwill on acquisitions	-	1,357,346	(44,413)	1,312,933	1,312,933
Customer contracts	10	154,387	(7,719)	146,668	150,527
Software licenses	20	76,011	(35,688)	40,323	35,782
Trademarks and patents	7	14,963	(1,831)	13,132	13,408
Franchises	-	2,550	-	2,550	2,550
Other	10	2,844	(2,626)	218	218
		1,608,101	**(92,277)**	**1,515,824**	**1,515,418**

Changes in intangible assets were as follows:

	Parent		Consolidated	
	3/31/2012	3/31/2011	3/31/2012	3/31/2011
Balances at the beginning of the period	1,467,808	310,775	1,515,418	324,064
Additions:				
Software licenses	7,454	3,380	7,490	3,380
Total additions	**7,454**	**3,380**	**7,490**	**3,380**
Write-offs, net	-	(1,522)	-	(1,522)
Amortization	(6,994)	(1,957)	(7,084)	(2,074)
Balances at the end of the period	**1,468,268**	**310,676**	**1,515,824**	**323,848**

Goodwill

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

Reversal of impairment

The annual review for goodwill impairment, as required by CPCs, is conducted during the last quarter of each year. The next review will be conducted in the fourth quarter of 2012, unless an event occurs that would justify the early review of the asset impairment.

Software licenses

Software licenses refer to systems and intranet development. Software licenses are intangible assets with finite useful lives, the estimated useful life of this class of assets is five years.

Trademarks and patents

Trademarks and patents refer mainly to trademarks and patents acquired in business combinations. Trademarks and patents are intangible assets with finite useful lives; the estimated useful life of this class of assets is 10 to 25 years.

13. DEBENTURES

The Company conducted its first issuance of debentures under a restricted public placement of simple, nonconvertible, unsecured debentures, in two series, which ended on December 23, 2011.

The Company raised R$451,568 under the Restricted Offering, in two series: (i) the first series, comprised of 15,000 debentures with a unit face value of R$10,031.30 and maturing on December 12, 2016; and (ii) the second series, comprised of 30,000 debentures with a unit face value of R$10,036.60, and a seven-year maturity, through December 12, 2018.

"First Series Debentures" will be amortized in three annual, equal installments, payable on December 12, 2014, 2015 and 2016, and interest will accrue based on 100% of the average daily rate of extragroup, one-day interbank deposit (DI) rate, expressed as a percentage of a base year of 252 business days, plus a 0.94% spread on a base year of 252 business days, without option to early redeem or restructure.

"Second Series Debentures" will be amortized in three annual, equal installments, payable on December 12, 2016, 2017 and 2018, and interest will accrue based on100% of the average daily rate of extragroup, one-day interbank deposit (DI) rate, expressed as a percentage of a base year of 252 business days, plus a 1.20% spread of a base year of 252 business days, without option to early redeem or restructure.

Simple debentures	Charges % (a)	Consolidated 3/31/2012	Maturity
First Series Debentures	100% of CDI (a) + 0.94% p.a.	155,079	December 2016
Second Series Debentures	100% of CDI (a) + 1.20% p.a.	310,406	December 2018
		465,485	
Current		13,917	
Non-current		451,568	

(a) Interbank Certificates of Deposit (CDI), equivalent to 9.52% per year at March 31, 2012 and 10.87% per year at December 31, 2011.

The non-current portion at March 31, 2012 matures as follows:

Maturity	Consolidated
2014	50,156
2015	50,156
2016	150,523
2017 and thereafter	200,733
	451,568

The debentures contain restrictive financial covenants under which the maturity of all obligations can be accelerated if the Company fails to met the following financial ratios: (i) net financial debt-to-EBITDA (as defined below) equal to three times or less; and/or (ii) EBITDA-to-net finance cost (as defined below) equal to 1.5 times or higher, as verified by the trustee based on the quarterly information disclosed in the quarterly information - ITR and/or the statutory annual financial statements filed by the issuer with the CVM; the first ratios are calculated and verified based on the Company's financial statements for the year ended December 31, 2011.

"Net financial debt" is defined as the outstanding balance of principal and interest of short- and long-term borrowings and financing with financial institutions, including capital market transactions, less cash and short-term investments, plus debts and obligations related to the acquisitions made by the issuer and/or its subsidiaries, as per the latest consolidated financial statements of the issuer filed with the CVM.

"Net finance cost": defined as the difference between consolidated gross finance cost and consolidated gross finance income for a twelve-month period, as per the latest consolidated financial statements of the issuer.

"EBITDA" is defined as earnings before income tax and social contribution, finance income (cost), provisions, depreciation and amortization for a twelve-month period.

As at march 31, 2012, the Company and its subsidiaries were compliant with all financial ratios.

