Diagnósticos da América S.A.

Unaudited consolidated quarterly financial information for the nine-month period ended September 30, 2008

(With independent auditors' report on special review)

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Management Report

Dear Shareholder,

We have reached the end of the 2008 third quarter reporting the results obtained reflecting the actions taken to enhance the DASA’s 5 strategic pillars – multi-brand, multi-product, multi-region, multi-payer and multi-market.

The growth reflected the success in implementing the expansion strategy of each segment: in the outpatient and inpatient segment we opened new PSCs and have implemented new imaging services; in the lab-to-lab segment we have enhanced the penetration in new regions and the services rendered to client laboratories; in the public segment we have increased the services for the State and City governments, which are currently our clients and have signed new agreements.

We are still investing on our three lines of business to assist our services demand – in the outpatient and inpatient segments we opened 7 new PSCs, one of them in one of the largest private hospitals in the city of Porto Alegre, and we are still investing in the imaging services implementation; in the lab-to-lab segment we have expanded our services to other 175 client labs; in the public segment we have enlarged the rendering of services to the existing 46 clients and have signed 2 new agreements.

Consequently, we presented a growth over 3Q07 in all lines of service and markets where we are present – 73.9% in the public segment, 46.3% in the lab-to-lab segment and 25.0% in outpatient and inpatient– presenting the increase of 42.9% in the imaging services.

In this quarter, the cash gross profit presented R$ 122.9 million (*), an increase of 34.8% over 3Q07, and the gross margin of the period reached 40.2%, with earnings of 1.2 p.p.. This increase of our margins derived, mainly, from the increase in the volume of patients and tests, in the higher revenue per attendance, in obtaining synergies from our recent acquisitions, and a higher maturity of the newly opened PSC´s.

Besides, operating expenses totaled R$ 45.8 million in the 3Q08, representing a dilution of 0.2 p.p. over the same quarter in last year, due to a dilution in the parent company´s expenses, partially offsetted by a contraction of the subsidiaries ´expenses (+0.2 p.p).

As a result of the continuous cost and GS&A expenses dilution, the adjusted EBITDA presented an increase of 38.6% against the same period in the last year, reaching R$ 77.1 million (*) in the quarter, with margin of 25.2% - presenting an expansion of 1.4 p.p. against the 3Q07.

To support this growth in the following quarters, we invested R$ 34.1 million in construction, refurbishing and enlargement of the existing PSCs, in the *call center* and the regional lab in the city of Porto Alegre, in hospitals labs for at the private and public sectors, in the purchasing of imaging equipment and in the implantation of information system at the PSC and production platforms. We continue investing in Information Technology as it is the major differential of our Company in relation to our competitors, besides being an important tool in our activities, essential for DASA´s safe and sustainable growth.

We have started this last quarter of the year with a solid and important cash flow position to face the credit shortage scenario, enabling the opportunity to acquire new brands and to continue the organic expansion of the existing brands, in future periods. We are still committed with the recent acquisitions integration, with the consolidation of the production and administrative areas and a continuous reduction in costs through a management focused in delivering solid results and in creating sustainable values for the shareholders in the future.

We are a company dedicated to attract and maintain our talents, supplying technology so as our talents can develop efficient and safe process, resulting in diagnostics that surpass our client´s expectations, which are the source of our economic and financial success.

Economic Conjuncture

Sources: *Instituto Brasileiro de Geografia e Estatística (IBGE) and Banco Central do Brasil*

The third quarter of 2008 was stressed by the development of the financial crisis in the United States of America, initiated in August 2007. The financial crisis, which had already led investment banks to sell their operations, caused other banks to reorganize, sell their operations, or become commercial banks. As a result, the doubts about the possible recession in the United States and Europe have vanished, leaving the question of how to measure the impact of this situation in the emergent economies.

The global lack of credit is already affecting the Brazilian economy. The decrease lowering in the credit lines for contract advancements (ACCs) led to a decrease of the offer of American dollars. This situation, joined to a larger outflow of capital caused by risk averse, lack of marketability and profits and private dividend remittance abroad have put pressure on the Real x Dollar exchange rate, pushing up the price of Real from R$ 1.60/US$ to close at R$ 1.91/US$ in September 2008. This effect, by its own, could lead to financial losses for the companies that have indebtedness in foreign currency or that were protected to exchange rate valuation, not mentioning the speculative losses related to the exchange rate or those that have their assets in foreign currency.

Despite the global financial crisis, the Brazilian economic activity continues growing in an accelerated way. According to IBGE, the Gross Domestic Product (GDP) increase 1.6% in the 2Q08 compared to the same period in last year and 6% in the last 12 months. The main component of this expansion was again the local demand that increased 8% in face of the same quarter in last year.

The retail sales volume increased 10.2% in July, in a period of 12 months, showing a monthly drop of 0.2%. After indicating a growth of 1.3% in June, the retail activity in the textile, clothing and footwear segments was contracted by 3% in July, preponderantly contributing to a downturn in retail as a whole. Along the next months, this deceleration tends to continue due to the effects of the increase in the Selic (Special System for Settlement and Custody) rate without any impact in the economy yet.

According to the IBGE announcement of the labor market data in August, the unemployment rate reached 8.1% in July against 7.6% in June and 9.5% in July 2007. The increase in this rate reflected the reduction of 55,000 workers and the rise of 7 thousand workers in the Economically Active Population (PEA). According to the same survey, the common actual average revenue of the working people has increased 0.1% in July, when compared to June, and 3% when compared to July 2007. The actual wage mass receded 0.1% in July compared to the previous month, and increased 6.5% in the year, 7.2% above the rate verified in July 2007, which shows clearly that the formal employment, together with the increase in the wage mass and the expansion of credit are following an environment where the local demand is growing rapidly.

The IPCA, the Brazilian main Consumer Price Index, has shown in August that the inflation is decelerating, due mainly to the drop in food prices. The index had a monthly variation of 0.28 (against 0.53 of the previous month) accumulating 6.17% in 12 months (in face of 6.37% of the 12 previous months). In September, the IPCA-15 showed a monthly variation of 0.26%, lower than the 0.35% in August. In the 12 month period, the inflation dropped from 6.25% to 6.20%.

The decrease in food price from August to September (0.25% to -0.25%) has contributed to the drop in the IPCA-15, but the prices started to rise in September.

COPOM considers a high probability that inflationary pressures initially localized start to show risks for the inflation trend, as the warming at the local demand and at the factor market, as well as the possibility of restrictions of offers from a specific area, could lead to an increase in the transfer of pressure over wholesale prices to the consumers. Thus, COPOM has raised the interest rates in 75 base-points, to 13.75% per year, aligned with the market expectations. The current COPOM strategy is aiming to set the inflation in the middle of the target (4.5% p.a.) at the end of 2009.

The level of economic activity in the next period could be influenced by the increase in interest rates, level of inflation and the devaluation of the Brazilian Real, directly affecting the creation of formal employment that can affect the performance of the Diagnostic Medicine market. Besides, as we are a service company, some of our costs and expenses (personnel, rent, etc) are adjusted by the inflation and the Exchange rate.

Comments about the sector of health and diagnostic medicine in Brazil

Sources: *National Agency of Health (ANS) and IBGE*

The demand for healthcare services in Brazil has been growing consistently. The first reason for this positive evolution is the increase in life expectation of the Brazilian population – from 54.6 years in 1960 and 62.6 in 1980, to 72.3 years in 2006, thanks to a wider access to healthcare, to vaccination campaign, to the enlargement of years of instruction, the prevention of illnesses and to the progress of Medicine. Besides, the increase in the population income and the access of a larger portion of the population to the healthcare plans, have intensified the demand for healthcare services.

According to the information of the magazine of supplementary health of ANS (Health National Association) published in September, the market of healthcare private plans showed a growth of 2.6% in the healthcare plans, in the first semester of 2008, highlighting the increase of new plans (71.9% in June 2008), the collective plans (72.8%) and the outpatient and inpatient coverage (86.3%, including the reference plans). With this growth, the market of private healthcare plans surpassed 40 million beneficiaries, corresponding to 21.2% of the population, or one out of five Brazilian.

The distribution of beneficiaries, however, is still concentrated in the capitals and in the South and Southeast regions, where the economy is more dynamic and the offer for formal employment is larger. The city of São Paulo (the highest population and the highest number of beneficiaries in the country) showed a variation of only 1.1% in the number of beneficiaries, between June 2007 and June 2008. Among the capitals, the largest increases were in Manaus (20.4% in the year) and Porto Alegre (17.7%).

The revenue of private healthcare company's attendance is growing alongside the last years. In 2007, the total revenue of the private healthcare plan sector was of R$ 51.0 billion Reais, representing a growth of 21.6% when compared to previous year.

The market of diagnostic medicine bears as its operational characteristic, the application of medical technology, and the large research centers are in charge of the research and development, which are dedicating their time to the improvement of new tests and equipment with higher processing capacity and higher precision in the results. The pulverization of the Brazilian market, where 19 thousand labs are in operation, raises a series of opportunities for consolidation, organic expansion and rendering of support services from the side of the largest companies, which have better conditions to offer these new tests to smaller labs, as they have more access to high technology, less operational costs and better capacity to generate medical knowledge.

We are passing through a moment of great opportunities for the Diagnostic Medicine market. During the last decades, Medicine was focused in treatment of diseases and pain relief. With the growth and ageing of the population, the development of the economic situation and, mainly, with the plain dissemination of medical knowledge (by internet or other media), Medicine is moving the focus to the early detection, to the prevention and, more recently, to therapies adapted to the individual (customization of the use of drugs and medicines). This is a change that causes a substantial increase in the use of Diagnostic Medicine, leading to an improvement in the quality of people life and to an important reduction in the cost of medical attendance.

The pulverization of the Diagnostic Medicine market in Brazil raises a series of opportunities for consolidation, organic expansion and rendering of support services from the side of the largest companies, which have better access to high technology, less operational costs and better capacity to generate medical knowledge.

Comments about the performance and investments

Gross Operational Revenue

As a consequence of all investments aiming the strengthening of DASA strategic pillars – multi-brand, multi-product, multi-region, multi-payer and multi-market - taking advantage of the warmed up demand for medical diagnostic services, the gross revenue has reached R$ 333.9 million in the 3Q08, representing 31.2% growth over 3Q07.

In the outpatient and inpatient segment, the opening of PSCs, the introduction of new imaging tests and the acquisition of Med Imagem laboratories have resulted in an increase of 25.0% of this line of services revenue over the same period of 2007. In the lab-to-lab segment, the expansion of new regions, the inclusion of new clients and a larger offer of tests have led the growth in Alvaro´s operations to reach 46.3%, when compared to 3Q07. In the public sector segment, the extension of the existing agreements and the services rendered to new States and Cities, led CientíficaLab revenues to reach R$ 40.8 million in this quarter, representing a growth of 73.9% over the 3Q07.

The revenue of the same units increased 14.2% reflecting the development of the growth drivers in our sector, highlighting a larger dissemination of health awareness, generating a demand for illness prevention and forethought diagnostics, ageing and social-economic awareness of the population.

In this quarter, we have opened 7 new PSCs, 5 Standard and 2 inpatient, where one of them represented the first operation in the city of Porto Alegre rendering services to the one of the largest private hospitals of the region. Besides these, we are projecting the opening of 7 new PSCs until the end of 2008 (4 Mega and 3 Standard), which will enhance the presence of our services, generating convenience to our patients and responding to the demand of the segment. In the public sector, we continued adding new agreements which resulted in the expansion of outpatient and inpatient services, as well as enlarging the range of services to the existing clients. As a consequence of the multi-payer strategy, we can note a diversification of the payer´s base, year by year. The accelerated growth of the B2B segment has resulted in the dilution of the insurance health plans, HMO´s and self-insured, increasing its share to 21% of the total gross revenue. The increase in the hospital share is due to the opening of new inpatient units in the last 12 months: São Luiz Anália Franco, Villa Lobos, the chain of Hospitals São Camilo and Mãe de Deus Hospital (Porto Alegre). Besides that, the maintenance of the private share was due to the Popular Lab project growth.

Costs and Cash Gross Profit

The costs of services summarized R$ 183.1 million (*) in this quarter, or 59.8% of the net revenue. This percentage represents a gain of 1.2 p.p. when compared to the 3Q07 costs. This result reflects the earnings obtained in the B2C segment with the maturity of the PSCs opened and the early obtaining of synergies in the acquired labs, as well as in the B2B segment with the integration of CientíficaLab operations. The variations on the line of personnel, materials, services and utilities and general expenditures are due to the evolution of each segment and to the difference between their costs structure. The main difference is in the attendance, where the B2C segment has collection units and all costs related to this operation, showing its main costs as personnel and services and utilities. At the B2B segment its main cost is material, as it does not have the collection unit, but only the central labs.

The B2C segment continues showing a consistent dilution of costs year by year, as a consequence of a higher stage in the maturity curve of the PSCs opened in 2007 and 2008 and the results in the synergies obtained in the labs acquired, through the consolidation of their operations. By comparing this quarter results with the same period in 2007, we have obtained a dilution of 0.3 p.p. in the cash costs. For the second quarter consecutively, the dilution trend of the fixed costs, deriving mainly from the opening of PSCs and acquisitions, can be observed.

The B2B segment has shown a dilution of costs of 5.5 p.p. year by year, deriving from the growth of this line of business that has been generating gains in scale and synergies in the production platforms, partly compensated by the fixed costs generated by the implantation of new collection points and the implantation of technical areas in hospitals, which are already being diluted with the larger occupation in recently opened hospitals and the maturity of these operations.

In this quarter, the cash gross profit summarized R$ 122.9 million (*), an increase of 34.8% over 3Q07, as the gross margin of the period was of 40.2%, with earnings of 1.2 p.p..

Cash Operating Expenses

Operating expenses totaled R$ 45.8 million (*) in the 3Q08, representing a dilution of 0.2 p.p. over the same quarter in last year, due to a dilution in the Parent Company´s expenses, partially compensated by a increase of the subsidiaries ´expenses (+0.2 p.p.).

EBITDA

EBITDA totaled R$ 71.2 million (*) in 3Q08, against R$ 52.1 in (*) 3Q07, with a margin of 23.3% and a increase of 36.5%. Excluding non-recurring expenses, Adjusted EBITDA reached R$ 77.1 million (*) in this quarter, accompanied by a margin of 25.2% and an increase of 38.6% compared to the 3Q07.

Net Profit

In 3Q08, the net loss totaled R$ 15.3 million, affected by the exchange rate variation of the loans in dollar.

Investments

During the third quarter, the investments in CAPEX summarized R$ 34.1 million of which R$ 23.9 on the Parent Company and R$ 10.2 million on the subsidiaries. During the year, R$ 117.2 million were invested and we are restructuring our guidance of CAPEX in 2008 from R$ 110 million to R$ 160 million in 2008, in order to accommodate the investment in imaging equipment, expansion of the existing PSCs and construction of new units, and the expansion of the production and attendance areas.

The 3Q08 investment were addressed as follows: (i) construction of new units, enlargement and refurbishing of the existing PSCs, (ii) finalizing the enlargement of the call center, (iii) purchase of imaging equipment, (iv) final implementation of the information system in all the 10 hospitals attended in São Paulo, (v) start-up our activities in the second largest private hospital in Porto Alegre, where we are finishing the construction of the regional laboratory, (vi) we are investing in the set-up of 6 basic attendance units in Rio de Janeiro (UPA – Unidade de Pronto Atendimento) for the expansion of the public sector operation in the region. We continue investing in Information Technology as it is the major differential of our company in relation to our competitors, besides being an important tool in all our activities, essential for DASA´s safe and sustainable growth.

