Comments about Performance



1Q14: Contention of Churn and Bad Debt are the highlights of the quarter.

During the first quarter of 2013, we focused on sustainable growth of our customer base by increasing the qualified gross sales and contention initiatives for the churn and bad debt.

The churn and bed debt rates were, undoubtedly, the greatest challenges faced by the Company over the past few quarters. Through targeted initiatives, and much focus we could control these indicators, reaching, in 1Q14, levels considered excellent by senior management across the current macroeconomic challenges. This quarter, our losses on Bad debt were R $ 16.5 million, representing only 5% of our net sales, which compares to 7.8% in 1Q13. In the sequential comparison, we observed a further decline of 327bps, reflecting the success of our recovery strategies, more qualified sales and acculturation of sales force, reducing early delinquency. In addition, the SERASA initiative has brought more results for this quarter.

Regarding churn, it is possible to notice a relative stability in the indicator, which grew only 6.8% y/y, a level considered low taking into account the recent macroeconomic challenges. In comparison with 4Q13, it fell by 8.5% in the churn, showing the efficiency of our retention strategies.

This improvement in churn, plus the sales performance in the quarter, which reached 97,801 gross additions, brought us a good operating performance again. On a Year-over-year comparison, we have seen an increase of 8.8% in the number of beneficiaries in our portfolio of Affinity segment, from 1,756,660 in 1Q13 to 1,910,538 lives at the end of 1Q14. If we consider only the Health Affinity Health segment, our main product, the growth was even higher, reaching 9.2% y/y. Our portfolio of beneficiaries of the Corporate and Other segment also increased compared to the previous year, totaling 2,711,030 lives, representing an increase of 1.1% in this segment.

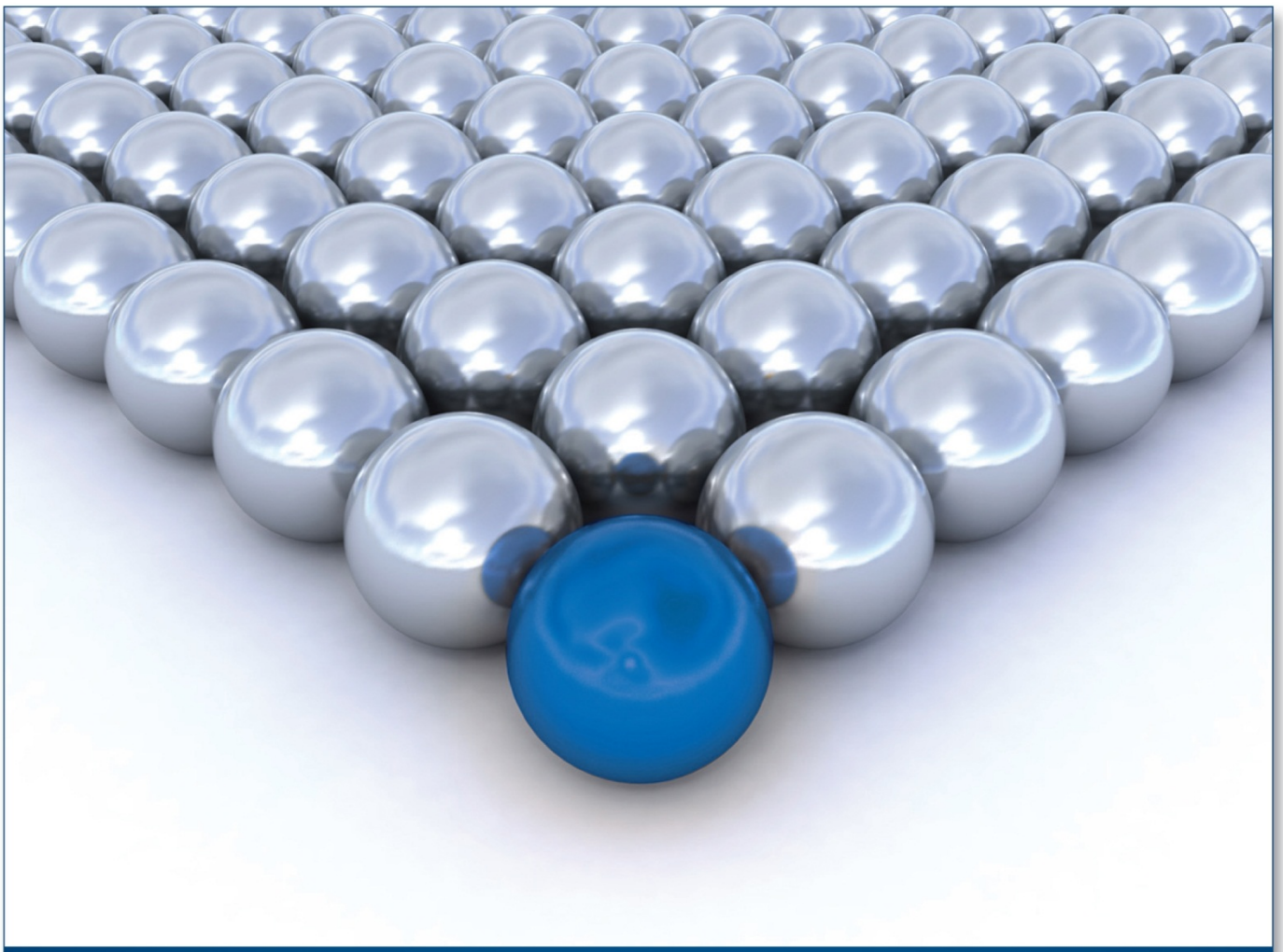
In the Financial aspect, we reached R$ 327.1 million in net revenue in 1Q14, 22.6% higher than reported in the same period last year and an adjusted EBITDA of R$ 131.6 million, 40.8% higher than 1Q13. Our adjusted EBITDA margin reached 40.2% in 1Q14, which represents an improvement of 521bps compared to 1Q13. Compared to last quarter, we maintained a stable margin, but it is important to notice that we had no extraordinary item this quarter, unlike 4Q13. Therefore, if we compare the normalized 36.6% of 4Q13 margin, evolution would have been 360bps.

Besides the good financial and operational performance mentioned above, we announced some exciting news for the future of the Company in the first quarter of 2014.

On 18 February, Board of the Company decided about the minimum dividend payment of 50% of net income, subject to maintaining a minimum cash equivalent to 10% of its annual revenues for the current year to meet the temporary and specific demands working capital of the company. We believe that with this measure will add value to our assets, and therefore our shareholders.

On February 25, we obtained the approval from ANS for the Clube de Saúde Administradora de Benefícios Ltda., indirect subsidiary of Qualicorp. The purpose of the creation of this company is that Qualicorp Group can foster and manage its Affinity portfolio of clients from C and D classes, managing its processes, revenues, costs and expenses in a more optimized way and in order to maximize its operating margin. This company will allow us not only to increase our penetration in the national market for private health insurance, but also give us new alternatives for retaining customers in financial difficulties.

Finally, on March 27, we announced the approval of the Level I American Depositary Receipt ("ADR Program Level I"), by the Board of Directors. It is worth remembering that the effective constitution of the program still depends on approval by Comissão de Valores Mobiliários (CVM) and by the Securities and Exchange Commission (SEC) in the United States. The main objective of this action is to increase the means of access for foreign investors, providing greater visibility and liquidity for the Company's shares.



The Company

Qualicorp is a health care benefits service provider and manager in Brazil. With almost 4.6 million beneficiaries on March 31, 2014, we also believe we are the leader in these segments. We were founded in 1997 to improve the access to high-quality private health care plans at attractive and competitive prices and conditions, without being exposed to any of the risks associated with the provision of health care. By means of an innovative approach to managing health benefits, together with a wide range of solutions for reducing medical and administrative costs, we seek to add value to our shareholders, customers (beneficiaries and corporate clients) and partners (health insurance companies, health care plan operators and professional associations and/or institutions).

Our main goal is to assist our beneficiaries in gaining access to affordable private health care plans that meet their needs. Our services include benefit management, benefit planning advisory, brokerage of health insurance plans, health risk prevention and management, loss ratio monitoring and analysis, connectivity services and third-party administration (TPA). We provide these services through two segments:

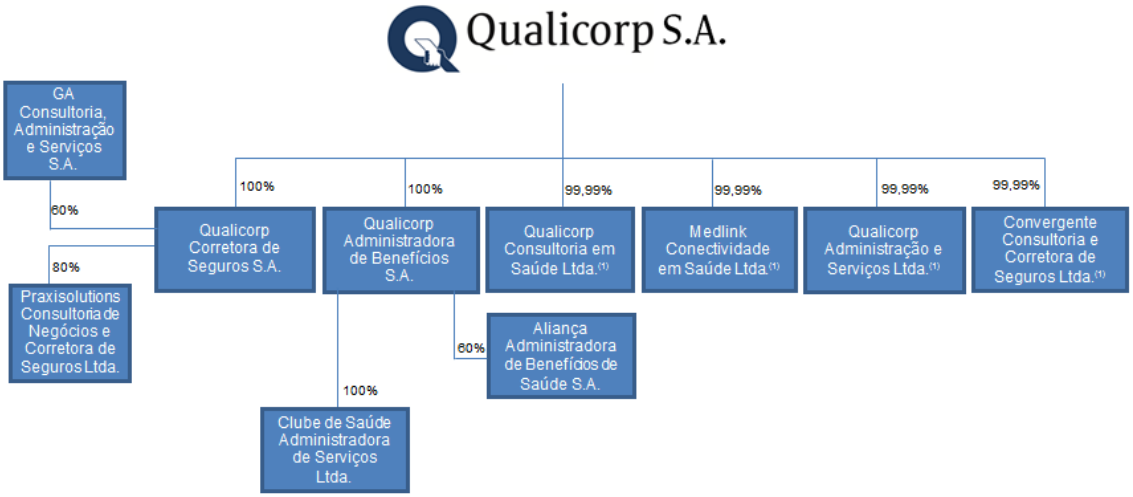
Affinity

We negotiate with health insurance companies and group health and dental care operators on behalf of professional associations and/or institutions and work as an exclusive intermediary in the offer of these plans directly to members of these associations/institutions. Our beneficiaries can save up to 50% on the price they would pay for a similar individual health and dental care plans. We also offer a number of valuable services to beneficiaries, health insurers, health care plan operators and professional associations and/or institutions, including registration, monitoring of the medical services used, monthly billing and collection, streamlined reimbursements and medical concierge services.

Corporate and Others

We operate as consultants, brokers and providers of outsourced benefit, connectivity and risk management services for leading national and international companies, as well as government bodies. In this segment, we provide high-quality customized services that strengthen our relations with operators, insurers and customers.

Qualicorp S.A. and its subsidiaries (on 03/31/2014)



(1) A Qualicorp Corretora de Seguros S.A. detém 0,01% de cada empresa.



Our performance

To the Shareholders

We are pleased to submit for your appreciation the main numbers and accounting information of Qualicorp S.A. ("Company") and its subsidiaries for the period ending on March 31, 2014.

These are the main operational and financial highlights:

- ✓ In 4Q14, our Consolidated Net Revenues and our adjusted EBITDA[1] grew 26.6% 40.8% respectively, when compared with 1Q13.

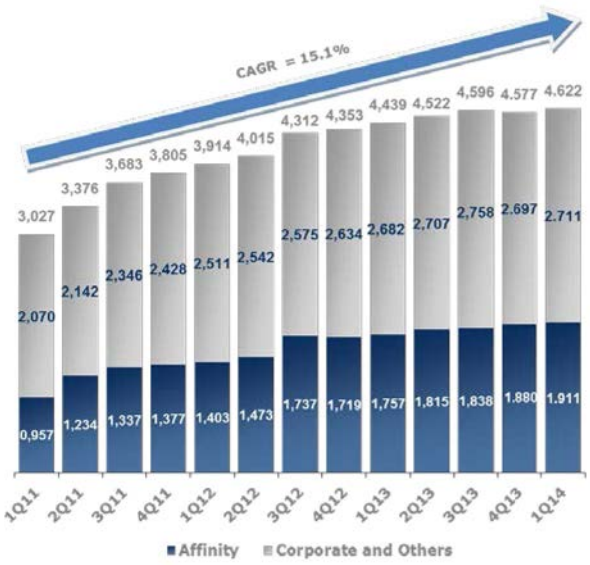
- ✓ Our total portfolio of beneficiaries of 4.6 million lives, including Affinity, Corporate and Other Segments grew 4.1% y/y in 1Q14, as follow:

    - Our portfolio of beneficiaries in the Affinity segment grew 8.8% y/y in 1Q14 to 1.9 million lives. Our portfolio of beneficiaries in the Corporate and Others Segment grew 1.1% y/y in 1Q14 to approximately 2.7 million lives.

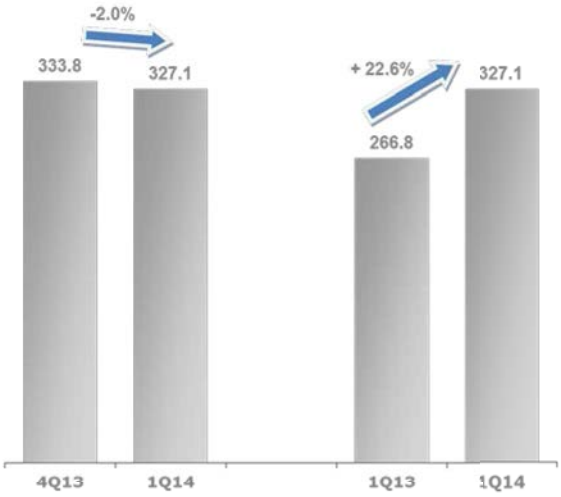
- ✓ In 1Q14 net earnings adjusted by non-cash items, stock options and monetary adjustment on Aliança call option, reached R$ 58.6million, which represents a 105.8% y/y growth and a decrease of 45.7% q/q.

[1] We have presented EBITDA and adjusted EBITDA because management believes them to be significant indicator of financial performance. However, EBITDA and adjusted EBITDA are not measures for financial performance according to IFRS, they do not represent cash flow for the periods in question and should not be considered as an alternative to net income as a measure of operating performance or as an alternative to operating cash flow as expenses with acquisitions and partnerships and expenses with corporate restructuring.

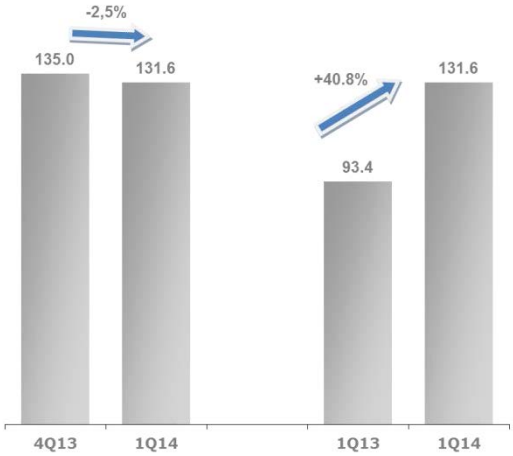
Beneficiaries (MM)



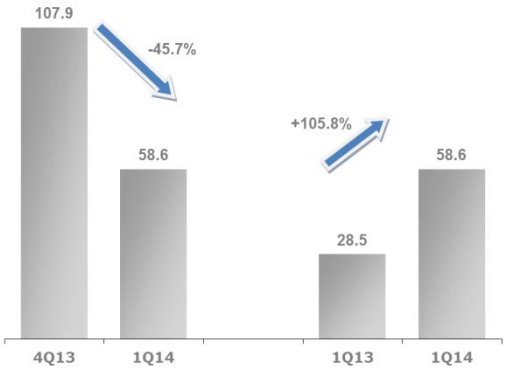
Net Revenue (R$ MM)



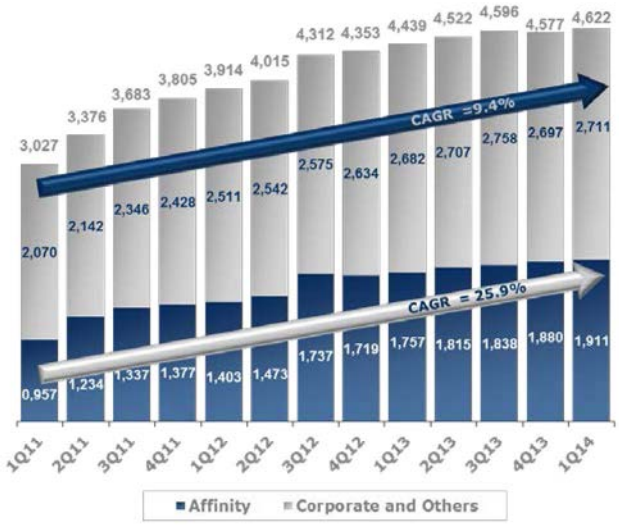
Adjusted EBITDA (R$ MM)



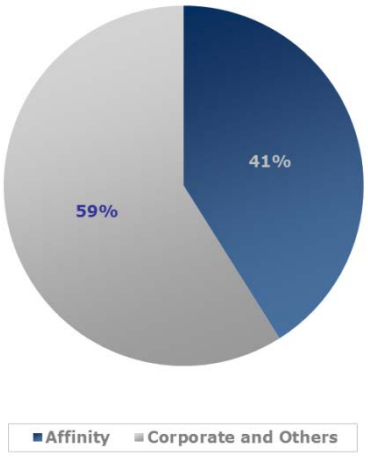
Adjusted Earnings (R$ MM)



Beneficiaries (MM)



Beneficiaries Portfolio Breakdown



The total number of beneficiaries grew 4.1% y/y in 1Q14, totaling a net increase of approximately 183.0k beneficiaries. When compared to 4Q13, our portfolio of beneficiaries increased approximately 44.5k, mainly due to our Affinity portfolio.

The net addition of approximately 183.0k y/y beneficiaries to the portfolio in 1Q14 was a result of a 153.9k net increase in the Affinity Segment (84.1% of total growth) complemented by 29.1k net increase in the Corporate and Other segments (15.9% of total growth).

Our portfolio of beneficiaries in the Affinity segment grew 8.8% y/y in 1Q14 on a combination of: (i) 8.2% y/y growth in Health products (+1.7% q/q) and (ii) 7.6% y/y in the Other Products Portfolio (+1.4% q/q)

Our portfolio of beneficiaries in the Corporate and Other segments grew 1.1% y/y in 1Q14 (+0.5% q/q) due to a reduction of 3% in the Corporate portfolio, and an increase of 4.4% y/y (+1.0% q/q) of our TPA portfolio. The SME segment grew 21.4% y/y, (-3.8% q/q) due to new contracts closed in the period, while our Health Management segment had a reduction of 23.7% y/y (-14.2% q/q) due to some contracts which were not renewed.

The financial statements were prepared in accordance with international financial reporting standards (FIRS), issued by the International Accounting Standards Board (IASB), and the accounting practices adopted in Brazil, named as BR GAAP.

The accounting practices adopted in Brazil comprise those determined by Brazilian Corporate Law and the pronouncements, instructions and interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM).

In accordance with CVM Instruction 480/09, the Company's Statutory Management declares that it has discussed, reviewed and agreed with the independent auditor's report regarding the period ended on March 31, 2014.

Income Statement (R$ MM)	1Q14	1Q13	% change 1Q14/1Q13	4Q13	% change 1Q14/4Q13
Net Revenues	327.1	266.8	22.6%	333.8	-2.0%
Total Expenses	(259.2)	(231.1)	12.2%	(257.4)	0.7%
Adjustments[1]	6.7	6.9	-2.1%	4.3	N.A.
Adjusted Total Expenses	(252.4)	(224.2)	12.6%	(253.1)	-0.2%
Adjusted EBITDA	131.6	93.4	40.8%	135.0	-2.5%
Adjusted EBITDA Margin	40.2%	35.0%	521bps	40.4%	-20bps
Adjusted earnings*	58.6	28.5	105.8%	107.9	-45.7%

Balance Sheet	1Q14	2013	% change 1Q14/2013
Equity	2,036.5	2,013.9	1.1%
Net Debt[2]	413.3	373.7	10.6%

Other	1Q14	2012	% change 1Q14/2013
Net Debt / Equity	0.20x	0.19x	9.4%
Net Debt / Adjusted EBITDA LTM	0.85x	0.83x	2.0%

(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.

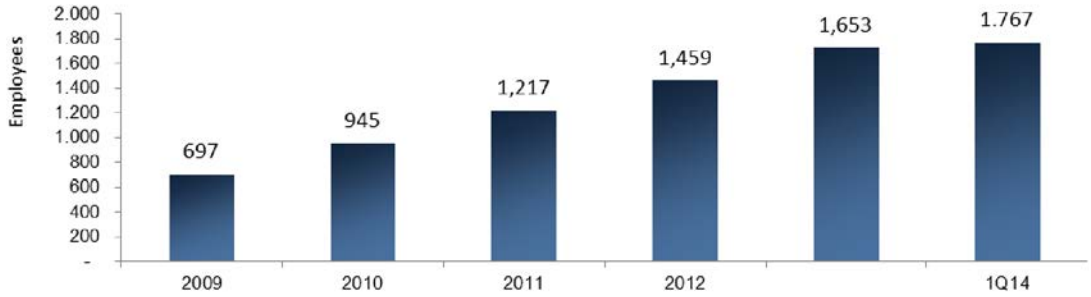
The main decision-making bodies of the Qualicorp Group in its constant pursuit of the highest standards of transparency, equity and quality in regard to accountability, are the Board of Directors (comprising 9 sitting members, with 2 independent members) and its committee (comprising Board members and independent advisors), namely:

- Audit Committee: the Annual Shareholders' Meeting of March 3, 2011 approved the installation of the Audit Committee, made up of 3 members, all of whom members of the Board of Directors. Its responsibilities involve determining and the scope of the internal and external audit, overseeing the work of the auditors and reporting any potential matters that need attention to the Board of Directors. It meets on a quarterly basis to discuss these issues.