14. BORROWINGS AND FINANCING

	Parent Company		Consolidated	
	3/31//2012	12/31/2011	3/31/2012	12/31/2011
Current	**30,612**	**33,025**	**32,309**	**34,427**
Borrowings and financing	25,839	25,680	25,839	25,680
Leases	4,773	7,345	6,470	8,747
Non-current	**95,909**	**100,266**	**96,994**	**101,814**
Borrowings and financing	92,105	94,128	92,105	94,128
Leases	3,804	6,138	4,889	7,686
Total borrowings	**126,521**	**133,291**	**129,303**	**136,241**
Current	30,612	33,025	32,309	34,427
Non-current	95,909	100,266	96,994	101,814

(a) Borrowings and financing

Borrowings and financing have maturities through 2017 and bear average interest of 9.7% per year (10.9% per year at December 31, 2011).

The non-current portion at March 31, 2012 matures as follows:

	Parent	Consolidated
2013	76,079	76,079
2014	12,670	12,670
2015	1,298	1,298
2016	1,259	1,259
2017 and thereafter	799	799
	92,105	**92,105**

Certain borrowings include restrictive financial covenants, such as, but not limited to: (a) pledging of collateral or liens on assets; (b) restrictions as to the change, transfer, or assignment of shareholding control, merger, takeover, or spin-off without the previous consent of the creditor; and (c) compliance with financial and liquidity ratios measured semiannually (June and December).

The Company has working capital financing from Banco Itaú totaling R$20,079 at march 31, 2012 (R$19,570 at December 31, 2011), subject to financial and liquidity ratios covenants measured semiannually (June and December) based on EBITDA equal to or higher than 0.5 times net

indebtedness (borrowings and financing less cash and cash equivalents) and guarantees. As at march 31, 2012, the Company and its subsidiaries were compliant with these covenants.
The Company has working capital financing obtained under a Resolution 4131 Transaction entered into with Banco Itaú, totaling R$58,256 at March 31, 2012. This transaction matures in May 2013 and a derivative financial instrument is in place to mitigate against foreign exchange volatility (swap at 105% of CDI).

The financing from Financiadora de Estudos e Projetos - FINEP contains 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 amount of total financing. The letter was issued by HSBC for the total amount of R$7,098, on July 1, 2009, and generated an expense of R$314 for the period ended March 31, 2012 (R$208 for the year ended December 31, 2011).

The carrying amounts of the borrowings are maintained in the following currencies:

	Parent		Consolidated	
	3/31/12	12/31/11	3/31/12	12/31/11
Real	63,955	68,398	64,431	68,398
U.S. dollar	62,566	64,893	64,872	67,843
Total borrowings	126,521	133,291	129,303	136,241

(b) Leases

Leases are collateralized by the leased assets, mature through 2018, and bear average charges of 14.2% per year (15.8% per year at December 31, 2011).

The non-current portion at March 31, 2012 matures as follows:

	Parent	Consolidated
2013	2,716	3,801
2014	261	261
2015	261	261
2016	261	261
2017 and thereafter	261	261
	305	305
	3,804	**4,889**

15. TRADE PAYABLES

	Parent		Consolidated	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Domestic suppliers	59,937	70,442	62,349	72,787
Foreign suppliers	2,330	2,654	2,330	2,654
	62,267	**73,096**	**64,679**	**75,441**

16. PAYROLL AND RELATED TAXES

	Parent		Consolidated	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Accrued vacation and 13th salary	32,167	25,281	32,779	25,675
Payroll taxes and other taxes payable	11,391	8,343	11,581	8,483
Accrued profit sharing	5,460	7,425	5,460	7,425
Payroll payable	1,398	1,414	1,619	1,417
	50,416	**42,463**	**51,439**	**43,000**

17. TAXES AND CONTRIBUTIONS PAYABLE

	Parent		Consolidated	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Tax Amnesty and Refinancing Program (REFIS) - Law 11941(a)	50,058	52,203	50,058	52,203
Service tax (ISS) in installments (b)	23,453	24,539	23,710	24,795
State VAT (ICMS) on imports (c)	15,818	15,316	15,818	15,316
Judicial deposits (ICMS) (c)	(13,975)	(11,873)	(13,975)	(11,873)
Service tax (ISS)	5,855	2,900	8,232	5,271
Service tax (ISS) included in the Industry Tax Refinancing Program (Prefis) (e)	3,493	3,539	3,493	3,539
Tax on revenue (COFINS)	2,940	2,365	3,015	2,650
Social security contribution (INSS)	1,676	1,737	1,677	1,738
Withholding income tax (IRRF)	981	789	1,050	828
Tax on revenue (PIS)	741	543	734	527
Other	1,721	2,675	2,247	2,815
	92,761	**94,733**	**96,059**	**97,809**
Current	27,892	24,567	30,944	27,216
Non-current	64,869	70,166	65,115	70,593

