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Capital Composition

Number of shares (units)	Current Year 03/31/2012
From paid-in capital	
Common	177,098,264
Preferred	0
Total	177,098,264
On Treasury	
Common	740,036
Preferred	0
Total	740,036

Cash Earnings

Event	Approval	Earning	Payment Date	Share type	Share Class	Earnings per share (R$ / share)
Board of Directors' Meeting	8/04/2011	Dividend	9/21/2011	Common		0.26660
Board of Directors' Meeting	8/04/2011	Interests on Capital	9/21/2011	Common		0.13270
Board of Directors' Meeting	12/26/2011	Interests on Capital	1/10/2012	Common		0.09590
Purpose	4/2/2012	Dividend	4/25/2012	Common		0.40755

BALANCE SHEET – ASSETS
(R$ Thousands)

Code	Description	Current Year 03/31/2012	Prior Year 12/31/2011
1	Total assets	1,054,033	979,158
1.01	Current assets	325,895	251,615
1.01.01	Cash and cash equivalents	5,464	7,222
1.01.02	Financial investments	221,318	183,449
1.01.02.01	Financial investments at fair value	221,318	183,449
1.01.02.01.01	Trading securities	221,318	183,449
1.01.03	Receivables	43,834	19,595
1.01.03.01	Trade accounts receivable	24,238	12,813
1.01.03.01.01	Healthcare receivables	49,584	35,047
1.01.03.01.02	(-) Allowance for doubtful accounts	(25,346)	(22,234)
1.01.03.02	Sundry receivables	19,596	6,782
1.01.03.02.01	Advances to suppliers	1,391	1,141
1.01.03.02.02	Advances to employees	1,350	1,432
1.01.03.02.03	Other receivables	4,261	4,209
1.01.03.02.04	Additional Dividends	12,594	-
1.01.06	Taxes recoverable	55,111	41,094
1.01.06.01	Current taxes recoverable	55,111	41,094
1.01.07	Prepaid expenses	168	255
1.02	Non-current assets	728,138	727,543
1.02.01	Long-term receivables	175,802	176,982
1.02.01.06	Deferred taxes	140,068	141,850
1.02.01.06.01	Deferred income tax and social contribuition	140,068	141,850
1.02.01.09	Other non-current assets	35,734	35,132
1.02.01.09.03	Judicial deposits	32,586	31,918
1.02.01.09.04	Other receivables	3,066	3,130
1.02.01.09.05	Notes receivable	82	84
1.02.02	Investments	29,895	27,985
1.02.02.01	Equity interests	29,895	27,985
1.02.02.01.02	Investments in subsidiaries	29,532	27,486
1.02.02.01.04	Other equity interests	363	499
1.02.03	Property and equipment	10,517	9,424
1.02.03.01	Property and equipment in use	10,517	9,424
1.02.03.01.01	Chattels	13,879	13,515
1.02.03.01.02	Other	8,423	7,265
1.02.03.01.03	(-) Accumulated depreciation	(11,785)	(11,356)
1.02.04	Intangible assets	511,924	513,152
1.02.04.01	Intangible assets	511,924	513,152
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	10,208	11,061
1.02.04.01.04	Deferred selling expenses	8,840	9,215

BALANCE SHEET – LIABILITIES

(R$ Thousands)

Code	Description	Current Year 03/31/2012	Prior Year 12/31/2011
2	Total liabilities and shareholders' equity	1,054,033	979,158
2.01	Current liabilities	172,909	140,889
2.01.01	Social and labor charges	11,963	11,074
2.01.01.01	Social charges	4,964	5,636
2.01.01.02	Labor charges	6,999	5,438
2.01.01.02.01	Salaries, vacation pay and fees	6,999	5,438
2.01.02	Suppliers	7,981	9,423
2.01.02.01	Local suppliers	7,981	9,423
2.01.02.01.01	Commissions payable	3,799	4,345
2.01.02.01.02	Suppliers of goods and services	4,182	5,078
2.01.03	Tax liabilities	60,791	41,283
2.01.03.01	Federal tax liabilities	59,343	40,044
2.01.03.01.01	Deferred income tax and social contribuition	55,363	33,639
2.01.03.01.02	Other federal tax liabilities	3,980	6,405
2.01.03.03	Municipal tax liabilities	1,448	1,239
2.01.05	Other liabilities	38,678	29,829
2.01.05.02	Other	38,678	29,829
2.01.05.02.02	Minimum mandatory dividend payable	2	2,129
2.01.05.02.04	Advances from customers	3,120	3,976
2.01.05.02.05	Other accounts payable	35,556	23,724
2.01.06	Provisions	53,496	49,280
2.01.06.02	Other provisions	53,496	49,280
2.01.06.02.04	Provision for unsettled claims/events	9,312	5,010
2.01.06.02.05	Provision for claims/events incurred but not reported	44,184	44,270
2.02	Non-current liabilities	84,188	75,663
2.02.02	Other liabilities	3,050	3,085
2.02.02.02	Other	3,050	3,085
2.02.02.02.03	Other liabilities	3,050	3,085
2.02.03	Deferred taxes	2,299	2,081
2.02.03.01	Deferred income tax and social contribuition	2,299	2,081
2.02.04	Provisions	78,839	70,497
2.02.04.01	Provision for tax, social security, labor and civil lawsuits	78,839	70,497
2.02.04.01.01	Provision for taxes	552	552
2.02.04.01.02	Provisions for social security and labor lawsuits	76,113	68,103
2.02.04.01.04	Provision for civil lawsuits	2,174	1,842
2.03	Equity	796,936	762,606
2.03.01	Capital	506,557	506,557
2.03.02	Capital reserves	36,270	35,324
2.03.02.01	Share premium	48,392	48,392
2.03.02.04	Granting of stock options	5,947	5,947
2.03.02.07	Granting of deferred stock options	(655)	(1,601)
2.03.02.08	Additional paid-up capital	(17,414)	(17,414)
2.03.04	Revenue reserves	211,723	220,725
2.03.04.01	Legal reserve	29,169	29,169
2.03.04.02	Statutory reserve	117,568	117,568
2.03.04.07	Tax incentive reserve	129	129
2.03.04.08	Additional proposed dividends	84,594	84,594
2.03.04.09	Treasury stock	(19,737)	(10,735)
2.03.05	Consolidated profit/loss	42,386	-

STATEMENT OF INCOME
(R$ Thousand)

Code	Description	Current Year 01/01/2012 to 03/31/2012	Prior Year 01/01/2011 to 03/31/2011
3.01	Gross sales and/or services revenues	222,938	187,279
3.01.01	Net installments	231,492	194,151
3.01.02	Sales and services	98	-
3.01.04	Taxes on healthcare plan operations	(8,652)	(6,872)
3.02	Cost of sales and/or services	(96,903)	(86,952)
3.02.01	Indemnifiable claims, net	(81,459)	(73,842)
3.02.02	Social charges on services	(6,393)	(5,581)
3.02.03	Dental materials	(1,175)	(1,501)
3.02.04	Other operating expenses	(7,962)	(6,028)
3.02.05	Changes in events incurred but not reported	86	-
3.03	Gross profit	126,035	100,327
3.04	Operating expenses	(64,817)	(52,425)
3.04.01	Selling	(21,267)	(16,625)
3.04.01.01	Selling expenses	(21,267)	(16,625)
3.04.02	General and administrative	(36,593)	(31,929)
3.04.05	Other operating expenses	(8,867)	(5,131)
3.04.05.01	Stock option plan	(946)	(794)
3.04.05.02	Allowance for doubtful accounts	(6,891)	(3,681)
3.04.05.03	Profit sharing	(1,030)	(656)
3.04.06	Equity in the earnings of subsidiary and associated companies	1,910	1,260
3.05	Profit before finance income (costs) and taxes	61,218	47,902
3.06	Finance income (cost)	4,890	3,025
3.06.01	Financial income	7,075	4,815
3.06.01.01	Financial income	7,075	4,815
3.06.02	Financial expenses	(2,185)	(1,790)
3.07	Profit before taxation and profit sharing	66,108	50,927
3.08	Provision for income tax and social contribution	(23,722)	(15,040)
3.08.01	Current	(21,723)	(13,534)
3.08.02	Deferred	(1,999)	(1,506)
3.09	Net results from continuing operations	42,386	35,887
3.11	Net income for the period	42,386	35,887
3.99	Earnings per share (Reais - Share)	-	-
3.99.01	Basic earnings per share	-	-
3.99.01.01	Common	0.24007	0.20353
3.99.02	Diluted earnings per share	-	-
3.99.02.01	Common	0.23738	0.20067

COMPREHENSIVE INCOME

(R$ Thousand)

Code	Description	Current Year 01/01/2012 to 03/31/2012	Prior Year 01/01/2011 to 03/31/2011
4.01	Profit/loss for the period	42,386	35,887
4.03	Comprehensive income for the period	42,386	35,887

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

Code	Description	Current Year 01/01/2012 to 03/31/2012	Prior Year 01/01/2011 to 03/31/2011
6.01	Net cash provided by operating activities	25,534	16,301
6.01.01	Cash provided by operations	47,252	40,146
6.01.01.01	Net income for the period	42,386	35,887
6.01.01.02	Depreciation and amortization	1,468	1,388
6.01.01.03	Monetary variations, net	956	764
6.01.01.05	Provision for contingencies	294	484
6.01.01.07	Equity in the losses of subsidiary and associated companies	(1,910)	(1,260)
6.01.01.08	Allowance for doubtful accounts	3,112	2,089
6.01.01.09	Stock option plan	946	794
6.01.02	Changes in assets and liabilities	(21,718)	(23,845)
6.01.02.01	Financial investments at fair value	(37,869)	(44,308)
6.01.02.02	Healthcare receivables	(14,537)	(613)
6.01.02.03	Notes receivable	(14,457)	(5,775)
6.01.02.05	Long-term receivables	1,819	908
6.01.02.06	Provision for events/ claims to be settled	4,216	4,924
6.01.02.08	Salaries, vacation pay and fees	1,561	1,032
6.01.02.09	Taxes and contributions payable	21,379	11,773
6.01.02.10	Suppliers - Healthcare transactions	9,534	1,871
6.01.02.11	Long-term liabilities	6,636	6,343
6.02	Net cash used in investing activities	(1,333)	(1,968)
6.02.01	Purchase of property and equipment	(1,522)	(745)
6.02.02	System development, software licenses and other	(186)	(745)
6.02.03	Deferred selling expenses	375	(478)
6.03	Net cash used in financing activities	(25,959)	(17,106)
6.03.01	Dividends and Interest on capital paid	(16,957)	-
6.03.02	Acquisition of own shares - in treasury	(9,002)	(17,106)
6.05	Increase (decrease) in cash and cash equivalents	(1,758)	(2,773)
6.05.01	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF	7,222	9,239
6.05.02	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5,464	6,466

STATEMENT OF CHANGES IN EQUITY - 03/31/2012

(R$ Thousand)

Code	Description	Paid-up Capital	Capital reserves, stock options and treasury stock	Revenue reserves	Earnings (accumulated deficit)	Carrying value Adjustments	Total equity
5.01	Opening balance	506,557	24,589	231,460	-	-	762,606
5.03	Adjusted balance	506,557	24,589	231,460	-	-	762,606
5.04	Capital transactions with partners	-	(8,056)	-	-	-	(8,056)
5.04.03	Granting of stock options recognized	-	946	-	-	-	946
5.04.04	Treasury shares acquired	-	(9,002)	-	-	-	(9,002)
5.05	Total comprehensive income	-	-	-	42,386	-	42,386
5.05.01	Profit for the period	-	-	-	42,386	-	42,386
5.07	Closing balance	506,557	16,533	231,460	42,386	-	796,936

STATEMENT OF CHANGES IN EQUITY - 03/31/2011

(R$ Thousand)

Code	Description	Paid-up Capital	Capital reserves, stock options and treasury stock	Revenue reserves	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	-	-	-	794
5.04.04	Treasury shares acquired	-	-	(17,106)	-	-	(17,106)
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	Current Year 01/01/2012 to 03/31/2012	Prior Year 01/01/2011 to 03/31/2011
7.01	Income	224,699	190,470
7.01.01	Sales of goods and services	231,492	194,151
7.01.02	Other incomes	98	-
7.01.02.02	Sales of goods and services	98	-
7.01.04	Provision/reversal of impairment of trade receivables	(6,891)	(3,681)
7.02	Inputs acquired from third parties	(132,385)	(116,632)
7.02.01	Costs of goods and services	(81,459)	(73,842)
7.02.02	Materials, energy, outsourced services and other	(2,754)	(2,730)
7.02.04	Others	(48,172)	(40,060)
7.02.04.01	Other operating revenues (expenses)	(6,005)	(4,805)
7.02.04.02	Selling expenses	(21,267)	(16,625)
7.02.04.03	Administrative expenses	(20,986)	(18,630)
7.02.04.04	Changes in events incurred but not reported	86	-
7.03	GROSS VALUE ADDED	92,314	73,838
7.04	Retentions	(1,468)	(1,388)
7.04.01	Depreciation, amortization and depletion	(1,468)	(1,388)
7.05	NET VALUE ADDED GENERATED	90,846	72,450
7.06	Value added received through transfer	8,985	6,075
7.06.01	Equity in the results of subsidiaries	1,910	1,260
7.06.02	Financial income	7,075	4,815
7.07	TOTAL VALUE ADDED TO DISTRIBUTE	99,831	78,525
7.08	DISTRIBUTION OF VALUE ADDED	99,831	78,525
7.08.01	Personnel	11,728	9,161
7.08.01.01	Direct remuneration	8,898	6,969
7.08.01.02	Benefits	2,254	1,555
7.08.01.03	FGTS	576	637
7.08.02	Taxes and contributions	41,693	29,944
7.08.02.01	Federal	38,609	27,455
7.08.02.02	State	28	-
7.08.02.03	Municipal	3,056	2,489
7.08.03	Remuneration of third-party capital	3,078	2,739
7.08.03.02	Rentals	893	949
7.08.03.03	Others	2,185	1,790
7.08.03.03.01	Finance costs	2,185	1,790
7.08.04	Remuneration of own capital	42,386	35,887
7.08.04.03	Profits reinvested/loss for the year	42,386	35,887
7.08.05	Others	946	794
7.08.05.01	GRANTING OF STOCK OPTIONS	946	794

CONSOLIDATED BALANCE SHEET - ASSETS
(R$ Thousands)

Code	Description	Current Year 03/31/2012	Prior Year 12/31/2011
1	Total assets	1,068,194	993,258
1.01	Current assets	360,544	284,706
1.01.01	Cash and cash equivalents	6,390	8,050
1.01.02	Financial investments	239,236	199,781
1.01.02.01	Financial investments at fair value	239,236	199,781
1.01.02.01.01	Trading securities	239,236	199,781
1.01.03	Receivables	47,547	24,542
1.01.03.01	Trade accounts receivable	25,636	14,405
1.01.03.01.01	Healthcare receivables	51,679	37,645
1.01.03.01.02	(-) Allowance for doubtful accounts	(26,043)	(23,240)
1.01.03.02	Sundry receivables	21,911	10,137
1.01.03.02.01	Advances to suppliers	1,519	1,309
1.01.03.02.02	Advances to employees	1,980	2,142
1.01.03.02.03	Other receivables	5,818	6,686
1.01.03.02.04	Additional Dividends	12,594	-
1.01.04	Inventories	598	784
1.01.06	Taxes recoverable	66,601	51,294
1.01.06.01	Current taxes recoverable	66,601	51,294
1.01.07	Prepaid expenses	172	255
1.02	Non-current assets	707,650	708,552
1.02.01	Long-term receivables	179,334	180,699
1.02.01.06	Deferred taxes	141,109	143,035
1.02.01.06.01	Deferred income tax and social contribuition	141,109	143,035
1.02.01.09	Other non-current assets	38,225	37,664
1.02.01.09.03	Judicial deposits	35,059	34,355
1.02.01.09.04	Other receivables	3,066	3,130
1.02.01.09.05	Notes receivable	100	179
1.02.02	Investments	353	438
1.02.02.01	Equity interests	353	438
1.02.02.01.04	Other equity interests	353	438
1.02.03	Property and equipment	12,674	10,894
1.02.03.01	Property and equipment in use	12,674	10,894
1.02.03.01.01	Chattels	18,167	17,794
1.02.03.01.02	Other property and equipment	10,240	8,320
1.02.03.01.03	(-) Accumulated depreciation	(15,733)	(15,220)
1.02.04	Intangible assets	515,289	516,521
1.02.04.01	Intangible assets	515,289	516,521
1.02.04.01.02	Goodwill in aquisition of investments	495,255	495,255
1.02.04.01.03	System development, software licenses and other	11,194	12,051
1.02.04.01.04	Deferred selling expenses	8,840	9,215

CONSOLIDATED BALANCE SHEET – LIABILITIES
(R$ Thousands)

