Index

Financial Statements
- Balance sheet - Assets 1
- Balance sheet – Liabilities and equity 2
- Statement of income 4
- Statement of cash flows – Indirect method 5
- Statement of changes in equity 6
- Statement of value added 7

Consolidated Financial Statements
- Consolidated balance sheet - Assets 8
- Consolidated balance sheet - Liabilities and equity 9
- Consolidated statement of income 11
- Consolidated statement of cash flows – Indirect method 12
- Consolidated statement of changes in equity 13
- Consolidated statement of value added 14

Management Report 15
Notes to the Financial Statements (Parent Company and Consolidated) 29
Independent Auditor’s Report 81

BALANCE SHEET - ASSETS

(R$ Thousand)

Code	Description	3.31.2011	12.31.2010
1	Total assets	947,247	900,483
1.01	Current assets	214,147	168,313
1.01.01	Cash and cash equivalents	6,466	9,239
1.01.02	Financial investments	155,997	111,689
1.01.02.01	Financial investments at fair value	155,997	111,689
1.01.02.01.01	Trading securities	155,997	111,689
1.01.03	Receivables	19,752	20,892
1.01.03.01	Trade accounts receivable	14,802	16,278
1.01.03.01.01	Healthcare receivables	34,026	33,413
1.01.03.01.02	(-) Allowance for doubtful accounts	(19,224)	(17,135)
1.01.03.02	Sundry receivables	495	4,614
1.01.03.02.01	Advances to suppliers	888	821
1.01.03.02.02	Advances to employees	1,093	1,085
1.01.03.02.03	Other receivables	2,969	2,708
1.01.06	Taxes recoverable	31,712	26,142
1.01.06.01	Current taxes recoverable	31,712	26,142
1.01.07	Prepaid expenses	220	351
1.02	Non-current assets	733,100	732,170
1.02.01	Long-term receivables	190,259	191,167
1.02.01.06	Deferred taxes	153,772	155,031
1.02.01.06.01	Deferred income tax and social contribuition	153,772	155,031
1.02.01.09	Other non-current assets	36,487	36,136
1.02.01.09.03	Judicial deposits	29,499	28,874
1.02.01.09.04	Other receivables	6,942	7,226
1.02.01.09.05	Notes receivable	46	36
1.02.02	Investments	23,829	22,569
1.02.02.01	Equity interests	23,829	22,569
1.02.02.01.02	Investments in subsidiaries	23,089	21,829
1.02.02.01.04	Other equity interests	740	740
1.02.03	Property and equipment	8,711	8,618
1.02.03.01	Property and equipment in use	8,711	8,618
1.02.03.01.01	Chattels	17,138	16,757
1.02.03.01.02	Other	3,840	3,478
1.02.03.01.03	(-) Accumulated depreciation	(12,267)	(11,617)
1.02.04	Intangible assets	510,301	509,816
1.02.04.01	Intangible assets	510,301	509,816
1.02.04.01.02	Goodwill on acquisition of investiments	492,876	492,876
1.02.04.01.03	System development, software licenses and other	11,018	11,011
1.02.04.01.04	Deferred selling expenses	6,407	5,929

(R$ Thousand)

Code	Description	3.31.2011	12.31.2010
2	Total liabilities and shareholders' equity	947,247	900,483
2.01	Current liabilities	154,095	134,192
2.01.01	Social and labor charges	10,794	9,617
2.01.01.01	Social charges	5,256	5,111
2.01.01.02	Labor charges	5,538	4,506
2.01.01.02.01	Salaries, vacation pay and fees	5,538	4,506
2.01.02	Suppliers	14,353	13,858
2.01.02.01	Local suppliers	14,353	13,858
2.01.02.01.01	Commissions payable	2,882	3,241
2.01.02.01.02	Suppliers of goods and services	11,471	10,617
2.01.03	Tax liabilities	38,519	26,746
2.01.03.01	Federal tax liabilities	37,313	25,474
2.01.03.01.01	Deferred income tax and social contribuition	33,558	20,511
2.01.03.01.02	Other federal tax liabilities	3,755	4,963
2.01.03.03	Municipal tax liabilities	1,206	1,272
2.01.05	Other liabilities	55,882	54,348
2.01.05.02	Other	55,882	54,348
2.01.05.02.02	Minimum mandatory dividend payable	15,078	15,078
2.01.05.02.04	Advances from customers	2,718	2,771
2.01.05.02.05	Other accounts payable	38,086	34,155
2.01.05.02.06	Repurchase of shares payable	-	2,344
2.01.06	Provisions	34,547	29,623
2.01.06.02	Other provisions	34,547	29,623
2.01.06.02.04	Provision for unsettled claims/events	15,006	15,174
2.01.06.02.05	Provision for claims/events incurred but not reported	19,541	14,449
2.02	Non-current liabilities	55,204	47,918
2.02.02	Other liabilities	7,248	7,248
2.02.02.02	Other	7,248	7,248
2.02.02.02.03	Other liabilities	7,248	7,248
2.02.03	Deferred taxes	1,339	1,092
2.02.03.01	Deferred income tax and social contribuition	1,339	1,092
2.02.04	Provisions	46,617	39,578
2.02.04.01	Provision for tax, social security, labor and civil lawsuits	46,617	39,578
2.02.04.01.01	Provision for taxes	552	552
2.02.04.01.02	Provisions for social security and labor lawsuits	44,196	37,471
2.02.04.01.04	Provision for civil lawsuits	1,869	1,555
2.03	Equity	737,948	718,373
2.03.01	Capital	506,557	506,557
2.03.02	Capital reserves	53,889	53,095
2.03.02.01	Share premium	48,392	48,392
2.03.02.04	Granting of stock options	10,069	9,275
2.03.02.07	Granting of deferred stock options	(2,255)	(2,255)
2.03.02.08	Additional paid-up capital	(2,317)	(2,317)
2.03.04	Revenue reserves	141,615	158,721
2.03.04.01	Legal reserve	21,903	21,903

(R$ Thousand)

Code	Description	3.31.2011	12.31.2010
2.03.04.02	Statutory reserve	139,209	139,209
2.03.04.07	Tax incentive reserve	129	129
2.03.04.09	Treasury stock	(19,626)	(2,520)
2.03.05	Retained earnings/accumulated deficit	35,887	-

STATEMENT OF INCOME

(R$ Thousand)

Code	Description	1.1.2011 to 3.31.2011	1.1.2011 to 3.31.2011
3.01	Gross sales and/or services revenues	187,279	105,680
3.01.01	Net installments	194,151	93,205
3.01.03	Changes in technical reserves	-	16,504
3.01.04	Taxes on healthcare plan operations	(6,872)	(4,029)
3.02	Cost of sales and/or services	(86,952)	(46,290)
3.02.01	Indemnifiable claims, net	(73,842)	(31,618)
3.02.02	Social charges on services	(5,581)	(2,494)
3.02.03	Dental materials	(1,501)	(1,211)
3.02.04	Other operating expenses	(6,028)	(10,967)
3.03	Gross profit	100,327	59,390
3.04	Operating expenses	(52,425)	(39,043)
3.04.01	Selling	(16,625)	(10,587)
3.04.01.01	Selling expenses	(16,625)	(10,587)
3.04.02	General and administrative	(31,929)	(33,595)
3.04.05	Other operating expenses	(5,131)	(6,586)
3.04.05.01	Stock option plan	(794)	(993)
3.04.05.02	Allowance for doubtful accounts	(3,681)	(4,199)
3.04.05.03	Profit sharing	(656)	(1,394)
3.04.06	Equity in the earnings of subsidiary and associated companies	1,260	11,725
3.05	Profit before finance income (costs) and taxes	47,902	20,347
3.06	Finance income (cost)	3,025	1,982
3.06.01	Financial income	4,815	2,407
3.06.02	Financial expenses	(1,790)	(425)
3.07	Profit before taxation and profit sharing	50,927	22,329
3.08	Provision for income tax and social contribution	(15,040)	(5,929)
3.08.01	Current	(13,534)	(6,443)
3.08.02	Deferred	(1,506)	514
3.09	Net results from continuing operations	35,887	16,400
3.11	Net income for the period	35,887	16,400
3.99	Earnings per share (Reais - Share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common	0.2035	0.0926
3.99.02	Diluted earnings per share		
3.99.02.01	Common	0.2007	0.0913

STATEMENT OF CASH FLOWS – INDIRECT METHOD

(R$ Thousand)

Code	Description	1.1.2011 to 3.31.2011	1.1.2011 to 3.31.2011
6.01	Net cash provided by operating activities	16,301	(5,667)
6.01.01	Cash provided by operations	45,717	1,444
6.01.01.01	Net income for the period	35,887	16,400
6.01.01.02	Depreciation and amortization	1,388	1,204
6.01.01.03	Monetary variations, net	(220)	-
6.01.01.04	Increase in technical reserves	-	(16,504)
6.01.01.05	Provision for contingencies	7,039	10,204
6.01.01.06	Disposal of property and equipment and investments	-	22
6.01.01.07	Equity in the losses of subsidiary and associated companies	(1,260)	(11,725)
6.01.01.08	Allowance for doubtful accounts	2,089	850
6.01.01.09	Stock option plan	794	993
6.01.02	Changes in assets and liabilities	(29,416)	(7,111)
6.01.02.01	Financial investments at fair value	(44,308)	(25,731)
6.01.02.02	Healthcare receivables	(613)	3,604
6.01.02.03	Notes receivable	(5,841)	(6,636)
6.01.02.04	Long-term receivables	(908)	(2,173)
6.01.02.05	Provision for unsettled claims/events	(168)	(1,079)
6.01.02.06	Salaries, vacation pay and fees	1,032	1,593
6.01.02.07	Taxes and contributions payable	13,924	6,882
6.01.02.08	Suppliers - Healthcare transactions	7,479	14,796
6.01.02.09	Long-term liabilities	(13)	1,633
6.02	Net cash used in investing activities	(1,968)	80,932
6.02.01	Purchase of property and equipment	(745)	(336)
6.02.02	System development, software licenses and other	(745)	(271)
6.02.03	Deferred selling expenses	(478)	-
6.02.04	Reimbursement of subsidiaries' capital	-	81,539
6.03	Net cash used in financing activities	(17,106)	(72,422)
6.03.01	Dividends and Interest on capital paid	-	(72,422)
6.03.02	Acquisition of own shares - in treasury	(17,106)	-
6.05	Increase (decrease) in cash and cash equivalents	(2,773)	2,843
6.05.01	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	9,239	2,774
6.05.02	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6,466	5,617

STATEMENT OF CHANGES IN EQUITY FROM 1/1/2011 TO 3/31/2011

(R$ Thousand)

Code	Description	Capital	Capital reserves, stock options and treasury stock	Revenue reserves	Retained earnings (accumulated deficit)	Carrying value adjustments	Total equity
5.01	Opening balance	506,557	53,095	158,721	-	-	718,373
5.03	Adjusted balance	506,557	53,095	158,721	-	-	718,373
5.04	Capital transactions with partners	-	794	(17,106)	-	-	(16,312)
5.04.03	Granting of stock options recognized	-	794	-	-	-	793
5.04.04	Treasury shares acquired	-	-	(17,106)	-	-	(17,105)
5.05	Total comprehensive income	-	-	-	35,887	-	35,887
5.05.01	Profit for the period	-	-	-	35,887	-	35,887
5.07	Closing balance	506,557	53,889	141,615	35,887	-	737,948

STATEMENT OF VALUE ADDED

(R$ Thousand)

Code	Description	1.1.2011 to 3.31.2011	1.1.2011 to 3.31.2011
7.01	Income	190,469	105,510
7.01.01	Sales of goods and services	194,151	93,205
7.01.02	Other incomes	-	16,504
7.01.02.01	Changes in technical reserves	-	16,504
7.01.04	Provision/reversal of impairment of trade receivables	(3,682)	(4,199)
7.02	Inputs acquired from third parties	(116,631)	(77,179)
7.02.01	Costs of goods and services	(73,842)	(31,618)
7.02.02	Materials, energy, outsourced services and other	(2,730)	(2,028)
7.02.04	Others	(40,059)	(43,533)
7.02.04.01	Other operating expenses	(4,805)	(10,065)
7.02.04.02	Selling expenses	(16,625)	(10,587)
7.02.04.03	Administrative expenses	(18,629)	(22,881)
7.03	GROSS VALUE ADDED	73,838	28,331
7.04	Retentions	(1,388)	(1,204)
7.04.01	Depreciation, amortization and depletion	(1,388)	(1,204)
7.05	NET VALUE ADDED GENERATED	72,450	27,127
7.06	Value added received through transfer	6,075	14,132
7.06.01	Equity in the results of subsidiaries	1,260	11,725
7.06.02	Financial income	4,815	2,407
7.07	TOTAL VALUE ADDED TO DISTRIBUTE	78,525	41,259
7.08	DISTRIBUTION OF VALUE ADDED	78,525	41,259
7.08.01	Personnel	9,161	8,467
7.08.01.01	Direct remuneration	6,969	6,732
7.08.01.02	Benefits	1,555	1,296
7.08.01.03	FGTS	637	439
7.08.02	Taxes and contributions	29,944	14,310
7.08.02.01	Federal	27,455	13,034
7.08.02.03	Municipal	2,489	1,276
7.08.03	Remuneration of third-party capital	2,739	1,089
7.08.03.02	Rentals	949	664
7.08.03.03	Others	1,790	425
7.08.03.03.01	Finance costs	1,790	425
7.08.04	Remuneration of own capital	35,887	16,400
7.08.04.03	Profits reinvested/loss for the year	35,887	16,400
7.08.05	Others	794	993
7.08.05.01	GRANTING OF STOCK OPTIONS	794	993

CONSOLIDATED BALANCE SHEET - ASSETS

(R$ Thousand)

Code	Description	3.31.2011	12.31.2010
1	Total assets	960,803	912,963
1.01	Current assets	241,649	194,019
1.01.01	Cash and cash equivalents	8,352	11,180
1.01.02	Financial investments	167,052	121,518
1.01.02.01	Financial investments at fair value	167,052	121,518
1.01.02.01.01	Trading securities	167,052	121,518
1.01.03	Receivables	23,545	25,345
1.01.03.01	Trade accounts receivable	16,931	18,488
1.01.03.01.01	Healthcare receivables	36,833	36,018
1.01.03.01.02	(-) Allowance for doubtful accounts	(19,902)	(17,530)
1.01.03.02	Sundry receivables	6,614	6,857
1.01.03.02.01	Advances to suppliers	1,164	1,104
1.01.03.02.02	Advances to employees	1,485	1,616
1.01.03.02.03	Other receivables	3,965	4,137
1.01.04	Inventories	210	355
1.01.06	Taxes recoverable	42,263	35,270
1.01.06.01	Current taxes recoverable	42,263	35,270
1.01.07	Prepaid expenses	227	351
1.02	Non-current assets	719,154	718,944
1.02.01	Long-term receivables	194,491	194,840
1.02.01.06	Deferred taxes	155,496	156,197
1.02.01.06.01	Deferred income tax and social contribuition	155,496	156,197
1.02.01.09	Other non-current assets	38,995	38,643
1.02.01.09.03	Judicial deposits	31,929	31,303
1.02.01.09.04	Other receivables	6,942	7,226
1.02.01.09.05	Notes receivable	124	114
1.02.02	Investments	758	758
1.02.02.01	Equity interests	758	758
1.02.02.01.04	Other equity interests	758	758
1.02.03	Property and equipment	11,225	11,151
1.02.03.01	Property and equipment in use	11,225	11,151
1.02.03.01.01	Chattels	22,152	22,177
1.02.03.01.02	Other	4,959	4,555
1.02.03.01.03	(-) Accumulated depreciation	(15,886)	(15,581)
1.02.04	Intangible assets	51,268	512,195
1.02.04.01	Intangible assets	17,425	16,940
1.02.04.01.02	System development, software licenses and other	11,018	11,011
1.02.04.01.03	Deferred selling expenses	6,407	5,929
1.02.04.02	Goodwill	495,255	495,255

(R$ Thousand)

Code	Description	3.31.2011	12.31.2010
2	Total liabilities and shareholders' equity	960,803	912,963
2.01	Current liabilities	164,299	143,916
2.01.01	Social and labor charges	14,892	13,305
2.01.01.01	Social charges	6,381	6,226
2.01.01.02	Labor charges	8,511	7,079
2.01.01.02.01	Salaries, vacation pay and fees	8,511	7,079
2.01.02	Suppliers	13,197	12,883
2.01.02.01	Local suppliers	13,197	12,883
2.01.02.01.01	Commissions payable	2,938	3,278
2.01.02.01.02	Suppliers of goods and services	10,259	9,605
2.01.03	Tax liabilities	42,893	30,746
2.01.03.01	Federal tax liabilities	41,407	29,224
2.01.03.01.01	Deferred income tax and social contribuition	37,327	23,901
2.01.03.01.02	Other federal tax liabilities	4,080	5,323
2.01.03.02	State tax liabilities	37	30
2.01.03.03	Municipal tax liabilities	1,449	1,492
2.01.05	Other liabilities	57,628	56,342
2.01.05.02	Other	57,628	56,342
2.01.05.02.01	Dividends and interest on capital paid	-	53
2.01.05.02.02	Minimum mandatory dividend payable	1,513	15,078
2.01.05.02.04	Advances from customers	2,733	2,781
2.01.05.02.05	Other accounts payable	39,765	36,086
2.01.05.02.06	Repurchase of shares payable	-	2,344
2.01.06	Provisions	35,689	30,640
2.01.06.02	Other provisions	35,689	30,640
2.01.06.02.04	Provision for unsettled claims/events	1,597	16,191
2.01.06.02.05	Provision for claims/events incurred but not reported	19,719	14,449
2.02	Non-current liabilities	57,328	49,589
2.02.02	Other liabilities	7,248	7,248
2.02.02.02	Other	7,248	7,248
2.02.02.02.03	Other liabilities	7,248	7,248
2.02.03	Deferred taxes	1,338	1,092
2.02.03.01	Deferred income tax and social contribuition	1,338	1,092
2.02.04	Provisions	48,742	41,249
2.02.04.01	Provision for tax, social security, labor and civil lawsuits	48,742	41,249
2.02.04.01.01	Provision for taxes	1,863	1,857
2.02.04.01.02	Provisions for social security and labor lawsuits	45,002	37,704
2.02.04.01.04	Provision for civil lawsuits	1,877	1,688
2.03	Consolidated equity	739,176	719,458
2.03.01	Capital	506,557	506,557
2.03.02	Capital reserves	53,889	53,095
2.03.02.01	Share premium	48,392	48,392
2.03.02.04	Granting of stock options	10,069	9,275
2.03.02.07	Granting of deferred stock options	(2,255)	(2,255)
2.03.02.08	Additional paid-up capital	(2,317)	(2,317)

