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BALANCE SHEET - ASSETS

(R$ Thousand)

Code	Description	6.30.2010	3.31.2010
1	Total assets	735,818	1,088,202
1.01	Current assets	86,720	192,883
1.01.01	Cash and cash equivalents	54,100	120,483
1.01.01.01	Cash and cash equivalents	5,156	5,617
1.01.01.02	Financial investments at fair value	48,944	114,866
1.01.02	Receivables	32,217	71,842
1.01.02.01	Trade accounts receivable	10,693	13,501
1.01.02.01.01	Healthcare receivables	20,864	22,944
1.01.02.01.02	(-) Allowance for doubtful accounts	(10,171)	(9,443)
1.01.02.02	Sundry receivables	21,524	58,341
1.01.02.02.01	Current taxes recoverable	17,899	31,189
1.01.02.02.02	Advances to suppliers	316	354
1.01.02.02.03	Advances to employees	1,266	168
1.01.02.02.04	Other receivables	2,043	26,630
1.01.03	Inventories	-	-
1.01.04	Other	403	558
1.01.04.01	Prepaid expenses	403	558
1.02	Non-current assets	649,098	895,319
1.02.01	Long-term receivables	39,484	40,731
1.02.01.01	Sundry receivables	28,427	29,609
1.02.01.01.01	Deferred income tax and social contribution	27,691	28,871
1.02.01.01.02	Judicial deposits	720	732
1.02.01.01.03	Notes receivable	16	6
1.02.01.02	Receivables from related parties	-	-
1.02.01.02.01	Associated and similar companies	-	-
1.02.01.02.02	Subsidiaries	-	-
1.02.01.02.03	Other related parties	-	-
1.02.01.03	Other	11,057	11,122
1.02.01.03.01	Other receivables	11,057	11,122
1.02.02	Permanent assets	609,614	854,588
1.02.02.01	Investments	98,660	344,737
1.02.02.01.01	Investments in associated and similar companies	-	-
1.02.02.01.02	Investments in associated and similar companies - goodwill	-	-
1.02.02.01.03	Investments in subsidiaries	97,920	344,736
1.02.02.01.04	Investments in subsidiaries – goodwill	-	-
1.02.02.01.05	Other investments	740	1
1.02.02.02	Property and equipment	6,884	5,490
1.02.02.02.01	Chattels	14,328	12,450
1.02.02.02.02	Other	2,945	2,946
1.02.02.02.03	(-) Accumulated depreciation	(10,389)	(9,906)
1.02.02.03	Intangible assets	504,070	504,361
1.02.02.03.01	Goodwill on acquisition of investments	492,876	492,766
1.02.02.03.02	System development, software licenses and other	11,183	11,582
1.02.02.03.03	Deferred selling expenses	11	13
1.02.02.04	Deferred charges	-	-

(R$ Thousand)

Code	Description	6.30.2010	3.31.2010
2	Total liabilities and shareholders' equity	735,818	1,088,202
2.01	Current liabilities	74,431	203,113
2.01.01	Loans and financing	-	-
2.01.02	Debentures	-	-
2.01.03	Suppliers	12,919	19,459
2.01.04	Taxes, charges and contributions	20,154	33,339
2.01.04.01	Social charges	3,418	2,999
2.01.04.02	Tax liabilities	16,736	30,340
2.01.05	Dividends payable	-	114,478
2.01.05.01	Dividends payable	-	-
2.01.05.02	Minimum mandatory dividend payable	-	-
2.01.05.03	Interest on capital payable	-	-
2.01.05.04	Capital repayment	-	114,478
2.01.06	Provisions	15,245	11,647
2.01.06.01	Provision for unsettled claims/events	15,245	11,647
2.01.06.02	Provision for claims/events incurred but not reported	-	-
2.01.06.03	Provision for risks/unearned premiums	-	-
2.01.07	Payables to related parties	-	-
2.01.08	Other	26,113	24,190
2.01.08.01	Salaries, vacation pay and fees	4,102	3,620
2.01.08.02	Advances from customers	3,763	2,396
2.01.08.03	Other accounts payable	18,248	18,174
2.02	Non-current liabilities	16,601	14,429
2.02.01	Long-term liabilities	16,601	14,429
2.02.01.01	Loans and financing	-	-
2.02.01.02	Debentures	-	-
2.02.01.03	Provisions	16,601	14,429
2.02.01.03.01	Deferred income tax and social contribution	3,264	1,666
2.02.01.03.02	Provision for contingencies	2,280	1,706
2.02.01.03.03	Other liabilities	11,057	11,057
2.02.01.04	Payables to related parties	-	-
2.02.01.05	Advance for future capital increase	-	-
2.02.01.06	Other	-	-
2.03	Deferred income	-	-
2.05	Shareholders' equity	644,786	870,660
2.05.01	Paid-up capital	36,611	284,611
2.05.02	Capital reserves	524,378	523,385
2.05.02.01	Share premium	518,338	518,338
2.05.02.02	Granting of stock options	6,040	5,047
2.05.02.03	Granting of deferred stock options	-	-
2.05.02.04	Additional paid-up capital	-	-
2.05.03	Revaluation reserves	-	-
2.05.03.01	Own assets	-	-
2.05.03.02	Subsidiary, associated and similar companies	-	-
2.05.04	Revenue reserves	46,247	46,247
2.05.04.01	Legal	10,953	10,953
2.05.04.02	Statutory	35,165	35,165
2.05.04.03	Contingencies	-	-
2.05.04.04	Unrealized profits	-	-
2.05.04.05	Retention of profits	-	-
2.05.04.06	Special for undistributed dividends	-	-
2.05.04.07	Other revenue reserves	129	129
2.05.04.07.01	Treasury stock	-	-
2.05.04.07.02	Tax incentive reserve	129	129
2.05.05	Carrying value adjustments	-	-
2.05.05.01	Adjustments of marketable securities	-	-
2.05.05.02	Cumulative translation adjustments	-	-
2.05.05.03	Business combination adjustments	-	-
2.05.06	Retained earnings/accumulated deficit	37,550	16,417
2.05.07	Advance for future capital increase	-	-

STATEMENT OF INCOME

(R$ Thousand)

Code	Description	4.1.2010 to 6.30.2010	1.1.2010 to 6.30.2010	4.1.2009 to 6.30.2009	1.1.2009 to 6.30.2009
3.01	Gross sales and/or services revenues	102,807	212,516	82,448	164,158
3.01.01	Net installments	102,807	196,012	82,642	164,795
3.01.02	Sales and services revenue	-	-	-	-
3.01.03	Changes in technical reserves	-	16,504	(194)	(637)
3.02	Deductions from gross revenues	(3,639)	(7,668)	(3,124)	(6,454)
3.02.01	Taxes on healthcare plan operations	(3,639)	(7,668)	(3,124)	(6,454)
3.02.02	Taxes on sales and services	-	-	-	-
3.03	Net sales and/or services revenues	99,168	204,848	79,324	157,704
3.04	Cost of sales and/or services	(43,662)	(89,952)	(37,756)	(69,755)
3.04.01	Indemnifiable claims, net	(39,182)	(70,800)	(32,937)	(61,339)
3.04.02	Social charges on services	(2,646)	(5,140)	(2,709)	(5,041)
3.04.03	Dental materials	(1,172)	(2,383)	(1,866)	(2,983)
3.04.04	Other operating expenses	(662)	(11,629)	(244)	(392)
3.05	Gross profit	55,506	114,896	41,568	87,949
3.06	Operating expenses	(25,214)	(60,881)	(23,341)	(45,921)
3.06.01	Selling	(11,443)	(22,030)	(9,358)	(19,440)
3.06.01.01	Selling expenses	(11,443)	(22,030)	(9,358)	(19,440)
3.06.02	General and administrative	(22,621)	(56,216)	(18,080)	(34,699)
3.06.03	Financial	1,164	3,146	494	2,716
3.06.03.01	Financial income	1,570	3,977	1,403	3,969
3.06.03.02	Financial expenses	(406)	(831)	(909)	(1,253)
3.06.04	Other operating income	-	-	-	-
3.06.05	Other operating expenses	(5,961)	(11,153)	(612)	(2,015)
3.06.05.01	Stock option plan	(993)	(1,986)	(630)	(1,110)
3.06.05.02	Allowance for doubtful accounts	(4,968)	(9,167)	18	(905)
3.06.06	Equity in the earnings of subsidiary and associated companies	13,647	25,372	4,215	7,517
3.07	Operating results	30,292	54,015	18,227	42,028
3.08	Non-operating results	-	-	-	-
3.08.01	Income	-	-	-	-
3.08.02	Expenses	-	-	-	-
3.09	Profit before taxation and profit sharing	30,292	54,015	18,227	42,028
3.10	Provision for income tax and social contribution	(5,302)	(11,745)	(4,549)	(11,971)
3.10.01	Income tax	(3,884)	(8,614)	(3,340)	(8,793)
3.10.02	Social contribution	(1,418)	(3,131)	(1,209)	(3,178)
3.11	Deferred income tax	(2,843)	(2,329)	-	14,200
3.11.01	Income tax	(2,089)	(1,716)	-	10,441
3.11.02	Social contribution	(754)	(613)	-	3,759
3.12	Statutory profit sharing/contributions	(1,014)	(2,408)	(376)	(1,247)
3.12.01	Profit sharing	(1,014)	(2,408)	(376)	(1,247)
3.12.01.01	Profit sharing	(1,014)	(2,408)	(376)	(1,247)
3.12.02	Contributions	-	-	-	-
3.13	Reversal of interest on capital	-	-	-	-
3.15	Net income for the period	21,133	37,533	13,302	43,010

(R$ Thousand)

Code	Description	4.1.2010 to 6.30.2010	1.1.2010 to 6.30.2010	4.1.2009 to 6.30.2009	1.1.2009 to 6.30.2009
4.01	Net cash provided by operating activities	79,669	74,002	17,409	52,483
4.01.01	Cash provided by operations	10,904	12,348	10,888	39,541
4.01.01.01	Net income for the period	21,133	37,533	13,302	43,010
4.01.01.02	Depreciation and amortization	1,227	2,431	931	1,329
4.01.01.03	Goodwill amortization	-	-	-	-
4.01.01.04	Monetary variations, net	-	-	-	(111)
4.01.01.05	Increase in technical reserves	-	(16,504)	194	637
4.01.01.06	Provision for contingencies	577	10,781	59	173
4.01.01.07	Disposal of property and equipment and investments	(107)	(85)	-	-
4.01.01.08	Equity in the losses of subsidiary and associated companies	(13,647)	(25,372)	(4,215)	(7,517)
4.01.01.09	Allowance for doubtful accounts	728	1,578	(13)	910
4.01.01.10	Stock option plan	993	1,986	630	1,110
4.01.02	Changes in assets and liabilities	68,765	61,654	6,521	12,942
4.01.02.01	Financial assets at fair value through profit or loss	65,922	40,191	8,445	25,502
4.01.02.02	Healthcare receivables	2,080	5,684	(1,063)	(1,439)
4.01.02.03	Notes and credits receivable	12,125	5,489	(7,729)	3,937
4.01.02.04	Inventories	-	-	-	-
4.01.02.05	Long-term receivables	1,247	(926)	(1)	(14,213)
4.01.02.06	Provision for unsettled claims/events	3,598	2,519	1,565	1,938
4.01.02.07	Suppliers and sundry	(5,099)	9,697	(11)	1,862
4.01.02.08	Salaries, vacation pay and fees	482	2,075	236	441
4.01.02.09	Taxes and contributions payable and social obligations	(13,185)	(6,303)	5,093	(5,057)
4.01.02.10	Long-term liabilities	1,595	3,228	(14)	(29)
4.01.03	Other	-	-	-	-
4.02	Net cash used in investing activities	282,348	363,280	(2,203)	(32,223)
4.02.01	Reduction of investments due to merger	-	-	-	-
4.02.02	Acquisition of investments including goodwill	(739)	(739)	(1,696)	(30,946)
4.02.03	Capital repayment of subsidiaries	235,849	317,388	-	-
4.02.04	Dividends received from subsidiaries	49,461	49,461	-	-
4.02.05	Purchase of property and equipment	(1,889)	(2,225)	(309)	(622)
4.02.06	Systems development and software licenses	(334)	(605)	(179)	(636)
4.02.07	Deferred selling expenses	-	-	(19)	(19)
4.03	Net cash used in financing activities	(362,478)	(434,900)	(14,495)	(18,977)
4.03.01	Dividends paid	-	(72,422)	(14,344)	(14,344)
4.03.02	Interest on capital paid	-	-	(151)	(1,158)
4.03.03	Treasury shares	-	-	-	(3,475)
4.03.04	Capital repayments paid	(362,478)	(362,478)	-	-
4.03.05	Receipts - Stock option plans	-	-	-	-
4.04	Exchange variation on cash and cash equivalents	-	-	-	-
4.05	Increase (decrease) in cash and cash equivalents	(461)	2,382	711	1,283
4.05.01	cash and cash equivalents at the beginning of the period	5,617	2,774	1,190	618
4.05.02	cash and cash equivalents at the end of the period	5,156	5,156	1,901	1,901

STATEMENT OF CHANGES IN EQUITY FROM 4/1/2010 TO 6/30/2010

(R$ Thousand)

Code	Description	Capital	Capital reserves	Revenue reserves	Retained earnings (accumulated deficit)	Carrying value adjustments	Total equity
5.01	Opening balance	284,611	523,385	46,247	16,417	-	870,660
5.02	Prior-year adjustments	-	-	-	-	-	-
5.03	Adjusted balance	284,611	523,385	46,247	16,417	-	870,660
5.04	Net income for the period	-	-	-	21,133	-	21,133
5.05	Appropriations	-	-	-	-	-	-
5.05.01	Dividends	-	-	-	-	-	-
5.05.02	Interest on capital	-	-	-	-	-	-
5.05.03	Other appropriations	-	-	-	-	-	-
5.05.03.01	Legal reserve	-	-	-	-	-	-
5.05.03.02	Proposed dividends	-	-	-	-	-	-
5.05.03.03	Statutory reserve	-	-	-	-	-	-
5.06	Realization of revenue reserves	-	-	-	-	-	-
5.07	Carrying value adjustments	-	-	-	-	-	-
5.07.01	Adjustments of marketable securities	-	-	-	-	-	-
5.07.02	Cumulative translation adjustments	-	-	-	-	-	-
5.07.03	Business combination adjustments	-	-	-	-	-	-
5.08	Capital increase (decrease)	(248,000)	-	-	-	-	(248,000)
5.08.01	Through subscription	-	-	-	-	-	-
5.08.02	Redemption of shares	-	-	-	-	-	-
5.08.03	Capital repayment	(248,000)	-	-	-	-	(248,000)
5.08.04	Merger – Bradesco Dental shares	-	-	-	-	-	-
5.09	Recording / realization of capital reserves	-	-	-	-	-	-
5.10	Treasury stock	-	-	-	-	-	-
5.11	Other capital transactions	-	-	-	-	-	-
5.12	Other	-	993	-	-	-	993
5.12.01	Stock option plan	-	993	-	-	-	993
5.12.02	Adjustment from merger – Sepao	-	-	-	-	-	-
5.12.03	Adjustment of goodwill on acquisition – Prontodente	-	-	-	-	-	-
5.13	Closing balance	36,611	524,378	46,247	37,550	-	644,786

STATEMENT OF CHANGES IN EQUITY FROM 4/1/2010 TO 6/30/2010

(R$ Thousand)

Code	Description	Capital	Capital reserves	Revenue reserves	Retained earnings (accumulated deficit)	Carrying value adjustments	Total equity
5.01	Opening balance	284,611	522,392	62,605	-	-	869,608
5.02	Prior-year adjustments	-	-	-	-	-	-
5.03	Adjusted balance	284,611	522,392	62,605	-	-	869,608
5.04	Net income for the period	-	-	-	37,533	-	37,533
5.05	Appropriations	-	-	(16,430)	-	-	(16,430)
5.05.01	Dividends	-	-	-	-	-	-
5.05.02	Interest on capital	-	-	-	-	-	-
5.05.03	Other appropriations	-	-	(16,430)	-	-	(16,430)
5.05.03.01	Legal reserve	-	-	-	-	-	-
5.05.03.02	Proposed dividends	-	-	(16,430)	-	-	(16,430)
5.05.03.03	Statutory reserve	-	-	-	-	-	-
5.06	Realization of revenue reserves	-	-	-	-	-	-
5.07	Carrying value adjustments	-	-	-	-	-	-
5.07.01	Adjustments of marketable securities	-	-	-	-	-	-
5.07.02	Cumulative translation adjustments	-	-	-	-	-	-
5.07.03	Business combination adjustments	-	-	-	-	-	-
5.08	Capital increase (decrease)	(248,000)	-	-	-	-	(248,000)
5.08.01	Through subscription	-	-	-	-	-	-
5.08.02	Redemption of shares	-	-	-	-	-	-
5.08.03	Capital repayment	(248,000)	-	-	-	-	(248,000)
5.08.04	Merger – Bradesco Dental shares	-	-	-	-	-	-
5.09	Recording / realization of capital reserves	-	-	-	-	-	-
5.10	Treasury stock	-	-	-	-	-	-
5.11	Other capital transactions	-	-	-	-	-	-
5.12	Other	-	1,986	72	17	-	2,075
5.12.01	Stock option plan	-	1,986	-	-	-	1,986
5.12.02	Adjustment from merger – Sepao	-	-	-	17	-	17
5.12.03	Adjustment of goodwill on acquisition – Prontodente	-	-	72	-	-	72
5.13	Closing balance	36,611	524,378	46,247	37,550	-	644,786

