

Diagnósticos da América S.A.

**Unaudited Consolidated Quarterly
Financial Information for the
three-month period ended
March 31, 2009 and 2008**

(With Independent Auditors' Report on Special Review)

Diagnósticos da América S.A.

Unaudited Consolidated Quarterly Financial Information

Three-month period ended March 31, 2009 and 2008

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Management Report

Dear Shareholder,

In the first quarter of 2009, DASA continued showing its outstanding capacity of growth, organically and by acquisitions. Although we were inserted in an international crisis scenario, which has greatly reduced the expectation of growth in Brazil, DASA has reached R\$ 353.4 million in gross revenue, representing an increase of 26.2% over the same period in 2008.

This result is mainly due to a strong increase in the outpatient & inpatient segments (+27.2%) compared to 1Q08 and 10.6% to the last quarter. This segment represents 80.2% of our total revenue and continues showing excellent results, as a consequence of our continuous strategy of organic expansion and acquisitions. The lab-to-lab segment is also a highlight in the 1Q09, increasing 40.7% compared to 1Q08, having reached R\$ 31.2 million. The public sector has contributed with 11.0% of DASA's total revenue, with R\$ 38.8 million in this quarter, a 10.9% growth compared to 1Q08.

The growth reflected the success of the implementation of the expansion strategy for each segment: (i) In the outpatient and inpatient sector we have opened 3 new PSCs (1 Mega and 2 Standard), introduced new imaging services and acquired important brands in strategic markets (Unimagem); (ii) In the lab-to-lab segment we have enhanced the penetration in new regions and enlarge the services for the client laboratories; and (iii) In the public segment we have widened the services for States and Cities of the current base.

In this quarter, the cash gross profit totaled R\$ 122.9 million, an increase of 25.5% over 1Q08, and the gross margin of the period was of 37.8%.

Operating expenses totalized to R\$46.4 million in 1Q09, a dilution of 0.8 p.p. over 1Q08, mainly due to a dilution on the subsidiaries expenses (-0.6 p.p.) and other operating revenue/expenses (-0.7p.p.).

As a result of the continuous control over costs and SG&A, the EBITDA totalized R\$ 76.5 million in 1Q09, in face of R\$ 59.3 million in the 1Q08, a margin of 23.5% and a growth of 29.1%. These values are already adjusted for the inclusion of pre-operating expenses.

To support this growth in the next years, we have invested R\$ 22.0 million in CAPEX, directed to the: (i) Construction of new PSCs; (ii) Purchasing of imaging equipment for organic expansion; (iii) Investments in IT; and (iv) Deferral of M&A expenses.

We have reached the end of 1Q09 in a very comfortable cash position of R\$ 395.4 million. The Company is capitalized and prepared to continue growing, through the acquisition of new brands as well as by the expansion of the existing brands.

Our Company is aiming to attract and maintain our talents, investing in technology enabling our talents to carry out efficient and safe process, resulting in diagnostic tests above our clients' expectations, which are the source of our financial and economic success.

Economic Conjuncture

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

In the first quarter of 2009, the intensification of the financial crisis and its impacts on the credit offer in the market and on the consumer and the entrepreneur confidence were already highly felt by the Brazilian economy. But, the Brazilian government is reacting fast and energetically towards the reestablishment of the aggregated demand in the economy, through aggressive cuts on the interest rates and other punctual actions in the sectors that were more affected.

Contrary to the expectation of the market, that was waiting for a decrease from 97.4 to 94 points in the rate that measures the consumer confidence (Jan/09), the official numbers disclosed by FGV showed an upward to 100.3 points, signaling positively towards a recovery of our economy in face of the financial crisis. The consumer confidence signalizes the disposition of the people in general to consume currently and in the future, due to the maintenance of job positions and of the income, being therefore one of the most important variables to be followed in this current conjuncture.

The industry shrank 9.4% in this quarter with the steady decrease in the three first months of the year, primarily as a result of the decrease in the production of durable goods (-25.1%). Therefore, the Brazilian industry production has returned to the levels of 1Q04, due to this record reduction of 12.4% in Dec/08.

The reduction in financing affected the industry behavior in 4Q08, emphasizing the lack of confidence of the people and the entrepreneurs. In the beginning of 2009 there was already a slight recovery, mainly due to the return from the collective vacation of a large part of car assembling factories. Nevertheless, the trend is to maintain the production in low levels early in this year, mainly due to the uncertainty about the reestablishment of the demand during 2009.

The Brazilian National Confederation of Industry (CNI) disclosed that the utilization of the installed capacity was reduced again in Dec/08 to 80.2%. It is important to have in mind that this index shows how the production could expand with or without the need of investments. The levels of this index were reaching historically high levels, but the stoppage in the production and the decrease in the industrial job positions have affected the utilization of the industry installed capacity. The Central Bank uses this important variable to evaluate the interest rates.

The Consumer Price Index Accumulated (IPCA) in 12 months was reduced from 5.90 to 5.84%, due to its elevation in Jan/09 that has reached 0.48%. In spite of the reduction in the accumulated in 12 months, the rise in the price of food has contributed with 0.17 p.p. to the elevation in the month, highlighting the important items of the popular basic food price.

The IPCA-15 had a variation of 0.63% still absorbing the variation of Jan/09, incorporating the increase in the item education, which had a variation of 4.95% in the period, emphasizing that February is the month in which the prices of the school payment are usually readjusted.

Relative to the index in the wholesale, the pressure of the agricultural prices led the General Price Indexes- Internal Availability (IGP-DI) to rise again after the downturn in Dec/08. The IGP-DI of Jan/09 rose 0.01% versus a decline of 0.44% in the previous month.

In 12 months, the price index has continued its downturn and is already below 8%. The General Price Index of the Market (IGP-M) in Feb/09 showed a variation of 0.26%, highlighting the upturn of the agricultural products (1.25%) and of the item education (1.59%).

The General Listing of Employed and Unemployed (CAGED) from the Labor and Employment Ministry has shown that 102 thousand job positions vanished in Jan/09, as a consequence of the record cut of almost 600 thousand formal jobs in Dec/08. The transformation commerce and industry were the sectors that have mostly reduced the vacancies. Different from these sectors, the construction segment, which hired more than 11 thousand vacancies in the month, has shown a highly positive result. This is the third consecutive month in which there is a formal vacancy destruction in the Brazilian economy.

The Brazilian Institute of Geography and Statistics (IBGE) disclosed the rise in the unemployment rate from 6.8% (historically the lowest rate) in Dec /08 to 8.2% in Jan/09, this rise of 1.4 p.p. is already computing the recent losses of job positions in the Brazilian economy. The dismissals are disseminated in the economy, mainly in sectors such as the durable goods industry and commerce, where the entrepreneurs are adjusting the level of production and of labor utilization to the reality of the demand for consumption and investments.

The minutes of the Monetary Policy Committee's decision, which has reduced the Selic rate target to 11.25% per year, did not show any surprise and the softening of interest rates process shall continue for the next meetings. This was the highest cut since November 2003, when the rate fell from 19% to 17.5%. This is the second time in this year that the Selic is reduced. In January, COPOM cut the rate in 1 p.p., from 13.75% to 12.75% per year.

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 72.7 years in 2008, 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.

Within a wider concept, the consumption of products and services, the healthcare market has shown outstanding numbers. The expenses of final consumption with health goods and services, according to IBGE, in 2005 were of 171.6 billion, equivalent to 8% of the GDP in that period. Maintained the same proportion, in 2008 the market surpassed R\$230 billion. During a historical series surveyed by IBGE (2000 to 2005), the main expense with final consumption of the families with healthcare – 1.8% of GDP or R\$ 52 billion in the 2008 GDP – was represented by consultations and outpatient tests.

As for the Supplementary Health market, according to the information of the magazine of supplementary health of ANS (Health National Association) published in March 2009, the market of healthcare plans showed a growth of 4.9%, in the last year. Between December 2004 and December 2008, there was a 22.3% growth in the number of beneficiaries of the healthcare plans, and for the same period, IBGE estimated a 5.9% growth in the Brazilian population. The entrance of new beneficiaries in the market and the migration from old plans to new ones, have contributed for the increase in the participation of new plans (74.1% in December 2008 versus 70.5% in December 2007).

In the last years, the increase in number of beneficiaries linked to healthcare plans has surpassed the number of the Brazilian population, increasing the percentage of Brazilian people that hold a healthcare plan from 19.7% in 2000 to 21.6% in 2008.

As for the healthcare plan assistance segmentation, it is observed the expressive majority of beneficiaries with plans with hospitalization, a characteristic that has been steady during these years. Another characteristic of the market is the predominance of collective contracts for healthcare plans. In December, 74% of beneficiaries of the healthcare assistance were linked to collective plans.

The distribution of beneficiaries, however, is still concentrated in the state capitals and in the South and Southeast regions, where the economy is more dynamic and the offer for formal employment is larger. 60.1% of the current operators are acting in the Southeast region, 16.1% in the South, 14.5 in the Northeast and 9.3% in the North and Middle West regions.

The revenue of private healthcare companies' attendance is growing alongside the last years. In 2008, the total revenue of the private healthcare plan sector was very close to R\$ 57.0 billion, thus representing a growth of 10.2% when compared to previous year. 98.1% of this total revenue derives from the medical-hospital operators, while only 1.9% stays in the account of the exclusively dental operators.

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 action, 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 going 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 easy 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 life of people 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

In the first quarter of 2009, DASA continued showing its outstanding capacity of growth, organically and by acquisitions. Although we were inserted in an international crisis scenario, which has greatly reduced the expectation of growth in Brazil, DASA has reached R\$ 353.4 million in gross revenue, representing an increase of 26.2% over the same period in 2008.

This result is mainly due to a strong increase in the outpatient & inpatient segment (+27.2%) compared to 1Q08 and 10.6% to the last quarter. This segment represents 80.2% of our total revenue and continues showing excellent results, as a consequence of our continuous strategy of organic expansion and acquisitions. The lab-to-lab segment is also a highlight in the 1Q09, increasing 40.7% compared to 1Q08, having reached R\$ 31.2 million. The public sector has contributed with 11.0% of DASA's total revenue, with R\$ 38.8 million in this quarter, a 10.9% growth compared to 1Q08.

