Qualicorp
administradora de benefícios

Earnings Release 4Q13

March 18th, 2014

QUAL3
NOVO MERCADO
BM&FBOVESPA

Conference Call

English

Date: 03/18/2014
12:00 p.m. Brasília | (11:00 a.m. ET)
Tel: +1 (412) 317-6776
Password: Qualicorp
Webcast: www.qualicorp.com.br/ir

Portuguese

Date: 03/18/2014
10:00 a.m. Brasília | (9:00 a.m. ET)
Tel: (11) 2188-0155
Password: Qualicorp
Webcast: www.qualicorp.com.br/ri

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

Income Statement (R$ MM)	4Q13	4Q12	% change 4Q13/4Q12	3Q13	% change 4Q13/3Q13	2013	2012	% change 2013/2012
Net Revenues	333.8	259.2	28.8%	319.3	4.5%	1,199.5	920.7	30.3%
Total Expenses	(257.4)	(249.3)	3.2%	(247.6)	4.0%	(968.2)	(841.5)	15.1%
Adjustments[1]	4.3	25.3	-82.9%	0.3	N.A.	11.7	49.9	-76.5%
Adjusted Total Expenses	(253.1)	(224.1)	12.9%	(247.3)	2.3%	(956.5)	(791.6)	20.8%
Adjusted EBITDA	135.0	84.7	59.3%	123.8	9.0%	450.5	317.9	41.7%
Adjusted EBITDA Margin	40.4%	32.7%	776bps	38.8%	166bps	37.6%	34.5%	303bps
Adjusted earnings*	107.9	27.2	296.0%	58.6	84.0%	231.6	90.2	156.7%

Balance Sheet	2013	2012	% change 2013/2012
Equity	2,013.9	1,992.2	1.1%
Net Debt[2]	373.7	442.8	-15.6%

Other	2013	2012	% change 2013/2012
Net Debt / Equity	0.19x	0.22x	-16.5%
Net Debt / Adjusted EBITDA LTM	0.83x	1.39x	-40.5%

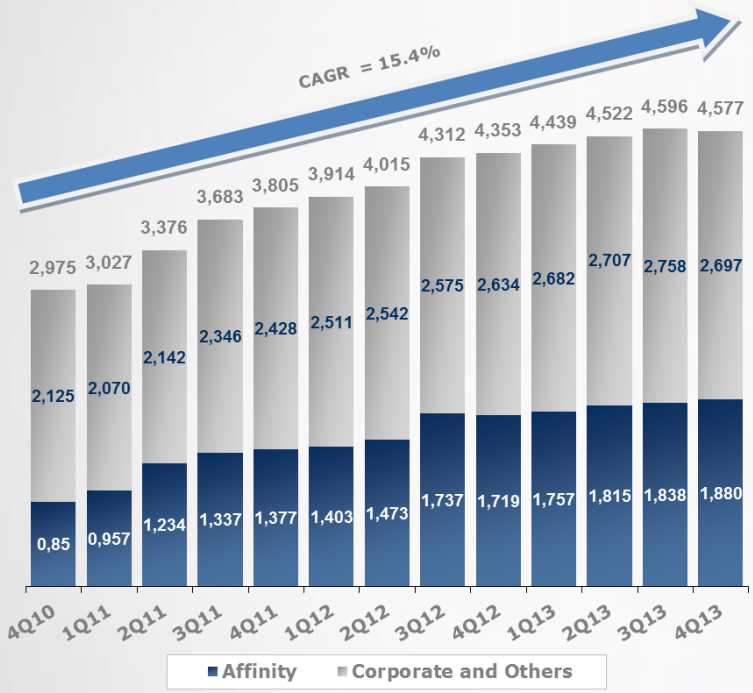
(1) Adjustments include stock option plan expenses with non-cash effect, impairment and Padrão and Aliança's acquisitions expenses.

(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 Padrão Administradora de Benefícios Ltda. and Aliança Administradora de Benefícios de Saúde S.A, according to the 33rd normative instruction by the ANS, from October 5, 2009.