CONSOLIDATED BALANCE SHEET - ASSETS

(R$ Thousand)

Code	Description	6.30.2010	3.31.2010
1	Total assets	822,671	1,165,471
1.01	Current assets	224,200	571,855
1.01.01	Cash and cash equivalents	161,144	498,048
1.01.01.01	Cash and cash equivalents	6,221	6,516
1.01.01.02	Financial investments at fair value	154,923	491,532
1.01.02	Receivables	62,353	72,879
1.01.02.01	Trade accounts receivable	19,428	19,839
1.01.02.01.01	Healthcare receivables	33,857	32,336
1.01.02.01.02	(-) Allowance for doubtful accounts	(14,429)	(12,497)
1.01.02.02	Sundry receivables	42,925	53,040
1.01.02.02.01	Current taxes recoverable	36,400	47,308
1.01.02.02.02	Advances to suppliers	507	521
1.01.02.02.03	Advances to employees	1,695	293
1.01.02.02.04	Other receivables	4,323	4,918
1.01.03	Inventories	311	363
1.01.04	Other	392	565
1.01.04.01	Prepaid expenses	392	565
1.02	Non-current assets	598,471	593,616
1.02.01	Long-term receivables	77,270	75,123
1.02.01.01	Sundry receivables	66,213	64,001
1.02.01.01.01	Deferred income tax and social contribution	37,123	37,925
1.02.01.01.02	Judicial deposits	28,997	26,072
1.02.01.01.03	Notes receivable	93	4
1.02.01.02	Receivables from related parties	-	-
1.02.01.02.01	Associated and similar companies	-	-
1.02.01.02.02	Subsidiaries	-	-
1.02.01.02.03	Other related parties	-	-
1.02.01.03	Other	11,057	11,122
1.02.01.03.01	Other receivables	11,057	11,122
1.02.02	Permanent assets	521,201	518,493
1.02.02.01	Investments	757	48
1.02.02.01.01	Investments in associated and similar companies	-	-
1.02.02.01.02	Investments in subsidiaries	-	-
1.02.02.01.03	Other investments	757	48
1.02.02.02	Property and equipment	9,532	7,926
1.02.02.02.01	Chattels	19,198	17,012
1.02.02.02.02	Other	4,147	4,152
1.02.02.02.03	(-) Accumulated depreciation	(13,813)	(13,238)
1.02.02.03	Intangible assets	510,912	510,519
1.02.02.03.01	Goodwill on acquisition of investments	495,255	495,145
1.02.02.03.02	System development, software licenses and other	11,183	11,582
1.02.02.03.03	Deferred selling expenses	4,474	3,792
1.02.02.04	Deferred charges	-	-

(R$ Thousand)

Code	Description	6.30.2010	3.31.2010
2	Total liabilities and shareholders' equity	822,671	1,165,471
2.01	Current liabilities	130,161	253,503
2.01.01	Loans and financing	-	-
2.01.02	Debentures	-	-
2.01.03	Suppliers	18,748	25,240
2.01.04	Taxes, charges and contributions	43,499	51,141
2.01.04.01	Social charges	4,840	4,713
2.01.04.02	Tax liabilities	38,659	46,428
2.01.05	Dividends payable	406	115,207
2.01.05.01	Dividends payable	406	729
2.01.05.02	Minimum mandatory dividend payable	-	-
2.01.05.03	Interest on capital payable	-	-
2.01.05.04	Capital repayment	-	114,478
2.01.06	Provisions	31,496	26,638
2.01.06.01	Provision for unsettled claims/events	16,207	12,402
2.01.06.02	Provision for claims/events incurred but not reported	15,289	14,236
2.01.06.03	Provision for risks/unearned premiums	-	-
2.01.07	Payables to related parties	-	-
2.01.08	Other	36,012	35,277
2.01.08.01	Salaries, vacation pay and fees	5,737	5,123
2.01.08.02	Advances from customers	8,560	3,483
2.01.08.03	Other accounts payable	21,715	26,671
2.02	Non-current liabilities	46,800	40,532
2.02.01	Long-term liabilities	46,800	40,532
2.02.01.01	Loans and financing	-	-
2.02.01.02	Debentures	-	-
2.02.01.03	Provisions	46,800	40,532
2.02.01.03.01	Deferred income tax and social contribution	4,096	2,308
2.02.01.03.02	Provision for contingencies	31,647	27,167
2.02.01.03.03	Other liabilities	11,057	11,057
2.02.01.04	Payables to related parties	-	-
2.02.01.05	Advance for future capital increase	-	-
2.02.01.06	Other	-	-
2.03	Deferred income	-	-
2.04	Non-controlling interests	924	776
2.05	Shareholders' equity	644,786	870,660
2.05.01	Paid-up capital	36,611	284,611
2.05.02	Capital reserves	524,378	523,385
2.05.02.01	Share premium	518,338	518,338
2.05.02.02	Granting of stock options	6,040	5,047
2.05.02.03	Granting of deferred stock options	-	-
2.05.02.04	Additional paid-up capital	-	-
2.05.03	Revaluation reserves	-	-
2.05.03.01	Own assets	-	-
2.05.03.02	Subsidiary, associated and similar companies	-	-
2.05.04	Revenue reserves	46,247	46,247
2.05.04.01	Legal	10,953	10,953
2.05.04.02	Statutory	35,165	35,165
2.05.04.03	Contingencies	-	-
2.05.04.04	Unrealized profits	-	-
2.05.04.05	Retention of profits	-	-
2.05.04.06	Special for undistributed dividends	-	-
2.05.04.07	Other revenue reserves	129	129
2.05.04.07.01	Treasury stock	-	-
2.05.04.07.02	Tax incentive reserve	129	129
2.05.05	Carrying value adjustments	-	-
2.05.05.01	Adjustments of marketable securities	-	-
2.05.05.02	Cumulative translation adjustments	-	-
2.05.05.03	Business combination adjustments	-	-
2.05.06	Retained earnings/accumulated deficit	37,550	16,417

(R$ Thousand)

Code	Description	6.30.2010	3.31.2010
2.05.07	Advance for future capital increase	-	-

CONSOLIDATED STATEMENT OF INCOME

(R$ Thousand)

Code	Description	4.1.2010 to 6.30.2010	1.1.2010 to 6.30.2010	4.1.2009 to 6.30.2009	1.1.2009 to 6.30.2009
3.01	Gross sales and/or services revenues	171,225	348,247	98,572	190,057
3.01.01	Net installments	170,024	311,599	97,533	188,501
3.01.02	Sales and services revenue	1,201	2,747	1,195	2,223
3.01.03	Changes in technical reserves	-	33,901	(156)	(667)
3.02	Deductions from gross revenues	(5,834)	(12,162)	(4,213)	(8,175)
3.02.01	Taxes on healthcare plan operations	(5,264)	(10,985)	(4,057)	(7,861)
3.02.02	Taxes on sales and services	(570)	(1,177)	(156)	(314)
3.03	Net sales and/or services revenues	165,391	336,085	94,359	181,882
3.04	Cost of sales and/or services	(83,153)	(166,283)	(44,527)	(80,931)
3.04.01	Indemnifiable claims, net	(77,205)	(143,458)	(38,317)	(68,952)
3.04.02	Social charges on services	(2,718)	(5,294)	(2,984)	(5,603)
3.04.03	Dental materials	(718)	(1,573)	(1,870)	(2,995)
3.04.04	Other operating expenses	(2,512)	(15,958)	(1,356)	(3,381)
3.05	Gross profit	82,238	169,802	49,832	100,951
3.06	Operating expenses	(42,587)	(98,734)	(29,579)	(55,322)
3.06.01	Selling	(15,752)	(30,395)	(10,034)	(20,511)
3.06.01.01	Selling expenses	(15,752)	(30,395)	(10,034)	(20,511)
3.06.02	General and administrative	(28,408)	(73,090)	(22,161)	(41,931)
3.06.03	Financial	6,780	17,018	3,222	9,129
3.06.03.01	Financial income	8,163	19,895	4,641	10,956
3.06.03.02	Financial expenses	(1,383)	(2,877)	(1,419)	(1,827)
3.06.04	Other operating income	-	-	-	-
3.06.05	Other operating expenses	(5,501)	(12,591)	(628)	(2,032)
3.06.05.01	Stock option plan	(993)	(1,986)	(630)	(1,110)
3.06.05.02	Allowance for doubtful accounts	(4,508)	(10,605)	2	(922)
3.06.06	Equity in the earnings of subsidiary and associated companies	294	324	22	23
3.07	Operating results	39,651	71,068	20,253	45,629
3.08	Non-operating results	-	-	-	-
3.08.01	Income	-	-	-	-
3.08.02	Expenses	-	-	-	-
3.09	Profit before taxation and profit sharing	39,651	71,068	20,253	45,629
3.10	Provision for income tax and social contribution	(15,331)	(31,033)	(6,442)	(15,323)
3.10.01	Income tax	(10,173)	(20,771)	(4,720)	(11,234)
3.10.02	Social contribution	(5,158)	(10,262)	(1,722)	(4,089)
3.11	Deferred income tax	(1,619)	1,240	-	14,200
3.11.01	Income tax	(1,315)	571	-	10,441
3.11.02	Social contribution	(304)	669	-	3,759
3.12	Statutory profit sharing/contributions	(1,420)	(3,481)	(416)	(1,428)
3.12.01	Profit sharing	(1,420)	(3,481)	(416)	(1,428)
3.12.01.01	Profit sharing	(1,420)	(3,481)	(416)	(1,428)
3.12.02	Contributions	-	-	-	-
3.13	Reversal of interest on capital	-	-	-	-
3.14	Non-controlling interests	(148)	(261)	(93)	(68)
3.15	Net income for the period	21,133	37,533	13,302	43,010

CONSOLIDATED STATEMENT OF CASH FLOWS – INDIRECT METHOD

(R$ Thousand)

Code	Description	4.1.2010 to 6.30.2010	1.1.2010 to 6.30.2010	4.1.2009 to 6.30.2009	1.1.2009 to 6.30.2009
4.01	Net cash provided by operating activities	366,138	442,198	20,742	51,472
4.01.01	Cash provided by operations	26,733	24,216	15,338	47,451
4.01.01.01	Net income for the period	21,133	37,533	13,302	43,010
4.01.01.02	Non-controling interest in subisidiary	148	261	93	68
4.01.01.03	Depreciation and amortization	1,324	2,626	1,073	1,606
4.01.01.04	Goodwill amortization	-	-	-	-
4.01.01.05	Monetary variations, net	-	-	102	(29)
4.01.01.06	Increase in technical reserves	1,042	(32,329)	156	667
4.01.01.07	Provision for contingencies	562	11,424	59	173
4.01.01.08	Disposal of property and equipment and investments	(107)	(85)	14	14
4.01.01.09	Equity in the losses of subsidiary and associated companies	(294)	(324)	(22)	(23)
4.01.01.10	Allowance for doubtful accounts	1,932	3,124	(69)	855
4.01.01.11	Stock option plan	993	1,986	630	1,110
4.01.02	Changes in assets and liabilities	339,405	417,982	5,404	4,021
4.01.02.01	Financial assets at fair value through profit or loss	336,609	379,834	7,259	16,483
4.01.02.02	Healthcare receivables	(1,521)	20,938	(95)	(762)
4.01.02.03	Notes and credits receivable	10,290	2,176	(10,267)	(49)
4.01.02.04	Inventories	52	431	(128)	(128)
4.01.02.05	Long-term receivables	(2,147)	(9,493)	1	(13,703)
4.01.02.06	Provision for unsettled claims/events	3,665	2,530	1,782	1,769
4.01.02.07	Suppliers and sundry	(6,220)	14,210	(134)	2,017
4.01.02.08	Salaries, vacation pay and fees	614	2,649	304	604
4.01.02.09	Taxes and contributions payable and social obligations	(7,642)	(6,405)	6,710	(2,148)
4.01.02.10	Long-term liabilities	5,705	11,112	(28)	(62)
4.01.03	Other	-	-	-	-
4.02	Net cash used in investing activities	(3,955)	(4,779)	(5,153)	(29,914)
4.02.01	Reduction of investments due to merger	-	-	-	-
4.02.02	Acquisition of investments including goodwill	(739)	(739)	(4,579)	(28,513)
4.02.03	Capital repayment of subsidiaries	-	-	-	-
4.02.04	Dividends received from subsidiaries	-	-	-	-
4.02.05	Purchase of property and equipment	(2,198)	(2,547)	(375)	(745)
4.02.06	Systems development and software licenses	(334)	(605)	(179)	(636)
4.02.07	Deferred selling expenses	(684)	(888)	(20)	(20)
4.03	Net cash used in financing activities	(362,478)	(435,144)	(14,495)	(18,977)
4.03.01	Dividends paid	-	(72,666)	(14,344)	(14,344)
4.03.02	Interest on capital paid	-	-	(151)	(1,158)
4.03.03	Treasury shares	-	-	-	(3,475)
4.03.04	Capital repayments paid	(362,478)	(362,478)	-	-
4.03.05	Receipts - Stock option plans	-	-	-	-
4.04	Exchange variation on cash and cash equivalents	-	-	-	-
4.05	Increase (decrease) in cash and cash equivalents	(295)	2,275	1,094	2,581
4.05.01	cash and cash equivalents at the beginning of the period	6,516	3,946	2,929	1,442
4.05.02	cash and cash equivalents at the end of the period	6,221	6,221	4,023	4,023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 4/1/2010 TO 6/30/2010

(R$ Thousand)

Code	Description	Capital	Capital reserves	Revenue reserves	Retained earnings (accumulated deficit)	Carrying value adjustments	Total equity
5.01	Opening balance	284,611	522,392	62,605	-	-	869,608
5.02	Prior-year adjustments	-	-	-	-	-	-
5.03	Adjusted balance	284,611	522,392	62,605	-	-	869,608
5.04	Net income for the period	-	-	-	37,533	-	37,533
5.05	Appropriations	-	-	(16,430)	-	-	(16,430)
5.05.01	Dividends	-	-	-	-	-	-
5.05.02	Interest on capital	-	-	-	-	-	-
5.05.03	Other appropriations	-	-	(16,430)	-	-	(16,430)
5.05.03.01	Legal reserve	-	-	-	-	-	-
5.05.03.02	Proposed dividends	-	-	(16,430)	-	-	(16,430)
5.05.03.03	Statutory reserve	-	-	-	-	-	-
5.06	Realization of revenue reserves	-	-	-	-	-	-
5.07	Carrying value adjustments	-	-	-	-	-	-
5.07.01	Adjustments of marketable securities	-	-	-	-	-	-
5.07.02	Cumulative translation adjustments	-	-	-	-	-	-
5.07.03	Business combination adjustments	-	-	-	-	-	-
5.08	Capital increase (decrease)	(248,000)	-	-	-	-	(248,000)
5.08.01	Through subscription	-	-	-	-	-	-
5.08.02	Redemption of shares	-	-	-	-	-	-
5.08.03	Capital repayment	(248,000)	-	-	-	-	(248,000)
5.08.04	Merger – Bradesco Dental shares	-	-	-	-	-	-
5.09	Recording / realization of capital reserves	-	-	-	-	-	-
5.10	Treasury stock	-	-	-	-	-	-
5.11	Other capital transactions	-	-	-	-	-	-
5.12	Other	-	1,986	72	17	-	2,075
5.12.01	Stock option plan	-	1,986	-	-	-	1,986
5.12.02	Adjustment from merger – Sepao	-	-	-	17	-	17
5.12.03	Adjustment of goodwill on acquisition – Prontodente	-	-	72	-	-	72
5.13	Closing balance	36,611	524,378	46,247	37,550	-	644,786

07.01 – COMMENTS ON COMPANY PERFORMANCE FOR THE QUARTER

ANALYSIS OF RESULTS OF THE PARENT COMPANY ODONTOPREV S.A. FOR THE 2ND QUARTER OF 2010 (2Q10) AS COMPARED TO THE 2ND QUARTER OF 2009 (2Q09) AND FOR THE 1ST SIX-MONTH PERIOD OF 2010 (6M10) AS COMPARED TO THE 1ST SIX-MONTH PERIOD OF 2009 (6M09).

(Amounts expressed in thousands of reais, unless otherwise stated)

Gross sales and/or services revenue (gross operating revenue - GOR)

Gross operating revenue was up 24.7% from R$82,448 for 2Q09 to R$102,807 for 2Q10, mainly as a result of the increase in the number of beneficiaries of our dental care plans.