(a) The Company elected to apply for the tax refinancing and amnesty program known as REFIS IV, defined by Law 11941/09. The program encompasses both the obligations in other previous installment programs and new tax obligations. The application was made through the program disclosed in the Federal Revenue Service's website, and the Company also filed with this Service an administrative request for the utilization of tax loss carryforwards recorded in August 2009 for offset against fine and interest, and the payment of principal in 120 monthly installments with a 60% decrease in fines, a 25% decrease in interest, and a 100% decrease in legal charges, as provided for by Article 1 of Law 11941/09 and Articles 15 and 17 of PGFN/RFB Joint Administrative Rule 06/09. While awaiting the consolidation of the debts in installments included in REFIS IV, the Company paid the minimum installments required by the program. In December 2009, the Federal Revenue Service approved all the applications of the Company. In the quarter ended June 30, 2010, the Company completed the analysis of tax loss carryforwards to be offset against obligations included in REFIS IV and confirmed with the Federal Revenue Service, in August 2010, the amounts to be utilized. Accordingly, in June 2010 Labs Cardiolab offset part of the remaining fines and interest against previously unrecognized tax credits, corresponding to tax loss carryforwards of subsidiaries totaling R$14,632 and R$29,693, and credited the amounts corresponding to the decrease in liabilities to profit for 2010. With the enactment of Joint Ordinance PGFN/RFB No. 02, the Company decided to withdraw the lawsuit related to the increase in the Cofins rate and include the total amount being discussed in this installment program. The term for consolidation of tax debts included in REFIS IV, for large taxpayers with differentiated treatment, ended on June 30, 2011 and in this stage the Company consolidated Fleury Group's debts arising from the merged companies NKB São Paulo and Cardiolab, which generated a non-recurring expense of R$8,159. In July, the Company consolidated the debts included in the installment program of the other Fleury Group companies (NKB Rio, Campana and Laboratório Dirceu Ferreira). The Fleury Group is regularly paying the outstanding installments, in the amounts determined after the installment plan consolidation.

(b) The Company joined the installment program of the municipal government of São Paulo, the Tax Installment Incentive Program (PPI) and at March 31, 2012 the balance payable is R$17,699 (R$18,317 at December 31, 2011, indexed to the SELIC rate). The Company joined an installment program of the municipal government of Rio de Janeiro, Tax Restructuring Program of the State of Rio de Janeiro -REFERJ, and at March 31, 2012, the balance payable is R$6,011 (R$6,478 in 2011) adjusted for inflation using SELIC.

(c) The Company is required to pay ICMS on the acquisition of machinery and equipment intended for its property and equipment. The Company has filed a lawsuit against the State of São Paulo because it understands that this collection is inappropriate. Of the amount accrued totaling R$15,818 at March 31, 2012 (R$15,316 at December 31, 2011), R$13,975 is deposited in escrow with the courts at March 31, 2012 (R$11,873 at December 31, 2011).

(d) Refers to service tax (ISS) levied on services rendered.

(e) The entirety of the balance refers to installment payment of ISS due to the City of Recife included in the Industry Tax Refinancing Program (PREFIS), pursuant to Law 17029/2004. As permitted by Law 17384/07, the Company waived its right to participate in such installment payment, which granted it remission of the partial amount of the principal obligation, adjusted for inflation in conformity with the municipal legislation, and awaits approval of the request.

The non-current portion at March 31, 2012 matures as follows:

	Consolidated
2013	8,697
2014	11,140
2015	10,224
2016	6,629
2017 and thereafter	28,425
Total	**65,115**

18. PAYABLES - BUSINESS ACQUISITIONS

The payables refer to the acquisition of businesses, to be settled pursuant to contractual maturities inflation-indexed on a monthly basis using mainly the IGP-M released by Fundação Getúlio Vargas - FGV and the IPCA issued by Instituto Brasileiro de Geografia e Estatística - IBGE (Brazilian statistics bureau), as follows. These amounts total:

	Parent		Consolidated	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Current	11,267	192,190	14,929	195,734
Non-current	27,730	33,711	29,150	35,104
	38,997	**225,901**	**44,079**	**230,838**

The non-current portion matures as follows:

Maturity	Parent	Consolidated
2013	4,296	4,576
2014	7,133	7,413
2015	6,888	7,270
2016	3,540	4,018
2017 and thereafter	5,873	5,873
	27,730	**29,150**

19. PROVISION FOR TAX, LABOR AND CIVIL RISKS

The Company and its subsidiaries are subject to tax, labor and civil risks arising in the normal course of their operations. Periodically, Management reviews known contingencies, assesses the likelihood of probable losses and adjusts the related provision based on the opinion of legal counsel and other data available at the end of the reporting period, such as the nature of lawsuits and past experience. As at March 31, 2012, the balance of line item "Provision for tax, labor and civil risks" is as follows:

	Parent		Consolidated	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Tax and social security	45,690	45,338	48,781	48,429
Labor	18,452	19,337	18,488	19,373
Civil	1,750	1,814	1,750	1,814
	65,892	**66,489**	**69,019**	**69,616**
Judicial deposits	(13,369)	(13,242)	(13,369)	(13,242)
	52,523	**53,247**	**55,650**	**56,374**

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

	Parent						
	Balance at 12/31/2011	Additions	Use and reversal	Increase due to merger	Reclassifications and payments	Inflation adjustment	Balance at 3/31/2012
Tax and social security	45,338	25	-	-	-	327	45,690
Labor	19,337	1,056	(1,044)	-	(1,183)	286	18,452
Civil	1,814	47	(104)	-	(25)	18	1,750
	66,489	**1,128**	**(1,148)**	-	**(1,208)**	**631**	**65,892**
Judicial deposits	(13,242)	-	-	-	-	(127)	(13,369)
	53,247	**1,128**	**(1,148)**	-	**(1,208)**	**504**	**52,523**

	Consolidated						
	Balance at 12/31/2011	Additions	Use and reversal	Increase due to merger	Reclassifications and payments	Inflation adjustment	Balance at 3/31/2012
Tax and social security	48,429	25	-			327	48,781
Labor	19,373	1,056	(1,044)	-	(1,183)	286	18,488
Civil	1,814	47	(104)	-	(25)	18	1,750
	69,616	**1,128**	**(1,148)**	-	**(1,208)**	**631**	**69,019**
Judicial deposits	(13,242)	-	-			(127)	(13,369)
	56,374	**1,128**	**(1,148)**	-	**(1,208)**	**504**	**55,650**

Lawsuits classified as probable losses, for which provisions were recorded

Refer to lawsuits for which there is a probable likelihood of an unfavorable outcome, the main cases of which involve:

Tax and social security:

Service tax (ISS) - Lawsuits filed by acquired businesses merged into the Company arguing that as professional partnerships, such entities would be subject to a flat rate of tax, calculated according to the number of partners and employees with medical professional qualification and not based on 5% of revenues. A total amount of R$3,578 is accrued by the Company as at March 31, 2012.

COFINS: the challenges involve the exemption from contribution for service companies that provide services related to legally regulated professions. Supplementary Law 70/91, which established COFINS, addresses the exemption granted for these types of companies; however, Law 9430/96 expressly revoked it, requiring the contribution based on the gross revenue of service companies. Legal counsel understands that as an Ordinary Law, Law 9430/96 could not have revoked the exemption established by Supplementary Law 70/91. Nevertheless, as the Federal Supreme Court has already expressed its position contrary to the above thesis, the Company has recorded a provision of R$5,266 at March 31, 2012.

Labor:

In general, the claims made in labor lawsuits are as follows: (i) overtime; (ii) health hazard premium; (iii) job reinstatement due to tenure arising from occupational disease or occupational accident; (iv) joint liability; and (v) compensation for personal damages. Based on the history of settled cases, Management believes that the provision is sufficient to cover expected losses on ongoing lawsuits.

Lawsuits classified as possible losses

As at March 31, 2012, the Company is exposed to a risk of loss of approximately R$215,884 related to lawsuits classified as possible losses under the advice of its legal counsel, of which R$138,597 refers to tax and social security contingencies, R$21,984 to civil contingencies, and R$55,302 to labor contingencies.

Judicial deposits

When required, the Company makes court-mandated escrow deposits for pending litigation. These deposits total R$7,129 (Parent) and R$13,379 (consolidated) as at March 31, 2012 (R$7,007 Parent and R$13,325 consolidated at December 31, 2011), classified in non-current assets, and refer to lawsuits considered by the Company’s legal counsel to represent remote or possible risks of loss. Judicial deposits related to lawsuits considered as probable risks of loss are classified in non-current liabilities, reducing the related provision.

20. 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$17,407 for the period ended March 31, 2012 (R$12,126 at March 31, 2011).The agreements are IGP-M inflation indexed after the original maturity date (generally annually). Consolidated property rental commitments totaled R$187,228, Parent company, and R$192,228, consolidated, at March 31, 2012 (R$146,966 at March 31, 2011). The consolidated position of commitments assumed is as follows:

	Consolidated
2012	41,033
2013	49,586
2014	41,715
2015	36,391
2016 and thereafter	23,503
	192,228

21. RELATED PARTIES

	Parent		Consolidated	
	3/31/2012	3/31/2011	3/31/2012	3/31/2011
Transactions with subsidiaries:				
Rental expenses				
Transinc Serviços Médicos S.A. (a)	(1,582)	(1,468)	(1,582)	(1,468)
	(1,582)	**(1,468)**	**(1,582)**	**(1,468)**

	Parent		Consolidated	
	3/31/2012	12/31/2011	3/31/2012	12/31/2011
Balances with subsidiaries:				
Fleury CPMA (b)	900	-	-	-
Fellipe Mattoso (c)	(1,840)	-	-	-
	(940)	-	-	-

(a) Transinc Serviços Médicos S.A. owns and manages properties used by Fleury S.A. and its shareholders are individuals who also hold interests in the Fleury Group's shareholder, Integritas Participações S.A. The rental agreement amounts payable to this entity have been determined based on market prices calculated by independent consultants and are inflation adjusted based on the average of the IGP-M, IPCA and INPC indices.