Indebtedness

DASA net debt totaled R$ 418.1 million (*) in 3Q08. Around 79.8% of DASA´s total indebtedness is long term and 58.6% is denominated in foreign currency.

Our net debt of R$ 129.4 million in foreign currency, 24.5% is hedged by swaps in order to avoid exposure to exchange rate fluctuation.

The increase in cash and banks and indebtedness in foreign currency reflects the issue of 10 year international notes in the amount of US$ 250 million in this quarter, where the funds are currently invested in US Government bonds of short term (T-Bills) under the custody of Unibanco, in New York. The issue was aimed to capture funds to finance the expansion of DASA´s activities. As the Company holds revenues denominated in Reais, and in order to avoid a probable exposition to exchange rate variation during the period in which there is no possibility of pre-payment of the debt, at the same date of the operation being confirmed an operation of hedge of the first 5 years of operation interests was traded, at 103.6% of CDI. Besides this, DASA does not hold any derivative or other speculative risk assets or liabilities.

The debt in foreign currency is also related to equipment financing, while the debt in local currency comes largely from debentures.

Information to Shareholders

DASA’s shares closed the quarter at R$ 25.45, accumulating a decrease of 36.80% in this quarter, against 21.9% drop of the Ibovespa Index. Between July and September 2008, DASA’s shares were transacted on 100% of Bovespa´s trading sessions, involving a financial volume of R$ 582.7 million (daily traded average of R$ 8.9 million).

Highlights

Changes in the Board

On September 17, 2008 the Board of Directors elected Marcelo Noll Barboza for the position of Diagnóstico da América Chief Executive Officer and Fernando Janikian for the position of

Support, Finance and Investor Relations Director. These changes represent an important development aiming the professionalization and improvement of the corporate management.

One of the challenges of the new CEO will be to implement the strategy of continuous and sustainable growth of our operations, through the organic growth and acquisitions. Among his assignments, Marcelo was the Vice-president for *GE Healthcare Latin America* since 2007, the company that he worked for since 2004. Marcelo holds a MBA of *Harvard Business School* and is graduated in Administration and Electric Engineering by Universidade Federal do Rio Grande do Sul

The Director of Support has under his responsibility the Financial, Commercial, Human Resources, Information Technology, Marketing, Purchasing and Legal Department. Fernando Janikian had an extended experience in the retail area, where he had acted for more than 15 years as CEO. In 2000 he joined Fotoptica as Chief Financial Officer, where he reached the position of CEO in 2004. Since then, he was responsible for the implementation of important projects, such as the restructuring and costs and expenses reduction plan, development of the franchising program for the national expansion of the chain and the creation of exclusive brands.

(*) – These data are not part of auditor’s review of the quarterly information.

Independent auditors' report

To
The Board of Directors and Shareholders
Diagnósticos da América S.A.
São Paulo - SP

1. We reviewed the Quarterly Financial Information of Diagnósticos da América S.A (the Company) and the consolidated Quarterly Financial Information of the Company and its subsidiaries for the quarter ended September 30, 2008, comprising the balance sheets, the statements of income, of added value, of cash flows and the management report, which are the responsibility of its management.

2. Our review was conducted in accordance with the specific standards set forth by the IBRACON – The Brazilian Institute of Independent Auditors, in conjunction with the Federal Accounting Council – CFC, and consisted mainly of the following: (a) inquiries and discussions with the persons responsible for the Accounting, Finance and Operational areas of the Company and its subsidiaries as to the main criteria adopted in the preparation of the Quarterly Financial Information; and (b) reviewing information and subsequent events that have or may have relevant effects on the financial position and operations of the Company and its subsidiaries.

3. Based on our review, we are not aware of any material modifications that should be made to the Quarterly Financial Information referred to in the first paragraph for it to be in accordance with the rules issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Financial Information, including CVM Instruction N˚469/08.

4. As mentioned in note 2.2, on December 28, 2007 Law N˚ 11,638 was enacted, with its effective date on January 1, 2008. This Law modified, amended and introduced new rules to the existing Corporate Law (Law N° 6,404/76) and resulted in changes to certain accounting practices currently adopted in Brazil. Despite the fact that the new Law is already in force, some changes required depend on the issuance of further normatization by local regulators, in order for them to be fully adopted by the companies. Therefore, in this transition phase, the Brazilian Securities Commission (CVM), through its Instruction N˚469/08, allowed the non-application of all rules of Law N° 11,638/07 in the preparation of Quarterly Financial Information. As a consequence, the accounting information included in the Quarterly Financial Information of the Company and its subsidiaries for the quarter ended September 30, 2008, were prepared in accordance with the specific rules set forth by the CVM and does not contemplate all changes to the accounting practices introduced by Law N° 11,638/07.

5. Accounting practices adopted in Brazil vary in certain significant respects from accounting principles generally accepted in the United States of America. Information relating to nature and effect of such differences is presented in Note 30 to the consolidated Quarterly Financial Information.

November 4, 2008

KPMG Auditores Independentes
CRC 2SP014428/O-6

José Luiz Ribeiro de Carvalho
Contador CRC 1SP141128/O-2

Diagnósticos da América S.A.

Consolidated balance sheets

September 30, 2008 and December 31, 2007

(In thousand of Reais)

Assets	(Unaudited) 09/30/2008	12/31/2007
Current assets		
Cash and banks	9,445	26,196
Marketable securities	496,858	20,173
Trade accounts receivable, net	262,538	205,275
Inventories	30,299	33,475
Recoverable and deferred taxes	65,526	37,843
Other accounts receivable	9,950	11,132
Prepaid expenses	4,646	1,678
	879,262	335,772
Noncurrent assets		
Noncurrent assets		
Marketable securities	85,838	80,720
Deferred taxes	66,582	48,529
Prepaid expenses	-	2,249
Other accounts receivable	19,217	-
Judicial deposits	3,244	7,243
	174,881	138,741
Permanent assets		
Investments	199,505	247,442
Propety, plant, equipament	441,307	404,081
Intangible assets	30,114	33,876
Deferred charges	57,246	58,544
	728,172	743,943
	1,782,315	1,218,456

Liabilities and shareholders' equity	(Unaudited) 09/30/2008	12/31/2007
Current liabilities		
Accounts payable to suppliers	46,973	52,790
Loans and financing	128,661	97,968
Taxes and contributions payable	16,605	9,899
Income tax and social contribution	19,564	6,587
Salaries, social security charges and vacation payable	55,611	35,549
Payment of taxes in installments	6,195	6,778
Accounts payable from acquisition of subsidiaries	1,317	9,688
Debentures	67,500	5,511
Dividends payable	5	13,447
Other accounts payable	25,206	17,231
	367,637	255,448
Noncurrent liabilities		
Noncurrent liabilities		
Loans and financing	601,414	100,310
Payment of taxes in installments	16,712	15,083
Provision for contingencies	90,744	81,417
Accounts payable from acquisition of subsidiaries	53,433	50,630
Debentures	135,000	202,500
	897,303	449,940
Minority interests	1,578	688
Shareholders' equity		
Capital	402,091	402,091
Capital reserves	65,427	65,427
Profit reserve	2,942	2,942
Retained earnings	45,337	41,920
	515,797	512,380
	1,782,315	1,218,456

See accompanying notes to quarterly financial information.

Diagnósticos da América S.A.

Consolidated statements of income

Nine-month period ended September 30, 2008 and 2007

(In thousand of Reais)

	Three-month period ended (Unaudited)		Nine-month period ended (Unaudited)	
	09/30/2008	**09/30/2007**	**09/30/2008**	**09/30/2007**
Gross revenue	333,894	254,553	915,069	679,890
Deductions from gross revenue				
Sales taxes	(19,512)	(14,471)	(54,204)	(37,851)
Discounts	(8,368)	(6,060)	(19,886)	(15,873)
	(27,880)	(20,531)	(74,090)	(53,724)
Net operating revenues	306,014	234,022	840,979	626,166
Cost of services provided	(203,671)	(157,258)	(563,564)	(420,421)
Gross profit	102,343	76,764	277,415	205,745
Other operating income (expenses)				
General and administratives	(57,747)	(43,727)	(150,234)	(122,369)
Financial expenses	(49,071)	(18,170)	(86,798)	(48,675)
Financial income	6,165	11,099	22,764	37,124
Goodwill amortization	(17,965)	(14,965)	(53,942)	(35,355)
Other operating income	189	709	4,681	3,044
	(118,429)	(65,054)	(263,529)	(166,231)
Operating income	(16,086)	11,710	13,886	39,514
Non-operating loss	(181)	(977)	(1,236)	(1,484)
Income before income taxes	(16,267)	10,733	12,650	38,030
Income and social contribution expense	1,226	(2,907)	(8,342)	27,500
Net income before minority interests	(15,041)	7,826	4,308	65,530
Minority interest	(308)	(18)	(890)	(245)
Net income for the period	(15,349)	7,808	3,418	65,285
Net income per share - R$	-0.27	0.14	0.06	1.14
Number of shares at the end of the period	57,402,935	57,402,935	57,402,935	57,402,935

See accompanying notes to quarterly financial information.

Diagnósticos da América S.A.

Consolidated statements of cash flows

Nine-month period ended September 30, 2008 and 2007

(In thousand of Reais)

	(Unaudited) 09/30/2008	(Unaudited) 09/30/2007
Cash flows operating activities		
Net Income for the period	3,418	65,285
Adjustments to reconcile net income to cash provide by operating activities		
Depreciation and amortization	127,779	94,667
Loss and disposals of permanent assets	5,297	3,226
Interest and unrealized exchange rates	140,877	21,248
Deffered income taxes	(17,168)	(49,689)
Minority interest	890	245
Decrease (increase) in operating assets		
Trade accounts receivable	(57,263)	(66,951)
Inventories	3,176	(7,478)
Other current assets	(30,352)	(23,137)
Other noncurrent assets	(18,087)	(48,221)
Increase (decrease) in operating liabilities		
Suppliers	(5,817)	10,897
Others current liabilities	25,789	18,677
Income tax and social contribution	12,977	10,591
Others noncurrent liabilities	13,759	29,534
Net cash provided by operating activities	205,275	58,894
Cash flows from investing activities		
Additions to goodwill	-	(163,263)
Additions to property, plant and equipment	(93,041)	(146,156)
Additions to investments	(99)	-
Additions to intangivel	(6,635)	(2,291)
Additions to deferred charges	(17,531)	(22,236)
Net cash used in investing activities	(117,306)	(333,946)
Cash flows from financing activities		
Dividends	(13,443)	(527)
Proceeds from loans and financing	583,880	134,492
Principal payments on loans	(166,654)	(124,448)
Interest paid on loans	(31,818)	(32,440)
Net cash provided from (used in) financing activities	371,965	(22,923)
Cash and cash equivalents at the beginning of period	46,369	332,662
Cash and cash equivalents at end of period	506,303	34,687
Net increase (decrease) in cash and cash equivalents	459,934	(297,975)

See the accompanying notes to the consolidated financial statements.

Diagnósticos da América S.A.

Consolidated statements of added value

Nine-month period ended September 30, 2008 and 2007

(In thousand of Reais)

	(Unaudited) 09/30/2008	(Unaudited) 09/30/2007
Revenue		
Sales of services	915,069	679,890
Disallowances and provision for doubtful accounts	(19,886)	(15,873)
Non-operating income	(1,236)	(1,484)
	893,947	662,533
Inputs acquired by third parties (include ICMS and IPI)		
Raw materials used	150,318	112,009
Cost of goods sold and services rendered	151,011	116,544
Materials, energy, outsourced services and other operating expenses	62,764	56,844
Loss/recovery of asset values	(1,841)	248
	362,252	285,645
	531,695	376,888
Retentions		
Depreciation and amortization	127,779	86,884
Net added value generated by the Company	403,916	290,004
Net added value received as transfer		
Financial income	22,763	37,124
Total added value payable	426,679	327,128
Distribution of added value		
Personnel and charges	199,258	146,961
Taxes, duties and contributions	101,997	39,042
Interests and rentals	121,116	75,595
Minority interest in retained earnings	890	245
Retained earnings for the period	3,418	65,285
	426,679	327,128

See the accompanying notes to the consolidated financial statements.

(In thousands of Reais)

1 Operational

The Company is a public corporation with its registration granted by the Brazilian Securitites Exchange Commission - CVM on November 5, 2004, and has been listed on Bovespa's Novo Mercado Segment since November 19, 2004.

The Company provides health assistance services to company employees covered by health insurance plans, insurance companies, medical-hospital assistance companies, other corporate entities and individuals in the following areas: (i) clinical analysis, directly, and through contracted laboratories; (ii) diagnostic medicine, through specialized clinics, including in the following areas: a) clinical pathology; b) cytology and pathological anatomy; c) diagnosis by images and graphic methods; d) immunization, rehabilitation and ophthalmology; e) nuclear medicine, and f) clinical trials; and (iii) environmental analysis, genetically modified organisms and toxicological analysis. The acquisition of Laboratório Alvaro Ltda. in December, 2005 allowed the Company to enter the lab to lab business (support laboratories), and the acquisition of CientíficaLab Produtos Laboratoriais e Sistemas Ltda. in July of 2007 allowed the Company to begin to offer services in the public health sector. The Company may also invest in other entities. The Company ended the year with 306 operational units(*):

Brands	Locality	09/30/08	12/31/07	09/30/07
Delboni Auriemo	São Paulo	38	35	32
Lavoisier	São Paulo	61	64	62
Bronstein	Rio de Janeiro	45	44	42
Lâmina	Rio de Janeiro	17	17	16
Santa Casa	Paraná	8	8	8
Pasteur	Brasília	22	23	16
Frischmann	Paraná	29	28	28
Image	Bahia	2	2	2
Laboratório Alvaro	Paraná	16	15	15
LabPasteur	Ceará	18	18	18
MedLabor	Brasília, Tocantins e Goiás	4	2	8
Vita – Lâmina	Santa Catarina	2	1	1
Atalaia	Goiás	16	14	12
Exame	Brasília	19	17	18
MedImagem	Rio de Janeiro	8	8	8
Hospital Mãe de Deus	Porto Alegre	1	-	-
		306	296	286

On September 30, 2008, the Club DA brand had 22 units, with 18 units annexed to the Delboni Auriemo brand and 4 units under the Lâmina brand(*).

CientificaLab operates in the public healthcare segment, its major source of revenue being customer contracts in the public healthcare sector. This operation is analyzed by management in terms of the number of customers assisted instead of the number of operating units.

CientíficaLab, the leading privately-owned service provider in the public healthcare sector, served 36 clients when it was acquired and now has 46 clients, 38 of which are medium sized (up to 150,000 tests processed per month) and 8 of which are large (over 150,000 tests processed per month) (*).

The type and range of the services provided vary according to the needs and interest of the public entity requiring the service and may comprise three different models:

- Lab to lab (support): includes the transport of samples and central processing. In this case, CientíficaLab provides collection materials, training of civil servants and sometimes refurbishment in PSCs to ensure service quality;

- Outpatient: in addition to the support service, it comprises patient service and sample collection;

- Inpatient: refers to patient service, test collection, local collection for emergency tests, transport and central processing for the other exams.

(*) All non-financial data are not part of the auditors' review of the quarterly information.

2 Presentation of unaudited quarterly financial information

The consolidated quarterly financial information was prepared in accordance with accounting practices derived from the Brazilian Corporation Law and the rules of the Brazilian Securities Commission (CVM).

2.1 *Description of significant accounting policies*

a. Statement of income

Income and expenses are recognized on an accrual basis.