In the OdontoPrev Group, the number of dental care plan beneficiaries increased from 2,594,101 in June 2009 to 4,371,605 in June 2010, an increase of 1,777,504 beneficiaries.

For the six-month period, GOR was up by 29.5%, from R$164,158 for 6M09 to R$212,516 for 6M10.

We stress that GOR was affected by the changes in accounting practices established by the National Supplementary Health Agency (ANS) as follows: (i) net payment installments were down by R$4,010, for 6M10, as a result of the pro-rata billings adjustment; and (ii) revenue of R$16,504 was generated as a result of the reversal of technical reserves. Excluding the effects of these adjustments, gross operating revenue would be R$200,022 for 6M10, an increase of 21.8% as compared to 6M09.

Taxes related to transactions with dental care plans and taxes on sales and services (taxes on sales)

Taxes on sales were up by 16.5% from R$3,124 for 2Q09 to R$3,639 for 2Q10.

For the six-month period taxes on sales were up by 18.8% from R$6,454 for 6M09 to R$7,668 for 6M10.

Net sales and/or service revenue (net operating revenue – NOR)

Net operating revenue was up 25.0% from R$79,324 for 2Q09 to R$99,168 for 2Q10.

ROL totaled R$204,848 for 6M10 as compared to R$157,704 for 6M09, an increase of 29.9%.

Excluding the effects of adjustments made to GOR, described above, NOR would be R$192,354 for 6M10, up by 22.0% as compared to 6M09.

Cost of sales and/or services (cost of services)

07.01 – COMMENTS ON COMPANY PERFORMANCE FOR THE QUARTER

Cost of services was up by 15.6% from R$37,756 for 2Q09 to R$43,662 for 2Q10, mainly as a result of the following:

- **Indemnifiable claims, net:** up by 19.0% from R$32,937 for 2Q09 to R$39,182 for 2Q10.
- **Social charges on services:** down by 2.3% from R$2,709 for 2Q09 to R$2,646 for 2Q10.
- **Dental materials:** down by 37.2% from R$ 1,866 for 2Q09 to R$1,172 for 2Q10.
- **Other:** up from R$244 for 2Q09 to R$662 for 2Q10.

Gross income (gross profit)

Gross profit was up by 33.5% from R$41,568 for 2Q09 to R$55,506 for 2Q10.

Gross profit was up by 30.6%, from R$87,949 for 6M09 to R$114,896 for 6M10.

Selling expenses

Selling expenses were up 22.3% from R$9,358 for 2Q09 to R$11,443 for 2Q10.

For the six-month period selling expenses were up 13.3% from R$19,440 for 6M09 to R$22,030 for 6M10.

Administrative expenses

Administrative expenses totaled R$18,080 for 2Q09 and R$22,621 for 2Q10.

For the six-month period, administrative expenses were R$34,699 for 6M09 e de R$56,216 for 6M10.

Allowance for doubtful accounts

For the quarter, the allowance for doubtful accounts decreased from revenue of R$18 for 2Q09 to expense of R$4,968 for 2Q10, mainly as a result of the increase in the allowance for individual plans in the retail channel. From 2009, as a result of Normative Resolution (RN) 195/09, as amended by RNs 200/09 and 204/09, ANS classifies retail contracts as individual plans. The rules for individual plans differ from those governing collective plans by adherence, affecting, among others, the recording of the allowance for doubtful accounts.

Income for the period (net income)

Reported net income was up by 58.9%, from R$13,302 for 2Q09, to R$21,133 for 2Q10.

07.01 – COMMENTS ON COMPANY PERFORMANCE FOR THE QUARTER

For the six-month period, net income totaled R$37,533, down by 12.7%, as compared to R$43,010 for 6M09.

Excluding the expenses for acquisitions and the effect of the changes in accounting principles established by ANS, net of taxes payable, adjusted net income would be R$38,378 for 2Q10 and R$46,175 for 6M10.

12.01 – COMMENTS ON CONSOLIDATED PERFORMANCE FOR THE QUARTER

ANALYSIS OF THE CONSOLIDATED COMPANY RESULTS FOR THE 2ND QUARTER OF 2010 (2Q10) AS COMPARED TO THE 2ND QUARTER OF 2009 (2Q09) AND FOR THE FIRST SIX-MONTH PERIOD OF 2010 (6M10) AS COMPARED TO THE FIRST SIX-MONTH PERIOD OF 2009 (6M09).

(Amounts expressed in thousands of reais, unless otherwise stated)

Gross sales and/or services revenue (gross operating revenue - GOR)

Gross operating revenue was up 73.7% from R$98,572 for 2Q09 to R$171,225 for 2Q10, mainly as a result of the increase in the number of beneficiaries of our dental care plans.

In the OdontoPrev Group, the number of dental care plan beneficiaries increased from 2,594,101 in June 2009 to 4,371,605 in June 2010, an increase of 1,777,504 beneficiaries.

For the six-month period, GOR was up by 83.2%, from R$190,057 for 6M09 to R$348,247 for 6M10.

We stress that GOR was affected by the changes in accounting practices established by the National Supplementary Health Agency (ANS) as follows: (i) net payment installments were down by R$21,004, for 6M10, as a result of the pro-rata billings adjustment; and (ii) revenue of R$33,901, for 6M10, was generated as a result of the reversal of technical reserves. Excluding the effects of these adjustments, gross operating revenue would be R$335,350 for 6M10, an increase of 76.4% as compared to 6M09.

Taxes related to transactions with dental care plans and taxes on sales and services (taxes on sales)

Taxes on sales were up by 38.5% from R$4,213 for 2Q09 to R$5,834 for 2Q10.

For the six-month period, taxes on sales were up by 48.8% from R$8,175 for 6M09 to R$12,162 for 6M10.

Net sales and/or service revenue (net operating revenue – NOR)

Net operating revenue was up 75.3% from R$94,359 for 2Q09 to R$165,391 for 2Q10.

ROL totaled R$336,085 for 6M10 as compared to R$181,882 for 6M09, an increase of 84.8%.

Excluding the effects of adjustments made to GOR, described above, NOR would be R$323,188 for 6M10, up by 77.7% as compared to 6M09.

Cost of sales and/or services (cost of services)

Cost of services was up by 86.7% from R$44,527 for 2Q09 to R$83,153 for 2Q10, mainly as a result of the following:

- **Indemnifiable claims, net:** up by 101.5% from R$38,317 for 2Q09 to R$77,205 for 2Q10.

- **Social charges on services:** down by 8.9% from R$2,984 for 2Q09 to R$2,718 for 2Q10.

- **Dental materials:** down by 61.6% from R$ 1,870 for 2Q09 to R$718 for 2Q10.

- **Other:** up from R$1,356 for 2Q09 to R$2,512 for 2Q10.

Gross income (gross profit)

Gross profit was up by 65.0% from R$49,832 for 2Q09 to R$82,238 for 2Q10.

For the six-month period, gross profit was up by 68.2%, a total R$169,802 as compared to R$100,951 for 6M09.

Selling expenses

Selling expenses were up 57.0% from R$10,034 for 2Q09 to R$15,752 for 2Q10.

For the six-month period, selling expenses were up 48.2% from R$20,511 for 6M09 to R$30,395 for 6M10.

Administrative expenses

Administrative expenses totaled R$22,161 for 2Q09 and R$28,408 for 2Q10.

For the six-month period, administrative expenses were R$41,931 for 6M09 and R$73,090 for 6M10.

Allowance for doubtful accounts

For the quarter, the allowance for doubtful accounts decreased from revenue of R$2 for 2Q09 to an expense of R$4,508 for 2Q10, mainly as a result of the increase in the allowance for individual plans in the retail channel. From 2009, as a result of Normative Resolution (RN) 195/09, as amended by RNs 200/09 and 204/09, ANS classifies retail contracts as individual plans. The rules for individual plans differ from those governing collective plans by adherence, affecting, among others, the recording of the allowance for doubtful accounts.

Income for the period (net income)

Reported net income was up by 68.3%, from R$13,302 for 2Q09, to R$21,133 for 2Q10.

12.01 – COMMENTS ON CONSOLIDATED PERFORMANCE FOR THE QUARTER

For the six-month period, profit was down by 12.3%, to R$37,533 as compared to R$43,010 for 6M09.

Excluding the expenses for acquisitions and the effect of the changes in accounting principles established by ANS, net of taxes payable, adjusted net income would be R$38,378 for 2Q10 and R$46,175 for 6M10.

Notes to the financial statements (Company and Consolidated) at June 30, 2010 and March 31, 2010

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

1. Operations and General Information

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

On October 18, 2009, the Company entered into an association agreement with Bradesco Dental S.A. (Bradesco Dental) for the integration of the companies' activities, since their business models complement each other and together they can better compete in the private dental care plan segment. At that date, in accordance with the Significant Event Notice, ZNT Empreendimentos, Comércio e Participações Ltda. (ZNT), funds managed by Dynamo, Investidor Profissional, M Square, Águas Claras, and directors of OdontoPrev, which jointly hold approximately 40% of the Company's share capital (the remaining 60% being spread in the market), committed to vote in favor of the Association in the Extraordinary Shareholders' Meeting (AGE). The increase in share price after the disclosure of the Significant Event Notice showed that the market considered the association practically concluded.

After the approvals by the National Supplementary Health Agency (ANS) through the Official Letter No. 250/2009/ DIRAD/ANS and by the AGE of December 23, 2009, all of the shares issued by Bradesco Dental were merged into OdontoPrev. As a result of the transaction, Bradesco Dental became a wholly-owned subsidiary of the Company.

At the AGE held on July 1, 2010, the merger of Bradesco Dental was approved. This merger is designed to take advantage of the existing synergy, generating itens both financial and commercial benefits.

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

	Percentage holding (%)			
	June 30, 2010		March 31, 2010	
	Direct	Indirect	Direct	Indirect
Clidec - Clínica Dentária Especializada Cura D'ars Ltda. (Clidec)	99.9	-	99.9	-
Odontoprev Serviços Ltda. (OdontoPrev Serviços)	99.9	-	99.9	-
Garcia Pedrosa Ltda. (Rede Dental)	99.9	-	99.9	-
Easy Software Ltda. (Easy)	-	51.0	-	51.0

	Percentage holding (%)			
	June 30, 2010		March 31, 2010	
	Direct	Indirect	Direct	Indirect
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
Bradesco Dental S.A. (Bradesco Dental)*	-	-	100.0	-

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

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

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

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

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

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

(g) Bradesco Dental: company created on May 2, 2008 through the transfer of the dental insurance portfolio of Bradesco Saúde, to sell and manage dental insurance plans.

In accordance with ANS Board Resolution (RDC) No. 39, issued on October 27, 2000, the Company and its subsidiaries Rede Dental and Adcon are classified as dental care operators in the tertiary dental care segment and the subsidiary Clidec, as a dental care operator in the dental care segment.

Odontored CV

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

The company's share capital is $ 12,258,704 Mexican pesos, 40% of which is held by OdontoPrev and 60% by IKE Grupo Empresarial. The capital held by OdontoPrev should be paid up during the first half of 2010, when operations are expected to commence. The capital held by OdontoPrev (R$ 739 at December 31, 2010) was paid up on June 2, 2010. Odontored has not started to generate revenue, and is in the pre-operational phase.

Approval of the Financial Statements

The issue of the parent company and consolidated financial statements was authorized by the Board of Directors on August 11, 2010.

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 (subsequent events - note 32)

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

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

- The Company's capital was not increased, due to the fact that the capital of the merged companies was directly or indirectly held by the Company.
- The balances of assets, liabilities and equity used for merger purposes, were based on the respective balance sheet certification report.
- The changes in equity after the base dates of the balance sheets used for evaluation were properly recorded in the respective accounting books and the related balances were reflected in the Company's balance sheets after the approval of the merger by the shareholders and partners of the companies involved.

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

3. Description of Significant Accounting Practices

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

3.1 Preparation and presentation

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Company and its subsidiaries. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant for the preparation of the consolidated financial statements are disclosed in Note 5.

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

The financial statements have been prepared and are presented in accordance with the ANS Chart of Accounts and the requirements of the Brazilian Securities Commission (CVM), as described in Note 4.

3.2 Consolidation

3.2.1 Consolidated financial statements

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

(a) Subsidiaries

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

The Company uses the acquisition method of accounting to account for business combinations, which are recorded at the fair value of transfer of assets, liabilities and equity, calculated on the acquisition date.

Acquisition-related costs are expensed as incurred. Non-controlling interests in subsidiaries are recognized proportionally based on the fair value at the acquisition date.

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

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

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

(b) Associates

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

3.2.2 Individual financial statements

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

3.2.3 Statement of comprehensive income

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

3.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating and strategic decision-maker, the Statutory Board, which is responsible for allocating resources and assessing performance of the operating segments, as disclosed in Note 21.

3.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Translation and balances in foreign currency

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

3.5 Cash and cash equivalents

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

3.6 Financial assets

3.6.1Classification

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

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

Financial assets measured at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. The assets are in this category financial investments classified as current assets, according to the composition in Note 8.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables of the Company and its subsidiaries comprise trade receivables (healthcare receivables, in accordance with Note 9), and other receivables (Note 11.3).

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

They are recorded in the balance sheet at their nominal value with a corresponding entry to the accounts "Healthcare installments" or "Advanced billings", according to the coverage period of the contracts effective at the balance sheet date, and the amounts receivable referring to reimbursement of events.

3.6.2 Recognition and measurement

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

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

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

3.6.3 Fair value estimate

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

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

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

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

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

3.6.4 Offsetting financial instruments

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

3.6.5 Impairment of financial assets carried at amortized cost

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

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

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

By assessing the existence of objective evidence of impairment, the Company and its subsidiaries can measure loss. Accordingly, the accounting balance is reduced to its recoverable amount, and the loss is recognized in the statement of income.

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

The provision for impairment of trade receivables is recorded based on the analysis of probable losses on receivables overdue for more than 90 days from contracts with legal entities and for more than 60 days

from contracts with individuals. Impairment of these assets was assessed at March 31, 2010 and December 31, 2009. Based on the assessments, the Company understands that the provision for impairment of trade receivables, in accordance with ANS determinations, is proper and reflects past internal losses.

3.7 Non-current assets

3.7.1 Long-term receivables

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

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

Deferred tax assets with probable deductibility are recognized in relation to taxable temporary differences, that is, on those differences that will result in amounts to be excluded from the calculation of taxable income tax and social contribution of future years, when the carrying amount of the asset is recovered. They are basically recorded on temporary differences related to: goodwill on expected future profitability from merged subsidiaries (this tax benefit is recorded in conformity with the current accounting standards CPC 32/IAS 12 and is based on future tax use in the ordinary course of OdontoPrev's business); provision for impairment of trade receivables; tax, social security, civil and labor contingencies; and sundry provisions (except for those supported by technical actuarial notes approved by ANS), as mentioned in Note 11.1.

(b) Judicial deposits

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

3.7.2 Investments

These comprise investments in subsidiaries and associates stated on the equity accounting method based on their respective balance sheets at March 31, 2010 and December 31, 2009, as disclosed in Note 12.

3.7.3 Property and equipment

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

Property and equipment comprise mainly IT equipment and software.

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

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

3.7.4 Intangible assets

(a) Goodwill on acquisition of investments

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

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

(b) System development and software license and other

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

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

Goodwill attributable to the brand, customer portfolio and agreement for non-competition are grouped in "Other". These items are amortized on the straight-line method, using the terms identified in the appraisal report, as mentioned in Notes 14.3 and 31.

(c) Deferred selling expenses

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

3.8 Impairment of non-financial assets

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

Assets are tested for impairment in order to: (i) verify whether there is any impairment loss of assets, and (ii) measure any impairment loss of existing assets to complement or reverse the provision for impairment of trade receivables, when applicable.
Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For impairment tests, assets are grouped in business units (active and/or merged companies acquired).

3.9 Dental care plan contracts

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

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

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

(a) Deferred selling expenses

See comments in Note 3.7.4, item c.

(b) Liabilities of dental care plan sale contracts

Contracts that transfer significant insurance risk to the Company are evaluated based on an accounting methodology or model applicable to contracts of this nature. In the first-time adoption of IFRS, the Company considered CPC 11/IFRS 4 for the assessment of these contracts, based on the principal rules and procedures established in CPC 11/IFRS 4, which include the following: (i) the Liability Adequacy Test

(LAT) of insurance contracts; (ii) the economic and actuarial classification as insurance or investment contracts; and (iii) the identification of embedded derivatives.

(c) Liability Adequacy Test (LAT)

In conformity with CPC 11/IFRS 4, the Company prepares annually the liability adequacy test of all dental care plan contracts in effect on the date of the test.

This test considers as the net carrying amount all liabilities of insurance contracts permitted by CPC 11/IFRS 4, less intangible assets directly related to insurance contracts and was carried out on December 31, 2009.