Code	Description	Current Year 03/31/2012	Prior Year 12/31/2011
2	Total liabilities and shareholders' equity	1,068,194	993,258
2.01	Current liabilities	183,681	151,614
2.01.01	Social and labor charges	16,017	14,585
2.01.01.01	Social charges	6,202	6,830
2.01.01.02	Labor charges	9,815	7,755
2.01.01.02.01	Salaries, vacation pay and fees	9,815	7,755
2.01.02	Suppliers	8,581	9,694
2.01.02.01	Local suppliers	8,581	9,694
2.01.02.01.01	Commissions payable	3,816	4,365
2.01.02.01.02	Suppliers of goods and services	4,765	5,329
2.01.03	Tax liabilities	65,728	45,530
2.01.03.01	Federal tax liabilities	63,928	43,937
2.01.03.01.01	Deferred income tax and social contribuition	59,334	36,821
2.01.03.01.02	Other federal tax liabilities	4,594	7,116
2.01.03.02	State tax liabilities	62	13
2.01.03.03	Municipal tax liabilities	1,738	1,580
2.01.05	Other liabilities	37,463	30,929
2.01.05.02	Other	37,463	30,929
2.01.05.02.02	Minimum mandatory dividend payable	2	2,129
2.01.05.02.04	Advances from customers	3,256	3,993
2.01.05.02.05	Other accounts payable	34,205	24,807
2.01.06	Provisions	55,892	50,876
2.01.06.02	Other provisions	55,892	50,876
2.01.06.02.04	Provision for unsettled claims/events	10,206	5,929
2.01.06.02.05	Provision for claims/events incurred but not reported	45,686	44,947
2.02	Non-current liabilities	86,101	77,604
2.02.02	Other liabilities	3,050	3,085
2.02.02.02	Other	3,050	3,085
2.02.02.02.03	Other liabilities	3,050	3,085
2.02.03	Deferred taxes	2,299	2,081
2.02.03.01	Deferred income tax and social contribuition	2,299	2,081
2.02.04	Provisions	80,752	72,438
2.02.04.01	Provision for tax, social security, labor and civil lawsuits	80,752	72,438
2.02.04.01.01	Provision for taxes	1,796	1,769
2.02.04.01.02	Provisions for social security and labor lawsuits	76,720	68,736
2.02.04.01.04	Provision for civil lawsuits	2,236	1,933
2.03	Consolidated equity	798,412	764,040
2.03.01	Capital	506,557	506,557
2.03.02	Capital reserves	36,270	35,324
2.03.02.01	Share premium	48,392	48,392
2.03.02.04	Granting of stock options	5,947	5,947
2.03.02.07	Granting of deferred stock options	(655)	(1,601)
2.03.02.08	Additional paid-up capital	(17,414)	(17,414)
2.03.04	Revenue reserves	211,723	220,725
2.03.04.01	Legal reserve	29,169	29,169
2.03.04.02	Statutory reserve	117,568	117,568
2.03.04.07	Tax incentive reserve	129	129
2.03.04.08	Additional proposed dividends	84,594	84,594
2.03.04.09	Treasury stock	(19,737)	(10,735)
2.03.05	Earnings (accumulated deficit)	42,386	-
2.03.09	Non-controlling interests	1,476	1,434

CONSOLIDATED – STATEMENT OF INCOME
(R$ Thousand)

Code	Description	Current Year 01/01/2012 to 03/31/2012	Prior Year 01/01/2011 to 03/31/2011
3.01	Gross sales and/or services revenues	228,569	194,205
3.01.01	Net installments	237,400	200,390
3.01.02	Sales and services	1,574	2,144
3.01.04	Taxes on healthcare plan operations	(8,926)	(7,176)
3.01.05	Taxes on sales of goods and services	(1,479)	(1,153)
3.02	Cost of sales and/or services	(100,392)	(89,354)
3.02.01	Indemnifiable claims, net	(83,553)	(75,390)
3.02.02	Social charges on services	(6,461)	(5,644)
3.02.03	Dental materials	(682)	(871)
3.02.04	Other operating expenses	(9,782)	(7,449)
3.02.05	Changes in events incurred but not reported	86	-
3.03	Gross profit	128,177	104,851
3.04	Operating expenses	(66,112)	(56,833)
3.04.01	Selling	(21,454)	(16,922)
3.04.01.01	Selling expenses	(21,454)	(16,922)
3.04.02	General and administrative	(35,728)	(34,183)
3.04.05	Other operating expenses	(8,846)	(5,728)
3.04.05.01	Stock option plan	(946)	(794)
3.04.05.02	Allowance for doubtful accounts	(6,589)	(3,986)
3.04.05.03	Profit sharing	(1,311)	(948)
3.04.06	Equity in the earnings of subsidiary and associated companies	(84)	-
3.05	Profit before finance income (costs) and taxes	62,065	48,018
3.06	Finance income (cost)	5,200	3,264
3.06.01	Financial income	7,559	5,204
3.06.01.01	Financial income	7,559	5,204
3.06.02	Financial expenses	(2,359)	(1,940)
3.07	Profit before taxation and profit sharing	67,265	51,282
3.08	Provision for income tax and social contribution	(24,837)	(15,252)
3.08.01	Current	(22,694)	(14,304)
3.08.02	Deferred	(2,143)	(948)
3.09	Net results from continuing operations	42,428	36,030
3.11	Consolidated profit/loss for the period	42,428	36,030
3.11.01	Attributable to stockholders of the Parent company	42,386	35,887
3.11.02	Attributable to non-controlling interests	42	143
3.99	Earnings per share (Reais - Share)	-	-
3.99.01	Basic earnings per share	-	-
3.99.01.01	Common	0.24007	0.20353
3.99.02	Diluted earnings per share	-	-
3.99.02.01	Common	0.23738	0.20067

CONSOLIDATED - COMPREHENSIVE INCOME
(R$ Thousand)

Code	Description	Current Year 01/01/2012 to 03/31/2012	Prior Year 01/01/2011 to 03/31/2011
4.01	Profit/loss for the period	42,428	36,030
4.03	Comprehensive income for the period	42,428	36,030
4.03.01	Shareholders of the Company	42,386	35,887
4.03.02	Non-controlling interests	42	143

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

Code	Description	Current Year 01/01/2012 to 03/31/2012	Prior Year 01/01/2011 to 03/31/2011
6.01	Net cash provided by operating activities	26,406	16,322
6.01.01	Cash provided by operations	49,145	42,348
6.01.01.01	Net income for the period	42,428	36,030
6.01.01.02	Depreciation and amortization	1,556	1,485
6.01.01.03	Monetary variations, net	955	900
6.01.01.05	Provision for contingencies	370	767
6.01.01.06	Disposal of property and equipment and investments	3	-
6.01.01.07	Equity in the losses of subsidiary and associated companies	84	-
6.01.01.08	Allowance for doubtful accounts	2,803	2,372
6.01.01.09	Stock option plan	946	794
6.01.02	Changes in assets and liabilities	(22,739)	(26,026)
6.01.02.01	Financial investments at fair value	(39,455)	(45,534)
6.01.02.02	Healthcare receivables	(14,034)	(815)
6.01.02.03	Notes receivable	(14,711)	(6,626)
6.01.02.04	Inventories	186	145
6.01.02.05	Long-term receivables	2,006	975
6.01.02.06	Provision for events/ claims to be settled	5,016	5,049
6.01.02.08	Salaries, vacation pay and fees	2,060	1,432
6.01.02.09	Taxes and contributions payable	22,113	12,302
6.01.02.10	Suppliers - Healthcare transactions	7,548	1,019
6.01.02.11	Long-term liabilities	6,532	6,027
6.02	Net cash used in investing activities	(2,107)	(2,044)
6.02.01	Purchase of property and equipment	(2,296)	(821)
6.02.02	System development, software licenses and other	(186)	(745)
6.02.03	Deferred selling expenses	375	(478)
6.03	Net cash used in financing activities	(25,959)	(17,106)
6.03.01	Dividends and Interest on capital paid	(16,957)	-
6.03.02	Acquisition of own shares - in treasury	(9,002)	(17,106)
6.05	Increase (decrease) in cash and cash equivalents	(1,660)	(2,828)
6.05.01	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF	8,050	11,180
6.05.02	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6,390	8,352

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 03/31/2012

(R$ Thousand)

Code	Description	Paid-up Capital	Capital reserves, stock options and treasury stock	Revenue reserves	Earnings (accumulated deficit)	Carrying value Adjustments	Total equity	Non-controlling interests	Consolidated equity
5.01	Opening balance	506,557	24,589	231,460	-	-	762,606	1,434	764,040
5.03	Adjusted balance	506,557	24,589	231,460	-	-	762,606	1,434	764,040
5.04	Capital transactions with partners	-	(8,056)	-	-	-	(8,056)	-	(8,056)
5.04.03	Granting of stock options recognized	-	946	-	-	-	946	-	946
5.04.04	Treasury shares acquired	-	(9,002)	-	-	-	(9,002)	-	(9,002)
5.05	Total comprehensive income	-	-	-	42,386	-	42,386	42	42,428
5.05.01	Profit for the period	-	-	-	42,386	-	42,386	42	42,428
5.07	Closing balance	506,557	16,533	231,460	42,386	-	796,936	1,476	798,412

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - 03/31/2011

(R$ Thousand)

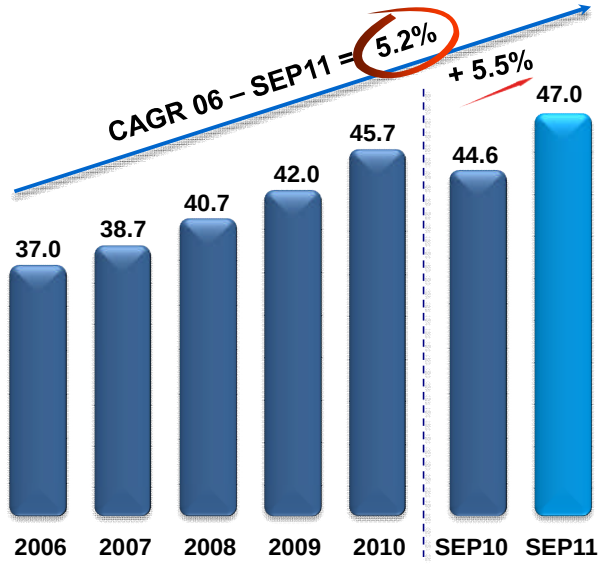
Code	Description	Paid-up Capital	Capital reserves, stock options and treasury stock	Revenue reserves	Earnings (accumulated deficit)	Carrying value Adjustments	Total equity	Non-controlling interests	Consolidated equity
5.01	Opening balance	506,557	53,095	158,721	-	-	718,373	1,085	719,458
5.03	Adjusted 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	-	-	-	794	-	794
5.04.04	Treasury shares acquired	-	-	(17,106)	-	-	(17,106)	-	(17,106)
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	Current Year 01/01/2012 to 03/31/2012	Prior Year 01/01/2011 to 03/31/2011
7.01	Income	232,385	198,548
7.01.01	Sales of goods and services	237,400	200,390
7.01.02	Other incomes	1,574	2,144
7.01.02.02	Sales of goods and services	1,574	2,144
7.01.04	Provision/reversal of impairment of trade receivables	(6,589)	(3,986)
7.02	Inputs acquired from third parties	(127,854)	(115,377)
7.02.01	Costs of goods and services	(83,553)	(75,390)
7.02.02	Materials, energy, outsourced services and other	(2,265)	(2,133)
7.02.04	Others	(42,036)	(37,854)
7.02.04.01	Other operating revenues (expenses)	(6,183)	(4,963)
7.02.04.02	Selling expenses	(21,454)	(16,922)
7.02.04.03	Administrative expenses	(14,485)	(15,969)
7.02.04.04	Changes in events incurred but not reported	86	-
7.03	GROSS VALUE ADDED	104,531	83,171
7.04	Retentions	(1,556)	(1,485)
7.04.01	Depreciation, amortization and depletion	(1,556)	(1,485)
7.05	NET VALUE ADDED GENERATED	102,975	81,686
7.06	Value added received through transfer	7,475	5,204
7.06.01	Equity in the results of subsidiaries	(84)	-
7.06.02	Financial income	7,559	5,204
7.07	TOTAL VALUE ADDED TO DISTRIBUTE	110,450	86,890
7.08	DISTRIBUTION OF VALUE ADDED	110,450	86,890
7.08.01	Personnel	17,538	13,991
7.08.01.01	Direct remuneration	13,181	10,684
7.08.01.02	Benefits	3,450	2,331
7.08.01.03	FGTS	907	976
7.08.02	Taxes and contributions	45,610	32,680
7.08.02.01	Federal	41,700	29,479
7.08.02.02	State	233	-
7.08.02.03	Municipal	3,677	3,201
7.08.03	Remuneration of third-party capital	3,928	3,395
7.08.03.02	Rentals	1,569	1,455
7.08.03.03	Others	2,359	1,940
7.08.03.03.01	Finance costs	2,359	1,940
7.08.04	Remuneration of own capital	42,428	36,030
7.08.04.03	Profits reinvested/loss for the year	42,386	35,887
7.08.04.04	Non-controlling interest on retained earnings	42	143
7.08.05	Others	946	794
7.08.05.01	GRANTING OF STOCK OPTIONS	946	794

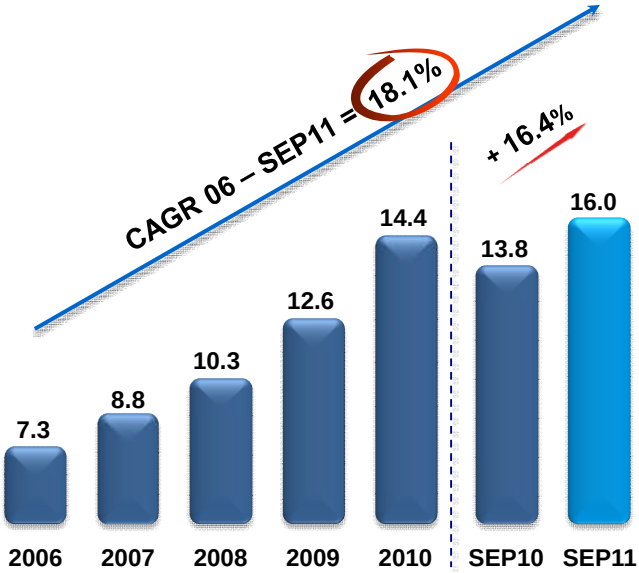
Dental/ medical plan sector and OdontoPrev operational performance

Medical Plan Sector (million members)



According to the latest official figures released by ANS, the medical plans market reached a total of 47 million members in September 2011, 5.5% over 2010. **From 2006 to September 2011, the compounded average annual growth rate (CAGR) of medical plan members was 5.2%.**

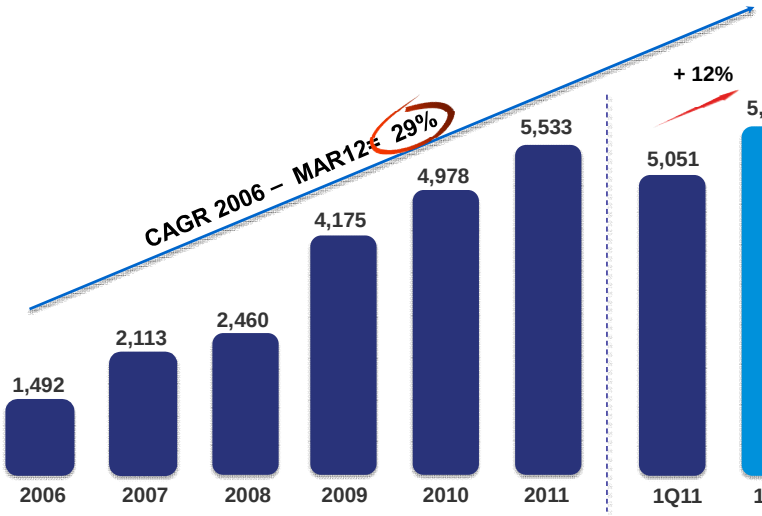
Dental Plan Sector (million members)



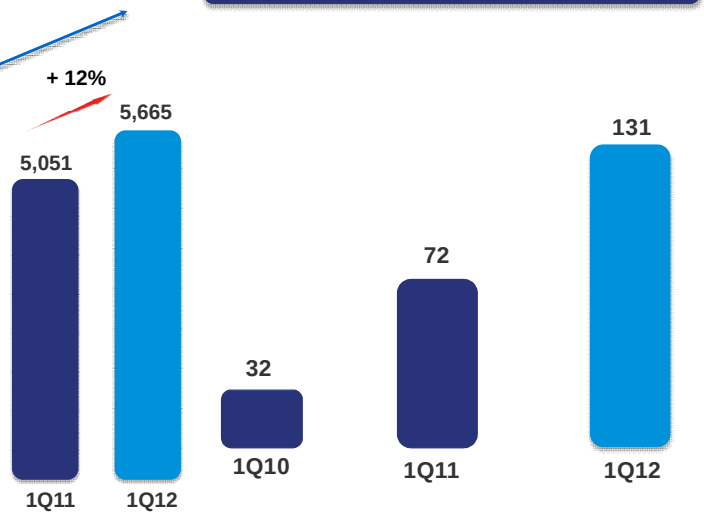
For its part, the dental plans sector posted a growth of 16.4% in September 2011, reaching 16 million members. **From 2006 to September 2011, the compounded average growth rate (CAGR) of dental plan members was 18.1%.**