Revenue from services is recognized in the statement of income when the service is rendered. Revenue is not recognized if there are significant uncertainties as to its realization.

b. Accounting estimates

The preparation of unaudited quarterly financial information in accordance with accounting practices adopted in Brazil requires that Management uses its judgment in determining and recording accounting estimates. Significant assets and liabilities subject to these estimates and assumptions include the estimated periods for recovery and consequent amortization of the goodwill originated from the acquisition of investments and other deferred charges, provision for doubtful accounts, provision for disallowances, provision for losses on inventories, provision for contingencies and valuation of derivative instruments, among others. The settlement of transactions involving these estimates may result in different amounts due to the lack of precision inherent in the process of their determination. The Company reviews the estimates and assumptions on at least a quarterly basis.

c. Foreign currency

Monetary liabilities denominated in foreign currencies (U.S. Dollar) were translated into Brazilian Reais at the foreign exchange rate of R$ 1.9143 at the closeout date and the differences resulting from the currency conversion were recognized in the balance sheet. For the subsidiary located abroad, the accounting statements were converted according to CVM 534 Deliberation, and the functional currency is the REAL.

d. Current and noncurrent assets

- **Cash and bank**

  Cash and bank comprise cash balances and bank deposits. Overdrafts are presented within liabilities as loans and financing (note No. 13).

- **Marketable securities**

  Marketable securities are recorded at cost plus income earned up to the balance sheet date.

- **Trade accounts receivable**

  Trade accounts receivable are recorded based on the invoiced amount net of sales taxes.

  Provisions for doubtful accounts and disallowances have been recorded at amounts considered sufficient by management to cover eventual losses from the realization of credits and take into consideration the economic scenario, past experience and the specific risks in the accounts receivable portfolio.

- **Inventories**

  Inventories are stated at average cost, not exceeding the market value. Inventories are used in the performance of clinical and imaging exams and for diagnostics by imaging. An obsolescence reserve was recorded for items without movement for more than one hundred twenty days.

- **Other current and noncurrent assets**

  Presented at the net realizable amount.

e. Permanent

- **Investments**

  The investments in subsidiaries are valued by the equity method. The goodwill accounted for in the acquisitions is based on future profitability from operations undertaken by the subsidiary companies, in accordance with profitability forecasts prepared by management projected over 5 years. Amortization of goodwill is being recorded using the straight-line method at rates calculated based on the projections over a period which does not exceed ten years and which is reviewed annually.

- **Property, plant and equipment assets**

  Property, plant, equipment assets are stated at acquisition, formation or construction cost. Depreciation is calculated using the straight-line method at rates described in Note 9 which take into account the estimated useful life of the assets. Plant and equipment held under capital leases are stated at the present value of minimum lease payments upon inception of the corresponding lease agreement and are amortized on a straight-line method which take into account the estimated useful life of the assets. The leasehold improvements are amortized based on the lease term or estimated useful life of the asset, the lesser of the two.

- **Intangible assets**

  Stated at the acquisition cost.

  The goodwill calculated from the mergers of acquired companies is supported by future profitability of operations undertaken by the subsidiaries acquired in accordance with profitability forecasts prepared by Management projected over 5 years

- **Deferred charges**

  Refer to expenditures relating to the establishment of new facilities and the acquisition of businesses, with the amortization period varying between five and ten years.

f. Current and noncurrent liabilities

Stated at the actual or estimated amounts, plus, when applicable, the corresponding charges and monetary and exchange variations incurred up to the balance sheet date.

g. Provision for contingencies

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recorded considering the best estimates of the risk specific to the liability.

h. *Deferred income tax and social contribution*

Income and social contribution taxes for the current year are calculated by the Company and its subsidiaries at the rate of 15% over taxable income plus a surcharge of 10% on taxable income in excess of R$ 180 for income tax and 9% on the taxable income for social contribution on net income, and consider the offsetting of tax loss carryforwards and negative basis of social contribution tax, limited to 30% of the taxable income, with the exception of the DASA Real Estate Empreendimentos Imobiliários Ltda., which opted for collecting income taxes based on presumed profits.

The deferred tax assets resulting from carryforward tax losses, negative basis of social contribution and temporary differences were recorded in accordance with CVM Instruction 371 of June 27, 2002, and consider past profitability and expectations of future taxable income, based on a technical viability study.

2.2 *Changes in the Brazilian corporate law 6404/76*

On December 28, 2007, Law 11638 was enacted modifying Law 6404/76 in the chapter related to the disclosure and preparation of Financial Statements, which modifies, among other aspects, the recognition and valuation criteria of assets and liabilities. These changes in the accounting practices become effective as from the year begun January 1, 2008 and, considering the normal operations and businesses of the Company and its subsidiaries and CVM's instruction no. 469 of May 2, 2008, the main changes with material effects on the Quarterly Information for the quarter ended September 30, 2008 can be briefly summarized as follows:

i. Long-term and pre-indexed assets and liabilities have not been adjusted to their present value given the fact the impacts would not be material;

ii. Financial instruments, including derivatives, are disclosed in Note 24 at market value, following CVM Instruction No 469/08.If they were registered at their market value, it would reduce the shareholders' equity by R$ 26,318;

iii. Assets acquired in business combination, on an arm-length condition, start being valued at their fair value in the acquiring company. No business combination occurred qualifying into this new rule. Future acquisitions will be recorded in accordance with this new criteria;

iv. The equity method calculation of subsidiaries and associated companies will start being recorded according to the significant influence and in companies that are part of the same group or that are under the same parent company. None of the investments fits in this modification;

(In thousands of Reais)

v. Financial leasing agreements should be registered in the balance sheet. The Company records its financial leasing agreements in accordance with the international rules.

The effects of the application of the new Law on the Quarterly Information of the Company and its subsidiaries were appraised based on the prevailing regulatory law and rules on this date, and may be modified due to regulation to be issued by the competent agencies. The Company will reevaluate the possible arising impacts as a new regulation disciplines the application of these new accounting practices.

3 Consolidated quarterly financial information

The unaudited consolidated quarterly information include the financial information of the Company and following subsidiaries:

	% of interest	
	09/30/08 (Unaudited)	**12/31/07**
Laboratório Frischmann Aisengart Ltda.	99.99%	100.00%
Image Memorial Ltda.	99.99%	100.00%
Laboratório Alvaro Ltda.	99.99%	100.00%
Laboratório Louis Pasteur Patologia Clínica Ltda. - LabPasteur	99.99%	99.99%
DASA Real Estate Empreendimentos Imobiliários Ltda.	99.99%	99.99%
Laboratório Imuno Ltda. - MedLabor	99.99%	99.99%
Clínica Médica Vita Ltda.	99.99%	100.00%
Laboratório Atalaia Ltda.	99.99%	99.99%
Exame Laboratórios de Patologia Clínica Ltda.	85.71%	85.71%
CientíficaLab Produtos Laboratoriais e Sistemas Ltda.	99.99%	100.00%
Med Imagem Ultra-Sonografia e Radiologia Ltda.	99.99%	100.00%
DASA Finance Corporation	100.00%	-

The accounting policies have been consistently applied in all the consolidated companies and are consistent with those used in the previous year.

(In thousands of Reais)

Description of main consolidation procedures

a. Elimination of inter company asset and liability account balances;

b. Elimination of investments in the capital, reserves and retained earnings of the subsidiaries; and

c. Identification of minority interests in the consolidated quarterly financial information.

4 Marketable securities

	09/30/08 **(Unaudited)**	**12/31/07**
Marketable securities	582,696	104,118
Classified as current assets	(496,858)	(23,398)
Classified as noncurrent assets	85,838	80,720

The marketable securities classified as consolidated current assets in the amount of R$ 34,144 (R$ 23,398 as of December 31, 2007) related to fixed income funds bearing average interest rates of 99.2% of CDI (inter-bank) (99.9% of CDI as of December 31, 2007) and R$ 462,714 refer to bonds of the American Government, under custody of Unibanco Luxemburg, remunerated at a 0.35% per year plus the exchange rate variation.

Long-term marketable securities in the amount of R$ 85,838 (R$ 80,720 on December 31, 2007) in the consolidated figures, earn interest at an average rate of 100.6% of the CDI rate on September 30, 2008 (100.8% of CDI on December 31, 2007) of which R$ 51,571 (R$ 48,771 on December 31, 2007) serve as collateral for payments of obligations assumed in connection with the acquisition of a number of laboratories (Note No. 17), and R$ R$ 34,259 (R$ 31,470 on December 31, 2007) guarantee the payments of the 2nd to the 8th installments of the acquisition price of CientificaLab.

(In thousands of Reais)

5 Trade accounts receivable

	09/30/08 (Unaudited)	12/31/07
Current assets		
Trade notes receivable:		
Not due	171,091	115,474
Overdue	99,414	104,992
	270,505	220,466
Other accounts receivable:		
Checks in collection	2,583	1,722
Credit cards	5,576	3,853
Returned checks	2,772	3,806
	10,931	9,381
Less:		
Provision for disallowances and for doubtful accounts	(16,126)	(20,883)
Provision for losses from returned checks	(2,772)	(3,689)
	262,538	205,275

The collection process for diagnostic medicine services provided by the Company is complex as a result of a variety of factors, including the large number of health plans used, different coverage offered, the information requested by these plans for approval of payment and questioning by the health plans as to the adequacy of supporting documentation. All of these factors, historically, contribute to the average recovery period for payments being different from the periods defined in the contracts.

Provisions for disallowances are established monthly based on estimated probable losses from the unaccepted amounts being discussed. These discussions refer mainly to: (i) operational questions, such as services provided to clients from health plans without previous authorization; (ii) sales questions, such as new price lists agreed which have not been updated in both systems; and (iii) technical questions, such as different interpretations of examination requisitions.

All overdue receivables up to 360 days are in collection proceedings or under negotiation, Management does not expect significant losses, and consequently a provision for bad debts has not been recorded. The allowance for doubtful accounts has been recorded solely for the balances receivable with no likelihood of being collected, or under litigious process of collection.

(In thousands of Reais)

On September 30, 2008 the balances for more 360 days in arrears, net of an allowance for doubtful accounts, approximate to R$ 15,449 (R$ 14,000 as of December 31, 2007), of which R$ 9,900 (R$ 5,000 as of December 31, 2007) refer to an important health insurance entity, R$ 3,500 refer to agreements and R$ 2,000 are still in the collection stage. As is the practice in this business, overdue receivables are subject to a procedure with the insured parties and health insurance entities in order to evidence that the services were provided to the patients and were duly authorized. Based on the background of negotiations, the Company's management expects no significant risks of loss in addition to those sums already provided for.

6 Inventories

	09/30/08 **(Unaudited)**	**12/31/07**
National clinical analysis and diagnostic imaging materials	17,841	19,385
Imported clinical analysis and diagnostic imaging materials	5,877	7,241
National secondary clinical analysis and diagnostic imaging materials	5,084	3,227
Consumption material	2,521	2,471
Inventories held by third parties	334	1,914
Provision for obsolescence	(1,358)	(763)
	30,299	33,475

7 Recoverable and deferred taxes

a. Recoverable taxes

	09/30/08 **(Unaudited)**	**12/31/07**
Withholding income tax (IRRF)	5,754	5,473
Income tax recoverable	20,773	7,523
Social contribution recoverable	14,250	6,167
COFINS (Tax for social security financing) and PIS (Social integration program) tax withheld	9,442	7,377
Others	6,869	1,982
Classified as current assets	57,088	28,522

(In thousands of Reais)

b. *Deferred taxes*

The deferred income and social contribution taxes are recognized to reflect future tax effects attributable to temporary differences between the tax bases of assets and liabilities and their book values.

In accordance with CVM Instruction 371, the Company based on its profitability history and in the expectation of generating future taxable income considering the technical viability study approved by management, recognized tax credits on income tax loss carry-forwards and the accumulated negative basis of social contribution tax, with no statutory limitation period and that can be offset against a maximum of 30% of taxable income. The carrying amount of deferred tax assets is reviewed quarterly and projections are reviewed annually. If there are relevant factors that modify the projections, these are reviewed during the year by the Company.

The origin of deferred income and social contribution taxes is presented below:

	09/30/08 **(Unaudited)**	**12/31/07**
Tax loss carryforward and negative basis	3,463	4,803
Provision for disallowances and for doubtful accounts	4,666	6,500
Obsolete items - Inventories	358	220
Goodwill amortization	44,664	29,351
Provision for specialized medical services	1,699	444
Other provisions	2,088	1,443
Provision for contingencies	18,082	15,089
	75,020	57,850
Classified as current assets	(8,438)	(9,321)
Classified as noncurrent assets	66,582	48,529

The following is a description of the estimated terms for realizing deferred tax credits in connection with income tax and social contribution on net profits, the origins of which are based on the temporary differences between the bookkeeping profit figures under the accrual system and the taxable profit figures, as well as on the tax losses and the negative social contribution base. Realization terms are based on future taxable profit projections, base-date of December 31, 2007, created as of the fiscal years in which the temporary differences become expenses deductible for tax purposes.

(In thousands of Reais)

2008	8,438
2009	6,680
2010	3,975
2011	7,961
2012 a 2014	25,912
2015 a 2016	22,054
	75,020

8 Investments

	09/30/08 (Unaudited)	12/31/07
Goodwill from acquired shares		
Laboratório Frischmann Aisengart Ltda.	31,843	31,843
Image Memorial Ltda.	31,638	31,638
Laboratório Alvaro Ltda.	32,694	32,694
Laboratório Louis Pasteur Patologia Clínica Ltda. - LabPasteur	13,936	13,936
Laboratório Imuno Ltda. - MedLabor	5,966	5,966
Clínica Médica Vita Ltda.	4,768	4,768
Laboratório Atalaia Ltda.	28,329	28,329
Exame Laboratórios de Patologia Clínica Ltda.	46,623	46,623
CientíficaLab Produtos Laboratoriais e Sistemas Ltda.	80,107	80,107
Med Imagem Ultra-Sonografia e Radiologia Ltda.	40,760	40,760
	316,664	316,664
Accumulated amortization		
Laboratório Frischmann Aisengart Ltda.	(19,747)	(14,970)
Image Memorial Ltda.	(18,694)	(13,948)
Laboratório Alvaro Ltda.	(16,578)	(11,139)
Laboratório Louis Pasteur Patologia Clínica Ltda. - LabPasteur	(6,271)	(4,181)
Laboratório Imuno Ltda. - MedLabor	(2,585)	(1,690)
Clínica Médica Vita Ltda.	(1,907)	(1,192)
Laboratório Atalaia Ltda.	(10,859)	(6,610)
Exame Laboratórios de Patologia Clínica Ltda.	(13,210)	(6,216)
CientíficaLab Produtos Laboratoriais e Sistemas Ltda.	(18,692)	(6,676)
Med Imagem Ultra-Ssonografia e Radiologia Ltda.	(8,831)	(2,717)
	(117,374)	(69,339)
Others	215	117
	199,505	247,442

(In thousands of Reais)

9 Property, plant, equipment

	Average depreciation rate % p.a.	09/30/08 (Unaudited) Cost	Accumulated depreciation	Net	12/31/07 Net
Buildings	4	12,879	(1,545)	11,334	11,719
Leasehold improvements	12	253,823	(121,704)	132,119	93,688
Machinery and equipment	10	362,391	(134,478)	227,.913	209,661
Furniture and Fixture	10	39,818	(16,773)	23,045	19,210
Facilities	10	6,358	(3,468)	2,890	2,067
IT equipment	20	54,841	(30,093)	24,748	22,630
Vehicles	20	6,593	(2,368)	4,225	3,588
Library	10	140	(71)	69	56
Land		1,685	-	1,685	1,685
Construction in process		13,279	-	13,279	39,777
		751,807	(310,500)	441,307	404,081

Cost movement

	12/31/07	Movement in the period (Unaudited) Additions	Write-offs	Transfers	Other (a)	09/30/08
Buildings	12,879	-	-	-	-	12,879
Leasehold improvements	190,511	22,268	(204)	32,475	8,773	253,823
Machinery and equipment	324,395	28,870	(8,462)	16,805	783	362,391
Furniture and fixture	33,622	3,231	(127)	2,990	102	39,818
Facilities	5,294	787	-	276	1	6,358
IT equipment	48,089	5,312	(1,074)	2,511	3	54,841
Vehicles	5,495	2,422	(1,210)	(114)	-	6,593
Library	118	12	-	-	10	140
Land	1,685	-	-	-	-	1,685
Construction in process	39,777	30,139	(48)	(54,943)	(1,646)	13,279
	661,865	93,041	(11,125)	-	8,026	751,807

(a) Other - relates to transfers of intangible and deferred.

