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Capital Composition

Number of shares (units)	Current Period 9/30/2012
From paid-in capital	
Common	531,294,792
Preferred	-
Total	531,294,792
On Treasury	
Common	-
Preferred	-
Total	-

Company information / Cash Earnigs

Event	Approval	Earning	Payment Date	Share type	Share Class	Earnings per share (R$ / share)
Board of Directors' Meeting	8/04/2011	Dividends	9/21/2011	Commom		0.26660
Board of Directors' Meeting	8/04/2011	Interests on Capital	9/21/2011	Commom		0.13270
Board of Directors' Meeting	12/26/2011	Interests on Capital	1/10/2012	Commom		0.09590
Annual General Meeting	4/02/2012	Dividends	4/25/2012	Commom		0.40755
Board of Directors' Meeting	4/26/2012	Interests on Capital	5/23/2012	Commom		0.02789
Board of Directors' Meeting	4/26/2012	Dividends	5/23/2012	Commom		0.05221
Board of Directors' Meeting	7/26/2012	Interests on Capital	8/22/2012	Commom		0.01735
Board of Directors' Meeting	7/26/2012	Dividends	8/22/2012	Commom		0.06161

BALANCE SHEET - ASSETS

(R$ Thousand)

Code	Description	Current Quarter 9/30/2012	Prior Year 12/31/2011
1	Total assets	965,780	979,158
1.01	Current assets	242,730	251,615
1.01.01	Cash and cash equivalents	3,272	7,222
1.01.02	Financial investments	177,301	183,449
1.01.02.01	Financial investments at fair value	177,301	183,449
1.01.02.01.01	Trading securities	177,301	183,449
1.01.03	Receivables	22,896	19,595
1.01.03.01	Trade accounts receivable	16,749	12,813
1.01.03.01.01	Healthcare receivables	41,654	35,047
1.01.03.01.02	(-) Allowance for doubtful accounts	(24,905)	(22,234)
1.01.03.02	Sundry receivables	6,147	6,782
1.01.03.02.01	Advances to suppliers	1,393	1,141
1.01.03.02.02	Advances to employees	309	1,432
1.01.03.02.03	Other receivables	4,445	4,209
1.01.06	Taxes recoverable	38,899	41,094
1.01.06.01	Current taxes recoverable	38,899	41,094
1.01.07	Prepaid expenses	362	255
1.02	Non-current assets	723,050	727,543
1.02.01	Long-term receivables	164,416	176,982
1.02.01.06	Deferred taxes	127,786	141,850
1.02.01.06.01	Deferred income tax and social contribuition	127,786	141,850
1.02.01.09	Other non-current assets	36,630	35,132
1.02.01.09.03	Judicial deposits	33,810	31,918
1.02.01.09.04	Other receivables	2,737	3,130
1.02.01.09.05	Notes receivable	83	84
1.02.02	Investments	33,415	27,985
1.02.02.01	Equity interests	33,415	27,985
1.02.02.01.02	Investments in subsidiaries	32,847	27,486
1.02.02.01.04	Other equity interests	568	499
1.02.03	Property and equipment	6,772	9,424
1.02.03.01	Property and equipment in use	6,772	9,424
1.02.03.01.01	Chattels	14,527	13,515
1.02.03.01.02	Other	4,903	7,265
1.02.03.01.03	(-) Accumulated depreciation	(12,658)	(11,356)
1.02.04	Intangible assets	518,447	513,152
1.02.04.01	Intangible assets	518,447	513,152
1.02.04.01.02	Goodwill on acquisition of investiments (Goodwill)	492,876	492,876
1.02.04.01.03	System development, software licenses and other	17,372	11,061
1.02.04.01.04	Deferred selling expenses	8,199	9,215

BALANCE SHEET - LIABILITIES AND EQUITY
(R$ Thousand)

Code	Description	Current Quarter 9/30/2012	Prior Year 12/31/2011
2	Total liabilities and shareholders' equity	965,780	979,158
2.01	Current liabilities	155,554	140,889
2.01.01	Social and labor charges	13,304	11,074
2.01.01.01	Social charges	6,162	5,636
2.01.01.02	Labor charges	7,142	5,438
2.01.01.02.01	Salaries, vacation pay and fees	7,142	5,438
2.01.02	Suppliers	8,344	9,423
2.01.02.01	Local suppliers	8,344	9,423
2.01.02.01.01	Commissions payable	3,776	4,345
2.01.02.01.02	Suppliers of goods and services	4,568	5,078
2.01.03	Tax liabilities	42,331	41,283
2.01.03.01	Federal tax liabilities	41,575	40,044
2.01.03.01.01	Deferred income tax and social contribuition	37,745	33,639
2.01.03.01.02	Other federal tax liabilities	3,830	6,405
2.01.03.03	Municipal tax liabilities	756	1,239
2.01.05	Other liabilities	28,185	29,829
2.01.05.02	Other	28,185	29,829
2.01.05.02.02	Minimum mandatory dividend payable	8	2,129
2.01.05.02.04	Advances from customers	4,170	3,976
2.01.05.02.05	Other accounts payable	24,007	23,724
2.01.06	Provisions	63,390	49,280
2.01.06.02	Other provisions	63,390	49,280
2.01.06.02.04	Provision for unsettled claims/events	12,461	5,010
2.01.06.02.05	Provision for claims/events incurred but not reported	50,929	44,270
2.02	Non-current liabilities	104,305	75,663
2.02.02	Other liabilities	2,770	3,085
2.02.02.02	Other	2,770	3,085
2.02.02.02.03	Other liabilities	2,770	3,085
2.02.03	Deferred taxes	2,664	2,081
2.02.03.01	Deferred income tax and social contribuition	2,664	2,081
2.02.04	Provisions	98,871	70,497
2.02.04.01	Provision for tax, social security, labor and civil lawsuits	98,871	70,497
2.02.04.01.01	Provision for taxes	1,145	552
2.02.04.01.02	Provisions for social security and labor lawsuits	94,144	68,103
2.02.04.01.04	Provision for civil lawsuits	3,582	1,842
2.03	Equity	705,921	762,606
2.03.01	Capital	506,557	506,557
2.03.02	Capital reserves	18,324	35,324
2.03.02.01	Share premium	48,392	48,392
2.03.02.04	Granting of stock options	8,821	5,947
2.03.02.07	Granting of deferred stock options	(4,550)	(1,601)
2.03.02.08	Additional paid-up capital	(34,339)	(17,414)
2.03.04	Revenue reserves	146,866	220,725
2.03.04.01	Legal reserve	29,169	29,169
2.03.04.02	Statutory reserve	117,568	117,568
2.03.04.07	Tax incentive reserve	129	129
2.03.04.08	Additional proposed dividends	-	84,594
2.03.04.09	Treasury stock	-	(10,735)
2.03.05	Retained earnings/accumulated deficit	34,174	-

STATEMENT OF INCOME
(R$
Thousand)

Code	Description	Current Quarter 7/01/2012 to 9/30/2012	Accumulated for Prior Year 1/01/2012 to 9/30/2012	Equal quarter for last year 7/01/2011 to 9/30/2011	Accumulated for last year 1/01/2011 to 9/30/2011
3.01	Gross sales and/or services revenues	237,795	690,974	208,437	592,272
3.01.01	Net installments	245,510	714,599	214,937	612,043
3.01.02	Revenues of Sales and services	96	325	-	-
3.01.04	Taxes on healthcare plan operations	(7,811)	(23,950)	(6,500)	(19,771)
3.02	Cost of sales and/or services	(122,928)	(329,663)	(107,206)	(287,916)
3.02.01	Indemnifiable claims, net	(106,122)	(295,914)	(100,161)	(259,120)
3.02.02	Social charges on services	(7,535)	(20,941)	(7,660)	(19,693)
3.02.03	Dental materials	(1,825)	(4,310)	(1,729)	(4,609)
3.02.04	Other operating incomes (expenses)	(2,156)	(1,839)	2,344	(4,494)
3.02.05	Changes in events incurred but not reported	(5,290)	(6,659)	-	-
3.03	Gross profit	114,867	361,311	101,231	304,356
3.04	Operating expenses	(69,310)	(200,412)	(61,921)	(167,999)
3.04.01	Selling	(22,592)	(65,339)	(19,225)	(53,479)
3.04.01.01	Selling expenses	(22,592)	(65,339)	(19,225)	(53,479)
3.04.02	General and administrative	(41,994)	(115,897)	(37,134)	(101,497)
3.04.05	Other operating expenses	(6,219)	(23,966)	(6,304)	(16,113)
3.04.05.01	Stock option plan	(735)	(2,414)	(495)	(1,917)
3.04.05.02	Allowance for doubtful accounts				

		(4,765)	(17,532)	(4,739)	(14,349)
3.04.05.03	Profit sharing	(719)	(4,020)	(1,070)	153
3.04.06	Equity in the earnings of subsidiary and associated companies	1,495	4,790	742	3,090
3.05	Profit before finance income (costs) and taxes	45,557	160,899	39,310	136,357
3.06	Finance income (cost)	2,404	10,004	5,367	12,295
3.06.01	Financial income	13,790	40,521	30,820	41,247
3.06.01.01	Financial income	4,574	16,544	7,312	17,739
3.06.01.02	Revertion of interest on capital	9,216	23,977	23,508	23,508
3.06.02	Financial expenses	(11,386)	(30,517)	(25,453)	(28,952)
3.07	Profit before taxation and profit sharing	47,961	170,903	44,677	148,652
3.08	Provision for income tax and social contribution	(13,787)	(52,392)	(5,586)	(38,832)
3.08.01	Current	(10,067)	(37,745)	(1,452)	(25,771)
3.08.02	Deferred	(3,720)	(14,647)	(4,134)	(13,061)
3.09	Net results from continuing operations	34,174	118,511	39,091	109,820
3.11	Net income for the period	34,174	118,511	39,091	109,820
3.99.01	Basic earnings per share	-	-	-	-
3.99.01.01	Common	-	0.22360	-	0.20708
3.99.02	Diluted earnings per share	-	-	-	-
3.99.02.01	Common	-	0.22141	-	0.20477

STATEMENT OF COMPREHENSIVE INCOME
(R$ Thousand)

Code	Description	Current Quarter 7/01/2012 to 9/30/2012	Accumulated for Prior Year 1/01/2012 to 9/30/2012	Equal quarter for last year 7/01/2011 to 9/30/2011	Accumulated for last year 1/01/2011 to 9/30/2011
4.01	Net income for the period	34,174	118,511	39,091	109,820
4.03	Comprehensive income for the period	34,174	118,511	39,091	109,820

STATEMENT OF CASH FLOWS - INDIRECT METHOD
(R$
Thousand)

Code	Description	Accumulated for Current Year 1/01/2012 to 9/30/2012	Accumulated for Prior Year 1/01/2011 to 9/30/2011
6.01	Net cash provided by operating activities	184,930	110,035
6.01.01	Cash provided by operations	133,407	118,208
6.01.01.01	Net income for the period	118,511	109,820
6.01.01.02	Depreciation and amortization	3,624	4,164
6.01.01.03	Monetary variations, net	2,235	693
6.01.01.05	Provision for contingencies	2,083	994
6.01.01.06	Disposal of property and equipment and investments	-	11
6.01.01.07	Equity in the losses of subsidiary and associated companies	(4,790)	(3,090)
6.01.01.08	Allowance for doubtful accounts	2,671	3,699
6.01.01.09	Stock option plan	2,414	1,917
6.01.01.10	Changes in events incurred but not reported	6,659	-
6.01.02	Changes in assets and liabilities	51,523	(8,173)
6.01.02.01	Financial investments at fair value	6,148	(42,591)
6.01.02.02	Healthcare receivables	(6,607)	2,115
6.01.02.03	Notes receivable	3,273	(5,843)
6.01.02.05	Long-term receivables	14,555	12,755
6.01.02.06	Provision for events/ claims to be settled	7,451	3,124
6.01.02.08	Salaries, vacation pay and fees	1,704	1,219
6.01.02.09	Taxes and contributions payable	3,794	6,117
6.01.02.10	Suppliers - Healthcare transactions	(602)	(4,538)
6.01.02.11	Long-term liabilities	21,807	19,469
6.02	Net cash used in investing activities	(6,907)	(7,035)
6.02.01	Purchase of property and equipment	(1,312)	(2,286)
6.02.02	System development, software licenses and other	(5,972)	(1,898)
6.02.03	Deferred selling expenses	1,016	(2,222)
6.02.06	Acquisition of investment	(639)	(629)
6.03	Net cash used in financing activities	(181,973)	(106,266)
6.03.01	Dividends and Interest on capital paid	(173,294)	(85,806)
6.03.02	Acquisition of own shares - in treasury	(9,002)	(26,610)
6.03.04	Recieving of granting stock options	323	6,154
6.03.05	Others	-	(4)
6.05	Increase (decrease) in cash and cash equivalents	(3,950)	(3,266)
6.05.01	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF	7,222	9,239
6.05.02	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3,272	5,973

STATEMENT OF CHANGES IN EQUITY FROM 1/01/2012 TO 9/30/2012

(R$ Thousand)

Code	Description	Paid-up capital	Capital reserves, stock options and treasury stock	Revenue reserves	Earnings (accumulated deficit)	Other Comprehensive Income	Total equity
5.01	Opening balance	506,557	24,589	231,460	-	-	762,606
5.03	Adjusted balance	506,557	24,589	231,460	-	-	762,606
5.04	Capital transactions with partners	-	(6,265)	(84,594)	(84,337)	-	(175,196)
5.04.03	Granting of stock options recognized	-	2,414	-	-	-	2,414
5.04.04	Treasury shares acquired	-	(9,002)	-	-	-	(9,002)
5.04.05	Treasury shares sold	-	323	-	-	-	323
5.04.06	Dividends	-	-	-	(60,360)	-	(60,360)
5.04.07	Interest on Capital	-	-	-	(23,977)	-	(23,977)
5.04.12	Additional proposed dividends, exceeding the proposed interest on capital	-	-	(12,594)	-	-	(12,594)
5.04.13	Additional proposed dividends (complement)	-	-	(72,000)	-	-	(72,000)
5.05	Total comprehensive income	-	-	-	118,511	-	118,511
5.05.01	Profit for the period	-	-	-	118,511	-	118,511
5.07	Closing balance	506,557	18,324	146,866	34,174	-	705,921

STATEMENT OF CHANGES IN EQUITY FROM 1/01/2011 TO 9/30/2011

(R$ Thousand)

Code	Description	Paid-up capital	Capital reserves, stock options and treasury stock /	Revenue reserves	Earnings (accumulated deficit)	Other Comprehensive Income	Total equity
5.01	Opening balance	506,557	50,575	161,241	-	-	718,373
5.03	Adjusted balance	506,557	50,575	161,241	-	-	718,373
5.04	Capital transactions with partners	-	(16,196)	-	(70,733)	-	(86,929)
5.04.03	Granting of stock options recognized	-	1,917	-	-	-	1,917
5.04.04	Treasury shares acquired	-	(24,267)	-	-	-	(24,267)
5.04.06	Dividends	-	-	-	(47,221)	-	(47,221)
5.04.07	Interests on Capital	-	-	-	(23,508)	-	(23,508)
5.04.08	Recieved stock options	-	6,154	-	-	-	6,154
5.04.20	Others	-	-	-	(4)	-	(4)
5.05	Total comprehensive income	-	-	-	109,820	-	109,820
5.05.01	Profit for the period	-	-	-	109,820	-	109,820
5.07	Closing balance	506,557	34,379	161,241	39,087	-	741,264

STATEMENT OF VALUE ADDED
(R$
Thousand)

Code	Description	Accumulated for Current Year 1/01/2012 to 9/30/2012	Accumulated for Prior Year 1/01/2011 to 9/30/2011
7.01	Income	697,392	597,694
7.01.01	Sales of goods and services	714,599	612,043
7.01.02	Other incomes	325	-
7.01.02.02	Sales of goods and services	325	-
7.01.04	Provision/reversal of impairment of trade receivables	(17,532)	(14,349)
7.02	Inputs acquired from third parties	(441,587)	(379,471)
7.02.01	Costs of goods and services	(295,914)	(259,120)
7.02.02	Materials, energy, outsourced services and other	(9,487)	(9,011)
7.02.04	Others	(136,186)	(111,340)
7.02.04.01	Other operating revenues (expenses)	7,687	(48)
7.02.04.02	Selling expenses	(65,339)	(53,479)
7.02.04.03	Administrative expenses	(71,875)	(57,813)
7.02.04.04	Changes in events incurred but not reported	(6,659)	-
7.03	GROSS VALUE ADDED	255,805	218,223
7.04	Retentions	(3,624)	(4,164)
7.04.01	Depreciation, amortization and depletion	(3,624)	(4,164)
7.05	NET VALUE ADDED GENERATED	252,181	214,059
7.06	Value added received through transfer	21,334	20,829
7.06.01	Equity in the results of subsidiaries	4,790	3,090
7.06.02	Financial income	16,544	17,739
7.07	TOTAL VALUE ADDED TO DISTRIBUTE	273,515	234,888
7.08	DISTRIBUTION OF VALUE ADDED	273,515	234,888
7.08.01	Personnel	36,952	28,746
7.08.01.01	Direct remuneration	28,181	21,418
7.08.01.02	Benefits	6,783	5,633
7.08.01.03	FGTS	1,988	1,695
7.08.02	Taxes and contributions	106,435	86,220
7.08.02.01	Federal	97,762	78,821
7.08.02.02	State	28	30
7.08.02.03	Municipal	8,645	7,369
7.08.03	Remuneration of third-party capital	9,203	8,185
7.08.03.02	Rentals	2,663	2,741
7.08.03.03	Others	6,540	5,444
7.08.03.03.01	Finance costs	6,540	5,444
7.08.04	Remuneration of own capital	118,511	109,820
7.08.04.01	Interest on capital	23,977	23,508
7.08.04.02	Dividends	60,360	47,221
7.08.04.03	Profits reinvested/loss for the year	34,174	39,091
7.08.05	Others	2,414	1,917
7.08.05.01	GRANTING OF STOCK OPTIONS	2,414	1,917

CONSOLIDATED BALANCE SHEET - ASSETS
(R$ Thousand)

Code	Description	Current Quarter 9/30/2012	Prior Year 12/31/2011
1	Total assets	978,844	993,258
1.01	Current assets	278,229	284,706
1.01.01	Cash and cash equivalents	4,313	8,050
1.01.02	Financial investments	196,278	199,781
1.01.02.01	Financial investments at fair value	196,278	199,781
1.01.02.01.01	Trading securities	196,278	199,781
1.01.03	Receivables	26,703	24,542
1.01.03.01	Trade accounts receivable	18,272	14,405
1.01.03.01.01	Healthcare receivables	43,889	37,645
1.01.03.01.02	(-) Allowance for doubtful accounts	(25,617)	(23,240)
1.01.03.02	Sundry receivables	8,431	10,137
1.01.03.02.01	Advances to suppliers	1,537	1,309
1.01.03.02.02	Advances to employees	870	2,142
1.01.03.02.03	Other receivables	6,024	6,686
1.01.04	Inventories	987	784
1.01.06	Taxes recoverable	49,584	51,294
1.01.06.01	Current taxes recoverable	49,584	51,294
1.01.07	Prepaid expenses	364	255
1.02	Non-current assets	700,615	708,552
1.02.01	Long-term receivables	167,913	180,699
1.02.01.06	Deferred taxes	128,802	143,035
1.02.01.06.01	Deferred income tax and social contribuition	128,802	143,035
1.02.01.09	Other non-current assets	39,111	37,664
1.02.01.09.03	Judicial deposits	36,287	34,355
1.02.01.09.04	Other receivables	2,737	3,130
1.02.01.09.05	Notes receivable	87	179
1.02.02	Investments	1,214	438
1.02.02.01	Equity interests	1,214	438
1.02.02.01.04	Other equity interests	1,214	438
1.02.03	Property and equipment	9,232	10,894
1.02.03.01	Property and equipment in use	9,232	10,894
1.02.03.01.01	Chattels	19,015	17,794
1.02.03.01.02	Other 3,840	6,977	8,320
1.02.03.01.03	(-) Accumulated depreciation	(16,760)	(15,220)
1.02.04	Intangible assets	522,256	516,521
1.02.04.01	Intangible assets	522,256	516,521
1.02.04.01.02	Goodwill in aquisition of investments	495,589	495,255
1.02.04.01.03	System development, software licenses and other	18,468	12,051
1.02.04.01.04	Deferred selling expenses	8,199	9,215

CONSOLIDATED BALANCE SHEET - LIABILITIES AND EQUITY
(R$ Thousand)

Code	Description	Current Quarter 9/30/2012	Prior Year 12/31/2011
2	Total liabilities and shareholders' equity	978,844	993,258
2.01	Current liabilities	165,667	151,614
2.01.01	Social and labor charges	18,324	14,585
2.01.01.01	Social charges	7,667	6,830
2.01.01.02	Labor charges	10,657	7,755
2.01.01.02.01	Salaries, vacation pay and fees	10,657	7,755
2.01.02	Suppliers	9,510	9,694
2.01.02.01	Local suppliers	9,510	9,694
2.01.02.01.01	Commissions payable	3,811	4,365
2.01.02.01.02	Suppliers of goods and services	5,699	5,329
2.01.03	Tax liabilities	46,027	45,530
2.01.03.01	Federal tax liabilities	44,912	43,937
2.01.03.01.01	Deferred income tax and social contribuition	40,449	36,821
2.01.03.01.02	Other federal tax liabilities	4,463	7,116
2.01.03.02	State tax liabilities	-	13
2.01.03.03	Municipal tax liabilities	1,115	1,580
2.01.05	Other liabilities	25,802	30,929
2.01.05.02	Other	25,802	30,929
2.01.05.02.02	Minimum mandatory dividend payable	8	2,129
2.01.05.02.04	Advances from customers	4,459	3,993
2.01.05.02.05	Other accounts payable	21,335	24,807
2.01.06	Provisions	66,004	50,876
2.01.06.02	Other provisions	66,004	50,876
2.01.06.02.04	Provision for unsettled claims/events	13,573	5,929
2.01.06.02.05	Provision for claims/events incurred but not reported	52,431	44,947
2.02	Non-current liabilities	105,990	77,604
2.02.02	Other liabilities	2,770	3,085
2.02.02.02	Other	2,770	3,085
2.02.02.02.03	Other liabilities	2,770	3,085
2.02.03	Deferred taxes	2,664	2,081
2.02.03.01	Deferred income tax and social contribuition	2,664	2,081
2.02.04	Provisions	100,556	72,438
2.02.04.01	Provision for tax, social security, labor and civil lawsuits	100,556	72,438
2.02.04.01.01	Provision for taxes	2,406	1,769
2.02.04.01.02	Provisions for social security and labor lawsuits	94,567	68,736
2.02.04.01.04	Provision for civil lawsuits	3,583	1,933
2.03	Consolidated equity	707,187	764,040
2.03.01	Capital	506,557	506,557
2.03.02	Capital reserves	18,324	35,324
2.03.02.01	Share premium	48,392	48,392
2.03.02.04	Granting of stock options	8,821	5,947
2.03.02.07	Granting of deferred stock options	(4,550)	(1,601)
2.03.02.08	Additional paid-up capital	(34,339)	(17,414)
2.03.04	Revenue reserves	146,866	220,725
2.03.04.01	Legal reserve	29,169	29,169
2.03.04.02	Statutory reserve	117,568	117,568
2.03.04.07	Tax incentive reserve	129	129
2.03.04.08	Additional proposed dividends	-	84,594
2.03.04.09	Treasury stock	-	(10,735)
2.03.05	Retained earnings/accumulated deficit	34,174	-
2.03.09	Non-controlling interests	1,266	1,434

CONSOLIDATED STATEMENT OF INCOME
(R$ Thousand)

Code	Description	Current Quarter 7/01/2012 to 9/30/2012	Accumulated for Prior Year 1/01/2012 to 9/30/2012	Equal quarter for last year 7/01/2011 to 9/30/2011	Accumulated for last year 1/01/2011 to 9/30/201\
3.01	Gross sales and/or services revenues	243,108	707,229	214,689	611,144
3.01.01	Net installments	251,677	732,754	221,342	630,843
3.01.02	Revenues of Sales and services	1,436	4,427	1,329	4,349
3.01.04	Taxes on healthcare plan operations	(8,093)	(24,801)	(6,792)	(20,668)
3.01.05	Taxes on sales of goods and services	(1,912)	(5,151)	(1,190)	(3,380)
3.02	Cost of sales and/or services	(126,909)	(341,060)	(110,448)	(296,950)
3.02.01	Indemnifiable claims, net	(108,791)	(303,321)	(102,109)	(264,454)
3.02.02	Social charges on services	(7,619)	(21,176)	(7,742)	(19,911)
3.02.03	Dental materials	(1,095)	(2,475)	(1,205)	(3,147)
3.02.04	Other operating incomes (expenses)	(4,114)	(7,429)	608	(9,438)
3.02.05	Changes in events incurred but not reported	(5,290)	(6,659)	-	-
3.03	Gross profit	116,199	366,169	104,241	314,194
3.04	Operating expenses	(70,101)	(202,829)	(64,993)	(176,876)
3.04.01	Selling	(22,803)	(66,008)	(19,388)	(54,125)
3.04.01.01	Selling expenses	(22,803)	(66,008)	(19,388)	(54,125)
3.04.02	General and administrative	(40,193)	(111,137)	(38,041)	(105,840)
3.04.05	Other operating expenses	(6,961)	(25,140)	(6,819)	(16,166)
3.04.05.01	Stock option plan	(735)	(2,414)	(495)	(1,917)
3.04.05.02	Allowance for doubtful accounts	(4,889)	(17,393)	(4,945)	(14,893)
3.04.05.03	Profit sharing	(1,337)	(5,333)	(1,379)	644
3.04.06	Equity in the earnings of subsidiary and associated companies	(144)	(544)	(745)	(745)
3.05	Profit before finance income (costs) and taxes	46,098	163,340	39,248	137,318
3.06	Finance income (cost)	2,810	10,739	6,332	13,782
3.06.01	Financial income	14,355	41,942	32,121	43,294
3.06.01.01	Financial income	5,139	17,965	8,613	19,786
3.06.01.02	Reversal of interest on capital	9,216	23,977	23,508	23,508
3.06.02	Financial expenses	(11,545)	(31,203)	(25,789)	(29,512)
3.07	Profit before taxation and profit sharing	48,908	174,079	45,580	151,100
3.08	Provision for income tax and social contribution	(14,663)	(55,393)	(6,423)	(41,010)
3.08.01	Current	(11,106)	(40,577)	(2,343)	(28,147)
3.08.02	Deferred	(3,557)	(14,816)	(4,080)	(12,863)
3.09	Net results from continuing operations	34,245	118,686	39,157	110,090
3.11	Consolidated profit/loss for the period	34,245	118,686	39,157	110,090
3.11.01	Attributable to stockholders of the Parent company	34,174	118,511	39,091	109,820
3.11.02	Attributable to non-controlling interests	71	175	66	270