The Same Unit Sales has increased 11.6% versus 1Q08, aligned with our expectations.

Continuing our strategy of organic expansion, during this quarter we opened 1 Mega-PSC (São Paulo - Itaim) and two Standard PSCs (Fortaleza and Rio de Janeiro). Also, in this quarter we have confirmed the acquisition of Unimagem, adding 1 standard PSC in Fortaleza. With this investment, we have reached 328 PSCs in Brazil. For this year, we have projected the opening of more 4 new PSCs until the end of 2009 (2 Mega and 2 Standard) which are already in an advanced stage of construction. The brands of the B2B segment continue presenting an excellent potential. In the lab-to-lab market, Alvaro has reached 3,233 laboratories served, at the end of 1Q09. At the public sector, Científica has processed 1.27 million requisitions in 43 clients in this quarter, consolidating their expressive growth in 2008.

The strategy of multi-region, multi-brand and multi-market resulted in a diversification of our payers' base. The strong growth in the Lab-to-lab sector had led to an increase in our payers' base, with their share increasing 0.9 p.p from 1Q08 to 1Q09. The Hospital sector has also shown a strong growth of 3.1 p.p. , which is a result from the increase in service to new inpatient PSCs, derived from the last acquisitions and organic expansion. The private segment showed a continued growing in its share (0.2 p.p.) due to the good results of Popular Laboratory. It is important to highlight that the dilution in the insurance companies is exclusively resulting from the diversification of payers, with the acquisitions.

Costs and Cash Gross Profit

The costs of services totaled R\$ 202.5 million in this quarter or 62.2% of the net revenue. This percentage represents a concentration of 0.3 p.p. when compared to the 1Q08 costs.

The B2C segment has shown a recovery of 0.6p.p. in margin year on year. This dilution is a consequence of the gain of scale in the operations of the private segment and also of the intense negotiation with material suppliers, a fact that has minimized the impact of the opening of 5 Mega PSCs and 23 Standard PSCs in the last 18 months, which are still under maturity process.

The B2B segment includes the operations in the lab-to-lab and public sectors. This segment showed a concentration of 3.8 p.p., year on year, a consequence of the increase of material costs in the lab-to-lab segment.

In the quarter, the cash gross profit totaled R\$ 122.9 million, a 25.5% growth when compared to 1Q08, and the gross margin of the period reached 37.8%.

Cash Operating Expenses

Operating expenses totaled R\$ 46.4 million in the 1Q09, representing a dilution of 0.8 p.p. over 1Q08, mainly due to a dilution in the subsidiaries' expenses (-0.6 p.p.) and other operating revenue/expenses (-0.7 p.p.).

EBITDA

In 1Q09, EBITDA totaled R\$ 76.5 million, versus R\$ 59.3 in 1Q08, with a margin of 23.5% moving up by 29.1%. These amounts are adjusted for the inclusion of the pre-operating expenses.

Net Profit

In 1Q09, the net loss totaled R\$ 33.8 million, reflecting the elimination of goodwill amortization, according to the current legislation and the mark-to-market of derivatives totaled R\$21.7 million, once that in March 2008 these contracts did not exist.

Investments

During the first quarter, the investments in CAPEX totaled R\$ 22 million. The investments were directed to the: (i) Construction of new PSCs; (ii) Purchasing of imaging equipment for organic expansion; (iii) Investments in IT; and (iv) Deferral of M&A expenses.

Indebtedness

DASA net debt totaled R\$ 572.7 million in 1Q09. Around 78.3% of DASA's total indebtedness is long term and 63.0% are denominated in foreign currency, from which 6.5% are hedged by swap, contracted to avoid expositions to exchange rate fluctuation.

Most of the debt in foreign currency refers to our International Notes, but are also related to equipment financing. The debt in local currency comes largely from debentures.

Information to Shareholders

DASA shares closed the quarter at R\$ 24.80, accumulating an increase of 9.30% in this quarter, versus 1.7% increase of the Ibovespa Index. Between January and March 2009, DASA stocks were transacted on 100% of Bovespa's trading sessions, summing up to a financial volume of R\$ 380.3 million (daily traded average of R\$ 6.2 million).

Highlights

Acquisition: Unimagem

On January 20, 2009, Diagnósticos da América S.A. (“DASA”) finalized the acquisition of Unidade Cearense de Imagem Ltda. (“Unimagem”), one of the largest companies of imaging diagnostics services in the city of Fortaleza. With this acquisition, DASA strengthens its position in the state of Ceará, where it already offers the services of clinical analysis through the brand LabPasteur, complementing its participation with the imaging diagnostics services.

Commitment Clause

The company is bound to the arbitration of the Market Arbitration Chamber, according to the commitment clause included in company Articles of Incorporation.

Relationship with independent auditors

The financial information presented herewith is based on accounting practices adopted in Brazil and they are part of the reviewed quarterly information. The non-financial information, as well other operating information, were not subject to the auditing by our independent auditors.

Independent Auditors' report on the special review

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

1. We have reviewed the consolidated Quarterly Financial Information of Diagnósticos da América S.A. and its subsidiaries for the quarter ended March 31, 2009, comprising the balance sheet and the statements of income, changes in shareholders' equity and the cash flows, as well as the management report and the notes to the financial statements, which are the responsibility of its management.
2. Our review was conducted in accordance with the specific rules established by the Brazilian Institute of Independent Auditors (IBRACON) and the Federal Accounting Council (CFC), and consisted mainly of: (a) inquiries and discussions with the management responsible for the accounting, financial and operating areas of the Company and its subsidiaries, with respect to the criteria adopted in the preparation of the Quarterly Financial Information; and (b) a review of the post-balance sheet information and events that have or could have significant effects on the financial position and operations of the Company and its subsidiaries.
3. Based on our review, we are not aware of any significant modification that should be made in the aforementioned Quarterly Financial Information for it to be in accordance with accounting practices adopted in Brazil and the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information.
4. As mentioned in Note 2, as a result of the changes in the accounting practices adopted in Brazil in 2008, the Consolidated Quarterly Financial Information for the quarter ended March 31, 2008, presented for comparison purposes, was adjusted and it is being represented as established in NPC 12 – Accounting Practices, Changes in the Accounting Estimates and Error Correction, approved by the CVM Resolution 506.

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 29 to the consolidated Quarterly Financial Information.

May 13, 2009

KPMG Auditores Independentes
CRC 2SP014428/O-6

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

Diagnósticos da América S.A.

Consolidated Balance Sheets

March 31, 2009 and December 31, 2008

(In thousand of Reais)

Assets	03/31/2009 Unaudited	12/31/2008	Liabilities and shareholders' equity	03/31/2009 Unaudited	12/31/2008
Current assets			Current liabilities		
Cash and cash equivalents	395,037	492,224	Accounts payable to suppliers	52,666	58,897
Trade accounts receivable, net	315,949	263,704	Loans and financing	143,354	114,956
Inventories	37,807	38,916	Taxes and contributions payable	11,254	18,654
Recoverable and deferred taxes	73,766	68,965	Income tax and social contribution	7,912	1,282
Derivatives	7,396	2,372	Deferred income taxes	1,446	858
Other accounts receivable	12,130	13,066	Salaries, social security charges and vacation payable	53,517	47,111
Prepaid expenses	3,768	2,232	Payment of taxes in installments	8,998	6,130
	<u>845,853</u>	<u>881,479</u>	Accounts payable from acquisition of subsidiaries	7,979	8,228
			Debentures	66,542	74,462
			Dividends payable	5	5
			Other accounts payable	<u>29,107</u>	<u>24,489</u>
				<u>382,780</u>	<u>355,072</u>
Noncurrent assets			Noncurrent liabilities		
Marketable securities	61,548	73,732	Loans and financing	670,153	690,529
Deferred taxes	82,532	74,838	Payment of taxes in installments	21,970	16,179
Prepaid expenses	56	1,346	Deferred income taxes	15,220	8,415
Judicial deposits	6,158	3,288	Provision for contingencies	102,848	98,510
Derivatives	44,148	27,428	Accounts payable from acquisition of subsidiaries	70,015	67,764
	<u>194,442</u>	<u>180,632</u>	Debentures	<u>66,462</u>	<u>135,000</u>
				<u>946,668</u>	<u>1,016,397</u>
Investments	336	216	Non-controlling interests	<u>1,899</u>	<u>1,612</u>
Property and equipment, net	471,160	473,558			
Intangible assets, net	<u>332,239</u>	<u>316,098</u>	Shareholders' equity		
	<u>803,735</u>	<u>789,872</u>	Capital	402,091	402,091
			Capital reserves	65,427	65,427
			Profit reserves	11,384	11,384
			Retained earnings	<u>33,781</u>	<u>-</u>
				<u>512,683</u>	<u>478,902</u>
	<u>1,844,030</u>	<u>1,851,983</u>		<u>1,844,030</u>	<u>1,851,983</u>

See the accompanying notes to the financial statements

Diagnósticos da América S.A.

Consolidated Statements of Income

Three-month period ended March 31, 2009 and 2008

(In thousand of Reais)

	03/31/2009	03/31/2008
	Unaudited	Unaudited
Gross revenue	<u>353,442</u>	<u>280,055</u>
Deductions from gross revenue		
Sales taxes	(21,081)	(16,889)
Discounts	<u>(6,971)</u>	<u>(6,418)</u>
	<u>(28,052)</u>	<u>(23,307)</u>
Net operating revenues	<u>325,390</u>	<u>256,748</u>
Cost of services provided	<u>(222,109)</u>	<u>(177,625)</u>
Gross profit	<u>103,281</u>	<u>79,123</u>
Other operating income (expenses)		
General and administratives	(53,537)	(43,407)
Financial expenses	(44,196)	(16,603)
Financial income	38,052	5,590
Goodwill amortization	-	(18,012)
Other net operating income (expenses)	<u>1,054</u>	<u>(1,059)</u>
	<u>(58,627)</u>	<u>(73,491)</u>
Income before income taxes	44,654	5,632
Income and social contribution expense	<u>(10,586)</u>	<u>(1,448)</u>
Net income before minority interests	34,068	4,184
Non-controlling interests	<u>(287)</u>	<u>(361)</u>
Net income for the period	<u>33,781</u>	<u>3,823</u>
Net income per share - R\$	0.59	0.07
Number of shares at the end of the period	<u>57,403</u>	<u>57,403</u>

See the accompanying notes to the financial statements

Diagnósticos da América S.A.