(R$ Thousand)

Code	Description	3.31.2011	12.31.2010
2.03.04	Revenue reserves	141,615	158,721
2.03.04.01	Legal reserve	21,903	21,903
2.03.04.02	Statutory reserve	139,209	139,209
2.03.04.07	Tax incentive reserve	129	129
2.03.04.09	Treasury stock	(19,626)	(2,520)
2.03.05	Retained earnings/accumulated deficit	35,887	-
2.03.09	Non-controlling interests	1,228	1,085

CONSOLIDATED STATEMENT OF INCOME

(R$ Thousand)

Code	Description	1.1.2011 to 3.31.2011	1.1.2011 to 3.31.2011
3.01	Gross sales and/or services revenues	194,205	170,694
3.01.01	Net installments	200,390	141,575
3.01.02	Revenue from sales and/or services	2,144	1,546
3.01.03	Changes in technical reserves	-	33,901
3.01.04	Taxes on healthcare plan operations	(7,176)	(5,721)
3.01.05	Taxes on sales of goods and services	(1,153)	(607)
3.02	Cost of sales and/or services	(89,354)	(83,130)
3.02.01	Indemnifiable claims, net	(75,390)	(66,253)
3.02.02	Social charges on services	(5,644)	(2,576)
3.02.03	Dental materials	(871)	(855)
3.02.04	Other operating expenses	(7,449)	(13,446)
3.03	Gross profit	104,851	87,564
3.04	Operating expenses	(56,833)	(68,446)
3.04.01	Selling	(16,922)	(14,643)
3.04.01.01	Selling expenses	(16,922)	(14,643)
3.04.02	General and administrative	(34,183)	(44,682)
3.04.05	Other operating expenses	(5,728)	(9,151)
3.04.05.01	Stock option plan	(794)	(993)
3.04.05.02	Allowance for doubtful accounts	(3,986)	(6,097)
3.04.05.03	Profit sharing	(948)	(2,061)
3.04.06	Equity in the earnings of subsidiary and associated companies	-	30
3.05	Profit before finance income (costs) and taxes	48,018	19,118
3.06	Finance income (cost)	3,264	10,238
3.06.01	Financial income	5,204	11,732
3.06.02	Financial expenses	(1,940)	(1,494)
3.07	Profit before taxation and profit sharing	51,282	29,356
3.08	Provision for income tax and social contribution	(15,252)	(12,843)
3.08.01	Current	(14,304)	(15,702)
3.08.02	Deferred	(948)	2,859
3.09	Net results of continuing operations	36,030	16,513
3.11	Consolidated profit/loss for the period	36,030	16,513
3.11.01	Attributable to stockholders of the Parent company	35,887	16,400
3.11.02	Attributable to non-controlling interests	143	113
3.99	Earnings per share (Reais - Share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common	0.20353	0.92600
3.99.02	Diluted earnings per share		
3.99.02.01	Common	0.20067	0.91260

CONSOLIDATED STATEMENT OF CASH FLOWS – INDIRECT METHOD

(R$ Thousand)

Code	Description	1.1.2011 to 3.31.2011	1.1.2011 to 3.31.2011
6.01	Net cash provided by operating activities	16,322	76,060
6.01.01	Cash provided by operations	47,961	(2,517)
6.01.01.01	Net income for the period	36,030	16,513
6.01.01.02	Depreciation and amortization	1,485	1,302
6.01.01.03	Monetary variations, net	(220)	-
6.01.01.04	Increase in technical reserves	6	(33,371)
6.01.01.05	Provision for contingencies	7,494	10,862
6.01.01.06	Disposal of property and equipment and investments	-	22
6.01.01.07	Equity in the losses of subsidiary and associated companies	-	(30)
6.01.01.08	Allowance for doubtful accounts	2,372	1,192
6.01.01.09	Stock option plan	794	993
6.01.02	Changes in assets and liabilities	(31,639)	78,577
6.01.02.01	Financial investments at fair value	(45,534)	43,225
6.01.02.02	Healthcare receivables	(815)	22,459
6.01.02.03	Notes receivable	(6,224)	(8,114)
6.01.02.04	Inventories	145	379
6.01.02.05	Long-term receivables	349	(7,346)
6.01.02.06	Provision for claims/events incurred but not reported	(221)	(1,135)
6.01.02.07	Salaries, vacation pay and fees	1,587	2,035
6.01.02.08	Taxes and contributions payable	14,344	1,237
6.01.02.09	Suppliers - Healthcare transactions	4,975	20,430
6.01.02.10	Long-term liabilities	(245)	5,407
6.02	Net cash used in investing activities	(2,044)	(824)
6.02.01	Purchase of property and equipment	(821)	(349)
6.02.02	System development, software licenses and other	(745)	(271)
6.02.03	Deferred selling expenses	(478)	(204)
6.03	Net cash used in financing activities	(17,106)	(72,666)
6.03.01	Dividends and Interest on capital paid	-	(72,666)
6.03.02	Acquisition of own shares - in treasury	(17,106)	-
6.05	Increase (decrease) in cash and cash equivalents	(2,828)	2,570
6.05.01	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	11,180	3,946
6.05.02	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8,352	6,516

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FROM 1/1/2010 TO 3/31/2010

(R$ Thousand)

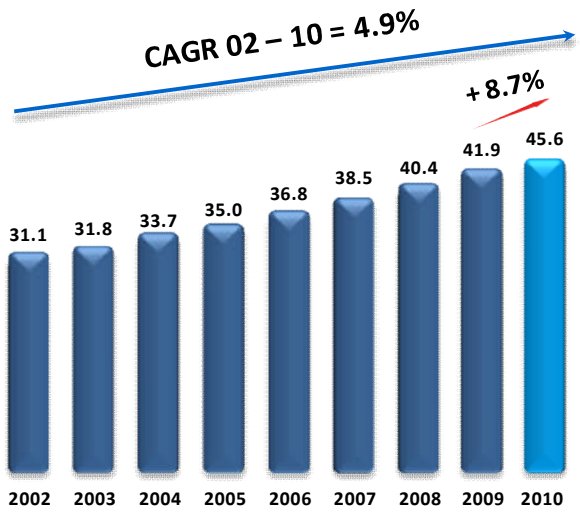
Code	Description	Capital	Capital reserves, stock options and treasury stock	Revenue reserves	Retained earnings (accumulated deficit)	Other comprehensive income	Total equity	Non-controlling interests	Consolidated equity
5.01	Opening balance	506,557	53,095	158,721	-	-	718,373	1,085	719,458
5.03	Adjusted balance	506,557	53,095	158,721	-	-	718,373	1,085	719,458
5.04	Capital transactions with partners	-	794	(17,106)	-	-	(16,312)	-	(16,312)
5.04.03	Granting of stock options recognized	-	794	-	-	-	793	7,930	793
5.04.04	Treasury shares acquired	-	-	(17,106)	-	-	(17,105)	-	(17,105)
5.05	Total comprehensive income	-	-	-	35,887	-	35,887	143	36,030
5.05.01	Profit for the period	-	-	-	35,887	-	35,887	143	36,030
5.07	Closing balance	506,557	53,889	141,615	35,887	-	737,948	1,228	739,176

CONSOLIDATED STATEMENT OF VALUE ADDED

(R$ Thousand)

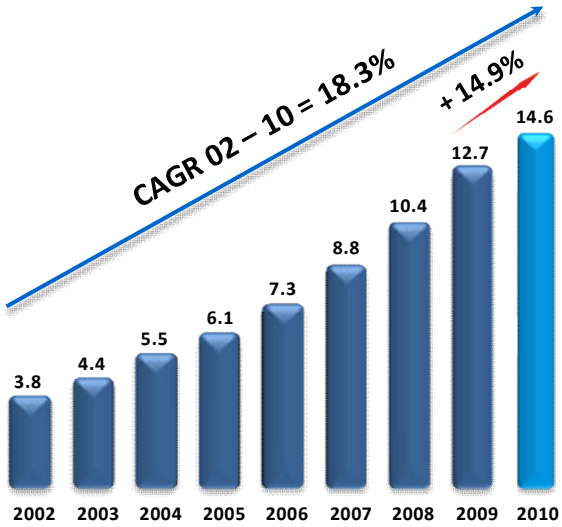
Code	Description	1.1.2011 to 3.31.2011	1.1.2011 to 3.31.2011
7.01	Income	198,548	170,925
7.01.01	Sales of goods and services	200,390	141,575
7.01.02	Other incomes	2,144	35,447
7.01.02.01	Changes in technical reserves	-	33,901
7.01.02.02	Sales of goods and services	2,144	1,546
7.01.04	Provision/reversal of impairment of trade receivables	(3,986)	(6,097)
7.02	Inputs acquired from third parties	(115,377)	(123,444)
7.02.01	Costs of goods and services	(75,390)	(66,253)
7.02.02	Materials, energy, outsourced services and other	(2,133)	(2,345)
7.02.04	Others	(37,854)	(54,846)
7.02.04.01	Other operating expenses	(4,963)	(10,815)
7.02.04.02	Selling expenses	(16,922)	(14,643)
7.02.04.03	Administrative expenses	(15,969)	(29,388)
7.03	GROSS VALUE ADDED	83,171	47,481
7.04	Retentions	(1,485)	(1,302)
7.04.01	Depreciation, amortization and depletion	(1,485)	(1,302)
7.05	NET VALUE ADDED GENERATED	81,686	46,179
7.06	Value added received through transfer	5,204	11,762
7.06.01	Equity in the results of subsidiaries	-	30
7.06.02	Financial income	5,204	11,732
7.07	TOTAL VALUE ADDED TO DISTRIBUTE	86,890	57,941
7.08	DISTRIBUTION OF VALUE ADDED	86,890	57,941
7.08.01	Personnel	13,991	13,204
7.08.01.01	Direct remuneration	10,684	10,408
7.08.01.02	Benefits	2,331	2,088
7.08.01.03	FGTS	976	708
7.08.02	Taxes and contributions	32,680	24,588
7.08.02.01	Federal	29,479	22,832
7.08.02.02	State	-	201
7.08.02.03	Municipal	3,201	1,555
7.08.03	Remuneration of third-party capital	3,395	2,643
7.08.03.02	Rentals	1,455	1,149
7.08.03.03	Others	1,940	1,494
7.08.03.03.01	Finance costs	1,940	1,494
7.08.04	Remuneration of own capital	3,603	16,513
7.08.04.03	Profits reinvested/loss for the year	35,887	16,400
7.08.04.04	Non-controlling interests in subsidiaries	143	113
7.08.05	Others	794	993
7.08.05.01	GRANTING OF STOCK OPTIONS	794	993

Brazil: Medical Plans Sector (million members)



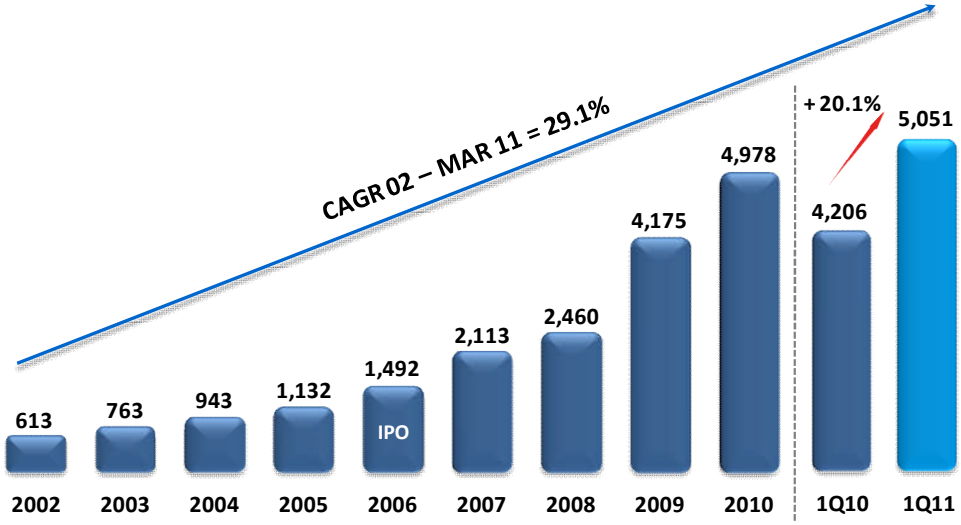
According to the latest figures released by ANS, the medical plans market reached a total of 45.6 million members in 2010, 8.7% over 2009. **From 2002 to 2010, the compounded average annual growth rate (CAGR) of medical plan members was 4.9%.**

Brazil: Dental Plans Sector (million members)



For its part, the dental plans sector posted a growth of 14.9% in 2010, reaching 14.6 million members. **From 2002 to 2010, the compounded average growth rate (CAGR) of dental plan members was 18.3%.**

OdontoPrev: number of members (thousand)



In 1Q11 OdontoPrev reached 5,050,552 members, a growth of 20.1% over 1Q10. **From 2002 to March 2011 the compounded average growth rate (CAGR) of OdontoPrev was of 29.1%.**

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 1Q10 and 1Q11 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	1Q11	1Q10	4Q10
(+) Payments net	200,390	141,575	192,777
(+) Sales of services and products	2,144	1,546	2,039
(-) Change in technical reserves	-	(33,901)	-
Gross operating revenue	**202,534**	**177,022**	**194,816**
(-) Direct taxes on dental care operations	7,176	5,721	6,963
(-) Taxes on sales of services and products	1,153	607	1,045
Net operating revenue	**194,205**	**170,694**	**186,808**
(-) Cost of services	**89,354**	**83,130**	**92,843**
Indemnifiable claims, net	75,390	66,253	77,769
Payroll charges on services	5,644	2,576	5,747
Dental materials	871	855	719
Other operating expenses	7,449	13,446	8,608
Gross profit	**104,851**	**87,564**	**93,965**
(-) Selling expenses	**16,922**	**14,643**	**17,572**
(-) Administrative expenses (G&A)	**34,183**	**44,682**	**36,347**
G&A (included adjusted EBITDA base)	**32,302**	**25,264**	**31,653**
Personnel	14,427	12,356	14,171
Third parties services	4,978	3,694	6,225
Rentals and occupancy	5,472	4,396	5,768
Taxes and fees	934	651	698
Publicity and advertising	2,945	1,518	2,396
Travelling, printing and subscriptions	1,477	888	2,092
Others	2,069	1,761	303
G&A (not included adjusted EBITDA base)	**1,881**	**19,418**	**4,694**
PIS/COFINS on financial income	-	7	-
Depreciation and amortization	1,485	1,302	1,446
Acquisition expenses	17	12	3,079
Bradesco Dental Association	-	18,086	1
Joint venture Mexico	22	11	35
Banco do Brasil	349	-	140
Other expenses	8	-	(7)
(-) Other expenses	**3,986**	**6,097**	**4,259**
Allowance for doubtful receivables	3,986	6,097	4,259
(+) Financial income (expenses), net	**3,264**	**10,238**	**3,892**
(+) Financial income	5,204	11,732	5,180
(-) Financial expenses	1,940	1,494	33,980
(+) Interest on capital (IOC)	-	-	32,692
(+) Equity in subsidiaries	**-**	**30**	**-**
(-) Stock option	**794**	**993**	**2,558**
Income before taxes and profit sharing	**52,230**	**31,417**	**37,121**
(-) Income tax	10,508	10,598	3,136
(-) Social contribution tax	3,796	5,104	1,229
(-) Deferred income tax	698	(1,886)	(1,411)
(-) Deferred social contribution tax	250	(973)	1,217
(-) Profit sharing	948	2,061	1,497
Net income before participation of minoritary shareholders	**36,030**	**16,513**	**31,453**
(+) Participation of minoritary shareholders	(143)	(113)	(104)
Net income	**35,887**	**16,400**	**31,349**

Operating revenue

Net operating revenue 1Q10 (adjusted)								
	1Q11		1Q10 [1]		Δ%	4Q10		Δ%
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	
(+) Payments, net	200,390	103.2	162,071	103.0	23.6	192,777	103.2	3.9
(+) Sales of services and products	2,144	1.1	1,546	1.0	38.7	2,039	1.1	5.1
Gross operating revenue (GOR)	**202,534**	**104.3**	**163,617**	**104.0**	**23.8**	**194,816**	**104.3**	**4.0**
(-) Direct taxes on dental care operations	7,176	3.7	5,721	3.6	25.4	6,963	3.7	3.1
(-) Taxes on sales of services and products	1,153	0.6	607	0.4	90.0	1,045	0.6	10.3
Net operating revenue (NOR)	**194,205**	**100.0**	**157,289**	**100.0**	**23.5**	**186,808**	**100.0**	**4.0**

[1] Include pro rata basis revenue accounting and technical provisions reversion.

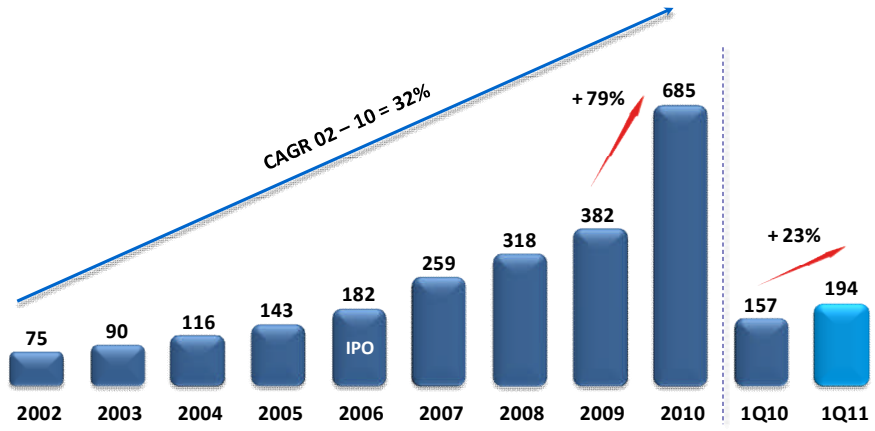
In 1Q11 the gross operating revenue (GOR) reached R$202,534, 23.8% above 1Q10.

