Qualicorp
administradora de benefícios

Earnings Release 1Q16

May 12th, 2016

QUAL3
NOVO MERCADO
BM&FBOVESPA

Legal Warning

Forward-looking statements

This release may contain forward-looking statements concerning the business outlook, estimates of operating and financial results and growth prospects of Qualicorp S.A. These statements are based exclusively on the expectations of the management of Qualicorp S.A. regarding the prospects of the business and its continued ability to access capital markets to finance its business plan. These forward-looking statements are highly sensitive to changes in the capital markets, government regulations, competitive pressures, the performance of the industry and the Brazilian economy and other factors, as well as to the risk factors highlighted in documents previously filed by Qualicorp S.A., and therefore are subject to change without prior notice.

Main Indicators

Consolidated Income Statement - (R$ MM)	1Q16	1Q15	% change 1Q16/1Q15	4Q15	% change 1Q16/4Q15
Net Revenues	454.8	402.3	13.0%	465.3	-2.2%
Total Expenses (Ex-Depreciation and amortization)	(283.0)	(258.1)	9.6%	(319.2)	-11.3%
Adjustments to EBITDA	16.5	22.1	-25.3%	11.2	47.9%
Adjusted EBITDA	188.3	166.4	13.2%	157.3	19.8%
Adjusted EBITDA Margin	41.4%	41.3%	6bps	33.8%	761bps
Net Income (Loss)	**198.3**	**44.7**	**343.6%**	**61.4**	**222.7%**

Balance Sheet	1Q16	2015	Var. 1Q16/2015
Equity	2,183.7	1,993.9	9.5%
Net Debt[1]	352.7	416.7	-15.4%

Other	1Q16	2015	Var. 1Q16/2015
Net Debt / Equity	0.16x	0.21x	-22.7%
Net Debt / Adjusted EBITDA LTM	0.51x	0.74x	-31.4%

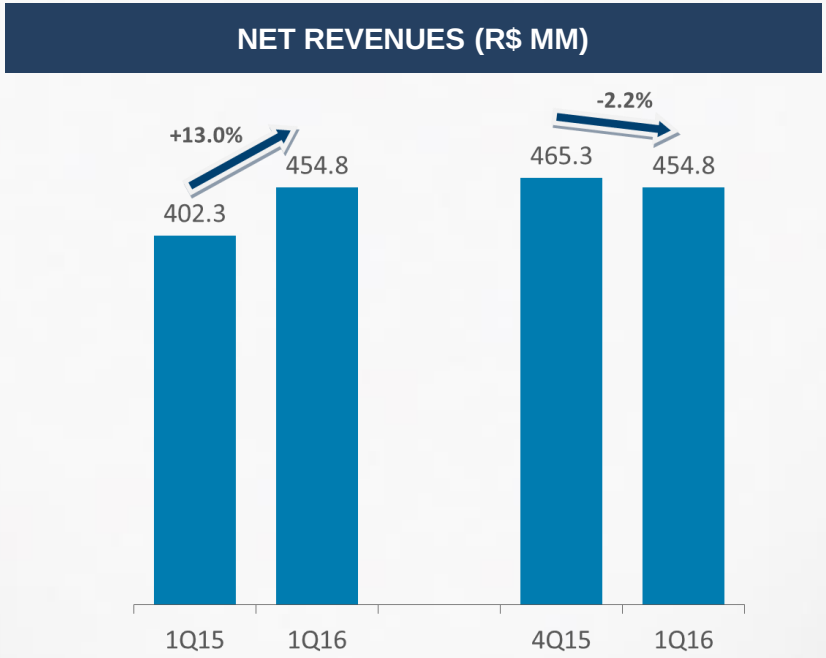
(1) *Includes acquisition payables recognized as "other payables". It does not include the investment retained as a guaranteed asset in the direct subsidiary Qualicorp Administradora de Benefícios S.A., and in the indirect subsidiaries Aliança Administradora de Benefícios de Saúde S.A and CRC/Gama, according to the 33rd normative instruction by the ANS, from October 5, 2009.*

Portfolio Evolution (cont.)