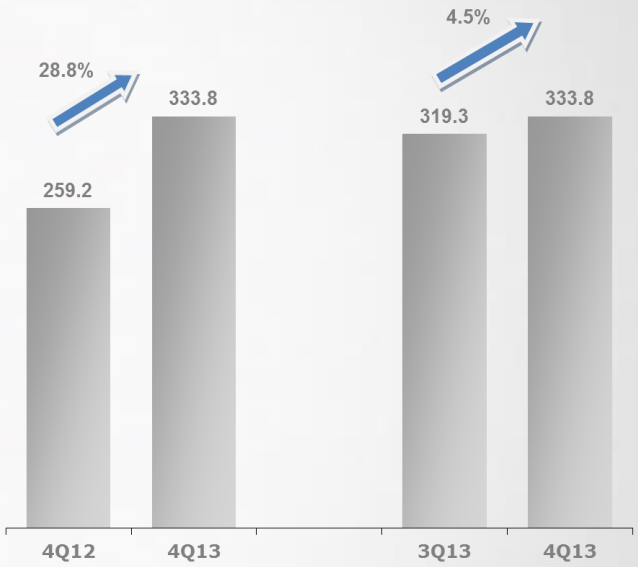
* Our adjusted earnings considers the adjustment of item (1) monetary adjustment on Aliança call option.

Portfolio Evolution

BENEFICIARIES (MM)



BENEFICIARIES PORTFOLIO BREAKDOWN IN 4Q13



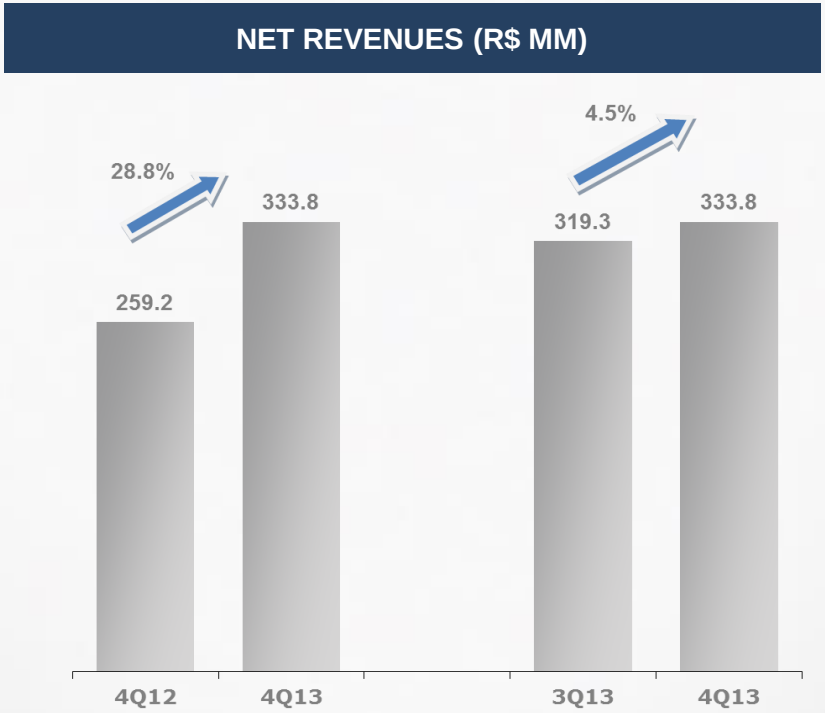
Portfolio Evolution (cont.)

