Condensed Interim Financial Information (Unaudited)

Rede D'Or São Luiz S.A.

March 31, 2015
with Independent Auditors' Review Report

Rede D'Or São Luiz S.A.

Condensed interim financial information (unaudited)

March 31, 2015

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A free translation from Portuguese into English of Independent Auditors' Review Report on Individual and Consolidated Condensed Interim Financial Information prepared in Brazilian currency

Independent auditors' review report

The Shareholders, Board of Directors and Officers
Rede D'Or São Luiz S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated condensed interim financial information of Rede D'Or São Luiz S.A. ("Company") for the three-month period ended March 31, 2015, which comprise the balance sheet as at March 31, 2015, and the related condensed statements of income, of comprehensive income, of changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

Management's responsibility for the interim financial information

Management is responsible for the preparation and fair presentation of the individual and consolidated condensed interim financial information in accordance with CPC 21 (R1) - Interim Financial Reporting and with IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial 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 auditing standards 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.

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Conclusion

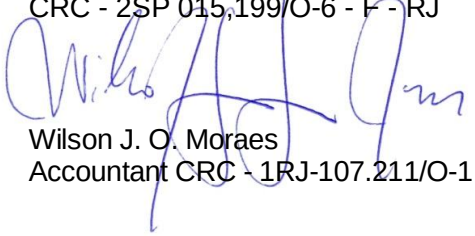
Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated condensed interim financial information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 (R1) and IAS 34.

Other matters - Statements of value added

We have also reviewed the individual and consolidated statements of value added for the three-month period ended March 31, 2015, prepared under management's responsibility, the presentation of which is required by the Brazilian Corporation Law for publicly-held companies, however not required for privately-held entities. These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they are not fairly prepared, in all material respects, in relation to the overall accompanying individual and consolidated condensed interim financial information.

Rio de Janeiro, May 29, 2015

ERNST & YOUNG
Auditores Independentes S/S
CRC - 2SP 015,199/O-6 - F - RJ



Wilson J. O. Moraes
Accountant CRC - 1RJ-107.211/O-1

Rede D'Or São Luiz S.A.

Condensed balance sheets
March 31, 2015 and December 31, 2014
(In thousands of reais)

		Company		Consolidated	
	Note	**03/31/2015**	**12/31/2014**	**03/31/2015**	**12/31/2014**
Assets					
Current assets					
Cash and cash equivalents	**4**	**43,895**	38,042	**66,709**	55,182
Marketable securities	**4**	**275,892**	619,703	**456,978**	848,646
Accounts receivable	**5**	**1,014,795**	973,368	**1,378,523**	1,267,239
Inventories	**6**	**75,186**	82,887	**105,931**	106,687
Taxes recoverable		**44,503**	36,063	**84,716**	64,384
Related parties	**7**	**20,418**	23,870	**8,462**	10,715
Dividends receivable		**27,977**	41,357	**-**	-
Receivables from disposal of properties	**11**	**73,926**	73,926	**73,926**	73,926
Other		**43,421**	34,201	**94,017**	66,903
Total current assets		**1,620,013**	1,923,417	**2,269,262**	2,493,682
Noncurrent assets					
Related parties	**7**	**476,876**	461,403	**102,413**	125,924
Marketable securities	**4**	**-**	-	**70,338**	68,658
Judicial deposits	**16**	**52,501**	50,752	**65,860**	61,184
Deferred income and social contribution taxes	**19**	**-**	-	**9,766**	8,864
Derivative financial instruments	**26**	**73,562**	28,861	**73,562**	28,861
Investments	**8**	**1,129,143**	585,774	**148,794**	157,806
Property and equipment	**9**	**1,464,753**	1,217,691	**1,818,293**	1,546,318
intangible assets	**10**	**1,564,729**	1,556,715	**2,332,841**	1,803,646
Other		**2,404**	2,403	**7,164**	2,754
Total noncurrent assets		**4,763,968**	3,903,599	**4,629,031**	3,804,015
Total assets		**6,383,981**	5,827,016	**6,898,293**	6,297,697

	Note	Company		Consolidated	
		03/31/2015	12/31/2014	03/31/2015	12/31/2014
Liabilities and equity					
Current liabilities					
Trade accounts payable		**160,317**	180,314	**257,258**	243,613
Loans and financing	**12**	**257,055**	21,185	**271,861**	23,665
Debentures	**13**	**144,985**	52,131	**241,854**	57,703
Salaries, provisions and social charges		**280,913**	250,503	**345,580**	299,208
Tax liabilities	**14**	**72,296**	68,597	**117,547**	99,359
Taxes paid in installments	**14**	**20,403**	20,082	**23,581**	22,021
Accounts payable for acquisitions	**15**	**219,811**	199,927	**219,811**	199,927
Dividends payable		**146,382**	156,028	**149,931**	159,578
Deferred gain on property disposal	**11**	**3,920**	3,920	**3,920**	3,920
Other		**56,946**	45,220	**92,302**	63,029
Total current liabilities		**1,363,028**	997,907	**1,723,645**	1,172,023
Noncurrent liabilities					
Loans and financing	**12**	**106,315**	76,063	**132,442**	80,514
Debentures	**13**	**2,630,543**	2,717,253	**2,838,988**	3,013,495
Related parties	**7**	**160,995**	30,610	**356**	1,205
Taxes paid in installments	**14**	**119,930**	122,671	**143,847**	148,511
Accounts payable for acquisitions	**15**	**41,357**	66,455	**41,357**	66,455
Deferred income and social contribution taxes	**19**	**64,536**	47,661	**91,502**	75,739
Provision for contingencies	**16**	**112,623**	116,777	**172,804**	135,747
Provision for losses on investments	**8**	**65,445**	64,495	**-**	5,560
Deferred gain on property disposal	**11**	**86,878**	87,956	**86,878**	87,956
Other		**41,006**	40,788	**44,067**	40,222
Total noncurrent liabilities		**3,429,628**	3,370,729	**3,552,241**	3,655,404
Equity	**18**				
Capital		**538,169**	452,530	**538,169**	452,530
Capital reserves		**263,764**	259,408	**263,764**	259,408
Treasury shares		**(176,940)**	(161,919)	**(176,940)**	(161,919)
Income reserves		**270,524**	304,137	**270,524**	304,137
Other reserves		**600,000**	600,000	**600,000**	600,000
Retained earnings		**91,584**	-	**91,584**	-
Total equity		**1,587,101**	1,454,156	**1,587,101**	1,454,156
Advance for future capital increase		**4,224**	4,224	**4,224**	4,224
Noncontrolling interests		**-**	-	**31,082**	11,890
Total equity		**1,591,325**	1,458,380	**1,622,407**	1,470,270
Total liabilities and equity		**6,383,981**	5,827,016	**6,898,293**	6,297,697

See accompanying notes.

Rede D'Or São Luiz S.A.

Condensed income statements
Three-month periods ended March 31, 2015 and 2014
(In thousands of reais)

	Note	Company		Consolidated	
		03/31/2015	03/31/2014	03/31/2015	03/31/2014
Net revenue	20	**1,011,633**	860,262	**1,341,703**	1,108,362
Cost of services rendered	21	**(773,987)**	(683,565)	**(1,074,066)**	(922,558)
Gross profit		**237,646**	176,697	**267,637**	185,804
General and administrative expenses	22	**(55,895)**	(55,168)	**(55,895)**	(54,730)
Equity pickup	8	**27,440**	4,522	**10,606**	4,388
Other operating income (expenses), net	23	**2,481**	(25,665)	**5,364**	(23,361)
Income (loss) before financial income (expenses) and income and social contribution taxes		**211,672**	100,386	**227,712**	112,101
Financial income	24	**59,720**	19,962	**65,886**	25,663
Financial expenses	24	**(162,933)**	(97,967)	**(173,795)**	(110,352)
Income before income and social contribution taxes		**108,459**	22,381	**119,803**	27,412
Income taxes	19	**(16,875)**	77	**(28,127)**	(4,458)
Net income for the period		**91,584**	22,458	**91,676**	22,954
Net income attributable to controlling shareholders		**91,584**	22,458	**91,584**	22,458
Net income attributable to noncontrolling shareholders		**-**	-	**92**	496
Basic earnings per share	25	**0.3025**	0.0876	**-**	-
Diluted earnings per share	25	**0.2272**	0.0853	**-**	-

See accompanying notes.

Rede D'Or São Luiz S.A.

Condensed statements of comprehensive income
Three-month periods ended March 31, 2015 and 2014
(In thousands of reais)

	Company		Consolidated	
	03/31/2015	**03/31/2014**	**03/31/2015**	**03/31/2014**
Net income for the period	**91,584**	22,458	**91,676**	22,954
Other comprehensive income	**-**	-	**-**	-
Total comprehensive income	**91,584**	22,458	**91,676**	22,954
Attributable to:				
Controlling shareholders	**91,584**	22,458	**91,584**	22,458
Noncontrolling shareholders	**-**	-	**92**	496

See accompanying notes.

Rede D'Or São Luiz S.A.

Condensed statements of changes in equity (unaudited)
Three-month periods ended March 31, 2015 and 2014
(In thousands of reais)

		Capital reserves				Income reserves							
Description	Capital	Goodwill reserve (issue of shares)	Goodwill on capital transactions	Share-based payment reserve	Treasury shares	Legal reserve	Investment reserve	Other reserves	Retained earnings	Total equity	Advance for future capital increase	Noncontrolling interests	Total
Balance at December 31, 2013	261,531	185,353	(52,416)	38,347	(157,117)	8,666	272,485	600,000	-	1,156,849	4,224	9,413	1,170,486
Net income for the period	-	-	-	-	-	-	-	-	22,458	22,458		496	22,954
Treasury shares	-	-	-	-	(1,502)	-	-	-	-	(1,502)			(1,502)
Share-based payment reserve	-	-	-	12,695	-	-	-	-	-	12,695			12,695
Balance at March 31, 2014	**261,531**	**185,353**	**(52,416)**	**51,042**	**(158,619)**	**8,666**	**272,485**	**600,000**	**22,458**	**1,190,500**	**4,224**	**9,909**	**1,204,633**
Balances at December 31, 2014	**452,530**	**246,114**	**(52,416)**	**65,710**	**(161,919)**	**8,666**	**295,471**	**600,000**	**-**	**1,454,156**	**4,224**	**11,890**	**1,470,270**
Capital increase (Note 18.a)	**85,639**	**-**	**-**	**-**	**-**	**-**	**(33,613)**	**-**	**-**	**52,026**	**-**	**-**	**52,026**
Acquisition of controlling interest in jointly-controlled subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**19,100**	**19,100**
Treasury shares	**-**	**-**	**-**	**-**	**(15,021)**	**-**	**-**	**-**	**-**	**(15,021)**	**-**	**-**	**(15,021)**
Net income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**91,584**	**91,584**	**-**	**92**	**91,676**
Share-based payment reserve	**-**	**-**	**-**	**4,356**	**-**	**-**	**-**	**-**	**-**	**4,356**	**-**	**-**	**4,356**
Balance at March 31, 2015	**538,169**	**246,114**	**(52,416)**	**70,066**	**(176,940)**	**8,666**	**261,858**	**600,000**	**91,584**	**1,587,101**	**4,224**	**31,082**	**1,622,407**

See accompanying notes.

Rede D'Or São Luiz S.A.