For this test, the Company prepared a methodology based on its best estimate of all future cash flows, which also include additional and accessory claim settlement expenses, using current assumptions for the test.

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

3.10 Technical provisions

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

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

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

As from 2010, the events pending settlement involving dental care assistance started to be classified as "Provision for events/claims to settle" in the group "Technical provisions for dental care operations" in accordance with Normative Instruction (IN) No. 36/09. Costs of services provided are recorded based on claims reported by accredited service providers upon the analysis of the events covered by the plans, with a corresponding entry to the account "Indemnifiable claims, net".

3.11 Taxes and contributions payable

(a) Federal tax liabilities

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

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

(b) Municipal tax liabilities

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

3.12 Trade and other payables

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

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

3.13 Other current liabilities

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

3.14 Deferred income tax and social contribution (liability)

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

3.15 Contingent liabilities and legal obligations

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

(a) Contingent liabilities

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

(b) Legal, tax and social security obligations

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

3.16 Share capital

Common shares are classified as equity.

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

3.17 Revenue recognition

(a) Effective installments

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

(b) Sales of goods and services

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

(c) Interest income

This income arises from financial investments and judicial deposit restatements.

3.18 Recognition of costs of services

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

3.19 Employee benefits (variable compensation)

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

The Company grants stock options to be exercised 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 OdontoPrev's shareholders is recognized as a liability in the financial statements at year-end based on the Company's bylaws. Any amount that exceeds the minimum required is only provided on the date it is approved by the shareholders at the general meeting.

3.21 Earnings per share

The Company's earnings per share for the periods ended March 31, 2010 and 2009, in compliance with CPC 41/IAS 33, was calculated by dividing profit attributable to the Company's shareholders by the weighted average number of common shares outstanding during the period, excluding treasury shares. Earnings per share is also calculated by adjusting the weighted number of common shares outstanding to assume conversion of all potential dilutive common shares. The calculation of basic and diluted earnings per share is presented in Note 28.. In the tables related to the income statements, earnings per share are calculated by dividing net income by the number of shares outstanding at the end of each period presented.

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

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

- CPC 04 (R)/IFRS 9, "Financial instruments", issued in November 2009. This standard is the first step in the process to replace CPC 38/IAS 39, "Financial instruments: recognition and measurement." CPC 04 (R)/IFRS 9 introduces new requirements for classifying and measuring financial assets. The standard is not applicable up to January 1, 2013.

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3.23 Restatement of quarterly information

CVM Deliberation 603/09, as amended by Deliberation 656/11 permitted publicly held companies to present their quarterly information for 2010 based on the accounting standards in force up to December 31, 2009, provided that they were subsequently restated including the comparative amounts in compliance with the new standards, as described in this ITR.

In Note 35 (Adoption of IFRS and CPCs), we present the effects arising from this adoption, as well as the reconciliation of former BR GAAP to CPCs/IFRS.

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

06.01 – NOTES TO THE FINANCIAL STATEMENTS

		Period ended at June 30,		Period ended at June 30,	
Corporate Law	**ANS**	**2010**	**2009**	**2010**	**2009**
	Net installments	196,012	164,795	311,599	188,501
	Revenues from sale of products	-	-	2,747	2,223
	Changes in technical provisions	16,504	(637)	33,901	(667)
Taxes on sales	Direct taxes on health care plan operations	(7,668)	(6,454)	(10,985)	(7,861)
	Taxes on sales and services	-	-	(1,177)	(314)
Net operating revenue		**204,848**	**157,704**	**336,085**	**181,882**
Cost of services	**Cost of services**	**(89,952)**	**(69,755)**	**(166,283)**	**(80,931)**
	Indemnifiable claims, net	(70,800)	(61,339)	(143,458)	(68,952)
	Social charges on services	(5,140)	(5,041)	(5,294)	(5,603)
	Dental care materials	(2,383)	(2,983)	(1,573)	(2,995)
	Other operating expenses	(11,629)	(392)	(15,958)	(3,381)
Gross profit		**114,896**	**87,949**	**169,802**	**100,951**
Selling expenses	**Selling expenses**	**(22,030)**	**(19,440)**	**(30,395)**	**(20,511)**
Administrative expenses	**Administrative expenses**	**(56,216)**	**(34,699)**	**(73,090)**	**(41,931)**
Other expenses	**Other expenses**	**(13,561)**	**(3,262)**	**(16,072)**	**(3,460)**
Granting of stock options	Granting of stock options	(1,986)	(1,110)	(1,986)	(1,110)
Provision for impairment of trade receivables	Provision for impairment of trade receivables	(9,167)	(905)	(10,605)	(922)
Equity in the results of subsidiaries	Equity in the results of subsidiaries	(2,408)	(1,247)	(3,481)	(1,428)
Finance income (cost), net	**Finance income (cost), net**	**3,146**	**2,716**	**17,018**	**9,129**
Finance income	Finance income	3,977	3,969	19,895	10,956
Finance costs	Finance costs	(831)	(1,253)	(2,877)	(1,827)
Equity in the results of subsidiaries	**Equity in the results of subsidiaries**	**25,372**	**7,517**	**324**	**23**
Profit before taxation	**Profit before taxation**	**51,607**	**40,781**	**67,587**	**44,201**
Income tax	Income tax	(8,614)	(8,793)	(20,771)	(11,234)

06.01 – NOTES TO THE FINANCIAL STATEMENTS

		Company		Consolidated	
		Period ended at June 30,		Period ended at June 30,	
Corporate Law	ANS	2010	2009	2010	2009
Social contribution	Social contribution	(3,131)	(3,178)	(10,262)	(4,089)
Deferred income tax	Deferred income tax	(1,716)	10,441	571	10,441
Deferred social contribution	Deferred social contribution	(613)	3,759	669	3,759
Profit for the year	**Profit for the year**	**37,533**	**43,010**	**37,794**	**43,078**
Attributable to:					
Shareholders of the Company		37,533	43,010	37,533	43,010
Non-controlling interests		-	-	261	68
Profit for the year	**Profit for the year**	**37,533**	**43,010**	**37,794**	**43,078**
Earnings per share to the Company's shareholders					
Basic earnings per share (R$)		-	-	0.85	1.71
Diluted earnings per share (R$)		-	-	0.84	1.66

5. Critical Accounting Estimates and Judgments

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

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

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

Currently, losses identified in the impairment test of receivables represent approximately 5% of the total revenues of the Company and its subsidiaries, of which 80% arises from individual prepaid contracts. If these contracts had been more significant, the Company would have had an increase in its total losses

recorded in the statement of income.

(b) Estimates used in evaluation of tax assets

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

These refer basically to the income tax and social contribution effects on temporary differences related to: goodwill on expected future profitability arising from merged subsidiaries (this tax benefit is recorded in conformity with the current accounting standards CPC 32/IAS 12 and is based on future tax use in the ordinary course of OdontoPrev's business); provision for impairment of trade receivables; tax, social security, civil and labor contingencies; and sundry provisions (except for those supported by technical actuarial notes approved by ANS), as mentioned in Note 11.1.

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

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

In the assessment of value in use, management believes that no reasonably possible change in any of the main assumptions mentioned in Note 14.2 would make the carrying amount exceed significantly its recoverable value.

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

The Company has prepayment dental care plan contracts which are classified according to similar characteristics as insurance contracts due to the transfer of significant insurance risk to the Company. Estimates used in the recording of insurance liabilities represent an area in which the Company uses critical accounting estimates in the preparation of financial statements in conformity with IFRS. Several sources of uncertainties should be considered in the estimation of liabilities to be ultimately settled by the Company. The Company uses all available internal and external information source concerning past experiences and indicators that may affect the decision making of the Company's management, actuaries and experts to define actuarial assumptions and the best estimate of claim settlement amount for contracts whose insured event has already occurred. Consequently, the provisions may differ from the amounts actually paid in the future for these obligations (see accounting policy disclosed in Note 6 on insurance risk management and sensitivity analyzes of the main assumptions used in the assessment of these liabilities).

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

The Company is party to labor, tax and civil lawsuits in progress on the date of preparation of the financial statements. The process used by management to determine and record the accounting estimates takes

into consideration the legal advice of experts, progress of the lawsuits and judgment status (or court) of each specific case. In addition, the Company uses its best judgment on these cases and historical information about losses, in which there is a high level of judgment used, to record the provisions in accordance with CPC 25/IAS 37.

At June 30, 2010, the Company and its subsidiaries have R$ 31,647 (R$ 27,167 at March 31, 2010) in provisions for contingencies, of which R$ 25,814 (R$ 23,072 at March 31, 2010) correspond to the questing of the levy of INSS on remuneration paid to accredited dentists, initially established by the Supplementary Law (LC) No. 84/96 and, subsequently, by Law No. 9876/99 (new text of article 22, item I of Law No. 8212/91) at the rate of 20%, alleging that the services are provided to the beneficiaries instead of the operators and, accordingly, the operators cannot be subject to this contribution, as mentioned in Note 19.1.

6. Risk management

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

6.1 Financial risk factors

6.1.1 Market risk (interest rate)

Considering the Company’s market and net asset position, the interest rate risk arises from the possibility that the Company and its subsidiaries are subject to changes in interest rates that may impact the fair value of the financial investment portfolio.

The Company and its subsidiaries adopt the policy of investing in securities issued by financial institutions (CDBs) and short-term funds, using internal assessment criteria and limits established based on qualitative and quantitative information, including the need of allocating funds under ANS RN No. 159/07 and No. 206/09, to guarantee the technical provisions. Most of the investment portfolio of the Company and its subsidiaries is exposed to interest rate fluctuations in the domestic market. As the Company does not have contracts indexed to other currencies/rates, it does not carry out direct derivative transactions. The composition of financial investments is presented in Note 8.

At June 30, 2010, the financial investments of the Company and its subsidiaries totaled R$ 154,923 (R$ 491,532 at March 31, 2010), of which 64.9% of funds are invested in investment funds affected by the variations in remuneration rate of public national treasury bonds (National Treasury Bills (LTN) and National Treasury Notes (NTN)).

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

	Consolidated				Ratings of financial institutions		
	June 30, 2010	Average yield - % of CDI	March 31, 2010	Average yield - % of CDI	Fitch	Moody's	S&P
Banco BNP Paribas Brasil	6,102	103.2%	14,163	103.2%	-	-	brAAA
Banco Bradesco S.A.	1,143	100.3%	8,799	100.0%	AAA(bra)	Aaa.br	brAAA
Banco Citibank S.A.	-	-	8,997	102.9%	-	-	brAAA
Banco Industriale Comercial S.A.	507	102.5%	-	-	A+(bra)	Aa1.br	brAA
Banco Panamericano S.A.	2,094	105.0%	2,081	105.0%	A-(bra)	A1.br	-
Banco Pine S.A.	-	-	-	-	A(bra)	A1.br	brA-
Banco Santander Brasil S.A.	12,024	101.6%	94,398	104.0%	AAA(bra)	Aaa.br	brAAA
Banco Schahin S.A.	-	-	-	-	AAA(bra)	Aaa.br	brAAA
Banco Votorantim S.A.	-	-	-	-	AA+(bra)	Aaa.br	brAA+
BES Investimentos do Brasil S.A.	-	-	-	-	-	Aaa.br	brAAA
Banco IBI	2,552	105.5%	5,617	105.5%	AA+(bra)	Aaa.br	-
HSBC Bank Brasil S.A.	4,212	104.0%	4,117	103.6%	-	Aaa.br	-
Itaú UnibancoS.A.	6,023	99.3%	5,631	100.6%	AAA(bra)	Aaa.br	brAAA
	34,657		**143,803**				

6.1.2 Credit risk

This risk arises from the possibility of the Company and its direct and indirect subsidiaries not receiving the amounts of installments and services as they come due. The credit policy takes into consideration the specific characteristics of dental care operations and is focused on maintaining the flexibility required by market conditions and customers' needs. Through appropriate internal controls, the Company constantly monitors its receivables. The method adopted to calculate the provision for impairment of trade receivables is described in Note 3.6.5.

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

6.1.3 Liquidity risk

The main objective of liquidity risk management is to monitor the settlement terms of the Company’s and

its subsidiaries' receivables and payables, as well as the liquidity of their financial instruments. The Company and its subsidiaries prepare projected cash flow analyses and periodically review the liabilities assumed and the financial instruments used, mainly those related to assets pledged as guarantee of technical provisions.

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

6.2 Insurance risk and dental care cost fluctuation risk

OdontoPrev is a leader in the Brazilian dental care plan sector, in accordance with the data disclosed by ANS. At June 30, 2010, the Company has 4,371,605 beneficiaries 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 reimbursement, and the beneficiary also can rely on the

systems for control of quality and selection of professional. In the system in which the beneficiary can choose the professionals, they must pay directly to the dentist and subsequently request the reimbursement of the costs, under the limits of the contract. When the customer opts for the company-owned units, two types are available: the dental care plan itself, named by ANS as own dental care segment, or the lease of exclusive dental clinics in the customers' facilities. In the first model, the type of coverage and the payment of a per capita month rate are defined. In the second model, fixed amount for the dental clinic is paid, without defining a type of coverage, designation of beneficiary or per capita rate.

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

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

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

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

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

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

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

For control of costs, the Company has its own system that ensure the individual evaluation of all treatments made, through x-ray images and analysis of electronic records, thus monitoring the dental costs per customer.
The contracts are effective over approximately 24 months, originally with a termination clause establishing 90-day prior notice and contractual fine for terminations requested out of the term. Most of the contracts also have an annual adjustment of the rates practiced through the claims ratio, which consists of the division of the costs incurred over the past twelve months by the net installments, and adjustment based on inflation, according to an index established with each customer.

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

In the period ended June 30, 2010, the consolidated claims ratio was 49.5% (data included in Note 4) and contribution margin (gross profit less selling expenses divided by sales revenue) of 41.5%. If the contribution ratio was 60%, the margin would be 30.9%, a decrease of 10.6% p.p., equivalent to R$ 35,368.

6.3 Operating risk - market of operations (competition)

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

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

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

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

Considering the sector's growth aspects, we believe that the Company has the following competitive advantages: (i) economy of scale and high growth potential; (ii) diversified customer portfolio; (iii) offer of personalized dental care plans with quality; (iv) own information technology platform, which is a worldwide

reference; (v) professional and specialized management, focused on generation of value; and (vi) wide range of dental surgeons throughout the country.

OdontoPrev has a high customer retention ratio, and the percentage of contracts renewed over the past

years is 97%.

6.4 Capital risk

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

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

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

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

Note 15, “Minimum Capital, Operational Dependence and Technical Provisions”, describes the rules for determination of technical provisions and criteria for maintenance of minimum equity and operational dependence, according to definitions applicable to dental care plan operators.

7. Cash and Cash Equivalents

	Company		Consolidated	
	June 30, 2010	March 31, 2010	June 30, 2010	March 31, 2010
Cash and deposits in cash in financial institutions	40	42	60	62
Short-term deposits	5,116	5,575	6,161	6,454
Cash and cash equivalents	**5,156**	**5,617**	**6,221**	**6,516**

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:

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	Company		Consolidated	
	June 30, 2010	March 31, 2010	June 30, 2010	March 31, 2010
(i)	25,335	109,461	34,657	143,803
Investment funds (ii)	3,922	5,405	100,579	347,729
Debentures (iii)	19,687	-	19,687	-
	48,944	**114,866**	**154,923**	**491,532**

(i) Refer to floating rate securities indexed to the Interbank deposit certificate (CDI) daily interest rates, which mostly have daily liquidity. The Company has CDBs with Banco Bradesco at June 30, 2010 of R$ 1,143 (R$ 344 at March 31, 2010).

(ii) The exclusive and non-exclusive investment fund quotas are valued based on the quota value disclosed by the investment funds' administrators.

(iii) Refers to daily repurchase agreements with banks involving floating rate debentures indexed to daily interest rates, agreed at market conditions, applicable to debentures issued by companies of its respective economic group.

A portion of the financial investments at June 30, 2010, totaling R$ 17,464 (R$ 18,788 at March 31, 2010) in the Company and R$ 69,510 (R$ 70,061 at March 31, 2010) in the consolidated, is linked to ANS to ensure the technical provisions, in accordance with RN No. 206/09.

Composition of the investment portfolio by maturity:

					Company
	No maturity date	Up to 180 days	181 to 360 days	Over to 360 days	Total
CDBs	-	13,430	-	11,905	25,335
Investment funds	3,922	-	-	-	3,922
Debentures	-	-	-	19,687	19,687
At June 30, 2010	**3,922**	**13,430**	**-**	**31,592**	**48,944**
At March 31, 2010	**5,405**	**187**	**40**	**109,234**	**114,866**

					Consolidated
	No maturity date	Up to 180 days	181 to 360 days	Over to 360 days	Total
CDBs	-	13,547	-	21,110	34,657
Investment funds	100,579	-	-	-	100,579
Debentures	-	-	-	19,687	19,687
At June 30, 2010	**100,579**	**13,547**	**-**	**40,797**	**154,923**
At March 31, 2010	**347,729**	**809**	**11,617**	**131,377**	**491,532**

Investments in CDBs, funds and debentures are classified in current assets, regardless of their maturity dates, in view of the guarantee of daily liquidity offered by the counterparty for most of the balance.
Note 6.1.1 shows the financial institutions in which the Company has investments in CDBs.