(b) Advance for future capital increase of Fleury S.A to Fleury CPMA S.A.

(c) The loan agreements entered into by Fleury S.A and Clínica Luiz Fellipe Mattoso Ltda.

Management compensation for the period ended march 31, 2012 includes salaries, fees and bonuses in the amount of R$1,333 and compensation to the Board of Directors of R$36 (R$3,365 and R$322, respectively at March 31, 2011) and is recorded in the income statements as "General and administrative expenses". The Company does not grant to its officers any type of post-employment or lay-off benefits, or any type of long-term benefits.

The Company records employee and management profit sharing, which amounted to R$5,460 in the period ended March 31, 2012 (R$7,425 at December 31, 2011), recorded under "General and administrative expenses".

22. EQUITY

Share capital

At March 31, 2012, the Company's fully paid-up capital, totaling R$1,400,908, is represented by 156,203,919 book-entry, registered common shares without par value. The Company is authorized to increase its capital, regardless of any amendment to its bylaws, up to 160,000,000 common shares.

The Annual Shareholders Meeting held on October 31, 2011 approved a capital increase through the merger of Labs Cardiolab shares and the issuance of 24,905,369 common shares, amounting to R$546,066.

Dividends and Interest on own capital

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

On December 29, 2011, distributions, in the form of interest on own capital, were paid in advance to shareholders. The gross amount paid of R$10,000 corresponds to R$0.07 per share, based on the shareholding position on December 19, 2011.

On August 31, 2011, distributions, in the form of interest on own capital, were paid in advance to shareholders. The gross amount paid of R$18,000 corresponds to R$0.13 per share, based on the shareholding position on august 19, 2011.

Statement of comprehensive income

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

23. SERVICE REVENUE

	Parent Company		Consolidated	
	3/31/2012	3/3/2011	3/31/2012	3/3/2011
Gross-net revenue reconciliation:				
Gross revenue	388,776	244,904	398,324	246,783
Taxes	(25,080)	(15,505)	(25,617)	(15,607)
Cancellations	(246)	(134)	(246)	(134)
Disallowances	(20,625)	(551)	(20,654)	(551)
Net revenue	**342,825**	**228,714**	**351,807**	**230,491**

24. COST OF SERVICES

	Parent Company		Consolidated	
	3/31/2012	3/31/2011	3/31/2012	3/31/2011
Staff and medical services	(122,550)	(67,310)	(128,452)	(69,263)
General services, leases and public services	(44,279)	(30,557)	(45,183)	(30,557)
Materials and outside services	(38,284)	(26,100)	(38,800)	(26,100)
General expenses	(28,676)	(15,299)	(29,302)	(15,302)
Depreciation and amortization	(15,457)	(7,500)	(16,284)	(7,500)
	(249,246)	**(146,767)**	**(258,021)**	**(148,723)**

In 2012 a change in the depreciation allocation criterion was implemented, and depreciation is now allocated partly to "Costs of services" and partly to " General and administrative expenses". For comparability purposes, in the first quarter of 2011 the same criterion was adopted.

25. GENERAL AND ADMINISTRATIVE EXPENSES

	Parent Company		Consolidated	
	3/31/2012	3/31/2011	3/31/2012	3/31/2011
General expenses				
Depreciation and amortization	(6,456)	(1,667)	(6,456)	(1,788)
Consulting services	(3,313)	(4,154)	(3,347)	(4,164)
Promotions and events	(1,569)	(2,020)	(1,569)	(2,024)
Services provided by law firms	(1,393)	(1,608)	(1,393)	(1,609)
Other	(3,958)	(4,121)	(4,149)	(4,212)
	(16,689)	**(13,570)**	**(16,914)**	**(13,797)**
Staff and medical services	(15,814)	(19,070)	(15,814)	(19,123)
General services, leases and public services	(3,135)	(2,195)	(3,139)	(2,800)
Materials and outside services	(233)	(186)	(233)	(186)
	(35,871)	**(35.021)**	**(36,100)**	**(35.906)**

In 2012 a change in the depreciation allocation criterion was implemented, and depreciation is now allocated partly to "Costs of services" and partly to " General and administrative expenses". For comparability purposes, in the first quarter of 2011 the same criterion was adopted.