Portfolio	4Q13	4Q12	% change 4Q13/4Q12	3Q13	% change 4Q13/3Q13	2013	2012	% change 2013/2012
Affinity Health Lives								
Total Portfolio (BOP)	1,347,712	1,252,848	7.6%	1,322,246	1.9%	1,261,718	954,240	32.2%
(+) Gross Adds	103,003	84,145	22.4%	111,460	-7.6%	421,394	511,469[1]	-17.6%
(-) Churn	(81,247)	(75,275)	7.9%	(85,994)	-5.5%	(313,644)	(203,991)	53.8%
New Lives Added (net)	21,756	8,870	145.3%	25,466	-14.6%	107,750	307,478	-65.0%
Total Portfolio (EOP)	1,369,468	1,261,718	8.5%	1,347,712	1.6%	1,369,468	1,261,718	8.5%
Affinity New Products Lives								
Total Portfolio (BOP)	490,236	483,926	1.3%	493,219	-0.6%	457,346	422,442	8.3%
New Lives Added (net)	20,459	(26,580)	-177.0%	(2,983)	-785.9%	53,349	34,904	52.8%
Total Portfolio (EOP)	510,695	457,346	11.7%	490,236	4.2%	510,695	457,346	11.7%
Affinity Portfolio	**1,880,163**	**1,719,064**	**9.4%**	**1,837,948**	**2.3%**	**1,880,163**	**1,719,064**	**9.4%**
Corporate	**1,152,151**	**1,153,432**	**-0.1%**	**1,244,746**	**-7.4%**	**1,152,151**	**1,153,432**	**-0.1%**
TPA	**1,443,656**	**1,387,322**	**4.1%**	**1,407,155**	**2.6%**	**1,443,656**	**1,387,322**	**4.1%**
Small/Medium Enterprises	**67,606**	**57,837**	**16.9%**	**68,229**	**-0.9%**	**67,606**	**57,837**	**16.9%**
Health Management	**33,502**	**35,415**	**-5.4%**	**38,085**	**-12.0%**	**33,502**	**35,415**	**-5.4%**
Corporate and Others Portfolio	**2,696,915**	**2,634,006**	**2.4%**	**2,758,215**	**-2.2%**	**2,696,915**	**2,634,006**	**2.4%**
Total Portfolio	**4,577,078**	**4,353,070**	**5.1%**	**4,596,163**	**-0.4%**	**4,577,078**	**4,353,070**	**5.1%**

(1) Includes Padrão and Aliança.

Net Revenues

Net Revenues (R$ MM)	4Q13	4Q12	% change 4Q13/4Q12	3Q13	% change 4Q13/3Q13	2013	2012	% change 2013/2012
Affinity	310.0	237.9	30.3%	294.6	5.2%	1,105.7	830.9	33.1%
% on Total Net Revenues	92.9%	91.8%	110bps	92.3%	61bps	92.2%	90.3%	193bps
Corporate and Other	23.8	21.3	11.6%	24.7	-3.7%	93.8	89.7	4.5%
% on Total Net Revenues	7.1%	8.2%	-110bps	7.7%	-61bps	7.8%	9.7%	-193bps
TOTAL	**333.8**	**259.2**	**28.8%**	**319.3**	**4.5%**	**1,199.5**	**920.7**	**30.3%**



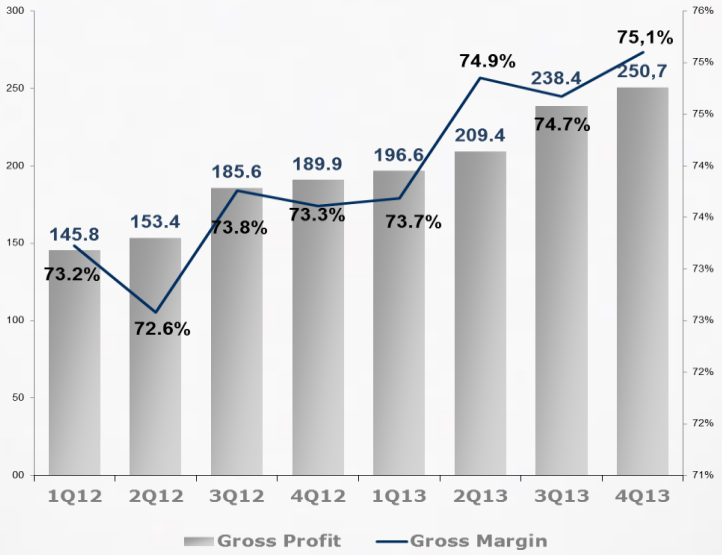
Cost of Services

Cost of Services (R$ MM)	4Q13	4Q12	% change 4Q13/4Q12	3Q13	% change 4Q13/3Q13	2013	2012	% change 2013/2012
Personnel expenses	(23.6)	(19.5)	21.0%	(23.5)	0.5%	(85.7)	(65.8)	30.1%
Third Party Services	(17.5)	(11.9)	47.4%	(16.0)	9.1%	(60.7)	(41.1)	47.6%
Occupancy expenses	(2.5)	(3.3)	-25.7%	(3.1)	-21.2%	(12.8)	(11.5)	11.8%
Royalties (a)	(32.5)	(27.4)	18.4%	(32.2)	0.9%	(120.7)	(101.0)	19.5%
Others (b)	(7.1)	(6.3)	13.1%	(6.1)	17.3%	(24.7)	(25.9)	-4.5%
TOTAL	**(83.1)**	**(68.4)**	**21.5%**	**(80.9)**	**2.8%**	**(304.5)**	**(245.3)**	**24.2%**

a) Refers to expenses from financial 'pass throughs' 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

