

Earnings 2Q17

Conference call:

July 28th | 11AM (10AM EDT)

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Code: Fleury

Webcast: www.fleury.com.br/ri

In June 30th, 2017:

Total shares

314,791,538

Market cap

R\$ 8,436MM | US\$ 2,550MM

Share price

R\$ 26.80 /US\$ 8.10

Fleury ON

B3: FLRY3 Bloomberg:

FLRY3 BZ Thomson Reuters:

FLRY3-BR

Debentures

BRFLRYDBS007

BRFLRYDBS015

BRFLRYDBS023



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São Paulo, July 27th, 2017 – Grupo Fleury announces today its 2nd quarter (2Q17). All figures are compared to the same period last year, unless otherwise stated, and are rounded to the nearest thousand, but may have differences when compared to the financial statements due to decimal digits.

Highlights

- **Gross Revenue** reached R\$ 646.5 million, **12.0% increase**.
- **Same Store Sales (SSS)** of the PSC's¹ **increased 10.5%**.
- **Net Revenue** of R\$ 597.6 million, **13.8% increase**.
- **EBITDA** of R\$ 151.4 million, **24.1% increase**.
- **EBITDA Margin** increased **209 bps** and reached 25.3%; margin impacted by ~140 bps due to expansion plan.
- **Net Income** increased **90.6%** and reached R\$ 87.9 million.
- **Return on Invested Capital (ROIC²)**, excluding goodwill, reached **40.3% (+1,305 bps)**.
- **Inauguration of 7 new units** for Fleury, a+ and Weinmann brands.
- **NPS³** reached 74.7%, **an improvement of 536 bps**.

¹PSCs: Patient Service Center.

² Excludes the goodwill of the stockholder's equity.

³ NPS: Grupo Fleury's Net Promoter Score, indicator that measures the level of recommendation after the use of services.

Financial Indicators

Financial Indicators (R\$ MM)	2Q17	2Q16	Variation	2017 6M	2016 6M	Variation
Gross Revenue	646.5	577.1	12.0%	1,288.6	1,135.7	13.5%
Net Revenue	597.6	525.1	13.8%	1,185.4	1,033.1	14.7%
Gross Profit	186.8	151.3	23.4%	389.3	304.3	28.0%
EBITDA	151.4	122.0	24.1%	324.6	243.7	33.2%
Net Income	87.9	46.1	90.6%	169.4	90.8	86.7%
Net Cash Income ¹	92.2	57.8	59.6%	197.8	122.0	62.1%
Operating Cash Flow	161.4	168.0	-3.9%	247.3	246.1	0.5%
Gross Margin %	31.3%	28.8%	243 bps	32.8%	29.5%	339 bps
EBITDA Margin %	25.3%	23.2%	209 bps	27.4%	23.6%	379 bps
Effective Tax Rate	-16.4%	-35.1%	1,865 bps	-25.8%	-36.8%	1,100 bps
Net Income Margin %	14.7%	8.8%	592 bps	14.3%	8.8%	551 bps
Net Cash Income / Net Revenue	15.4%	11.0%	443 bps	16.7%	11.8%	487 bps
Operating Cash Flow / Net Revenue	106.6%	137.6%	-3,104 bps	76.2%	101.0%	-2,478 bps
ROE (LTM)	18.2%	9.1%	911 bps	18.2%	9.1%	911 bps
ROIC (LTM)	14.0%	9.7%	431 bps	14.0%	9.7%	431 bps
ROIC without goodwill (LTM)	40.3%	27.2%	1,305 bps	40.3%	27.2%	1,305 bps

¹ "Net Cash Income": excludes the impact of deferred income tax

Management Comments

We reached the end of the first half of the year with the opening of 15 new Patient Service Centers (PSCs), within our Expansion Plan and inaugurated 2 more units in July. Of this total of 17 units, 8 are for the Fleury brand, 2 a+ São Paulo, 6 a+ Paraná and 1 Weinmann in Rio Grande do Sul. Among the Fleury brand new PSCs, there are 2 large units as foreseen in the Company's Expansion Plan, Anália Franco and Morumbi, which concentrate a significant part of the investments of the year. These launchings are in accordance with the Expansion Plan schedule, which we reiterate to reach a total of 73 to 90 new units by 2021. We have worked intensely in the execution of our Expansion Plan, in order to integrate strategic units into the Company's portfolio and maintain the offer of services with differentiated quality and provide convenience to our customers, with increased capillarity.

The focus on technical excellence and quality of customer service is part of the fundamentals of our strategic positioning, in order to guarantee sustainable growth. Consequently, one of the metrics we follow continuously is the Net Promoter Score (NPS), which evaluates the recommendation of our services by customers. In comparison with 2Q16, our NPS increased 536 bps, reaching 74.7%, highlighting the brands Labs a+, a+ SP and a+ PE. The quality of our customer service obtained recognition when we won the "Company of the Year" award at the XVIII Modern Consumer Award for Customer Service Excellence. In addition to this achievement, we remain the leader in the "Diagnostic Medicine" category for the 16th time. This current one is the 8th consecutive award.

It is also important to mention that the brand positioning of Weinmann was recognized by the "Top of Mind Rio Grande do Sul 2017" award, as the most remembered brand in the "Clinical Analyzes" category. The Fleury brand was valued at USD 206 million by Millward Brown and ranked as 51st of the 320 most valuable brands in Brazil. We also actively participated in the creation of the Conduct Code of the Brazilian Association of Diagnostic Medicine (ABRAMED), published in July, in order to strengthen the best practices in the sector.

At the same time, we are continuously working on the brands positioning focused on customer service excellence; expanding the service offering and digital activation in order to capture demand in our PSCs as well as activities for medical relationship. In the first half of 2017, we participated in 61 events, in particular the Congress of the Cardiology Society of the State of São Paulo (SOCESP), in which we promoted our cardiogeriatrics symposium "Caring for the Heart of the Elderly" and we launched 13 new genetic tests in cardiology, expanding our portfolio in genomics and strengthening our leadership in precision medicine. This strategy generates technical support that allows the delivery of personalized medicine. Based on the constant investment in medical knowledge and innovation, we formalized the RFP (request for proposal) to the main technology and materials suppliers in diagnostic medicine for the development of the "Central Lab of the Future" Project, which will enhance our technological park and increase our productive capacity as well as provide operational efficiency.

Also in this quarter, we highlight the Company's Stock Split in the proportion of 2 shares for each existing 1 share, approved at the Extraordinary General Meeting in June, whereby the capital stock became represented by 314,791,538 shares. In July, the Board of Directors approved the distribution of interest on shareholder's equity in the amount of R\$ 58.9 million, corresponding to the net income of the first half of 2017.