- Code of Ethics and Professional Conduct: The Qualicorp Group's Code of Ethics and Professional Conduct was approved by the Board of Directors' Meeting of June 27, 2011. It consolidates those guidelines and standards of behavior that are considered ethically correct in order to regulate the conduct and actions of all employees (regardless of their hierarchical position), partners, service providers and suppliers, establishing their ethical commitments to the company and consolidating its cultural identity, values and principles. The Code is available on our website: www.qualicorp.com.br

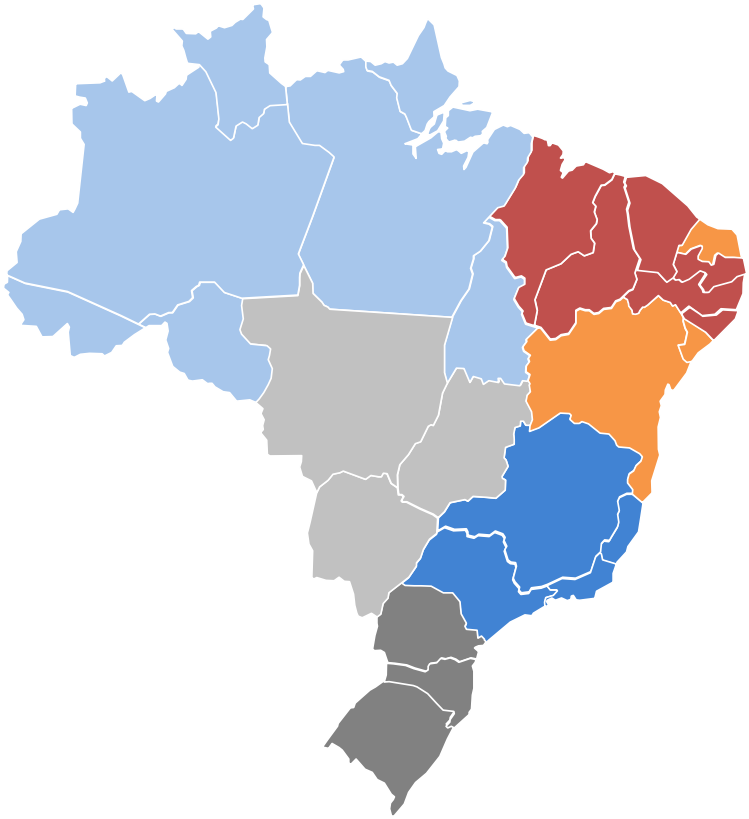
Human Resources

On March 31, 2014 we had 1,767 employees. The following chart shows the growth of our workforce between 2009 and March 2014.

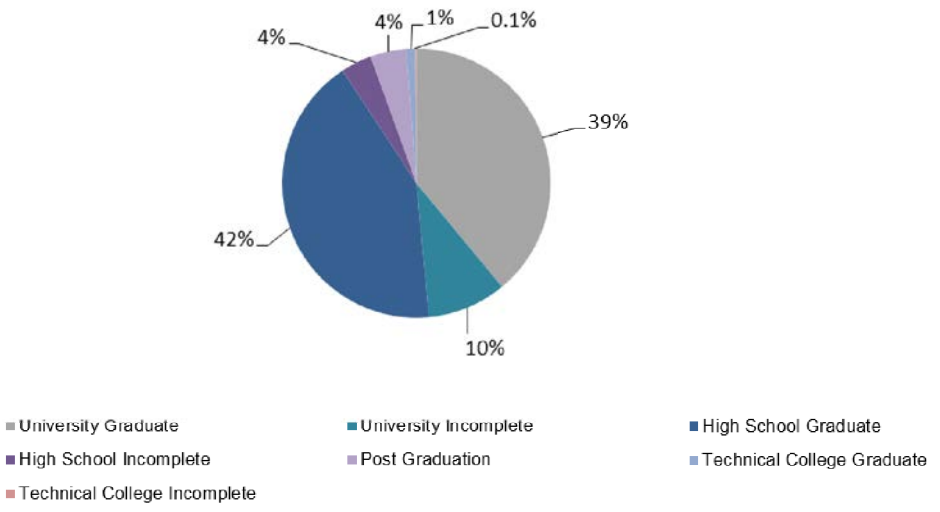


The substantial majority of employees (85%) are based in the state of São Paulo:

Southeast	**1.660**
São Paulo	1.489
Rio de Janeiro	150
Minas Gerais	20
Espiríto Santos	1
Central-West	**33**
Brasília	33
Northeast	**58**
Pernambuco	18
Bahia	34
Ceará	6
South	16
Paraná	8
Rio Grande do Sul	8
Total:	**1.767**



And 39% have college degree:



We seek to adequately compensate the skills and responsibilities of our professionals by adopting a compensation policy focusing on the growth of individual and collective values. Our employees' salaries are calculated in compliance with Brazilian legislation and their compensation consists of their basic salary, commissions (if applicable) and a share of the profits, within the average parameters of the market we work.

All employees are eligible to receive a profit sharing (PPR), which is directly related to compliance with the goals established by management.

We are committed to promoting the well-being of our employees, whose benefits include: (i) transport vouchers; (ii) meal vouchers; (iii) a medical and dental plan; (iv) fuel vouchers; (v) life insurance; (vi) profit sharing; and (vii) a stock option plan.

In addition, our training policy encourages the development of our employees' skills. Incentives include internal and external courses and training programs for the Company’s various areas.



The Market

Economic Scenario

After a challenging 2013, when the indicators of bad debt and indebtedness of the population were high, and the GPD growth was lower than the expectations, we started 2014 even with more uncertainties regarding the economy of the country, which besides the regular challenges, this year will have two great events national wide: World Soccer Cup in Brazil and president elections.

In 1Q14, the market estimates points to a low growth GPD and high inflation, which reduces the real income of the customer and can represent a risk to the Brazilian consumption level. Besides that, according to Serasa Experian, the level of indebtedness of the customer showed high levels in January and March.

Qualicorp, inserted in this context, has made every effort to contain the advances of churn and bad debt levels, as well as to maintain good sales performance through the initiatives of geographic expansion and product diversification.

The implementation of more proactive retention practices, the addition of new products and new measures implemented to mitigate the effects of the economic crisis, contributed to our continued growth in 2013 and remain on the agenda to give us another year of growth in 2014.

Supplemental Health Scenario in Brazil

According to the National Supplemental Health Agency (ANS), health plan penetration in Brazil has increased by around 39% in the last 8 years, reaching almost 49 million individuals at the close of September 2013. However, only 24.4% of the Brazilian population had private health plans.

From July 2009 on, the ANS approved the first specific regulations for the Affinity segment and Benefit Management companies. The regulations imposed clear and rigid standards for defining which types of legal entity would be eligible to contract group health plans, that is, professional or trade associations. In addition, it was also established that certain health-plan-related administrative and operating services must be provided to the beneficiaries by the professional association and/or institution (if it has the necessary funds, infrastructure and capacity to do so) or by Benefit Management companies like us. We believe the new regulatory framework makes group health plans an attractive option for people who are not covered by a corporate plan to gain access to the private health system.

Active Operators and Benefit Administrators by size – Brazil (September 2013)

Type of Operator	Total	Without Beneficiaries	Small (up to 20,000 beneficiaries)	Medium (20,000 to 100,000 beneficiaries)	Large (more than 100,000 beneficiaries)
Total	**1.487**	**218**	**847**	**324**	**98**
Benefit Managers	101	101	0	0	0
Self-management	207	17	147	33	10
Health care cooperative	322	2	151	133	36
Dental care cooperative	118	2	86	24	6
Philanthropic	84	3	60	19	2
Group health care	358	36	214	83	25
Group dental care	285	57	188	28	12
Specialized health care	12	0	1	4	7

Source: ANS/ Caderno de Informação da Saúde Suplementar – December 2013

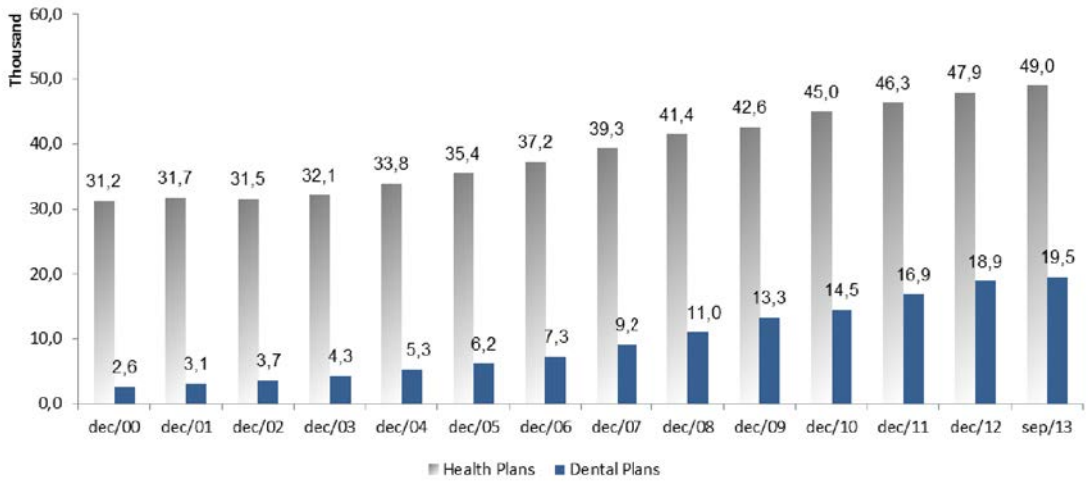
It is worth noting that the private health care market is highly fragmented and mostly consists of small-scale operators/benefit managers, representing 57% of the total.

Market data according to the Supplemental Health Care Information Book

Information on the distribution of health care plans included in this ANS report indicates that, in September 2013, approximately 49 million beneficiaries were registered with the ANS, what is about 24.4% of the Brazilian population. In dental care, this number was 19.5 million people linked exclusively to dental plans, representing 9.7% of Brazilian population

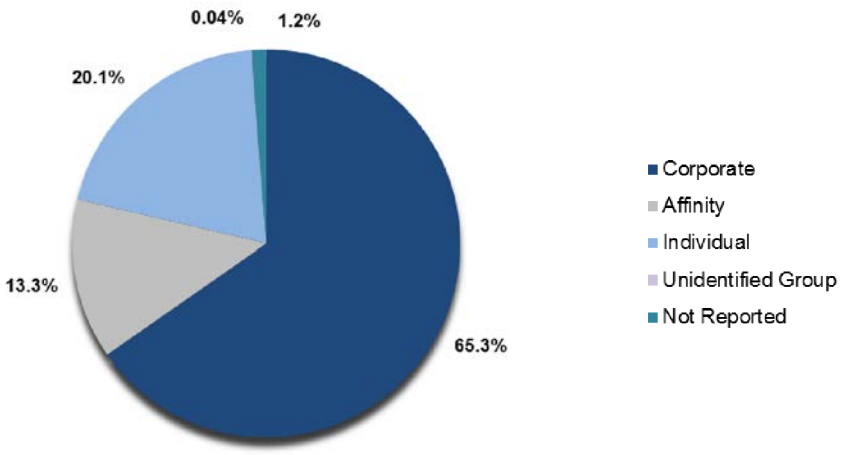
Out of the beneficiaries of health plans, 13.3% were covered by affinity plans (about 6.5 million beneficiaries) and 65.3%% (32 million beneficiaries) were covered by corporate plans.

Beneficiaries of private health care plans in Brazil by type of plan (2000-September 2013)



Source: ANS/ Caderno de Informação da Saúde Suplementar – December/2013

Distribution of beneficiaries by plan coverage in Brazil (September 2013)



Source: ANS/ Caderno de Informação da Saúde Suplementar –December/2013

Revenues from premiums and expenses of Brazilian health care operators, by size of operator (2012)

Size of Operator	Revenue (R$)	Medical/Dental expenses (R$)	Administrative Expenses (R$)	Beneficiaries (1)	Loss Ratio (%)	Average Monthly Revenue (R$)
Total	**95,416,775,194**	**80,210,382,946**	**14,031,338,399**	**66,549,240**	**84.1**	**119.48**
Health care plan operators	**93,122,140,250**	**79,090,375,194**	**13,372,734,586**	**51,702,320**	**84.9**	**150.09**
Smalll (up to 20,000 beneficiaries)	7,058,684,911	5,782,776,093	2,497,910,505	4,058,379	81.9	144.94
Medium (20,000 to 100,000 beneficiaries)	19,954,565,333	16,834,457,685	3,639,126,388	12,157,117	84.4	136.78
Large (more than 100,000 benef iciaries)	66,108,890,006	56,473,141,416	7,235,697,693	35,486,824	85.4	155.24
Exclusive dental care operators	**2,294,634,944**	**1,120,007,752**	**658,603,813**	**14,846,920**	**48.8**	**12.88**
Smalll (up to 20,000 beneficiaries)	271,930,821	132,826,803	134,025,638	1,506,359	48.8	15.04
Medium (20,000 to 100,000 beneficiaries)	359,505,748	200,556,474	132,314,907	1,924,187	55.8	15.57
Large (more than 100,000 beneficiaries)	1,663,198,375	786,624,475	392,263,268	11,416,374	47.3	12.14

Source: ANS/ Caderno de Informação da Saúde Suplementar – December/2013

- According to ANS, the revenues of the health and dental plan operators until December 2012 recorded R$ 95.4 billion 12.7% more than the same period in 2011. However, the increase in expenses in the same period was 16.1% y/y (R$ 80.2 billion)

- The monthly revenue per beneficiary was R$119.43.

- The MLR rate increased by 2.4 p.p. y/y. The average rate of 84% is high and demonstrates the pressure on costs that the industry has suffered over the years.

Distribution of health care plans by type

Health care plans are classified by the ANS as follows:

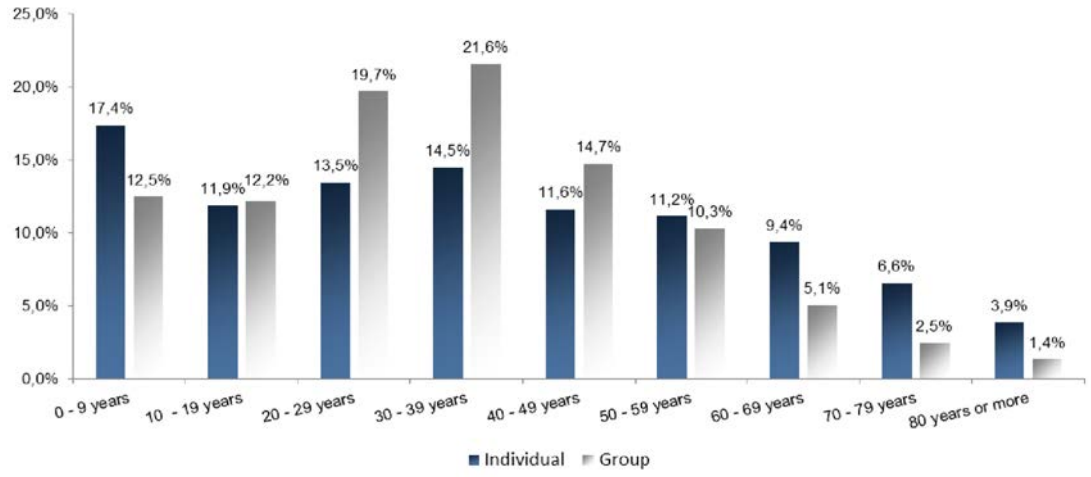
Individual/family: Agreement between an individual and a health care plan operator for the provision of health care services to the policyholder (individual plan) or pensioner and his or her dependents (family plan).

Group: Agreement between a company and an operator for the provision of health care services to a company's current/former employees/management, or members of a trade association and/or institution.

Not reported: Term used to describe plans acquired by beneficiaries prior to the Law 9656/98. The plan details were not reported to ANS.

Source: ANS

Breakdown of health plan beneficiaries by age (Brazil – September 2013)



Source: ANS/ Caderno de Informação da Saúde Suplementar – December/2013

About 19.9% of health plan beneficiaries are elderly, i.e. 60 years or older. However, considering the beneficiaries of group plans, only 9% is 60 years old or older, due to sales growth lower than the corporate plans.

Corporate Structure on 03/31/2014

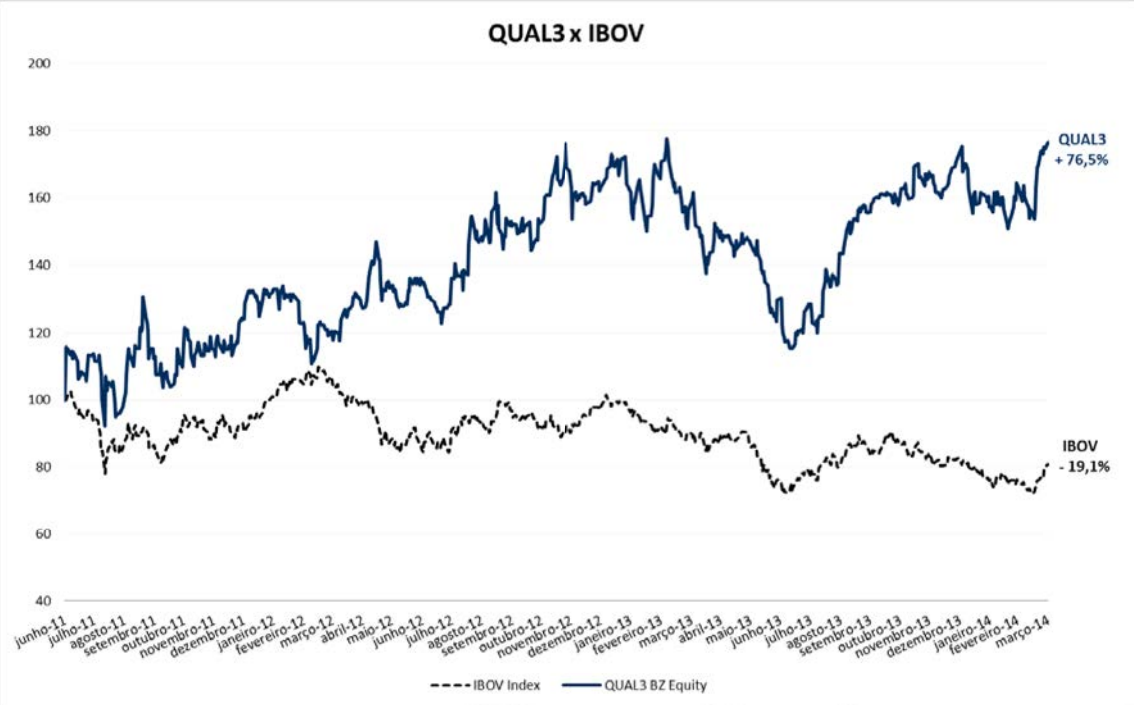
The numbers of shares on March 31, 2014 was 266.602.637 common shares, structured as follows:



(1) 100% of the shares held by L2 Fundo de Investimento em Participações are held by Citi 831 Fundo de Investimento Multimercado, and 100% of the shares held by Citi 831 Fundo de Investimento Multimercado are owned by our founder and CEO, Mr. José Seripieri Filho.

Since the launch of the Company's shares on the Securities, Commodities and Futures Exchange (BM&FBovespa) up to the end of 2013, they have consistently outperformed the IBOVESPA index.

The chart below shows the performance of the Company's shares compared with IBOVESPA since the IPO.



Periodicity of dividend payments

The Company, at the Executive Board's discretion, may prepare six-monthly, quarterly or monthly financial statements and declare dividends on the income reported in these statements. The Company may also, at the Executive Board's discretion, declare interim dividends on accrued income or profit reserves in the last annual or six-monthly balance sheet.

Relationship with independent auditors

Pursuant to CVM Instruction 381/2003, our policy for contracting independent auditors to provide external audit, due diligence or tax advisory services is based on best governance principles that preserve the auditors' independence in accordance with internationally accepted standards.

Deloitte Touche Tohmatsu Auditores Independentes were hired by the Company to provide external audit services for the financial statements and in accordance with CVM Instruction 381/2003, we hereby declare that the auditors did not provide any other services in the period ending on March 31, 2014 that could impair their professional independence.

Acknowledgements

We would like to thank our shareholders, Board members, employees, clients, partners and health plan operators and insurers, all of whom contributed, directly or indirectly, to the Company's excellent performance, for their support and collaboration

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Qualicorp S.A. and Subsidiaries

Financial Statements for the Three-Month Period Ended March 31, 2014 and Independent Auditors' Report

Deloitte Touche Tohmatsu Auditores Independentes

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Management of
Qualicorp S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Qualicorp S.A. and subsidiaries (the "Company"), included in the Interim Financial Information Form (ITR) for the quarter ended March 31, 2014, which comprises the balance sheet as at March 31, 2014 and the related statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with CPC 21(R1) - Interim Financial Reporting and the consolidated interim financial information in accordance with CPC 21(R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of Interim Financial Information (ITR), Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with CPC 21(R1) applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34 applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Interim statements of value added

We have also reviewed the individual and consolidated interim statements of value added ("DVA") for the three period ended March 31, 2014, prepared under the responsibility of the Company's management, the presentation of which is required by the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Interim Financial Information (ITR), and considered as supplemental information for International Financial Reporting Standards ("IFRS") that does not require the presentation of DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in relation to the individual and consolidated interim financial information in accordance with CPC 21(R1) taken as a whole.