3.99	Earnings per share (Reais - Share)	-	-	-	-
3.99.01	Basic earnings per share	-	-	-	-
3.99.01.01	Common	-	0.22360	-	0.20708
3.99.02	Diluted earnings per share	-	-	-	-
3.99.02.01	Common	-	0.22141	-	0.20477

STATEMENT OF COMPREHENSIVE INCOME

(R$ Thousand)

Code	Description	Current Quarter 7/01/2012 to 9/30/2012	Accumulated for Prior Year 1/01/2012 to 9/30/2012	Equal quarter for last year 7/01/2011 to 9/30/2011	Accumulated for last year 1/01/2011 to 9/30/2011
4.01	Consolidated Net income for the period	34,245	118,686	39,157	110,090
4.03	Consolidated Comprehensive income for the period	34,245	118,686	39,157	110,090
4.03.01	Granted to shareholders of parent company	34,174	118,511	39,091	109,820
4.03.02	Granted to non-controlling shareholders	71	175	66	270

CONSOLIDATED STATEMENT OF CASH FLOWS - INDIRECT METHOD
(R$ Thousand)

Code	Description	Accumulated for Current Year 1/01/2012 to 9/30/2012	Accumulated for Prior Year 1/01/2011 to 9/30/2011
6.01	Net cash provided by operating activities	186,552	109,221
6.01.01	Cash provided by operations	138,400	122,908
6.01.01.01	Net income for the period	118,511	109,820
6.01.01.02	Depreciation and amortization	3,874	4,447
6.01.01.03	Monetary variations, net	1,957	(110)
6.01.01.05	Provision for contingencies	1,883	1,534
6.01.01.06	Disposal of property and equipment and investments	6	11
6.01.01.07	Equity in the losses of subsidiary and associated companies	544	745
6.01.01.08	Allowance for doubtful accounts	2,377	4,274
6.01.01.09	Stock option plan	2,414	1,917
6.01.01.10	Changes in events incurred but not reported	6,659	-
6.01.01.11	Non-controlling interests in subsidiaries	175	270
6.01.02	Changes in assets and liabilities	48,152	(13,687)
6.01.02.01	Financial investments at fair value	3,503	(47,727)
6.01.02.02	Healthcare receivables	(6,244)	2,005
6.01.02.03	Notes receivable	4,240	(5,744)
6.01.02.04	Inventories	(203)	(296)
6.01.02.05	Long-term receivables	14,481	12,531
6.01.02.06	Provision for events/ claims to be settled	7,644	3,274
6.01.02.08	Salaries, vacation pay and fees	2,902	1,380
6.01.02.09	Taxes and contributions payable	3,045	5,418
6.01.02.10	Suppliers - Healthcare transactions	(3,190)	(4,335)
6.01.02.11	Long-term liabilities	21,974	19,807
6.02	Net cash used in investing activities	(8,316)	(7,278)
6.02.01	Purchase of property and equipment	(2,544)	(2,529)
6.02.02	System development, software licenses and other	(6,091)	(1,898)
6.02.03	Deferred selling expenses	1,016	(2,222)
6.02.06	Acquisition of investment	(1,054)	(629)
6.02.07	Dividends paid by subsidiaries	357	-
6.03	Net cash used in financing activities	(181,973)	(106,266)
6.03.01	Dividends and Interest on capital paid	(173,294)	(85,806)
6.03.02	Acquisition of own shares - in treasury	(9,002)	(26,610)
6.03.04	Recieving of granting stock options	323	6,154
6.03.05	Others	-	(4)
6.05	Increase (decrease) in cash and cash equivalents	(3,737)	(4,323)
6.05.01	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF	8,050	11,180
6.05.02	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,313	6,857

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 1/01/2012 TO 9/30/2012
(R$ Thousand)

Code	Description	Paid-up capital	Capital reserves, stock options and treasury stock /	Revenue reserves	Earnings (accumulated deficit)	Other comprehensive Income	Total equity	Non Controlling Interests	Consolidated Equity
5.01	Opening balance	506,557	24,589	231,460	-	-	762,606	1,434	764,040
5.03	Adjusted balance	506,557	24,589	231,460	-	-	762,606	1,434	764,040
5.04	Capital transactions with partners	-	(6,265)	(84,594)	(84,337)	-	(175,196)	(343)	(175,539)
5.04.03	Granting of stock options recognized	-	2,414	-	-	-	2,414	-	2,414
5.04.04	Treasury shares acquired	-	(9,002)	-	-	-	(9,002)	-	(9,002)
5.04.05	Treasury shares sold	-	323	-	-	-	323	-	323
5.04.06	Dividends	-	-	-	(60,360)	-	(60,360)	-	(60,360)
5.04.07	Interest on capital	-	-	-	(23,977)	-	(23,977)	-	(23,977)
5.04.12	Additional proposed dividends, exceeding the proposed interest on capital	-	-	(12,594)	-	-	(12,594)	-	(12,594)
5.04.13	Additional proposed dividends (complement)	-	-	(72,000)	-	-	(72,000)	-	(72,000)
5.04.20	Others	-	-	-	-	-	-	(343)	(343)
5.05	Total comprehensive income	-	-	-	118,511	-	118,511	175	118,686
5.05.01	Profit for the period	-	-	-	118,511	-	118,511	175	118,686
5.07	Closing balance	506,557	18,324	146,866	34,174	-	705,921	1,266	707,187

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 1/01/2011 TO 9/30/2011

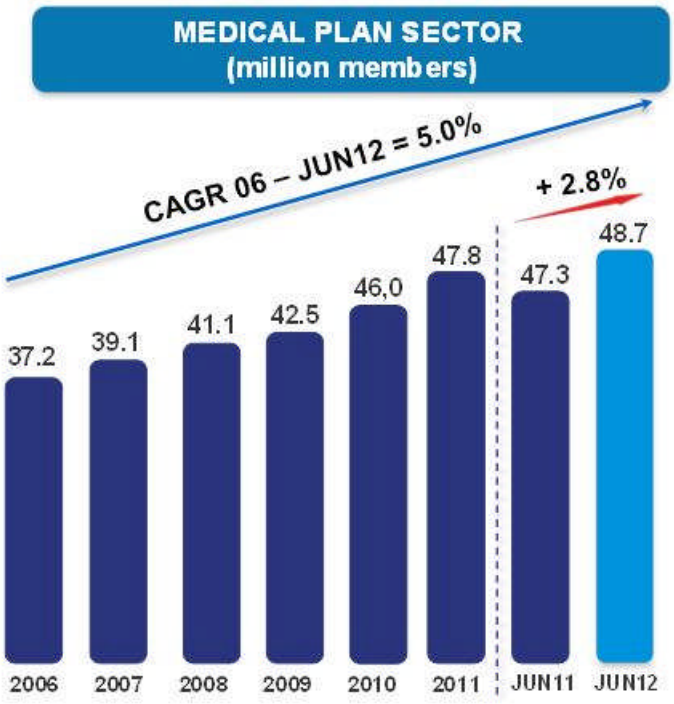
(R$ Thousand)

Code	Description	Paid-up capital	Capital reserves, stock options and treasury stock /	Revenue reserves	Earnings (accumulated deficit)	Other comprehensive Income	Total equity	Non Controlling Interests	Consolidated Equity
5.01	Opening balance	506,557	50,575	161,241	-	-	718,373	1,085	719,458
5.03	Adjusted balance	506,557	50,575	161,241	-	-	718,373	1,085	719,458
5.04	Capital transactions with partners	-	(16,196)	-	(70,733)	-	(86,929)	(10)	(86,939)
5.04.03	Granting of stock options recognized	-	1,917	-	-	-	1,917	-	1,917
5.04.04	Treasury shares acquired	-	(24,267)	-	-	-	(24,267)	-	(24,267)
5.04.06	Dividends	-	-	-	(47,221)	-	(47,221)	-	(47,221)
5.04.07	Interests on Capital	-	-	-	(23,508)	-	(23,508)	-	(23,508)
5.04.08	Recieved stock options	-	6,154	-	-	-	6,154	-	6,154
5.04.20	Ohers	-	-	-	(4)	-	(4)	(10)	(14)
5.05	Total comprehensive income	-	-	-	109,820	-	109,820	270	110,090
5.05.01	Profit for the period	-	-	-	109,820	-	109,820	270	110,090
5.07	Closing balance	506,557	34,379	161,241	39,087	-	741,264	1,345	742,609

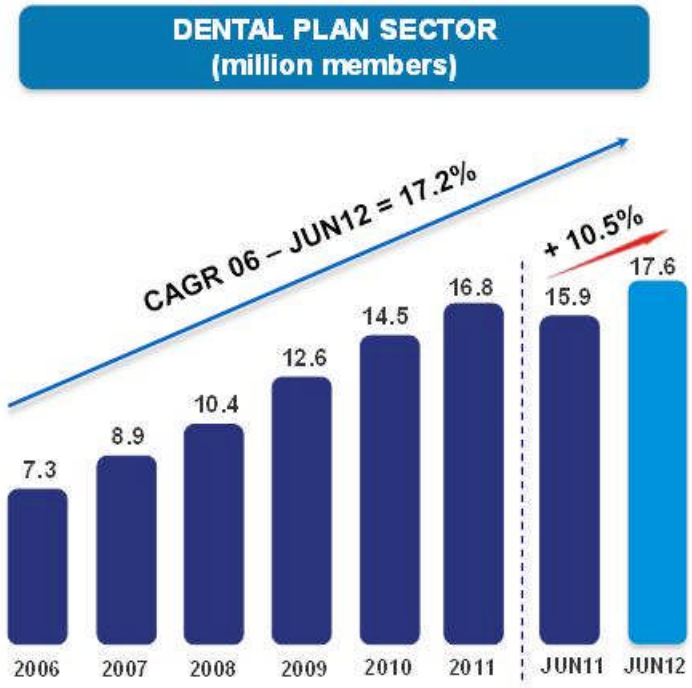
CONSOLIDATED STATEMENT OF VALUE ADDED
(R$ Thousand)

Code	Description	Accumulated for Current Year 1/01/2012 to 9/30/2012	Accumulated for Prior Year 1/01/2011 to 9/30/2011
7.01	Income	719,788	620,299
7.01.01	Sales of goods and services	732,754	630,843
7.01.02	Other incomes	4,427	4,349
7.01.02.02	Sales of goods and services	4,427	4,349
7.01.04	Provision/reversal of impairment of trade receivables	(17,393)	(14,893)
7.02	Inputs acquired from third parties	(425,499)	(373,811)
7.02.01	Costs of goods and services	(303,321)	(264,454)
7.02.02	Materials, energy, outsourced services and other	(7,703)	(7,639)
7.02.04	Others	(114,475)	(101,718)
7.02.04.01	Other operating revenues (expenses)	7,102	(566)
7.02.04.02	Selling expenses	(66,008)	(54,125)
7.02.04.03	Administrative expenses	(48,910)	(47,027)
7.02.04.04	Changes in events incurred but not reported	(6,659)	-
7.03	GROSS VALUE ADDED	294,289	246,488
7.04	Retentions	(3,874)	(4,447)
7.04.01	Depreciation, amortization and depletion	(3,874)	(4,447)
7.05	NET VALUE ADDED GENERATED	290,415	242,041
7.06	Value added received through transfer	17,421	19,041
7.06.01	Equity in the results of subsidiaries	(544)	(745)
7.06.02	Financial income	17,965	19,786
7.07	TOTAL VALUE ADDED TO DISTRIBUTE	307,836	261,082
7.08	DISTRIBUTION OF VALUE ADDED	307,836	261,082
7.08.01	Personnel	55,715	42,829
7.08.01.01	Direct remuneration	42,042	32,170
7.08.01.02	Benefits	10,457	8,034
7.08.01.03	FGTS	3,216	2,625
7.08.02	Taxes and contributions	119,029	95,943
7.08.02.01	Federal	107,571	86,451
7.08.02.02	State	792	101
7.08.02.03	Municipal	10,666	9,391
7.08.03	Remuneration of third-party capital	11,992	10,303
7.08.03.02	Rentals	4,766	4,299
7.08.03.03	Others	7,226	6,004
7.08.03.03.01	Finance costs	7,226	6,004
7.08.04	Remuneration of own capital	118,686	110,090
7.08.04.01	Interest on capital	23,977	23,508
7.08.04.02	Dividends	60,360	47,221
7.08.04.03	Profits reinvested/loss for the year	34,174	39,091
7.08.04.04	Non-controlling interest on retained earnings	175	270
7.08.05	Others	2,414	1,917
7.08.05.01	GRANTING OF STOCK OPTIONS	2,414	1,917

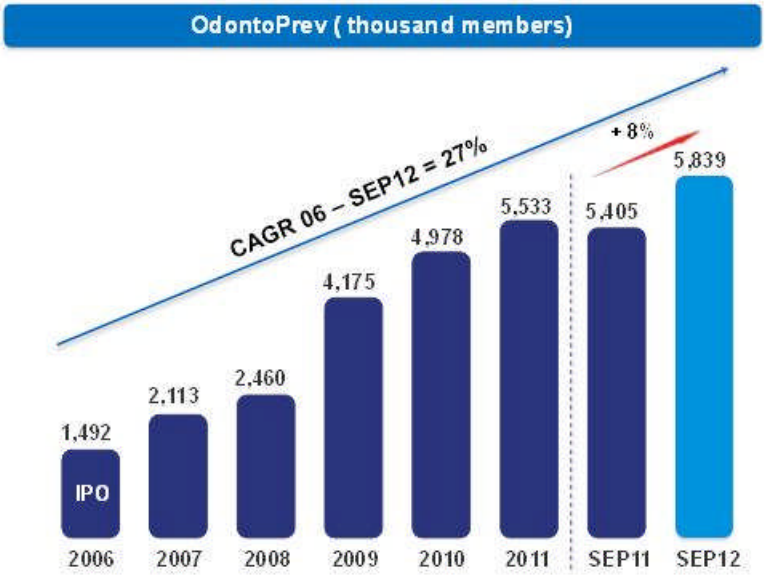
Medical/dental plan sector and OdontoPrev commercial performance



According to the latest figures released by ANS, the medical plans market reached a total of 48.7 million members in June 2012, 2.8% over June 2011. **From 2006 to June 2012, the compounded average annual growth rate (CAGR) of medical plan members was 5.0%.**



For its part, the dental plans sector posted a growth of 10.5% in June 2012, reaching 17.6 million members. **From 2006 to June 2012, the compounded average growth rate (CAGR) of dental plan members was 17.2%.**



In 3Q12 OdontoPrev reached 5,838,581 members, a growth of 8.0% over 3Q11. **From 2006 to September 2012 the compounded average growth rate (CAGR) of OdontoPrev members was of 27%.**

OdontoPrev performs a regulated activity, and as such must present financial statements based on the Accounting Rules of the ANS, including accounting lines with names differing from those commonly used by companies from other sectors. ***OdontoPrev's consolidated data on 3Q11 and 3Q12 include Rede Dental; DentalCorp and Care Plus (incorporated in 2008); Sepao; Prontodente and Odonto Serv (incorporated in 2009); Easy Software; Adcon and Dental Partner; and Bradesco Dental (incorporated in July, 2010).***

Income statement

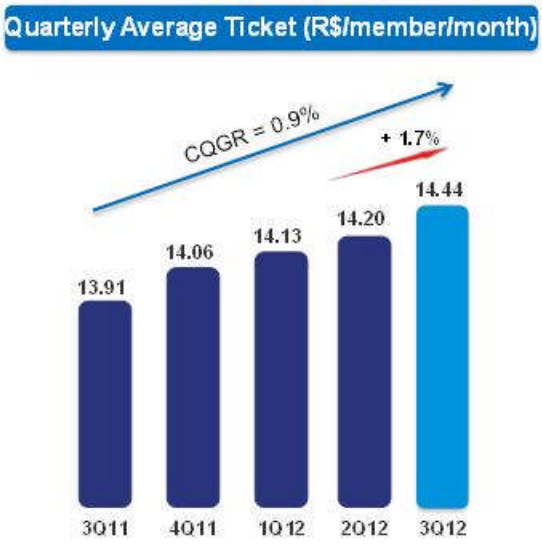
R$000	3Q12	3Q11	9M12	9M11
(+) Payments net	251,677	221,342	732,754	630,843
(+) Sales of services and products	1,436	1,329	4,427	4,349
Gross operating revenue	**253,113**	**222,671**	**737,181**	**635,192**
(-) Direct taxes on dental care operations	8,093	6,792	24,801	20,668
(-) Taxes on sales of services and products	1,912	1,190	5,151	3,380
Net operating revenue	**243,108**	**214,689**	**707,229**	**611,144**
(-) Cost of services	**126,909**	**110,448**	**341,060**	**296,950**
Indemnifiable claims, net	108,791	102,109	303,321	264,454
Payroll charges on services	7,619	7,742	21,176	19,911
Dental materials	1,095	1,205	2,475	3,147
Other operating expenses	9,404	(608)	14,088	9,438
Gross profit	**116,199**	**104,241**	**366,169**	**314,194**
(-) Selling expenses	**22,803**	**19,388**	**66,008**	**54,125**
(-) Administrative expenses (G&A)	**40,193**	**38,041**	**111,137**	**105,840**
G&A (included adjusted EBITDA base)	**37,394**	**32,916**	**105,571**	**96,444**
Personnel	19,197	16,121	55,825	48,022
Third parties services	3,757	4,104	10,347	11,059
Rentals and occupancy	7,295	5,966	20,605	17,173
Taxes and fees	906	843	2,790	2,594
Publicity and advertising	3,096	2,132	8,081	7,068
Travelling, printing and subscriptions	1,636	1,120	4,627	4,342
Others	1,507	2,630	3,296	6,186
G&A (not included adjusted EBITDA base)	**2,799**	**5,125**	**5,566**	**9,396**
Depreciation and amortization	1,202	1,474	3,875	4,447
Acquisition expenses	1,597	3,632	1,691	4,567
Bradesco Dental Association	-	4	-	4
Joint venture Mexico	-	6	-	347
Other expenses	-	9	-	31
(-) Other expenses	**4,889**	**4,945**	**17,393**	**14,893**
Allowance for doubtful receivables	4,889	4,945	17,393	14,893
(+) Financial income (expenses), net	**2,810**	**6,332**	**10,739**	**13,782**
(+) Financial income	5,139	8,613	17,965	19,786
(-) Financial expenses	11,545	25,789	31,203	29,512
(+) Interest on capital (IOC)	9,216	23,508	23,977	23,508
(+) Equity in subsidiaries	**(144)**	**(745)**	**(544)**	**(745)**
(-) Stock option	**735**	**495**	**2,414**	**1,917**
Income before taxes and profit sharing	**50,245**	**46,959**	**179,412**	**150,456**
(-) Current income and social contribution tax	11,106	2,343	40,577	28,147
(-) Deferred income and social contribution tax	3,557	4,080	14,816	12,863
(-) Profit sharing	1,337	1,379	5,333	(644)
Net income before participation of minoritary shareholders	**34,245**	**39,157**	**118,686**	**110,090**
(+) Participation of minoritary shareholders	(71)	(66)	(175)	(270)
Net income	**34,174**	**39,091**	**118,511**	**109,820**

Operating revenue

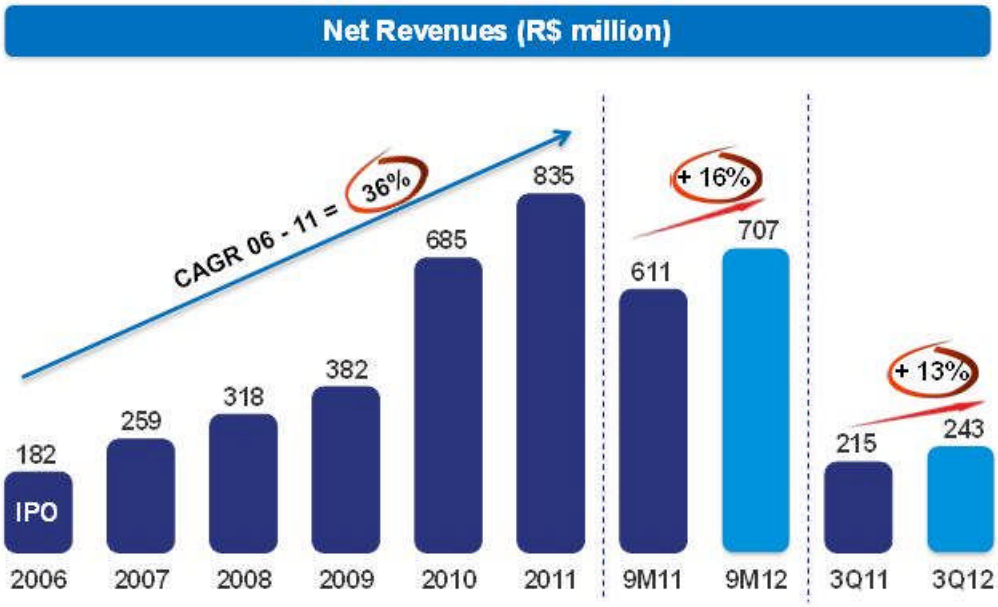
Net operating revenue 3Q12	3Q12		3Q11		Δ%	9M12		9M11		Δ%
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	R$ 000	% NOR	
(+) Payments, net	251,677	103.5	221,342	103.1	13.7	732,754	103.6	630,843	103.2	16.2
(+) Sales of services and products	1,436	0.6	1,329	0.6	8.1	4,427	0.6	4,349	0.7	1.8
Gross operating revenue (GOR)	**253,113**	**104.1**	**222,671**	**103.7**	**13.7**	**737,181**	**104.2**	**635,192**	**103.9**	**16.1**
(-) Direct taxes on dental care operations	8,093	3.3	6,792	3.2	19.2	24,801	3.5	20,668	3.4	20.0
(-) Taxes on sales of services and products	1,912	0.8	1,190	0.6	60.7	5,151	0.7	3,380	0.6	52.4
Net operating revenue (NOR)	**243,108**	**100.0**	**214,689**	**100.0**	**13.2**	**707,229**	**100.0**	**611,144**	**100.0**	**15.7**

The average ticket came from R$14.20 in 2Q12 to R$14.44 in 3Q12, a growth of 1.7% over the quarter. **In the annual comparison, the average ticket increased 3.8%, as a result of partial inflationary readjustments on corporate contracts.**

Average ticket (R$000)	3Q12	2Q12	3Q11	Q/Q %	Y/Y %	9M12	9M11	Δ%
Payments, net (A)	251,677	243,677	221,342	3.3	13.7	732,754	630,843	16.2
Average number of members (B)	5,809	5,722	5,304	1.5	9.5	5,686	5,192	9.5
Average ticket (A/B)	**14.44**	**14.20**	**13.91**	**1.7**	**3.8**	**14.32**	**13.50**	**6.1**



The net operating revenue (NOR) in 3Q12 was of R$243 million, 13.2% above 3Q11. In 9M12 increased 15.7%, reaching R$707 million.