The average ticket came from R$13.52 in 4Q10 to R$13.32 in 1Q11, down 1.5%, mainly due to the new contract with Banco do Brasil employees signed last November 2010 , which average ticket is lower than the company´s average, given the size, long-term duration and expected dental care ratio of this new corporate customer.

In the annual comparison, the average ticket grew 3.3% in 1Q11, reflecting a more rational competitive environment and the recent product mix.

Average ticket (R$000)	1Q11	1Q10	Δ%	4Q10	Δ%
Payments, net (A)	200,390	162,071	23.6	192,777	3.9
Average number of members (B)	5,015	4,191	19.7	4,752	5.5
Average ticket (A/B)	**13.32**	**12.89**	**3.3**	**13.52**	**(1.5)**

Net revenues (R$ million)



In 1Q11 the sales of services and products of Easy Software and Clidec reached R$2,144, 38.7% above 1Q10.

The net operating revenue (NOR) in 1Q11 was of R$194,205, 23.5%, above 1Q10.

Cost of services (dental care ratio)

	1Q11		1Q10 [1]		Δ%	4T10 [2]		Δ%
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	
Cost of services	**89,354**	**46.0**	**72,357**	**46.0**	**23.5**	**86,948**	**46.5**	**2.8**
Indemnifiable claims, net	75,390	38.8	66,253	42.1	13.8	78,403	42.0	(3.8)
Payroll charges on services	5,644	2.9	2,576	1.6	119.1	5,747	3.1	(1.8)
Dental materials	871	0.4	855	0.5	1.9	719	0.4	21.1
Other operating expenses	7,449	3.8	2,673	1.7	178.7	2,079	1.1	258.3

[1] Include OdontoPrev´s IBNR of R$10,773 on Other operating expenses.

[2] Include Bradesco´s Dental IBNR of -R$634 on Indemnifiable claims, net and OdontoPrev´s IBNR of R$6,529 on Other operating expenses.

In 1Q11 the cost of services was of R$89,354, or 46.0% of NOR, same level of 1Q10. No IBNR effects.

OdontoPrev has not been disbursing the 20% social security taxation (INSS) related to individual dentist since last September 2010. All related expenses have been booked accordingly, as Payroll charges on services. As of 1Q11, the total cash savings related to INSS reached R$9.1 million.

- **Indemnfiable claims, net:** In 1Q11 represented 38.8% of NOR, 3.3 *p.p.* below 1Q10 and 3.2 *p.p.* lower than 4Q10.
- **Payroll changes on services:** reached 2.9% of NOR in 1Q11, 1.3% *p.p.* above 1Q10.
- **Dental materials:** down 0.1%, from R$855 in 1Q10 to R$871 in 1Q11.
- **Other operating expenses:** 3.8% of NOR in 1Q11, 2.1 *p.p.* above 1Q10, due to non-recurring higher provisions.

Selling expenses

The selling expenses came from R$14,643 (9.3% of NOR) in 1Q10 to R$16,922 (8.7% of NOR) in 1Q11, as a result of the distribution channels mix of the period.

Administrative expenses (G&A)

	1Q11		1Q10		Δ%	4Q10		Δ%
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	
Personnel	14,427	7.4	12,356	7.9	16.8	14,171	7.6	1.8
Third parties services	4,978	2.6	3,694	2.3	34.8	6,225	3.3	(20.0)
Rentals and occupancy	5,472	2.8	4,396	2.8	24.5	5,768	3.1	(5.1)
Taxes and fees	934	0.5	651	0.4	43.5	698	0.4	33.8
Publicity and advertising	2,945	1.5	1,518	1.0	94.0	2,396	1.3	22.9
Travelling, printing and subscriptions	1,477	0.8	888	0.6	66.3	2,092	1.1	(29.4)
Others	2,069	1.1	1,761	1.1	17.5	303	0.2	582.8
G&A (included adjusted EBITDA base)	**32,302**	**16.6**	**25,264**	**16.1**	**27.9**	**31,653**	**16.9**	**2.1**
PIS/COFINS on financial income	-	-	7	0.0	(100.0)	-	-	-
Depreciation and amortization	1,485	0.8	1,302	0.8	14.1	1,446	0.8	2.7
Acquisition expenses	17	0.0	12	0.0	41.7	3,079	1.6	(99.4)
Bradesco Dental Association	-	-	18,086	11.5	(100.0)	1	0.0	(100.0)
Joint venture Mexico	22	0.0	11	0.0	100.0	35	0.0	(37.1)
Banco do Brasil	349	0.2	-	-	-	140	0.1	149.3
Other expenses	8	0.0	-	-	-	(7)	(0.0)	-
G&A (not included adjusted EBITDA base)	**1,881**	**1.0**	**19,418**	**12.3**	**(90.3)**	**4,694**	**2.5**	**(59.9)**
Total administrative expenses (G&A)	**34,183**	**17.6**	**44,682**	**28.4**	**(23.5)**	**36,347**	**19.5**	**(6.0)**

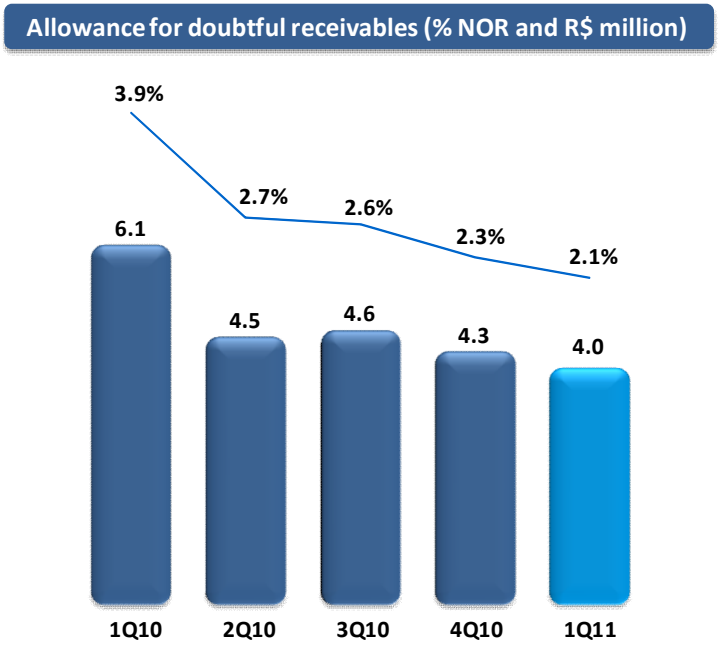
G&A (included in the adjusted EBITDA base)

The administrative expenses, those part of the adjusted EBITDA base, were of R$32,202 in 1Q11 (16.6% of NOR) as compared to R$25,264 in 1Q10 (16.1% of NOR). It´s worth mentioning that OdontoPrev has made no G&A adjustments regarding the expenses related to the integration and incorporation of Bradesco Dental.

- **Personnel:** down 0.5 *p.p.* in relation to 1Q10 and 0.2 *p.p.* in relation to 4Q10, mainly due to the consolidation of Bradesco Dental figures, consolidated as from 2010.
- **Third parties services:** in 1Q11 it came to 2.6% of NOR, 0.3 *p.p.* over 1Q10, basically due to Bradesco Dental integration expenses that, as we mentioned before, are not adjusted by OdontoPrev.
- **Rentals and occupancy:** from R$4,396 in 1Q10 to R$5,472 in 1Q11, in line with NOR.
- **Taxes and fees:** in 1Q10 represented R$651 (0.4% of NOR) and in 1Q11 came to R$934 (0.5% of NOR).
- **Publicity and advertising:** up 0.5 *p.p.* in the annual comparison, 0.2 *p.p.* above 4Q10.
- **Travelling, printing and subscriptions:** from R$888 to R$1,477 in 1Q11.
- **Others:** from R$1,761 (1.1% of NOR) to R$2,069 in 1Q11, in line with NOR.

Other expenses - allowance for doubtful receivables

The allowance of doubtful receivables came to R$3,986 (2.1% of NOR), As of 2009, ANS determined that all retail channel contracts should be accounted as individual contracts, where provisions are typically higher than corporate contracts.



This provision is based on the aging of the accounts receivables portfolio, with separate amounts for corporate and individual contracts. Receivables over 60 days due are provisioned every month, if related to individual contracts. Corporate contracts receivables over 90 days due are also provisioned.

Financial income

	1Q11		1Q10		Δ%	4Q10		Δ%
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	
Financial income (expenses), net	**3,264**	**1.7**	**10,238**	**6.5**	**(68.1)**	**3,892**	**2.1**	**(16.1)**
(+) Financial income	5,204	2.7	11,732	7.5	(55.6)	5,180	2.8	0.5
(-) Financial expenses	1,940	1.0	1,494	0.9	29.9	33,980	18.2	(94.3)
(+) Interest on capital	-	-	-	-	-	32,692	17.5	(100.0)

The net financial result in 1Q11 was of R$ 3,264.

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

	1Q11		1Q10		Δ%	4Q10		Δ%
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	
Taxes	**15,252**	**7.9**	**12,843**	**8.2**	**18.8**	**4,171**	**2.2**	**265.7**
(-) Income tax	10,508	5.4	10,598	6.7	(0.8)	3,136	1.7	235.1
(-) Social contribution tax	3,796	2.0	5,104	3.2	(25.6)	1,229	0.7	208.9
(-) Deferred income tax	698	0.4	(1,886)	(1.2)	-	(1,411)	(0.8)	-
(-) Deferred social contribution tax	250	0.1	(973)	(0.6)	-	1,217	0.7	(79.5)

The income and social contribution taxes were of R$ 10,508 and R$3,796 in 1Q11, respectively.

	Effective tax rate (R$000)		
	1Q11	1Q10	4Q10
Income before taxes and profit sharing	**52,230**	**31,417**	**37,121**
(-) Profit sharing	948	2,061	1,497
(=) Tax base	**51,282**	**29,356**	**35,624**
Taxes			
(-) Income tax	10,508	10,598	3,136
(-) Social contribution tax	3,796	5,104	1,229
(-) Deferred income tax	698	(1,886)	(1,411)
(-) Deferred social contribution tax	250	(973)	1,217
Total taxes	**15,252**	**12,843**	**4,171**
Effective tax rate (%)			
Income tax	20.5%	36.1%	8.8%
Social contribution tax	7.4%	17.4%	3.4%
Total effective tax rate	**27.9%**	**53.5%**	**12.3%**

The current effective tax rate in 1Q11 was of 27.9%, mainly due to the positive impacts of the goodwill amortization of Bradesco Dental, incorporated last July, 2010.

The full version of the goodwill amortization schedule can be found at *Attachment VIII.*

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.

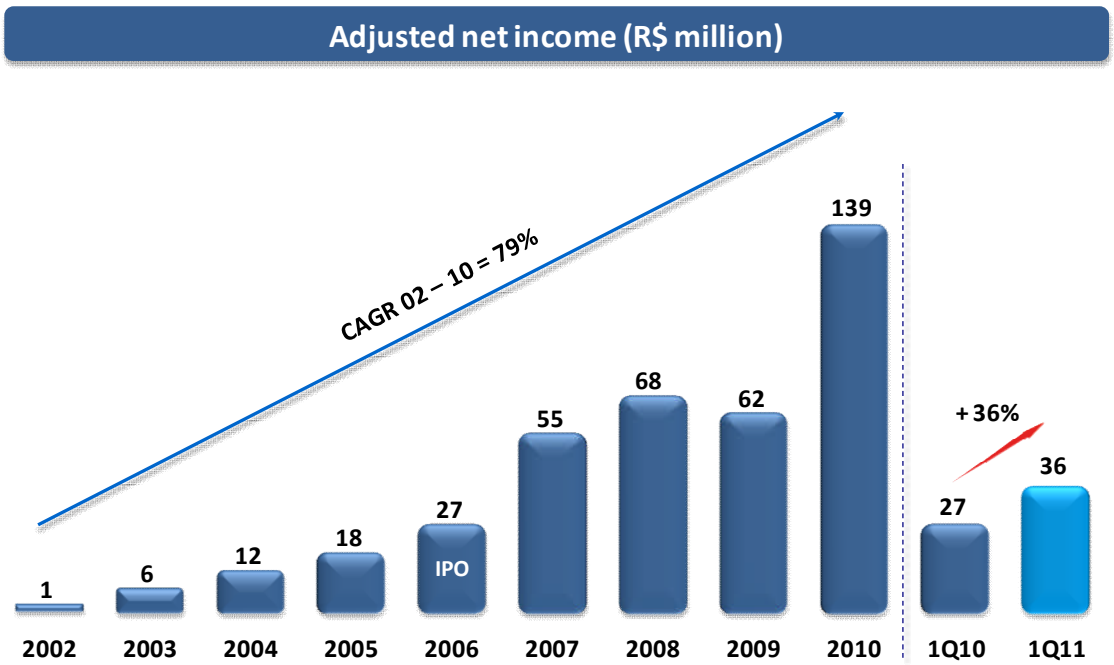
[2] Figures consolidated as of 2Q09.

[3] Figures consolidated as of 1Q10.

Net income and Adjusted Net Income

The net income came from R$16,400 in 1Q10 to R$35,887 in 1Q11, a variation of 118.8%.

	1Q11		1Q10		Δ%	4Q10		Δ%
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	
Net income	**35,887**	**18.5**	**16,400**	**10.4**	**118.8**	**31,349**	**16.8**	**14.5**
(+/-) New accounting rules ANS	**-**	**-**	**(2,632)**	**(1.7)**	**(100.0)**	**5,895**	**3.2**	**(100.0)**
Payments net - pro rata revenue	-	-	20,496	13.0	(100.0)	-	-	-
Change in technical reserves - reversion	-	-	(33,901)	(21.6)	(100.0)	-	-	-
Cost of service - IBNR	-	-	10,773	6.8	(100.0)	5,895	3.2	(100.0)
(+) Non-recurring Administrative expenses (G&A)	**388**	**0.2**	**18,109**	**11.5**	**(97.9)**	**3,255**	**1.7**	**(88.1)**
Acquisition expenses	17	0.0	12	0.0	41.7	3,079	1.6	(99.4)
Bradesco Dental Association	-	-	18,086	11.5	(100.0)	1	0.0	(100.0)
Joint venture Mexico	22	0.0	11	0.0	100.0	35	0.0	(37.1)
Banco do Brasil	349	0.2	-	-	-	140	0.1	149.3
(-) Taxes	**(132)**	**(0.1)**	**(5,262)**	**(3.3)**	**(97.5)**	**(3,111)**	**(1.7)**	**(95.8)**
Income tax - 25%	(97)	(0.0)	(3,869)	(2.5)	(97.5)	(2,288)	(1.2)	(95.8)
Social contribution tax - 9%	(35)	(0.0)	(1,393)	(0.9)	(97.5)	(823)	(0.4)	(95.7)
Adjusted net income	**36,143**	**18.6**	**26,615**	**16.9**	**35.8**	**37,388**	**20.0**	**(3.3)**



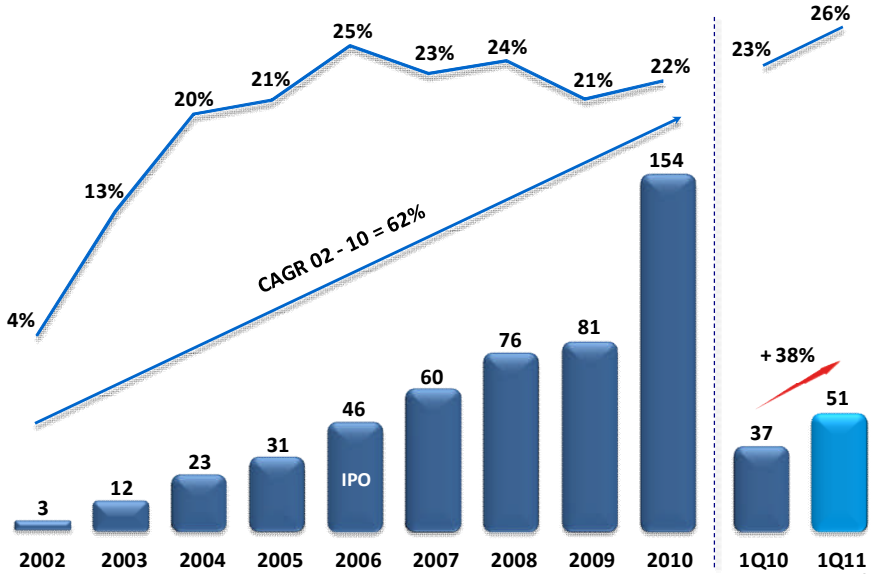
The adjusted net income reached R$36,143 in 1Q11, 35.8% over 1Q10.