The accompanying interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, May 12, 2014

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Vanderlei Minoru Yamashita
Engagement Partner

(Convenience Translation into English from the Original Previously Issued in Portuguese)

QUALICORP S.A. AND SUBSIDIARIES

BALANCE SHEETS AS OF MARCH 31, 2014 AND DECEMBER 31, 2013
(In thousands of Brazilian reais - R$)

		03/31/2014		12/31/2013	
ASSETS	Note	Company (BR GAAP)	Consolidated (IFRS and BR GAAP)	Company (BR GAAP)	Consolidated (IFRS and BR GAAP) Restated
CURRENT ASSETS					
Cash and cash equivalents	9.1	24.283	307.154	24.540	327.368
Short-term investments	9.2	-	29.352	-	28.685
Trade receivables	11	-	95.651	-	101.770
Other assets		4.367	61.713	4.420	57.111
Other financial assets	12.1	3.966	57.920	3.912	53.113
Other nonfinancial assets	12.2	401	3.793	508	3.998
Related parties	14.1	391	963	6.085	6.656
Total current assets		29.041	494.833	35.045	521.590
NONCURRENT ASSETS					
Long-term assets:					
Deferred income tax and social contribution	13	-	190.483	-	204.460
Related parties	14.1	39	7.558	-	7.605
Other assets					
Other financial assets	12.1	4.622	21.224	2.641	19.853
Total long-term assets		4.661	219.265	2.641	231.918
Investments	15	2.005.056	99	1.973.151	99
Property, plant and equipment	16	-	41.432	-	28.676
Intangible assets:					
Goodwill	17	-	1.509.932	-	1.509.932
Other intangible assets	17	-	956.218	-	949.812
Total noncurrent assets		2.009.717	2.726.946	1.975.792	2.720.437
TOTAL ASSETS		2.038.758	3.221.779	2.010.837	3.242.027

		03/31/2014		12/31/2013	
LIABILITIES AND EQUITY	Note	Company (BR GAAP)	Consolidated (IFRS and BR GAAP)	Company (BR GAAP)	Consolidated (IFRS and BR GAAP) Restated
CURRENT LIABILITIES					
Debentures	18	-	100.439	-	106.459
Borrowings and financing		-	-	-	104
Taxes payable	19	169	29.798	185	39.286
Premiums to be transferred	20	-	85.833	-	82.920
Financial transfers payable	21	-	10.293	-	10.389
Payroll and related taxes	22	94	30.919	97	50.476
Transferable prepayments	23	-	41.524	-	65.321
Related parties	14.1	-	-	-	84
Other payables	24	1.301	319.899	902	44.650
Options on noncontrolling interest liability		-	3.082	-	3.082
Total current liabilities		1.564	621.787	1.184	402.771
NONCURRENT LIABILITIES					
Debentures	18	-	119.237	-	118.780
Taxes payable	19	-	3.100	-	3.314
Deferred income tax and social contribution	13	-	177.725	-	184.017
Provision for risks	25	181	44.172	178	46.686
Options on noncontrolling interest liability	8	-	218.280	-	210.383
Others liabilities	24	-	938	-	262.148
Total noncurrent liabilities		181	563.452	178	825.328
EQUITY					
Capital	26	1.854.889	1.854.889	1.854.889	1.854.889
Capital reserves		76.627	76.627	69.901	69.901
Valuation adjustments to equity		145.044	145.044	145.044	145.044
Accumulated losses		(39.547)	(39.547)	(60.359)	(60.359)
Equity attributable to company's owners		2.037.013	2.037.013	2.009.475	2.009.475
Noncontrolling interest in subsidiaries		-	(473)	-	4.453
Total equity		2.037.013	2.036.540	2.009.475	2.013.928
TOTAL LIABILITIES AND EQUITY		2.038.758	3.221.779	2.010.837	3.242.027

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

QUALICORP S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014 AND 2013
(In thousands of Brazilian reais - R$, except profit/loss per share)

	Note	01/01/2014 And 03/31/2014		01/01/2013 And 03/31/2013	
		Company (BR GAAP)	Consolidated (IFRS and BR GAAP)	Company (BR GAAP)	Consolidated (IFRS and BR GAAP)
NET OPERATING REVENUE	36.d	-	327.081	-	266.786
COST OF SERVICES	28	-	(83.892)	-	(70.202)
OPERATING INCOME (EXPENSES)					
Administrative expenses	29	(1.820)	(98.704)	(1.596)	(84.552)
Selling expenses	30	-	(62.599)	-	(50.883)
Losses on uncollectible receivables	31	-	(16.504)	-	(20.910)
Equity in subsidiaries	15	21.914	-	8.997	-
Other operating income (expenses), net	33	(5)	2.534	(13)	(4.507)
INCOME (LOSS) FROM OPERATIONS BEFORE FINANCIAL INCOME (EXPENSES)		20.089	67.916	7.388	35.732
Financial income	32	733	18.930	84	10.775
Financial expenses	32	(10)	(41.000)	(55)	(23.669)
INCOME (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		20.812	45.846	7.417	22.838
INCOME TAX AND SOCIAL CONTRIBUTION	34	-	(19.440)	-	(13.456)
Current		-	(11.756)	-	(11.663)
Deferred		-	(7.684)	-	(1.793)
NET PROFIT (LOSS) FOR THE YEAR		20.812	26.406	7.417	9.382
ATTRIBUTABLE TO					
Controlling interest		20.812	20.812	7.417	7.417
Noncontrolling interest		-	5.594	-	1.965
		20.812	26.406	7.417	9.382
PROFIT (LOSS) PER SHARE - R$					
Basic (Brazilian reais per share)	39	0,07885	0,07885	0,02829	0,02829
Diluted (Brazilian reais per share)	39	0,07492	0,07492	0,02784	0,02784

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

QUALICORP S.A. AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014 AND 2013
(In thousands of Brazilian reais - R$, except loss per share)

	01/01/2014 And 03/31/2014		01/01/2013 And 03/31/2013	
	Company	Consolidated	Company	Consolidated
	(BR GAAP)	(IFRS and BR GAAP)	(BR GAAP)	(IFRS and BR GAAP)
NET PROFIT (LOSS) FOR THE YEAR	20.812	26.406	7.417	9.382
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	20.812	26.406	7.417	9.382
ATTRIBUTABLE TO				
Controlling shareholders	20.812	20.812	7.417	7.417
Noncontrolling shareholders	-	5.594	-	1.965

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

QUALICORP S.A. AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014 AND 2013
(In thousands of Brazilian reais - R$)

		Capital			Capital reserve	Valuation adjustments to equity			Noncontrolling interests		
	Note	Paid-in capital	Unpaid Capital	Expenses on shares issuance	Stock options granted	Fair value of merged shares	Accumulated losses	Company owners (BR GAAP)	Noncontrolling interests	Option on noncontrolling	Total Consolidated (IFRS and BR GAAP)
BALANCES AS OF DECEMBER 31, 2012		1.843.420	-	(20.983)	58.190	145.044	(28.641)	1.997.030	135.987	(140.814)	1.992.203
											-
Exercise of stock options in the period, paid in	26	5.150	-	-	-	-	-	5.150	-	-	5.150
Recognized options granted	27	-		-	6.871	-	-	6.871	-	-	6.871
Net income for the period		-	-	-	-	-	7.417	7.417	1.965	-	9.382
Distribution of dividends to noncontrolling interests	26	-	-	-	-	-	-	-	(1.242)	-	(1.242)
BALANCES AS OF MARCH 31, 2013		1.848.570	-	(20.983)	65.061	145.044	(21.224)	2.016.468	136.710	(140.814)	2.012.364
BALANCES AS OF DECEMBER 31, 2013		1.869.787	6.085	(20.983)	69.901	145.044	(60.359)	2.009.475	145.267	(140.814)	2.013.928
Exercise of stock options in the period, paid in	26	5.695	(5.695)	-	-	-	-	-	-	-	-
Recognized options granted	27	-	-	-	6.726	-	-	6.726	-	-	6.726
Net income for the period		-	-	-	-	-	20.812	20.812	5.594	-	26.406
Distribution of dividends		-	-	-	-	-	-	-	(10.520)	-	(10.520)
BALANCES AS OF MARCH 31, 2014		1.875.482	390	(20.983)	76.627	145.044	(39.547)	2.037.013	140.341	(140.814)	2.036.540

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

QUALICORP S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014 AND 2013
(In thousands of Brazilian reais - R$)

	Note	01/01/2014 a 03/31/2014		01/01/2013 a 03/31/2013	
		Company (BR GAAP)	Consolidated (IFRS and BR GAAP)	Company (BR GAAP)	Consolidated (IFRS and BR GAAP)
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before income tax and social contribution		20.812	45.846	7.417	22.838
Adjustments by:					
Depreciation and amortization	29	-	48.413	-	43.538
Equity in subsidiaries	15	(21.914)	-	(8.997)	-
Gain/loss on sale of tangible assets	16	-	40	-	-
Stock options granted recognized	27	-	6.726	-	6.871
Financial expenses		-	32.263	-	18.875
Provision for risks		3	(4.307)	12	2.957
		(1.099)	128.981	(1.568)	95.079
Increase in trade receivables		-	6.119	-	(6.783)
Increase in other assets		(1.928)	(5.973)	(400)	(10.262)
Increase (decrease) in taxes payable		(16)	2.405	(19)	(3.681)
Increase in premiums to be transferred		-	2.913	-	14.579
Increase in financial transfers payable		-	(96)	-	240
Increase in payroll and related taxes		(3)	(19.557)	-	(3.625)
Increase (decrease) in other payables		399	(725)	(852)	411
decrease in transferable prepayments		-	(23.797)	-	(23.253)
Increase (decrease) in related parties		(40)	(39)	(373)	1.077
Increase (decrease) in deferred income		-	-	-	(46)
Cash provided by (used in) operating activities		(2.687)	90.231	(3.212)	63.736
Interest paid on debentures	18	-	(12.310)	-	(12.636)
Dividends received from subsidiaries		-	-	45.451	-
Income tax and social contribution paid		-	(23.863)	-	(3.986)
Dividends paid to noncontrolling interest		-	(10.520)	-	-
Net cash provided by (used in) operating activities		(2.687)	43.538	42.239	47.114
CASH FLOW FROM INVESTING ACTIVITIES					
Capital increase in subsidiaries	15	(3.265)	-	(46.285)	-
Increase in investments		-	(667)	-	(300)
Investments in intangible assets		-	(52.763)	-	(22.545)
Purchase of property, plant and equipment		-	(15.912)	-	(971)
Net cash used in investing activities		(3.265)	(69.342)	(46.285)	(23.816)
CASH FLOW FROM FINANCING ACTIVITIES					
Repaid borrowings and financing		-	(105)	-	(316)
Capital increase		5.695	5.695	-	-
Net cash provided by (used in) financing activities		5.695	5.590	-	(316)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(257)	(20.214)	(4.046)	22.982
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	9.1	24.540	327.368	15.536	123.957
CASH AND CASH EQUIVALENTS AT END OF PERIOD	9.1	24.283	307.154	11.490	146.939

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

QUALICORP S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014 AND 2013
(In thousands of Brazilian reais - R$)

	01/01/2014 a 03/31/2014		01/01/2013 a 31/03/2013	
	Company (BR GAAP)	Consolidated (IFRS and BR GAAP)	Company (BR GAAP)	Consolidated (IFRS and BR GAAP)
REVENUES				
Revenue from services	-	369.438	-	301.138
Other operating income	-	615	-	(790)
Allowance for doubtful accounts, returns and cancellatio	-	(16.542)	-	(22.438)
Total revenue	-	353.511	-	277.910
INPUTS PURCHASED FOR THIRD PARTIES				
Cost of services	-	(61.924)	-	(51.271)
Supplies, power, outside services and other	(482)	(65.409)	(1.004)	(44.571)
Allowance for impairment losses	-	-	-	-
Other operating expenses	(682)	(15.816)	(34)	(9.698)
Total inputs purchased from third parties	(1.164)	(143.149)	(1.038)	(105.540)
GROSS VALUE ADDED	(1.164)	210.362	(1.038)	172.370
RETENTIONS				
Depreciation and amortization	-	(48.413)	-	(43.538)
VALUE ADDED CREATED BY THE COMPANY	(1.164)	161.949	(1.038)	128.832
VALUE ADDED RECEIVED IN TRANSFER				
Financial income	733	18.930	84	10.775
Equity in subsidiaries	21.914	-	8.997	-
Total value added received in transfer	22.647	18.930	9.081	10.775
DISTRIBUTION OF VALUE ADDED	21.483	180.879	8.043	139.607
VALUE ADDED DISTRIBUTED				
Employees	439	53.710	402	52.135
Taxes and contributions	82	63.619	74	55.349
Interest on third parties' capital	150	37.144	150	22.741
Remuneration of Equity	20.812	26.406	7.417	9.382
VALUE ADDED DISTRIBUTED	21.483	180.879	8.043	139.607

The accompanying notes are an integral part of these financial statements.

1. GENERAL INFORMATION

a) Operations

Qualicorp S.A. is a corporation that was established on May 19, 2010 and started operations on July 1, 2010, with headquarters in the State of São Paulo. The Company is engaged in holding equity interests, as partner or shareholder, in other companies, unincorporated or incorporated, in commercial projects of any nature.

The Company and its subsidiaries ("Group" or "Qualicorp Group") are engaged in brokerage, intermediation, consulting, management, stipulation and franchises, through its direct subsidiaries. Its activities comprise: (a) private healthcare plans, whose service providers include group medical organizations, specialized health insurers, medical cooperatives, self-managed entities, charity institutions, dental cooperatives and group dentists (healthcare operators); and (b) sale and management of other health insurance and supplementary services, private health plans and other insurances and supplementary services are collectively referred to as "benefits". The Qualicorp Group develops its activities in the market segments known as Affinity and Corporate Groups. The Affinity Groups segment has activities related to the support, management, stipulation, brokerage and/or intermediation of collective adhesion benefits focused on professional associations (unions, associations, regional councils, etc.) and Corporate segment ("Corporate") is related to the brokerage and intermediation of collective corporate benefits and also operates in this segment as a provider of specialized; (c) services of capture, routing, authorization, and billing services of medical, hospital and related services; (d) mass insurance brokerage through retail channels, such as life insurance, capitalization certificates, home insurance, extended warranty, financial protection insurance, etc.

On October 7, 2013, the Qualicorp Group established, through its direct subsidiary Qualicorp Administradora de Benefícios S.A., the company Clube de Saúde de Benefícios Ltda. ("Clube de Saúde") to promote and manage its group adhesion customer portfolio for the middle and lower-middle classes, by managing its processes, revenue, costs and expenses in a more streamlined manner and to be able to maximize the operating margin.

The capital of Clube da Saúde, amounting to R$7,200, was paid in on January 28, 2014. This company obtained the approval of the Supplementary Healthcare Agency (ANS) to start its operations on February 25, 2014.

b) Subsidiaries' corporate restructuring in September 2013

On September 30, 2013, the following corporate events were conducted in the Company's direct and indirect wholly-owned subsidiaries:

- Total merger of Voloto into your subsidiary Padrão Administradora, with the termination of Voloto.

- Subsequently, on the same date, the total merger of Padrão Administradora into Qualicorp Administradora de Benefícios S.A. with the termination of Padrão Administradora.

The main objectives and events arising from this merger according to the Agreements for the Merger, respectively, are:

- Merge of Voloto into Padrão Administradora, followed by the merger of Padrão Administradora, serves the interests of Qualicorp Group and its shareholders since the merger will provide the definition and alignment of the activities currently exercised by the companies, resulting in the operational simplification, improvement of the synergies and reduction of costs and expenses, with the optimization of the current administrative structure.

- The implementation of the proposed operation will improve the conditions to establish the global purposes of the activities developed by the operational subsidiaries of Qualicorp Group. Currently, there is no reason to maintain Padrão Corretora and PS Brasil in the structure, which, after the events previously mentioned, were terminated, whose shareholding interest was directly held by the Company, which previously controlled them on an indirect basis.

- The equity of the subsidiaries involved in the merger transaction was valued at the carrying amount of its assets and liabilities, based on the balance sheet as of June 30, 2013, pursuant to the Appraisal Reports approved by the Extraordinary Shareholders' Meeting held on August 30, 2013.

- The net assets merged from Voloto as of September 30, 2013 are broken down as follows:

	Merged Net assets Voloto
Current assets:	
Cash and cash equivalents	2
Receivables	1
Total assets	3
Current liabilities:	
Current liabilities	1
Noncurrent liabilities	78
Total liabilities	79
Merged net assets	(76)

- The net assets merged into Qualicorp Administradora de Benefícios S.A. derived from Padrão Administradora, as of September 30, 2013 are broken down as follows:

	Merged net assets Padrão Administradora
Current assets	12,260
Cash and cash equivalents	1,556
Short-term investments	3,832
Receivables	5,877
Others receivables	995
Noncurrent assets	46
Total assets	12,306
Current liabilities	4,338
Premiums to be transferred	224
Financial transfers payable	21
Transferable prepayments	82
Related parties	589
Taxes payable	1,477
Other payables	1,945
Noncurrent liabilities	4,214
Total liabilities	8,552
Merged net assets	3,754

2. PRESENTATION OF INTERIM FINANCIAL STATEMENTS

2.1. Statement of compliance

The Company's interim financial statements comprise:

- The consolidated interim financial statements in accordance with CPC 21 (R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board - IASB.

- The Company's individual interim financial information prepared in accordance with CPC 21(R1) - Interim Financial Reporting.

The accounting practices adopted in Brazil comprise the Brazilian Corporate Law and the pronouncements, instructions and interpretations issued by the Accounting Pronouncement Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM).

The individual interim financial statements investments in subsidiaries are stated under the equity method, pursuant to prevailing Brazilian law. Therefore, these individual

financial statements do not comply with IFRSs, which requires that these investments be stated at fair value or cost in the Parent's separate financial statements.

Since there is no difference between the consolidated shareholders' equity and the consolidated net income recorded in the consolidated interim financial statements prepared under IFRSs and the Company's shareholders' equity and net income recorded in the individual interim financial statements prepared in accordance with accounting practices adopted in Brazil, the Company opted to present the individual and consolidated interim financial statements in one single set, side by side.

2.2. Basis of presentation

The interim financial information has been prepared based on the historical cost, except for certain financial instruments measured at their fair values, as described in the following accounting practices. The historical cost is generally based on the fair value of the consideration paid in exchange for assets.

The accounting practices adopted by the Company and its subsidiaries are disclosed in note 3 to the financial information.

2.3. Statements of value added

These statements shows the wealth generated by the Company and its distribution during a specific period and is presented by the Company, as required by the Brazilian Corporate Law, as an integral part of its interim financial statements information and supplementary information to the consolidated interim financial statements, since these statements are neither required nor mandatory under the IFRSs.

The statements of value added were prepared based on information obtained in the same accounting records used to prepare the interim financial statements information and pursuant to the provisions of CPC 09 - Statement of Value Added. The first part of these statements presents the wealth generated by the Company, represented by revenues, inputs acquired from third parties and the value added received from third parties.

The second part of the statements of value added presents the distribution of wealth among personnel, taxes, fees and contributions, lenders and lessors, and shareholders.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are presented in reliance upon the same accounting practices described in note 3 to the financial statements for the year ended December 31, 2013.

4. MAIN ESTIMATES AND JUDGMENTS

The main accounting estimates and assumptions adopted in the preparation of interim financial statements are the same as those adopted in the financial statements for the year ended December 31, 2013, as described in note 4.

5. FINANCIAL INSTRUMENTS

a) Classification and fair value of financial instruments

Due to the nature of its activities and the financial instruments as of March 31, 2014, Management understands that the carrying amounts of the financial assets and financial liabilities stated at amortized cost and recognized in the financial statements approximate their fair values, as follows.

(i) Receivables from customers and other short-term financial assets and financial liabilities

The carrying amounts of trade receivables, other financial assets and accounts payable (premiums to be transferred, financial transfers payable and transferable prepayments, payroll and related taxes and other payables) approximate their fair values due to the short-term period of these transactions.

(ii) Debentures

The carrying amounts of the debentures approximate their fair values because they are subject to a fixed interest rate, i.e., the Interbank Deposit Rate (CDI).

The financial instruments classification as presented as follows:

	Consolidated							
	03/31/2014				12/31/2013			
	Loans and receivables	Financial asset measured at fair value through profit or loss	Amortized cost	Financial liability measured at fair value through profit or loss	Loans and receivables	Financial asset measured at fair value through profit or loss	Amortized cost	Financial liability measured at fair value through profit or loss
Financial assets:								
Short-term investments	-	292,723	-	-	-	300,800	-	-
Receivables from clients	95,651	-	-	-	101,770	-	-	-
Other financial assets	79,144	-	-	-	72,966	-	-	-
Financial liabilities:								
Debentures	-	-	219,676	-		-	225,239	-
Premiums to be transferred	-	-	85,833	-	-	-	82,920	-
Borrowings and financing	-	-	-	-	-	-	104	-
Financial transfers payable	-	-	10,293	-	-	-	10,389	-
Transferable prepayments	-	-	41,524	-	-	-	65,321	-
Payroll and related taxes	-	-	30,919	-	-	-	50,476	-
Other financial liabilities - Current liabilities	-	-	41,260	278,639	-	-	44,650	-
Other financial liabilities - Noncurrent liabilities	-	-	938	-	-	-	1,126	261,022
Options on noncontrolling interests liability - current	-	-	-	3,082	-	-	-	3,082
Options on noncontrolling interests liability - noncurrent	-	-	-	218,280	-	-	-	210,383

Measurements at fair value recognized in balance sheet

The table below provides an analysis of the financial instruments that are measured at fair value after the initial recognition, grouped in Levels 1 to 3 based on their observable fair value degree:

- Level 1 fair value measurements are obtained based on prices quoted (unadjusted) in active markets for identical assets and liabilities.

- Level 2 fair value measurements are obtained based on other variables besides quoted prices included in Level 1, which are directly observable for an asset or a liability (i.e., as prices) or indirectly observable (i.e., based on prices).