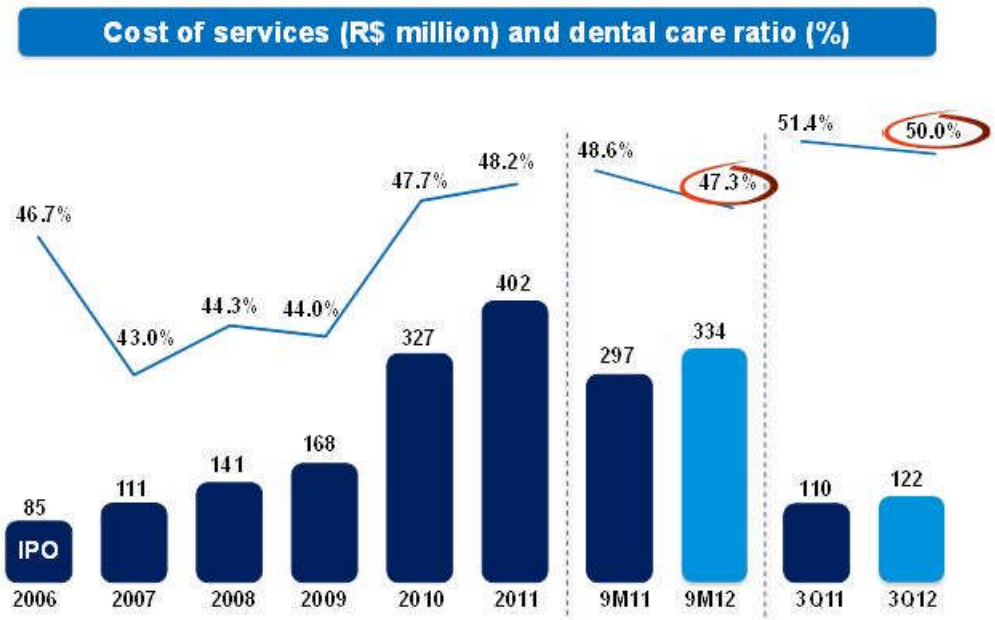
Cost of services (dental care ratio)

Cost of services (ex IBNR) and dental care ratio (% of NOR)										
	3Q12		3Q11		Δ% NOR	9M12		9M11		Δ% NOR
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	R$ 000	% NOR	
Cost of services	**121,619**	**50.0**	**110,448**	**51.4**	**1.4**	**334,401**	**47.3**	**296,950**	**48.6**	**1.3**
Indemnifiable claims, net	108,791	44.8	102,109	47.6	2.8	303,321	42.9	264,454	43.3	0.4
Payroll charges on services	7,619	3.1	7,742	3.6	0.5	21,176	3.0	19,911	3.3	0.3
Dental materials	1,095	0.5	1,205	0.6	0.1	2,475	0.3	3,147	0.5	0.2
Other operating expenses	4,114	1.7	(608)	(0.3)	(2.0)	7,429	1.1	9,438	1.5	0.4

OdontoPrev recorded R$5,290 of additional IBNR (Provision for Incurred but Not Reported) in 3Q12. This amount was excluded from the Cost of Services to calculate the Dental Care Ratio, same procedure as previous quarters.

OdontoPrev has not been disbursing the 20% social security taxation (INSS related to individual dentists) since September 2010. All related expenses have been booked accordingly, as Payroll charges on services. As of 3Q12, the total cash savings related to INSS reached R$60.9 million.

- **Indemnfiable claims, net:** In 3Q12 represented 44.8% of NOR, 2.8 *p.p.* below 3Q11. In 9M12 represented 42.9% of NOR, 0.4 *p.p.* below 9M11
- **Payroll changes on services:** 3.1% of NOR in 3Q12, 0.5 *p.p.* below 3Q11.
- **Dental materials:** In 3Q12 represented R$1,095, 0.5% of NOR. In 9M12 represented 0.3% of NOR, 0.2 *p.p* below 9M11.
- **Other operating expenses:** R$4,114, 1.7% of NOR and R$7,429 in 9M12, 1.1% of NOR.



Selling expenses

(R$000)	3Q12	% NOR	3Q11	% NOR	Δ% NOR	9M12	% NOR	9M11	% NOR	Δ% NOR
Selling expenses	22,803	9.4	19,388	9.0	(0.4)	66,008	9.3	54,125	8.9	(0.4)

The selling expenses came from R$19,388 (9.0% of NOR) in 3Q11 to R$22.803 (9.4% of NOR) in 3Q12, as a result of the sales mix of the period. In 9M12, represented 9.3% of NOR.

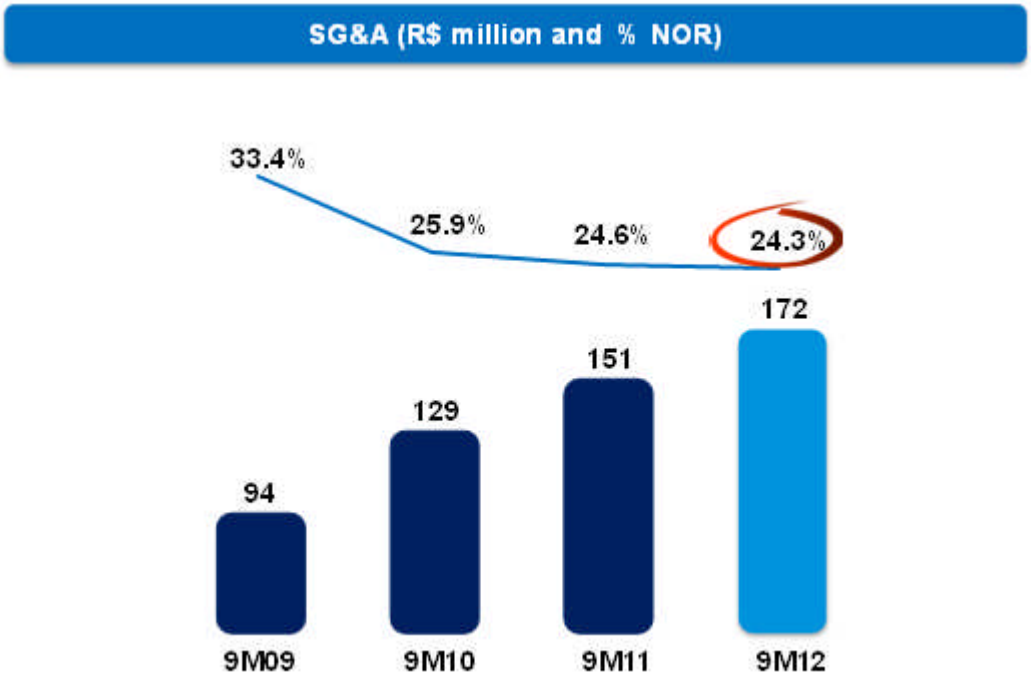
Administrative expenses (G&A)

	3Q12		3Q11		Δ% NOR	9M12		9M11		Δ% NOR
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	R$ 000	% NOR	
Personnel	19,197	7.9	16,121	7.5	(0.4)	55,825	7.9	48,022	7.9	-
Third parties services	3,757	1.5	4,104	1.9	0.4	10,347	1.5	11,059	1.8	0.3
Rentals and occupancy	7,295	3.0	5,966	2.8	(0.2)	20,605	2.9	17,173	2.8	(0.1)
Taxes and fees	906	0.4	843	0.4	-	2,790	0.4	2,594	0.4	-
Publicity and advertising	3,096	1.3	2,132	1.0	(0.3)	8,081	1.1	7,068	1.2	0.1
Travelling, printing and subscriptions	1,636	0.7	1,120	0.5	(0.2)	4,627	0.7	4,342	0.7	-
Others	1,507	0.6	2,630	1.2	0.6	3,296	0.5	6,186	1.0	0.5
G&A (included adjusted EBITDA base)	**37,394**	**15.4**	**32,916**	**15.3**	**(0.1)**	**105,571**	**14.9**	**96,444**	**15.8**	**0.9**
Depreciation and amortization	1,202	0.5	1,474	0.7	0.2	3,875	0.5	4,447	0.7	0.2
Acquisition expenses	1,597	0.7	3,632	1.7	1.0	1,691	0.2	4,567	0.7	0.5
Bradesco Dental Association	-	-	4	-	-	-	-	4	-	-
Joint venture Mexico	-	-	6	-	-	-	-	347	0.1	0.1
Other expenses	-	-	9	-	-	-	-	31	-	-
G&A (not included adjusted EBITDA base)	**2,799**	**1.2**	**5,125**	**2.4**	**1.2**	**5,566**	**0.8**	**9,396**	**1.5**	**0.7**
Total administrative expenses (G&A)	**40,193**	**16.5**	**38,041**	**17.7**	**1.2**	**111,137**	**15.7**	**105,840**	**17.3**	**1.6**

G&A (included in the adjusted EBITDA base)

The administrative expenses, those part of the adjusted EBITDA base, were of R$37,394 in 3Q12 (15.4% of NOR) as compared to R$32,916 in 3Q11 (15.3% of NOR). In 9M12 represented R$105,571 (14.9% of NOR), as compared to R$96,444 (15.8% of NOR) in 9M11, an efficiency gain of 0.9 *p.p.*.

- **Personnel:** in 3Q12 represented 7.9% of NOR, an improvement of 0.4*p.p.* in relation to 3Q11, and flat in 9M.
- **Third parties services:** 0.4 *p.p.* under 3Q11 and 0.3 *p.p.* below 9M11.
- **Rentals and occupancy:** 3.0% of NOR in 3Q12, an increase of 0.2 *p.p.* in relation to 3Q11, 2.9% of NOR and in 9M12, 0.1 *p.p.* higher 9M11.
- **Taxes and fees:** in 3Q12 represented 0.4% of NOR, same of 3Q11 and 9M12.
- **Publicity and advertising:** represented 1.3% of NOR, 0.3 *p.p.* higher than 3Q11 (R$275 thousand "Rouanet Law"),and in the nine months comparison 0.1 *p.p.* below 9M11.
- **Travelling, printing and subscriptions:** from R$1,120 in 3Q11 to R$1,636 in 3Q12, an increase of 0.2 *p.p.*. In the 9M12 represented 0.7% of NOR, same percentage of 9M11.
- **Others:** In 3Q12 represented 0.6% of NOR, 0.6 *p.p.* below 3Q11 and 0.5% of NOR in 9M12, an improvement of 0.5 *p.p.* in relation to 9M11.



Other expenses - allowance for doubtful receivables

In 3Q12 the allowance for doubtful receivables totaled R$4,889 (2.0% of NOR), as compared to R$5,915 (2.5% of NOR) in 2Q12, an improvement of 0.5 *p.p*..

The allowance for doubtful receivables is calculated based on historical losses on the Company. Each month OdontoPrev accrues over each type of accounts receivable, due or not, according to CPC 38/IAS 39.

Financial income

	3Q12		3Q11		Δ%	9M12		9M11		Δ%
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	R$ 000	% NOR	
Financial income (expenses), net	**2,810**	**1.2**	**6,332**	**2.9**	**(55.6)**	**10,739**	**1.5**	**13,782**	**2.3**	**(22.1)**
(+) Financial income	5,139	2.1	8,613	4.0	(40.3)	17,965	2.5	19,786	3.2	(9.2)
(-) Financial expenses	11,545	4.7	25,789	12.0	(55.2)	31,203	4.4	29,512	4.8	5.7
(+) Interest on capital	9,216	3.8	23,508	10.9	(60.8)	23,977	3.4	23,508	3.8	2.0

The net financial result in 3Q12 was R$2,810 (1.2% of NOR). In 9M12 was R$10,739 (1.5% of NOR).

OdontoPrev's financial assets are represented by time deposits of prime institutions, as well as mutual funds, almost all of them 100% liquid.

Income and social contribution taxes

	3Q12		3Q11		Δ%	9M12		9M11		Δ%
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	R$ 000	% NOR	
Taxes	**14,663**	**6.0**	**6,423**	**3.0**	**128.3**	**55,393**	**7.8**	**41,010**	**6.7**	**35.1**
(-) Current income and social contribution tax	11,106	4.6	2,343	1.1	374.0	40,577	5.7	28,147	4.6	44.2
(-) Deferred income and social contribution tax	3,557	1.5	4,080	1.9	(12.8)	14,816	2.1	12,863	2.1	15.2

The current income and social contribution tax was of R$11,106 in 3Q12 and R$40,577 in 9M12.

	Effective tax rate (R$000)			
	3Q12	3Q11	9M12	9M11
Income before taxes and profit sharing	**50,245**	**46,959**	**179,412**	**150,456**
(-) Profit sharing	1,337	1,379	5,333	(644)
(=) Tax base	**48,908**	**45,580**	**174,079**	**151,100**
Taxes				
(-) Current income and social contribution tax	11,106	2,343	40,577	28,147
(-) Deferred income and social contribution tax	3,557	4,080	14,816	12,863
Total taxes	**14,663**	**6,423**	**55,393**	**41,010**
Total effective tax rate	**22.7%**	**5.1%**	**23.3%**	**18.6%**

The current effective tax rate in 3Q12 was of 22.7%, and 23.3% in 9M12. In 3Q11, among other factors, was paid R$23,508 of Interest on Capital, which generated effective tax rate of 5.1%.

OdontoPrev uses the amortization of goodwill of acquired companies in the calculation of the income tax and social contribution basis.

Acquisitions: consolidation track record, goodwill and incorporation			
Company	**Date of consolidation**	**Goodwill - R$000**	**Date of incorporation**
DentalCorp	FEB07	24,858	MAR08
Care Plus[1]	JUN08	29,932	DEC08
Sepao	NOV08	9,121	DEC09
Prontodente	JAN09	5,680	DEC09
Odonto Serv[2]	MAR09	20,816	DEC09
Bradesco Dental[3]	DEC09	409,640	JUL10
Total		**500,047**	

[1] Include Biodent, Care Plus and SRJSPE.

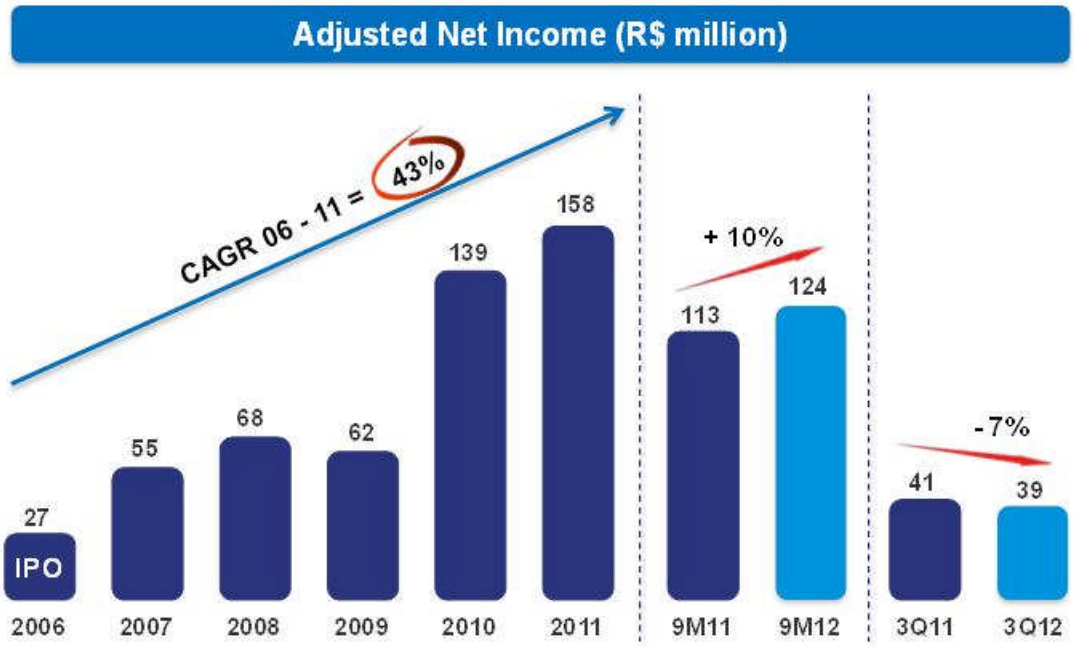
[2] Figures consolidated as of 2Q09. Adcon not incorporated.

[3] Figures consolidated as of 1Q10.

Net Income and Adjusted Net Income

The net income came from R$39,091 in 3Q11 to R$34,174 in 3Q12, a decrease of 12.6%.
In 9M12, the net income came from R$109,820 to R$118,511 in 9M12, an increase of 7.9%.

	3Q12		3Q11		Δ%	9M12		9M11		Δ%
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	R$ 000	% NOR	
Net income	**34,174**	**14.1**	**39,091**	**18.2**	**(12.6)**	**118,511**	**16.8**	**109,820**	**18.0**	**7.9**
(+/-) New accounting rules ANS	**5,290**	**2.2**	**-**	**-**	**-**	**6,659**	**0.9**	**-**	**-**	**-**
Cost of services - IBNR	5,290	2.2	-	-	-	6,659	0.9	-	-	-
(+) Non-recurring Administrative expenses (G&A)	**1,597**	**0.7**	**3,642**	**1.7**	**(56.2)**	**1,691**	**0.2**	**4,918**	**0.8**	**(65.6)**
Acquisition expenses	1,597	0.7	3,632	1.7	(56.0)	1,691	0.2	4,567	0.7	(63.0)
Bradesco Dental Association	-	-	4	-	-	-	-	4	-	-
Joint venture Mexico	-	-	6	-	-	-	-	347	0.1	-
(-) Taxes	**(2,342)**	**(1.0)**	**(1,238)**	**(0.6)**	**89.2**	**(2,839)**	**(0.4)**	**(1,672)**	**(0.3)**	**69.8**
Income tax - 25%	(1,722)	(0.7)	(910)	(0.4)	89.2	(2,088)	(0.3)	(1,229)	(0.2)	69.9
Social contribution tax - 9%	(620)	(0.3)	(328)	(0.2)	89.0	(751)	(0.1)	(443)	(0.1)	69.5
Adjusted net income	**38,719**	**15.9**	**41,495**	**19.3**	**(6.7)**	**124,022**	**17.5**	**113,066**	**18.5**	**9.7**



The adjusted net income reached R$38,719 in 3Q12, 6.7% below 3Q11. In 9M12 was R$124,022, 9.7% above 9M11.

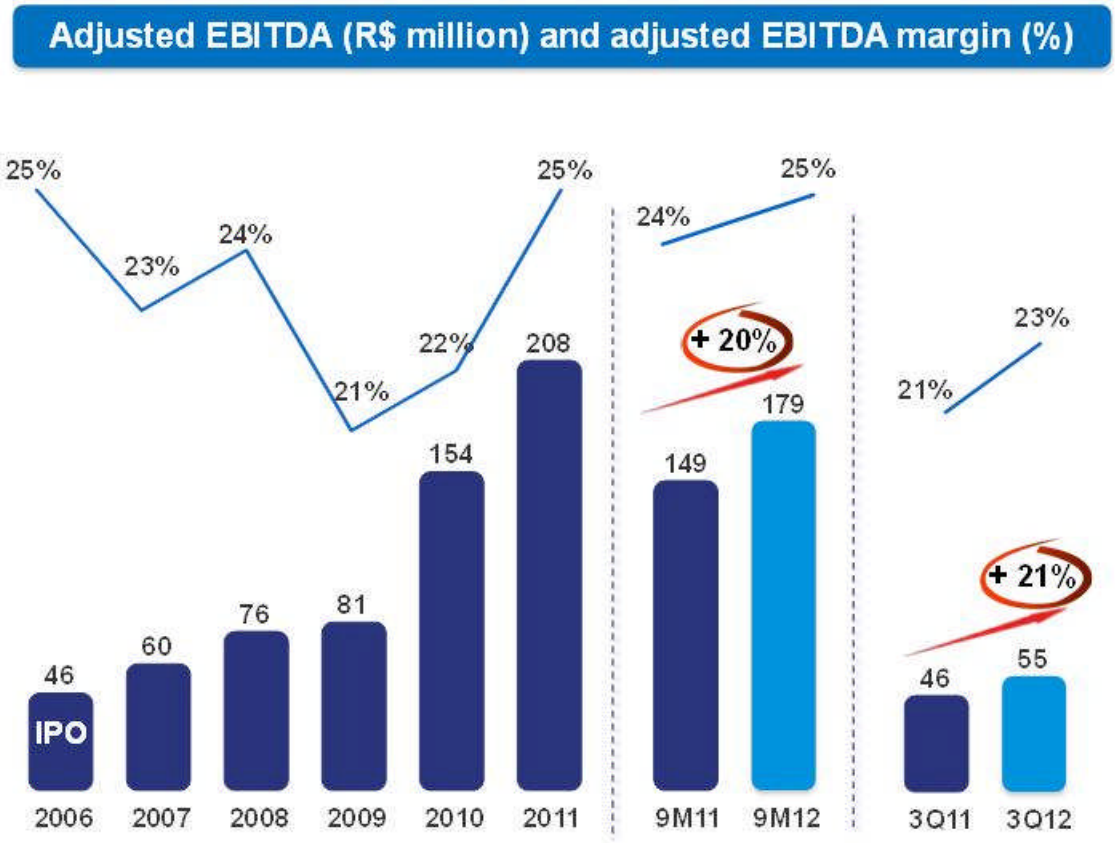
EBITDA and adjusted EBITDA

	3Q12		3Q11		Δ%	9M12		9M11		Δ%
	R$ 000	% NOR	R$ 000	% NOR	NOR	R$ 000	% NOR	R$ 000	% NOR	NOR
Net Income	**34,174**	**14.1**	**39,091**	**18.2**	**(12.6)**	**118,511**	**16.8**	**109,820**	**18.0**	**7.9**
(+) Income tax	11,106	4.6	2,343	1.1	374.0	40,577	5.7	28,147	4.6	44.2
(+) Social contribution tax	3,557	1.5	4,080	1.9	(12.8)	14,816	2.1	12,863	2.1	15.2
(+) Other expenses	-	-	9	-	-	-	-	31	-	-
(-) Financial income (expenses), net	5,139	2.1	8,613	4.0	(40.3)	17,965	2.5	19,786	3.2	(9.2)
(+) Financial expenses	11,545	4.7	25,789	12.0	(55.2)	31,203	4.4	29,512	4.8	5.7
(-) Interest on capital (IOC)	9,216	3.8	23,508	10.9	(60.2)	23,977	3.4	23,508	3.8	2.0
(+) Stock option	735	0.3	495	0.2	48.5	2,414	0.3	1,917	0.3	25.9
(-) Participation of minoritary shareholders	(71)	-	(66)	-	7.6	(175)	-	(270)	-	(35.2)
(+) Depreciation and amortization	1,202	0.5	1,474	0.7	(18.5)	3,875	0.5	4,447	0.7	(12.9)
(-) Equity in subsidiaries	(144)	(0.1)	(745)	(0.3)	(80.7)	(544)	(0.1)	(745)	(0.1)	(27.0)
EBITDA	**48,179**	**19.8**	**41,971**	**19.5**	**14.8**	**170,173**	**24.1**	**144,458**	**23.6**	**17.8**
(+) Non-recurring expenses	**1,597**	**0.7**	**3,642**	**1.7**	**(56.2)**	**1,691**	**0.2**	**4,918**	**0.8**	**(65.6)**
Acquisitions expenses	1,597	0.7	3,632	1.7	(56.0)	1,691	0.2	4,567	0.7	(63.0)
Bradesco Dental Association	-	-	4	-	-	-	-	4	-	-
Joint venture Mexico	-	-	6	-	-	-	-	347	0.1	-
(+/-) New accounting rules ANS	**5,290**	**2.2**	**-**	**-**	**-**	**6,659**	**0.9**	**-**	**-**	**-**
Cost of service - IBNR	5,290	2.2	-	-	-	6,659	0.9	-	-	-
Adjusted EBITDA	**55,066**	**22.7**	**45,613**	**21.2**	**20.7**	**178,523**	**25.2**	**149,376**	**24.4**	**19.5**

Adjusted EBITDA components	3Q12		3Q11		Δ%	9M12		9M11		Δ%
	R$ 000	% NOR	R$ 000	% NOR	NOR	R$ 000	% NOR	R$ 000	% NOR	NOR
(+) Payments. net	251,677	103.5	221,342	103.1	0.4	732,754	103.6	630,843	103.2	0.4
(+) Sales of services and products	1,436	0.6	1,329	0.6	-	4,427	0.6	4,349	0.7	(0.1)
(-) Direct taxes on dental care operations	8,093	3.3	6,792	3.2	(0.1)	24,801	3.5	20,668	3.4	(0.1)
(-) Taxes on sales of services and products	1,912	0.8	1,190	0.6	(0.2)	5,151	0.7	3,380	0.6	(0.1)
(-) Cost of services	121,619	50.0	110,448	51.4	1.4	334,401	47.3	296,950	48.6	1.3
(-) Selling expenses	22,803	9.4	19,388	9.0	(0.4)	66,008	9.3	54,125	8.9	(0.4)
(-) Administrative expenses	37,394	15.4	32,916	15.3	(0.1)	105,571	14.9	96,444	15.8	0.9
(-) Allowance for doubtful receivables	4,889	2.0	4,945	2.3	0.3	17,393	2.5	14,893	2.4	(0.1)
(-) Profit sharing	1,337	0.5	1,379	0.6	0.1	5,333	0.8	(644)	(0.1)	(0.9)
Adjusted EBITDA	**55,066**	**22.7**	**45,613**	**21.2**	**1.5**	**178,523**	**25.2**	**149,376**	**24.4**	**0.8**

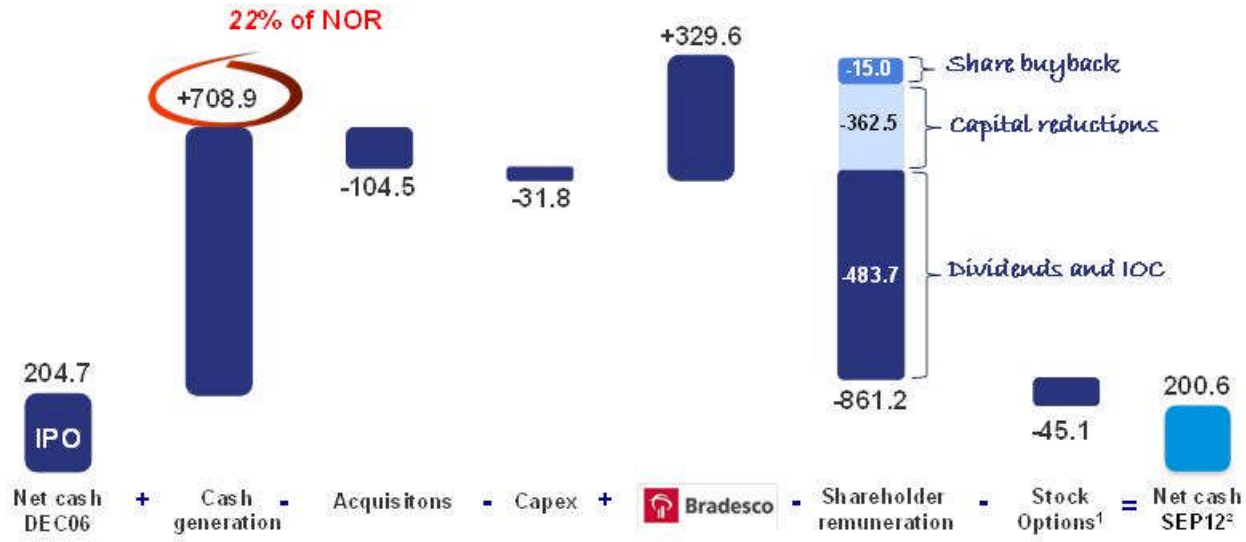
The adjusted EBITDA reached R$55,066 in 3Q12 with an adjusted EBITDA margin of 22.7%, 1.5 *p.p.* over 3Q11.