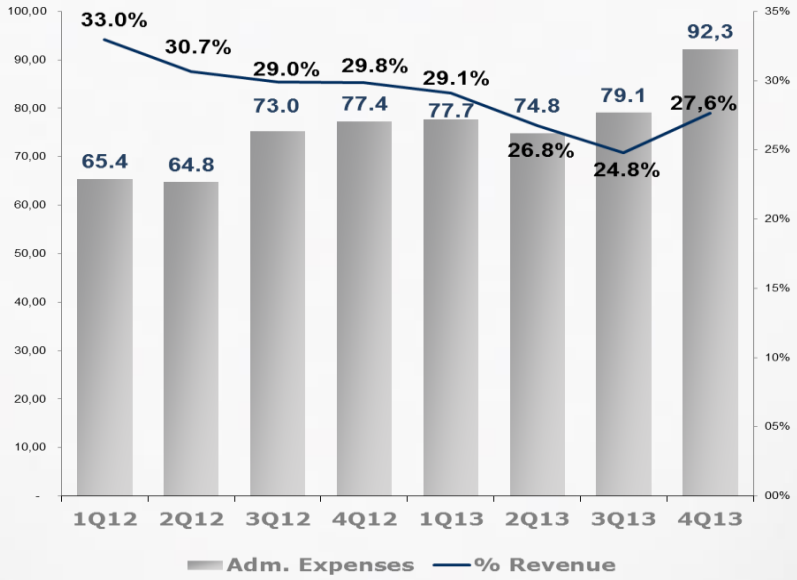


Administrative Expenses

Administrative expenses (R$ MM)	4Q13	4Q12	% change 4Q13/4Q12	3Q13	% change 4Q13/3Q13	2013	2012	% change 2013/2012
Personnel expenses	(30.2)	(24.2)	24.4%	(16.5)	83.2%	(83.5)	(73.3)	14.0%
Third Party services	(14.0)	(10.3)	35.8%	(14.4)	-2.6%	(52.1)	(37.0)	40.8%
Occupancy expenses	(1.6)	(2.3)	-30.3%	(1.7)	-1.3%	(6.6)	(6.2)	7.0%
Depreciation and amortization	(46.1)	(42.7)	7.9%	(44.1)	4.5%	(177.4)	(162.4)	9.2%
Others	(4.7)	(6.3)	-25.7%	(2.7)	71.2%	(16.0)	(24.5)	10.6%
TOTAL	**(96.6)**	**(85.9)**	**12.4%**	**(79.4)**	**21.7%**	**(335.6)**	**(303.4)**	**81.6%**
(+) One-time Administrative Expenses (a)	4.3	8.6	-49.7%	0.3	N.A.	11.7	22.8	-48.7%
Total Recurring Adm. Expenses	**(92.3)**	**(77.4)**	**19.3%**	**(79.1)**	**16.6%**	**(323.9)**	**(280.6)**	**33.0%**

a) In 2013 they are related to stock option plan. In 2012 they are related to stock option plan, acquisitions expenses and expenses related to the CEO's resignation.

ADMINISTRATIVE EXPENSES (% REVENUES)