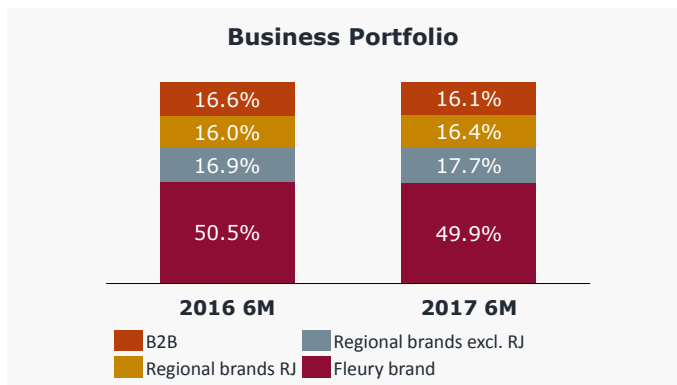
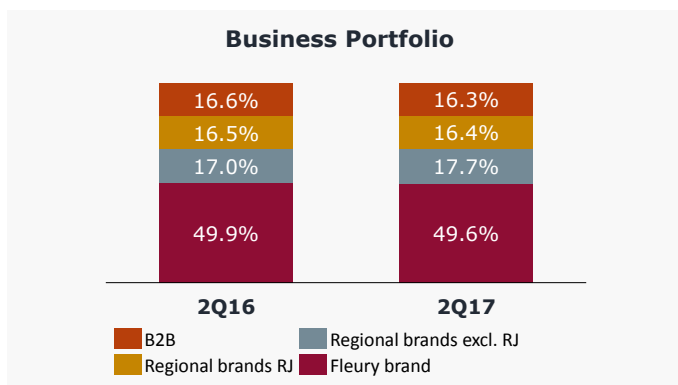
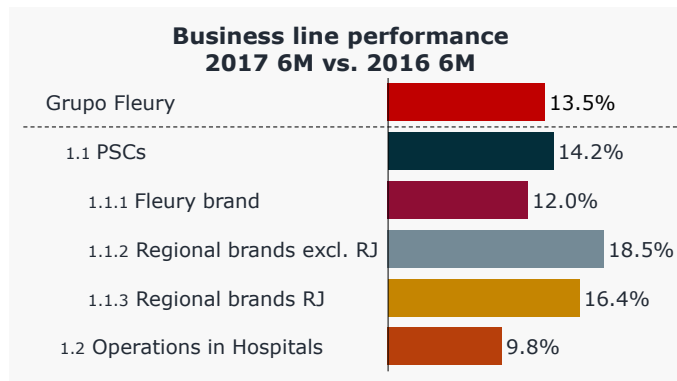
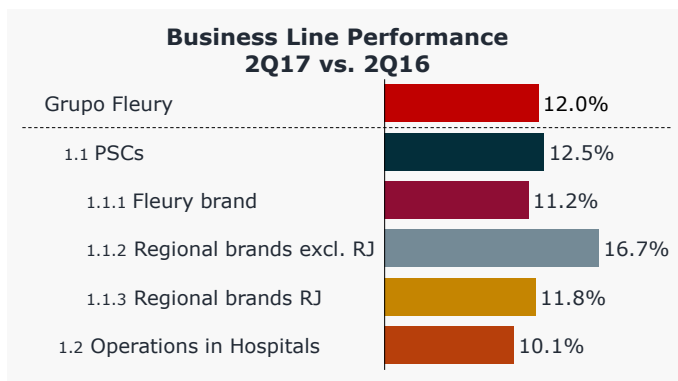
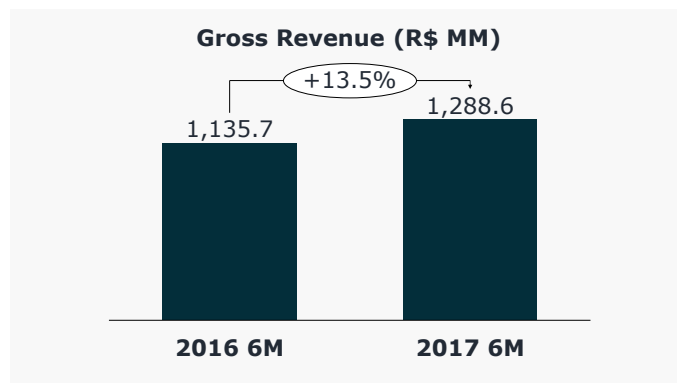
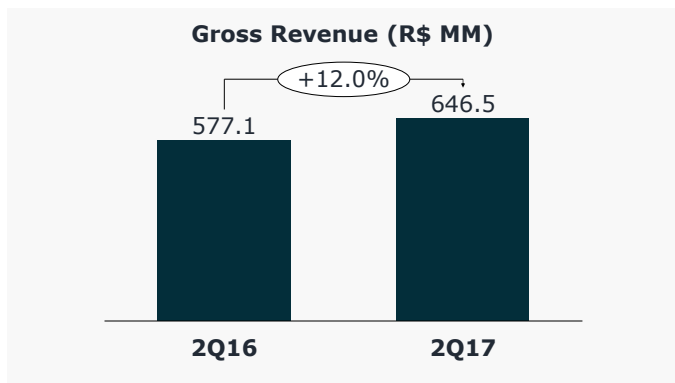
In the macroeconomic scenario, we verify improvements in important themes, such as the approval of the labor reform, inflation and interest rates decrease. On the other hand, the unemployment rate was 13.3%, totaling 13.8 million people without formal employment, according to data from the Brazilian Institute of Geography and Statistics (IBGE). This scenario affects the private healthcare segment, which registered 47.4 million beneficiaries in May, a 2.0% decrease compared to 2Q16, according to the National Health Agency (ANS). In this challenging environment, we achieved a 12.0% growth in gross revenue in 2Q17, despite the negative calendar effect of April, which recorded fewer working days, due to the accumulation of holidays, in addition to a one-day general strike. Net revenue increased 13.8% and EBITDA margin reached 25.3%, impacted by the increase in costs and expenses related to the execution of our expansion plan. Net income increased 90.6% reaching R\$ 87.9 million. In the first half of 2017, the net revenue increased 14.7%, EBITDA margin reached 27.4% and net income increased 86.7%, amounting to R\$ 169.4 million.

We believe that our strategic positioning and the growing demand for our services enable us to maintain the pace of our Expansion Plan, while at the same time ensuring the continued discipline in costs and expenses, seeking positive results for all our stakeholders.

Financial Performance

Gross Revenue

Gross Revenue of R\$ 646.5 million in 2Q17 grew 12.0%. The robust expansion of regional brands excl. RJ (+16.7%) and Rio de Janeiro brands (+11.8%) positively impacted the Company's revenue. In the first half of 2017, gross revenue increased by 13.5%, highlighting the expansion in revenues of regional brands excl. Rio de Janeiro (+18.5%) and Rio de Janeiro brands (+16.4%).

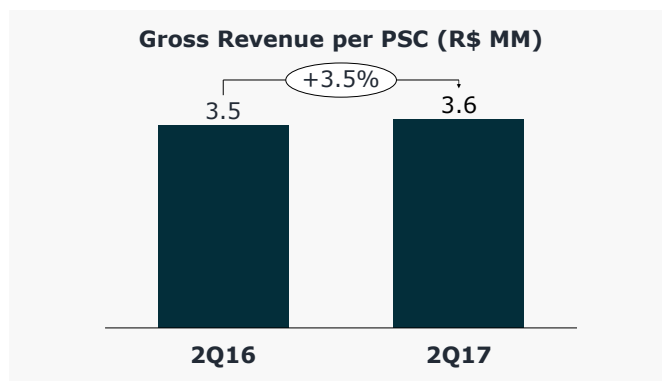
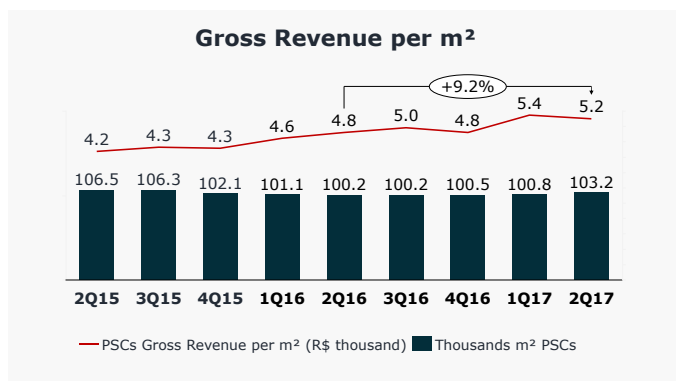


Gross Revenue and Asset Efficiency from PSC's

The Gross Revenue from PSC's amounted to R\$ 541.2 million in the quarter, 12.5% higher than 2Q16. In the first half of 2017, gross revenue increased by 14.2%, reaching R\$ 1.1 billion.

In 2Q17, the asset efficiency measured by gross revenue per square meter increased 9.2%, while the efficiency measured by the total gross revenue per PSC was 3.5% above the same period last year, amounting to R\$ 3.6 million.

In the last twelve months, we added 2.9 thousand square meters in our PSC's portfolio. In this period, we inaugurated 15 new units (until June 2017) and closed 3. It is important to highlight that most of the new units were inaugurated during the first half of 2017 with a significant concentration of new area in 2Q17 and, consequently, our new units are still advancing in the maturity curve to reach the full potential of revenue and profitability.



Gross Revenue per Exam

Gross revenue per exam decreased by 1.4% in the quarter and remained stable in the 1H17.

PSC's gross revenue per exam increased 4.9% in the quarter and 4.1% in 1H17, as a result of our mix of exams and price readjustments.

Hospital operations recorded 11.5% decrease in gross revenue per exam in 2Q17 and were 8.7% below in the first half of 2017 compared to same prior period year. The gross revenue per exam was negatively impacted by the entry of new contracts with distinct operating models and exclusively for clinical analysis, resulting in a lower average price. The reference laboratory segment, in turn, showed an increase of 3.5% in 1H17.