In 9M12 the adjusted EBITDA reached R$178,523 with an adjusted EBITDA margin of 25.2%, 0.8 *p.p.* over 9M11.



Since the IPO, OdontoPrev has presented a cash generation of R$708.9 million. At the end of September 2012 the net cash position was of R$200.6 million, without any leverage.

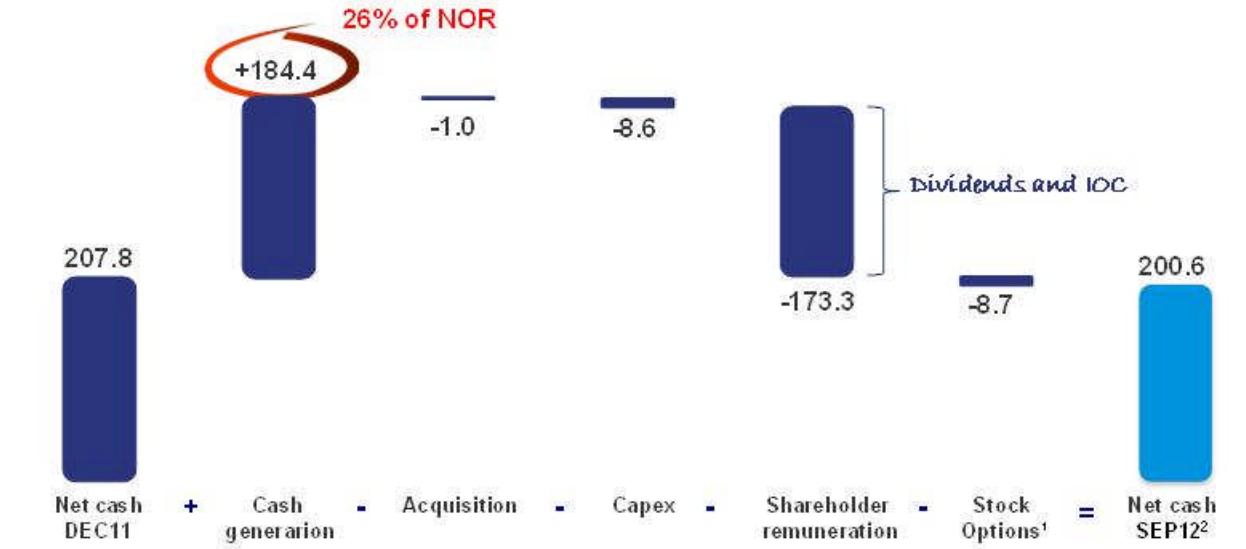
Cash-flow since IPO (R$ million)



[1] Expenses related to the Stock Options Plan, net of strike price.

[2] Includes R$67.7 million of techinical provisions and R$60.9 million of social security provisions (INSS) for individual dentists.

Cash-flow 9M12 (R$ million)



[1] Expenses related to the Stock Options Plan, net of strike price

[2] Includes R$67.7 million of techinical provisions and R$60.9 million of social security provisions (INSS) for individual dentists

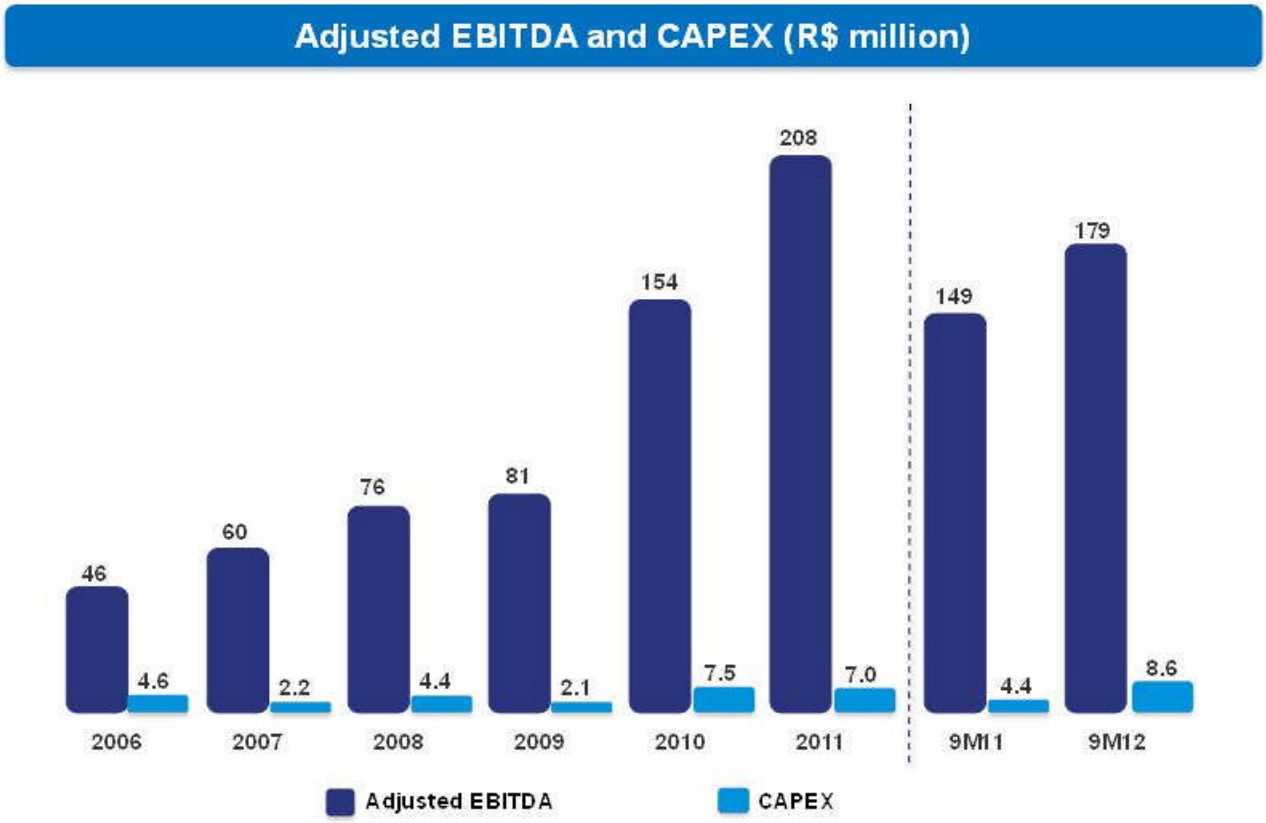
(R$000)	3Q12	3Q11	9M12	9M11
CASH FLOW FROM OPERATIONAL ACTIVITIES				
Net income	**34,174**	**39,091**	**118,511**	**109,820**
Reconciliation of net income with the cash generated by operations	6,945	4,864	19,889	13,088
	41,119	**43,955**	**138,400**	**122,908**
Decrease (increase) in operational assets	5,397	(592)	13,290	6,274
Increase (decrease) in operational liabitities	10,378	4,257	31,359	27,766
Deferred selling expenses	215	(1,016)	1,016	(2,222)
NET CASH PROVIDED BY (USED IN) OPERATIONAL ACTIVITIES	**57,109**	**46,604**	**184,065**	**154,726**
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of investments, net of cash acquired (consolidated)	(414)	(629)	(1,054)	(629)
Acquisition of property and equipment	(836)	(989)	(2,544)	(2,529)
Systems development and acquisition of softwares	(1,134)	(532)	(6,091)	(1,898)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	**(2,384)**	**(2,150)**	**(9,689)**	**(5,056)**
CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid	(32,735)	(47,222)	(132,360)	(62,298)
Interest on capital	(9,216)	(23,508)	(40,934)	(23,508)
Treasury shares	-	-	(9,002)	(26,610)
Stock Options Program vesting reimbursements	2	118	323	6,154
Other	699	-	357	(4)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(41,250)**	**(70,612)**	**(181,616)**	**(106,266)**
CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS				
Balance at the beginning of period	187,116	202,260	207,831	132,698
Balance at the end of period	200,591	176,102	200,591	176,102
INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS	**13,475**	**(26,158)**	**(7,240)**	**43,404**

Capex

IT platform and acquisition/license of software represent the bulk of OdontoPrev's capex:

(R$000)	3Q12	3Q11	9M12	9M11
IT platform, acquisition/license of software	1,134	46	6,091	1,412
Dental plan equipment, furniture and utensils	135	821	453	1,325
Installations	138	555	167	977
Computer equipment	341	92	689	551
Vehicle	87	-	87	-
Others	135	7	1,147	162
Total capex	**1,970**	**1,521**	**8,635**	**4,427**

OdontoPrev's cash generation (adjusted EBITDA) has historically been substantially higher than capex.



Demonstration of value added

The complete version of this demonstration can be found at *Attachment VIII.*

(R$000)	3Q12	3Q11	9M12	9M11
Revenues	248,224	217,726	719,788	620,299
Inputs purchased from third parties	(157,772)	(138,916)	(425,499)	(373,811)
(=) GROSS VALUE ADDED	**90,452**	**78,810**	**294,289**	**246,488**
Retentions	(1,201)	(1,474)	(3,874)	(4,447)
(=) WEALTH CREATED BY THE COMPANY	**89,251**	**77,336**	**290,415**	**242,041**
Wealth received in transfer	4,995	7,868	17,421	19,041
(=) WEALTH CREATED	**94,246**	**85,204**	**307,836**	**261,082**

WEALTH DISTRIBUTED	(94,246)	100%	(85,204)	100%	(307,836)	100%	(261,082)	100%
Personnel and charges	(18,766)	19.9%	(15,921)	18.7%	(55,715)	18.1%	(42,829)	16.4%
Taxes, fees and contributions	(36,519)	38.7%	(25,853)	30.3%	(119,029)	38.7%	(95,943)	36.7%
Lenders and lessors	(3,981)	4.2%	(3,778)	4.4%	(11,992)	3.9%	(10,303)	3.9%
Shareholders	(41,951)	44.5%	(70,729)	83.0%	(84,337)	27.4%	(70,729)	27.1%
Stock options	(735)	0.8%	(495)	0.6%	(2,414)	0.8%	(1,917)	0.7%
Minoritary interest	(71)	0.1%	(66)	0.1%	(175)	0.1%	(270)	0.1%
Retained earnings	7,777	-8.3%	31,638	-37.1%	(34,174)	11.1%	(39,091)	15.0%

Stock Options

Since the creation of the Stock Options Plan, back in 2007, OdontoPrev has made 6 grants, demonstrated below, corresponding to 2.9% of OdontoPrev´s total capital:

			September 30, 2012 (R$/share)					
Grant date	Number of shares outstanding on 09/30/2012 [1]	Nominal grant share price (R$)	Δ % IGP-M since grant date	Grant share price updated by inflation	Dividends per share	IOC per share	Capital Reductions per share	Updated grant share price
08/03/2007	-	3.74	43.21%	5.35	0.41	0.18	0.85	3.92
02/28/2008	-	2.70	33.77%	3.61	0.42	0.14	0.85	2.20
03/25/2009	-	1.47	23.38%	1.81	0.66	0.24	0.85	0.01
08/11/2010	1,907,109	4.31	17.47%	5.06	0.43	0.23	0.00	4.41
09/20/2011	1,731,906	6.96	8.07%	7.52	0.25	0.08	0.00	7.19
09/20/2012	1,609,097	8.22	0.00%	8.22	0.00	0.00	0.00	8.22
Total	**5,248,112**							

[1] After the share price split of 07/01/2010 and 04/02/2012.

1. Operations and general information

Odontoprev S.A. ("Company" or "OdontoPrev") started its operations on August 28, 1987 and is engaged in managing, selling and providing private dental care plans to legal entities and/or individuals. It may also invest in other companies and business enterprises of any nature, in Brazil and/or abroad, as partner, shareholder or quotaholder, inaddition to the management of its own and/or third-party assets.

The Company holds interests in the following direct and indirect subsidiaries:

	Percentage holding (%)			
	September 30, 2012		December 31, 2011	
	Direct	Indirect	Direct	Indirect
Clidec - Clinica Dentária Especializada Cura D'ars Ltda. (Clidec)	99.9	-	99.9	-
Odontoprev Serviços Ltda. (OdontoPrev Serviços)	99.9	-	99.9	-
Garcia Pedrosa Ltda. (Rede Dental)	99.9	-	99.9	-
Easy Softaware Ltda. (Easy)	-	51.0	-	51.0
Adcon Administradora de Convênios Odontológicos Ltda. (Adcon)	99.9	-	99.9	-
Dental Partner Comércio de Produtos e Equipamentos Odontológicos Ltda. (Dental Partner)	-	99.9	-	99.9

(a) Clidec: a company established on July 2, 1970 with the objective of providing dental care services.

(b) OdontoPrev Serviços: a company established on December 3, 1999, engaged in providing sales assistance, consulting and business management services to companies in general and holding interests in other companies as partner or shareholder.

(c) Rede Dental: a company established on August 31, 1990 to operate private dental care plans and manage, sell or provide these plans to legal entities and/or individuals.

(d) Easy: a company established on November 3, 1993, engaged in developing and licensing software and in holding interests in other companies as partner or shareholder.

(e) Adcon: a company established on April 14, 1997, engaged in the management and sale of dental care plans, acting as group dental care plan operator.

(f) Dental Partner: a company established on November 14, 2008, engaged in retail and wholesale distribution of dental equipment and products, sanitizers, drugs, medicines, pharmaceutical inputs and related items. Clidec holds 99.9% of this company.

In accordance with Collegiate Board od Directors (RDC) 39, issued on October 27, 2000 by the Brazilian Healthcare Regulatory Agency (ANS), the Company and its subsidiaries Rede Dental and Adcon are classified as dental care operators in the tertiary dental care segment.

Odontored CV

On August 13, 2009, Odontored CV Sociedad Anônima de Capital Variable was established in Mexico City, Mexico, to develop dental care plans, including their operation, management and sale, as well as to provide direct or indirect (through third-parties) dental care assistance.

The company's share capital and advances for future capital increase total $ 28,869,336 Mexican pesos, 40% of which is held by OdontoPrev and 60% by IKE Grupo Empresarial.

At September 30, 2012, the portion of investment recorded in the Company was R$ 566 (R$ 499 at December 31, 2011).

G2D Serviços Tecnológicos S.A.

On August 9, 2012, the Company, through its subsidiary OdontoPrev Serviços, entered into an investment agreement in G2D Serviços Tecnológicos S.A. (G2D), a company established on December 19, 2011 which owns a platform offering the online schedule of appointments with health professionals.

The total investment made was R$ 750, representing 16.74% of total capital. This company was considered as an associate company and evaluated at the equity method of accounting.

The investment portion recorded in the consolidated financial statements at September 30, 2012 was R$ 417.

Papaiz Group

On August 28, 2012, the Company, through its subsidiary Clidec, entered into a purchase agreement of Papaiz (Papaiz Group), a network of radiology clinics, in a partnership with the Fleury Group. The acquisition depends on the fulfillment of certain conditions as provided in the agreement.

This agreement establishes that the Fleury Group will hold 51.0% of Papaiz Group's capital, while OdontoPrev, together with 6 of the current owners, will hold 49.0%. In addition, OdontoPrev, at the closing, will pay 29.4% of the price, with the remaining 19.6% of the price (interest held by the 6 selling parties) to be paid by OdontoPrev when put/call options are exercised against the selling parties.

The portion of prepayments for the acquisition of investments recorded in the consolidated financial statements at September 30, 2012 was R$ 265.

Approval of the financial statements

The issue of the financial statements of the Company and its subsidiaries was authorized by the Board of Directors on October 25, 2012.

2. Description of significant accounting policies

The principal accounting policies applied in the preparation of this parent company and consolidated financial statements are set out below. These policies have been consistently applied in the periods presented.

2.1 Preparation and presentation

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Company and its subsidiaries. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

The Company's financial statements have been prepared in accordance with accounting practices adopted in Brazil issued by the Brazilian Accounting Pronouncements Committee (CPC), and the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), assuming that the Company will continue to operate as a going concern in Brazil.

The financial statements have been prepared and are presented in accordance with the ANS Chart of Accounts and the requirements of the Brazilian Securities Commission (CVM), as described in Note 3.

2.2 Consolidation

2.2.1 Consolidated financial statements

The following accounting policies are applied in the preparation of the consolidated financial statements:

(a) Subsidiaries

Subsidiaries are all entities over which the Company has influence and direct or indirect control on the financial and operating management, generally accompanying a shareholding of more than one-half of the voting rights or most of the risks and rewards originated from these investments, in accordance with IFRS. Subsidiaries are consolidated from the date on which control is transferred to OdontoPrev.

The Company applies the acquisition method to account for business combinations, which are recorded at the fair value of transfer of assets, liabilities and equity, calculated on the acquisition date. Acquisition-related costs are expensed as incurred. Non-controlling interests in subsidiaries are recognized proportionally based on the fair value at the acquisition date.

The excess of cost of acquisition over the fair value on the acquisition date of any equity investment is recorded as goodwill after allocation in tangible and/or intangible assets.

Investments in subsidiaries and equity in the results of investees, as well as intercompany asset and liability balances and transactions, have been eliminated in consolidation. Balances receivable and payable and profit (loss) from intercompany transactions have already been eliminated. The consolidated financial statements include the balances of the Company and its subsidiaries, according to the holding percentage table in Note 1.

The accounting policies of subsidiaries have been changed where necessary to ensure the consistency of the financial statements with IFRS and the application of the accounting policies adopted by the Company.

(b) Associates

Associates are all entities over which the Company has significant influence, or a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognized at cost.

2.2.2 Parent company financial statements

In the parent company financial statements, subsidiaries are recorded based on the equity accounting method. The same adjustments are made in the parent company and consolidated financial statements to obtain the same profit or loss and equity attributable to the owners of the Company. The accounting practices adopted in Brazil applicable to the parent company financial statements determine the evaluation of investments based on the equity accounting method, which differ from IFRS applicable to the separate financial statements, which establish the evaluation of investments in subsidiaries and associates based on cost or fair value.

2.2.3 Statements of comprehensive income

The Company and its subsidiaries do not have: (i) pension plan; (ii) gains/losses on available-for-sale assets; (iii) hedge transactions; (iv) gains/losses on monetary translations. Accordingly, the statement of comprehensive income corresponds to net income for the presented periods.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating and strategic decision-maker, the Statutory Board, which is responsible for allocating resources and assessing the performance of the operating segments, as disclosed in Note 20.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The parent company and consolidated financial statements are presented in Brazilian reais (R$), which is the Company's functional and presentation currency.

(b) Translation and balances in foreign currency

Foreign currency transactions are converted into the functional currency of the parent company using the current exchange rate (assets and liabilities) and the exchange rate prevailing at the dates of the transactions (equity). Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation of balances at the reporting date are recognized in the statement of income.

2.5 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other short-term highly liquid investments with original maturities of three months or less, with immaterial risk of change in value. The composition of cash and cash equivalents is shown in Note 6.

2.6 Financial assets

2.6.1 Classification

The Company and its subsidiaries classify their financial assets, as determined by management, at initial recognition, in the following categories:

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for realization in the short term. All financial assets in this category are classified as current assets, as shown in Note 7.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The loans and receivables of the Company and its subsidiaries comprise trade receivables (healthcare receivables, as disclosed in Note 8).

Healthcare receivables correspond to consideration receivable for the sale of collective or individual standardized or personalized dental care plans.

They are recorded in the balance sheet at their nominal value with a corresponding entry to the statement of income net accounts or "Advanced billings" (current assets grouped with net installments), according to the coverage period of the contracts effective at the balance sheet date, and the amounts receivable related to reimbursement of events.

2.6.2 Recognition and measurement

Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of income. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred, and the Company and its subsidiaries have transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortized cost.

Gains or losses arising from the changes in the fair value of the "Financial assets at fair value through profit or loss" category are presented in the statement of income in the period in which they arise.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired, according to Note 2.6.5.

2.6.3 Fair value estimation

The carrying values of trade receivables and payables, less impairment provision, are assumed to approximate their fair values. The Company adopted CPC 40/IFRS 7 for financial instruments that are measured in the balance sheet at fair value; this requires disclosure of fair value measurements by level of the following hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: the discounted cash flow or another methodology is used to determine the asset price based on observable market data.

- Level 3: inputs for the asset or liability that are not based on observable market data.

The Company's financial risk management policy is to contract financial products available in the Brazilian market, whose market value can be reliably measured, seeking high liquidity to meet its future liabilities and with a prudent liquidity risk management policy. The composition of financial investments, which are classified in level 1 (public bonds) and level 2 (Bank Deposit Certificates (CDBs) and others) is shown in Note 7.

2.6.4 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legal right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.6.5 Impairment of financial assets carried at amortized cost

The Company and its subsidiaries assess at the end of each reporting period whether there is evidence that the credit quality of an asset or group of assets is impaired, and impairment losses are incurred as a result of a loss event that has an impact on the estimated future cash flows of the asset or group of financial assets.

The criteria that the Company and its subsidiaries use to determine whether there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or debtor;

- a breach of contract, such as a default or delinquency in interest or principal payments;

- the Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

- declaration of bankruptcy or reorganization of the service receiver;

- the disappearance of an active market for that financial asset;

- data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition, including: (i) adverse changes in the payment status of borrowers in the portfolio; and; (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

By assessing the existence of objective evidence of impairment, the Company and its subsidiaries measure the provision. In this circumstance, the carrying amount is reduced to its recoverable value, and the amount of the provision is recognized in the statement of income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the loss is recognized in the statement of income, limited to the book value that would have been determined if the devaluation loss had not been recorded in prior periods.

The provision for impairment of trade receivables is set up according to CPC 38/IAS 39 guidelines, which determine the individual assessment of objective evidence of impairment loss for financial assets that are individually material, and individual or collective assessment for financial assets that are not individually material or that have similar credit risk characteristics.

2.7 Non-current assets

2.7.1 Long-term receivables

These include deferred income tax and social contribution (Note 10.1), and other non-current assets (judicial deposits - Note 10.2 and other receivables - Note 10.3), stated at cost, including, when applicable, accrued earnings and provisions for losses.

Asset and liability items resulting from long or short-term transactions, if material, are adjusted to present value based on the origin of the transaction. No adjustments resulting from this accounting practice were made at the balance sheet date.

(a) Deferred income tax and social contribution (assets)

Deferred tax assets with probable deductibility are recognized in relation to taxable temporary differences, that is, on those differences that will result in amounts to be excluded from the calculation of taxable income tax and social contribution of future years, when the carrying amount of the asset is recovered. They are basically recorded on temporary differences related to: goodwill on expected future profitability from merged subsidiaries (this tax benefit is recorded in conformity with the current accounting standards CPC 32/IAS 12 and is based on future tax benefit generated in the ordinary course of OdontoPrev's business); provision for impairment of trade receivables; tax, social security, civil and labor contingencies; and sundry provisions, as mentioned in Note 10.1.

(b) Judicial deposits

These refer basically to deposits for lawsuits relating to the payment of the National Institute of Social Security (INSS) contribution of independent contractors and the increase in the Social Contribution on Revenues (COFINS) rate, as mentioned in Note 10.2.

2.7.2 Investments

These comprise investments in subsidiaries and associates accounted for using the equity accounting method based on their respective balance sheets at September 30, 2012 and December 31, 2011, as disclosed in Note 11.

2.7.3 Property and equipment

Property and equipment are stated at acquisition cost, less accumulated depreciation, calculated on the straight-line method based on the estimated economic usefl lives of assets at the annual rates mentioned in Note 12.

Property and equipment comprise mainly computer equipment and furniture.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount when the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the amounts obtained with the carrying amount and are recognized in the statement of income.

2.7.4 Intangible assets

(a) Goodwill on acquisition of investments

Refers to goodwill based on expected future profitability, paid on the acquisition of investments (investments in subsidiaries) mentioned in Note 13.1. Goodwill represents the excess of the cost of an acquisition over the net fair value of assets and liabilities of the acquired entity, including the allocation of intangible assets.