- Level 3 fair value measurements are obtained based on valuation techniques that include variables for an asset or a liability, but which are not based on observable market inputs (unobservable inputs).

	03/31/2014			
	Level 1 R$ thousand	Level 2 R$ thousand	Level 3 R$ thousand	Total R$ thousand
Financial assets measured at fair value through profit or loss-				
Short-term investments	292,723	-	-	292,723
Financial liabilities at fair value through profit or loss:				
Other payables - noncurrent liabilities	-	-	278,639	278,639
Options on noncontrolling interest liability	-	-	218,280	218,280

During the year, no transfers between levels occurred.

Reconciliation of fair value measurements of Level 3 financial liabilities

	Fair value through profit or loss
Balance at December 31, 2013	474,488
Total gains and losses on profit (loss):	
Adjustment of obligations payable and options on noncontrolling interests liabilities - Aliança, GA Consultoria (note 32)	25,514
Balance at March 31, 2014	500,002

The only financial liabilities subsequently measured at fair value in the Level 3 fair value measurement are represented by contingent amounts related to the acquisition of Aliança and GA Consultoria, as mentioned in note 8.

The adjustment to these liabilities was recognized in profit (loss) as a contra entry to finance income or expenses.

Below is a table showing the sensitivity of fair values from possible alternative assumptions with respect to discount rates and increase rate, which are the main assumptions that determined liabilities at fair value through profit or loss. If the estimated amounts under these assumptions increase or decrease 1.00%, a positive amount would indicate an increase in profit and equity, while a negative amount would indicate that this would have an equal and opposite impact on profit and equity:

	Assumption used	03/31/2014	Increase	Decrease
Options on noncontrolling interest liabilities	+ / -1%	221,362	(4,569)	4,705

With respect to the financial liabilities stated at fair value through profit or loss, as of March 31, 2014 and December 31, 2013, the Company had the following financial liabilities:

(i) Options on noncontrolling interest liabilities - noncurrent liabilities

As described in note 8, the Company entered into options on noncontrolling interest related to the acquisition of interest in Aliança, GA Consultoria and Praxis. The acquisition value of the noncontrolling interest is determined based on the EBITDA or revenues for the twelve-month period before the exercise of the option. This liability is measured based on the fair value of the noncontrolling interest, under the discounted cash flow method, using as the main assumptions the discount rate of 14.7% and the long-term sustainable growth rate of 9.1% (CAGR 2014 - 2017).

(ii) Other payables - noncurrent liabilities

As described in note 8, as of March 31, 2014, the Company has liabilities assumed from the acquisition of 60% of the Aliança's and GA Consultoria's capital, in August 2012. The acquisition value of this interest is determined based on the Aliança's and GA Consultoria's EBITDA in 2013. On April 2, 2013 the payment of this acquisition in the amount of R$ 278,639 was realized.

Derivatives

As of March 31, 2014 and December of 2013, the Company had no derivative contracts for hedging or speculative purposes.

b) Management of the main risks

The Company conducts benefit stipulation and management, brokerage, and consulting transactions through its direct subsidiaries, basically in the health insurance and healthcare and dental plans segments.

The main risks arising from the business of the Company and its subsidiaries are the risk of credit, interest rate, liquidity and capital risks. The management of these risks involves different departments and comprises a series of fund allocation strategies and policies considered appropriate.

The Company has internal controls that guarantee compliance with these strategies and policies, the results obtained meet the objectives established by its Management.

Credit risk

The credit risk arises from the fact that the Company and its direct subsidiaries may be required to pay the healthcare/insurance companies' invoices in view of plan/insurance installments past due and not paid by beneficiaries.

In order to mitigate such risk, the Company cancels defaulting beneficiaries pursuant to the contract term, which are mostly cancelled after 30 days of default counted from the maturity date. The method adopted to calculate the allowance for doubtful debts and write-off of uncollectible amounts is described in note 3.d) of financial statements of December 31, 2013.

Financial instruments interest rate risk

This risk arises from the possibility of the Company incurring losses (or gains) due to fluctuations in the interest rates applicable to its assets and liabilities raised (invested) in the market.

The average term of receipts / payments of the Company is 30 days, therefore management uses as an assumption to analyze the change in the interest rate, the variation of interbank deposit rate - CDI, which are summarized as follows:

Line item	Balance sheet accounts	Note	Company (BR GAAP)	Consolidated (BR GAAP)
Highly liquid cash investments	Current assets	9.1	24,283	263,371
Short-term investments	Current assets	9.2	-	29,352
Debentures	Current and noncurrent liabilities	18	-	(219,676)
Total exposure			24,283	73,047

i) Short-term investments are mainly realized based on effectively negotiated yield rates pegged to the interbank deposit rate (CDI) rate and reflect usual market conditions on the balance sheet dates, as described in note 9.

The policy for short-term investments adopted by the Company's management establishes financial institutions with which the Company and its subsidiaries can do business, fund allocation limits, and objectives.

The Company uses the criterion of investing its funds in sound institutions with "AAA" to "BBB" rating, i.e., banks that present financial soundness from exceptional to adequate. It does this through direct asset purchases, such as private sector securities

and investment fund units seeking a return close to the CDI rate on highly liquid and safe investments.

ii) Debentures issued by the Qualicorp Group yield interest corresponding to 100% of the accumulated variation of the daily over average rates of Interbank Deposits (DI) expressed in percentage rates per year, corresponding to 252 business days (CETIP), plus a spread of 1.675%, being due six months from the date of issue, as described in note 18.

iii) Interest rate sensitivity analysis

Fluctuations in interest rates, e.g. CDI, can positively or adversely impact the consolidated financial statement information as a result of an increase or decrease in the balances of short-term investments, cash equivalents, and debentures.

As of March 31, 2014, had CDI rates been 10% per year higher/lower and all other variables remained unchanged, net income for the period then ended would increase/decrease by R$320.

Supplemental sensitivity analysis on financial instruments, pursuant to CVM Instruction 475/08

Pursuant to CVM Instruction 475, of December 17, 2008, on March 31, 2014 Management estimated for 2014, based on the quotations contained in the Focus report issued by the Central Bank of Brazil (BACEN), future interest rates (12.06%), plus spread on debentures of 1.675% showing in each scenario the effect of the changes in the fair value, as follows:

		Scenario		
	03/31/2014	Probable	Possible	Remote
Assumptions		CDI – 1.31%	CDI – 1.64%	CDI – 1.97%
Liabilities - debentures	(219,676)	(226,282)	(227,013)	(227,745)
Highly-liquid short-term investments and short-term investments	307,154	311,178	312,182	313,190
Net exposure, liabilities	87,478	84,896	85,171	85,445

	Assumptions		
	Probable	Possible	Remote
CDI	Focus report - BACEN (03/31/2014)	25% on probable rate	50% on probable rate

- In the probable scenario, the Company would present a net liability exposure of R$84,896 until March 31, 2014, arising from future estimated CDI rates for interest on debentures plus a surcharge of 1.675% per year.

  As of March 31, 2014, the same future estimated CDI rates on the Company's investments were taken into account for short-term investments. For the possible and remote scenarios, using the same criteria described in the probable scenario, estimates would give rise to an increase in net liability exposure of R$274 and R$549, respectively, compared to the probable scenario.

- Possible scenario: assumption adopted by Management with a decrease of 25% in the risk variable.

- Remote scenario: assumption adopted by Management with a decrease of 50% in the risk variable.

Capital risk

Qualicorp Group manages its capital to ensure that both the Parent and subsidiaries can continue as a going concern, and at the same time maximizes the return of all its stakeholders by optimizing the balance debt and equity.

Qualicorp Group's equity structure consists of its net debt (debentures and borrowings and financing, described in Note 18, less cash and banks detailed in note 9), and equity (note 26), respectively.

The Company and its subsidiaries are subject to certain leverage ratios as stated in note 18 (debentures).

Additionally, the subsidiaries Qualicorp Administradora de Benefícios S.A. and Aliança Administradora de Benefícios S.A. are required to comply with minimum funding requirements, as prescribed by National Supplementary Healthcare Agency (ANS).

As prescribed by the Normative Resolution - RN 209, of December 22, 2009, the base capital to be considered by the subsidiaries as of March 31, 2014 is R$125 and that this amount must be greater than the adjusted minimum equity.

The adjusted minimum equity represents the equity adjusted in accordance with the economic effects according to Normative Instruction - IN 50, of November 30, 2012.

As of March 31, 2014, the minimum adjusted capital calculated of these subsidiaries is R$26,213 (Qualicorp Benefícios), and R$22,361 (Aliança), being in accordance with the respective normative instruction.

The gearing ratio at end of the reporting period was as follows:

	Consolidated	
	03/31/2014	12/31/2013
Debt (debentures)	219,676	225,343
Cash and cash equivalents	(307,154)	(327,368)
Net (excess) debt	(87,478)	(102,025)
Shareholders' equity	2,036,540	2,013,928
Net (surplus) debt to equity ratio	(4.30%)	(5.07%)

Liquidity risk

Considering the Qualicorp Group's activities, the liquidity risk management consists of monitoring the terms for settling receivables and payables so as to help maintain a highly liquid cash position that is sufficient to fulfill the commitments assumed.

The Company and its subsidiaries conduct analyses of the projected cash flows and periodically review the commitments assumed and financial instruments used. The expected cash flows for financial instruments liabilities are shown as follows:

	Consolidated (IFRS and BR GAAP)					
	Weighted average effective interest rate	Less than six months	From six months to 1 year	1-2 years	More than 2 year	Total
	%	R$	R$	R$	R$	R$
March 31, 2014:						
Debentures	1.675% (b)	115,109	8,505	128,505	-	252,119
Premiums to be transferred	-	85,833	-	-	-	85,833
Transferable prepayments	-	41,524	-	-	-	41,524
Payroll and related taxes	-	30,919	-	-	-	30,919
Acquisitions payable - Aliança Group		278,639	-	-	-	278,639
Intangible payable	(a)	2,358	562	938	-	3,858
Other payables	-	38,340	-	-	-	38,340
Options on noncontrolling interests liabilities - PraxiSolutions (b)	-	3,082	-	-	-	3,082
Options on noncontrolling interests liabilities - Aliança Group (b)	-	-	-	-	353,259	353,259
		595,804	9,067	129,443	353,259	1.087,573

(a) Refer mainly to assignments of transfers of receivables and payables, adjusted for inflation, where applicable.

(b) Considering the total debt as of March 31, 2014, not calculated at present value.

6. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

As part of improvements to IFRSs, standards are constantly reviewed and amended, and possibly new standards are issued by the IASB. The main changes and effects of the latest revisions and amendments are listed below:

i) New and revised IFRSs in force relating to the disclosure of interim financial statements.

IAS 36 Impairment Assets (CPC 01) - provides additional guidance on the disclosure of the recoverable amounts of nonfinancial assets and introduce a requirement on how to disclose a discount rate used to determine impairment losses (or reversals), where the recoverable amount (based on the fair value less costs to sell) is determined using a present value technique. The adoption of these amendments had no impact on the interim financial statements.

IFRIC 21 Levies: provides the following guidance on the recognition of a liability to pay taxes, how the liability is recognized progressively if the obligating event occurs over a period of time, and the obligation to pay a levy is triggered when a minimum threshold is reached, the liability is recognized when the minimum activity threshold is reached. This revision had no impact on the interim financial statements.

ii) New and revised IFRSs adopted in preparing of these consolidated financial statements. The adoption of these new and revised IFRSs had no material impact on reported amounts for the current year and prior period; however, they may impact the criteria to account for future transactions or arrangements.

Amendments to IAS 32 - Financial Instruments – Presentation (CPC 39): this standard includes guidelines on the offsetting of financial assets and financial liabilities. This amendment is effective for annual periods beginning on or after January 1, 2014, and the Company does not expect significant effects from its adoption.

Amendments to IFRS 10, IFRS 12 and IAS 27, Investment Entities - define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements, and also includes disclosure requirements.

The amendments require retrospective adoption. The adoption of the amendments did not affect the amounts reported in the current and previous financial years since the Qualicorp Group had not issued instruments of such nature.

IAS 39 Impairment of Assets: provides guidance clarifying that there is no need to discontinue the hedge accounting if the derivative instrument is renewed, provided that certain criteria are meet. This guidance had no impact on the interim financial statements.

iii) The Company and its subsidiaries did not adopt the following new and revised IFRSs already issued but not yet effective:

IFRS 9 - Financial Instruments - Classification and Measurement (CPC 38, 39 and 40) - introduces new requirements for classification and measurement of financial assets and financial liabilities. IFRS 9 uses a simple approach to determine whether a financial asset is stated at amortized cost or fair value, based on how an entity manages its financial instruments (its business model) and contractual cash flows underlying the financial assets. The standard also requires the adoption of only one method to determine asset impairment losses, and the recognition of the amount of changes in the fair value of the financial liability attributable to changes in the credit risk of that liability as “Other comprehensive income” based on certain criteria. The standard is effective for annual periods beginning after January 1, 2018, and the Company will conduct a detailed review of its financial liabilities stated at fair value so as to assess the effects from its adoption.

Annual Improvement Cycle of 2010 - 2012 IFRSs issued in December 2013 - the annual improvements of 2010 - 2012 IFRSs resulted in a number of amendments to the IFRSs, which become effective beginning July 1, 2014.

Standard	Subject Matter	Details
IFRS 2/CPC 10 - Share-based Payment	Definition of vesting conditions	Amends the definitions of "vesting condition" and "market conditions" and adds definitions for "performance goals".
IFRS 3/CPC 15 - Business Combinations	Accounting for contingent consideration in a business combination	Requires that contingent consideration that is classified as an asset or a liability is measured at fair value at each reporting date
IFRS 8/CPC 22 - Operating Segments	Aggregation of operating segments	Requires an entity to disclose the judgments made by Management in applying the aggregation criteria to operating segments
	Reconciliation of the total of the reportable segments' assets to the entity's total assets	The reconciliation of the total of the reportable segments' assets to the entity's assets should be made if the segment assets are reported regularly to the entity's chief decision maker
IFRS 13/CPC 46 - Fair Value Measurement	Short-term receivables and payables	Clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables without discounting
IAS 16/CPC 27 - Property, Plant and Equipment and IAS 38/ CPC 04 Intangible Assets	Revaluation method - proportionate restatement of accumulated depreciation	Clarifies that when an item of property, plant and equipment/intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.
IAS 24/CPC 05 - Related Party Disclosures	Key management personnel	Clarifies how payments made to companies providing key services for the management of the business should be disclosed.

- Annual Improvement Cycle of 2011 - 2013 IFRSs issued in December 2013 - the annual improvements of 2010 - 2012 IFRSs resulted in a number of amendments to the IFRSs, which become effective beginning July 1, 2014.

Standard	Subject Matter	Details
IFRS 1/CPC 37 - First-time Adoption of International Financial Reporting Standards	Meaning of effective IFRSs	Clarifies which version of the IFRSs should be used on first-time adoption (amends the Basis for Conclusions of the standard issued by IASB only).

Standard	Subject Matter	Details
IFRS 3/CPC 15 - Business Combinations	Exclusion of joint ventures from the scope of the standard	Clarifies that the standard excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.
IFRS 13/CPC 46 - Fair Value Measurement	Scope of asset and liability portfolio exception (paragraph 52)	Clarifies the scope of the portfolio exception applicable to the fair value measurement of asset and liability groups in a net basis.
IAS 40/CPC 28 - Investment Property	Interrelationship of IAS 40/CPC 28 and IFRS 3/CPC 15	Clarifies the interrelationship of IAS 40/CPC 28 and IFRS 3/CPC 15 when classifying property as investment property or owner-occupied property.

The Company intends to adopt such standards when they become effective.

There are no other standards and interpretations issued but not yet adopted that can significantly impact profit or loss or equity reported by the Company, based on Management's opinion.

7. CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The consolidated interim financial statements include the financial statements of the Company and its subsidiaries and have been prepared based on financial statements as of the same reporting date, consistent with the accounting practices previously described. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In the Company's individual interim financial statements, the interim financial statements on subsidiaries are recognized under the equity method.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income from the actual acquisition date up to the actual disposal date, as applicable.

The main consolidation procedures are as follows:

- Elimination of intercompany balances and transactions.
- Elimination of investment account balances and related ownership interest, reserves and retained earnings or accumulated losses.

The direct and indirect subsidiaries included in the consolidation are the following:

As of March 31, 2014

Companies	Equity (deficit)	Total assets	Net income (loss) for the period	Direct equity interest - %	Main activities
Company's direct subsidiaries:					
Qualicorp Corretora de Seguros S.A.(a)	402,066	625,893	26,621	100	Insurance and healthcare brokerage
Convergente Consultoria e Corretora de Seguros Ltda.	653	661	12	99,99	Insurance and healthcare brokerage and consulting
Qualicorp Administração e Serviços Ltda.	5,543	14,828	(97)	99,99	Insurance portfolio management
Qualicorp Administradora de Benefícios S.A. (a)	302,419	1,078,376	11,005	100	Stipulation of insurance policies and contracting healthcare plans, benefit management
Qualicorp Consultoria em Saúde Ltda.	21,652	30,885	(721)	99,99	Benefit management and health prevention consulting services,
Medlink Conectividade em Saúde Ltda.	(3,330)	3,245	(1,954)	99,99	Provider of connectivity services to health care and insurance companies,
Company's indirect subsidiaries					
PraxiSolutions Consultoria de Negócios e Corretora de Seguros Ltda.	553	2,104	229	80	Consulting and mass insurance broker: life, capitalization, home, financial protection, extended warranty, and insured annuity,
Aliança Administradora de Benefícios de Saúde S.A.	9,386	35,839	8,137	60	Stipulation of insurance policies and contracting healthcare plans, benefit management
GA Consultoria, Administração e Serviços S.A.	5,800	7,583	5,733	60	Benefit management consulting
Clube de Saúde Administradora de Benefícios Ltda.	7,200	7,200	-	100	Stipulation of insurance policies and contracting healthcare plans, benefit management

(a) The reported equities of subsidiaries Qualicorp Administradora de Benefícios and Qualicorp Corretora do not take into consideration the effects on the consolidation of their investments in equity interests.

As of December 31, 2013

Companies	Equity (deficit)	Total assets	Net income (loss) for the period	Direct equity interest - %	Main activities
Company's direct subsidiaries:					
Qualicorp Corretora de Seguros S.A.(a)	377,282	600,310	69,265	100	Insurance and healthcare brokerage
Convergente Consultoria e Corretora de Seguros Ltda.	6,412	652	(43)	99,99	Insurance and healthcare brokerage and consulting
Qualicorp Administração e Serviços Ltda.	5,640	49,112	(80)	99,99	Insurance portfolio management
Qualicorp Administradora de Benefícios S.A. (a)	291,152	1,073,737	(43.062)	100	Stipulation of insurance policies and contracting healthcare plans, benefit management
Qualicorp Consultoria em Saúde Ltda.	22,372	31,926	3,736	99,99	Benefit management and health prevention consulting services,
Medlink Conectividade em Saúde Ltda.	(7,431)	2,787	(5,008)	99,99	Provider of connectivity services to health care and insurance companies,
Company's indirect subsidiaries					
PraxiSolutions Consultoria de Negócios e Corretora de Seguros Ltda.	323	1,513	(1,015)	80	Consulting and mass insurance broker: life, capitalization, home, financial protection, extended warranty, and insured annuity,
Aliança Administradora de Benefícios de Saúde S.A.	11,149	53,197	21,648	60	Stipulation of insurance policies and contracting healthcare plans, benefit management
GA Consultoria, Administração e Serviços S.A.	16,467	21,451	27,616	60	Benefit management consulting

(a) The reported equities of subsidiaries Qualicorp Administradora de Benefícios and Qualicorp Corretora do not take into consideration the effects on the consolidation of their investments in equity interests.

8. ACQUISITIONS OF SUBSIDIARIES

Aliança Administradora de Benefícios de Saúde S.A. and GA Consultoria, Administração e Serviços S.A.

On August 8, 2012, the Company entered into, through its direct subsidiaries Qualicorp Administradora de Benefícios S.A. and Qualicorp Corretora de Seguros S.A., a Share Purchase and Sale Agreement and Other Covenants for the acquisition of 60% of the capital of Aliança Administradora de Benefícios de Saúde S.A. and GA Consultoria, Administração e Serviços S.A. as well as a call and put options whereby the Company may purchase and noncontrolling shareholders may sell the remaining 40% interest, as described below.

The Company understands that all contractual commitments related to this acquisition have been fulfilled, and there will be no future financial or accounting adjustments that may change business combination amounts.

Based on the business valuation report and the purchase price allocation (PPA) study prepared by an outsourced specialized firm, the following events were determined:

a) The purchase price for the acquisition of the control of and a 60% equity interest in the companies was determined using EBTIDA multiples for fiscal 2013.The Company exercised the option to pay for this acquisition on April 2, 2014, amounting to R$278,639.

   On the acquisition date, the estimated value for the acquisition of such equity interests in the companies was R$179,576, and the company had already paid R$100,000. The estimated remaining balance payable, therefore, was R$79,576 record in other payables.

   As at March 31, 2014, the Company adjusted these financial liabilities on acquisition of 60% interest, by increasing it by R$17,617 against financial expenses, and the balance payable amounted to R$278,639 (R$261,022 as at December 31, 2013).

b) The acquisition agreement includes a call and put options clause that entitles the Company to buy and the noncontrolling shareholders to sell the remaining 40% (noncontrolling interests), which becomes exercisable 5 years from the date of acquisition of control. The purchase price of such noncontrolling interests will be determined using EBITDA multiples for the 12 month-period preceding the option exercise date.

   On the acquisition date, the financial liabilities under such options were estimated at R$140,814 recorded in the account Options on noncontrolling interests liabilities in noncurrent liabilities.