9. Healthcare Receivables (Loans and Receivables - Customers)

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

	Company		Consolidated	
	June 30, 2010	March 31, 2010	June 30, 2010	March 31, 2010
Invoices/premiums receivable	45,404	46,511	79,854	76,608
Debit notes	494	427	2,009	427
Advanced billings[1]	(25,034)	(23,994)	(48,006)	(44,699)
receivables	(10,171)	(9,443)	(14,429)	(12,497)
	10,693	**13,501**	**19,428**	**19,839**

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

At December 31, 2010, the composition of the Company's and consolidated health care receivables by maturity is as follows:

Company

	Falling due	Overdue			
	Up to 30 days	Up to 30 days	From 31 to 90 days	Over 90 days	Total
Invoices/premiums and debit notes receivable, net	2,959	6,164	3,743	7,998	20,864
Provision for impairment of trade receivables	-	-	(2,173)	(7,998)	(10,171)
At June 30, 2010	**2,959**	**6,164**	**1,570**	**-**	**10,693**
At March 31, 2010	**2,540**	**6,322**	**4,639**	**-**	**13,501**

Consolidated

	Falling due	Overdue			
	Up to 30 days	Up to 30 days	From 31 to 90 days	Over 90 days	Total
Invoices/premiums and debit notes receivable, net	11,694	6,164	3,743	14,429	36,030
Provision for impairment of trade receivables	-	-	(2,173)	(14,429)	(16,602)
At June 30, 2010	**11,694**	**6,164**	**1,570**	**-**	**19,428**
At March 31, 2010	**8,878**	**6,322**	**4,639**	**-**	**19,839**

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

	Company		Consolidated	
	June 30, 2010	March 31, 2010	June 30, 2010	March 31, 2010
Invoices/premiums receivable	45,404	46,511	79,854	76,608
Debit notes	494	427	2,009	427
Advanced billings	(25,034)	(23,994)	(48,006)	(44,699)
Provision for impairment of trade receivables	(10,171)	(9,443)	(14,429)	(12,497)
(=) Trade receivables, net	**10,693**	**13,501**	**19,428**	**19,839**
(-) Advances from customers	(3,763)	(2,396)	(8,560)	(3,483)
(=) Considerations/premiums receivable from customers	**6,930**	**11,105**	**10,868**	**16,356**

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

	Company		Consolidated	
	June 30, 2010	March 31, 2010	June 30, 2010	March 31, 2010
Balance at the beginning of the period	**(9,443)**	**(8,593)**	**(11,305)**	**(11,305)**
Reversals (provisions) recorded in the period, net	1,915	(797)	(481)	(1,139)
Losses with customers	(2,643)	(53)	(2,643)	(53)
Balance at the end of the period	**(10,171)**	**(9,443)**	**(14,429)**	**(12,497)**

Losses with trade receivables were recorded in “Provision for impairment of trade receivables”, in the statement of income. Amounts recorded in provisions as impairment losses are usually written off when management no longer expects the recovery of the financial asset.

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

10. Current Taxes Recoverable

	Company		Consolidated	
	June 30, 2010	March 31, 2010	June 30, 2010	March 31, 2010
Corporate Income Tax (IRPJ) (i)	13,003	22,754	25,976	30,533
Social Contribution on Net Income (CSLL) (i)	4,379	8,137	8,723	10,035
PIS	163	229	1,034	3,977
Other	354	69	667	2,763
	17,899	**31,189**	**36,400**	**47,308**

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

11. Long-term Receivables

11.1 Deferred income tax and social contribution

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

	Company		Consolidated	
	June 30, 2010	March 31, 2010	June 30, 2010	March 31, 2010
Deferred income tax	20,360	21,227	26,108	26,859
Deferred social contribution	7,331	7,644	11,015	11,066
Other				
	27,691	**28,871**	**37,123**	**37,925**

	Company		Consolidated	
	June 30, 2010	March 31, 2010	June 30, 2010	March 31, 2010
Deferred tax assets				
Provision for impairment of trade receivables	3,414	3,191	3,610	3,387
Provisions for tax, social security, labor and civil contingencies	782	34	8,626	7,878
Provision for events/claims incurred but not reported (IBNR)	3,451	3,451	3,672	3,672
Goodwill on expected future profitability - merged subsidiaries	19,409	20,892	19,409	20,892
Provision for commissions	635	585	635	585
Other provisions	-	718	1,170	1,510
	27,691	**28,871**	**37,123**	**37,925**
Recoverable within 12 months	5,808	5,808	6,600	6,600
Recoverable after 12 months	21,883	23,063	30,081	31,325

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

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

11.2 Judicial deposits

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

	Company		Consolidated	
	June 30, 2010	March 31, 2010	June 30, 2010	March 31, 2010
TAX	**670**	**670**	**3,003**	**2,809**
COFINS	-	-	2,040	2,040
Other	670	670	963	769
Social security and labor	**44**	**44**	**25,988**	**23,245**
INSS	-	-	25,814	23,072
Other	44	44	174	173
Civil	**6**	**18**	**6**	**18**
	720	**732**	**28,997**	**26,072**

11.3 Other Receivables

	Company		Consolidated	
	June 30, 2010	March 31, 2010	June 30, 2010	March 31, 2010
DentalCorp	5,595	5,595	5,595	5,595
Rede Dental	2,839	2,839	2,839	2,839
Care Plus/Biodent	1,395	1,395	1,395	1,395
Sepao	659	659	659	659
Prontodente	110	110	110	110
OdontoServ	459	459	459	459
Other	-	65	-	65
	11,057	**11,122**	**11,057**	**11,122**

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	
	June 30, 2010	March 31, 2010	June 30, 2010	March 31, 2010
Equity interests	97,920	344,736	-	-
External Equity interests	739	-	739	-
Other equity interests	1	1	18	48
	98,660	**344,737**	**757**	**48**

Equity interest in subsidiaries is classified as follows:

					2010	Equity in the results of subsidiaries		Investment balances	
Subsidiaries	Share capital	Number of quotas/ shares held	Holding (%)	Profit (loss for the period)	Equity	June 30, 2010	June 30, 2009	June 30, 2010	March 31, 2010
Bradesco Dental	51,000	262,000	100.0	22,149	75,762	22,476	-	75,762	323,212
Clidec	8,290	8,290	99.9	334	10,410	334	3,530	10,410	10,762
OdontoPrev Serviços	2,278	2,278	99.9	143	4,208	143	382	4,208	4,150
Rede Dental	1,162	1,162	99.9	2,423	7,056	2,421	1,884	7,056	6,127
Adcon	43	43	99.9	(2)	484	(2)	-	484	485
Sepao	-	-	99.9	-	-	-	646	-	-
Prontodente	-	-	99.9	-	-	-	55	-	-
OdontoServ	-	-	99.9	-	-	-	1,020	-	-
						25,372	**7,517**	**97,920**	**344,736**

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

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

13. Property and Equipment

				Company		Consolidated	
				Net book Value		Net book Value	
	Annual depreciation rate (%)	Acquisition cost	Accumulated Depreciation	June 30, 2010	March 31, 2010	June 30, 2010	March 31, 2010
Computer equipment	20	4,725	(3,270)	1,455	1,535	1,593	1,608
Vehicles	20	879	(477)	402	446	402	446
Software	20	4,176	(1,702)	2,474	844	3,376	1,747
Facilities	10	511	(324)	187	196	341	200
Machinery and equipment	10	701	(351)	350	294	406	352
Furniture and fittings	10	2,146	(1,075)	1,071	1,089	1,375	1,339
Communication equipment	10	731	(487)	244	257	245	259
Dental care equipment	10	459	(368)	91	96	669	686
Total chattels		**14,328**	**(8,054)**	**6,274**	**4,757**	**8,407**	**6,637**
Leasehold improvements	20	2,930	(2,326)	604	726	1,040	1,199
Other		15	(9)	6	7	85	90
Total other property and equipment		**2,945**	**(2,335)**	**610**	**733**	**1,125**	**1,289**
Total		**17,273**	**(10,389)**	**6,884**	**5,490**	**9,532**	**7,926**

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:

			June 30, 2010	**March 31,**
	Goodwill	Amortization[1]	Net Goodwill	**2010**
Bradesco Dental	409,640	-	409,640	409,640
Rede Dental	7,703	(1,544)	6,159	6,159
DentalCorp	24,858	(9,529)	15,329	15,329
Sepao	9,121	(303)	8,818	8,818
SRJSPE	13,850	(1,616)	12,234	12,234
Care Plus	13,343	(1,563)	11,780	11,833
Biodent	2,739	(319)	2,420	2,420
Prontodente	5,680	-	5,680	5,517
OdontoServ	20,816	-	20,816	20,816
Total - Company	**507,750**	**(14,874)**	**492,876**	**492,766**
Easy	2,644	(265)	2,379	2,379
Total - Consolidated	**510,394**	**(15,139)**	**495,255**	**495,145**

The goodwill impairment test is applied annually using the income approach, through the discounted cash flow methodology. This approach is based on the nature of the cash-generating unit evaluated, the existence of an historic financial and operational control of the business unit, availability of financial projections and discussions with the management.

At December 31, 2009, the impairment test was applied and a provision for impairment was not deemed necessary.

14.3 System development, software licenses and other

	Company		Consolidated	
	June 30, 2010	March 31, 2010	June 30, 2010	March 31, 2010
System development	5,887	5,552	6,167	5,849
Intangible assets - OdontoServ	9,779	9,779	9,779	9,779
Software licenses	155	155	261	245
Other	7	7	21	21
Accumulated amortization	(4,645)	(3,911)	(5,045)	(4,312)
	11,183	**11,582**	**11,183**	**11,582**

14.4 Changes in intangible assets

	Consolidated			
	Goodwill on acquisition of investment	System development, software licenses and other	Deferred selling expenses	Total
At March 31, 2010	**495,145**	**11,582**	**3,792**	**510,519**
Additions (write-offs)	110	334	682	1,126
Amortization	-	(733)	-	(733)
At June 30, 2010	**495,255**	**11,183**	**4,474**	**510,912**
Cost	510,394	16,346	4,474	531,214
Accumulated amortization and impairment	(15,139)	(5,163)	-	(20,302)
Net book amount	**495,255**	**11,183**	**4,474**	**510,912**

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

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

(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$ 5,002. In accordance with this rule, the required minimum capital is R$ 162, whereas the Company´s equity is R$ 644,786 at June 30, 2010 (R$ 870,660 at March 31, 2010).

(b) The solvency margin corresponds to the amount of adjusted capital sufficient to cover the higher of 0.20 times the sum of the last twelve months' installments, or 0.33 times the annual average of the last 36 months' net claims. At June 30, 2010, the solvency margin calculated was R$ 75,454 (R$ 71,387 at March 31, 2010) based on installments, and adjusted capital at June 30, 2010 was R$ 481,300 (R$ 449,628 at March 31, 2010).

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

(d) Operational dependence is the amount calculated based on the difference, counted in days, between the average period for payment of claims and the average period for receipt of payments resulting from the operation's financial cycle. Should the result obtained be positive, guarantee assets should be offered. Based on the calculation above, at June 30, 2010, the Company should offer R$ 572 (R$ 0 at March 31, 2010) in guarantee assets.

(e) As from 2010 the claims to settle with dental care assistance started to be classified as "Provision for claims to settle" in the group "Technical provisions for dental care assistance" in accordance with IN No. 36/09. At June 30, 2010, the Company's balance was R$ 15,245 (R$ 11,647 at March 31, 2010). In the consolidated, the Company's balance was R$ 16,207 at June 30, 2010 (R$ 12,402 at March 31, 2010).

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

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

	Company	Consolidated
At March 31, 2010	**11,647**	**26,638**
Events reported/ incurred in the year	70,800	143,458
Events paid	(67,202)	(139,333)
Reversal of the provision for risk	-	-
Provision for events/ claims incurred but not reported	-	733
At June 30, 2010	**15,245**	**31,496**
Provision for events/ claims to be settled	15,245	16,207
Provision for events/ claims incurred but not reported	-	15,289
At June 30, 2010	**15,245**	**31,496**

16. Taxes and Contributions Payable

Taxes and contributions payable are as follows:

	Company		Consolidated	
	June 30, 2010	March 31, 2010	June 30, 2010	March 31, 2010
Federal tax liabilities	**16,029**	**29,606**	**37,818**	**45,551**
IRPJ	9,281	19,675	21,895	28,846
CSLL	3,435	7,284	10,746	11,871
COFINS	707	678	1,311	1,358
PIS	1,116	1,171	1,136	1,203
IRRF	957	557	1,305	953
Other	533	241	1,425	1,320
State tax liabilities	**-**	**-**	**-**	**37**
Municipal tax liabilities	**707**	**734**	**841**	**840**
	16,736	**30,340**	**38,659**	**46,428**

17. Suppliers

	Company		Consolidated	
	June 30, 2010	March 31, 2010	June 30, 2010	March 31, 2010
Commissions payable	3,157	3,515	4,111	4,439
Suppliers of goods and services	9,762	15,944	14,637	20,801
	12,919	**19,459**	**18,748**	**25,240**

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

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

18. Other Payables

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

	Company		Consolidated	
	June 30, 2010	March 31, 2010	June 30, 2010	March 31, 2010
IBNR	10,142	10,142	10,772	10,772
Credits to be identified	2,521	2,151	4,676	2,151
Contingent consideration	5,242	5,242	5,242	5,242
Other	343	639	1,025	8,506
	18,248	**18,174**	**21,715**	**26,671**

19. Long-term Liabilities

19.1 Provisions for Contingencies

The Company's management sets up provisions based on the opinion of its internal and external legal advisors and considers that the amounts recorded in "Provisions for contingencies", in long-term liabilities, are sufficient to cover potential losses arising from court decisions.

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

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	Consolidated					
	June 30, 2010			March 31, 2010		
	Provision	Judicial deposits	Net Provision	Provision	Judicial deposits	Net Provision
Tax	**1,552**	**(2,040)**	**(488)**	**1,552**	**(2,040)**	**(488)**
Social security and labor	**28,210**	**(26,174)**	**2,036**	**24,685**	**(23,241)**	**1,444**
INSS	25,821	(25,814)	7	23,081	(23,072)	9
Other	2,389	(360)	2,029	1,604	(169)	1,435
Civil	**1,885**	**(783)**	**1,102**	**930**	**(791)**	**139**
	31,647	**(28,997)**	**2,650**	**27,167**	**(26,072)**	**1,095**

	Consolidated				
Changes	Tax	Social security and labor	Civil	June 30, 2010	March 31, 2010
Opening balance	**1,552**	**24,685**	**930**	**27,167**	**23,970**
Establishment	-	3,043	985	4,028	3,326
Write-offs	-	-	(30)	(30)	(504)
Monetary adjustment	-	482	-	482	375
Closing balance	**1,552**	**28,210**	**1,885**	**31,647**	**27,167**

(a) Tax:

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

The Company and its subsidiary Clidec filed a lawsuit requesting to pay COFINS as established by LC No. 7/70 rather than in accordance with Law 9718/98, and to offset the difference in amounts paid at the rate of 3% against social contribution. The Company was partially successful, since the increase in the COFINS calculation basis was determined unconstitutional. Clidec obtained the same partially favorable outcome, with a request to release of the judicial deposits made during the proceedings, and a decision is pending.

(b) Social security and labor:

(i) INSS

The subsidiary Bradesco Dental is discussing in court the social security contribution levied on the remuneration paid to insurance brokers and accredited dentists as set forth by LC No. 84/96 and subsequently by Law 9876/99 (new wording provided for article 22, sub-item I of Law 8212/91), i.e., at the rate of 20% with a 2.5% surcharge. The Company alleges that because the services are not rendered to the insurance companies but to the insured parties, they would be outside the scope of the mentioned contribution. These obligations have been fully accounted for and totaled R$ 25,821 at June 30, 2010 (R$ 23,081 at March 31, 2010) and for which there is a judicial deposit of R$ 25,814 (R$ 23,072 at March 31, 2010).

(ii) Other

The Company and its subsidiaries are parties to various labor lawsuits, most of them relating to requests for salary adjustment as established in the collective agreement of the National Syndicate of Group Dental Enterprises (SINOG), to which the Company and its subsidiaries are not signatories, although they are members of the syndicate. At June 30, 2010, the total amount provisioned was R$ 613 (R$ 404 at March 31, 2010).

(c) Civil contingencies:

The Company and its subsidiaries are parties to civil lawsuits, mainly involving requests for indemnification for moral and property damages, totaling R$ 1,885 at June 30, 2010 (R$ 930 at March 31, 2010).