Condensed statements of cash flows (unaudited)
Three-month periods ended March 31, 2015 and 2014
(In thousands of reais, unless otherwise stated)

	Company		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Cash flows from operating activities				
Income before income and social contribution taxes	**108,459**	22,381	**119,803**	27,412
Adjustments to reconcile net income to cash provided by operating activities				
Depreciation and amortization	**24,798**	20,239	**31,749**	27,757
Gain on disposal of properties	**(951)**	-	**(1,078)**	-
Gain on acquisition in stages	**(24,073)**	-	**(24,073)**	-
Interest, monetary and foreign exchange gains (losses), net	**86,621**	63,614	**92,461**	70,185
Share-based payment	**4,356**	12,695	**4,356**	12,695
Provision for contingencies	**-**	237	**-**	(201)
Equity pickup	**(27,440)**	(4,522)	**(10,606)**	(4,388)
Allowance for disallowances	**37,610**	34,865	**54,703**	51,347
Allowance for doubtful accounts	**5,203**	5,647	**5,256**	5,647
(Increase) decrease in assets and increase (decrease) in liabilities				
Accounts receivable	**(84,240)**	(70,958)	**(133,419)**	(87,525)
Inventories	**7,701**	(6,282)	**8,593**	(9,318)
Taxes recoverable	**(8,440)**	(10,652)	**(18,501)**	(17,303)
Judicial deposits	**(1,749)**	(1,828)	**(4,522)**	(2,411)
Other assets	**3,184**	2,041	**(34,231)**	(1,160)
Trade accounts payable	**(19,997)**	(8,679)	**2,569**	(9,871)
Salaries and social charges	**30,410**	31,923	**35,791**	38,076
Tax liabilities	**3,699**	10,418	**14,810**	22,271
Taxes paid in installments	**(2,420)**	(3,120)	**(3,245)**	10,697
Related parties	**118,364**	(13,836)	**6,000**	4,388
Provision for contingencies	**(5,688)**	(4,943)	**(6,914)**	(4,880)
Other liabilities	**6,559**	39	**19,794**	(5,240)
	261,966	79,279	**159,296**	128,178
Interest payment	**(80,518)**	(52,329)	**(89,206)**	(59,867)
Payment of income and social contribution taxes	**-**	(54)	**-**	(6,878)
Net cash provided by operating activities	**181,448**	26,896	**70,090**	61,433
Cash flows from investing activities				
Dividends received	**-**	304	**-**	1,327
Acquisition of interest (net of cash acquired)	**(490,257)**	-	**(428,972)**	-
Additions to property and equipment	**(269,959)**	(67,639)	**(267,262)**	(73,663)
Additions to intangible assets	**(10,043)**	(1,034)	**(11,922)**	(20,631)
Marketable securities	**356,792**	14,935	**431,084**	(13,015)
Net cash used in investing activities	**(413,467)**	(53,434)	**(277,072)**	(105,982)
Cash flows from financing activities				
Capital increase	**52,026**	-	**52,026**	-
Treasury shares	**(15,021)**	(1,502)	**(15,021)**	(1,502)
Distribution of dividends and interest on equity	**(8,619)**	7,498	**(8,647)**	7,398
Loans and financing taken out	**216,849**	-	**216,849**	-
Payment of debentures	**(1,449)**	(1,449)	**(5,266)**	(6,449)
Accounts payable for acquisitions	**(5,914)**	(4,627)	**(5,544)**	(4,627)
Payment of loans and financing	**-**	(10,915)	**(15,888)**	(13,597)
Cash provided by (used in) financing activities	**237,872**	(10,995)	**218,509**	(18,777)
Decrease in cash and cash equivalents	**5,853**	(37,533)	**11,527**	(63,326)
Cash and cash equivalents at beginning of period	**38,042**	57,788	**55,182**	89,522
Cash and cash equivalents at end of period	**43,895**	20,255	**66,709**	26,196

See accompanying notes.

Rede D'Or São Luiz S.A.

Statements of value added
Three-month periods ended March 31, 2015 and 2014
(In thousands of reais, unless otherwise stated)

	Company		Consolidated	
	03/31/2015	**03/31/2014**	**03/31/2015**	**03/31/2014**
Revenue	**1,069,634**	918,744	**1,424,052**	1,183,699
Sales of goods, products and services	**1,113,427**	959,256	**1,484,991**	1,240,693
Allowance for disallowances and doubtful accounts	**(42,813)**	(40,512)	**(59,959)**	(56,994)
Other revenues	**(980)**	-	**(980)**	-
Inputs acquired from third parties	**(380,697)**	(354,529)	**(538,949)**	(486,819)
Cost of services sold	**(374,245)**	(315,147)	**(535,380)**	(450,179)
Materials, electricity, third-party services and other	**(6,452)**	(39,145)	**(3,569)**	(36,841)
Loss/recovery of asset values	**-**	(237)	**-**	201
Gross value added	**688,937**	564,215	**885,103**	696,880
Depreciation and amortization	**(24,798)**	(20,239)	**(31,749)**	(27,757)
Value added, net	**664,139**	543,976	**853,354**	669,123
Value added received in transfer	**87,160**	24,484	**76,492**	30,051
Equity pickup	**27,440**	4,522	**10,606**	4,388
Financial income	**59,720**	19,962	**65,886**	25,663
Total value added	**751,299**	568,460	**929,846**	699,174
Distribution of value added	**(751,299)**	(568,460)	**(929,846)**	(699,174)
Personnel and charges	**(348,548)**	(327,068)	**(463,481)**	(410,960)
Taxes, charges and contributions	**(81,059)**	(54,752)	**(115,985)**	(76,140)
Interest, rents and other operating expenses	**(230,100)**	(155,534)	**(258,696)**	(180,473)
Dividends and interest on equity	**(8)**	(8,648)	**(8)**	(8,648)
Retained profits	**(91,584)**	(22,458)	**(91,676)**	(22,953)

See accompanying notes.

Rede D'Or São Luiz S.A.

Notes to condensed interim financial information
March 31, 2015
(In thousands of reais, unless otherwise stated)

1. Operations

Rede D'Or São Luiz S.A. ("Company" and jointly with the subsidiaries "Rede D'Or" or "Group"), formerly named Hospital Maternidade São Luiz S.A., headquartered at Rua Francisco Marengo, 1312 - São Paulo - SP, is engaged in the rendering of hospital services, offering assistance and hospitality concepts, creating medical and diagnostic excellence centers and generating medical knowledge and experience that ensure safety to customers, either doctors, patients or health plans.

Operating in the States of Rio de Janeiro, São Paulo, Pernambuco and Brasília, the Group operates with 25 own hospitals, in addition to 1 hospital under management and 3 under construction, as well as oncology and radiotherapy clinics.

In the first quarter of 2015, Rede D'Or acquired all units of interest/shares of Hospital Villa-Lobos Ltda., which is the owner of Hospital Villa-Lobos, and Sino Brasileiro Serviços Hospitalares S.A., owner of Hospital e Maternidade Sino Brasileiro, both located in the city of São Paulo. In the same period, the Company acquired additional 50% interest in Hospital Fluminense S.A. and 23.5% interest in Cardial Serviços Médicos S.A. Onco ABC Serviços Médicos S.A. and JLD Borducchi S.A. and started to hold control over these companies.

2. Basis of preparation and presentation and significant accounting practices

The accompanying consolidated condensed interim financial information was prepared in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting.

The accounting practices used in this individual and consolidated interim financial information are consistent with those presented in the annual financial statements at December 31, 2014.

2. Basis of preparation and presentation and significant accounting practices (Continued)

P&L for the three-month period ended March 31, 2015 does not necessarily indicate the P&L expected for the entire year ending December 31, 2015. The condensed interim financial information and related notes do not include all the information and disclosures required for the annual financial statements. Therefore, this condensed interim financial information shall be read jointly with the audited annual financial statements as of December 31, 2014.

The preparation of the Company's financial information in accordance with accounting practices adopted in Brazil requires management to use professional judgment and estimates and adopt assumptions that affect the amounts presented in revenues, expenses, assets and liabilities reported in the interim financial information and the corresponding notes. Significant items subject to these estimates and assumptions include the economic useful life and net book value of property and equipment, recoverability of assets, provision for contingencies and fair value of financial instruments, among others. The use of estimates and judgments is complex and considers various assumptions and future projections and, thus, settlement of transactions may result in amounts different from those estimated. The Company reviews its estimates and assumptions at least on an annual basis.

Authorization to conclude the preparation of this financial information was provided by Company management on May 29, 2015.

2. Basis of preparation and presentation and significant accounting practices (Continued)

The financial statements of Rede D'Or comprise the following entities:

	Interest held (%)			
	03/31/2015		12/31/2014	
	Direct	Indirect	Direct	Indirect
Company - Rede D'Or São Luiz S.A. (a)				
Fully consolidated entities				
Medise Medicina Diagnóstico e Serviços S.A. ("Medise")	**95.52**	**-**	95.52	-
Rodin Empreendimentos e Participações S.A.	**100.00**	**-**	100.00	-
Hospital Esperança S.A. ("Esperança")	**100.00**	**-**	100.00	-
Mais-Multi Assistência Incorporada a Saúde Ltda ("Hospital São Marcos")	**100.00**	**-**	100.00	-
Rede D'Or São Luiz Serviços Médicos S.A.	**100.00**	**-**	100.00	-
Advance Plano de Saúde S.A.	**100.00**	**-**	100.00	-
São Luiz Assistência Médica Ambulatorial Ltda.	**100.00**	**-**	100.00	-
Hospital Norte D'Or de Cascadura S.A ("Norte D'Or")	**70.00**	**-**	70.00	-
PMJ Empreendimentos Imobiliários S.A	**100.00**	**-**	100.00	-
Quinta Empreendimentos Imobiliários Ltda.	**100.00**	**-**	100.00	-
Onco D'Or Oncologia S.A.	**100.00**	**-**	100.00	-
Esperança Serviços Médicos e de Diagnósticos S.A.	**100.00**		100.00	
Centro Diagnóstico NSL S.A.	**100.00**	**-**	100.00	-
Maxclínicas Clínicas e Diagnósticos Ltda.	**100.00**	**-**	100.00	-
Diagno São Marcos Ltda.	**100.00**	**-**	100.00	-
Diagnolab Exames Complementares Ltda	**100.00**	**-**	100.00	-
Centro Hospitalar São Marcos S.A.	**100.00**	**-**	100.00	-
Instituto Oncológico de Pernambuco Ltda. ("IOPE")	**100.00**	**-**	100.00	-
Santa Luzia Assistência Médica Ltda. ("SLAM")	**100.00**	**-**	100.00	-
Hospital IFOR S.A. ("IFOR")	**100.00**	**-**	100.00	-
Hospital Fluminense S.A.	**100.00**	**-**	-	-
Onco ABC Serviços Médicos Ltda.	**73.50**	**-**	-	-
JLD Borducchi Ltda.	**73.50**	**-**	-	-
Cardial Serviços Médicos Ltda.	**73.50**	**-**	-	-
ONCORAD - Serviços de Radioterapia Ltda.	**-**	**73.49**		
Hospital Villa-Lobos Ltda.	**100.00**	**-**	-	-
Sino Brasileiro Serviços Hospitalares S.A.	**100.00**	**-**	-	-
Entities consolidated by the equity method (b)				
Hospital Fluminense S.A. (c)	**-**	**-**	50.00	-
Acreditar Oncologia S.A.	**-**	**50.00**	-	50.00
Centro Oncológico do Vale Ltda.	**-**	**50.00**	-	50.00
Instituto de Radioterapia do Vale do Paraíba Ltda.	**-**	**50.00**	-	50.00
Clínica de Oncologia Dr. Paulo Emilio Pinto Ltda.	**-**	**50.00**	-	50.00
Onco ABC Serviços Médicos Ltda. (c)	**-**	**-**	50.00	-
JLD Borducchi Ltda. (c)	**-**	**-**	50.00	-
Cardial Serviços Médicos S.A. (c)	**-**	**-**	50.00	-
ONCORAD - Serviços de Radioterapia Ltda. (c)	**-**	**-**	-	50.00
Oncoholding Participações S.A.	**-**	**50.00**	-	50.00
Oncologia D'Or S.A.	**-**	**44.76**	-	44.76
JMJB Diagnósticos e Serviços Hospitalares S.A.	**50.00**	**-**	50.00	-
J Badim S.A. ("Hospital Badim")	**-**	**50.00**	-	50.00
Rede Lav Lavanderia Industrial Hospitalar Ltda. (d)	**-**	**-**	-	50.00
JR Bayão Locação de Equipamentos Médicos Ltda. (d)	**-**	**-**	-	50.00
EAH Administração Hospitalar Ltda.	**-**	**50.00**	-	50.00
Prontimagem Serviços Médicos Ltda.	**55.00**	**-**	55.00	-
Unidade de Radiologia Clínica Ltda. ("URC")	**72.00**	**-**	72.00	-
Instituto de Ultrasonografia Médica Ltda. (" IUSM")	**72.00**	**-**	72.00	-
Laboratório Análises Clínicas – Labvivalle Ltda.	**51.00**	**-**	51.00	-
Lithocenter S.A.	**45.90**	**-**	45.90	-

(a) This includes hospitals São Luiz Itaim, São Luiz Morumbi, São Luiz Anália Franco, Copa D'Or, Quinta D'Or, Caxias D'Or, Brasil, Assunção, Prontolinda, Joari, Realcordis, HGB, HCB, Rio de Janeiro, Vivalle, Hospital Santa Luzia, Hospital do Coração, Sinisgalli, Hospital Nossa Senhora de Lourdes and Hospital da Criança.

(b) Jointly-controlled companies recognized by the equity method.

(c) Interest acquired in the first quarter of 2015, as described in Note 3.

(d) Investment spun off and transferred to third parties at book value or terminated company.

3. Business combination

Acquisitions in 2015

Hospital Fluminense S.A.

On February 1, 2015, the Group acquired 700,000 shares of Hospital Fluminense S.A., corresponding to the remaining 50% of its capital, a privately-held company operating Niterói D'Or hospital, located in the city of Niterói, state of Rio de Janeiro.

The total consideration transferred amounted to R$700, divided into four (4) consecutive monthly installments.

