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

Qualicorp S.A. and Subsidiaries

Individual and Consolidated Interim Financial Information for the Quarter Ended March 31, 2012 and Report on Review of Interim Financial Information

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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") for the quarter ended March 31, 2012, which comprises the balance sheet as at March 31, 2012 and the income statement for the three-month period then ended and the statement of changes in equity and statement 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 - Interim Financial Reporting and the consolidated interim financial information in accordance with CPC 21 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 referred to above is not prepared, in all material respects, in accordance with CPC 21 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).

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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 referred to above is not prepared, in all material respects, in accordance with CPC 21 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

Statements of value added

We have also reviewed the individual and consolidated interim statements of value added ("DVA") for the three-month period ended March 31, 2012, 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 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 taken as a whole.

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

São Paulo, May 11, 2012

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

José Barbosa da Silva Júnior
Engagement Partner

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QUALICORP S.A. AND SUBSIDIARIES

BALANCE SHEETS AS OF MARCH 31, 2012 AND DECEMBER 31, 2011
(In thousands of Brazilian reais - R$)

		03/31/2012		12/31/2011				03/31/2012		12/31/2011	
ASSETS	Note	Company (BR GAAP)	Consolidated (IFRS and BR GAAP)	Company (BR GAAP)	Consolidated (IFRS and BR GAAP)	LIABILITIES AND EQUITY	Note	Company (BR GAAP)	Consolidated (IFRS and BR GAAP)	Company (BR GAAP)	Consolidated (IFRS and BR GAAP)
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	9.1	134,416	359,955	135,311	369,668	Debentures	18	-	62,102	-	75,622
Short-term investments	9.2	-	12,555	-	12,233	Taxes payable	19	988	16,491	229	19,243
Trade receivables	11	-	45,136	-	49,028	Premiums to be transferred	20	-	38,188	-	36,127
Other assets		1,272	37,842	547	31,876	Financial transfers payable	21	-	7,780	-	8,151
Other financial assets	12.1	731	35,245	381	29,446	Payroll and related taxes	22	118	19,983	113	21,843
Other nonfinancial assets	12.2	541	2,597	166	2,430	Transferable prepayments	23	-	38,437	-	42,317
Related parties	14.1	2,333	2,333	1,894	1,894	Related parties	14.1	1,894	-	1,894	-
Total current assets		138,021	457,821	137,752	464,699	Other payables	24	750	68,873	44	81,620
						Total current liabilities		3,750	251,854	2,280	284,923
NONCURRENT ASSETS											
Long-term assets:						NONCURRENT LIABILITIES					
Trade receivables	11	-	1,066	-	946	Debentures	18	-	295,576	-	295,574
Deferred income tax and social contribution	13	-	259,308	-	273,645	Taxes payable	19	-	4,467	-	4,487
Other assets		4	3,426	-	3,913	Deferred income tax and social contribution	13	-	262,395	-	269,477
Other financial assets	12.1	4	3,426	-	3,913	Provision for tax, civil and labor risks	25	162	46,966	-	51,007
Total long-term assets		4	263,800	-	278,504	Deferred income	26	-	300	-	5,818
						Options on noncontrolling interest liability	8	-	6,554	-	5,871
						Other liabilities	24	-	21	-	29
Investments	15	1,824,842	66	1,808,500	66	Total noncurrent liabilities		162	616,279	-	632,263
Property, plant and equipment	16	-	19,448	-	18,833						
Intangible assets:						EQUITY					
Goodwill	17	-	1,032,301	-	1,032,301	Capital	27	1,809,341	1,809,341	1,809,341	1,809,341
Other intangible assets	17	-	1,047,955	-	1,060,903	Capital reserves	27	45,349	45,349	40,505	40,505
Total noncurrent assets		1,824,846	2,363,570	1,808,500	2,390,607	Valuation adjustments to equity	27	145,044	145,044	145,044	145,044
						Accumulated losses		(40,779)	(40,779)	(50,918)	(50,918)
						Shareholders' equity attributable to parent company's owners		1,958,955	1,958,955	1,943,972	1,943,972
						Noncontrolling interest in subsidiaries		-	(5,697)	-	(5,852)
						Total equity		1,958,955	1,953,258	1,943,972	1,938,120
TOTAL ASSETS		1,962,867	2,821,391	1,946,252	2,855,306	TOTAL LIABILITIES AND EQUITY		1,962,867	2,821,391	1,946,252	2,855,306

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

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QUALICORP S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME
FOR THE QUARTERS AND THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011
(In thousands of Brazilian reais - R$, except loss per share)

	Note	01/01/2012 to 03/31/2012		01/01/2011 to 03/31/2011	
		Company (BR GAAP)	Consolidated (IFRS and BR GAAP)	Company (BR GAAP)	Consolidated (IFRS and BR GAAP)
NET OPERATING REVENUE	37.d	-	197,970	-	144,035
COST OF SERVICES	29	-	(53,142)	-	(36,998)
OPERATING INCOME (EXPENSES)					
Administrative expenses	30	(2,642)	(70,264)	(495)	(54,053)
Selling expenses	31	-	(48,017)	-	(32,567)
Losses on uncollectible receivables	32	-	(11,906)	-	(10,732)
Equity in subsidiaries	15	10,005	-	(5,251)	-
Other operating income (expenses), net	34	(159)	4,317	-	(1,666)
INCOME (LOSS) FROM OPERATIONS BEFORE FINANCIAL INCOME (EXPENSES)		7,204	18,958	(5,746)	8,019
Financial income	33	3,298	16,499	-	9,168
Financial expenses	33	(182)	(15,196)	-	(13,657)
INCOME (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		10,320	20,261	(5,746)	3,530
INCOME TAX AND SOCIAL CONTRIBUTION	35	(181)	(9,967)	-	(9,276)
Current		(181)	(1,603)	-	(18,381)
Deferred		-	(8,364)	-	9,105
NET INCOME (LOSS) FOR THE PERIOD		10,139	10,294	(5,746)	(5,746)
ATTRIBUTABLE TO					
Controlling interest		10,139	10,139	(5,746)	(5,746)
Noncontrolling interest		-	155	-	-
		10,139	10,294	(5,746)	(5,746)
PROFIT (LOSS) PER SHARE - R$					
Basic (Brazilian reais per share)	40	0.0389	0.0389	(0.0249)	(0.0249)
Diluted (Brazilian reais per share)	40	0.0378	0.0378	(0.0249)	(0.0249)

Note: The Company has no other comprehensive income in the current and prior years, and therefore does not present its statement of comprehensive income.

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

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QUALICORP S.A. AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (COMPANY)
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011
(In thousands of Brazilian reais - R$)

	Note	Capital		Capital reserves	Valuation adjustments to equity		Company owners (BR GAAP)	Noncontrolling interests	Consolidated total (IFRS and BR GAAP)
		Paid-in capital	Expenses on shares issuance	Stock options granted	Fair value of merged shares	Accumulated losses			
BALANCES AS OF DECEMBER 31, 2010		1,470,330	(3,700)	17,192	145,044	(17,020)	1,611,846	-	1,611,846
Recognized options granted		-	-	7,064	-	-	7,064	-	7,064
Net loss for the period		-	-	-	-	(5,746)	(5,746)	-	(5,746)
BALANCES AS OF MARCH 31, 2011		1,470,330	(3,700)	24,256	145,044	(22,766)	1,613,164	-	1,613,164
BALANCES AS OF DECEMBER 31, 2011		1,830,324	(20,983)	40,505	145,044	(50,918)	1,943,972	(5,852)	1,938,120
Recognized options granted	28	-	-	4,844	-	-	4,844		4,844
Net income for the period		-	-	-	-	10,139	10,139	155	10,294
BALANCES AS OF MARCH 31, 2012		1,830,324	(20,983)	45,349	145,044	(40,779)	1,958,955	(5,697)	1,953,258

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

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QUALICORP S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE QUARTERS AND THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011
(In thousands of Brazilian reais - R$)

	Note	01/01/2012 to 03/31/2012		01/01/2011 to 03/31/2011	
		Company (BR GAAP)	Consolidated (IFRS and BR GAAP)	Company (BR GAAP)	Consolidated (IFRS and BR GAAP)
CASH FLOW FROM OPERATING ACTIVITIES					
Income (loss) before income tax and social contribution		10,320	20,261	(5,746)	3,530
Adjustments by:					
Depreciation and amortization	30	-	37,055	-	29,029
Equity in subsidiaries	15	(10,005)		5,251	-
Stock options granted recognized	28	-	4,844	-	7,064
Financial income and expenses		-	11,314	-	13,517
Provision for tax, civil and labor risks	34	162	(4,041)	-	1,782
		477	69,433	(495)	54,922
Decrease (increase) in trade receivables		-	3,772	-	(15,371)
Decrease (increase) in trade receivables		(730)	(5,479)	(366)	(2,662)
Increase (decrease) in taxes payable		752	(2,484)	-	4
Increase (decrease) in premiums to be transferred		-	2,061	-	17,609
Increase (decrease) in financial transfers payable		-	(371)	-	354
Increase (decrease) in payroll and related taxes		5	(1,860)	-	(4,202)
Increase (decrease) in other payables		707	2,251	901	2,546
Increase (decrease) in transferable prepayments		-	(3,880)	-	7,531
Increase (decrease) in related parties		(439)	(439)	-	-
Decrease in deferred income		-	(5,518)	-	(46)
Cash provided by (used in) operating activities		772	57,486	40	60,685
Interest paid on debentures	18	(174)	(24,150)	-	(26,876)
Dividends received from subsidiaries		-	-	140	-
Income tax and social contribution paid		-	(1,891)	-	(12,876)
Net cash provided by operating activities		598	31,445	180	20,933
CASH FLOW FROM INVESTING ACTIVITIES					
Capital increase in subsidiaries	15	(1,493)	-	-	-
Acquisition of investments		-	-	(141)	(2,775)
Increase in short-term investments		-	(322)	-	(3,411)
Investments in intangible assets		-	(38,621)	-	(3,570)
Purchase of property, plant and equipment		-	(2,060)	-	(1,109)
Noncontrolling interest		-	(155)	-	-
Net cash used in investing activities		(1,493)	(41,158)	(141)	(10,865)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET		(895)	(9,713)	39	10,068
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	9.1	135,311	369,668	-	139,094
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	9.1	134,416	359,955	39	149,162

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

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QUALICORP S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED
FOR THE QUARTERS AND THREE-MONTH PERIODS ENDED MARCH 31, 2012 AND 2011
(In thousands of Brazilian reais - R$)

	Note	01/01/2012 to 03/31/2012		01/01/2011 to 03/31/2011	
		Company	Consolidated	Company	Consolidated
REVENUES					
Revenue from services	37.d	-	224,530	-	164,240
Other operating income	34	(159)	4,317	-	(1,666)
Allowance for doubtful accounts, cancellations and returns		-	(12,445)	-	(12,120)
Total revenue		(159)	216,402	-	150,454
INPUTS PURCHASED FROM THIRD PARTIES					
Cost of services		-	(39,122)	-	(28,556)
Supplies, power, outside services and other		(839)	(38,777)	(106)	(27,328)
Other operating expenses		(914)	(11,500)	(389)	(1,965)
Total inputs purchased from third parties		(1,753)	(89,399)	(495)	(57,849)
GROSS VALUE ADDED		(1,912)	127,003	(495)	92,605
RETENTIONS					
Depreciation and amortization	30	-	(37,055)	-	(29,029)
VALUE ADDED CREATED BY THE COMPANY		(1,912)	89,948	(495)	63,576
VALUE ADDED RECEIVED IN TRANSFER					
Financial income	33	3,298	16,499	-	9,168
Equity in subsidiaries	33	10,005	-	(5,251)	-
Total value added received in transfer	15	13,303	16,499	(5,251)	9,168
DISTRIBUTION OF VALUE ADDED		11,391	106,447	(5,746)	72,744
VALUE ADDED DISTRIBUTED					
Employees		656	39,823	-	29,978
Taxes and contributions		301	42,247	-	33,193
Interest on third parties' capital		295	14,113	-	15,319
Retained profit or loss of the year		10,139	10,264	(5,746)	(5,746)
Value added distributed		11,391	106,447	(5,746)	72,744

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

1. GENERAL INFORMATION

a) Operations

Qualicorp S.A. ("Company", whose corporate name was QC Holding I Participações S.A. until March 3, 2011) 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 and stipulation 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 services in the consulting area, helping manage the benefits contracted by its clients.

Beginning April 1, 2011, with the acquisition of 100% of the capital of Medlink Conectividade em Saúde Ltda. (see note 8 for further details), the Qualicorp Group started to offer capture, routing, authorization, and billing services of medical, hospital and related services provided by service providers accredited by healthcare plan operators, by making available information online and in real time, permitting the management of the portfolio risk through monitoring and controls before the services are provided, and consisting of a network of data collection devices that, through an electronic transaction, simplifies and expedites the capture of information on services, issuing a previous service authorization and processing of the relevant billing.

Beginning July 26, 2011, with the acquisition of the share capital of PraxiSolutions Consultoria de Negócios e Corretora de Seguros Ltda. ("Praxis") (see note 8 for further details), the Qualicorp Group started to operate as a broker specialized in the development and distribution of mass insurance through retail channels, such as life insurance, capitalization certificates, home insurance, extended warranty, financial protection insurance, etc.

The operations are conducted by the Company and its subsidiaries as a group of companies ("Qualicorp Group"), operating through integrated processes in the benefits market, using the same operating structure.

b) General information on the startup of activities

The Company started operations after indirectly acquiring 100% of the controlling interest in Qualicorp Participações S.A. ("Qualicorp Participações"), through its wholly-owned subsidiary QC Holding II Participações S.A.

Qualicorp Participações was the direct controller of Qualicorp Administradora de Benefícios S.A., Qualicorp Corretora de Seguros S.A., Qualicorp Consultoria em Saúde Ltda., Qualicorp Administração e Serviços Ltda. and Convergente Consultoria e Corretora de Seguros Ltda., whose equity investments represent basically all its assets.

On July 12, 2010, a stock purchase agreement was entered into with Qualicorp S.A. (formerly QC Holding I Participações S.A. ("QC I)" and QC Holding II Participações S.A. ("QC II"), the Carlyle Group companies (a U.S. asset management group). The acquisition was completed on September 1, 2010, subject to the satisfaction of certain conditions set forth in the Stock Purchase Agreement, thus generating the following financial and corporate impacts on Qualicorp Group:

On August 17, 2010, QC II issued simple, nonconvertible debentures in the amount of R$308 million, intended for the acquisition of Qualicorp Participações shares and the payment of costs and expenses relating to such acquisition, with characteristics similar to the issue mentioned in note 18, whose guarantors were subsidiaries Qualicorp Corretora de Seguros S.A., Qualicorp Administração e Serviços Ltda. and Qualicorp Administradora de Benefícios S.A., whose funds were received on August 31, 2010.

Seripatri Participações Ltda. withdrew as shareholder of Qualicorp Corretora de Seguros S.A., Qualicorp Administradora de Benefícios S.A., Qualicorp Administração e Serviços Ltda., Qualicorp Consultoria em Saúde Ltda. and Convergente Consultoria e Corretora de Seguros Ltda. in August 2010.

The capital stock of the subsidiaries in now fully held by Qualicorp Participações.

Pursuant to the Extraordinary Shareholders' Meeting and Board of Directors' Meeting of Qualicorp Participações, both held on September 1, 2010: (a) the preferred shares of Qualicorp Participações were converted into common shares, totaling 8,329,172 common shares; and (b) the shareholders authorized the issue of new common shares (80,377 shares) due to the accelerated exercise of the options by certain beneficiaries and also the buyback and cancellation of such shares based on the price and conditions described in the respective exercise deeds.

Immediately prior to the transaction, on September 1, 2010, BHCS Fundo de Investimento em Participações increased the Company's capital by the amount of approximately R$1,107,704. Thereafter, also on September 1, 2010, this amount was contributed by the Company to its subsidiary QC II through capital increase, as approved at the Annual Shareholders' Meeting (AGE) held at that date.

By using the funds contributed through capital increase and a portion of the funds obtained through the issuance of debentures, QC II acquired a 72.96% interest in Qualicorp Participações, at the amount of R$1,407,133, including an escrow deposit of R$52,704.

At the same date, the remaining shares of Qualicorp Participações were merged into QC II at the fair value of R$507,669 (31.41% of the fair value of QCII's shareholders' equity) and, immediately thereafter, these shares held by QC II were merged into the Company, a swap ratio through which the former controlling shareholder of Qualicorp Participações, after the aforementioned acquisition, that held a 27.04% interest in the Company started to hold at the end of the transaction a 31.41% stake in the Company - the new holding company of Qualicorp Group after the transaction with Carlyle.

The controlling shareholder of Qualicorp Participações became a noncontrolling shareholder in the Company; however, it assumed the positions of Chairman of the Board of Directors and Chief Executive Officer for the Company.

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

QCII, based on a financial and economic appraisal report: (i) and purchase price allocation study - PPA; and (ii) prepared by a specialized firm, allocated the fair value of the assets acquired and liabilities assumed in Qualicorp Participações according to the methodology above, as follows:

Net assets (liabilities) acquired	Carrying amount	Adjustments	Fair value at acquisition date
Current assets, including cash and cash equivalents of R$145,362	172,590	-	172,590
Noncurrent assets	271,149	-	271,149
Fair value of intangible assets - relationship with customers (note 17)	-	785,000	785,000
Current liabilities	(108,216)	-	(108,216)
Noncurrent liabilities	(153,822)	-	(153,822)
Noncurrent liabilities - deferred income tax and social contribution on the fair value of intangible assets - relationship with customers - 34%	-	(266,900)	(266,900)
Net assets (liabilities) acquired	181,701	518,100	699,801
Goodwill - future earnings	-	1,215,000	1,215,000
Total	181,701	1,733,100	1,914,801

(i) Methodology used: discounted cash flow.

(ii) The methodology used considered the analysis of the business model, business plan, existing rights and licenses, value drivers, future economic benefits, and definition, identification and estimate of the value of intangible assets and goodwill.

The Meeting of the Board of Directors (RCA) was also held on September 1, 2010 to replace the Stock Option Plan for Qualicorp Participações officers transferred to the Company. The previous remaining plan, calculated at R$24,481, for a period of ten years, was transferred to the Company at a fair value of R$45,854, considering the new assumptions for the replaced plan, and the difference in the fair value corresponding to the vesting portion already incurred through September 1, 2010 in the amount of R$4,346 was recorded under the caption "Goodwill" as a contra entry to "Capital reserve - options granted and recognized", and the remaining amount will be recognized over the Plan's useful life.

c) Subsidiaries' corporate restructuring in March 2011

On March 31, 2011, the following corporate events were conducted in the Company's direct and indirect wholly-owned subsidiaries:

- Downstream merger of QC Holding II into its wholly-owned subsidiary Qualicorp Participações. The effects of the downstream merger, among others, were the dissolution of QC Holding II and the assumption of debenture debt by Qualicorp Participações, originally assumed by QC Holding II.

- Total spin-off of Qualicorp Participações on the same date. The spun-off portions of its net equity were transferred to operating companies directly controlled by Qualicorp Participações: Qualicorp Administradora de Benefícios S.A., Qualicorp Corretora de Seguros S.A., Qualicorp Consultoria em Saúde Ltda. and Qualicorp Administração e Serviços Ltda., the effects of which, among others, are the dissolution of Qualicorp Participações and the assumption of debts by Qualicorp Administradora de Benefícios S.A. and Qualicorp Corretora de Seguros S.A., which were originally assumed by QC Holding II and transferred to Qualicorp Participações due to the merger mentioned above.

The main objectives and events arising from this merger and spin-off according to Agreements for the Merger and Spin-Off of Shares, respectively, are:

- The merger of QC Holding II into Qualicorp Participações, and the total spin-off of Qualicorp Participações to its operating subsidiaries, comply with the interests of Qualicorp Participações, QC Holding II, the subsidiaries, as well as their shareholders, given that the merger and spin-off will enable the streamlining and consolidation of activities currently performed by the companies, simplifying operations, improving synergies and reducing costs and expenses by optimizing the current administrative structure, in addition to facilitating the access to capital markets of the other companies of the Group.

- Furthermore, given that QC Holding II assumed several debts, the merger and the following total spin-off of Qualicorp Participações aimed at transferring such debts to direct subsidiaries Qualicorp Administradora de Benefícios and Qualicorp Corretora, which are more capable of generating cash flow.

- The implementation of the proposed transaction will allow the establishment of global goals for the activities performed by the subsidiaries of Qualicorp Group. Currently, the maintenance of QC Holding II and Qualicorp Participações in the corporate structure is not justified, given that, after the events mentioned above, both companies were dissolved and their equity interests are now directly and fully held by the Company, which previously controlled these companies fully and indirectly.

- As a result of the merger followed by the total spin-off, operating subsidiaries will succeed Qualicorp Participações, and, consequently, QC Holding II, in all of their assets, rights and obligations, as prescribed by article 227 of the Brazilian Corporate Law, in accordance with the respective spun-off portions of net equity transferred to one of the subsidiaries.