   As at March 31, 2014, the Company adjusted these financial liabilities in the amount of R$7,897. Therefore, as at March 31, 2014, the estimated financial liability for the option was R$218,280 (R$210,383 at December 31, 2013).

   The acquisition of Aliança Administradora de Benefícios de Saúde S.A. and GA Consultoria, Administração e Serviços S.A. is aligned with the geographical expansion of the Qualicorp Group’s operations as a major nationwide provider of solutions to its clients.

The Company, based on the business valuation report and the purchase price allocation (PPA) study prepared by an outsourced specialized firm, allocated the fair value of these companies' assets acquired and liabilities assumed as follows:

Net assets (liabilities) acquired	Book value	Adjustments	Fair value on acquisition date
Current assets, including cash and cash equivalents of R$2,126	18,600	-	18,600
Noncurrent assets	13,909	-	13,909
Fair value of intangible assets - relationship with clients (note 17)	-	39,527	39,527
Current liabilities	(19,486)	-	(19,486)
Noncurrent liabilities	(11,677)	-	(11,677)
Noncurrent liabilities - deferred income tax and social contribution on the fair value of intangible assets - relationship with clients - 34%	-	(13,439)	(13,439)
Fair value of net assets (liabilities) acquired	1,346	26,088	27,434
Noncontrolling interests measured at fair value	-	140,814	140,814
Goodwill - future earnings	-	292,956	292,956
Options on noncontrolling interest liability	-	(140,814)	(140,814)
Total	1,346	319,044	320,390

(i) Methodology used: discounted cash flows.

(ii) The methodology used took into consideration the analysis of the business model, the business plan, value drivers, future economic benefits, and definition, identification and estimate of the value of intangible assets and goodwill.

The noncontrolling interests, at a proportion of 40%, recognized at the acquisition date were measured based on the fair value of the noncontrolling interests and totaled R$140,814. This fair value was estimated by applying the discounted cash flow approach. The main assumptions used in the model to determine the fair value were the following:

- A 14.7% discount rate.
- A long-term sustainable growth rate of 9.1% (CAGR 2014-2017).
- Possible adjustments due to the non-control or difficulty in selling these interests.

Such information refers only to Qualicorp Group's interest in the aforementioned entities.

Consideration transferred

Description	Aliança and GA Consultoria
Cash	100,000
Amounts payable estimated by EBITDA multiples relating to the 60% acquisition	79,576
Amounts payable estimated by EBITDA multiples relating to the 40% noncontrolling interest	140,814
Total	320,390

9. CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

9.1. Cash and cash equivalents

Broken down as follows:

Description	Company		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Cash	-	-	55	51
Banks - deposit account (a)	78	4,831	43,728	55,202
Highly-liquid short-term investments (b)	24,205	19,709	263,371	272,115
Total	24,283	24,540	307,154	327,368

(a) As of March 31, 2013 and December 31, 2013, in consolidated, includes mainly amounts received from clients on the last business day of the month.

(b) Management makes investments that may be redeemed in advance regardless of their maturity. The breakdown of these investments is as follows:

Type of investment

Description	Fair value and carrying amount			
	Company		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Bank Certificates of Deposit (CDBs) (*)	18,691	14,305	146,075	156,829
Repurchase agreement (**)	-	-	111.782	109.882
Other investments	5,514	5,404	5,514	5,404
Total	24,205	19,709	263,371	272,115

(*) These securities are adjusted from 93% to 102% of the interbank deposit rate (CDI) and registered with CETIP S.A. - Balcão Organizado de Ativos e Derivativos. They are highly liquid and redeemable in advance, regardless of their maturities.

(**) Refers to repurchase agreement backed by debentures. Yield is based on 100% of the DI rate. The transaction was carried out with Banco Itaú S.A. and debentures that backed this transaction were issued by Itaú Unibanco Group companies.

9.2. Short-term investments

Description	Consolidated	
	03/31/2014	12/31/2013
Non-exclusive investment fund (*)	29.352	28.685

(*) Refers to an investment used as guarantee by the direct subsidiary Qualicorp Administradora de Benefícios S.A. and indirect subsidiary Aliança Administradora de Benefícios de Saúde S.A., as required by ANS Regulatory Instruction 33, of October 5, 2009.

The fair value of fixed-income mutual fund unit is measured based on the unit values disclosed by the managers of the fund where the Company invests its funds.

Short-term investments, including those in line item "Cash and cash equivalents", are under the custody of the following financial institutions:

	Company		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Banco Bradesco S.A.	-	-	23,497	22,963
Banco BTG Pactual	5,514	5,404	5,514	5,404
Banco Santander (Brasil) S.A.	18,691	14,305	133,324	139,097
Banco Itaú S.A.	-	-	128.248	131,928
Other	-	-	2,140	1,408
Total	24,205	19,709	292,723	300,800

10. NONCASH TRANSACTIONS

Broken down as follows:

	Consolidated	
Description	03/31/2014	12/31/2013
Amount payable for the purchase of:		
Property, plant and equipment (see note 24)	2,935	3,507
Intangible assets - current and noncurrent	3,858	4,346

11. TRADE RECEIVABLES

Broken down as follows:

	Consolidated	
	03/31/2014	12/31/2013
Premiums to be transferred - without risk of default (a)	3,705	1,938
Recoverable premiums - with risk of default (b)	67,193	68,670
Benefit management consulting (c)	8,982	12,194
Trade receivables (d)	15,974	19,142
Postdated checks	73	78
Credit cards	151	165
Unidentified deposits	(427)	(417)
Total current	95,651	101,770

(a) Refer mainly to accounts receivable from customers, whose default is assumed by the healthcare companies, which are transferred only when received (see note 20.(b)).

(b) Refer to amounts receivable from beneficiaries whose corresponding healthcare plan or insurance policy invoice amounts were paid to healthcare or insurance companies by the Company on their maturity date. As of March 31, 2014, the amount corresponding to R$19,079 relating to amounts receivable from Abrigo do Marinheiro, whose payment is postponed to the plan validity month. The maturities of recoverable premiums are as follows:

	Consolidated	
	03/31/2014	12/31/2013
Current	34,491	33,392
Past due:		
Up to 30 days	23,073	25,094
31 to 60 days	8,179	9,112
Over 60 days (*)	1,450	1,072
Total	67,193	68,670

(*) The amounts on March 31, 2013 were fully received by January 15, 2013 and the amounts on March 31, 2014 were fully received by April 16, 2014.

(c) Refers to the outsourcing services to support the activities related to the consulting and advisory on management of healthcare plans, connectivity services, advisory on management of benefits and advisory on healthcare receivable from customers. The aging of trade receivables is as follows:

	Consolidated	
	03/31/2014	12/31/2013
Current	5,070	11,223
Past due:		
Up to 30 days	2,953	503
31 to 60 days	959	468
Total	8,982	12,194

(d) Refer basically to amounts receivable from customers from agency and brokerage services. The aging of trade receivables is as follows:

	Consolidated	
	03/31/2014	12/31/2013
Current	11,626	12,377
Past due:		
Up to 30 days	4,081	6,740
31 to 60 days	267	25
Total	15,974	19,142

Changes in the allowance for doubtful debts

	Consolidated	
	01/01/2014 to 03/31/2014	01/01/2013 to 03/31/2013
Balance at the beginning of period	-	-
Recognitions in the period	16,504	20,910
Write-offs for the period (see note 31)	(16,504)	(20,910)
Balance at the end of period	-	-

12. OTHER ASSETS

12.1. Other financial assets

Broken down as follows:

	Company		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Current				
Recoverable checks	-	-	195	194
Advances to suppliers	-	-	1,431	1.936
Recoverable taxes (a)	3,966	3,842	23,138	26,689
Advance from transfer of contracts (b)	-	-	3,774	4,241
Advances for Marketing campaign (d)	-	-	4,530	10,227
Advances to employees	-	-	582	978
Advance to operators (e)	-	-	16,000	1,002
Advances to brokers (c)	-	-	5,696	4,356
Other current assets	-	70	2,574	3,490
Total current	3,966	3,912	57,920	53,113

	Company		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Current				
Noncurrent				
Advance from transfer of contracts (b)	-	-	4,538	4,688
Advances to brokers (c)	-	-	8,474	8,688
Advances for Marketing campaign (d)	-	-	3,250	3,500
Advance to operators (e)	4,622	2,641	4,622	2,641
Other noncurrent assets (f)	-	-	340	336
Total noncurrent	4,622	2,641	21,224	19,853
Grand total	8,588	6,553	79,144	72,966

(a) The amounts are broken down as follows:

	Consolidated	
	03/31/2014	12/31/2013
Social security tax (INSS)	6,235	8,598
Corporate income tax (IRPJ)	12,999	15,220
Social contribution on net profit (CSLL)	2,182	1,787
Tax on revenue (PIS)	189	96
Tax on revenue (COFINS)	641	472
Withholding income tax (IRRF)	-	3
Other recoverable taxes	892	513
Total	23,138	26,689

(b) On March 31, 2014, refers basically to the payment of R$3,704 in advance to CAARS, out of which the Company has been deducting financial transfers.

(c) Agreements entered into with outsourced brokers for the sale of private health plans, collective adhesions and other health services for the companies' employees.

(d) Refers basically to an agreement on May 21, 2012, entered into through subsidiaries Qualicorp Corretora de Seguros and Qualicorp Administradora de Benefícios, with the FIFA World Cup advertising agency for the distribution of gifts promoting the Qualicorp brand. The whole agreement amount is R$10,227 and Qualicorp Corretora will pay R$4,922 and Qualicorp Administradora R$5,305. In March 2014 there was an additional expense of R$1,093 incurred by Qualicorp Corretora related to the promotion campaign conducted by a specialized advertising agency. The expenses are being recognized in profit or loss over the period during which brand promotion actions are taken.

(e) Refers basically to the advance of transfer to Unimed Paulistana Sociedade Cooperativa de Trabalho Médico made in January 2014, amounting to R$25,000, of which R$10,000 had already been offset by March 2014.The R$15,000 balance will be offset by June 30,2014.

(f) Refers to an advance for the lease of a property where the new Company head office will be located, which will start to be amortized in profit or loss beginning April 2014.

12.2. Other nonfinancial assets

Broken down as follows:

	Company		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Current				
Sundry materials	-	-	2,531	2,327
Prepaid expenses (*)	401	508	1,262	1,672
Total current	401	508	3,793	3,998

(*) Refers basically to the unrecognized IT expenses for annual support and maintenance of systems used by Qualicorp Group and insurance.

13. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

For presentation purposes, in accordance with CPC 32 and ICP 09, the breakdown is as follows:

	Consolidated	
	03/31/2014	12/31/2013
Deferred income tax and social contribution assets	190,483	204,460
Deferred income tax and social contribution liabilities	(177,725)	(184,017)
Deferred income tax and social contribution - net	12,758	(20,443)

The amounts above are broken down as follows:

	03/31/2014				
	Company	Qualicorp Corretora	Qualicorp Benefícios	Qualicorp Consultoria	Consolidated
Deferred income tax and social contribution assets (a)	-	78,260	161,628	-	239,888
Deferred income tax and social contribution liabilities (b)	(171,261)	(34,467)	(14,938)	(6,464)	(227,130)
Deferred income tax and social contribution - net	(171,261)	43,793	14.690	(6,464)	12,758

	12/31/2013				
	Company	Qualicorp Corretora	Qualicorp Benefícios	Qualicorp Consultoria	Consolidated
Deferred income tax and social contribution assets (a)	-	86,700	164,618	-	251,318
Deferred income tax and social contribution liabilities (b)	(177,934)	(33,419)	(13,439)	(6,083)	(230,875)
Deferred income tax and social contribution - net	(177,934)	53,281	151,179	(6,083)	(20,443)

(a) Refer to deferred income tax and social contribution recorded mainly on temporary deductible differences of future taxable income, as follows:

Item	03/31/2014	12/31/2013
Allowance for doubtful accounts and write-off of uncollectible amounts - short-term amount	14,567	14,513
Allowance for receivables	1,391	1,391
Other provisions	2,003	1,082
Provision of profit sharing program	2,398	9,050
Provision for monetary adjustment of acquisition of Grupo Aliança	94,020	85,346
Provision for monetary adjustment of acquisition of PraxiSolutions	503	503
Provision for tax, civil and labor risks - portion related to the companies and/or periods subject to the actual income regime	5,196	5,269
Tax benefit on goodwill merged	114,845	129,200
Allowance for impairment on the fair value of the acquisition of the investments allocated to intangible assets - Bruder's and Praxi	4,965	4,965
Tax losses (*)	30,164	27,816
Total tax credits	270,052	279,135
(-) Unrecognized tax credits (*)	(30,164)	(27,137)
Total tax credits recorded	239,888	218,767

(*) The Company has tax loss carryforwards totaling R$19,015, for which deferred tax credits of approximately R$6,465 were not recognized, as no actions have been taken to date to recover this amount from future earnings.

The direct subsidiary Qualicorp Consultoria em Saúde Ltda. has tax loss carryforwards totaling R$12,377for which deferred tax credits of approximately R$4,209 were not recognized, as no actions have been taken up to date to recover this amount from future earnings.

The direct subsidiary Qualicorp Administração e Serviços Ltda. has tax loss carryforwards totaling R$20,133, for which deferred tax credits were recognized in the amount of R$6,845, as future earnings are likely to be recorded.

The direct subsidiary Medlink Conectividade em Saúde Ltda. has tax loss carryforwards totaling R$37,194, for which deferred tax credits were not recognized in the amount of R$12,645, as future earnings are unlikely to be recorded.

Projected realization and present value of tax credits

Deferred income tax and social contribution are realized as temporary differences are reversed or qualify for tax deductibility. Below is the expected tax credit realization period based on expected future taxable income:

Deferred income tax and social contribution on temporary differences

Year	Consolidated 03/31/2014	12/31/2013
2014	133,617	144,658
2015	58,773	58,773
2016	16,194	16,266
2017	31,304	31,622
Total	239,888	251,319

The total present value of tax credits is R$$207,727, calculated by the Selic rate, based on the estimated period of realization of temporary differences.

(b) Breakdown of deferred income tax and social contribution liabilities

	Consolidated 03/31/2014	12/31/2013
On the fair value of the acquisition of investments allocated to intangible assets - relationship with clients (see note 17)	202,024	210,099
Allowance for impairment losses on the fair value of the acquisition of investments allocated to intangible assets - relationship with clients (see note 17)	(7,384)	(7,384)
Temporary differences on the portion of goodwill of merged companies amortized in the period, for tax purposes, as discussed in note 17	31,608	27,122
Other	882	1.038
Total	227,130	230,875

14. RELATED PARTIES

14.1. Related-party balances and transactions

Indirect subsidiary Qualicorp Administradora de Benefícios S.A. performs all back office activities for the Qualicorp Group companies (Finance, Controlling, Legal, Administrative, Human Resources, and Information Technology), whose service costs are apportioned among and reimbursed by the other Group companies.

Transactions with related parties, consolidated, are as follows:

	03/31/2014			12/31/2013		
	Receivables	Payables	Expenses	Receivables	Payables	Expenses
Associação Nacional das Administradoras de Benefícios - ANAB (a)	767	-	205	944	-	737
Reimbursement of provision for risk (b)	7,365	-	-	7,232	-	-
Company's executives (c)	389	-	-	6,085	-	-
Member of the Board of Directors (d)	-	-	146	-	-	6,348
Seripatri Participações Ltda. (e)	-	-	687	-	-	958
Noncontrolling shareholders of subsidiary	-	-	-	-	84	-
Balance	8,521	-	1,038	14,261	84	8,043

(a) ANAB - Associação Nacional das Administradoras de Benefícios (National Association of Benefit Administrators) was founded on September 2, 2012 and is a non-profit association, whose social object is to represent, coordinate and defend the interests of legal entities regularly registered with the ANS as health care plan operators, as a benefits Administrator, since it is affiliated with ANAB, as well as the promotion and development of this segment in Brazil, promoting ethics, encouragement of studies and researches, promotion and dissemination of information and technical and scientific knowledge related. The expense refers basically to extraordinary contribution.

Refers, essentially, to the anticipation of monthly contributions for the next 13 months so the Association can assume expenses for its operation and achievement of their statutory purposes, such as (i) maintenance of its infrastructure, property leasing, purchase of equipment and furniture, provision of telephone lines, internet access, cleaning and other services; (ii) recruitment of staff, accounting services, lawyers, press officers and others; (iii) participation in events, meetings, conferences, meetings with ANS, public bodies, companies in the sector of health, consumer protection bodies and others; (iv) to comply with legal obligations; and (v) other costs and expensive commitments tied to compliance with its social purpose.

The monthly contribution for this Association is 0.25% of monthly gross revenue of the subsidiary Qualicorp Administradora de Benefícios S.A.

(b) Indirect subsidiaries Aliança Administradora de Benefícios de Saúde S.A. ("Aliança") and GA Consultoria, Administração e Serviços S.A. ("GA Consultoria") are entitled to the reimbursement of provisions for the contingent risk by their former controlling shareholder, who has agreed to indemnify, regardless of misconduct or negligence, within a five-year period beginning January 1 of the year subsequent to the transaction closing date.

As of March 31, 2014, the amount of R$1,015 of these provisions for risks was materialized and settled by Aliança,

(c) Refer to unpaid capital relating to the exercise of the stock options, with settlement maturity within one year after the original maturity.

(d) In 2012, an agreement was entered into between subsidiaries Qualicorp Corretora de Seguros S.A., Qualicorp Administradora de Benefícios S.A. and Instituto de Desenvolvimento Gerencial S.A., company that has among its shareholders one of the members of the Company's Board of Directors, for the provision of consulting and advisory services on the assessment of operating, corporate, and strategic planning processes. Total expenses incurred in the period were R$146 (R$1,701 in 2013, substantially).

(e) On January 1, 2010, the Company entered into an expense apportionment and reimbursement contract for the use of aircraft owned by Seripatri Participações Ltda. to support, when necessary, its officers, where Seripatri is responsible for the payment of all costs and expenses arising from such goods. Total expenses incurred in the period were R$687.

14.2. Compensation of key management personnel

Key management personnel refer to the members of the Board of Directors, the CEO, and statutory and non-statutory officers. Compensation paid or payable in the period as follows:

	Company		Consolidated	
	Payables	Expenses	Payables	Expenses
Short-term benefits to managers (*)	-	529	1,829	5,291
Share-based compensation	-	8,922	-	8,922
Balance at 2014	-	9,451	1,829	14,213

(*) Board of Directors compensation expenses comprise only a fixed portion approved by the Board of Directors. For officers and employees, these expenses comprise a fixed and a variable portion based on their performance and annual overall goals.

15. INVESTMENTS AND GOODWILL ON FUTURE EARNINGS

Broken down as follows:

	Company		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Equity interests:				
Qualicorp Administradora de Benefícios S.A.	911,250	903,514	-	-
Qualicorp Administração e Serviços Ltda.	34,678	35,077	-	-
Qualicorp Consultoria em Saúde Ltda.	59,050	60,082	-	-
Qualicorp Corretora de Seguros S.A.	989,789	965,512	-	-
Convergente Consultoria e Corretora de Seguros Ltda.	653	642	-	-
Medlink Conectividade em Saúde Ltda.	9,636	8,324	-	-
Total equity interests	2.005,056	1.973,151	-	-
Other investments-				
Other investments	-	-	99	99
Total other investments	-	-	99	99
Total investments	2.005,056	1.973,151	99	99

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The main information on investments accounted for under the equity method is as follows:

	Qualicorp Administradora de Benefícios S.A.	Qualicorp Administração e Serviços Ltda.	Qualicorp Consultoria em Saúde Ltda.	Qualicorp Corretora de Seguros S.A.	Convergente Consultoria e Corretora de Seguros Ltda.	Medlink Conectividade em Saúde Ltda.	Total
Information of the subsidiaries at March 31, 2014							
Capital (a)	229,087	14,023	53,104	287,736	581	33,515	-
Equity (a) and (b)	305,682	5,543	21,651	404,134	653	(3,329)	-
Net income (loss) for the period	11,005	(97)	(721)	26,621	11	(1,953)	-
Information on investments:							
Number of shares	229,086,658	14.022.567	53,103,587	287,468,603	580,949	27,460,438	-
Equity interest - %	100	99,99	99,99	100	99,99	99,99	-
Changes in investments:							
Total recovered investment at December 31, 2013	903,514	35,077	60,082	965,512	642	8,324	1,973.151
Capital increase in subsidiaries (c)	-	-	-	-	-	3,265	3,265
Capital reserve - stock option plan	3,040	-	-	3,685	-	-	6,725
Equity in subsidiaries	4,696	(399)	(1,032)	20,592	11	(1,953)	21,915
Equity in subsidiaries on equity interests	11.005	(97)	(721)	26,621	11	(1,953)	34,866
Amortization of intangible assets - relationship with clients	(9,559)	(457)	(472)	(9,135)	-	-	(19,623)
Deferred income tax and social contribution on amortization of intangible assets - relationship with clients	3,250	155	161	3,106	-	-	6,672
Total recovered investment at March 31, 2014	911,250	34,678	59,050	989,789	653	9,636	2,005,056

(a) Considering the advance for future capital increase of R$6,055 related to Medlink Conectividade em Saúde Ltda.;

(b) The equity of Qualicorp Administradora de Benefícios and Qualicorp Corretora considers the effects on the consolidation of its investments in ownership interest.

(c) In the direct subsidiary Medlink Conectividade em Saúde Ltda, during 2014 occurred advances for future capital increase in the amount of R$3,265.