In 1Q12 OdontoPrev reached 5,664,825 members, a growth of 12% over 1Q11. **From 2006 to 1Q12 the compounded average growth rate (CAGR) of OdontoPrev was of 29%.**

OdontoPrev: number of members (thousand)



Quarterly increase of members (thousand)



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 1Q11 and 1Q12 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

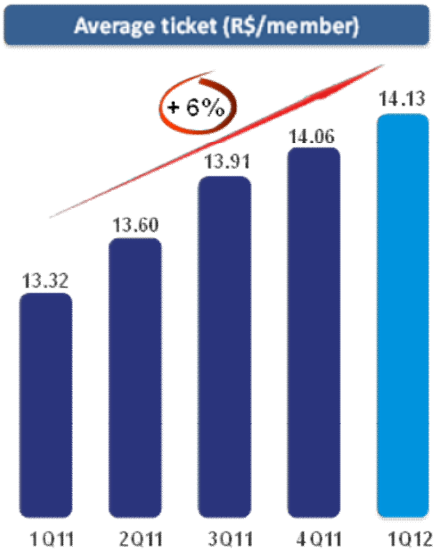
R$000	1Q12	1Q11	4Q11
(+) Payments net	237,400	200,390	230,751
(+) Sales of services and products	1,574	2,144	2,558
Gross operating revenue	**238,974**	**202,534**	**233,309**
(-) Direct taxes on dental care operations	8,926	7,176	7,550
(-) Taxes on sales of services and products	1,479	1,153	1,640
Net operating revenue	**228,569**	**194,205**	**224,119**
(-) Cost of services	**100,392**	**89,354**	**119,514**
Indemnifiable claims, net	83,553	75,390	88,016
Payroll charges on services	6,461	5,644	6,653
Dental materials	682	871	878
Other operating expenses	9,696	7,449	23,967
Gross profit	**128,177**	**104,851**	**104,605**
(-) Selling expenses	**21,454**	**16,922**	**20,658**
(-) Administrative expenses (G&A)	**35,728**	**34,183**	**35,402**
G&A (included adjusted EBITDA base)	**34,172**	**32,302**	**33,530**
Personnel	17,874	14,427	17,385
Third parties services	3,015	4,978	3,397
Rentals and occupancy	6,269	5,472	5,889
Taxes and fees	931	934	872
Publicity and advertising	3,221	2,945	4,118
Travelling, printing and subscriptions	1,323	1,477	2,054
Others	1,539	2,069	(185)
G&A (not included adjusted EBITDA base)	**1,556**	**1,881**	**1,872**
Depreciation and amortization	1,556	1,485	1,726
Acquisition expenses	-	17	159
Bradesco Dental Association	-	-	(4)
Joint venture Mexico	-	22	5
Banco do Brasil Association	-	349	2
Other expenses	-	8	(16)
(-) Other expenses	**6,589**	**3,986**	**4,561**
Allowance for doubtful receivables	6,589	3,986	4,561
(+) Financial income (expenses), net	**5,200**	**3,264**	**3,896**
(+) Financial income	7,559	5,204	6,370
(-) Financial expenses	2,359	1,940	19,431
(+) Interest on capital (IOC)	-	-	16,957
(+) Equity in subsidiaries	**(84)**	**-**	**(126)**
(-) Stock option	**946**	**794**	**946**
Income before taxes and profit sharing	**68,576**	**52,230**	**46,808**
(-) Current income and social contribution tax	22,694	14,304	8,995
(-) Deferred income and social contribution tax	2,143	948	1,288
(-) Profit sharing	1,311	948	945
Net income before participation of minoritary shareholders	**42,428**	**36,030**	**35,580**
(+) Participation of minoritary shareholders	(42)	(143)	(89)
Net income (IFRS)	**42,386**	**35,887**	**35,491**

Operating revenue

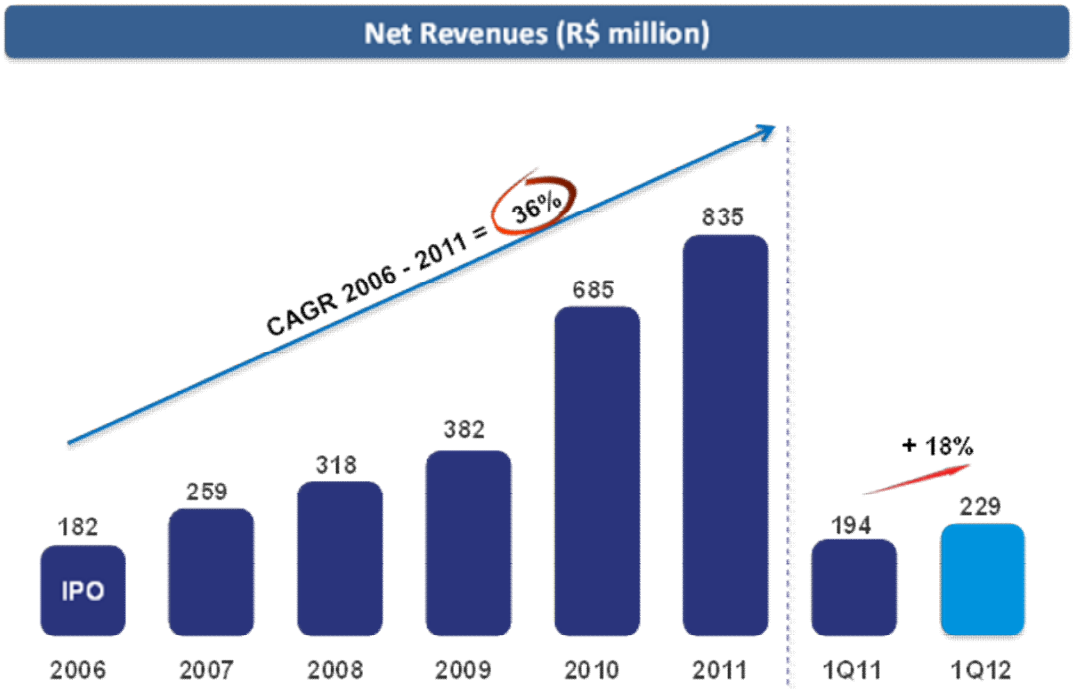
Net operating revenue 1Q12	1Q12		1Q11		Δ%	4Q11		Δ%
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	
(+) Payments, net	237,400	103.9	200,390	103.2	18.5	230,751	103.0	2.9
(+) Sales of services and products	1,574	0.7	2,144	1.1	(26.6)	2,558	1.1	(38.5)
Gross operating revenue (GOR)	**238,974**	**104.6**	**202,534**	**104.3**	**18.0**	**233,309**	**104.1**	**2.4**
(-) Direct taxes on dental care operations	8,926	3.9	7,176	3.7	24.4	7,550	3.4	18.2
(-) Taxes on sales of services and products	1,479	0.6	1,153	0.6	28.3	1,640	0.7	(9.8)
Net operating revenue (NOR)	**228,569**	**100.0**	**194,205**	**100.0**	**17.7**	**224,119**	**100.0**	**2.0**

The average ticket came from R$14.06 in 4Q11 to R$14.13 in 1Q12, a growth of 0.5% over the quarter and 6.1% over the year, as a result of partial inflationary readjustments on corporate contracts and the positive effect of the higher ticket of the most recent Bradesco Dental portfolio, basically of SME´s and individual plans.

Average ticket (R$000)	1Q12	1Q11	Δ%	4Q11	Δ%
Payments, net (A)	237,400	200,390	18.5	230,751	2.9
Average number of members (B)	5,599	5,015	11.7	5,469	2.4
Average ticket (A/B)	**14.13**	**13.32**	**6.1**	**14.06**	**0.5**



The net operating revenue (NOR) in 1Q12 was of R$229 million, 18% above 1Q11.



Cost of services (dental care ratio)

Cost of services (ex IBNR) and dental care ratio (% of NOR)								
	1Q12		1Q11		Δ% NOR	4Q11		Δ% NOR
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	
Cost of services	**100,478**	**44.0**	**89,354**	**46.0**	**2.0**	**105,493**	**47.1**	**3.1**
Indemnifiable claims, net	83,553	36.6	75,390	38.8	2.2	88,016	39.3	2.7
Payroll charges on services	6,461	2.8	5,644	2.9	0.1	6,653	3.0	0.2
Dental materials	682	0.3	871	0.4	0.1	878	0.4	0.1
Other operating expenses	9,782	4.3	7,449	3.8	(0.5)	9,946	4.4	0.1

OdontoPrev did not record any material additional IBNR (Incurred but Not Reported Provision) in 1Q12.

OdontoPrev has not been disbursing the 20% social security taxation (INSS related to individual dentists) since September 2010. All related expenses have been booked accordingly, as payroll charges on services. As of 1Q12, the total cash savings related to INSS reached R$44 million.

- **Indemnfiable claims, net:** In 1Q12 represented 36.6% of NOR.
- **Payroll changes on services:** 2.8% of NOR in 1Q12, 0.1 *p.p.* under 1Q11.
- **Dental materials:** R$682 in 1Q12, 0.1 *p.p.*more efficient YoY and QoQ.
- **Other operating expenses:** 4.3% of NOR in 1Q12, about the same level of 4Q11, due to an on-time provision increase.

Selling expenses

(R$000)	1Q12	% NOR	1Q11	% NOR	Δ% NOR	4Q11	% NOR	Δ% NOR
Selling expenses	21,454	9.4	16,922	8.7	(0.7)	20,658	9.2	(0.2)

The selling expenses came from R$16,922 (8.7% of NOR) in 1Q11 to R$21,454 (9.4% of NOR) in 1Q12, as a result of the distribution channels mix of the period.

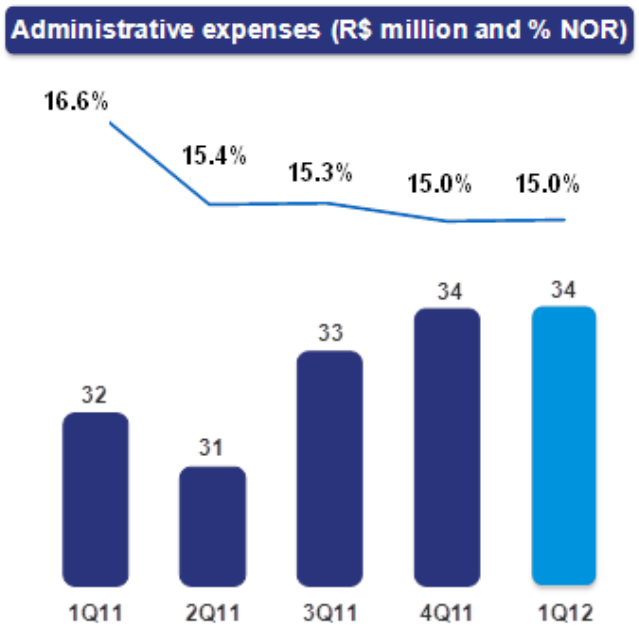
Administrative expenses (G&A)

	1Q12		1Q11		Δ%	4Q11		Δ%
	R$ 000	% NOR	R$ 000	% NOR	NOR	R$ 000	% NOR	NOR
Personnel	17,874	7.8	14,427	7.4	(0.4)	17,385	7.8	-
Third parties services	3,015	1.3	4,978	2.6	1.3	3,397	1.5	0.2
Rentals and occupancy	6,269	2.7	5,472	2.8	0.1	5,889	2.6	(0.1)
Taxes and fees	931	0.4	934	0.5	0.1	872	0.4	-
Publicity and advertising	3,221	1.4	2,945	1.5	0.1	4,118	1.8	0.4
Travelling, printing and subscriptions	1,323	0.6	1,477	0.8	0.2	2,054	0.9	0.3
Others	1,539	0.7	2,069	1.1	0.4	(185)	(0.1)	(0.8)
G&A (included adjusted EBITDA base)	**34,172**	**15.0**	**32,302**	**16.6**	**1.6**	**33,530**	**15.0**	**-**
Depreciation and amortization	1,556	0.7	1,485	0.8	0.1	1,726	0.8	0.1
Acquisition expenses	-	-	17	-	-	159	0.1	0.1
Bradesco Dental Association	-	-	-	-	-	(4)	-	-
Joint venture Mexico	-	-	22	-	-	5	-	-
Banco do Brasil Association	-	-	349	0.2	0.2	2	-	-
Other expenses	-	-	8	-	-	(16)	-	-
G&A (not included adjusted EBITDA base)	**1,556**	**0.7**	**1,881**	**1.0**	**0.3**	**1,872**	**0.8**	**0.1**
Total administrative expenses (G&A)	**35,728**	**15.6**	**34,183**	**17.6**	**2.0**	**35,402**	**15.8**	**0.2**

G&A (included in the adjusted EBITDA base)

The administrative expenses, those part of the adjusted EBITDA base, were of R$34,172 in 1Q12 (15.0% of NOR) as compared to R$32,302 in 1Q11 (16.6% of NOR), improving 1.6 *p.p.*.

- **Personnel:** stable at 7.8% of NOR as 4Q11, and 0.4 *p.p.* above 1Q11.
- **Third parties services:** in 1Q 12 represented 1.3% of NOR, an improvement of 1.3 *p.p.* YoY.
- **Rentals and occupancy:** 2.7% of NOR in 1Q12, flat.
- **Taxes and fees:** in 1Q12 represented 0.4% of NOR, same of 4Q11.
- **Publicity and advertising:** improved 0.1 *p.p.* YoY and 0.4 *p.p.* QoQ.
- **Travelling, printing and subscriptions:** from R$1,477 in 1Q11 to R$1,323 in 1Q12, a margin increase of 0.2 *p.p.*.
- **Others:** In 1Q12 represented 0.7% of NOR.



Other expenses - allowance for doubtful receivables

In 1Q12 the allowance for doubtful receivables totaled R$6,589 (2.9% of NOR), and R$4,561 (2.0% of NOR), an increase of 0.9 *p.p.* QoQ.

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

Financial income

	1Q12		1Q11		Δ%	4Q11		Δ%
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	
Financial income (expenses), net	**5,200**	**2.3**	**3,264**	**1.7**	**59.3**	**3,896**	**1.7**	**33.5**
(+) Financial income	7,559	3.3	5,204	2.7	45.3	6,370	2.8	18.7
(-) Financial expenses	2,359	1.0	1,940	1.0	21.6	19,431	8.7	(87.9)
(+) Interest on capital	-	-	-	-	-	16,957	7.6	-

The net financial result in 1Q12 was R$5,200 (2.3% of NOR), 0.6 *p.p.* above 1Q11.

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

	1Q12		1Q11		Δ%	4Q11		Δ%
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	
Taxes	**24,837**	**10.9**	**15,252**	**7.9**	**62.8**	**10,283**	**4.6**	**141.5**
(-) Current income and social contribution tax	22,694	9.9	14,304	7.4	58.7	8,995	4.0	152.3
(-) Deferred income and social contribution tax	2,143	0.9	948	0.5	126.1	1,288	0.6	66.4

The current income and social contribution tax was of R$22,694 in 1Q12.

	Effective tax rate (R$000)		
	1Q12	1Q11	4Q11
Income before taxes and profit sharing	**68,576**	**52,230**	**46,808**
(-) Profit sharing	1,311	948	945
(=) Tax base	**67,265**	**51,282**	**45,863**
Taxes			
(-) Current income and social contribution tax	22,694	14,304	8,995
(-) Deferred income and social contribution tax	2,143	948	1,288
Total taxes	**24,837**	**15,252**	**10,283**
Total effective tax rate	**33.7%**	**27.9%**	**19.6%**

The current effective tax rate in 1Q12 was of 33.7%.

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

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

[1] Include Biodent, Care Plus and SRJSPE.