- The shareholders' equity of the subsidiary involved in the merger and spin-off transactions was valued at the carrying amount of its assets and liabilities, based on the balance sheet as of December 31, 2010, pursuant to the Merger Appraisal Reports approved by the Extraordinary Shareholders Meeting held on March 31, 2011.

- Changes in QC Holding II's equity between the reporting date and the date of the merger have been reflected and allocated into Qualicorp Participações. Changes in Qualicorp Participações' equity between the reporting date and the date of the spin-off have been reflected and allocated into one of the operating subsidiaries, according to the spun-off portion of the net equity transferred to each subsidiary.

- The main accounting effects from the merger and total spin-off were:

  – At operating subsidiaries: due to the downstream merger and spin-off mentioned above, subsidiaries received net assets of R$22,508, net of the adjusted tax benefit of R$294,134, corresponding to the difference between goodwill paid and the provision recorded pursuant to the CVM Instruction 319/1999 and CVM Resolution 618/2009 - technical interpretation ICPC 09 (the effects of the merger and spin-off are shown in note 15.a)).

  – At the Company: the effects of the merger and spin-off were eliminated to maintain the carrying amounts of investments without the effects of adjustments arising from the corporate restructuring of its subsidiaries, so that the Company's individual and consolidated financial statements would not be changed, except the transfer of the portion of the tax benefit for deferred income tax and social contribution in the consolidated.

d) Seasonality

In the normal course of business, the Company and its subsidiaries are not subject to seasonal revenues and costs.

2. PRESENTATION OF INTERIM FINANCIAL STATEMENTS

2.1. Statement of compliance

The Company's interim financial statements comprise:

- The consolidated interim financial information prepared in accordance with CPC 21 - 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 - Interim Financial Reporting.

The accounting practices adopted in Brazil comprise the 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 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 fully 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 main accounting practices adopted by the Company and its subsidiaries are disclosed in note 3 to the interim 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 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 significant accounting policies adopted by the Company and its subsidiaries can be summarized as follows:

a) General principles

Assets, liabilities, income and expenses are stated on the accrual basis. Sales revenue is recognized in the income statement when services are provided. Sales revenue is stated net of deductions, including taxes on sales.

Receivables and payables with maturities of more than 12 months are recorded in noncurrent assets and liabilities, respectively.

Financial instruments

Financial assets and financial liabilities are recognized when a Qualicorp Group entity is a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognized at their notional amounts, which approximate the fair value, considering that transactions mature within up to 30 days, thus having an immaterial impact on the interim financial statements.

The financial liabilities related to acquisitions of portfolios and exclusivity rights (see note 17, items (e) and (f), respectively) are recognized and adjusted, when applicable, based on the underlying agreements.

The other financial liabilities are initially recognized at their notional amounts, which approximate the fair value, considering that transactions mature within up to 30 days, thus having an immaterial impact on the financial statements.

The fair value of financial assets and liabilities is added to or deducted from the transaction costs directly attributable to the purchase or issue of such financial assets and liabilities (except for financial assets and liabilities recognized at fair value in profit or loss) after initial recognition, when applicable.

Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Financial assets

Financial assets are classified in the following specific categories: financial assets measured at fair value trough profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. Such classification depends on the nature and purpose of the financial assets and is determined upon initial recognition. All regular way purchases or sales of financial assets are recognized or derecognized on the trade date. Regular way purchases or sales of financial assets correspond to those requiring the delivery of assets within a period established by standard or market practices.

Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading or designated at fair value through profit or loss.

A financial asset is classified as held for trading if it is:

- Acquired mainly for being sold in the short term; or
- At initial recognition, part of a portfolio of identified financial instruments jointly managed by the Company and for which there is a recent actual pattern of short-term profit-taking; or

- A derivative that is not designated as an effective hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value and any gains or losses are recognized in income or loss.

Held-to-maturity investments

Held-to-maturity investments refer to nonderivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has a positive intention or ability to hold to maturity. After initial recognition, held-to-maturity investments are stated at amortized cost using the effective interest rate method, less possible impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets correspond to nonderivative financial assets designated as "available for sale" or not classified as: (a) loans and receivables, (b) held-to-maturity investments, or (c) financial assets at fair value through profit or loss.

Available-for-sale short-term investments are stated at fair value at the reporting date. Interest income calculated under the effective interest method is recognized in profit or loss.

Other changes in the carrying amount of available-for-sale financial assets are recognized as "Other comprehensive income (loss)", when applicable. When the investment is sold or impaired, cumulative gains or losses, previously recognized under the caption "Investment revaluation reserve" is reclassified to income (loss).

Loans and receivables

Loans and receivables are represented by nonderivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets classified by the Group as receivables comprise mainly cash and cash equivalents, trade receivables and other receivables.

Financial liabilities

Financial liabilities are classified either as "financial liabilities at fair value through profit or loss" or "other financial liabilities".

The Company has no liabilities classified as "financial liabilities at fair value through profit or loss".

Other financial liabilities

Other financial liabilities (including debentures) are measured at the amortized cost using the effective interest method.

The effective interest method is used to calculate the amortized cost of a financial liability and allocate its interest expense to the related period. The effective interest rate is the rate that discounts precisely the future cash flows (including fees paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) throughout the estimated useful life of the financial liability or, when applicable, over a shorter period, for the initial recognition of the net carrying amount.

The Company derecognizes financial liabilities only when the Company's obligations are discharged and cancelled or when they expire. The difference between the carrying amount of the derecognized financial liability and consideration paid and payable is recognized in the statement of income.

b) Cash and cash equivalents

Include cash and short-term investments that are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

c) Trade receivables, allowance for doubtful accounts, premiums to be transferred and financial transfers payable

In managing group adhesion agreements executed by third parties and stipulating group adhesion agreements (in which subsidiary Qualicorp Administradora de Benefícios is the policyholder), the Qualicorp Group collects amounts from clients by the are transfers them to healthcare operators and insurance companies, by settling the related invoices, regardless of the receipt (such transactions involve a credit risk of Qualicorp Group client default), except cases where the credit risk remains with the insurance and healthcare companies. These transactions, with and without credit risk, are recorded under the caption "Trade receivables", in assets, as a balancing item of "Premiums to be transferred" (amounts payable to healthcare and insurance companies) and "Financial transfers payable' (amounts payable to entities) in liabilities, and in statement of income accounts related to administration fees and financial transfers, as mentioned in note 3.k).

Advances from customers are recorded under the caption "Transferable prepayments", in liabilities.

d) The allowance for doubtful accounts is recognized based on estimated losses in an amount considered sufficient to cover any losses on the realization of trade receivables. On transactions in which the Company and/or its subsidiaries assume the credit risk, accounts over 60 days past due are written off as losses on uncollectible receivables when they are not expected to be collected, and recorded as revenue from recovered receivables when actually received.

e) Business combination and investments in subsidiaries

Consolidated interim financial information

Business acquisitions are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated by adding the fair values of the transferred, including the fair value of intangible assets relating to customers' relationship and computer software, the liabilities incurred on the date of acquisition to the former owners of the acquiree and the equity issued by the Company in exchange for the control of the acquiree.

Noncontrolling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the noncontrolling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of noncontrolling interests are measured at fair value or, when applicable, on the basis specified in another IFRS and CPC.

Goodwill corresponds to an asset corresponding to future economic benefits ("future earnings") arising from other assets acquired in a business combination, which are not identified individually or recognized separately; accordingly, it is measured as the excess of the sum of the consideration transferred over the net amounts on the acquisition date of the identifiable assets acquired and liabilities assumed.

If, after measurement, the net amounts of identifiable assets acquired and liabilities assumed on acquisition date are higher than the sum of the consideration transferred, the gain is immediately recognized in profit.

If the initial accounting for a business combination is incomplete by the end of the reporting year in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete.

These provisional amounts are adjusted during the measurement period or additional assets or liabilities are recognize to reflect new information obtained about facts and circumstances that existed as at the acquisition date and, if known, would have affected the measurement of the amounts recognized as at that date.

For business combination transactions, which included option agreements that allow the Company's controlling shareholders to require the Company to purchase a noncontrolling interest are treated as financial liabilities and are recorded in the consolidated balance sheet at expected settlement amount and based on the present value of expected cash outflows and remeasured at each period end. The movement in the financial liability is recognized as income or expense within in the consolidated statement of income.

Individual interim financial statements information

In the individual interim financial statements information, the Company applies the requirements of the technical interpretation ICPC 09, which requires that any amount in excess of the acquisition cost on the Company's interest in the fair value of identifiable assets, liabilities and contingent liabilities of the acquired company on the acquisition date is recognized as goodwill. Goodwill is added to the investment's carrying amount. Any amount of the Company's interest in the fair value of identifiable assets, liabilities and contingent liabilities in excess of the acquisition cost, after revaluation, is immediately recognized as income.

Consideration transferred and the net fair value of assets and liabilities are measured using the same criteria applicable to the consolidated interim financial statement information, described above.

Investments in subsidiaries are accounted for under the equity method in the Company's individual interim financial statement information.

f) Property, plant and equipment

Stated at cost of purchase. Stated at cost, less accumulated depreciation calculated under the straight-line method based on the estimated useful lives of the assets, except for leasehold improvements, which are amortized over the lease term. See note 16.

The residual value of property, plant and equipment is written off immediately at their recoverable value when the residual balance exceeds the recoverable value, as established in note 3.h).

g) Intangible assets

Mainly represented by: (i) goodwill amounts paid in the acquisition of subsidiaries (*); (ii) amounts allocated in view of relationship with customers paid in the acquisition of investments of subsidiaries (*); (iii) expenses on the acquisition of portfolios from third parties; and (iv) software license, software for use and development of software paid to third parties.

Intangible assets are stated at acquisition cost, less cumulative amortization and impairment losses, when applicable. The amortization of intangible assets with definite useful lives is calculated under the straight-line method based on the term over which the asset will generate future economic benefits, as mentioned in note 17.

The residual value of intangible assets is written off immediately at their recoverable value when the residual balance exceeds the recoverable value, as established in note 3.h).

(*) In the individual interim financial statement information, these amounts are stated under the caption "Investments in subsidiaries", net of amortization and write-offs.

h) Impairment of assets

Fixed assets and intangibles assets with finite useful lives

At the end of each year and on or when there are indications of impairment loss, Qualicorp Group reviews the carrying amount of its tangible and intangible assets with definite useful lives to determine whether there is any indication of impairment loss. If such indication exists, the recoverable amount of the asset is estimated to measure the impairment loss, if any. When it is not possible to estimate the recoverable amount of an asset, the Group calculates the recoverable amount of the cash-generating unit of the asset. When a reasonable and consistent allocation basis can be identified, corporate assets are also allocated to the individual cash-generating unit or the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of the fair value less costs to sell or the value in use. Estimated future cash flows are discounted to present value to determine the value-in-use at the pretax discount rate that reflects a current market assessment rate of the time value of money and the specific risks for the asset for which the future cash flow estimate was not adjusted.

If the calculated recoverable value of an asset (or cash generating unit) is lower than its carrying amount, then the carrying amount is reduced to its recoverable amount. Impairment losses are immediately recognized in the income statement.

Impairment losses on goodwill are not reversed in subsequent periods. However, for other tangible and intangible assets, when an impairment loss is subsequently reversed, the carrying amount of the asset (or cash generating unit) increases to match the revised estimate of its recoverable value, provided that it does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (or cash generating unit) in prior years.

The reversal of the impairment loss is immediately recognized in the statement of income.

Goodwill

The cash-generating unit in which goodwill is allocated is submitted to impairment test annually or when and if there is an indication on the cash-generating unit is impaired. If the recoverable amount of the cash-generating unit is lower than its carrying amount, the impairment loss is first allocated to reduce any goodwill amount and than other assets of the cash-generating unit. Impairment losses on goodwill are not reversed in subsequent periods.

i) Transaction costs incurred in fund raising

The transaction costs incurred and directly attributable to the activities exclusively required for the raising of own funds are directly recorded in shareholders' equity as a deduction of capital - "Expenses on share issuance".

j) Debentures

Debentures is represented by funds raised through the issue of debentures, which are stated at the adjusted amount of financial charges, calculated based on the interest rates, plus transaction costs.

The transaction costs incurred and directly attributable to the activities exclusively required for raising capital through the contracting of debt instruments - debentures are directly recorded to debentures and amortized in income for the transaction term.

k) Revenue and expense recognition

1. Revenue from the intermediation of sales of insurance policies and health care and dental plans to beneficiaries are recorded when sales are realized, that usually is until the month the amounts payable by insurance and healthcare companies are settled. The main revenues are as follows:

   - Revenue from agency services: refers to the single payment directly made by insurance and healthcare companies on the amount of new sales, including the registration fee paid by the beneficiaries to subsidiary Qualicorp Corretora de Seguros S.A. when they join the plan (revenue from group adhesion contracts) when the sale is made by the Company's own team, which allocated and received by said subsidiary.

   - Revenue from brokers' fees: refers to brokerage on insurance and healthcare and dental plan (Qualicorp Corretora) and distribution of mass insurance through retail channels, such as life insurance, capitalization certificates, home insurance, extended warranty and financial protection insurance (Praxis), which are recognized on a monthly basis.

2. Revenue from financial transfers with contract stipulation: refers to the monthly payment made by healthcare and insurance companies related to insurance stipulation services or contracting of benefit plans, which is allocated and received on a monthly basis by subsidiaries Qualicorp Administradora de Benefícios S.A. and Qualicorp Administração e Serviços Ltda.

3. Revenue from management fees: refers to the monthly payment made and/or stipulation of the health care and dental lines of group adhesion agreements, carried out by subsidiary Qualicorp Administradora de Benefícios S.A. and the monthly consideration of the life, bodily injury, and pension fund insurance stipulation activity carried out by Qualicorp Administração e Serviços Ltda.

4. Revenue from benefit management and health prevention consulting services: refers to the monthly consideration for health management services provided by subsidiary Qualicorp Consultoria em Saúde Ltda.

5. Revenue from benefit management consulting: refers to the monthly consideration for consulting services provided to corporate clients by subsidiaries Qualicorp Administração e Serviços Ltda., Qualicorp Corretora de Seguros S.A. and PraxiSolutions Consultoria de Negócios e Corretora de Seguros Ltda.

6. Connectivity Systems Revenue: corresponds to the monthly consideration for connectivity systems architecture services provided to corporate clients by subsidiary Medlink Conectividade em Saúde Ltda.

l) Taxation

Income tax is calculated at the rate of 15%, plus a 10% surtax on annual taxable income exceeding R$240. Social contribution is calculated at the rate of 9% on adjusted net income.

Certain subsidiaries follow the deemed income regime, at the rate of 32% on gross operating revenue plus financial income.

Additionally, we recognize: (i) a provision for income tax and social contribution and on temporary differences; and (ii) tax credits on temporary differences based on the assumption that the Company will be capable of generating sufficient future taxable income to offset these credits. An allowance for losses is recorded when there is no strong evidence of realization of balances.

The Company and its subsidiaries opted for the Transitional Tax Regime (RTT) created by Law 11941/09, under which the calculation of corporate income tax (IRPJ) and social contribution on net income (CSLL) continues to be based on the methods and criteria set out by Law 6404/76, before the amendments introduced by Law 11638/07. Taxes on temporary differences resulting from the adoption of the new Brazilian Corporate Law were recorded as deferred tax assets and liabilities, when applicable.

m) Provision for tax, civil and labor risks

Provisions for risks are recognized in the interim financial statements when the risk of loss on a judicial or administrative proceeding is assessed by the in-house legal counsel and Management as probable, with probable outflow of funds to settle obligations, and when the amounts involved can be reliably measured.

Legal, tax and social security obligations refer to lawsuits challenging the legality and constitutionality of certain taxes. The amounts in dispute are recorded in the interim financial statements and adjusted in accordance with tax legislation.

n) Profit sharing and stock options

Management and employee compensation that is not defined directly and proportionally based on the Company's profit is classified as operating cost or expense. The Company and its subsidiaries, based on these requirements, adopt the following procedures: (i) they classify employee and management profit sharing expenses in administrative expenses; and (ii) they calculate the proportional allocation to each subsidiary and recognize in administrative expenses all estimated costs for stock options granted under share-based payment contracts existing (see note 28). These administrative expenses are carried as a balancing item to "Capital reserve - options granted and recognized".

The fair value determined at the grant date of the equity-settled share-based payments is recorded as expense on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

o) Basic and diluted earnings per share

The basic earnings per share is calculated by dividing net income attributable to shareholders by the weighted average number of shares of capital stock as at the balance sheet date.

The diluted earnings per share is calculated by adjusting the profit or loss and the weighted average number of shares taking into account the conversion of all potential shares with dilution effect. Potential shares are equity instruments or contracts that can result in the issuance of shares, such as convertible bonds and options, including employees stock options.

p) Accounting for dividends

The proposal for dividend distribution made by Management of the Company and its subsidiaries within the parcel that is equivalent to the minimum mandatory dividend is recorded as liabilities in the group "Other liabilities", to be regarded as a legal obligation under the bylaws of the Group; however, the portion of dividends above the minimum mandatory dividend, declared after the accounting period referred to in the interim financial statements, but before the date of authorization for the issuance of the interim financial statements, is recorded in equity.

q) Operating segments

The information for operating segments are presented in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, responsible for resource allocation and performance assessment of the operating segments, is represented by the President of the Company and its subsidiaries.

4. MAIN ESTIMATES AND JUDGMENTS

In applying Qualicorp Group's accounting practices described in note 3, Management makes judgments and estimates regarding the reported assets' and liabilities' carrying amounts, which are not easily obtained from other sources.

Estimates and respective assumptions are based on past experience and other factors deemed relevant. Actual results may differ from these estimates.

Underlying estimates and assumptions are constantly reviewed. The effects from reviews of accounting estimates are recognized in the period the estimates are reviewed, if the review affects only that period, or also in subsequent periods, if the review affects both current and future periods.

The areas that involve judgment or use of estimates material to the interim financial statement information are disclosed below. The interim financial statement information has been prepared based on the historical cost and, when applicable, adjusted to reflect the fair value of transactions.

In this context, estimates and assumptions are continually assessed by Qualicorp Group's Management and are based on past experience and several other factors that are considered as reasonable and material.

The Qualicorp Group uses assumptions and makes forward-looking estimates to provide an understanding of how the Company forms its judgments about future events, including the variables and assumptions underlying the estimates, which require the use of judgments about the effects of inherently uncertain issues relating to the carrying amount of its assets and liabilities. Actual results usually differ from estimates.

In applying the abovementioned accounting practices, the Company's and its subsidiaries' Management adopted the following assumptions that could have an impact on the interim financial statement information:

a) Deferred income tax and social contribution

The liability method (according to the concept described in IAS 12 - Liability Method, equivalent to CPC 32) of accounting for income tax and social contribution is used for deferred income tax arising from temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred income tax assets are revised on each reporting date and decreased by the amount that is no longer realizable through future taxable income.

Deferred income tax assets and liabilities are calculated using tax rates applicable to taxable income in the years in which those temporary differences are expected to be realized. Future taxable income may be higher or lower than estimates made when determining whether it is necessary to record a tax asset and the amount to be recorded.

b) Tax credits on tax loss carryforwards are based on projected taxable income, pursuant to technical feasibility studies, annually submitted to Board of Directors. These studies consider the historical profitability of the Company and its subsidiaries and the expectation of continuous profitability and estimated the recovery of credits in future years.

The other tax credits arising from temporary differences, mainly reserve for tax contingencies, and provision for losses, were recognized according to their estimate of realization.

c) Impairment of long-lived assets

There are specific rules to test the impairment of long-lives assets, in particular property, plant and equipment, goodwill and other intangible assets.

At the year-end, and/or when there are indications of impairment loss, the Company makes an assessment to determine if there is any evidence that long-lived assets may be impaired. No evidence of impairment was identified through the reporting dates.

The recoverable amount of an asset is the higher of: (i) its fair value less estimated costs to sell; and (ii) its value in use. Value in use is measured based on the pretax discounted cash flows arising from the continuous use of an asset until the end of its useful life. No asset presented a recoverable amount higher than its residual amount through the reporting dates.

d) The Company tests annually goodwill on investments for impairment, using reasonable market practices, including discounted cash flows, in order to compare the carrying amount with the recoverable amount of assets.

Goodwill and intangible assets are tested for impairment based on the analysis and identification of facts and circumstances that could result in the need to advance the annual test. The test is advanced if any fact or circumstance indicates that the impairment testing of goodwill is affected.

For the period ended March 31, 2012, the Company did not identify the need to recognize new impairment losses on goodwill and other intangible assets.

e) Provisions for tax, civil and labor risks

The Company is a party to several lawsuits and administrative proceedings and is subject to potential risks for which no lawsuit was filed, as mentioned in note 25. Provisions are recognized for all contingent liabilities arising from lawsuits and potential risks that represent probable losses that can be reliably estimated. The likelihood of loss is assessed based on available evidences, the hierarchy of laws, jurisprudence available, most recent court decisions, and their relevance within the legal system, and the assessment made by our outside legal counsel. Management believes that these provisions for tax, civil, and labor risks are fairly presented in the interim financial statement information.

f) Allowance for doubtful accounts

The allowance for doubtful accounts, as stated in note 3.d), is considered sufficient by Management to cover probable losses.