(In thousands of Reais)

10 Intangible assets

	Average depreciation rate % p.a.	09/30/08 (Unaudited) Cost	Accumulated depreciation	Net	12/31/07 Net
Software	20	46,594	(22,161)	24,433	22,349
Commercial rights of use	20	219	(42)	177	119
Goodwill on merger of subsidiary	20	125,791	(120,378)	5,413	11,320
Trademarks and patents		91	-	91	88
		172,695	(142,581)	30,114	33,876

Cost movement

	12/31/07	Movement in the period (Unaudited) Additions	Write-offs	Transfers	Other (a)	09/30/08
Software	39,550	6,550	(286)	-	780	46,594
Commercial rights of use	137	82	-	-	-	219
Goodwill on merger of subsidiary	125,791	-	-	-	-	125,791
Trademarks and patents	88	3	-	-	-	91
	165,566	6,635	(286)	-	780	172,695

(a) Other - relates to transfers of property, plant, equipment and deferred.

11 Deferred charges

	End of amortization	Amortization rate % p.a.	09/30/08 (Unaudited) Cost	Accumulated amortization	Net	12/31/07 Net
Pre-operating expenses						
Implementation of new units		20	75,491	(33,539)	41,952	40,934
Acquisition of participation		20	20,499	(9,275)	11,224	12,182
Project Deployment System	Dec/10	20	9,043	(4,973)	4,070	5,428
			105,033	(47,787)	57,246	58,544

(In thousands of Reais)

Cost movement

		Movement in the period (Unaudited)			
	12/31/07	**Additions**	**Write-offs**	**Other (a)**	**09/30/08**
Pre-operating expenses:					
Implementation of new units	68,856	15,500	(59)	(8,806)	75,491
Acquisition of participation	18,469	2,030	-	-	20,499
Project Deployment System	9,043	-	-	-	9,043
	96,368	17,530	(59)	(8.806)	105.033

(a) Other - relates to transfers of property, plant, equipment and intangible.

12 Accounts payable to suppliers

	09/30/08 (Unaudited)	**12/31/07**
Domestic suppliers	40,872	47,370
Foreign suppliers	6,101	5,420
	46,973	52,790

The balance of foreign suppliers of US$ 3,187 thousand (US$ 3,060 thousand on December 31, 2007) refers to the purchase of imported materials used in clinical exams.

(In thousands of Reais)

13 Loans and financing

	09/30/08 (Unaudited)	12/31/07
Local currency		
Loans guaranteed accounts	35,254	22,684
Bank loans	83,122	65,756
Leasing under local currency agreements	19,528	12,764
Foreign currency		
Bank loans	5,981	8,708
Financing of equipment	12,130	20,344
Leasing of imported equipment	77,745	68,022
Notes (Senior Notes) **(a)**	496,315	-
	730,075	198,278
Portion to amortize in the short term classified in current liabilities	(128,661)	(97,968)
Noncurrent liabilities	601,414	100,310

(a) In a meeting held on May 21, 2008 by the Board of Directors, the issuance of notes (Senior notes) was approved by a subsidiary, DASA Finance Corporation, with the purpose of raising cash resources that shall primarily be used to finance the expansion of company's activities. The issuance of notes was completed on May 29, 2008 in the amount of US$ 250 millions, with a maturity date in May 2018, remunerated with interests of 8.75% p.a.. The payment of interests is semi-annual, occurring on May 29 and November 29 of each year. Both the principal amount and the interest are guaranteed unconditionally and irrevocably by the Company. The notes were placed exclusively abroad.

Pursuant to the conditions set forth in the agreement, the advance redemption option of such debt is exclusive of DASA Finance Corporation and begins on the 5th year. The agreement establishes that the Company and its subsidiaries comply with certain levels of indebtedness when making significant business decision with respect to certain actions, such as contracting debts, payment of dividends, repurchase of shares, consolidations, mergers, sale of subsidiaries and investments. Additionally, the agreement presents clauses with limitations / restrictions to the following transactions:

(In thousands of Reais)

- Grant of guarantees, pledge or other guarantee over assets;
- Sale of assets;
- Transactions with related parties; and
- Lease (sale and lease-back).

In order to avoid the exposure to the exchange rate fluctuation of the interests throughout the period of 5 years, the Company entered into swap transactions at 103.6% of CDI , on the same date of the confirmation of the operation (Senior Notes), with Banco Merril Lynch de Investimentos S.A. and Credit Suisse Próprio Fundo de Investimento Multimercado.

The loan and financing agreements do not have any restrictive covenants.

09/30/08 (Unaudited)

Description	Banks	Value in Reais	Final	Average interest rate	Guarantors
Local currency					
Guaranteed accounts	Other	35,254	-	109% a 120% do CDI	(2)
Bank loans	Banco Votorantin S.A.	7,924	2009	110,9% do CDI	(3)
Bank loans	Banco do Brasil S.A.	31,389	2010	105,0% do CDI	(2)
Bank loans	HSBC Bank Brasil S.A.	16,272	2010	105,6% do CDI	(3)
Bank loans	Banco Itaú S.A.	15,088	2011	115% do CDI	(4)
Bank loans	BNDES	3,106	2013	TJLP e UMBNDES	(2) e (4)
Bank loans	Unibanco S.A.	9,000	2011	111,8% do CDI	(4)
Bank loans	Diversos	343	2010	1,6% a.m.	(2)
		83,122			
Leasing	Other	19,528	2011	CDI + 1,6% a 2,2% a.a.	-

09/30/08 (Unaudited)

Description	Financial institutions/Suppliers	Value in US$	Value in Reais	Swap	Total in Reais	Final	Average interest rate	Guarantors
Foreign currency								
Bank loans	Banco Itaú - BBA	1,517	2,904	3,077	5,981	2009	VC+13.06% a.a.	(3)
Equipment suppliers	G.E.	3,726	7,132	4,998	12,130	2011	VC+7.5% a 8.5% a.a.	(1)
Leasing	G.E, Siemens, Philips e Oni Medical	40,613	77,745	-	77,745	2014	VC+7.20% a 9% a.a.	(3)
Notas *(Senior Notes)*		257,311	492,571	3,744	496,315	2018	8,75% a.a.	(4)

(In thousands of Reais)

(1) Platypus S.A. and Balu 460 Participações S.A.

Following the merger of the subsidiaries Platypus S.A., Balu 460 Participações S.A. and DASA Participações S.A., approved in a meeting of shareholders held on July 6th, 2007, which provided fidejussory guarantees in financial transactions involving the Company (bonds and surety), especially in agreements to acquire diagnostic imaging equipment, banking financing and real estate leases, the Company is seeking to replace the guarantees that were provided by the merged subsidiaries with guarantees from the Company's subsidiary DASA Real Estate Empreendimentos Imobiliários Ltda.

(2) DASA Real Estate Empreendimentos Imobiliários Ltda.

(3) Promissory Note of 125% of the contractual amount in the Company's name.

(4) Diagnósticos da América S.A.

Loans and financing classified as noncurrent liabilities will mature as follows:

Year of Maturity	**Amount**
2009	19,204
2010	50,251
2011	23,122
2012	13,104
2013	9,974
2014	4,886
2015	964
2018	478,575
	600,080
Interest Rate Swaps (a)	1,334
	601,414

(a) In order to protect its exposure to liabilities indexed in foreign currencies, the Company has contracted Interest Rate Swap transactions in Reais, for the same amounts and maturities. On September 30, 2008, these derivative transactions provided cover for the R$ 18,896 nominal value and resulted in accrued losses in the amount of R$ 1,334.

(In thousands of Reais)

The company granted guarantees on behalf of its subsidiaries as follows:

Laboratório Frischmann Aisengart Ltda.	Banco Alfa S.A.	2,064
	Banco Bradesco S.A.	1,000
	Banco HSBC Bank Brasil	4,367
	General Eletric	438
Image Memorial Ltda.	Banco Alfa S.A	3,212
	Banco Bradesco S.A.	4,000
	Banco do Brasil S.A.	2,233
	Banco Itaú S.A.	3,500
	General Eletric	897
	HVB Export	4,432
Laboratório Alvaro Ltda.	Banco Itaú S.A.	2,885
	Unibanco S.A.	686
	General Eletric	1,165
Laboratório Louis Pasteur Patologia Clínica Ltda. - LabPasteur	Banco Alfa S.A.	340
	Banco Bradesco S.A.	500
Laboratório Imuno Ltda. – MedLabor	Banco Bradesco S.A.	1,500
Clínica Médica Vita Ltda.	Banco Alfa S.A.	4,723
	Banco Bradesco S.A.	3,500
	Banco Itaú S.A.	1,500
	Unibanco S.A.	9,000
	General Eletric	2,276
Laboratório Atalaia Ltda.	Unibanco S.A.	360
Exame Laboratórios de Patologia Clínica Ltda.	Banco Alfa S.A.	182
CientíficaLab Produtos Lab. e Sistemas Ltda.	Banco Alfa S.A.	11,021
	Banco Bradesco S.A.	7,000
	Banco Itaú S.A.	18,000
Med Imagem Ultra-Sonografia e Radiologia Ltda.	Banco Alfa S.A.	136
	Unibanco S.A.	291
DASA Finance Corporation	Bond	461,659
		552,867

(In thousands of Reais)

14 Debentures

	09/30/08 (Unaudited)	12/31/07
Non-convertible debentures	202,500	202,500
Compensation interest	-	5,511
	202,500	208,011
Portion to amortize in the short term classified in current liabilities	(67,500)	(5,511)
Noncurrent liabilities	135,000	202,500

In a Board of Directors' Meeting held on April 7, 2006, the Board approved the public issuance of 20,250 (twenty thousand two hundred and fifty) non-convertible debentures, of its first issuance, of single series, without guarantee nor preference, with unit face value of R$ 10, totalizing R$ 202,500, was approved with the date of issuance on April 1, 2006. The maturity of the debentures is five years, from the date of issuance, with compensation interest of 103.6% per year of the DI rate. The payment of compensation interest is semi-annual, to be held always on the first day of April and October, and the debit from the bank account of the Company occurs one day prior to the due date.

The principal amount has the following payment schedule:

	Amount (R$)
Maturity date:	
April 01, 2009	67,500
April 01, 2010	67,500
April 01, 2011	67,500
Total	202,500

The debentures have covenants setting forth maximum levels of indebtedness and leverage, based on quarterly consolidated information. At the end of the quarter, the Company was in compliance with these covenants.

(In thousands of Reais)

15 Salaries, social securities charges and provision for vacation payable

	09/30/08 (Unaudited)	12/31/07
Salaries payable	7,887	5,844
Social Security charges payable	6,269	5,846
Provisions for vacation, 13th salary and social security charges	34,331	18,834
Provision for the profit sharing and equity income	6,727	4,176
Others	397	849
	55,611	35,549

16 Taxes payable in installments

	End of amortization	09/30/08 (Unaudited)	12/31/07
PPI - REFIS Municipal **(a)**	2011	2,946	3,484
PAES Program **(b)**	2013	7,495	8,983
COFINS - tax for social security financing **(c)**	2010	707	1,122
PIS (social integration program) **(c)**	2008	173	286
INSS (Brazilian National Institute of Social Security **(c)**	2009	736	1,901
ISS **(c)**	2007	11	11
INSS - (Brazilian National Institute of Social Security) Vita **(d)**	2018	1,026	1,072
PIS (Social Integration Program)/COFINS (Tax for Social Security Financing)- Vita **(d)**	2018	1,098	1,210
ISS - Vita **(d)**	2009	71	147
ISS - Atalaia **(e)**	2018	1,296	1,405
PAES Program - INSS (Brazilian National Institute of Social Security) - Exame **(f)**	2013	1,626	1,799
IRPJ and CSLL – CientificaLab **(g)**		5,473	
Others		249	441
		22,907	21,861
Short-term unamortized installment classified in current liabilities		(6,195)	(6,778)
Noncurrent liabilities		16,712	15,083

(a) On August 29, 2006, the Company joined the PPI - Installment Incentive Program, created by the government of the city of São Paulo with the enactment of Law No. 14,129 dated on January 11, 2006, regulated by Decree No. 47,165 dated on April 6, 2006. The tax debts which were part of the Tax Recovery Program (REFIS), created by Law No. 13,092 dated on December 7, 2000, adhered to the Company on January 26, 2001, were included in the PPI program. The debt amount included in the PPI program shall be amortized in 60 monthly installments, and accrueds interest at the SELIC rate. The amortizations shall take place up to August 2011, and the Company shall not collect based on the gross revenue, nor use, as it has not, tax credits for the amortization of fines and interest.

(b) On July 29, 2003, the Company adhered to the PAES program (Law 10,684), declaring tax debts related to PIS and COFINS which were being discussed judicially. The consolidated amount of the debt is divided into 120 monthly installments and updated using the long-term interest rate (TJLP). Payment of these installments extends to June 2013, considering that the Company does not make any payment based on gross revenue neither has utilized such tax credits to amortize fines and interest. The tax debt included by the federal revenue service on the validation date for the application by the Company for installment payments, was composed of debt included by the Company and also liabilities in connection with PIS and Cofins which were under discussion in the administrative and legal spheres, and withholding tax of which there was no proof of payment, all of these additional liabilities arising from the acquired companies. The sum of these additional liabilities rose to R$ 1,291 on July 29, 2003, and by means of a management decision they were recorded fully on December 2007, plus accrued interest based on TJLP (long-term interest rate), in addition to interest and fine on the portions in arrears of the liabilities included.

(c) Installments from subsidiary companies, incorporated at August 1, 2005, which have been formalized with the competent government agencies.

(d) **INSS** - Installment program created by Provisional Measure (MP) 303: In September 2006, the subsidiary Vita adhered to the installment program created by Provisional Measure no. 303 of June 29, 2003, stating the debts to the Brazilian Social Security system (Instituto Nacional do Seguro Social - INSS) due up to February 28, 2003, dealt with in article 1 of the MP, with the schedule of 130 monthly installments and updated by TJLP, totaling R$ 308 on September 30, 2008 and the debits due between March 01, 2003 and December 31, 2005, dealt with in article 8 of the MP, with the schedule of 120 monthly installments and updated by TJLP, totaling R$ 718 on September 30, 2008.

PIS/COFINS Installment program created by Provisional Measure (MP) 303:

In September 2006, the subsidiary Vita adhered to the installment program created by Provisional Measure no. 303 of June 29, 2006, declaring debts administered by the Federal Revenue Office (Secretaria da Receita Federal - SRF) due up to February 28, 2003, dealt with in article 1 of the MP, with the schedule of 130 monthly installments and updated by TJLP, totaling R$ 551 on September 30, 2008 and the debits due between March 1, 2003 and December 31, 2005, dealt with in article 8 of the MP, with the schedule of 120 monthly installments and updated using the TJLP rate, totaling R$ 547 on September 30, 2008.