(Public Company)

Statement of Changes in Stockholders' Equity (Unaudited)

Three-month period ended March 31, 2009

(In thousand Reais)

	Capital	Capital Reserves	Profit reserves		Retained Earnings	Total
			Legal Reserve	Profit Retention		
Balance at December 31,2008	402,091	65,427	2,942	8,442	-	478,902
Net Income	-	-	-	-	33,781	33,781
Balance at March 31,2009	<u>402,091</u>	<u>65,427</u>	<u>2,942</u>	<u>8,442</u>	<u>33,781</u>	<u>512,683</u>

See the accompanying notes to the financial statements

Diagnósticos da América S.A.

(Public Company)

Consolidated Statement of Cash Flows - Indirect Method

Three-month period ended March 31, 2009 and 2008

(In Thousand Reais)

	03/31/2009	03/31/2008
	Unaudited	Unaudited
Cash flows of operating activities		
Net income for the period	33,781	3,823
Adjustments to		
Depreciation and amortization	25,737	20,635
Amortization of goodwill	-	18,012
Additions to provisions for contingencies	2,777	2,045
Deferred taxes	187	(7,954)
Interest and monetary variation on loans	(2,953)	9,298
Written-off of P&E	548	2,081
Non-controlling interests	287	361
Changes in Assets and Liabilities		
Increase in accounts receivable	(52,150)	(16,403)
Decrease in inventories	1,198	1,767
Increase in other current assets	(5,620)	(7,957)
Decrease (increase) other non-current assets	9,887	(1,955)
Decrease in suppliers	(6,521)	(11,369)
Increase in accounts payable and provisions	22,376	22,259
Interest paid on loans	(20,956)	(14,230)
Cash provided by operating activities	<u>8,578</u>	<u>20,413</u>
Cash flows from investing activities		
Purchases of property and equipment	(14,859)	(35,578)
Intangible assets	(7,111)	(3,191)
Additions in investments	(31)	(2)
Acquisition of Unimagem, net of cash	(15,425)	-
Net cash used in investment activities	<u>(37,426)</u>	<u>(38,771)</u>
Cash flows from financing activities		
Proceeds from loans	52,229	76,440
Payment of loans	(120,568)	(55,552)
Cash (used in) provided from financing activities	<u>(68,339)</u>	<u>20,888</u>
Increase (decrease) in cash and cash equivalent	<u>(97,187)</u>	<u>2,530</u>
Statement of increase (decrease) in cash and cash equivalent		
At the beginning of the period	492,224	46,369
At the end of the period	<u>395,037</u>	<u>48,899</u>
See the accompanying notes to the financial statements	<u>(97,187)</u>	<u>2,530</u>

Diagnósticos da América S.A.

Notes to the Unaudited Consolidated Quarterly Financial Information

Three-month periods ended March 31, 2009 and 2008

(In thousands of Reais)

1 Operations

The Company is a publicly-held corporation with its registration granted by the Brazilian Securities and Exchange Commission (CVM) on November 5, 2004, and has been listed on the Bovespa Novo Mercado Segment since November 19, 2004.

The Company's corporate purpose is to render services directly to individuals or through covenant companies, insurance companies, entities of medical-hospital assistance entities, other entities for healthcare financing, in the following areas : (i) clinical analysis, directly or through contracted laboratories; and (ii) other auxiliary services of diagnostic support (SAD), exclusively through specialized clinics, as, for instance, in the following areas : a) cytology and pathologic anatomy; b) diagnostic by imaging and graphic methods; and c) nuclear medicine. In addition, it explores activities related to: (i) tests in food and substances to evaluate risks for the human being; (ii) importation, for its own use, of medical-hospital equipment, sets for diagnostics and related material in general; (iii) elaboration, editing, publishing and distribution of newspapers, books, magazines, periodicals and other written media designated for scientific publication or other activities within the segment of the Company activities; (iv) granting and administration of business franchising including advertising and publishing fund, training and selection of labor, supplying of equipment and research material suppliers, among others. The acquisition of Laboratório Alvaro Ltda. in December, 2005 enabled the Company to enter the lab-to-lab business (support laboratories), and the acquisition of CientíficaLab Produtos Laboratoriais e Sistemas Ltda. in July, 2007 enabled the Company to begin offering services in the public health sector. The Company also invests in other entities.

As of March 31, 2009, the Company has 328 operational units (*) :

Diagnósticos da América S.A.

Notes to the Unaudited Consolidated Quarterly Financial Information

(In thousands of Reais)

Brands	Locality	03/31/2009	12/31/2008	03/31/2008
Delboni Auriemo	São Paulo	39	38	36
Lavoisier	São Paulo	61	61	64
Bronstein	Rio de Janeiro	46	45	44
Lâmina	Rio de Janeiro	17	17	17
Santa Casa	Paraná	8	8	8
Pasteur	Brasília	26	26	23
Frischmann	Paraná	29	29	28
Image	Bahia	2	2	2
Laboratório Alvaro	Paraná	17	17	15
LabPasteur	Ceará	19	18	18
MedLabor	Brasília, Tocantins e Goiás	3	3	2
Vita-Lâmina	Santa Catarina	2	2	1
Atalaia	Goiás	16	16	14
Exame	Brasília	19	19	17
MedImagem	Rio de Janeiro	8	8	8
Hospital Mãe de Deus	Porto Alegre	1	1	-
Maximagem	São Paulo	7	7	-
Cedic/Cedilab	Mato Grosso	7	7	-
Unimagem	Ceará	<u>1</u>	<u>-</u>	<u>-</u>
		<u>328</u>	<u>324</u>	<u>297</u>

On March 31, 2009, the Club DA brand had 23 units, with 19 units linked to the Delboni Auriemo brand and 4 units linked to Lâmina brand (*).

CientíficaLab operates in the public healthcare segment, and its major source of revenue is the contracts entered into with clients 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-held service provider in the public healthcare sector, served 36 clients when it was acquired and now has 43 clients (*).

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

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

(*) Non-financial data has not been subject to review of independent auditors and thus is not part of the auditors' review of the quarterly information.

2 Presentation of unaudited quarterly financial information

The quarterly information authorized in the meeting held by the Board of Directors on May 13th, 2009 is presented in thousands of Reais, except as otherwise stated and was prepared in accordance with accounting practices adopted in Brazil which are derived from Brazilian Corporate Law, Pronouncements, Guidelines and interpretation of the Accounting Pronouncements Committee (CPC) and the rules of the Brazilian Security Commission (CVM). These practices are consistent with the ones adopted in the financial statements of December 31st, 2008, published on March 13th, 2009.

The company adopted the Corporate Law amendments, introduced by Law n° 11.638, enacted on December 28, 2007 and the amendments introduced by the Provisional Measure n° 449, dated December 3, 2008, with date of transition on January 1st, 2008.

For disclosure purposes of the comparative quarterly information, the Company followed the guidance set forth in the Deliberation CVM n° 506, dated June 19th, 2006, considering the retrospective effects of the amendments to the Law n° 11.638/07 and the Provisional Measure 449/08. The impacts on the restated net income for the three month period ended March 31, 2008 are as follows:

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Notes to the Unaudited Consolidated Quarterly Financial Information

(In thousands of Reais)

	03/31/2008
Quarterly net income with the effects of Law 11.638/07 and Provisional Measure 449/08	<u>3,823</u>
Adjustments of the effects resulting from the initial adoption of Law nº 11.638/07 and Provisional Measure nº 449/08:	
Financial instruments measured at the fair value through profit and loss	(53)
Deferred taxes on financial instruments measured at the fair value through profit and loss	18
Pre-operating income	6,766
Deferred taxes on pre-operating expenses	(2,301)
Reclassification of non-operating results to other operating income	1,756
Other operating income - Reclassification from non-operating expense	<u>(1,756)</u>
Quarterly net income without the effects of the Law nº 11.638/07 and Provisional Measure 449/08	<u>8,253</u>

3 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 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 to the process of their determination. The Company reviews the estimates and assumptions on at least on a quarterly basis.

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Notes to the Unaudited Consolidated Quarterly Financial Information

(In thousands of Reais)

c. Non-derivative financial instruments

Non-derivative financial instruments include cash and cash equivalents, marketable securities, account receivables and other receivables, loans and financing, as well as payables and other debts.

Non-derivative financial instruments are recognized initially at fair value added by, for instruments that are not recognized at fair value through profit and loss, any transaction cost directly attributed. After the initial recognition, the non-derivative financial instruments are measured as follows:

Financial instruments at fair value through profit and loss

An instrument is classified at fair value through profit and loss if held for trading, i.e., designated as such at the initial recognition. The financial instruments were designated at the fair value through profit and loss if the Company manages those investments and makes purchase and sale decisions based on their fair value according to the investment strategy. After the initial recognition, attributable transaction costs are recognized in profit and loss when incurred. Financial instruments at fair value through profit and loss are measured by their fair value and their changes are recognized in profit and loss.

Other Financial Instruments

Other non-derivative financial instruments are measured at amortized cost using the effective interest rate method, considering possible reductions in their recoverable value.

Derivative financial instruments

The Company holds derivatives in order to protect itself from risks related to foreign currency and interest rates.

Derivatives are initially recognized at fair value. Attributable transaction costs are recognized in profit and loss when incurred. Subsequently to the initial recognition, derivatives are measured at fair value and the changes are recorded in profit and loss.

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Notes to the Unaudited Consolidated Quarterly Financial Information

(In thousands of Reais)

d. Foreign currency

The Company's management has defined the Real as its functional currency, in accordance with the rules established in CPC 02 - Effects of the Changes on Exchange Rates and Translation of Accounting Statements, approved by CVM Resolution 534.

Transactions in foreign currency, i.e., all those transactions that are not held in the functional currency, are translated at the exchange rate on the dates of each transaction. Monetary assets and liabilities in foreign currency are translated into the functional currency by the Exchange rate on the closing date. The gains and losses from the exchange rate variations on the monetary assets and liabilities are recognized in profit and loss. Non monetary assets and liabilities acquired or contracted in foreign currency are translated based on the exchange rate on the dates of the transactions or on the dates of valuation at fair value when this is used.

e. Current and noncurrent assets

- **Cash and cash equivalents**

It includes cash, bank deposits, short term investments with immediate liquidity, registered by the values of cost added by the yield gained up to the date of the financial information, which do not exceed the market value or realization.