Goodwill is tested annually for impairment, as disclosed in Note 13.2, and carried at cost less accumulated impairment losses, which are not reversed.

(b) System development, software licenses and others

System development and software license expenses are capitalized on the basis of the costs incurred to acquire and bring them to use. They are amortized on the straight-line method over 60 months, as mentioned in Note 13.3.

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

Goodwill attributable to the brand, customer portfolio and agreement for non-competition are grouped in "Intangible assets - OdontoServ". These items are amortized on the straight-line method, using the terms identified in the appraisal report, as mentioned in Note 13.3.

(c) Deferred selling expenses

The Company recognizes as deferred selling expenses (Deferred Acquisition Costs (DAC)) the costs that are directly incremental and related to the origin or renewal of contracts, that is, the amounts paid for agency and that can be reliably measured. Other expenditures are recorded as selling expenses, as incurred. This asset is recognized in profit or loss over a period of twelve months.

2.8 Impairment of non-financial assets

CVM Resolution 639/10, CPC 01 (R1)/IAS 36, requires that companies and their subsidiaries carry out periodic impairment tests of the amounts recorded in property and equipment and intangible assets with the purpose of reviewing and adjusting the criteria utilized to determine the estimated economic useful lives and calculate depreciation and amortization.

Assets are tested for impairment in order to: (i) verify whether there is any loss due to assets impaired; and (ii) measure any impairment loss of existing assets to complement or reverse the provision for impairment of trade receivables, when applicable.

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation and amortization are periodically reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped in business units (active and/or merged companies acquired).

2.9 Dental care plan contracts

When CPC 11/IFRS 4 were first adopted, the Company classified all dental care plan contracts based on the analysis of transfer of significant insurance risk between the parties, also taking into consideration all scenarios with commercial significance in which the insured event occurs, in comparison with the scenarios in which the insured event does not occur. The Company issues dental care plan contracts which transfer financial risk, insurance or dental care cost fluctuation risk or both (see Notes 5.1 and 5.2). In general, the Company defines significant insurance risk as the possibility of incurring losses at amounts higher than the monthly payments made by the beneficiaries. Investment contracts are those which do not transfer insurance risk or transfer insignificant insurance risk.

The Company classified the postpaid collective plans as "Investment contracts" on first-time adoption of CPC 11/IFRS 4.

Technical pronouncement CPC 11/IFRS 4 was not approved by ANS, however, based on CVM guidelines, the Company applied this pronouncement in its financial statements.

(a) Deferred selling expenses

See comments in Note 2.7.4, item c.

(b) Liabilities of dental care plan sale contracts

Contracts that transfer significant insurance risk to the Company are evaluated based on an accounting methodology or model applicable to contracts of this nature. Upon first-time adoption of IFRS, the Company used the rules of CPC 11/IFRS 4 to assess these contracts, based on the minimum rules and procedures established in CPC 11/IFRS 4, which include: (i) the Liability Adequacy Test (LAT) of insurance contracts; (ii) the economic and actuarial classification as insurance or investment contracts; and (iii) the identification of embedded derivatives.

(c) Liability Adequacy Test (LAT)

In conformity with CPC 11/IFRS 4, the Company prepared at December 31, 2011 the liability adequacy test of all dental care plan contracts in effect at the testing date. This test is prepared based on the net carrying amount of all liabilities arising from insurance contracts, as permitted by CPC 11/IFRS 4, less intangible assets directly related to insurance contracts.

For this test, the Company prepared a methodology based on its best estimate of all future cash flows, which also include additional and accessory claim settlement expenses, using current assumptions for the test and no insufficiency was identified.

Should any deficiency be identified, the Company immediately recognizes the loss in the statement of income, initially reducing the DAC or the deferred acquisition costs up to the limit of zero (or other intangible assets, such as those arising from exclusivity contracts and those directly related to insurance contracts) and, subsequently, recognizes additional provisions for insurance liabilities already recognized at the testing date, when the loss exceeds the carrying amount of these intangible assets. Any intangible asset, such as DAC, which was written down due to this test, cannot be reinstated by the Company when the test shows favorable results for the Company in future periods.

2.10 Technical reserves

In accordance with ANS Regulatory Resolution (RN) 209/09, amended by RN 227/10, 243/10 and 274/11, operators shall record monthly the "Reserve for claims incurred but not reported" (IBNR), actuarially estimated to cover events/claims already occurred but not recorded by the Company in the accounting books.

From January 1, 2011, IBNR is mandatory for operators with more than 20,000 beneficiaries. Until approval has been obtained for the technical actuarial Note, a minimum IBNR must be recorded by operators, based on the higher between 9.5% of total consideration and 12% of total indemnifiable claims for the prior 12 months in the fixed price modality. The cumulative minimum monthly proportion of 1/36 of the amount calculated must be observed.

Since 2010, the Company has been filling protocols with ANS, the last of which, dated September 10, 2012, presented a technical actuarial Note with the calculation method for the constitution of the provision for events occurred but not reported. While waiting for the ANS approval, the Company recorded the amount calculated based on ANS guidelines, as described above, in current liabilities within "Provision for events/claims occurred but not reported".

The events pending settlement involving dental care assistance are classified in "Reserve for events/claims to be settled in the group "Technical reserves for dental care operations" in accordance with Normative Instruction (IN) 46/11 amended by Normative Resolution (RN) 290/12. Costs of services provided are recorded based on claims reported by accredited service providers upon the analysis of the events covered by the plans, with a corresponding entry to the accounts of result of indemnifiable claims, net.

2.11 Taxes and contributions payable

(a) Federal tax liabilities

(i) **Income tax and social contribution**: these are calculated based on criteria established by the legislation in force. Income tax is calculated at the rate of 15% of taxable income, plus a 10% surtax on taxable income exceeding R$ 240 per year, and includes the tax incentive portion. Social contribution is calculated at the rate of 9% of adjusted accounting profit, as established by the current legislation.

(ii) **Other federal tax liabilities:** these comprise provisions for Social Integration Program (PIS) and Social Contribution on Revenues (COFINS), which are calculated based on the criteria established by the legislation in force. PIS is calculated at the rate of 0.65% and COFINS at the rate of 3.0%, both on billings less indemnifiable claims paid.

(b) Municipal tax liabilities

These comprise the provision for Services Tax (ISS), calculated based on criteria established by the legislation in force. ISS is calculated at rates that vary from 2.0% to 3.0% on billings less indemnifiable claims paid.

2.12 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business, and are classified as current liabilities if payment is due in one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method. In practice, they are recognized at the amount of the related invoice.

2.13 Other current liabilities

These are stated at known or estimated amounts and include, when applicable, the corresponding charges and monetary variations.

2.14 Deferred income tax and social contribution (liability)

Deferred tax liabilities, whose payment is probable, are recognized in relation to the taxable temporary differences, that is, on differences that result in amounts to be added to the calculation of taxable income in future years, when the carrying amount of the asset or liability is recovered or settled.

2.15 Contingent liabilities and legal obligations

The Company and its subsidiaries assess their contingent liabilities based on the requirements of the accounting pronouncement CPC 25/IAS 37, in which for lawsuits classified as "probable losses", 100% of the estimated amount is accrued. According to the history, for lawsuits classified as "possible losses" involving dental treatments to beneficiaries of the dental plan in which the Company and/or its subsidiaries are parties, 50% of the estimated amount is accrued.

The Company and its subsidiaries also consider material, making individual estimates and recording a related provision, the administrative proceedings with ANS and other consumer protection agencies (e.g.: Procon), especially those in which a pecuniary penalty was applied. The proceedings with ANS, depending on their outcome, may generate impact on the health operators' performance indicators, and the proceedings with the consumer protection agencies may results in damages to the image of the Company and its subsidiaries.

(a) Contingent liabilities

After considering the opinion of the internal and external legal counsel, the cause of actions, similarity with previous lawsuits, complexity of the causes and the courts' position, contingent liabilities are recorded whenever it is probable that the loss will result in disbursement of funds to settle the obligations and when the amounts involved are reliably measurable.

(b) Legal, tax and social security obligations

Legal, tax and social security obligations arise from lawsuits related to tax obligations, whose legality or constitutionality is being challenged, and are fully recognized in the financial statements and monetarily restated in accordance with current tax legislation (Special System for Settlement and Custody (SELIC)) interest rate.

2.16 Share capital

Common shares are classified as equity.

The Company buys back shares of its own issue to provide shares for the stock option program (Note 19.5), which are recorded as deductions from revenue reserves.

2.17 Revenue recognition

(a) Effective consideration

The revenues from consideration provided by the fixed price private dental care plan operations must be recorded on a daily pro rata basis over the period of the individual coverage of each contract, as from the first coverage day. The consideration installments corresponding to the days of the period of coverage referring to the subsequent month are recorded in advanced billings, as reduction of current assets, in accordance with RN 206/09, amended by RN 208/09 and 290/12.

(b) Sales of goods and services

Revenues from sales of goods and services provided by the subsidiaries, as stated in Note 20 item (ii), are allocated to the statement of income on the accrual basis.

(c) Finance income

This income arises from financial investments and tax credit and judicial deposit restatements.

2.18 Recognition of costs of services

The costs of services provided by accredited professionals and dental clinics are recognized in the statement of income on the accrual basis, when claims covered by the plans are reported and analyzed, together with the recording of IBNR. The costs of operating the company-owned dental care network are recognized as incurred.

2.19 Employee benefits (variable remuneration)

Employee and management profit sharing, even in the form of financial instruments, is classified as profit sharing, in operating expenses. The Company and its subsidiaries adopt the following procedures: (i) employee profit sharing expenses are classified as profit sharing results in operating expenses, according to CPC 33/IAS 19; and (ii) all the estimated costs of stock options granted under share-based payment contracts existing as from the year ended December 31, 2007, as prescribed by CPC 10/IFRS 2 are calculated and records as operating expenses. These operating expenses are recorded with a corresponding entry to equity, in "options granted".

The Company grants stock options to be exercised on a future date ad after a vesting period, subject to continuing service by the beneficiary to the Company (vesting condition - CPC 10/IFRS 2). On the option grant date, the Company calculates the fair value of each option based on the financial method, widely known as Black-Scholes, taking into consideration several factors on the option grant date, such as volatility of shares, share exercise price, share market price, vesting period, risk-free discount rate, and other factors. Share-based remuneration expense is recorded in accordance with the accrual period and as the beneficiary renders the services to the Company up to the date on which the capital instrument may be acquired by the beneficiary.

2.20 Distribution of dividends and interest on capital

Dividend and interest on capital distribution to the OdontoPrev's shareholders is recognized as a liability in the financial statements based on the Company's bylaws. Any amount that exceeds the minimum required is maintained in equity, in the account "additional dividend proposed", until it is approved by the shareholders at the annual general meeting.

2.21 Earnings per share

The Company's basic earnings per share for the periods ended September 30, 2012 and 2011, in compliance with CPC 41/IAS 33, were calculated by dividing profit attributable to the Company's shareholders by the weighted average number of common shares outstanding during the period, excluding treasury shares. Earnings per share are also calculated by adjusting the weighted number of common shares outstanding to assume conversion of all potential dilutive common shares. The calculation of basic and diluted earnings per share is presented in Note 27.

2.22 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following existing standards were disclosed and are mandatory for the Company's accounting periods beginning after January 1, 2013. Early adoption of the standards listed below is dependent on approval by CVM.

- IFRS 9, "Financial instruments", issued in November 2009. This standard is the first step in the process to replace CPC 38/IAS 39, "Financial instruments: recognition and measurement." IFRS 9 introduces new requirements for classifying and measuring financial assets. The standard is applicable as from January 1, 2015.

- IFRS 10, "Consolidated financial statements", determines a single consolidation model based on control, irrespective of the nature of the investment. The standard is applicable as from January 1, 2013.

- IFRS 11, "Joint arrangements", eliminated the proportionate consolidation model for jointly controlled entities, maintaining only the equity accounting method. It also eliminated the concept of "jointly controlled assets", maintaining only "jointly controlled operations" and "jointly controlled entities". The standard is applicable as from January 1, 2013.

- IFRS 12, "Disclosures of interests in other entities", expands the disclosure requirements for investments over which the Company has significant influence. The standard is applicable as from January 1, 2013.

- IFRS 13 - Fair value measurement: aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP. The standard is applicable as from January 1, 2013.

3. Reconciliation of Brazilian Corporation Law and ANS

Considering that the Company performs a regulated activity in the dental care segment, it is required to present its financial statements based on the ANS Chart of Accounts, which contains accounting items with names that differ from those commonly used by companies of other sectors. Accordingly, to facilitate the understanding of the financial statements, we present below the reconciliation between the items used by Brazilian Corporation Law and those adopted by the ANS Chart of Accounts:

		Company		Consolidated	
		Period ended at September, 30		Period ended at September, 30	
Corporate Law	**ANS**	**2012**	**2011**	**2012**	**2011**
	Net installments	714,599	612,043	732,754	630,843
	Revenues from sale of products	325	-	4,427	4,349
Taxes on sales	Direct taxes on health care plan operations	(23,950)	(19,771)	(24,801)	(20,668)
	Taxes on sales and services	-	-	(5,151)	(3,380)
Net operating revenue		**690,974**	**592,272**	**707,229**	**611,144**
Cost of services	**Cost of services**	**(329,663)**	**(287,916)**	**(341,060)**	**(296,950)**
	Indemnifiable claims, net	(295,914)	(259,120)	(303,321)	(264,454)
	Social charges on services	(20,941)	(19,693)	(21,176)	(19,911)
	Dental care materials	(4,310)	(4,609)	(2,475)	(3,147)
	Other operating incomes (expenses)	(1,839)	(4,494)	(7,429)	(9,438)
	Changes in events incurred but not reported	(6,659)	-	(6,659)	-
Gross profit		**361,311**	**304,356**	**366,169**	**314,194**
Selling expenses	**Selling expenses**	**(65,339)**	**(53,479)**	**(66,008)**	**(54,125)**
Administrative expenses	**Administrative expenses**	**(115,897)**	**(101,497)**	**(111,137)**	**(105,840)**
Other expenses	**Other expenses**	**(23,966)**	**(16,113)**	**(25,140)**	**(16,166)**
Granting of stock options	Granting of stock options	(2,414)	(1,917)	(2,414)	(1,917)
Provision for impairment of trade receivables	Provision for impairment of trade receivables	(17,532)	(14,349)	(17,393)	(14,893)
Equity in the results of subsidiaries	Equity in the results of subsidiaries	(4,020)	153	(5,333)	644
Finance income (cost), net	**Finance income (cost), net**	**10,004**	**12,295**	**10,739**	**13,782**
Finance income	Finance income	16,544	17,739	17,965	19,786
Reversion of interests on capital	Reversion of interests on capital	23,977	23,508	23,977	23,508
Finance costs	Finance costs	(30,517)	(28,952)	(31,203)	(29,512)
Equity in the results of subsidiaries	**Equity in the results of subsidiaries**	**4,790**	**3,090**	**(544)**	**(745)**
Profit before taxation	**Profit before taxation**	**170,903**	**148,652**	**174,079**	**151,100**
Income tax and Social contribution	**Income tax and Social contribution**	**(52,392)**	**(38,832)**	**(55,393)**	**(41,010)**
Current	Current	(37,745)	(25,771)	(40,577)	(28,147)
Deferred	Deferred	(14,647)	(13,061)	(14,816)	(12,863)
Profit for the year	**Profit for the year**	**118,511**	**109,820**	**118,686**	**110,090**
Attributable to:					
Shareholders of the Company		118,511	109,820	118,511	109,820
Non-controlling interests		-	-	175	270
Profit for the year	**Profit for the year**	**118,511**	**109,820**	**118,686**	**110,090**
Earnings per Share to the Company´s shareholders					
Basic earnings per share (R$)		0,22360	0.20708	0.22360	0.20708
Diluted earnings per share (R$)		0.22141	0.20477	0.22141	0.20477

4. Critical accounting estimates and judgments

The preparation of financial statements in accordance with accounting practices adopted in Brazil and IFRS requires management to use judgment to determine and record accounting estimates. Significant assets and liabilities subject to these estimates and assumptions comprise, among others, deferred income tax and social contribution, impairment of intangible assets, technical reserves and provisions for contingencies. The transactions involving these estimates may be settled at amounts which differ from those estimated due to the inaccuracy inherent to their determination process. The Company and its subsidiaries review these estimates and assumptions on a periodic basis.

(a) Estimates used in the calculation of impairment of financial assets

As required by IFRS, the Company applies the rules for analysis of impairment for financial assets measured at amortized cost. In this respect, the Company uses a high level of judgment to determine the level of uncertainty associated with the realization of estimated contractual flows of financial assets, including consideration receivable from customers.

Currently, losses identified in the impairment test of receivables represent approximately 2.5% of the total revenues of the Company and its subsidiaries, of which approximately 66.5% arises from individual prepaid contracts. If these contracts had been more significant, the Company would have had an increase in its total losses recorded in the statement of income.

(b) Estimates used in the evaluation of tax credits

Deferred tax assets and liabilities are recognized to the extent it is probable that future taxable income is available. This requires a high level of judgment by the Company's management for determination of estimates as to the capacity and timing of future taxable income generation.

These refer basically to the income tax and social contribution effects on temporary differences related to goodwill on expected future profitability from merged subsidiaries (this tax benefit is recorded in accordance with the current accounting standards CPC 32/IAS 12 and is based on future tax benefit generated in the ordinary course of OdontoPrev's business); provision for impairment of trade receivables; tax, social security, civil and labor contingencies; and sundry provisions, as mentioned in Note 10.1.

(c) Estimates used in the calculation of impairment of non-financial assets

As required by IFRS, the Company applies the rules for analysis and assessment of impairment for non-financial assets. In the calculation of goodwill impairment, the Company uses the income approach through the discounted cash flow methodology.

In the assessment of value in use, management believes that no reasonably possible change in any of the main assumptions mentioned in Note 13.2 would make the carrying amount exceed significantly its recoverable value.

(d) Estimates and judgments used in evaluation of insurance liabilities

The Company has prepaid dental care plan contracts, which are classified according to similar characteristics as insurance contracts due to the transfer of significant insurance risk to the Company. Estimates used in the recording of insurance liabilities represent an area in which the Company uses critical accounting estimates in the

preparation of financial statements in conformity with IFRS. Several sources of uncertainties should be considered in the estimation of the liabilities to be ultimately settled by the Company. The Company uses all available internal and external information sources concerning past experiences and indicators that may affect the decision making of the Company's management and experts to define actuarial assumptions and the best estimate of claim settlement amount for contracts whose insured event has already occurred. Consequently, the provisions may differ from the amounts actually paid in the future for these obligations (see accounting policy disclosed in Note 5.2 on insurance risk management and sensitivity analyses of the main assumptions used in the assessment of these liabilities).

(e) Estimates and judgments used in the evaluation of provisions for tax, civil and labor contingencies

The Company is a party to labor, tax and civil lawsuits in progress on the date of preparation of the financial statements. The process used by management to determine and record the accounting estimates takes into consideration the legal advice of experts, progress of the lawsuits and judgment status (or court) of each specific case. In addition, the Company uses its best judgment on these cases and historical information about losses, in which there is a high level of judgment used, to record the provisions in accordance with CPC 25/IAS 37.

At September 30, 2012 the Company and its subsidiaries have R$ 100,556 (R$ 72,438 at December 31, 2011) in provisions for contingencies, of which R$ 93,801 (R$ 67,804 at December 31, 2011) correspond to the questioning of the levy of INSS on remuneration paid to accredited dentists, initially established by Supplementary Law (LC) 84/96 and, subsequently, by Law 9876/99 (new wording of article 22, item I of Law 8212/91), at the rate of 20%, alleging that the services are provided to the beneficiaries instead of the operators and, accordingly, they would be outside the scope of the aforementioned contribution, as mentioned in Note 18.1.

5. Risk management

The main risks arising from the businesses of the Company and its subsidiaries are related to market (interest rate), credit, liquidity, insurance, dental care cost fluctuation, market of operation (competition) and capital. The management of these risks involves different departments and comprises a series of fund allocation strategies and policies considered appropriate by management.

5.1 Financial risk factors

5.1.1 Market risk (interest rate)

Considering the Company's market and financial standing, the interest rate risk arises from the possibility that the Company and its subsidiaries are subject to changes in interest rates that may generate impacts on the fair value of the financial investment portfolio.

The Company and its subsidiaries adopt the policy of investing in securities issued by financial institutions (CDBs) and short-term funds, observing internal assessment criteria and limits established based on qualitative and quantitative information, including the need of allocating funds under ANS RN 159/07 and RN 206/09, amended by RN No. 208/09 and RN No. 290/12, to guarantee the technical provisions. Most of the investment portfolio of the Company and its subsidiaries is exposed to interest rate fluctuations in the domestic market. As the Company does not have contracts indexed to other currencies/rates, it does not carry out transactions with derivative financial instruments.

At September 30, 2012, the financial investments of the Company and its subsidiaries, as stated in Note 7, totaled R$ 196,278 (R$ 199,781 at December 31, 2011), of which 91.9% (92.4% at December 31, 2011) of funds are

invested in investment funds affected by the variations in remuneration rate of public national treasury bonds (National Treasury Bills (LTN), National Treasury Notes (NTN) and Financial Treasury Bills (LFT)).

In compliance with CVM Resolution 475, of December 17, 2008, the Company and its subsidiaries performed a sensitivity analysis of their financial instruments, based on the variation in the Special System of Settlement and Custody (SELIC) rate, as shown below:

	Consolidated		
	September 30, 2012		
	CDB	Federal Public Bonds	Total
Investments	15,899	180,379	196,278
Selic (per year)	7.25%	7.25%	7.25%
Projecting profitability next 12 months			
Probable	1,153	13,077	14,230
Decrease 25%	865	9,808	10,673
Decrease 50%	576	6,539	7,115
Increase 25%	1,441	16,347	17,788
Increase 50%	1,729	19,616	21,345

(a) the distribution of investments in CDBs with financial institutions, as well as their classification by rating agencies.

	Consolidated				Ratings of financial institutions					
	September 30, 2012	Average Yield - % of CDI	December 31, 2011	Yield - % of CDI	Fitch		Moody's		S&P	
					Short Term	Long term	Short Term	Long term	Short Term	Long term
Banco Bradesco S.A.	2,770	99.3%	267	98.8%	F1+ (bra)	AAA (bra)	BR-1	Aaa.br	brA-1	brAAA
Banco Industrial e Comercial S.A.	617	105.0%	603	105.0%	F1 (bra)	A+ (bra)	BR-1	Aa1.br	-	brAA
Banco Panamericano S.A.	47	104.0%	2,476	104.5%	F1+ (bra)	AA- (bra)	BR-1	A1.br	-	-
Banco Santander Brasil S.A.	4,072	100.5%	4,060	100.3%	F1+ (bra)	AAA (bra)	BR-1	Aaa.br	brA-1	brAAA
Banco Votorantim S.A.	8,393	104.3%	7,851	104.3%	F1+ (bra)	AA+ (bra)	BR-1	Aaa.br	brA-1	brAAA
	15,899		**15,257**							

(b) composition of the portfolio of the "Bradesco - Fundo de Investimento Renda Fixa OdontoPrev" exclusive fund.

		Consolidated		
Paper	Description	Emission	Maturity	Market
Compromissadas	National Treasury Notes - NTN	11/10/2010	8/15/2016	61,582
Federal Public Bonds	Financial Treasury Bills - LFT	7/01/2000	3/07/2014	33,745
Federal Public Bonds	Financial Treasury Bills - LFT	5/09/2008	9/07/2014	20,430
Federal Public Bonds	National Treasury Bills - LTN	1/06/2012	1/01/2016	15,191
Federal Public Bonds	Financial Treasury Bills - LFT	1/09/2009	9/07/2013	13,390
Federal Public Bonds	Financial Treasury Bills - LFT	3/06/2009	3/07/2015	10,714
Federal Public Bonds	Financial Treasury Bills - LFT	7/15/2011	3/01/2018	8,038
Federal Public Bonds	Financial Treasury Bills - LFT	7/03/2009	9/07/2015	5,357
Federal Public Bonds	National Treasury Notes - NTN	11/10/2010	8/15/2016	2,879
Federal Public Bonds	National Treasury Bills - LTN	12/22/2010	1/01/2015	1,251
Payable values	Other	-	-	(37)
				172,540

5.1.2 Credit risk

This risk arises from the possibility of the Company and its direct and indirect subsidiaries not receiving the amounts arising from consideration and services as they become due. The credit policy takes into consideration the specific characteristics of dental care plan operations and is focused on maintaining the flexibility required by market conditions and customers' needs. Through appropriate internal controls, the Company constantly monitors its receivables. The method adopted to calculate the provision for impairment of trade receivables is described in Note 2.6.5.

None of the Company's customer represents 10% or more of the total of the respective class of financial assets. Note 20 discloses the contribution margin and the main assets by operating segment, of which the prepaid collective plans are the most significant.

5.1.3 Liquidity risk

The main objective of liquidity risk management is to monitor the settlement terms of the receivables and payables of the Company and its subsidiaries, as well as the liquidity of their financial instruments. The Company and its subsidiaries prepare projected cash flow analyses and periodically review the liabilities assumed and the financial instruments used, mainly those related to assets pledged as guarantee of technical reserves.

The receivables comprising the Company's cash flows arise mainly from prepaid collective contracts, which establish the settlement of monthly payments (mainly at the beginning of each month) for the use of benefits. In turn, the payments to the accredited network and brokers, the main suppliers, occur throughout the month.