Gross Revenue per exam	2Q17	2Q16	Variation	2017 6M	2016 6M	Variation
Grupo Fleury	37.7	38.2	-1.4%	37.8	37.8	-0.1%
- Patient Service Centers	55.2	52.7	4.9%	54.7	52.6	4.1%
- Operations in Hospitals	13.5	15.2	-11.5%	13.6	14.9	-8.7%
- Lab to Lab	40.7	41.0	-0.6%	39.8	38.4	3.5%

Gross Revenue from PSCs

In 2Q17, gross revenue from PSCs grew 12.5%, with an increase of 10.5% in *Same Store Sales (SSS)*. In the quarter, mainly in April, we observed more holidays when compared to the same period of 2016, impacting the demand for clinical and imaging services.

In the 1H17, gross revenue from PSCs increased 14.2%.



In 2Q17, Fleury Brand's gross revenue increased 11.2% (+9.0% in SSS), due to the additional services offered as well as the asset utilization improvement observed in imaging exams. In the 1H17, gross revenue was 12.0% above the same period last year.

The 7 units inaugurated (6 fast sites and 1 large unit) contributed to the revenue increase, of which, 4 were opened this quarter, 3 fast sites and 1 large unit (inaugurated in early June). The new units are under maturation process and, consequently, on the way to achieving its full revenue potential.



The regional brands excluding Rio de Janeiro grew 16.7% in gross revenues and 14.6% in SSS, with the spotlight on the increase of a+ SP brand (+24.9%) and a+ Paraná brand (16.9%). In 1H17, gross revenue increased 18.5%, as a result of the strong performance of a+ SP (+24.9%) and a+ Paraná (+20.3%)

The growth is explained by the increased number of visits, mainly in clinical analysis, with extended opening hours in some units, medical activation, and the growing recognition of these brands by physicians and customers. In the a+ SP brand, we also observed a growth in the asset utilization, together with the increase of imaging exams.

The 8 units inaugurated in the first half of 2017 contributed to the revenue increase, all of which are small / fast sites. In 2Q17, 3 units were inaugurated as follows: 1 a + SP brand, 1 a + PR and 1 Weinmann brand in the State of Rio Grande do Sul.



In 2Q17, the Rio de Janeiro brands showed an increase of 11.8% in gross revenue and 10.9% in SSS. In 1H17, the gross revenue increased 16.4%.

The growth observed in Labs a+ and Felipe Mattoso brands is mainly a consequence of the strong increase in the number of clinical analysis exams per customer, reinforcing the convenience model, which provide both clinical and imaging tests at the same PSC. Furthermore, the increased offer of imaging exams, the medical relationship activities and the growing recognition of these brands by physicians and customers in Rio de Janeiro, contributing positively to the robust performance of Rio de Janeiro brands.

Gross Revenue Indicators 2Q17 vs. 2Q16	Fleury Brand	Regional Brands excl. RJ	Brands RJ	Total (PSCs)
- Gross Revenue	11.2%	16.7%	11.8%	12.5%
- SSS	9.0%	14.6%	10.9%	10.5%
- Gross Revenue / m ² *	4.6%	14.6%	13.1%	9.2%
- Gross Revenue / PSC*	-13.9%	7.8%	14.5%	3.5%

* Operational Efficiency Indicators reflect the impact of the Expansion Plan on Fleury and Regional brands in which the new units are still advancing on the maturity curve.

Gross Revenue from B2B

Hospital Operations

Gross revenue totaled R\$ 95.7 million in 2Q17, an increase of 10.1%, reflecting the contribution of 7 new hospitals, which joined our portfolio in the last twelve months. Disregarding this effect, we observed an increase of 0.5% in Same Hospital Sales. In 1H17, the revenue expansion reached 9.8%.

We highlight 2 new hospital operations in São Paulo: São Luiz São Caetano Hospital, in June, and the Brazilian Cancer Control Institute (IBCC), to begin operation in August. These 2 hospitals have approximately 300 beds.

Reference Laboratory (*Lab-to-lab*)

Gross revenue reached R\$ 7.7 million, a decrease of 3.2%. In 1H17, we recorded a gross revenue of R\$ 15.3 million, an expansion of 2.2%.

Preventive Medicine

Gross revenue reached R\$ 2.0 million, an increase of 70.4%. In 1H17, gross revenue showed an increase of 79.8%, amounting to R\$ 3.6 million.

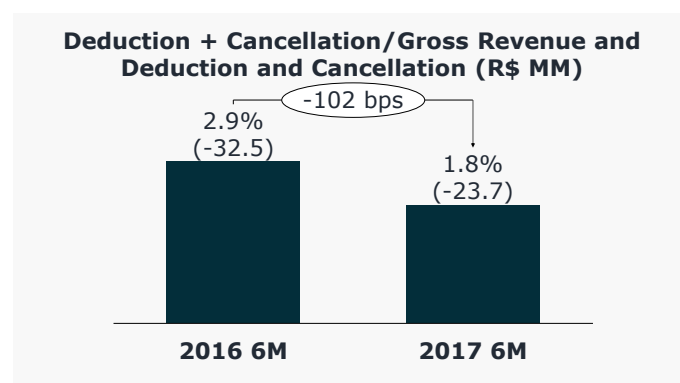
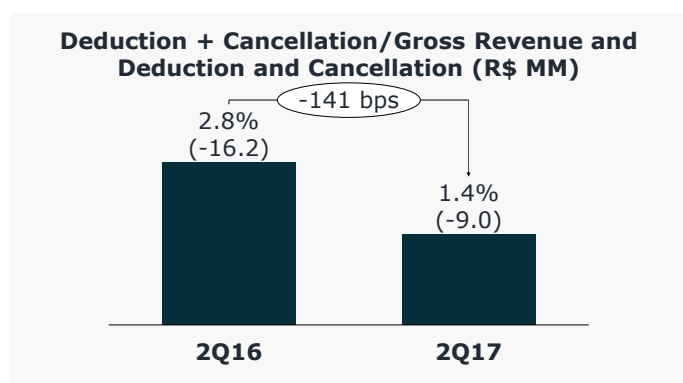
Revenue Tax and Cancellations/Deductions¹

Revenue taxes remained stable at 6.2% over gross revenue both in 1Q17 and 1H17, when compared to same period last year.

In 2Q17, cancellations and deductions accounted for 1.4% of gross revenue, R\$ -9.0 million, representing a 141 bps reduction. In 1H17, this indicator accounts for 1.8% of gross revenue, a 102 bps reduction.

This result reflects the ongoing improvement of the accounts receivable cycle process and specific renegotiations with healthcare operators. Disregarding this one time effects, the indicator of cancellations and deductions would have reached 1.8% in the quarter and 2.1% in 1H17.

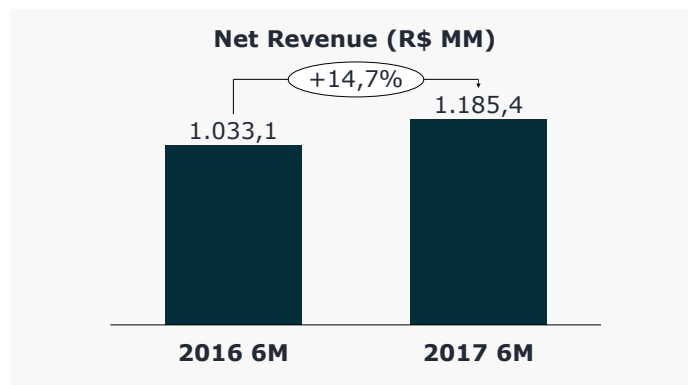
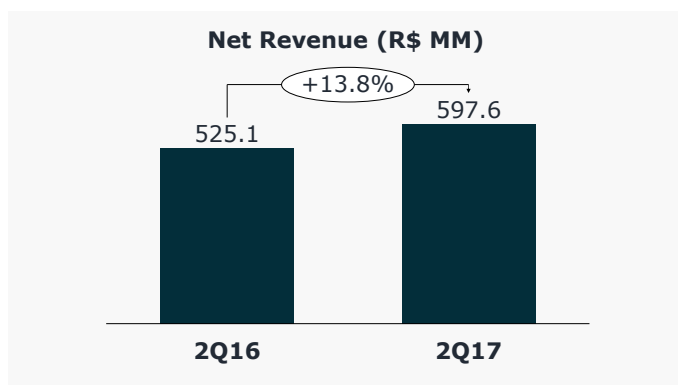
The provisions related to Accounts Receivable (AR) over 121 days total coverage of 84.2% of this amount (66.4% in the 2Q16). AR past due over 121 days represents 6.7% of total receivables (15.9% in 2Q16).



¹ Deduction = cancellation + provision for doubtful debts

Net Revenue

Net revenue was R\$ 597.6 million, an increase of 13.8%. In 1H17, net revenue increased 14.7%.