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16. PROPERTY, PLANT AND EQUIPMENT

Broken down as follows:

	Annual depreciation rate - %	03/31/2014 Adjusted cost	03/31/2014 Accumulated depreciation	03/31/2014 Total	12/31/2013 Adjusted cost	12/31/2013 Accumulated depreciation	12/31/2013 Total
Telephone and communication equipment	20	1,166	(478)	688	1,079	(413)	666
Sound and image equipment	10	320	(103)	218	142	(100)	42
Security equipment	10	97	(64)	33	97	(60)	37
Furniture and fixtures	10	9,663	(2,102)	7,561	8,496	(1,989)	6,507
Facilities	10	1,584	(769)	815	1,584	(730)	854
Vehicles	20	930	(460)	470	1,020	(511)	509
Data processing equipment	20	20,769	(11,118)	9,651	19,157	(10,311)	8,846
Machinery and equipment	10	2,775	(2,000)	775	2,763	(1,947)	816
Leasehold improvements	(*)	30,691	(9,469)	21,222	18,833	(8,434)	10,399
Total		67,995	(26,563)	41,432	53,171	(24,495)	28,676

(*) Leasehold improvements are amortized based on the related lease agreements. The average amortization rates were 37,75%.

The Company reviews the estimated useful lives of fixed assets annually at the end of each year. During the current year, Management did not identify events or circumstances that would require changes in estimates of useful lives for the items presented in the group of property, plant and equipment.

Changes in property, plant and equipment are as follows:

	Consolidated
Balance as of December 31, 2013	28,676
Additions:	
Telephone and communication equipment	88
Sound and image equipment	180
Furniture and fixtures	1,177
Data processing equipment	1,682
Machinery and equipment	34
Leasehold improvements	12,244
Total additions	15,405
Write-offs, net	(105)
Depreciation	(2,544)
Balance as of March 31, 2014	41,432

17. INTANGIBLE ASSETS

Broken down as follows:

	Annual amortization rate - %	03/31/2014 Adjusted cost	03/31/2014 Accumulated amortization	03/31/2014 Total	12/31/2013 Adjusted cost	12/31/2013 Accumulated amortization	12/31/2013 Total
Goodwill on the acquisition of investments allocated as future earnings:							
Athon, Brüder SP and Brüder RJ merged by subsidiary	-	27.251	-	27.251	27.251	-	27.251
Salutar merged by subsidiary	-	52.004	-	52.004	52.004	-	52.004
Qualicorp Administradora de Benefícios S.A. (d)	-	446.896	-	446.896	446.896	-	446.896
Qualicorp Administração e Serviços Ltda. (d)	-	21.387	-	21.387	21.387	-	21.387
Qualicorp Consultoria em Saúde Ltda. (d)	-	29.386	-	29.386	29.386	-	29.386
Qualicorp Corretora de Seguros S.A. (d)		427.098	-	427.098	427.098	-	427.098
PraxiSolutions Consultoria de Negócios e Corretora de Seguros Ltda.	-	15.313	-	15.313	15.313	-	15.313
Medlink Conectividade em Saúde Ltda.	-	12.966	-	12.966	12.966	-	12.966
GA Consultoria, Administração e Serviços S.A. (h)	-	44.027	-	44.027	44.027	-	44.027
Aliança Administradora de Benefícios de Saúde S.A. (h)	-	248.929	-	248.929	248.929	-	248.929
Grupo Padrão (h)	-	184.675	-	184.675	184.675	-	184.675
Total goodwill		1.509.932	-	1.509.932	1.509.932	-	1.509.932
Software (a)	20	67,193	(32,976)	34,217	65,500	(29,940)	35,560
Software in development (b)	-	75,236	-	75,236	69,148	-	69,148
Acquisition of portfolios - Corporate segment (c)	20	3,565	(3,565)	-	3,565	(3,565)	-
Acquisition of portfolios - Affinity segment (e)	20	285,387	(132,809)	152,578	285,387	(118,645)	166,742
Exclusivity right (f)	10 to 25	171,982	(50,364)	121,618	127,489	(45,451)	82,038
Trademarks and patents	-	7	-	7	7	-	7
Fair value on intangible assets - relationship with customers paid in the acquisition of investments (d):							
Athon, Brüder SP and Brüder RJ	10	21,625	(7,663)	13,962	21,625	(7,511)	14,114
Salutar	10	53,315	(23,116)	30,199	53,315	(21,783)	31,532
Qualicorp Administradora de Benefícios S.A.	10	382,374	(137,017)	245,357	382,374	(127,458)	253,916
Qualicorp Administração e Serviços Ltda. (d)	10	18,291	(6,554)	11,737	18,291	(6,097)	12,194
Qualicorp Consultoria em Saúde Ltda. (d)	10	18,919	(6,779)	12,140	18,919	(6,306)	14,613
Qualicorp Corretora de Seguros S.A. (d)	10	365,418	(130,941)	234,477	365,418	(121,806)	243,612
PraxiSolutions Consultoria de Negócios e Corretora de Seguros Ltda.	10	14,158	(2,957)	11,201	14,158	(2,957)	11,201
Medlink Conectividade em Saúde Ltda.	20	183	(32)	151	183	(32)	151
Aliança Administradora de Benefícios de Saúde S.A. (g)	20	33,598	(11,199)	22,399	33,598	(9,519)	24,079
GA Consultoria, Administração e Serviços S.A.(g)	20	5,929	(1,976)	3,953	5,929	(1,680)	4,249
Grupo Padrão	20	13,393	(4,688)	8,705	13,393	(4,018)	9,375
Allowance for impairment - Athon, Bruder (h)	-	(10,367)	-	(10,367)	(10,367)	-	(10,367)
Allowance for impairment - PraxiSolutions (h)	-	(11,201)	-	(11,201)	(11,201)	-	(11,201)
Allowance for impairment - Medlink (h)	-	(151)	-	(151)	(151)	-	(151)
Total other intangible assets		1,508,855	(552,636)	956,218	1,456,580	(506,768)	949,812
Total		3,018,787	(552,636)	2,466,151	2,966,512	(506,768)	2,459,744

(a) Expenses on the acquisition of software licenses by Qualicorp Group and operating software for use.

(b) Represented by expenses on the development of a new operating system acquired from a vendor. In 2013, with the completion and go-live of various system modules, the amount of R$15,681 was transferred to caption “Software in use”.

(c) Payments made to third parties on the acquisition of a portfolio of the Small and Medium-sized Entities (SME) Corporate segment.

(d) Amounts relating to corporate restructuring on March 31, 2011. For further details see notes 1.c) and 15 of the financial statements for the year ended December 31, 2012.

(e) Rights and Obligations Assignment Agreements entered into 2013 and 2014.

The Company, through its subsidiaries, entered into two agreements for the assignment and transfer of the rights and obligations in client portfolios of the companies:

Vectorial

On July 4, 2013, the Company, through its direct subsidiary Qualicorp Corretora de Seguros S.A., entered into the Right and Obligation Assignment Agreement, relating to the Sales Representation Agreement, for assignment and transfer purposes, subject to the provisions set forth in the Agreement.

The total acquisition, over the assignment period, amounted to R$27,900. Under these conditions, the Company paid R$5,000 as a down payment in July 2013 and R$17,900 after the assignment of current portfolio, comprised of approximately 45 thousand lives, whose monthly revenues totaled approximately R$581 thousand. After four months from the agreement execution date, the Company will pay R$5,000 relating to the assignment of the additional portfolio, comprised of approximately 23 thousand lives, whose revenues totaled approximately R$180 thousand.

Divicom Administradora de Benefícios Ltda.

On April 18, 2011, the Company entered into, through its subsidiaries Qualicorp Administradora de Benefícios S.A. and Qualicorp Corretora de Seguros S.A.

On January 10, 2012, a document of rescission was signed in connection with the Commercial Services Agreement and Other Covenants whereby rights and obligations had been assigned to Qualicorp Corretora de Seguros S.A. and Qualicorp Administradora de Benefícios S.A. A price adjustment was stipulated on the lives transferred under the 1st contractual amendment made on April 18, 2011 in the amount of R$5,000, covering the lives migrated in the period from November 25, 2010 to June 20, 2011, in the amount of R$12,333, totaling R$17,333.

Out of this amount, a discount was made in the amount of R$1,720, which has been recorded as an advance to Divicom, already adjusted for inflation using the CDI fluctuation, by subsidiary Qualicorp Administradora de Benefícios S.A. This additional acquisition was settled on January 13, 2012 by subsidiary Qualicorp Corretora de Seguros S.A. and the added intangible asset is being amortized over 5 years.

As provided for by the agreement entered into on April 18, 2011, on July 23, 2012, the Company paid R$792 related to the additional 2,640 lives migrated to the Company during the previously made assignments.

Newport Consultoria e Corretora de Seguros Ltda. and NWP Assessoria em Negócios Comerciais e Corretagem de Seguros Ltda.

Newport and NWP operate in the brokerage business relating to health insurance and medical assistance plans, either individual and/or collective (medical and dental assistance), life insurance, car insurance/RE and pension plans. In aggregate, clients total approximately 83 thousand lives, out of which 41 thousand in the health, 33 thousand in the dental assistance, and 9 thousand in the life insurance lines.

On October 17, 2011, the Company entered into, through its direct subsidiary Qualicorp Corretora de Seguros S.A., a rights and obligations assignment and transfer agreement and other covenants to acquire 75% of the current portfolio of Newport Consultoria e Corretora de Seguros Ltda. (“Newport”) and NWP Assessoria em Negócios Comerciais e Corretagem de Seguros Ltda. (“NWP”) for the amount of R$19,793, payable in 12 equal monthly installments bearing no inflation adjustments, which began in February 2012, After lapse of 12 months from the assignment date, Qualicorp exercised the call option of the remaining portfolio of 25% in the amount of R$5,773 thousand, Repayment is made on a monthly basis over a period of five years. On October 28, 2013, Qualicorp COrretora de Seguros S.A. paid R$ 200 to Newport and NWP related to price adjustment based on estimated revenue targets as established in the contract. The agreement amount is being amortized over five years

Afinidade Administradora de Benefícios Ltda. (“Afinidade Administradora”) and Equilibrar Corretora de Seguros Ltda. (“Equilibrar Corretora”)

On December 22, 2011, the Company through its direct subsidiary Qualicorp Corretora de Seguros S.A. (“Qualicorp Corretora”) and Qualicorp Administradora de Benefícios S.A. (“Qualicorp Administradora”), entered into the Assignment and Transfer of Rights and Obligations Agreement between Afinidade Administradora de Benefícios Ltda. and Equilibrar Corretora de Seguros Ltda., which purposes is the assignment and transfer, subject to the fulfillment of certain conditions set forth in the Agreement, of rights and obligations arising from the agreements related to activities of (a) administrator of health plan, in the segment “Affinity” and (b) provision of brokerage services between the Afinidade Administradora and Equilibrar Corretora and the related entities and/or insurance operators.

Afinidade Administradora operates in health and dental plans management, in the “adhesion agreement” category.

Equilibrar Corretora operates as a representative service provider, agency, commission and brokerage services related to insurance of elementary branches and health care plans (health and dental plans), as well as other complementary services of health care, brokerage of health insurance plans (medical and dental).

Equilibrar Corretora will continue to perform its operating activities under an exclusive partnership with Qualicorp.

The Afinidade Group manages approximately 30 thousand lives, has 40 entities in its customer portfolio, and sells and manages products of approximately 10 healthcare operators. The Group's operations are primarily concentrated in the Federal District but it also operates in the States of Rio de Janeiro, Minas Gerais, Ceará and Bahia.

The acquisition of 75%, provided that the minimum assignment occurs within the assignment term, will be R$38,000, subject to price adjustment, Under these conditions, the down payment of R$5,700 made in November 2011, and the payment of R$27,300 on the rights assignment date, and the payment of R$5,000 contingent upon the assignor's projected minimum revenue in the amount of R$1,800 for a period of 12 months subsequent to the assignment date. In March 2013, the debt liability of this receivable assignment was settled, and only the amount of R$38,000.

On October 22, 2013, the Right Transfer and Assignment Agreement was entered into with respect to the remaining balance of 25% of the agreement entered into on December 22, 2011, arising from the agreements relating to the following activities: (a) healthcare plan manager, in the "Affinity" segment, and (b) provision of brokerage services between the Afinidade Administradora and Equilibrar Corretora and the related entities and/or insurance operators. The transaction total amount was R$22,150.

Fidelitas Corretora de Seguros Ltda.

On September 3, 2012, the Company entered into, through its direct subsidiary Qualicorp Corretora de Seguros S.A., a Rights and Obligations Assignment and Transfer Agreement and Other Covenants for the acquisition of 75% of the current portfolio of Fidelitas Corretora de Seguros Ltda. ("Fidelitas") for R$9,761, of which 50% was paid on September 9, 2012, amounting to R$4,881, and the remaining 50% should be paid within one (1) year after the assignment date, plus a possible price adjustment based on goals set for the assignor o the assignee based on the average variance of recurring gross revenue for the 12 months subsequent to the assignment date.

Fidelitas will continue to perform its operating activities under an exclusive partnership with Qualicorp.

The company operates in the brokerage business relating to health insurance and medical assistance plans, either individual and/or collective (medical and dental assistance), life insurance and pension plans, Fidelitas' customers total in the aggregate approximately 72 thousand lives.

This agreement is effective for five years from the execution date, whose amortization commenced in November 2012.

Associação dos Profissionais Liberais - Asprofili

On August 23, 2013, the Company, through its direct subsidiary Qualicorp Administradora de Benefícios S.A., acquired the rights and obligations relating to the private adhesion health care agreement, created and managed by Associação dos Profissionais Liberais - Asprofili, whose monthly recurring revenues, on the acquisition date, totaled approximately R$220, relating to 4,655 lives.

This transaction totaled R$4,292, of which R$2,592 was paid on August 30, 2013, and the remaining balance of R$1,700 was discounted from the invoices of September and October 2013.

(f) Exclusivity right

Unimed Rio

On November 30, 2010, the Company entered into a business agreement with Unimed Rio - Cooperativa de Trabalho Médico do Rio de Janeiro Ltda. ("Unimed Rio"), ensuring exclusivity in the provision of benefit manager services, as policyholder, under a collective affinity agreement over a five-year period. The transaction price was R$20,000, of which R$10,000 was paid on December 1, 2010, and the residual amount of R$10,000 was paid on December 14, 2012.

This asset will be amortized over ten years.

Yeld Corretora de Seguros

On February 7, Qualicorp Corretora entered into the first amendment to the partnership agreement made with Yeld Corretora de Seguros, for a 24-month period, whereby it may conduct, with exclusivity, directly or indirectly, any activities relating to the management of collective adhesion health care agreements or activities related to the provision of services involving representation, agency, intermediation, commissioning and brokerage relating to collective adhesion health plans. On February 17, 2012, Qualicorp Corretora paid R$2,400 as consideration to Yeld Corretora for the exclusivity in providing such services, which is being amortized over two years.

Associação Paulista de Medicina

On January 12, 2012, subsidiary Qualicorp Administradora de Benefícios and Associação Paulista de Medicina entered into an agreement that grants the former exclusivity in the provision of policyholder or contracting party services in healthcare and dental care plans with the involvement of any healthcare plan operator. The agreement entered into by the parties amounts to R$4,500 and payments of R$188 are made every two months. The agreement amount is being amortized over four years, which corresponds to the agreement term.

Caixa de Assistência dos Advogados do Rio Grande do Sul

On June 20, 2012, subsidiary Qualicorp Administradora de Benefícios and Caixa de Assistência dos Advogados do Rio Grande do Sul entered into an agreement that grants the former exclusivity in the provision of policyholder or contracting party services in healthcare and dental care plans with the involvement of any healthcare plan operator, Qualicorp Administradora de Benefícios paid R$1,500 to Caixa de Assistência dos Advogados. The agreement amount is being amortized over five years, which corresponds to the agreement term.

V Plan - Consultoria em Planos de Saúde

On November 1, 2012, an agreement was entered into among subsidiary Qualicorp Corretora de Seguros S.A. and V Plan - Consultoria Em Planos de Saúde Ltda., ensuring exclusivity in the sale of health insurance and private health care plans, both relating to the collective segmentation by participation, Subsidiary Qualicorp Corretora de Seguros S.A. was liable for paying R$350 to V Plan - Consultoria Em Planos de Saúde Ltda.. On March 13, 2013, an addendum was entered into among subsidiary Qualicorp Corretora de Seguros S.A. and V Plan - Consultoria Em Planos de Saúde Ltda. in the amount of R$590, totaling R$940. The agreement amount is being amortized over five years, which corresponds to the contractual term.

Viva Saúde

On August 27, 2013, an agreement was entered into among subsidiary Qualicorp Corretora de Seguros S.A. and Viva Saude Corretora de Seguros LTDA ME, ensuring exclusivity in the sale of health insurance and private health care plans, both relating to the collective segmentation by participation. Subsidiary Qualicorp Corretora de Seguros S.A. was responsible for paying R$480 to Viva Saude Corretora de Seguros LTDA ME, of which R$ 150 5 business days after the execution of the agreement and the residual balance in 11 equal installments of R$30, the first 50 days after the execution of the agreement and the remaining installments in the subsequent months.

Unimed Fortaleza

On October 31, 2013, an agreement was entered into among subsidiary Qualicorp Administradora de Benefícios and Unimed de Fortaleza - Cooperativa de trabalho médico LTDA., ensuring exclusivity in the offer of products from Unimed Fortaleza related to the professional councils. Subsidiary Qualicorp Administradora de Benefícios was responsible for paying R$4,000 to Unimed de Fortaleza - Cooperativa de trabalho médico LTDA.

O.S & M.A Representações

On December 13, 2013, an agreement was entered into among subsidiary Qualicorp Corretora de Seguros S.A. and O.S. & M.A. REPRESENTACOES LTDA - EPP , ensuring exclusivity in the sale of health insurance and private health care plans, both relating to the collective segmentation by participation. Subsidiary Qualicorp Corretora de Seguros S.A. was responsible for paying R$100 to O.S. & M.A. REPRESENTACOES LTDA - EPP.

COTACOM - Corretora de Seguros Ltda.

On February 14, 2014 an agreement between the subsidiary Qualicorp Corretora de Seguros S.A. and COTACOM - Corretora de Seguros Ltda. Subsidiary Qualicorp Corretora de Seguros S.A. paid R$3,218 to COTACOM - Corretora de Seguros Ltda. and R$1,277, based on the sales volume, as provided for in the agreement. The agreement amount is being amortized over five years.

Golden Cross Assistência Internacional de Saúde Ltda.

On March 10, 2014 subsidiary Qualicorp Corretora de Seguros S.A. and Golden Cross Assistência Internacional de Saúde Ltda. entered into an agreement that guarantees exclusivity in the sale of Golden Gross group adhesion healthcare plans. Subsidiary Qualicorp Corretora de Seguros S.A. paid R$40,000 to Golden Cross Assistência Internacional de Saúde Ltda. The agreement amount is being amortized over five years, which corresponds to the contractual term.

(g) See note 8.

(h) Pursuant to CPC 01, goodwill on companies acquired and other intangible assets are tested for impairment at least annually. The Company conducted this test for investment acquisitions and intangible assets completed by December 31, 2012. The test was based on the recoverable amount of cash-generating units of the Qualicorp Group, which was determined based on the value in use by using the cash flow supported by financial projections approved by Management and a discount rate of 14.0% (13,7% for 2012).

In 2013 the Company analyzed intangible assets acquired through December 2012 and did not identify the need of an impairment adjustment of these assets.

Changes in intangible assets are as follows:

	Consolidated
Balance as of December 31, 2013	2,459,744
Additions:	
Software licenses	1,691
Software in progress	6,088
Exclusivity right	44,495
Total additions	52,274
Amortization	(45,869)
Balance as of March 31, 2014	2,466,149

18. DEBENTURES

The debentures issued under the issue have the following features:

Number/Type

Issuer	Debenture	Type	12/31/2014	12/31/2013
Qualicorp Administradora de Benefícios S.A.	1st issue	Floating	56	56
Qualicorp Administradora de Benefícios S.A.	2nd issue	Unsecured	165	165
Qualicorp Corretora de Seguros S.A.	1st issue	Unsecured	36	36
Qualicorp Corretora de Seguros S.A.	2nd issue	Unsecured	143	143
Total			400	400

Date of Issue: August 25, 2010.

Unit Par Value: R$1,000 per debenture.

Term and Maturity: sixty (60) months, with final maturity on August 25, 2015.

Yield: exponential and cumulative, on pro rata basis per number of business days elapsed, based on a 252-business-day year, on the balance of the Unit Par Value of the Debentures from the Issue Date or the maturity date of the immediately preceding Capitalization Period, as the case may be, up to the payment date. The balance of the Unit Par Value of the Debentures bear interest of 100% of the daily average DI rate, "over extra group", expressed as percentage per year, based on a 252-business-day year, calculated and disclosed by CETIP, plus a spread of 1.675% payable on semiannual basis from the issue date, always on the 25th day of February and August of each year.

Additionally, in September 2010, financial intermediation costs on the placement/issue of debentures, equivalent to approximately 2%, were paid for amortization over the transaction term on an exponential basis.

Amortization: amortizable in two annual installments, on the following dates and percentage rates: August 25, 2014 (25.0%), and August 25, 2015 (30.0%), as shown below:

Maturities and debt composition

	Consolidated		
	03/31/2014	12/31/2013	Maturity
Interest payable	2,270	8,290	February 25, 2015 for the 2014 amount and February 25, 2013 for the 2013 amount
Deferrable financial intermediation cost on the issue/placement of debentures	(1,831)	(1,831)	
Debentures - 4th installment	100.000	100.000	August 25, 2014
Current	100,439	106,459	
Deferrable financial intermediation cost on the issue/placement of	(763)	(1,220)	

	Consolidated		
	03/31/2014	12/31/2013	Maturity
debentures			
Debentures - 5th installment	120,000	120,000	August 25, 2015
Noncurrent	119,237	118,780	
Total	219,676	225,239	

Guarantees

Qualicorp S.A., Qualicorp Corretora de Seguros S.A., Qualicorp Administração e Serviços Ltda. and Qualicorp Administradora de Benefícios S.A. are the guarantors of the transaction, and the shares issued by Qualicorp Corretora de Seguros S.A. and Qualicorp Administradora de Benefícios S.A. held by Qualicorp Participações S.A.