5.2 Insurance risk and dental care cost fluctuation risk

At September 30, 2012, the Company has 5,838,581 beneficiaries (5,533,353 at December 31, 2011) and an accredited network of approximately 25,000 dental surgeons throughout the country.

OdontoPrev's business model is based on the customers' monthly payments, in medium and long-term contracts, and is exposed to a low risk of insurance and dental care cost fluctuation, taking into consideration that in the dental care plan sector the risk is limited to the frequency that the services rendered by the accredited network are used and the low cost of the treatments made.

OdontoPrev operates more than 100 different dental care plans registered in ANS which, together with the dental care plans registered by the medical and hospital plan operators that act with the Company, represent a wide range of options. New dental care plans are constantly developed. The following factors are taken into consideration for the formation of these plans:

Risk model: This refers to the determination of the person responsible for the cost of dental treatment during the effectiveness of the contract (classified as prepaid or postpaid).

The cost of dental treatments can be covered by the Company, the customer or shared by both in several manners. When OdontoPrev defrays part of or all costs, the per capita monthly rate includes their actuarial estimate, as well as other administrative and selling expenses (prepaid). When the customer defrays these costs, the per capita monthly rate includes only administrative and selling expenses, and the dental surgeons' fees are transferred directly to the customer (postpaid).

Most of the customers have opted for the prepaid risk model, since there is the benefit of diluting their individual risk. This type of model is more foreseeable for the customer, avoiding unintended cost oscillations during the effectiveness of the contract, and it is also easier to manage. Note 20, "Operating segments", discloses the contribution margin and composition of the main assets of the products sold by the Company.

Service model: defines how the beneficiary will receive the dental care service contracted: (i) through an accredited network; (ii) with a dental surgeon of the beneficiary's choice; or (iii) in company-owned units. In the accredited network, the beneficiary receives the necessary dental care services, those covered by the contract, without any additional disbursement, and the beneficiary can also rely on the systems for control of quality and selection of professionals. In the system in which the beneficiary can choose the professionals, they must pay directly to the dentist and subsequently request the reimbursement of the costs, under the limits of the contract. When the customer opts for the company-owned units, two types are available: the dental care plan itself, named by ANS as own dental care segment, or the lease of exclusive dental clinics in the customers' facilities. In the first model, the type of coverage and the payment of a per capita monthly rate are defined. In the second model, the Company pays a fixed amount for the dental clinic, without defining a type of coverage, designation of beneficiary or per capita rate.

Enrollment model: this includes determines if the entire group (mandatory enrollment) or part of the group (free enrollment) of beneficiaries will be included in the plan, and how the payment of the per capita monthly rate will be made, that is, if it will be totally paid by the customer (employer, association, etc.), totally paid by the beneficiary, or divided between them, in various proportions.

Types of coverage: This is all the dental care treatments whose costs are totally or partially covered in the dental care plan contracted. The current regulation determines minimum dental care coverage, defined by ANS.

The most contracted type of coverage is the full plan, which is higher than the minimum dental care plan, but does not include prostheses, orthodontics and dental implants.

Factor for moderated use: rules for use and access to covered dental care services, which contribute to determine costs of these services and avoid the abusive use of the system. The main types used are: (i) co-payment, which comprises the payment by the beneficiary of part of the treatments effectively received; (ii) grace periods, which comprise periods in which the beneficiary cannot use the services covered by their plan; and (iii) deductibles, which comprise levels of amounts by dental care event which are the sole responsibility of the beneficiaries, above which the effective coverage of the plan is valid.

The moderation factors are included in several dental care plan structures, mainly for enrollment plans and individual customers.

Fees: special remuneration is considered for the professionals of our accredited network, as well as several levels of reimbursement to be chosen.

In addition to the insurance risk, the **dental care cost fluctuation risk** also has direct impact on the dental care plan contracts. These costs can be increased due to the frequency of use, legislation and higher prices of dental care materials.

To control costs, the Company has its own system that ensures the individual evaluation of all treatments made, through x-ray images and analysis of electronic records, thus monitoring the dental costs per customer.

The contracts are effective over approximately 24 months, originally with a termination clause establishing a 90-day prior notice and contractual fine for terminations requested out of term. Most of the contracts also have an annual adjustment of the rates adopted through the claims ratio, which consists of the division of the costs incurred over the past twelve months by the net consideration, that is, cost of services divided by sales, and adjustment based on inflation, according to an index established with each customer.

The Company constantly monitors its contracts in order to minimize risks, as well as maintain their financial balance. All the aforementioned procedures are intended to minimize possible losses or decreases in the contribution margin. Currently, the Company considers that a claims ratio of up to 60% permits a margin that supports the Company's administrative expenses.

In the period ended September 30, 2012, according to Note 3, the consolidated claims ratio was 48.2% and contribution margin (gross profit less selling expenses divided by sales revenues) of 42.4%. If the contribution ratio were 60%, the margin would be 30.7%, a decrease of 11.7 p.p., equivalent to R$ 83,277. And, in the event of claims ratio decrease to 40%, the margin would be 50.7%, an increase of 8.3 p.p., equivalent to R$ 58,168.

5.3 Operating risk - market of operations (competition)

The Company operates in a competitive market and competes with other companies that offer dental care plans with similar benefits, including health care companies, mainly health care insurance and medical and hospital operators, dental care cooperatives, charitable entities and exclusive dental care operators.

OdontoPrev has a diversified selling strategy, which enables that its products be sold to a wide range of potential groups in an efficient manner, and its several distribution channels provide flexibility in satisfying the needs of the entire spectrum of customers. The Company sells dental care plans to companies, associations and individuals by means of:

- an internal sales team, which operates throughout the country;
- an independent network of brokers;
- commercial associations with medical and hospital plans, loyalty groups, including credit card issuers of retail stores and insurance companies, which offer our dental care plans as additional benefit to their beneficiaries;
- distribution channels of Banco Bradesco and Bradesco Seguros.

Currently, the factors that boost the growth in the dental care plan sector are the following: (i) structural imbalance between the supply and demand of services; (ii) lack of alternative in the public system; (iii) growing inclusion of dental care plans in employer benefit programs; (iv) opportunities represented by the increasing interest of new distribution channels; and (v) regulation.

5.4 Capital risk

The Company carries out its capital risk management activities based on a centralized management model, with the main purpose of meeting the requirements of minimum regulatory capital for its segment, in accordance with capital requirements defined by ANS. The Company's strategy and model consider both "regulatory capital" and "economic capital" in accordance with the capital risk management view adopted by the Company.

The capital risk management strategy is to maximize the Company's capital value through optimization and diversification of available capital sources. The decisions about allocation of capital are made as part of the periodical review of the Company's strategic planning.

The main objectives of the Company's capital management are: (i) maintain levels of capital sufficient to meet the minimum regulatory requirements determined by ANS; and (ii) optimize returns on capital for the shareholders.

During the period presented and prior periods, the Company's capital exceeded the minimum regulatory requirements.

Note 14, "Minimum Capital and Technical Reserves", describes the rules for determining technical reserves and criteria for maintenance of minimum equity and solvency margin, according to definitions applicable to dental care plan operators.

6. Cash and cash equivalents

	Company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Cash and deposits in cash in financial institutions	39	46	115	117
Short-term deposits	3,233	7,176	4,198	7,933
	3,272	**7,222**	**4,313**	**8,050**

7. Financial assets at fair value through profit or loss (financial investments)

Financial investments, mostly classified as financial assets at fair value through profit or loss, are highly liquid and have the following composition:

	Company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Bank Deposit Certificates - CDBs	15,434	14,580	15,899	15,257
Investment funds	4,109	3,892	7,839	7,433
Federal Public Bonds	157,758	164,977	172,540	177,091
	177,301	**183,449**	**196,278**	**199,781**

CDBs: Refer to floating rate securities indexed to the Interbank deposit certificate (CDI) daily interest rates, mostly of which have daily liquidity. At September 30, 2012, the Company had the following CDBs: in the amount of R$ 3,782 (R$ 3,649 at December 31, 2011) with Banco Santander and in the amount of R$ 8,393 (R$ 6,672 at December 31, 2011) with Banco Votorantim, both with grace period of up to 12 months at both banks; in the amount of R$ 2,595 (R$ 0 at December 31, 2011) with Banco Bradesco and other CDBs amounting to R$ 664 (R$ 4,259 at December 31, 2011).

Investment funds: The investment fund quotas are valued based on the quota value disclosed by the investment funds' administrators.

Federal government bonds: these refer to exclusive funds, which are managed by Banco Bradesco and Bradesco Asset Management, under market conditions.

A portion of the financial investments at September 30, 2012, totaling R$ 64,265 (R$ 60,394 at December 31, 2011) in the Company and R$ 67,709 (R$ 63,657 at December 31, 2011) in consolidated, is linked to ANS to guarantee the technical reserves, in accordance with RN 206/09, amended by RN 208/09 and RN 290/12.

Composition of the investment portfolio by maturity:

					Company
	No maturity date	01 to 180 days	181 to 360 days	Over to 360 days	Total
Bank Deposit Certificates - CDBs	-	8,393	47	6,994	15,434
Investment funds	4,108	-	-	-	4,108
Federal Public Bonds	-	-	13,390	144,368	157.758
At September 30, 2012	**4,108**	**8,393**	**13,437**	**151,362**	**177,301**
At December 31, 2011	**3,892**	**3,029**	**7,429**	**169,098**	**183,449**

					Consolidated
	No maturity date	01 to 180 days	181 to 360 days	Over to 360 days	Total
Bank Deposit Certificates - CDBs	-	8,683	222	6,994	15,899
Investment funds	7,839	-	-	-	7,839
Federal Public Bonds	-	-	13,390	159,150	172,540
At September 30, 2012	**7,839**	**8,683**	**13,612**	**166,144**	**196,278**
At December 31, 2011	**7,433**	**3,029**	**7,429**	**181,890**	**199,781**

Investments in CDBs are classified in current assets, regardless of their maturity terms, in view of the guarantee of daily liquidity offered by the counterparty or because they are redeemable in up to 12 months and also because they are classified as financial assets at fair value through profit or loss. Note 5.1.1 (a) shows the financial institutions in which the Company and its subsidiaries have investments in CDBs.

8. Healthcare receivables (loans and receivables - customers)

These refer to receivables from individuals and legal entities, as follows:

	Company		**Consolidated**	
	September 30, 2012	December 31, 2011	Semptember 30, 2012	December 31, 2011
Invoices/premiums receivable	110,342	105,595	115,853	111,212
Debit notes	1,689	600	1,689	600
Provision for impairment of trade receivables	(24,905)	(22,234)	(25,617)	(23,240)
Subtotal	**87,126**	**83,961**	**(91,925)**	**88,572**
Advanced billings	(70,377)	(71,148)	(73,653)	(74,167)
	16,749	**12,813**	**18,272**	**14,405**

Advanced billings: Refers to invoices issued, the accrual period of which starts in the month subsequent to the issuance.

At September 30, 2012, the composition of the Company and Consolidated health care receivables by maturity is as follows:

	Company				
	Falling due	Overdue			
	Up to 30 days	Up to 30 days	From 31 to 90 days	Over 90 days	Total
Invoices/premiums and debit notes receivable, net	73,974	12,227	10,676	15,154	112,031
Provision for impairment of trade receivables	(5,207)	(939)	(3,605)	(15,154)	(24,905)
At September 30, 2012	**68,767**	**11,288**	**7,071**	**-**	**87,126**
At December 31, 2011	**69,120**	**9,053**	**5,788**	**-**	**83,961**

	Consolidated				
	Falling due	Overdue			
	Up to 30 days	Up to 30 days	From 31 to 90 days	Over 90 days	Total
Invoices/premiums and debit notes receivable, net	78,384	12,593	10,817	15,748	117,542
Provision for impairment of trade receivables	(5,214)	(940)	(3,715)	(15,748)	(25,617)
At September 30, 2012	**73,170**	**11,653**	**7,102**	**-**	**91,925**
At December 31, 2011	**73,432**	**9,343**	**5,797**	**-**	**88,572**

Trade receivables are comprised as follows:

	Company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Invoices/premiums receivable	110,342	105,595	115,853	111,212
Debit notes	1,689	600	1,689	600
Advanced billings	(70,377)	(71,148)	(73,653)	(74,167)
Provision for impairment of trade receivables	(24,905)	(22,234)	(25,617)	(23,240)
(=) Trade receivables, net	**16,749**	**12,813**	**18,272**	**14,405**
Advances from customers	(4,170)	(3,976)	(4,459)	(3,993)
(=) Considerations/premiums receivable from customers	**12,579**	**8,837**	**13,813**	**10,412**

Changes in provision for losses on consideration/premiums receivable are shown in the table below:

	Company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Balance at the beginning of the year	**(22,234)**	**(17,135)**	**(23,240)**	**(17,530)**
Reversals (provisions) recorded in the year, net	(17,532)	(18,784)	(17,238)	(19,454)
Losses with customers	14,861	13,685	14,861	13,744
Balance at the end of the year	**(24,905)**	**(22,234)**	**(25,617)**	**(23,240)**

Losses on trade receivables were recorded in "Provision for impairment of trade receivables", in the statement of income. Amounts recorded in provisions as impairment losses are usually written off when management no longer expects the recovery of the financial asset; this usually occurs in 180 days.

Other financial assets classified as loans and receivables do not include impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

9. Current taxes recoverable

	Company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Corporate Income Tax (IRPJ)	26,442	29,532	33,380	36,318
Social Contribution on Net Income (CSLL)	10,860	10,504	12,411	11,906
Withholding Income Tax (IRRF)	608	606	1,019	1,184
Other	989	452	2,774	1,886
	38,899	**41,094**	**49,584**	**51,294**

Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL): these refer to prepaid values and balances receivable from prior periods.

10. Long-term receivables

10.1 Deferred income tax and social contribution

These basically refer to the IRPJ and CSLL effects on temporary differences, whose realization is probable, based on projections of future results prepared in accordance with and supported by internal assumptions and economic scenarios that may, therefore, suffer changes. The Company and its subsidiaries record IRPJ and CSLL on all temporary differences.

	Company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Deferred income tax	93,960	104,301	94,707	105,173
Social contribution taxes	33,826	37,549	34,095	37,862
	127,786	**141,850**	**128,802**	**143,035**

	Company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Provision for impairment of trade receivables	8,643	7,734	8,908	7,948
Provisions for tax, social security, labor and civil contingencies	33,224	23,894	33,406	24,128
Provision for events/claims incurred but not reported (IBNR)	-	-	-	281
Goodwill on expected future profitability - merged subsidiaries	80,210	102,946	80,210	102,946
Other provisions	5,709	7,276	6,278	7,732
	127,786	**141,850**	**128,802**	**143,035**
Recoverable within 12 months	43,588	41,307	44,423	42,076
Recoverable after 12 months	84,198	100,543	84,379	100,959

The Company recorded deferred tax assets on goodwill on expected future profitability arising from merged subsidiaries. This tax benefit is recorded in accordance with the current accounting standards CPC 32/IAS 12 and is based on the future tax benefit generated in the ordinary course of OdontoPrev's business.

Deferred income tax and social contribution, recorded in long-term receivables, have a corresponding entry in the statement of income, under "Deferred income tax" and "Deferred social contribution".

Company

	Provision for impairment of trade receivables	Provisions for tax, social security, labor and civil contingencies	Provision for events/claims incurred but not reported	Goodwill on expected future profitability - merged subsidiaries	Other provisions	Total
At December 31, 2011	**7,734**	**23,894**	**-**	**102,946**	**7,276**	**141,850**
Charged (credited) to the statement of income	909	9,330	-	(22,736)	(1,567)	(14,064)
At September 30, 2012	**8,643**	**33,224**	**-**	**80,210**	**5,709**	**127,786**

Consolidated

	Provision for impairment of trade receivables	Provisions for tax, social security, labor and civil contingencies	Provision for events/claims incurred but not reported	Goodwill on expected future profitability - merged subsidiaries	Other provisions	Total
At December 31, 2011	**7,948**	**24,128**	**281**	**102,946**	**7,732**	**143,035**
Charged (credited) to the statement of income	960	9,278	-	(22,736)	(1,454)	(13,952)
Charged to the equity	-	-	(281)	-	-	(281)
At September 30, 2012	**8,908**	**33,406**	**-**	**80,210**	**6,278**	**128,802**

10.2 Judicial deposits

These refer basically to deposits for lawsuits related to the collection of INSS contributions for services provided by independent contractors and to the increase in COFINS, as presented in the following table:

	Company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
TAX	**579**	**424**	**2,863**	**2,709**
COFINS	-	-	2,235	2,235
Other	579	424	628	474
Social security and labor	**32,980**	**31,241**	**33,169**	**31,393**
INSS	32,886	31,172	32,886	31,172
Other	94	69	283	221
Civil	**251**	**253**	**255**	**253**
	33,810	**31,918**	**36,287**	**34,355**

10.3 Other receivables

	Company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
DentalCorp	873	1,016	873	1,016
Rede Dental	748	928	748	928
Care Plus/Biodent	460	460	460	460
Sepao	267	337	267	337
Prontodente	76	76	76	76
OdontoServ	313	313	313	313
	2,737	**3,130**	**2,737**	**3,130**

As mentioned in Note 13.2, ANS approved the acquisition of the shareholding control of the companies listed above. Accordingly, the accounting, tax and labor procedures used by these companies were reviewed, and cases involving potential risks were identified. The total amount identified above has a corresponding entry to the amount recorded under "Other payables" (Note 18.2).

As set forth in the Purchase Option Agreement and Other Covenants entered into between the former owners of these companies and the Company, in certain circumstances, the former owners guarantee the reimbursement of any payments the Company is required to make. The amounts recorded in other receivables are deposited in investment funds and CDBs in the name of the former owners, who can only use these funds with the Company's authorization in order to avoid any credit risk related to the acquisition of control of the companies mentioned above.

11. Investments

	Company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Equity interests	32,847	27,486	-	-
Otehr equity interests	568	499	1,214	438
	33,415	**27,985**	**1,214**	**438**

Investments in subsidiaries are classified as follows:

					2012	Equity in the results of		Investment balances	
Subsidiaries	Share capital	Number of quotas/ shares held	Holding (%)	Profit (loss for the period)	Equity	September 30, 2012	September 30, 2011	September 30, 2012	December 31, 2011
Clidec	8,290	8,290	99.9	2,895	11,185	606	587	11,184	10,577
OdontoPrev Serviços	2,278	2,278	99.9	5,017	7,320	1,682	228	7,294	5,612
Rede Dental	1,162	1,162	99.9	12,877	14,039	3,339	3,229	14,037	10,698
Adcon	43	43	99.9	(319)	333	(267)	(209)	332	599
						5,360	**3,835**	**32,847**	**27,486**

At September 30, 2012, equity interest totaled R$ 4,790 (R$ 3,090 at September 30, 2011), and the R$ 570 (R$ 745 at September 30, 2011) expense refers to interest in associate company Odontored CV.

12. Property and equipment

												Company
	Computer equipment	Vehicles	Facilities	Machinery and equipment	Furniture and fittings	Communication equipment	Dental care equipment	**Total chattels**	Leasehold improvements	Others	Total other property and equipment	**Total**
Net book value at December 31, 2011	**2,334**	**368**	**160**	**343**	**1,810**	**199**	**67**	**5,281**	**1,474**	**2,669**	**4,143**	**9,424**
Additions and (disposals)	678	88	-	226	23	-	1	**1,016**	62	234	**296**	**1,312**
Reclassification	-	-	-	-	-	-	-	**-**	-	(2,658)	**(2,658)**	**(2,658)**
Depreciation	(589)	(146)	(24)	(44)	(207)	(36)	(9)	**(1,055)**	(251)	-	**(251)**	**(1,306)**
At September 30, 2012	**2,423**	**310**	**136**	**525**	**1,626**	**163**	**59**	**5,242**	**1,285**	**245**	**1,530**	**6,772**
Acquisition cost	7,333	1,208	539	991	3,241	759	456	**14,527**	4,658	245	**4,903**	**19,430**
Accumulated depreciation	(4,910)	(898)	(403)	(466)	(1,615)	(596)	(397)	**(9,285)**	**(3,373)**		**(3,373)**	**(12,658)**
Net book value at September 30, 2012	**2,423**	**310**	**136**	**525**	**1,626**	**163**	**59**	**5,242**	**1,285**	**245**	**1,530**	**6,772**
Annual depreciation rate (%)	**20**	**20**	**10**	**10**	**10**	**10**	**10**	**-**	**20**	**-**	**-**	**-**

												Consolidated
	Computer equipment	Vehicles	Facilities	Machinery and equipment	Furniture and fittings	Communication equipment	Dental care equipment	**Total chattels**	Leasehold improvements	Others	Total other property and equipment	**Total**
Net book value at December 31, 2011	**2,447**	**369**	**291**	**399**	**2,195**	**205**	**585**	**6,491**	**1,734**	**2,669**	**4,403**	**10,894**
Additions and (disposals)	689	88	-	246	68	(5)	138	**1,224**	169	1,151	**1,320**	**2,544**
Reclassification	-	-	-	-	-	-	-	**-**	-	(2,662)	(2,662)	**(2,662)**
Depreciation	(600)	(147)	(38)	(56)	(259)	(34)	(96)	**(1,230)**	(314)	-	**(314)**	**(1,544)**
At September 30, 2012	**2,536**	**310**	**253**	**589**	**2,004**	**166**	**627**	**6,485**	**1,589**	**1,158**	**2,747**	**9,232**
Acquisition cost	7,898	1,241	1,945	1,158	3,999	767	2,007	**19,015**	5,819	1,158	**6,977**	**25,992**
Accumulated depreciation	(5,362)	(931)	(1,692)	(569)	(1,995)	(601)	(1,380)	**(12,530)**	(4,230)	-	(4,230)	**(16,760)**
Net book value at September 30, 2012	**2,536**	**310**	**253**	**589**	**2,004**	**166**	**627**	**6,485**	**1,589**	**1,158**	**2,747**	**9,232**
Annual depreciation rate (%)	**20**	**20**	**10**	**10**	**10**	**10**	**10**	**-**	**20**	**-**	**-**	**-**

13. Intangible assets

13.1 Goodwill on acquisition of investments

This relates to goodwill based on expected future profitability, paid on acquisition of the investments. Up to December 31, 2008, these amounts were amortized on the straight-line method over 5 years. After that date, they are no longer amortized, being only tested for impairment.

13.2 Impairment tests of goodwill

Goodwill represents the excess of the cost of an acquisition over the net fair value of assets and liabilities of the acquired entity, including the allocation of intangible assets. Goodwill is allocated to the business units which benefited from the business combination from which the goodwill was originated for the purpose of impairment testing, as presented in the following table:

	Historical datas related to aquisition and/or approval				September 30, 2012			December 31, 2011
						Amortization		
	Date	Total cost	Book value	Merger Date	Goodwill	[1]	Net Goodwill	Net Goodwill
Bradesco Dental	October 18, 2009	723,392	313,752	July 01, 2010	409,640	-	409,640	409,640
Rede Dental	October 8, 2007	7,584	(119)	Not merged	7,703	(1,544)	6,159	6,159
DentalCorp	February 9, 2007	25,244	386	March 03, 2008	24,858	(9,529)	15,329	15,329
Sepao	October 24, 2008	9,203	82	December 01, 2009	9,121	(303)	8,818	8,818
SRJSPE	June 26, 2008	13,720	(130)	December 01, 2008	13,850	(1,616)	12,234	12,234
Care Plus	June 19, 2008	13,113	(230)	December 01, 2008	13,343	(1,563)	11,780	11,780
Biodent	June 19, 2008	2,837	98	December 01, 2008	2,739	(319)	2,420	2,420
Prontodente	December 22, 2008	5,445	(235)	December 01, 2009	5,680	-	5,680	5,680
OdontoServ	February 27, 2009	30,841	10,025	December 01, 2009	20,816	-	20,816	20,816
Company		**831,379**	**323,629**		**507,750**	**(14,874)**	**492,876**	**492,876**
Easy	July 8, 2008	3,100	456	Not merged	2,644	(265)	2,379	2,379
G2D[2]	August 9, 2012	750	416	Not merged	334	-	334	-
Consolidated		**835,229**	**324,501**		**510,728**	**(15,139)**	**495,589**	**495,255**

[1] Amortizatin untill December 31, 2008.

[2] Associate Company

The goodwill impairment test is applied annually, and the last one was carried out at December 31, 2011. This test used the income approach, through the discounted cash flow methodology. This approach is based on the nature of the cash-generating unit evaluated, the existence of a historical financial and operational control of the business unit, availability of financial projections and discussions with the management.

The assumptions used in the annual test remain valid for September 30, 2012. No evidence of impairment was identified in the period for these assets; therefore, the Company considered that the constitution of a provision for impairment was not necessary.

13.3 System development, software licenses and others

	Company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
System development (i)	14,516	8,139	14,622	8,139
Software licenses (i)	7,529	5,278	8,970	6,704
Intangible assets - OdontoServ (ii)	9,792	9,792	9,792	9,792
Other	5	5	25	26
Accumulated amortization	(14,470)	(12,153)	(14,941)	(12,610)
	17,372	**11,061**	**18,468**	**12,051**

The amortization period of intangible assets with defined useful lives is: (i) 60 months for system development and software licenses; (ii) intangible assets from OdontoServ, which are amortized on a straight-line basis over the useful lives measured in an appraisal report (brand - 120 months; customer portfolio - 36 months, and non-competition - 60 months).