ISS - In 2006, the subsidiary Vita scheduled ISS debits with the Municipality of Florianópolis, resulting in proceeding No. 009476/06 of August 24, 2006, to be paid according to a schedule of 36 monthly installments with interest at 1% per month, totaling R$ 71 as of September 30, 2008

(e) The subsidiary Atalaia scheduled ISS debt with the Municipality of Aparecida de Goiânia, corresponding to the years of 1993, 1994, 1996, 1998, 1999 and 2001, resulting in 7 installment proceedings to be paid in 180 monthly installments updated using the TJLP rate, totaling R$ 1,296 on September 30, 2008, the amortizations shall be made until 2018.

(f) In May, 2003, the subsidiary Exame adhered to the PAES program (Law No. 10684), declaring tax debts related to INSS. The consolidated amount of the debt is divided into 120 monthly installments and updated using the long-term interest rate (TJLP). Amortizations will occur until June 2013, and the Company does not make the payment based on gross revenue, and neither used nor uses tax credits for the amortization of fines and interest.

(g) On September 29,2008, CientificaLab parceled IRJP (Company Income Tax) and CSLL (Social Contribution over Net Profit) debts with the Brazilian Internal Revenue Service, which resulted in the administrative process number 113896.003764/2008-27, to be paid in 60 monthly installments, added of interests equivalent to the SELIC fee, totalizing R$ 5,473 in September 30, 2008. The amortizations will take place until August 2013.

(In thousands of Reais)

17 Accounts payable from acquisition of subsidiaries

	09/30/08 (Unaudited)	12/31/07
Bio-Ciência Lavoisier de Análises Clínicas S.A. **(a)**	1,910	1,787
Laboratório Bronstein S.A **(b)**	1,829	1,758
Laboratório de Patologia Clínica Curitiba S/C Ltda. **(c)**	493	456
Centro Radiológico da Lagoa (CRL) e Presmedi Rio Serviços Médicos Ltda. **(d)**	70	64
Elkis e Furlanetto C.D.A.C. Ltda. **(e)**	7,902	7,822
Laboratório Pasteur Patologia Clínica S/S Ltda. **(f)**	474	453
Laboratório Frischmann Aisengart Ltda. **(g)**	3,140	2,986
Image Memorial Ltda. **(h)**	9,983	9,227
Laboratório Alvaro Ltda. **(i)**	1,613	5,454
Laboratório Frischmann Aisengart Ltda. (Minority) **(j)**	2,142	2,108
Laboratório Louis Pasteur Patologia Clínica Ltda - LabPasteur **(k)**	4,229	3,925
Laboratório Imuno Ltda. - MedLabor **(l)**	828	769
Clínica Médica Vita Ltda. **(m)**	661	662
Laboratório Atalaia Ltda. **(n)**	2,965	2,801
Exame Laboratórios de Patologia Clínica Ltda. **(o)**	2,113	2,039
CientíficaLab Produtos Laboratoriais e Sistemas Ltda. **(p)**	3,426	3,147
Med Imagem Ultra-Sonografia e Radiologia Ltda. **(q)**	10,972	14,860
	54,750	60,318
Installments to amortize in the short term classified under the current liabilities	(1,317)	(9,688)
Noncurrent liabilities	53,433	50,630

Accounts payable from the acquisitions of subsidiaries refer to amounts due to the previous owners for the acquisition of shares or quotas representing the capital of these companies. The debts are updated, and fall due as follows:

(a) Lavoisier - Updated at the same rates as those for the funds placed in investment funds managed by the financial institution, as reported in Note no. 4, with the purpose of securing the payment of contingencies which are still under litigation since the former management.

(b) Bronstein - Updated at the same rates as those for the funds placed in investment funds managed by the financial institution, as reported in Note no. 4, with the purpose of securing the payment of contingencies which are still under litigation since the former management.

(c) Curitiba - In connection with tax credits which arose during the period prior to the acquisition, and which were used by the Company, and have been retained with the purpose of securing the payment of contingencies which are still under litigation since the pre-acquisition period.

(d) CRL and Presmedi - Updated by the variation in the IGP-M (inflation index) retained with the purpose of securing the payment of contingencies which are still under litigation since the pre-acquisition period.

(e) Elkis - Updated at the same rates as those for the funds placed in investment funds managed by the financial institution, as reported in Note no. 4, and will be settled in May 2011.

(f) Pasteur (DF) - Updated by the variation in the IPCA (inflation index), and has been retained with the purpose of securing the payment of contingencies which are still under litigation since the pre-acquisition period.

(g) Frischmann - Updated using the same of the investment funds, managed by financial institution, as reported in Note 4 and will be liquidated in July 2011.

(h) Image - Updated using the same rates of investment funds, managed by a financial institution, as reported in Note 4, and will be settled in October 2011.

(i) Alvaro - Updated using the same rates of investment funds, managed by financial institutions, as reported in Note 4 and will be liquidated in December 2011

(j) Frischmann Aisengart (Minority interests) - Relates to the acquisition of the totality of equity of the remaining shareholder of Laboratório Frischmann Aisengart Ltda., which is being annually updated monetarily by the IGP-M variation. Amortizations of the debt will be made until May 2016.

(k) LabPasteur (CE) - Updated using the same of the investment funds, managed by financial institutions, as reported in Note 4 and will be liquidated in September 2012.

(In thousands of Reais)

(l) MedLabor - Updated using the same rates of the investment funds, managed by financial institutions, as reported in Note 4 and will be liquidated in July 2012.

(m) Vita - Updated using the same rates of the investment funds, managed by financial institutions, as reported in Note 4 and will be liquidated in October 2012.

(n) Atalaia Updated using the same rates of the investment funds, managed by financial institutions, as reported in Note 4 and will be liquidated in October 2012.

(o) Exame - Updated using the same rates of the investment funds, managed by financial institutions, as reported in Note 4 and will be liquidated in December 2012.

(p) CientificaLab - Updated using the same rates of the investment funds, managed by financial institutions, as reported in Note 4 and will be liquidated in July 2013.

(q) MedImagem - Updated using the same rates of the investment funds, managed by financial institutions, as reported in Note 4 and will be liquidated in August 2013. The second parcel of the acquisition price in the amount of R$ 4,473 was paid in August 2008.

The portions classified in noncurrent liabilities have the following payment schedule:

Maturity	
With no maturity date - See Note 17 (a) and (b)	3,739
2009	70
2010	279
2011	22,917
2012	11,075
2013 to 2016	15,353
Total	53,433

(In thousands of Reais)

18 Other accounts payable

	09/30/08 (Unaudited)	12/31/07
Rentals	3,449	3,070
Third -party services	7,822	5,686
Provision for specialized medical services	6,711	2,498
Franchisee commission payable	522	434
Other accounts payable	6,702	5,543
	25,206	17,231

19 Provision for contingencies

	09/30/08 (Unaudited)			12/31/07
	Provision	Judicial Deposit	Net	Net
(a) ICMS on imports	70,975	(1,889)	69,086	57,485
(b) Provision for labor contingencies	4,719	(304)	4,415	4,974
(c) Provision for civil contingencies	4,281	(27)	4,254	4,169
(d) Provision for tax contingencies	30,227	(17,238)	12,989	14,789
	110,202	(19,458)	90,744	81,417

(a) ICMS on imports

The Company, based on the opinion of its legal advisors, has not paid ICMS on the imports of goods inputs and equipment for use in the rendering of its services since February 2000, as discussions are in process regarding whether the Company is an ICMS taxpayer in these transactions. For ICMS amounts to be paid on imports arising after the issuance of Complementary Law No. 114, effective on December 16, 2002, external legal advisors believe that the chances of success are probable. At September 30, 2008, amounts recorded regarding imports from January 1, 2003 onwards is R$ 70,975 (R$ 59,374 on December 31, 2007), with related judicial deposits in the amount of R$ 1,889. The amount of R$ 26,100 (R$ 22,458 on December 31, 2007) is included in the accrued amount, plus interest at the SELIC rate relating to the nationalization of equipment coming from abroad in the international leasing category. The legal advisors of the Company consider the chance of loss as a result of an eventual judicial dispute as possible. Nevertheless, as the matter does not yet have a definite jurisprudential position, provision was maintained.

(In thousands of Reais)

(b) Provision for labor contingencies

At September 30, 2008, the Company is party of 309 labor lawsuits (266 on December 31, 2007). Based on information provided by its legal advisors, the Company has recorded an amount of R$ 4,719 in the consolidated (R$ 5,157 on December 31, 2007), and the Company does not expect any losses from lawsuits beyond amounts already recorded.

(c) Provision for civil contingencies

At September 30, 2008, the Company is part of 355 civil administrative and judicial lawsuits (273 on December 31, 2007). Based on information provided by its legal advisors, the Company has recorded an amount of R$ 4,281 (R$ 4,196 on December 31, 2007), and the Company does not expect any losses from lawsuits beyond amounts already recorded.

(d) Provision for tax contingencies

Provisions for tax contingencies relate to (i) challenges for increases in rates, (ii) basis for calculation of taxes and (iii) collection alleged to be unconstitutional of the law. Such challenges relate basically to PIS, COFINS, INSS and FGTS contributions. Of the total amount of R$ 30,227, R$ 12,690 relate to taxes and contributions challenged by the acquired companies. Management, based on legal advisors opinion, has recorded provisions in the amount of R$ 30,227 (R$ 31,223 on December 31, 2007), and does not expect any losses beyond amounts already recorded.

***Movement in provisions* (unaudited)**

	12/31/07	Movement in the period			09/30/08
	Opening balance	Addition to provision	Utilization	Monetary Restatement	Closing balance
ICMS on imports	59,374	7,674	(183)	4,110	70,975
Provision for labor contingencies	5,157	38	(763)	287	4,719
Provision for civil contingencies	4,196	-	(90)	175	4,281
Provision for tax contingencies	31,223	793	(3,705)	1,916	30,227
	99,950	8,505	(4,741)	6,488	110,202

20 Shareholders' equity

a. Capital

The Company's capital of R$ 402,091 is represented by 57,402,935 (Fifty-Seven Million, Four Hundred and Two Thousand, Nine Hundred and Thirty-Five) common shares, all nominative, without certificate and with no par value, with the exclusion of rights of preference of the current shareholders of the Company of its subscription, pursuant to the provision in Article 172 of Law no. 6,404, dated December 15, 1976, and pursuant to Article 9 of the Company's Bylaws.

The authorized limit for the capital increase, independently of statutory reform, through the issue of new shares, is 140,000,000 (one-hundred and forty million) common shares.

Through a resolution of the Board of Directors, within the limits authorized in the Articles of Association, the Company will be able to increase the capital independently of statutory reform. The Board of Directors will fix the conditions for the share issue, including price and time frame for payment.

At the criteria of the Board of Directors, the share issue may be made, without right of preference or with a reduction of the time frame addressed by §4 of article 171 of Law 6404/76, of shares and debentures that are convertible into shares or a subscription bonus, the flotation of which is made through a sale on the stock exchange or by public subscription, or even through an exchange for shares in a takeover bid, in the terms established in law, within the limits of the authorized capital.

Within the limits of the authorized capital and in accordance with the Plan approved by the General Meeting, the Board of Directors will be able to authorize the Company to grant a share purchase option to the administrators and employees of other companies that are directly or indirectly controlled by the Company, without right of preference for the shareholders.

(In thousands of Reais)

b. *Dividends*

In accordance with the Company's By-laws, net income has the following destination: (i) 5% for the legal reserve up to the limit of 20% of share capital; and (ii) 25% of the remaining balance adjusted in accordance with Art. 202 of Law 6,404/76, for the payment of the minimum compulsory dividends

c. *Management remuneration*

The management remuneration in the period was R$ 5,423 (R$ 5,025 in 2007).

21 Income tax and social contribution expense

The reconciliation between the tax expense as calculated under the combined statutory rates and the income and social contribution tax expense charged to net income is presented below:

	09/30/08 (Unaudited)		**09/30/07 (Unaudited)**
Income before income and social contribution taxes	12,650		38,030
Combined statutory rates	34%		34%
Income and social contribution taxes calculated at the statutory rates	(4,301)		(12,930)
Permanent (additions), net	(1,961)		(33)
Temporary exclusions (additions), net	1,960		(1,133)
Tax compensation	-		283
Deferred Income tax initially recognized	-		38,175
Adjustment for tax calculated base on presumed profit	144		2,279
Other adjustments	(4,184)	**(a)**	859
Income and social contribution taxes	(8,342)		27,500
Effective rate	66%		-72%

(a) It refers basically to the negative equity result from Dasa Finance Corporation located abroad, in the amount of R$ 4,136.

(In thousands of Reais)

22 General and administrative

	(Unaudited) 09/30/08	(Unaudited) 09/30/07
Personnel expenses	67,741	52,916
Services and utilities	40,585	36,306
Depreciation	16,445	10,421
Taxes	2,137	772
Sundry provisions	2,840	3,277
Expenses with issuance of debentures	719	719
General Expenses	19,766	17,958
	150,233	122,369

23 Tax loss carryfoward

At September 30, 2008, the Company had tax loss carryforwards on the following base values:

Tax losses carryfowards	9,254
Negative social contribution base	12,771

The offsetting of the tax losses carryforward for income tax and the negative social contribution base is limited to 30% of annual taxable profits, with no expiration date.

24 Financial instruments

- *Derivatives*

The Company has a policy of reducing market risks, avoiding positions which may be exposed to fluctuations in market values and operating only with derivative financial instruments that permit control over risks. Contracts involving derivatives are "*swap*" transactions all traded over the counter and registered at Cetip, aiming to neutralize the exchange rate exposition of financial liabilities. The Company does not expect to have losses from these operations, besides those already disclosed in the quarterly information.

- *Limitations*

The market values were estimated at the balance sheet date, based on "relevant market information". Changes in the assumptions may affect the estimates presented.

- *Management of Financial Risk*

The Company is exposed to the following risks associated to its financial instruments:

i. Credit risk
ii. Liquidity risk
iii. Market risk

This note presents information about the exposition of the Company to each of the above mentioned risks, the objectives of the Company and the processes to measure and manage the risks. Additional quantitative information were included in the financial information.

a. Credit risk

The Company and its subsidiaries are subordinated to the credit policies determined by Management, aiming to minimize eventual problems derived from the health insurance entity default. The Company has a provision for disallowances and doubtful debtors at the parent company in the amount of R$ 11,750 (R$ 15,306 on June 30, 2008) representing 6.68% (9.18% on June 30, 2008) of the due receivable accounts balance to face the credit risk, and in the consolidated R$ 16,126 (R$ 19,188 on June 30, 2008) representing 5.96% (7.72% on June 30, 2008) of the overdue receivable accounts balance to face the credit risk

b. Market risk

Market risks are the risks that market changes, such as changes in Exchange rates, interest rates and prices could affect the Company`s revenues or the value of its financial instruments. The objective of the market risk management is to control the exposition to market risks under acceptable parameters, optimizing the returns.

The results of the Company and its subsidiaries are subject to significant variations, due to the volatility effect of the exchange rate over its liabilities linked to foreign currencies, the

(In thousands of Reais)

US dollar, which closed the 9 month period ended in September 2008 with a variation of 8.07%.

The company is exposed to currency risk (exchange rate risk) in the loans and financing transactions, which are denominated in a different currency from the functional currency of the Company and its subsidiaries, the Real (R$). The currency in which these transactions are primarily denominated is the American Dollar.