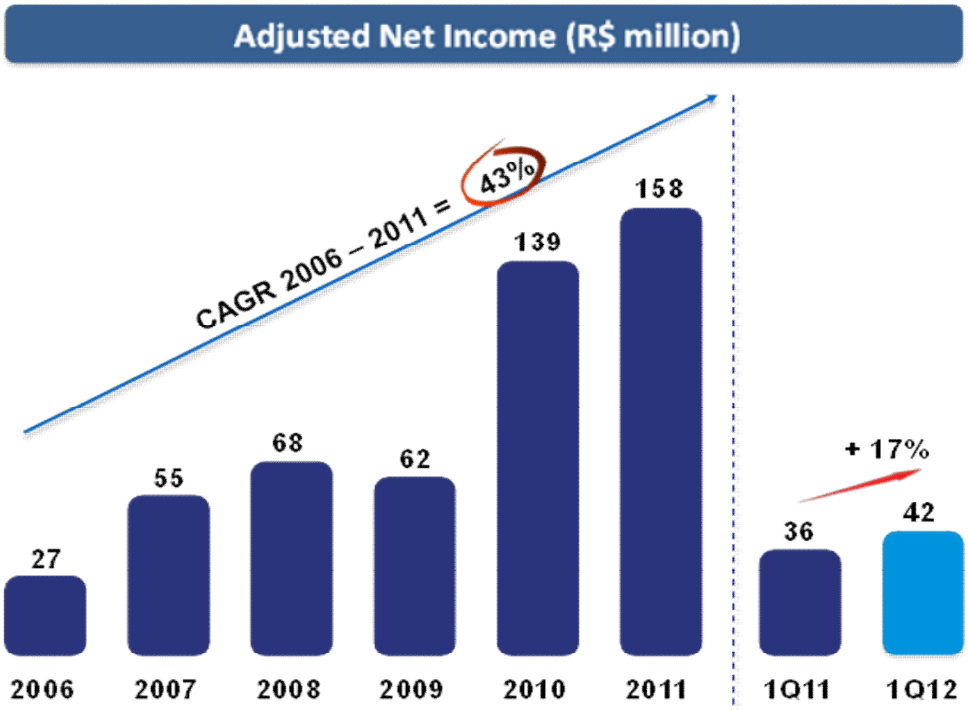
[2] Figures consolidated as of 2Q09.

[3] Figures consolidated as of 1Q10.

Net Income and Adjusted Net Income

The net income came from R$35,887 in 1Q11 to R$42,386 in 1Q12, an increase of 18.1%.

	1Q12		1Q11		Δ%	4Q11		Δ%
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	
Net income	**42,386**	**18.5**	**35,887**	**18.5**	**18.1**	**35,491**	**15.8**	**19.4**
(+/-) New accounting rules ANS	**(86)**	**-**	**-**	**-**	**-**	**14,021**	**6.3**	**-**
Cost of service - IBNR	(86)	-	-	-	-	14,021	6.3	-
(+) Non-recurring Administrative expenses (G&A)	**-**	**-**	**388**	**0.2**	**-**	**162**	**0.1**	**-**
Acquisition expenses	-	-	17	-	-	159	0.1	-
Bradesco Dental Association	-	-	-	-	-	(4)	-	-
Joint venture Mexico	-	-	22	-	-	5	-	-
Banco do Brasil Association	-	-	349	0.2	-	2	-	-
(-) Taxes	**29**	**-**	**(132)**	**(0.1)**	**-**	**(4,821)**	**(2.2)**	**-**
Income tax - 25%	21	-	(98)	(0.1)	-	(3,545)	(1.6)	-
Social contribution tax - 9%	8	-	(34)	-	-	(1,276)	(0.6)	-
Adjusted net income	**42,329**	**18.5**	**36,143**	**18.6**	**17.1**	**44,853**	**20.0**	**(5.6)**

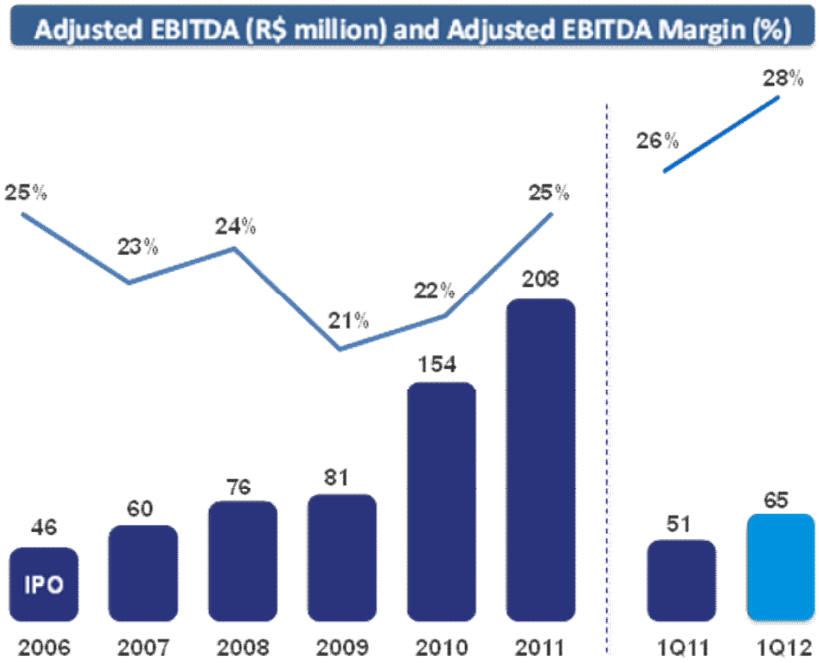


The adjusted net income reached R$42,329 in 1Q12, 17.1% above 1Q11.

EBITDA and Adjusted EBITDA

	1Q12		1Q11		Δ%	4Q11		Δ%
	R$ 000	% NOR	R$ 000	% NOR	NOR	R$ 000	% NOR	NOR
Net Income	**42,386**	**18.5**	**35,887**	**18.5**	**-**	**35,491**	**15.8**	**2.7**
(+) Income tax	22,694	9.9	14,304	7.4	2.5	8,995	4.0	5.9
(+) Social contribution tax	2,143	0.9	948	0.5	0.4	1,288	0.6	0.3
(+) Other expenses	-	-	8	-	-	(16)	-	-
(-) Financial income (expenses), net	7,559	3.3	5,204	2.7	(0.6)	6,370	2.8	(0.5)
(+) Financial expenses	2,359	1.0	1,940	1.0	-	19,431	8.7	(7.7)
(-) Interest on capital (IOC)	-	-	-	-	-	16,957	7.6	7.6
(+) Stock option	946	0.4	794	0.4	-	946	0.4	-
(-) Participation of minoritary shareholders	(42)	-	(143)	(0.1)	0.1	(89)	-	-
(+) Depreciation and amortization	1,556	0.7	1,485	0.8	(0.1)	1,726	0.8	(0.1)
(-) Equity in subsidiaries	(84)	-	-	-	-	(126)	(0.1)	(0.1)
EBITDA	**64,651**	**28.3**	**50,305**	**25.9**	**2.4**	**44,749**	**20.0**	**8.2**
(+) Non-recurring expenses	**-**	**-**	**388**	**0.2**	**(0.2)**	**162**	**0.1**	**(0.1)**
Acquisitions expenses	-	-	17	-	-	159	0.1	(0.1)
Bradesco Dental Association	-	-	-	-	-	(4)	-	-
Joint venture Mexico	-	-	22	-	-	5	-	-
Banco do Brasil Association	-	-	349	0.2	(0.2)	2	-	-
(+/-) New accounting rules ANS	**(86)**	**-**	**-**	**-**	**-**	**14,021**	**6.3**	**(6.3)**
Cost of service - IBNR	(86)	-	-	-	-	14,021	6.3	(6.3)
Adjusted EBITDA	**64,565**	**28.2**	**50,693**	**26.1**	**2.1**	**58,932**	**26.3**	**1.9**

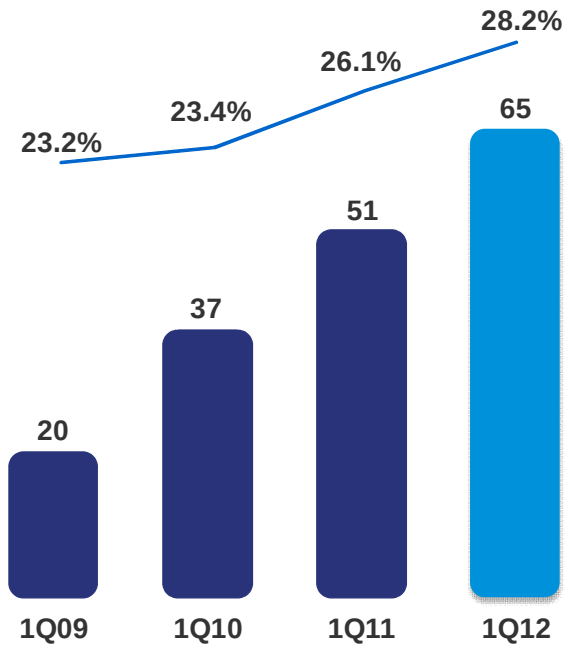
The adjusted EBITDA came up 27.4% from R$ 50,693 in 1Q11 to R$ 64,565 in 1Q12, reaching a 28.2% margin.



Adjusted EBITDA components	1Q12		1Q11		Δ% NOR	4Q11		Δ% NOR
	R$ 000	% NOR	R$ 000	% NOR		R$ 000	% NOR	
(+) Payments. net	237,400	103.9	200,390	103.2	0.7	230,751	103.0	0.9
(+) Sales of services and products	1,574	0.7	2,144	1.1	(0.4)	2,558	1.1	(0.4)
(-) Direct taxes on dental care operations	8,926	3.9	7,176	3.7	(0.2)	7,550	3.4	(0.5)
(-) Taxes on sales of services and products	1,479	0.6	1,153	0.6	-	1,640	0.7	0.1
(-) Cost of services	100,478	44.0	89,354	46.0	2.0	105,493	47.1	3.1
(-) Selling expenses	21,454	9.4	16,922	8.7	(0.7)	20,658	9.2	(0.2)
(-) Administrative expenses	34,172	15.0	32,302	16.6	1.6	33,530	15.0	-
(-) Allowance for doubtful receivables	6,589	2.9	3,986	2.1	(0.8)	4,561	2.0	(0.9)
(-) Profit sharing	1,311	0.6	948	0.5	(0.1)	945	0.4	(0.2)
Adjusted EBITDA	**64,565**	**28.2**	**50,693**	**26.1**	**2.1**	**58,932**	**26.3**	**1.9**

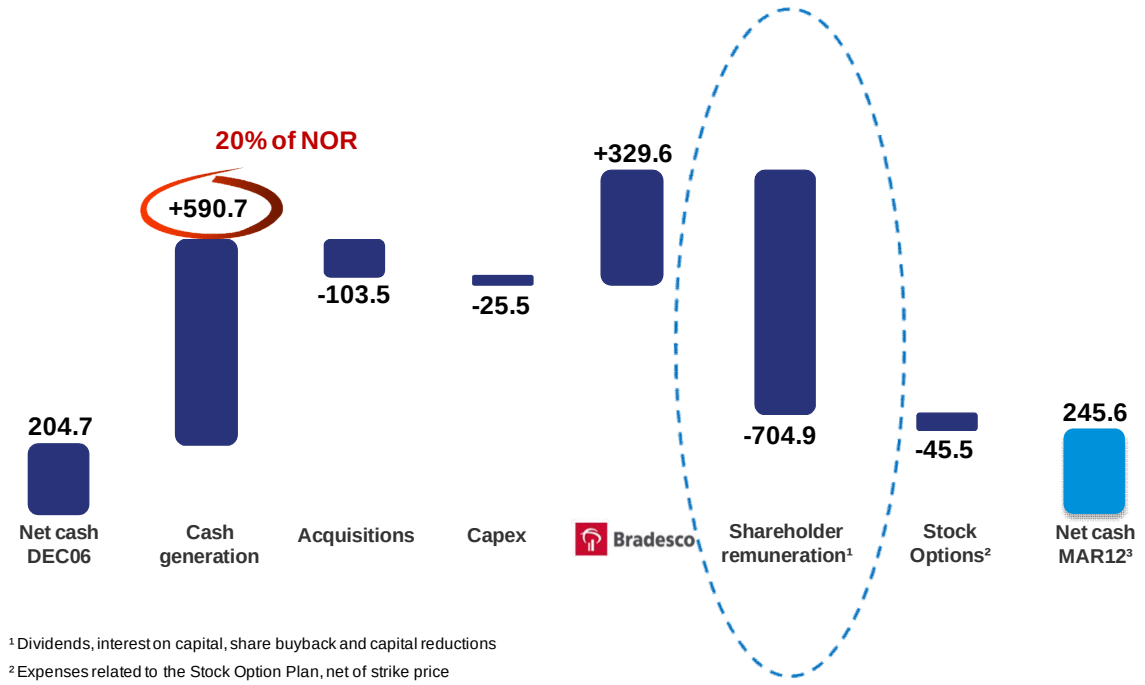
The adjusted EBITDA margin in 1Q12 reached 28.2%, 2.1 *p.p.* over 1Q11.

Adjusted EBITDA (R$ million) and Adjusted EBITDA Margin (%)



Since the IPO, OdontoPrev has presented a cash generation of R$590.7 million. At the end of March 2012 the net cash position was of R$245.6 million, without any leverage.

Cash-flow: R$705 million paid to investors since IPO

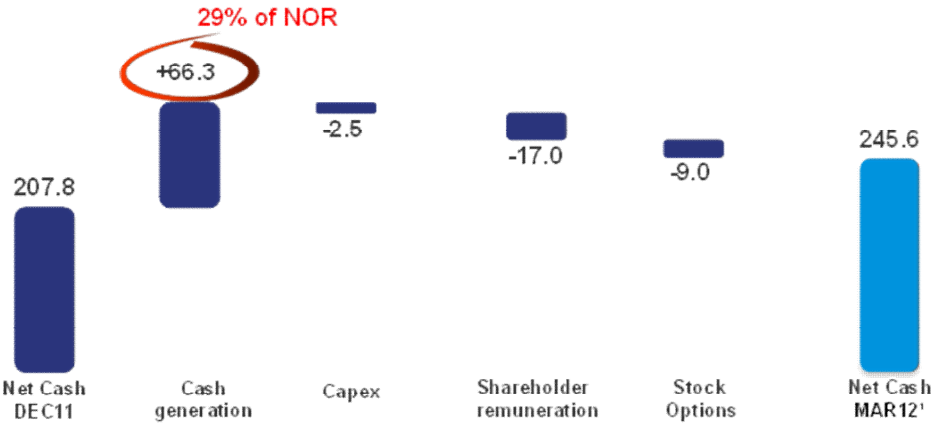


¹ Dividends, interest on capital, share buyback and capital reductions

² Expenses related to the Stock Option Plan, net of strike price

³ Includes R$65.3 million of technical provision and R$44.0 million of individual social provision (INSS) of the accredited dentists.

Cash-flow 1Q12 (R$ million)



¹ Includes R$65.3 million of technical provision and R$44 million of individual social provision (INSS) of the accredited dentists.

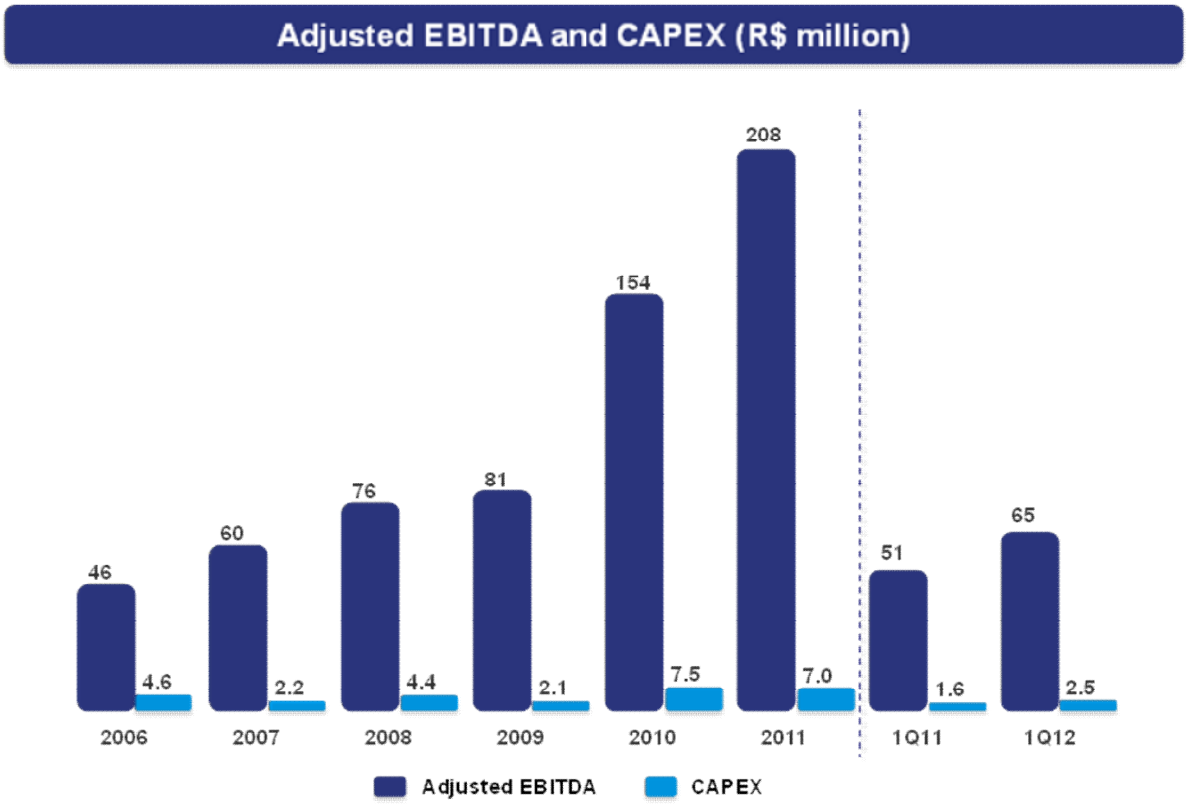
(R$000)	1Q12	1Q11	4Q11
CASH FLOW FROM OPERATIONAL ACTIVITIES			
Net income	**42,386**	**35,887**	**35,491**
Reconciliation of net income with the cash generated by operations	6,759	6,461	19,011
	49,145	**42,348**	**54,502**
Decrease (increase) in operational assets	(26,553)	(6,799)	(12,351)
Increase (decrease) in operational liabitities	43,269	26,307	3,944
Deferred selling expenses	375	(478)	(1,065)
NET CASH PROVIDED BY (USED IN) OPERATIONAL ACTIVITIES	**66,236**	**61,378**	**45,030**
CASH FLOW FROM INVESTING ACTIVITIES			
Incorporation of investments	-	-	(44)
Acquisition of property and equipment	(2,296)	(821)	(2,039)
Systems development and acquisition of softwares	(186)	(745)	(487)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	**(2,482)**	**(1,566)**	**(2,570)**
CASH FLOW FROM FINANCING ACTIVITIES			
Interest on capital	(16,957)	-	-
Treasury shares	(9,002)	(17,106)	(10,735)
Other	-	-	4
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(25,959)**	**(17,106)**	**(10,731)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**37,795**	**42,706**	**31,729**
CASH, AND CASH EQUIVALENTS			
Balance at the beginning of period	207,831	132,698	176,102
Balance at the end of period	245,626	175,404	207,831
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**37,795**	**42,706**	**31,729**

