



## 3Q16 EARNINGS RELEASE

### Conference Call in Portuguese

November 10, 2016  
1:30 p.m. (Brasília)  
10:30 a.m. (New York)  
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### Conference Call in English

November 10, 2016  
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**São Paulo, November 9, 2016 - Centro de Imagem Diagnósticos S.A. (“Alliar”)** (BM&FBOVESPA: AALR3), the country’s third largest diagnostic company, with 104 Patient Service Centers, announces today its results for the third quarter of 2016 (3Q16).

For comparative purposes, we have presented two scenarios: **Accounting** (audited), including Delfin Imagem S.A. as of March 10, 2016, when the latter was acquired and **Pro forma** (unaudited<sup>1</sup>), including Delfin Imagem S.A. as of January 1, 2015

All comparisons are with the same period in the previous year (YoY) unless otherwise stated.

## HIGHLIGHTS – 3Q16

- **Net Revenue** of R\$253.7 million, up by **37.1%** (+17.1% pro forma)
- Adjusted **EBITDA**<sup>2</sup> of R\$59.4 million, an increase of **45.7%** (+27,3% pro forma) and Adjusted **LTM EBITDA** of R\$200.6 million (share traded at EV/EBITDA of R\$11.11x)<sup>3</sup>
- Adjusted pro forma **EBITDA Margin** of **23.4%** (pro forma **improvement** of 188 bps)
- **Recurring Net Income**<sup>4</sup> of R\$14.1 million, versus a net loss of R\$30.9 million in 3Q15
- **LTM ROIC**<sup>5</sup> without discount of **20.1%**
- **Installation** of 2 new **MRI machines** (total of 114) and 9 new clinical analysis (**CA**) collection rooms (total of 183)
- **Ongoing construction works** in **7 new PSCs** (3 mega and 4 collection points), led by the Ana Rosa and Morumbi mega PSCs in São Paulo (SP) (the first of which began operations on October 15) and the Bernardo Monteiro mega PSC in Belo Horizonte (MG).
- **4 target-companies** undergoing due diligence
- **13 new medical partners**, strengthening Alliar’s **medical partnership** model
- Conclusion of the **integration** of **Delfin Imagem**, acquired in March 2016

Financial Indicators (R\$ Million)	Accounting (Delfin as of 03/10/2016)				Pro Forma (Delfin as of 01/01/2015)			
	3Q16	YoY	9M16	YoY	3Q16	YoY	9M16	YoY
	Net Revenue	253.7	37.1%	692.5	33.7%	253.7	17.1%	713.8
Adjusted EBITDA <sup>2</sup>	59.4	45.7%	151.9	39.1%	59.4	27.3%	154.5	18.6%
Recurring Net Income	14.1	N/A	31.7	N/A	14.1	N/A	31.0	N/A
Adjusted EBITDA Margin	23.4%	138 bps	21.9%	85 bps	23.4%	188 bps	21.6%	23 bps
Recurring Net Margin	5.6%	N/A	4.6%	N/A	5.6%	N/A	4.3%	N/A

<sup>1</sup> Unrevised and unassured by the independent auditors

<sup>2</sup> EBITDA: adjusted for non-recurring expenses from the settlement of the Company’s stock option plan, the accounting write down of replaced imaging equipment with no cash impact, M&A expenses, consulting and advisory services and restructuring/integration.

<sup>3</sup> EV/EBITDA LTM considers quote of 11/09/2016 – R\$16.55

<sup>4</sup> Recurring Net Income: uses the same adjustments for EBITDA, except for write-down of parts

<sup>5</sup> ROIC without discount: pro forma Adjusted NOPAT divided by average invested capital without discount

Note: The Company held its Initial Public Offering in October 2016, raising R\$279 million in the primary market. As these funds will only enter the Company’s cash position in 4Q16, they have had no impact on the cash, debt and financial result figures reported herein.

## FINANCIAL PERFORMANCE

### GROSS REVENUE

Gross Revenue (R\$ million)	Accounting (Delfin as of 03/10/2016)				Pro Forma (Delfin as of 01/01/2015)			
	3Q16	YoY	9M16	YoY	3Q16	YoY	9M16	YoY
	Gross Revenue	271.0	35.9%	739.4	33.4%	271.0	16.2%	762.0
Diagnostic imaging	230.4	34.5%	626.6	32.0%	230.4	12.3%	649.2	13.7%
Clinical analysis	30.8	15.5%	83.6	8.4%	30.8	15.5%	83.6	8.4%
Construction revenue	9.8	566.3%	29.3	1043.6%	9.8	566.3%	29.3	1043.6%
Deductions	-17.3	19.6%	-46.9	28.6%	-17.3	4.8%	-48.3	14.0%
Net Service Revenue	253.7	37.1%	692.5	33.7%	253.7	17.1%	713.8	17.4%