Optional Early Redemption: the subsidiaries may, on own discretion and at any time, redeem the Debentures in advance, in whole or in part.

The amount to be paid to debentureholders as Optional Early Redemption will correspond to the balance of the Unit Par Value of the Debentures subject to redemption, plus the compensation payable and not paid until the Optional Early Redemption date, plus a premium on the balance of the Unit Par Value of the Debentures subject to redemption based on the following percentage rates: (a) 0.25% if the Optional Early Redemption occurs between August 26, 2012 and August 25, 2014, including; and (c) 0.00%, i.e., no premium payable by the subsidiary, if the Optional Early Redemption occurs on or after August 26, 2014.

Accelerated maturity

The Trustee may declare the accelerated maturity of all obligations set forth in the Debenture Indenture and require the Issuer to immediately pay the balance of the unit face value of outstanding debentures, plus interest calculated on a "pro rata" basis, from the issuance date, or the maturity date of the last capitalization period, i.e., the payment date of the immediately previous interest, as the case may be, up to the actual payment date, in the following events, among others:

a) Prior to a corporate restructuring (spin-off, merger, consolidation, disposal of equity interest or any other corporate restructuring of the Issuer and/or its parent company, including Public Offering of Shares) if the issuer's current shareholders no longer hold the control, through direct or indirect equity interest, of at least 50% plus one share of the issuer's voting, and after a corporate restructuring, if any third party acquires the control of the issuer, through direct or indirect equity interest of at least 35.0% of shares of the issuer's voting and, cumulatively, if the current shareholders no longer hold the control of the issuer.

b) Moreover, the Company and its subsidiaries have financial commitments related to the maintenance of specific performance, liquidity and debt ratios pegged to debentures, which, if not met, may cause the accelerated maturity. As of March 31, 2014, the Company and its subsidiaries meet the required ratios.

Changes in debentures:

	Consolidated
Balance at the beginning of the year	225,239
Recognition of expenses (funding costs)	457
Interest payment	(12,310)
Recognition of interest (note 32)	6,290
Balance at the end of the year	219,676

19. TAXES PAYABLE

Broken down as follows:

	Company		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Current:				
Tax on revenue (COFINS)	9	9	7,440	6,986
Mandatory and voluntary union dues	-	-	299	31
Social contribution on net profit (CSLL)	-	-	800	4,983
Severance pay fund (FGTS)	-	-	723	1,063
Corporate income tax (IRPJ)	-	-	2,016	11,811
Withholding income tax (IRRF)	118	128	8,101	3,787
Service tax (ISS)	1	-	4,188	4,049
Social security tax (INSS)	39	37	3,012	3,291
Tax on revenue (PIS)	2	2	1,551	1,469
Medlink - taxes in installments (*)	-	-	1,016	1,033
Withholding PIS, CSLL and COFINS	-	9	652	783
Total	169	185	29,798	39,286
Noncurrent-				
Medlink and Padrão - taxes in installments (*)	-	-	3,100	3,314
Grand total	169	185	32,898	42,600

(*) Filed an application to the federal tax (PIS, COFINS, IRRF, IRPJ and CSLL) installment plan to refinance the entire federal tax debt outstanding on November 30, 2008. The Government confirmed the granting of the application on November 16, 2009.

Also, the Company submitted for the subdivision of the ISS before the municipalities of São Paulo and Rio de Janeiro, which they refinanced municipal tax debts where they were granted in November 2010 and May 2011 and was approved in 60 months, adjusted monthly by the IPCA.

20. PREMIUMS TO BE TRANSFERRED

Broken down as follows:

	Consolidated	
	03/31/2014	12/31/2013
Premiums to be transferred - with risk of default (a)	82,708	79,201
Premiums to be transferred - without risk of default (b)	3,125	3,719
Total premiums to be transferred	85,833	82,920

(a) Refers to healthcare plan invoices to be paid to the healthcare companies on the maturity date of invoices, regardless of receipt by beneficiaries, which were paid on January 2014 (for amounts referring to December 2013) and April 2014 (for amounts referring to March 2014).

(b) Refer to healthcare plan invoices to be paid to the healthcare companies when the respective receivables are received from customers.

21. FINANCIAL TRANSFERS PAYABLE

Refer to fees received payable by subsidiaries Qualicorp Administradora de Benefícios S.A. and Qualicorp Administração e Serviços Ltda. to be transferred/paid to entities that hold the insurance and healthcare plan agreements:

	Consolidated	
	03/31/2014	12/31/2013
Financial transfers payable (*)	10,293	10,389

(*) These amounts were/will be transferred in full to the entities through January 31, 2014 for amounts referring to December 2013 and through April 31, 2014 for amounts referring to March 2014.

22. PAYROLL AND RELATED TAXES

Broken down as follows:

	Company		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Salaries payable	-	-	4,010	5,196
Accrued vacation and related taxes	-	-	14,662	14,991
Accrued for 13th Salaries and related taxes	-	-	2,769	-
Profit sharing program (PPR) (*)	-	-	7,876	29,991
Other	94	97	1,602	298
Total	94	97	30,919	50,476

(*) Refers to the accrual for profit sharing calculated in accordance with the profit sharing plan estimated based on the Company's policies. For 2013, the amount was substantially paid until March 27, 2014.

23. TRANSFERABLE PREPAYMENTS

Broken down as follows:

	Consolidated	
	03/31/2014	12/31/2013
Insurance premiums and collection processing agreements (a)	37,379	58,999
Prepaid management fees (b)	3,239	4,875
Prepaid financial transfers (c)	878	1,399
Prepaid contract management fees	28	48
Total	41,524	65,321

(a) Refer to prepayments related to collections of beneficiaries of healthcare plans and insurance agreements. The amount collected is transferred to healthcare operators and insurers upon maturity of the related invoices. The amounts were fully transferred to the healthcare operators and insurers by January 31, 2014 for amounts referring to December 2013 and by April 30, 2014 for amounts referring to March 2014.

(b) Refers to the management fee received in advance from beneficiaries and recognized as revenue for the accrual month.

(c) Refers to financial transfers due to trade associations. The amounts received in advance are transferred as established by the agreements, when applicable.

The amounts were fully transferred to the professional associations by January 31, 2014 for amounts referring to December 2013 and by A April 30, 2014 for amounts referring to March 2014.

24. OTHER PAYABLES

Broken down as follows:

	Company		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Current:				
Commissions payable (b)	-	-	2,222	1,953
Sundry suppliers	-	-	7,126	6,072
Acquisitions of property, plant and equipment payable	-	-	2,935	3,507
Sales material payable	-	-	845	391
Publicity and advertising payable (d)	-	-	1,343	6,856
Consulting and auditing payable	148	22	2,947	842
IT services payable	-	-	1,271	2,001
Purchase of intangible assets payable (a)	-	-	281,560	3,220
Amounts identifiable - Operators/ Insurers (c)	-	-	7,674	5,237
Advances to clients	-	-	4,120	6,492

	Company		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Rentals payable	731	695	1,681	1,592
Membership fee transferable	-	-	1,565	1,646
Unidentified deposits (e)	-	-	3,310	2,885
Insurance payable	8	-		412
Other	414	185	1,300	1,544
Total current	1,301	902	319,899	44,650
Purchase of intangible assets payable (a)	-	-	938	262,148
Total noncurrent	-	-	938	262,148
Grand total	1,301	902	320,837	306,798

(a) The noncurrent balances refers basically, to the estimated remaining balance payable for the acquisition of equity interests in Aliança and GA Consultoria, as discussed in note 8. The amount of R$278,639 related to this acquisition was paid on April 2, 2014.

(b) Refers mainly to the balance payable to outside brokers from sales made and corresponding amounts already received from beneficiaries.

(c) Refers basically to a timing difference between the listing of beneficiaries in the Company's system/internal control and the detailed listing of beneficiaries included in the paid and/or payable bills of health and dental plan operators/insurers, which is regularized in a subsequent period, after changes sent by the Company are processed

The balance is broken down as follows:

	Consolidated	
	03/31/2014	12/31/2013
Balances receivable - Asset	(29,908)	(27,577)
Balances payable - Liability	37,582	32,814
Total	7,674	5,237

(d) Refer basically on Promotional Agency agreement mentioned on note 12.1.(d).

(e) For 2014 refer basically to unidentified deposits made by health care plan beneficiaries that could not be offset against the amounts in line item recoverable premiums with default risk. The amounts will be reversed from this line item as the beneficiaries are identified.

25. PROVISION FOR RISKS - CONSOLIDATED

During the normal course of business, the Company and its subsidiaries have tax, labor, social security and civil contingencies for which, based on the opinion of their in-house and outside legal counsel and Management estimates, provision for risks was recognized, as follows:

Description	03/31/2014	12/31/2013
Tax (b)	22,642	25,115
Labor and social security (a)	10,088	13,145
Civil (c)	11,442	8,426
Total	44,172	46,686

Description of the main lawsuits and/or risks:

(a) The Company and its subsidiaries are defendants in labor lawsuits at the administrative and/or judicial levels that involve mainly: (i) the payment of the variation in the percentage of commissions to internal consultants; and (ii) the additional payment for the double role exercised by call center operators who provided services to the Company and its subsidiaries and who were dismissed at the moment these services began to be provided by outside companies.

The provision for contingencies recognized for potential losses arising from said labor lawsuits totals R$789. Provisions were also recognized to cover potential risks arising from the procedures adopted by the Company, for which there are no judicial lawsuits or other questionings filed, totaling R$9,299. No provisions were recognized for the risks whose likelihood of loss was considered as possible, totaling R$29,550.

(b) Refer primarily to the reserves recognized to cover possible exposure related to tax matters for which there are no lawsuits or other questionings filed amounting to R$22,642. No provisions were recognized for the risks whose likelihood of loss was considered as possible, totaling R$4,844.

(c) The Company and its subsidiaries are defendants in ongoing civil lawsuits, with R$11,442 considered as a probable loss, for which a provision for risks was recognized, and R$24,923 considered as a possible loss, for which no provisions were recognized. The main lawsuits address the following matters: (i) requirement of coverage for medical procedures not included in the group health plan adhesion contract or in the list of procedures of the National Supplementary Healthcare Agency (ANS), whose responsibility is solely and exclusively incumbent upon health plan operators, pursuant to the prevailing legislation; (ii) questioning of the application of a price increase in the health plan's price as a result of the individual's ageing; (iii) requests for the reactivation of health plans canceled due to the lack of payment of monthly fees are being discussed at the administrative and/or judicial levels; and (iv) civil action to collect commissions provided for in the underlying commercial agreements.

The changes in such provisions are as follows:

	12/31/2013	Additions	write-offs/ reversals	Change in the provisions for reimbursable risks	03/31/2014
Tax (*)	25,115	3,129	(5,569)	(33)	22,642
Labor and social security	13,145	156	(1,976)	(1,237)	10,088
Civil	8,426	2,851	(449)	614	11,442
Total	46,686	6,135	(7,994)	(656)	44,172

(*) R$2,449 related to the injunction granted to some Company subsidiaries to pay COFINS at the rate of 3% and not 4%, where the difference is accounted for as provision for tax risks, as a balancing item to net operating revenue, in profit or loss.

26. EQUITY

Capital

On March 22, 2013, the Board of Directors approved the Company's capital increase by R$5,150, paid in due to the accelerated exercise of call options granted under the stock option plan upon the issuance of 714,282 new common shares, all registered and without par value, respectively. This balance was fully paid in through December 2013.

On April 24, 2013, the Board of Directors approved the Company capital increase by R$17,236, paid in due to the exercise of the call options granted under the stock option plan, upon the issuance of 1,880,015 new common shares, all registered and without par value. These balances were pay by February 2014.

On September 10, 2013, the Board of Directors approved the Company's capital increase by R$2,369, paid in due to the accelerated exercise of call options granted under the stock option plan, upon the issuance of 142,858 new common shares, all registered and without par value. . This balance was fully paid in through December 2013.

On September 27, 2013, the Board of Directors approved the Company's capital increase by R$1,184, paid in due to the accelerated exercise of call options granted under the stock option plan, upon the issuance of 71,427 new common shares, all registered and without par value. This balance was fully paid in through December 2013.

On November 7, 2013, the Board of Directors approved the Company's capital increase by R$6,513, paid in due to the accelerated exercise of call options granted under the stock option plan upon the issuance of 392,857 new common shares, all registered and without par value, respectively. Of this balance, R$5,695 was paid in through March 2014 and R$390 was outstanding in March 2014.

As of March 31, 2014, subscribed and paid-in capital is R$1,875,482 (R$1,869,787 as of December 31, 2013), represented by 266,602,637 registered common shares without par value (266,602,637 registered common shares without par value as of December 31, 2013).

Under the bylaws, the Company is authorized to increase its capital regardless of any amendment to the bylaws, upon a decision and in compliance with conditions of issuance to the determined by the Board of Directors, up to the limit of 350,000,000 new common shares.

Capital shares are held as follows:

	Common shares	
Shareholders	03/31/2014	12/31/2013
José Seripieri Filho	3,900,001	3,900,001
L2 Participações Fundo de Investimento	67,563,286	67,563,286
Free float (*)	195,139,349	195,139,349
Other shareholders	1	1
Total	266,602,637	266,602,637

(*) Refers to shares traded on the stock exchange (BM&FBOVESPA).

Changes in common shares during the year were as follows:

Number of common shares at December 31, 2012	263,401,198
Capital increase on Mach 22, 2013	714,282
Capital increase on April 24, 2013	1,880,015
Capital increase on September 10, 2013	142,858
Capital increase on September 27, 2013	71,427
Capital increase on November 07, 2013	392,857
Number of common shares at March 31, 2014	266,602,637

Legal reserve, profit distribution, and other earnings reserves

The mandatory minimum dividend is 25% of the Company's profit determined in accordance with accounting practices adopted in Brazil and adjusted, where applicable, after the allocation of: (a) 5% of profit to be annually allocated to the legal reserve until this reserve reaches 20% of paid-in capital, while this allocation is not mandatory with the balance of this reserve, plus any other capital reserve addressed by Article 182, Par, 1, of the Brazilian Corporate Law, exceeds 30% of share capital; (b) unrealized earnings reserve; or (c) reserve for contingency.

Indirect subsidiaries Aliança Administradora de Benefícios and G.A. Corretora paid dividends to noncontrolling shareholders in the amount of R$3,960 and to controlling shareholders in the amount of R$6,560 (Qualicorp Administradora de Benefícios and Qualicorp Corretora, respectively), both the Company's direct subsidiaries. The amounts were paid based on the ownership interest held by shareholders, of which 40% to noncontrolling shareholders and 60% to controlling shareholders.

The Company shall prepare quarterly balance sheets, in accordance with the applicable corporate regulation and CVM regulatory instructions, and also, by decision of the Board of Directors, prepare semiannual, quarterly balance sheets, or for shorter periods, and: (a) declare dividends, including mid-period or dividends, and (b) pay interest on capital based on line items 'Profits earned' or 'Profits earned reserve' in these balance sheets.

Dividends distributed in accordance with the previous paragraph can be attributed to the mandatory minimum dividends. The Company can pay interest on capital, credited to annual or intermediate dividends.

27. STOCK OPTION PLAN

a) Stock option plan - Company

Qualicorp Group offers a stock option plan; Management, employees and service providers are eligible to these plans. The Plan is managed by the Board of Directors, which has the power to take the required actions for its maintenance, according to the approved guidelines.

In 2014, expenses on the granting of shares by the Company and/or its subsidiaries in the amount of R$6,726 have been recorded.

b) New Stock option plan effective beginning on March 3, 2011

The Extraordinary Shareholders' Meeting held on March 3, 2011 approved the replacement of the stock option plan to the plan approved on September 1, 2010, new plan which is also managed by the Board of Directors of the Qualicorp Group, which has powers to implement the necessary measures to maintain it within the approved guidelines. The new plan received the assignment of 9,380,345 options, under the stock option grant agreement ("Stock Option Agreement"), entered into on September 1, 2010, in the context of the stock option plan replaced by the current plan, which were granted to one of the Company's administrators at such date, the sole beneficiary of the 2010 plan.

The main characteristics of the migrated plan are as follows:

- Options can be exercised annually on proportion of 25% through the exercise of options as of each grant anniversary.
- Options granted, for each vesting period, should be exercised within up to five years from the signing date of the option contract.
- The exercise price of the options granted shall be equivalent to its fair value on the grant date or another price to be defined by the Board of Directors.

Below is information on the options granted from September 1, 2010 to March 31, 2014, adjusted based on the reverse split referred to in Note 26.

Option series	Number	Grant date	Expiration date	Strike price	Fair value on grant date
				R$	R$
(1) Issued on September 1, 2010	9,380,345	09/01/10	05/01/20	0.001 ou 2.80	4.95
(2) Issued on March 3, 2011	3,814,707	03/03/11	03/03/16	7.21	4.12
(3) Issued on May 31, 2011	33,475	05/31/11	03/03/16	9.52	3.84
(4) Issued on April 30, 2012	1,352,663	04/30/12	04/30/17	16.58	4.91
(5) Issued on October 22, 2012	142,587	10/22/12	11/22/17	19.20	4.37
(6) Issued on October 30, 2012	1,172,543	10/30/12	06/01/14	2.80	16.87
(7) Issued on November 16, 2012	350,000	11/16/12	11/16/17	21.30	4.40
(8) Issued on October 31, 2013	10,253,000	11/31/13	10/31/17	16.79	4.61
(9) Issued on February 18, 2014	200,000	02/18/14	02/18/17	16.79	5.58
(10) Issued on March 07, 2014	1.650.000	03/07/14	10/31/17	18.41	5.69

The stock options granted are as follows:

Total number of stock options granted	9,380,345
Strike price of the options granted until December 31, 2010 (i)	R$0.001 or 2.80
Estimated volatility of the share price	45.27%
Expected share dividend yield	0.03%
Risk-free return rate	5.66%
Estimated vesting period	Ten years
Fair value on grant date (ii)	R$4.95
Total number of stock options granted (ii)	3,814,707
Strike price of the options granted until March 31, 2011	R$7.21
Estimated volatility of the share price	42.91%
Expected share dividend yield	0.03%
Risk-free return rate	11.89%
Estimated vesting period	Five years
Fair value on grant date (ii)	R$4.12
Total number of stock options granted	33,475
Strike price of the options granted until May 31, 2011	R$9.52
Estimated volatility of the share price	43.67%
Expected share dividend yield	0.03%
Risk-free return rate	11.67%
Estimated vesting period	Five years
Fair value on grant date (ii)	R$3.84
Total number of stock options granted	1,352,663
Strike price of the options granted until April 30, 2012	R$16.58
Estimated weighted average volatility of share price (iii)	39.54%
Expected share dividend yield	0.00%
Weighted average risk-free rate of return	3.07%
Abandonment rate	5%
Estimated vesting period	Five years
Weighted average fair value on grant date (ii)	R$4.91
Total number of stock options granted	142,587
Strike price of the options granted until October 22, 2012	R$19.20
Estimated weighted average volatility of share price (iii)	37.67%
Expected share dividend yield	0.00%
Weighted average risk-free rate of return	2.34%
Abandonment rate	35.67%
Estimated vesting period	Five years
Weighted average fair value on grant date (ii)	R$4.37
Total number of stock options granted	1,172,543
Strike price of the options granted until October 30, 2012	R$2.80
Estimated weighted average volatility of share price (iii)	37.55%
Expected share dividend yield	0.00%
Weighted average risk-free rate of return	3.12%
Abandonment rate	0%
Estimated vesting period	18 months
Weighted average fair value on grant date (ii)	R$16.87
Total number of stock options granted	350,000
Strike price of the options granted until November 16, 2012	R$21.30
Estimated weighted average volatility of share price (iii)	36.99%
Expected share dividend yield	0.00%
Weighted average risk-free rate of return	2.34%
Abandonment rate	35.67%
Estimated vesting period	Five years
Weighted average fair value on grant date (ii)	R$4.40

Total number of stock options granted	10,253,000
Strike price of the options granted until October 31, 2013	R$16.79
Estimated weighted average volatility of share price (iii)	33.71%
Expected share dividend yield	0.00%
Weighted average risk-free rate of return	4.51%
Abandonment rate	35.67%
Estimated vesting period	Five years
Weighted average fair value on grant date (ii)	R$4.61
Total number of stock options granted	200,000
Strike price of the options granted until October 31, 2013	R$16.79
Estimated weighted average volatility of share price (iii)	32.81%
Expected share dividend yield	0.00%
Weighted average risk-free rate of return	5.27%
Abandonment rate	35.67%
Estimated vesting period	Five years
Weighted average fair value on grant date (ii)	R$5.58
Total number of stock options granted	1,650,000
Strike price of the options granted until October 31, 2013	R$18.41
Estimated weighted average volatility of share price (iii)	32.64%
Expected share dividend yield	0.00%
Weighted average risk-free rate of return	5.19%
Abandonment rate	35.67%
Estimated vesting period	Five years
Weighted average fair value on grant date (ii)	R$5.69

(i) Subject to inflation adjustment based on the IGP-M, as from the Option Agreement date up to the exercise date.

(ii) The fair value of the stock option plan benefit was estimated based on the BlackScholes-Merlon model, the Qualicorp Group's EBITDA, the estimated historical volatility of domestic companies with similar operations and other Management's estimates as mentioned above.

(iii) The weighted average volatility was estimated based on historical estimated volatility of national companies with similar operation applied by 4 tranches for an average period of exercise of options.