13.4 Changes in intangible assets

	Consolidated			
	Goodwill on acquisition of investment	System development, software licenses and other	Deferred selling expenses	Total
Cost	510,394	24,661	29,526	564,581
Accumulated amortization and impairment	(15,139)	(12,610)	(20,311)	(48,060)
At December 31, 2011	**495,255**	**12,051**	**9,215**	**516,521**
Additions	334	6,086	12,215	18,635
Reclassification	-	2,662	-	2,662
Amortization	-	(2,331)	(13,231)	(15,562)
At September 30, 2012	**495,589**	**18,468**	**8,199**	**522,256**
Cost	510,728	33,409	41,741	585,878
Accumulated amortization and impairment	(15,139)	(14,941)	(33,542)	(63,622)
Net book amount	**495,589**	**18,468**	**8,199**	**522,256**

14. Minimum capital and technical reserves- Company

ANS published, on December 22, 2009, RN 209, amended by RNs 227/10, 243/10, 247/11 and 290/12, which establishes new rules for recognizing technical provisions and minimum capital requirements. The main definitions applicable to dental care operators are as follows:

(a) Adjusted minimum equity (PMA) represents the minimum amount of equity or net assets, calculated by multiplying the K factor by the capital base of R$ 5,871. In accordance with this rule, the required minimum equity is R$ 190, whereas the Company's adjusted equity is R$ 242,390 at September 30, 2012 (R$ 283,501 at December 31, 2011).

(b) The solvency margin corresponds to the amount of adjusted equity sufficient to cover the higher of 0.20 times the sum of the last 12 months consideration, or 0.33 times the annual average of the last 36 months' net claims. At September 30, 2012, the solvency margin calculated was R$ 185,784 (R$ 165,195 at December 31, 2011) based on the consideration.

(c) As from January 1, 2011, IBNR is mandatory for operators with more than 20,000 beneficiaries. Until approval has been obtained for the technical actuarial Note, a minimum IBNR must be recorded by operators, based on the higher between 9.5% of total consideration and 12% of total indemnifiable claims for the prior 12 months in the fixed price modality. The cumulative minimum monthly proportion of 1/36 of the amount calculated must be observed.

Since 2010, the Company has been filling protocols with ANS, the last of which, dated September 10, 2012, presented a technical actuarial Note with the calculation method for the constitution of the provision for events occurred but not reported. While waiting for the ANS approval, the Company recorded the amount calculated based on ANS guidelines, as described above, in current liabilities within "Provision for events/claims occurred but not reported".

At September 30, 2012 the Company had a balance of provision for events/claims occurred but not reported amounting to R$ 50,929 (R$ 44,270 at December 31, 2011) and Consolidated of R$ 52,431 (R$ 44,947 at December 31, 2011).

(d) The events pending settlement involving dental care assistance are classified as "Reserve for events/claims to be settled" in the group "Technical reserves for dental care operations" in accordance with Normative Instruction (IN) 46/11 amended by Normative Resolution (RN) 290/12. At September 30, 2012, the balance of the Company totals R$ 12,461 (R$ 5,010 at December 31, 2011). In the consolidated, the balance at September 30, 2012 is R$ 13,573 (R$ 5,929 at December 31, 2011).

According to CPC 11/IFRS 4, paragraph 37, the changes in reserves related to events (insurance liabilities) are as follows:

	Company	Consolidated
At December 31, 2011	**49,280**	**50,876**
Events reported/ incurred in the year	295,914	303,321
Events paid	(288,463)	(294,852)
Provision for events/ claims incurred but not reported	6,659	6,659
At September 30, 2012	**63,390**	**66,004**
Provision for events/ claims to be settled	12,461	13,573
Provision for events/ claims incurred but not reported	50,929	52,431
At September 30, 2012	**63,390**	**66,004**

15. Taxes and contributions payable

	Company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Federal tax liabilities	**41,575**	**40,044**	**44,912**	**43,937**
IRPJ	27,676	24,550	29,647	26,862
CSLL	10,069	9,089	10,802	9,959
COFINS	1,118	1,232	1,431	1,572
PIS	395	964	466	1,038
IRRF	1,987	3,884	2,195	4,142
Other	330	325	371	364
State tax liabilities	**-**	**-**	**-**	**13**
Municipal tax liabilities	**756**	**1,239**	**1,115**	**1,580**
	42,331	**41,283**	**46,027**	**45,530**

16. Trade payables

	Company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Commissions payable	3,776	4,345	3,811	4,365
Suppliers of goods and services	4,568	5,078	5,699	5,329
	8,344	**9,423**	**9,510**	**9,694**

Commissions payable refer to commitments related to intermediation service providers of the plans, most of which are settled monthly.

Suppliers of goods and services mainly comprise services rendered related to the maintenance and operation of the Company's complementary activities.

17. Other payables

-	Company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
IBNR	**-**	**-**	**-**	**825**
Sundry provisions:	**11,855**	**12,600**	**8,787**	**12,600**
Commissions	2,288	2,501	2,288	2,501
IT support and service	289	276	289	276
Telecommunications	573	530	573	530
Services	5,376	1,307	1,641	1,307
Class association	195	411	195	411
Location	65	126	94	126
Material operating	-	248	-	248
Travels	274	313	307	313
Compensable events and charges	2,759	6,586	2,759	6,586
Investments to pay	-	-	600	-
Other provisions	36	302	41	302
Credits to be identified	**11,553**	**10,232**	**11,848**	**10,312**
Other	**599**	**892**	**700**	**1,070**
	24,007	**23,724**	**21,335**	**24,807**

18. Long-term liabilities

18.1 Provisions for contingencies

The Company's management sets up provisions based on the opinion of its internal and external legal advisors and considers that the amounts recorded in "Provisions for contingencies", in long-term liabilities, are sufficient to cover potential losses arising from court decisions. The amounts related to possible losses not accrued, referring to 294 civil lawsuits (not related to treatments made to the dental plan beneficiaries) and to 30 labor lawsuits of the Company and its subsidiaries, at September 30, 2012, totaling R$ 10,078 (R$ 10,062 at December 31, 2011).

The Company and its subsidiaries are parties to lawsuits involving tax, social security, labor and civil contingencies, as follows:

	Consolidated					
	September 30, 2012			December 31, 2011		
	Provision	Judicial deposits	Net Provision	Provision	Judicial deposits	Net Provision
Tax	**2,406**	**(2,863)**	**(457)**	**1,769**	**(2,709)**	**(940)**
Social security and labor	**94,567**	**(33,169)**	**61,398**	**68,736**	**(31,393)**	**37,343**
INSS	93,801	(32,886)	60,915	67,804	(31,172)	36,632
Other	766	(283)	483	932	(221)	711
Civil	**3,583**	**(255)**	**3,328**	**1,933**	**(253)**	**1,680**
	100,556	**(36,287)**	**64,269**	**72,438**	**(34,355)**	**38,083**

	Consolidated				
				September 30, 2012	December 31, 2011
Changes	Tax	Social security and labor	Civil	Total	Total
Opening balance	1,769	68,736	1,933	72,438	41,249
Establishment	695	21,353	3,043	25,091	26,780
Write-offs	(58)	(251)	(1,405)	(1,714)	(322)
Monetary adjustment	-	4,729	12	4,741	4,731
Closing balance	**2,406**	**94,567**	**3,583**	**100,556**	**72,438**
Number of law suits				126	120

(a) Tax

Liabilities related to tax contingencies under dispute are maintained up to the rendering of a final and unappealable decision.

The Company and its subsidiary Clidec filed a lawsuit requesting to pay COFINS as established by LC 7/70 rather than in accordance with Law 9718/98, and to offset the difference in amounts paid at the rate of 3% against social contribution. The Company was partially successful, since the increase in the COFINS calculation basis was determined unconstitutional. Clidec obtained the same partially favorable outcome, with a request to release the judicial deposits made during the proceedings, and a decision is pending.

(b) Social security and labor

(i) National Institute of Social Security (INSS)

The Company and its subsidiary Rede Dental are discussing in court the social security contribution levied on the remuneration paid to accredited dentists as set forth by LC 84/96 and subsequently by Law 9876/99 (new wording provided for in article 22, item I of Law 8212/91), at the rate of 20%. The Company alleges that because the services are not rendered to the insurance companies but to the insured parties, they would be outside the scope of the mentioned contribution. In August 2010, a preliminary injunction determined the suspension of the payment of the social security contribution, without the obligation of making the judicial deposits, only for accounting provision. It should be aforementioned that Bradesco Dental had already a lawsuit with the same objective, and had made judicial deposits up to July 2010, date of the merger into the Company, and when it became the plaintiff. In consolidated data, these obligations had been fully accounted for and totaled R$ 93,801 at September 30, 2012 (R$ 67,804 at December 31, 2011), and for which there are monetarily restated judicial deposits of R$ 32,886 (R$ 31,172 at December 31, 2011).

(ii) Other

The Company and its subsidiaries are parties to various labor lawsuits, most of them relating to requests for salary adjustment as established in the collective agreement from which the National Union of Group Dental Enterprises (SINOG) union, of which the Company and its subsidiaries are signatories, the, did not participate. At September 30, 2012, the amount provided for totaled R$ 766 (R$ 932 at December 31, 2011).

(c) Civil claims

The Company and its subsidiaries are parties to civil lawsuits, mainly involving requests for indemnification for moral and property damages, totaling R$ 3,583 at September 30, 2012 (R$ 1,933 at December 31, 2011).

18.2 Other payables

These refer to potential risks identified in due diligence and are guaranteed by deposits in related accounts, as mentioned in Note 10.3.

	Company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
DentalCorp	912	975	912	975
Rede Dental	748	928	748	928
Care Plus/Biodent	454	456	454	456
Sepao	267	337	267	337
Prontodente	76	76	76	76
OdontoServ	313	313	313	313
	2,770	**3,085**	**2,770**	**3,085**

19. Equity

19.1 Share capital

At September 30, 2012 and December 31, 2011, the Company's subscribed and paid-up capital was R$ 506,557 comprising 531,294,792 common shares (177,098,264 at December 31, 2011, without the split) with no par value.

According to Article 8 of its bylaws, the Company is authorized to increase its capital up to the limit of 80,000,000 shares, with no changes in the bylaws.

At the Extraordinary General Meeting held on April 2, 2012, stockholders approved the split of 177,098,264 common shares of the Company into two new shares for each share existing, and 354,196,528 new common shares were issued. Thus, as from April 9, 2012, each existing share is represented by three shares, so that the Company's share capital, maintained at the amount of R$ 506,557, is divided into 531,294,792 common shares.

The closing price of the Company's shares (ODPV3 - BM&FBOVESPA) at September 30, 2012 was R$ 11.35 (R$ 26.60 per share at December 31, 2011, without considering the split). The book value per share at September 30, 2012 was R$ 1.33 (R$ 4.31 per share at December 31, 2011, without considering the split).

19.2 Capital reserves

The Company's capital reserves total R$ 18,324 at September 30, 2012 (R$ 35,324 at December 31, 2011), and comprise the following:

	Company and Consolidated	
	September 30, 2012	December 31, 2011
Share premium	48,392	48,392
Granting of stock options	8,821	5,947
Granting of deferred stock options	(4,550)	(1,601)
Additional paid-up capital	(34,339)	(17,414)
	18,324	**35,324**

Options granted: constitution of the amount estimated of the 4th and 5th grants of options, using the Black-Scholes methodology.

Grant of deferred stock options: balance of the 4th and 5th grants of options to be appropriated into the vesting period.

Additional paid-up capital: amount of the difference between the constitution estimated by the Black-Scholes methodology and the exercise amount of the 1st , 2nd and 3rd grants of options.

19.3 Revenue reserves

The Company's revenue reserves total R$ 146,866 at September 30, 2012 (R$ 220,725 at December 31, 2011), and comprise the following:

	Company and Consolidated	
	September 30, 2012	December 31, 2011
Legal reserve	29,169	29,169
Statutory reserve	117,568	117,568
Tax incentive	129	129
Additional proposed dividends	-	84,594
Treasury share	-	(10,735)
Revenue reserves	**146,866**	**220,725**

Legal reserve: this reserve must be recorded by the Company through the allocation of 5% of the profit for the year, up to 20% of the capital.

Statutory reserve: pursuant to the Company's bylaws, profit is allocated as follows: i) deduction of losses, if any; ii) 5% for recognition of the legal reserve up to 20% of the subscribed capital; iii) mandatory dividend of 50% on profit, complying with the following adjustments: a) decrease of amounts allocated to the legal and contingency reserves for the year; b) increase of amounts resulting from reversal, for the year, of contingency reserve previously recorded; and iv) recognition of the statutory reserve (profit retention), including the remaining balance, with the distribution of interest on capital and dividends exceeding the mandatory dividends subject to approval.

Treasury shares On July 26, 2012, the Board of Directors authorized the acquisition of up to 1,928,280 shares of the Company, through the use of funds consigned in a statutory reserve for the purpose of guaranteeing the 4rd stock option grants. At September 30, 2012, the Company had no treasury shares, after 2,220,108 share options were exercised, related to the 3rd grant of shares in May and August 2012.

Additional dividends: comprise the portion of R$ 12,594 of interest on capital, declared on December 26, 2011 and paid on January 10, 2012, and additional dividends of R$ 72,000 (comprising R$ 50,359 of profit and R$ 21,641 of the existing balance of the statutory reserve), above the 50% percentage established in the Company's bylaws as mandatory minimum dividends, submitted to and approved at the Annual and Extraordinary General Meeting (held on April 2, 2012).

19.4 Retained earnings

In compliance with CPC 26/IAS 1 (R), the changes in retained earnings from December 31, 2011 to September 30, 2012 are as follows:

At December 31, 2011	-
Profit for the year	118,511
Proposed profit allocation:	**(84,337)**
Legal reserve	-
Interest on capital (0.02789 per share)	(14,761)
Interim dividends (0.05221 per share)	(27,625)
Interest on capital (0.01735 per share)	(9,216)
Interim dividends (0.06161 per share)	(32,735)
At September 30, 2012	**34,174**

19.5 Stock option plan

At the Extraordinary General Meeting held on April 19, 2007, stockholders approved the creation of the stock option plan (the "Plan") pursuant to article 19 - XVIII of the Company's bylaws, designated for the employees and officers of the Company and its subsidiaries. The Plan is managed by the Board of Directors, which has powers to take the required actions for its maintenance, according to the approved guidelines. Options granted under the Plan are limited to 5% of capital.

At the meeting held on August 2, 2007, the Board of Directors approved, as recommended by the Company's CEO, who voluntarily waived his benefit, the first grant of the stock option plan, which represented 221,859 shares (2,662,308 shares after the splits on July 1, 2010 and April 2, 2012), at the price of R$ 44.85 per share (R$ 3.74 after the split).

At the meeting held on February 28, 2008, the Board of Directors approved, as recommended by the Company's CEO, who voluntarily waived his benefit, the second grant of the stock option plan, which represented 353,494 shares (4,241,928 shares after the splits on July 1, 2010 and April 2, 2012), at the price of R$ 32.42 per share (R$ 2.70 after the split).

At the meeting held on March 25, 2009, the Board of Directors approved, as recommended by the Company's CEO, who voluntarily waived his benefit, the third grant of the stock option plan, which represented 255,002 shares (3,060,024 after the splits on July 1, 2010 and April 2, 2012), at the price of R$ 17.60 per share (R$ 1.47 after the split).

On August 11, 2010, the Board of Directors approved, as recommended by the Company's Human Resources Committee, the fourth grant of the stock option plan, which represented 698,707 shares (2,096,121 shares after the split on April 2, 2012), at the price of R$ 12.93 per share (R$ 4.31 after the split). Similar to the other grants, the CEO voluntarily waived his benefit.

On September 20, 2011, the Board of Directors approved, as recommended by the Company's Human Resources Committee, the fifth grant of the stock option plan, which represented 583,815 shares (1,751,445 shares after the split), at the price of R$ 20.87 per share (R$ 6.96 after the split). Similar to the other grants, the CEO voluntarily waived his benefit.

On September 20, 2012, the Board of Directors approved, as recommended by the Company´s Human Resources Committee, the sixth grant of the stock option plan, which represented 1,609,097 shares, at the price of R$ 8.22 per share. Similar to the other grants, the CEO voluntarily waived his benefit.

The exercise price will be monetarily adjusted based on the General Market Price Index (IGPM) variation, released by Fundação Getulio Vargas, in the period between the stock option agreement date and the option exercise date, after deduction of the remuneration paid to shareholders during this period.
The option vesting period is three years from the Stock Option Agreement date.

Beneficiaries may exercise their options, totally or partially, provided that they inform the Company in writing, observing the six-year exercise deadline and each vesting period. The exercise notice shall only be valid and effective if submitted to the Company's management one month before each Annual Meeting of the Company's Board of Directors, the dates of which are disclosed in the corporate events calendar, unless another term is set by the Board of Directors and communicated in advance to the beneficiary.

During a period of three years from the option exercise date, beneficiaries cannot sell and/or offer a number of shares calculated based on the following formula:

N = 0.5 x Q x (1 - Pe/Pm), where:

- N = number of share held for sale after three years from exercise date.
- Q = number of vested options.
- Pm = market price of the share on exercise date (closing price on the prior day).
- Pe = exercise price of the option.

The fair value of the stock option plan benefit was estimated based on the Black-Scholes stock option valuation model, considering the following weighted average assumptions:

	Year of Stock Option					
	2012	**2011**	**2010**	**2009**	**2008**	**2007**
Risk-free rate	3.4%	5.3%	6.0%	9.3%	11.4%	11.3%
Expected annualized volatility - %	36.1%	30.1%	26.6%	40.6%	24.3%	33.9%
Exercise price of the option at the time of stock-option	8.82	20.87	12.93	17.60	32.42	44.85
Unit price for exercising the option on the grant date after split from July 1, 2010 and April 2, 2012	8.82	6.96	4.31	1.47	2.70	3.74
Fair value of the benefit on grant date (per share)	5.01	13.23	7.00	14.17	19.72	20.18
Unit fair value of the benefit at grant date after split from July 1, 2010 and April 2, 2012	5.01	4.41	2.33	1.18	1.64	1.68

The maximum compensation cost of these stock option plans on the date they were granted was R$ 35,731 as follows:

Date of Stock Option	Number of shares	Option Value	Total
August 2, 2007	2,662,308	1.68	4,477
February 28, 2008	4,241,928	1.64	6,971
March 25, 2009	3,060,024	1.18	3,613
August 11, 2010	2,096,121	2.33	4,891
September 20, 2011	1,751,445	4.41	7,724
September 20, 2012	1,609,097	5.01	8,055
	15,420,923		**35,731**

Stock option plans at September 30, 2012 are summarized below:

	Beginning of the period		Cancellations		Options exercised		End of period	
Year	Eligible	Options	Eligible terminated	Cancelled options	Eligible	Exercised Options	Eligible	Existing options
2007	31	2,662,308	10	989,304	21	1,673,004	-	-
2008	46	4,241,928	9	977,544	37	3,264,384	-	-
2009	51	3,060,024	10	839,916	41	2,220,108		
2010	47	2,096,121	6	189,012	-	-	41	1,907,109
2011	45	1,751,445	1	19,539	-	-	44	1,731,906
2012	51	1,609,097	-	-	-	-	51	1,609,097
		15,420,923		**3,015,315**		**7,157,496**		**5,248,112**

In accordance with CPC 10/IFRS 2 and based on the plan's vesting periods, the amount of R$ 2,414 at September 30, 2012 (R$ 1,917 at September 30, 2011) was recognized as expense for stock option plans due to progress towards vesting, with a corresponding entry to a specific capital reserve account in equity.

The six grants of the stock option plan together represent, at September 30, 2012, 2.90% of the Company's capital.

The Board of Directors approved the sale of 7,157,496 shares, as a result of the call option by the Plan's beneficiaries, referring to the Grant Program of 2007 (1st grant), of 2008 (2nd grant), and of 2009 (3rd grant).

20. Operating segments

Management has determined the operating segments of the Company and its subsidiaries based on the reports approved by the Executive Board that are used to make strategic decisions.

The activities of the Company and its subsidiaries are organized in the following business segments:

(i) prepaid individual plans: the costs with beneficiaries' dental care service, all aspects related to the management of the plan and the population's dental health are assumed by the Company, in exchange for a per capita monthly payment;

(ii) other: include several less significant segments to the Company's total revenue, as follows:

- Dental care service in the Company's dental clinics: include the installation of dental clinics in the facilities of specific customers (in company), and the units available for all beneficiaries (through Clidec).
- Administrative and advisory services (provided by OdontoPrev Serviços).
- Acquisition and distribution of dental care materials for the accredited network (through Dental Partner).
- Software development (through Easy).

Following is the contribution margin by channel/operating segment of the Company and its subsidiaries:

Company

	COLLECTIVE				INDIVIDUAL					
	Prepayment		Postpayment		Prepayment		Other		Total	
	Period ended at September 30,		Period ended at September 30,		Period ended at September 30,		Period ended at September 30,		Period ended at September 30,	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Net installments	634,580	544,917	14,780	10,837	65,239	56,289	-	-	714,599	612,043
Direct taxes on healthcare plan operations	(18,720)	(16,572)	(983)	(692)	(4,247)	(2,507)	-	-	(23,950)	(19,771)
Sales of goods and services	-	-	-	-	-	-	325	-	325	-
Taxes on sales of goods and services	-	-	-	-	-	-	-	-	-	-
SALES OF GOODS	**615,860**	**528,345**	**13,797**	**10,145**	**60,992**	**53,782**	**325**	**-**	**690,974**	**592,272**
Cost of services	(310,483)	(268,346)	(7,933)	(6,682)	(11,247)	(12,888)	-	-	(329,663)	(287,916)
OPERATING RESULT	**305,377**	**259,999**	**5,864**	**3,463**	**49,745**	**40,894**	**325**	**-**	**361,311**	**304,356**
Selling expenses	(46,513)	(36,732)	(445)	(449)	(18,381)	(16,298)	-	-	(65,339)	(53,479)
CONTRIBUTION MARGIN	**258,864**	**223,267**	**5,419**	**3,014**	**31,364**	**24,596**	**325**	**-**	**295,972**	**250,877**
Margin x sales revenue (%)	**42.0%**	**42.3%**	**39.3%**	**29.7%**	**51.4%**	**45.7%**	**100.0%**	**-**	**42.8%**	**42.4%**
Margin x Total (%)	**87.5%**	**89.0%**	**1.8%**	**1.2%**	**10.6%**	**9.8%**	**0.1%**	**-**	**100.0%**	**100.0%**
Main assets allocated by segment:										
Invoices/ premiums receivable	81,086	71,085	6,006	4,048	23,250	20,551	-	-	110,342	95,684
Debit notes	-	-	1,689	917	-	-	-	-	1,689	917
Advanced billings	(60,992)	(57,099)	-	-	(9,385)	(8,204)	-	-	(70,377)	(65,303)
Provision for impairment of trade receivables	(13,185)	(10,345)	(935)	(1,786)	(10,785)	(8,703)	-	-	(24,905)	(20,834)
Assets allocated by segment	**6,909**	**3,641**	**6,760**	**3,179**	**3,080**	**3,644**	**-**	**-**	**16,749**	**10,464**
Assets not allocated by segment:										
Cash and cash equivalents	-	-	-	-	-	-	-	-	3,272	5,973
Financial investments valued at fair value	-	-	-	-	-	-	-	-	177,301	154,280
Notes and credits receivable	-	-	-	-	-	-	-	-	45,046	37,231
Inventories	-	-	-	-	-	-	-	-		-
Other assets	-	-	-	-	-	-	-	-	362	106
Long-term receivables	-	-	-	-	-	-	-	-	164,416	180,551
Investments	-	-	-	-	-	-	-	-	33,415	26,289
Property and equipment	-	-	-	-	-	-	-	-	6,772	9,945
Intangible assets	-	-	-	-	-	-	-	-	518,447	510,720
Assets not allocated	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**949,031**	**925,095**
TOTAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**965,780**	**935,559**

Consolidated

	COLLECTIVE				INDIVIDUAL					
	Prepayment		Postpayment		Prepayment		Other		Total	
	Period ended at September 30,		Period ended at September 30,		Period ended at September 30,		Period ended at September 30,		Period ended at September 30,	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Net installments	650,739	561,503	14,780	10,837	67,235	58,503	-	-	732,754	630,843
Direct taxes on healthcare plan operations	(19,374)	(17,392)	(983)	(692)	(4,444)	(2,584)	-	-	(24,801)	(20,668)
Sales of goods and services	-	-	-	-	-	-	4,427	4,349	4,427	4,349
Taxes on sales of goods and services	-	-	-	-	-	-	(5,151)	(3,380)	(5,151)	(3,380)
SALES OF GOODS	**631,365**	**544,111**	**13,797**	**10,145**	**62,791**	**55,919**	**(724)**	**969**	**707,229**	**611,144**
Cost of services	(320,784)	(276,526)	(7,933)	(6,682)	(12,343)	(13,742)	-	-	(341,060)	(296,950)
OPERATING RESULT	**310,581**	**267,585**	**5,864**	**3,463**	**50,448**	**42,177**	**(724)**	**969**	**366,169**	**314,194**
Selling expenses	(46,689)	(37,060)	(445)	(449)	(18,874)	(16,616)	-	-	(66,008)	(54,125)
CONTRIBUTION MARGIN	**263,892**	**230,525**	**5,419**	**3,014**	**31,574**	**25,561**	**(724)**	**969**	**300,161**	**260,069**
Margin x sales revenue (%)	**41.8%**	**42.4%**	**39.3%**	**29.7%**	**50.3%**	**45.7%**	**100.0%**	**100.0%**	**42.4%**	**42.6%**
Margin x Total (%)	**87.9%**	**88.6%**	**1.8%**	**1.2%**	**10.5%**	**9.8%**	**-0.2%**	**0.4%**	**100.0%**	**100.0%**
Main assets allocated by segment:										
Invoices/ premiums receivable	83,192	73,635	6,006	4,048	26,655	23,927	-	-	115,853	101,610
Debit notes	-	-	1,689	917	-	-	-	-	1,689	917
Advanced billings	(61,233)	(57,318)	-	-	(12,420)	(11,196)	-	-	(73,653)	(68,514)
Provision for impairment of trade receivables	(13,684)	(11,013)	(925)	(1,786)	(11,008)	(9,006)	-	-	(25,617)	(21,805)
Assets allocated by segment	**8,275**	**5,304**	**6,770**	**3,179**	**3,227**	**3,725**	**-**	**-**	**18,272**	**12,208**
Assets not allocated by segment:										
Cash and cash equivalents	-	-	-	-	-	-	-	-	4,313	6,857
Financial investments valued at fair value	-	-	-	-	-	-	-	-	196,278	169,245
Notes and credits receivable	-	-	-	-	-	-	-	-	58,015	49,073
Inventories	-	-	-	-	-	-	-	-	987	652
Other assets	-	-	-	-	-	-	-	-	364	108
Long-term receivables	-	-	-	-	-	-	-	-	167,913	184,448
Investments	-	-	-	-	-	-	-	-	1,214	580
Property and equipment	-	-	-	-	-	-	-	-	9,232	12,382
Intangible assets	-	-	-	-	-	-	-	-	522,256	513,155
Assets not allocated	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**960,572**	**936,500**
TOTAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**978,844**	**948,708**

21. Sales revenue

Health care payments consist of net consideration, according to the ANS chart of accounts, plus the gross revenue from sales and/or services and taxes, and are equivalent to the sales as established by the Brazilian Corporation Law. The contra-entry to these payments is the account "Health care receivables" and "Other receivables", in current assets, respectively, as follows:

	Company		Consolidated	
	Period ended at September 30,		Period ended at September 30,	
	2012	2011	2012	2011
Net installments	714,599	612,043	732,754	630,843
Direct taxes on healthcare plan operations	(23,950)	(19,771)	(24,801)	(20,668)
Sales of goods and services	325	-	4,427	4,349
Taxes on sales of goods and services	-	-	(5,151)	(3,380)
	690,974	**592,272**	**707,229**	**611,144**

As ANS has not approved CPC 11/IFRS 4, net consideration totaled in the Company and Consolidated R$ 14,780 and R$ 10,837 at September 30, 2012 and 1, respectively, related to managed plans, differently from CPC 11/IFRS 4 which defines them as revenue from services.