Gross revenue totaled R\$271.0 million in 3Q16, up by 35.9% (+16.2% pro forma), and R\$739.4 million year-to-date, growth of 33.4% (+17.2% pro forma). The main business lines comprising gross revenue are:

**Diagnostic imaging:** came to R\$230.4 million in 3Q16, an upturn of 34.5% (+12.3% pro forma). In the first nine months, growth stood at 32.0% (+13.7% pro forma). The improvement was due to: (i) the acquisition of Delfin Imagem, which added 16 MRI machines and 8 PSCs; and (ii) the maturation of the MRI machines installed in recent years. At the close of the third quarter, Alliar offered diagnostic imaging in 103 PSCs through 114 MRI machines, representing 88% of gross revenue (excluding construction revenue).

**Clinical analysis:** amounted to R\$30.8 million in 3Q16, up by 15.5%, with a year-to-date increase of 8.4%. At the end of the third quarter, the Company offered this service in 29 PSCs through 183 collection rooms, representing 12% of gross revenue (excluding construction revenue).

**Construction Revenue:** this is a purely accounting item with no impact on the result because it is entirely offset by construction costs (in accordance with ICPC 01 accounting rule applicable to PPP Bahia).

### NET REVENUE

The Company recorded net revenue of R\$253.7 million in 3Q16, an increase of 37.1% (+17.1% pro forma), and R\$692.5 million year-to-date, up by 33.7% (+17.4% pro forma). Growth slightly outpaced the increase in gross revenue due to the change in the city mix (different ISS - municipal service tax rates).

## COST OF SERVICES

The analyses of costs and expenses refer to the pro forma amounts (unaudited), which consider Delfin Imagem's figures as of January 1, 2015, thereby ensuring a better reflection of the Company's period results.

Cost of Services R\$ million	Pro forma (Delfin as of 01/01/2015)			
	3Q16	YoY	9M16	YoY
Medical services	-40.3	11.4%	-122.4	12.0%
Medicine, Materials and Support Lab	-32.7	12.1%	-87.6	19.0%
Payroll, salaries and benefits	-32.6	10.3%	-94.0	5.6%
Depreciation and amortization	-14.0	16.7%	-36.1	11.9%
Maintenance	-7.2	-21.3%	-23.7	-4.2%
Rent	-5.7	8.7%	-18.3	12.1%
Third-party services	-4.8	14.6%	-11.4	40.0%
Utilities	-4.6	8.6%	-14.8	22.0%
Other costs	-0.2	N/A	-0.7	N/A
<b>Total costs exclusively related to services</b>	<b>-142.1</b>	<b>13.8%</b>	<b>-409.1</b>	<b>12.9%</b>
Construction costs	-8.1	653.0%	-25.3	1475.0%
<b>Total Costs</b>	<b>-150.3</b>	<b>19.3%</b>	<b>-434.3</b>	<b>19.4%</b>

Costs exclusively related to services (pro forma) totaled R\$142.1 million in 3Q16, up by 13.8%, and R\$409.1 million year-to-date, up by 12.9%. It is worth emphasizing that this growth was less than the increase in service revenue, resulting in gross margin gains in the period. This variation was due to:

**Medical Services:** came to R\$40.3 million in 3Q16, an upturn of 11.4%, in line with revenue growth.

**Medicine, Materials and Support Lab:** amounted to R\$32.7 million in 3Q16, up by 12.1% in 3Q16. In 9M16, this increase was slightly above revenue growth due to an upturn in costs of clinical analysis procedures.

**Payroll, Salaries and Benefits:** increased by 10.3% in 3Q16, reaching R\$32.6 million. Although this upturn also lagged period net revenue growth, it was bigger than the first-half variation, chiefly due to the hiring of CDB personnel to meet demand from new accreditations. Growth in 9M16 came to 5.6%, below the collective pay rises, thanks to initiatives to generate operating efficiency gains and the implementation of zero based budgeting.

**Third-party Service:** was R\$4.8 million in 3Q16, an upturn of 14.6% in the quarter and of 40.0% in 9M16, due to hiring of personnel to meet the demand of new PSCs.

**Construction Costs:** this is a purely accounting item with no impact on the result because it is entirely offset by construction revenue (in accordance with ICPC 01 accounting rule applicable to the PPP).

## GROSS PROFIT

Third-quarter gross profit totaled R\$103.4 million, up by 35.0% (+13.9% pro forma), while year-to-date gross profit increased by 34.6% (+14.4% pro forma) to R\$271.6 million.