Capex

Systems development and acquisition/license of software represent the bulk of OdontoPrev's capex:

(R$000)	1Q12	1Q11	4Q11
Systems development and acquisition/license of software	1,281	855	2,223
Dental plan equipment, furniture and utensils	36	169	59
Installations	-	361	127
Computer equipment	340	136	109
Others	825	45	8
Total capex	**2,482**	**1,566**	**2,526**

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



Demonstration of value added

(R$000)	1Q12	1Q11	4Q11
Revenues	232,385	198,548	228,748
Inputs purchased from third parties	(127,854)	(115,377)	(146,069)
(=) GROSS VALUE ADDED	**104,531**	**83,171**	**82,679**
Retentions	(1,556)	(1,485)	(1,726)
(=) WEALTH CREATED BY THE COMPANY	**102,975**	**81,686**	**80,953**
Wealth received in transfer	7,475	5,204	6,244
(=) WEALTH CREATED	**110,450**	**86,890**	**87,197**

WEALTH DISTRIBUTED	(110,450)	100.0%	(86,890)	100.0%	(87,197)	100.0%
Personnel and charges	(17,538)	15.9%	(13,991)	16.1%	(16,611)	19.0%
Taxes, fees and contributions	(45,610)	41.3%	(32,680)	37.6%	(30,052)	34.5%
Lenders and lessors	(3,928)	3.6%	(3,395)	3.9%	(4,008)	4.6%
Shareholders	-	-	-	-	(67,316)	77.2%
Stock options	(946)	0.9%	(794)	0.9%	(946)	1.1%
Minoritary interest	(42)	-	(143)	0.2%	(89)	0.1%
Retained earnings	(42,386)	38.4%	(35,887)	41.3%	31,825	-36.5%

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.

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

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

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

(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 Board Resolution (RDC) No. 39, issued on October 27, 2000 by the National Supplementary Health Agency (ANS), the Company and its subsidiaries Rede Dental and Adcon are classified as dental care operators in the tertiary dental care segment.

Odontored CV

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

The company's share capital and advances for future capital increase total $24,441,204 Mexican pesos, 40% of

which is held by OdontoPrev and 60% by IKE Grupo Empresarial.

At March 31, 2012, the portion of investment recorded at the Company is R$363 (R$499 at December 31, 2011).

Approval of the financial statements

The issue of the parent company and subsidiary financial statements was authorized by the Board of Directors on April 26, 2012.

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).

3. Description of Significant Accounting Policies

The principal accounting policies applied in the preparation of these individual and consolidated financial statements are set out below. These policies have been consistently applied to all the periods 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 the risks and rewards originated from these investments, in accordance with IFRS. Subsidiaries are consolidated from the date on which control is transferred to OdontoPrev.

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

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

Investments in subsidiaries, 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.

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

(b) Associates

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

3.2.2 Parent company financial statements

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

3.2.3 Statements of comprehensive income

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

(b) Translation and balances in foreign currency

Foreign currency transactions are 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 and 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 realization in the short term. All financial assets in this category are classified as current assets, as shown 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, which 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).

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

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

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired, according to Note 3.6.5.

3.6.3 Fair value estimation

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: the discounted cash flow or another methodology is used to determine the asset price based on observable market data.
- Level 3: inputs for the asset or liability that are not based on observable market data.

The Company's financial risk management policy is to contract financial products available in the Brazilian market, whose market value can be reliably measured, seeking high liquidity to meet its future liabilities and with a prudent liquidity risk management policy. The composition of financial investments, which are classified in level 1 (public bonds) and level 2 (Bank Deposit Certificates (CDBs) and others) is shown in Note 8.

3.6.4 Offsetting financial instruments

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

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 that the Company uses to determine whether there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that it would not otherwise consider;
- declaration of bankruptcy or reorganization of the service receiver;
- the disappearance of an active market for that financial asset;
- data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition, including: (i) adverse changes in the payment status of borrowers in the portfolio; and; (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the loss is recognized in the statement of income.

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

3.7 Non-current assets

3.7.1 Long-term receivables

These include deferred income tax and social contribution, and other non-current assets (judicial deposits - Note 11.2 and other receivables - Note 11.3), stated at cost, including, when applicable, earnings earned and provision for losses.

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

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

Deferred tax assets with probable deductibility are recognized in relation to taxable temporary differences, that is, on those differences that will result in amounts to be excluded from the calculation of taxable income tax and social contribution of future years, when the carrying amount of the asset is recovered. They are basically recorded on temporary differences related to: goodwill on expected future profitability from merged subsidiaries (this tax benefit is recorded in conformity with the current accounting standards CPC 32/IAS 12 and is based on future tax 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, 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 accounted for using the equity accounting method based on their respective balance sheets at March 31, 2012 and December 31, 2011, 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 based on the estimated economic lives of assets at the annual rates mentioned in Note 13.

Property and equipment comprise mainly computer equipment and furniture.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are regognized 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, as disclosed in Note 14.2, and carried at cost less accumulated impairment losses, which are not reversed.

(b) System development, software licenses and others

System development and software license expenses are capitalized on the basis of the costs incurred to acquire and bring them to use. They are amortized on the straight-line method over 60 months, as mentioned in Note 14.3.

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

Goodwill attributable to the brand, customer portfolio and agreement for non-competition are grouped in "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 incremental and related to the origin or renewal of contracts, that is, the amounts paid for agent representation and that can be reliably measured. Other costs are expensed as incurred. This asset is recognized in profit or loss over a period of twelve months.

3.8 Impairment of non-financial assets

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

Assets are tested for impairment in order to: (i) verify whether there is any 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 when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For impairment tests, assets are grouped in business units (active and/or merged companies acquired).

3.9 Dental care plan contracts

On 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 insured event does not occur. The Company issues dental care plan contracts which transfer financial risk, insurance or dental care cost fluctuation risk or both (see Notes 6.1 and 6.2). In general, the Company defines significant insurance risk as the possibility of incurring losses at amounts higher than the monthly payments made by the beneficiaries. Investment contracts are those which do not transfer insurance risk or transfer insignificant insurance risk.

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

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

(a) Deferred selling expenses

See comments in note 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. On first-time adoption of IFRS, the Company used the rules of CPC 11/IFRS 4 for assessing these contracts, based on the minimum rules and procedures established in CPC 11/IFRS 4, which include: (i) the Liability Adequacy Test (LAT) of insurance contracts; (ii) the economic and actuarial classification as insurance or investment contracts; and (iii) the identification of embedded derivatives.

(c) Liability Adequacy Test (LAT)

In conformity with CPC 11/IFRS 4, the Company prepared at December 31, 2011 the liability adequacy test of all dental care plan contracts in effect at the testing date. This test considers as the net book value all insurance contract liabilities permitted by CPC 11/IFRS 4, less intangible assets directly related to insurance contracts.

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

Should any deficiency be identified, the Company immediately recognizes the loss in the statement of income, initially reducing the DAC or the deferred acquisition costs up to the limit of zero (or other intangible assets, such as those arising from exclusivity contracts and those directly related to insurance contracts) and, subsequently, recognizes additional provisions for insurance liabilities already recognized at the testing date, when the loss exceeds the carrying amount of these intangible assets. Any intangible asset, such as DAC, which has been written down as a result of this test is not subsequently reestablished by the Company in circumstances 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, amended by RN Nos. 227/10, 243/10 and 274/11, operators shall record monthly the "Provision for events occurred but not reported (IBNR), actuarially estimated to cover events/claims already occurred but not recorded in the accounting books by the Company.

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

The Company 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 recorded this provision in current liabilities "Provision for events/claims occurred but not reported".

The events pending settlement involving dental care assistance are classified as "Provision for events/claims to settle " in the group "Technical provisions for dental care operations" in accordance with Normative Instruction (IN) 46/11 amended by Normative Resolution (RN) 290/12. Costs of services provided are recorded based on claims reported by accredited service providers upon the analysis of the events covered by the plans, with a corresponding entry to the account "Indeminifiable, 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 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. Accounts payable are classified as current liabilities if payment is due in one year or less. If not, they are presented as non-current liabilities.

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

3.15 Contingent liabilities and legal obligations

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

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

(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 are reliably measurable.

(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 (Note 20.5), 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 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 206/09.

(b) Sales of goods and services

Revenues from sales of goods and services provided by the subsidiaries, as stated in Note 21 item (iv), are allocated to the statement of income on the accrual basis.

(c) Financial

This income arises from financial investments and tax credit 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 on a future date, subject to continuing service by the beneficiary to the Company (vesting condition - CPC 10/IFRS 2). On the option grant date, the Company calculates the fair value of each option based on the financial method, widely known as Black-Scholes, taking into consideration several factors on the option grant date, such as volatility of shares, share exercise price, share market price, vesting period, risk-free discount rate, and other factors. Share-based remuneration expense is recorded in accordance with the accrual period and as the beneficiary renders the 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 the 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 maintained in equity, in the account "additional dividend proposed", until it is approved by the shareholders at the annual general meeting.

3.21 Earnings per share

The Company's earnings per share for the periods ended March 31, 2012 and 2011, 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.

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

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

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

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

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

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

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:

		Company		Consolidated	
		Period ended at March,31		Period ended at March,31	
Corporate Law	**ANS**	**2012**	**2011**	**2012**	**2011**
	Net installments	231,492	194,151	237,400	200,390
	Revenues from sale of products	98	-	1,574	2,144
Taxes on sales	Direct taxes on health care plan operations	(8,652)	(6,872)	(8,926)	(7,176)
	Taxes on sales and services	-	-	(1,479)	(1,153)
Net operating revenue		**222,938**	**187,279**	**228,569**	**194,205**
Cost of services	**Cost of services**	**(96,903)**	**(86,952)**	**(100,392)**	**(89,354)**
	Indemnifiable claims, net	(81,459)	(73,842)	(83,553)	(75,390)
	Social charges on services	(6,393)	(5,581)	(6,461)	(5,644)
	Dental care materials	(1,175)	(1,501)	(682)	(871)
	Other operating expenses	(7,962)	(6,028)	(9,782)	(7,449)
	Changes in events incurred but not reported	86	-	86	-
Gross profit		**126,035**	**100,327**	**128,177**	**104,851**
Selling expenses	**Selling expenses**	**(21,267)**	**(16,625)**	**(21,454)**	**(16,922)**
Administrative expenses	**Administrative expenses**	**(36,593)**	**(31,929)**	**(35,728)**	**(34,183)**
Other expenses	**Other expenses**	**(8,867)**	**(5,131)**	**(8,846)**	**(5,728)**
Granting of stock options	Granting of stock options	(946)	(794)	(946)	(794)
Provision for impairment of trade receivables	Provision for impairment of trade receivables	(6,891)	(3,681)	(6,589)	(3,986)
Equity in the results of subsidiaries	Equity in the results of subsidiaries	(1,030)	(656)	(1,311)	(948)
Finance income (cost), net	**Finance income (cost), net**	**4,890**	**3,025**	**5,200**	**3,264**
Finance income	Finance income	7,075	4,815	7,559	5,204
Finance costs	Finance costs	(2,185)	(1,790)	(2,359)	(1,940)
Equity in the results of subsidiaries	**Equity in the results of subsidiaries**	**1,910**	**1,260**	**(84)**	**-**
Profit before taxation	**Profit before taxation**	**66,108**	**50,927**	**67,265**	**51,282**
Income tax and Social contribution	**Income tax and Social contribution**	**(23,722)**	**(15,040)**	**(24,837)**	**(15,252)**
Current	Current	(21,723)	(13,534)	(22,694)	(14,304)
Deferred	Deferred	(1,999)	(1,506)	(2,143)	(948)
Profit for the year	**Profit for the year**	**42,386**	**35,887**	**42,428**	**36,030**
Attributable to:					
Shareholders of the Company		42,386	35,887	42,386	35,887
Non-controlling interests		-	-	42	143
Profit for the year	**Profit for the year**	**42,386**	**35,887**	**42,428**	**36,030**
Earnings per Share to the Company´s shareholders					
Basic earnings per share (R$)		0.24	0.20	0.24	0.20
Diluted earnings per share (R$)		0.24	0.20	0.24	0.20

5. Critical Accounting Estimates and Judgments

The preparation of financial statements in accordance with accounting practices adopted in Brazil and IFRS requires management to use judgment 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 periodic basis.

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

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

Currently, losses identified in the impairment test of receivables represent approximately 2.9% of the total revenues of the Company and its subsidiaries, of which 60.6% arises from individual prepaid contracts. If these contracts had been more significant, the Company would have had an increase in its total losses recorded in the statement of income.

(b) Estimates used in the evaluation of tax 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 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, 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 and assessment of impairment for 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 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 6.2 on insurance risk management and sensitivity analyses of the main assumptions used in the assessment of these liabilities).

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

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

At March 31, 2012 the Company and its subsidiaries have R$80,752 (R$72,438 at December 31, 2011) in provisions for contingencies, of which R$75,851 (R$67,804 at December 31, 2011) correspond to the questioning of the levy of INSS on remuneration paid to accredited dentists, initially established by Supplementary Law (LC) No. 84/96 and, subsequently, by Law No. 9876/99 (new wording 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 operations 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.

At March 31, 2012, the financial investments of the Company and its subsidiaries, as stated in Note 8, totaled R$239,236 (R$199,781 at December 31, 2011), of which 93.5% of funds are invested in investment funds affected by the variations in remuneration rate of public national treasury bonds (National Treasury Bills (LTN)).

In compliance with CVM Resolution No. 475, of December 17, 2008, the Company and its subsidiaries performed a sensitivity analysis of their financial instruments, based on the variation of the Selic rate disclosed by the Central Bank's Focus report, which would impact profit by R$4,754 (probable scenario), R$5,943 (increase of 25%) and R$7,131 (increase of 50%).

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, 2012	Average yield - % of CDI	December 31, 2011	Average yield - % of CDI	Fitch	Moody's	S&P
Banco Bradesco S.A.	273	98.8%	267	98.8%	AAA (bra)	Aaa.br	brAAA
Banco Industrial e Comercial S.A.	619	105.0%	603	105.0%	A+ (bra)	Aa1.br	brAA
Banco Panamericano S.A.	2,542	104.5%	2,476	104.5%	AA- (bra)	A1.br	-
Banco Santander Brasil S.A.	4,160	100.3%	4,060	100.3%	AAA (bra)	Aaa.br	brAAA
Banco Votorantim S.A.	8,053	104.3%	7,851	104.3%	AA+ (bra)	Aaa.br	brAAA
	15,647		**15,257**				

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 at 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 the largest dental care plan company of Latin America. At March 31, 2012, the Company has 5,664,825 beneficiaries (5,533,353 at December 31, 2011) and an accredited network of approximately 25,000 dental surgeons throughout the country.

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

OdontoPrev operates more than 100 different dental care plans registered in ANS which, together with the dental care plans 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 disbursement, and the beneficiary can also rely on the systems for control of quality and selection of professionals. In the system in which the beneficiary can choose the professionals, they must pay directly to the dentist and subsequently request the reimbursement of the costs, under the limits of the contract. When the customer opts for the company-owned units, two types are available: the dental care plan itself, named by ANS as own dental care segment, or the lease of exclusive dental clinics in the customers' facilities. In the first model, the type of coverage and the payment of a per capita monthly rate are defined. In the second model, 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 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 ensures the individual evaluation of all treatments made, through x-ray images and analysis of electronic records, thus monitoring the dental costs per customer.

The contracts are effective over approximately 24 months, originally with a termination clause establishing 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, that is, cost of services divided by sales, and adjustment based on inflation, according to an index established with each customer.