26. OTHER OPERATING INCOME (EXPENSES), NET

	Parent		Consolidated	
	3/31/2012	3/31/2011	3/31/2012	3/31/2011
Allowance for doubtful debts	(1,615)	(674)	(1,620)	(674)
Write-off of assets	(9)	(1,311)	(9)	(1,311)
Other	(1,465)	(928)	(1,465)	(937)
	(3,089)	**(2,913)**	**(3,094)**	**(2,922)**

27. FINANCE INCOME (COSTS)

	Parent		Consolidated	
	3/31/2012	3/31/2011	3/31/2012	3/31/2011
Finance income				
Short-term investments	7,077	14,425	7,078	14,425
Exchange gains -financing	5,655	73	5,655	73
Derivative financial instruments	3,598	28	3,598	28
Indexation credits on judicial deposits	445	408	449	408
Exchange gain – other	186	3	186	3
Other	31	55	33	83
	16,991	**14,992**	**16,998**	**15,020**
Finance costs				
Interest on debentures	(12,228)	-	(12,228)	-
Indexation charges on payables for business acquisitions	(6,041)	(2,812)	(6,545)	(2,812)
Derivative financial instruments	(5,829)	(251)	(5,829)	(251)
Exchange loss - financing	(3,780)	(83)	(3,780)	(83)
Interest on borrowings and financing	(3,748)	(2,801)	(3,748)	(2,852)
Other	(1,401)	(272)	(1,408)	(821)
Bank fees and expenses	(665)	(379)	(672)	(381)
Interest and indexation charges on provision for tax, labor and civil risks	(631)	(606)	(631)	(606)
Exchange loss - other	(147)	-	(147)	-
Others	(1,401)	(272)	(1,408)	(821)
	(34,832)	**(7,204)**	**(34,989)**	**(7,807)**
Finance income (costs), net	**(17,841)**	**7,788**	**(17,991)**	**7,213**

The Company paid interest on own capital to shareholders. The amounts paid in 2011 were recorded in the statutory books as “Expenses on interest on own capital” and pursuant to Resolution 207 reversed against “Retained Earnings” in equity.

28. INCOME TAX AND SOCIAL CONTRIBUTION - CURRENT AND DEFERRED

	Parent Company		Consolidated	
	3/31/2012	**12/31/2011**	**3/31/2012**	**12/31/2011**
Provision for tax, labor and civil risks	78,751	77,473	78,751	77,473
Amortization of goodwill non-deductible up to 2008 and deductible for tax purposes in future periods	24,782	24,782	24,782	24,782
Allowance for doubtful debts and disallowances	43,134	30,762	43,134	30,762
Tax loss carryforwards	67,646	42,505	67,646	42,505
Accrued profit sharing	5,460	7,425	5,460	7,425
Derecognition of deferred charges	-	33,737	-	33,737
Other	-	3,439	-	3,439
Effects of goodwill amortization for tax purposes (a)	(215,230)	(157,498)	(215,230)	(157,498)
Foreign exchange gain - taxed on a cash basis	-	(4,114)	-	(4,114)
Net present value of assets acquired and liabilities assumed	(116,319)	(156,266)	(116,319)	(156,266)
Asset revaluation	(3,090)	(3,388)	(3,090)	(3,388)
Tax base	**(114,866)**	**(101,143)**	**(114,866)**	**(101,143)**
Deferred income tax and social contribution at the combined tax rate of 34%	**(39,054)**	**(34,389)**	**(39,054)**	**(34,389)**
Non-current assets	86,194	79,176	86,194	79,176
Non-current liabilities	(125,248)	(113,565)	(125,248)	(113,565)

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

Current and deferred income tax and social contribution in the income statement are reconciled as follows:

	Parent		Consolidated	
	3/31/2012	3/31/2011	3/31/2012	3/31/2011
Profit before income tax and social contribution	36,392	48,491	36,621	48,491
Combined income tax and social contribution rate	34%	34%	34%	34%
Income tax and social contribution	(12,373)	(16,487)	(12,451)	(16,487)
Benefit from interest on own capital paid and amortization of adjustments to 2011 tax loss	6,800	-	6,800	-
Benefit of enrollment in REFIS IV		(310)		(310)
Share of earnings (losses) of subsidiaries	(138)	(560)	(138)	(560)
Write-off of non-deductible receivables	-	(865)	-	(865)
Depreciation	618	-	618	-
Non-deductible expenses	(613)	(1,051)	(613)	(1,051)
Credits of receivables deductible in prior periods	-	1,385	-	1,385
Benefit of enrollment in REFIS IV	-	(310)	-	(310)
Write-off of prescribed tax credit	-	(1,385)	-	(1,385)
Other	95	(433)	(56)	(433)
Exchange rate change/Hedge – Adjustment of criteria	947	-	947	-
Income tax and social contribution expense	**(4,664)**	**(21,090)**	**(4,893)**	**(21,090)**
Current	-	(10,639)	(229)	(10,639)
Deferred	(4,664)	(10,451)	(4,664)	(10,451)

Based on taxable profit projections pursuant to CVM Instruction 371/02, the Company estimates that tax credits arising from tax loss carryforwards and temporary differences will be recovered in the following years/periods:

Year	Consolidated
2013	8,619
2014	12,929
2015	17,239
2016	21,549
2017	25,858
	86,194

The Company opted for the Transitional Tax Regime (RTT) created by Provisional Act 449/08, subsequently converted into Law 11941/09, under which the calculation of corporate income tax, social contribution, social integration program tax on revenue (PIS), and social security funding tax on revenue (COFINS) continues to be based on the methods and criteria defined by Law 6404/76 in effect at December 31, 2007.