19.2 Other Liabilities

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

	Company		Consolidated	
	June 30, 2010	March 31, 2010	June 30, 2010	March 31, 2010
DentalCorp	5,595	5,595	5,595	5,595
Rede Dental	2,839	2,839	2,839	2,839
Care Plus/Biodent	1,395	1,395	1,395	1,395
Sepao	659	659	659	659
Prontodente	110	110	110	110
OdontoServ	459	459	459	459
Other	-	-	-	-
	11,057	**11,057**	**11,057**	**11,057**

20. Equity

20.1 Share capital

Subscribed and paid-up capital is R$ 36,611 (R$ 284,611 at March 31, 2010), comprising 44,274,566 (44,274,566 at March 31, 2010) common shares with no par value.

At the AGE of March 25, 2010, approval was given to decrease the Company`s capital from R$284,611 to R$ 36,611, a reduction in the amount of R$ 248,000, without cancellation of shares, considering that the capital was excessive in relation to the activities carried out by the Company, under the terms of 173 of Law 6404/76, with a subsequent repayment to the shareholders in the amount of R$5.601410074 per share. The capital decrease will only become effective and the payment settled subsequent to the legally established 60-day creditor opposition period.

The closing price of the Company's shares (ODPV3 - BM&FBovespa), at June 30, 2010 was R$ 62.90 (R$ 61.75 at March 31, 2010) per share. The book value per share at June 30, 2010 was R$ 14.56 (R$ 19.67 at March 31, 2010) per share).

20.2 Capital reserves

The Company's capital reserves total R$ 524,378 at June 30, 2010 (R$ 523,385 at March 31, 2010) and comprise:

	Company and Consolidated	
	June 30, 2010	March 31, 2010
Share premium	518,338	518,338
Granting of stock options	6,040	5,047
Granting of deferred stock options	-	-
Additional paid-up capital	-	-
Capital Reserves	**524,378**	**523,385**

20.3 Revenue reserves

The Company's revenue reserves total R$ 46,247 at June 30, 2010 (R$ 46,247 at March 31, 2010) and comprise the following:

	Company and Consolidated	
	June 30, 2010	March 31, 2010
Legal (i)	10,953	10,953
Statutory (ii)	35,165	35,165
Tax incentive	129	129
Treasury share (iii)	-	-
Revenue reserves	**46,247**	**46,247**

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

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

20.4 Retained earnings

In compliance with CPC 26/IAS 1 (R), the changes in retained earnings from January 1, 2009 to June 30, 2010 are as follows:

At January 01, 2010	**-**
Adjustment due to merger of Sepao	17
Profit for the year	37,533
At June 30, 2010	**37,550**

20.5 Treasury shares

On April 26, 2010, the board of directors authorized the acquisitions of up to 421,000 shares of the company through the use of funds configned in a statutory reserve for the porpuse of guaranteeing the stock option plans stabilished by the stock option purchase program.

20.6 Stock option plan

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

At the meeting held on August 2, 2007, the Board of Directors approved, as recommended by the Company's CEO, who voluntarily waived his benefit, the first grant of the stock option plan, which represented 221,859 shares, at the price of R$ 44.85 per share.

At the meeting held on February 28, 2008, the Board of Directors approved, as recommended by the Company's CEO, who voluntarily waived his benefit, the second grant of the stock option plan, which represented 353,494 shares, at the price of R$ 32.42 per share.

At the meeting held on March 25, 2009, the Board of Directors approved, as recommended by the Company's CEO, who voluntarily waived his benefit, the third grant of the stock option plan, which represented 255,002 shares, at the price of R$ 17.60 per share.

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

The option vesting period is three years from the Stock Option Agreement date.

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

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

N = 0.5 x Q x (1 - Ep/Mp)

Where:

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

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

	Granting year		
	2009	2008	2007
Risk-free rate - %	9.3	11.4	11.3
Expected annualized volatility - %	40.56	24.30	33.94
Exercise price mistated based on the IGP-M rate - in reais	17.60	32.42	44.85
Fair value of the benefit on grant date (per share)	14.17	19.72	20.18

The maximum compensation cost of these stock option plans on the date they were granted was R$15.061, as follows:

Grant date	Number of shares	Option value	Total
August 2, 2007	221,859	20.18	4,477
February 28, 2008	353,494	19.72	6,971
March 25, 2009	255,002	14.17	3,613
	830,355		**15,061**

Stock option plans at June 30, 2010 are summarized as follows:

	Beginning of the period		Cancellations		End of period	
Year	Eligible beneficiaries	Options	Eligible beneficiaries terminated	Cancelled options	Eligible options	Existing options
2007	31	221,859	10	82,442	21	139,417
2008	46	353,494	8	72,286	38	281,208
2009	51	255,002	6	61,937	45	193,065
		830,355		**216,665**		**613,690**

In accordance with CPC 10/IFRS 2 and based on the plan's vesting periods, the amount of R$ 1,986 for the period ended June 30, 2010 (R$ 1,110 at June 30, 2009) was recognized as expense for stock option plans due to progress towards vesting, with a corresponding entry to a specific Capital account in equity.

The three grants of the stock option plan together represent, at June 30, 2010, 1.39% of the Company's capital.

21. Operating Segments

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

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

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

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

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

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

- Dental care service in the Company's dental clinics: include the installation of dental clinics in the facilities of specific customers (in company), and the units available for all beneficiaries (through Clidec);

- administrative and advisory services (provided by OdontoPrev Serviços);

- acquisition and distribution of dental care materials for the accredited network (through Dental Partner);

- software development (through Easy).

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

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	COLLECTIVE				INDIVIDUAL					
	Prepayment		Postpayment		Prepayment		Other		Total	
	Period ended at June 30,		Period ended at June 30,		Period ended at June 30,		Period ended at June 30,		Period ended at June 30,	
	2,010	2009	2,010	2009	2,010	2009	2,010	2009	2,010	2009
Net installments	177,662	150,034	2,746	2,480	15,604	12,281	-	-	196,012	164,795
Changes in technical provisions	14,953	(575)	231	(11)	1,320	(51)	-	-	16,504	(637)
Effective installments of healthcare plan operations	**192,615**	**149,459**	**2,977**	**2,469**	**16,924**	**12,230**	**-**	**-**	**212,516**	**164,158**
Direct taxes on healthcare plan operations	(6,729)	(5,706)	(184)	(152)	(755)	(596)	-	-	(7,668)	(6,454)
Sales of goods and services	-	-	-	-	-	-	-	-	-	-
Taxes on sales of goods and services	-	-	-	-	-	-	-	-	-	-
SALES OF GOODS	**185,886**	**143,753**	**2,793**	**2,317**	**16,169**	**11,634**	**-**	**-**	**204,848**	**157,704**
Cost of services	(85,167)	(65,187)	(1,751)	(1,692)	(3,034)	(2,876)	-	-	(89,952)	(69,755)
OPERATING RESULT	**100,719**	**78,566**	**1,042**	**625**	**13,135**	**8,758**	**-**	**-**	**114,896**	**87,949**
Selling expenses	(16,275)	(13,979)	-	-	(5,755)	(5,461)	-	-	(22,030)	(19,440)
CONTRIBUTION MARGIN	**84,444**	**64,587**	**1,042**	**625**	**7,380**	**3,297**	**-**	**-**	**92,866**	**68,509**
Margin sales (%)	**45.4%**	**44.9%**	**37.3%**	**27.0%**	**45.6%**	**28.3%**	**-**	**-**	**45.3%**	**43.4%**
Margin total (%)	**90.9%**	**94.3%**	**0.9%**	**0.7%**	**7.9%**	**4.8%**	**-**	**-**	**100.0%**	**100.0%**
Main assets allocated by segment:										
Invoices/ premiums receivable	31,145	25,497	1,117	430	13,142	3,928	-	-	45,404	29,425
Debit notes	-	-	494	826	-	-	-	-	494	826
Advanced billings	(19,902)	(16,000)	-	-	(5,132)	(142)	-	-	(25,034)	(16,142)
Provision for impairment of trade receivables	(5,734)	(2,090)	(141)	-	(4,296)	(555)	-	-	(10,171)	(2,645)
Assets allocated by segment	**5,509**	**7,407**	**1,470**	**1,256**	**3,714**	**3,231**	**-**	**-**	**10,693**	**11,464**
Assets not allocated by segment:										
Cash and cash equivalents	-	-	-	-	-	-	-	-	5,156	1,901
Financial assets at fair value	-	-	-	-	-	-	-	-	48,944	54,730
Notes and credits receivable	-	-	-	-	-	-	-	-	21,524	21,798
Inventories	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	403	348
Long-term receivables	-	-	-	-	-	-	-	-	39,484	13,902
Investments	-	-	-	-	-	-	-	-	98,660	131,914
Property and equipment	-	-	-	-	-	-	-	-	6,884	6,332
Intangible assets	-	-	-	-	-	-	-	-	504,070	92,180
Assets not allocated	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**725,125**	**323,105**
TOTAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**735,818**	**334,569**

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Consolidated

	COLLECTIVE				INDIVIDUAL					
	Prepayment		Postpayment		Prepayment		Other		Total	
	Period ended at June 30,		Period ended at June 30,		Period ended at June 30,		Period ended at June 30,		Period ended at June 30,	
	2,010	2009	2,010	2009	2,010	2009	2,010	2009	2,010	2009
Net installments	293,249	169,806	2,746	2,480	15,604	16,215	-	-	311,599	188,501
Changes in technical provisions	31,901	(593)	305	(10)	1,695	(64)	-	-	33,901	(667)
Effective installments of healthcare plan operations	**325,150**	**169,213**	**3,051**	**2,470**	**17,299**	**16,151**	**-**	**-**	**345,500**	**187,834**
Direct taxes on healthcare plan operations	(10,046)	(6,924)	(184)	(152)	(755)	(785)	-	-	(10,985)	(7,861)
Sales of goods and services	-	-	-	-	-	-	2,747	2,223	2,747	2,223
Taxes on sales of goods and services	-	-	-	-	-	-	(1,177)	(314)	(1,177)	(314)
SALES OF GOODS	**315,104**	**162,289**	**2,867**	**2,318**	**16,544**	**15,366**	**1,570**	**1,909**	**336,085**	**181,882**
Cost of services	(161,498)	(74,093)	(1,751)	(1,692)	(3,034)	(5,146)	-	-	(166,283)	(80,931)
OPERATING RESULT	**153,606**	**88,196**	**1,116**	**626**	**13,510**	**10,220**	**1,570**	**1,909**	**169,802**	**100,951**
Selling expenses	(24,640)	(14,656)	-	-	(5,755)	(5,855)	-	-	(30,395)	(20,511)
CONTRIBUTION MARGIN	**128,966**	**73,540**	**1,116**	**626**	**7,755**	**4,365**	**1,570**	**1,909**	**139,407**	**80,440**
Margin sales (%)	**40.9%**	**45.3%**	**38.9%**	**27.0%**	**46.9%**	**28.4%**	**100.0%**	**100.0%**	**41.5%**	**44.2%**
Margin total (%)	**92.5%**	**91.4%**	**0.8%**	**0.8%**	**5.6%**	**5.4%**	**1.1%**	**2.4%**	**100.0%**	**100.0%**
Main assets allocated by segment:										
Invoices/ premiums receivable	65,595	29,699	1,117	430	13,142	8,624	-	-	79,854	38,753
Debit notes	-	-	2,009	826	-	-	-	-	2,009	826
Advanced billings	(42,874)	(18,306)	-	-	(5,132)	(4,323)	-	-	(48,006)	(22,629)
Provision for impairment of trade receivables	(9,992)	(2,805)	(141)	-	(4,296)	(727)	-	-	(14,429)	(3,532)
Assets allocated by segment	**12,729**	**8,588**	**2,985**	**1,256**	**3,714**	**3,574**	**-**	**-**	**19,428**	**13,418**
Assets not allocated by segment:										
Cash and cash equivalents	-	-	-	-	-	-	-	-	6,221	4,023
Financial assets at fair value	-	-	-	-	-	-	-	-	154,923	182,911
Notes and credits receivable	-	-	-	-	-	-	-	-	42,925	36,353
Inventories	-	-	-	-	-	-	-	-	311	128
Other assets	-	-	-	-	-	-	-	-	392	363
Long-term receivables	-	-	-	-	-	-	-	-	77,270	18,035
Investments	-	-	-	-	-	-	-	-	757	18
Property and equipment	-	-	-	-	-	-	-	-	9,532	8,672
Intangible assets	-	-	-	-	-	-	-	-	510,912	94,679
Assets not allocated	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**803,243**	**345,182**

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 June 30,		Period ended at June 30,	
	2010	2009	2010	2009
Net installments	196,012	164,795	311,599	188,501
Changes in technical provisions	16,504	(637)	33,901	(667)
Effective installments of healthcare plan operations	**212,516**	**164,158**	**345,500**	**187,834**
Direct taxes on healthcare plan operations	(7,668)	(6,454)	(10,985)	(7,861)
Sales of goods and services	0	0	2,747	2,223
Taxes on sales of goods and services	0	0	(1,177)	(314)
SALES OF GOODS	**204,848**	**157,704**	**336,085**	**181,882**

As ANS has not approved CPC 11/IFRS 4, net installments totaled in the Company and Consolidated R$ 2,746 and R$ 2,480 at June 30, 2010 and 2009, respectively, related to managed plans, differently from CPC 11/IFRS 4, which defines them as revenue from services.

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

23. Indemnifiable Claims, Net

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

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

	Company		Consolidated	
	Period ended at June 30,		Period ended at June 30,	
	2010	2009	2010	2009
Indemnifiable claims, net	(70,800)	(61,339)	(143,458)	(68,952)
Social charges on services	(5,140)	(5,041)	(5,294)	(5,603)
Dental care materials	(2,383)	(2,983)	(1,573)	(2,995)
Other operating expenses	(11,629)	(392)	(15,958)	(3,381)
Cost of services	**(89,952)**	**(69,755)**	**(166,283)**	**(80,931)**

24. Selling Expenses

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

25. Administrative Expenses

	Company		Consolidated	
	Period ended at June 30,		Period ended at June 30,	
	2010	2009	2010	2009
Personnel and third-party services	24,556	19,941	32,460	24,137
Rentals and occupancy	7,224	5,815	9,249	7,257
Charges and fees	783	960	1,308	1,089
Publicity and advertising	2,780	2,102	3,133	2,359
Travelling, printing materials and subscriptions	1,596	1,414	2,182	1,817
Depreciation and amortization	2,431	1,329	2,626	1,606
Acquisition expenses	15	1,168	15	1,168
Bradesco Dental	13,106	-	18,106	-
Odontored	62	150	62	150
Other expenses	3,663	1,820	3,949	2,348
	56,216	**34,699**	**73,090**	**41,931**

26. Finance Income (Costs)

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

(a) Finance income

	Company		Consolidated	
	Period ended at June 30,		Period ended at June 30,	
	2010	2009	2010	2009
Proceeds from financial investments	3,619	3,810	18,186	10,749
Monetary restatement of judicial deposits	-	111	849	126
Other	358	48	860	81
	3,977	**3,969**	**19,895**	**10,956**

(b) Finance costs

	Company		Consolidated	
	Period ended at June 30,		Period ended at June 30,	
	2010	2009	2010	2009
Bank fees	625	537	947	1,098
AMonetary restatement of provisions for judicial contingencies	-	-	857	-
Other	206	716	1,073	729
	831	**1,253**	**2,877**	**1,827**

27. Income Tax and Social Contribution Calculation

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

	Company		Consolidated	
	Period ended at June 30,		Period ended at June 30,	
	2010	2009	2010	2009
IRPJ and CSLL calculation basis	**51,607**	**40,781**	**67,587**	**44,201**
(x) Current rate (%)	34	34	34	34
Expected income tax and social contribution expenses at the effective rate	**(17,546)**	**(13,866)**	**(22,980)**	**(15,028)**
Effect of income tax and social contribution on permanent/temporary differences:				
Equity in the results of subsidiaries	8,626	2,556	110	8
Tax losses	-	-	41	265
Provision for contingencies	(217)	(59)	(1,517)	(59)
Provision for events incurred but not reported	(3,496)	-	(3,496)	-
Provision for impairment of trade receivables	(582)	(425)	(1,117)	(425)
Amortization of goodwill	3,196	932	3,196	932
Adjustments arising from adoption of Law 11638/07	-	-	-	-
Granting of stock options	-	-	-	-
Other	(1,726)	(1,109)	(5,271)	(1,015)
IRPJ and CSLL calculation basis	**(11,745)**	**(11,971)**	**(31,033)**	**(15,323)**
Deferred IRPJ and CSLL	**(2,329)**	**14,200**	**1,240**	**14,200**

[1] Refers to IRPJ rate (40%) on operations of Bradesco Dental in the period from January to June 2010, before the merger into the Company.