Cost of Services

The cost of services in 2Q17 amounted to R\$ 410.9 million, an increase of 9.9%. The cost of services accounted for 68.7% of net revenue, a 243 bps reduction over the same period of 2016. In 1H17, cost of services increased 9.2%, a 339 bps dilution over net revenue.

Cost of Services breakdown	2Q17		2Q16		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
Personnel and medical services	209.9	35.1%	183.2	34.9%	14.6%	25 bps
General services, rentals and utilities	115.2	19.3%	107.1	20.4%	7.5%	-114 bps
Materials and Exam Intermediation	60.3	10.1%	53.8	10.3%	12.0%	-16 bps
Depreciation and Amortization	23.0	3.9%	28.1	5.4%	-18.1%	-150 bps
General Expenses	2.4	0.4%	1.5	0.3%	56.8%	11 bps
Cost of Services	410.9	68.7%	373.8	71.2%	9.9%	-243 bps

Cost of Services breakdown	2017 6M		2016 6M		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
Personnel and medical services	404.2	34.1%	358.7	34.7%	12.7%	-62 bps
General services, rentals and utilities	223.4	18.8%	208.9	20.2%	6.9%	-138 bps
Materials and Exam Intermediation	117.8	9.9%	103.1	10.0%	14.3%	-04 bps
Depreciation and Amortization	46.3	3.9%	55.1	5.3%	-16.0%	-143 bps
General Expenses	4.4	0.4%	3.1	0.3%	43.7%	07 bps
Cost of Services	796.1	67.2%	728.8	70.5%	9.2%	-339 bps

Below, the analysis of the main lines of costs in 2Q17 compared to 2Q16:

- **Personnel and Medical Services (+14.6%)** are the Company's main costs and accounted for 35.1% of net revenue in the quarter, an increase of 25 bps. This increase can be explained by the growth of the number of employees, specifically 613 new positions, to support our Expansion Plan and the increased demand for our services, salary readjustments, as a result of collective labor agreements of approximately 6%, with 4% referring to the second installment of 2016 and 2% referring to the first installment of 2017, and the readjustment of employees' health plans.
- **General Services, Rentals and Utilities (+7.5%)** represented 19.3% of net revenue, a decrease of 114 bps. The efficiency gain can be explained by renegotiations with several suppliers in the period.

- **Materials and Exam Intermediation (+12.0%)** represented 10.1% of net revenue, a decrease of 16 bps. The efficiency gain can be explained by the mix of exams processed in the period.
- **Depreciation and Amortization (-18.1%)** accounted for 3.9% of net revenue, a 150 bps decrease. This reduction can be explained by the revision of estimated useful life of specific medical equipment and certain intangibles, occurred in 2016.
- **General Expenses (+56.8%)** represented 0.4% of net revenue.

Gross Profit

In 2Q17, gross profit amounted to R\$ 186.8 million, an increase of 23.4%. The gross margin reached 31.3%, up 243 bps.

In 1H17, gross profit totaled R\$ 389.3 million, an increase of 28.0%. The gross margin reached 32.8%, up 339 bps.

Operating Expenses

Operating expenses amounted to R\$ 68.9 million, an increase of 5.6% and accounted for 11.5% of net revenue in the period, a decrease of 89 bps. In 1H17, the operating expenses remained stable compared to 1H16, and showed a 164 bps dilution in relation to net revenue.

Operating Expenses breakdown	2Q17		2Q16		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
G&A	56.4	9.4%	51.0	9.7%	10.6%	-27 bps
Depreciation and Amortization	10.8	1.8%	8.2	1.6%	32.1%	25 bps
Other Operating (Income) Expenses	1.3	0.2%	4.9	0.9%	-74.0%	-72 bps
Provision (Reversal) for Contingency	0.7	0.1%	1.5	0.3%	-53.9%	-17 bps
Subsidiaries' share of profits	(0.3)	-0.1%	(0.3)	-0.1%	-13.1%	02 bps
Operating Expenses	68.9	11.5%	65.3	12.4%	5.6%	-89 bps

Operating Expenses breakdown	2017 6M		2016 6M		Variação	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
G&A	104.7	8.8%	95.9	9.3%	9.2%	-45 bps
Depreciation and Amortization	21.1	1.8%	16.4	1.6%	28.6%	19 bps
Other Operating (Income) Expenses	5.8	0.5%	13.6	1.3%	-57.5%	-83 bps
Provision (Reversal) for Contingency	0.5	0.0%	6.0	0.6%	-92.3%	-54 bps
Subsidiaries' share of profits	(0.7)	-0.1%	(0.6)	-0.1%	27.5%	-01 bps
Operating Expenses	131.3	11.1%	131.4	12.7%	-0.1%	-164 bps

Below, the analysis of the main lines of operating expenses in 2Q17 compared to 2Q16:

- **General and Administrative Expenses (+10.6%)** represented 9.4% of net revenue, a 27 bps decrease. The efficiency gain can be explained mainly by (i) reduction in consulting expenses; (ii) renegotiation of corporate rental agreements and (iii) reduction of electrical energy expenses, due to the change in tariffs and actions taken towards efficiency gains.
- **Depreciation and Amortization (+32.1%)** represented 1.8% of net revenue, an expansion of 25 bps over 2Q16, as a consequence of the software amortization increase, due to the SAP re-implantation.
- **Other operational Income / Expenses (-74.0%)** represented 0.2% of net revenue, a decrease of 72 bps. This reduction is related to the write offs occurred in 2Q16.
- **Provision for contingencies (-53.9%)** represented 0.1% of net revenue, a decrease of 17 bps. This reduction can be explained by the lower provision for labor risks.

Equity Equivalence

Grupo Papaiz, a dental diagnostic company in São Paulo, was acquired by Grupo Fleury and Odontoprev in the end of 2012. The figures have been reported by the equity equivalence method considering the form of a Joint Venture in which Grupo Fleury holds a 51% stake of the business. Below is the performance in 2Q17 and 1H17:

Equity Equivalence Papaiz	2Q17		2Q16		Variation	
	R\$ thousand	% Net Revenue	R\$ thousand	% Net Revenue	▲ %	▲ bps
Net Revenue	4,917.7		4,383.2		12.2%	
EBITDA	1,128.2	22.9%	1,021.4	23.3%	10.5%	-36 bps
Net Income	592.2	12.0%	681.7	15.6%	-13.1%	-351 bps

Net Income attributed to Grupo Fleury (51%)	302.0	347.7	-13.1%
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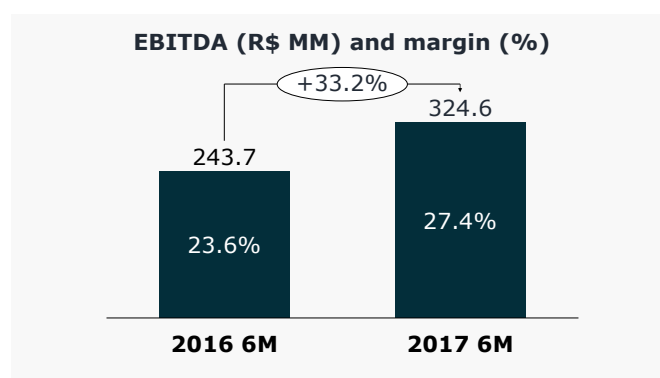
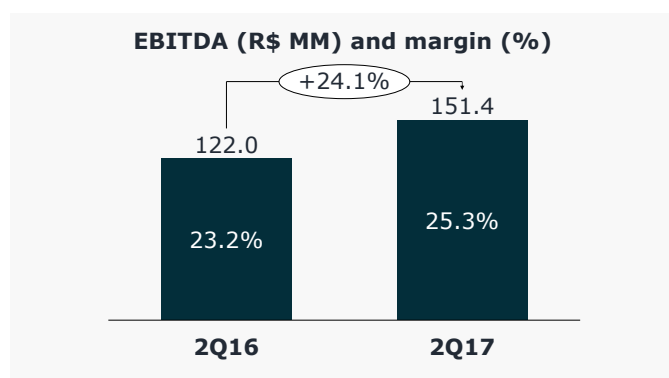
Equity Equivalence Papaiz	6M 2017		6M 2016		Variation	
	R\$ thousand	% Net Revenue	R\$ thousand	% Net Revenue	▲ %	▲ bps
Net Revenue	9,821.2		8,371.3		17.3%	
EBITDA	2,461.7	25.1%	1,796.2	21.5%	37.1%	361 bps
Net Income	1,434.1	14.6%	1,124.8	13.4%	27.5%	117 bps

Net Income attributed to Grupo Fleury (51%)	731.4	573.6
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EBITDA

EBITDA reached R\$ 151.4 million, a 24.1% increase, resulting from the net revenue increase as well as the continuous effort to gain operational efficiency, despite the Expansion Plan, including additional pre-operational costs, which impacted by 140 bps the EBITDA margin. The EBITDA margin reached 25.3%, 209 bps higher than in 2Q16.