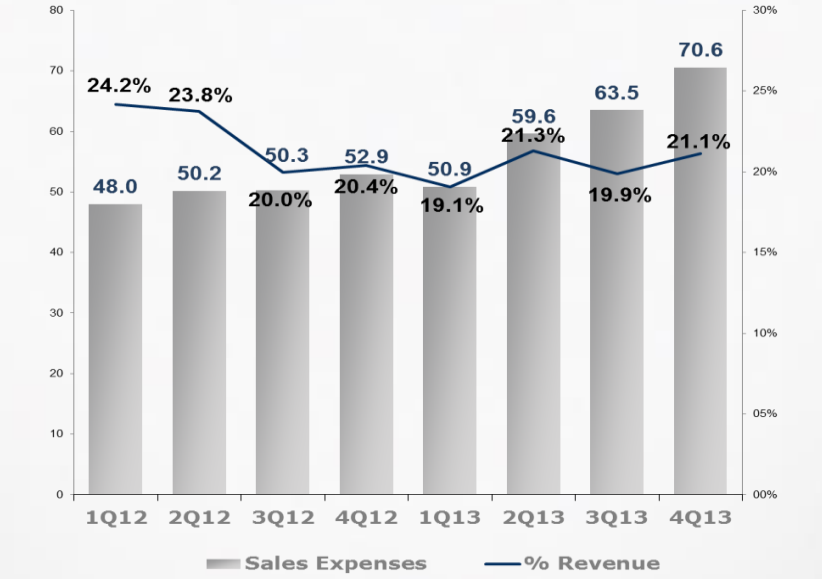


Selling Expenses

Selling Expenses (R$ MM)	4Q13	4Q12	% change 4Q13/4Q12	3Q13	% change 4Q13/3Q13	2013	2012	% change 2013/2012
Personnel expenses	(15.6)	(15.6)	-0.2%	(18.4)	-15.2%	(66.7)	(58.6)	13.7%
Third Party services	(2.7)	(2.8)	-4.8%	(1.9)	41.1%	(9.5)	(10.4)	-7.8%
Occupancy expenses	(1.6)	(1.8)	-13.3%	(1.6)	-1.0%	(6.4)	(6.1)	4.4%
Other selling expenses	(5.8)	(3.8)	53.6%	(3.3)	73.7%	(13.0)	(13.9)	-5.9%
Sales campaign	(9.4)	(5.9)	59.5%	(8.4)	11.6%	(29.5)	(18.4)	60.4%
Sponsorships	(2.9)	(2.6)	13.9%	(2.4)	22.8%	(9.6)	(10.9)	-11.7%
Third-party commission	(19.0)	(15.7)	21.6%	(20.0)	-4.8%	(64.9)	(41.8)	55.4%
Publicity and advertising	(10.8)	(2.4)	351.3%	(5.0)	117.3%	(35.7)	(32.1)	11.5%
Others (a)	(2.8)	(2.4)	15.5%	(2.5)	9.6%	(9.2)	(9.4)	-2.1%
TOTAL	**(70.6)**	**(52.9)**	**33.4%**	**(63.5)**	**11.1%**	**(244.6)**	**(201.4)**	**21.4%**
(+) One-time Comercial Expenses (b)	-	0.7	N.A.	-	N.A.	-	0.7	N.A.
Total Recurring Selling Expenses	**(70.6)**	**(52.3)**	**35.0%**	**(63.5)**	**11.1%**	**(244.6)**	**(200.8)**	**21.8%**

a) Includes office supplies, mailing expenses and discounts granted; b) Relates to consultancies hired during the due diligence of Padrão and Aliança.

SELLING EXPENSES (% REVENUES)



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

Bad Debt (R$ MM)	4Q13	4Q12	% change 4Q13/4Q12	3Q13	% change 4Q13/3Q13	2013	2012	% change 2013/2012
Bad Debt (Uncollectible Receivables)	(27.7)	(21.1)	31.4%	(22.6)	22.9%	(94.0)	(59.2)	58.9%
% Net Revenue	8.3%	8.1%	17bps	7.1%	124bps	7.8%	6.4%	141bps

Bad Debt Breakdown	1Q13	2Q13	3Q13	4Q13	% change 4Q13/3Q13
Bad Debt	-22.0	-24.1	-25.1	-31.5	25.4%
Recovering	1.1	1.4	2.5	3.7	47.7%
Total	(20.9)	(22.8)	(22.6)	(27.7)	22.9%

Other Operating Income/Expenses (R$ MM)	4Q13	4Q12	% change 4Q13/4Q12	3Q13	% change 4Q13/3Q13	2013	2012	% change 2013/2012
Expenses related to contingencies	10.4	(1.0)	N.A.	2.5	318.5%	18.2	2.5	630.5%
Allowance for impairment losses	-	(11.4)	N.A.	-	N.A.	-	(21.7)	N.A.
Constitution of (Write-off) tax credits on subsidiary	6.7	(4.7)	N.A.	-	N.A.	6.7	(4.7)	N.A.
Operational Losses	4.3	(3.1)	N.A.	(4.5)	-197.7%	(13.7)	(6.9)	N.A.
Other income (expenses)	(0.8)	(0.8)	3.8%	0.7	N.A.	(0.7)	(1.5)	-50.2%
TOTAL	**20.6**	**(21.0)**	**-198.4%**	**(1.3)**	**N.A.**	**10.5**	**(32.3)**	**N.A.**
(+) One-time expenses (a)	-	16.0	N.A.	-	N.A.	-	26.4	N.A.
Other recurring expenses	**20.6**	**(4.9)**	**N.A.**	**(1.3)**	**N.A.**	**10.5**	**(5.9)**	**N.A.**

a) Impairment Losses and write-off of tax credit in subsidiary.