5. FINANCIAL INSTRUMENTS

a) Classification and fair value of financial instruments

Due to the nature of its activities, and financial instruments present as of March 31, 2012 and December 31, 2011, Management understands that the carrying amounts of financial assets and liabilities recognized in the interim financial statement information approximate their fair values.

Receivables from customers and other short-term financial liabilities

It is estimated that the carrying amounts of accounts receivable and accounts payable (to transfer awards, financial transfers payable and advances to pass) are close to their fair market values, as they are represented by short-term transactions.

Debentures

The book values of the debentures are close to their fair values because they are tied to an interest rate post-fixed in the case, the CDI.

Derivatives

As of March 31, 2012 and Decem ber 31, 2011, the Company did not operate contracts for derivative interim financial instruments to protect their positions or f or speculation purposes.

The financial instruments classification as presented as follows:

	Consolidated					
	03/31/2012			12/31/2011		
	Loan and receivables	Fair value through P&L	Amortized cost	Loan and receivables	Fair value through P&L	Amortized cost
Financial assets:						
Short-term investments	-	349,370	-	-	367,420	-
Receivables from clients	46,202	-	-	49,975	-	-
Other financial assets	38,671	-	-	33,359	-	-
Financial liabilities:						
Debentures	-	-	357,678	-	-	371,196
Premiums to be transferred	-	-	38,188	-	-	36,127
Financials transfers payables	-	-	7,780	-	-	8,151
Transferable prepayments	-	-	38,437	-	-	42,317
Payroll and related taxes	-	-	19,983	-	-	21,843
Other financial liabilities	-	-	68,873	-	-	81,620

b) Management of the main risks

The Company conducts benefit stipulation and management, brokerage, and consultin g transactions through its direct s ubsidiaries, basically in the health insura nce 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 c apital risks. The m anagement of these risks involves different departments and com prises a series of fund allocation st rategies and policies considered appropriate.

The Company has internal contro ls that guaran tee compliance with these strateg ies and policies, the results obtained meet the objectives established by its Management.

Credit risk

The credit risk arises from the fact that th e Company and its direct subsidiaries may be required to pay the healthcare /insurance companies' invoices in view of plan/insurance installments past due a nd not paid by benef iciaries. In order to m itigate such risk, the Company cancels defaulting benefi ciaries pursuant to the co ntract term, which are mostly cancelled after 30 days of default counted from the maturity date.

The method adopted to calculate the allo wance for doubtful accounts and write-off of uncollectible amounts is described in note 3.d).

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.

As of March 31, 2012 and December 31, 2011, assets and liabilities subject to interest rate variation, based on the interbank deposit rate (CDI) variation, are as follows:

			March 2012		December 2011	
Caption	Balance sheet accounts	Note	Company (BR GAAP)	Consolidated (BR GAAP)	Company (BR GAAP)	Consolidated (BR GAAP)
Short-term investments and highly liquid	Current assets	9.1	134,382	336,815	135,309	355,087
Short-term investments	Current assets	9.2	-	12,555	-	12,233
Debentures	Current and noncurrent liabilities	18	-	(357,678)	-	(371,196)
Total exposure			134,382	(8,308)	135,309	(3,876)

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 interim 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 interim financial statement information as a result of an increase or decrease in the balances of short-term investments, cash equivalents and debentures.

As at March 31, 2012, had CDI rates been 10% per year higher/lower and all other variables remained unchanged, net income (loss) for the period ended March 31, 2012 would increase/decrease by R$17.

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

Pursuant to CVM Instruction 475, of December 17, 2008, as at March 31, 2012 Management estimated for 2013, based on the quotations contained in the Focus report issued by the Central Bank of Brazil (BACEN), future interest rates (9.00%), plus spread on debentures (1.675%), showing in each scenario the effect of the changes in the fair value, as follows:

		Scenario		
	03/31/2012	Probable	Possible	Remote
Assumptions		CDI - 9.00%	CDI - 11.25%	CDI - 13.50%
Liabilities - debentures	(357,678)	(396,399)	(404,582)	(412,764)
Short-term investments and highly-liquid short-term investments	349,370	380,812	388,673	396,534
Net asset exposure	(8,308)	(15,587)	(15,909)	(16,230)

	Assumptions		
	Probable	Possible	Remote
CDI	Focus report - BACEN (03/30/12)	25% on probable rate	50% on probable rate

- In the probable scenario, the Company would present a net liability exposure of R$8,308 through 2012, arising from future estimated CDI rates for interest on debentures plus a surcharge of 1.675% per year.

  As of March 31, 2012, 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$322 and R$643 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 detailed in note 18, less cash and banks detailed in note 9), and shareholders' equity (note 27).

The Company and its subsidiaries are subject to certain leverage ratios as stated in note 18 (Debentures). Additionally, the subsidiary Qualicorp Administradora de Benefícios S.A. is required to comply with minimum funding requirements, as prescribed in ANS Regulatory Resolution (RN) 209, which set out rules for the minimum capital requirements and operational dependence.

As of March 31, 2012, that subsidiary's shareholders' equity amounted to R$88,143, whereas the minimum adjusted capital in accordance with the aforementioned Resolution amounted to R$112.

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

	Consolidated	
	03/31/2012	12/31/2011
Debt (debentures)	357,678	371,196
Cash and cash equivalents	(359,955)	(369,668)
Net (excess) debt	(2,277)	1,528
Shareholders' equity	1,953,258	1,938,120
Net (superavit) debt to equity ratio	(0.12%)	0.08%

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)					
	Interest rate - %	Less than six months	From six months to 1 year	1 - 2 years	More than 2 years	Total
March 31, 2012:						
Debentures	1.675	83,754	18,504	113,457	249,832	465,547
Premiums to be transferred	-	38,188	-	-	-	38,188
Financial transfers payable	-	7,780	-	-	-	7,780
Transferable prepayments	-	38,437	-	-	-	38,437
Payroll and related taxes	-	12,975	7,008	-	-	19,983
Acquisitons payable (*)	-	24,195	19,213	-	10,000	53,408
Other financial liabilities	-	14,094	1,371	21	-	15,486
		219,423	46,096	113,478	259,832	638,829

(*) Refer mainly to acquisitions of intangibles assets, restated where applicable.

6. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

6.1. New and revised IFRSs in force relating to the financial statements disclosures and presentation

Amendments to IAS 1 - Presentation of Financial Statements (as part of improvements to IFRSs issued in 2010): the amendments to IAS 1 clarifies that an entity may choose to disclose an analysis of other comprehensive income for each item in the statement of changes in equity or in notes to financial statements. As Qualicorp Group does not have transactions that qualify for recognition in the comprehensive income, this amendment did not impact the presentation of the interim financial statements for the current year and prior period.

IAS 24 - Related-party Disclosures (as adopted by the CPC): IAS 24 (revised 2009) modified two aspects: (a) it introduced the partial exemption from disclosure requirements for governmental entities; and (b) it amended the definition of related party. The Company and its subsidiaries are not government entities. The adoption of the revised definition of related party in accordance with IAS 24 (revised 2009) for the current year allows the identification of related parties not identified as such in accordance with the previous standard. Specifically, the holding company affiliates of the Company are classified as related parties of the Group in accordance with the revised standard. The related-party disclosures of the Company already include these changes as they already consider the CPC 5 (R1) - Related-party Disclosures.

6.2. New and revised. 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 Classification of Rights: the amendments address the classification of certain rights denominated in a foreign currency as equity instruments or financial liabilities. Under the amendments, the rights, options or warrants issued by an entity so that the respective holders may purchase a fixed number of the entity's own equity instruments for a fixed amount of cash in any currency are classified as equity instruments in the entity 's interim financial statements, provided that the offer is made proportionately to all existing holders of the same class of non-derivative equity instruments. Prior to the amendments to IAS 32, the rights, options or warrants to purchase a fixed number of equity instruments of an entity for a fixed amount in foreign currency were classified as derivatives. The amendments require retrospective adoption. The adoption of the amendments did not affect the amounts reported in the current and previous financial years since Qualicorp had not issued instruments of such nature.

Amendment to IFRIC 14 Prepayments of Minimum Funding Requirements The amendments prescribe when refunds or reductions of future contributions should be considered as available under IAS 19:58; how minimum funding requirements can affect the availability of the reductions of future contributions, and when minimum funding requirements may result in a liability.

With the amendments, the standard began to permit the recognition of an asset in the form of prepayment of minimum funding requirements. The adoption of these amendments did not impact the consolidated interim financial statements

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

Amendments to IFRS 7 (*)	Disclosure - Transfers of Financial Assets	Applicable to annual periods beginning on or after July 1, 2011
IFRS 9 (as amended in 2010)	Financial Instruments	Applicable to annual periods beginning on or after January 1, 2013
Amendments to IAS 12	Deferred taxes - recovery of underlying assets when the asset is measured under the fair value framework of IAS 40	Applicable to annual periods beginning on or after January 1, 2012
IFRS 10,11, 12 and 27R e IAS 28R	New or revised standards - accounting treatment of consolidation, interest in joint arrangements and disclosure of interests in other entities	Applicable to annual periods beginning on or after January 1, 2013
IFRS 13	This standard defines fair value, addresses in one single standard fair value measurement aspects and establishes fair value disclosure requirements	Applicable to annual periods beginning on or after January 1, 2013
IAS 19	The amendment to IAS 19 addresses aspects relating to the accounting for and disclosure of employee benefits	Applicable to annual periods beginning on or after January 1, 2013

(*) The amendments enhance the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency for exposures to risks when a financial asset is transferred but the transferor retains some level of exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. Qualicorp Group's management does not expect that these amendments to IFRS 7 have a significant impact on the Group's disclosures of transfers of receivables. However, if the Group conducts other types of transfers of financial assets in the future, the respective disclosures may be affected

Considering the current operations of the Company and its subsidiaries, Management does not expect that the adoption of these new standards, interpretations and amendments will have a significant impact on the interim financial statements.

The CPC has not yet issued their pronouncements and changes related to new and revised IFRSs listed above. Due to the commitment of the CPC and the CVM to keep updated set of standards issued based on the updates made by the IASB, it is expected that these pronouncements and changes are published by the CPC and approved by the CVM to the date of mandatory application.

7. CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The interim consolidated financial statements include the financial statements of the Company and its subsidiaries and have been prepared based on interim 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 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, 2012

Companies	Adjusted shareholders' equity	Total assets	Net income (loss) for the year	Direct equity interest - %	Main activities
Company's direct subsidiaries:					
Qualicorp Corretora de Seguros S.A.	321,426	562,873	8,152	100	Insurance and healthcare brokerage
Convergente Consultoria e Corretora de Seguros Ltda.	761	794	(61)	99.99	Insurance and healthcare brokerage and consulting
Qualicorp Administração e Serviços Ltda.	16,176	23,667	565	99.99	Insurance portfolio management
Qualicorp Administradora de Benefícios S.A.	87,757	466,275	15,700	100	Stipulation of insurance policies and contracting healthcare plans, benefit management
Qualicorp Consultoria em Saúde Ltda.	24,523	33,247	(680)	99.99	Benefit and health management consulting services
Medlink Conectividade em Saúde Ltda.(a)	(5,407)	5,351	(715)	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. (b)	1,779	2,109	775	80	Consulting and mass insurance broker: life, capitalization certificates, home, financial protection, extended warranty, and insured annuity

As of December 31, 2011

Companies	Adjusted shareholders' equity	Total assets	Net income (loss) for the year	Direct equity interest - %	Main activities
Company's direct subsidiaries:					
Qualicorp Corretora de Seguros S.A.	316,743	595,921	29,277	100.00	Insurance and healthcare brokerage
Convergente Consultoria e Corretora de Seguros Ltda.	823	868	139	99.99	Insurance and healthcare brokerage and consulting
Qualicorp Administração e Serviços Ltda.	15,612	24,080	(1,128)	99.99	Insurance portfolio management
Qualicorp Administradora de Benefícios S.A.	69,440	436,380	42,995	100.00	Stipulation of insurance policies and contracting healthcare plans, benefit management
Qualicorp Consultoria em Saúde Ltda.	25,202	33,970	(975)	99.99	Benefit and health management consulting services
Medlink Conectividade em Saúde Ltda.(a)	(6,184)	5,316	(4,221)	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. (b)	1,003	7,457	1,138	80.00	Consulting and mass insurance broker: life, capitalization certificates, home, financial protection, extended warranty, and insured annuity

(a) Net income for the period from April 1 to December 31, 2011.
(b) Net income for the period from August 1 to December 31, 2011.

8. ACQUISITIONS OF SUBSIDIARIES

Medlink Conectividade em Saúde Ltda.

On April 1, 2011, pursuant to a Sale and Purchase Agreement and Other Covenants, the Company acquired 100% of the capital of Medlink Conectividade em Saúde Ltda. ("Medlink"), which became a wholly-owned subsidiary of the Company.

This acquisition totaled R$483. The acquisition of Medlink is aligned with the diversification of Qualicorp Group's activities as a major provider of solution to its clients, which now include connectivity services that should complement the business already carried out in the TPA segment.

After these payments, the Company believes that all contractual commitments related to this acquisition will have been met and that there will be no future financial or accounting adjustments to be made that may change business combination amounts.

The Company, based on a financial and economic valuation report (i) and purchase price allocation study - PPA (ii) prepared by a specialized firm, allocated the fair value of assets acquired and liabilities assumed in these transactions, as follows:

Net assets (liabilities) acquired	Book value	Adjustments	Fair value on acquisition date
Current assets, including cash and cash equivalents of R$48	1,596	-	1,596
Noncurrent assets	5,359	-	5,359
Fair value of intangible assets - relationship with clients (note 17)	-	182	182
Current liabilities	(13,685)	-	(13,685)
Noncurrent liabilities	(5,873)	-	(5,873)
Noncurrent liabilities - deferred income tax and social contribution on the fair value of intangible assets - relationship with customers - 34%	-	(62)	(62)
Net assets (liabilities) acquired	(12,603)	120	(12,483)
Goodwill - future earnings	-	12,966	12,966
Total	(12,603)	13,086	483

(i) Methodology used: discounted cash flows.

(ii) The methodology used considered the analysis of the business model, business plan, existing rights and licenses, value drivers, future economic benefits and definition, identification and estimate of the value of intangible assets and goodwill.

PraxiSolutions Consultoria de Negócios e Corretora de Seguros Ltda.

On July 26, 2011, the Company entered into, through its direct subsidiary Qualicorp Corretora de Seguros S.A., a Share Purchase and Sale Agreement and Other Covenants for the acquisition of 80% of the share capital of PraxiSolutions Consultoria de Negócios e Corretora de Seguros Ltda. (“Praxis”) for R$24,000.

The acquisition of Praxis is aligned with the Company’s strategy of investing in new business opportunities to offer new products and services to the Company’s current and future customers. Praxis is a broker specialized in the development and distribution of mass insurance, such as life insurance, capitalization certificates, home insurance, financial protection insurance, extended warranty and insured annuity.

The Company based on a financial and economic valuation report (i) and purchase price allocation study - PPA (ii) prepared by a 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 amounting to R$466	1,760	-	1,760
Noncurrent assets	16	-	16
Fair value of intangible assets - relationship with clients (note 17)	-	16,312	16,312
Current liabilities	(1,683)	-	(1,683)
Noncurrent liabilities - deferred income tax and social contribution on the fair value of intangible assets - relationship with customers - 34% (ii)	-	(5,546)	(5,546)
Acquired assets (liabilities), net	93	10,766	10.859
Noncontrolling interests	-	-	(2,172)
Net assets acquired (iii)	-	-	8,687
Goodwill	-	-	15,313
Total	-	-	24,000

(i) Methodology used: discounted cash flows.

(ii) Deferred tax effect on intangible assets determination.

(iii) Refers to the 80% interest in the capital acquired by the Company through the direct subsidiary Qualicorp Corretora de Seguros S.A.

The acquisition agreement includes a call and put option clause that entitles the Company to buy and the sellers to sell the remaining 20% (noncontrolling interests), which becomes exercisable after 36 months from the date of acquisition of control. The amount of the purchase value of such noncontrolling interests will be determined through multiples of gross revenues for the 12 month-period preceding the option exercise date. As at March 31, 2012, the financial liability estimated for the option is R$6,554.

9. CASH, CASH EQUIVALENTS, AND SHORT-TERM INVESTMENTS

9.1. Cash and cash equivalents

Broken down as follows:

Description	Company		Consolidated	
	03/31/2012	12/31/2011	03/31/2012	12/31/2011
Cash	-	-	39	30
Banks - deposit account (a)	34	2	23,101	14,551
Highly-liquid short-term investments (b)	134,382	135,309	336,815	355,087
Total	134,416	135,311	359,955	369,668

(a) As of March 31, 2012 and December 31, 2011, in consolidated, includes mainly amounts received from clients on the last 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:

Per type of investment

Description	Fair value and carrying amount			
	Company		Consolidated	
	03/31/2012	12/31/2011	03/31/2012	12/31/2011
Bank Certificates of Deposit (CDBs) (i)	134,382	135,309	336,779	355,049
Debentures (i)	-	-	6	6
Other investments (ii)	-	-	30	32
Total	134,382	135,309	336,815	355,087

(i) These securities are adjusted from 100% to 101.5% 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.

(ii) Represent mainly funds temporarily held in a bank deposit account - investment account.

9.2. Short-term investments

Description	03/31/2012 Consolidated	12/31/2011 Consolidated
Nonexclusive investment fund (*)	12,555	12,233

(*) Refers to an investment used as guarantee by the indirect subsidiary Qualicorp Administradora de Benefícios 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 cash equivalents, are under the custody of the following financial institutions:

	Company		Consolidated	
	03/31/2012	12/31/2011	03/31/2012	12/31/2011
Banco Bradesco S.A.	130,166	131,167	148,872	149,489
Banco Santander (Brasil) S.A.	4,216	4,142	99,853	109,110
Banco Itaú S.A.	-	-	100,645	108,721
Total	134,382	135,309	349,370	367,320

10. NONCASH TRANSACTIONS

Broken down as follows:

Description	03/31/2012 Consolidated	12/31/2011 Consolidated
Amount payable for the purchase of:		
Property, plant and equipment (see note 24)	315	378
Intangible assets (see note 24)	54,301	69,088
Noncontrolling interest option (see note 8)	6,554	5,871

11. TRADE RECEIVABLES

Broken down as follows:

	03/31/2012 Consolidated	12/31/2011 Consolidated
Premiums to be transferred - without risk of default (a)	421	335
Recoverable premiums - with risk of default (b)	33,530	32,362
Benefit management consulting (c)	4,771	8,531
Trade receivables (d)	6,585	7,995
Postdated checks	100	123
Credit cards	141	141
Unidentified deposits	(412)	(459)
Total current	45,136	49,028
Trade receivables with preliminary injunctions (e)	1,066	946
Total noncurrent	1,066	946
Grand total	46,202	49,974

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

(b) Refer to am ounts receivable from beneficiaries whose corresponding healthcare plan or insurance policy invoice am ounts were paid to healthcare or insurance com panies by the Company on their maturity date. As of March 31, 2012, R$18,476 refer to receivables from Abrigo do Marinheiro, whose paym ent is pos tponed to the m onth the plan become effective. The maturities of recoverable premiums are as follows:

	03/31/2012 Consolidated	12/31/2011 Consolidated
Current	18,777	15,808
Past-due:		
Up to 30 days	10,627	11,300
31 to 60 days	4,004	5,114
Over 60 days (*)	122	140
Total	33,530	32,362

(*) 2011 amounts were fully received by January 16, 2012 and 2012 a mounts were fully received by April 13, 2012.

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

	03/31/2012	12/31/2011
	Consolidated	Consolidated
Current	3,595	8,442
Past-due:		
Up to 30 days	38	4
31 to 60 days	1,138	85
Total	4,771	8,531

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

	03/31/2012	12/31/2011
	Consolidated	Consolidated
Current	5,750	6,796
Past-due:		
Up to 30 days	464	1,023
31 to 60 days	371	123
Over 60 days (*)	-	53
Total	6.585	7,995

(*) 2011 amounts were fully received by February 10, 2012.

Changes in the allowance for doubtful accounts:

	Consolidated	
	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011
Balance at beginning of period	-	-
Recognitions in the period	11,906	10,732
Write-offs for the period (see note 32)	(11,906)	(10,732)
Balance at end of period	-	-

(e) Refer to a mounts receivables from beneficiaries of healthcare plans who bring a lawsuit against health operators.