- **Trade accounts receivable**

Trade accounts receivable are recorded at the amounts invoiced, net of the respective 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.

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Notes to the Unaudited Consolidated Quarterly Financial Information

(In thousands of Reais)

- **Inventories**

Inventories are valued based on the historic cost, not exceeding the market value. Inventories are used in the performance of clinical and imaging exams and for diagnostics by imaging. A provision for obsolescence was recorded for items with no movement for more than 120 days.

- **Property and equipment**

Recorded at cost of acquisition, formation or construction. Depreciation is calculated using the straight-line method at the rates described in Note 10 and takes into account the estimated useful lives of the assets. Improvements in third party real estate are amortized based on the shortest of the term of the real estate lease agreement or on the useful lives of the assets.

Other costs are capitalized when there is an increase in the economic benefits of the item.

- **Financial leases**

Certain lease contracts transfer to the Company the risks and rewards inherent to the ownership of an asset. These contracts are presented as financial lease contracts and the assets are recognized at fair value or at present value of the minimum lease payments established in contract. The items recognized as assets are depreciated at rates applicable to each group of assets in accordance with Note 10. The financial charges related to the financial lease contracts are appropriated to profit and loss during the term of the contract, based on the amortized cost method and the effective interest rate.

- **Operating leases**

Payments made during the operating lease contract are recognized as expenses in the statement of income for the term of the lease contract on a straightline basis.

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Notes to the Unaudited Consolidated Quarterly Financial Information

(In thousands of Reais)

- **Intangible assets**

Recorded at the cost of acquisition.

Goodwill determined in the acquisitions of interests are based on the expectations of future profitability of operations performed by the subsidiaries acquired in accordance with 5 -year profitability forecasts prepared by Management.

f. Impairment

Long-lived assets such as property and equipment, intangible and deferred charges are tested for impairment at least once a year. The goodwill and intangible assets whose useful lives have not been defined are tested for impairment annually, irrespective of the existence of impairment indicators.

g. Current and noncurrent liabilities

Stated at the known or estimated amounts, plus, when applicable, the corresponding charges and monetary and exchange variations incurred up to the quarterly information date.

h. Provisions 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 involved.

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Notes to the Unaudited Consolidated Quarterly Financial Information

(In thousands of Reais)

i. 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% on taxable income plus a surcharge of 10% on taxable income in excess of R\$ 60 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 Laboratório Louis Pasteur Patologia Clínica Ltda. – LabPasteur, DASA Real Estate Empreendimentos Imobiliários Ltda., Laboratório Atalaia Ltda., Exame Laboratórios de Patologia Clínica Ltda., Med Imagem Ultra-Sonografia e Radiologia Ltda., Clínica Radiológica Brafer Ltda., Cedimax Diagnósticos Médicos Ltda., Clínica Radiológica Clira Ltda., Digirad Diagnósticos Médicos Ltda., Centro de Diagnósticos por Imagem de Cuiabá Ltda., Centro Médico de Diagnóstico Laboratorial Ltda., Centro Médico de Imagenologia Ltda., Ressonância Magnética Cuiabá Ltda. e Unidade Cearense de Imagem Ltda., which opted for paying income taxes based on presumed profits.

The Company opted to use the Transitory Tax Regime (RTT) to determine the Income and Social Contribution Taxes related to the period ended on March 31, 2009 and for the year ended December 31, 2008.

Deferred tax assets and liabilities resulting from tax loss carryforwards, 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.

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Notes to the Unaudited Consolidated Quarterly Financial Information

(In thousands of Reais)

4 Consolidated quarterly financial information

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

	% of interest	
	03/31/09 (Unaudited)	12/31/08
Laboratório Frischmann Aisengart Ltda.	99.99	99.99
Image Memorial Ltda.	99.99	99.99
Laboratório Álvaro Ltda.	99.99	99.99
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	99.99
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	99.99
Med Imagem Ultra-Sonografia e Radiologia Ltda.	99.99	99.99
Clínica Radiológica Brafer Ltda.	100.00	100.00
Cedimax Diagnósticos Médicos Ltda.	100.00	100.00
Clínica Radiológica Clira Ltda.	100.00	100.00
Digirad Diagnósticos Médicos Ltda.	100.00	100.00
Maxidiagnósticos Participações Ltda.	100.00	100.00
Centro de Diagnósticos por Imagem de Cuiabá Ltda.	100.00	100.00
Centro Médico de Diagnóstico Laboratorial Ltda.	100.00	100.00
Centro Médico de Imagenologia Ltda.	100.00	100.00
Ressonância Magnética Cuiabá Ltda.	100.00	100.00
Unidade Cearense de Imagem Ltda.	100.00	-

The subsidiaries' accounting policies are consistent with those applied by the Company and in accordance with the accounting practices adopted in Brazil, considering the effects of Law 11638/07 and Provisional Measure 449/08.

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Notes to the Unaudited Consolidated Quarterly Financial Information

(In thousands of Reais)

Description of the 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 non-controlling interests in the consolidated quarterly financial information.

5 Cash and Cash Equivalent

	03/31/09 (Unaudited)	12/31/08
Cash and banks	12,647	15,842
Marketable securities	<u>443,938</u>	<u>550,114</u>
	456,585	565,956
Classified as current assets	<u>(395,037)</u>	<u>(492,224)</u>
Classified as noncurrent assets	<u>61,548</u>	<u>73,732</u>

The marketable securities classified as current assets in the amount of R\$ 9,456 (R\$ 13,486 as of December 31, 2008) related to fixed income funds bearing average interest rates of 105.2% of the Interbank Deposit Certificates (CDI) (88.8% of CDI as of December 31, 2008) and R\$ 372,934 refer to bonds of the American Government, under the custody of Unibanco Luxemburg, remunerated at a 0.20% p.a. rate plus the exchange rate variation.

Long-term marketable securities in the amount of R\$ 61,548 (R\$ 73,732 as of December 31, 2008) earn interest at an average rate of 105.4% of the CDI rate on March 31, 2009 (100.8% of CDI as of December 31, 2008), R\$ 61,162 of which (R\$63,240 as of December 31, 2008) serve as collateral for payments of obligations assumed in connection with the acquisition of several laboratories (Note 17). On December 31st, 2008, from the amount of R\$ 73,732, R\$ 10,492 designated to guarantee the payment of the 8th installment for the CientificaLab purchase, was replaced by a guarantee bank issued by a financial institution.

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6 Trade accounts receivable

	03/31/09 (Unaudited)	12/31/08
Current assets		
Trade notes receivable:		
Due	211,615	166,585
Overdue	<u>111,359</u>	<u>106,299</u>
	322,974	272,884
Other accounts receivable:		
Checks in collection	5,461	3,926
Credit cards	7,000	5,305
Returned checks	<u>2,302</u>	<u>2,953</u>
	14,763	12,184
Less:		
Provision for disallowances and for doubtful accounts	(19,486)	(18,411)
Provision for losses on returned checks	<u>(2,302)</u>	<u>(2,953)</u>
	<u>315,949</u>	<u>263,704</u>

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 the supporting documentation. All of these factors, historically, contribute to the average recovery period for payments being different from the periods defined in the contracts.

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

All overdue receivables up to 360 days are in collection proceedings or under negotiation and management do not expect material losses, and consequently a provision for doubtful accounts has not been recorded on these balances. The allowance for doubtful accounts has been exclusively recorded for the balances receivable with no prospects of being collected, or which are under litigious collection lawsuit.

On March 31, 2009 the balances overdue for more 360 days, net of allowance for doubtful accounts, totaled approximately R\$ 12,607 (R\$ 16,400 in 2008), of which R\$7,095 (R\$ 8,000 on December 31, 2008) is related to a significant health insurance entity, R\$ 3,667 are related to agreements and R\$ 1,845 are still in the collection stage. As it is a normal practice in this business, overdue credits receivable is 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.

7 Inventories

	03/31/09 (Unaudited)	12/31/08
Domestic clinical analysis and diagnostic imaging materials	21,562	22,878
Import clinical analysis and diagnostic imaging materials	5,897	7,365
Domestic secondary clinical analysis and diagnostic imaging materials	5,780	6,258
Sundry materials	3,792	2,697
Inventories held by third parties	2,342	1,125
Provision for obsolescence	<u>(1,566)</u>	<u>(1,407)</u>
	<u>37,807</u>	<u>38,916</u>

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Notes to the Unaudited Consolidated Quarterly Financial Information

(In thousands of Reais)

8 Recoverable and deferred taxes

a. Recoverable taxes - current

	03/31/09 (Unaudited)	12/31/08
Withholding income tax (IRRF)	744	8,258
Income tax recoverable	17,755	10,133
Social contribution recoverable	13,003	11,283
COFINS (Tax for social security financing) and PIS (Social integration program) tax withheld	11,723	9,722
Others	<u>10,584</u>	<u>9,124</u>
	<u>53,809</u>	<u>48,520</u>

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 respective book values.

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

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(In thousands of Reais)

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

	03/31/09 (Unaudited)	12/31/08
Tax loss carryforward and negative basis	5,737	7,465
Provision for doubtful accounts and disallowances	4,924	4,952
Provision for obsolescence - Inventories	439	407
Goodwill amortization	57,150	50,246
Provision for specialized medical services	1,977	1,247
Sundry provisions	2,717	1,841
Provision for contingencies	19,800	18,687
Amortization pre-operating expenses	<u>9,745</u>	<u>10,438</u>
	<u>102,489</u>	<u>95,283</u>
Classified as current assets	<u>(19,957)</u>	<u>(20,445)</u>
Classified as noncurrent assets	<u>82,532</u>	<u>74,838</u>

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, created as of the fiscal years in which the temporary differences become expenses deductible for tax purposes.