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 June 30,	
	2010	2009
Profit attributable to the Company's shareholders (R$ thousands)	37,533	43,010
Weighted average number of common shares outstanding (thousands)	44,273	25,122
Basic earnings per share (R$)	**0.85**	**1.71**

(b) Diluted

	Period ended at June 30,	
	2010	2009
Profit attributable to the Company's shareholders (R$ thousands)	**37,533**	**43,010**
Common shares (in thousands		
Weighted average number of shares outstanding	44,273	25,122
Adjustment of: share option scheme	614	809
Weighted average number of shares for diluted earnings per share	**44,887**	**25,931**
Diluted earnings per share (R$)	**0.84**	**1.66**

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:	2010	2009
Board of Directors' Meeting	Interest on capital	8/13/2009	0.40	9/15/2009	-	10,006
Extraordinary Shareholders 'Meeting	Dividends	12/23/2009	2.90	2/23/2010	-	72,422
					-	**82,428**

30. Commitments

At June 30, 2010, the Company and its subsidiaries had commitments related to agreements for lease of their offices and dental clinics, with the following maturities:

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, which was approved by ANS and the Extraordinary Shareholders' Meeting held on December 23, 2009. The transaction was analyzed based on discussions with Bradesco Dental's and the Company's management, and the defined acquisition date was October 18, 2010 (see Note 1). The total transaction amount totaling R$ 409,640 was fully based on goodwill on expected future profitability, as shown below.

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

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

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

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

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

32. Related Parties

Transactions between the Company and its subsidiaries consist of agreements for the rendering of administrative services and accreditation as service providers, rendering of dental care services, information services and supply of dental products, whose amounts, terms and rates

were agreed and applied under the same conditions as those agreed with unrelated parties, as follows:

		Period ended at June 30, 2010					
	Nature	OdontoPrev	OdontoPrev Serviços	Easy	Dental Partner	Rede Dental	Clidec
Assets/(Liabilities)							
Other receivables	Administrative services and Investment	-	546	-	404	-	-
Suppliers of goods and services	Administrative services	(950)	-	-	-	-	-
Capital repayment	Investment	-	-	-	-	-	-
Revenue/(expenses							
Net installments Sales of goods and services	Administrative services	-	2,691	104	2,086	-	1,576
Indemnifiable claims, net	Dental care services	(1,576)	-	-	-	-	-
Expense for services rendered	Administrative services	(2,795)	(5)	(1)	-	-	(23)
Dental care materials	Dental care services	(2,086)	-	-	-	-	-
Net installments	Dental care Plans	29	-	-	-	-	-
Period ended at June 30, 2010		**(7,378)**	**3,232**	**103**	**2,490**	**-**	**1,553**
Period ended at March 31, 2010		**21,366**	**1,624**	**(1)**	**1,071**	**(1,207)**	**(22,853)**

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

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

In addition to these transactions, the Company also has the following: (i) accreditation contract for the provision of dental care assistance over an undetermined period with Mrs. Raquel Virgínia Zanetti and Mrs. Anete Scharfstein Zanetti, respectively sister and spouse of the CEO, which totaled R$ 0 and R$ 1 at the period ended at June 30, 2010; (ii) through its direct subsidiary Clidec, a non-residential lease agreement for an undetermined period of a property

located at Avenida Paulista, nº 2.444, conjunto 151, with Mr. Artemio Luiz Zanetti, father of the CEO, which totaled R$ 8 at the period ended at June 30, 2010.

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 June 30, 2010, the amounts of R$ 2,408 (R$ 1,247 at June 30, 2009) and
R$ 3,481 (R$ 1,428 at June 30, 2009) for the Company and the 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 June 30, 2010	
	2010	2009
Statutory Board	**2,050**	**1,868**
Pro-labore fees	1,203	1,398
Benefits	81	105
Provision for profit sharing	-	365
Bonus	766	-
Board of Directors	**504**	**252**
Pro-labore fees	504	252
Statutory Audit Board	**62**	**54**
Pro-labore fees	62	54
	2,616	**2,174**

As mentioned below, the Statutory Directors hold stock options, in accordance with stock option plan (long-term benefits) detailed in Note 20.6.

	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	107,124	3	48,702	-	-	3	58,422
2008	5	116,466	2	40,743	-	-	3	75,723
2009	7	114,863	3	56,507	-	-	4	58,356
		338,453		**145,952**		**-**		**192,501**

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

33. Insurance

The Company maintains insurance coverage in an amount considered sufficient to cover the risks involved. At June 30, 2010, insurance policies cover property damages in the amount of R$ 10,270 (R$ 9,092 at March 31, 2010) and sundry risks of R$ 4,283 (R$ 4,283 at March 31, 2010).

34. Derivative Financial Instruments

The Company does not enter into derivative transactions for speculative purposes. At June 30, 2010, the Company and its subsidiaries did not directly operate or maintain receiving or paying positions related to derivative financial instruments.

35. First-time Adoption of IFRS and CPCs

35.1 Adoption of CPCs 37 to 43 and IFRS 1

The Company's individual and consolidated financial statements for the period ended June 30, 2010 are the first annual statements prepared in conformity with the new CPCs and IFRSs. In the preparation of the individual and consolidated financial statements, CPCs 37 and 43 and IFRS 1 were applied.

In preparing these financial statements, the company applied the material compulsory exceptions and certain voluntary exemptions to the retrospective application.

35.2 Exemptions to full retrospective application - elected by the company

(a) Business combinations: applied the business combination exemption described in CPC 37/ IFRS 1, adopting CPC 15/IFRS 3 (R); accordingly, the business combinations which took place before January 1, 2009 were not restated.

(b) Insurance contracts: applied temporary provisions of CPC 11/IFRS 4 to limit to the past five years the disclosure of information on development of claims. The settlement of the Company's claims does not exceed one year.

35.3 Exceptions to retrospective application followed by the company

(a) Estimates

Estimates used in the preparation of the financial statements as at June 30, 2010 and March 31, 2010 are consistent with the estimates at the same date made in conformity with the accounting practices previously adopted in Brazil (former BR GAAP).

Other mandatory exceptions were not applied, because there were no significant differences in relation to former BR GAAP in these areas: hedge accounting; reversal of financial assets and liabilities; non-controlling interests.

35.4 Reconciliation of former BR GAAP and CPCs/IFRS

We explain below the adjustments to the balance sheets and the statement of income due to the reconciliation between former BR GAAP and CPCs/IFRSs.

(a) Deferral of expenses (deferred selling expenses)

According to the definition and presentation model of ANS, "deferred selling expenses" are recorded in current assets, differently from IFRS, which classify them in Intangible assets. The difference in practice is equivalent to a reclassification only in the balance sheet.

(b) Business combinations

Under former BR GAAP, only assets and liabilities recorded in the opening balance sheet of the acquiree are recognized by the acquirer and the goodwill or negative goodwill on acquisitions corresponds to the difference between the amount paid by the acquirer and the carrying amount of assets and liabilities recorded in the acquiree.

The Company recorded the business combinations in the scope of CPC 15/IFRS 3 (R) based on the purchase method. The date on which the control of the entity (or business) was acquired is the business combination date. In IFRS, acquisition cost represents the assets delivered or liabilities assumed, as well as equity instruments issued by the acquirer for the control.

IFRS requires that the identifiable assets and liabilities at the acquisition date be recorded separately by the acquirer, and these assets and liabilities must be recorded at fair value on the acquisition date. Intangible assets are recognized separately from the goodwill, if these intangible assets represent legal or contractual rights and if they can be separated or divided from the acquiree, to be sold, transferred, leased or exchanged. Contingent liabilities of the acquiree must be recognized separately, as part of the process of allocation of acquisition and

when the fair value of these contingent liabilities can be evaluated on a straight-line basis and represent a reconciliation item.

In the acquisitions of DentalCorp, Care Plus, Biodent, S.R.J.S.P.E., Sepao and Prontodente, the business combination exemption described in CPC 37/IFRS 1 was applied; accordingly, the business combinations which took place before January 1, 2009, the transition date, were not restated. For the acquisitions of OdontoServ and Bradesco Dental, the Company adopted CPC 15/IFRS 3, whose effects are described in Note 31, “Business Combinations” and in the reconciliation table.

(c) Non-controlling interests

In accordance with former BR GAAP, the portion corresponding to non-controlling interests of its subsidiaries is recorded separately in the consolidated balance sheet, immediately prior to equity. The portion corresponding to the profit for the year is recorded separately in a specific account prior to profit.

In accordance with CPC 26/IAS 1, the portion corresponding to non-controlling interests is considered part of the Company's equity and, therefore, was reclassified to equity.

(d) Provision for dividends payable not declared

For IFRS purposes, liabilities for dividends are recognized after being approved by the Company's shareholders. The Company's bylaws effective at June 30, 2010 and at March 31, 2010 establish that at least 50% of annual profit be distributed as dividends (25% in prior years). Accordingly, the Company recognizes as a liability the minimum divided which has not been distributed yet during the year.

(e) Income tax and social contribution

The Company adopted CPC 32/IAS 12, which establishes that a deferred tax asset must be recognized for all deductible temporary differences to the extent that it is probable that tax income will be generates, against which the deductible temporary difference can be used. Accordingly, the Company recognized the deferred income tax and social contribution on:

(i) goodwill on expected future profitability derived 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 benefits to be generated in the ordinary course of OdontoPrev's business.

(ii) adjustments recorded in the reconciliation between former BR GAAP and IFRS.

(f) Insurance contracts

The Company adopted CPC 11/IFRS 4, which allowed the continuity of certain practices of former BR GAAP. In addition, to comply with the minimum requirements of this IFRS, the Company:

(i) evaluated its contracts and concluded that all of them involve transfer of significant risk, that is, they were classified as insurance contracts, except for the managed plans, which do not transfer significant insurance risk and are classified only as service contracts. For these contracts, there are no adjustments in reconciliation, since the payment of dental care expenses are made simultaneously with the billings for reimbursement of this expense to the Company's customer. In general, the difference of this practice is a reclassification between the statement of income accounts which was not made (it was only mentioned in a comment in the statement of income) to be consistent with ANS requirements.

(ii) made a liability adequacy test (LAT), as defined in CPC 11/IFRS 4, which is mandatory for insurance contracts. The test did not result in adjustments and/or complement of provisions.

35.4.2 Reconciliation of equity at June 30, 2010 (consolidated financial statements)

Balance sheets at June 30, 2010
(All amounts in R$ thousands)

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ASSETS	Former BR GAAP	(a) Deferred expenses	(b) Business combinations	(c) Non-controlling interests	(d) Dividends payable not declared	(e) Income tax and social contribution	IFRS
Current assets	**228,674**	**(4,474)**	**-**	**-**	**-**	**-**	**224,200**
Available funds	6,221	-	-	-	-	-	6,221
Financial assets at fair value through profit or loss	154,923	-	-	-	-	-	154,923
Healthcare receivables	19,428	-	-	-	-	-	19,428
Deferred selling expenses	4,474	(4,474)	-	-	-	-	-
Notes and credits receivable	42,925	-	-	-	-	-	42,925
Inventories	311	-	-	-	-	-	311
Other assets	392	-	-	-	-	-	392
Non-current assets	**523,562**	**4,474**	**51,026**	**-**	**-**	**19,409**	**598,471**
Long-term receivables	57,861	-	-	-	-	19,409	77,270
Deferred income tax and social contribution	17,714	-	-	-	-	19,409	37,123
Other current assets	40,147	-	-	-	-	-	40,147
Investments	757	-	-	-	-	-	757
Property and equipment	9,532	-	-	-	-	-	9,532
Intangible assets	455,412	4,474	51,026	-	-	-	510,912
Goodwill on acquisition of investments	451,400	-	43,855	-	-	-	495,255
System development and software license and other	4,012	-	7,171	-	-	-	11,183
Deferred selling expenses	-	4,474	-	-	-	-	4,474
TOTAL ASSETS	**752,236**	**-**	**51,026**	**-**	**-**	**19,409**	**822,671**

EQUITY AND LIABILITIES	BR Gaap antigo	(a) Despesas diferidas	(b) Combinações de negócios	(c) Participação dos não controladores	(d) Dividendos a pagar não declarados	(e) Imposto de renda e contribuição social	IFRS
Current liabilities	**124,608**	**-**	**5,553**	**-**	**-**	**-**	**130,161**
Technical provisions	31,496	-	-	-	-	-	31,496
Labor obligations	5,737	-	-	-	-	-	5,737
Social charges	4,840	-	-	-	-	-	4,840
Taxes and contributions payable	38,348	-	311	-	-	-	38,659
Suppliers	18,748	-	-	-	-	-	18,748
Sundry debt	25,439	-	5,242	-	-	-	30,681
Dividends, interest on capital and capital reimbursement	406	-	-	-	-	-	406
Minimum mandatory dividend payable	-	-	-	-	-	-	-
Other	25,033	-	5,242	-	-	-	30,275
Non-current liabilities	**50,753**	**-**	**-**	**-**	**-**	**(3,953)**	**46,800**
Deferred income tax and social contribution	8,023	-	-	-	-	(3,927)	4,096
Provisions for contingencies	31,673	-	-	-	-	(26)	31,647
Other payables	11,057	-	-	-	-	-	11,057
TOTAL LIABILITIES	**175,361**	**-**	**5,553**	**-**	**-**	**(3,953)**	**176,961**
Non-controlling interests	**924**	**-**	**-**	**(924)**	**-**	**-**	**-**
Equity, capital and reserves attributable to the	**575,951**	**-**	**45,473**	**-**	**-**	**23,362**	**644,786**
Share capital	36,611	-	-	-	-	-	36,611
Capital reserves	475,986	-	48,392	-	-	-	524,378
Revenue reserves	21,483	-	(1,564)	-	-	26,328	46,247
Retained earnings/accumulated deficit	41,871	-	(1,355)	-	-	(2,966)	37,550
Non-controlling interests	**-**	**-**	**-**	**924**	**-**	**-**	**924**
TOTAL EQUITY	**575,951**	**-**	**45,473**	**924**	**-**	**23,362**	**645,710**
TOTAL EQUITY AND LIABILITIES	**752,236**	**-**	**51,026**	**-**	**-**	**19,409**	**822,671**

35.4.3 Reconciliation of profit for the period ended June 30, 2010 (consolidated financial statements)

Statement of income at June 30, 2010
(All amounts in R$ thousands)

Statement of income	Former BR GAAP	(a) Deferred expenses	(b) Business combinations	(c) Non-controlling interests	(d) Dividends payable not declared	(e) Income tax and social contribution	IFRS
Effective installments of healthcare plan operations[1]	311,599	-	-	-	-	-	311,599
Sales and services revenue	2,747	-	-	-	-	-	2,747
Changes in technical reserves	33,901	-	-	-	-	-	33,901
Taxes on healthcare plan operations	(10,985)	-	-	-	-	-	(10,985)
Taxes on sales and services	(1,177)	-	-	-	-	-	(1,177)
SALES REVENUE	**336,085**	**-**	**-**	**-**	**-**	**-**	**336,085**
Cost of sales and/or services	(166,283)	-	-	-	-	-	(166,283)
GROSS PROFIT	**169,802**	**-**	**-**	**-**	**-**	**-**	**169,802**
Selling expenses	(30,395)	-	-	-	-	-	(30,395)
Administrative expenses	(72,046)	-	(1,044)	-	-	-	(73,090)
Other income/expenses[2]	(16,072)	-	-	-	-	-	(16,072)
OPERATING RESULT	**51,289**	**-**	**(1,044)**	**-**	**-**	**-**	**50,245**
Net finance income[3]	17,018	-	-	-	-	-	17,018
Equity in the results of subsidiaries	324	-	-	-	-	-	324
PROFIT/LOSS BEFORE TAXATION	**68,631**	**-**	**(1,044)**	**-**	**-**	**-**	**67,587**
Income tax and social contribution	(30,722)	-	(311)	-	-	-	(31,033)
Deferred income tax and social contribution	4,206	-	-	-	-	(2,966)	1,240
PROFIT FOR THE YEAR BEFORE NON-CONTROLLING INTERESTS	**42,115**	**-**	**(1,355)**	**-**	**-**	**(2,966)**	**37,794**
Non-controlling interest in subsidiary	(261)	-	-	261	-	-	-
PROFIT FOR THE YEAR	**41,854**	**-**	**(1,355)**	**261**	**-**	**(2,966)**	**37,794**
Attributable to:							
Shareholders of the Company	-	-	-	-	-	-	37,533
Non-controlling interests	-	-	-	-	-	-	261
PROFIT FOR THE YEAR	**-**	**-**	**-**	**-**	**-**	**-**	**37,794**

[1] Includes R$ 2,746 relating to managed plans classified in "net installments", which differ from IFRS 4, that defines it as providing services.

[2] Includes employee profit sharing expenses totaling R$ 3,481.