The pro forma gross margin stood at 40.8% in 3Q16, versus 41.4% in the same period last year. Excluding the effect of “construction revenue and expenses”, pro forma gross margin stood at the same levels: 41.9% in 3Q16 vis-à-vis 42.0% in 3Q15.

## OPERATING EXPENSES

Operating Expenses R\$ million	Pro forma (Delfin as of 01/01/2015)					
	3Q16	3Q15	YoY	9M16	9M15	YoY
<b>Total Expenses</b>	<b>72.2</b>	<b>59.4</b>	<b>21.6%</b>	<b>203.6</b>	<b>150.6</b>	<b>35.2%</b>
<b>General and administrative expenses</b>	<b>64.2</b>	<b>61.4</b>	<b>4.7%</b>	<b>189.1</b>	<b>158.4</b>	<b>19.4%</b>
<b>Adjustments</b>	<b>0.0</b>	<b>1.3</b>	<b>N/A</b>	<b>15.6</b>	<b>2.5</b>	<b>534.0%</b>
M&A expenses	0.0	0.5	N/A	7.1	0.8	737.7%
Provision for contingencies	0.0	0.1	N/A	6.8	0.1	N/A
Consulting/advisory services	0.0	0.4	N/A	1.1	0.7	58.9%
Restructuring/integration	0.0	0.3	N/A	0.7	0.9	-20.6%
<b>Adjusted general and administrative expenses</b>	<b>64.2</b>	<b>60.1</b>	<b>6.9%</b>	<b>173.5</b>	<b>155.9</b>	<b>11.2%</b>
<b>Other expenses, net</b>	<b>11.6</b>	<b>0.4</b>	<b>3055.1%</b>	<b>23.2</b>	<b>-1.4</b>	<b>N/A</b>
<b>Adjustments</b>	<b>12.1</b>	<b>1.8</b>	<b>583.3%</b>	<b>22.9</b>	<b>-0.2</b>	<b>N/A</b>
Reversal of Earn Out(+)	0.0	-2.5	N/A	0.0	-10.5	N/A
Write-down of parts (accounting/ non-cash)	3.7	4.3	-14.7%	13.9	10.3	35.1%
Stock Option expenses	8.4	0.0	N/A	9.0	0.0	N/A
<b>Other expenses, net adjusted</b>	<b>-0.5</b>	<b>-1.4</b>	<b>-62.2%</b>	<b>0.3</b>	<b>-1.2</b>	<b>N/A</b>
Resultado em participação societária	-3.6	-2.3	53.6%	-8.7	-6.5	35.0%
<b>Total Adjusted Expenses</b>	<b>60.1</b>	<b>56.4</b>	<b>6.7%</b>	<b>165.0</b>	<b>148.3</b>	<b>11.3%</b>

Operating expenses totaled R\$72.2 million in 3Q16, up by 21.6%, and R\$203.6 million year-to-date, growth of 35.2%.

**Adjusted general and administrative expenses:** increased by 6.9% in 3Q16 to R\$64.2 million, and by 11.2% in 9M16. In both periods, the increase was lower than revenue growth, contributing to the Company’s margin gain.

**Other expenses, net:** totaled R\$11.6 million in 3Q16, versus R\$0.4 million in 3Q15, mainly due to an expense of R\$8.4 million from the settlement of the pre-IPO stock option plans (as reported in the IPO documents).

## EBITDA

EBITDA (R\$ million)	Accounting (Delfin as of 03/10/2016)						Pro Forma (Delfin as of 01/01/2015)					
	3Q16	3Q15	YoY	9M16	9M15	YoY	3Q16	3Q15	YoY	9M16	9M15	YoY
	EBITDA	47.3	37.7	25.5%	116.6	107.0	9.0%	47.3	43.6	8.5%	115.9	128.0
Adjustments	12.1	3.1	295.1%	35.4	2.3	1460.2%	12.1	3.1	295.1%	38.6	2.3	1602.8%
Reversal of Earn Out (+)	0.0	-2.5		0.0	-10.5		0.0	-2.5		0.0	-10.5	
Write-down of parts (accounting/ non-cash)	3.7	4.3	-14.7%	13.5	10.3	30.9%	3.7	4.3	-14.7%	13.9	10.3	35.1%
M&A expenses	0.0	0.5		6.5	0.8	671.0%	0.0	0.5		7.1	0.8	737.7%
Provision for contingencies	0.0	0.1		4.5	0.1	5206.7%	0.0	0.1		6.8	0.1	7809.1%
Consulting/advisory services	0.0	0.4		1.1	0.7	58.9%	0.0	0.4		1.1	0.7	58.9%
Restructuring/integration	0.0	0.3		0.7	0.9	-20.6%	0.0	0.3		0.7	0.9	-20.6%
Stock Option expenses	8.4	0.0		9.0	0.0		8.4	0.0		9.0	0.0	
<b>Adjusted EBITDA</b>	<b>59.4</b>	<b>40.8</b>	<b>45.7%</b>	<b>151.9</b>	<b>109.2</b>	<b>39.1%</b>	<b>59.4</b>	<b>46.7</b>	<b>27.3%</b>	<b>154.5</b>	<b>130.2</b>	<b>18.6%</b>
<b>EBITDA Margin %</b>	<b>23.4%</b>	<b>22.0%</b>	<b>138 bps</b>	<b>21.9%</b>	<b>21.1%</b>	<b>85 bps</b>	<b>23.4%</b>	<b>21.5%</b>	<b>188 bps</b>	<b>21.6%</b>	<b>21.4%</b>	<b>23 bps</b>