As provided for by accounting pronouncement CPC 15 – Business combinations, the Company assessed its prior shareholding interest at fair value and recorded the corresponding gain on the controlling interest acquisition date, as follows:

	On the acquisition date
Prior shareholding interest at fair value	**700**
Prior shareholding interest at book value (50%)	**(4,542)**
Gain on phased business combination	**5,242**
Deferred income and social contribution taxes	**1,782**
Net gain on phased business combination	**3,460**

P&L presented above was classified under Other operating income in the income statement at March 31, 2015.

The Group is evaluating the assets acquired and liabilities assumed at their fair values; therefore, the effects recorded are preliminary. To date, assets or liabilities recorded at amounts different from book values have not been identified; as a result, determination of goodwill was as follows:

	On the acquisition date
Fair value of 50% of acquired net assets at the date of obtaining of control	**700**
Fair value of acquired shareholding interest	**700**
Net assets at book value	**(11,028)**
Goodwill on acquisition	**12,428**

3. Business combination (Continued)

Acquisitions in 2015 (Continued)

Hospital Fluminense S.A. (Continued)

In the first half of 2015, management will complete the analyses of the assets acquired and the liabilities assumed and will make adjustments, if any, as required by IFRS 3/CPC 15.

As from the acquisition date, Hospital Fluminense S.A. contributed to the Group with revenues of R$5,157 and income before taxes of R$278. Had the business combination occurred at the beginning of the year, Hospital Fluminense S.A. would have contributed to the Group with revenues of R$15,235 and income before taxes of R$1,617.

Cardial Serviços Médicos S.A./Onco ABC Serviços Médicos S.A./JLD Borducchi S.A.

At March 31, 2015, the Group acquired 23.5% more shareholding interest of the privately-held companies Cardial Serviços Médicos S.A. ("Cardial"), Onco ABC Serviços Médicos S.A. ("Onco ABC") and JLD Borducchi S.A. ("JLD" and, jointly with Cardial and Onco ABC, "Companies"). Thus, the Group has 73.5% shareholding interest in these Companies' capital. The Companies operate an oncology clinic located in São Paulo.

The total consideration transferred amounted to R$16,939, fully paid on the transaction date.

3. Business combination (Continued)

Acquisitions in 2015 (Continued)

Cardial Serviços Médicos S.A./Onco ABC Serviços Médicos S.A./JLD Borducchi S.A.
--(Continued)

As provided for by accounting pronouncement CPC 15 – Business combinations, the Company assessed its prior shareholding interest at fair value and recorded the corresponding gain on the controlling interest acquisition date, as follows:

	On the acquisition date
Prior shareholding interest at fair value	**36,040**
Prior shareholding interest at book value (50%)	**17,209**
Gain on phased business combination	**18,831**
Deferred income and social contribution tax liabilities	**6,403**
Net gain on business combination in stages	**12,428**

The P&L presented above was classified under Other operating income in the income statement at March 31, 2015.

The Group is evaluating the assets acquired and liabilities assumed at their fair values; therefore, the effects recorded are preliminary. To date, assets or liabilities recorded at amounts different from book values have not been identified; as a result, determination of goodwill was as follows:

	On the acquisition date
Fair value of 50% of acquired net assets at the date of obtaining of control	**36,040**
Fair value of acquired shareholding interest	**16,939**
Fair value of noncontrolling interest	**19,101**
	72,080
Net assets at book value	**19,794**
Goodwill on acquisition	**52,286**

3. Business combination (Continued)

Acquisitions in 2015 (Continued)

Cardial Serviços Médicos S.A./Onco ABC Serviços Médicos S.A./JLD Borducchi S.A.
--(Continued)

In the first half of 2015, management will complete the analyses of the assets acquired and the liabilities assumed and will make adjustments, if any, as required by IFRS 3/CPC 15.

Had the business combination occurred at the beginning of the year, the Companies would have contributed to the Group with revenues of R$8,571 and income before taxes of R$989.

Hospital Villa-Lobos Ltda.

On February 12, 2015, the Group acquired all the units of interest of Hospital Villa-Lobos Ltda. ("Villa-Lobos"), a privately-held company that operates a hospital in São Paulo.

Total consideration transferred amounted to R$127,402, fully paid on the transaction date.

The Group is evaluating the assets acquired and liabilities assumed at their fair values; therefore, the effects recorded are preliminary. To date, assets or liabilities recorded at amounts different from book values have not been identified; as a result, determination of goodwill was as follows:

	On the acquisition date
Capital deficiency assumed	**38,460**
Consideration transferred	**127,402**
Goodwill on acquisition	**165,862**

In the second half of 2015, management will complete the analyses of the assets acquired and the liabilities assumed and will make adjustments, if any, as required by IFRS 3/CPC 15.

As from the acquisition date, Villa-Lobos contributed to the Group with revenues of R$20,704, and income before taxes of R$4,969. Had the business combination occurred at the beginning of the year, Villa-Lobos would have contributed to the Group with revenues of R$31,765 and income before taxes of R$2,266.

3. Business combination (Continued)

Acquisitions in 2015 (Continued)

Sino Brasileiro Serviços Hospitalares S.A.

On February 13, 2015, the Group acquired all shares of Sino Brasileiro Serviços Hospitalares S.A. ("Sino Brasileiro"), a privately-held company operating a hospital in the city of Osasco.

The total consideration transferred amounted to R$345,916, fully paid on the transaction date.

The Group is evaluating the assets acquired and liabilities assumed at their fair values; therefore, the effects recorded are preliminary. To date, assets or liabilities recorded at amounts different from book values have not been identified; as a result, determination of goodwill was as follows:

	On the acquisition date
Net assets acquired at book value	**55,630**
Consideration transferred	**345,916**
Goodwill on acquisition	**290,286**

In the second half of 2015, management will complete the analyses of the assets acquired and the liabilities assumed and will make adjustments, if any, as required by IFRS 3/CPC 15.

As from the acquisition date, Sino Brasileiro contributed to the Group with revenues of R$17,466 and income before taxes of R$4,405. Had the business combination occurred at the beginning of the year, Sino Brasileiro would have contributed to the Group with revenues of R$30,627, and income before taxes of R$9,109.

3. Business combination (Continued)

Acquisitions in 2014 (Continued)

Hospital IFOR S.A.

On October 9, 2014, the Group acquired all of the shares in Hospital IFOR S.A. ("IFOR"), a privately-held company operating a hospital in São Bernardo do Campo.

Total consideration transferred amounted to R$84,699, including R$76,699 paid on the acquisition date and R$8,000 to be paid in 72 months, depending on existing pre-acquisition contingencies.

There were no changes in goodwill initially allocated upon completion of the analyses of this business combination in the first quarter of 2015, as shown below:

	On the acquisition date
Net assets acquired at book value	**(2,163)**
Fair value adjustments	
Property and equipment	**1,127**
Other	**11**
Net assets at fair value	**(1,025)**
Consideration transferred	**84,699**
Goodwill on acquisition	**85,724**

4. Cash and cash equivalents and marketable securities

	Company		**Consolidated**	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Cash and cash equivalents				
Cash and banks	**34,191**	35,791	**47,178**	42,656
Short-term investments	**9,704**	2,251	**19,531**	12,526
	43,895	38,042	**66,709**	55,182
Marketable securities				
Non-exclusive investment funds	**110,905**	355,131	**179,942**	499,637
Repurchase agreements	**59,800**	181,095	**99,024**	230,001
Bank Deposit Certificates (CDBs)	**105,187**	83,477	**178,012**	119,008
Guarantee bank deposit	**-**	-	**70,338**	68,658
Marketable securities	**275,892**	619,703	**527,316**	917,304
Current	**275,892**	619,703	**456,978**	848,646
Noncurrent	**-**	-	**70,338**	68,658

4. Cash and cash equivalents and marketable securities (Continued)

Short-term investments classified as marketable securities particularly refer to Bank Deposit Certificates (CDBs) and repurchase agreements backed by debentures, which are part of the exclusive "FIM CP Plataforma" fund portfolio, issued by first-tier financial institutions, and with average yield of 85% to 105% of Interbank Deposit Certificate (CDI). The amount recorded in the noncurrent portion refers to deposit made in connection with a property purchase, which is readily redeemable by the Company should it decide not to continue with the acquisition.

Short-term investments classified as cash equivalents mature within not more than 90 days from the investment date, and the amounts classified as marketable securities refer to securities maturing after 90 days, held for trading.

5. Accounts receivable

Accounts receivable comprise receivables from health companies and individuals, as follows:

	Company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Accounts receivable from health insurance and health plans	**1,366,810**	1,286,821	**1,917,308**	1,690,778
Accounts receivable from individuals	**60,788**	56,537	**64,426**	62,264
Allowance for disallowances	**(201,409)**	(163,799)	**(278,163)**	(223,460)
Allowance for doubtful accounts	**(211,394)**	(206,191)	**(325,048)**	(262,343)
	1,014,795	973,368	**1,378,523**	1,267,239

5. Accounts receivable (Continued)

Changes in provision for disallowances and allowance for doubtful accounts

Management has a policy on set up of allowance for doubtful accounts for receivables overdue for more than 360 days. The provision for disallowances is set up based on the history of receipts by health insurance/plan within the term of up to 360 days.

	Company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Balance at beginning of year	**(369,990)**	(225,924)	**(485,803)**	(305,378)
Recognition of provision for disallowances	**(37,610)**	(212,585)	**(54,703)**	(250,449)
Reversal of provision for disallowances	**-**	109,211	**-**	135,109
Set up of allowance for doubtful accounts	**(5,203)**	(40,692)	**(5,256)**	(65,085)
Provision arising from acquisition of companies	**-**	-	**(57,449)**	-
Balance at end of year	**(412,803)**	(369,990)	**(603,211)**	(485,803)

At March 31, 2015 and December 31, 2014, the aging list of trade accounts receivable is as follows:

	Company								
			Overdue						
	Total	**Falling due**	**1 - 30 days**	**31 - 60 days**	**61 - 90 days**	**91 - 120 days**	**121 - 180 days**	**181 - 360 days**	**Above 360 days**
03/31/2015	**1,427,598**	**808,538**	**75,398**	**48,617**	**34,497**	**36,296**	**56,991**	**155,867**	**211,394**
12/31/2014	1,343,358	801,847	77,885	30,917	31,859	25,793	57,263	111,603	206,191

	Consolidated								
			Overdue						
	Total	**Falling due**	**1 - 30 days**	**31 - 60 days**	**61 - 90 days**	**91 - 120 days**	**121 - 180 days**	**181 - 360 days**	**Above 360 days**
03/31/2015	**1,981,734**	**1,074,152**	**100,570**	**62,086**	**46,158**	**48,536**	**79,357**	**245,827**	**325,048**
12/31/2014	1,753,042	847,494	139,979	55,066	57,852	52,120	113,375	224,813	262,343

6. Inventories

	Company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Special materials	**24,287**	21,501	**32,387**	27,607
Medicines	**18,994**	24,551	**29,974**	31,967
Disposable materials	**14,691**	18,350	**18,092**	22,145
Bracing and prosthetic	**3,435**	3,545	**4,973**	4,857
Materials for use and consumption	**7,181**	7,757	**9,978**	10,250
Dressing room materials	**1,498**	2,227	**2,032**	3,443
Food items	**2,334**	1,345	**4,473**	1,732
Surgical sutures	**1,511**	1,589	**1,969**	1,992
Other	**1,255**	2,022	**2,053**	2,694
	75,186	82,887	**105,931**	106,687