EBITDA and adjusted EBITDA

	1Q11		1Q10		Δ%	4Q10		Δ%
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	
Net Income	**35,887**	**18.5**	**16,400**	**10.4**	**118.8**	**31,349**	**16.8**	**14.5**
(+) Income tax	10,508	5.4	10,598	6.7	(0.8)	3,136	1.7	235.1
(+) Social contribution tax	3,796	2.0	5,104	3.2	(25.6)	1,229	0.7	208.9
(+) Deffered income tax	698	0.4	(1,886)	(1.2)	-	(1,411)	(0.8)	-
(+) Deffered social contribution tax	250	0.1	(973)	(0.6)	-	1,217	0.7	(79.5)
(+) Other expenses	8	0.0	-	-	-	(7)	(0.0)	-
(-) Financial income (expenses), net	5,204	2.7	11,732	7.5	(55.6)	5,180	2.8	0.5
(+) Financial expenses	1,940	1.0	1,494	0.9	29.9	33,980	18.2	(94.3)
(-) Interest on capital (IOC)	-	-	-	-	-	32,692	17.5	(100.0)
(+) Stock option	794	0.4	993	0.6	(20.0)	2,558	1.4	(69.0)
(-) Participation of minoritary shareholders	(143)	(0.1)	(113)	(0.1)	26.5	(104)	(0.1)	37.5
(+) PIS/COFINS on financial income	-	-	7	0.0	(100.0)	-	-	-
(+) Change in technical reserves	-	-	(33,901)	(21.6)	(100.0)	-	-	-
(+) Depreciation and amortization	1,485	0.8	1,302	0.8	14.1	1,446	0.8	2.7
(-) Equity in subsidiaries	-	-	30	0.0	(100.0)	-	-	-
EBITDA	**50,305**	**25.9**	**(12,511)**	**(8.0)**	**-**	**35,729**	**19.1**	**40.8**
(+) Non-recurring expenses	**388**	**0.2**	**18,109**	**11.5**	**(97.9)**	**3,255**	**1.7**	**(88.1)**
Acquisitions expenses	17	0.0	12	0.0	41.7	3,079	1.6	(99.4)
Bradesco Dental Association	-	-	18,086	11.5	(100.0)	1	0.0	(100.0)
Joint venture Mexico	22	0.0	11	0.0	100.0	35	0.0	(37.1)
Banco do Brasil	349	0.2	-	-	-	140	0.1	149.3
(+/-) New accounting rules ANS	**-**	**-**	**31,269**	**19.9**	**(100.0)**	**5,895**	**3.2**	**(100.0)**
Payments net - pro rata revenue	-	-	20,496	13.0	(100.0)	-	-	-
Cost of service - IBNR	-	-	10,773	6.8	(100.0)	5,895	3.2	(100.0)
Adjusted EBITDA	**50,693**	**26.1**	**36,867**	**23.4**	**37.5**	**44,879**	**24.0**	**13.0**

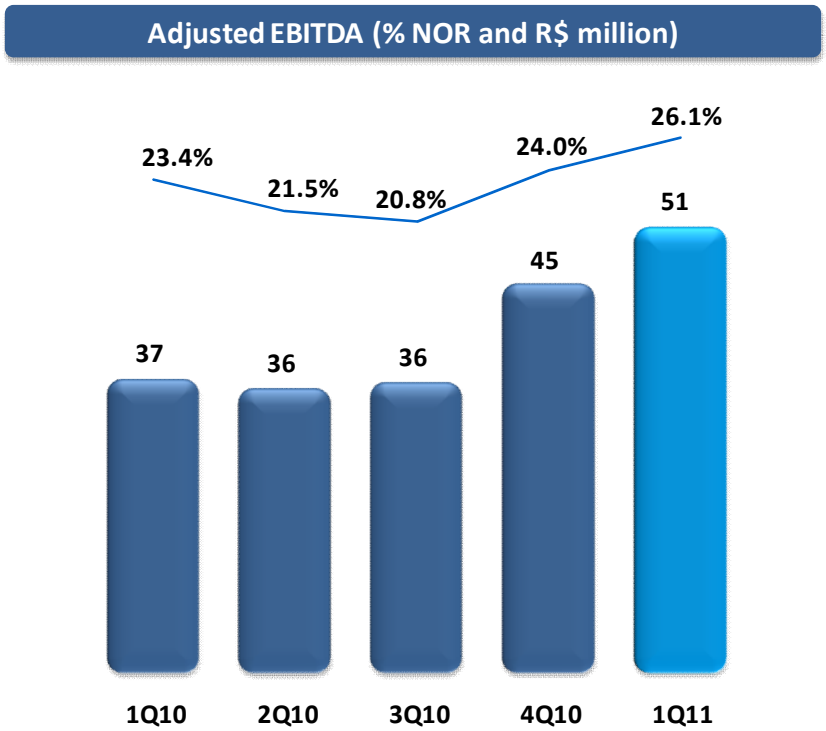
The adjusted EBITDA came up 37.5%, from R$36,867 in 1Q10 to R$50,693 in 1Q11, with the margin expanding from 23.4% to 26.1%.

Adjusted EBITDA (R$ million) and adjusted EBITDA margin (%)



Adjusted EBITDA components	1Q11		1Q10		Δ% NOR
	R$ 000	% NOR	R$ 000	% NOR	
(+) Payments. net	200,390	103.2	162,071	103.0	0.2
(+) Sales of services and products	2,144	1.1	1,546	1.0	0.1
(-) Direct taxes on dental care operations	7,176	3.7	5,721	3.6	0.1
(-) Taxes on sales of services and products	1,153	0.6	607	0.4	0.2
(-) Cost of services	89,354	46.0	72,357	46.0	-
(-) Selling expenses	16,922	8.7	14,643	9.3	(0.6)
(-) Administrative expenses	32,302	16.6	25,264	16.1	0.5
(-) Allowance for doubtful receivables	3,986	2.1	6,097	3.9	(1.8)
(-) Profit sharing	948	0.5	2,061	1.3	(0.8)
Adjusted EBITDA	**50,693**	**26.1**	**36,867**	**23.4**	**2.7**

The adjusted EBITDA margin in 1Q11 reached 26.1%, 2.7 *p.p.* over 1Q10.

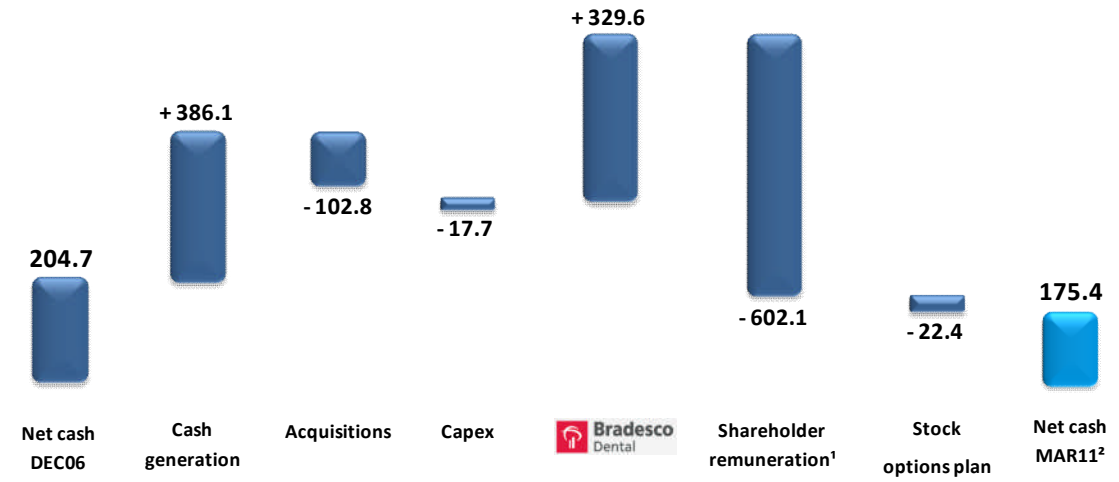


Cash flow

OdontoPrev's main sources of funds are the cash flow from operations and financial revenues, boosted by the Primary of R$171.4 million in 2006 and the net cash position of R$329.6 of Bradesco Dental in 2009.

Since the IPO, OdontoPrev has presented a cash generation of R$386.1 million. At the end of March, 2011 the net cash position was of R$175.4 million, without any leverage.

Cash flow since the 2006 IPO (R$ million)

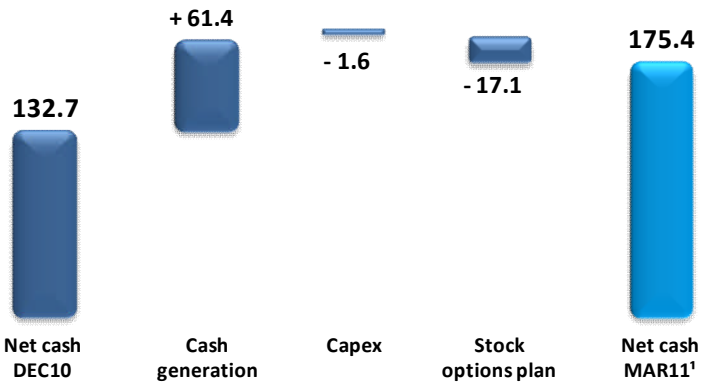


[1] Dividends, interestoncapital, sharebuybackandcapital reductions

[2] Include R$74.8 million of technical provisions and R$16.4 million of individual social security provision (INSS) of the accredited dentists

In 1Q11, the free cash flow generation was of R$61.4 million.

Cash flow in 1Q11 (R$ million)



(R$000)	1Q11	1Q10	4Q10
CASH FLOW FROM OPERATIONAL ACTIVITIES			
Net income	**35,887**	**16,400**	**31,349**
Reconciliation of net income with the cash generated by operations	12,074	(18,917)	29,262
	47,961	**(2,517)**	**60,611**
Decrease (increase) in operational assets	(6,545)	7,378	(10,316)
Increase (decrease) in operational liabitities	20,440	27,974	(3,013)
NET CASH PROVIDED BY (USED IN) OPERATIONAL ACTIVITIES	**61,856**	**32,835**	**47,282**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	(821)	(349)	(1,491)
Systems development and acquisition of softwares	(745)	(271)	(795)
Deferred selling expenses	(478)	(204)	223
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	**(2,044)**	**(824)**	**(2,063)**
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	-	(72,666)	(56,258)
Interest on capital	-	-	(32,692)
Treasury shares	(17,106)	-	(176)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(17,106)**	**(72,666)**	**(89,126)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**42,706**	**(40,655)**	**(43,907)**
CASH, AND CASH EQUIVALENTS			
Balance at the beginning of period	132,698	538,703	176,605
Balance at the end of period	175,404	498,048	132,698
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**42,706**	**(40,655)**	**(43,907)**

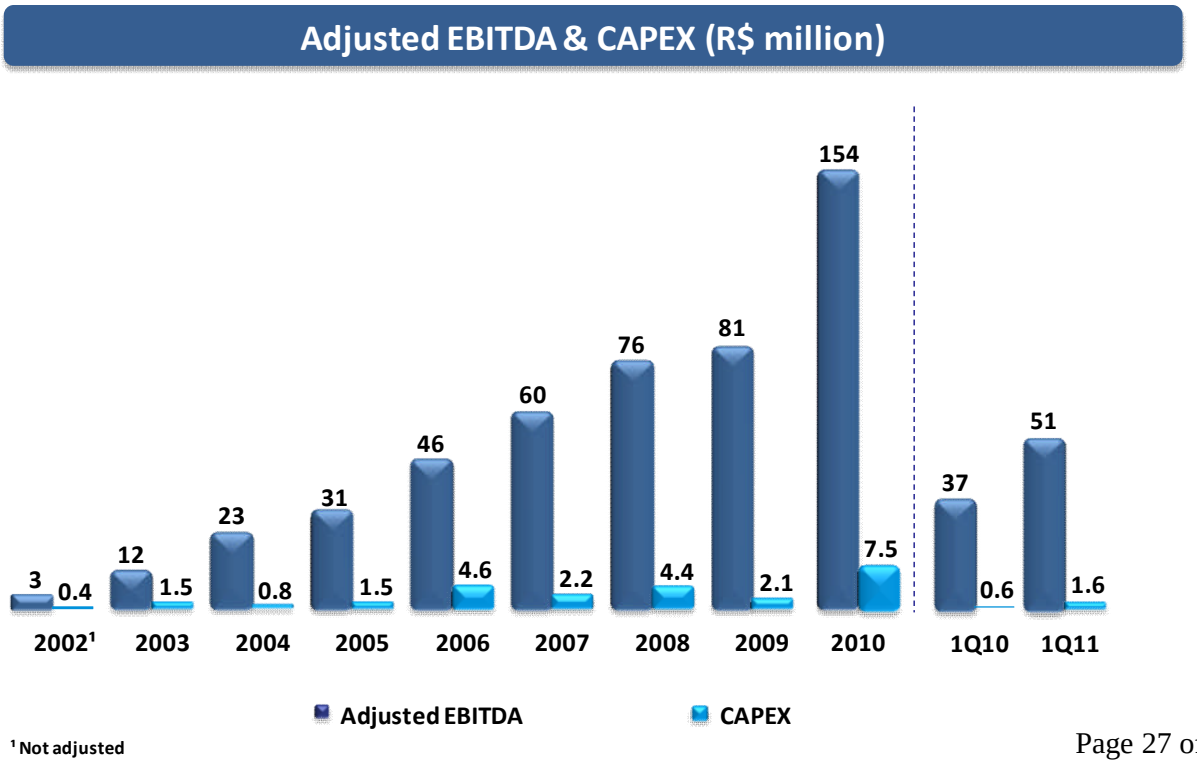
The full version of the consolidated cash flow can be found on *Attachments V* and *VI.*

Capex

The development of IT systems, the acquisition of new software and installations represent the bulk of OdontoPrev's capex:

(R$000)	1Q11	1Q10	4Q10
Systems development and acquisition of software	855	288	883
Dental plan equipment, furniture and utensils	169	19	455
Installations	361	7	326
Computer equipment	136	306	344
Vehicle	-	-	240
Others	45	-	38
Total capex	**1,566**	**620**	**2,286**

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



¹ Not adjusted

Demonstration of value added

The full version of this demonstration can be found at *Attachment VII.*

(R$000)	1Q11	1Q10	4Q10
Revenues	198,548	170,925	190,557
Inputs purchased from third parties	(115,377)	(123,444)	(122,264)
(=) GROSS VALUE ADDED	**83,171**	**47,481**	**68,293**
Retentions	(1,485)	(1,302)	(1,446)
(=) WEALTH CREATED BY THE COMPANY	**81,686**	**46,179**	**66,847**
Wealth received in transfer	5,204	11,762	5,180
(=) WEALTH CREATED	**86,890**	**57,941**	**72,027**

WEALTH DISTRIBUTED	(86,890)	100.0%	(57,941)	100.0%	(72,027)	100.0%
Personnel and charges	(13,991)	16.1%	(13,204)	22.8%	(14,142)	19.6%
Taxes, fees and contributions	(32,680)	37.6%	(24,588)	42.4%	(21,331)	29.6%
Lenders and lessors	(3,395)	3.9%	(2,643)	4.6%	(2,543)	3.5%
Shareholders	-	0.0%	-	0.0%	(104,028)	144.4%
Stock options	(794)	0.9%	(993)	1.7%	(2,558)	3.6%
Minoritary interest	(143)	0.2%	(113)	0.2%	(104)	0.1%
Retained earnings	(35,887)	41.3%	(16,400)	28.3%	72,679	-100.9%

Notes to the financial statements (Company and Consolidated) at March 31, 2011 and December 31, 2010

(amounts expressed in thousands of reais, except when otherwise statedo)

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, as well as holding equity interests, as partner, shareholder or quotaholder, in other companies and business enterprises of any nature, in Brazil and/or abroad, and managing its own and/or third-party assets.

On August 19, 2010, OdontoPrev and BB Seguros Participações S.A. (BB Seguros), Bradesco Seguros S.A. (Bradesco) and ZNT signed a Memorandum of Understanding, with no binding effect, to establish a strategic association for the development and sale of dental care products. The association comprises studies for the creation of a company with 75% of total share capital (49.99% of voting capital and 100% of preferred capital) to be held by BB Seguros and 25% of total capital (50.01% of voting capital) to be held by OdontoPrev. The distribution channels of Banco do Brasil S.A. ("Banco do Brasil" or "BB") will be made available on a exclusive basis for the sale of dental care products by OdontoPrev for a 10-year period, as well as the enrollment of the employees of BB and their dependents in the dental care plans.

On November 16, 2010, OdontoPrev entered into an interim agreement for dental care plan operations with Banco do Brasil, in conformity with Law No. 8666/93 and the Regulation on Biddings of Banco do Brasil. The provision of service to employees and dependents is expected to begin on November 19, 2010.

Despite the interim contract, the effectiveness of the arrangement is subject to technical, legal and financial studies, the proper negotiation of definitive contracts and the compliance with applicable legal and regulatory requirements.

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

	Percentage holding (%)			
	March 31, 2010		December 31, 2009	
	Direct	Indirect	Direct	Indirect
Clidec - Clínica 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 Softaw are Ltda. (Easy)	-	51.0	-	51.0
Adcon Administradora de Convênios Odontológicos Ltda. (Adcon)	99.9	-	99.9	-
Dental Partner Com. de Prod. e Equipamentos Odontológicos Ltda. (Dental Partner)	-	99.9	-	99.9
Bradesco Dental S.A. (Bradesco Dental)	100.0	-	100.0	-

(a) Clidec: company established on July 2, 1970 to operate dental care plans through its own and accredited networks and operate as a dental care service provider.

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

(c) Rede Dental: 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: company established on November 3, 1993, engaged in developing and licensing software and in holding equity interests in other companies as partner or shareholder.

(e) Adcon: 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: 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 the company.

In accordance with ANS Board Resolution (RDC) No. 39, issued on October 27, 2000, the Company and its subsidiaries Rede Dental and Adcon are classified as dental care operators in the tertiary dental care segment and the subsidiary Clidec, as a dental care operator in the 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 marketing, as well as to provide direct or indirect (through third-parties) dental care assistance.

The company's share capital is $ 12,258,704 Mexican pesos, 40% of which is held by OdontoPrev and 60% by IKE Grupo Empresarial. The capital held by OdontoPrev (R$ 739 at December 31, 2010) was paid up on June 2, 2010. Odontored is scheduled to commence operations in the 2nd quarter of 2011.

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Approval of the Financial Statements

The issue of the parent company and consolidated financial statements was authorized by the Board of Directors on May 10, 2011.

2. Mergers

The Extraordinary Shareholders' Meetings approved the mergers of the following subsidiaries into OdontoPrev:

- March 3, 2008 - DentalCorp.
- December 1, 2008 - Care Plus, SRJSPE and Biodent.

- December 1, 2009 - Sepao, OdontoServ and Prontodente.

- July 1, 2010 - Bradesco Dental

According to the protocols and justification of mergers, the integration of the activities developed by the Company and the merged companies will streamline and improve the synergy of their respective operations, generating commercial and financial benefits.

The main facts and events associated with these transactions were as follows:

- The Company's capital was not increased, due to the fact that the capital of the merged companies was directly or indirectly held by the Company.

- The balances of assets, liabilities and equity used for merger purposes, were based on the respective balance sheet certification report.

- The changes in equity after the base dates of the balance sheets used for evaluation were properly recorded in the respective accounting books and the related balances were reflected in the Company's balance sheets after the approval of the merger by the shareholders and partners of the companies involved.

- Goodwill arising from the acquisitions of merged companies is recorded as Intangible assets (Note 14.1).

3. Description of Significant Accounting Practices

The principal accounting practices used in the preparation of these individual and consolidated financial statements are set out below. These policies are consistently applied to all the years presented.

3.1 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 for the preparation of the consolidated financial statements are disclosed in Note 5.