Financial Income (Expense)

Financial Income (Expenses) (R$MM)	4Q13	4Q12	% change 4Q13/4Q12	3Q13	% change 4Q13/3Q13	2013	2012	% change 2013/2012
Financial income								
Income from short-term investments	8.0	3.1	157.3%	6.1	31.0%	21.9	24.9	-12.2%
Interest and fine on late payment of health plans	8.1	6.6	22.7%	7.7	5.5%	30.0	25.6	17.5%
Other income	4.1	4.4	-5.3%	0.8	406.5%	5.9	7.2	-18.7%
Total	**20.2**	**14.1**	**43.6%**	**14.6**	**38.6%**	**57.8**	**57.7**	**0.1%**
Financial expenses								
Debentures Interest	(6.1)	(6.1)	-0.2%	(7.0)	-12.7%	(25.9)	(34.3)	-24.6%
Others Interest								
Monetary adjustment from call option - Praxis, Aliança and GA	(144.7)	(19.3)	648.3%	(40.3)	258.8%	(232.1)	(20.4)	1036.9%
Other financial expenses	(8.6)	(5.1)	69.1%	(7.3)	17.9%	(27.6)	(17.4)	58.0%
Total	**(159.4)**	**(30.5)**	**422.2%**	**(54.6)**	**192.0%**	**(285.5)**	**(72.1)**	**295.8%**
TOTAL	**(139.2)**	**(16.4)**	**746.5%**	**(40.0)**	**247.9%**	**(227.7)**	**(14.5)**	**1474.1%**

Adjusted EBITDA

EBITDA and Adjusted EBITDA (R$ MM)	4Q13	4Q12	% change 4Q13/4Q12	3Q13	% change 4Q13/3Q13	2013	2012	% change 2013/2012
Net Income	(41.2)	(13.3)	210.5%	18.0	-328.3%	(12.2)	23.4	-152.1%
(+) Taxes	(21.7)	6.7	-423.4%	13.6	-258.7%	15.8	41.3	-61.7%
(+) Depreciation and Amortization	46.1	42.7	7.9%	44.1	4.5%	177.4	162.4	9.2%
(+) Financial Expense	159.4	30.5	422.4%	54.7	191.4%	285.5	72.1	295.8%
(-) Financial Income	(20.1)	(14.1)	43.4%	(14.7)	37.3%	(57.8)	(57.7)	0.2%
EBITDA	**122.5**	**52.6**	**132.7%**	**115.8**	**5.8%**	**408.8**	**241.6**	**69.2%**
EBITDA Margin	**36.7%**	**20.3%**	**1640bps**	**36.3%**	**43bps**	**34.1%**	**26.2%**	**783bps**
Non-cash Stock Option Plan Expense	4.3	5.7	-24.5%	0.3	N.A.	11.7	17.7	-33.8%
Interest and fine on late payment of health plans	8.1	6.6	22.8%	7.7	5.5%	30.0	25.6	17.5%
Other non recurring (a)	-	8.4	N.A.	-	N.A.	-	11.3	N.A.
Impairment (b)	-	11.4	N.A.	-	N.A.	-	21.7	N.A.
Adjusted EBITDA	**135.0**	**84.7**	**59.3%**	**123.8**	**9.0%**	**450.5**	**317.9**	**41.7%**
Adjusted EBITDA Margin	**40.4%**	**32.7%**	**776bps**	**38.8%**	**166bps**	**37.6%**	**34.5%**	**303bps**

(a) Due diligence expenses on acquisitions, write-off of tax credit and fixed asset and CEO resignation.

(b) Write-off of PraxiSolutions and Athon/Bruder portfolio.