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

In the year ended March 31, 2012, the consolidated claims ratio was 43.9% (data included in Note 4) and contribution margin (gross profit less selling expenses divided by sales revenues) of 46.7%. If the contribution ratio

were 60%, the margin would be 30.6%, a decrease of 16.1 p.p., equivalent to R$36,749. And, in the event of claims ratio decrease to 40%, the margin would be 50.6%, an increase of 3.9 p.p., equivalent to R$8,964.

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 public system; (iii) growing inclusion of dental care plans in employer benefit programs; (iv) opportunities represented by the increasing interest of new distribution channels; and (v) regulation.

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 specialized dental care plans with quality; (iv) world-class information technology; (v) specialized management, focused on generation of value; and (vi) larger and better range of specialized dental surgeons.

OdontoPrev has a high customer retention ratio, and the percentage of contracts renewed over the past three 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 reporting period and prior periods, the Company's capital was maintained above the minimum regulatory requirements.

Note 15, "Minimum Capital and Technical Provisions", describes the rules for determination of technical provisions and criteria for maintenance of minimum equity and solvency margin, according to definitions applicable to dental care plan operators.

7. Cash and Cash Equivalents

	Company		Consolidated	
	March 31, 2012	December 31, 2011	March31, 2012	December 31, 2011
Cash and deposits in cash in financial institutions	39	46	111	117
Short-term deposits	5,425	7,176	6,279	7,933
	5,464	**7,222**	**6,390**	**8,050**

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, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Bank Deposit Certificates (CDBs) (i)	14,953	14,580	15,647	15,257
Investment funds (ii)	3,987	3,892	7,600	7,433
Debentures (iii)	202,378	164,977	215,989	177,091
	221,318	**183,449**	**239,236**	**199,781**

CDBs: Refer to floating rate securities indexed to the Interbank deposit certificate (CDI) daily interest rates, mostly of which have daily liquidity. At March 31, 2012, the Company has the following CDBs: in the amount of R$3,739 (R$3,649 at December 31, 2011) with Banco Santander and in the amount of R$8,053 (R$6,672 at December 31, 2011) with Banco Votorantim, with grace period of up to 12 months at both banks; in the amount of R$1 (R$0 at December 31, 2011) with Banco Bradesco and other CDBs amounting to R$3,160 (R$4,259 at December 31, 2011).

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

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

A portion of the financial investments at March 31, 2012, totaling R$61,930 (R$60,394 at December 31, 2011) in Company and R$65,271 (R$63,657 at December 31, 2011) in Consolidated, is linked to ANS to guarantee 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 to 360 days	Total
CDBs	-	6,855	8,053	45	14,953
Investment funds	3,987	-	-	-	3,987
Federal Public Bonds	-	1,651	92,723	108,004	202,378
At March 31, 2012	**3,987**	**8,506**	**100,776**	**108,049**	**221,318**
At December 31, 2011	**3,892**	**3,029**	**7,430**	**169,098**	**183,449**

					Consolidated
	No maturity date	Up to 180 days	181 to 360 days	Over to 360 days	Total
CDBs	-	6,856	8,474	327	15,657
Investment funds	7,600	-	-	-	7,600
Federal Public Bonds	-	1,651	92,723	121,605	215,979
At March 31, 2012	**7,600**	**8,507**	**101,197**	**121,932**	**239,236**
At December 31, 2011	**7,433**	**3,029**	**7,430**	**181,889**	**199,781**

Investments in CDBs are classified in current assets, regardless of their maturity terms, in view of the guarantee of daily liquidity offered by the counterparty or because they are redeemable in up to 12 months and also because they are classified as financial assets at fair value through profit or loss. Note 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, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Invoices/premiums receivable	115,367	105,595	120,325	111,212
Debit notes	676	600	676	600
Provision for impairment of trade receivables	(25,346)	(22,234)	(26,043)	(23,240)
Subtotal	**90,697**	**83,961**	**94,958**	**88,572**
Advanced billings	(66,459)	(71,148)	(69,322)	(74,167)
	24,238	**12,813**	**25,636**	**14,405**

At March 31, 2012, the composition of the Company and Consolidated health care receivables by maturity is as follows:

	Company				
	Falling due	Overdue			
	Up to 30 days	Up to 30 days	From 31 to 90 days	Over 90 days	Total
Invoices/premiums debit notes receivable, net	74,501	11,504	14,564	15,474	116,043
Provision for impairment of trade receivables	(2,596)	(612)	(6,664)	(15,474)	(25,346)
At March 31, 2012	**71,905**	**10,892**	**7,900**	**-**	**90,697**
At December 31, 2011	**69,120**	**9,053**	**5,788**	**-**	**83,961**

	Consolidated				
	Falling due	Overdue			
	Up to 30 days	Up to 30 days	From 31 to 90 days	Over 90 days	Total
Invoices/premiums debit notes receivable, net	78,596	11,636	14,703	16,066	121,001
Provision for impairment of trade receivables	(2,596)	(612)	(6,769)	(16,066)	(26,043)
At March 31, 2012	**76,000**	**11,024**	**7,934**	**-**	**94,958**
At December 31, 2011	**73,432**	**9,343**	**5,797**	**-**	**88,572**

Trade receivables are comprised as follows:

	Company		Consolidated	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Invoices/premiums receivable	115,367	105,595	120,325	111,212
Debit notes	676	600	676	600
Advanced billings	(66,459)	(71,148)	(69,322)	(74,167)
Provision for impairment of trade receivables	(25,346)	(22,234)	(26,043)	(23,240)
(=) Trade receivables, net	**24,238**	**12,813**	**25,636**	**14,405**
(-) Advances from customers	(3,120)	(3,976)	(3,256)	(3,993)
(=) Considerations/premiums receivable from customers	**21,118**	**8,837**	**22,380**	**10,412**

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

	Company		Consolidated	
	March31, 2012	December 31, 2011	March31, 2012	December 31, 2011
Balance at the beginning of the year	**(22,234)**	**(17,135)**	**(23,240)**	**(17,530)**
Reversals (provisions) recorded in the year, net	(6,891)	(18,784)	(6,589)	(19,454)
Losses with customers	3,779	13,685	3,786	13,744
Balance at the end of the year	**(25,346)**	**(22,234)**	**(26,043)**	**(23,240)**

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

Other financial assets classified as loans and receivables do not 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, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Corporate Income Tax (IRPJ)	39,451	29,532	46,889	36,318
Social Contribution on Net Income (CSLL)	14,178	10,504	15,978	11,906
Withholding Income Tax (IRRF)	1,139	606	1,886	1,184
Other	343	452	1,848	1,886
	55,111	**41,094**	**66,601**	**51,294**

Income tax and social: refer to advances and credit balances from prior periods.

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, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Deferred income tax	102,991	104,301	103,757	105,173
Deferred social contribution	37,077	37,549	37,352	37,862
	140,068	**141,850**	**141,109**	**143,035**

	Company		Consolidated	
	March31, 2012	December 31, 2011	March31, 2012	December 31, 2011
Deferred tax assets				
Provision for impairment of trade receivables	8,792	7,734	9,001	7,948
Provisions for tax, social security, labor and civil contingencies	26,730	23,894	26,959	24,128
Provision for events/claims incurred but not reported (PEONA)	-	-	-	281
Goodwill on expected future profitability - merged subsidiaries	95,361	102,946	95,361	102,946
Other provisions	9,185	7,276	9,788	7,732
	140,068	**141,850**	**141,109**	**143,035**
Recoverable within 12 months	40,788	41,307	41,091	42,076
Recoverable after 12 months	99,280	100,543	100,018	100,959

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".

	Company					
	Provision for impairment of trade receivables	Provisions for tax, social security, labor and civil contingencies	Provision for events/claims incurred but not reported	Goodwill on expected future profitability - merged subsidiaries	Other provisions	Total
At December 31, 2011	**7,734**	**23,894**	**-**	**102,946**	**7,276**	**141,850**
(Charged)/credited to the statement of income	1,058	2,836	-	(7,585)	1,909	(1,782)
At March 31, 2012	**8,792**	**26,730**	**-**	**95,361**	**9,185**	**140,068**

	Consolidated					
	Provision for impairment of trade receivables	Provisions for tax, social security, labor and civil contingencies	Provision for events/claims incurred but not reported	Goodwill on expected future profitability - merged subsidiaries	Other provisions	Total
At December 31, 2011	**7,948**	**24,128**	**281**	**102,946**	**7,732**	**143,035**
(Charged)/credited to the statement of income	1,053	2,831	-	(7,585)	2,056	(1,645)
(Charged) to the equity	-	-	(281)	-	-	(281)
At March 31, 2012	**9,001**	**26,959**	**-**	**95,361**	**9,788**	**141,109**

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, 2012	December 31, 2011	March 31, 2012	December 31, 2011
TAX	**425**	**424**	**2,709**	**2,709**
COFINS	-	-	2,235	2,235
Other	425	424	474	474
Social security and labor	**31,906**	**31,241**	**32,095**	**31,393**
INSS	31,812	31,172	31,812	31,172
Other	94	69	283	221
Civil	**255**	**253**	**255**	**253**
	32,586	**31,918**	**35,059**	**34,355**

11.3 Other receivables

	Company		Consolidated	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
DentalCorp	952	1,016	952	1,016
Rede Dental	928	928	928	928
Care Plus/Biodent	460	460	460	460
Sepao	337	337	337	337
Prontodente	76	76	76	76
OdontoServ	313	313	313	313
	3,066	**3,130**	**3,066**	**3,130**

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, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Equity interests	29,532	27,486	-	-
Otehr equity interests	363	499	353	438
	29,895	**27,985**	**353**	**438**

Equity interest in subsidiaries is classified as follows:

					2012	Equity in the results of subsidiaries		Investment balances	
Subsidiaries	Share capital	Number of quotas/ shares held	Holding (%)	Profit (loss for the period)	Equity	March 31, 2012	March 31, 2011	March 31, 2012	December 31, 2011
Clidec	8,290	8,290	99.9	386	10,694	116	99	10,693	10,577
OdontoPrev Serviços	2,278	2,278	99.9	846	5,838	226	159	5,838	5,612
Rede Dental	1,162	1,162	99.9	4,448	12,319	1,620	1,021	12,318	10,698
Adcon	43	43	99.9	(21)	684	84	(19)	683	599
						2,046	**1,260**	**29,532**	**27,486**

At March 31, 2012, equity interest totaled R$1,910, and the R$136 expense refers to interest in associate company Odontored CV.

13. Property and Equipment

Company

	Computer equipment	Vehicles	Facilities	Machinery and equipment	Furniture and fittings	Communication equipment	Dental care equipment	**Total chattels**	Leasehold improvements	Others	Total other property and equipment	**Total**
Net book value at December 31, 2011	**2,334**	**368**	**160**	**343**	**1,810**	**199**	**67**	**5,281**	**1,474**	**2,669**	**4,143**	**9,424**
Additions and (disposals)	340	-	-	18	6	-	-	**364**	-	1,158	**1,158**	**1,522**
Depreciation	(190)	(52)	(8)	(12)	(69)	(11)	(3)	**(345)**	(84)	-	**(84)**	**(429)**
At March 31, 2012	**2,484**	**316**	**152**	**349**	**1,747**	**188**	**64**	**5,300**	**1,390**	**3,827**	**5,217**	**10,517**
Acquisition cost	6,994	1,121	539	783	3,225	762	455	**13,879**	4,596	3,827	**8,423**	**22,302**
Accumulated depreciation	(4,510)	(805)	(387)	(434)	(1,478)	(574)	(391)	**(8,579)**	(3,206)	-	**(3,206)**	**(11,785)**
Net book value at March 31, 2012	**2,484**	**316**	**152**	**349**	**1,747**	**188**	**64**	**5,300**	**1,390**	**3,827**	**5,217**	**10,517**
Annual depreciation rate (%)	**20**	**20**	**10**	**10**	**10**	**10**	**10**	**-**	**20**	**-**	**-**	**-**

Consolidated

	Computer equipment	Vehicles	Facilities	Machinery and equipment	Furniture and fittings	Communication equipment	Dental care equipment	**Total chattels**	Leasehold improvements	Others	Total other property and equipment	**Total**
Net book value at December 31, 2011	**2,447**	**369**	**291**	**399**	**2,195**	**205**	**585**	**6,491**	**1,735**	**2,668**	**4,403**	**10,894**
Additions and (disposals)	340	-	-	26	9	(2)	-	**373**	-	1,920	**1,920**	**2,293**
Depreciation	(194)	(53)	(12)	(16)	(87)	(11)	(35)	**(408)**	(105)	-	**(105)**	**(513)**
At March 31, 2012	**2,593**	**316**	**279**	**409**	**2,117**	**192**	**550**	**6,456**	**1,630**	**4,588**	**6,218**	**12,674**
Acquisition cost	7,549	1,154	1,945	939	3,941	770	1,869	**18,167**	5,652	4,588	**10,240**	**28,407**
Accumulated depreciation	(4,956)	(838)	(1,666)	(530)	(1,824)	(578)	(1,319)	**(11,711)**	(4,022)	-	**(4,022)**	**(15,733)**
Net book value at March 31, 2012	**2,593**	**316**	**279**	**409**	**2,117**	**192**	**550**	**6,456**	**1,630**	**4,588**	**6,218**	**12,674**
Annual depreciation rate (%)	**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:

	Historical data on the acquisition and / or approval					**March 31, 2012 and December 31, 2011**
	Date	Total cost of acquisition	Book Value	Goodwill	Amortization[1]	Net Goodwill
Bradesco Dental	October 18, 2009	723,392	313,752	409,640	-	409,640
Rede Dental	October 8, 2007	7,584	(119)	7,703	(1,544)	6,159
Dentalcorp	February 9, 2007	25,244	386	24,858	(9,529)	15,329
Sepao	October 24, 2008	9,203	82	9,121	(303)	8,818
SRJSPE	June 26, 2008	13,720	(130)	13,850	(1,616)	12,234
Care Plus	June 19, 2008	13,113	(230)	13,343	(1,563)	11,780
Biodent	June 19, 2008	2,837	98	2,739	(319)	2,420
Prontodente	December 22, 2008	5,445	(235)	5,680	-	5,680
Odontoserv	February 27, 2009	30,841	10,025	20,816	-	20,816
Total Company		**831,379**	**323,629**	**507,75**	**(14,874)**	**492,876**
Easy Software	July 8, 2008	3,100	456	2,644	(265)	**2,379**
Total Consolidated		**834,479**	**324,085**	**510,394**	**(15,139)**	**495,255**

[1] Accumulated Amortization up to December 31, 2008

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

After the impairment test was applied, we concluded that a provision for impairment was not necessary.

14.3 System development, software licenses and others

	Company		Consolidated	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
System development (i)	8,139	8,139	8,139	8,139
Software licenses (i)	5,463	5,278	6,890	6,704
Intangible assets - OdontoServ (ii)	9,792	9,792	9,792	9,792
Other	5	5	25	26
Accumulated amortization	(13,191)	(12,153)	(13,652)	(12,610)
	10,208	**11,061**	**11,194**	**12,051**

The amortization period of intangible assets with defined useful life is: (i) system development and software licenses, 60 months; (ii) 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 investment	System development, software licenses and other	Deferred selling expenses	Total
Cost	510,394	24,661	29,526	564,581
Accumulated amortization and impairment	(15,139)	(12,610)	(20,311)	(48,060)
At December 31, 2011	**495,255**	**12,051**	**9,215**	**516,521**
Additions (write-off)	-	185	(375)	(190)
Amortization	-	(1,042)	-	(1,042)
At March 31, 2012	**495,255**	**11,194**	**8,840**	**515,289**
Cost	510,394	24,845	9,215	544,454
Accumulated amortization and impairment	(15,139)	(13,651)	(375)	(29,165)
Net book amount	**495,255**	**11,194**	**8,840**	**515,289**

15. Minimum Capital and Technical Provisions - Company

ANS published, on December 22, 2009, RN No. 209, amended by RNs No. 227/10, 243/10 and 247/11, which establishes new rules for recognizing technical provisions and minimum capital requirements. The main definitions applicable to dental care operators are as follows:

(a) Adjusted minimum capital (PMA) represents the minimum amount of equity or net assets, calculated by multiplying the K factor by the capital base of R$5,596. In accordance with this rule, the required minimum capital is R$181, whereas the Company's adjusted capital is R$335,113 at March 31, 2012 (R$283,501 at December 31, 2011).

(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, 2012, the solvency margin calculated was R$172,664 (R$165,195 at December 31, 2011) based on the Installments.

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

The Company 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 recorded this provision in current liabilities "Provision for events/claims occurred but not reported".

At March 31, 2012 the Company has a balance of provision for events/claims occurred but not reported amounting to R$44,184 and Consolidated of R$45,686 (R$44,270 and R$44,947 at December 31, 2011 for Company and Consolidated, respectively).