7. Transactions with related parties

Balances with related parties

	Company							
	03/31/2015				12/31/2014			
Companies	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	Current assets	Noncurrent assets	Noncurrent liabilities	P&L
Debentures Norte D'Or	**11,956**	**10,769**	**-**	**835**	13,154	13,462	-	4,092
Debentures Oncotech Oncologia S.A.	**8,462**	**8,846**	**-**	**610**	10,716	6,154	-	3,071
Shared services								
Medise Medicina Diagnóstico e Serviços Ltda.	**-**	**43,232**	**-**	**1,848**	-	41,384	-	12,236
Hospital Esperança S.A.	**-**	**42,840**	**-**	**6,018**	-	36,823	-	17,494
Hospital São Marcos	**-**	**10,495**	**-**	**795**	-	9,700	-	2,958
Hospital Norte D'Or de Cascadura S.A.	**-**	**13,350**	**-**	**1,315**	-	12,034	-	4,893
Rede D'Or São Luiz Serviços Médicos S.A.	**-**	**140,894**	**-**	**16,290**	-	124,604	-	47,326
J Badim S.A.	**-**	**1,764**	**-**	**339**	-	1,425	-	1,425
Oncologia D'Or S.A.	**-**	**17,201**	**-**	**386**	-	16,815	-	911
Hospital Fluminense S.A.	**-**	**7,605**	**-**	**1,073**	-	6,532	-	3,976
São Luiz Serviços Médicos S.A.	**-**	**-**	**19,213**	**-**	-	2,739	-	-
Angiodinâmica	**-**	**1,176**	**-**	**-**	-	962	-	-
Centro Dignóstico NSL	**-**	**789**	**-**	**-**	-	827	-	-
Medise Medicina Diagnóstico e Serviços Ltda.	**-**	**-**	**40,723**	**-**	-	-	9,604	-
PMJ Assessoria e Consultoria Financeira S.A.	**-**	**22,098**	**-**	**-**	-	22,098	-	-
Quinta D'or Empreendimentos Imobiliários S.A.	**-**	**47,325**	**-**	**-**	-	47,163	-	-
Oncologia D'Or S.A.	**-**	**47,830**	**-**	**-**	-	42,316	-	-
Hospital Fluminense S.A.	**-**	**18,551**	**-**	**-**	-	25,996	-	-
Hospital São Marcos Ltda.	**-**	**12,626**	**-**	**-**	-	16,090	-	-
Sino Brasileiro Serviços Hospitalares S.A.	**-**	**-**	**48,452**	**-**	-	-	-	-
Hospital Esperança S.A.	**-**	**-**	**51,382**	**-**	-	-	20,109	-
IFOR	**-**	**3,503**	**-**	**-**	-	4,195	-	-
JMJB Diagnósticos e Serviços Hospitalares S.A.	**-**	**2,444**	**-**	**-**	-	2,444	-	-
Diagnolabs Ltda.	**-**	**5,432**	**-**	**-**	-	314	-	-
Proncordis	**-**	**6,150**	**-**	**-**	-	5,985	-	-
Onco ABC	**-**	**756**	**-**	**-**	-	3,230	-	-
Onco BSB	**-**	**4,331**	**-**	**-**	-	1,743	-	-
Rodin	**-**	**192**	**-**	**-**	-	5,619	-	-
Centro Hospitalar São Marcos Ltda.	**-**	**565**	**-**	**-**	-	486	-	-
Other	**-**	**6,112**	**1,225**	**-**	-	10,263	897	-
	20,418	**476,876**	**160,995**	**29,509**	23,870	461,403	30,610	98,382

	Consolidated							
	03/31/2015				12/31/2014			
Companies	Current assets	Noncurrent assets	Noncurrent liabilities	P&L	Current assets	Noncurrent assets	Noncurrent liabilities	P&L
Debentures Oncotech Oncologia S.A.	**8,462**	**8,846**	**-**	**835**	10,715	6,154	-	-
Shared services								
J Badim S.A.	**-**	**1,764**	**-**	**339**	-	1,425	-	1,425
Oncologia D'Or S.A.	**-**	**17,201**	**-**	**386**	-	16,815	-	911
Hospital Fluminense S.A.	**-**	**-**	**-**	**-**	-	6,532	-	3,976
Oncologia Rede D'Or S.A.	**-**	**47,831**	**-**	**-**	-	49,133	-	-
Onco BSB	**-**	**4,331**	**-**	**-**	-	1,743	-	-
Hospital Fluminense S.A.	**-**	**-**	**-**	**-**	-	26,018	-	-
Proncordis	**-**	**6,150**	**-**	**-**	-	5,985	-	-
Onco ABC	**-**	**-**	**-**	**-**	-	3,230	-	-
JMJB Diagnósticos e Serviços Hospitalares S.A.	**-**	**2,444**	**-**	**-**	-	2,444	-	-
Diagnolabs Ltda.	**-**	**5,580**	**-**	**-**	-	461	-	-
Badim	**-**	**941**	**-**	**-**	-	585	-	-
Other	**-**	**7,325**	**356**	**-**	-	5,399	1,205	-
	8,462	**102,413**	**356**	**1,560**	10,715	125,924	1,205	6,312

There was no change in the nature of transactions with related parties compared to those disclosed in the financial statements for the year ended December 31, 2014.

7. Transactions with related parties (Continued)

Key management personnel compensation

The Company treats as "Key management personnel" only the members of its statutory board and Board of Directors.

At March 31, 2015 and 2014, key management personnel compensation is as follows:

	03/31/2015	03/31/2014
Salaries and bonuses	**3,555**	4,075
Benefits	**47**	125
Share-based compensation	**4,356**	12,695
	7,958	16,895

8. Investments

Breakdown of and changes in investments for the period – Company

Company	Balance at 12/31/2014	Equity pickup	Acquisition of ownership/controlling interest	Dividends	Balance at 03/31/2015
Medise Medicina Diagnóstico e Serviços S.A.	68,419	**2,935**	**-**	**-**	**71,354**
Hospital Esperança S.A.	56,422	**11,189**	**-**	**-**	**67,611**
Hospital São Marcos	2,360	**3,322**	**-**	**-**	**5,682**
Goodwill - Hospital São Marcos	7,132	**-**	**-**	**-**	**7,132**
PMJ Empreendimentos Imobiliários S.A.	68,606	**1,109**	**-**	**-**	**69,715**
Hospital Norte D'Or de Cascadura S.A.	20,255	**(107)**	**-**	**-**	**20,148**
Goodwill - Hospital Norte D'Or Cascadura S.A.	28,450	**-**	**-**	**-**	**28,450**
Onco D'Or Oncologia S.A.	40,027	**1,341**	**-**	**(1,000)**	**40,368**
JMJB Diagnósticos e Serviços Hospitalares	14,853	**999**	**-**	**-**	**15,852**
Rodin Empreendimentos e Participações S.A.	56,655	**1,798**	**-**	**-**	**58,453**
Quinta Empreendimentos Imobiliários Ltda.	9,601	**2,459**	**-**	**-**	**12,060**
Hospital IFOR S.A.	84,815	**214**	**-**	**-**	**85,029**
Hospital Fluminense S.A.	-	**-**	**1,468**	**-**	**1,468**
Oncoholding Participações S.A.	40,852	**2,583**	**-**	**-**	**43,435**
Acreditar Oncologia S.A.	20,664	**3,180**	**-**	**-**	**23,844**
Goodwill - Acreditar Oncologia S.A.	13,175	**-**	**-**	**-**	**13,175**
Onco ABC Serviços Médicos Ltda.	9,617	**280**	**4,652**	**-**	**14,549**
Goodwill - Onco ABC Serviços Médicos Ltda.	7,312	**-**	**31,118**	**-**	**38,430**
Hospital Villa-Lobos Ltda.	-	**4,619**	**127,402**	**-**	**132,021**
Sino Brasileiro Serviços Hospitalares S.A.	-	**(2,203)**	**55,630**	**-**	**53,427**
Goodwill - Sino Brasileiro Serviços Hospitalares S.A.	-	**-**	**290,286**	**-**	**290,286**
Other	36,559	**122**	**-**	**(27)**	**36,654**
Total	585,774	**33,840**	**510,556**	**(1,027)**	**1,129,143**
São Luiz Serviços Médicos S.A.	(34,134)	**(6,270)**	**-**	-	**(40,404)**
Centro Hospitalar São Marcos S.A.	(24,574)	**(238)**	**-**	-	**(24,812)**
Diagnolab Exames Complementares Ltda	(227)	**(2)**	**-**	-	**(229)**
Hospital Fluminense S.A.	(5,560)	**110**	**5,450**	-	**-**
	(64,495)	**(6,400)**	**5,450**	**-**	**(65,445)**
Equity pickup		**27,440**			

8. Investments (Continued)

Breakdown of and changes in investments for the period – Consolidated

Company	Balances at 12/31/2014	Equity pickup	Acquisition of controlling interest	Dividends	Other	Balance at 03/31/2015
JMJB Diagnósticos e Serviços Hospitalares	14,853	**999**	**-**	**-**	**-**	**15,852**
Oncoholding Participações S.A.	40,853	**2,583**	**-**	**-**	**-**	**43,436**
Acreditar Oncologia S.A.	20,664	**3,180**	**-**	**-**	**-**	**23,844**
Goodwill - Acreditar Oncologia S.A.	13,175	**-**	**-**	**-**	**-**	**13,175**
Onco ABC Serviços Médicos Ltda.	9,617	**280**	**(9,897)**	**-**	**-**	**-**
Goodwill - Onco ABC Serviços Médicos Ltda.	7,312	**-**	**(7,312)**	**-**	**-**	**-**
Onco São José dos Campos	5,461	**2,296**	**-**	**(1,000)**	**(296)**	**6,461**
Goodwill - Onco São José dos Campos	30,967	**-**	**-**	**-**	**-**	**30,967**
Other	14,904	**1,158**	**-**	**-**	**(1,003)**	**15,059**
Total	157,806	**10,496**	**(17,209)**	**(1,000)**	**(1,299)**	**148,794**
Hospital Fluminense S.A.	(5,560)	**110**	**5,450**	**-**	**-**	**-**
Equity pickup		**10,606**				

8. Investments (Continued)

Breakdown of investments

	March 31, 2015							March. 31, 2014
	% Total	% Voting	Assets	Liabilities	Equity	Operating income	P&L for the year	P&L for the year
Company - Rede D'Or São Luiz S.A. (a)								
Direct and indirect subsidiaries								
Medise Medicina Diagnóstico e Serviços S.A.	**95.52**	**95.52**	**227,934**	**153,233**	**74,701**	**6,816**	**3,072**	5,886
Hospital Esperança S.A. ("Esperança")	**100.00**	**100.00**	**558,033**	**490,422**	**67,611**	**21,424**	**11,189**	(512)
Hospital São Marcos	**100.00**	**100.00**	**50,438**	**44,756**	**5,682**	**3,769**	**3,323**	-
São Luiz Serviços Médicos S.A.	**100.00**	**100.00**	**184,950**	**225,354**	**(40,404)**	**(6,271)**	**(6,271)**	-
Centro Hospitalar São Marcos Ltda.	**100.00**	**100.00**	**8,650**	**33,462**	**(24,812)**	**(143)**	**(238)**	-
Advance Plano de Saúde Ltda.	**100.00**	**100.00**	**25,543**	**25,344**	**199**	**(2,455)**	**(2,525)**	-
Hospital Norte D'Or de Cascadura S.A. ("Norte D'Or")	**70.00**	**70.00**	**80,564**	**51,782**	**28,782**	**891**	**(153)**	512
PMJ Empreendimentos Imobiliários S.A. (created in 2013)	**100.00**	**100.00**	**93,649**	**23,934**	**69,715**	**1,673**	**1,109**	(1)
Quinta Empreendimentos Imobiliários Ltda. (organized in 2013)	**100.00**	**100.00**	**50,917**	**38,857**	**12,060**	**2,699**	**2,458**	-
Onco D'Or Oncologia S.A. (organized in 2013)	**100.00**	**100.00**	**102,916**	**5**	**102,911**	**(299)**	**1,341**	3,598
Angio Dinâmica S.A.	**100.00**	**100.00**	**5,686**	**2,425**	**3,261**	**890**	**675**	475
Centro Diagnóstico NSL S.A.	**100.00**	**100.00**	**5,375**	**2,992**	**2,383**	**52**	**(133)**	(110)
Maxiclínicas Clínicas e Diagnósticos Ltda.	**100.00**	**100.00**	**2,908**	**649**	**2,259**	**195**	**144**	385
Diagno São Marcos Ltda.	**100.00**	**100.00**	**617**	**1,290**	**(673)**	**(186)**	**(243)**	(435)
Diagnolab Exames Complementares Ltda.	**100.00**	**100.00**	**48**	**277**	**(229)**	**-**	**(1)**	(2)
Rodin Empreendimentos e Participações Ltda.	**100.00**	**100.00**	**59,189**	**736**	**58,453**	**1,986**	**1,798**	-
São Luiz Assistência Médica Ambulatorial Ltda.	**100.00**	**100.00**	**511**	**-**	**511**	**-**	**-**	-
Instituto Oncológico de Pernambuco Ltda. ("IOPE")	**100.00**	**100.00**	**935**	**48**	**887**	**-**	**(651)**	(1,367)
Santa Luzia Assistência Médica Ltda. ("SLAM")	**100.00**	**100.00**	**7,837**	**2,905**	**4,932**	**845**	**730**	(21)
Hospital IFOR S.A.	**100.00**	**100.00**	**21,266**	**21,961**	**(695)**	**385**	**214**	-
Hospital Fluminense S.A.	**100.00**	**100.00**	**22,273**	**33,239**	**(10,966)**	**367**	**68**	(717)
Cardial Serviços Médicos S.A.	**73.25**	**73.25**	**25,958**	**4,624**	**21,334**	**-**	**-**	-
JLD Borducchi S.A.	**73.25**	**73.25**	**432**	**1,718**	**(1,286)**	**-**	**-**	-
Onco ABC Serviços Médicos Ltda.	**73.25**	**73.25**	**268**	**520**	**(252)**	**-**	**-**	-
Hospital e Maternidade Sino Brasileiro	**100.00**	**100.00**	**87,234**	**33,808**	**53,427**	**(2,308)**	**(2,203)**	-
Hospital Villa-Lobos Ltda.	**100.00**	**100.00**	**50,083**	**80,014**	**(29,931)**	**4,547**	**4,619**	-
Companies consolidated by the equity method								
Acreditar Oncologia S.A.	**50.00**	**50.00**	**58,340**	**10,652**	**47,688**	**7,145**	**6,360**	971
Centro Oncológico do Vale Ltda.	**50.00**	**50.00**	**16,351**	**8,473**	**7,878**	**3,491**	**8,516**	-
Instituto de Radioterapia do Vale do Paraíba Ltda.	**50.00**	**50.00**	**2,844**	**971**	**1,873**	**136**	**98**	-
Clínica de Oncologia Dr. Paulo Emilio Pinto Ltda.	**50.00**	**50.00**	**2,386**	**525**	**1,861**	**297**	**518**	-
Oncologia Rede D'Or S.A.	**50.00**	**50.00**	**165,827**	**76,249**	**89,578**	**6,226**	**9,844**	-
Oncoholding Participações S.A.	**50.00**	**50.00**	**102,729**	**16,689**	**86,040**	**-**	**5,166**	2,229
JMJB Diagnósticos e Serviços Hospitalares S.A.	**50.00**	**50.00**	**34,280**	**2,579**	**31,701**	**-**	**2,774**	518

(a) This includes hospitals São Luiz Itaim, São Luiz Morumbi, São Luiz Anália Franco, Copa D'Or, Quinta D'Or, Caxias D'Or, Brasil, Assunção, Prontolinda, Joari, Realcordis, HGB, HCB, Rio de Janeiro, Vivalle, Hospital Santa Luzia, Hospital do Coração, Sinisgalli, Hospital Nossa Senhora de Lourdes, Hospital da Criança and Hospital São Caetano.