12. OTHER ASSETS

12.1. Other financial assets

Broken down as follows:

	Company		Consolidated	
	03/31/2012	12/31/2011	03/31/2012	12/31/2011
Current				
Recoverable checks	-	-	86	112
Advances to suppliers	-	-	1,166	2,476
Recoverable taxes (a)	731	362	25,859	21,606
Advance from transfer of contracts (b)	-	-	924	965
Advances to executives (c)	-	-	1,907	1,907
Advance to employees	-	19	204	680
Advance to to brokers (e)	-	-	4,950	-
Others (d)	-	-	149	1,710
Total current	731	381	35,245	29,446
Noncurrent				
Advances to executives (c)	-	-	1,907	2,384
Other receivables	4	-	1,519	1,529
Total noncurrent	4	-	3,426	3,913
Grand total	735	381	38,671	33,359

(a) The amounts are broken down as follows:

	03/31/2012 Consolidated	12/31/2011 Consolidated
Social security tax (INSS)	309	247
Corporate income tax (IRPJ)	18,395	16,678
Social contribution on net profit (CSLL)	4,477	3,773
Tax on revenue (PIS)	87	88
Tax on revenue (COFINS)	428	435
Withholding income tax (IRRF)	2,083	31
Other recoverable taxes	80	354
Total	25,859	21,606

(b) Refer to the prepayment of monthly fees and premium of beneficiaries of healthcare/dental plan agreements.

(c) Refers to prepaid expenses incurred by the Company in hiring executive officers on April 30, 2010. This amount will be amortized on a straight-line basis up to March 2014, considering the employment contract terms and conditions, including reimbursement rules in case of early withdrawal.

(d) Refer basically to amounts received by Divicom relating to July 2011 payments. This amount was fully received by January 19, 2012.

(e) On March 27, 2012 agreement was signed with the third brokerage to provide marketing services of private health care, and affinity products to other health care services for the individuals registered to legal entities. It was anticipated compensation in the amount of R$4,950 being established a production goal to be achieved over a period of 5 years revisited every six months based on the amount of gross income reached.

12.2. Other nonfinancial assets

Broken down as follows:

	Company		Consolidates	
	03/31/2012	12/31/2011	03/31/2012	12/31/2011
Current				
Others material	-	-	1,377	1,553
Prepaid expenses	541	166	1,220	877
Total current	541	166	2,597	2,430

13. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

Broken down as follows:

	03/31/2012 Consolidated	12/31/2011 Consolidated
Deferred income tax and social contribution assets (a)	259,308	273,645
Deferred income tax and social contribution liabilities (b)	262,395	269,477

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

Items	03/31/2012	12/31/2011
Allowance for doubtful accounts and write off of uncollectible amounts - short-term amount	5,640	6,975
Provision of notes receivable	322	
Other provisions	845	1,025
Provision for put option over noncontrolling interest on Praxi (subsidiary).	232	-
Provision of Profit sharing program	1,607	
Provision for tax, civil and labor risks - portion related to the companies and/or periods subject to the actual profit regime	9,769	10,999
Tax benefit on goodwill merged (see note 1.c))	235,307	250,014
Subsidiaries' tax losses (*)	29,068	27,369
Total tax credits	282,790	296,432
(-) Unrecognized tax credits (*)	(23,482)	(22,787)
Total tax credits recorded	259,308	273,645

(*) The Company has tax loss carryforwards totaling R$10,467, for which deferred tax credits of approximately R$3,618 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$33,605, for which deferred tax credits of approximately R$11,425 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$13,699, for which deferred tax credits were recognized in the amount of R$4,658, as future earnings are likely to be recorded.

The direct subsidiary Qualicorp Corretora de Seguros S.A. has tax loss carryforwards totaling R$2,729, for which deferred tax credits were recognized in the amount of R$928, as future earnings are likely to be recorded.

The direct subsidiary Medlink Conectividade em Saúde Ltda. has tax loss carryforwards totaling R$24,816, for which deferred tax credits were not recognized in the amount of R$8,439, due to the history of retained losses.

Expected 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

Year	03/31/2012 Consolidated	12/31/2011 Consolidated
2012	43,211	66,877
2013	70,637	62,545
2014	63,207	63,207
2015	60,179	62,750
2016	16,255	18,266
2017	5,819	-
Total	259,308	273,645

The total present value of tax credits is R$194,454, calculated based on the expected realization of temporary differences.

(b) Break down of deferred income tax and social contribution liabilities

	03/31/2012 Consolidated	12/31/2011 Consolidated
On the fair value of the acquisition of investments allocated to intangible assets - relationship with customers (see note 17)	248,156	256,641
Temporary differences on the portion of goodwill of merged companies amortized in the year/period, for tax purposes, as discussed in note 17	12,112	10.767
Others	2,127	2,069
Total	262,395	269,477

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:

	03/31/2012		12/31/2011	
	Payables	Expenses	Payables	Expenses
Other related parties (c)	1,894	-	1,894	-
Shareholders (a)	439	-	-	916
Member of the Board of Directors (b)	-	338	-	338
Qualicorp Administradora de Benefícios S.A.(c)	-	256	-	484
Seripatri Participações Ltda. (d)	2,333	594	1,894	1,738
Balances				

(a) For 2011 - The Company's shareholders entered into agreements with subsidiaries Qualicorp Administradora de Benefícios S.A. and Qualicorp Corretora de Seguros S.A. to provide consulting and advisory services relating to: (i) the Company's and its subsidiaries' operations; (ii) strategic planning; (iii) marketing; and (iv) supervision The services contracted for the period from September 1, 2010 to June 15, 2011 were paid in June 2011; the agreement was not renewed and, since then, such services have no longer been provided.

For 2012, refers to expenses to be reimbursed by shareholders (sellers) under the secondary public offering of shares, as mentioned in note 41a.

(b) Agreement entered into between subsidiary Qualicorp Corretora de Seguros S.A. and M2 Participações Ltda., a company with a shareholder who is a member of the Board of Directors, to provide commercial and corporate consulting and advisory services, focused on evaluating and acquiring new businesses relating to the corporate purpose of the subsidiary or any other Group's company. The service contracted from September 2, 2010 to September 2, 2011 amounts to approximately R$1,200, net of taxes and automatically renewable every six months. This agreement was renewed until March 2012, keeping the same characteristics. The amount of R$338 was paid during the period ended in March 31, 2012.

(c) Subsidiary Qualicorp Administratora de Benefícios S.A. was refunded the amount of R$1,894 on April 9, 2012 regarding a tax assessment received upon an inspection by federal authorities, covering years 2007 and 2008, the amount was refunded through withdrawals from the escrow account contracted in September 2010, between Carlyle Group and its then respective shareholders. Consequently, as at March 31, 2012 the Company had an amount receivable from the shareholders at the time of acquisition of Carlyle Group and an amount payable to the subsidiary that had been issued the tax assessment.

(d) On January 1, 2010, the Company entered into a contract of sharing and reimbursement of transport expenses with Seripatri Participações Ltda. to meet the needs of their managers, and Seripatri is who bears all costs and common costs of these goods. The total of incurred expenses in the period was R$256.

14.2. Compensation of Management key personnel

Management key personnel refers to the members of the Board of Directors, the CEO, the superintendent, and statutory and nonstatutory officers. Compensation paid or payable is as follows.

	Company		Consolidated	
	Payables	Expenses	Payables	Expenses
Short-term benefits to managers (*)	118	1,631	2,947	7,312
Share-based compensation	-	2,710	-	2,710
Balances at 2012	118	4,341	2,947	10,022

(*) Management 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

Broken down as follows:

	Company		Consolidated	
	03/31/2012	12/31/2011	03/31/2012	12/31/2011
Equity interests:				
Qualicorp Administradora de Benefícios S.A.	747,064	735,055	-	-
Qualicorp Administração e Serviços Ltda.	47,725	47,462	- -	
Qualicorp Consultoria em Saúde Ltda.	64,417	65,409	-	-
Qualicorp Corretora de Seguros S.A.	957,209	952,859	-	-
Convergente Consultoria e Corretora de Seguros Ltda.	762	823	-	-
Medlink Conectividade em Saúde Ltda.	7,665	6,892	-	-
Total equity interests	1,824,842	1,808,500	-	-
Other investments-				
Other investments	-	-	66	66
Total other investments	-	-	66	66
Total investments	1,824,842	1,808,500	66	66

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a) Effects of the merger of QC II into Qualicorp Participações and spin-off to the operating subsidiaries (see note 1.(c))

	Net assets of QC II merged into Qualicorp Participações								Net assets from the spin-off transferred to the operating subsidiaries				
Description	QC II	Qualicorp Partic.	Elimination of investment at cost of QC II as a contra entry to the shareholders' equity of Qualicorp Participações	Intercompany eliminations	Allowance for intangible assets in the downstream merger	Goodwill provision in the downstream merger	QC II balance merged into Qualicorp Partic. after merger	Qualicorp Partic. shareholders' equity after merger	Qualicorp Administradora de Benefícios S.A.	Qualicorp Administração e Serviços Ltda.	Qualicorp Consultoria em Saúde Ltda.	Qualicorp Corretora de Seguros S.A.	Closing balances of Qualicorp Partic. investments in operating subsidiaries
Other current assets and long-term receivables	20,900	39,600	-	(20,879)	-	-	21	39,621	31,336	-	-	8,285	-
Property, plant and equipment and others	-	357	-	-	-	-	-	357		-	-	357	-
Debentures	(316,402)		-	-	-	-	(316,402)	(316,402)	(169,117)	-	-	(147,285)	-
Deferred income tax on intangible assets - customer portfolio	(258,003)	-	-	-	258,003	-	-	-	-	-	-	-	-
Other liabilities	(2,088)	(21,257)	-	20,879	-	-	18,791	(2,466)	(1,564)	-	-	(902)	-
Tax credit recognition - merger	-	-	-	-	-	301,398	301,398	301,398	146,811	7,023	7,263	140,301	-
Investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
QC II	-	-	-	-	-	-	-	-	-	-	-	-	-
Qualicorp Participações:													
Cost	189,309	-	(189,309)	-	-	-	-	-	-	-	-	-	-
Goodwill	1,215,000	-	-	-	-	(1,215,000)	-	-	-	-	-	-	-
Goodwill adjustment - SOP	4,346	-	-	-	-	(4,346)	-	-	-	-	-	-	-
Goodwill - balance allocated to customer portfolio	758,833	-	-	-	(758,833)	-	-	-	-	-	-	-	-
			-	-	-	-	-		-	-	-	-	
Qualicorp Administradora de Benefícios S.A.	-	7,888	-	-	-	-	-	7,888	-	-	-	-	7,888
Qualicorp Administração e Serviços Ltda.	-	9,717	-	-	-	-	-	9,717	-	-	-	-	9,717
Qualicorp Consultoria em Saúde Ltda.	-	26,177	-	-	-	-	-	26,177	-	-	-	-	26,177
Qualicorp Corretora de Seguros S.A.	-	126,136	-	-	-	-	-	126,136	-	-	-	-	126,136
Convergente Consultoria e Corretora de Seguros Ltda.	-	684	-	-	-	-	-	684	-	-	-	-	684
Other	-	7	-	-	-	-	-	7	-	-	-	-	7
Equity	1,611,895	189,309	(189,309)	-	(500,830)	(917,948)	3,808	193,117	7,466	7,023	7,263	756	170,609

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b) Investment recovery after spin-off

	QC II	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.	Other	Total
Balance as of December 31, 2010	1,611,895	-	-	-	-	-	-	1,611,895
Merger of QC II into Qualicorp Participações	(1,611,895)	-	-	-	-	-	-	(1,611,895)
Intangible assets recovery -customer relationship, net of tax credit effects from the merger/spin-off	-	243,955	11,669	12,070	233,136	-	-	500,830
Goodwill recovery, net of tax credit effects from the merger/spin-off	-	447,133	21,387	22,123	427,305	-	-	917,948
Net assets received from the spin-off of Qualicorp Participações	-	7,466	7,023	7,263	756	-	-	22,508
Opening balance of investments received from the spin-off by Qualicorp S.A.	-	7,888	9,717	26,177	126,136	684	7	170,609
Balance reclassified after the merger and spin-off, as mentioned in note 1.c)	-	706,442	49,796	67,633	787,333	684	7	1,611,895

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c) 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, 2012							
Capital	11,967	14,023	52,402	241,986	581	19,820	-
Equity (a)	87,757	16,176	24,523	321,426	761	(5,407)	-
Profit (loss) for the period	15,700	565	(680)	8,152	(61)	(715)	-
Number of shares	7,490,118	14,022,567	52,401,586	241,718,603	580,950	19,820,438	-
Equity interest - %	100	99.99	99.99	100	99.99	99.99	-
Changes in investments:							
Investments as of December 31, 2011	735,055	47,462	65,409	952,859	823	6,892	1,808,500
Capital increase in subsidiaries	-	-	-	-	-	1,493	1,493
Stock option plan - SOP	2,617	-	-	2,227	-	-	4,844
Equity in subsidiaries	9,392	263	(992)	2,123	(61)	(720)	10,005
Equity	15,700	565	(680)	8,152	(61)	(715)	22,961
Amortization of intangible assets - relationship with customers	(9,559)	(457)	(473)	(9,135)	-	(6)	(19,630)
Deferred income tax and social contribution on amortization of intangible assets - relationship with customers	3,251	155	161	3,106	-	1	6,674
Investments as of March 31, 2012	747,064	47,725	64,417	957,209	762	7,665	1,824,842

(a) Includes the advance for future capital increase of R$735 made by the Company in Medlink Conectividade em Saúde Ltda.

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16. PROPERTY, PLANT AND EQUIPMENT

Broken down as follows:

	Annual amortization rate - %	03/31/2012			12/31/2011		
		Adjusted Cost	Accumulated depreciation	Total	Adjusted cost	Accumulated depreciation	Total
Telephone and communication equipment	20	570	(197)	373	566	(166)	400
Sound and image equipment	10	167	(100)	67	159	(93)	66
Security equipment	10	102	(44)	58	91	(39)	52
Furniture and fixtures	10	3,827	(1,251)	2,576	3,408	(1,164)	2,244
Facilities	10	807	(243)	564	762	(224)	538
Vehicles	20	682	(282)	400	562	(253)	309
IT equipment	20	15,553	(4,737)	10,816	15,120	(4,003)	11,117
Machinery and equipment	10	2,667	(1,605)	1,062	2,605	(1,539)	1,066
Leasehold improvements	(*)	8,545	(5,013)	3,532	7,650	(4,609)	3,041
Total		32,920	(13,472)	19,448	30,923	(12,090)	18,833

(*) Leasehold improvements are amortized based on the related lease agreements. The average amortization rate was 36.43%.

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
Balances as of December 31, 2011	18,833
Additions:	
Telephone and communication equipment	4
Safety equipment	11
Sound and image equipment	7
Furniture and fixtures	419
Facilities	46
IT equipment	434
Machinery and equipment	61
Vehicles	120
Leasehold improvements	895
Total additions	1,997
Depreciation	(1,382)
Balance as of March 31, 2012	19,448

17. INTANGIBLE ASSETS

Broken down as follows:

	Annual amortization rate - %	03/31/2012 Adjusted cost	03/31/2012 Accumulated depreciation	03/31/2012 Total	12/31/2011 Adjusted cost	12/31/2011 Accumulated Depreciation	12/31/2011 Total
Goodwill on the acquisition of investments allocated as future earnings:							
Athon, Brüder SP and Brüder RJ merged by their controllers (g)	-	27,251	-	27,251	27,251	-	27,251
Salutar merged by its controller (g)	-	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.(h)	-	15,313	-	15,313	15,313	-	15,313
Medlink Conectividade em Saúde Ltda. (h)	-	12,966	-	12,966	12,966	-	12,966
Total goodwill		1,032,301	-	1,032,301	1,032,301	-	1,032,301
Software (a)	20	41,427	(12,315)	29,112	40,046	(10,370)	29,676
Software under development (b)	-	17,069	-	17,069	14,353	-	14,353
Acquisition of portfolios - Corporate segment (c)	20	3,565	(3,065)	500	3,565	(2,952)	613
Acquisition of portfolios - Affinity segment (e)	20	209,978	(39,042)	170,936	192,644	(30,774)	161,870
Exclusivity right (f)	10 a 20	115,970	(15,510)	100,460	113,570	(11,857)	101,713
Trademarks and patents	-	7	-	7	4	-	4
Fair value on intangible assets - relationship with customers paid in the acquisition of investments (g):							
Athon, Brüder SP e Brüder RJ 9(g)	10	21,625	(5,670)	15,955	21,625	(5,130)	16,495
Salutar (g)	10	53,316	(12,453)	40,863	53,316	(11,120)	42,196
Qualicorp Administradora de Benefícios S.A. (d)	10	382,374	(60,542)	321,832	382,374	(50,983)	331,391
Qualicorp Administração e Serviços Ltda. (d)	10	18,291	(2,896)	15,395	18,290	(2,439)	15,851
Qualicorp Consultoria em Saúde Ltda. (d)	10	18,919	(2,995)	15,924	18,919	(2,522)	16,397
Qualicorp Corretora de Seguros S.A.(d)	10	365,418	(57,858)	307,560	365,418	(48,722)	316,696
PraxiSolutions Consultoria de Negócios e Corretora de Seguros (h)	10	13,049	(871)	12,178	14,158	(679)	13,479
Medlink Conectividade em Saúde Ltda. (h)	20	182	(18)	164	182	(13)	169
Total other intangible assets		1,261,190	(213,235)	1,047,955	1,238,464	(177,561)	1,060,903
Total		2,293,491	(213,235)	2,080,256	2,270,765	(177,561)	2,093,204

(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. On July 1, 2011, with the completion and go-live of some system modules, the amount of R$20,384 was transferred to the caption "Computer software".

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

(d) See note 15.(a).

(e) Rights and Obligations Assignment Agreements entered into March 31, 2912.

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: (i) Unni Administradora de Benefícios Ltda. and Vectorial Consultoria e Representações Ltda. ("Vectorial"); and (ii) Med Company Consultoria e Corretora de Seguros Ltda. and Priority Administradora de Planos de Saúde Ltda. ("Med Company"), respectively.

Vectorial

On April 15, 2010, the Company acquired, through its subsidiaries Qualicorp Corretora de Seguros S.A. and Qualicorp Administradora de Benefícios S.A., the rights and obligations arising from several group adhesion contracts entered into and/or managed by each assignor with its clients, whose recurring monthly revenues at the acquisition date total R$3,000 (broken down into R$1,600 from brokerage fees and R$1,400 from stipulation fees), totaling 66 thousand lives insured, distributed among 25 contracts, of which 23 contracts are entered as stipulation contracts and 2 as management contracts.

Total transaction price amounted to R$51,000, out of which R$47,500 relating to the portfolio price and R$3,500 relating to assignments of rights on the management, brokerage and agency of the two contracts managed (Additional Portfolio).

On May 19, 2010, 50% of the portfolio price, totaling R$23,750, and the amount of R$3,500 relating to the Additional Portfolio price were settled. The residual balance was divided into seven equal, monthly and consecutive installments, plus inflation adjustment based on CDI and the last installment was paid on December 20, 2010.

On April 1, 2011, the Company acquired, through its subsidiary Qualicorp Corretora de Seguros S.A., 25% of the remaining rights held by Vectorial on a certain group of the affinity segment clients. In May 2010, the Qualicorp Group had already acquired 75% of the rights and obligations related to this group of clients. The 25% share in this group of clients' rights represented, on acquisition date, approximately R$1 million per month in revenue, for which the Qualicorp Group will pay R$52 million, of which R$15 million in cash, and the remaining balance (as adjusted for inflation using the CDI fluctuation) will be paid by July 14, 2011 in the amount of R$53,210.

Med Company

On April 19, 2010, the Company entered into, through its subsidiaries Qualicorp Corretora de Seguros S.A. and Qualicorp Administradora de Benefícios S. A., a business intermediation, assignment and transfer of rights and obligations agreement and other covenants related to several group adhesion contracts stipulated and/or managed by the assignor/intermediary with its customers, whose recurring monthly revenues at the acquisition date total R$530, totaling 33,000 lives insured, distributed among four contracts. The total transaction price amounted to R$12,000, 50% of the portfolio price paid on June 28, 2010. The remaining balance will be settled in five installments, settled according to the following schedule: four equal, consecutive monthly installments of R$1,000, starting on the date contracts are delivered; and R$2,000 ten months after the contract delivery date (April 27, 2011), including monetary adjustment and price negotiation.

The amount of the five installments will be adjusted based on the positive variation of general market price index (IGP-M) and on the changes in the portfolio (lives insured) included in the contract on the transaction date.

The adjustment to the acquisition price using the portfolio variation was R$419, R$182, accounted for in December 2010 and R$237 in April 2011, and the acquisition price decreased from R$12,000 to R$11,581.

On December 7, 2011, the Company through its subsidiaries Qualicorp Corretora de Seguros S.A. and Qualicorp Administradora de Benefícios S.A. entered into the first amendment to the agreement for business intermediation, assignment and transfer of rights and obligations and other covenants relating to collective adhesion agreements by classes of entities migrated when the original agreement was between the Company and Operadora Unimed-BH Cooperativa de Trabalho Médico Ltda. was signed, in April 2010.

The acquisition price was R$280 being paid in cash in January 2012. The value of this additive is being amortized over five years retroactive to the migration period in April 2010.