2009	19,957
2010	6,948
2011	11,000
2012 a 2014	36,934
2015 a 2017	<u>27,650</u>
	<u>102,489</u>

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9 Investments

	03/31/09 (Unaudited)	12/31/08
Investments in subsidiaries	<u>336</u>	<u>216</u>
	<u>336</u>	<u>216</u>

10 Property and equipment, net

		03/31/09 (Unaudited)		12/31/08	
	Average depreciation rate % p.a.	Cost	Accumulated depreciation	Net	Net
Buildings	4	13,081	(1,931)	11,150	11,280
Leasehold Improvements	12	277,865	(140,544)	137,321	133,324
Machinery and equipment	10	428,998	(177,333)	251,665	244,528
Furniture and Fixture	10	44,708	(19,232)	25,476	24,547
Facilities	10	9,462	(4,133)	5,329	4,130
IT equipment	20	59,765	(34,814)	24,951	25,724
Vehicles	20	7,248	(2,997)	4,251	4,451
Library	10	155	(95)	60	63
Land		1,839	-	1,839	1,839
Construction in process		<u>9,118</u>	<u>-</u>	<u>9,118</u>	<u>23,672</u>
		<u>852,239</u>	<u>(381,079)</u>	<u>471,160</u>	<u>473,558</u>

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(In thousands of Reais)

Changes in cost

	Changes in the period					03/31/09
	12/31/08	Additions	Write-offs	Transfers	Other (a)	
Buildings	13,081	-	-	-	-	13,081
Leasehold improvements	264,470	5,419	(5)	8,067	(86)	277,865
Machinery and equipment	408,357	14,851	(32)	5,822	-	428,998
Furniture and fixture	42,520	1,371	(1)	818	-	44,708
Facilities	7,985	692	(17)	802	-	9,462
IT equipment	58,432	1,169	(6)	230	(60)	59,765
Vehicles	7,273	141	(166)	-	-	7,248
Library	155	-	-	-	-	155
Land	1,839	-	-	-	-	1,839
Construction in progress	<u>23,672</u>	<u>1,870</u>	<u>-</u>	<u>(15,739)</u>	<u>(685)</u>	<u>9,118</u>
	<u>827,784</u>	<u>25,513</u>	<u>(227)</u>	<u>-</u>	<u>(831)</u>	<u>852,239</u>

(a) Other - relates to transfers to intangible assets.

11 Intangible assets, net

	Average depreciation rate % p.a.	03/31/09 (Unaudited)			12/31/08
		Cost	Accumulated depreciation	Net	Net
Transaction costs - goodwill					
Goodwill (a)		<u>456,279</u>	<u>(173,037)</u>	<u>283,242</u>	<u>269,087</u>
		<u>456,279</u>	<u>(173,037)</u>	<u>283,242</u>	<u>269,087</u>
Others intangibles					
Software	20	54,745	(26,141)	28,604	26,525
Rights of use of commercial area	20	219	(64)	155	160
Transaction costs	20	29,229	(12,268)	16,961	16,603
System Deployment Project	20	9,043	(5,875)	3,168	3,614
Telephone lines		15	-	15	15
Trademarks and patents		<u>94</u>	<u>-</u>	<u>94</u>	<u>94</u>
		<u>93,345</u>	<u>(44,348)</u>	<u>48,997</u>	<u>47,011</u>
		<u>549,624</u>	<u>(217,385)</u>	<u>332,239</u>	<u>316,098</u>

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(In thousands of Reais)

(a) Goodwill (negative goodwill) in business combination:

	03/31/09 (Unaudited)	12/31/08
Cost		
Laboratório de Patologia Clínica Curitiba S/C	2,785	2,785
CRL - Centro Radiológico da Lagoa Ltda.	9,280	9,280
Elkis e Furlanetto - Centro de Diagnósticos e Análises Clínicas Ltda.	21,130	21,130
Elkis e Furlanetto- Laboratório Médico S/C Ltda.	778	778
Laboratório Pasteur Patologia Clínica S/S Ltda.	7,883	7,883
Laboratório Frischmann Aisengart Ltda.	31,843	31,843
Image Memorial Ltda.	31,638	31,638
Laboratório Alvaro Ltda.	36,777	36,777
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. (i)	99,522	97,554
Med Imagem Ultra-Sonografia e Radiologia Ltda.	40,760	40,760
Clínica Radiológica Brafer Ltda. (ii)	7,791	7,845
Cedimax Diagnósticos Médicos Ltda. (ii)	10,908	10,962
Clínica Radiológica Clira Ltda. (ii)	7,396	7,450
Digirad Diagnósticos Médicos Ltda. (ii)	8,059	8,113
Maxidiagnósticos Participações Ltda.	(1,923)	(1,923)
Centro de Diagnósticos por Imagem de Cuiabá Ltda.	17,931	17,931
Centro Médico de Diagnóstico Laboratorial Ltda.	8,262	8,262
Centro Médico de Imagenologia Ltda.	1,565	1,565
Ressonância Magnética Cuiabá Ltda.	1,869	1,869
Unidade Cearense de Imagem Ltda.	<u>12,403</u>	<u>-</u>
	<u>456,279</u>	<u>442,124</u>

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(In thousands of Reais)

	03/31/09 (Unaudited)	12/31/08
Accumulated amortization		
Laboratório de Patologia Clínica Curitiba S/C	(2,785)	(2,785)
CRL - Centro Radiológico da Lagoa Ltda.	(9,280)	(9,280)
Elkis e Furlanetto - Centro de Diagnósticos e Análises Clínicas Ltda.	(19,562)	(19,562)
Elkis e Furlanetto- Laboratório Médico S/C Ltda.	(720)	(720)
Laboratório Pasteur Patologia Clínica S/S Ltda.	(5,895)	(5,895)
Laboratório Frischmann Aisengart Ltda.	(21,340)	(21,340)
Image Memorial Ltda.	(20,276)	(20,276)
Laboratório Alvaro Ltda.	(18,391)	(18,391)
Laboratório Louis Pasteur Patologia Clínica Ltda. - LabPasteur	(6,968)	(6,968)
Laboratório Imuno Ltda. - MedLabor	(2,883)	(2,883)
Clínica Médica Vita Ltda.	(2,145)	(2,145)
Laboratório Atalaia Ltda.	(12,275)	(12,275)
Exame Laboratórios de Patologia Clínica Ltda.	(15,541)	(15,541)
CientíficaLab Produtos Laboratoriais e Sistemas Ltda.	(23,463)	(23,463)
Med Imagem Ultra-Sonografia e Radiologia Ltda.	(10,869)	(10,869)
Clínica Radiológica Brafer Ltda.	(97)	(97)
Cedimax Diagnósticos Médicos Ltda.	(136)	(136)
Clínica Radiológica Clira Ltda.	(92)	(92)
Digirad Diagnósticos Médicos Ltda.	(100)	(100)
Centro de Diagnósticos por Imagem de Cuiabá Ltda.	(135)	(135)
Centro Médico de Diagnóstico Laboratorial Ltda.	(58)	(58)
Centro Médico de Imagenologia Ltda.	(12)	(12)
Ressonância Magnética Cuiabá Ltda.	(14)	(14)
	<u>(173.037)</u>	<u>(173.037)</u>
	<u>283.242</u>	<u>269.087</u>

Diagnósticos da América S.A.

Notes to the Unaudited Consolidated Quarterly Financial Information

(In thousands of Reais)

(i) Increase in purchase price acquisition (goodwill) - Cientificalab Produtos Laboratoriais e Sistemas Ltda.

Refers mainly to the third installment of the Cientificalab acquisition price.

(ii) Adjustment in purchase price acquisition (goodwill) – Group Maximagem

The purchase price for the companies that integrate the group Maximagem was adjusted in R\$ 218, by cancellation of the balance related to the installment which was conditional to certain information being provided as established in the acquisition agreement.

Changes in cost

	Movement in the period (Unaudited)				03/31/09
	12/31/08	Additions	Write-offs	Other (a)	
Transaction costs - goodwill					
Goodwill	<u>442,124</u>	<u>14,155</u>	<u>-</u>	<u>-</u>	<u>456,279</u>
	<u>442,124</u>	<u>14,155</u>	<u>-</u>	<u>-</u>	<u>456,279</u>
Others intangibles					
Software	50,563	3,351	-	831	54,745
Commercial rights of use	219	-	-	-	219
Transaction costs	27,738	1,791	(300)	-	29,229
System Deployment Project	9,043	-	-	-	9,043
Telephone lines	15	-	-	-	15
Trademarks and patents	<u>94</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94</u>
	<u>87,672</u>	<u>5,142</u>	<u>(300)</u>	<u>831</u>	<u>93,345</u>
	<u>529,796</u>	<u>19,297</u>	<u>(300)</u>	<u>831</u>	<u>549,624</u>

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

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(In thousands of Reais)

12 Accounts payable to suppliers

	03/31/09 (Unaudited)	12/31/08
Domestic suppliers	43,296	51,647
Foreign suppliers	<u>9,370</u>	<u>7,250</u>
	<u>52,666</u>	<u>58,897</u>

13 Loans and financing

	03/31/09 (Unaudited)	12/31/08
Local currency		
Loan secured accounts	37,128	26,321
Bank loans	78,081	79,103
Leases under local currency agreements	19,231	21,514
Equipment financing	700	775
Foreign currency		
Bank loans	2,984	2,863
Equipment financing	14,893	15,454
Leases of import equipment	88,261	95,192
Notes (Senior Notes) (a)	<u>595,588</u>	<u>588,486</u>
	836,866	829,708
Transaction costs (Senior Notes)	<u>(23,359)</u>	<u>(24,223)</u>
	813,507	805,485
Short term portion in current liabilities	<u>(143,354)</u>	<u>(114,956)</u>
Noncurrent liabilities	<u>670,153</u>	<u>690,529</u>

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(In thousands of Reais)

- (a) In a Board of Directors meeting held on May 21, 2008 the issuance of notes (Senior notes) was approved for the subsidiary abroad, DASA Finance Corporation, with the purpose of raising cash funds that shall primarily be used to finance the expansion of the Company's activities. The issuance of notes was completed on May 29, 2008 in the amount of US\$ 250 million, with a maturity date in May 2018, remunerated at 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 established in the agreement, the early redemption option of such debt is exclusive of DASA Finance Corporation and begins as from the 5th year. The agreement establishes that the Company and its subsidiaries should comply with certain levels of indebtedness at the time of decision-making by the Company with respect to certain actions, such as the contracting of debts, payment of dividends, repurchase of quotas, consolidations, mergers, sale of subsidiaries and investments. Additionally, the agreement presents clauses with limitations/restrictions for the following transactions:

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

In order to avoid exposure to a possible exchange rate fluctuation over the amount of interest for a 5-year period, the Company entered into swap transactions with interest at 103.1% of CDI with Banco Merrill Lynch de Investimentos S.A. and Credit Suisse Próprio Fundo de Investimento Multimercado, institutions related to the banks responsible for the coordination of the issuance, on the same date of the confirmation of the Senior Notes.