9. Property and equipment

Breakdown of balances

		Company					
		03/31/2015			12/31/2014		
Description	Depreciation rate	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Hospital machinery and equipment	12% to 20%	358,078	(212,196)	145,882	343,483	(202,393)	141,090
Surgical instruments	20%	9,957	(7,541)	2,416	9,773	(6,816)	2,957
Machinery and equipment	7% to 10%	136,355	(69,713)	66,642	135,333	(64,269)	71,064
Properties	2.5% to 4%	487,073	(58,064)	429,009	291,821	(56,452)	235,369
Improvements in own properties	10%	14,740	(4,703)	10,037	10,332	(4,108)	6,224
Leasehold improvements	3% to 4%	463,599	(109,306)	354,293	459,908	(107,254)	352,654
Furniture and fixtures	10%	62,927	(36,583)	26,344	61,814	(35,050)	26,764
Vehicles	20%	2,680	(1,801)	879	2,628	(1,681)	947
Facilities	10%	53,446	(17,624)	35,822	53,253	(16,854)	36,399
Land	n/a	110,349	-	110,349	110,349	-	110,349
Construction in progress	n/a	276,975	(3)	276,972	227,963	-	227,963
Other	5% to 10%	10,201	(4,093)	6,108	10,179	(4,268)	5,911
		1,986,380	(521,627)	1,464,753	1,716,836	(499,145)	1,217,691

		Consolidated					
		03/31/2015			12/31/2014		
Description	Depreciation rate	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Hospital machinery and equipment	12% to 20%	449,243	(257,850)	191,393	428,789	(246,579)	182,210
Surgical instruments	20%	20,464	(8,263)	12,201	12,667	(7,451)	5,216
Machinery and equipment	7% to 10%	164,150	(92,469)	71,681	161,165	(85,147)	76,018
Properties	2.5% to 4%	501,383	(61,989)	439,394	306,131	(59,837)	246,294
Improvements in own properties	10%	16,956	(4,770)	12,186	10,332	(4,108)	6,224
Leasehold improvements	3% to 4%	605,183	(173,566)	431,617	596,855	(170,578)	426,277
Furniture and fixtures	10%	86,774	(49,513)	37,261	82,980	(47,365)	35,615
Vehicles	20%	3,405	(1,930)	1,475	3,321	(1,830)	1,491
Facilities	10%	91,625	(29,344)	62,281	88,540	(27,682)	60,858
Land	n/a	258,793	-	258,793	257,658	-	257,658
Construction in progress	n/a	289,829	-	289,829	238,490	-	238,490
Other	5% to 10%	16,023	(5,841)	10,182	15,793	(5,826)	9,967
		2,503,828	(685,535)	1,818,293	2,202,721	(656,403)	1,546,318

Changes in the Company - cost

Cost	12/31/2014	Additions	Disposals	Transfers	03/31/2015
Hospital machinery and equipment	343,483	14,777	(182)	1	358,079
Surgical instruments	9,773	185	-	-	9,958
Machinery and equipment	135,333	793	(44)	94	136,176
Properties	291,821	195,252	-	-	487,073
Improvements in own properties	10,332	4,408	-	-	14,740
Leasehold improvements	459,908	3,691	-	-	463,599
Furniture and fixtures	61,814	1,113	-	-	62,927
Vehicles	2,628	52	-	-	2,680
Facilities	53,253	193	-	-	53,446
Land	110,349	-	-	-	110,349
Construction in progress	227,963	49,283	-	(95)	277,151
Other	10,179	23	-	-	10,202
	1,716,836	269,770	(226)	-	1,986,380

9. Property and equipment (Continued)

Changes in the Company - depreciation

Depreciation	12/31/2014	Additions	Disposals	Transfers	03/31/2015
Hospital machinery and equipment	(202,393)	(9,885)	82	-	(212,196)
Surgical instruments	(6,816)	(725)	-	-	(7,541)
Machinery and equipment	(64,269)	(5,278)	17	-	(69,530)
Properties	(56,452)	(1,612)	-	-	(58,064)
Improvements in own properties	(4,108)	(605)	-	-	(4,713)
Leasehold improvements	(107,254)	(2,073)	-	-	(109,327)
Furniture and fixtures	(35,050)	(1,539)	-	-	(36,589)
Vehicles	(1,681)	(70)	-	-	(1,751)
Facilities	(16,854)	(780)	-	-	(17,634)
Other	(4,268)	(14)	-	-	(4,282)
	(499,145)	(22,581)	99	-	(521,627)
Property and equipment, net	1,217,691	247,189	(127)	-	1,464,753

Changes in Consolidated - cost

Cost	12/31/2014	Additions	Disposals	Transfers	Business combinations	03/31/2015
Hospital machinery and equipment	428,789	15,577	(182)	1	5,058	449,243
Surgical instruments	12,668	272	-	-	7,524	20,464
Machinery and equipment	161,164	1,556	(124)	94	1,460	164,150
Properties	306,131	195,252	-	-	-	501,383
Improvements in own properties	10,332	4,431	-	-	2,193	16,956
Leasehold improvements	596,855	4,681	-	-	3,647	605,183
Furniture and fixtures	82,980	1,345	-	-	2,449	86,774
Vehicles	3,321	52	-	-	32	3,405
Facilities	88,540	1,027	-	-	2,058	91,625
Land	257,658	-	-	-	1,135	258,793
Construction in progress	238,490	51,135	-	(95)	299	289,829
Other	15,793	27	-	-	203	16,023
	2,202,721	275,355	(306)	-	26,058	2,503,828

Changes in Consolidated – depreciation

Depreciation	12/31/2014	Additions	Disposals	Transfers	Business combinations	03/31/2015
Hospital machinery and equipment	(246,579)	(11,353)	82	-	-	(257,850)
Surgical instruments	(7,451)	(812)	-	-	-	(8,263)
Machinery and equipment	(85,147)	(7,352)	30	-	-	(92,469)
Properties	(59,837)	(2,152)	-	-	-	(61,989)
Improvements in own properties	(4,108)	(662)	-	-	-	(4,770)
Leasehold improvements	(170,578)	(2,988)	-	-	-	(173,566)
Furniture and fixtures	(47,365)	(2,148)	-	-	-	(49,513)
Vehicles	(1,830)	(100)	-	-	-	(1,930)
Facilities	(27,682)	(1,662)	-	-	-	(29,344)
Other	(5,826)	(15)	-	-	-	(5,841)
	(656,403)	(29,244)	112	-	-	(685,535)
Property and equipment, net	1,546,318	246,111	(194)	-	26,058	1,818,293

9. Property and equipment (Continued)

Changes in Consolidated – depreciation (Continued)

Main additions occurred in the periods presented above refer to purchase of Hospital Villa-Lobos located in São Paulo, hospital machinery and equipment, as well as investments in leasehold improvements related to modernization of the acquired units (São Luiz Anália Franco, São Luiz Morumbi, São Luiz Jabaquara, Hospital Brasil and Hospital Assunção). There is further construction in progress referring to expansion of hospitals of Rede D'Or, such as São Luiz Itaim, Hospital Prontolinda and Hospital Assunção.

Management did not identify any indication of impairment of property and equipment items.

10. Intangible assets

Intangible assets are broken down as follows:

		Company		Consolidated	
	Annual rate	**03/31/2015**	**12/31/2014**	**03/31/2015**	**12/31/2014**
Finite useful life					
Software	**20%**	**20,210**	21,224	**21,681**	22,376
Indefinite useful life					
Goodwill					
Acquisition of Copa D'Or		**80,058**	80,058	**80,058**	80,058
Acquisition of HMSL		**668,339**	668,339	**668,339**	668,339
Acquisition of Hospital Brasil		**121,398**	121,398	**121,398**	121,398
Acquisition of Hospital Prontolinda		**30,595**	30,595	**30,595**	30,595
Acquisition of Vivalle		**38,692**	38,692	**38,692**	38,692
Acquisition of São Marcos		**-**	-	**10,807**	10,807
Acquisition of Santa Luzia		**199,333**	199,333	**199,333**	199,333
Acquisition of Sinisgalli		**156,646**	156,646	**156,646**	156,646
Acquisition of Hospital Esperança		**-**	-	**108,408**	108,408
Acquisition of Norte D'Or		**-**	-	**28,450**	28,450
Acquisition of IFOR		**-**	-	**85,724**	85,724
Acquisition of Sino Brasileiro		**-**	-	**290,286**	-
Acquisition of Villa-Lobos		**-**	-	**165,862**	-
Acquisition of Onco ABC		**-**	-	**52,286**	-
Acquisition of Hospital Fluminense		**-**	972	**12,428**	972
Other goodwill		**48,648**	48,648	**61,038**	61,038
Exclusive agreement		**10,000**	-	**10,000**	-
Trademarks and patents		**190,810**	190,810	**190,810**	190,810
		1,564,729	1,556,715	**2,332,841**	1,803,646

Goodwill presented above arises from business combinations made in 2015 and in prior years.

10. Intangible assets (Continued)

Goodwill impairment testing

Goodwill is allocated to the Cash Generating Units (CGU), identified by management as being each of the hospitals, as set out in the table above. The projections are restated on an annual basis or in a shorter period when necessary.

The recoverable amount of a CGU is based on value in use calculations.

Management performed impairment testing on goodwill and trademarks and patents for the year ended December 31, 2014, and did not identify the need of recording any provision for loss. No change was identified that would require restatement of tests at March 31, 2015.

11. Deferred gain on property disposal

On October 11, 2013 and December 26, 2012, the Company entered into property sale and leaseback transactions, and property lease was accounted for as operating lease.

Part of the gain referring to the excess of sales proceeds and fair value was deferred, as required by CPC 06/IAS 17 - Leases, and has been amortized over the lease term. At March 31, 2015, deferred gains were recorded as follows:

	Company and Consolidated	
	03/31/2015	**12/31/2014**
Caxias D'Or	**40,748**	41,276
Hospital Brasil	**50,050**	50,600
	90,798	91,876
Current	**3,920**	3,920
Noncurrent	**86,878**	87,956

At March 31, 2015, the Company has R$73,926 (R$73,926 at December 31, 2014) in receivables from the sale of two properties, which is pending formal documentation of title property transfer to the buyer.

12. Loans and financing

			Company	
Bank	**Index**	**Spread**	**03/31/2015**	**12/31/2014**
BNDES/FINAME/FINEP	TJLP	0.50%	**25,111**	8,859
IFC - International Finance Corporation	LIBOR	3.30%	**105,532**	86,601
Loan 4131 - Banco Santander	Fixed	1.70%	**231,400**	-
CCBs	Fixed	17.26%	**1,327**	1,788
			363,370	97,248
Current			**257,055**	21,185
Noncurrent			**106,315**	76,063

			Consolidated	
Bank	**Index**	**Spread**	**03/31/2015**	**12/31/2014**
BNDES/FINAME/FINEP	TJLP	0.50%	**29,049**	13,719
IFC - International Finance Corporation	LIBOR	3.30%	**105,532**	86,601
Loan 4131 - Banco Santander	Fixed	1.70%	**231,400**	-
CCBs	Fixed	17.26%	**38,322**	3,859
			404,302	104,179
Current			**271,861**	23,665
Noncurrent			**132,442**	80,514

Financing was obtained in order to make company acquisitions and to expand the size of hospitals. Loans and financing are guaranteed by shares representing 3.1% of the Company's capital and fiduciary assignment of credit rights. After the last valuation report issued in March 2015, the guaranteeing shares started to represent 0.8% of the Company's capital.