Portfolio	1Q16	1Q15	% change 1Q16/1Q15	4Q15	% change 1Q16/4Q15
Affinity Health Lives					
Total Portfolio (BOP)	1,365,460	1,467,190	-6.9%	1,406,275	-2.9%
(+) Gross Adds	98,654	92,197	7.0%	114,418	-13.8%
(-) Churn	(98,477)	(91,588)	7.5%	(155,233)	-36.6%
New Lives Added (net)	177	609	-70.9%	(40,815)	N.A.
Total Portfolio (EOP)	1,365,637	1,467,799	-7.0%	1,365,460	0.0%
Affinity Other Products Lives					
Total Portfolio (BOP)	425,312	423,476	0.4%	425,059	0.1%
New Lives Added (net)	(16,545)	113,396	N.A.	253	N.A.
Total Portfolio (EOP)	408,767	536,872	-23.9%	425,312	-3.9%
Affinity Portfolio	1,774,404	2,004,671	-11.5%	1,790,772	-0.9%
Corporate	921,202	985,983	-6.6%	1,130,277	-18.5%
TPA	2,126,731	2,200,490	-3.4%	2,122,279	0.2%
Small/Medium Enterprises	27,880	38,097	-26.8%	34,713	-19.7%
Health Management	6,699	10,536	-36.4%	6,616	1.3%
Corporate and Others Portfolio	3,082,512	3,235,106	-4.7%	3,293,885	-6.4%
Total Portfolio	4,856,916	5,239,777	-7.3%	5,084,657	-4.5%

Net Revenues

Net Revenues (R$ MM)	1Q16	1Q15	% change 1Q16/1Q15	4Q15	% change 1Q16/4Q15
Affinity	412.1	367.8	12.1%	425.1	-3.1%
% on Total Net Revenues	90.6%	91.4%	-79bps	91.4%	-75bps
Corporate and Other	42.7	34.6	23.5%	40.1	6.3%
% on Total Net Revenues	9.4%	8.6%	79bps	8.6%	75bps
Total Consolidated	**454.8**	**402.3**	**13.0%**	**465.3**	**-2.2%**



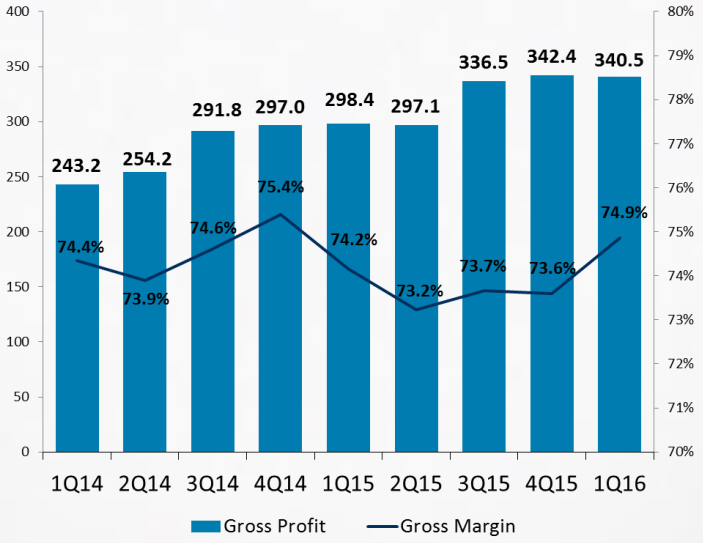
Cost of Services

Cost of Services (R$ MM)	1Q16	1Q15	% change 1Q16/1Q15	4Q15	% change 1Q16/4Q15
Personnel expenses	(37.0)	(34.5)	7.2%	(42.3)	-12.4%
Third Party Services	(21.9)	(18.1)	21.2%	(23.1)	-5.2%
Occupancy expenses	(3.7)	(3.3)	12.6%	(4.2)	-13.4%
Royalties (a)	(42.3)	(37.5)	12.8%	(42.3)	-0.1%
Others (b)	(9.5)	(10.6)	-11.0%	(10.9)	-13.4%
Total Consolidated	(114.3)	(104.0)	10.0%	(122.8)	-6.9%
Gross Margin	74.9%	74.2%	70bps	73.6%	126bps

a) Refers to expenses from financial 'pass through' incurred in connection with the agreements signed with professional associations for the contracting and selling of affinity plans (called royalties).

b) Refers primarily to mailing expenses and annual membership fees paid by the Company to associations, unions and councils on behalf of the beneficiaries / members of the professional associations.