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(In thousands of Reais)

The bank loan and financing agreements do not have any restrictive clauses (“covenants”) relating to the noncompliance of ratios.

03/31/2009 (Unaudited)

Type	Banks	Amount in Reais	Maturity	Average interest rate	Guarantors
Local currency					
Guaranteed accounts	Other	<u>37,128</u>	-	110% to 143,2% of CDI	(2)
Bank loans	Banco Votorantin S.A.	3,963	2009	111.6% of CDI	(3)
Bank loans	Banco do Brasil S.A.	25,253	2010	105.6% of CDI	(2)
Bank loans	HSBC Bank Brasil S.A.	17,363	2010	106.0% of CDI	(3)
Bank loans	Banco Itaú S.A.	15,079	2011	115.0% of CDI	(4)
Bank loans	BNDES	2,785	2013	TJLP and UMBNDES	(2) e (4)
Bank loans	Unibanco S.A.	9,000	2011	111.8% of CDI	(4)
Bank loans	Banco Itaú S.A.	1,978	2009	134% of CDI	(4)
Bank loans	Banco Noroeste S.A	1,913	2012	12% p.a.	(4)
Bank loans	Diversos	<u>747</u>	2013	11.52% p.a.	(2)
		<u>78,081</u>			
Leases	Other	<u>19,231</u>	2011	CDI + 2.5% p.a.	-
Equipment financing	CETAC	<u>700</u>	2011	no charges	-

03/31/2009 (Unaudited)

Type	Financial institutions/Suppliers	Amount in US\$	Amount in Reais	Swap	Total in Reais	Maturity	Average interest rate	Guarantors
Foreign currency								
Bank loans	Banco Itaú - BBA	742	1,717	1,267	<u>2,984</u>	2009	VC+13.06% p.a.	(3)
Equipment suppliers	G.E.	5,359	12,408	2,485	<u>14,893</u>	2011	VC+7.5% to 8.5% p.a.	(1)
Leases	G.E, Siemens, Philips e Oni Medical	38,122	88,261	-	<u>88,261</u>	2014	VC+7.20% to 9% p.a.	(3)
Notes (Senior Notes)		257,251	595,588	-	<u>595,588</u>	2018	8.75% p.a.	(4)

Diagnósticos da América S.A.

Notes to the Unaudited Consolidated Quarterly Financial Information

(In thousands of Reais)

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

As a result of the merger of the subsidiaries Platypus S.A., Balu 460 Participações S.A. and DASA Participações S.A., approved at a shareholders' meeting held on July 6, 2007, which provided fiduciary guarantees in financial transactions involving the Company (guarantees and sureties), especially in agreements for the acquisition of diagnostic imaging equipment, for banking financing and real estate lease agreements. The Company is taking the necessary steps to replace the guarantees that were provided by the merged subsidiaries with guarantees of 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 be paid as follows:

Maturity year	Amount
2010	43,518
2011	30,783
2012	17,287
2013	12,668
2014	5,937
2015	1,481
2016	58
2018	<u>578,800</u>
	<u>690,532</u>
Interest rate swaps	432
Transaction cost	<u>(20,811)</u>
	<u>670,153</u>

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(In thousands of Reais)

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

Laboratório Frischmann Aisengart Ltda.	Banco Alfa S.A.	2,168
	Banco Bradesco S.A.	1,000
	Banco HSBC Bank Brasil	4,367
	General Eletric	835
Image Memorial Ltda.	Banco Alfa S.A.	3,300
	Banco Bradesco S.A.	4,000
	Banco do Brasil S.A.	2,638
	Banco Itaú S.A.	1,222
	General Eletric	3,165
	Unibanco S.A.	7,000
Laboratório Alvaro Ltda.	Banco Alfa S.A.	1,895
	Banco Itaú S.A.	877
	General Eletric	1,408
	Unibanco S.A.	481
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.	2,723
	Banco Bradesco S.A.	2,000
	Banco Itaú S.A.	500
	Unibanco S.A.	9,000
	General Eletric	2,752
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.	7,615
	Banco Bradesco S.A.	7,000
	Banco Itaú S.A.	15,500
	Unibanco S.A.	7,193
Med Imagem Ultra-Sonografia e Radiologia Ltda.	Banco Alfa S.A.	222
	Unibanco S.A.	291
DASA Finance Corporation	Emissão de Bond	558,342
		<u>650,376</u>

Diagnósticos da América S.A.

Notes to the Unaudited Consolidated Quarterly Financial Information

(In thousands of Reais)

14 Debentures

	03/31/09 (Unaudited)	12/31/08
Non-convertible debentures	135,000	202,500
Compensation interest	<u>-</u>	<u>6,962</u>
	<u>135,000</u>	<u>209,462</u>
Transaction cost	<u>(1,996)</u>	<u>-</u>
Portion to amortize in the short term classified in current liabilities	<u>(66,542)</u>	<u>(74,462)</u>
Noncurrent liabilities	<u>66,462</u>	<u>135,000</u>

At a Board of Directors' Meeting held on April 7, 2006, the Board approved the public issuance of 20,250 (twenty thousand, two hundred fifty) non-convertible debentures, of its first issuance, in one single series, without guarantee nor right of first refusal, at a unit par value of R\$ 10, totaling R\$ 202,500, and the date for its issuance was April 1, 2006. The debentures are subject to scheduled amortization, the unit nominal value are amortized in three equal installments, the first installment due in the 36° (thirty sixth) month, and, the installments to pay in the 48° (forty eighth) and 60° (sixty) months, from the date of their issuance, with compensation interest of 103.6% p.a. of the ID rate. The payment of compensation interest is semi-annual, fact which occurs always on the first day of April and October, and the debit from the checking account of the Company occurs one day prior to the maturity date.

The principal amount has the following payment schedule:

	Amount (R\$)
Maturity date:	
April 01, 2010	67,500
April 01, 2011	<u>67,500</u>
Total	<u>135,000</u>

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The debentures have covenants establishing 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.

15 Salaries, social security charges and provision for vacation pay

	03/31/09 (Unaudited)	12/31/08
Salaries payable	8,032	8,440
Social Security charges payable	6,881	7,290
Provision for vacation pay and 13 th -month salary and social security charges	28,761	24,595
Provision for the profit sharing	8,998	6,231
Others	<u>845</u>	<u>555</u>
	<u>53,517</u>	<u>47,111</u>

16 Taxes payable in installments

	End of amortization	03/31/09 (Unaudited)	12/31/08
PPI - REFIS Municipal (a)	2011	2,626	2,784
PAES Program (b)	2013	6,875	7,190
ISS - Atalaia (c)	2018	1,223	1,259
PAES Program - INSS (Brazilian National Institute of Social Security) - Exame (d)	2013	1,501	1,564
IRPJ and CSLL - CientificaLab (e)	2013	5,222	5,360
ISS – Municipality of Barueri (f)	2012	9,232	-
Others		<u>4,289</u>	<u>4,152</u>
		<u>30,968</u>	<u>22,309</u>
Short-term portion in current liabilities		<u>(8,998)</u>	<u>(6,130)</u>
Noncurrent liabilities		<u>21,970</u>	<u>16,179</u>

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(In thousands of Reais)

- (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 14129 dated January 11, 2006, regulated by Decree 47165 dated April 6, 2006. The tax debts which were part of the Tax Recovery Program (REFIS), created by Law 13092 dated December 7, 2000, to which the Company adhered 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, plus 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 10684), 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). The payment of these installments extends to June 2013, considering that the Company does not make any payment based on gross revenue nor has utilized such tax credits to amortize fines and interest. The tax debts included by the Federal Revenue Department (SRF) 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) The subsidiary Atalaia scheduled the payment in installments of ISS debits with the Municipality of Aparecida de Goiânia, corresponding to the years of 1993, 1994, 1996, 1998, 1999 and 2001, resulting in 7 proceedings for the payment in installments to be paid in 180 monthly installments corrected at the TJLP rate, totaling R\$ 1,223 on March 31, 2009, whose amortizations shall be made until 2018.
- (d) In May, 2003, the subsidiary Exame adhered to the PAES program (Law 10684), declaring tax debts related to INSS. The amount of the consolidated debt is divided into 120 monthly installments and corrected at the long-term interest rate (TJLP). Amortizations will occur until June 2013, and the Company does not make the payment based on gross revenue, nor used tax credits for the amortization of fines and interest.

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(e) On September 29, 2008, CientificaLab paid IRJP (Company Income Tax) and CSLL (Social Contribution over Net Profit) debts in installments with the Brazilian Internal Revenue Service, which resulted in the administrative process 113896.003764/2008-27, to be paid in 60 monthly installments, plus interest equivalent to the SELIC fee, totaling R\$ 5,222 on March 31, 2009. The amortizations will take place until August 2013.

(f) ISS – Municipality of Barueri

On January 29th, 2009, the Company opted for the payment of ISS debts in installments, relative to the period from September 2007 to December 2008, to be paid in 48 monthly installments, added by interests equivalent to the SELIC rate, which in March 31st, 2009 totalized R\$ 6,696 from the parent company and R\$ 2,536 from the subsidiary CientificaLab. The amortizations will take place until December 2012.