When applicable, deferred income tax and social contribution calculated on the adjustments arising from the adoption of the new accounting practices introduced by Law 11638/07 and Law 11941/09 were recorded in the Company's financial statements.

Diagnoson, acquired by the Company on June 30, 2011, calculated corporate income tax and social contribution under the deemed profit method before its merger into the Company.

The subsidiary Clínica Luiz Fellipe Mattoso Ltda, acquired in august 2011, calculated corporate income tax and social contribution under the deemed profit method.

29. EMPLOYEE BENEFITS

The Company sponsors a pension plan, Itaú Vida e Previdência S.A., the main purpose of which is to supplement social security benefits; participation in this plan is optional for all employees of the Company and its subsidiary Fleury CPMA; the plan is managed by Itaú Vida e Previdência S.A. The plan is a defined contribution pension plan and for the period ended March 31, 2012 the Company made contributions of R$443 (R$439 for the quarter ended March 31, 2011), charged to "General and administrative expenses".

All employees and officers with an employment relationship with the Company or Fleury CPMA are eligible for the plan. The maximum age limit to join the plan is 60 years old and the maximum age limit to leave the plan is 70 years old.

Plan participants can make basic contributions corresponding to 1% to 5% of their contribution salary, to be paid monthly, limited to a minimum contribution of R$20.00. Participants can also make voluntary contributions, at their sole discretion, at any time and at amounts above R$20.00.

Company's and subsidiary's contributions are made as follows:

Employment relationship time or plan participation time	Sponsor contribution
4 years or less	50% of the participant's basic contribution
From 5 to 9 years	75% of the participant's basic contribution
10 years or higher	100% of the participant's basic contribution

For the quarter ended March 31, 2012, the Company recorded employee healthcare expenses totaling R$7,551, R$7,054 of which charged to "Cost of services" and R$497 to "General and administrative expenses" (R$4.277, R$3.870 and R$407, respectively, for the quarter ended March 31, 2011).

Stock option plan

The Extraordinary Shareholders' 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 acquired upon the exercise of each option, the effective period, the exercise price, the payment terms, and other conditions.

The exercise of the shares 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 have six years to exercise the options, from the option grant date.

The Company calculated and recognized an expense for the quarter ended March 31, 2012, prorated since the grant date, of R$418 (R$252, charged to "General and administrative expenses" for the quarter ended march 31, 2011).

The Board of Directors' Meeting held on February 22, 2011 approved the grant of 327,825 share options and the appointment of participants. The exercise price of the second grant options was set at R$25.76 and will be IPCA inflation-indexed.

	Number	Exercise price
Balance at the beginning of 2011		
Granted during the year	327,825	25.76
Prescribed due to conditions not met during the year	45,652	-
Balances at the end of 2011	282,173	26.62
Prescribed due to conditions not met during the quarter	9,695	-
Balance at March 31, 2012	272,478	26.92

The Board of Directors' Meeting held on February 9, 2010 approved the grant of 552,625 stock options and the appointment of participants. The exercise price of the first grant options was set at R$16.00, equivalent to the price established in the first primary public offering of Fleury shares and will be IPCA inflation-indexed.

Balance at the end of 2010	447,585	16.80
Prescribed due to conditions not met during 2011	176,567	-
Balance at the end of 2011	271,018	17.28
No change in 2012	-	-
Balance at March 31, 2012	271,018	17.47

The exercise price of options will be based on the weighted average of the trading sessions for the month immediately prior to the signing of the option contract. In the case of the first grant, the exercise price of options will be equivalent to the Company´s IPO price per.

The number of options granted corresponds to the target compensation for each participant and share appreciation scenarios initially established at 15% to 25% per year.

The Expected Growth model does not require an estimate of volatility or risk-free interest rate since these risk factors are already included in the share appreciation estimate.

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 quarter, excluding common shares purchased by the Company and those held as treasury shares.