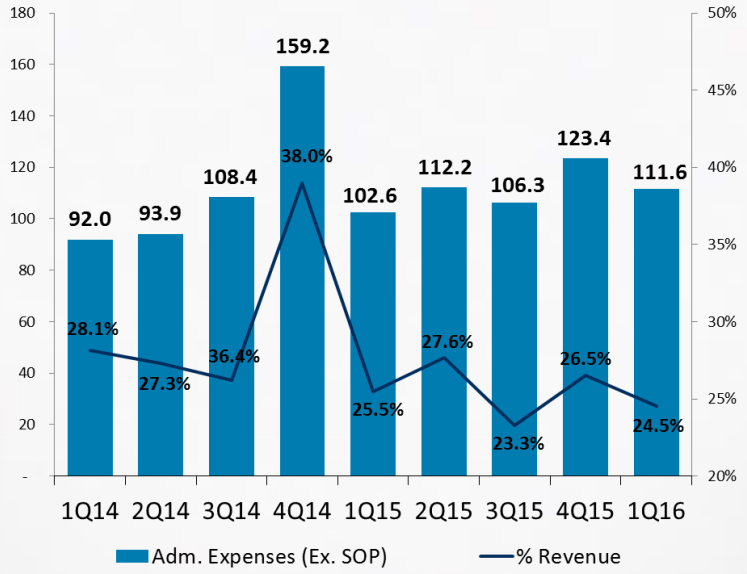
GROSS MARGIN



Administrative Expenses

Administrative expenses (R$ MM)	1Q16	1Q15	% change 1Q16/1Q15	4Q15	% change 1Q16/4Q15
Personnel expenses	(29.9)	(32.9)	-9.1%	(27.2)	9.7%
Third Party services	(15.0)	(17.7)	-15.3%	(19.8)	-24.3%
Occupancy expenses	(4.1)	(3.5)	16.6%	(4.2)	-1.8%
Depreciation and amortization	(56.1)	(52.3)	7.3%	(57.2)	-2.0%
Others	(10.3)	(7.0)	46.6%	(14.4)	-28.4%
Total Consolidated	**(115.3)**	**(113.3)**	**1.8%**	**(122.8)**	**-6.1%**
(+) Stock Options Expenses	3.7	10.8	-65.6%	(0.5)	-786.5%
Total Recurring Adm. Expenses	**(111.6)**	**(102.6)**	**8.8%**	**(123.4)**	**-9.5%**
Recurring Adm. Expenses/ Net Revenue %	**24.5%**	**25.5%**	**-95bps**	**26.5%**	**-197bps**

ADMINISTRATIVE EXPENSES (% REVENUES)

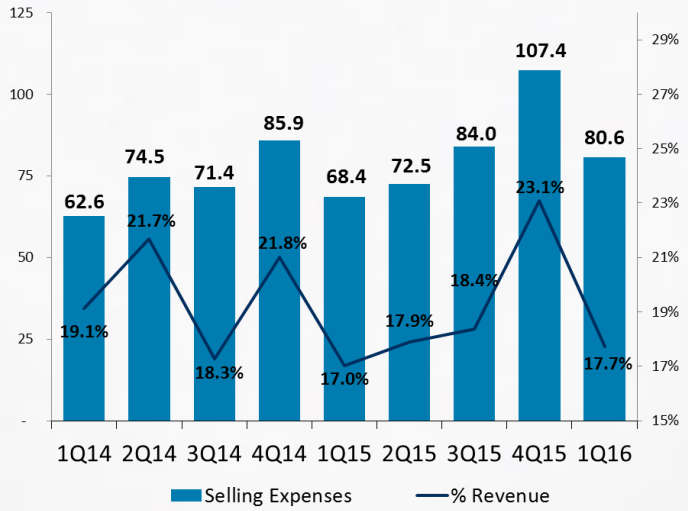


Selling Expenses

Selling Expenses (R$ MM)	1Q16	1Q15	% change 1Q16/1Q15	4Q15	% change 1Q16/4Q15
Personnel expenses	(17.5)	(15.6)	12.7%	(22.9)	-23.5%
Third Party services	(3.7)	(2.8)	28.3%	(4.0)	-9.6%
Occupancy expenses	(2.0)	(1.7)	18.9%	(1.8)	9.5%
Other selling expenses	(1.2)	(3.3)	-63.9%	(3.8)	-68.7%
Sales campaign	(15.9)	(8.3)	91.2%	(23.8)	-33.2%
Sponsorships	(1.9)	(1.6)	22.1%	(3.7)	-48.1%
Third-party commission	(31.1)	(25.2)	23.5%	(35.9)	-13.4%
Publicity and advertising	(5.4)	(7.8)	-30.7%	(7.1)	-24.0%
Others (a)	(1.9)	(2.2)	-13.8%	(4.3)	-56.3%
Total Consolidated	**(80.6)**	**(68.4)**	**17.7%**	**(107.4)**	**-25.0%**
Selling/Net Revenue %	**17.7%**	**17.0%**	**71bps**	**23.1%**	**-536bps**

a) Includes office supplies, mailing expenses and discounts granted.