17 Accounts payable from the acquisition of subsidiaries

Accounts payable from the acquisition of subsidiaries refer to the amounts due to the previous owners for the acquisition of share or quotes representing the capital of these companies. The debits are updated in accordance with contract terms, and following payment schedule:

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(In thousands of Reais)

	Updated – Interest rate	Maturity Date	03/31/09 (Unaudited)	12/31/08
Laboratório de Patologia Clínica Curitiba S/C Ltda.	n/a	(b)	511	499
Laboratório Pasteur Patologia Clínica S/S Ltda.	IPCA	(b)	487	481
Laboratório Alvaro Ltda	IPCA	05/2009	5,718	5,567
Laboratório Frischmann Aisengart Ltda. (Minoritários)	IGPM	05/2016	2,016	2,086
Laboratório Louis Pasteur Patologia Clínica Ltda – LabPasteur	109,5% do CDI	09/2012	1,188	-
CientíficaLab Produtos Laboratoriais e Sistemas Ltda.	n/a	04/2009	982	
Clínica Radiológica Brafer Ltda., Cedimax Diagnósticos Médicos Ltda., Clínica Radiológica Clira Ltda. e Digirad Diagnósticos Médicos Ltda.	IGPM	10/2014	2,730	4,119
Unidade Cearense de Imagem Ltda. – Unimagem	SELIC	01/2012	<u>3,200</u>	<u>-</u>
			16,832	12,752
Marketable securities guarantee:				
Bio-Ciência Lavoisier de Análises Clínicas S.A.	(a)	(b)	1,297	1,953
Laboratório Bronstein S. A.	(a)	-	-	1,866
Elkis e Furlanetto C.D.A.C. Ltda.	(a)	05/2011	8,395	8,151
Laboratório Frischmann Aisengart Ltda.	(a)	07/2011	3,276	3,186
Image Memorial Ltda.	(a)	10/2011	10,546	10,303
Laboratório Alvaro Ltda	(a)	12/2011	1,701	1,650
Laboratório Louis Pasteur Patologia Clínica Ltda – LabPasteur	(a)	09/2012	3,257	4,326
Laboratório Imuno Ltda. – MedLabor	(a)	07/2012	866	840
Clínica Médica Vita Ltda.	(a)	10/2012	697	677
Laboratório Atalaia Ltda.	(a)	10/2012	3,125	3,032
Exame Laboratórios de Patologia Clínica Ltda.	(a)	12/2012	2,069	2,007
CientíficaLab Produtos Laboratoriais e Sistemas Ltda.	(a)	07/2013	3,328	3,278
Med Imagem Ultra-Sonografia e Radiologia Ltda.	(a)	08/2013	11,566	11,221
Clínica Radiológica Brafer Ltda., Cedimax Diagnósticos Médicos Ltda., Clínica Radiológica Clira Ltda. e Digirad Diagnósticos Médicos Ltda.	(a)	10/2014	6,197	6,052
Centro de Diagnósticos por Imagem de Cuiabá Ltda., Centro Médico de Imagenologia Ltda. e Ressonância Magnética Cuiabá Ltda.	(a)	11/2014	4,221	4,095
Centro Médico de Diagnóstico Laboratorial Ltda.	(a)	11/2014	<u>621</u>	<u>603</u>
			61,162	63,240
			<u>77,994</u>	<u>75,992</u>
Short-term portion in current liabilities			(7,979)	(8,228)
Noncurrent liabilities			<u>70,015</u>	<u>67,764</u>

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(a) Updated at the same rates as those used for the funds placed in investment funds managed by the financial institution, as reported in Note 5, with the purpose of securing the payment of contingencies which have been under litigation since the former management.

(b) No term for payment, are retained with the purpose of securing the payment of contingencies which have been under litigation since the pre-acquisition period.

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

2010	3,018
2011	24,206
2012	14,690
2013 to 2016	<u>28,101</u>
Total	<u>70,015</u>

18 Other accounts payable

	03/31/09 (Unaudited)	12/31/08
Rentals	4,703	3,572
Third - Party services	7,674	9,229
Provision for specialized medical services	8,100	5,239
Franchisee commission payable	612	449
Other accounts payable	<u>8,018</u>	<u>6,000</u>
	<u>29,107</u>	<u>24,489</u>

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(In thousands of Reais)

19 Provision for contingencies

	<u>03/31/09 (Unaudited)</u>			<u>12/31/08</u>
	Provision	Judicial Deposit	Net	Net
(a) ICMS on imports	82,318	(1,889)	80,429	76,833
(b) Provision for labor contingencies	4,541	(244)	4,297	4,284
(c) Provision for civil contingencies	4,203	(27)	4,176	4,103
(d) Provision for tax contingencies	<u>34,948</u>	<u>(21,002)</u>	<u>13,946</u>	<u>13,290</u>
	<u>126,010</u>	<u>(23,162)</u>	<u>102,848</u>	<u>98,510</u>

(a) ICMS on imports

The Company, based on the opinion of its legal advisors, has not been paying ICMS on the imports of inputs and equipment for use in the rendering of its services since February 2000, as there are still discussions whether the Company is an ICMS taxpayer in these transactions. For the ICMS amounts to be paid on imports of inputs and equipment performed after the issue of Supplementary Law 114 of December 16, 2002, external legal advisors believe that the chances of loss are probable. At March 31, 2009, the amount provisioned for imports performed as from January 1, 2003 is R\$82,318 (R\$ 78,723 on December 31, 2008), with judicial deposits in the amount of R\$ 1,889. The amount of R\$ 27,442 (R\$ 26,819 on December 31, 2008) is included in the amount provisioned, plus interest at the SELIC rate relating to the nationalization of equipment coming from abroad in the international leasing category, which, according to the legal advisors of the Company, is considered as having possible chances of loss as a result of an eventual judicial. Nevertheless, as the matter does not yet have a definite jurisprudential position, the provision was maintained.

(b) Provision for labor contingencies

At March 31, 2009, the Company is party to 328 labor actions (315 on December 31, 2008).

(c) Provision for civil contingencies

At March 31, 2009, the Company is a party to 395 civil administrative and judicial actions (369 on December 31, 2008).

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(d) Provision for tax contingencies

Provisions for tax contingencies relate to (i) questionings for raises in rates, (ii) calculation basis for calculation of taxes and (iii) unconstitutionality of collection. Such questionings comprise primarily the contributions to PIS, COFINS, INSS and FGTS contributions.

Changes in provisions

	<u>12/31/08</u>	<u>Movement in the period (Unaudited)</u>			<u>03/31/09</u>
	Opening balance	Additions	Utilization and/or reversal	Monetary Restatement	Closing balance
ICMS on imports	78,723	1,495	-	2,100	82,318
Provision for labor contingencies	4,582	-	(119)	78	4,541
Provision for civil contingencies	4,130	126	(110)	57	4,203
Provision for tax contingencies	<u>33,089</u>	<u>1,321</u>	<u>(5)</u>	<u>543</u>	<u>34,948</u>
	<u>120,524</u>	<u>2,942</u>	<u>(234)</u>	<u>2,778</u>	<u>126,010</u>

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(In thousands of Reais)

20 Shareholders' equity

a. Capital

The Company's capital of R\$ 402,091 is represented by 57,402,935 (fifty-seven million, four hundred two thousand, nine hundred thirty-five) common shares, all nominative, without certificate and with no par value, with exclusion of rights of first refusal of the current shareholders of the Company in its subscription, in accordance with the stated in Article 172 of Law 6404, dated December 15, 1976, and in accordance with Article 9 of the Company's By-laws.

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

Through a resolution of the Board of Directors, within the limits authorized in the By-laws, the Company will be able to increase the capital irrespective of statutory reform. The Board of Directors will fix the terms for the share issuance, including price and time frame for payment.

The issuance of shares and debentures that are convertible into shares or a subscription bonus may be performed, at the of the Board of Directors' discretion, , without right of first refusal or with a reduction in the time frame addressed to by §4 of Article 171 of Law 6404/76, , the placement of which is carried out through sale on stock exchange or by public offering, or even through barter 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 at the General Meeting, the Board of Directors may authorize the Company to grant a share purchase option to its management and employees, as well as to management and employees of the other companies that are directly or indirectly controlled by the Company, without right of first refusal for the shareholders.

b. Dividends

In accordance with the Company's By-laws, the net profit for the year shall have the following distributions: (i) 5% allocated to a legal reserve, until it reaches 20% of the subscribed capital; and (ii) 25% of the remaining balance adjusted in accordance with Art. 202 of Law 6404/76, for the payment of mandatory dividends.

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(In thousands of Reais)

c. Management remuneration

The management remuneration in the period was R\$ 2,190 (March 31, 2008 - R\$ 2,428).

21 Income tax and social contribution on net income

The reconciliation between the expense calculated through the use of combined tax rates and the income and social contribution tax expense charged to income is shown as follows:

	03/31/09 (Unaudited)	03/31/08 (Unaudited)
Accounting profit before the income and social contribution taxes	<u>44,654</u>	<u>5,632</u>
Combined tax rate	34%	34%
Income tax and social contribution: Through the combined tax rate	(15,182)	(1,915)
Permanent additions		
Negative income from branches abroad	(3,898)	-
Other additions	(129)	(195)
Other adjustments		
Net temporary exclusions (additions)	(339)	542
Offset of tax loss carryforwards	-	86
Goodwill amortization	6,904	-
Presumed profit in subsidiary	2,681	47
Others	<u>(623)</u>	<u>(13)</u>
	<u>(10,586)</u>	<u>(1,448)</u>
Income and social contribution taxes	(10,400)	(7,119)
Deferred taxes	(186)	5,671
Effective rate	<u>-24%</u>	<u>-26%</u>

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22 General and administrative expenses

	03/31/09 (Unaudited)	03/31/08 (Unaudited)
Personnel expenses	25,898	20,228
Services and utilities	13,629	10,798
Depreciation	6,088	4,893
Taxes	312	496
Sundry provisions	164	860
General expenses	<u>7,446</u>	<u>6,132</u>
	<u>53,537</u>	<u>43,407</u>

23 Tax loss carryforwards

At March 31, 2009, the Company had tax loss carryforwards on the following base values:

Tax losses carryforwards	15,943
Negative basis of social contribution	19,460

The offsetting of the tax loss carryforwards of income tax and the negative basis of social contribution is limited to 30% of annual taxable income, with no statute of limitations.

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24 Financial instruments

Classification of financial instruments

The financial instruments are classified as described below.

The Financial assets are classified in the following categories: (i) loans and receivables, (ii) measured at fair value through profit and loss, (iii) held to maturity and, (iv) available for sale. The classification is made based on the following criteria:

a. Loans and receivables

Financial assets with fixed or determined payment maturity dates, not marked to market. Such financial assets are recorded at their historical costs through the amortized cost method.