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., a rights and obligations assignment and transfer, and brokerage agreement and other covenants with Divicom Administradora de Benefícios Ltda. ("Divicom") to acquire the rights to the management and sale of certain Affinity segment contracts that, on agreement execution date, totaled approximately 60,000 insurees, representing estimated revenue of approximately R$1.2 million per month. Divicom received from the Qualicorp Group R$16 million, which can be adjusted based on the number of insurees that actually migrate to the Company on the date the transaction is completed. As vidas foram migradas para a Companhia em 24 de outubro de 2011. The price was settled in two installments, consisting of 70% in cash and the remaining balance within 12 months from the migration date, a payment that includes the acquisition of 100% of Qualicorp Administradora de Benefícios S.A. rights and 50% of Qualicorp Corretora de Seguros S.A. rights; as a result, Divicom will continue to receive 50% of the annual contracts' brokerage fees. Additionally, the price can be adjusted by no more than R$5 million. The payment is contingent upon the compliance with two annual sales goals of 36 thousand lives, totaling 72 thousand lives by the end of the second year of the agreement. The maximum payment of R$5 million will be divided in two annual installments of R$2.5 million each, adjusted as the goal is achieved, up to R$5 million. As of June 30, 2011, the Company recorded R$16,159 relating to this assignment agreement. Out of this amount, R$11,911 had already been paid by June 28, and the remaining balance of R$4,248, prior to any adjustments to the portfolio, if applicable, will be paid was in up to 1 year as adjusted using the CDI fluctuation, as of the date of payment of the first installment.

On September 20, 2011, subsidiaries Qualicorp Administradora de Benefícios S.A. and Qualicorp Corretora de Seguros S.A. entered into an amendment to the agreement referred to above for the rights and obligations assignment and transfer, brokerage and other covenants with Divicom. Under such amendment, 9,048 lives were transferred for the amount of R$2,714, out of which R$1,900 have already been settled while the remaining R$814 will be paid in up to 1 year, adjusted for inflation based on the CDI fluctuation, as of the date of payment of the first installment. This payment includes the acquisition of 100% of the stipulation rights for collective adhesion agreements by Qualicorp Administradora de Benefícios S.A. and 50% of brokerage rights by Qualicorp Corretora de Seguros S.A. As a result, Divicom will continue to receive 50% of the brokerage fees on the existing agreements. On January 10, 2012, subsidiary Qualicorp Corretora de Seguros S.A acquired the remaining 50% brokerage rights on Divicom's existing agreements.

On November 9, 2011, subsidiaries Qualicorp Administradora de Benefícios S.A. and Qualicorp Corretora de Seguros S.A. entered into a contractual amendment for the rights and obligations assignment and transfer, brokerage and other covenants whereby 2,974 lives relating to 13 entities were added. The amount involved in this assignment of rights was R$892, out of which the first 70% (R$624) were already paid on November 11, 2011 while the remaining 30% (R$268) were paid on April 18, 2012.

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 (see Note 12.1.(e)) 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 portfolio 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.

Adplan Administração e Planejamento de Benefícios Ltda.

On September 1, 2011, subsidiary Qualicorp Administradora de Benefícios S. A entered into a r ights and obligations assignment agreement with Adplan Administração e Planejamento de Benefícios Ltda.("Adplan") to acquire management and trading rights for the provision of medical and hospital assistance involving diagnosis and therapy, thus becoming the holders for professionals registered with Rio de Janeiro´s Regional Council of Real Estate Brokers (CRECI/RJ).827 lives were tr ansferred, in the amount of R$225, which was fully settled in September 2011. The amortization period is five years.

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

On October 17, 2011, the Co mpany entered into, through its dir ect subsidiary Qualicorp Corretora de Segur os S.A., a rights and obligations assignment and transf er agreement and other covenants to acqui re 75% of the cur rent 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 after the assignments. The beginning of monthly payments began in Febr uary 2012, in which up to M arch 2012 were paid two installm ents of R$3, 299 and the star t of the monthly amortization for a period of five years.

Once the 12 months as of the assignment date have elapsed, Qualicorp will be able to ex ercise the option t o purchase the remaining portfolio of 25% while Newport and NWP will continue to perform their commercial operations in partnership with Qualicorp and have right to 25% co-brokerage fees on the current portfolio as well as on any new customers that may be added to Qualicorp's portfolio as a function of the sales effort that will be made.

These companies operate in the br okerage business r elating to hea lth insurance and medical assistance plans, either individual and/or collective (medical and dental assist ance), life insurance, car insurance/ RE and pensio n plans. In the aggregate, Newport an d NWP customers total ap proximately 83 th ousand lives, out of which 41 th ousand in the health, 33 thou sand in th e dental assistance a nd 9 thousand in the life insurance lines.

Afinidade Administradora de Benefícios Ltda. ("Afinidade Administradora") e a Equilibrar Corretora de Seguros Ltda. ("Equilibrar Corretora")

Whereas, Equilibrar Corretora operates in representation, brokerage, agency, commissioning and brokerage services involving casualty insurance lines and health care plans (medical and dental assist ance), in addition to other supplementary health assistance ser vices and brokerage of heal th and ins urance plans (h ealth and dental assistance). Equilibrar Co rretora will continue to perform its operating activities under an exclusive partnership with Qualicorp. Afinidade Group manages approximately 30 thousand lives, has 40 entities in its customer portfolio, and sells and manages products of approximately 10 health car e operators. The Group's operations are primarily concentrated in the Federal District but it also operates in the States of Rio de Jane iro, Minas Ge rais, Ceará and Bahia. The total transaction amount, provided that the minimum assignment occurs within the assign ment term, will be R$38,000, subject to pr ice 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, and, in case this am ount is not achieved, the price adjustment to the po rtfolio assignment will be attributed.

Out of the total intangible assets, 90% of the rights were assigne d to subsidiar y Qualicorp Administradora de Benefícios and 10% to subsdiary Qualicorp Corretora de Se guros and will be amortized over 5 years. In the fi rst quarter of 2012, the amount of R$11,352 was settled, whereas the remaining of balance of R$20,948 will be settled over the term of the assignment.

(f) Exclusivity right

Unimed Rio

On November 30, 2010, the Company entered into a business agr eement with Unimed Rio - Cooperativa de Trabalho Médico do Rio de Janeiro Ltda. ("Unimed Rio"), ensuring exclusivity in the pr ovision of benefit manager services, as policyholder, under a colle ctive adhesion agreement over a five-year period. The deal amounted R$20,000, of which R$10,000 was paid on Dece mber 1, 2010, and the R$10,000 remain payable (see note 24). The remaining balance will be paid after the proof the expenses incurred using the advance made in December 2010 and the presentation of an action schedule for 2012, to be developed together with the Company.

On April 28, 2011, subsidiary Qualicorp Corretora de Seguros S.A. entered into a sales agreement with Unimed Rio, in order to ensure exclusivity over a specific customers' portfolio represented by collective adhesion and corporate agreements.

This negotiation ensures Qualicorp the right to prospect this customers' base for cross-selling of various services, including the provision of benefit management services for collective adhesion agreements. Additionally, the Company was engaged by Unimed Rio to provide management services to these portf olios, for which we will receive a compensation of 10% on monthly premiums relating to these agreements. This transaction will allow the exclusive and strategic acc ess to a sel ected customers' base in Rio de Janeiro, thu s consolidating Qualicorp Group's operations in this r egion. The transaction amounted to R$85,000, out of which R$17,000 was paid in April 2011 and the remaining R$68,000 was paid in July 2011, adjusted based on the CDI-CETIP rate. This asset will be amortized over ten years.

Abrigo do Marinheiro/ Yeld Corretora de Seguros

Refers to the use of logotype Abrigo for any promotional action to be pub lished in the Company's publicity materials during the term of the agreement with Unimed Rio, in the a mount of R$1,500. The a mortization period of this prepaid ex pense will be five y ears. Additionally, on November 1, 2010, an agreement between subsidiary Qualicorp Corretora de Seguros and Yeld Corretora de Seguros ("Yeld Corretora") was signed regarding the commission for intermediation of the negotiation with Abr igo do Marinheiro and affiliate company Qualicorp Administradora de Benefícios as policyholder and the consequent appointment of Qualicorp Corretora de Seguros as broker. Subsidiary Qualicorp Corretora paid R$3,570 to Yeld Cor retora as a co mmission for the in termediation, which also h as been amortized in five years.

On February 7, through its subsidiary, 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, the Company paid R$2,400 as consideration to Yeld Corretora for the exclusivity in providing such services, with the intangible asset relating to the exclusivity right being amortized over five years

Unimed Norte Nordeste and Central Norte Nordeste

On September 10, 2010, an agreement was entered into between subsidiary Qualicorp Corretora de Seguros and Vectorial Corretora de Seguros ("Vectorial") for intermediation of the negotiation with healthcare plan operators Unimed Norte Nordeste and Central Norte Nordeste and subsidiary Qualicorp Administradora de Benefícios as policyholder and the consequent appointment of Qualicorp Corretora de Seguros as broker. On November 30, 2010, Qualicorp Administradora de Benefícios entered into a commercial agreement with Unimed Norte Nordeste - Confederação das Sociedades Cooperativas de Trabalho Médico ("Unimed Norte Nordeste") and Central Operadora de Planos de Saúde Norte-Nordeste ("Central Norte Nordeste"), ensuring the exclusivity for rendering benefit management services in the capacity of policyholder and, consequently, the appointment of Qualicorp Corretora de Seguros as broker, through Vectorial Corretora de Seguros intermediation. Subsidiary Qualicorp Corretora paid Vectorial as a commission for the intermediation the amount of R$3,500, which will be settled in December 2010. This intermediation will be amortized in five years, that is, the term of effectiveness of the agreement.

(g) Refers to acquisitions made in 2010.

(h) See note 8.

Changes in intangible assets are as follows:

	Consolidated
Balances as of December 31, 2010	2,093,204
Additions:	
Trademarks and patents	3
Software	1,381
Software under development	2,717
Portfolio acquisition	17,333
Exclusivity right	2,400
Total de additions	23,834
Amortization	(35,673)
Write-offs, net	(1,109)
Balances as of March 31, 2012	2,080,256

Goodwill on acquisition of investments

Pursuant to CPC 01, goodwill on companies acquired should be tested for impairment, at least annually. The Company made this test for the acquisitions occurred up to December 31, 2011. The test was based on the recoverable amount of cash-generating units of 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 13.70% per year. Management believes that potential additional changes in the main assumptions on which recoverable amounts were based would not cause its carrying amount to exceed recoverable amount.

18. DEBENTURES

On August 17, 2010, the Board of Directors' members approved the 1st issuance of registered, book-entry debentures, nonconvertible into shares in its subsidiaries QC Holding II Participações S.A. (R$308,000), Qualicorp Administradora de Benefícios S.A. (R$56,000) and Qualicorp Corretora de Seguros S.A.(R$36,000).

The debentures were distributed through public offe rings with restrict placem ents efforts, in conformity with CVM Instruction 476/2009.

Funds raised by QC II through the 1st issue of debentures amounting to R$308,000 were used to acquire Qualicorp P articipações S.A. shares and to pay costs and expe nses related to such acquisition, according to note 1.

Funds raised by other subsidiaries through the 1 st issue of debentures amounting to R$92,000 will be used to carry out acquisitions in general, pay the related acquisition costs and expenses, increase working capital and meet other Company's subsidiaries' obligations.

On September 3, 2010, the Com pany notified the CVM of t he closing of the public offering with restricted efforts to place the debentures issued by its associates Qualicorp Administradora de Benefícios S.A. and Qualicorp Corretora de Seguros S.A.

On March 31, 2011, the Extraordinary Shareholders ' Meeting ("AGE") of QC Holding II held on March 31, 2011 approved the m erger of QC Ho lding II into Qualicorp Participações S.A., which was duly subm itted to debenture holders' approval, as pres cribed by article 231 of the Brazilian Corporate Law, through the Minutes of the Debenture holders' Meeting held on March 31, 2011 ("AGD").

Thereafter, Qualicorp P articipações was spun-off and its debentures debt was transferred to Qualicorp Corretora de Seguros S.A. ("QC Corretora") and to Qualicorp Adm inistradora, Qualicorp Group's companies.

At the Debenture holders' Meeting m entioned above, debenture holders expressly approved: (a) the cancellation of debentures and the creation of new credit , represented by debentures issued by Qualico rp Participações, as prescribed by the Indenture for the 1 st Issue o f Simple, Unsecured Debentures, with Collateral ("Qualic orp Participações Inde nture" and "Qualicorp Participações Debentures", resp ectively), and (b) the cancellati on of Qualicorp Participações Debentures and the creation of new credit, represented by debe ntures issued by QC Corretora through Indenture for the 2 nd Issue of Sim ple, Unsecured Debentures, with Collateral and Additional Security, and by QC Administradora, through the Indenture for the 2 nd Issue of Simple, Unsecured Debentures, with Collater al and Additional Security ("QC Corretor a Debentures" and "QC Adm inistradora Debentures", respectively), which will cons titute two new subjective debenture issues, which initially, due to the m erger mentioned above, replaced the debentures' issuer by Qualicorp Participações and, thereafter, due to the spin-off mentioned above, debentures' issu er was ag ain replaced by the com panies that received Qualicorp Participações' equity, in the following proportion: (i) 143 debentures from QC Corretora; and (ii) 165 debentures from QC Administradora. Therefore, the debentures of 2 nd Issue were already placed through public offering, with restri cted placement efforts, in acco rdance with CVM Instruction 476/2009, upon the 1st issue by QC Holding II.

On December 20, 2011, was approved in AGD, the celebration of the First Am endment to Private Deed of 2 nd Issue of Debentures of subsidiaries Qualicorp Corretora de Seguros S.A. and Qualicorp Administradora de Benefícios S.A., changing the conditions of re muneration of debentures corresponding to interest equal to 100% of average daily interbank deposits - over extra DI rate group, expressed as a percentage per year of 252 days increased exponentially surcharge equivalent to 1.675% per year, whic h came into force from of Dece mber 30, 2011, date of registration at CETIP, without changing other rules set forth above for issuers.

The debentures issued in the 1st issuance have the following characteristics:

Number/Type

Issuer	Debenture	Type	03/31/2012	12/31/2011
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: 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% beginning December 30, 2011 (2.75% until December 29, 2011), 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 five annual installments, on the following dates and percentage rates: August 25, 2011 (10.0%), August 25, 2012 (15.0%), August 25, 2013 (20.0%), August 25, 2014 (25.0%) and August 25, 2015 (30.0%), as shown below:

Maturities and debt composition

	03/31/2012 Consolidated	12/31/2011 Consolidated	Maturity
Interest payable	3,932	17,282	February 25, 2012 to 2011 amount and August 25, 2012 to 2012 amount
Deferrable financial intermediation cost on the issue/placement of debentures - short term	(1,830)	(1,660)	
Debentures - 2nd installment	60,000	60,000	August 25, 2012
Current	62,102	75,622	

	03/31/2012 Consolidated	12/31/2011 Consolidated	Maturity
Deferrable financial intermediation cost on the issue/placement of debentures - short term	(4,424)	(4,426)	
Debentures - 3rd installment	80,000	80,000	August 25, 2013
Debentures - 4th installment	100,000	100,000	August 25, 2014
Debentures - 5th installment	120,000	120,000	August 25, 2015
Noncurrent	295,576	295,574	
Total	357.678	371,196	

Guarantee

Qualicorp S.A., Qualicorp Corretora de Seguros S.A., Qualicorp Adm inistração e Serviços Ltda. and Qualicorp Administradora de Benefícios S.A. are the guarantors of the transaction and, additionally, the shares issu ed by Qualicorp Participações S.A. have been pledged as collateral.

Optional Early Redemption: the subsidiaries m ay, on own disc retion and at any tim e, redeem the Debentures in advance, in whole or in part.

The amount to be paid to debentureholders as Optional Early Redem ption will correspond to the balance of the Unit Par Value of the De bentures subject to redem ption, plus the compensation payable and not paid until th e Optional Early Redemption date, plus a premium on the bala nce of the Unit Par Value of the De bentures subject to redem ption based on the following percentage rates: (a) 0.50% if the Optional Early Re demption occurs until August 25, 2012, including; (b) 0.25% if the Optional Ea rly Redemption occurs between August 26, 2012 and August 25, 2014, including; and (c) 0.00%, i.e., no prem ium payable by the subsidiary, if the Optional Early Redemption occurs on or after August 26, 2014.

Accelerated maturity

The Trustee may declare the accelerated m aturity 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 paym ent date of the immediately previous interest, as the case m ay be, up to th e actual payment da te, 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) i f the issuer’s c urrent shareholders no longer hold the control , through direct or indirect equity interest, of at leas t 50% plus one sha re of the iss uer’s voting, and after a cor porate restructuring, if any third pa rty acquires the control of the issuer, thr ough direct or indirect equit y 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 Com pany and its subsidiaries have financial comm itments related to the maintenance of specific perform ance, liquidity and debt ratios pe gged to debentures, which, if not m et, may cause the accelerat ed maturity. As of December 31, 2011, the Company and its subsidiaries meet the required ratios.

Changes in debentures:

	Consolidated
Balance at beginning of year	371,196
Recognition of expenses (funding costs)	458
Repayment of principal	(626)
Interest payments	(24,150)
Recognition of interest (note 33)	10,800
Balance at end of period	357,678

19. TAXES PAYABLE

Broken down as follows:

	Company		Consolidated	
	03/31/2012	12/31/2011	03/31/2012	12/31/2011
Current:				
Tax on revenue (COFINS)	33	24	4,694	4,553
Mandatory and voluntary union dues	-	-	215	4
Social contribution on net profit (CSLL)	49	-	38	525
Severance pay fund (FGTS)	-	-	515	746
Corporate income tax (IRPJ)	133	-	95	10
Withholding income tax (IRRF)	307	157	2,298	4,910
Service tax (ISS)	-	-	2,429	2,945
Social security tax (INSS)	40	40	3,784	3,361
Tax on revenue (PIS)	7	5	951	915
Medlink's federal and county (ISS) taxes in installments (a)	-	-	937	1,119
Withholding PIS, CSLL and COFINS	419	3	535	155
Total	988	229	16,491	19,243
Noncurrent- Medlink's federal and county (ISS) taxes in installments (a)	-	4,467	-	4,487
Grand total	988	20,958	229	23,730

(a) The subsidiary 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. From November 2009 to March 2011, the Company paid the minimum amount stipulated by the Federal Service Revenue until the installment plan request could be considered and approved. On July 29, 2011, upon the request approval, the Company paid the first installment, in the amount of R$13. The outstanding tax debt will be paid in 160 months and adjusted on a monthly basis by SELIC rate.

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.

Beginning April 1, 2011, both current taxes and taxes in installments are regularly settled on their maturities.

20. PREMIUMS TO BE TRANSFERRED

Broken down as follows:

	03/31/2012 Consolidated	12/31/2011 Consolidated
Premiums to be transferred - with risk of default (a)	37,667	35,804
Premiums to be transferred - without risk of default (b)	521	323
Total premiums to be transferred	38,188	36,127

(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 2012 (for amounts referring to December 2011) and April 2012 (for amounts referring to March 2012).

(b) Refer to healthcare plan invoices to be paid to the healthcare companies when the respective receivables are received from customers (see note 11.(a)).

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:

	03/31/2012 Consolidated	12/31/2011 Consolidated
Financial transfers payable (*)	7,780	8,151

(*) These amounts were/will be transferred in full to the entities through January 31, 2012 for amounts referring to December 2011 and through April 30, 2012 for amounts referring to March 2012.

22. PAYROLL AND RELATED TAXES

Broken down as follows:

	Company		Consolidated	
	03/31/2012	12/31/2011	03/31/2012	12/31/2011
Payroll	-	-	2,866	2,793
Accrued vacation and taxes	-	-	9,563	9,652
Accured 13º salary and taxes	-	-	1,966	-
Profit sharing program (PPR) (*)	-	-	5,042	8,928
Other	118	113	546	470
Total	118	113	19,983	21,843

(*) Refers to the accrual for profit sharing calculated in accordance with the profit sharing plan estimated based on the Company's policies.

23. TRANSFERABLE PREPAYMENTS

Broken down as follows:

	03/31/2012	12/31/2011
	Consolidated	Consolidated
Insurance premiums and collection processing agreements (a)	33,781	36,706
Prepaid management fees (b)	3,629	4,192
Prepaid financial transfers (c)	976	1,047
Prepaid contract management fees	51	372
Total	38,437	42,317

(a) Refers 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, 2012 for amounts referring to December 2011 and by April 30, 2012 for amounts referring to March 2012.

(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 on January 31, 2012 for amounts referring to December 2011 and by April 30, 2012 for amounts referring to March 2012.