SELLING EXPENSES (% REVENUES)



Bad Debt (Uncollectible Receivables) and Other Operating Income (Expense)

Bad Debt (R$ MM)	1Q16	1Q15	% change 1Q16/1Q15	4Q15	% change 1Q16/4Q15
Bad Debt/Uncollectible Receivables	(30.1)	(21.2)	42.0%	(31.1)	-3.5%
% Net Revenue Consolidated	6.6%	5.3%	135bps	6.7%	-8bps

Bad Debt Breakdown	1Q15	2Q15	3Q15	4Q15	1Q16	% change 1Q16/4Q15
Bad Debt	(26.0)	(22.8)	(33.2)	(36.4)	(33.8)	-7.2%
Recovering	4.8	4.7	4.2	5.3	3.7	-29.2%
Total Consolidated	(21.2)	(18.1)	(29.0)	(31.1)	(30.1)	-3.5%

Other Operating Income/Expenses (R$ MM)	1Q16	1Q15	% change 1Q16/1Q15	4Q15	% change 1Q16/4Q15
Expenses related to contingencies	0.6	(2.1)	-129.5%	(2.0)	N.A.
Impairment	(1.3)	-	N.A.	(3.4)	-62.8%
Operational Losses	4.3	(1.3)	N.A.	7.0	-38.6%
PIS COFINS on other revenues	(0.0)	-	N.A.	(0.5)	-95.2%
Other income (expenses)	(2.4)	(0.1)	N.A.	6.7	N.A.
Total Consolidated	1.3	(3.5)	N.A.	7.8	-83.9%

Financial Income (Expense)

Financial Income (Expenses) (R$MM)	1Q16	1Q15	% change 1Q16/1Q15	4Q15	% change 1Q16/4Q15
Financial income					
Income from short-term investments	15.8	17.2	-8.0%	17.5	-9.6%
Interest and fine on late payment of health plans	12.8	11.4	12.8%	13.4	-4.1%
Monetary update from tax rate change - PIS/CONFINS	-	0.8	N.A.	0.0	N.A.
Other income	3.3	3.0	10.9%	0.2	1445.8%
Total	**31.9**	**32.3**	**-1.2%**	**31.1**	**2.8%**
Financial expenses					
Debentures Interest	(19.6)	(16.7)	17.4%	(21.6)	-9.3%
Monetary adjustment from acquisition payables	(7.5)	(6.2)	20.5%	(7.4)	1.0%
Other financial expenses	(15.3)	(10.2)	50.1%	(22.7)	-32.8%
Total	**(42.3)**	**(33.0)**	**28.1%**	**(51.7)**	**-18.2%**
Total Consolidated	(10.3)	(0.7)	1436.1%	(20.6)	-49.8%