(d) The events pending settlement involving dental care assistance are classified as "Provision for events /claims to settle" in the group "Technical provisions for dental care operations" in accordance with IN 46/11, amended by RN 290/12. At March 31, 2012, the Company's balance is R$9,312 (R$5,010 at December 31, 2011). In consolidated, the balance at March 31, 2012 is R$10,206 (R$5,929 at December 31, 2011).

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

	Company	Consolidated
At December 31, 2011	**49,280**	**50,876**
Events reported/ incurred in the year	81,459	83,553
Events paid	(77,157)	(79,277)
Provision for events/ claims incurred but not reported	(86)	740
At March 31, 2012	**53,496**	**55,892**
Provision for events/ claims to be settled	9,312	10,206
Provision for events/ claims incurred but not reported	44,184	45,686
At March 31, 2012	**53,496**	**55,892**

16. Taxes and Contributions Payable

The balance of taxes and contributions payable is comprised as follows:

	Company		Consolidated	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Federal tax liabilities	**59,343**	**40,044**	**63,928**	**43,937**
IRPJ	40,522	24,550	43,415	26,862
CSLL	14,841	9,089	15,919	9,959
COFINS	1,634	1,232	1,944	1,572
PIS	785	964	853	1,038
IRRF	1,230	3,884	1,428	4,142
Other	331	325	369	364
State tax liabilities	-	**-**	**62**	**13**
Municipal tax liabilities	**1,448**	**1,239**	**1,738**	**1,580**
	60,791	**41,283**	**65,728**	**45,530**

17. Suppliers

	Company		Consolidated	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Commissions payable	3,799	4,345	3,816	4,365
Suppliers of goods and services	4,182	5,078	4,765	5,329
	7,981	**9,423**	**8,581**	**9,694**

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

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

18. Other Payables

These include mainly several provisions recorded in accordance with incurred costs.

	Company		Consolidated	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
PEONA	**-**	**-**	**-**	**825**
Sundry provisions:	**20,975**	**12,600**	**19,342**	**12,600**
Commissions	2,290	2,501	2,290	2,501
IT support and service	594	276	594	276
Telecommunications	414	530	414	530
Services	2,921	1,307	1,227	1,307
Associations	346	411	346	411
Location	133	126	147	126
Operational materials	-	248	-	248
Travels	375	313	422	313
Compensable events and charges	13,224	6,586	13,224	6,586
Other provisions	678	302	678	302
Credits to be identified	**13,273**	**10,232**	**13,425**	**10,312**
Other	**1,308**	**892**	**1,438**	**1,070**
	35,556	**23,724**	**34,205**	**24,807**

19. Long-term Liabilities

19.1 Provision for contingencies

The Company's management sets up provisions based on the opinion of its internal and external legal advisors and considers that the amounts recorded in "Provisions for contingencies", in long-term liabilities, are sufficient to cover potential losses arising from court decisions. The amounts related to possible losses not accrued, referring to 292 civil lawsuits (not related to treatments made to the dental plan beneficiaries) and to 54 labor lawsuits of the Company and its subsidiaries, at March 31, 2012, total R$9,822 (R$10,062 at December 31, 2011).

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

	Consolidated					
	March 31, 2012			December 31, 2011		
	Provision	Judicial deposits	Net Provision	Provision	Judicial deposits	Net Provision
Tax	**1,796**	**(2,709)**	**(913)**	**1,769**	**(2,709)**	**(940)**
Social security and labor	**76,720**	**(32,099)**	**44,621**	**68,736**	**(31,393)**	**37,343**
INSS	75,851	(31,812)	44,039	67,804	(31,172)	36,632
Other	869	(287)	582	932	(221)	711
Civil	**2,236**	**(251)**	**1,985**	**1,933**	**(253)**	**1,680**
	80,752	**(35,059)**	**45,693**	**72,438**	**(34,355)**	**38,083**

	Consolidated				
				March 31, 2012	
Changes	Tax	Social security and labor	Civil	Total	December 31, 2011
Opening balance	1,769	68,736	1,933	72,438	41,249
Establishment	27	6,524	726	7,277	26,780
Write-offs	-	(135)	(433)	(568)	(322)
Monetary adjustment	-	1,595	10	1,605	4,731
Closing balance	**1,796**	**76,720**	**2,236**	**80,752**	**72,438**
Number of lawsuits				120	120

(a) Tax:

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

The Company and its subsidiary Clidec filed a lawsuit requesting to pay COFINS as established by LC 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 Company and its subsidiary Rede Dental are discussing in court the social security contribution levied on the remuneration paid to accredited dentists as set forth by LC No. 84/96 and subsequently by Law 9876/99 (new wording provided for in article 22, item I of Law 8212/91), at the rate of 20%. The Company alleges that because the services are not rendered to the insurance companies but to the insured parties, they would be outside the scope of the mentioned contribution. In August 2010, a preliminary injunction determined the suspension of the payment of the social security contribution, without the obligation of making the judicial deposits, only for accounting provision. It should be mentioned that Bradesco Dental had already a lawsuit with the same objective, and had made judicial deposits up to July 2010, date of the merger into the Company, and when it became the plaintiff. These obligations have been fully accounted for and totaled R$75,851 at March 31, 2012 (R$67,804 at December 31, 2011), and for which there is a judicial deposit of R$31,812 at March 31, 2012 (R$31,172 at December 31, 2011).

(ii) Other

The Company and its subsidiaries are parties to various labor lawsuits, most of them relating to requests for salary adjustment as established in the collective agreement 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, 2012, the total amount provisioned was R$869 (R$932 at December 31, 2011).

(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$2,236 at March 31, 2012 (R$1,933 at December 31, 2011).

19.2 Other liabilities

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

	Company		Consolidated	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
DentalCorp	941	975	941	975
Rede Dental	927	928	927	928
Care Plus/Biodent	456	456	456	456
Sepao	337	337	337	337
Prontodente	76	76	76	76
OdontoServ	313	313	313	313
	3,050	**3,085**	**3,050**	**3,085**

20. Equity

20.1 Share capital

At March 31, 2012 and December 31, 2011, the Company's subscribed and paid-up capital is R$506,557 comprising 177,098,264 common shares with no par value.

The closing price of the Company's shares (ODPV3 - BM&FBOVESPA) at March 31, 2012 was R$31.00 (R$26.60 per share at December 31, 2011). The book value per share at March 31, 2012 was R$4.50 (R$4.31 per share at December 31, 2011).

20.2 Capital reserves

The Company's capital reserves total R$36,270 at March 31, 2012 (R$35,324 at December 31, 2011), and comprise:

	Company and Consolidated	
	March 31, 2012	December 31, 2011
Share premium	48,392	48,392
Granting of stock options (i)	5,947	5,947
Granting of deferred stock options (ii)	(655)	(1,601)
Additional paid-up capital (iii)	(17,414)	(17,414)
	36,270	**35,324**

Options granted: constitution of the amount estimated of the 3rd, 4th and 5th grants of options, using the Black-Scholes methodology.

Grant of deferred stock options: balance of the 3rd, 4th and 5th grants of options to be appropriated into the vesting period.

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

20.3 Revenue reserves

The Company's revenue reserves total R$211,723 at March 31, 2012 (R$220,725 at December 31, 2011), and comprise the following:

	Company and Consolidated	
	March 31, 2012	December 31, 2011
Legal reserve	29,169	29,169
Statutory reserve	117,568	117,568
Tax incentive	129	129
Additional proposed dividends	84,594	84,594
Treasury share	(19,737)	(10,735)
Revenue reserves	**211,723**	**220,725**

Legal reserve: 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.

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

Treasury shares: On August 4, 2011, the Board of Directors authorized the acquisition of up to 740,036 shares of the Company, through the use of funds consigned in a statutory reserve for the purpose of guaranteeing the 3rd stock option grants.

Supplementary dividend proposed: Comprising the portion of R$12,594 of interest on capital, declared on December 26, 2011 and paid on January 10, 2012, above the 50% percentage established in the Company's bylaws as mandatory minimum dividend. According to Management's proposal for distribution of profit for 2011, a supplementary dividend of R$72,000, above the mandatory minimum dividend, is being submitted for the approval of the Annual and Extraordinary General Meeting (to be held on April 2, 2012), comprising R$50,359 of part of the profit for the year (see note 20.4) and R$21,641 of the existing statutory reserve balance.

20.4 Retained earnings

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

At December 31, 2011	**-**
Profit for the year	42,386
At March 31, 2012	**42,386**

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's 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$8.11 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.

On September 20, 2011, the Board of Directors approved, as recommended by the Company´s Human Resources Committee, the fifth grant of the stock option plan, which represented 583,815 shares, at the price of R$20.87 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:

$$N = 0.5 \times Q \times (1 - Pe/Pm)$$

Where:

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

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

	2011	2010	2009	2008	Year of Stock Option 2007
Risk-free rate	5.3%	6.0%	9.3%	11.4%	11.3%
Expected annualized volatility - %	30.1%	26.6%	40.6%	24.3%	33.9%
Exercise price of the option at the time of stock-option	20.87	12.93	17.60	32.42	44.85
Exercise price of the option at the time of stock-option after split	20.87	12.93	4.40	8.11	11.21
Fair value of the benefit on grant date (per share)	13.23	7.00	14.17	19.72	20.18
Fair value of the benefit on grant date after split (per share)	13.23	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$27,676 as follows:

Date of Stock Option	Number of shares	Option Value	Total (R$000)
August 2, 2007	887,436	5.05	4,477
February 28, 2008	1,413,976	4.93	6,971
March 25, 2009	1,020,008	3.54	3,613
August 11, 2010	698,707	7.00	4,891
September 20, 2011	583,815	13.23	7,724
	4,603,942		**27,676**

Stock option plans at March 31, 2012 are summarized below:

	Beginning of the period		Cancellations		Options exercised		End of period	
Year	Eligible beneficiaries	Options	Eligible beneficiaries terminated	Cancelled options	Eligible options	Exercised Options	Eligible options	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	10	279,972	-	-	41	740,036
2010	47	698,707	3	24,484	-	-	44	674,223
2011	(i)	583,815	-	-	-	-	-	583,815
		4,603,942		**960,072**		**1,645,796**		**1,998,074**

(i) Beneficiaries of the option to purchase shares not yet defined.

In accordance with CPC 10/IFRS 2 and based on the plan's vesting periods, the amount of R$946 at March 31, 2012 (R$794 at March 31, 2011) 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 five grants of the stock option plan together represent, at March 31, 2012, 2.60% of the Company's capital.

The Board of Directors approved the sale of 1,645,796 shares, as a result of the call option by the Plan's beneficiaries, referring to the Grant Program of 2007 (1st grant) and of 2008 (2nd grant).

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).

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

Company

	COLLECTIVE				INDIVIDUAL					
	Prepayment		Postpayment		Prepayment		Other		Total	
	Period ended at March 31,		Period ended at March 31,		Period ended at March 31,		Period ended at March 31,		Period ended at March 31,	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Net installments	208,173	172,144	4,662	3,411	18,657	18,596	-	-	231,492	194,151
Changes in technical provisions	-	-	-	-	-	-	-	-	-	-
Effective installments of healthcare plan operations	**208,173**	**172,144**	**4,662**	**3,411**	**18,657**	**18,596**	**-**	**-**	**231,492**	**194,151**
Direct taxes on healthcare plan operations	(7,766)	(5,883)	(177)	(121)	(709)	(868)	-	-	(8,652)	(6,872)
Sales of goods and services	-	-	-	-	-	-	98	-	98	-
Taxes on sales of goods and services	-	-	-	-	-	-	-	-	-	-
SALES OF GOODS	**200,407**	**166,261**	**4,485**	**3,290**	**17,948**	**17,728**	**98**	**-**	**222,938**	**187,279**
Cost of services	(91,837)	(80,307)	(2,094)	(1,981)	(2,972)	(4,664)	-	-	(96,903)	(86,952)
OPERATING RESULT	**108,570**	**85,954**	**2,391**	**1,309**	**14,976**	**13,064**	**98**	**-**	**126,035**	**100,327**
Selling expenses	(15,432)	(11,559)	(45)	-	(5,790)	(5,066)	-	-	(21,267)	(16,625)
CONTRIBUTION MARGIN	**93,138**	**74,395**	**2,346**	**1,309**	**9,186**	**7,998**	**98**	**-**	**104,768**	**83,702**
Margin sales (%)	**46.5**	**44.7**	**52.3**	**39.8**	**51.2**	**45.1**	**100.0**	**-**	**47.0**	**44.7**
Margin total (%)	**88.9**	**88.9**	**2.2**	**1.6**	**8.8**	**9.6**	**0.1**	**-**	**100.0**	**100.0**
Main assets allocated by segment:										
Invoices/ premiums receivable	91,343	75,173	5,322	2,809	18,702	12,421	-	-	115,367	90,403
Debit notes	-	-	676	801	-	-	-	-	676	801
Advanced billings	(59,768)	(56,111)	-	-	(6,691)	(1,067)	-	-	(66,459)	(57,178)
Provision for impairment of trade	(16,011)	(11,045)	(536)	(1,215)	(8,799)	(6,964)	-	-	(25,346)	(19,224)
Assets allocated by segment	**15,564**	**8,017**	**5,462**	**2,395**	**3,212**	**4,39**	**-**	**-**	**24,238**	**14,802**
Assets not allocated by segment:										
Cash and cash equivalents	-	-	-	-	-	-	-	-	5,464	6,466
Financial assets at fair value	-	-	-	-	-	-	-	-	221,318	155,997
Notes and credits receivable	-	-	-	-	-	-	-	-	55,111	36,662
Inventories	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	19,764	220
Long-term receivables	-	-	-	-	-	-	-	-	175,802	190,259
Investments	-	-	-	-	-	-	-	-	29,895	23,829
Property and equipment	-	-	-	-	-	-	-	-	10,517	8,711
Intangible assets	-	-	-	-	-	-	-	-	511,924	510,301
Assets not allocated	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,029,795**	**932,445**
TOTAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,054,033**	**947,247**

Consolidated

	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,	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Net installments	213,660	178,383	4,662	3,411	19,078	18,596	-	-	237,400	200,390
Changes in technical provisions	-	-	-	-	-	-	-	-	-	-
Effective installments of healthcare plan operations	**213,660**	**178,383**	**4,662**	**3,411**	**19,078**	**18,596**	**-**	**-**	**237,400**	**200,390**
Direct taxes on healthcare plan operations	(8,024)	(6,187)	(177)	(121)	(725)	(868)	-	-	(8,926)	(7,176)
Sales of goods and services	-	-	-	-	-	-	1,574	2,144	1,574	2,144
Taxes on sales of goods and services	-	-	-	-	-	-	(1,479)	(1,153)	(1,479)	(1,153)
SALES OF GOODS	**205,636**	**172,196**	**4,485**	**3,290**	**18,353**	**17,728**	**95**	**991**	**228,569**	**194,205**
Cost of services	(95,113)	(82,709)	(2,094)	(1,981)	(3,185)	(4,664)	-	-	(100,392)	(89,354)
OPERATING RESULT	**110,523**	**89,487**	**2,391**	**1,309**	**15,168**	**13,064**	**95**	**991**	**128,177**	**104,851**
Selling expenses	(15,520)	(11,856)	(45)	-	(5,889)	(5,066)	-	-	(21,454)	(16,922)
CONTRIBUTION MARGIN	**95,003**	**77,631**	**2,346**	**1,309**	**9,279**	**7,998**	**95**	**991**	**106,723**	**87,929**
Margin sales (%)	**46.2**	**45.1**	**52.3**	**39.8**	**50.6**	**45.1**	**100.0**	**100.0**	**46.7**	**45.3**
Margin total (%)	**89.0**	**88.3**	**2.2**	**1.5**	**8.7**	**9.1**	**0.1**	**1.1**	**100.0**	**100.0**
Main assets allocated by segment:										
Invoices/ premiums receivable	93,368	77,902	5,322	2,809	21,635	15,094	-	-	120,325	95,805
Debit notes	-	-	676	801	-	-	-	-	676	801
Advanced billings	(59,995)	(58,534)	-	-	(9,327)	(1,239)	-	-	(69,322)	(59,773)
Provision for impairment of trade	(16,527)	(9,307)	(536)	(1,215)	(8,980)	(9,380)	-	-	(26,043)	(19,902)
Assets allocated by segment	**16,846**	**10,061**	**5,462**	**2,395**	**3,328**	**4,475**	**-**	**-**	**25,636**	**16,931**
Assets not allocated by segment:										
Cash and cash equivalents	-	-	-	-	-	-	-	-	6,390	8,352
Financial assets at fair value	-	-	-	-	-	-	-	-	239,236	167,052
Notes and credits receivable	-	-	-	-	-	-	-	-	66,601	48,877
Inventories	-	-	-	-	-	-	-	-	598	210
Other assets	-	-	-	-	-	-	-	-	22,083	227
Long-term receivables	-	-	-	-	-	-	-	-	179,334	194,491
Investments	-	-	-	-	-	-	-	-	353	758
Property and equipment	-	-	-	-	-	-	-	-	12,674	11,225
Intangible assets	-	-	-	-	-	-	-	-	515,289	512,680
Assets not allocated	-	-	-	-	-	-	-	-	**1,042,558**	**943,872**
TOTAL ASSETS	-	-		-	-	-	-	-	**1,068,194**	**960,803**

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,	
	2012	2011	2012	2011
Net installments	231,492	194,151	237,400	200,390
Direct taxes on healthcare plan operations	(8,652)	(6,872)	(8,926)	(7,176)
Sales of goods and services	98	-	1,574	2,144
Taxes on sales of goods and services	-	-	(1,479)	(1,153)
SALES OF GOODS	**222,938**	**187,279**	**228,569**	**194,205**

As ANS has not approved CPC 11/IFRS 4, net installments totaled in the Company and Consolidated R$4,662 and R$3,411 at March 31, 2012 and 2011, 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 (cost of goods and/or services sold)

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

By adding to the 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,	
	2012	2011	2012	2011
Indemnifiable claims, net	(81,459)	(73,842)	(83,553)	(75,390)
Social charges on services	(6,393)	(5,581)	(6,461)	(5,644)
Dental care materials	(1,175)	(1,501)	(682)	(871)
Other operating expenses	(7,962)	(6,028)	(9,782)	(7,449)
Change in provision for incurred but not reported events (PEONA)	86	-	86	-
Cost of services	**(96,903)**	**(86,952)**	**(100,392)**	**(89,354)**

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,	
	2012	2011	2012	2011
Personnel and third-party services	(23,334)	(18,979)	(20,889)	(19,405)
Rentals and occupancy	(5,360)	(4,812)	(6,269)	(5,472)
Charges and fees	(890)	(783)	(931)	(934)
Publicity and advertising	(2,991)	(2,787)	(3,221)	(2,945)
Travelling, printing materials and subscriptions	(1,152)	(1,315)	(1,323)	(1,477)
Depreciation and amortization	(1,468)	(1,388)	(1,556)	(1,485)
Acquisition expenses	-	(17)	-	(17)
Banco do Brasil	-	(349)	-	(349)
Other expenses [1]	(1,398)	(1,499)	(1,539)	(2,099)
	(36,593)	**(31,929)**	**(35,728)**	**(34,183)**

[1] In the Company and Consolidated includes R$ 34 and R$ 22 on March 31, 2012 and 2011, respectively, on Odontored.