24. OTHER PAYABLES

Broken down as follows:

	Company		Consolidated	
	03/31/2012	12/31/2011	03/31/2012	12/31/2011
Current:				
Commissions payable (b)	-	-	2,070	2,238
Sundry suppliers	-	-	2,822	3,500
Acquisitions of property, plant and equipment payable	-	-	315	378
Sales material payable	-	-	604	277
Publicity and advertising payable	6	-	2,569	352
Consulting and auditing payable	104	6	876	380
IT services payable	189	-	706	809
Purchase of intangible assets (a)	-	-	54,301	69,088
Amounts identifiable healthcare/insurance companies (c)	-	-	731	1,079
Advances from clients	-	-	499	272
Others	451	38	3,380	3,247
Total current	750	44	68,873	81,620
Others	-	-	21	29
Total noncurrent	-	-	21	29
Grand total	750	44	68,894	81,649

(a) Refers mainly to the balance payable relating to agreements for the assignment of rights on Newport/NWP, Afinidade Administradora e Divicom customers by subsidiaries Qualicorp Corretora and Qualicorp Adm inistradora de Be neficios, as m entioned in note 17.(e) and balance payable to Unimed Rio, as mentioned in note 17.(f).

(b) Refers mainly to the balance p ayable to outside brokers from sales m ade and corresponding amounts already received from beneficiaries.

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

(d) The values in March 2012 relate primarily to advertising on vehicles of print and electronic media for brand awaren ess Qualicorp. These v alues were largely settled until April 30, 2012.

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	03/31/2012	12/31/2011
Tax (b)	32,743	34,203
Labor and social security (a)	12,210	12,977
Civil (c)	2,013	3,827
Total	46,966	51,007

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$753. Reserves 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$11,457. No provisions were recognized for the risks whose likelihood of loss was considered as possible, totaling R$19.108.

(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. No provisions were recognized for the risks whose likelihood of loss was considered as possible, totaling R$7,598.

(c) The Company and its subsidiaries are defendants in ongoing civil lawsuits, with R$2,013 considered as a probable loss, for which a provision for risks was recognized, and R$20,334 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; and (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.

The changes in such provisions are as follows:

	Balances at 12/31/2011	Additions	Write-off	Balances at 03/31/2012
Tax	34,203	53	(1,513)	32,743
Labor and social security	12,977	668	(1,435)	12,210
Civil	3,827	43	(1,857)	2,013
Total	51,007	764	(4,805)	46,966

26. DEFERRED INCOME

Broken down as follows:

	03/31/2012	12/31/2011
Exclusivity agreement revenues (*)	-	5,473
Other deferred income	300	345
Total	300	5,818

(*) Under the contract signed on December 27, 2011, subsidiary Qualicorp Administração e Serviços Ltda. and subsidiary PraxiSolutions Consultoria de Negócios e Corretora de Seguros Ltda. signed an exclusivity contract with third parties to provide services involving the exclusive insurance distribution and development. The contract amount totaled R$5,550, for a six-year term, estimated to be received by the Company during the first quarter of 2012, after the completion of certain formal arrangements. On March 1, 2012, a private instrument of the contract dissolution was signed without any penalty by both parties.

27. EQUITY

Capital

As mentioned in note 1, on September 1, 2010, the Extraordinary Shareholders' Meeting approved: (a) a capital increase amounting to R$1,107,704 with the issuance of 1,107,704,146 registered common shares, without par value; and (b) merger of shares of QC Holding II Participações S.A., at the carrying amount of R$362,625 (fair value of R$507,669) with the issuance of 507,177,489 registered common shares, without par value. Transaction costs amounting to R$3,700 incurred in raising these funds were recorded in shareholders' equity, under the caption "Expenses on share issuance", by subsidiary QC II.

On April 28, 2001, the terms and conditions of the primary and secondary public distribution of Qualicorp S.A. common shares with preemptive rights to the current shareholders were approved at the Company's Board of Directors' meeting.

At the Extraordinary Shareholders' Meeting held on May 30, 2011, the Company's Board of Directors approved: (a) a capital increase of R$2,000 through the issuance of 5,000,000 new common registered shares, without par value; (b) the reverse split of common shares at the ratio of 7-for-1, resulting in share capital being represented by 231,411,805 common registered shares, without par value; and (c) an amendment to the stock options grant agreements entered into with the beneficiaries to the reverse split of all shares referred to item (b).

On June 29, 2011, the Company went public through an initial public offering where 83,472,914 common shares were offered, of which 27,219,429 shares corresponded to the primary shares and 56,253,485 to the secondary shares, settled on July 1, 2011. The proceeds from the offering (primary) totaled R$353,853, accounted for as subscribed capital increase, and commissions and other related costs totaled R$17,283, accounted for as share issuance costs.

The offering was made in Brazil and abroad at the price of R$13.00 per share, totaling a gross amount of R$1,085,148, as shown below:

Offering	Settlement date	Gross amount	Commission	Net amount
Primary	July 1, 2011	353,853	14,721	339,132
Secondary	July 1, 2011	589,754	22,977	566,777
Overallotment - secondary	July 20, 2011	141,541	5,483	136,058
		1,085,148	43,181	1,041,967

During the Extraordinary General Meeting on December 20, 2011, the Board of Directors of the Company approved the increase of capital stock of R$4,141, with the issuance of 1,452,229 new ordinary shares, all nominative, without par value, in result of the exercise of stock options purchases included in the program options described in note 28.

On March 31, 2012 and December 31, 2011, the capital subscribed and paid was R$1,830,324, consisting of 260,083,463 common shares, all nominative, without par value. The Company is authorized to increase its capital independent statutory amendment, by resolution and in terms of issue to be fixed by the Board of Directors, until the limit of 350,000,000 new ordinary shares.

Capital shares are held as follows:

	Common shares	
Shareholders	03/31/2012	12/31/2011
BHCS Fundo de Investimentos em Participações	102,704,390	102,704,390
José Seripieri Filho	1	1
L2 Participações Fundo de Investimento	72,453,925	72,453,925
Heráclito de Brito Gomes Junior	1,452,229	1,452,229
Market (*)	83,472,913	83,472,913
Other shareholders	5	5
Total	260,083,463	260,083,463

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

The movement during the year is demonstrated s follows:

Total common shares as of December 31, 2010	1,614,882,635
Capital increase as of May 30, 2011	5,000,000
Total before reverse split	1,619,882,635
Reverse split (ratio of 7-for-1) as of May 30, 2011	231,411,805
Issuance of new share as of June 29, 2011, paid-as of July 1, 2011	27,219,429
Capital increase as of December 20, 2011	1,452,229
Total common shares as of December 31, 2011 and March 31, 2012	260,083,463

Legal reserve, distribution of profits and other earnings reserves

Mandatory minimum dividends will correspond to 25% of the Company's net income, determined in accordance with the accounting practices adopted in Brazil and adjusted, when applicable, after the allocation of: (a) 5% of the net income annually allocated to the legal reserve, up to the limit of 20% of paid-in capital; this allocation will not be required when the balance of this reserve, plus any capital reserve set forth in paragraph 1, article 182, of the Brazilian Corporate Law, exceeds 30% of capital; (b) unrealized earnings reserve; or (c) provision for contingencies.

The Company shall prepare quarterly balance sheets, as required by the Brazilian Corporate Law and CVM instructions applicable, and, at the Board of Directors' discretion, also prepare semiannual, quarterly or shorter balance sheets and: (a) declare interim dividends; and (b) pay interest on capital against profits or earnings reserve recorded in these balance sheets.

The dividends distributed as described in the paragraph above may be included in the mandatory dividends. The Company may pay interest on capital as annual or interim dividends.

Valuation adjustments to equity

Valuation adjustments to equity correspond to the difference between the carrying amount and the fair value of merged shares of subsidiary QC Holding II Participações S.A. (equivalent to 27.04% of Qualicorp Participações' shares received in exchange for 31.41% shares issued by QC II), as mentioned in notes 1.b) and 1.c).

28. QUALICORP GROUP'S 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 2012, expenses on the granting of shares by the Company and/or its subsidiaries in the amount of R$4,844 have been recorded.

b) New stock option plan effective beginning September 1, 2010

At the Extraordinary Shareholders' Meeting held on September 1, 2010, The Company approved the migration of the stock option plan based on the same criteria adopted by Qualicorp Participações S.A., with the plan being managed by Qualicorp Group's Board of Directors with authority to take the necessary measures for the plan's maintenance in accordance with approved guidelines. The main characteristics of the plan are as follows:

- The total shares set aside for the plan cannot exceed 7% of all the shares of the Company, represented by 16,148,826 shares (113,041,784 shares in 2010), which may be exercised through the issue of new Company shares.

- Options may be exercised in 25% of the shares eligible for purchase as from the 12th month from the date of execution of the stock option agreement, and 6.25% may be exercised quarterly, from the 16th to the 52nd month, at the contractual price.

- The beneficiary's plan, which migrated from the direct parent company, was transferred with the same characteristics, maintaining the original grant date of May 1, 2010. Accordingly, the options may be exercised annually in 25% of the shares eligible for purchase as from the 13th month, and as from the 49th month, the executive may exercise 100% of his/her options. In case of dismissal or termination of the beneficiary without cause, all rights not yet exercisable on the termination date automatically become exercisable, and vesting periods are accelerated.

- The maximum period for exercising the options granted, for each vesting period, is up to ten years.

- The exercise price of the options granted shall be equivalent to their market value on the grant date or a price defined by the Board of Directors.

The Extraordinary Shareholders' Meeting held on March 3, 2011 approved the migration of the stock option plan to the plan proposed on September 1, 2010, which is 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 main characteristics of the migrated plan are as follows:

- Options can be exercised for 25% of shares that can be acquired through the exercise of options as of each grant anniversary.

- Options granted, for each vesting period, should be exercised within up to five years.

- The exercise price of the options granted shall be equivalent to its fair value on the grant date or a price defined by the Board of Directors.

Below is information on the options granted from September 1, 2010 to May 31, 2011, adjusted as a result of the reverse stock split mentioned in note 27:

Option series	Number	Grant date	Expiration date	Exercise price	Fair value on the grant date
				R$	R$
(1) Issued on September 1, 2010	9,380,345	09/01/10	05/01/20	0.001	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

The stock options granted in the period are as follows:

Total number of stock options granted (i)	9,380,345
Exercise price of the options granted until December 31, 2010 (i)	R$0.001
Estimated volatility of share price	45.27%
Expected share dividend yield	0.03%
Risk-free return rate	5.66%
Estimated period to maturity	10 years
Unit cost of granted shares (ii)	R$4.95
Total number of stock options granted (ii)	3,814,707
Exercise price of the options granted until March 31, 2011	R$7.21
Estimated volatility of share price	42.91%
Expected share dividend yield	0.03%
Risk-free return rate	11.89%
Estimated period to maturity	5 years
Unit cost of granted shares (ii)	R$4.12
Total number of stock options granted	33.475
Exercise price of the options granted until May 31, 2011	R$9.52
Estimated volatility of share price	43.67%
Expected share dividend yield	0.03%
Risk-free return rate	11.67%
Estimated period to maturity	5 years
Unit cost of granted shares (ii)	R$3.84

(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 Black-Scholes-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.

Through March 31, 2012, changes in stock options granted at the Company in the year are as follows:

	Number of options	Weighted average exercise price
Balance at beginning of period	10,490,584	1.68
Balance at end of period	10,490,584	1.68

The options outstanding at the end of the year had a weighted average exercise price of R$1.68 and weighted average remaining period of 2,360 days.

29. COST OF SERVICES

Broken down as follows:

	Consolidated	
	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011
Personnel expenses and management compensation	14,021	8,442
Outside services	7,996	5,499
Office supplies	489	311
Occupancy expenses	2,434	1,533
Mailing expenses	2,505	1,959
Cost of other services	1,346	898
Financial transfers from adhesion contracts (a)	22,587	16,470
Reimbursement of membership and monthly fees (b)	1,764	1,886
Total	53,142	36,998

(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.

30. ADMINISTRATIVE EXPENSES

Broken down as follows:

	Company	
	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011
Outside services (*)	776	-
Office supplies	824	55
Occupancy expenses	32	-
Contributions and donations	101	51
Other administrative expenses	909	389
Depreciation and amortization (notes 16 and 17)	2,642	495
Total		

	Consolidated 01/01/2012 to 03/31/2012	Consolidated 01/01/2012 to 03/31/2012
Personnel expenses and management compensation	17,836	16,194
Outside services (*)	7,479	4,046
Office supplies	942	179
Occupancy expenses	1,155	736
Contributions and donations	300	509
Mailing expenses	1,178	1,007
Other administrative expenses (a)	4,319	2,353
Depreciation and amortization (notes 16 and 17)	37,055	29,029
Total	70,264	54,053

(*) In 2012 includes R$3,200 related to the extraordinary contribution made to the National Association of Benefit Administrators - ANAB.

31. SELLING EXPENSES

Broken down as follows:

	Consolidated	
	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011
Personnel expenses	13,467	9,055
Outside services	2,160	1,816
Office supplies	682	549
Occupancy expenses	1,322	793
Mailing expenses	1,074	946
Other selling expenses	4,697	1,857
Sponsorships (a)	3,922	410
Discounts granted	-	135
Third-party commission (b)	8,108	5,277
Publicity and advertising (c)	9,642	10,160
Sales campaign	2,943	1,569
Total	48,017	32,567

(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 with institutional disclosure, as well as all expenses with publicity, marketing, TV and other expenses of this nature.

32. LOSSES ON UNCOLLECTIBLE RECEIVABLES

Broken down as follows:

	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011
	Consolidated	Consolidated
Losses on uncollectible receivables (*)	11,906	10,732

(*) 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.

For the period from January 1 to March 31, 2011, includes the value of R$3,774 which relates mainly to the difference between the balance of values to identify the accounts receivable and the amounts transferred to the carriers/insurers, whose differences were written off to result in the first quarter of 2011.

33. FINANCIAL INCOME (EXPENSES)

	Company		Consolidated	
	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011
Financial income:				
Income from short-term investments	3,295	-	10,039	4,658
Interest and fine on late payment of health care plan and insurance agreements, managed by the Company, resulting from agreements with default risk (*)	-	-	6,210	4,423
Discounts obtained	-	-	-	15
Other income	3	-	250	72
Total financial income	3,298	-	16,499	9,168

	Company	Consolidated	Company	Consolidated
	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011
Financial expenses:				
Tax on financial transactions (IOF)	(2)	-	(332)	(2)
interest and penalties on taxes	(174)	-	(369)	(14)
Inflation adjustment on debentures (note 18)	-	-	(10,800)	(13,688)
Banking expenses	(3)	-	(112)	104
Registry office costs	-	-	(23)	(20)
Discounts granted	-	-	(603)	(29)
Other financial expenses	(3)	-	(12)	(8)
Fee collection	-	-	(1,956)	-
Inflation adjustment to acquired intangibles	-	-	(306)	-
Inflation adjustment on call options of noncontrolling shareholders	-	-	(683)	-
Total financial expenses	(182)	-	(15,196)	(13,657)
Financial income (expenses)	3,116	-	1,303	(4,489)

(*) Refer to the interest a nd 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.

34. OTHER OPERATING INCOME (EXPENSES), NET

Broken down as follows:

	Company	Consolidated	
	01/01/2012 to 03/31/2012	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011
Recognition (reversal) of provision for risks (note 25 - additions and write-offs)	(159)	4,041	(1,783)
Other income	-	276	117
Total	(159)	4,317	(1,666)

35. INCOME TAX AND SOCIAL CONTRIBUTION

Expenses on taxes are broken down as follows:

	Company		Consolidated	
	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011
Loss before income tax and social contribution	10,320	(5,746)	20,261	3,530
Equity in investees	(10,005)	5,251	-	-
Subtotal	315	(495)	20,261	3,530
Income tax and social contribution at statutory rate	34%	34%	34%	34%
Expected income tax and social contribution income (expense) at statutory rate	(107)	168	(6,889)	(1,200)
Nondeductible expenses - other	-	-	(493)	(249)
Stock options granted	-	-	(1,647)	(2,402)
Losses on uncollectible receivables	-	-	(249)	(1,273)
Expenses from companies taxed under deemed income	-	-	(287)	(16)
(Recognition) reversal, net of temporary additions without recognition of tax credits	(154)	-	35	17
Tax incentive	-	- -		240
Tax loss without recognition of tax credit	80	-	(592)	(4,342)
Other	-	(168)	155	(51)
Total income tax and social contribution expenses	(181)	-	(9,967)	(9,276)

36. INSURANCE

The Company and its subsidiaries have insurance coverage for its 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.	47,194
D&O	Errors and omissions (E&O) of officers and directors (D&O)	17,500
D&O (after IPO)	Coverage of liabilities of officers and directors (D&O)	79,165
Public Offering of Securities Insurance (POSI)	Coverage of risks from information disclosed by the Company on the IPO (prospectus and road show)	79,165

37. 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 Ltda. ("Broker"). Beginning 2010, the activities related to the Affinity segment, which, until then, were performed by subsidiary Qualicorp Administração have been transferred to the subsidiary Qualicorp Administradora de Benefícios Ltda. (details on this change are included in note 1).

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 income. The provisions for tax, civil and labor risks have 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 89.9% 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	
	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011
GROSS OPERATING REVENUE		
Management FEE	93,305	70,362
Financial transfers from stipulation of contracts	18,399	13,389
Brokers' fees	88,953	61,330
Agency services	14,713	13,206
Provision of medical services in general	1,004	1,531
Connectivity services	2,392	-
Benefit management consulting	5,764	4,422
Total gross operating revenue	224,530	164,240
DEDUCTIONS FROM GROSS OPERATING REVENUE		
Taxes on revenue	(26,020)	(18,952)
Returns and cancelations	(540)	(1,253)
Total deductions from gross operating revenue	(26,560)	(20,205)
NET OPERATING REVENUE	197.970	144.035

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), reconciliation of revenues, earnings, assets and liabilities.

Consolidated	01/01/2012 to 03/31/2012			01/01/2011 to 03/31/2011		
	Affinity segment	Other segments	Total	Affinity segment	Other segments	Total
NET REVENUE	177,857	20,113	197,970	132,085	11,950	144,035
COST OF SERVICES	(40,176)	(12,966)	(53,142)	(28,538)	(8,460)	(36,998)
OPERATING INCOME (EXPENSES)	(39,696)	(5,296)	(44,992)	(31,119)	(2,907)	(34,026)
Selling expenses	(34,000)	(5,296)	(39,296)	(24,810)	(2,907)	(27,717)
Losses on uncollectible receivables	(11,906)	-	(11,906)	(10,732)	-	(10,732)
Other operating income, net	6,210	-	6,210	4,423	-	4,423
PROFIT (LOSS) BEFORE UNALLOCATED EXPENSES	97,985	1,851	99,836	72,428	583	73,011

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:

- Large Corporate Business: 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).
- Segment Healthcare Management: includes the activities of preventive medicine and patient management.
- TPA Segment: includes the activities of prior release 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

	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011
Unallocated items:		
Administrative expenses	(70,264)	(54,053)
Selling expenses	(8,721)	(4,850)
Financial income (expenses)	(4,907)	(8,912)
Provision for risks	4,041	(1,783)
Other income (expenses)	276	117
Total	(79,575)	(69,481)

	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011
Loss before income tax and social contribution	20,261	3,530
(-) Income tax and social contribution	(9,967)	(9,276)
Noncontrolling interest	(155)	-
Net loss consolidated	10,139	(5,746)

Assets	03/31/2012	12/31/2011
Total reportable segment	1,785,064	1,771,372
Other segments	253,808	280,727
Unallocated items	782,519	803,207
Total	2,821,391	2,855,306

Liabilities	03/31/2012	12/31/2011
Total reportable segment	191,390	193,580
Other segments	5,542	5,542
Unallocated items	2,624,459	2,656,184
Total	2,821,391	2,855,306

g) Geographical information of the reported segment

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

Segmentation per State (consolidated)	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011
SP	137,970	108,658
RJ	39,062	26,801
BA	12,520	8,729
DF	10,363	5,438
PE	1,428	990
Other	433	116
Total Affinity segment	201,776	150,732
Total other segments	22,754	13,508
Total gross operating revenue	224,530	164,240

h) Information on major customers

For the period ended March 31, 2012, the m ajor customers of the Affinity segm ent originated revenue of R $20,824, R$17,912 and R$17,853, which accounts for 10.32% , 8.88% and 8.85% of t he segment's revenue, and 9.27%, 7.98% e 7.95% of t he consolidated revenue, respectively.

38. EXPENSES BY NATURE

The statement of income is presented by function. Breakdown of the consolidated statement of income of by nature:

	Consolidated	
	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011
Personnel expenses and management compensation	45,324	33,690
Depreciation and amortization	37,055	29,029
Outside services	17,635	11,361
Financial transfers from adhesion contracts	22,587	16,470
Advertising and publicity	9,642	10,160
Other	9,016	4,211
Occupancy expenses	4,911	3,062
Third-party commission	8,108	5,277
Sales campaign	2,943	1,569
Reimbursement to associates	1,764	1,886
Mailing expenses	4,757	3,912
Sponsorships	3,922	410
Office supplies	2.113	1.039
Cost of other services	1.346	898
Contributions and donations	300	509
Discounts granted	-	135
	171,423	123,618
As per statement of income:		
Cost of services	53,142	36,998
Administrative expenses	70,264	54,053
Selling expenses	48,017	32,567
	171,423	123,618

39. COMMITMENTS

As of March 31, 2012, the Company has the following material commitments:

a) Lease agreements of its offices: the commitments already assumed total approximately R$7,237 in 2012, R$6,381 in 2013 and R$4,618 in 2014.