In addition to the guarantees given, the maintenance of covenants is provided for by certain loan and financing agreements. These include the assessment of indicators contractually determined based on net debt, EBITDA and financial income (expenses). Management understands that these covenants have always been complied with.

12. Loans and financing (Continued)

At March 31, 2015, the long-term maturity schedule is as follows:

Company		Consolidated	
Year	**Amount**	**Year**	**Amount**
2016	**20,650**	2016	**32,270**
2017	**22,007**	2017	**32,046**
2018	**22,037**	2018	**24,647**
2019 to 2025	**41,621**	2019 to 2022	**43,479**
	106,315		**132,442**

13. Debentures payable

	Company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Rede D'Or São Luiz				
1st issue (a)	**878,320**	881,165	**878,320**	881,165
2nd issue (b)	**83,350**	85,183	**83,350**	85,183
3rd issue (c)	**643,033**	642,320	**643,033**	642,320
4th issue (d)	**799,343**	799,590	**799,343**	799,590
5th issue (e)	**102,548**	99,774	**102,548**	99,774
6th issue (f)	**204,780**	199,241	**204,780**	199,241
Medise				
1st issue (g)	**64,154**	62,111	**64,154**	62,111
Esperança				
1st issue (h)	**-**	-	**202,616**	202,600
2nd issue (i)	**-**	-	**102,698**	99,214
	2,775,528	2,769,384	**3,080,842**	3,071,198
Current	**144,985**	52,131	**241,854**	57,703
Noncurrent	**2,630,543**	2,717,253	**2,838,988**	3,013,495

13. Debentures payable (Continued)

(a) On April 20, 2011, the Company issued nonconvertible debentures in a series of 100 (one hundred) debentures for public distribution, totaling R$1,000,000, maturing on April 20, 2020 (as per the amendment of December 2013). The debentures are remunerated *pro rata temporis* bearing interest equivalent to 100% of DI (Interbank Deposits) plus 2.3% p.a., to be paid on a quarterly basis for four years and eight months, and on a monthly basis thereafter. As a guarantee, shares representing 42.5% of Company's capital and fiduciary transfer of credit rights were offered. After the last valuation report issued in March 2015, the guaranteeing shares started to represent 7.9% of the Company's capital. After 24 months, the Company is entitled to repay the debentures in advance, as provided for by agreement.

(b) On October 28, 2011, the Company carried out the second issue of nonconvertible, single-series debentures for public distribution, totaling R$100,000, maturing on January 15, 2017. The debentures are remunerated *pro rata temporis* bearing interest equivalent to 100% of DI (Interbank Deposits) plus 2.0% p.a. Interest has been paid on a monthly basis since July 15, 2012. There are no expected guarantees or repayment in advance.

(c) On December 10, 2011, the Company carried out the third issue of nonconvertible, single-series debentures for public distribution, totaling R$650,000, maturing on December 10, 2020 (as per the amendment of December 2013). The debentures are remunerated *pro rata temporis* bearing interest equivalent to 100% of DI (Interbank Deposits) plus 2.3% p.a. There are no expected guarantees for the debentures. Upon a 10-day notice, the Company is entitled to repay the debentures in advance, as provided for by agreement.

(d) On September 5, 2012, the Company carried out the fourth issue of nonconvertible, single-series debentures for public distribution, totaling R$800,000, maturing on August 10, 2021 (as per the amendment of December 2013). The debentures are remunerated *pro rata temporis* bearing interest equivalent to 100% of DI (Interbank Deposits) plus 2.4% p.a. As a guarantee, shares representing 23.5% of Company's capital and fiduciary transfer of credit rights were offered. After the last valuation report issued in March 2015, the guaranteeing shares started to represent 7.3% of the Company's capital.

13. Debentures payable (Continued)

(e) On December 10, 2013, the Company carried out the fifth issue of nonconvertible, single-series debentures for public distribution, totaling R$100,000, maturing on December 10, 2018. The debentures are remunerated *pro rata temporis* bearing interest equivalent to 100% of DI (Interbank Deposits) plus 2.0% p.a. There are no expected guarantees for the debentures.

(f) On December 15, 2014, the Company carried out the sixth issue of nonconvertible, single-series debentures for public distribution, totaling R$200,000, maturing on December 15, 2019. The debentures are remunerated *pro rata temporis* bearing interest equivalent to 100% of DI (Interbank Deposits) plus 2.0% p.a. There are no expected guarantees for the debentures.

(g) On December 12, 2011, subsidiary Medise carried out the first issue of nonconvertible, single-series debentures for public distribution, totaling R$100,000, maturing on December 12, 2017. The debentures are remunerated *pro rata temporis* bearing interest equivalent to 100% of DI (Interbank Deposits) plus 2.2% p.a. Interest has been paid on a monthly basis from January 12, 2013. As a guarantee, fiduciary transfer of credit rights was offered. Upon a 10-day notice, the Company is entitled to repay the debentures in advance, as provided for by agreement. In July 2014, Rede D'Or São Luiz S.A. assumed Medise's debts in connection with the Offer, pursuant to Article 299 et seq. of the 2012 Brazilian Civil Code. As a result, the status of Rede D'Or will change from Collateral to Issuer, in view of the capital decrease of the Issuer.

(h) In October 2012, subsidiary LE Participações Societárias S.A. (later merged into Hospital Esperança S.A.) carried out the first issue of nonconvertible, single-series debentures for public distribution, totaling R$200,000, maturing on October 15, 2021 (as per the amendment of February 2013). The debentures are remunerated *pro rata temporis* bearing interest equivalent to 100% of DI (Interbank Deposits) plus 2.4% p.a. As a guarantee, shares representing 5.9% of Company's capital and fiduciary transfer of credit rights were offered. After the last valuation report issued in March 2015, the guaranteeing shares started to represent 1.8% of the Company's capital.

13. Debentures payable (Continued)

(i) On December 9, 2013, subsidiary Hospital Esperança S.A. carried out the second issue of nonconvertible, single-series debentures for public distribution, totaling R$100,000, maturing on December 10, 2018. The debentures are remunerated *pro rata temporis* bearing interest equivalent to 100% of DI (Interbank Deposits) plus 1.9% p.a. Fiduciary transfer of credit rights was given in guarantee.

In addition to the guarantees given, the maintenance of covenants is provided for by the debenture agreements. These include the assessment of indicators contractually determined based on net debt, EBITDA and financial income (expenses). Management understands that these covenants have always been complied with.

At March 31, 2015, the long-term maturity schedule is as follows:

Company		Consolidated	
Year	**Amount**	**Year**	**Amount**
2016	**565,197**	2016	**533,316**
2017	**602,720**	2017	**677,296**
2018	**597,107**	2018	**662,729**
2019	**531,016**	2019	**569,775**
2020	**269,089**	2020	**307,849**
2021	**65,414**	2021	**88,023**
	2,630,543		**2,838,988**

14. Tax liabilities and taxes paid in installments

a) Tax obligations

	Company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Contribution Tax on Gross Revenue for Social Integration Program (PIS)	**3,326**	1,979	**4,461**	3,020
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	**19,948**	14,945	**25,682**	20,807
Service Tax (ISS)	**32,642**	32,854	**49,318**	47,678
Withholding Income Tax (IRRF)	**10,997**	13,345	**13,713**	15,557
Income tax	**1,750**	1,862	**14,913**	7,132
Social contribution tax	**571**	550	**4,687**	1,626
Other	**3,062**	3,062	**4,773**	3,539
	72,296	68,597	**117,547**	99,359

b) Taxes paid in installments

	Company		Consolidated	
Taxes paid in installments	**03/31/2015**	**12/31/2014**	**03/31/2015**	**12/31/2014**
ISS	21,066	21,532	22,240	22,698
Installment payment – Law No. 11941/09	73,455	72,635	87,193	86,854
Installment payment – social security contributions	30,456	31,311	41,620	42,490
Other	15,356	17,275	16,375	18,490
	140,333	142,753	167,428	170,532
Current	20,403	20,082	23,581	22,021
Noncurrent	119,930	122,671	143,847	148,511

Tax installment payment program – Law No. 11941/09

On August 25 and November 28, 2014, the Company joined the Special Tax Installment Payment Program introduced by Law No. 12996/2014 and Law No. 13043/2014, with a view to balancing its tax liabilities by means of a special installment payment method for its tax and social security liabilities. When the Company opted to join this program, it formally requested the Brazilian IRS to include all of the outstanding debts in its current accounts, amounting to R$27,742, in addition to migrating PAES and PAEX payables in the amount of R$20,490.

14. Tax liabilities and taxes paid in installments (Continued)

b) Taxes paid in installments (Continued)

Tax installment payment program – Law No. 11941/09 (Continued)

The debts included in the installment payment program were being legally disputed, including R$22,544 recorded as a provision for contingencies and reclassified to taxes paid in installments when the Company joined the program. Additionally, the Company had tax claims regarded as possible losses for which no provision had been recognized, which were also included in the installment payment program, recorded in the amount of R$5,198 and matched against income or loss for 2014.

The Company did not use credits arising from income and social contribution tax losses to reduce interest and fines.

15. Accounts payable for acquisitions

	Adjustment index	Company		Consolidated	
		03/31/2015	12/31/2014	03/31/2015	12/31/2014
Current	**CDI**	**219,811**	199,927	**219,811**	199,927
Noncurrent		**41,357**	66,455	**41,357**	66,455

Accounts payable for acquisition of companies refer to the remaining balance of the considerations for acquisitions made in 2014, 2013 and prior years.

The stated long-term balance will be fully repaid until 2020.

16. Provision for contingencies and judicial deposits

The Company and its subsidiaries are parties to various tax, civil and labor claims. The judicial deposits made will only be released in the event that favorable decisions are handed down to the companies. Based on the opinion of its internal and outside legal advisors, management set up a provision for losses considered sufficient to cover probable losses, as follows:

	Company				Consolidated			
	03/31/2015		12/31/2014		03/31/2015		12/31/2014	
	Provision for contingencies	**Judicial deposits**	**Provision for contingencies**	**Judicial deposits**	**Provision for contingencies**	**Judicial deposits**	**Provision for contingencies**	**Judicial deposits**
Tax	**37,468**	**(29,765)**	42,751	(28,380)	**86,465**	**(37,252)**	45,662	(36,433)
Labor	**48,691**	**(4,466)**	48,463	(4,466)	**51,190**	**(5,311)**	51,932	(4,915)
Civil	**26,464**	**(18,270)**	25,563	(17,906)	**35,149**	**(23,297)**	38,153	(19,836)
	112,623	**(52,501)**	116,777	(50,752)	**172,804**	**(65,860)**	135,747	(61,184)

Changes in provisions for contingencies at March 31, 2015 were as follows:

	Company				
	03/31/2015				12/31/2014
	Tax	**Labor**	**Civil**	**Total**	**Total**
Balance at beginning of period	**42,751**	**48,463**	**25,563**	**116,777**	154,159
Additions (reversals), net	**-**	**-**	**-**	**-**	(6,283)
Adherence to REFIS	**-**	**-**	**-**	**-**	(22,544)
Monetary restatements	**405**	**228**	**901**	**1,534**	9,021
Payments	**(5,688)**	**-**	**-**	**(5,688)**	(17,576)
Balance at end of period	**37,468**	**48,691**	**26,464**	**112,623**	116,777

	Consolidated				
	03/31/2015				12/31/2014
	Tax	**Labor**	**Civil**	**Total**	**Total**
Balance at beginning of period	**45,662**	**51,932**	**38,153**	**135,747**	162,806
Additions (reversals), net	**-**	**-**	**-**	**-**	(3,762)
Adherence to REFIS	**-**	**-**	**-**	**-**	(22,544)
Monetary restatements	**404**	**228**	**962**	**1,594**	12,335
Payments	**(1,958)**	**(970)**	**(3,966)**	**(6,894)**	(17,576)
Additions from acquisitions	**42,357**	**-**	**-**	**42,357**	4,488
Balance at end of period	**86,465**	**51,190**	**35,149**	**172,804**	135,747

17. Commitments

At March 31, 2015, Rede D'Or has operating leases referring substantially to leased buildings for an average period of eighteen years, considering the following payment schedule:

Year	Company (Gross nominal values)	Consolidated (Gross nominal values)
2015	**154,684**	**181,442**
2016	**205,645**	**241,321**
2017	**202,640**	**238,316**
2018	**202,640**	**238,316**
2019 to 2051	**1,964,611**	**2,448,216**
	2,730,220	**3,347,611**

18. Equity

a) Capital

Subscribed and paid-in capital at March 31, 2015, amounts to R$538,169, divided into 331,227,623 registered common shares and 2,734,600 registered class A preferred shares, with no par value.