Adjusted EBITDA came to R\$59.4 million in 3Q16, growth of 45.7% (+27.3% pro forma), accompanied by an adjusted EBITDA margin of 23.4%, a gain of 138 bps (188 bps pro forma). The higher margin was primarily due to the dilution of fixed costs; efficiency gains in payroll costs, thanks to the implementation of zero-based budgeting, and the maturity of efficiency projects (such as command center).

We believe these adjustments permit a better understanding of the Company's recurring operating performance:

- **Write-down of parts** (non-cash): write-down of residual value ("accelerated depreciation") of broken parts in the maintenance contract (the value of the new parts being part of maintenance capex)
- **M&A expenses**: refers to the advisory contract with Pátria (discontinued, with insourcing of the team) and lawyers and auditors' fees.
- **Reversal of earn-out**: reversal of non-operating revenue from the non-payment of the post-acquisition performance bonus (reversal of provision).
- **Provision for contingencies and integration expenses**: adjustment of Delfin Imagem's provisions to Alliar criteria, and post-integration termination expenses of Delfin Imagem (as reported in the 1H16 financial statements).
- **Expenses with stock options**: settlement of the pre-IPO stock option programs (as reported in the IPO documents). As of 3Q16, long-term incentives for management and physicians will be granted under the new restricted share program.

## FINANCIAL RESULT

Financial Result (R\$ million)	Accounting (Delfin as of 03/10/2016)					
	3Q16	Q15	YoY	9M16	9M15	YoY
Revenue from securities	1.0	0.2	516.9%	1.5	1.2	26.0%
Net FX variation	-7.8	-37.9	-79.4%	84.2	-87.7	N/A
Gain (loss) with derivative financial instruments	-1.6	7.6	N/A	-72.4	30.9	N/A
Interest on borrowings	-14.8	-11.1	34.1%	-52.8	-39.9	32.5%
Funding costs	-1.1	-0.1	837.5%	-1.4	-0.3	310.0%
Interest from accounts payable for corporate acquisition	-1.9	-1.2	56.2%	-4.0	-3.2	24.8%
Interest from payments in installments	-0.4	-0.3	47.5%	-0.5	-0.4	34.2%
Other financial revenue (expenses)	6.1	-5.7	N/A	-2.7	-2.5	9.8%
<b>Total</b>	<b>-20.5</b>	<b>-48.4</b>	<b>-57.6%</b>	<b>-48.2</b>	<b>-101.8</b>	<b>-52.7%</b>

The Company's financial result was negative by R\$20.5 million in 3Q16, versus a negative R\$48.4 million in the same period in 2015, mainly due to the impact of the net FX variation and gains with derivative financial instruments, which together improved from a negative R\$30.2 million in 3Q15 to a negative R\$9.4 million in 3Q16. These two lines mostly reflect the recognition of type 4131 loans which, despite being protected against FX risk, are recorded under mark to market criteria and are therefore subject to oscillations in the interest curve in Reais and Dollars.

The year-to-date financial result was negative by R\$48.2 million, a 52.7% improvement over 9M15, also due to the net FX variation impact on financial instruments, which generated revenue of R\$11.8 million in 9M16 and an expense of R\$56.8 million in the same period last year.