   Expenses incurred on such agreements in the period ended March 31, 2012 amounted to R$1,973.

b) Budgeted plans for the purchase of intangible assets (software under development) total approximately R$14,291 in 2012, R$10,271 in 2013 and R$2,838 in 2014 (unaudited).

c) Commitments for the provision of call ce nter services already assumed totaling approximately R$17,153 for 2012.

Expenses incurred on such agreements in the period ended March 31, 2012 a mounted to R$3,883.

The agreement is ad justed on an annual basis and 70% of the prices are adju sted using a percentage of the salary increases (acco rding to the categ ory of professionals) an d 30% using the IGP-M.

Up to the 36th month of effectiveness, the party that terminates the con tract without cause must notify the other party 90 days in advan ce and will pay a fine corres ponding to 50% of the amounts budgeted through the end of the c ontract, based on the average valuable consideration receivable until the term ination date. No other pena lties apply und er this contract.

d) Consulting agreement for ass essment of lega l proceedings provided by a legal en tity, of R$2,742 in 2012.

Expenses incurred on such agreements in the period ended March 31, 2012 a mounted to R$1,084.

40. EARNINGS (LOSS) PER SHARE

	Company and Consolidated	
	01/01/2012 to 03/31/2012	01/01/2011 to 03/31/2011
Net income (loss) attributable to shareholders	10,139	(5,746)
Weighted average number of common shares for purposes of calculating basic earnings per share	260,083,463	230,697,519
Basic earnings per share -R$	0.0389	(0.0249)
Weighted average num ber of com mon shares adjusted by the dilutive effects of stock option plan	268,122,694	230,697,519
Diluted earnings (loss) per share - R$	0.0378	(0.0249)

As the Company recorded net loss in the three-m onth period ended March 31, 2011, outstanding stock options (as detail ed in note 28) have antidilutive effects; therefore, they do not impact the determination of the diluted loss per share for that quarter.

As described in Note 27, on May 30, 2011 the Com pany conducted a rev erse stock split (ratio of 7 to 1). A s a result, the loss per share of the earliest period reported in the in terim financial statements (March 31, 2011) was adjusted to reflect the effects of such reverse split.

41. EVENTS AFTER THE REPORTING PERIOD

a) Quota Purchase Agreement

On April 10, 2012, the Company announced to its shareholders and the market in general that its subsidiaries Qualicorp Corretora de Seguros S.A. ("Qualicorp Corretora") and Qualicorp Administradora de Benefícios S.A. ("Qualicorp Administradora") executed a Quota Purchase Agreement ("Agreement") with Mr.. Mauro Luis Lapa e Silva and Mr. Ocimar Lima Duarte ("Sellers") for the acquisition of the following equity interests: (i) 25% (twenty five percent) of the shares representing the capital stock of PS - Padrão Administradora de Benefícios Ltda. ("Padrão Administradora"), Padrão Administração e Corretagem de Seguros Ltda. ("Padrão Corretora") and PS Brasil Administração e Corretagem de Seguros Ltda. ("PS Corretora") ("Padrão Group" companies), held by the seller Mauro Luis Lapa e Silva; and (ii) 100% (one hundred percent) of the shares representing the capital stock of Voloto Consultoria Empresarial Ltda. ("Voloto"), holding company owning 75% (seventy five percent) of Padrão Group, held by the seller Ocimar Lima Duarte ("Transaction").

The transaction value totaled is R$180 million (one hundred and eighty million reais), subject to price adjustment provided for in the Agreement due to the value of the net debt of Padrão Group to be calculated on the Transaction closing date and confirmation of Padrão Group's actual revenue.

Padrão Group acts as the (a) manager of benefits in the negotiation and management of health insurance agreements in the Affinity Group Health Plans segment (medical and dental assistance); and (b) provider of brokerage services related to health insurance plans in the Affinity Group Health Plans segment (medical and dental assistance).

The execution of such Agreement reinforces Qualicorp Group strategy to capture selling opportunities and further penetration in the Affinity Group Health Plans segment.

b) Secondary public offering of shares

On April 18, 2012, the Company announced to the market the commencement of the period for the secondary public offering of 40,864,348 common, registered, book-entry, without par value, shares issued by the Company and held by the sellers shareholders, all of them free and clear of any liens or encumbrances, for the price of R$16.50 per share, totaling R$674,261.

The offering included the secondary public offering of shares in Brazil in the over-the-counter market, on April 5, 2012, in an effort to place shares to non-institutional investors, as permitted by CVM Instruction 400, BM&FBOVESPA's Listing rules for the New Market ("Novo Mercado") and other regulatory provisions.

42. CONCLUSION OF THE INTERIM FINANCIAL STATEMENTS

The Company's individual and consolidated interim financial statements weres approved by Management on May 11, 2012 and include events occurred after the reporting date of March 31, 2012.

Comments about Performance

Grupo Qualicorp

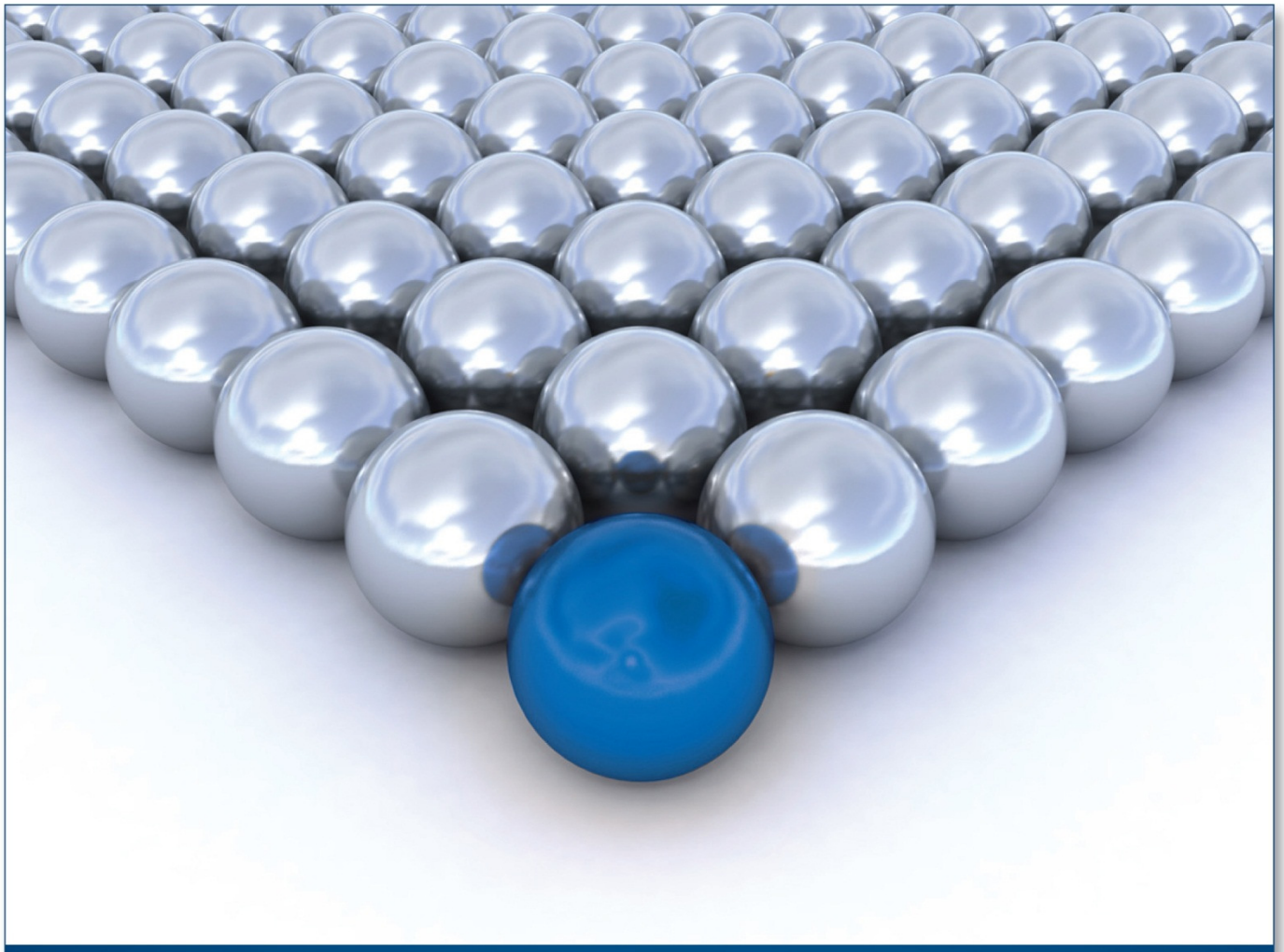
We maintained accelerated growth pace for 1Q12

During the first quarter of 2012, we maintained our focus on continuous and sustainable growth of our customer base by increasing the number of partner professional associations as well as the increase in participation and penetration on current partner associations. Only in 1T12, we were able to add 9 new associations to our portfolio, what along with growth in penetration, an increase of 886,000 lives, representing 29,3 % of annual growth.

In March 13, 2012, we announced a commercial partnership with Amil Participações S.A. ("Amilpar"), which allowed the Company to distribute health and dental care plans offered by Amilpar in the Affinity segment. The company already has a portfolio of important providers in the affinity healthcare plan segment, such as SulAmérica, Unimed System, Health, Bradesco, Omint Golden Cross and Intermédica, and others. As a result of Amilpar`s partnership, Qualicorp´s product line became even more diversified and complementary.

In the corporate segment, we continue with the efforts of geographic expansion, both through new contracts and acquisitions. On March 16, 2012, we signed a portfolio acquisition contract with Fidelitas, a brokerage firm that provides products and services in the healthcare insurance segment (medical and dental) to corporate clients and has about 77 thousand lives and R$ 70 million in premiums issued in the last 12 months. This contract reinforces the company's strategy to complement its geographical expansion process through the establishment of strategic partnerships, combining the distribution capacity of the company to the relationship and development established by Fidelitas, generating synergies and new commercial opportunities in the corporate segment.

Finally, we reached great results in 1Q12, maintaining the growth and profitability rate of the company at high levels, which resulted in an adjusted EBITDA of $ 67.1 million. For 2012, we will focus on growth strategy, market consolidation and investments in new opportunities, as strategic acquisitions.



The Company

The Company's businesses

Qualicorp is a health care benefits service provider and manager in Brazil. With around 3.9 million beneficiaries on March 31st 2012, 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 aim 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:

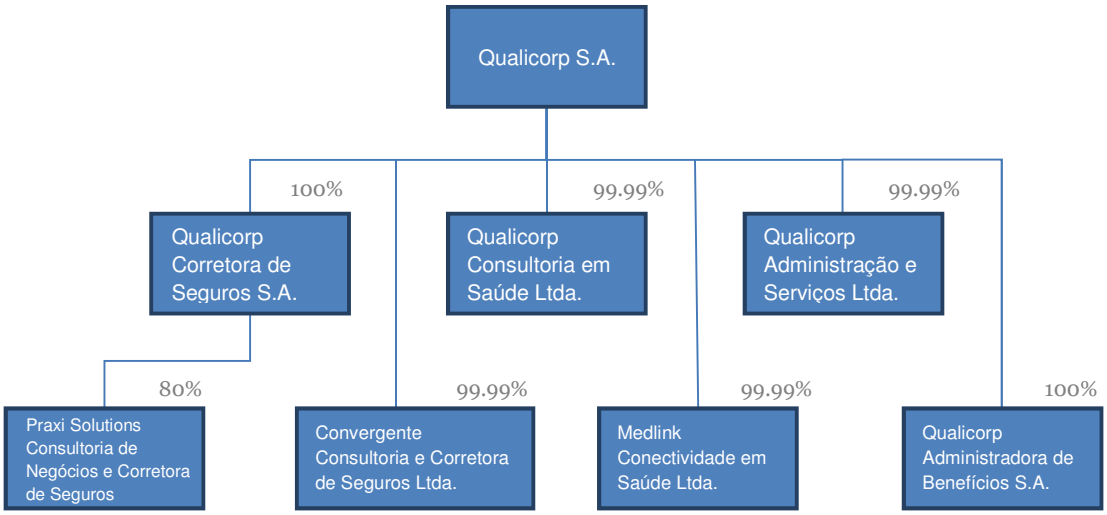
Affinity

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 03/31/2012)



Medlink Conectividade em Saúde became a member of the Qualicorp Group on April 1, 2011, when it was acquired by us, while Praxisolutions Consultoria de Negócios e Corretora de Seguros, in which we retain an 80% interest, joined the Group on July 26, 2011.



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, 2012.

The main operating and financial highlights are shown below:

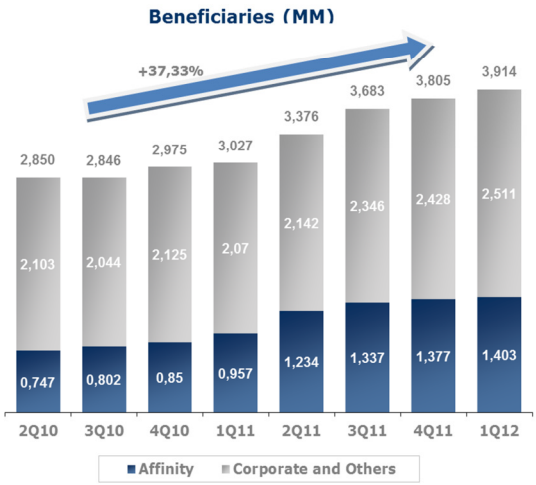
- ✓ In 1Q2012, our net revenue and adjusted EBITDA increased by 37.4% and 24.8%, respectively, over 1Q2011. [1]

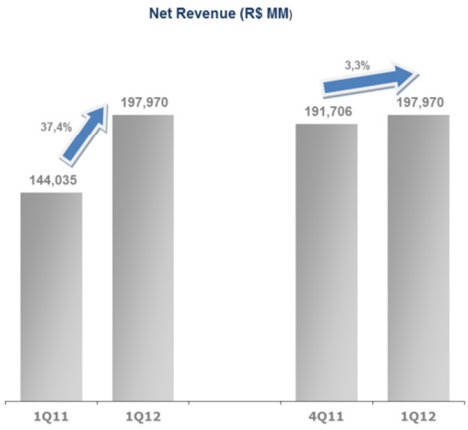
- ✓ Our total beneficiary's portfolio, including the Affinity and Corporate & Others segments grew by 29.3% in 1Q12 over 1Q11, reflecting the following:

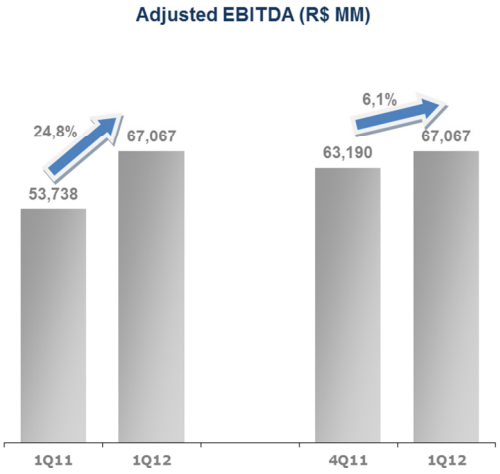
    - In 1Q12 our Affinity Segment beneficiaries recorded growth of 46.5% over 1Q11, while our Corporate & Others beneficiaries moved up by 21,3% compared to 1Q11.

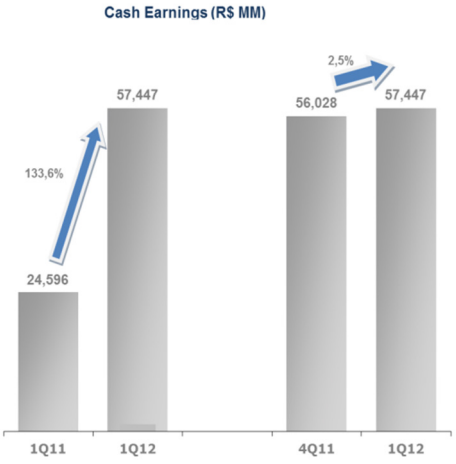
- ✓ Our consolidated adjusted EBITDA[1] in 1Q12 grew 24.8% over 1Q11. Our cash earnings improved by 133.6% over 1Q11 as consequence of operational growth and goodwill amortization that decreased our effective tax rate. Our cash earnings consider adjustment from: (i) non-recurring expenses; (ii) the amortization of certain intangible assets; (iii) business combination transactions; and (iv) the amortization of intangible assets related to the acquisition of portfolios.

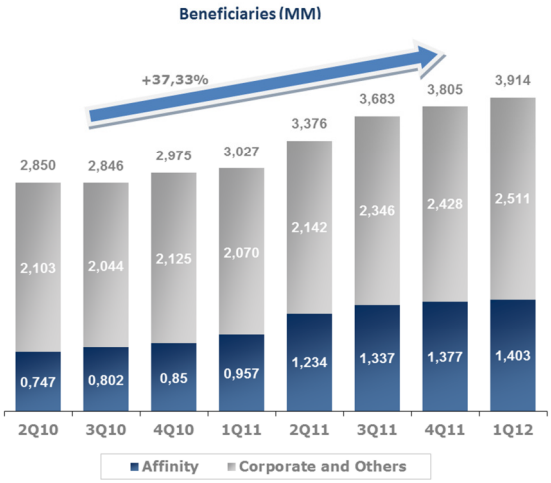
[1] We have presented EBITDA and adjusted EBITDA because management believes them to be accurate indicator financial performance. However, EBITDA and adjusted EBITDA are not measures of financial performance according to IFRS, do not represent cash flow for the periods in question and should not be considered as an alternative to net income as a measure of operating performance or as an alternative to operating cash flow as a measure of liquidity. EBITDA and adjusted EBITDA correspond to net income before income and social contribution taxes, the financial result, depreciation and amortization expenses, and other adjustments. "Other adjustments" include items such as expenses from acquisitions and associations, expenses from corporate restructuring and expenses from the IPO.

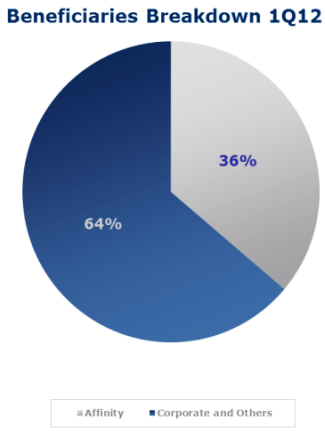

Beneficiaries (MM)
+37,33%
2,850
2,846
2,975
3,027
3,376
3,683
3,805
3,914
2,103
2,044
2,125
2,07
2,142
2,346
2,428
2,511
0,747
0,802
0,85
0,957
1,234
1,337
1,377
1,403
2Q10
3Q10
4Q10
1Q11
2Q11
3Q11
4Q11
1Q12
Affinity
Corporate and Others


Net Revenue (R$ MM)
37,4%
3,3%
144,035
197,970
191,706
197,970
1Q11
1Q12
4Q11
1Q12


Adjusted EBITDA (R$ MM)
24,8%
6,1%
53,738
67,067
63,190
67,067
1Q11
1Q12
4Q11
1Q12


Cash Earnings (R$ MM)
133,6%
2,5%
24,596
57,447
56,028
57,447
1Q11
1Q12
4Q11
1Q12





Total beneficiaries in 1Q12 grew by 29,3% over 1Q11, equivalent to a net addition of 886,000 beneficiaries. This increase in 1Q12 over 1Q11 reflects: (i) the increase of 445,000 beneficiaries in the Affinity segment (50% of total growth); and (ii) the addition of 441,000 beneficiaries in the Corporate & Others segments (50% of total growth).

Our Affinity beneficiary portfolio expanded by 46,5% per year in 1Q12, growing 29,5% per year in the Health segment and 114% per year in New Products.

Our Corporate & Others portfolio moved up by 21,3% per year in 1Q12 (67% in Corporate segment, 0.6%% in Self-Management, 16,5% in Small and Medium Enterprises and 3,5% in Health Management).

The intermediate 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 Executive Board declares that it has discussed, reviewed and agreed with the independent auditor's report regarding the financial statements for the period ending on March 31, 2012.