By virtue of the transfer of the Company's shares, held by Carlyle Group, in December 2012, the call options were exercised in advance by the beneficiaries whose agreements provided for the vesting acceleration provision in case of a Liquidity Event. Accordingly, options granted that contained such clause became automatically vested and, consequently, remaining expenses were prepaid until the end of the plan in March 2013 in the amount of R$5,615.

Up to March 31, 2014, changes in stock options granted in the year are as follows:

	Number of options	Weighted average strike price
Balance at beginning of the period (*)	4,967,264	9.52
(-) Exercised during the period - Grant of March 3,2011	(2,201,440)	7.21
(-) Exercised during the period - Grant of April 30, 2012	(999,999)	16.58
Granted during the period - grant on October 31, 2013	10,253,000	16.79
Granted during the period - grant on February 18, 2014	200,000	16.79
Granted during the period - grant on March 07, 2014	1,650,000	18.41
Balance at the end of the period	13,868,825	14.03

(*) The weighted average strike price at the beginning of the period was recalculated from R$4.24 to R$9.52 due to the impact of the stock options granted on September 1, 2010, which had two strike price options - R$0.001 or R$2.80 - depending on the exercise date.

The weighted average contractual vesting period is 1,193 days.

28. COST OF SERVICES

Broken down as follows:

	Consolidated	
	01/01/2014 to 03/31/2014	01/01/2013 to 03/31/2013
Personnel costs and management compensation	21,968	18,931
Outside services (c)	19,254	13,702
Office supplies	305	755
Occupancy expenses	2,442	3,607
Mailing expenses	2,088	1,670
Cost of other services	2,778	1,533
Financial transfers from adhesion contracts (a)	32,871	28,128
Reimbursement of membership and monthly fees (b)	2,186	1,876
Total	83,892	70,202

(a) Refer to expenses on financial transfers incurred in the agreements executed with professional associations for the sale of group adhesion plans.

(b) Refers to reimbursement of monthly fees related to annual contributions owed by beneficiaries of Qualicorp Administração e Serviços Ltda. and Qualicorp Administradora de Benefícios S.A. to associations, unions and trade associations to which the beneficiaries are affiliated.

(c) Refers basically to expenses relating to call center, support and maintenance services provided by information technology service providers.

29. ADMINISTRATIVE EXPENSES

Broken down as follows:

	Company	
	01/01/2014 to 03/31/2014	01/01/2013 to 03/31/2013
Personnel costs and management compensation	518	463
Outside services	464	742
Occupancy expenses	158	144
Insurance expenses	508	203
Other administrative expenses	172	44
Total	1,820	1,596

	Consolidated	
	01/01/2014 to 03/31/2014	01/01/2013 to 03/31/2013
Personnel costs and management compensation	24,390	21,756
Outside services (a)	18,707	12,086
Office supplies	294	364
Occupancy expenses	1,970	1,650
Mailing expenses	741	1.388
Other administrative expenses	4,189	3,770
Depreciation and amortization	48,413	43,538
Total	98,704	84,552

(a) Refers basically to consulting and attorneys' fees.

30. SELLING EXPENSES

Broken down as follows:

	Consolidated	
	01/01/2014 to 03/31/2014	01/01/2013 to 03/31/2013
Personnel expenses	13,736	15,483
Outside services	2,731	2,513
Office supplies	2,187	1,238
Occupancy expenses	1,430	1,568
Mailing expenses	277	393
Other selling expenses	8,661	1,800
Sponsorships (a)	1,322	1,313
Third-party commission (b)	18,222	11,326
Publicity and advertising (c)	6,881	11,143
Sales campaign	7,152	4,106
Total	62,599	50,883

(a) Sponsorships are expenses incurred for the promotion of Qualicorp Group in events organized by the clients, entities, or in specific brand exposure situations.

(b) Refers to variable compensation due to the distribution channel (insurance brokers). This compensation is calculated according to the sales volume for a certain period, provided that effective settlement of amounts owed by the beneficiary is verified.

(c) Refer to expenses on institutional disclosure, as well as all expenses with publicity, marketing, TV and other expenses of this nature.

31. LOSSES ON UNCOLLECTIBLE RECEIVABLES

Broken down as follows:

	Consolidated	
	01/01/2014 to 03/31/2014	01/01/2013 to 03/31/2013
Losses on uncollectible receivables (*)	16,504	20,910

(*) Refer to the write-off of past-due receivables resulting from administration transactions and stipulation of adhesion group benefits in which the Company assumes the risk of default of payment to the healthcare and dental operators and insurers.

32. FINANCIAL INCOME (EXPENSES)

Broken down as follows:

	Company	
	01/01/2014 to 03/31/2014	01/01/2013 to 03/31/2013
Financial income:		
Interest on short-term investments	597	75
Other income	136	9
Total financial income	733	84
Financial expenses:		
Tax on financial transactions (IOF)	(9)	(19)
Interest and fines on taxes	-	(2)
Banking expenses	(1)	(1)
Other financial expenses	-	(33)
Total financial expenses	(10)	(55)
Financial income (expenses)	723	29

	Consolidated	
	01/01/2014 to 03/03/2014	01/01/2013 to 03/31/2013
Financial income:		
Interest on short-term investments	9,490	3,183
Interest and fine on late payment of health care plan and insurance agreements, managed by the Company, resulting from agreements with default risk (*)	8,643	7,299
Other income	797	293
Total financial income	18,930	10,775
Financial income:		
Tax on financial transactions (IOF)	(580)	(420)
Interest and fines on taxes	(669)	(190)
Interest adjustment on debentures (note 18)	(6,290)	(6,130)
Banking expenses	(332)	(266)
Registry office costs	(21)	(19)
Discounts Granted	(1,668)	(1,088)
Other financial expenses	(341)	(174)
Fee collection	(5,585)	(3,158)
Adjustment of obligations payable and options on noncontrolling interests liabilities (note 8)	(25,514)	(12,224)
Total financial expenses	(41,000)	(23,669)
Financial income (expenses)	(22,070)	(12,894)

(*) Refer to the interest and fines paid by subsidiaries Qualicorp Administração e Serviços and Qualicorp Administradora de Benefícios on management and stipulation transactions of group adhesion benefits and complementary products. These amounts are received by the beneficiaries who settle their fees after maturity date.

33. OTHER OPERATING INCOME (EXPENSES), NET

Broken down as follows:

	Consolidated	
	01/01/2014 to 03/31/2014	01/01/2013 to 03/31/2013
(Recognition) reversal of provision for risks (note 25 - additions and write-offs) (a)	4,307	(2,957)
Operating losses	(1,150)	(1,430)
Other (expenses) income, net	(623)	(120)
Total	2,534	(4,507)

(a) The amount of R$2,449 relating to the injunction granted to a few of the Company's subsidiaries for purposes of payment of COFINS at the rate of 3% rather than 4%, the difference being accounted for “Tax provisions for risks", with a balancing item to profit or loss in “Net operating income”.

34. INCOME TAX AND SOCIAL CONTRIBUTION

Expenses on taxes are broken down as follows:

	Company		Consolidated	
	03/31/2014	03/12/2013	03/31/2014	03/31/2013
Net income (loss) before income tax and social contribution and after profit sharing	20,812	7,417	45,846	22,838
Equity in subsidiaries	(21,914)	(8,997)	-	-
Subtotal	(1,102)	(1,580)	45,846	22,838
Income tax and social contribution at statutory rates	34%	34%	34%	34%
Expected income tax and social contribution income (expense) at statutory rate	375	537	(15,588)	(7,765)
Nondeductible expenses - other	-	-	(1,540)	(637)
Stock options granted	-	-	(2,287)	(2,336)
Operational losses	-	-	(1,080)	(,.033)
Expenses for companies under the deemed income regime	-	-	2,616	-
(Recognition)/reversal, net of temporary additions without recognition of tax credits	(43)	(202)	781	(874)
Tax loss without recognition of tax credit	(332)	(335)	(1,674)	(878)
Tax incentive	-	-	(85)	-
Other	-	-	(583)	67
Total income tax and social contribution expenses	-	-	(19,440)	(13,456)

Assessment of the impacts of Provisional Act 627

Provisional Act (MP) 627 was published on November 11, 2013 which, among other matters, specifically adjusted tax laws to the accounting criteria and procedures introduced by Law 11638/2007 and Law 11941/2009, and also revoked the Transitional Tax Regime (RTT), introduced changes to the IRPJ, CSLL, PIS and COFINS, payment of dividends, changes in the goodwill application method.

This Provisional Act will be effective beginning calendar year 2015, and early adoption is permitted beginning 2014, which will regulated by the Federal Revenue Service. Based on the current text of the MP, the Company's management will elect to early adopt it, as soon as the procedures for such adoption are disclosed and regulated. In this, in Management's best judgment, based on the opinion of its outside legal counsel, no material impacts on the interim financial statements for the period ended March 31, 2014 are expected.

35. INSURANCE

The Company and its subsidiaries have insurance coverage for their assets against potential losses, as follows:

Items	Type of coverage	Insured amount
Buildings, facilities, machinery, furniture, and fixtures	Any damages to buildings and loss of profits due to fire, facilities, machinery and equipment, civil liability from operations and of employer	64,376
Civil construction warranty	Warranty of civil construction, non-structural at Qualicorp's new office	15,848
Financial security	Coverage of losses effectively incurred arising from the nonperformance of lease obligations relating to Qualicorp's new head office	34,090
D&O	Errors and omissions (E&O) of officers and directors (D&O)	56,623
D&O (after IPO)	Coverage of liabilities of officers and directors (D&O)	169,868
Public Offering of Securities Insurance (POSI)	Coverage of liabilities of officers and directors (D&O)	113,245

36. SEGMENT REPORTING

a) Description of the services accounting for the revenues from each reportable segment

The Company, through its subsidiaries, has one reportable segment, the Affinity segment, and operates in this segment through its subsidiaries Qualicorp Administradora de Benefícios Ltda. ("Benefit Management Company"), Qualicorp Administração e Serviços Ltda. ("Qualicorp Administração") and Qualicorp Corretora de Seguros S.A. ("Broker").

The Benefit Management Company is responsible for managing group adhesion benefits related to health and/or dental care private plans, and the main activities developed are: meeting contracting legal entities; contracting of a group health care private plan, as policyholder; offer of plans to the associates of contracting legal entities; technical support for the discussion of operating matters; support to the human resources area in the

management of plan benefits; outsourcing of administrative services; changes to master files; checking of trade notes; collection of the beneficiary by delegation; market prospection consulting, suggest plan design and management model.

The Broker, in turn, is responsible for distributing (sale) of group adhesion plans, and main its activities are: identification of the target public, the associates of entities and/or people eligible to association; definition of a marketing strategy and distribution model; offer of collective adhesion plans to potential customers through own distribution channel or network of other accredited insurance broker companies.

b) Measurement of earnings, assets and liabilities per operating segment

The accounting policies and practices of the Affinity segment are the same as described in note 3. The Company assesses the performance of the reportable segment based on income before interest, financial income/expenses, depreciation, amortization, and provisions for income tax and social contribution on net profit. The provisions for risk not been included in profit or loss per segment, Shared administrative expenses are not allocated.

c) Factors used by management to identify the segment

The Affinity segment is the business unit that accounts for 92.14% of the Company and its subsidiaries' gross operating revenue. This unit is separately managed within the management model used by the Company's managers.

The Affinity segment uses most of the operating and financial resources of the Qualicorp Group, for example, changes in the healthcare operator/insurer master files of the beneficiaries, billing and collection of benefits, write-off of receipts and amounts transferred to trade associations.

All direct revenues and expenses of segments are identified in the ERP - RM System, whose cost center structure is directed solely towards the identification of segments and other unallocated shared expenses.

d) Gross and net revenue by type of service

	Consolidated	
	01/01/2014 to 03/31/2014	01/01/2013 to 03/31/2013
GROSS OPERATING REVENUE		
Management fee	179,214	143,003
Financial transfers from stipulation of contracts	25,324	21,685
Brokers' fees	126,996	107.225
Agency services	20.566	15.227
Provision of medical services in general	1.099	1.568
Connectivity services	1.389	2.074
Benefit management consulting	14.849	10.356
Total gross operating revenue	369.437	301.138
DEDUCTIONS FROM GROSS OPERATING REVENUE		
Taxes on revenue	(42.319)	(34.254)
Returns and cancellations	(37)	(98)

Total deductions from gross operating revenue	(42.356)	(34.352)
NET OPERATING REVENUE	327.081	266.786

e) Information on earnings, assets and liabilities of the reportable segment

The charts below show the breakdown of items related to the reportable segment; unallocated expenses and/or revenues are presented in item (f) below:

	Consolidated					
	01/01/2014 to 3/31/2014			01/01/2013 to 3/31/2013		
	Affinity segment	Other segments	Total	Affinity segment	Other segments	Total
NET REVENUE	301,380	25,701	327,081	244,445	22,341	266,786
COST OF SERVICES	(66,704)	(17.188)	(83.892)	(55,306)	(14.896)	(70,202)
OPERATING INCOME (EXPENSES)	(67,686)	745	(66,941)	(60,483)	(3.578)	(64,061)
Selling expenses	(58,675)	745	(57,930)	(45,442)	(3.578)	(49,020)
Losses on uncollectible receivables	(16,504)	-	(16,504)	(20,910)	-	(20,910)
Allowance for impairment losses	-	-	-	-	-	-
Others	7,493	-	7,493	5,869	-	5,869
PROFIT BEFORE UNALLOCATED EXPENSES	166,990	9,258	176,248	128,656	3,867	132,523

Information on earnings, assets and liabilities of segments that are not reportable (other segments) are attributable to four business units, which separately do not represent more than 10% of the Company's revenue:

- Corporate and SME Segments: focuses all activities related to the insurance broker or intermediary plans, as well as advice on benefits to business customers large or small and medium-sized businesses (SMEs).

- Health Management Segment: focus on preventive medicine and patient management activities.

- TPA Segment: focus on prior release activities and regulation of medical events, management of network medical providers.

- Segment Connectivity: includes the activities of processing medical information.

- Mass Market Segment: focus marketing activities of all products not related to health plans.

f) Reconciliation of revenue, earnings, assets and liabilities

	01/01/2014 a 3/31/2014	01/01/2013 a 3/31/2013
Unallocated items:		
Administrative expenses	(98,704)	(84,552)
Selling expenses	(4,669)	(1,863)
Financial income (expenses)	(30,713)	(20,193)
Provisions for risks	4,307	(2,957)
Other(expenses) income	(623)	(120)

	01/01/2014 a 3/31/2014	01/01/2013 a 3/31/2013
Total	(130,402)	(109,685)
Income (loss) before income tax and social contribution	(45,846)	22,838
(-) Income tax and social contribution	(19,440)	(13,456)
Profits intended to Silent Partnership - SCP		
Noncontrolling interest	(5,594)	(1,965)
Consolidated net income/(loss)	20,812	7,417
Assets	3/31/2014	12/31/2013
Total reportable segment	2,244.671	2,224.449
Other segments	164,877	169,464
Unallocated items	812,231	848,114
Total	3,221,779	3,242,027
Liabilities	3/31/2014	12/31/2013
Total reportable segment	615,318	879,101
Other segments	3,082	3,082
Unallocated items	2,603,379	2,359,844
Total	3,221,779	3,242,027

g) Geographical information of the reported segment

The Company and its subsidiaries conduct their activities in the domestic market and the distribution of the Affinity segment billing per State is as follows:

Segmentation per State (consolidated)	01/01/2014 to 3/31/2014	01/01/2013 to 3/31/2013
SP	215,378	178,895
RJ	59,567	45,763
BA	18,131	14,802
DF	16,530	16,109
MG	5,712	3,294
PE	4,155	3,082
Other	20,945	13,984
Total Affinity segment	340,418	275,929
Total other segments	29,018	25,209
Total gross operating revenue	369,436	301,138

h) Information on major clients

For the period ended March 31, 2014, the major clients of the Affinity segment originated revenue of R$34,294, R$24,244 and R$22,329, which accounts for 10.07%, 7.12% and 6.56% of the segment's revenue, and 9.28%, 6.56% and 6.04% of the consolidated revenue.

37. EXPENSES BY NATURE

Breakdown of the consolidated income statement of by nature:

	01/01/2014 to 03/31/2014	01/01/2013 to 03/31/2013
Personnel costs and management compensation	60,097	57,487
Depreciation and amortization	48,413	43,538
Outside services	40,692	28.301
Financial transfers from adhesion contracts	32,871	28,128
Publicity and advertising	6,881	11,143
Others	15,374	7,103
Occupancy expenses	5,842	6,825
Third-party commission	18,222	10,009
Sales campaigns	7,152	4,106
Reimbursement of membership and monthly fees	2,186	1,876
Mailing expenses	3,106	3,451
Sponsorships	1,322	1,313
Office supplies	2,787	2,357
Contributions and donations	250	-
	245,195	205,637
As per income statement:		
Cost of services	83,892	71,519
Administrative expenses	98,704	84,552
Selling expenses	62,599	49,566
	245,195	205,637

38. COMMITMENTS

As of March 31, 2014, the Company has the following material commitments:

a) Lease agreements of its offices: the commitments already assumed total approximately R$24,550 in 2014, R$20,133 in 2015, and R$20,233 in 2016.

Expenses incurred on such agreements in the period ended March 31, 2014 amounted to R$3,125 (R$ 2,925 in 2013).

The agreement was entered into for a ten-year period, beginning on August 1, 2013 (provided that the occupancy permit and occupancy conditions clauses are met by then) and ending on July 1, 2023.

The initial monthly lease payment is set at R$1,321 and will be adjusted using the accumulated variance of the IGP-M (General Market Price Index).

b) Budgeted plans for the purchase of intangible assets (software under development) total approximately R$46,675 in 2014 and R$54,755 in 2015 and R$52,731 in 2016 (unaudited).

c) Commitments for the provision of call center services currently at negotiation stage

The expenses incurred through March 31, 2014 totaled R$9,195 (R$6,555 in 2013).

39. EARNINGS (LOSS) PER SHARE

	Company and Consolidated	
	01/01/2014 to 03/31/2014	01/01/2013 to 03/31/2013
Net income attributable to owners of the Company	20,812	7,417
Weighted average number of common shares used to calculate basic earnings per share	263,935.799	262,135.449
Basic earnings per share - R$	0.07885	0.02829
Weighted average number of common shares adjusted by the dilutive effects of stock option plan for earnings per share calculation purposes	277,804.624	266,388.431
Diluted earnings per share - R$	0.07492	0.02784

40. EVENTS AFTER THE REPORTING PERIOD

a) Approval of acquisitions by the Administrative Council for Economic Defense (CADE)

On April 9, 2014 the CADE approved the following transactions:

(i) Rights and Obligations Assignment and Transfer Agreement and Other Covenants entered into with Afinidade Administradora de Benefícios Ltda. and Equilibrar Corretora de Seguros Ltda.;

(ii) Share Purchase and Sale Agreement and Other Covenants entered into for the acquisition of equity interests in PS - Padrão Administradora de Benefícios Ltda., Padrão Administração e Corretagem de Seguros Ltda., PS Brasil Administração e Corretagem de Seguros Ltda., and Voloto Consultoria Empresarial Ltda.; and

(iii) Share Purchase and Sale Agreement and Other Covenants entered into for the acquisition of a 60% stake in the total capital and the voting capital of Aliança Administradora de Benefícios de Saúde S.A. and GA Consultoria, Administração e Serviços S.A.

In exchange for the approvals, the subsidiaries Qualicorp Administradora de Benefícios S.A. and Qualicorp Corretora de Seguros S.A. entered into a Performance Commitment

Agreement ("TCD") under which they agree to sell one benefit manager, to be established and registered with the ANS that does not include brokerage services and compensation. This benefit manager shall have a portfolio of at least 140,000 insured individual, managed under group healthcare contracts, as provided for by ANS Regulatory Resolution 195/2009, in any segment listed in Article 12 of Law 9656/1998.

The execution of this agreement and its fulfillment, and the subsequent approval of the transactions by the CADE, close the review procedures conducted by the authorities and ensure that the Company will obtain all the benefits and synergies resulting from such transactions.

b) Business acquisitions involving the Third Party Administrator (TPA) segment

On April 30, 2014 the Company entered into a transaction agreement ("Transaction") involving the companies Connectmed-CRC Consultoria, Administração e Tecnologia em Saúde Ltda. ("Connectmed") and Gama Saúde Ltda. ("Gama Saúde", collectively referred to as "Companies" or "Health Solutions Unit"), which will be merged with and into the Company after the corporate reorganization to be undertaken by their former owner ("Merger").

The notional amount of the Transaction for the Company is R$160,000 and is contingent to the achievement of future operating and financial targets by the Health Solutions Unit. Upon the Merger, this amount will consist of, subject to the Company's Shareholders' Meeting's approval: (i) the issue of 3,352,601 common shares assigned to Tempo; (ii) subscription warrant related to target achievement that will entitle the former owner to receive an additional lot of up to 2,994,367 Company common shares; and financial disbursement and net debt adjustments provided for in the contractual agreement entered into on this date.

After the merger of the Health Solutions Unit, the Qualicorp Group will expand its services offerings to the TPA segment, in line with its strategic guidelines, broadly disclosed to the market since its IPO, which includes administrative and back office services to self-managed entities, independent agencies and operators, on an outsourced basis, without assumption of actuarial risks.

The execution of the corporate documentation required for the Merger is subject to the approval of the Company's Shareholders' Meeting to be called in due time, the Administrative Council for Economic Defense (CADE), and the Supplementary Healthcare Agency (ANS), under limitations to other suspensive conditions set forth by the Association Agreement.

41. COMPLETION OF INTERIM FINANCIAL STATEMENTS

The Company's individual and consolidated interim financial statements were approved by the Management on May 12, 2014, which include the events taken place after the closing date of March 31, 2014.