From the net indebtedness in foreign currency of R$ 117.1 million, 18.8% have financial instruments of hedge (swap), contracted to avoid expositions to fluctuations of the exchange rate.

Strategy for Exchange rate risk

As a strategy to prevent and reduce the effects of Exchange rate fluctuation, the Board has adopted the policy of maintaining natural hedge with the maintenance of linked assets susceptible also to the Exchange rate variation and instruments of swap, as described below:

	09/30/2008	**06/30/2008**
a. Loans/financings in American dollars		
Parent Company	87,147	72,435
Consolidated	580,353	477,508
b. Assets in American dollars		
Parent Company	518	467
Consolidated	463,230	383,719
c. “Swap” Operations		
Parent Company	7,153	6,974
Consolidated	22,054	10,742
d. Deficit Determined (A-B-C)		
Parent Company	79,476	64,994
Consolidated	95,069	83,047

Interest Rate risk

The results of the Company and its subsidiaries are subject to significant variations, derived from loan and financing operations, linked to interest rate fluctuations

Contracting operations of financial instruments derivative of swaps has the objective of minimizing the risks of loans and financing in American dollar. According to its financial policies, the Company has not been contracting operations involving financial instruments on a speculative basis.

c. Estimated Market Value

The fair values were estimated at the date of closing of quarterly information, based on “relevant market information”. Changes in the assumptions and modifications in the financial market operations may significantly affect the estimates presented. The methods and assumption adopted by the Company to estimate the disclosure of its derivative fair value on September 30 and June 30, 2008 are described below:

Exchange rate Swap : Determination of the market curves based on future value of cash flow discounted at current value based on referential market rates. These contracts do not foresee intermediary payments before the maturity date. The Company does not intend to pay off these contracts before the maturity date.

The following table shows the booked and the fair values of the Company´s derivatives on September 30 and June 30, 2008. On September 30 and June 30, 2008 the due nominal values exposed to the American currency variation, as well as the respective fair values, are shown as follows:

(In thousands of Reais)

The values of derivatives financial instruments are summarized below:

Description	Notional amount (notional)		Fair Value		Accumulated Effect **(current period)**	
	09/30/08	06/30/08	09/30/08	06/30/08	Amount receivable (received)	Amount Payable (paid)
"Swap" contracts - Merril Lynch [1]						
Active Position –Interests and Interests Exchange rate Variation	5,594	1,203	75,476	62,996		
Passive Position – CDI	7,458	1,746	88,660	90,534		13,184
"Swap" contracts – Credit Suisse [1]						
Active Position - Interests and Interests Exchange rate Variation	9,307	2,565	113,213	94,494		
Passive Position – CDI	11,187	2,618	127,453	130,500		14,240
"Swap" contracts – Itaú BBA						
Active Position – Foreign Currency US$	2,978	2,379	2,910	2,402		
Passive Position – CDI	6,054	5,899	5,999	5,896		3,089
"Swap" contracts – Votorantim						
Active Position – Foreign Currency US$	4,175	4,595	1,504	4,610		
Passive Position – CDI	9,173	12,222	9,127	12,156		7,623

[1] The swap agreements contracted with financial institutions have as objective the exchange protection of the interests of the Senior Notes issued. Therefore, the notional amount on 09/30/2008 represents the flow of interests initiated on 05/29/2008, while the fair value contemplates all the flows to be generated by the instrument. The contracts are formed by ten semi-annual flows.

(In thousands of Reais)

The values of the derivative financial instruments showing the maturity range are summarized below:

	09/30/2008					06/30/08
Description	**Up to 30 days**	**From 31 to 180 days**	**From 181 to 365 days**	**Over 365 days**	**Net Total**	**Net Total**
"Swap" contracts - Merril Lynch [2]	-	(1,864)			(1,864)	(543)
Active Position –Interests and Interests Exchange rate Variation	-	5,594			5,594	1,203
Passive Position – CDI	-	7,458			7,458	1,746
"Swap" contracts – Credit Suisse [2]	-	(1,880)			(1,880)	(53)
Active Position –Interests and Interests Exchange rate Variation	-	9,307			9,307	2,565
Passive Position – CDI	-	11,187			11,187	2,618
"Swap" contracts – Itaú BBA	-	(1,611)	(1,465)	-	(3,076)	(3,520)
Active Position – Foreign Currency US$	-	1,560	1,418	-	2,978	2,379
Passive Position – CDI	-	3,171	2,883	-	6,054	5,899
"Swap" contracts – Votorantim	(262)	(1,997)	(1,406)	(1,333)	(4,998)	(7,627)
Active Position – Foreign Currency US$	219	1,668	1,175	1,113	4,175	4,595
Passive Position – CDI	481	3,665	2,581	2,446	9,173	12,222

[2] The swap agreements contracted with financial institutions have as objective the exchange protection of the interests of the Senior Notes issued. Therefore, the notional amount on 09/30/2008 represents the flow of interests initiated on 05/29/2008, while the fair value contemplates all the flows to be generated by the instrument. The contracts are formed by ten semi-annual flows.

25 Insurance coverage

The Company has a policy of contracting insurance coverage for assets subject to risks for amounts considered to be sufficient to cover eventual casualties, considering the nature of its activity.

The Company has insurance policies taken out with the main insurance companies in Brazil, which were determined in accordance with the orientation of experts, and take into consideration the nature and the level of risk involved. The main insurance coverage are those against fires (R$ 58,300), loss of earnings (R$ 9,500), torts (R$ 1,000), torts of Officers and Administrators (R$ 20,000), windstorm and smoke (R$ 1,500), and electrical damages (R$ 1,500), for amounts considered sufficient to cover any losses.
The risk assumptions, due to their nature, are out of the scope of the auditors' review information, and therefore were not reviewed by our independent auditors.

26 Related party transactions

Our By-laws require related party transactions to be performed in arms-length basis. Additionally, any transaction or transactions in aggregate with related parties in Brazilian Reais over US$ 500 thousand must be approved by the Board of Directors, by at least 75% of the members attending the Meeting.

(In thousands of Reais)

During the periods ended at September 30, 2008, 2007, the Company maintained transactions in the context of its regular business with related parties, as follows (Unaudited):

	09/30/2008		
	Expenses	**Permanent assets**	**Prepaid expenses**
Terra Molhada Participações Ltda. **(a)**	2.742	-	-
Companhia de Serviços e Participações **(b)**	3.181	94	-
RMA Construtora Ltda. **(d)**	3.851	6.256	-
Touch Tecnologia e Informática Ltda. **(e)**	559	2.645	-
Refazenda Participações Ltda. **(f)**	495	-	-
DA Produções Artísticas Ltda. **(g)**	51	-	-
Pátria Assessoria Financeira Ltda. **(h)**	620	-	-
Família Chimenti Auriemo **(i)**	104	-	-
	11.603	8.995	-

	09/30/2007		
	Expenses	**Permanent assets**	**Prepaid expenses**
Terra Molhada Participações Ltda. **(a)**	2.659	-	-
Companhia de Serviços e Participações **(b)**	4.954	134	-
Patrimônio Investimentos e Participações Ltda. **(c)**	179	-	-
RMA Construtora Ltda. **(d)**	2.040	7.085	-
Touch Tecnologia e Informática Ltda. **(e)**	494	2.202	-
Refazenda Participações Ltda. **(f)**	-	-	-
DA Produções Artísticas Ltda. **(g)**	36	-	12
Pátria Assessoria Financeira Ltda. **(h)**	383	4.071	-
Família Chimenti Auriemo **(i)**	-	-	-
	10.745	13.492	12

(a) Terra Molhada Participações Ltda.

The Company leases four real estate properties (central laboratory and headquarters of the Company in Barueri, service units at Av. Brasil 762 and Rua Cardoso de Melo,214 in São Paulo and offices at Rua Cardoso de Melo, 221 in São Paulo) from Terra Molhada Participações Ltda., controlled by Renato Magnanini Auriemo, Ricardo Magnanini Auriemo, Adriana Auriemo Miglorancia and Guilherme Magnanini Auriemo, sons and daughter of Dr. Caio Roberto Chimenti Auriemo, Chairman of the Board of Directors of the Company.

(b) Companhia de Serviços e Participações (sucessora de Parkbem Multiserviços S/C Ltda.)

Company controlled by José Auriemo Neto, nephew of Dr. Caio Auriemo, providing cleaning, security and parking services to the service units. On May 29, 2008, as per the contract amendment, part of the cleaning services were terminated and the services of reception and parking were completed terminated. On August 3, 2008, the contract maintained by the parts was completely terminated.

(c) Patrimônio Investimentos e Participações Ltda.

Company connected to Pátria - Banco de Negócios Assessoria. Gestão e Participações Ltda., manager of certain finds, indirect shareholders of Company, provides services related to financial consulting in order to assist the Company in mergers and acquisitions.

(d) RMA Construtora Ltda.

Construction company owned by Renato Magnanini Auriemo, Dr. Caio Auriemo's son, provides civil engineering services for the construction or remodeling of the service units.

(e) Touch Tecnologia e Informática Ltda.

Software development and web design company owned by Ricardo Magnanini Auriemo, Dr. Caio Auriemo's son, provides software development services.

(f) Refazenda Participações Ltda.

Company that manages its own assets and business, controlled by Dr. Caio Auriemo (and, prior to the Company's 2007 corporate restructuring, controlled by Balu 460 Participações S.A., which controlled DASA Participações S.A.,which in 2006 was the holder of general control of the Company).

The Company leases four properties (service units in Chácara Flora and Mooca in São Paulo, and Ipanema and downtown Rio de Janeiro), from Refazenda. The rental agreements with regard to the properties located in São Paulo were executed in November 2005 for a 10-year period, and the rental agreements with regard to the properties located in Rio de Janeiro were executed in April 2004 for a 5-year period.

(g) DA Produções Artísticas Ltda.

Company owned by Dulce Magnanini Auriemo, wife of Dr. Caio Auriemo, provides license to the Company for marks, names and images used rights related to infantile recreation.

(h) Pátria Assessoria Financeira Ltda. ("Pátria")

Fund management Company, indirect shareholders of the Company, connected to Patrimônio Investimentos e Participações Ltda., which provides financial consulting services for the assistance of the Company in mergers and acquisitions.

(i) Família Chimenti Auriemo.

The Company leases a property of Auriemo´s family, including 5% of the property of Dr. Caio Auriemo, located at Avenida Brigadeiro Luiz Antônio, 3717, in São Paulo city.

(In thousands of Reais)

27 Leases

Local currency lease

The Company is a lessee of data processing equipment (hardware), machinery and equipment, vehicles, furniture and utensils, and software with a purchase option, totaling a payable balance until 2013 and an outstanding amount of R$ 19,528, of which R$ 9,026 is classified under current liabilities and R$ 10,502 in the noncurrent liabilities. The average term of the agreements is 36 months and interest rates bearing from CDI rate plus 1.60 % per annum to CDI rate plus 2.21 % per annum.

The accounts payable related to leasing contracts matures as follows:

	Amount
2008	2,875
2009	8,628
2010 to 2013	8,025
	19,528

The property and the rights of these contracts are recorded in Property, Plant and Equipment assets and intangible assets, R$ 23,597 of cost and R$ 3,371 in accumulated depreciation.

(In thousands of Reais)

Foreign currency lease

The Company is a lessee of equipment used in the services rendered, in accordance with leasing agreements with purchase option. The payment term is 84 months, and the first installment must be paid six months after the date of the agreement, with the other installments payments to be paid on a quarterly and semi-annual basis. Quarterly and semi-annual installments set in U.S. Dollars are converted into Reais at the market price on the payment date, plus interest which varies from 7.20% per year to 9.00% per year, with a total payable balance through 2015 in the amount of R$ 77,745, of which R$ 17,153 is classified under the current liabilities and R$ 60,592 under noncurrent liabilities.

The accounts payable related to leasing matures as follows:

	Amount
2008	4,207
2009	16,537
2010	15,928
2011	13,730
2012	11,847
2013	9,647
2014	4,886
2015	963
	77,745

The equipment related to these contracts is recorded as property, plant and equipment, as machinery and equipment of which R$ 119,798 is cost and R$ 21,561 is accumulated depreciation.

28 Stock option plan

In Extraordinary General Meeting held on March 25, the shareholders approved the Stock Option Plan to Diagnósticos da América management’s and employees’ the effectiveness term of the plan is five (5) years as of its approval, as prior conditions announced to the shareholders. The granting date of options is in 2009. This information about the plan was announced to the market on 03/25/08 at the CVM website (www.cvm.gov.br).

29 Subsequent events

On October 20, 2008, Diagnósticos da América S.A.("DASA") has executed a binding Purchase Agreement to acquire the totality of quotas, representative of the capital stock of the corporations (ii) Digirad Diagnósticos Médicos Ltda, (iii) Clínica Radiológica Clira Ltda, (iv) Cedimax Diagnósticos Médicos Ltda, and (v) Clínica Radiológica Brafer Ltda, which integrate the Maximagem Group ("Maximagem), currently providing diagnostic services by image in the cities of São Paulo and Santo André. The conclusion of this operation is subject to the finalization of Maximagem restructuring and other operational points, which should be concluded by November 20, 2008. The amount involved in Maximagem acquisition is R$ 36,265 and will be integrally paid by DASA with resources. The definition of the terms of payment depend on the cash variation and the liabilities which can occur up to the date of the closing, at the acquisition accomplishment. Maximagem is one of the largest imaging diagnostic service providers in São Paulo. Maximagem acquisition will reinforce DASA's presence in the State of São Paulo and increases its participation in the imaging diagnostics services. The acquisition was approved at the meeting of Company Board of Directors, held on October 20, 2008. The acquisition of will also be submitted to the approval of the Administrative Council of Economic Defense (CADE).

30 Summary of principal differences between Brazilian GAAP and U.S GAAP

I - Description of GAAP differences

The unaudited consolidated interim financial information of the Company and subsidiaries is prepared in accordance with accounting practices adopted in Brazil, which comply with those prescribed by Brazilian Corporate Law and specific standards established by the Brazilian Securities Commission (CVM). Note 2 to the consolidated interim financial information summarize the accounting policies adopted by the Company. Accounting policies, which differ significantly from U.S.GAAP, are summarized below.

a. *Deferred charges*

Under accounting practices adopted in Brazil, the Company defers pre-operating costs incurred in the construction or expansion of new service units until the service units begin its operations. Deferred charges are amortized on a straight-line basis over a period of five to ten years.

Under U.S. GAAP, pre-operating costs are expensed as incurred. Consequently, the U.S. GAAP adjustment represents the reversal of (i) pre-operating costs capitalized and (ii) the related amortization recorded under accounting practices adopted in Brazil.

b. *Capitalization of interest related to construction in progress*

Under accounting practices adopted in Brazil, the Company is allowed to capitalize interest costs and other financial charges of borrowed funds as part of the cost of the related asset being constructed only if the borrowed funds are directly related to the asset under construction.

In accordance with U.S. GAAP, SFAS No. 34, "Capitalization of Interest Costs", interest incurred on borrowings is capitalized to the extent that borrowings do not exceed construction in progress. Under U.S. GAAP, the amount of interest capitalized should not include foreign exchange gains and losses on foreign currency borrowings.

c. *Accounting for derivative financial instruments*

The Company enters into cross currency swap agreements to effectively convert a portion of its U.S. dollar denominated variable-rate debt to Brazilian Reais accruing interest at the CDI rate (Inter-bank deposit rate). Under accounting practices adopted in Brazil, any differential to be paid or received under these contracts is recorded as an asset or liability with a corresponding adjustment to interest expense in the income statement. The fair value of these contracts is not recognized in the interim financial information.