## INCOME TAX AND SOCIAL CONTRIBUTION

Income Tax (R\$ million)	Accounting (Delfin as of 03/10/2016)						Pro Forma (Delfin as of 01/01/2015)					
	3Q16	3Q15	YoY	9M16	9M15	YoY	3Q16	3Q15	YoY	9M16	9M15	YoY
Profit before income tax (LAIR)	10.7	-21.4	N/A	29.9	-23.4	N/A	10.7	-21.1	N/A	26.3	-16.3	N/A
Income Tax and Social Contribution, Current and Deferred	-6.0	-8.4	-28.3%	-21.0	-17.5	20.2%	-6.0	-8.8	-31.9%	-20.9	-19.6	6.8%
Current Income Tax and Social Contribution	-4.2	-8.4	-49.6%	-21.1	-20.3	4.0%	-4.2	-8.8	-52.2%	-21.0	-22.4	-6.2%
Deferred Income Tax and Social Contribution	-1.8	0.0		0.1	2.8	-97.9%	-1.8	0.0		0.1	2.8	-97.9%

Income and social contribution taxes totaled R\$6 million in 3Q16, down by 28.3% (-31.9% pro forma) and R\$21 million in 9M16, up by 20.2% (+6.8% pro forma).

The effective accounting income tax rate (considering the Company's subsidiaries only) was 15.4% in 3Q16 (also 15.4% pro forma) and 20.6% in the first nine months (21.2% pro forma).

## NET INCOME (LOSS)

Net Income (R\$ Million)	Accounting (Delfin as of 03/10/2016)						Pro Forma (Delfin as of 01/01/2015)					
	3Q16	3Q15	YoY	9M16	9M15	YoY	3Q16	3Q15	YoY	9M16	9M15	YoY
Net Income	4.7	-29.7	N/A	8.8	-40.9	N/A	4.7	-29.9	N/A	5.3	-35.9	N/A
Net Margin	1.8%	-16.1%	1790 bps	1.3%	-7.9%	918 bps	1.8%	-13.8%	1563 bps	0.7%	-5.9%	665 bps
Adjustments <sup>1</sup>	9.5	-1.2	N/A	22.9	-8.0	N/A	9.5	-1.2	N/A	25.7	-8.0	N/A
<b>Recurring Net Income<sup>1</sup></b>	<b>14.1</b>	<b>-30.9</b>	<b>N/A</b>	<b>31.7</b>	<b>-49.0</b>	<b>N/A</b>	<b>14.1</b>	<b>-31.1</b>	<b>N/A</b>	<b>31.0</b>	<b>-44.0</b>	<b>N/A</b>
Fx variation with derivative financial instruments	9.4	30.2	-68.8%	-11.8	56.8	N/A	9.4	30.2	220.7%	-11.8	56.8	N/A
<b>Recurring Net Income Adjusted to FX variation<sup>1</sup></b>	<b>23.5</b>	<b>-0.7</b>	<b>N/A</b>	<b>20.0</b>	<b>7.8</b>	<b>156.0%</b>	<b>23.5</b>	<b>-0.9</b>	<b>N/A</b>	<b>19.3</b>	<b>12.8</b>	<b>50.4%</b>

The Company reported accounting net income of R\$4.7 million in 3Q16, versus a net loss of R\$29.7 million in the same period last year. If we consider the same EBITDA adjustments (except for write-down of parts), recurring net income would be R\$14.1 million in 3Q16 versus a loss of R\$30.9 million. Excluding the net FX variation of financial instruments, recurring net income would be R\$23.5 million in the same period.

This change is primarily due to (i) period EBITDA growth (leveraged by the acquisition of Delfin Imagem and (ii) the improved financial result.

In the first nine months, Alliar posted accounting net income of R\$8.8 million, reversing the net loss of R\$40.9 million registered in 9M15. If we consider the same EBITDA adjustments (except for write-down of parts), recurring net income would be R\$31.7 million in 9M16 versus a loss of R\$49.0 million. Excluding the net FX variation of financial instruments, recurring net income would be R\$20.0 million in the same period.

## ACCOUNTS RECEIVABLE

Accounts Receivable R\$ million	9M16	12M15	Var
<b>Gross Total</b>	<b>276.8</b>	<b>180.6</b>	<b>53.3%</b>
Provision for disallowance debt	-43.8	-25.0	75.0%
<b>Net Total</b>	<b>233.0</b>	<b>155.6</b>	<b>49.8%</b>
Falling due	204.9	137.1	49.5%
Overdue	71.9	43.6	65.0%
Overdue (Net of PDA)	28.1	18.5	51.6%
<b>Accounts Receivable Days</b>	<b>78</b>	<b>76</b>	<b>3.0%</b>

On September 30, 2016, accounts receivable net of PDA totaled R\$233.0 million, 49.8% up on the R\$155.6 million recorded on December 31, 2015 chiefly due to the acquisition of Delfin. Additionally, accounts receivable increase is due to: (i) sales growth; and (ii) the strong seasonality of the 3<sup>rd</sup> quarter.