	3/31/2012	3/31/2011
Profit attributable to owners of the Company	31,728	27,401
Weighted average number of common shares issued	156,203,919	131,298,550
Weighted average number of treasury shares	-	-
Weighted average number of common shares outstanding	156,203,919	131,298,550
Basic earnings per share - R$	0.20	0.21

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 quarter according to the Companys Stock Option Plan as follows:

	3/31/2012	3/31/2011
Profit attributable to owners of the Company	31,728	27,401
Weighted average number of common shares outstanding	156,203,919	131,298,550
Adjustment for share call options	72,166	170,888
Weighted average number of common shares for diluted earnings per share	156,276,085	131,469,438
Diluted earnings per share - R$	0.20	0.21

31. SEGMENT REPORTING

The Company performs analyses based on two significant business segments: (i) Diagnostic Medicine and (ii) Integrated Medicine. The segments presented in the financial statements are strategic business units that offer distinct products and services. Sales between segments are made at prices similar to those that could be charged from third parties.

	3/31/2012			3/31/2011		
	Diagnostic Medicine (DM)	Integrated Medicine (IM)	Consolidated	Diagnostic Medicine (DM)	Integrated Medicine (IM)	Consolidated
Net revenue	**291,213**	**60,595**	**351,808**	**192,502**	**37,989**	**230,491**
Profit of the segment	**61,395**	**15,957**	**77,352**	**45,548**	**5,018**	**50,566**
Depreciation and amortization			(22,740)			(9,289)
Finance income (costs)			(17,991)			7,214
Profit before taxes			36,621			47,189
Total assets			2,700,925			1,355,470
Total assets includes						
Goodwill	1,114,385	198,548	1,312,933	278,107	9,990	288,097
Brands	11,714	1,418	13,132	7,874	1,592	9,466
Customer contracts	-	146,668	146,668	-	-	-
Non-allocated assets			1,228,192			1,057,907
Total liabilities			1,036,898			316,015

The goodwill and recorded intangible assets (Trademarks and Patents) arising from the acquisition of Diagnoson, of R$50,228 and R$2,973, respectively, were fully allocated to the Diagnostic Medicine (DM) segment.

The goodwill of R$927,302 arising from the acquisition of Labs Cardiolab was allocated to the DM and IM segments, amounting to R$638,122 and R$292,180, respectively. The amount of Customer Contracts, of R$154,387, was fully allocated to the IM segment.

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 insurance consultants. The net premium of the Company's insurance policies in effect at March 31, 2012 is approximately R$20,392. The insurance contracts are effective until October 2012. The table below shows the maximum sum insured (MSI) of the main insurance coverage at March 31, 2012:

	Consolidated
Named perils	R$327,298
Civil liability	R$36,500
International freight - imports	US$1,200

33. EVENTS AFTER THE REPORTING PERIOD

The Annual Shareholders Meeting held on April 3, 2012 agreed as follows:

(i) By unanimous vote, to approve fully and without any restrictions the management's accounts, the Management Report and the Financial Statements, accompanied by the Independent Auditor's Report, for the year ended December 31, 2011.

(ii) Profit for the year ended December 31, 2011 was R$100,647, from which the Company deducted (a) the legal reserve of R$5,032 and (b) total interest on own capital distributed for fiscal year 2011 of R$28,000. The remaining profit for distribution, therefore, amounts to R$67,614, which will be used together with the amount of realization of revaluation reserve of R$ 906, totaling R$68,520, to set up an earnings reserve for investment and expansion.

(ii.a) by unanimous vote, to approve the proposal to utilize the balance of profit for the period amounting to R$67,614 to set up an earnings reserve for investment and expansion.

(ii.b) by unanimous vote, to approve the capital budget proposal made by Management for fiscal year 2012, amounting to R$120,000, which will be funded by operating cash generation during 2012 and the proceeds from the issuance of debentures in December 2011. The approved budget proposal provides for the investment of resources in fixed assets and IT systems.

(ii.c) by unanimous vote, to approve the decision that there will be no additional distribution of profit for the year ended December 31, 2011, since there has already been a distribution of interest on own capital for 2011, totaling R$28,000, approved at the Board of Directors' meetings held on August 2, 2011 and December 16, 2011, which

will be attributed to the mandatory minimum dividends, as unanimously ratified and authorized by the shareholders.

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 in March 31st, 2012, authorizing its conclusion on this date.

São Paulo, May 2, 2012.

Board of Executive Directors

Omar Magid Hauache - CEO

Fábio Tadeu Marchiori Gama - CFO and Head of IR

José Marcelo Amatuzzi de Oliveira - Executive Director for Human Resources

Wilson Leite Pedreira Junior- Executive Director for Diagnostic Medicine

BOARD OF EXECUTIVE DIRECTORS DECLARATION ABOUT INDEPENDENT AUDITOR´S REPORT

In compliance with the Instruction 480/09, published by CVM on 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 in March 31st, 2012, issued on May 03, 2012.

São Paulo, May 3, 2012

Board of Executive Directors

Omar MagidHauache - CEO

Fábio Tadeu Marchiori Gama - CFO and Head of IR

José Marcelo Amatuzzi de Oliveira - Executive Director for Human Resources

Wilson Leite Pedreira Junior- Executive Director for Diagnostic Medicine