Adjusted Earnings

Adjusted Earnings (R$ MM)	4Q13	4Q12	% change 4Q13/4Q12	3Q13	% change 4Q13/3Q13	2013	2012	% change 2013/2012
Net Income	(41.2)	(13.3)	210.5%	18.0	-328.3%	(12.2)	23.4	-152.1%
Total one-time expenses (a)	4.3	25.4	-83.0%	0.3	1560.9%	11.7	50.7	-76.9%
Monetary Adjustment from call option	144.7	19.3	648.3%	40.3	258.8%	232.1	20.4	1036.9%
Total one-time revenues (b)	-	(4.3)	N.A.	-	N.A.	-	(4.3)	N.A.
Adjusted Earnings	**107.9**	**27.2**	**296.0%**	**58.6**	**84.0%**	**231.6**	**90.2**	**156.7%**
Adjusted Earnings (Losses) Per Share - Diluted	**0.3873**	**0.1015**	**281.4%**	**0.2105**	**84.0%**	**0.8312**	**0.3362**	**147.3%**
Amortization Clients Relationship	15.7	15.9	-1.5%	15.7	0.0%	62.7	60.4	3.8%
Tax Effect Goodwill Amortization	19.2	15.9	20.6%	16.5	16.4%	68.4	64.1	6.7%
Portfolio Acquisition Amortization	17.9	15.2	17.9%	16.1	11.0%	65.1	56.9	14.3%
TOTAL Cash Earnings	**160.7**	**74.3**	**116.3%**	**106.9**	**50.2%**	**427.7**	**271.6**	**57.5%**
Cash Earnings (Losses) Per Share - Diluted	**0.5767**	**0.2768**	**108.4%**	**0.3838**	**50.2%**	**1.5351**	**1.0121**	**51.7%**

a) In 2013 refer to non-cash stock option plan expenses. IN 2012 it refers to non-cash stock option plan expenses, acquisition expenses, Impairment expenses, and write-off of tax credits.

b) It refers to the reversion of monetary adjustment on the call option to acquire Praxisolution (due to Fixed Assets write-off, the value of the call option to acquire the remaining 20% stake also decreased, causing a positive effect in our financial result.

Investments[1] (CAPEX) and Capital Structure

Capex (R$ MM)	4Q13	4Q12	% change 4Q13/4Q12	3Q13	% change 4Q13/3Q13	2013	2012	% change 2013/2012
Capex in IT	12.3	21.3	-42.4%	9.7	25.9%	35.8	43.8	-18.4%
Other Capex	11.7	1.5	693.8%	1.0	N.A.	15.0	5.7	165.9%
TOTAL	**24.0**	**22.7**	**5.4%**	**10.7**	**124.0%**	**50.8**	**49.5**	**2.7%**

(1) Excludes investments related to portfolio acquisitions.

Capital Structure (R$ MM)	2013	2012	% change 2013/2012
Current Debt	109.8	105.2	4.4%
Long Term Debt(1)	591.3	461.6	28.1%
TOTAL	**701.1**	**566.8**	**23.7%**
Cash and cash equivalents(2)	327.4	124.0	164.1%
TOTAL NET DEBT	**373.7**	**442.8**	**-15.6%**