## DEBT

Debt (Financing and Debentures) R\$ million	9M16	6M16	12M15	QoQ	Var
Loans, financing and debentures	552.3	505.7	465.4	9.2%	18.7%
Derivative financial statements	36.2	43.7	-29.3	-17.0%	N/A
Current debt	213.6	167.9	71.4	27.3%	199.3%
Non-current debt	374.9	381.5	364.7	-1.7%	2.8%
Total debt	588.5	549.4	436.1	7.1%	34.9%
Cash and cash-equivalent	50.2	37.4	28.4	34.0%	77.0%
Net debt	538.4	511.9	407.8	5.2%	32.0%
Net debt/ Adjusted EBITDA (LTM)	2.68 x	2.73 x	2.70 x	-0.04 x	0.03 x

On September 30, 2016, the Company's net debt stood at R\$538.4 million, versus R\$407.8 million at the close of 2015. The acquisition of Delfin Imagem increased net debt by R\$50.3 million, resulting from: (i) R\$30.0 million debenture balance; (ii) R\$30.0 million in bank debt for working capital and the financing of equipment purchases, and (iii) R\$9.7 million increase in the cash position. Excluding this effect, net debt recorded a year-on-year upturn of 19.7%.

Most of the foreign exchange variations refer to the so-called 4131 loans (from foreign lenders to Brazilian borrowers), which are hedged by the lending bank. Only 13% of total debt is exposed to FX variation.

The average term is currently 2.8 years (63.7% of gross debt is long-term) and the average weighted cost for debt in BRL is the CDI interbank rate + 2.69% and the average cost for debt in USD is the Libor + 3.7%.

The Company has a pre-approved credit line with the BNDES totaling up to R\$150 million to be used in investments in organic expansion over the next two years (installation of new equipment and the opening of new PSCs). Up to 3Q16, the Company hadn't used this credit line.

## CASH FLOW

Cash Flow R\$ Million	9M16	9M15
<b>Net Income</b>	<b>8.8</b>	<b>-40.9</b>
Net Income before Non-Cash Effects <sup>1</sup>	146.3	107.9
Working Capital	-72.2	-45.4
<b>Operating Cash Flow</b>	<b>74.2</b>	<b>62.5</b>
Investing Activities <sup>2</sup>	-65.5	-71.4
Investments	-53.3	-74.9
Financial Asset <sup>2</sup>	-23.5	-2.0
Securities	10.4	5.5
Acquisitions	0.9	0.0
Financing Activities	14.1	-12.4
Cash Increase (reduction)	22.8	-21.3
Non-recurring Effects <sup>3</sup>	11.2	4.0
<b>Recurring Operating Cash Flow</b>	<b>85.4</b>	<b>66.5</b>
<b>Conversion (Recurring Operating Cash Flow/Adjusted EBITDA)</b>	<b>56%</b>	<b>61%</b>

<sup>1</sup> Including dividends received from Hospital da Bahia (operating unit)

<sup>2</sup> Including Financial Asset: PPP Bahia Capex

<sup>3</sup> Non-recurring effects: IPO expenses of R\$2.9M and the same adjustments used for EBITDA (M&A expenses R\$6.5M, Consulting and Advisory Services R\$ 1.0M, Restructuring/Integration R\$0.7 m)

Recurring operating cash flow totaled R\$85.4 million in 9M16, up by 28.5% YoY.

Third-quarter investments came to R\$65.5 million, R\$24.3 million of which related to replacement parts for diagnostic imaging equipment. Recurring operating cash flow after maintenance CAPEX totaled R\$61.1 million.

The recurring operating cash to Adjusted EBITDA conversion was 56% in 9M16

## BALANCE SHEETS AT SEPTEMBER 30, 2016 AND DECEMBER 31, 2015

(R\$ thousand)