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.

	Company		Consolidated	
	Period ended at March 31,		Period ended at March 31,	
	2012	2011	2012	2011
Proceeds from financial investments	5,131	3,411	5,547	3,691
Monetary restatement of judicial deposits	640	724	640	724
Other	1,304	680	1,372	789
Financial Income	**7,075**	**4,815**	**7,559**	**5,204**
Bank fees	(422)	(371)	(504)	(401)
Monetary restatement of provision of contingencies	(1,639)	(944)	(1,639)	(944)
Other costs	(124)	(475)	(216)	(595)
Financial Expenses	**(2,185)**	**(1,790)**	**(2,359)**	**(1,940)**
Net financial income	**4,890**	**3,025**	**5,200**	**3,264**

27. Income Tax and Social Contribution Calculation

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

	Company		Consolidated	
	Period ended at March 31,		Period ended at March 31,	
	2012	2011	2012	2011
IRPJ and CSLL calculation basis	**66,108**	**50,927**	**67,265**	**51,282**
(x) Current rate (%)	34	34	34	34
Expected income tax and social contribution expenses at the effective rate	**(22,477)**	**(17,315)**	**(22,870)**	**(17,436)**
Effect of income tax and social contribution on permanent/temporary differences:				
Equity in the results of subsidiaries	649	428	-	-
Tax losses	-	-	28	16
Provision for contingencies	(2,836)	(2,393)	(2,830)	(2,548)
Provision for events incurred but not reported	-	1,731	-	1,786
Other provisions	(2,883)	(2,216)	(2,746)	(2,216)
Provision for impairment of trade receivables	(825)	(712)	(829)	(777)
Amortization of goodwill	7,585	7,414	7,585	7,414
Adjustments arising from adoption of Law 11638/07	(411)	(177)	(401)	(177)
Granting of stock options	(321)	(270)	(321)	(270)
Other	(204)	(24)	(310)	(96)
IRPJ and CSLL calculation basis	**(21,723)**	**(13,534)**	**(22,694)**	**(14,304)**
Deferred IRPJ and CSLL	**(1,999)**	**(1,506)**	**(2,143)**	**(948)**

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,	
	2012	**2011**
Profit attributable to the Company's shareholders (R$ thousands)	42,386	35,887
Weighted average number of common shares outstanding (thousands)	176,558	176,594
Basic earnings per share (R$)	**0.24**	**0.20**

(b) Diluted

	Period ended at March 31,	
	2012	**2011**
Profit attributable to the Company's shareholders (R$ thousands)	**42,386**	**35,887**
Common shares (in thousands		
Weighted average number of shares outstanding	176,558	176,594
Adjustment of: share option scheme	1,998	2,517
Weighted average number of shares for diluted earnings per share	**178,556**	**179,111**
Diluted earnings per share (R$)	**0.24**	**0.20**

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
MBD	Dividends	August 04, 2011	0.27	September 21, 2011	47,221
MBD	Interest on Capital	August 04, 2011	0.13	September 21, 2011	23,508
MBD	Interest on Capital	December 26, 2011	0.10	January 10, 2012	16,957
AGM	Additional Dividends	April 02, 2012	0.41	April 25, 2012	72,000
					159,686

MBD = Meeting of Board of Directors
AGM = Annual General Meeting

30. Commitments

At March 31, 2012, the Company and its subsidiaries had commitments related to agreements for lease of their offices and dental clinics, with the following maturities:

	Company	**Consolidated**
Up to one year	2,160	3,287
From one to four	2,450	3,623
	4,610	**6,910**

All agreements can be canceled with a termination penalty.

31. Business Combinations

The Company entered into an association agreement with Bradesco Dental on October 18, 2009 (acquisition date), which was approved by ANS and the Extraordinary Shareholders' Meeting held on December 23, 2009. The total transaction amount totaling R$409,640 was fully based on goodwill on expected future profitability, as shown below.

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

[1] Adjustment of amount paid = 19,259,436 newly issued shares x price per share, the transaction date, of R $ 37.55 - amount disbursed in the 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	5,241
Net assets acquired	(10,025)
Goodwill from expected future profitability	**20,816**

[1] Additional value to be paid (earn out) by indices of achievement of EBITDA in accordance with the Private Purchase and Sale 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.

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 technology services and supply of dental products, whose amounts, terms and rates were agreed and applied under the same conditions as those agreed with unrelated parties, as follows:

Assets/(Liabilities)	Nature	OdontoPrev	Clidec	OdontoPrev Serviços	Easy	Dental Partner
Other receivables	Administrative services	-	1,884	-	-	467
Suppliers of goods and services	Administrative services	(2,351)	-	-	-	-
Revenue / Expenses						
Plan premiums	Dental care plans	22	-	-	-	-
Net installments Sales of goods and services	Dental care Plans and Administrative services	-	2,005	6,814	20	1,158
Indemnifiable claims, net	Dental care services	(219)	-	-	-	-
Dental Care materials	Dental Care materials	(1,158)	-	-	-	-
Administrative	Administrative services	(8,600)	(6)	(16)	(20)	-
Period ended at March 31, 2012		**(12,306)**	**3,883**	**6,798**	**-**	**1,625**
Period ended at December 31, 2011		**(32,538)**	**7,395**	**19,360**	**69**	**5,714**

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

Assets/(Liabilities)	Bradesco Group
Cash and deposits in cash in financial institutions	2,668
Financial Investments	555
Invoices/Receivables, net	9
Suppliers of goods and Sevices	(831)
Revenue / Expenses	
Plan premiums	13,395
Other Expenses	(831)
Financial Income	4,909
Financial Expenses	(163)
Period ended at March 31, 2012	**19,711**

The Company also has a contract for distribution of dental care plans with Banco Bradesco effective for 10 years. Banco Bradesco is the accounting agent of its shares.

In addition to these transactions, the Company also has the following: (i) accreditation contract for the provision of dental care assistance over an undetermined period with Mrs. Raquel Virgínia Zanetti and Mrs. Anete Scharfstein Zanetti, respectively sister and spouse of the CEO, which totaled R$1 and R$0 at March 31, 2012; (ii) through its direct subsidiary Clidec, a commercial lease agreement for an undetermined period of a property located at Av. Paulista, No. 2,444, set 151, with Mr. Artemio Luiz Zanetti, father of the CEO, which totaled R$5 at March 31, 2012.

The Company and its subsidiaries pay profit sharing to their employees and officers, subject to the achievement of operational goals and specific objectives, established and approved at the beginning of each year. At March 31, 2012, the amounts of R$1,030 (R$656 at March 31, 2011) and R$1,311 (R$948 at March 31, 2011), were recorded as profit sharing in Company and in Consolidated, respectively.

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

	Period ended at March 31,	
	2012	**2011**
Statutory Board	**678**	**631**
Pro-labore fees	640	597
Benefits	38	34
Bonus	**288**	**276**
Board of Directors	288	276
Pro-labore fees	**67**	**32**
Statutory Audit Board	67	32
Pro-labore fees	**1,033**	**939**

As mentioned below, the Statutory Directors hold stock options in accordance with stock option plan (long-term benefits) detailed in 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**		**536,580**		**495,931**

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

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 carry out transactions with derivatives for speculative purposes. At March 31, 2012, 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 - Direct Method

	Company		Consolidated	
	Period ended at March 31,		Period ended at March 31,	
	2012	**2011**	**2012**	**2011**
OPERATING ACTIVITIES				
Healthcare reciepts	215,509	193,498	232,357	199,321
Financial assets at fair value through profit or loss	(37,869)	(44,308)	(39,455)	(45,534)
Payment to suppliers/health service providers	(73,385)	(65,906)	(76,955)	(68,262)
Payment of commissions	(17,288)	(14,209)	(17,466)	(14,374)
Payment of personnel	(10,122)	(11,666)	(16,342)	(16,442)
Payment of pro-labore fees	(731)	(740)	(895)	(1,081)
Payment of third-party services	(4,761)	(7,515)	(5,736)	(7,723)
Payment of taxes	(31,782)	(17,498)	(34,442)	(20,410)
Payment of contingencies (civil/labor/tax)	(54)	(22)	(57)	(30)
Payment of rentals	(675)	(766)	(1,295)	(1,194)
Promotion/advertising	(1,871)	(1,082)	(2,146)	(1,246)
Other operating payments / receipts	(11,437)	(13,485)	(11,162)	(6,703)
CASH GENERATED BY (USED IN) OPERATING ACTIVITIES	**25,534**	**16,301**	**26,406**	**16,322**
INVESTING ACTIVITIES				
Acquisition of fixed assets	(1,522)	(745)	(2,296)	(821)
Development of systems and software use license and other	(186)	(745)	(186)	(745)
Deferred acquisition costs	375	(478)	375	(478)
CASH GENERATED BY (USED IN) INVESTING ACTIVITIES	**(1,333)**	**(1,968)**	**(2,107)**	**(2,044)**
FINANCING ACTIVITIES				
Dividends and interest on capital paid	(16,957)	-	(16,957)	-
Acquisition of own shares - in treasury	(9,002)	(17,106)	(9,002)	(17,106)
CASH (USED IN) FINANCING ACTIVITIES	**(25,959)**	**(17,106)**	**(25,959)**	**(17,106)**
INCREASE (DECREASE IN CASH AND CASH EQUIVALENTS	**(1,758)**	**(2,773)**	**(1,660)**	**(2,828)**
CASH AND CASH EQUIVALENTS				
Opening balance	7,222	9,239	8,050	11,180
Closing balance	5,464	6,466	6,390	8,352
INCREASE (DECREASE IN CASH AND CASH EQUIVALENTS	**(1,758)**	**(2,773)**	**(1,660)**	**(2,828)**

36. Subsequent Events

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

Commentary on the Performance of Business Forecasts

The company's practice not to disclose financial projections.

Other relevant information

I – Shareholders holding more than 5%

SHAREHOLDERS HOLDING MORE THAN 5% OF THE COMPANY'S SHARES Position at 03/31/2012						
Shareholder	**Common Shares**		**Preferred Shares**		**Total**	
	Number	**%**	**Number**	**%**	**Number**	**%**
Bradesco Saúde S/A	77,037,744	43.50	-	-	77,037,744	43.50
ZNT Emp. Com. Particip. S/A	13,351,236	7.54	-	-	13,351,236	7.54
Other	86,709,284	48.96	-	-	86,709,284	48.96
Total	**177,098,264**	**100.00**	-	-	**177,098,264**	**100.00**

[1] Managed funds and portfolios

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO INDIVIDUAL HOLDINGS Name: Bradesco Saúde S.A. Position at 03/31/2012						
Shareholder	**Common Shares**		**Preferred Shares**		**Total**	
	Number	**%**	**Number**	**%**	**Number**	**%**
Bradesco SegPrev Investimentos Ltda	11,911,941	100.00	-	-	11,911,941	100.00

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO INDIVIDUAL HOLDINGS Name: Bradesco SegPrev Investimentos Ltda Position at 03/31/2012						
Shareholder	**Common Shares**		**Preferred Shares**		**Total**	
	Number	**%**	**Number**	**%**	**Number**	**%**
Bradesco Seguros S/A.	2,276,502,959	100.00	-	-	2,276,502,959	100.00

DISTRIBUTION OF THE COMPANY'S CAPITAL (COMPANY SHAREHOLDERS) DOWN TO INDIVIDUAL HOLDINGS Name: Bradesco Seguros S/A. Position at 03/31/2012						
Shareholder	**Common Shares**		**Preferred Shares**		**Total**	
	Number	**%**	**Number**	**%**	**Number**	**%**
Bradseg Participações Ltda.	750,693	100.00	-	-	750,693	100.00

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

Name: Bradseg Participações Ltda. **Position at 03/31/2012**

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

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

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

Name: ZNT EMP. COM. PARTICIP. S/A **Position at 03/31/2012**

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

II – Shareholding position: 03/31/2012

CONSOLIDATED SHAREHOLDING POSITION OF CONTROLLING SHAREHOLDERS AND MANAGEMENT AND OUTSTANDING SHARES

Position at 03/31/12

Shareholder	Number of Common Shares (in units)	%	Number of Preferred Shares	%	Total Number of Shares (in units)	%
Controlling shareholders	**90,426,336**	**51.06**	**-**	**-**	**90,426,336**	**51.06**
Non-controlling shareholders	**1,464,649**	**0.83**	**-**	**-**	**1,464,649**	**0.83**
Board of Directors	90,648	0.05	-	-	90,648	0.05
Executive Board	1,374,001	0.78	-	-	1,374,001	0.78
Statutory Audit Committee	-	-	-	-	-	-
Trasury Shares	**740,036**	**0.42**	**-**	**-**	**740,036**	**0.42**
Other	**84,467,243**	**47.70**	**-**	**-**	**84,467,243**	**47.70**
Total	**177,098,264**	**100.00**	-	-	**177,098,264**	**100.00**
Outstanding shares	**84,467,243**	**47.70**	**-**	**-**	**84,467,243**	**47.70**

III – Shareholding position: 03/31/2011

CONSOLIDATED SHAREHOLDING POSITION OF CONTROLLING SHAREHOLDERS AND MANAGEMENT AND OUTSTANDING SHARES Position at 03/31/11						
Shareholder	**Number of Common Shares (in units)**	**%**	**Number of Preferred Shares**	**%**	**Total Number of Shares (in units)**	**%**
Controlling shareholders	**90,426,336**	**51.06**	**-**	**-**	**90,426,336**	**51.06**
Non-controlling shareholders	**1,735,319**	**0.98**	**-**	**-**	**1,735,319**	**0.98**
Board of Directors	89,448	0.05	-	-	89,448	0.05
Executive Board	1,645,871	0.93	-	-	1,645,871	0.93
Statutory Audit Committee	-	-	-	-	-	-
Trasury Shares	**819,250**	**0.46**	**-**	**-**	**819,250**	**0.46**
Other	**84,117,359**	**47.50**	**-**	**-**	**84,117,359**	**47.50**
Total	**177,098,264**	**100.00**	-	-	**177,098,264**	**100.00**
Outstanding shares	**84,117,359**	**47.50**	**-**	**-**	**84,117,359**	**47.50**

IV – Commitment Clause

The Arbitration Commitment Clause is mentioned in chapter VI - Arbitration, contained in the Bylaws (approved at the Special Meeting of 04/02/12).

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

(A free translation of the original in Portuguese)

pwc

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 financial information of Odontoprev S.A., included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2012, comprising the balance sheet at that date and the statements of operations, 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 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 the review

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

Conclusion on the parent company interim information

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

Conclusion on the consolidated interim information

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

(A free translation of the original in Portuguese)

pwc

Odontoprev S.A.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated interim statements of value added for the quarter ended March 31, 2012. These statements are the responsibility of the Company's management, and 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 do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

São Paulo, April 26, 2012.

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Edison Arisa Pereira
Contador CRC 1SP127241/O-0