In 1H17, EBITDA increased 33.2%, resulting in a margin of 27.4%, an expansion of 379 bps.

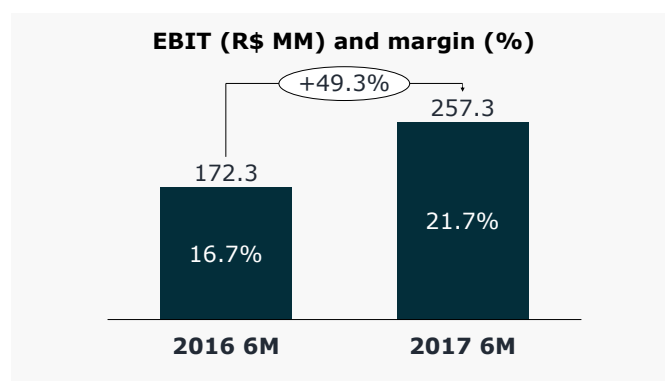
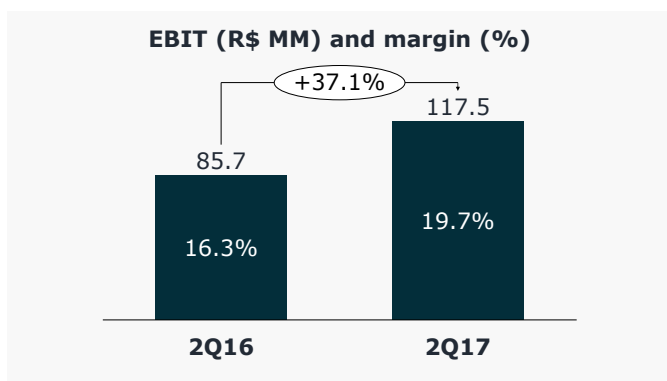


EBITDA	2Q17		2Q16		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
Net Income	87.9	14.7%	46.1	8.8%	90.6%	592 bps
Financial Result	12.7	2.1%	15.0	2.9%	-15.5%	-74 bps
Depreciation and Amortization	33.9	5.7%	36.3	6.9%	-6.8%	-125 bps
Income Tax and Social Contribution	17.3	2.9%	24.9	4.7%	-30.6%	-185 bps
Subsidiaries' share of profits	(0.3)	-0.1%	(0.3)	-0.1%	-13.1%	02 bps
EBITDA	151.4	25.3%	122.0	23.2%	24.1%	209 bps

EBITDA	2017 6M		2016 6M		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
Net Income	169.4	14.3%	90.8	8.8%	86.7%	551 bps
Financial Result	29.6	2.5%	29.2	2.8%	1.3%	-33 bps
Depreciation and Amortization	67.3	5.7%	71.4	6.9%	-5.8%	-124 bps
Income Tax and Social Contribution	59.0	5.0%	52.9	5.1%	11.5%	-15 bps
Subsidiaries' share of profits	(0.7)	-0.1%	(0.6)	-0.1%	27.5%	-01 bps
EBITDA	324.6	27.4%	243.7	23.6%	33.2%	379 bps

EBIT (Operational Income)

EBIT amounted to R\$ 117.5 million, an increase of 37.1%. The margin was 19.7%, an increase of 335 *bps*. In 1H17, EBIT increased 49.3% achieving a margin of 21.7%, an expansion of 503 *bps*.



Financial Result

The financial result reached R\$ -12.7 million, a decrease of 15.5%, as a result of the reduction in financial expenses, which reflects the partial amortization of debentures and lower interest rates.

In 1H17, the financial result totaled R\$ -29.6 million, an increase of 1.3%.

Financial Result (R\$ MM)	2Q17	2Q16	Variation	2017 6M	2016 6M	Variation
Net financial income (expenses)	(12.7)	(15.0)	-15.5%	(29.6)	(29.2)	1.3%
Financial income	12.0	25.3	-52.4%	26.3	48.8	-46.1%
Interest and inflation adjustment	10.6	24.2	-56.3%	23.4	46.3	-49.4%
Exchange rate change	1.7	2.1	-20.7%	3.8	4.6	-17.6%
Interest income	0.2	0.1	68.8%	0.2	0.2	9.0%
Other	(0.4)	(1.2)	-64.2%	(1.1)	(2.3)	-51.2%
Financial expenses	(24.7)	(40.3)	-38.7%	(55.9)	(78.0)	-28.3%
Interest and inflation adjustment	(23.1)	(35.4)	-34.6%	(52.8)	(71.3)	-26.0%
Exchange rate change	(1.1)	(1.9)	-42.3%	(2.0)	(2.8)	-26.1%
Other	(0.5)	(3.1)	-84.0%	(1.1)	(4.0)	-72.0%

Indebtedness

In 2Q17, the ratio net debt over EBITDA LTM reached 0.7x versus 0.5x recorded in 2Q16.

Composition of Net Debt (R\$ MM)	2Q16	1Q17	2Q17	Next 12 months
Gross Debt (Debentures and Financing)	988.7	817.2	829.7	308.4
Cash, Cash Equivalents and Marketable Securities	(759.3)	(337.2)	(433.8)	
Net Debt	229.4	480.0	395.9	
Net Debt / EBITDA LTM	0.5x	0.9x	0.7x	
EBITDA LTM / Financial Result LTM	7.3x	11.3x	12.6x	

In 2Q17, we raised R\$ 10.4 million through FINAME / BNDES loans to purchase equipment and re-paid R\$ 4.9 million related to FINEP and R\$ 1.1 million in interest on FINAME/BNDES and FINEP loans. In addition we paid R\$ 13.0 million in interest on debentures.

In 1H17, we raised R\$ 13.2 million through FINAME / BNDES loans to purchase equipment, and re-paid R\$ 9.8 million in FINEP loans and R\$ 2.1 million in interest. In addition we paid R\$ 49.1 million in interest on debentures.

Income Tax and Social Contribution

The income tax and social contribution totaled R\$ 17.3 million, a reduction of 30.6%. The effective rate reached 16.4%, a decrease of 1,865 bps. The improvement of our tax management and predictability of the maximum utilization of the tax benefit from interest on shareholders' equity allowed the Company to adopt the Accounting Standard CPC 21 - Interim Statements, which determine the use of the best estimate for the annual effective rate. As a result, in 1H17, the effective rate reached 25.8%, which reflects the best estimate for the annual effective rate.

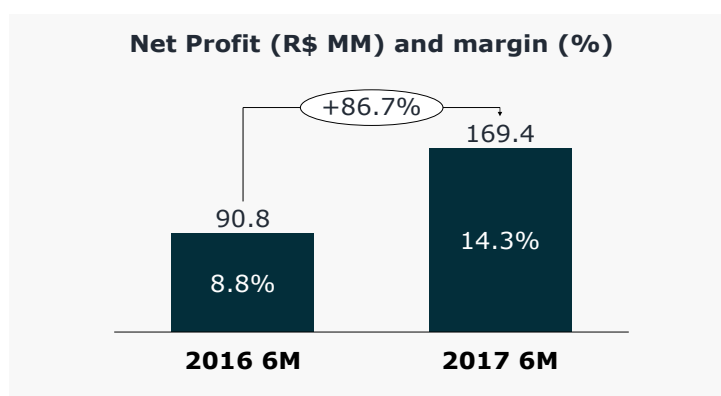
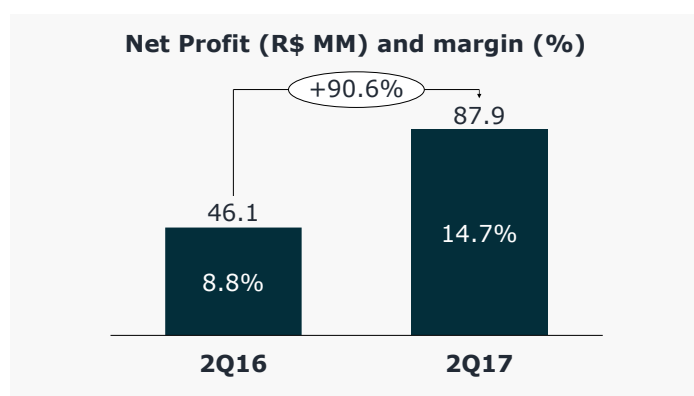
Income Tax and Social Contribution (R\$ MM)	2Q17	2Q16	Variation	2017 6M	2016 6M	Variation
Earnings Before Tax (EBIT)	105.2	71.0	48.0%	228.4	143.6	59.0%
Expected taxes (standard rate of 34%)	(35.7)	(24.2)	47.8%	(77.6)	(48.9)	58.8%
Non-deductible expenses and incentives	0.2	(0.8)	-124.2%	0.3	(3.8)	-108.3%
ISE (CPC 21)	18.1	0.0	0.0%	18.1	0.0	0.0%
Subsidiaries' share of profits	0.1	0.0	332.8%	0.2	(0.2)	-209.9%
Income tax and social contribution	(17.3)	(24.9)	-30.6%	(59.0)	(52.9)	11.5%
% EBIT	16.4%	35.1%	-1,865 bps	25.8%	36.8%	-1,100 bps
Current	(12.9)	(13.2)	-2.4%	(30.6)	(21.6)	41.6%
Deferred	(4.4)	(11.7)	-62.5%	(28.4)	(31.3)	-9.3%