The Company and its subsidiaries: (i) do not have customers representing more than 10% of all sales; and (ii) generated all revenues in Brazil.

22. Indemnifiable claims, net (cost of goods and/or services sold)

These refer to costs of dental services, according to the contractual terms agreed with our network of dentists and the compensation established in the table of procedures in force. It also includes reimbursements made to members for the use of dental benefits outside the accredited network of dentists. The amounts are recorded with a corresponding entry to the account "Health care events payable", in current liabilities.

By adding to the events total social charges on services, dental care material and other operating expenses, we calculated the cost of services, as shown below:

	Company		Consolidated	
	Period ended at September 30,		Period ended at September 30,	
	2012	2011	2012	2011
Indemnifiable claims, net	(295,914)	(259,120)	(303,321)	(264,454)
Social charges on services	(20,941)	(19,693)	(21,176)	(19,911)
Dental care materials	(4,310)	(4,609)	(2,475)	(3,147)
Other operating expenses	(1,839)	(4,494)	(7,429)	(9,438)
Change in provision for incurred but not reported events (IBNR)	(6,659)	-	(6,659)	-
	(329,663)	**(287,916)**	**(341,060)**	**(296,950)**

23. Selling expenses

Selling expenses refer to commissions incurred due to independent brokers and other distribution channels. At September 30, 2012, these expense balances totaled R$ 65,339 and R$ 53,479 in Company and R$ 66,008 and R$ 54,125 in Consolidated, respectively.

24. Administrative expenses

	Company		Consolidated	
	Period ended at September 30,		Period ended at September 30,	
	2012	2011	2012	2011
Personnel and third-party services	(76,058)	(59,233)	(67,898)	(59,081)
Rentals and occupancy	(17,913)	(15,229)	(20,604)	(17,173)
Charges and fees	(2,632)	(2,362)	(2,790)	(2,594)
Publicity and advertising	(7,422)	(6,596)	(8,081)	(7,068)
Travelling, printing materials and subscriptions	(4,035)	(3,876)	(4,627)	(4,342)
Depreciation and amortization	(3,624)	(4,179)	(3,874)	(4,447)
Acquisition expenses	(1,535)	(3,725)	-	(3,725)
Bradesco Dental	-	(4)	-	(4)
Banco do Brasil	(157)	(842)	-	(842)
Odontored CV	-	(347)	-	(347)
Other	(2,521)	(5,104)	(3,263)	(6,217)
	(115,897)	**(101,497)**	**(111,137)**	**(105,840)**

25. Finance result

Finance result compries the finance income generated by investments and adjustments of judicial deposits, less the finance costs generated by adjustments to the provision for legal contingencies and expenses with bank fees.

	Company		Consolidated	
	Period ended at September 30,		Period ended at September 30,	
	2012	2011	2012	2011
Proceeds from financial investments	12,248	13,606	13,330	14,682
Monetary restatement of judicial deposits	1,715	2,237	1,715	2,260
Revertion of interests on capital	23,977	23,508	23,977	23,508
Other	2,581	1,896	2,920	2,844
Financial Income	**40,521**	**41,247**	**41,942**	**43,294**
Bank fees	(1,342)	(1,165)	(1,584)	(1,310)
Monetary restatement of provision of contingencies	(4,774)	(3,218)	(4,774)	(3,241)
Interests on Capital	(23,977)	(23,508)	(23,977)	(23,508)
Other costs	(424)	(1,061)	(868)	(1,453)
Financial Expenses	**(30,517)**	**(28,952)**	**(31,203)**	**(29,512)**
Net financial income	**10,004**	**12,295**	**10,739**	**13,782**

26. Income tax and social contribution calculation

Income tax and social contribution are reconciled to the amounts recorded as expenses for the year as follows:

	Company		Consolidated	
	Period ended at September 30,		Period ended at September 30,	
	2012	2011	2012	2011
IRPJ and CSLL calculation basis	**170,903**	**148,652**	**174,079**	**151,100**
(x) Current rate (%)	34	34	34	34
Expected income tax and social contribution expenses at the effective rate	**(58,107)**	**(50,542)**	**(59,187)**	**(51,374)**
Effect of income tax and social contribution on permanent/temporary differences:				
Equity in the results of subsidiaries	1,629	1,051	-	(253)
Tax losses	-	-	81	111
Provision for contingencies	(9,445)	(7,797)	(9,392)	(8,048)
Provision for events incurred but not reported (IBNR)	-	5,372	-	5,545
Provision for impairment of trade receivables	328	369	295	288
Amortization of goodwill	22,736	22,412	22,736	22,412
Adjustments arising from adoption of Law 11638/07	(1,530)	(2,157)	(1,549)	(2,178)
Interest on capital	8,152	7,993	8,152	7,993
Granting of stock options	(821)	(652)	(821)	(652)
other	(687)	(1,820)	(892)	(1,991)
IRPJ and CSLL calculation basis	**(37,745)**	**(25,771)**	**(40,577)**	**(28,147)**
Deferred IRPJ and CSLL	**(14,647)**	**(13,061)**	**(14,816)**	**(12,863)**

27. Earnings per share

According to CPC 41/IAS 33, detailed in Note 2.21, we present the calculation of basic and diluted earnings per share, considering the split in April 2012, in a proportion of 1 to 3 for 2011:

(a) Basic

	Period ended at September 30,	
	2012	**2011**
Profit attributable to the Company's shareholders (R$ thousands)	118,511	109,820
Weighted average number of common shares outstanding (thousands)	530,015	530,321
Basic earnings per share (R$)	**0.22360**	**0.20708**

(b) Diluted

	Period ended at September 30,	
	2012	**2011**
Profit attributable to the Company's shareholders (R$ thousands)	**118,511**	**109,820**
Common shares (in thousands)		
Weighted average number of shares outstanding	530,015	530,321
Adjustment of: share option scheme	5,248	5,994
Weighted average number of shares for diluted earnings per share	**535,263**	**536,315**
Diluted earnings per share (R$)	**0.22141**	**0.20477**

28. Dividends and interest on capital

The dividends and interest on capital are as follows:

					Company	
			Decision			Year
Approval	Type	Date	Earnings per share (R$)	Payment date:	2012	2011
RCA	Dividends [1]	8/04/2011	0.26660	9/21/2011	-	47,221
RCA	Interest on Capital	8/04/2011	0.13270	9/21/2011	-	23,508
RCA	Interest on Capital	12/26/2011	0.09590	1/10/2012	-	16,957
AGM	Complementary Dividends	4/02/2012	0.40755	4/25/2012	-	72,000
RCA	Interest on Capital	4/26/2012	0.02789	5/23/2012	14,761	-
RCA	Intermediate Dividends	4/26/2012	0.05221	5/23/2012	27,625	-
RCA	Interest on Capital	7/26/2012	0.01735	8/22/2012	9,216	-
RCA	Intermediate Dividends	7/26/2012	0.06161	8/22/2012	32,735	-
					84,337	**159,686**

[1] Value action, disregarding unfolding of April 2, 2012.
RCA = Meeting of the Board of Directors
AGM = Annual General Meeting

29. Commitments

At September 30, 2012, the Company and its subsidiaries had commitments related to agreements for lease of their offices and dental clinics, with the following maturities:

	Company	Consolidated
Up to one year	2,188	3,328
From one to four	27,718	28,821
	29,906	**32,149**

All agreements can be canceled with a termination penalty.

30. Related parties

Transactions between the Company and its subsidiaries consist of agreements for the rendering of administrative services and accreditation as service providers, rendering of dental care services, information technology services and supply of dental products, whose amounts, terms and rates were agreed and applied under the same conditions as those agreed with unrelated parties, as follows:

Assets/(Liabilities)	Nature	OdontoPrev	Clidec	OdontoPrev Serviços	Easy	Dental Partner
Other receivables	Administrative services	-	738	3,253	-	394
Suppliers of goods and services	Administrative services	(394)	-	-	-	-
Other Accounts Payable	Administrative services	(3,991)	-	-	-	-
Revenue/(Expenses)						
Plan premiums	Dental care plans	68	-	-	-	-
Sales of goods and services	Dental care Plans and Administrative services	-	6,351	23,838	158	4,261
Indemnifiable claims, net	Dental care services	(664)	-	-	-	-
Dental Care materials	Dental Care materials	(4,261)	-	-	-	-
Administrative	Administrative services	(29,502)	(15)	(51)	(183)	-
Period ended at September 30, 2012		**(38,744)**	**7,074**	**27,040**	**(25)**	**4,655**
Period ended at December 31, 2011		**(32,538)**	**7,395**	**19,360**	**69**	**5,714**

The Company has transactions with companies of the Bradesco Group, of which Bradesco Saúde, shareholder of OdontoPrev, is part. These operations are listed below:

Assets/(Liabilities)	Bradesco Group
Cash and deposits in cash in financial institutions	2,069
Financial Investments	2,770
Payments, to receive cash	4,395
billing anticipated	(4,389)
Providers Dept.	(760)
Revenue/(Expenses)	
Plan premiums	13,670
Other Expenses	(2,487)
Financial Income	3,195
Financial Expenses	(286)
Period ended at September 30, 2012	**18,177**

The Company also has a contract for distribution of dental care plans with Banco Bradesco effective for 10 years. Banco Bradesco is the accounting agent of its shares. Up to September 30, 2012, R$ 18 was paid for the accounting services.

In addition to these transactions, the Company also has the following: (i) accreditation contract for the provision of dental care assistance over an undetermined period with Mrs. Raquel Virgínia Zanetti and Mrs. Anete Scharfstein Zanetti, respectively sister and spouse of the CEO, which totaled R$ 1 and R$ 1 at September 30, 2012; (ii) through its direct subsidiary Clidec, a commercial lease agreement for an undetermined period of a property located at Av. Paulista, No. 2,444, set 151, with Mr. Artemio Luiz Zanetti, father of the CEO, which totaled R$ 16 at September 30, 2012.

The Company and its subsidiaries pay profit sharing to their employees and officers, subject to the achievement of operational goals and specific objectives, established and approved at the beginning of each year. At September 30, 2012, the amounts of R$ 4,020 and R$ 5,333 were recorded as profit sharing in Company and in Consolidated, respectively.

Annual compensation attributed to the Board of Directors, Statutory Audit Board and Statutory Directors, segregated into fixed and variable components, is as follows:

	Period ended at September 30,	
	2012	**2011**
Statutory Board	**2,833**	**2,109**
Pro-labore fees	1,972	1,863
Benefits	115	105
Bonus	746	141
Board of Directors	**893**	**852**
Pro-labore fees	893	852
Statutory Audit Board	**209**	**155**
Pro-labore fees	209	155
	3,935	**3,116**

As mentioned below, the Statutory Directors hold stock options in accordance with stock option plan (long-term benefits) detailed in 19.5.

	Beginning of the period		Cancellations		Exercised options		End of the period	
Year	Eligible	Options	Eligible terminated	Canceled options	Eligible	Exercised options	Eligible	Existing options
2007	6	1,285,488	3	584,424	3	701,064	-	-
2008	5	1,397,592	2	488,916	3	908,676	-	-
2009	7	1,378,356	3	678,084	4	700,272	-	-
2010	5	787,521	-	-	-	-	5	787,521
2011	5	533,829	-	-	-	-	5	533,829
2012	6	635,885	-	-	-	-	6	635,885
		6,018,671		**1,751,424**		**2,310,012**		**1,957,235**

The Board of Directors and Statutory Audit Board do not have variable compensation, and the Company does not sponsor any complementary pension plan or other post-employment or termination benefit.

31. Insurance

The Company maintains insurance coverage in an amount considered sufficient to cover the risks involved.

32. Derivative financial instruments

The Company does not carry out transactions with derivatives for speculative purposes. At September 30, 2012, the Company and its subsidiaries did not directly operate or maintain receiving or paying positions related to derivative financial instruments.

33. Supplementary information: cash Flow - direct method

	Company		Consolidated	
	Period ended at September 30,		Period ended at September 30,	
	2012	2011	2012	2011
OPERATING ACTIVITIES				
Healthcare reciepts	715,142	603,744	735,587	632,448
Financial assets at fair value through profit or loss	6,148	(42,591)	3,503	(47,727)
Payment to suppliers/health service providers	(299,185)	(233,305)	(311,255)	(243,846)
Payment of commissions	(61,010)	(46,071)	(61,649)	(46,495)
Payment of personnel	(35,100)	(33,888)	(51,305)	(49,601)
Payment of pro-labore fees	(2,674)	(1,562)	(3,351)	(2,384)
Payment of third-party services	(25,239)	(20,506)	(12,372)	(21,242)
Payment of taxes	(73,762)	(61,166)	(80,993)	(67,322)
Payment of contingencies (civil/labor/tax)	(993)	(430)	(944)	(541)
Payment of rentals	(2,535)	(2,157)	(4,522)	(3,475)
Promotion/advertising	(6,122)	(3,591)	(6,696)	(3,951)
Other operating (payments) / receipts	(29,740)	(48,442)	(19,451)	(36,643)
CASH GENERATED BY OPERATING ACTIVITIES	**184,930**	**110,035**	**186,552**	**109,221**
INVESTING ACTIVITIES				
Acquisition of fixed assets	(1,312)	(2,286)	(2,544)	(2,529)
Development of systems and software use license and other	(5,972)	(1,898)	(6,091)	(1,898)
Deferred acquisition costs	1,016	(2,222)	1,016	(2,222)
Purchase of investments including goodwill	(639)	(629)	(1,054)	(629)
Dividends paid for subsidiaries	-	-	357	-
CASH GENERATED BY (USED IN) INVESTING ACTIVITIES	**(6,907)**	**(7,035)**	**(8,316)**	**(7,278)**
FINANCING ACTIVITIES				
Dividends and interest on capital paid	(173,294)	(85,806)	(173,294)	(85,806)
Acquisition of own shares - in treasury	(9,002)	(26,610)	(9,002)	(26,610)
Granting of stock options received	323	6,154	323	6,154
Others	-	(4)	-	(4)
CASH (USED IN) FINANCING ACTIVITIES	**(181,973)**	**(106,266)**	**(181,973)**	**(106,266)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	**(3,950)**	**(3,266)**	**(3,737)**	**(4,323)**
CASH AND CASH EQUIVALENTS				
Opening balance	7,222	9,239	8,050	11,180
Closing balance	3,272	5,973	4,313	6,857
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	**(3,950)**	**(3,266)**	**(3,737)**	**(4,323)**

34. Events after the reporting period

At the Meeting of the Board of Directors (RCA) of October 25, 2012, the distribution of R$ 8,667 in interest on capital and R$ 25,507 in dividends payable up to November 21, 2012 was approved.

Commentary on the Performance of Business Forecasts

The company's practice not to disclose financial projections.

Other relevant information

I – Shareholders with more than 5%

SHAREHOLDERS HOLDING MORE THAN 5% OF THE COMPANY'S SHARES
Position at 9/30/2012 (considering the split in 4/02/2012)

Shareholder	Common Shares		Preferred Shares		Total	
	Number	%	Number	%	Number	%
Bradesco Saúde S.A.	231,113,232	43.50	-	-	231,113,232	43.50
Dynamo Administradora de Recursos Ltda.[1]	26,887,036	5.06	-	-	26,887,036	5.06
Randal Luiz Zanetti	112,068	0.02	-	-	112,068	0.02
ZNT Emp. Com. Particip. S.A.	40,053,708	7.54	-	-	40,053,708	7.54
Others	233,128,748	43.88	-	-	233,128,748	43.88
Total	**531,294,792**	**100.00**	-	-	**531,294,792**	**100.00**

[1] Managed funds and portfolios

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO INDIVIDUAL HOLDINGS
Name: Bradesco Saúde S.A. **Position at 9/30/2012**

Shareholder	Common Shares		Preferred Shares		Total	
	Number	%	Number	%	Number	%
Bradesco SegPrev Investimentos Ltda.	11,911,941	100.00	-	-	11,911,941	100.00

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO INDIVIDUAL HOLDINGS
Name: Bradesco SegPrev Investimentos Ltda. **Position at 9/30/2012**

Shareholder	Common Shares		Preferred Shares		Total	
	Number	%	Number	%	Number	%
Bradesco Seguros S.A.	2,276,502,959	100.00	-	-	2,276,502,959	100.00

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO INDIVIDUAL HOLDINGS

Name: Bradesco Seguros S.A. **Position at 9/30/2012**

Shareholder	Common Shares		Preferred Shares		Total	
	Number	%	Number	%	Number	%
Bradseg Participações S.A.	750,693	100.00	-	-	750,693	100.00

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO INDIVIDUAL HOLDINGS

Name: Bradseg Participações S.A. **Position at 9/30/2012**

Shareholder	Common Shares		Preferred Shares		Total	
	Number	%	Number	%	Number	%
Banco Bradesco S.A.*	7,456,226,262	100.00	-	-	7,456,226,262	100.00

**The Banco Bradesco S.A. is a listed company*

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO INDIVIDUAL HOLDINGS

Name: ZNT EMP. COM. PARTICIP. S.A. **Position at 9/30/2012**

Shareholder	Common Shares		Preferred Shares		Total	
	Number	%	Number	%	Number	%
Santa Rita de Cássia Emp Com e Part S.A.	19,687,062	99.97	-	-	19,687,062	99.97
Other	5,908	0.03	-	-	5,908	0.03
Total Shareholders of ZNT	**19,692,970**	**100.00**	-	-	**19,692,970**	**100.00**
			-	-		
Randal Luiz Zanetti	29,994,000	99.98	-	-	29,994,000	99.98
Other	6,000	0.02	-	-	6,000	0.02
Total Shareholders of Santa Rita de Cássia Com e Part S.A.	**30,000,000**	**100.00**	-	-	**30,000,000**	**100.00**

II – Shareholding position: 9/30/2012

CONSOLIDATED SHAREHOLDING POSITION OF CONTROLLING SHAREHOLDERS AND MANAGEMENT AND OUTSTANDING SHARES Position at 9/30/12 (considering the split in 4/02/2012)						
Shareholder	**Number of Common Shares (in units)**	**%**	**Number of Preferred Shares**	**%**	**Total Number of Shares (in units)**	**%**
Controlling shareholders	**271,279,008**	**51.06**	**-**	**-**	**271,279,008**	**51.06**
Non-controlling shareholders	**3,175,267**	**0.60**	**-**	**-**	**3,175,267**	**0.60**
Board of Directors	168,412	0.03	-	-	168,412	0.03
Executive Board	3.006.855	0.57	-	-	3,006,855	0.57
Statutory Audit Committee	-	-	-	-	-	-
Trasury Shares	-	-	-	-	-	-
Other	**256,840,517**	**48.34**	**-**	**-**	**256,840,517**	**48.34**
Total	**531,294,792**	**100.00**	**-**	**-**	**531,294,792**	**100.00**
Outstanding shares	**256,840,517**	**48.34**	**-**	**-**	**256,840,517**	**48.34**

III – Shareholding position: 9/30/2011

(a) Not considering the split in 4/02/2012

CONSOLIDATED SHAREHOLDING POSITION OF CONTROLLING SHAREHOLDERS AND MANAGEMENT AND OUTSTANDING SHARES Position at 9/30/11 (not considering the split in 4/02/2012)						
Shareholder	**Number of Common Shares (in units)**	**%**	**Number of Preferred Shares**	**%**	**Total Number of Shares (in units)**	**%**
Controlling shareholders	**90,426,336**	**51.06**	**-**	**-**	**90,426,336**	**51.06**
Non-controlling shareholders	**1,773,249**	**1.00**	**-**	**-**	**1,773,249**	**1.00**
Board of Directors	89,448	0.05	-	-	89,448	0.05
Executive Board	1,683,801	0.95	-	-	1,683,801	0.95
Statutory Audit Committee	-	-	-	-	-	-
Trasury Shares	-	-	-	-	-	-
Other	**84,898,679**	**47.94**	**-**	**-**	**84,898,679**	**47.94**
Total	**177,098,264**	**100.00**	**-**	**-**	**177,098,264**	**100.00**
Outstanding shares	**84,898,679**	**47.94**	**-**	**-**	**84,898,679**	**47.94**

(b) Considering the split in 4/02/2012

CONSOLIDATED SHAREHOLDING POSITION OF CONTROLLING SHAREHOLDERS AND MANAGEMENT AND OUTSTANDING SHARES Position at 9/30/11 (considering the split in 4/02/2012)						
Shareholder	**Number of Common Shares (in units)**	**%**	**Number of Preferred Shares**	**%**	**Total Number of Shares (in units)**	**%**
Controlling shareholders	**271,279,008**	**51.06**	**-**	**-**	**271,279,008**	**51.06**
Non-controlling shareholders	**5,319,747**	**1.00**	**-**	**-**	**5,319,747**	**1.00**
Board of Directors	268,344	0.05	-	-	268,344	0.05
Executive Board	5,051,403	0.95	-	-	5,051,403	0.95
Statutory Audit Committee	-	-	-	-	-	-
Trasury Shares	-	-	-	-	-	-
Other	**254,696,037**	**47.94**	**-**	**-**	**254,696,037**	**47.94**
Total	**531,294,792**	**100.00**	**-**	**-**	**531,294,792**	**100.00**
Outstanding shares	**254,696,037**	**47.94**	**-**	**-**	**254,696,037**	**47.94**

IV – Commitment Clause

The Arbitration Commitment Clause is mentioned in chapter VI - Arbitration, contained in the Bylaws (approved at the Special Meeting of 4/02/12).

"**Article 41** - The Company, its shareholders, management and members of the Statutory Audit Committee are committed to resolve, through arbitration, any and all disputes that may arise between them, relating to or originating, especially, from the application, validity, efficacy, interpretation, violation, and their effects, of the provisions comprised in Brazilian Corporation Law, in these bylaws, in the regulations issued by the National Monetary Council, the Brazilian Central Bank and the Brazilian Securities Commission, as well as other regulations applicable to the functioning of capital markets in general, besides those comprised in the Regulations of the New Market Listing, the Contract for Participation in the New Market and the Arbitration Regulations of the Market Arbitration Chamber."

Report on Review of Quarterly Information

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

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Odontoprev S.A., included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2012, comprising the balance sheet as at that date and the statements of income and comprehensive income for the quarter and nine-month periods then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

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

Scope of review

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

Conclusion on the parent company interim information

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

Conclusion on the consolidated interim information

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

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the nine-month period ended September 30, 2012. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the

preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

São Paulo October 25, 2012.

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 **(**)**

Edison Arisa Pereira
Contador CRC 1SP 127241/O-0