Under the Company's articles of incorporation, each common share is entitled to a vote in the Company's shareholders' meetings. Class A preferred shares have the following characteristics: (i) they are non-voting shares; (ii) have priority in the return of capital, without premium, in case of Company dissolution; and (iii) are entitled to preferred annual dividends.

On February 23, 2015, the Special Shareholders' Meeting approved the increase in Company's capital amounting to R$52,026 in kind, upon issue of 12,537,402 new registered common shares with no par value, at the issue price of R$4.15 (four reais and fifteen cents) each. There was also a capital increase in the amount of R$33,613, without issue of new shares, through capitalization of part of the income reserve balance.

18. Equity (Continued)

b) Treasury shares

At March 31, 2015, the Company had 20,629,414 registered common shares with no par value of Rede D'Or, in the amount of R$176,940, recorded as treasury shares in equity.

Changes in treasury shares are as follows:

	Number of shares	Share value (In reais)	Total
Balance at December 31, 2014	**19,990,492**	**8.10**	**161,919**
Acquisitions made	**638,922**	**23.51**	**15,021**
Balance at March 31, 2015	**20,629,414**	**8.58**	**176,940**

c) Other reserves - convertible debentures

On April 14, 2010, the Company privately issued subordinated, convertible, single-series debentures, fully acquired by BTG Pactual Saúde Fundo de Investimento em Participações, totaling R$350,000, maturing on December 31, 2013, adjusted by CDI (Interbank Deposit Certificate), plus interest of 3.5% p.a. On November 28, 2010, the Company carried out the second private issue of subordinated, convertible, single-series debentures, fully acquired by Banco BTG Pactual S.A., totaling R$250,000, maturing at December 31, 2013, adjusted by CDI (Interbank Deposit Certificate), plus interest of 2.0% p.a. Such interest will only be paid upon maturity of debentures if not converted into shares.

On December 20, 2013, an addendum to the debenture issue indenture was executed, extending the maturity date to December 31, 2014. The other original terms of the indenture remained unchanged.

18. Equity (Continued)

c) Other reserves - convertible debentures (Continued)

Debenture holders have the call option, on maturity date, to convert these debentures into shares, which will represent 21.67% of the Group's capital. If debenture holders do not exercise the option, the Company has the put option to pay the restated amount with shares representing said interest. Considering the structure of these transactions, in which both parties have the option to settle the debentures by means of acquisition/disposal of interest in the Group, management understood that the conversion is virtually certain, thus concluding that it represents an equity instrument. In addition, the indentures establish the dilution events for debenture holders, e.g. in case of new capital contributions to the Company, there is dilution for debenture holders as if they were shareholders. As such, the debentures were classified in equity, until effective capitalization thereof.

At March 31, 2015, BTG Pactual Saúde Fundo de Investimento em Participações informed Rede D'Or São Luiz S.A. the exercise of its option to convert the debentures. However, the operation only took place on May 7, 2015, upon approval by relevant regulatory bodies. On the referred to date, 91,633,457 new registered common shares with no par value were issued, representing 21.67% of the Group's capital.

d) Share-based payment (stock options)

There were no new grants or changes in new plans for the quarter.

The effects of share-based compensation (stock option plan), covering all granted and outstanding options, in equity and profit or loss, are as follows:

	Fair value of options per year	Effect on P&L for the period	Cumulative effect on equity
2011	**1,457**	**1,457**	**1,457**
2012	**16,234**	**16,234**	**17,691**
2013	**20,656**	**20,656**	**38,347**
2014	**27,363**	**27,363**	**65,710**
2015	**17,475**	**4,356**	**70,066**
2016	**10,230**	**-**	**-**
2017	**5,058**	**-**	**-**
2018	**2,167**	**-**	**-**
2019	**912**	**-**	**-**
2020	**397**	**-**	**-**
2021	**133**	**-**	**-**
	102,082		

19. Income and social contribution taxes

Income and social contribution tax expenses for the three-month periods ended March 31, 2015 and 2014 are as follows:

	Company		Consolidated	
	03/31/2015	**03/31/2014**	**03/31/2015**	**03/31/2014**
Deferred				
Income tax	**(12,408)**	96	**(10,928)**	1,778
Social contribution tax	**(4,467)**	35	**(3,934)**	642
	(16,875)	131	**(14,862)**	2,420
Current				
Income tax	**-**	(38)	**(9,752)**	(5,057)
Social contribution tax	**-**	(16)	**(3,513)**	(1,821)
	-	(54)	**(13,265)**	(6,878)
Income and social contribution tax expenses	**(16,875)**	77	**(28,127)**	(4,458)

Changes in deferred income and social contribution tax assets for the three-month period ended March 31, 2015 was as follows:

	Company			Consolidated		
	12/31/2014	**Additional benefits (expenses) recorded**	**03/31/2015**	**12/31/2014**	**Additional benefits (expenses) recorded**	**03/31/2015**
Assets						
Income tax loss	25,148	**5,267**	**30,415**	23,894	**5,267**	**29,161**
Social contribution tax loss	9,053	**1,896**	**10,949**	8,602	**1,896**	**10,498**
Allowance for doubtful accounts	49,049	**1,434**	**50,483**	55,645	**1,434**	**57,079**
Allowance for disallowances	53,006	**12,774**	**65,780**	63,996	**15,707**	**79,703**
Contingencies	39,704	**(1,412)**	**38,292**	31,824	**(1,412)**	**30,412**
Provision for inventories	1,159	**-**	**1,159**	1,159	**-**	**1,159**
Provision for bonus	19,144	**6,000**	**25,144**	19,151	**6,000**	**25,151**
Provision for losses	9,088	**-**	**9,088**	303	**-**	**303**
Deferred gain on property disposals	19,022	**(333)**	**18,689**	19,022	**(333)**	**18,689**
Taxes - Judicial deposits	1,964	**317**	**2,281**	2,127	**4,743**	**6,870**
Provision for overtime	4,953	**-**	**4,953**	6,871	**(4,417)**	**2,454**
Total deferred tax assets	231,290	**25,943**	**257,233**	232,594	**28,885**	**261,479**
Liabilities						
Differences between accounting and tax base of goodwill	(269,132)	**(19,441)**	**(288,573)**	(289,655)	**(20,370)**	**(310,025)**
Gain on acquisition in stages	-	**(8,185)**	**(8,185)**	-	**(8,185)**	**(8,185)**
Swap variation	(9,819)	**(15,192)**	**(25,011)**	(9,813)	**(15,192)**	**(25,005)**
Total deferred tax liabilities	(278,951)	**(42,818)**	**(321,769)**	(299,468)	**(43,747)**	**(343,215)**
Net effect – asset (liability)	(47,661)	**(16,875)**	**(64,536)**	(66,874)	**(14,862)**	**(81,736)**

19. Income and social contribution taxes (Continued)

The reconciliation of income and social contribution taxes and the amount determined at the statutory rate at March 31, 2015 and 2014 are as follows:

	Company		Consolidated	
	03/31/2015	**03/31/2014**	**03/31/2015**	**03/31/2014**
Income before income and social contribution taxes	**108,459**	22,381	**119,803**	27,412
Income and social contribution taxes at statutory rates	**36,876**	7,610	**40,733**	9,321
Adjustments to derive effective tax rate				
Interest on debentures recorded as equity instrument	**(12,224)**	(9,466)	**(12,224)**	(9,466)
Equity pickup	**(9,330)**	(1,537)	**(3,606)**	(1,492)
Stock option expenses	**1,481**	4,316	**1,481**	4,316
Other	**72**	(1,000)	**1,743**	1,779
Expenses recorded in the income statement	**16,875**	(77)	**28,127**	4,458

Income and social contribution tax losses may be carried indefinitely, however, offsetting is limited to 30% of taxable income generated in each tax year.

The Company expects that deferred tax credits calculated on income and social contribution tax losses will be realized in 2 years. Management expects that other temporary differences will be realized between 1 to 5 years, except for deferred gain on property disposals, of which the realization will take place along the lease contract term.

20. Net revenue

	Company		Consolidated	
	03/31/2015	**03/31/2014**	**03/31/2015**	**03/31/2014**
Gross revenue	**1,113,427**	959,256	**1,484,991**	1,240,693
Deductions from revenue				
Cancellations and rebates	**(37,610)**	(44,166)	**(55,430)**	(60,650)
Taxes on revenues	**(64,184)**	(54,828)	**(87,858)**	(71,681)
	1,011,633	860,262	**1,341,703**	1,108,362

21. Cost of services rendered

	Company		Consolidated	
	03/31/2015	**03/31/2014**	**03/31/2015**	**03/31/2014**
Personnel	**(305,149)**	(287,490)	**(420,082)**	(371,382)
Materials and medicines	**(207,265)**	(187,168)	**(261,934)**	(228,041)
Third-party services	**(166,980)**	(127,979)	**(273,446)**	(222,138)
Utilities and services	**(18,380)**	(15,409)	**(25,278)**	(20,188)
Rents	**(53,998)**	(47,153)	**(64,160)**	(54,925)
Depreciation and amortization	**(22,215)**	(18,366)	**(29,166)**	(25,884)
	(773,987)	(683,565)	**(1,074,066)**	(922,558)

22. General and administrative expenses

	Company		Consolidated	
	03/31/2015	**03/31/2014**	**03/31/2015**	**03/31/2014**
Personnel	**(43,399)**	(39,578)	**(43,399)**	(39,578)
Third-party services	**(9,913)**	(13,480)	**(9,913)**	(13,480)
Depreciation and amortization	**(2,583)**	(1,873)	**(2,583)**	(1,873)
Provision for contingencies	**-**	(237)	**-**	201
	(55,895)	(55,168)	**(55,895)**	(54,730)

23. Other operating income (expenses), net

	Company		Consolidated	
	03/31/2015	**03/31/2014**	**03/31/2015**	**03/31/2014**
Allowance for doubtful accounts	**(5,203)**	(5,647)	**(5,256)**	(5,647)
Marketing	**(1,650)**	(2,801)	**(1,687)**	(3,022)
Trips and lodging	**(2,477)**	(4,527)	**(2,926)**	(4,714)
Taxes, fees and penalties	**(4,840)**	(4,160)	**(6,218)**	(4,674)
Gain on acquisition in stages	**24,073**	-	**24,073**	-
Gain on disposal of properties	**(980)**	(980)	**(980)**	(980)
Other expenses and revenues	**(6,442)**	(7,550)	**(1,642)**	(4,324)
	2,481	(25,665)	**5,364**	(23,361)

24. Financial income (expenses), net

Financial income (expenses) for the periods ended March 31, 2015 and 2014, is as follows:

	Company		Consolidated	
	03/31/2015	**03/31/2014**	**03/31/2015**	**03/31/2014**
Financial income				
Short-term investment yield	**12,981**	16,227	**19,070**	22,007
Swap variation	**44,701**	-	**44,701**	-
Other	**2,038**	3,735	**2,115**	3,656
	59,720	19,962	**65,886**	25,663
Financial expenses				
Interest and monetary variation on financing	**(60,147)**	(6,237)	**(59,810)**	(7,415)
Interest on debentures	**(93,142)**	(74,234)	**(104,071)**	(84,926)
Taxes on financial income (expenses)	**(750)**	(265)	**(935)**	(365)
Swap variation	**-**	(3,366)	**-**	(3,366)
Interest on equity	**(8)**	(8,648)	**(8)**	(8,648)
Other	**(8,886)**	(5,217)	**(8,971)**	(5,632)
	(162,933)	(97,967)	**(173,795)**	(110,352)
	(103,213)	(78,005)	**(107,909)**	(84,689)

25. Earnings per share

a) Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of issued common shares during the year, excluding common shares purchased by the Company and held as treasury shares.

	03/31/2015	**03/31/2014**
Profit attributable to Company shareholders	**91,584**	22,458
Weighted average number of common shares issued (thousands)	**302,798**	256,244
Basic earnings per share (in R$)	**0.3025**	0.0876

25. Earnings per share (Continued)

b) Diluted earnings per share

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares to assume the conversion of all the potentially dilutable common shares. The Company has two categories of potentially diluting common shares: the stock options and the convertible debentures.