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), considering that the Company will operate as 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 4.

3.2 Consolidation

3.2.1 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 risks and benefits originated from these investments, in accordance with IFRS. Subsidiaries are consolidated from the date on which control is transferred to OdontoPrev. They are deconsolidated from the date that control ceases.

The Company uses the acquisition method of accounting 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 intangible assets.

Investments in subsidiaries, equity in the results of subsidiaries, as well as intercompany balances and transactions have been eliminated in consolidation. The consolidated financial statements include the balances of the Company and its subsidiaries, according to the holding percentage table in note 1.

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, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are evaluated using the equity method of accounting and are initially recognized at cost.

3.2.2 Individual financial statements

In the individual financial statements, subsidiaries are recorded based on the equity accounting method. The same adjustments are made in the individual and consolidated financial statements to reach the same profit or loss and equity attributable to the Company's shareholders. The accounting practices adopted in Brazil applicable to the individual 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.

3.2.3 Statement 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 will not be presented.

3.3 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 performance of the operating segments, as disclosed in Note 21.

3.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Translation and balances in foreign currency

Foreign currency transactions are translated into the functional currency of the parent company using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of balances at the reporting date are recognized in the statement of income.

3.5 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, with immaterial risk of change in value. The breakdown of cash and cash equivalents is shown in Note 7.

3.6 Financial assets

3.6.1 Classification

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

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

Financial assets measured 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 the purpose of selling in the short term. The assets are in this category financial investments classified as current assets, according to the composition in Note 8.

(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 maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables of the Company and its subsidiaries comprise trade receivables (healthcare receivables, in accordance with Note 9), and other receivables (Note 11.3).

Healthcare receivables correspond to installments 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 accounts "Healthcare installments" or "Advanced billings", according to the coverage period of the contracts effective at the balance sheet date, and the amounts receivable referring to reimbursement of events.

3.6.2 Recognition and measurement

Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are recorded with a corresponding entry to the specific account 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. These assets are subsequently recognized at fair value. Loans and receivables are recorded at amortized cost.

Gains or losses arising from the changes in the fair value of financial assets measured at fair value through profit or loss are recorded in the statement of income in the period they occur.

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 3.6.5.

3.6.3 Fair value estimate

The carrying value less impairment provision of trade receivables and payables is 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 measurements by level of the following fair value measurement hierarchy:

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

- Level 2: classified in this category when discounted cash flow or another methodology is used to determine the asset price based on market data and when all this data can be observed in the open market.

- Level 3: asset which is not based on data observed in the market and the Company uses internal assumptions to determine its methodology and classification.

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 8.

3.6.4 Offsetting financial instruments

Assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable 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.

3.6.5 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 flow of the asset or group of financial assets.

The criteria used by the Company and its subsidiaries to determine whether there is objective evidence of an impairment loss comprise the following:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the group, 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 the 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 can measure loss. Accordingly, the accounting balance is reduced to its recoverable amount, and the loss 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 realized and recognized in the statement of income.

The provision for impairment of trade receivables is recorded based on the analysis of probable losses on receivables overdue for more than 90 days from contracts with legal entities and for more than 60 days from contracts with individuals. Impairment of these assets was assessed at

March 31, 2011 and December 31, 2010. Based on the assessments, the Company understands that the provision for impairment of trade receivables, in accordance with ANS determinations, is proper and reflects past internal losses.

3.7 Non-current assets

3.7.1 Long-term receivables

These included deferred income tax and social contribution, and other non-current assets (judicial deposits and others), stated at cost, including, when applicable, earnings incurred and provision for losses.

Asset and liability items resulting from long or short-term transactions, if significant, 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 (asset)

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 use in the ordinary course of OdontoPrev's business); provision for impairment of trade receivables; tax, social security, civil and labor contingencies; and sundry provisions (except for those supported by technical actuarial notes approved by ANS), as mentioned in Note 11.1.

(b) Judicial deposits

These refer basically to deposits for lawsuits relating to the payment of the National Institute of Social Security (INSS) contribution on independent contractors and the increase in Social Contribution on Revenues (COFINS) rate, as mentioned in Note 11.2.

3.7.2 Investments

These comprise investments in subsidiaries and associates stated on the equity accounting method based on their respective balance sheets at March 31, 2011 and December 31, 2010, as disclosed in Note 12.

3.7.3 Property and equipment

Property and equipment are stated at acquisition cost, less accumulated depreciation, calculated on the straight-line method at annual rates mentioned in Note 13.

Property and equipment comprise mainly IT equipment and software.

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 if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'Administrative expenses' in the statement of income.

3.7.4 Intangible assets

(a) Goodwill on acquisition of investments

Refers to goodwill based on future income generation, paid on the acquisition of investments (equity investments in subsidiaries) mentioned in Note 14.1. Goodwill represents the excess of the cost of an acquisition over the net fair value of assets and liabilities of the acquired entity including allocation of intangible assets.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses, which cannot be reversed.

(b) System development and software license and other

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 14.3.

Incurred costs associated with maintaining software programs are recognized as an expense. 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 "Other". These items are amortized on the straight-line method, using the terms identified in the appraisal report, as mentioned in Notes 14.3 and **31.**

(c) Deferred selling expenses

The Company recognizes as deferred selling expenses (Deferred Acquisition Costs (DAC)) the costs that are directly additional and related to new or renewed contracts, that is, the amounts paid for agent representation, and that can be reliably assessed. Other costs are expensed as incurred. This asset is appropriated to profit or loss according to the term of the contract, which mainly correspond to the risk expiration period.

3.8 Impairment of non-financial assets

CVM Resolution 639/10, CPC 01 (R)/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 useful lives and calculate depreciation and amortization.

Assets are tested for impairment in order to: (i) verify whether there is any impairment loss of assets, 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 amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which 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 value in use. For impairment tests, assets are grouped in business units (active and/or merged companies acquired).

3.9 Dental care plan contracts

At the first-time adoption of CPC 11/IFRS 4, 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 substance in which the insured event occurs, in comparison with the scenarios in which the event does not occur. The Company issues dental care plan contracts which transfer insurance, financial or both risks (see Note 6.1 and 6.2). In general, the Company defines significant insurance risk as the possibility of occurring losses at amounts higher than the monthly payments made by the beneficiaries. Investment contracts are those which transfer insignificant insurance risk or do not transfer insurance risk at all.

At the date of adoption of IFRS, the Company classified the post-paid collective plans as "Investment contracts" in the first-time adoption of CPC 11/IFRS 4.

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

(a) Deferred selling expenses

See comments in Note 3.7.4, 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. In the first-time adoption of IFRS, the Company considered CPC 11/IFRS 4 for the assessment of these contracts, based on the principal rules and procedures established in CPC 11/IFRS 4, which include the following: (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 prepares annually the liability adequacy test of all dental care plan contracts in effect on the date of the test.

This test considers as the net carrying amount all liabilities of insurance contracts permitted by CPC 11/IFRS 4, less intangible assets directly related to insurance contracts and was carried out on December 31, 2010.

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.

Should any deficiency be identified in the test, the Company immediately records the loss in the statement of income, initially reducing the DAC up to the limit, which is zero, (or other intangible assets, such as those arising from exclusivity contracts and directly related to insurance contracts) and, subsequently, records additional provisions to insurance liabilities already recorded at the test date, when the loss exceeds the accounting balance 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.

3.10 Technical provisions

In accordance with ANS Regulatory Resolution (RN) No. 209/09, operators should record monthly the Provision for Events Occurred but not Reported (IBNR), actuarially estimated. Up to December 31, 2010, this provision was not mandatory for companies operating exclusively in the dental care segment. However, once the option to record this provision is made, it is indispensable to send the actuarial technical note with the calculation methodology for the analysis and approval by ANS, and it becomes mandatory as from the date of its effective approval.

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

The Company and its subsidiary Rede Dental filed with ANS an official letter presenting the actuarial technical note with the calculation methodology to record the IBNR. While waiting for the ANS approval, the Company and its subsidiary recorded the amounts computed in "Other payables", according to Note 18. Bradesco Dental had obtained a registration for IBNR before the merger, and the amount is recorded in current liabilities as “Provision for events/claims occurred but not reported”, according to Note 15.

Due to the publication of RN No. 206/09, the balances recorded in current liabilities relating to "Provision for risks" or "Provision for unearned premiums", provided for in the previous legislation, were totally reversed as a credit to the account of changes in technical provisions.

As from 2010, the events pending settlement involving dental care assistance started to be classified as "Provision for events/claims to settle" in the group "Technical provisions for dental care operations" in accordance with Normative Instruction (IN) No. 36/09. 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 account "Indemnifiable claims, net".

3.11 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 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 paid indemnifiable claims.

(b) Municipal tax liabilities

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

3.12 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 from suppliers. Payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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

3.13 Other current liabilities

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

3.14 Deferred income tax and social contribution (liability)

Deferred tax liabilities, which are probable of payment, are recognized in relation to the taxable temporary differences, that is, on differences that will 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. They are basically recorded on provisions for contingencies.

3.15 Contingent liabilities and legal obligations

The Company assesses its contingent liabilities based on the requirements of the accounting pronouncement CPC 25/IAS 37.

(a) Contingent liabilities

After considering the opinion of the internal and external legal counsel, the causes in litigation, 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 can be reliably measured.

(b) Legal, tax and social security obligations

These arise from lawsuits related to tax obligations, the legality or constitutionality of which is being challenged. These amounts are fully recognized in the financial statements and are monetarily adjusted at the Special System for Settlement and Custody (SELIC) interest rate.

3.16 Share capital

Common shares are classified as equity.

The Company purchases shares of its own issue to provide shares for the stock option programs, which are recorded as deductions from revenue reserves.

3.17 Revenue recognition

(a) Effective installments

The revenues from installments provided by the fixed price dental care plan operations must be recorded on the daily pro rata day over the period of the individual coverage of each contract, as from the first coverage day. The installments corresponding to the subsequent month are recorded in advanced billings, reducing the current assets, in accordance with RN No. 206/09.

(b) Sales of goods and services

Revenues from sales of goods and services provided by the subsidiaries, related to the software development and maintenance support, are allocated to statement of income on the accrual basis.

(c) Interest income

This income arises from financial investments and judicial deposit restatements.

3.18 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.

3.19 Employee benefits (variable compensation)

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 recognized under operating expenses. These operating expenses are recorded with a corresponding entry to equity, in options granted.

The Company grants stock options to be exercised at a future date, subsequent to a vesting period, the exercising of which is subject to the beneficiary`s permanence for a specific period of time rendering services to the Company (in accordance with the vesting condition established by 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 service to the Company up to the date on which the capital instrument can be acquired by the beneficiary.

3.20 Dividend and interest on capital distribution

Dividend and interest on capital distribution to OdontoPrev’s shareholders is recognized as a liability in the financial statements at year-end based on the Company’s bylaws. Any amount that exceeds the minimum required is only provided on the date it is approved by the shareholders at the general meeting.

3.21 Earnings per share

The Company's earnings per share for the periods ended March 31, 2011 and 2010, in compliance with CPC 41/IAS 33, was 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 is 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 28. In the tables related to the income statements, earnings per share are calculated by dividing net income by the number of shares outstanding at the end of each period presented.

3.22 Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Company

The following existing standard was disclosed and is mandatory for the Company's accounting periods beginning after January 1, 2011. However, this standard was not early adopted. The standard below was not mentioned for early adoption by CPC and CVM.

- CPC 04 (R)/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.” CPC 04 (R)/IFRS 9 introduces new requirements for classifying and measuring financial assets. The standard is not applicable up to January 1, 2013.

4. 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:

06.01 – NOTES TO THE FINANCIAL STATEMENTS

		Parent		Consolidated	
		Period ended		Period ended	
Corporate Law	ANS	2011	2010	2011	2010
	Net installments	194,151	93,205	200,390	141,575
	Revenues from sale of products	-	-	2,144	1,546
	Changes in technical provisions	-	16,504	-	33,901
Taxes on sales	Direct taxes on health care plan	(6,872)	(4,029)	(7,176)	(5,721)
	Taxes on sales and services	-	-	(1,153)	(607)
Net operating revenue		**187,279**	**105,680**	**194,205**	**170,694**
Cost of services	**Cost of services**	**(86,952)**	**(46,290)**	**(89,354)**	**(83,130)**
	Indemnifiable claims, net	(73,842)	(31,618)	(75,390)	(66,253)
	Social charges on services	(5,581)	(2,494)	(5,644)	(2,576)
	Dental care materials	(1,501)	(1,211)	(871)	(855)
	Other operating expenses	(6,028)	(10,967)	(7,449)	(13,446)
Gross profit		**100,327**	**59,390**	**104,851**	**87,564**
Selling expenses	**Selling expenses**	(16,625)	(10,587)	(16,922)	(14,643)
Administrative expenses	**Administrative expenses**	(31,929)	(33,595)	(34,183)	(44,682)
Other expenses	**Other expenses**	**(5,131)**	**(6,586)**	**(5,728)**	**(9,151)**
Granting of stock options	Granting of stock options	(794)	(993)	(794)	(993)
Provision for impairment of trade	Provision for impairment of trade	(3,681)	(4,199)	(3,986)	(6,097)
Equity in the results of subsidiaries	Equity in the results of subsidiaries	(656)	(1,394)	(948)	(2,061)
Finance income (cost), net	**Finance income (cost), net**	**3,025**	**1,982**	**3,264**	**10,238**
Finance income	Finance income	4,815	2,407	5,204	11,732
Finance costs	Finance costs	(1,790)	(425)	(1,940)	(1,494)
Equity in the results of subsidiaries	**Equity in the results of subsidiarie**	**1,260**	**11,725**	**-**	**30**
Profit before taxation	**Profit before taxation**	**50,927**	**22,329**	**51,282**	**29,356**
Income tax	Income tax	(9,950)	(4,730)	(10,510)	(10,598)
Social contribution	Social contribution	(3,584)	(1,713)	(3,794)	(5,104)
Deferred income tax	Deferred income tax	(1,106)	373	(696)	1,886
Deferred social contribution	Deferred social contribution	(400)	141	(252)	973
Profit for the year	**Profit for the year**	**35,887**	**16,400**	**36,030**	**16,513**
Attributable to:					
Shareholders of the Company		-	-	35,887	16,400
Non-controlling interests		-	-	143	113
Profit for the year	**Profit for the year**	**-**	**-**	**36,030**	**16,513**
Earnings per share to the Company's shareholders					
Basic earnings per share (R$)		-	-	0.20	0.09
Diluted earnings per share (R$)		-	-	0.20	0.09

5. Critical Accounting Estimates and Judgments

The preparation of the financial statements in accordance with the accounting practices adopted in Brazil and IFRS requires management to use judgment in the determination and recognition of accounting estimates. Significant assets and liabilities subject to these estimates and assumptions comprise, among others, deferred income tax and social contribution, evaluation of the recovery of amounts recorded in intangible assets, and technical and contingency provisions. 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 periodical 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 about the realization of estimated contractual flows of financial assets, including premiums receivable from policyholders.

Currently, losses identified in the impairment test of receivables represent approximately 2% of the total revenues of the Company and its subsidiaries, of which 80% 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 evaluation of tax assets

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 arising 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 use in the ordinary course of OdontoPrev's business); provision for impairment of trade receivables; tax, social security, civil and labor contingencies; and sundry provisions (except for those supported by technical actuarial notes approved by ANS), as mentioned in Note 11.1.

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

As required by IFRS, the Company applies the rules for analysis of and assessment of impairment of non-financial assets. In the calculation of impairment of goodwill, 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 14.2 would make the carrying amount exceed significantly its recoverable value.

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

The Company has prepayment 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 liabilities to be ultimately settled by the Company. The Company uses all available internal and external information source concerning past experiences and indicators that may affect the decision making of the Company's management, actuaries 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 6 on insurance

risk management and sensitivity analyzes of the main assumptions used in the assessment of these liabilities).

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

The Company is 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 March 31, 2011, the Company and its subsidiaries have R$ 48,742 (R$ 41,249 at December 31, 2010) in provisions for contingencies, of which R$ 44,058 (R$ 37,325 at December 31, 2010) correspond to the questing of the levy of INSS on remuneration paid to accredited dentists, initially established by the Supplementary Law (LC) No. 84/96 and, subsequently, by Law No. 9876/99 (new text of article 22, item I of Law No. 8212/91) at the rate of 20%, alleging that the services are provided to the beneficiaries instead of the operators and, accordingly, the operators cannot be subject to this contribution, as mentioned in Note 19.1.

6. Risk management

The main risks arising from the Company's and subsidiaries' business are those related to the market (interest rate), credit, liquidity, insurance, dental care cost fluctuation, 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.

6.1 Financial risk factors

6.1.1 Market risk (interest rate)

Considering the Company’s market and net asset position, the interest rate risk arises from the possibility that the Company and its subsidiaries are subject to changes in interest rates that may impact 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, using internal assessment criteria and limits established based on qualitative and quantitative information, including the need of allocating funds under ANS RN No. 159/07 and No. 206/09, 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 direct derivative transactions. The composition of financial investments is presented in Note 8.

At March 31, 2011, the financial investments of the Company and its subsidiaries totaled R$ 167,052 (R$ 121,518 at December 31, 2010), of which 82.6% of funds are invested in investment funds affected by the variations in remuneration rate of public national treasury bonds (National Treasury Bills (LTN) and National Treasury Notes (NTN)).

The table below presents the distribution of investments in CDBs of financial institutions, as well as their classification by rating agencies

	Consolidated				Ratings of financial institutions		
	March 31, 2011	Average yield - % of CDI	December 31, 2010	Average yield - % of CDI	Fitch	Moody's	S&P
Banco BNP Paribas Brasil	2,744	103.3%	2,670	103.0%	-	-	brAAA
Banco Bradesco S.A.[1]	2,963	100.1%	2,856	100.1%	AAA (bra)	Aaa.br	brAAA
Banco Industrial e Comercial S.A.	550	105.0%	536	103.0%	A+ (bra)	Aa1.br	brAA
Banco Panamericano S.A.	2,271	104.5%	2,210	104.5%	A- (bra)	A1.br	-
Banco Santander Brasil S.A.	8,714	101.1%	8,996	101.3%	AAA (bra)	Aaa.br	brAAA
Banco Votorantim S.A.	7,195	104.3%	3,139	104.3%	AA+ (bra)	Aaa.br	brAA+
Caixa Econômica Federal	56	91.0%	54	91.0%	AAA (bra)	Aaa.br	-
HSBC Bank Brasil S.A.	4,563	104.0%	4,441	104.0%	-	Aaa.br	-
Itaú Unibanco S.A.	-	-	81	93.5%	AAA (bra)	Aaa.br	brAAA
	29,056		**24,983**				

[1] Balances include the amounts of Banco IBI.