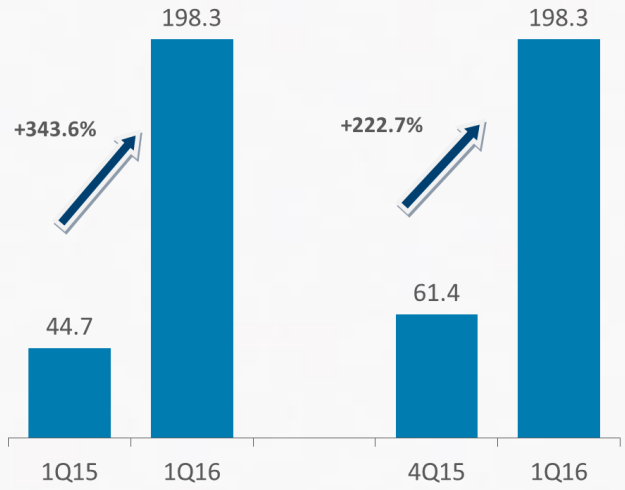
Adjusted EBITDA

EBITDA and Adjusted EBITDA (R$ MM)	1Q16	1Q15	% change 1Q16/1Q15	4Q15	% change 1Q16/4Q15
Net Income	198.3	44.7	343.6%	61.4	222.7%
(+) Taxes	(92.9)	46.6	-299.3%	6.8	-1456.2%
(+) Depreciation and Amortization	56.1	52.3	7.3%	57.2	-2.0%
(+) Financial Expense	42.3	33.0	28.1%	51.7	-18.2%
(-) Financial Income	(31.9)	(32.3)	-1.2%	(31.1)	2.8%
EBITDA	**171.8**	**144.2**	**19.1%**	**146.1**	**17.6%**
EBITDA Margin	**37.8%**	**35.9%**	**193bps**	**31.4%**	**638bps**
Non-cash Stock Option Plan Expense	3.7	10.8	-65.6%	(0.5)	-786.5%
Interest and fine on late payment of health plans	12.8	11.4	12.8%	11.7	9.5%
Adjusted EBITDA	**188.3**	**166.4**	**13.2%**	**157.3**	**19.8%**
Adjusted EBITDA Margin	**41.4%**	**41.3%**	**6bps**	**33.8%**	**761bps**

Net Income (Loss)

Net Income (Loss) (R$ MM)	1Q16	1Q15	% change 1Q16/1Q15	4Q15	% change 1Q16/4Q15
Consolidated Net Income (Loss)	198.3	44.7	343.6%	61.4	222.7%

NET INCOME (LOSS) R$



Investments[1] (CAPEX) and Capital Structure

Capex (R$ MM)	1Q16	1Q15	% change 1Q16/1Q15	4Q15	% change 1Q16/4Q15
Capex in IT	18.4	16.6	10.8%	28.7	-35.9%
Other Capex	8.9	5.2	72.5%	4.9	81.3%
Right Assignment Agreeement / Exclusivity	4.5	16.0	-71.9%	-	N.A.
TOTAL	31.9	37.8	-15.7%	33.7	-5.3%

Capital Structure (R$ MM)	1Q16	2015	Var. 1Q16/2015
Current Debt	334.6	50.9	557.5%
Long Term Debt(1)	439.5	732.2	-40.0%
TOTAL	774.1	783.1	-1.2%
Cash and cash equivalents(2)	421.4	366.4	15.0%
TOTAL NET DEBT	352.7	416.7	-15.4%

(1) Includes acquisition payables

(2) Includes acquisition payables recognized as "other payables". It does not include the investment retained as a guaranteed asset in the direct subsidiary Qualicorp Administradora de Benefícios S.A., and in the indirect subsidiaries Aliança Administradora de Benefícios de Saúde S.A and CRC/GAMA, according to the 33rd normative instruction by the ANS, from October 5, 2009

Cash Flow

Cash Flow	1Q16	2015	4Q15	3Q15	2Q15	1Q15
Income adjusted by non-cash effects	195,880	730,413	160,644	216,813	175,045	177,911
Working Capital	(32,470)	33,971	28,775	9,651	9,500	(13,955)
Interest paid	(43,236)	(70,409)	-	(33,189)	(4,117)	(33,103)
Dividends received/paid	-	(12,026)	(3,234)	(6,343)	(2,449)	-
Income tax and social contribution paid	(23,839)	(111,770)	(38,749)	(34,490)	(23,821)	(14,710)
Cash Flow from Operating Activities	**96,335**	**570,179**	**147,436**	**152,442**	**154,158**	**116,143**
Capex (TI)	(22,608)	(103,654)	(31,795)	(29,660)	(21,299)	(20,900)
PP&E	(9,529)	(14,720)	(4,444)	(2,768)	(1,260)	(6,248)
Intangible (M&A + Portfolio + Deals)	(187)	(76,200)	(376)	(60,029)	(15,608)	(187)
Cash Flow from Investment Activities	**(32,324)**	**(194,574)**	**(36,615)**	**(92,457)**	**(38,167)**	**(27,335)**
Cash Flow from Operating Activities (-) Capex	**64,011**	**375,605**	**110,821**	**59,985**	**115,991**	**88,808**
Cash Flow from Financing Activities	**(6,979)**	**(548,362)**	**(403,850)**	**30**	**(138,540)**	**(6,002)**
Other Investments	**-**	**(80,000)**	**-**	**-**	**(80,000)**	**-**
Total Cash Flow	**57,032**	**(252,757)**	**(293,029)**	**60,015**	**(102,549)**	**82,806**

Qualicorp
administradora de benefícios

Thank you!

QUAL3
NOVO
MERCADO
BM&FBOVESPA

IR Contact

Tel: +55 11 3191-3829
E-mail: ri@qualicorp.com.br