Under U.S. GAAP, the Company accounts for its derivative contracts in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 133, as amended, establishes accounting and reporting standards requiring that all derivative instruments be recorded on the balance sheet as either an asset or liability and measured at fair value. SFAS No. 133 requires that changes in the derivative fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate, and assess the effectiveness of transactions that receive hedge accounting. SFAS No. 133 must be applied to (a) derivative instruments and (b) certain derivative instruments embedded in hybrid contracts.

(In thousands of Reais)

Since the Company's derivative contracts do not qualify for hedge accounting, under U.S. GAAP, changes in fair value of these contracts are recognized in earnings in the current period.

The following table provides a detail of the derivative financial instruments outstanding at the end of each period:

September 30, 2008 (unaudited)

Number of contracts outstanding	Type of derivative instruments	Book value under accounting practices adopted in Brazil	Fair value	U.S. GAAP adjustment
31	Cross-currency interest swap	(11,819)	(38,137)	(26,318)

December 31, 2007

Number of contracts outstanding	Type of derivative instruments	Book value under accounting practices adopted in Brazil	Fair value	U.S. GAAP adjustment
39	Cross-currency interest swap	(14,477)	(14,095)	382

d. Leasing transactions

Under accounting practices adopted in Brazil, leases were recorded as an expense in the income statement over the lease term on a straight-line basis. As from January 1, 2005, the Company records leasing in the same manner as it accounts for U.S. GAAP capital lease accounting. Operating leases are recorded in the income statement.

Under U.S. GAAP, pursuant to SFAS No. 13, “Accounting for Leases,” a lease will be considered an capital lease if one or more of the following four criteria are met.

- The lease automatically transfers ownership of the property to the lessee by the end of the lease.

- The lease contains a bargain purchase option.

- The lease term equals 75% or more of the estimated economic life of the property.

- The present value of the minimum lease payments at the beginning of the lease term equals or exceeds 90% of the fair market value of the property.

All other leases are classified as operating leases.

Under U.S. GAAP, capital leases are recorded as an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments and depreciated consistently with the Company's own assets. If there is no reasonable certainty that the Company will obtain ownership at the end of the lease - the asset is depreciated over the shorter of the lease term or the life of the asset.
Under U.S. GAAP, operating leases are recorded as an expense in the income statement over the lease term on a straight-line basis.

The disclosures of leasing transactions required by SFAS No. 13 are included in Note III.d).

e. Acquisitions and business combinations

Under accounting practices adopted in Brazil, assets and liabilities of acquired entities are reflected at book values. Goodwill is represented by the excess of purchase price paid over the book value of net assets and is amortized on a straight-line basis over the periods estimated to be benefited.

Under U.S. GAAP, pursuant to SFAS No. 141, "Business Combinations" the cost of an acquired entity is allocated to assets acquired, including identifiable intangible assets, and liabilities assumed based on their estimated fair values at the date of acquisition. The excess of the cost of an acquired entity over the amounts assigned to assets acquired and liabilities assumed is recognized as goodwill. SFAS No. 141 requires disclosure of the primary reasons for a business combination and the allocation of the purchase price paid to the assets acquired and liabilities assumed by major balance sheet captions. SFAS No. 141 also requires that when the amounts of goodwill and intangible assets acquired are significant to the purchase price paid, disclosure of other information about those assets is required, such as the amount of goodwill by reportable segment and the amount of the purchase price assigned to each major intangible asset class.

Acquisitions

The Company acquired the following companies in 2007:

Exame - On May 24, 2007, Diagnósticos da América S.A. acquired 6,370,374 quotas totaling 100% of the capital stock of Laboratório Exame Ltda., which provides clinical analysis services in Brasília, Distrito Federal. The acquisition price for all the quotas is of R$ 56,000, of which R$ 46,286 paid in full to the former partners in cash with company funds, R$ 2,000 will be retained in an escrow account for six years, and the balance with regard to an installment of the Exame quotas, equal to 14.29% of capital stock, was disposed of by the estate of a former Exame shareholder, and the transfer of these quotas to the Company depends on a court order. The transaction was approved at a Company Board of Directors meeting held on May 24, 2007.

CientificaLab - On June 19, 2007 the Company acquired 11 million shares representing 100% of the capital stock of CientificaLab - which provides clinical analysis services to the public health network (SUS - Sistema Único de Saúde) in São Paulo, Rio de Janeiro, and Minas Gerais. The acquisition price for the entire amount of shares was of R$ 86,373, of which R$ 83,373 were paid in full using own resources, and the remaining R$ 3,000 were withheld in an escrow account for six years. In addition, the selling shareholders will be entitled to a sum in the guise of a variable amount based on future revenues (earn-out), equal to 85% of gross revenues in excess of R$ 97,000, considering the period from July 1, 2007 to June 30, 2008. Between 2008 and 2012 the program will make annual payments equivalent to 10% of the additional revenues calculated over the previous year. As security for payment of the 2nd to the 8th installments payments for o the acquisition price, the Company deposited R$ 30,000 in a deposit account at Banco Alfa S.A. CientíficaLab was founded in 2001 in Barueri, São Paulo, and is the leading private held provider to the public health sector. Since 2003 CientíficaLab gathers and processes clinical analyses specimens for hospitals and health centers in the SUS system in São Paulo, Minas Gerais and, more recently, in Rio de Janeiro. The transaction was approved at a Company Board of Directors meeting held on July 19, 2007.

Med Imagem - On August 29, 2007 the Company acquired 1,109,203 quotas totaling 100% of the equity capital of Med Imagem Ultra-Sonografia e Radiologia Ltda. ("Med Imagem"), a company which provides image services to the local governments of Niterói (RJ), São Gonçalo (RJ), and Rio de Janeiro (RJ). The acquisition price for the entire amount of quotas was of R$ 44,731, of which R$ 30,258 were paid in full and in cash with the company's own funds, R$ 4,473 will be paid in August 2008, and R$ 10,000 were withheld in an escrow account for six years. Med Imagem is the largest image company in Niterói (RJ), founded in 1992 and with eight units, of which six in Niterói, one in São Gonçalo, and one in Copacabana (RJ). The transaction was approved at a Company Board of Directors meeting held on August 29, 2007. The results of Med Imagem have been included in the consolidated financial statements since September 2007.

(In thousands of Reais)

The intangible assets recorded by the Company are as follows:

		Amount assigned		
Description	**Period of amortization**	**Exame**	**CientificaLab**	**Med Imagem**
Brand	360 months	19,563	30,427	22,055
Government contracts	6 to 60 months	-	46,531	-
Non compete agreement	120 months	-	2,711	-
		19,563	79,669	22,055

The total amount of goodwill recorded was assigned to the Company as there are no reporting segments or reporting units. The goodwill generated under accounting practices adopted in Brazil is normally deductible for tax purposes, upon incorporation of the acquired entities.

f. Cash and cash equivalents

Under accounting practices adopted in Brazil, highly liquid investments with original maturities of three months or less are recorded as short-term marketable investments. Under U.S. GAAP, these investments are recorded together with cash and banks under the caption “Cash and banks”. At September 30, 2008 and December 31, 2007, the consolidated balance of cash and cash equivalents under U.S. GAAP is R$ 43,589 and R$ 26,196, respectively.

g. Operating income

Non-operating losses in the amount of R$ 1,236 and R$ 1,484 presented for the nine month periods ended September 30, 2008 and 2007 under accounting practices adopted in Brazil, relate mainly to losses on disposal of property plant and equipment which should be classified within operating income for U.S. GAAP purposes.

h. *Financial income (expense)*

Under accounting practices adopted in Brazil, financial income and expense, including foreign exchange and monetary variations, are required to be shown as part of operating income. Under U.S. GAAP, such financial income and financial expense should be shown after operating income.

i. *Earnings per share*

Under accounting practices adopted in Brazil, the Company determines earnings per share based upon the number of shares outstanding at the end of each year that earnings are reported. Subsequent changes in the Company's share capital are not retroactively reflected in the disclosure of number of shares outstanding and in the calculation of earnings per share under accounting practices adopted in Brazil.

Under U.S. GAAP in accordance with SFAS No. 128, earnings per share are determined based upon the weighted average number of shares outstanding during the period, giving retroactive effect to stock dividends and stock splits. The calculation of earnings per share under U.S. GAAP is shown in Note III.h).

j. *Deferred income taxes*

Under accounting practices adopted in Brazil, deferred tax assets must be recorded when certain criteria defined by the CVM are met and to the extent that realization is probable (a valuation allowance is not recorded), while deferred tax liabilities must be recorded in full. Recognition of deferred tax assets from tax losses carry-forwarded is based on future taxable earnings brought to their present value. Realization estimate period cannot exceed ten years.

Under U.S. GAAP, deferred taxes are recorded on all temporary differences, except for differences arising from re-measurement of non-monetary assets and liabilities from Brazilian Reais into US dollar at historical exchange rates. Valuation allowances are established when it is more likely than not that deferred tax assets will not be realized. Deferred tax assets and liabilities are classified as current or long-term based on the classification of the asset or liability underlying the temporary difference. Deferred income tax assets and liabilities in the same tax jurisdiction are netted rather than presented gross. Discounting is not permitted.

Deferred tax assets arising from tax losses carried-forward of an acquired entity are recognized directly in the statement of operations in the period when all conditions for recognition are met. Pursuant to US GAAP, these assets must be assessed at the date of acquisition and, if recorded, affect the value assigned to goodwill.

k. Recently issued accounting pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement No. 157, Fair Value Measurements ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The Statement applies under other accounting pronouncements that require or permit fair value measurements. Accordingly, this Statement does not require any new fair value measurements. In February 2008, the FASB released FASB Staff Position ("FSP") FAS 157-2 - Effective Date of FASB Statement No. 157, which defers the effective date of SFAS 157 to fiscal years beginning after November 15, 2008 for all nonfinancial assets and liabilities, except those items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The effective date of the statement related to those items not covered by the deferral (all financial assets and liabilities or nonfinancial assets and liabilities recorded at fair value on a recurring basis) is for fiscal years beginning after November 15, 2007. The adoption of this statement did not have and is not anticipated to have a material impact on the Company's results of operations or financial position. See Note III.l.

In February 2007, the FASB issued SFAS no. 159, "The Fair Value Option for Financial Assets and Financial Liabilities". SFAS 159 includes an amendment of FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities". The Statement permits companies to choose to measure many financial instruments and certain other items at fair value in order to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. SFAS No. 159 is effective for the Company's fiscal year ending January 31, 2009. The Company is currently assessing the impact of this statement on its consolidated financial statements.

In December 2007, the FASB issued SFAS 141 (revised 2007), "Business Combination", which replaces SFAS 141, Business Combinations. SFAS 141(R) retains the fundamental requirements in SFAS 141 that the acquisition method of accounting (which SFAS 141 called the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. SFAS 141(R) defines the acquirer as the entity that obtains control of one or more businesses in the business combination and establishes the acquisition date as the date that the acquirer achieves control. SFAS 141(R) did not define the acquirer, although it included guidance on identifying the acquirer. SFAS 141(R)'s scope is broader than that of SFAS 141, which applied only to business combinations in which control was obtained by transferring consideration. The result of applying SFAS 141's guidance on recognizing and measuring assets and liabilities in a step acquisition was to measure them at a blend of historical costs and fair values. In addition, SFAS 141(R) requires to measure the noncontrolling interest in the acquirer at fair value which results in recognizing the goodwill attributable to the noncontrolling interest in addition to that attributable to the acquirer. SFAS 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. An entity may not apply it before that date. The Company will apply such pronouncement on a prospective basis for each new business combination.

In December 2007, the FASB issued SFAS 160, Noncontrolling Interest in Consolidated Financial Statements - amendment of Accounting Research Bulletin No. 51, which clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. SFAS 160 shall be applied prospectively as of the beginning of the fiscal year in which this Statement is initially applied, except for the presentation and disclosure requirements.

The presentation and disclosure requirements shall be applied retrospectively for all periods presented. The Company is currently evaluating the impact of such new pronouncement in its consolidated financial statements but believes that it will not generate a material impact on the Company's consolidated results of operations or financial position.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities— an amendment of FASB Statement No. 133* (“SFAS No. 161”). SFAS No. 161 requires enhanced disclosures about an entity’s derivative and hedging activities, and is effective for financial statements issued for fiscal years beginning after November 15, 2008, with early application encouraged. The Company will adopt SFAS No. 161 in the first quarter of 2009. Since SFAS No. 161 requires only additional disclosures concerning derivatives and hedging activities, adoption of SFAS No. 161 is not expected to affect the Company’s financial condition, results of operations or cash flows.

In April 2008, the FASB issued FASB Staff Position (FSP) FAS 142-3, Determination of the Useful Life of Intangible Assets. FSP FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142, Goodwill and Other Intangible Assets. The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS No. 141 (Revised 2007), Business Combinations. FSP FAS 142-3 is effective for fiscal years beginning after December 15, 2008 and early adoption is prohibited. The Company will evaluate the impact the provisions of FSP FAS 142-3 and will adopt this standard on January 1, 2009.

l. *Classification of cash flow items*

Under Brazilian GAAP, in addition to the issues noted above, the classifications of certain line items between cash flows activities are presented differently from U.S. GAAP. The reclassifications are summarized as follows:

(i) Under Brazilian GAAP, cash and cash equivalents consist principally of highly liquid cash deposits and marketable securities, with no requirement that there is insignificant potential changes in value because of interest rate change nor is there a maximum 90 days original period to maturity. Under US GAAP Company’s marketable securities have original maturities lower than 90 days, so these securities are not subject to potential risk of change in value due to changes in interest rates. Therefore, under US GAAP such securities are classified as cash and cash equivalents. For more details see note (f);

(In thousands of Reais)

(ii) Under Brazilian GAAP, restricted cash are recorded under operating activities. Under U.S. GAAP those items are recorded as investing activities;

(iii) Under Brazilian GAAP, additions to deferred charges are recorded under investing activites. Under U.S. GAAP such costs are recorded under operating activites;

(iv) Under Braszilian GAAP, interest paid are recorded under financing activities. Under US GAAP such payments are recorded under operating activities.

II - Reconciliation of the differences between US GAAP and accounting practices adopted in Brazil

		Three months ended on	
Description	**Note I**	**09/30/2008 Unaudited**	**09/30/2007 Unaudited**
Net income as reported under accounting practices adopted in Brazil		(15,349)	7,808
Deferred charges	a)	(2,383)	(4,428)
Capitalization of interest:	b)		
Cost		119	822
Amortization expenses		(431)	(362)
Fair value adjustments relating to accounting for derivative instruments	c)	36,524	840
Deferred tax effects on adjustments above	j)	(11,501)	1,064
Business combinations:	e)		
Reversal of amortization of goodwill under BR GAAP		17,965	14,965
Tax benefit applied as a reduction of goodwill		(76)	(113)
Deferred income taxes on goodwill basis difference	j)	(588)	(598)
Amortization of intangible assets recognized under U.S. GAAP		(4,716)	(1,793)
Deferred income tax effect on intangible assets	j)	1,601	610
Net income under U.S. GAAP		21,165	18,815
Comprehensive income		21,165	18,815
Basic and diluted earnings per common share under U.S. GAAP (*)		0.37	0.33

(*) The calculation of earnings per share is summarized in Note III.h).