Below we inform the expectation for the goodwill amortization for tax purposes, whose impact reduces the cash tax.

Expected Amortization of Goodwill	
Period	Balance R\$ MM
Remaining 2017	83
2018	7
2019	7
2020	7

Net Income

Net income reached R\$ 87.9 million, an increase of 90.6%. The net margin reached 14.7%, an expansion of 592 bps compared to the same period last year. In 1H17, net revenue was 86,7% above the same prior year period, and reached 14,3% of net margin.



Operating Cash Flow

In 2Q17, operating cash flow reached R\$ 161.4 million, a decrease of 3.9%. The conversion rate (operating cash flow / EBITDA) reached 106.6% versus 137.6% in 2Q16, due to non-cash impacts occurred in the previous period.

The average receivables collection period was 66 days.

Financing activities recorded R\$ -14.6 million, a reduction of 70.9%, explained by the reduction in interest expenses on loans and debentures. Moreover, in 2Q16, dividends were paid by the company.

In 1H17, operating cash flow totaled R\$ 247.3 million, an increase of 0.5%. The conversion rate (operating cash flow / EBITDA) reached 76.2%. Investment activities amounted to R\$ -167.4 million, an expansion of 182.4%. Financing activities totaled R\$ -125.8 million, an increase of 41.9%.

Cash Flow (R\$ MM)	2Q17	2Q16	Variation	2017 6M	2016 6M	Variation
Net Income	87.9	46.1	90.6%	169.4	90.8	86.7%
Items not affecting cash:						
Financial revenues and expenses	17.2	14.9	15.4%	30.8	28.8	6.6%
Depreciation and amortization	33.9	36.3	-6.8%	67.3	71.4	-5.8%
Income tax and social contribution	17.3	24.9	-30.6%	59.0	52.9	11.5%
Provisions (Reversals)	17.8	24.6	-27.8%	44.8	52.7	-15.0%
Others	(0.2)	(0.4)	49.9%	2.2	3.3	-32.6%
Net Income before non-cash effects	173.7	146.4	18.7%	373.5	300.0	24.5%
Δ Working capital:						
Accounts receivables	3.7	1.3	177.9%	(87.6)	(55.2)	-58.7%
Suppliers	4.6	4.6	-0.9%	1.1	2.4	-52.5%
Salaries / Charges	6.5	5.0	30.0%	(14.0)	(12.6)	-11.3%
Others Assets and Liabilities	(11.9)	21.4	-155.5%	1.7	28.4	-94.2%
Other Operating Cash Flow:						
Income tax and social contribution	(15.3)	(10.8)	-41.7%	(27.4)	(16.9)	-61.6%
Cash Flow from Operating Activities	161.4	168.0	-3.9%	247.3	246.1	0.5%
Investment Activities:						
Acquisition of fixed and intangible assets	(54.7)	(35.3)	-54.8%	(110.9)	(60.4)	-83.7%
Interest income and dividends received	5.1	19.7	-74.2%	17.0	38.0	-55.2%
Marketable Securities	(86.3)	(27.7)	-212.0%	(72.9)	(31.7)	-130.0%
Acquisitions	(0.6)	0.0	0.0%	(0.6)	(5.2)	88.8%
Cash Flow from Investing Activities	(136.5)	(43.3)	-215.3%	(167.4)	(59.3)	-182.4%
Financing Activities						
Others Financing Activities	(23.0)	(28.8)	20.1%	(63.1)	(67.3)	6.3%
Dividends and/or interest on capital	0.0	(21.4)	100.0%	(71.1)	(21.4)	-233.0%
Capital increase	8.4	0.0	0.0%	8.4	0.0	0.0%
Cash Flow from Financing Activities	(14.6)	(50.1)	70.9%	(125.8)	(88.7)	-41.9%
Cash Flow	10.3	74.5	-86.2%	(45.9)	98.1	-146.8%
Cash Flow Adjusted by Marketable Securities	96.6	102.2	-5.5%	27.0	129.8	-79.2%
Conversion (Operating Cash Flow / EBITDA)	106.6%	137.6%	-3,104 bps	76.2%	101.0%	-2,478 bps

Account Receivables

There was a continued improvement in the aging profile of current receivables which accounted for 86.4% of the total receivables compared to 76.1% in 2Q16. The amount over 121 days decreased from 15.9% to 6.7%.

Aging Account Receivable R\$ MM	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
Trade Receivables	497.9	482.5	442.7	481.9	470.8	465.4	444.7	520.3	495.0
- Current	334.1	352.2	323.6	362.1	358.4	365.9	349.7	439.0	427.7
- Up to 120 days past due	77.3	57.8	54.0	54.2	37.8	37.7	36.7	31.6	34.1
- 121 to 360 days past due	50.6	42.7	37.8	40.9	45.3	38.2	31.3	26.6	22.1
- Over 360 days past due	35.9	29.7	27.3	24.8	29.4	23.6	27.0	23.1	11.2
Sales Deductions Provisions	(60.3)	(49.6)	(45.1)	(43.7)	(49.5)	(40.9)	(41.6)	(40.6)	(28.0)
Total	437.6	432.8	397.5	438.3	421.3	424.5	403.0	479.7	467.0

Current / Trade Receivables	67.1%	73.0%	73.1%	75.1%	76.1%	78.6%	78.6%	84.4%	86.4%
Up to 120 days past due/ Trade Receivables	15.5%	12.0%	12.2%	11.3%	8.0%	8.1%	8.2%	6.1%	6.9%
Over 121 days past due / Trade Receivables	17.4%	15.0%	14.7%	13.6%	15.9%	13.3%	13.1%	9.5%	6.7%
Provisions / Over 121 days past due	69.7%	68.6%	69.3%	66.5%	66.4%	66.1%	71.4%	81.7%	84.2%

Expansion Plan

In 2Q17, Fleury Group inaugurated 7 units, as follows: 4 Fleury brand in São Paulo, 1 a+ brand in São Paulo, 1 a+ brand in Paraná e 1 Weinmann brand in Rio Grande do Sul. In July, 2 more units were inaugurated: Fleury Morumbi and a+ Santo André.

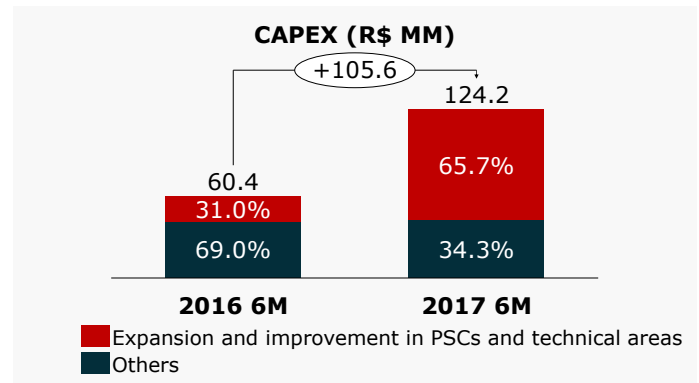
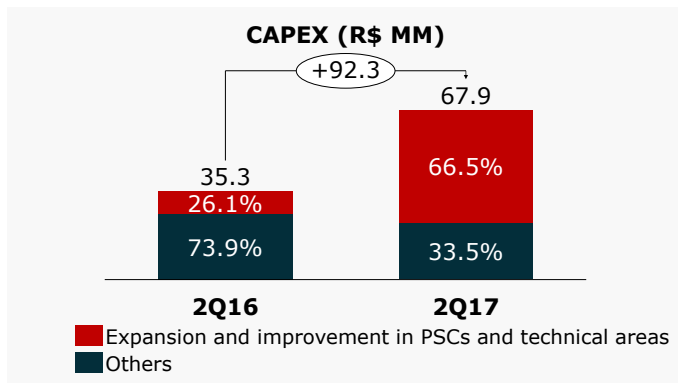
Since October 2016, the Company inaugurated 17 new PSCs, which are part of the 5 year Expansion Plan announced in December, which forecasts a total of 73 to 90 new PSCs to be inaugurated by 2021.