	03/31/2015	03/31/2014
Profit attributable to Company shareholders	**91,584**	22,458
Weighted average number of common shares issued, including dilutive factors (thousands)	**403,100**	263,363
Diluted earnings per share (in R$)	**0.2272**	0.0853

26. Financial instruments and financial risk management

26.1. Classification of financial instruments by category

The classification of financial assets by category at March 31, 2015, and December 31, 2014, is as follows:

	Company					
	03/31/2015			12/31/2014		
Financial assets	Loans and receivables	Fair value through profit or loss (*)	Total	Loans and receivables	Fair value through profit or loss (*)	Total
Cash and cash equivalents	**43,895**	**-**	**43,895**	38,042	-	38,042
Marketable securities	**-**	**275,892**	**275,892**	-	619,703	619,703
Accounts receivable	**1,014,795**	**-**	**1,014,795**	973,368	-	973,368
Dividends receivable	**27,977**	**-**	**27,977**	41,357	-	41,357
Receivables from disposal of properties	**73,926**	**-**	**73,926**	73,926	-	73,926
Judicial deposits	**52,501**	**-**	**52,501**	50,752	-	50,752
Derivatives	**-**	**73,562**	**73,562**	-	28,861	28,861
	1,213,094	**349,454**	**1,562,548**	1,177,445	648,564	1,826,009

26. Financial instruments and financial risk management (Continued)

26.1. Classification of financial instruments by category (Continued)

	Consolidated					
	03/31/2015			12/31/2014		
Financial assets	Loans and receivables	Fair value through profit or loss (*)	Total	Loans and receivables	Fair value through profit or loss (*)	Total
Cash and cash equivalents	**66,709**	**-**	**66,709**	55,182	-	55,182
Marketable securities	**-**	**527,316**	**527,316**	-	917,304	917,304
Accounts receivable	**1,378,523**	**-**	**1,378,523**	1,267,239	-	1,267,239
Receivables from disposal of properties	**73,926**	**-**	**73,926**	73,926	-	73,926
Judicial deposits	**65,860**	**-**	**65,860**	61,184	-	61,184
Derivatives	**-**	**73,562**	**73,562**	-	28,861	28,861
	1,585,018	**600,878**	**2,185,896**	1,457,531	946,165	2,403,696

(*) The financial instruments recognized at fair value may be measured at levels from 1 to 3, based on the fair value measurement, as follows:

Level 1: fair value measurement is derived from quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: fair value measurement is derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3: fair value measurement is derived from valuation techniques that include an asset or liability that is not included in an active market.

Short-term investments and derivatives recorded at fair value are measured at Level 2.

The fair values of receivables do not significantly differ from book balances, since they are monetarily restated consistently with market rates and/or adjusted by the provision for impairment.

Company's significant financial liabilities are measured at amortized cost, as follows:

	Company		Consolidated	
Financial liabilities	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Trade accounts payable	**160,317**	180,314	**257,258**	243,613
Loans and financing	**363,370**	97,248	**404,303**	104,179
Debentures	**2,775,528**	2,769,384	**3,080,842**	3,071,198
Accounts payable for acquisitions	**261,168**	266,382	**261,168**	266,382
	3,560,383	3,313,328	**4,003,571**	3,685,372

Loans and financing are not actively traded, with floating interest rates consistent with those applied in the market; therefore, the book balances reported do not significantly differ from the corresponding fair values.

Convertible debentures are recognized at the historical amount in equity, as previously described.

26. Financial instruments and financial risk management (Continued)

26.2. Risk management

The Company's financial transactions are carried out through the financial area in accordance with the strategy previously approved by the Executive Board and shareholders. Company's risk management strategies and the corresponding effects on the individual and consolidated financial statements may be summarized as follows:

a) Capital management

The main capital management objective is to ensure business continuity and maximize return to shareholders.

The Company uses own and third-party capital to finance its activities, also use of third-party capital aims at optimizing its capital structure. The Company manages its capital structure and makes adjustments considering changes in economic conditions. At March 31, the Company's capital structure is as follows:

	Company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Cash and cash equivalents	**43,895**	38,042	**66,709**	55,182
Marketable securities	**275,892**	619,703	**527,316**	917,304
	319,787	657,745	**594,025**	972,486
Loans and financing	**(363,370)**	(97,248)	**(404,302)**	(104,179)
Debentures	**(2,775,528)**	(2,769,384)	**(3,080,842)**	(3,071,198)
Net Debt	**(2,819,111)**	(2,208,887)	**(2,891,119)**	(2,202,891)
Total equity	**1,587,101**	1,454,156	**1,587,101**	1,466,046
Gearing ratio (%)	1.78	1.52	1.82	1.50

b) Interest rate risk

The Company has loans and financing and debentures in domestic currencies subject particularly to CDI rate and Long-term Interest Rate - TJLP fluctuation, as well as balance of taxes payable subject to SELIC interest and TJLP. The risk inherent to these liabilities arises from the possibility of fluctuation in these rates that impact the Company's cash flows.

26. Financial instruments and financial risk management (Continued)

26.2. Risk management (Continued)

b) Interest rate risk (Continued)

The sensitivity analysis about interest on loans, financing and debentures considered as probable scenario (Scenario I) the referential rates obtained with BM&FBOVESPA at March 31, 2015, and Scenarios II and III take into consideration rate increase by 25% and 50%, respectively. The results, in nominal values, are as follows:

Scenarios	Scenario I current	Scenario II +25%	Scenario III +50%
CDI rate (p.a.)	**12.60%**	**15.75%**	**18.90%**
Projected interest expenses (*)	**1,618**	**1,896**	**2,167**

(*) Calculated until the end of each indexed contract.

c) Credit risk

Credit risk is the risk that a counterparty to a business arrangement will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.
The Company is exposed to credit risk from its operating activities (primarily regarding trade receivables) and from its financing activities, including deposits in banks and financial institutions, exchange transactions and other financial instruments. In the case of identification of imminent risk of non-realization of these assets, the Company records provisions to bring them to their probable realizable value.

26. Financial instruments and financial risk management (Continued)

26.2. Risk management (Continued)

d) Liquidity risk

Liquidity risk represents the risk of cash shortage and difficulty of the Company in paying its debts. The Company seeks to align the maturity of its debts with the cash generation period to avoid any mismatch and generate the need for greater leverage. At March 31, 2015, the Company held cash, cash equivalents and marketable securities in the total amount of R$319,787 in Company and R$594,025 in Consolidated. The amounts disclosed below are projected considering inflation and interest through to maturity.

	Company – 03/31/2015					
	Up to 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	More than 5 years	Total financial liabilities
Trade accounts payable	160,317	-	-	-	-	160,317
Loans and financing	243,949	13,106	20,650	44,044	41,621	363,370
Debentures	60,942	84,043	565,197	1,999,932	65,414	2,775,528
Salaries, provisions and payroll charges	280,913	-	-	-	-	280,913
Accounts payable for acquisitions	114,857	104,954	35,981	5,376	-	261,168
Total	860,978	202,103	621,828	2,049,352	107,035	3,841,296

	Consolidated – 03/31/2015					
	Up to 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	More than 5 years	Total financial liabilities
Trade accounts payable	257,258	-	-	-	-	257,258
Loans and financing	243,949	27,912	32,270	56,693	43,479	404,303
Debentures	70,733	171,121	533,316	1,909,800	395,872	3,080,842
Salaries, provisions and payroll charges	345,580	-	-	-	-	345,580
Accounts payable for acquisitions	114,857	104,954	35,981	5,376	-	261,168
Total	1,032,377	303,987	601,567	1,971,869	439,351	4,349,151

26. Financial instruments and financial risk management (Continued)

26.2. Risk management (Continued)

e) Foreign currency

The Company has loans and financing and trade accounts payable in foreign currency (mainly the US dollar). The risk linked to these assets and liabilities arises from the possibility of the Company to incur losses from fluctuations in foreign exchange rates. Liabilities in foreign currency represent 1.8% of total consolidated liabilities at March 31, 2015. The Company has derivative financial instruments taken out for hedge against foreign exchange rate fluctuation (see topic below). Management believes that the risk of exposure to foreign currency is not significant in relation to its financial position.

f) Derivatives

At March 31, 2015, the Company has outstanding derivative instruments to hedge its loans in foreign currency and interest rate swap in the amount of US$31,416 and R$412,019, respectively, with net revenue receivable of R$73,562 in Company and Consolidated (net revenue receivable of R$28,861 at December 31, 2014 in Company and Consolidated) recorded in the balance sheet under "Derivative financial instruments".

The Company and its subsidiaries do not contract derivative instruments for speculative purposes and do not settle them prior to respective maturities, on a regular basis. No guarantee margin is provided in connection with derivative contracts. The amounts are determined based on models and available market quotations that take into consideration present or future market conditions, being pretax gross amounts.

26. Financial instruments and financial risk management (Continued)

26.2. Risk management (Continued)

f) Derivatives (Continued)

The fair value of these instruments at the reporting date by counterparty, classified under "Derivative financial instruments", is set out below:

			03/31/2015
Description	**Maturity month/year**	**Notional value**	**Notional value**
Swap (Floating x Fixed)	**01/16/2017**		
Long position	**CDI + 2.0%**		
Short position	**TJLP + 7.07%**	**84,058**	**1,710**
Swap (Floating x Fixed)	**12/10/2018**		
Long position	**CDI + 2.30%**		
Short position	**TJLP + 7.46%**	**56,250**	**1,154**
Swap (Currency)	**04/15/2020**		
Long position	**LIBOR + 3.30%**		
Short position	**CDI + 1.00%**	**71,722**	**43,329**
Swap (Currency)	**08/13/2015**		
Long position	**USD/BRL + 2.27%**		
Short position	**CDI + 1.30%**	**200,000**	**27,369**
			73,562
Effect on P&L for the period			**44,701**

Changes in market rates may make these amounts to change until maturity or early settlement of the transactions.

26. Financial instruments and financial risk management (Continued)

26.2. Risk management (Continued)

f) Derivatives (Continued)

The Company and its subsidiaries adopted, according to CVM Rule No. 475/08, the scenarios corresponding to -25% (Scenario II), -50% (Scenario III), 25% (Scenario IV) and 50% (Scenario V) in relation to the exchange rate used to determine the probable scenario.

Situation	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
Variation of exchange rate	5%	(25%)	(50%)	25%	50%
Devaluation of US$ (rate in R$)	-	2.5263	1.6842	-	-
Appreciation of US$ (rate in R$)	3.3684	-	-	4.2105	5.0526
	Scenario I (loss)/gain	**Scenario II (loss)/gain**	**Scenario III (loss)/gain**	**Scenario IV (loss)/gain**	**Scenario V (loss)/gain**
Effect on liabilities in US$					
IFC - International Finance Corporation	(5,277)	22,425	50,128	(32,979)	(60,681)
Loan 4131	(11,565)	49,150	109,864	(72,279)	(132,993)
Effect on derivatives					
SWAP - IFC - International Finance Corporation	5,258	(22,348)	(49,953)	32,864	60,470
SWAP - Loan 4131	11,546	(49,071)	(109,689)	72,164	132,781
Net effect	(37)	156	350	(230)	(423)

27. Insurance

The Company maintains insurance coverage at amounts deemed sufficient by management to cover risks, if any, on its assets and/or liabilities.

Insurance line	Amount insured
Property risk	**888,125**
Civil liability (D&O)	**30,000**
General civil liability	**13,500**
Civil liability - construction works	**141,000**
Engineering risks	**361,315**

28. Subsequent events

On April 27, 2015, the Company entered into an investment agreement with HPT Participações S.A. (Carlyle Group's investee) in the amount of R$1,819,435, thorough issue of 37,051,337 new common shares, representing 8.38% of Rede D'Or's capital. The contribution will be carried out in two phases, as follows: (a) 18,525,668 new common shares, free and clear of any liens, which will be fully subscribed and paid up on the closing date, in kind and for a global issue price of R$875,000, representing 4.19% of total Company's capital on the closing date, on a "Fully Diluted" basis; and (b) 18,525,669 new common shares, free and clear of any liens, which will be subscribed and paid up on the closing date by the investor upon delivery of pro-solute promissory note, for a total issue price of R$944.435, representing 4.19% of the Company's total capital on the closing date, on a "Fully Diluted" basis.

On May 15, 2015, Rede D'Or acquired all units of interest of Hospital e Maternidade Bartira Ltda., a privately-held company operating a hospital in the city of Santo André, state of São Paulo. Total consideration transferred in connection with the acquisition of the company amounts to R$118,365, R$89,073 of which was paid on the date of acquisition, and the remaining R$29,292 shall be paid upon contractual clearances.

On March 30, 2015, Rede D'Or, by means of its wholly-owned subsidiary Onco D'Or Oncologia S.A., acquired the remaining 50% of Oncoholding Participações S.A. capital, which in turn holds 89.52% of total and voting capital of Oncologia Rede D'Or S.A. ("Oncologia D'Or"), and thus became holder of 100% of Oncoholding Participações S.A. capital Total consideration transferred for this acquisition amounts to R$64,500, R$36,000 of which payable on the date of acquisition, and the remaining R$28,500 shall be paid within five years as from the date of acquisition. The transaction is under analysis by the Administrative Council for Economic Defense (CADE), and will be registered after CADE releases its decision.