(In thousands of Reais)

Description	Note I	Nine months ended on 09/30/2008 Unaudited	Nine months ended on 09/30/2007 Unaudited
Net income as reported under accounting practices adopted in Brazil		3,418	65,285
Deferred charges	a)	(59)	(11,038)
Capitalization of interest:	b)		
Cost		1,209	1,695
Amortization expenses		(1,264)	(1,072)
Fair value adjustments relating to accounting for derivative instruments	c)	(26,700)	43
Deferred tax effects on adjustments above	j)	9,117	3,527
Reversal of deferred tax previously recognized under U.S. GAAP	j)	-	(30,131)
Business combinations:	e)		
Reversal of amortization of goodwill under BR GAAP		53,942	35,355
Tax benefit applied as a reduction of goodwill		(241)	(340)
Deferred income taxes on goodwill basis difference	j)	(1,733)	(1,795)
Amortization of intangible assets recognized under U.S. GAAP		(14,148)	(4,115)
Deferred income tax effect on intangible assets	j)	4,810	1,399
Net income under U.S. GAAP		28,351	58,813
Comprehensive income		28,351	58,813
Basic and diluted earnings per common share under U.S. GAAP (*)		0.49	1.02

(*) The calculation of earnings per share is summarized in Note III.h).

(In thousands of Reais)

Description	Note I	Unaudited 09/30/2008	12/31/2007
Shareholders' equity as reported under accounting practices adopted in Brazil		515,797	512,380
Deferred charges	a)	(35,574)	(35,515)
Capitalization of interest:	b)		
Cost		10,901	9,692
Accumulated amortization		(5,216)	(3,952)
Fair value adjustments relating to accounting for derivative instruments	c)	(26,318)	382
Deferred tax effects on adjustments above	j)	19,111	9,994
Business combinations:	e)		
Goodwill difference		(164,484)	(164,484)
Accumulated amortization of goodwill under U.S. GAAP		(3,217)	(3,217)
Accumulated amortization of goodwill under BR GAAP		254,203	200,261
Tax benefit applied as a reduction of goodwill		(19,684)	(19,443)
Deferred income taxes on goodwill basis difference	j)	(27,148)	(25,415)
Intangible assets recognized under U.S. GAAP		238,768	238,768
Accumulated amortization of intangible assets recognized under U.S.GAAP		(45,901)	(31,753)
Deferred income tax effect on intangible assets	j)	(65,573)	(70,384)
Shareholders' equity under U.S. GAAP		645,665	617,314

III - Additional disclosures required by U.S. GAAP

a. Marketable investments

The Company classifies its marketable investments as trading investments, as the investments are bought and held principally for the purpose of selling them in the near term. These investments are recorded at fair value. Unrealized holding gains and losses are included in earnings.

b. Capitalized interest

The Company's policy is to capitalize interest cost incurred on debt during the construction of major projects exceeding one year. A reconciliation of total interest cost to "Interest Expense" as reported on our unaudited consolidated statements of income for September 30, 2008 and 2007, is as follows:

(In thousands of Reais)

	Three months ended on		Nine months ended on	
	09/30/08 **Unaudited**	**09/30/07** **Unaudited**	**09/30/08** **Unaudited**	**09/30/07** **Unaudited**
Interest cost capitalized	119	822	1,209	1,695
Interest cost charged to income	48,952	17,348	85,589	46,980
Total interest expense	49,071	18,170	86,798	48,675

c. *Long-lived assets*

In accordance with FASB Statement No. 144 (Statement 144), Accounting for the Impairment or Disposal of Long-Lived Assets, long-lived assets, such as property, plant, and equipment, and purchased intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

d. *Leasing transactions*

Capital leases

The Company entered into certain capital lease transaction as a form to finance its acquisition of property, plant and equipment.

The Company has capital leasing arrangements for machines and equipment, data processing equipment (hardware) and vehicles, based on 95 local currency leasing and 35 foreign leasing contracts in force as of September 30, 2008.

(In thousands of Reais)

The following table summarizes the assets recorded under capital leases:

	Depreciation rate - % p.a.	09/30/08 (Unaudited) Cost	Depreciation	Net
Machinery and equipment	10	131,430	23,008	108,422
Furniture and fixtures	10	912	63	849
Hardware	20	7,916	1,394	6,522
Vehicles	20	2,765	434	2,331
Software	20	372	33	339
		143,395	24,932	118,463

	Depreciation rate - % p.a.	12/31/07 Cost	Depreciation	Net
Machinery and equipment	10	111,179	14,732	96,447
Furniture and fixtures	10	509	7	502
Hardware	20	912	152	760
Vehicles	20	5,978	620	5,358
		118,578	15,511	103,067

Future minimum lease payments under non cancelable operating leases (with initial or remaining lease terms in excess of one year) and future minimum capital lease payments of are:

Period ending	Capital leases	Operating Leases
2008	7,082	1,353
2009	25,165	5,082
2010	21,562	4,534
2011	15,434	5,909
2012	12,324	7,903
Later periods	15,706	12,389
Total minimum payments	97,273	37,170

(In thousands of Reais)

Minimum rent payments under operating leases are recognized on a straight-line basis over the term of the lease including any periods of free rent. Rental expenses for operating leases for nine months ended September 30, 2008 and 2007 including contingent rentals, amount to R$ 20,953 and R$ 29,269, respectively.

e. *Segment information*

The Company has concluded that it operates in one segment and accordingly has provided only the required enterprise-wide disclosures. The Company operates in Brazil and derives its revenue from health assistance services rendered.

f. *Revenue recognition*

The Company recognizes revenue when the services are provided to its customers, collection of relevant receivables is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable.

g. *Changes in number of shares*

The following table presents changes in number of shares issued and outstanding at each period ended:

Amount of the period	**Common**
Shares at December 31, 2006 through September 30, 2008	57,402,935

h. *Earnings per share*

The following table provides a reconciliation of the numerators and denominators used in computing earnings per share as required by SFAS No. 128. Basic earnings per share are equal to diluted earnings per share for all periods presented since the Company did not have any potentially dilutive securities.

	Three months ended on		**Nine months ended on**	
Description	**09/30/08**	**09/30/07**	**09/30/08**	**09/30/07**
Net income under U.S. GAAP	21,165	18,815	28,351	58,813
Weighted average shares outstanding - Basic and diluted	57,402,935	57,402,935	57,402,935	57,402,935
Basic and diluted earnings per share - R$	0.37	0.33	0.49	1.02

(In thousands of Reais)

i. Impairment of goodwill

Under U.S. GAAP, goodwill is not amortized and is tested for impairment annually or more frequently if events or changes in circumstances indicate that the goodwill might be impaired. Such impairment test is performed utilizing a two-step method. The first step compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step is performed to measure the amount of impairment loss, if any. The second step compares the implied fair value of reporting unit goodwill with the carrying amount of that goodwill. If the implied fair value of reporting unit goodwill is lower than the carrying amount of such goodwill, an impairment loss is recognized.

The Company has recorded the following amounts of goodwill under the U.S. GAAP financial statements:

Goodwill description	**Unaudited 09/30/08**	**12/31/07**
Lavoisier acquisition	20,846	20,846
Broenstein acquisition	22,499	22,499
Lamina acquisition	1,208	1,208
Santa Casa acquisition	619	631
CRL acquisition	9,438	9,480
Elkis acquisition	20,447	20,545
Pasteur acquisition	6,308	6,398
Frischmann acquisition	28,861	28,861
Image acquisition	29,271	29,271
Álvaro acquisition	14,890	14,890
LabPasteur acquisition	7,961	7,961
MedLabor acquisition	4,213	4,213
Vita acquisition	2,382	2,382
Atalaia acquisition	23,525	23,525
Exame acquisition	35,579	35,579
CientificaLab acquisition	33,183	33,183
MedImagem acquisition	26,401	26,401
	287,631	287,873

(In thousands of Reais)

Since the Company has no reportable segments or reporting units, the aggregate amount of goodwill was tested at the Company level under U.S. GAAP. No impairment loss was recognized during all periods presented.
The Company estimates the entire goodwill balance relating to these acquisitions will be deductible for tax purposes.

The carrying amount of goodwill by company for the nine month period ended September 30, 2008 and for the year ended December 31, 2007 are as follows:

Movement of the period	**Goodwill**
Balance as of December 31, 2007	287,873
Tax benefit applied to reduce goodwill	(242)
Balance as of September 30, 2008	287,631

j. *Intangible assets subject to amortization*

The Company's intangible assets subject to amortization, under U.S. GAAP, are mainly comprised of brands, government contracts and non-compete agreements acquired through business combinations.

	09/30/08 (Unaudited)			
	Brands	**Government contracts**	**Non-compete agreements**	**Total**
Gross	178,989	49,242	10,537	238,768
Accumulated amortization	(22,645)	(15,627)	(7,630)	(45,902)
Net	156,344	33,615	2,907	192,866
Weighted- average amortization period (years)	22.2	2.6	3.6	-

	12/31/07			
	Brands	**Government contracts**	**Non-compete agreements**	**Total**
Gross	178,989	49,242	10,537	238,768
Accumulated amortization	(18,230)	(6,507)	(7,017)	(31,754)
Net	160,759	42,735	3,520	207,014
Weighted- average amortization period (years)	22.8	3.3	4.3	-

(In thousands of Reais)

Under U.S. GAAP the aggregate amortization expense for the above intangible assets amounted to R$ 14,148 and R$ 3,998 for the nine month period ended September 30, 2008 and 2007, respectively.

No significant residual value is estimated for these intangible assets. The following table represents the total estimated amortization of intangible assets for the next five succeeding year:

	Estimated amortization expenses
2008	4,716
2009	18,863
2010	18,906
2011	10,938
2012	6,466
Thereafter	132,978
Total	192,867

k. Income tax

On January 1, 2007, the Company adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - An Interpretation of FASB Statement No. 109", (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, "Accounting for Income Taxes". FIN 48 also prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return that results in a tax benefit. Additionally, FIN 48 provides guidance on de-recognition, statement of operations classification of interest and penalties, accounting in interim periods, disclosure, and transition. The implementation of FIN 48 had no significant impact in the unaudited consolidated interim financial information.

The Company recognizes interest and penalties related to uncertain tax positions in interest expense.

The Company is subject to Brazilian income tax and social contribution. The calendar years 2003 through 2007 remain open to examination. As of September 30, 2008, the Company does not expect any material changes to unrecognized tax positions within the next twelve months.

The following table summarizes the activity related to our gross unrecognized tax benefits from January 1, 2008 to September 30, 2008:

Balance as of January 1, 2008	11,544
Decreases due to settlements	(4,617)
Increases related to prior year tax position	952
Balance as of September 30, 2008	7,879

All unrecognized tax benefits, if recognized, would affect the effective tax rate.

Interest expense recognized in the statement of income related to liabilities for unrecognized tax benefits for the year ended September 30, 2008 was 677.

l. *Fair value measurements*

At September 30, 2008, the Company had certain financial liabilities that were required to be measured and reported at fair value on a recurring basis. These liabilities are listed in the table below and classified based on how their values were determined under the fair value hierarchy:

(in thousands of Reais)	**Level 1**	**Level 2**	**Level 3**	**Total**
Liabilities:				
Interest rate swaps		26,318		26,318
Total liabilities		26,318		26,318

Interest rate swaps

The fair values of interest rate swap contracts are determined based on dealer quotes using a discounted cash flow model matched to the contractual terms of each instrument. Since inputs to the model are observable and significant judgment is not required in determining the fair values, interest rate swaps are classified within Level 2 of the fair value hierarchy.

m. Concentration of credit risk

Financial instruments which potentially subject the Company to credit risk are cash and cash equivalents and marketable investments. Based on the factors described below, the Company considers the risk of counterparty default to be minimal.

The Company manages its credit risk with respect to cash equivalents and marketable investments by investing only in liquid instruments with highly-rated financial institutions. In addition, investments are diversified in several financial institutions, and credit limits are established for each individual institution. Additionally, the Company has entered into swaps contracts, managing its exchange rate risk.

The Company has a concentration of revenues and credit risk exceeding 10% of total revenues and accounts receivable, respectively, for Sul America Serviços Médicos and Bradesco Seguros.

n. Aggregate foreign currency transaction losses (gains)

Total aggregate foreign currency transaction losses (gains) included in financial expense, net amounted to R$ 17,528 and R$ (6,977) for the nine month periods ended September 30, 2008 and 2007, respectively.

IV - Supplemental information

The following information is presented as supplemental information to the reconciliation of the differences between U.S. GAAP and accounting practices adopted in Brazil in shareholders' equity and net income (loss) presented in Note 29.

(In thousands of Reais)

a. Consolidated balance sheets as of September 30, 2008 and December 31, 2007 under U.S. GAAP

Assets	**09/30/08**	**12/31/07**	**Liabilities**	**09/30/08**	**12/31/07**
Current assets			Current liabilities		
Cash and cash equivalents	43,589	26,196	Suppliers	46,973	52,790
Marketable securities	462,714	20,173	Loans and financing	196,160	103,479
Trade accounts receivable	262,538	205,275	Taxes and contributions payable	36,169	16,485
Inventories	30,299	33,475	Salaries, social security		
Taxes recoverable	57,088	28,522	charges and vacation payable	55,611	31,373
Deferred income taxes	12,273	13,279	Installments taxes	6,195	6,778
Other accounts receivable	9,902	11,132	Accounts payable from		
Fair value of derivatives	-	382	acquisition of subsidiaries	1,316	9,688
Prepaid expenses	4,647	1,680	Fair value of derivatives	26,318	-
			Other accounts payable	25,211	34,554
	883,050	340,114		393,953	255,147
Noncurrent assets			Long-term liabilities		
Restricted cash	85,838	80,720			
Deposits in court	3,244	7,243	Loans and financing	736,414	303,111
Other accounts receivable	19,216	2,201	Installment taxes	16,712	15,083
Investments	215	117	Accounts payable from		
Goodwill	287,631	287,873	acquisition of subsidiaries	51,933	49,089
Intangible assets, net	192,867	207,014	Provision for contingencies	90,744	81,417
Property, plant and equipment	475,764	437,806	Deferred income taxes	10,826	41,239
	1,064,775	1,022,974		906,629	489,939
			Minority interest	1,578	688
			Shareholders' equity		
			Capital	377,206	377,206
			Capital reserves	68,369	68,369
			Retained earnings	200,090	171,739
				645,665	617,314
Total	1,947,825	1,363,088	Total	1,947,825	1,363,088

(In thousands of Reais)

b. Unaudited consolidated statement of income for the periods ended September 30, 2008 and 2007 under U.S. GAAP

Description	**Three months ended on**		**Nine months ended on**	
	09/30/08	**09/30/07**	**09/30/08**	**09/30/07**
Net service revenues	306,014	234,022	840,979	626,166
Cost of services provided	(203,939)	(157,457)	(564,340)	(421,006)
Gross profit	102,075	76,565	276,639	205,160
Operating income (expense):				
Administrative and general	(60,474)	(48,318)	(152,016)	(133,895)
Amortization of intangible assets	(4,716)	(1,793)	(14,148)	(4,115)
Other, net	154	709	4,681	3,044
Subtotal	(65,036)	(49,402)	(161,483)	(134,966)
Operating income	37,039	27,163	115,156	70,194
Financial expenses, net	(6,265)	(6,384)	(89,526)	(11,295)
Income before taxes	30,774	20,779	25,630	58,899
Income tax and social contribution:				
Current	-	-	(29,819)	(15,155)
Deferred	(9,301)	(1,946)	33,430	15,314
Income before minority interest	21,473	18,833	29,241	59,058
Minority interest	(308)	(18)	(890)	(245)
Net income	21,165	18,815	28,351	58,813
Earnings per share	0.37	0.33	0.49	1.02