ASSETS	Note	Consolidated		LIABILITIES AND EQUITY	Note	Consolidated	
		9/30/2016	12/31/2015			9/30/2016	12/31/2015
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
Cash and cash equivalents	4	44,720	21,920	Trade payables	13	62,745	51,108
Securities	5	1,856	3,672	Payroll and benefits	14	50,017	28,209
Accounts receivable	6	233,011	155,592	Borrowings and financing	15	190,557	79,654
Inventories		6,423	4,203	Derivative financial instruments	25	23,076	-
Financial assets	9	7,543	2,806	Tax obligations		33,363	16,263
Derivative financial instruments	25	-	8,270	Tax installment payments	16	2,583	1,256
Taxes recoverable	7	27,068	13,217	Accounts payable - acquisition of companies	17	7,081	4,354
Other accounts receivable		26,697	6,246	Other accounts payable		27,380	6,133
Total current assets		<u>347,318</u>	<u>215,926</u>	Total current liabilities		<u>396,802</u>	<u>186,977</u>
<b>NONCURRENT ASSETS</b>				<b>NONCURRENT LIABILITIES</b>			
Securities	5	3,600	2,763	Borrowings and financing	15	361,744	385,790
Escrow deposits		22,696	15,149	Derivative financial instruments	25	13,155	-
Contingency reimbursement guarante	8	143,279	158,041	Related parties	24	-	-
Related parties	24	1,525	-	Tax installment payments	16	8,438	7,177
Deferred income and social contributic	23	43,006	50,182	Accounts payable - acquisition of companies	17	37,475	29,456
Other accounts receivable		9,909	8,039	Provision for losses in subsidiaries	10	-	-
Financial assets	9	34,474	13,254	Provision for legal contingencies	18	188,401	178,570
Derivative financial instruments	25	-	21,050	Other accounts payable		7,586	15,382
Investments	10	5,246	-	Total noncurrent liabilities	0	<u>616,799</u>	<u>616,375</u>
Property and equipment	11	466,156	411,211	<b>EQUITY</b>			
Intangible assets	12	856,966	640,737	Capital stock	19	324,365	299,249
Total noncurrent assets		<u>1,586,857</u>	<u>1,320,426</u>	Capital stock to be paid in	19	(1,517)	(1,201)
<b>TOTAL ASSETS</b>				Capital reserves	19	616,342	474,590
		<u>1,934,175</u>	<u>1,536,352</u>	Treasury shares	19	(24,555)	(23,897)
				Accumulated losses		(33,943)	(32,664)
				Controlling shareholders' equity	0	880,692	716,077
				Minority interest		39,882	16,923
				Total equity	0	920,574	733,000
				<b>TOTAL LIABILITIES AND EQUITY</b>			
					0	<u>1,934,175</u>	<u>1,536,352</u>

## INTERIM INCOME STATEMENTS FOR THE QUARTERS AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2016 AND 2015 - ACCOUNTING

(R\$ thousand, except for earnings per share)

	Consolidated - Accounting			
	30/09/2016	30/09/2016	30/09/2015	30/09/2015
	Quarter	Nine Months	Quarter	Nine Months
NET SERVICE REVENUE	253,736	692,494	185,029	517,809
Cost of services	(150,291)	(420,940)	(108,379)	(316,117)
GROSS PROFIT	103,445	271,554	76,650	201,692
OPERATING (EXPENSES) INCOME				
General and administrative expenses	(64,233)	(179,878)	(49,254)	(124,594)
Other (expenses) income, net	(11,564)	(20,887)	(379)	1,326
Equity in the earnings (loss) of subsidiaries	3,554	7,291	-	-
OPERATING INCOME BEFORE FINANCIAL RESULT	31,202	78,080	27,017	78,424
FINANCIAL RESULT	(20,528)	(48,214)	(48,368)	(101,835)
OPERATING INCOME (LOSS) BEFORE INCOME AND SOCIAL CONTRIBUTION	10,674	29,866	(21,351)	(23,411)
CURRENT AND DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES	(6,006)	(21,033)	(8,372)	(17,504)
NET INCOME (LOSS) FOR THE PERIOD	4,668	8,833	(29,723)	(40,915)
ATTRIBUTABLE TO CONTROLLING SHAREHOLDERS	533	(1,279)	(29,440)	(41,468)
ATTRIBUTABLE TO MINORITY INTEREST	4,135	10,112	(283)	553

## INTERIM INCOME STATEMENTS FOR THE QUARTERS AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2016 AND 2015 – PRO FORMA

(R\$ thousand, except for earnings per share)

	Consolidated - Pro Forma			
	9/30/2016	9/30/2016	9/30/2016	9/30/2016
	Quarter	Nine Months	Quarter	Nine Months
NET SERVICE REVENUE	253,736	713,789	216,745	608,154
Cost of services	(150,291)	(434,338)	(125,943)	(363,882)
GROSS PROFIT	103,445	279,451	90,802	244,273
OPERATING (EXPENSES) INCOME				
General and administrative expenses	(64,233)	(189,106)	(61,372)	(158,394)
Other (expenses) income, net	(11,564)	(23,207)	(367)	1,361
Equity in the earnings (loss) of subsidiaries	3,554	8,713	2,314	6,456
OPERATING INCOME BEFORE FINANCIAL RESULT	31,202	75,851	31,378	93,695
FINANCIAL RESULT	(20,528)	(49,597)	(52,439)	(110,011)
OPERATING INCOME (LOSS) BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES	10,674	26,254	(21,062)	(16,316)
CURRENT AND DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES	(6,006)	(20,920)	(8,823)	(19,593)
NET INCOME (LOSS) FOR THE PERIOD	4,668	5,333	(29,885)	(35,909)