Income Statement	1Q12	1Q11	% change 1Q12/1Q11	4Q11	% change 1Q12/4Q11
Net Revenues	197.970	144.035	37,4%	191.706	3,3%
COGS	(53.142)	(36.998)	43,6%	(50.300)	5,7%
Operating Expenses	(125.870)	(99.018)	27,1%	(125.190)	0,5%
Adjustments[1]	4.844	10.393	-53,4%	6.299	-23,1%
Adjusted Operating Expenses	(121.026)	(88.625)	36,6%	(118.891)	1,8%
Adjusted EBITDA	67.067	53.738	24,8%	63.190	6,1%
Adjusted EBITDA Margin	33,9%	37,3%	NA	33,0%	2,8%
Cash Earnings	57.447	24.596	133,6%	56.028	2,5%

Balance Sheet	1Q12	2011	% change 2012/2011
Equity	1.953.258	1.938.120	0,8%
Net Debt[2]	(2.277)	1.527	NA

Other	1Q12	2011	% change 2012/2011
Net Debt / Equity	0,00x	0,00x	NA
Net Debt / Adjusted EBITDA LTM	-0,01x	0,01x	NA

Corporate Governance

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 12 sitting members, 20% of whom independent members) and its committees (comprising Board members and independent advisors), namely:

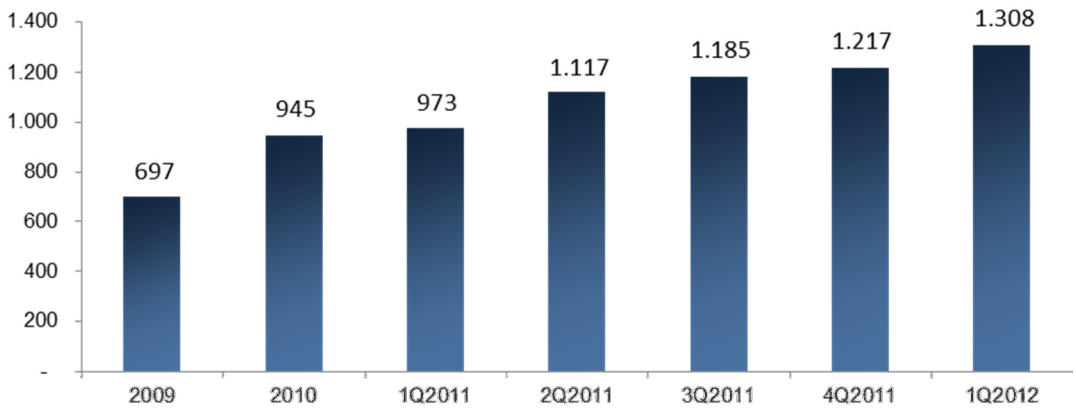
- Audit Committee: the Annual Shareholders' Meeting of March 3, 2011 approved the installation of the Audit Committee, made up of five members, all of whom members of the Board of Directors. Its responsibilities involve determining and the scope of the internal and external audit, overseeing the work 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.

- Compensation Committee: the Annual Shareholders' Meeting of March 3, 2011 also approved the installation of the Compensation Committee, made up of three members, all of whom members of the Board of Directors. Its responsibilities involve overseeing the compensation policies adopted by the Qualicorp Group in accordance with market practices and in line with the Company's short and long-term strategies. It meets twice a year to discuss these matters.

- 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

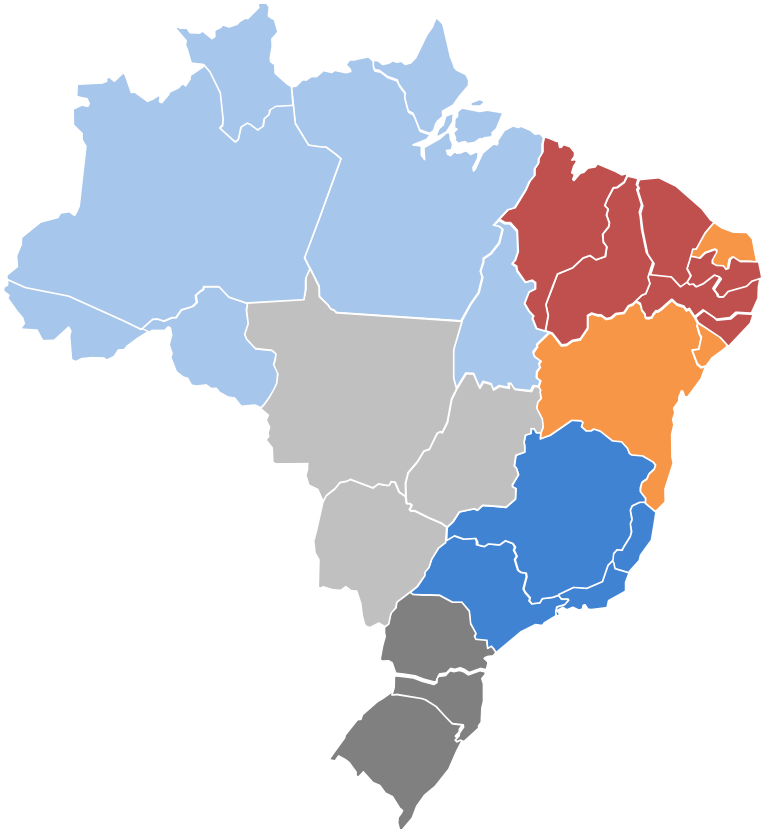
Human Resources

On March 31, 2012 we had 1,308 employees. The following chart shows the growth of our workforce between 2009 and 2012.

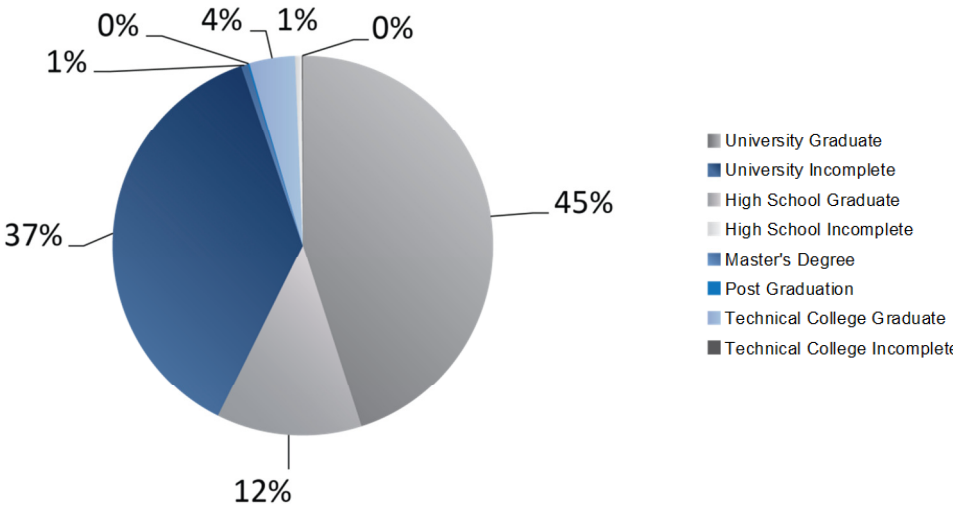


The substantial majority of employees (84%) are based in the state of São Paulo:

Southeast	**1.258**
São Paulo	1.098
Rio de Janeiro	147
Minas Gerais	10
Espirito Santos	3
Central-West	**28**
Brasília	28
Northeast	**22**
Pernambuco	4
Bahia	18



And 45% are university graduates:



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: (i) scholarships for specialization courses (MBAs and graduate courses); and (ii) internal and external courses and training programs for the Company’s various areas.



The Market

Economic Scenario

The domestic market experienced a slowdown of GDP growth rates in the second half of 2011, which impacted the level of defaults in our operations in 1Q12. However, the Federal Government has adopted a series of initiatives for the resumption of economic growth, jointly with measures to improve income distribution, what can contribute to the resumption of growth in 2012.

Supplemental Health Scenario in Brazil

According to the National Supplemental Health Agency (ANS), health plan penetration in Brazil has increased by around 48% in the last eight years, reaching 47 million individuals at the close of September 2011. However, On September 2011, only 24.6% of the Brazilian population had health plans.

In July 2009, 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 / Benefit Managers by type and size – Brazil (September 2011)

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	**1.618**	**222**	**988**	**307**	**101**
Benefit managers	74	74	-	-	-
Self-management	235	28	166	31	10
Health care cooperative	332	7	169	119	37
Dental care cooperative	127	9	92	22	4
Philanthropic	94	4	67	21	2
Group health care	439	50	273	89	27
Group dental care	304	50	219	22	13
Specialized health care	13	-	2	3	8

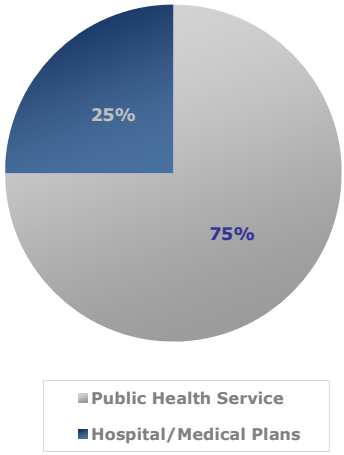
Source: ANS/ Beneficiary Information System (SIB) / Ministry of Health (MS) – September 2011

It is worth noting that the private health care market is highly fragmented and mostly consists of small-scale operators/benefit managers, who jointly account for 61.1% of the total.

Market data according to the Supplemental Health Care Information Book

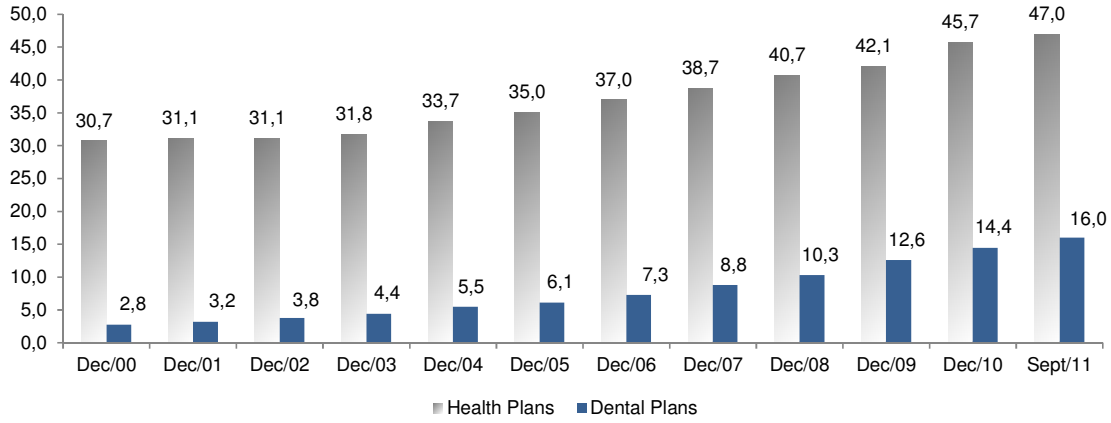
Information on the distribution of health care plans included in this ANS report indicates that, in September 2011, approximately 47.0 million beneficiaries (0.17% more than in the second quarter) were registered with the ANS. In other words, around 24.4% of the Brazilian population was covered by some kind of health care plan. Of these 47.0 million beneficiaries, 25% were covered by private plans with coverage for medical consultations, complementary medical tests and hospital admissions.

Distribution of health services in Brazil (2011)



Source: Health Supplement - PNAD (Brazilian Household Survey) / IBGE

Beneficiaries of private health care plans in Brazil by type of plan (2000-2011 - million)

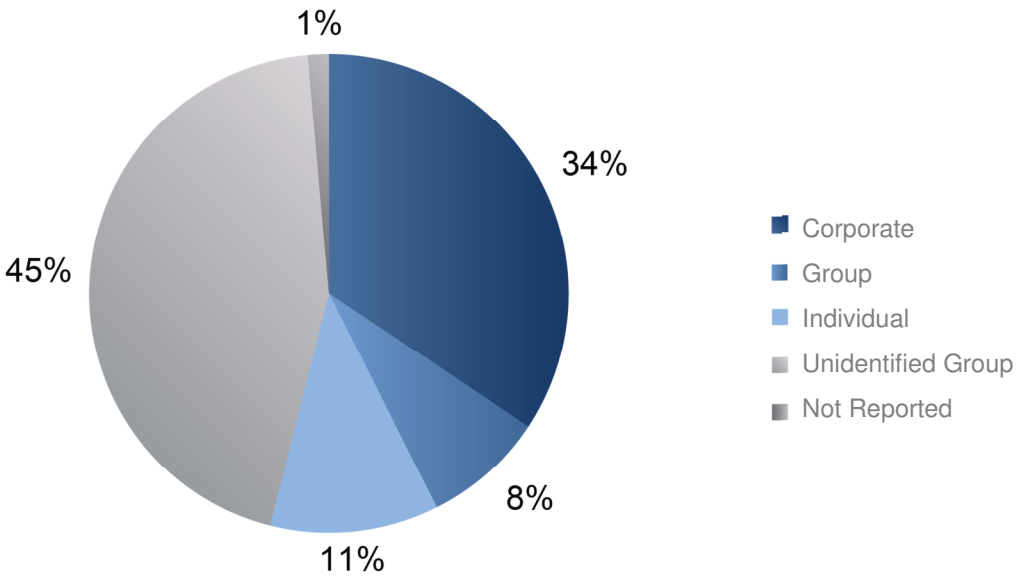


Source: ANS/ Beneficiary Information System (SIB) / Ministry of Health (MS) – September 2011

- At the close of 3Q11, there were 47 million healthcare plan beneficiaries and 16 million exclusive dental care plan beneficiaries, representing a growth of 0.17% and 1.60%, respectively, over the previous quarter.

- According to the ANS, revenue from health and dental care operators through 3Q11 totaled R$59.2 billion, 9.1% more than in the first nine months of 2010.

Distribution of beneficiaries by plan coverage in Brazil (September 2011)



Source: ANS/ Beneficiary Information System (SIB)/Ministry of Health (MS) – September 2011

8% of the health plan beneficiaries were in affinity plans (around 21 million beneficiaries) and 16 million were in corporate plans.

Brazilian health care operators - revenue from premiums and expenses by size of operator

Size of Operator	Revenue (R$)	Medical/dental expenses (R$)	Administrative expenses (R$)	Beneficiaries (1)	Loss ratio (%)	Average monthly revenue (R$)
Total	**74.838.390.176**	**59.994.354.895**	**11.977.698.060**	**60.145.191**	**80,2**	**103,69**
Health care plan operators	**73.166.459.294**	**59.226.395.645**	**11.436.507.763**	**47.727.588**	**80,9**	**127,75**
Smalll (up to 20,000 beneficiaries)	6.063.213.190	4.779.290.626	2.307.080.610	4.518.527	78,8	111,82
Medium (20,000 to 100,000 beneficiaries)	16.615.930.331	13.506.180.795	3.346.829.401	11.529.213	81,3	120,10
Large (more than 100,000 beneficiaries)	50.487.315.773	40.940.924.224	5.782.597.752	31.679.848	81,1	132,81
Exclusive dental care operators	**1.671.930.882**	**767.959.250**	**541.190.297**	**12.417.603**	**45,9**	**11,22**
Smalll (up to 20,000 beneficiaries)	251.872.893	122.571.695	124.767.095	1.566.092	48,7	13,40
Medium (20,000 to 100,000 beneficiaries)	314.620.677	166.343.081	106.742.201	2.004.948	52,9	13,08
Large (more than 100,000 beneficiaries)	1.105.437.312	479.044.474	309.681.001	8.846.563	43,3	10,41

Source: ANS/ Beneficiary Information System (SIB)/Ministry of Health (MS) - 06/2011 - September 2011)

- Through September 2011, health care operators recorded R$73.2 billion in revenue from premiums.
- Monthly revenue per beneficiary averaged R$103.69.
- Loss ratios did not vary significantly by operator size, although average revenue did, increasing proportionally to the size of the operator.

Distribution of health care plans by type

Health care plans are classified by the ANS as follows:

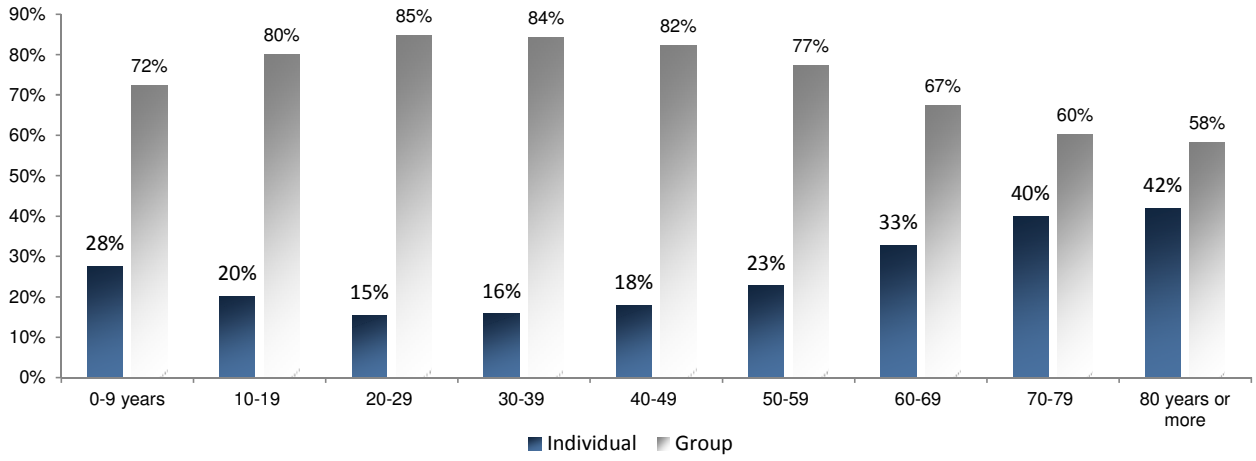
Individual/family: Agreement between an individual and a health care plan operator for the provision of health care services to the policyholder (individual plan) or pensioner and his or her dependents (family plan)..

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 2011)



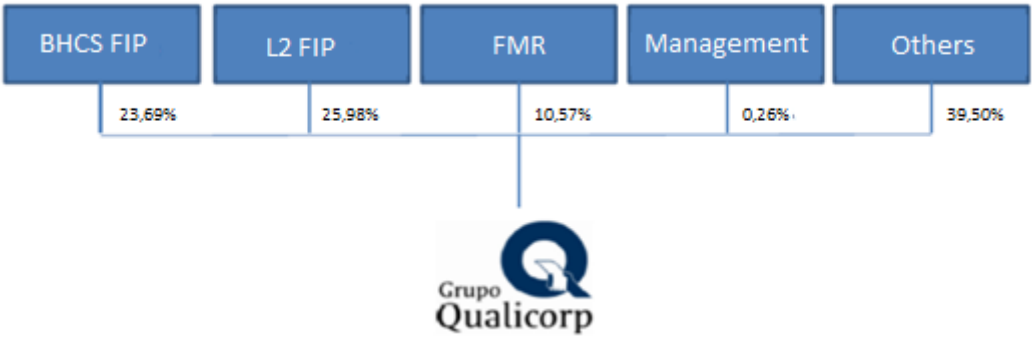
Source: ANS/ Beneficiary Information System (SIB)/Ministry of Health (MS) - 06/2011 - September 2011)

Around 11.0% of health plan beneficiaries are elderly, i.e. 60 years or older.

However, only 6.63% of group health plan beneficiaries are aged 60 or older.

Corporate Structure on 12/31/2011

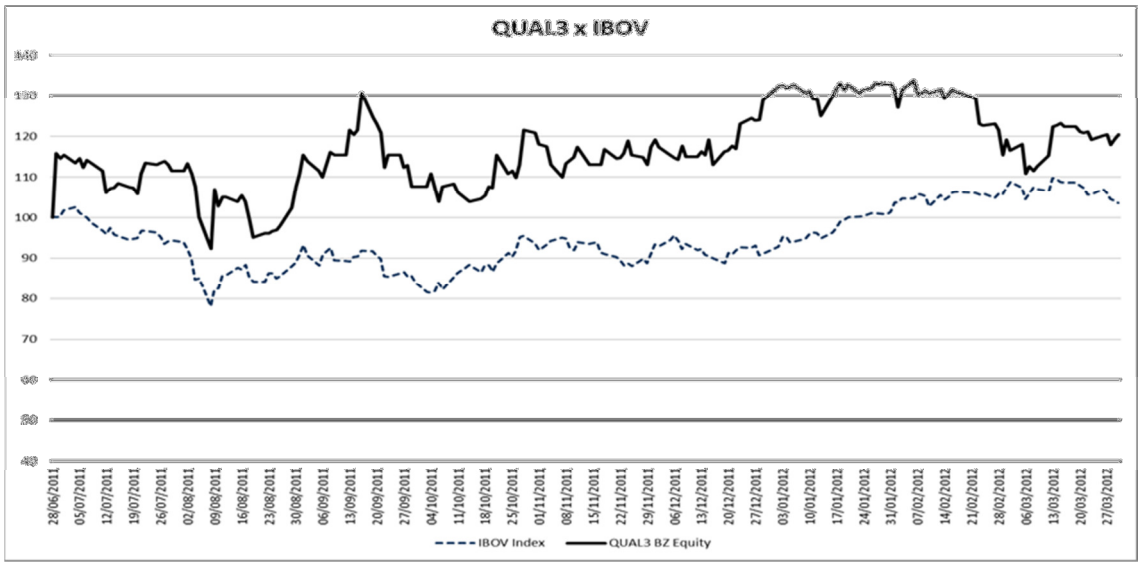
There was no change in shareholders 'equity in 1Q12. The numbers of shares on March 31, 2012 is 260.083.463 common shares, structured as follows:



Share price trends

Since the launch of the Company's shares on the Securities, Commodities and Futures Exchange (BM&FBovespa) up to the end of 1Q12, they have consistently outperformed the IBOVESPA index.

The chart below shows the performance of the Company's shares against that of the IBOVESPA since their launch.



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 intermediate 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, 2012 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