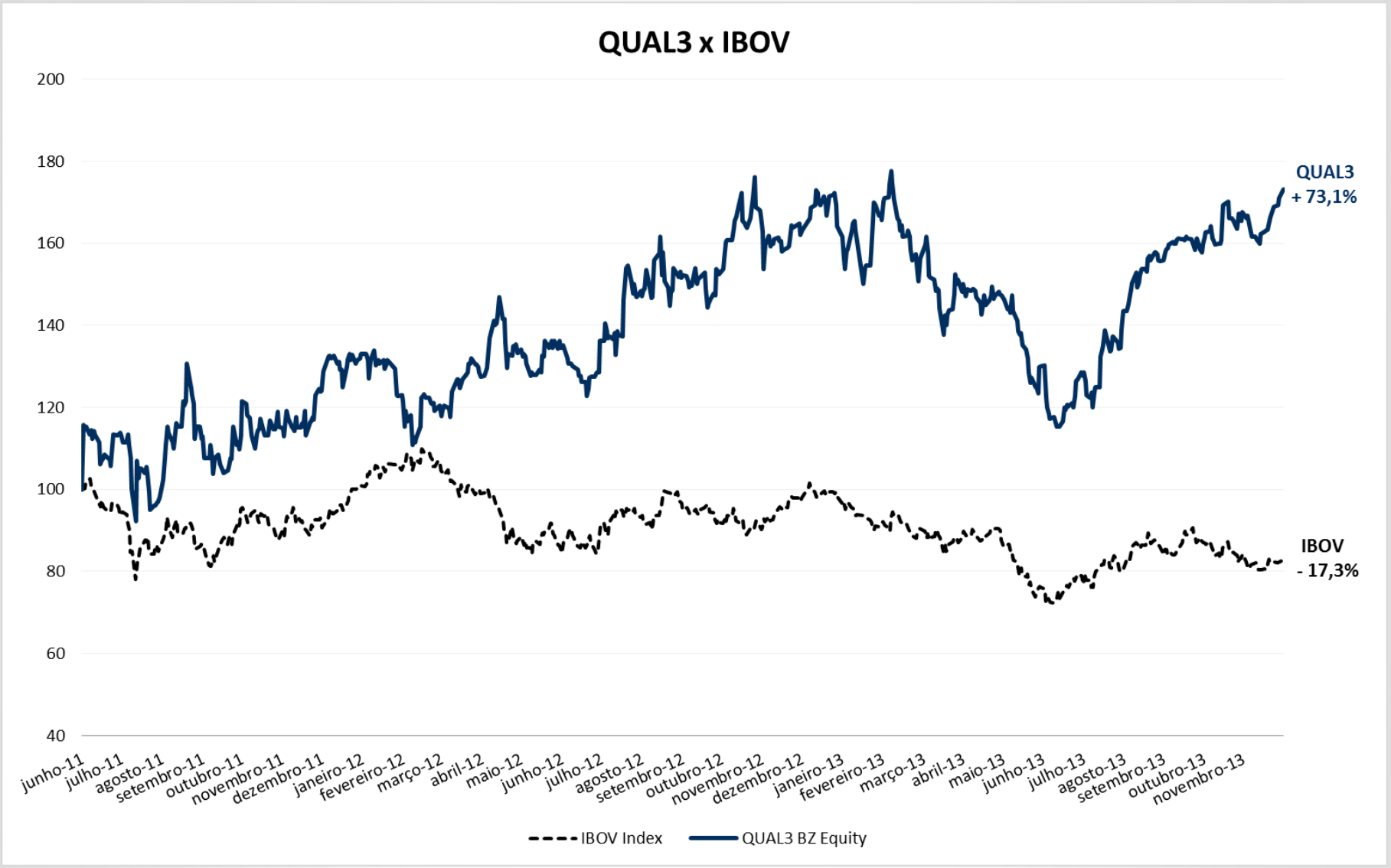
(1) Includes acquisition payables

(2) 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 Padrão Administradora de Benefícios Ltda. and Aliança Administradora de Benefícios de Saúde S.A according to the 33rd normative instruction by the ANS, from October 5, 2009.

ROIC

Return on Investment	4Q13	3Q13	2Q13	1Q13	4Q12
Invested Capital					
Fixed Asset	2,488,519	2,474,248	2,480,540	2,519,642	2,550,264
Working Capital	(73,560)	40,577	37,924	11,378	(26,593)
TOTAL	2,414,959	2,514,825	2,518,464	2,531,020	2,523,671
(-) Intangible - Goodwill (LBO)	924,767	924,767	924,767	924,767	924,767
(-) Intangible - Client Relationship (LBO)	525,335	542,961	562,586	582,210	601,836
Adjusted Invested Capital	964,857	1,047,097	1,031,111	1,024,043	997,068
NOPAT					
Adjusted EBITDA	134,955	123,786	98,344	93,439	84,685
EBIT	88,833	79,651	54,732	49,901	41,944
(+) Ammortization	(41,641)	(39,869)	(39,259)	(39,240)	(38,680)
EBIT adjusted	130,474	119,520	93,992	89,140	80,624
(-) taxes (34%)	(44,361)	(40,637)	(31,957)	(30,308)	(27,412)
NOPAT	86,113	78,883	62,034	58,833	53,212
ROIC	28.1%	24.7%	22.7%	23.6%	25.8%

Shares Value Evolution



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Thank you!

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