PSCs	Complexity	Size (m2)	State	Date
Fleury Morumbi	Large	1.988	São Paulo	jul-17
a+ Santo André	Medium	437	São Paulo	jul-17
Fleury Heitor Penteado	Fast site	183	São Paulo	jun-17
Fleury Anália Franco	Large	1.214	São Paulo	jun-17
a+ Itaim Bibi	Fast site	207	São Paulo	may-17
a+ Água Verde	Small	171	Paraná	may-17
Fleury São Caetano do Sul	Fast site	411	São Paulo	may-17
Weinmann General Vitorino	Small	113	Rio Grande do Sul	may-17
Fleury Cerro Corá	Fast site	233	São Paulo	apr-17
Fleury Ipiranga	Fast site	206	São Paulo	mar-17
a+ Ecoville	Small	47	Paraná	feb-17
a+ Champagnat	Small	81	Paraná	feb-17
a+ Centro	Small	29	Paraná	feb-17
Fleury Brasil	Fast site	235	São Paulo	jan-17
Fleury Moema	Fast site	126	São Paulo	dec-16
a+ Batel	Small	134	Paraná	dec-16
a+ Nossa Saúde	Small	79	Paraná	oct-17

Investments

Capex (additions to fixed and intangible assets) totaled R\$ 67.9 million, mainly concentrated in our Expansion Plan. In 1H17, Capex amounted to R\$ 124.2 million.

“Others” is composed of strategic projects, infrastructure, IT and equipment renewal.

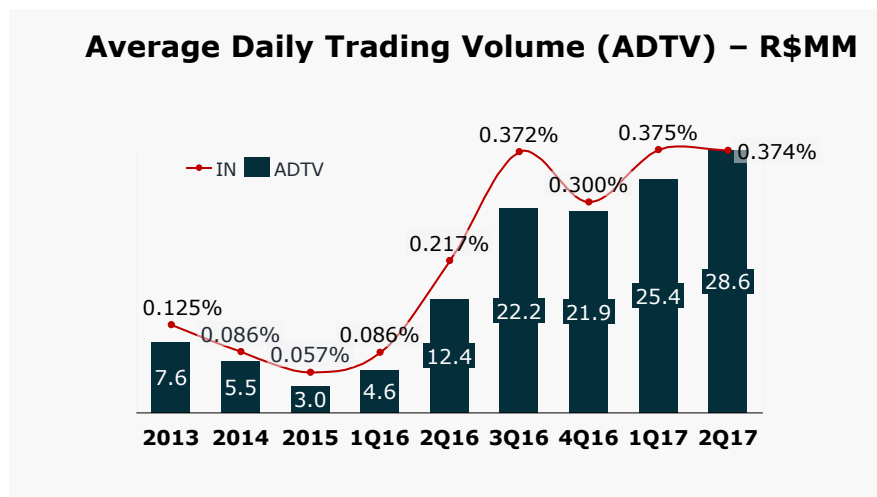


Stock Market Performance

Fleury shares (BM&FBOVESPA: FLY3) at the end of 2Q17 were quoted at R\$ 26.80. Average Daily Trading Volume (ADTV) in the period was R\$ 28.6 million, 2.3x higher than the volume for the same period in 2016.

On June 26, 2017, the Extraordinary Shareholder’s Meeting approved the split of common shares issued by the company (“Stock Split”) in the proportion of 02 (two) shares for each existing 01 (one) share. The value of the Company's share capital remains unchanged, but is now represented by 314,791,538 (three hundred and fourteen million, seven hundred and ninety one thousand, five hundred and thirty eight) common shares, all registered, book entered and with no par value.

On July 27, 2017, the Board of Directors approved the payment of interest on shareholders’ equity in the amount of R\$ 58.9 million, corresponding to R\$ 0.1872 per share and a payout ratio of 34.8%.



Investor Relations

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Performance Indicators

Operational Indicators	Description	Unit	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
Income Statement											
Gross Revenue	Gross Revenue	R\$ MM	531.8	547.0	521.8	558.6	577.1	592.2	572.4	642.1	646.5
Net Revenue	Gross Revenue - Tax (ISS and PIS/COFINS) - Cancellations	R\$ MM	479.6	495.5	473.0	507.9	525.1	539.8	523.2	587.8	597.6
COGS	Personnel and Medical Services + Materials and Outsourcing + General Services, Rent and Utilities + General Expenses + Depreciation and Amortization	R\$ MM	-351.6	-360.3	-358.2	-355.0	-373.8	-374.8	-391.4	-385.2	-410.9
SG&A	Does not include Other Operating Expenses / Revenues neither Contingency Provisions	R\$ MM	-53.9	-57.9	-58.9	-53.1	-59.2	-62.0	-69.1	-58.5	-67.2
EBIT	Earnings Before Interest and Taxes	R\$ MM	67.5	70.6	54.4	86.6	85.7	102.3	63.1	139.7	117.5
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	R\$ MM	98.4	101.9	85.1	121.7	122.0	138.6	100.7	173.2	151.4
Net Finance Income	Interest Revenue - Interest Expenses	R\$ MM	-15.0	-15.9	-13.4	-14.2	-15.0	-8.7	-6.6	-16.9	-12.7
Net Income	Net Income	R\$ MM	32.9	35.2	25.9	44.7	46.1	63.1	74.9	81.6	87.9
Net Cash Income	Net Income - Deferred income tax	R\$ MM	46.4	49.8	37.7	64.2	57.8	80.9	75.1	105.6	92.2
Result Indicators											
Cancellation Index	Cancellations / Gross Revenue	%	-3.6%	-3.2%	-3.1%	-2.9%	-2.8%	-2.7%	-2.4%	-2.3%	-1.4%
Gross Margin	Gross Profit / Net Revenue	%	26.7%	27.3%	24.3%	30.1%	28.8%	30.6%	25.2%	34.5%	31.3%
EBIT Margin	Earnings Before Interest and Tax / Net Revenue	%	14.1%	14.3%	11.5%	17.0%	16.3%	18.9%	12.1%	23.8%	19.7%
EBITDA Margin	Earnings Before Interest, Tax, Depreciation and Amortization / Net Revenue	%	20.5%	20.6%	18.0%	24.0%	23.2%	25.7%	19.3%	29.5%	25.3%
Effective Tax Rate	Current Tax / Earnings Before Tax	%	-37.4%	-35.8%	-36.8%	-38.5%	-35.1%	-32.9%	32.3%	-33.8%	-16.4%
Net Margin	Net Profit / Net Revenue	%	6.9%	7.1%	5.5%	8.8%	8.8%	11.7%	14.3%	13.9%	14.7%
Net Cash Income Margin	(Net Income - Deferred income tax) / Net Revenue	%	9.7%	10.1%	8.0%	12.6%	11.0%	15.0%	14.4%	18.0%	15.4%
Financial Debt											
Cash & Equivalents	Cash, Equivalents and Marketable Securities	R\$ MM	544.3	617.1	629.5	657.1	759.3	835.5	406.8	337.2	433.8
Gross Debt	Short and Long Term Debts (Borrowings and Debentures)	R\$ MM	1,038.6	1,037.8	990.0	983.7	988.7	981.9	832.0	817.2	829.7
Net Debt	Gross Debt - Cash and Cash equivalents	R\$ MM	494.3	420.7	360.5	326.6	229.4	146.4	425.2	480.0	395.9
Net Debt / EBITDA LTM	(Gross Debt - Cash and Cash equivalents) / EBITDA LTM	Multiple	1.5	1.2	1.0	0.8	0.5	0.3	0.9	0.9	0.7
Profitability and Return											
ROIC without Goodwill (LTM)	NOPAT LTM (tax= 34%) / Capital Employed (Shareholders Equity + Net Debt - Goodwill)	%	20.0%	20.7%	23.0%	23.8%	27.2%	32.1%	32.9%	36.0%	40.3%