6.1.2 Credit risk

This risk arises from the possibility of the Company and its direct and indirect subsidiaries not receiving the amounts of installments and services as they come due. The credit policy takes into consideration the specific characteristics of dental care 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 3.6.5.

None of the Company's customer represents 10% or more of the total of the respective class of financial assets. Note 21 discloses the contribution margin and the main assets by operating segment, of which the prepaid collective plans are the most significant.

6.1.3 Liquidity risk

The main objective of liquidity risk management is to monitor the settlement terms of the Company's and its subsidiaries' receivables and payables, 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 provisions.

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

6.2 Insurance risk and dental care cost fluctuation risk

OdontoPrev is a leader in the Brazilian dental care plan sector, in accordance with the data disclosed by ANS. At March 31, 2011, the Company has 5,050,461 beneficiaries and an accredited network of approximately 25,000 dental surgeons throughout the country.

06.01 – NOTES TO THE FINANCIAL STATEMENTS

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 which are 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. Risk models are 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 21, “Operating Segments”, discloses the contribution margin and composition of the main assets of the products sold by the Company.

Service model: This 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 reimbursement, and the beneficiary also can rely on the systems for control of quality and selection of professional. 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 month rate are defined. In the second model, fixed amount for the dental clinic is paid, without defining a type of coverage, designation of beneficiary or per capita rate.

Enrollment model: This 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 a 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.

Use moderator factors: Rules for use and access to covered dental care services, which contribute to the determination of 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 moderator 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 amounts of dental care materials.

For control of costs, the Company has its own system that ensure 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 90-day prior notice and contractual fine for terminations requested out of the term. Most of the contracts also have an annual adjustment of the rates practiced through the claims ratio, which consists of the division of the costs incurred over the past twelve months by the net installments, 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 intend to minimize possible losses or decreases in contribution margin. Currently, the company considers that claims ratio (cost of services divided by sales) of up to 60% permits a margin that supports the Company's administrative expenses.

In the period ended March 31, 2011, the consolidated claims ratio was 46.0% (data included in Note 4) and contribution margin (gross profit less selling expenses divided by sales revenue) of 45.3%. If the contribution ratio was 60%, the margin would be 31.2%, a decrease of 14.1% p.p., equivalent to R$ 56,773.

6.3 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, as well as 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, that 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 pubic 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.

Considering the sector's growth aspects, we believe that the Company has the following competitive advantages: (i) economy of scale and high growth potential; (ii) diversified customer portfolio; (iii) offer of personalized dental care plans with quality; (iv) own information technology platform, which is a worldwide reference; (v) professional and specialized management, focused on generation of value; and (vi) wide range of dental surgeons throughout the country.

OdontoPrev has a high customer retention ratio, and the percentage of contracts renewed over the past years is 97%.

6.4 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 capital allocation are made as part of the periodic 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 was maintained above the minimum regulatory requirements.

Note 15, “Minimum Capital, Operational Dependence and Technical Provisions”, describes the rules for determination of technical provisions and criteria for maintenance of minimum equity

and operational dependence, according to definitions applicable to dental care plan operators.

7. Cash and Cash Equivalents

	Company		Consolidated	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Cash and deposits in cash in financial institutions	44	41	60	59
Short-term deposits	6,422	9,198	8,292	11,121
Cash and cash equivalents	**6,466**	**9,239**	**8,352**	**11,180**

8. Financial Assets at Fair Value through Profit or Loss (Financial Investments)

Financial investments, mostly classified as trading securities, are highly liquid and have the following composition:

	Company		Consolidated	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
(CDBs) (i)	21,324	16,869	29,056	24,983
Investment funds (ii)	4,316	4,209	7,572	5,409
Debentures (iv)	130,357	90,611	130,424	91,126
	155,997	**111,689**	**167,052**	**121,518**

(i) Refer to floating rate securities indexed to the Interbank deposit certificate (CDI) daily interest rates, which mostly have daily liquidity. The Company has CDBs with Banco Santander that are redeemable in one year and amount to R$ 3,010 at March 31, 2010 (R$ 2,931 at December 31, 2010) and R$ 6,113 at March 31, 2010 (R$ 2,087 at December 31, 2010) with Banco Votorantim. Management opted to maintain the investments redeemable for coverage of possible losses with lawsuits. The Company has investments in CDBs with Banco Bradesco at March 31, 2010 of R$ 380 (R$ 344 at December 31, 2010), and other CDBs in the amount of R$20,944 at March 31, 2011 (R$16,525 at December 31, 2010). On a consolidated basis, the investments in CDB totaled R$29,056 at March 31, 2011 (R$24,983 at December 31, 2010).

(ii) The non-exclusive investment fund quotas held by the Company at March 31, 2010 amount to R$ 4,316 (R$ 4,209 at December 31, 2010) and R$ 7,572 (R$ 5,049 at December 31, 2010) on a consolidated basis and are valued based on the quota value disclosed by the investment funds' administrators.

(iii) The federal public bonds held by the Company at March 31, 2010 refer to exclusive funds amounting to R$ 130,357 (R$ 90,611 at December 31, 2010), and R$130.424 (R$91.126 at December 31, 2010) on a consolidated basis, which are managed by Banco Bradesco and Bradesco Asset Management, under market conditions.

A portion of the financial investments at March 31, 2011, totaling R$ 71,562 (R$ 69,713 at December 31, 2010) in the Company and R$ 74,766 (R$ 70,863 at December 31, 2010) in the consolidated, is linked to ANS to ensure the technical provisions, in accordance with RN No. 206/09.

Composition of the investment portfolio by maturity:

	Company				
	No maturity date	Up to 180 days	181 to 360 days	Over 360 days	Total
CDBs (i)	-	3,052	4,564	13,708	21,324
Investment funds (ii)	4,316	-	-	-	4,316
Federal public bonds (iii)	-	-	-	130,357	130,357
At March 31, 2011	**4,316**	**3,052**	**4,564**	**144,065**	**155,997**
At December 31, 2010	**4,209**	**-**	**7,413**	**100,067**	**111,689**

	Consolidated				
	No maturity date	Up to 180 days	181 to 360 days	Over 360 days	Total
CDBs (i)	-	5,775	7,291	15,990	29,056
Investment funds (ii)	7,572	-	-	-	7,572
Federal public bonds (iii)	-	-	-	130,424	130,424
At March 31, 2011	**7,572**	**5,775**	**7,291**	**146,414**	**167,052**
At December 31, 2010	**5,409**	**-**	**12,960**	**103,149**	**121,518**

Investments in CDBs, funds and debentures are classified in current assets, regardless of their maturity terms, in view of the guarantee of daily liquidity offered by the counterparty for most of the balance and also because they are classified as trading securities.
Note 6.1.1 shows the financial institutions in which the Company and its subsidiaries have investments in CDBs.

9. Healthcare Receivables (Loans and Receivables - Customers)

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

	Company		Consolidated	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Invoices/premiums receivable	90,403	91,524	95,805	96,494
Debit notes	801	750	801	750
Advanced billings[1]	(57,178)	(58,861)	(59,773)	(61,226)
Provision for impairment of trade receivables	(19,224)	(17,135)	(19,902)	(17,530)
	14,802	**16,278**	**16,931**	**18,488**

[1] Refers to invoices issued, the accrual period of which starts in the month subsequent to the issuance.

At March 31, 2011, the composition of the Company's and consolidated health care receivables by maturity is as follows:

06.01 – NOTES TO THE FINANCIAL STATEMENTS

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	19	11,221	7,429	15,357	34,026
Provision for impairment of trade receivables	-	-	(3,867)	(15,357)	(19,224)
At March 31, 2011	**19**	**11,221**	**3,562**	**-**	**14,802**
At December 31, 2010	**785**	**11,616**	**3,877**	**-**	**16,278**

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	1,914	11,281	7,603	16,035	36,833
Provision for impairment of trade receivables	-	-	(3,867)	(16,035)	(19,902)
At March 31, 2011	**1,914**	**11,281**	**3,736**	**-**	**16,931**
At December 31, 2010	**2,281**	**11,799**	**4,408**	**-**	**18,488**

The composition of fair value of trade receivables is as follows:

	Company		Consolidated	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Invoices/premiums receivable	90,403	91,524	95,805	96,494
Debit notes	801	750	801	750
Advanced billings	(57,178)	(58,861)	(59,773)	(61,226)
Provision for impairment of trade receivables	(19,224)	(17,135)	(19,902)	(17,530)
(=) Trade receivables, net	**14,802**	**16,278**	**16,931**	**18,488**
(-) Advances from customers	(2,718)	(2,771)	(2,733)	(2,781)
(=) Considerations/premiums receivable from customer	**12,084**	**13,507**	**14,198**	**15,707**

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

	Company		Consolidated	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Balance at the beginning of the year	**(17,135)**	**(8,593)**	**(17,530)**	**(11,305)**
Reversals (provisions) recorded in the year, net	(3,682)	(18,249)	(3,987)	(15,932)
Balance of merger	-	(3,636)	-	(3,636)
Losses with customers	1,593	13,343	1,615	13,343
Balance at the end of the year	**(19,224)**	**(17,135)**	**(19,902)**	**(17,530)**

Losses with 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.

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

10. Current Taxes Recoverable

	Company		Consolidated	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Corporate Income Tax (IRPJ) (i)	21,872	18,322	25,006	20,371
Social Contribution on Net Income (CSLL) (i)	8,264	6,483	9,847	7,794
Withholding Income Tax (IRRF)	1,288	1,126	5,826	5,782
Other	288	211	1,584	1,323
	31,712	**26,142**	**42,263**	**35,270**

(i) Refers to prepaid IRPJ and CSLL and the year and prior-year's credit balances.

11. Long-term Receivables

11.1 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 difference assets.

	Company		Consolidated	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Deferred income tax	113,067	113,993	114,335	114,850
Deferred social contribution	40,705	41,038	41,161	41,347
	153,772	**155,031**	**155,496**	**156,197**

	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Deferred tax assets				
Provision for impairment of trade receivables	6,538	5,826	6,727	5,950
Provisions for tax, social security, labor and civil contingencies	15,806	14,575	16,084	14,687
Provision for events/claims incurred but not reported (PEONA)	3,641	5,372	4,096	5,372
Goodwill on expected future profitability - merged subsidiaries	122,530	126,992	122,530	126,992
Provision for commissions	723	841	723	841
Other provisions	4,534	1,425	5,336	2,355
	153,772	**155,031**	**155,496**	**156,197**
Recoverable within 12 months	41,455	35,917	42,711	36,158
Recoverable after 12 months	112,317	119,114	112,785	120,039

The Company recorded a deferred tax asset 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".

11.2 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	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Tax	**1,569**	**1,568**	**3,673**	**3,673**
COFINS	1,144	1,144	3,184	3,184
Other	425	424	489	489
Social security and labor	**27,678**	**27,054**	**27,808**	**27,183**
INSS	27,633	27,007	27,633	27,007
Other	45	47	175	176
Civil	**252**	**252**	**448**	**447**
	29,499	**28,874**	**31,929**	**31,303**

11.3 Other Receivables

	Company		Consolidated	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
DentalCorp	3,263	3,327	3,263	3,327
Rede Dental	1,709	1,929	1,709	1,929
Care Plus/Biodent	827	827	827	827
Sepao	621	621	621	621
Prontodente	103	103	103	103
OdontoServ	419	419	419	419
	6,942	**7,226**	**6,942**	**7,226**

As mentioned in note 12, 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 19.2).

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.

12. Investments

Investments are classified as follows:

	Company		Consolidated	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Equity interests	23,089	21,829	-	-
Other equity interests	740	740	758	758
	23,829	**22,569**	**758**	**758**

					2011	Equity in the results of subsidiaries		Investment balances	
Subsidiaries	Share capital	Numer of qutoas share held	Holding (%)	Profit (loss for) the period	Equity	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Clidec	8,290	8,290	99.9	99	10,292	99	686	10,291	10,192
OdontoPrev Serviços	2,278	2,278	99.9	159	4,925	159	86	4,925	4,765
Rede Dental	1,162	1,162	99.9	1,021	7,272	1,021	1,493	7,271	6,251
Adcon	43	43	99.9	(19)	602	(19)	-	602	621
Bradesco Dental	-	-	-	-	-	-	9,460	-	-
						1,260	**11,725**	**23,089**	**21,829**

Equity interest in subsidiaries is classified as follows:

Subsidiaries	Date of acquisition and/or ANS approval	Total cost of acquisition	Book value	Goodwill
Bradesco Dental	October 18, 2009	723,392	313,752	409,640
Rede Dental	October 8, 2007	7,584	(119)	7,703
DentalCorp	February 9, 2007	25,244	386	24,858
Sepao	October 24, 2008	9,203	82	9,121
SRJSPE	June 26, 2008	13,720	(130)	13,850
Care Plus	June 19, 2008	13,113	(230)	13,343
Biodent	June 19, 2008	2,837	98	2,739
Prontodente	December 22, 2008	5,445	(235)	5,680
OdontoServ	February 27, 2009	30,841	10,025	20,816
Easy	July 8, 2008	3,100	456	2,644
	Total Consolidado	**834,479**	**324,085**	**510,394**

In Note 31 – Business combination, we present the determination of goodwill for Bradesco Dental and OdontoServ.

13. Property and Equipment

													Company
	Computer equipment	Vehicles	Software	Facilities	Machinery and equipment	Furniture and fittings	Communication equipment	Dental care equipment	**Total chattels**	Leasehold improvements	Other	Total other property and equipment	**Total**
Net book value at December 31,2010	**2,372**	**584**	**2,425**	**196**	**442**	**1,463**	**236**	**80**	**7,798**	**814**	**6**	**820**	**8,618**
Additions and disposals	133	-	120	(1)	22	112	(6)	1	**381**	362	-	**362**	**743**
Depreciation	(129)	(55)	(187)	(8)	(65)	(56)	(8)	(3)	**(511)**	(139)	-	**(139)**	**(650)**
At March 31,2011	2,376	529	2,358	187	399	1,519	222	78	**7,668**	1,037	6	**1,043**	**8,711**
Acquisition cost	5,930	1,121	4,607	538	1,005	2,739	741	457	**17,138**	3,825	15	**3,840**	**20,978**
Accumulated depreciation	(3,554)	(592)	(2,249)	(351)	(606)	(1,220)	(519)	(379)	**(9,470)**	(2,788)	(9)	**(2,797)**	**(12,267)**
Net book value at March 31,2011	**2,376**	**529**	**2,358**	**187**	**399**	**1,519**	**222**	**78**	**7,668**	**1,037**	**6**	**1,043**	**8,711**
Annual depreciation rate (%)	**20**	**20**	**20**	**10**	**10**	**10**	**10**	**10**	**-**	**20**	**-**	**-**	**-**

Consolidated

	Computer equipment	Vehicles	Software	Facilities	Machinery and equipment	Furniture and fittings	Communication equipment	Dental care equipment	**Total chattels**	Leasehold improvements	Other	Total other property and equipment	**Total**
Net book value at December 31,2010	**2,448**	**584**	**3,375**	**342**	**490**	**1,821**	**236**	**633**	**9,929**	**1,196**	**26**	**1,222**	**11,151**
Additions and disposals	136	-	110	-	22	132	2	15	**417**	361	43	**404**	**821**
Depreciation	(175)	(55)	(192)	(13)	(19)	(72)	(12)	(37)	**(575)**	(170)	(2)	**(172)**	**(747)**
At March 31,2011	2,409	529	3,293	329	493	1,881	226	611	**9,771**	1,387	67	**1,454**	**11,225**
Acquisition cost	6,445	1,154	5,545	1,945	1,132	3,382	751	1,798	**22,152**	4,881	78	**4,959**	**27,111**
Accumulated depreciation	(4,036)	(625)	(2,252)	(1,616)	(639)	(1,501)	(525)	(1,187)	**(12,381)**	(3,494)	(11)	**(3,505)**	**(15,886)**
Net book value at March 31,2011	**2,409**	**529**	**3,293**	**329**	**493**	**1,881**	**226**	**611**	**9,771**	**1,387**	**67**	**1,454**	**11,225**
Annual depreciation rate (%)	**20**	**20**	**20**	**10**	**10**	**10**	**10**	**10**	**-**	**20**	**-**	**-**	**-**

14. Intangible assets

14.1 Goodwill on acquisition of investments

This relates to goodwill based on expected future profitability, paid on acquisition of the investments mentioned in Note 12. Until 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.

14.2 Impairment tests for goodwill

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

	March 31, 2011 and December 31, 2010		
	Goodwill	Amortization[1]	Net goodwill
Bradesco Dental	409,640	-	409,640
Rede Dental	7,703	(1,544)	6,159
DentalCorp	24,858	(9,529)	15,329
Sepao	9,121	(303)	8,818
SRJSPE	13,850	(1,616)	12,234
Care Plus	13,343	(1,563)	11,780
Biodent	2,739	(319)	2,420
Prontodente	5,680	-	5,680
OdontoServ	20,816	-	20,816
Total - Company	**507,750**	**(14,874)**	**492,876**
Easy	2,644	(265)	2,379
Total - Consolidated	**510,394**	**(15,139)**	**495,255**

[1] Accumulated amortization until December 31, 2008.

The goodwill impairment test is applied annually using 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 an historic financial and operational control of the business unit, availability of financial projections and discussions with the management.

At December 31, 2010, the impairment test was applied and a provision for impairment was not

deemed necessary.