## INTERIM STATEMENTS OF CASH FLOW FOR THE-NINE MONTH PERIODS ENDED SEPTEMBER 30, 2016 AND 2015 (R\$ thousand)

	Company		Consolidated	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income (loss) for the period	(1,279)	(40,548)	8,833	(40,915)
Adjustments to reconcile net income (loss) for the period to net cash generated from (used in) operating activities:				
Depreciation and amortization	6,974	5,038	38,327	28,533
Granted options recognized	(2,910)	-	6,113	870
Residual cost from property and equipment written-down	4,910	990	26,170	5,093
Financial charges	(34,173)	81,409	(34,437)	131,051
Result from derivative financial instruments	65,551	-	76,124	(30,919)
Equity in the earnings (loss) of subsidiaries	(71,201)	(36,615)	(7,291)	-
Loss from disproportionate dividends	14,457	11,107	-	-
Provision for doubtful accounts	450	491	8,731	7,124
Provision for civil, labor and tax contingencies	-	77	-	-
Income and social contribution taxes	-	(2,473)	21,033	17,504
Provision for Attorneys' Fees	(1,839)	-	-	-
Reversal of accounts payable from acquisition of companies	-	(10,489)	-	(10,489)
<b>Cash from Operations</b>	<b>(19,060)</b>	<b>8,987</b>	<b>143,603</b>	<b>107,852</b>
Decrease (increase) in operating assets:	0	-	-	-
Decrease (increase) in customers	(2,808)	(1,389)	(58,023)	(35,975)
Decrease (increase) in inventory	253	366	(1,540)	(717)
Other assets	(10,047)	5,485	(12,313)	(1,350)
Financial assets	-	-	(25,956)	(1,955)
Decrease (increase) in recoverable taxes	(3,215)	-	(5,960)	(6,250)
Decrease (increase) in escrow deposits	(418)	-	264	(960)
Decrease (increase) in unrealized contingencies	(3,880)	-	-	86
Decrease (increase) in operating liabilities:	-	-	-	-
Trade payables	2,477	(1,004)	8,435	(579)
Payroll and benefits	4,809	444	16,389	8,879
Tax obligations and tax installment payments	1,572	(1,780)	8,988	(733)
Other liabilities	15,214	(5,840)	28,978	(5,966)
Income and social contribution taxes paid	-	-	(4,344)	(1,799)
Net cash deriving from (used in) operating activities	(15,103)	5,269	98,521	60,533
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Financial investments, net	-	4,669	10,639	5,474
(Increase) decrease in financial assets	-	-	-	-
Acquisition of subsidiary, net of cash received	-	-	902	-
Related parties	(23,367)	(10,443)	(1,525)	-
Share buyback	(32,018)	-	(32,018)	-
Acquisition of investments	(33,944)	(14,818)	(2,884)	-
Receipts from related parties	-	25,447	-	1,494
Dividends received from subsidiaries	73,835	-	6,630	-
Purchase of property and equipment and intangible assets	(16,531)	(12,544)	(69,834)	(76,405)
Net cash used in (deriving from) investing activities	(32,025)	(7,689)	(88,090)	(69,437)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Capital increase	24,800	785	24,800	785
Treasury shares	(658)	(2,623)	(658)	(2,623)
Share issue expenditures	-	-	-	-
Capital reduction	-	(25,503)	-	(25,503)
Transactions with shareholders	-	-	8,853	7,587
Amounts from borrowings, net	123,033	113,320	142,684	117,249
Interest paid	(25,046)	(25,124)	(29,615)	(33,657)
Amortization of borrowings and financing	(62,655)	(64,161)	(86,127)	(76,272)
Net contribution from non-controlling shareholders	-	-	-	-
Net cash deriving from (used in) financing activities	59,474	(3,306)	59,937	(12,434)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>12,346</b>	<b>(5,725)</b>	<b>70,368</b>	<b>(21,338)</b>
<b>CASH AND CASH EQUIVALENTS</b>				
At the beginning of the period	673	6,019	21,920	42,209
At the end of the period	13,019	294	44,720	20,871
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>12,346</b>	<b>(5,725)</b>	<b>22,800</b>	<b>(21,338)</b>