35.4.4 Reconciliation of equity at March 31, 2010 (consolidated financial statements)

Balance sheets at March 31, 2010

06.01 – NOTES TO THE FINANCIAL STATEMENTS

(All amounts in R$ thousands)

06.01 – NOTES TO THE FINANCIAL STATEMENTS

ASSETS	BR Gaap antigo	(a) Despesas diferidas	(b) Combinações de negócios	(c) Participação dos não controladores	(d) Dividendos a pagar não declarados	(e) Imposto de renda e contribuição social	IFRS
Current assets	**575,647**	**(3,792)**	**-**	**-**	**-**	**-**	**571,855**
Available funds	6,516	-	-	-	-	-	6,516
Financial assets at fair value through profit or loss	491,532	-	-	-	-	-	491,532
Healthcare receivables	19,839	-	-	-	-	-	19,839
Deferred selling expenses	3,792	(3,792)	-	-	-	-	-
Notes and credits receivable	53,040	-	-	-	-	-	53,040
Inventories	363	-	-	-	-	-	363
Other assets	565	-	-	-	-	-	565
Non-current assets	**517,384**	**3,792**	**51,548**	**-**	**-**	**20,892**	**593,616**
Long-term receivables	54,231	-	-	-	-	20,892	75,123
Deferred income tax and social contribution	17,033	-	-	-	-	20,892	37,925
Other current assets	37,198	-	-	-	-	-	37,198
Investments	48	-	-	-	-	-	48
Property and equipment	7,926	-	-	-	-	-	7,926
Intangible assets	455,179	3,792	51,548	-	-	-	510,519
Goodwill on acquisition of investments	451,290	-	43,855	-	-	-	495,145
System development and software license and other	3,889	-	7,693	-	-	-	11,582
Deferred selling expenses	-	3,792	-	-	-	-	3,792
TOTAL ASSETS	**1,093,031**	**-**	**51,548**	**-**	**-**	**20,892**	**1,165,471**

EQUITY AND LIABILITIES	BR Gaap antigo	(a) Despesas diferidas	(b) Combinações de negócios	(c) Participação dos não controladores	(d) Dividendos a pagar não declarados	(e) Imposto de renda e contribuição social	IFRS
Current liabilities	**248,083**	**-**	**5,420**	**-**	**-**	**-**	**253,503**
Technical provisions	26,638	-	-	-	-	-	26,638
Labor obligations	5,123	-	-	-	-	-	5,123
Social charges	4,713	-	-	-	-	-	4,713
Taxes and contributions payable	46,250	-	178	-	-	-	46,428
Suppliers	25,240	-	-	-	-	-	25,240
Sundry debt	140,119	-	5,242	-	-	-	145,361
Dividends, interest on capital and capital reimbursement	97,199	-	-	-	18,008	-	115,207
Minimum mandatory dividend payable	18,008	-	-	-	(18,008)	-	-
Other	24,912	-	5,242	-	-	-	30,154
Non-current liabilities	**44,485**	**-**	**-**	**-**	**-**	**(3,953)**	**40,532**
Deferred income tax and social contribution	6,235	-	-	-	-	(3,927)	2,308
Provisions for contingencies	27,193	-	-	-	-	(26)	27,167
Other payables	11,057	-	-	-	-	-	11,057
TOTAL LIABILITIES	**292,568**	**-**	**5,420**	**-**	**-**	**(3,953)**	**294,035**
Non-controlling interests	**776**	**-**	**-**	**(776)**	**-**	**-**	**-**
Equity, capital and reserves attributable to the	**799,687**	**-**	**46,128**	**-**	**-**	**24,845**	**870,660**
Share capital	284,611	-	-	-	-	-	284,611
Capital reserves	474,993	-	48,392	-	-	-	523,385
Revenue reserves	21,483	-	(1,564)	-	-	26,328	46,247
Retained earnings/accumulated deficit	18,600	-	(700)	-	-	(1,483)	16,417
Non-controlling interests	**-**	**-**	**-**	**776**	**-**	**-**	**776**
TOTAL EQUITY	**799,687**	**-**	**46,128**	**776**	**-**	**24,845**	**871,436**
TOTAL EQUITY AND LIABILITIES	**1,093,031**	**-**	**51,548**	**-**	**-**	**20,892**	**1,165,471**

35.4.5 Reconciliation of profit for the period ended March 31, 2010 (consolidated financial statements)

Statement of income at March 31, 2010
(All amounts in R$ thousands)

Balanços patrimoniais em 31 de março de 2010

(em milhares de reais)

ASSETS	BR Gaap antigo	(a) Despesas diferidas	(b) Combinações de negócios	(c) Participação dos não controladores	(d) Dividendos a pagar não declarados	(e) Imposto de renda e contribuição social	IFRS
Current assets	**575,647**	**(3,792)**	**-**	**-**	**-**	**-**	**571,855**
Available funds	6,516	-	-	-	-	-	6,516
Financial assets at fair value through profit or loss	491,532	-	-	-	-	-	491,532
Healthcare receivables	19,839	-	-	-	-	-	19,839
Deferred selling expenses	3,792	(3,792)	-	-	-	-	-
Notes and credits receivable	53,040	-	-	-	-	-	53,040
Inventories	363	-	-	-	-	-	363
Other assets	565	-	-	-	-	-	565
Non-current assets	**517,384**	**3,792**	**51,548**	**-**	**-**	**20,892**	**593,616**
Long-term receivables	54,231	-	-	-	-	20,892	75,123

36. Supplementary Information: Cash Flow - Indirect Method

06.01 – NOTES TO THE FINANCIAL STATEMENTS

	Company		Consolidated	
	Period ended at June 30, 2010		Period ended at June 30, 2010	
	2010	2009	2010	2009
OPERATING ACTIVITIES				
Healthcare reciepts	193,597	153,485	334,141	175,265
Financial assets at fair value through profit or loss	40,191	25,502	379,834	16,483
Payment to suppliers/health service providers	(68,689)	(56,887)	(142,934)	(64,552)
Payment of commissions	(15,981)	(11,524)	(26,475)	(12,192)
Payment of personnel	(23,551)	(21,325)	(31,363)	(24,344)
Payment of pro-labore fees	(1,378)	(404)	(1,798)	(407)
Payment of third-party services	(9,961)	(3,381)	(18,873)	(3,819)
Payment of taxes	(24,475)	(22,967)	(53,427)	(26,530)
Payment of contingencies (civil/labor/tax)	(208)	(257)	(6,613)	(404)
Payment of rentals	(977)	(774)	(1,939)	(1,357)
Promotion/advertising	(1,511)	(1,767)	(1,959)	(1,777)
Other operating payments	(13,055)	(7,218)	13,604	(4,894)
CASH GENERATED BY (USED IN) OPERATING ACTIVITIES	**74,002**	**52,483**	**442,198**	**51,472**
INVESTING ACTIVITIES				
Write-off of investments due to merger	-	-	-	-
Acquisition of investments including goodwill (net of acquired cash)	(739)	(30,946)	(739)	(28,513)
Reimbursement of subsidiaries' capital	317,388	-	-	-
Dividends received from subsidiaries	49,461	-	-	-
Purchase of property and equipment	(2,225)	(622)	(2,547)	(745)
System development, software licenses and other	(605)	(636)	(605)	(636)
Deferred selling expenses	-	(19)	(888)	(20)
CASH GENERATED BY (USED IN) INVESTING ACTIVITIES	**363,280**	**(32,223)**	**(4,779)**	**(29,914)**
FINANCING ACTIVITIES				
Dividends and interest on capital paid	(72,422)	(15,502)	(72,666)	(15,502)
Acquisition of own shares - in treasury	-	(3,475)	-	(3,475)
Reimbursement of capital paid	(362,478)	-	(362,478)	-
Granting of stock options received	-	-	-	-
CASH (USED IN) FINANCING ACTIVITIES	**(434,900)**	**(18,977)**	**(435,144)**	**(18,977)**
INCREASE (DECREASE IN CASH AND CASH EQUIVALENTS	**2,382**	**1,283**	**2,275**	**2,581**
CASH AND CASH EQUIVALENTS				
Opening balance	2,774	618	3,946	1,442
Closing balance	5,156	1,901	6,221	4,023
INCREASE (DECREASE IN CASH AND CASH EQUIVALENTS	**2,382**	**1,283**	**2,275**	**2,581**

37. Supplementary Information: Statement of Value Added (DVA)

06.01 – NOTES TO THE FINANCIAL STATEMENTS

	Company		Consolidated	
	Period ended at June 30,		Period ended at June 30,	
	2010	2009	2010	2009
Income	**203,349**	**163,253**	**337,642**	**189,135**
Net installments	196,012	164,795	311,599	188,501
Changes in technical reserves	16,504	(637)	33,901	(667)
Sales of goods and services	-	-	2,747	2,223
Provision/reversal of impairment of trade receivables	(9,167)	(905)	(10,605)	(922)
Inputs acquired from third parties	**(140,629)**	**(100,141)**	**(230,803)**	**(110,655)**
Indemnifiable claims, net	(70,800)	(61,339)	(143,458)	(68,952)
Dental and operational materials	(3,721)	(3,375)	(4,068)	(3,466)
Other operating expenses / incomes	(10,190)	-	(11,129)	(259)
Selling expenses	(22,030)	(19,440)	(30,395)	(20,511)
Administrative expenses	(33,888)	(15,987)	(41,753)	(17,467)
GROSS VALUE ADDED	**62,720**	**63,112**	**106,839**	**78,480**
Retentions	**(2,431)**	**(1,329)**	**(2,626)**	**(1,606)**
Depreciation and amortization	(2,431)	(1,329)	(2,626)	(1,606)
NET VALUE ADDED GENERATED BY THE ENTITY	**60,289**	**61,783**	**104,213**	**76,874**
Value added received through transfer	**29,349**	**11,486**	**20,219**	**10,979**
Equity in the results of subsidiaries	25,372	7,517	324	23
Financial income	3,977	3,969	19,895	10,956
TOTAL VALUE ADDED TO DISTRIBUTE	**89,638**	**73,269**	**124,432**	**87,853**
DISTRIBUTION OF VALUE ADDED				
Personnel	**(17,165)**	**(14,183)**	**(26,264)**	**(20,225)**
Direct remuneration	(13,380)	(10,941)	(20,430)	(15,600)
Salaries and related charges	(9,363)	(7,990)	(14,444)	(11,809)
Directors´ fees	(1,609)	(1,704)	(2,505)	(2,363)
Profit sharing	(2,408)	(1,247)	(3,481)	(1,428)
Benefits	(2,898)	(2,476)	(4,478)	(3,291)
FGTS	(887)	(766)	(1,356)	(1,334)
GRANTING OF STOCK OPTIONS	**(1,986)**	**(1,110)**	**(1,986)**	**(1,110)**
Taxes and contributions	**(30,818)**	**(12,870)**	**(53,211)**	**(19,905)**
Federal	(28,152)	(10,482)	(49,611)	(16,511)
State	-	-	(373)	(1)
Municipal	(2,666)	(2,388)	(3,227)	(3,393)
Remuneration of third-party capital	**(2,136)**	**(2,096)**	**(5,177)**	**(3,535)**
Finance costs	(831)	(1,253)	(2,877)	(1,827)
Rentals	(1,305)	(843)	(2,300)	(1,708)
Non-controling interest in subisidiary	**-**	**-**	**(261)**	**(68)**
Profits reinvested/loss for the year	**(37,533)**	**(43,010)**	**(37,533)**	**(43,010)**
ADDED VALUE DISTRUBUTED	**(89,638)**	**(73,269)**	**(124,432)**	**(87,853)**

38. Supplementary Information: Statement of Changes in Equity (DMPL)

		Capital reserves		Revenue Reserves							
	Capital	Share Premium	Granting of stock options	Statutory	Legal	Tax incentive	Treasury stock	Retained earnings/ accumulated	Total	Non-controlling shareholders	Total Equity
OPENING BALANCE AT JANUARY 01, 2009	**190,125**	**3,911**	**2,024**	**68,188**	**6,767**	**129**	**(11,565)**	**-**	**259,579**	**510**	**260,089**
Acquisition of own shares - held in treasury	-	-	-	-	-	-	(3,475)	-	(3,475)	-	(3,475)
Stock option plan	-	-	1,110	-	-	-	-	-	1,110	-	1,110
Adoption of International Financial Reporting Standards (IFRS)	-	-	-	(43,180)	-	-	-	-	(43,180)	-	(43,180)
Profit for the period	-	-	-	-	-	-	-	43,010	43,010	80	43,090
AT JUNE 30, 2009	**190,125**	**3,911**	**3,134**	**25,008**	**6,767**	**129**	**(15,040)**	**43,010**	**257,044**	**590**	**257,634**

		Capital reserves		Revenue Reserves							
	Capital	Share Premium	Granting of stock options	Statutory	Legal	Tax incentive	Treasury stock	Retained earnings/ accumulated	Total	Non-controlling shareholders	Total Equity
OPENING BALANCE AT JANUARY 01, 2010	**284,611**	**518,338**	**4,054**	**51,523**	**10,953**	**129**	**-**	**-**	**869,608**	**663**	**870,271**
Capital repayment	(248,000)	-	-	-	-	-	-	-	(248,000)	-	(248,000)
Adjustment due to merger of Sepao	-	-	-	-	-	-	-	17	17	-	17
Adjustment of goodwill on acquisition – Prontodente	-	-	-	72	-	-	-	-	72	-	72
Stock option plan	-	-	1,986	-	-	-	-	-	1,986	-	1,986
Net income for the period	-	-	-	-	-	-	-	37,533	37,533	261	37,794
Proposed appropriation of income	**-**	**-**	**-**	**(16,430)**	**-**	**-**	**-**	**-**	**(16,430)**	**-**	**(16,430)**
Adoption of International Financial Reporting Standards (IFRS)	-	-	-	(16,430)	-	-	-	-	(16,430)	-	(16,430)
AT JUNE 30, 2010	**36,611**	**518,338**	**6,040**	**35,165**	**10,953**	**129**	**-**	**37,550**	**644,786**	**924**	**645,710**

39 - Subsequente Events

At the AGE held on July 1, 2010, the following events were approved:

- merger of Bradesco dental;

- company stock split at a ratio of 4-for-1, whereby each share of odontoprev will in title the bearer to 3 new shares. As a result of the stock split, the number of company shares increased from 44,274,566 to 177,098,264

- capital increase in the amount of R$ 469,946, from R$ 36,611 to R$ 506,557 through capitalization of the capital reserve.

- Inclusion of a new paragraph in Article 6 of the company´s bylaws, establishing that shares repaid to dissenting shareholders at AGEs shall be the evaluated at economic value.

Review Report of Independent Accountants

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

1 We have reviewed the accounting information included in the Quarterly Information (ITR) (parent company and consolidated) of Odontoprev S.A. (the "Company") and subsidiaries for the quarter ended in June 30, 2010, comprising the balance sheet and the statements of income, changes in equity and cash flows**,** explanatory notes and the performance report. This Quarterly Information is the responsibility of the Company's management.

2 Our review was carried out in accordance with specific standards established by the Institute of Independent Auditors of Brazil (IBRACON), in conjunction with the Federal Accounting Council (CFC), and mainly comprised: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Company with regard to the main criteria adopted for the preparation of the Quarterly Information; and (b) a review of information and of subsequent events which have, or could have, significant effects on the financial position and operations of the Company and its subsidiaries.

3 Based on our limited review, we are not aware of any material modifications that should be made to the quarterly information of the parent company referred to above in order that it be stated in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), applicable to the preparation of the Quarterly Information, consistent with the standards issued by the Brazilian Securities Commission (CVM).

4 Based on our limited review, we are not aware of any material modifications that should be made to the consolidated quarterly information referred to above in order that it be stated in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB) applicable to the preparation of Quarterly Information, in accordance with the standards issued by the Brazilian Securities Commission (CVM).

5 We have also reviewed the parent company and consolidated interim statements of value added for the quarter ended in June 30, 2010, which are required to be presented in accordance with standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which does not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, we are not aware of any fact that leads us to believe that they are not properly prepared, in all material

respects, in relation to the parent company and consolidated interim accounting information taken as a whole.

6 The Quarterly Information (ITR), described in paragraph one, also includes comparative accounting information related to the results for the quarter ended June 30, 2009, obtained from the corresponding Quarterly Information (ITR) for that quarter. The limited review of the Quarterly Information (ITR) for the quarter ended June 30, 2009 was performed under the responsibility of other independent auditors, whose report, dated July 31, 2009, was issued without exceptions. As part of our limited review of the Quarterly Information (ITR), described in paragraph one, we have also reviewed the adjustments described in Note 35, which changed the accounting information as at June 30, 2009. Based on our limited review, we are not aware of any material modifications which should be made to these adjustments. We were not engaged to audit, review or apply any other procedures to the Company`s accounting information as at June 30, 2009 and, accordingly, we do not express an opinion or any form of assurance on the accounting information, at that date, taken as a whole.

7 As mentioned in Note 3, the Brazilian Securities Commission (CVM), through CVM Resolution 603/09, permitted companies to present their Quarterly Information during 2010 based on the accounting standards effective until December 31, 2009, provided that this Quarterly Information was subsequently restated, including comparative figures, to comply with the new standards. Accordingly, this Quarterly Information (ITR) differs from that originally disclosed by the Company.

São Paulo, May 9, 2011.

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5

Edison Arisa Pereira

Contador CRC 1SP127241/O-0