14.3 System development, software licenses and other

	Company		Consolidated	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
System development	7,928	7,182	7,930	7,117
Intangible assets - OdontoServ	9,779	9,779	9,779	9,779
Softw are licenses	155	155	155	239
Other	15	16	15	34
Accumulated amortization	(6,859)	(6,121)	(6,861)	(6,158)
	11,018	**11,011**	**11,018**	**11,011**

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

14.4 Changes in intangible assets

	Consolidated			
	Goodwill on acquisition of investments	System development, software licenses and other	Deferred selling expenses	Total
Cost	510,394	17,169	5,929	533,492
Accumulated amortization and impairment	(15,139)	(6,158)	-	(21,297)
At December 31, 2010	**495,255**	**11,011**	**5,929**	**512,195**
Additions (write-offs)	-	745	478	1,233
Amortization	-	(738)	-	(732)
At March 31, 2011	**495,255**	**11,018**	**6,407**	**512,680**
Cost	510,394	17,914	6,407	534,715
Accumulated amortization and impairment	(15,139)	(6,896)	-	(22,035)
Net book amount	**495,255**	**11,018**	**6,407**	**512,680**

15. Minimum Capital, Operational Dependence and Technical Provisions - Company

ANS published, on December 22, 2009, RN No. 209, which establishes new rules for recognizing technical provisions, minimum capital requirements and operational dependence. The main definitions applicable to dental care operators are as follows:

(a) Adjusted minimum capital (PMA) represents the minimum amount of equity or net assets, calculated by multiplying the K factor by the capital base of R$ 5,413. In accordance with this rule, the required minimum capital is R$ 169, whereas the Company´s equity is R$ 737,948 at March 31, 2011 (R$ 718,373 at December 31, 2010).

(b) The solvency margin corresponds to the amount of adjusted capital sufficient to cover the higher of 0.20 times the sum of the last twelve months' installments, or 0.33 times the annual average of the last 36 months' net claims. At March 31, 2011, the solvency margin calculated was R$ 131,838 (R$ 111,648 at December 31, 2010) based on installments, and adjusted capital at March 31, 2011 was R$ 267,803 (R$ 241,022 at December 31, 2010).

(c) The provision for events occurred but not reported (IBNR) is not mandatory for companies operating exclusively in the dental care segment. However, once the option to record this provision is made, the calculation methodology must be subject to the analysis and approval of the ANS and becomes mandatory as from the date of its effective approval. The Company filed with the ANS an official letter presenting the calculation methodology and report of independent auditors for approval of the calculation used to record the provision for events occurred but not reported. While waiting for the approval, the Company recorded the amounts computed in "Other payables", according to Note 18. Bradesco Dental has approval and the corresponding provision was recorded in current liabilities as “Provision for events/claims occurred but not reported”.

(d) Operational dependence is the amount calculated based on the difference, counted in days, between the average period for payment of claims and the average period for receipt of payments resulting from the operation's financial cycle. Should the result obtained be positive, guarantee assets should be offered. Based on the calculation above, at March 31, 2011, the Company is not required to maintain guarantee assets.

(e) As from 2010 the claims to settle with dental care assistance started to be classified as "Provision for claims to settle" in the group "Technical provisions for dental care assistance" in accordance with IN No. 36/09. At March 31, 2011, the Company's balance was R$ 15,006 (R$ 15,174 at December 31, 2010). In the consolidated, the Company's balance was R$ 15,970 at March 31, 2011 (R$ 16,161 at December 31, 2010).

Due to the publication of RN No. 206/09, the balances recorded in current liabilities relating to "Provision for risks/provision for unearned premiums", provided for in the previous legislation, were totally reversed with a corresponding entry in the first quarter of 2010 as a credit to the account of changes in technical provisions.

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

	Company	Consolidated
At January 1, 2011	**29,623**	**30,640**
Events reported/ incurred in the year	73,842	75,390
Events paid	(74,010)	(75,610)
Constitution of provision for events/ claims incurred but not reported	5,092	5,269
At March 31, 2011	**34,547**	**35,689**
Provision for events/ claims to be settled	15,006	15,970
Provision for events/ claims incurred but not reported	19,541	19,719
At March 31, 2011	**34,547**	**35,689**

16. Taxes and Contributions Payable

Taxes and contributions payable are as follows:

	Company		Consolidated	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Federal tax liabilities	**37,313**	**25,474**	**41,407**	**29,224**
IRPJ	24,589	14,640	27,327	17,104
CSLL	8,969	5,871	10,000	6,797
COFINS	1,253	2,636	1,378	2,746
PIS	893	571	932	608
IRRF	1,292	1,434	1,417	1,571
Other	317	322	353	398
State tax liabilities	-	-	37	30
Municipal tax liabilities	1,206	1,272	1,449	1,492
	38,519	**26,746**	**42,893**	**30,746**

17. Suppliers

	Company		Consolidated	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Commissions payable	2,882	3,241	2,938	3,278
Suppliers of goods and services	11,471	10,617	10,259	9,605
	14,353	**13,858**	**13,197**	**12,883**

Commissions payable refer to commitments related to intermediation service providers of the plans, most of which are settled monthly, as mentioned in Note 6.1.3.

Suppliers of goods and services mainly comprise services rendered by Bradesco Saúde to the Company, through a contract under market conditions.

18. Other Payables

These include IBNR, the calculation of which is pending approval by ANS, as mentioned in Notes 3.11 and 15 (c), and several provisions recorded in accordance with incurred costs.

	Company		Consolidated	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
IBNR	10,708	15,800	12,048	17,303
Sundry provisions:	**9,899**	**4,060**	**9,899**	**4,060**
Commissions	1,595	2,472	1,595	2,472
IT support and service	105	588	105	588
Telecommunications	927	163	927	163
Services	6,929	533	6,929	533
Other	343	304	343	304
Credits to be identified	10,339	7,179	10,596	7,368
Contingent consideration	5,242	5,242	5,242	5,242
Other	1,898	1,874	1,980	2,113
	38,086	**34,155**	**39,765**	**36,086**

19. Long-term Liabilities

19.1 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 comprising possible losses not recorded as a provision, relating to 286 civil suits (not related to treatment provided to dental care plan beneficiaries) and to 47 labor claims against the Company and its subsidiaries, at March 31, 2011, total R$5,342 (R$6,379 at December 31, 2010).

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

	Consolidated					
	March 31, 2011			December 31, 2010		
	Provision	Judicial deposits	Net provision	Provision	Judicial deposits	Net provision
Tax	1,850	(3,673)	(1,823)	1,857	(3,673)	(1,816)
Social security and labor	**45,009**	**(27,809)**	**17,200**	**37,704**	**(27,183)**	**10,521**
INSS	44,058	(27,633)	16,425	37,325	(27,007)	10,318
Other	951	(176)	775	379	(176)	203
Civil	1,883	(447)	1,436	1,688	(447)	1,241
	48,742	**(31,929)**	**16,813**	**41,249**	**(31,303)**	**9,946**

06.01 – NOTES TO THE FINANCIAL STATEMENTS

	Consolidated				
Changes	Tax	Social security and labor	Civil	March 31, 2011	December 31, 2010
Opening balance	1,857	37,704	1,688	41,249	23,470
Establishment	-	6,387	357	6,744	16,332
Write-offs	(7)	(26)	(162)	(195)	(794)
Monetary adjustment	-	944	-	944	2,241
Closing balance	**1,850**	**45,009**	**1,883**	**48,742**	**41,249**
Number of law suits				430	425

(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 No. 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 of the judicial deposits made during the proceedings, and a decision is pending.

(b) Social security and labor:

(i) INSS

The subsidiary Rede Dental is discussing in court the social security contribution levied on the remuneration paid to insurance brokers and accredited dentists as set forth by LC No. 84/96 and subsequently by Law 9876/99 (new wording provided for article 22, sub-item I of Law 8212/91), i.e., at the rate of 20% with a 2.5% surcharge. 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. These obligations have been fully accounted for and totaled R$ 44,058 at March 31, 2011 (R$ 37,325 at December 31, 2010) and for which there is a judicial deposit of R$ 27,633 (R$ 27,007 at December 31, 2010).

(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 of the National Syndicate of Group Dental Enterprises (SINOG), to which the Company and its subsidiaries are not signatories, although they are members of the syndicate. At March 31, 2011, the total amount provisioned was R$ 951 (R$ 379 at December 31, 2010).

(c) Civil contingencies:

The Company and its subsidiaries are parties to civil lawsuits, mainly involving requests for indemnification for moral and property damages, totaling R$ 1,883 at March 31, 2011 (R$ 1,688 at December 31, 2010).

19.2 Other Liabilities

These refer to potential risks identified in due dilligence and are guaranteed by deposits in related accounts, as mentioned in Note 11.3.

	Company		Consolidated	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
DentalCorp	3,349	3,349	3,349	3,349
Rede Dental	1,929	1,929	1,929	1,929
Care Plus/Biodent	827	827	827	827
Sepao	621	621	621	621
Prontodente	103	103	103	103
OdontoServ	419	419	419	419
	7,248	**7,248**	**7,248**	**7,248**

20. Equity

20.1 Share capital

Subscribed and paid-up capital is R$ 506,557 (R$ 506,557 at December 31, 2010), comprising 177,098,264 (177,098,264 at December 31, 2010) common shares with no par value.

The closing price of the Company's shares (ODPV3 - BM&FBovespa), at March 31, 2011 was R$ 26.68 (R$ 25.09 at December 31, 2010) per share. The book value per share at March 31, 2011 was R$ 4.16 (R$ 4.06 at December 31, 2010) per share.

20.2 Capital reserves

The Company's capital reserves total R$ 53,889 at March 31, 2011 (R$ 53,095 at December 31, 2010) and comprise:

	Company and Consolidated	
	At March 31, 2011	At December 31,2010
Share premium	48,392	48,392
Granting of stock options (i)	10,069	9,275
Granting of deferred stock optic	(2,255)	(2,255)
Additional paid-up capital (iii)	(2,317)	(2,317)
Capital reserves	**53,889**	**53,095**

(i) Estimated amount recorded for the 2nd, 3rd and 4th stock option grants, using the black-scholes calculation method.

(ii) Balance of the 2nd, 3rd and 4th stock option grants to be appropriated for the vesting period.

(iii) Difference between the amount recorded as estimated based on the black-scholes calculation method and the exercise amount of the 1st stock option grant.

20.3 Revenue reserves

The Company's revenue reserves total R$ 141,615 at March 31, 2011 (R$ 158,721 at December 31, 2010) and comprise the following:

	Company and Consolidated	
	At March 31, 2011	At December 31,2010
Legal reserve (i)	21,903	21,903
Statutory reserve (ii)	139,209	139,209
Tax incentive	129	129
Treasury share (iii)	(19,626)	(2,520)
Revenue reserves	**141,615**	**158,721**

(i) This reserve must be recognized by the Company through the allocation of 5% of the profit for the year, up to 20% of the capital.

(ii) 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 allowed to be approved.

(iii) On April 26, 2010, the Board of Directors authorized the acquisition of up to 421,000 shares (subsequent to the stock split on July 1, 2010 - 1,684,000 shares) of the Company, through the use of funds consigned in a statutory reserve for the purpose of guaranteeing the stock option plans established by the Stock option purchase program. Up to March 31, 2011, 1,376,918 shares were acquired and 557,668 shares were used to settle the exercise of the 1st stock option grant, and 819,250 shares remained in treasury at that date.

20.4 Retained earnings

In compliance with CPC 26/IAS 1 (R), the changes in retained earnings from January 1, 2009 to March 31, 2011 are as follows:

At January 1, 2010	**-**
Adjustment due to merger of Sepao	17
Profit for the year	219,005
Proposed profit allocation:	**(219,022)**
Legal reserve	(10,950)
Interest on capital (R$ 0.23 per share)	(32,692)
Dividends (R$ 2.90 per share)	(56,258)
Complementary dividends	(15,078)
Statutory reserve	(104,044)
At December 31, 2009	**-**
Profit for the year	35,887
At December 31, 2010	**35,887**

20.5 Stock option plan

The Extraordinary Shareholders' Meeting held on April 19, 2007 approved the creation of the stock option plan (the "Plan") pursuant to article 19 - XVIII of the Company bylaws, designated for the employees and officers of the Company and its subsidiaries. The Plan is administered 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 (887,436 after the split on July 1, 2010) shares, at the price of R$ 44.85 per share (R$ 11.21 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 (1,413,976 after the split on July 1, 2010) shares, at the price of R$ 32.42 per share (R$ 8.10 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 (1,020,008 after the split on July 1, 2010) shares, at the price of R$ 17.60 per share (R$4.40 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, at the price of R$12.93 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 date of which is 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 - Ep/Mp)

Where:

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

	Granting year			
	2010	2009	2008	2007
Risk-free rate	6.0%	9.3%	11.4%	11.3%
Expected annualized volatility	26.6%	40.6%	24.3%	33.9%
Exercise price of the option on the grant date	12.93	17.60	32.42	44.85
Fair value of the benefit on grant date (per share)	7.00	14.17	19.72	20.18
Fair value of the benefit on grant date after split (per share)	7.00	3.54	4.93	5.05

The maximum compensation cost of these stock option plans on the date they were granted was R$19,952 as follows:

Grant date	Number of shares	Option value	Total
August 2, 2007	887,436	5.05	4,477,115
February 28, 2008	1,413,976	4.93	6,970,902
March 25, 2009	1,020,008	3.54	3,613,378
August 11, 2010	698,707	7.00	4,890,949
	4,020,127		**19,952,344**

Stock option plans at March 31, 2011 are summarized as follows:

	Beginning of the period		Cancellations		Exercised options		End of period	
Year	Eligible beneficiaries	Options	Eligible beneficiaries terminated	Cancelled options	Eligible beneficiaries	Existing options	Eligible beneficiaries	Existing options
2007	31	887,436	10	329,768	21	557,668	-	-
2008	46	1,413,976	9	325,848	-	-	37	1,088,128
2009	51	1,020,008	9	269,308	-	-	42	750,700
	47	698,707	2	20,386	-	-	45	678,321
		4,020,127		**945,310**		**557,668**		**2,517,149**

In accordance with CPC 10/IFRS 2 and based on the plan's vesting periods, the amount of R$ 993 for the period ended March 31, 2011 (R$ 480 at March 31, 2010) was recognized as expense for stock option plans due to progress towards vesting, with a corresponding entry to a specific Capital account in equity.

The three grants of the stock option plan together represent, at March 31, 2011, 1.39% of the Company's capital.

21. 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 collective 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) Postpaid collective plans: the customer assumes all actuarial risk of the contract, defraying all service costs. Administrative, support and health management services are basically the same provided for our prepaid products. In this model, OdontoPrev receives a per capita monthly fixed rate for the management services, as well as the reimbursement of dental care service costs provided in the respective month.

(iii) 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.

(iv) 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).

The contribution margin by channel/ operating segment of the Company and its subsidiaries is as follows:

06.01 – NOTES TO THE FINANCIAL STATEMENTS

Company

	COLLECTIVE				INDIVIDUAL					
	Prepayment		Postpayment		Prepayment		Other		Total	
	Period ended at March 31,		Period ended at March 31,		Period ended at March 31,		Period ended at March 31,		Period ended at March 31,	
	2,011	2,010	2,011	2,010	2,011	2,010	2,011	2,010	2,011	2,010
Net installments	172,144	74,366	3,411	2,300	18,596	16,539	16,539	-	194,151	93,205
Changes in technical provisions	-	12,323	-	511	-	3,670	-	-	-	16,504
Effective installments of healthcare plan operations	**172,144**	**86,689**	**3,411**	**2,811**	**18,596**	**20,209**	**-**	**-**	**194,151**	**109,709**
Direct taxes on healthcare plan operations	(5,883)	(3,150)	(121)	(102)	(868)	(777)	-	-	(6,872)	(4,029)
Sales of goods and services	-	-	-	-	-	-	-	-	-	-
Taxes on sales of goods and services	-	-	-	-	-	-	-	-	-	-
SALES OF GOODS	**166,261**	**83,539**	**3,290**	**2,709**	**17,728**	**19,432**	**-**	**-**	**187,279**	**105,680**
Cost of services	(80,307)	(39,948)	(1,981)	(1,513)	(4,664)	(4,829)	-	-	(86,952)	(46,290)
OPERATING RESULT	**85,954**	**43,591**	**1,309**	**1,196**	**13,064**	**14,603**	**-**	**-**	**100,327**	**59,390**
Selling expenses	(11,559)	(4,932)	-	-	(5,066)	(5,655)	-	-	(16,625)	(10,587)
CONTRIBUTION MARGIN	**74,395**	**38,659**	**1,309**	**1,196**	**7,998**	**8,948**	**-**	**-**	**83,702**	**48,803**
Margin sales (%)	**44.7%**	**46.3%**	**39.8%**	**44.1%**	**45.1%**	**46.0%**	**0.0%**	**0.0%**	**44.7%**	**46.2%**
Margin total (%)	**88.9%**	**79.2%**	**1.6%**	**2.5%**	**9.6%**	**18.3%**	**0.0%**	**0.0%**	**100.0%**	**100.0%**
Main assets allocated by segment:										
Invoices/ premiums receivable	75,173	33,676	2,809	1,110	12,421	11,725	-	-	90,403	46,511
Debit notes	-	-	801	427	-	-	-	-	801	427
Advanced billings	(56,111)	(23,294)	-	(5)	(1,067)	(695)	-	-	(57,178)	(23,994)
Provision for impairment of trade receivables	(11,045)	(3,672)	(1,215)	(94)	(6,964)	(5,677)	-	-	(19,224)	(9,443)
Assets allocated by segment	**8,017**	**6,710**	**2,395**	**1,438**	**4,390**	**5,353**	**-**	**-**	**14,802**	**13,501**
Assets not allocated by segment:										
Cash and cash equivalents	-	-	-	-	-	-	-	-	6,466	5,617
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	155,997	114,866
Notes and credits receivable	-	-	-	-	-	-	-	-	36,662	58,341
Inventories	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	220	558
Long-term receivables	-	-	-	-	-	-	-	-	190,259	40,731
Investments	-	-	-	-	-	-	-	-	23,829	344,737
Property and equipment	-	-	-	-	-	-	-	-	8,711	5,490
Intangible assets	-	-	-	-	-	-	-	-	510,301	504,361
Assets not allocated	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**932,445**	**1,074,701**
TOTAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**947,247**	**1,088,202**