FLEURY S.A. CONSOLIDATED

Balance Sheet as of June 30, 2017 and December 31, 2016 (In R\$ thousands)

FLEURY S.A. CONSOLIDATED

Income Statement as of June 30, 2017 and June 30, 2016 (R\$ thousands)

	Consolidated	
	6/30/2017	12/31/2016
		Reclassified
Assets		
Current		
Cash and cash equivalents	267,899	313,834
Marketable securities	165,899	92,976
Accounts receivable	467,005	403,041
Inventories	19,078	31,598
Taxes recoverable	72,287	66,745
Credits receivable	2,304	8,161
Other assets	18,568	16,870
Total current	1,013,040	933,225
Non-current		
Credits receivable	14,699	11,470
Other assets	13,572	15,596
Judicial deposits	47,894	42,634
Total non-current	75,165	69,699
Total assets	3,146,633	3,005,820
Liabilities and equity		
Current		
Financing	19,142	19,532
Debentures	289,236	128,460
Derivative financial instruments	66	252
Trade accounts payable	144,187	143,050
Payroll and related taxes payable	95,902	93,246
Taxes and contributions payable	26,622	24,304
Accounts payable - company acquisition	234	243
Other accounts payable	86	95
Total current	575,475	409,182
Non-current		
Financing	87,975	84,029
Debentures	433,334	600,000
Deferred income tax and social contribution, n	318,609	290,232
Provision for tax, labor and civil risks	33,950	34,107
Taxes and contributions payable	43,227	44,798
Accounts payable - company acquisition	7,604	7,747
Total non-current	924,699	1,060,913
Equity		
Share capital	1,408,849	1,400,453
Capital reserve - options granted recognized	13,461	9,412
Revaluation reserve	78	77
Legal reserve	54,650	54,650
Profit for the period	169,421	-
Additional dividends proposed	-	71,133
Total equity	1,646,459	1,535,725
Total liabilities and equity	3,146,633	3,005,820

	Consolidated	
	2Q17	2Q16
		Reclassified
Revenue from services rendered	597,625	525,123
Cost of services rendered	(410,864)	(373,806)
	-	-
Gross Profit	186,761	151,317
Operating income (expenses)		
General and administrative	(67,241)	(59,189)
Other operating income (expenses), net	(1,270)	(4,885)
Provision for tax, labor and civil risks	(702)	(1,524)
Equity in the earnings (losses) of subsidiaries	302	348
	-	-
Operating profit before financial result	117,850	86,067
Financial income	12,028	25,296
Financial expenses	(24,727)	(40,331)
	-	-
Financial result	(12,699)	(15,035)
Earnings before income tax and social contribution	105,151	71,032
Income tax and social contribution:		
Current	(12,905)	(13,229)
Deferred	(4,389)	(11,702)
	-	-
Profit for the period	87,857	46,101
Earnings per share attributable to owners of the Company		
Basic earnings per share (weighted average)	0.28	0.15
Diluted earnings per share (weighted average)	0.27	0.14

FLEURY S.A. CONSOLIDATED

Statements of Changes in Equity as of June 30, 2017 and June 30, 2016
(R\$ thousands)

	Share Capital		Capital Reserve		Revaluation reserve	Legal Reserve	Investment Reserve		Additional dividends proposed	Equity
	Share Capital	Share issue expenses	Options granted recognized	Profit for the period			Investment Reserve	Profit for the period		
Balances at March 31, 2016	1,402,531	(22,784)	5,709	242	43,213	215,762	-	10,766	1,655,439	
Realization of revaluation reserve	-	-	-	(34)	-	34	-	-	-	
Stock option plan	-	-	277	-	-	443	-	-	720	
Profit for the period (R\$0.29 per share)	-	-	-	-	-	-	90,763	-	90,763	
Dividends payed	-	-	-	-	-	-	-	(10,766)	(10,766)	
Balances on June 30, 2017	1,402,531	(22,784)	5,986	208	43,213	216,239	90,763	-	1,736,156	
Balances at March 31, 2016										
Realization of revaluation reserve	-	-	-	1	-	-	-	-	1	
Capital integralization	8,396	-	-	-	-	-	-	-	8,396	
Stock option plan	-	-	4,049	-	-	-	-	-	4,049	
Profit for the period (R\$0.52 per share)	-	-	-	-	-	-	169,421	-	169,421	
Dividends payed	-	-	-	-	-	-	-	(71,133)	(71,133)	
Balances on June 30, 2017	1,431,633	(22,784)	13,461	78	54,650	-	169,421	-	1,646,459	

FLEURY S.A. CONSOLIDATED

Statements of Cash Flow as of June 30, 2017 and June 30, 2016 (R\$ thousands)

	Consolidated	
	2017	2016
		Reclassified
Profit for the period	87,857	46,102
Items not affecting cash:		
Income tax and social contribution	17,293	24,931
Financial and expenses income	17,160	14,901
Depreciation and amortization	33,868	36,324
Equity in the earnings (losses) of subsidiaries	(301)	(348)
Stock option plan	1,822	324
Constitution (reversal) of provision for tax, labor and civil risks	701	1,523
Estimated losses with allowance for doubtful accounts	8,951	15,625
Profit sharing	6,286	7,137
Other	80	(91)
Cash flows from operating activities before changes in assets and liabilities	173,717	146,428
(Increase) decrease in accounts receivable	3,746	1,348
(Increase) decrease in inventories	(2,703)	(3,124)
(Increase) decrease in taxes recoverable	3,105	10,775
(Increase) decrease in judicial deposits	(3,611)	430
(Increase) decrease in other assets	(2,197)	18,376
Increase (decrease) in trade accounts payable	4,572	4,608
Increase (decrease) in payroll and related charges	6,529	5,023
Increase (decrease) in tax liabilities	(4,346)	(2,866)
Increase (decrease) in taxes paid in installments	(824)	(1,488)
(Increase) decrease in other liabilities	(1,301)	(716)
Total variation in assets and liabilities	2,970	32,366
Income tax and social contribution paid	(15,301)	(10,797)
Net cash from operating activities	161,386	167,997
Acquisition of property and equipment and intangible assets	(54,660)	(35,300)
Sale of fixed assets	-	7
Marketable securities and interest earned	(76,803)	(27,672)
Redemption of marketable securities	(9,532)	-
Interest earned from financial investments	5,084	19,629
Payments	(575)	-
Net cash used in investing activities	(136,486)	(43,336)
Borrowings and debentures	(2,801)	-
Settlement (principal) of financing and debentures	(4,940)	(908)
Interest paid in financing and debentures	(14,081)	(26,552)
Financial expenses paid	(1,086)	(1,053)
Derivative financial instruments	(98)	(272)
Capital integralization	8,396	-
Dividends and / or interest on shareholders' equity	-	(21,362)
Dividends	-	17
Net cash used in financing activities	(14,610)	(50,130)
(Decrease) increase in cash and cash equivalents	10,290	74,531
Cash and cash equivalents		
At the beginning of the period	257,609	538,463
At the end of the period	267,899	612,994
Variation in cash and cash equivalents	10,290	74,531

FLEURY S.A. CONSOLIDATED

Statements of Value Added as of June 30, 2017 and June 30, 2016 (R\$ thousands)

	Consolidated	
	30/06/2017	30/06/2016
		Reclassified
Revenues	1,265,252	1,115,342
Goods and products sold and services rendered	1,288,624	1,135,703
Estimated losses with allowance for doubtful accounts	(23,626)	(31,419)
Other revenue	254	11,058
Inputs purchased from third parties	(453,558)	(414,184)
Cost of goods and products sold and services rendered	(343,656)	(309,189)
Materials, electricity, outsourced services and others	(109,506)	(104,724)
Loss/recovery of asset values	(396)	(271)
Gross value added	811,694	701,158
Depreciation and amortization	(67,338)	(71,446)
Net value added	744,356	629,712
Value added received through transfer	27,050	49,394
Equity in the earnings (losses) of subsidiaries	731	574
Financial income	26,319	48,820
	-	-
Total value added	771,406	679,106
	-	-
Distribution of value added	(771,406)	(679,106)
Personnel and charges	(324,606)	(282,372)
Taxes, fees and contributions	(143,560)	(127,455)
Interest, rental and other operating expenses	(133,819)	(178,516)
Retained earnings	(169,421)	(90,763)