06.01 – NOTES TO THE FINANCIAL STATEMENTS

Consolidated

	COLLECTIVE				INDIVIDUAL					
	Prepayment		Postpayment		Prepayment		-		-	
	Period ended at March 31,		Period ended at March 31,		Period ended at March 31,		Period ended at March 31,		Period ended at March 31,	
	2,011	2,010	2,011	2,010	2,011	2,010	2,011	2,010	2,011	2,010
Net installments	178,383	122,736	3,411	2,300	18,596	16,539	-	-	200,390	141,575
Changes in technical provisions	-	28,697	-	636	-	4,568	-	-	-	33,901
Effective installments of healthcare plan operations	**178,383**	**151,433**	**3,411**	**2,936**	**18,596**	**21,107**	**-**	**-**	**200,390**	**175,476**
Direct taxes on healthcare plan operations	(6,187)	(4,842)	(121)	(102)	(868)	(777)	-	-	(7,176)	(5,721)
Sales of goods and services	-	-	-	-	-	-	2,144	1,546	2,144	1,546
Taxes on sales of goods and services	-	-	-	-	-	-	(1,153)	(607)	(1,153)	(607)
SALES OF GOODS	**172,196**	**146,591**	**3,290**	**2,834**	**17,728**	**20,330**	**991**	**939**	**194,205**	**170,694**
Cost of services	(82,709)	(76,788)	(1,981)	(1,513)	(4,664)	(4,829)	-	-	(89,354)	(83,130)
OPERATING RESULT	**89,487**	**69,803**	**1,309**	**1,321**	**13,064**	**15,501**	**991**	**939**	**104,851**	**87,564**
Selling expenses	(11,856)	(8,988)	-	-	(5,066)	(5,655)	-	-	(16,922)	(14,643)
CONTRIBUTION MARGIN	**77,631**	**60,815**	**1,309**	**1,321**	**7,998**	**9,846**	**991**	**939**	**87,929**	**72,921**
Margin sales (%)	**45.1%**	**41.5%**	**39.8%**	**46.6%**	**45.1%**	**48.4%**	**100.0%**	**100.0%**	**45.3%**	**42.7%**
Margin total (%)	**88.3%**	**83.4%**	**1.5%**	**1.8%**	**9.1%**	**13.5%**	**1.1%**	**1.3%**	**100.0%**	**100.0%**
Main assets allocated by segment:										
Invoices/ premiums receivable	77,902	63,773	2,809	1,110	15,094	11,725	-	-	95,805	76,608
Debit notes	-	-	801	427	-	-	-	-	801	427
Advanced billings	(58,534)	(43,999)	-	(5)	(1,239)	(695)	-	-	(59,773)	(44,699)
Provision for impairment of trade receivables	(9,307)	(6,726)	(1,215)	(94)	(9,380)	(5,677)	-	-	(19,902)	(12,497)
Assets allocated by segment	**10,061**	**13,048**	**2,395**	**1,438**	**4,475**	**5,353**	**-**	**-**	**16,931**	**19,839**
Assets not allocated by segment:										
Cash and cash equivalents	-	-	-	-	-	-	-	-	8,352	6,516
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	167,052	491,532
Notes and credits receivable	-	-	-	-	-	-	-	-	48,887	53,040
Inventories	-	-	-	-	-	-	-	-	210	363
Other assets	-	-	-	-	-	-	-	-	227	565
Long-term receivables	-	-	-	-	-	-	-	-	194,491	75,123
Investments	-	-	-	-	-	-	-	-	758	48
Property and equipment	-	-	-	-	-	-	-	-	11,225	7,926
Intangible assets	-	-	-	-	-	-	-	-	512,680	510,519
Assets not allocated	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**943,882**	**1,145,632**
TOTAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**960,813**	**1,165,471**

22. Sales

Health care payments consist of net installments, less changes in technical provision, 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 March 31,		Period ended at March 31,	
	2011	2010	2011	2010
Net installments	194,151	93,205	200,390	141,575
Changes in technical provisions	-	16,504	-	33,901
Effective installments of healthcare plan operations	**194,151**	**109,709**	**200,390**	**175,476**
Direct taxes on healthcare plan operations	(6,872)	(4,029)	(7,176)	(5,721)
Sales of goods and services	-	-	2,144	1,546
Taxes on sales of goods and services	-	-	(1,153)	(607)
Sales	**187,279**	**105,680**	**194,205**	**170,694**

As ANS has not approved CPC 11/IFRS 4, net installments totaled in the Company and Consolidated R$ 2,300 and R$ 2,618 at March 31, 2011 and 2009, 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.

23. Indemnifiable Claims, Net

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 on the 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 March 31,		Period ended at March 31,	
	2011	2010	2011	2010
Indemnifiable claims, net	73,842	31,618	75,390	66,253
Social charges on services	5,581	2,494	5,644	2,576
Dental care materials	1,501	1,211	871	855
Other operating expenses	6,028	10,967	7,449	13,446
Cost of services	**86,952**	**46,290**	**89,354**	**83,130**

24. Selling Expenses

Selling expenses refer to commissions incurred for independent brokers and other distribution channels.

25. Administrative Expenses

	Company		Consolidated	
	Period ended at March 31,		Period ended at March 31,	
	2011	2010	2011	2010
Personnel and third-party services	18,979	11,901	19,405	16,050
Rentals and occupancy	4,812	3,352	5,472	4,396
Charges and fees	783	395	934	651
Publicity and advertising	2,787	1,352	2,945	1,518
PIS/COFINS on finance income	-	7	-	7
Travelling, printing materials and subscriptions	1,315	678	1,477	888
Depreciation and amortization	1,388	1,204	1,485	1,302
Aquisitions	17	12	17	12
Bradesco Dental association	-	13,086	-	18,086
Banco do Brasil association	349	-	349	-
Odontored	22	-	22	-
Other expenses	1,477	1,608	2,077	1,772
	31,929	**33,595**	**34,183**	**44,682**

26. Finance Income (Costs)

Finance income (costs) consists of 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 for bank fees.

(a) Finance income

	Company		Consolidated	
	Period ended at March 31,		Period ended at March 31,	
	2011	2010	2011	2010
Proceeds from financial investments	3,411	1,993	3,691	10,700
Monetary restatement of judicial deposits	724	-	724	-
Other	680	414	789	1,032
	4,815	**2,407**	**5,204**	**11,732**

(b) Finance costs

	Company		Consolidated	
	Period ended at March 31,		Period ended at March 31,	
	2011	2010	2011	2010
Bank fees	371	304	401	558
Monetary restatement of provisions for judicial contingencies	944	-	944	377
Other	475	121	595	559
	1,790	**425**	**1,940**	**1,494**

27. Income Tax and Social Contribution Calculation

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

	Period ended at March 31,		Period ended at March 31,	
	2011	2010	2011	2010
IRPJ and CSLL calculation basis	**50,927**	**22,329**	**51,282**	**29,356**
(x) Current rate (%)	34	34	34	34
Expectativa de despesas de IRPJ e CSLL, de acordo com a alíquota vigente	**(17,315)**	**(7,592)**	**(17,436)**	**(9,981)**
Effect of income tax and social contribution on permanent/temporary differences:				
Equity in the results of subsidiaries	428	3,987	-	10
Tax losses	-	-	16	-
Provision for contingencies	(2,393)	(34)	(2,548)	(1,123)
Provision for events incurred but not reported	1,731	(3,451)	1,786	(3,451)
Sundry provisions	(2,216)	-	(2,216)	-
Provision for impairment of trade receivables	(712)	(271)	(777)	(903)
Amortization of goodwill	7,414	1,598	7,414	1,598
Adjustments arising from adoption of Law 11638/07	(177)	-	(177)	-
Granting of stock options	(270)	(338)	(270)	(338)
Other	(24)	(342)	(96)	(1,514)
IRPJ and CSLL calculation basis	**(13,534)**	**(6,443)**	**(14,304)**	**(15,702)**
Deferred IRPJ and CSLL	**(1,506)**	**514**	**(948)**	**2,859**

28. Earnings per Share

According to CPC 41/IAS 33, detailed in Note 3.21, we present the calculation of basic and diluted earnings per share**:**

(a) Basic

	Period ended at March 31,	
	2011	2010[1]
Profit attributable to the Company's shareholders (R$ thousands)	16,400	29,708
Weighted average number of common shares outstanding (thousands)	44,275	25,165
Basic earnings per share (R$)	**0.37**	**1.18**

[1] In July 2010, shares were split at the rate of 1 for 4 shares.

(b) Diluted

	Period ended March 31,	
	2011	**2010[1]**
Profit attributable to the Company's shareholders (R$ thousands)	**35,887**	**16,400**
Common shares (in thousands)		
Weighted average number of shares outstanding	176,594	177,098
Adjustment of: share option scheme	2,517	2,612
Weighted average number of shares for diluted earnings per share	**179,111**	**179,710**
Diluted earnings per share (R$)	**0.20**	**0.09**

[1] In July 2010, shares were split at the rate of 1 for 4 shares.

29. Dividends and Interest on Capital

The dividends and interest on capital are as follows:

			Decision		Company Year	
Approval	Type	Date	Earnings per share (R$)	Payment date:	2011	2010
Board of Directors' Meeting	Dividends	11/10/2010	0.32	12/22/2010	-	56,258
Board of Directors' Meeting	Interest on capital	11/10/2010	0.18	12/22/2010	-	32,692
Ordinary Shareholders 'Meeting	Dividends	4/15/2011	0.09	5/11/2011	-	15,078
					-	**104,028**

	December 31, 2010 (IFRS)
Profit for the year	219,005
(-) Legal Reserve	(10,950)
Adjusted calculation basis	208,055
(%) Percentage of minimum dividend, in accordance with bylaws	50
Minimum dividends	**104,028**
Dividends[1]	56,258
Interest on capital payable	32,692
Dividends and interest on capital approved	**88,950**
Complementary (exceeding) minimum mandatory dividend	15,078
Minimum dividends	**104,028**

[1] Dividends totaled R$ 72,422, of which R$ 37,983 is in statutory reserve.

30. Commitments

At March 31, 2011, 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	2,181	3,360
From one to four years	4,612	6,931
	6,793	**10,291**

All agreements can be canceled with a termination penalty.

31. Business Combinations

As mentioned in Note 1, the Company entered into an association agreement with Bradesco Dental on October 18, 2009, which was approved by ANS and the Extraordinary Shareholders' Meeting held on December 23, 2009. The transaction was analyzed based on discussions with

Bradesco Dental's and the Company's management, and the defined acquisition date was October 18, 2010 (see Note 1). The total transaction amount totaling R$ 409,640 was fully based on goodwill on expected future profitability, as shown below.

	Bradesco Dental
Installment paid	675,000
Adjustment of amount paid[1]	48,192
Adjustment of allocation	200
Net assets acquired	(313,752)
Goodwill from expected future profitability	**409,640**

[1]Adjustment of amount paid = 19,259,436 new shares issued x share unit price, on transaction date, of R$ 37,55 - amount disbursed on acquisition of R$ 675,000.

On March 23, 2009, the Company acquired all quotas of OdontoServ and the Company obtained the control of the company. Goodwill totaling R$ 20,816 arising from this business combination is based on synergies and cost economies, as well as expected future profitability in the acquisition of this business by the Company. A summary of the assets acquired and liabilities assumed in this business combination, calculated at fair value, is shown below:

	OdontoServ
Installment paid in cash	25,600
Adjustment of amount paid[1]	5,241
Net assets acquired	(10,025)
Goodwill from expected future profitability	**20,816**

1 Earn-out due to the achievement of EBITDA ratios in conformity with the Private Instrument of Purchase and Sale agreed between the parties on the transaction date.

The fair value of net assets acquired was calculated by independent appraisers, in accordance with CPC 15/IFRS 3 (R) and segregation criteria established by CPC 04 (R)/IAS 38. The present value technique was used for evaluation, with discounted cash flow at return rates calculated with a premium of additional risk attributed to each intangible asset identified. Weighted average cost of capital used was 15.92%.

32. 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 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:

06.01 – NOTES TO THE FINANCIAL STATEMENTS

at March 31, 2011

	Nature	OdontoPrev	Clidec	OdontoPrev Serviços	Easy	Dental Partner	Rede Dental	Consolidated
Assets/(Liabilities)								
Other receivables	Administrative services	-	-	1,940	-	354	-	2,294
Taxes liabilities			-	-	-	-	-	-
Suppliers of goods and services	Administrative services	(2,294)	-	-	-	-	-	(2,294)
Revenue/(expenses)								
Sales of goods and services	Dental care plans	12	-	-	-	-	-	12
Dental care materials, administrative services	Dental care material and services, administrative services	-	909	4,283	20	1,403	-	
Indemnifiable claims, net	Dental Care Services	(909)	-	-	-	-	-	(909)
Dental care materials	Dental Care material	(1,403)	-	-	-	-	-	(1,403)
Net installments	Administrative services	(4,303)	(5)	(6)	(1)	-	-	(4,315)
Period ended at March 31, 2011		**(8,897)**	**904**	**6,217**	**19**	**1,757**	**-**	**(6,615)**
Year ended at December 31, 2010		**(22,443)**	**3,544**	**14,308**	**128**	**4,463**	**(3,738)**	**(3,738)**

The Company has transactions with the companies of Bradesco Group, of which Bradesco Saúde, shareholder of OdontoPrev, is part. These operations were agreed under market conditions.

Assets/(Liabilities)	**Bradesco Group**
Available funds	1,543
Financial investments	131,389
Suppliers of goods and services	(4,929)
Revenue/(expenses)	
Net installments	12,518
Other operating expenses	(4,929)
Finance income	641
Finance costs	(87)
Period ended March 31, 2011	**136,146**

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 the contract.

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$ 0 and R$ 1 for the period ended March 31, 2011; (ii) through its direct subsidiary Clidec, a non-residential lease agreement for an undetermined period of a property located at Avenida Paulista, nº 2.444, conjunto 151, with Mr. Artemio Luiz Zanetti, father of the CEO, which totaled R$ 5 for the period ended March 31, 2011.

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 March 31, 2011, the amounts of R$ 656 (R$ 1,394 at March 31, 2010) and R$ 948 (R$ 2,061 at March 31, 2010) for the Company and the Consolidated, respectively, were recorded as "Profit sharing".

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 March 31,	
	2011	2010
Statutory Board	**631**	**663**
Pro-labore fees	597	624
Benefits	34	39
Board of Directors	**276**	**262**
Pro-labore fees	276	262
Statutory Audit Board	**32**	**30**
Pro-labore fees	32	30
	939	**955**

As mentioned below, the Statutory Directors hold stock options, in accordance with stock option plan (long-term benefits) detailed in Note 20.5.

	Beginning of the period		Cancellations		Exercised options		End of the period	
Year	Eligible beneficiaries	Options	Eligible beneficiaries terminated	Canceled options	Eligible beneficiaries	Exercised options	Eligible beneficiaries	Existing options
2007	6	428,496	3	194,808	3	233,688	-	-
2008	5	465,864	2	162,972	-	-	3	302,892
2009	7	459,452	3	226,028	-	-	4	233,424
2010	5	262,507	-	-	-	-	5	262,507
		1,616,319		**583,808**		**233,688**		**798,823**

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

33. Insurance

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

34. Derivative Financial Instruments

The Company does not enter into derivative transactions for speculative purposes. At March 31, 2011, the Company and its subsidiaries did not directly operate or maintain receiving or paying positions related to derivative financial instruments.

35. Supplementary Information: Cash Flow - Indirect Method (DFC)

06.01 – NOTES TO THE FINANCIAL STATEMENTS

	Company		Consolidated	
	Period ended at March 31,		Period ended at March 31,	
	2011	2010	2011	2010
OPERATING ACTIVITIES				
Healthcare reciepts	193,498	93,068	199,321	166,738
Financial assets at fair value through profit or loss	(44,308)	(25,731)	(45,534)	43,225
Payment to suppliers/health service providers	(65,906)	(32,979)	(68,262)	(69,437)
Payment of commissions	(14,209)	(7,588)	(14,374)	(13,135)
Payment of personnel	(11,666)	(10,884)	(16,442)	(13,920)
Payment of pro-labore fees	(740)	(667)	(1,081)	(1,323)
Payment of third-party services	(7,515)	(4,083)	(7,723)	(11,024)
Payment of taxes	(17,498)	(12,278)	(20,410)	(33,213)
Payment of contingencies (civil/labor/tax)	(22)	(132)	(30)	(3,749)
Payment of rentals	(766)	(497)	(1,194)	(920)
Promotion/advertising	(1,082)	(660)	(1,246)	(939)
Other operating payments	(13,485)	(3,236)	(6,703)	13,757
CASH GENERATED BY (USED IN) OPERATING ACTIVITIES	**16,301**	**(5,667)**	**16,322**	**76,060**
INVESTING ACTIVITIES				
Acquisition of investments including goodwill (net of acquired cash)	-	81,539	-	-
Reimbursement of subsidiaries' capital	-	-	-	-
Purchase of property and equipment	(745)	(336)	(821)	(349)
System development, software licenses and other	(745)	(271)	(745)	(271)
Deferred selling expenses	(478)	-	(478)	(204)
CASH GENERATED BY (USED IN) INVESTING ACTIVITIES	**(1,968)**	**80,932**	**(2,044)**	**(824)**
FINANCING ACTIVITIES				
Dividends and interest on capital paid	-	(72,422)	-	(72,666)
Acquisition of own shares - in treasury	(17,106)	-	(17,106)	-
Reimbursement of capital paid	-	-	-	-
Granting of stock options received	-	-	-	-
CASH (USED IN) FINANCING ACTIVITIES	**(17,106)**	**(72,422)**	**(17,106)**	**(72,666)**
INCREASE (DECREASE IN CASH AND CASH EQUIVALENTS	**(2,773)**	**2,843**	**(2,828)**	**2,570**
CASH AND CASH EQUIVALENTS				
Opening balance	9,239	2,774	11,180	3,946
Closing balance	6,466	5,617	8,352	6,516
INCREASE (DECREASE IN CASH AND CASH EQUIVALENTS	**(2,773)**	**2,843**	**(2,828)**	**2,570**

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 (ITR) Form for the quarter ended March 31, 2011, comprising the balance sheet and the statements of income, comprehensive income, changes in equity and cash flows, for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

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

Scope of review

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

Odontoprev S.A.

Conclusion on the parent company interim information

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

Conclusion on the consolidated interim information

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

Other matters

Interim statements of value added

We have also reviewed the parent company and consolidated interim statements of value added for the quarter ended March 31, 2011, which are required to be presented in accordance with standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which does not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been properly prepared, in all material respects, in relation to the parent company and consolidated interim accounting information taken as a whole.

São Paulo, May 9, 2011.

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Edison Arisa Pereira
Contador CRC 1SP127241/O-0