The Company has the following financial assets in this category: (i) accounts receivable from customers (Note 6).

b. Measured at fair value through profit and loss

The financial assets that are: (i) trading securities for a short-term period, (ii) assigned at the fair value with the objective of matching income and expense acknowledged effects in order to get a more consistent and relevant accounting information or, (iii) derivatives. These assets are recorded at their respective fair values and for any change in the subsequent fair value measurement the counter-entry is in profit and loss.

The main financial assets that the Company has in this category are: (i) Cash and cash equivalents and financial investments (Note 5) and, (ii) derivatives.

c. Held to maturity

The non-derivatives financial assets with fixed or determined payment maturity dates, which the Company intends keeping to the maturity date. The financial assets related to this classification are recorded at the historical cost through the amortized cost method.

The Company does not have financial assets classified under this category.

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d. Available for sale

Financial assets that do not fit in any of the aforementioned classification or the financial assets that are being assigned as available for sale. These financial assets are recorded at their respective fair values and for any change in the subsequent fair value measurement, the counter-entry is in net equity.

The company does not have financial assets classified in this category.

Financial liabilities in the following categories: (a) measured at fair value through profit and loss and, (b) measured at the amortized cost method. The classification is made in accordance with the following criteria:

e. Measured at fair values through profit and loss

The financial liabilities that: (i) are kept for short term negotiation, (ii) assigned at a fair value with the objective of matching income and expense acknowledged effects in order to get a more consistent and relevant accounting information or, (iii) derivatives. These liabilities are recorded at their respective fair values and for any change in the subsequent fair value measurement, the counter-entry is in profit and loss.

The Company and its subsidiaries classified in this category the following financial liabilities: (i) derivatives.

f. Not stated at fair value through profit and loss

The other financial liabilities that do not fit in the above classification. The financial liabilities related to this classification are recognized and amortized applying essentially the amortized cost method.

The main financial liabilities classified in this category are: (i) accounts payable to suppliers (Note 13) (ii) loans and financing (Note 14), (iii) debentures (Note 15) and, (iv) other accounts payable (Note 19).

The table below identifies the company financial instruments. The assets classified as “not measured at fair value through profit and loss” did not show significant adjustments between the book value and the fair value.

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Description	Accounting	Fair value
Cash and cash equivalents	12,647	12,647
Marketable securities	443,938	443,938
Accounts receivable from clients	315,949	315,949
Derivatives	<u>51,544</u>	<u>51,544</u>
Assets	<u>824,078</u>	<u>824,078</u>
Accounts payable to suppliers	52,666	52,666
Banking loans and financing	813,507	813,507
Debentures	133,004	133,004
Other accounts	<u>29,107</u>	<u>29,107</u>
Liabilities	<u>1,028,284</u>	<u>1,028,284</u>

Risks

The operations of the company and its subsidiaries are subject to the risk factors described below:

a. Credit risk

The Company and its subsidiaries are subordinated to the credit policies determined by the Management, aiming to minimize possible problems deriving from non-compliance with the Covenant on default. The company has a provision for disallowance and for doubtful accounts to face the credit risk in the amount of R\$ 19,486 (R\$ 18,411 as of December 31, 2008), accounting for 6.03% (6.75% as of December 31, 2008) of the balance of receivable accounts due.

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b. Exchange Rate Risk

This risk derives from possible variations in exchange rates for the currencies used by the Company for the acquisition of Equipment and for contracting Loans, which may incur in losses and cash restrictions due to the exchange rate volatility, increasing therefore the liabilities balance in foreign currency. The Company's exposure in financial transactions in foreign currency is substantially covered, since a great part of the funding is still in foreign currency, the US Dollar, and the interests are covered by swap financial operations, which enable the Company to swap the original risks of the operation for the risk related to CDI variation.

c. Interest rate risk

This risk arises from the possibility of the Company incurring in losses due to interest rates fluctuations that increase the loans, financing and debentures financial expenses.

- **Risk management**

The Company maintains internal control procedures to monitor transactions and the balance of financial instruments, for tracking purposes of the risks and the rates in force in relation to market rates, aiming at its assets liquidity, security and profitability. Management is responsible for monitoring the internal control procedures, following the directions established by the Board of Directors, presenting the required approvals and in compliance with the Company's Articles of Incorporation. The financial instruments contracted by the Company and supported by these tools have historically showed adequate results for risk mitigation. Additionally, the Company does not make any transactions involving exotic or speculative derivatives.

d. Estimated market value

The estimates for the market value of the financial instruments were made through pricing standards, individually applied to each transaction, taking into consideration future payments, based on the contracted terms and discounted at present value through rates obtained through market interest rate curves, which are based on information obtained at the Futures and Commodities Exchange (BM&F) and National Association of Open Market Institutions (Andima) sites.

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Therefore, the market value of a security corresponds to its due date value (redemption value) brought to present value through the discount factor (related to the due date of the security) obtained from the market interest rate curve in Reais.

e. Derivative instruments

As aforementioned, the contract for operations of swap derivative financial instruments has the objective of minimizing the risks of loans and financing in US dollar. According to the Company financial strategy, the operations involving instruments are contracted with the purpose of protecting (hedging) the risks arising from exchange rate variation and interest rate fluctuation, not having thus speculative objectives in the use of these derivatives.

The protection instruments contracted by the Company are interest rate or currency *swaps* with any leverage component, margin call clause, daily adjustments or periodical adjustments. The premises used in the calculation of the Purchased and Sold Swap position are stated below:

As of March 31, 2009 the Company had the following swap operations:

Financial Instruments - Derivatives receivable

Company Strategy	Market Values (Accounting)				Market Values Net	Values Cost	Gain (Loss) in Mark-to-Market	Currency/ Index Rate	Range of Maturity Date	Notional	Negotiation Market
	Index Rate Asset	Asset	Index Rate Liability	Liability							
Derivatives of Debts Protection, not assigned at fair values											
Swap - Hedge Exchange Variation	Dollar + 8,75% a.a.	85.510	103,1% of CDI	(67.095)	18.415	(250)	18.665	Dollar	05/2008 to 05/2013 **	166.300	Counter
Swap - Hedge Exchange Variation	Dollar + 8,75% a.a.	128.265	103,1% of CDI	(95.135)	33.129	439	32.690	Dollar	05/2008 to 05/2013 **	249.450	Counter
Total Consolidated		213.775		(162.230)	51.544	189	51.355				
Short term portion in current liabilities					7.396						
Noncurrent liabilities					44.148						

** Semiannually Maturity Date

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Financial Instruments - Derivatives payable

Company Strategy	Market Values (Accounting)		Liability	Market Values Net	Values Cost	Gain (Loss) in Mark-to-Market	Currency/ Index Rate	Range of Maturity Date	Notional	Negotiation Market	
	Index Rate Asset	Asset									Index Rate Liability
Derivatives of Debts Protection, not assigned at fair values											
Swap - Hedge Exchange Variation	Dollar + 13,06% a.a.	1.755	CDI less 2,0%	(3.021)	(1.267)	(1.294)	28	Dollar	08/2002 to 07/2009 *	1.279	Counter
Swap - Hedge Exchange Variation	Dollar + 8,50% a.a.	2.819	CDI less 0,7%	(5.304)	(2.485)	(2.554)	69	Dollar	05/2003 to 12/2010 *	2.960	Counter
Total Consolidated		4.574		(8.325)	(3.752)	(3.848)	97				
Short term portion in current liabilities						(3.320)					
Noncurrent liabilities						(432)					

* Monthly Maturity Date

The company recognized gains and losses with its derivative instruments. However, since they are protection derivatives, such gains minimized the impacts arising from exchange rate variation and from the interest rate variation incurred in the respective protected indebtedness. In the three months period ended March 31, 2009 and 2008, the derivative instruments generated the following impacts on the consolidated result:

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Derivatives	Risk	Booking Account	03/31/2009	03/31/2008
			Revenue (Expenses)	
Itaú - BBA	Exchange Variation / Interests	Financial Expense	84	158
	Fair Value Adjustment			
Banco Votorantim	Exchange Variation / Interests	Financial Revenue/ (Financial Expense)	20	(384)
	Fair Value Adjustment			
Merril Lynch	Exchange Variation / Interests	Financial Revenue	8.560	-
	Fair Value Adjustment			
Credit Suisse	Exchange Variation / Interests	Financial Revenue	13.183	-
	Fair Value Adjustment			
			21.847	(226)

f. Sensitivity analysis

In accordance with Instruction CVM 475/08, the Company carried out the sensitivity analysis for the main risks, to which its financial instruments (including derivatives) are exposed and which are represented by the risks related to exchange and interest rate variation, shown as follows:

Exchange rate variation

Considering the maintenance of the exposure (notional) and the dollar exchange rate quotation at March 31, 2009, the simulation for the effects of the dollar devaluation on the financial reports consolidated by type of financial instrument in two different scenarios would be the following:

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			Market Value on 03/31/2009	Depreciation 25%	Depreciation 50%
	Exposure	Risk	Value	Value	Value
SWAP Contract - Merrill Lynch Asset Position - Exchange Variation	166.300	Dollar's fall US\$	85.510	(21.377)	(42.755)
SWAP Contract - Credit Suisse Asset Position - Exchange Variation	249.450	Dollar's fall US\$	128.265	(32.066)	(64.132)
SWAP Contract - Itaú BBA Asset Position - Exchange Variation	1.279	Dollar's fall US\$	1.755	(439)	(877)
SWAP Contract - Votorantim Asset Position - Exchange Variation	2.960	Dollar's fall US\$	2.819	(705)	(1.410)
	419.989		218.349	(54.587)	(109.174)

Interest rate variation

Considering that the exposure scenario for the financial instruments indexed to the variable interest rates at March 31, 2009 will remain the same in future, the effects of the Interbank Deposit Certificate (CDI) increase on the consolidated quarterly financial information by type of financial instrument, for two different scenarios, would be the following:

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			Market Value on 03/31/2009	Increase 25%	Increase 50%
	Exposure	Risk	Value	Value	Value
SWAP Contract - Merrill Lynch Liability Position - Interests	166.300	CDI Increase	(67.096)	(12.569)	(23.904)
SWAP Contract - Credit Suisse Liability Position - Interests	249.450	CDI Increase	(95.135)	(19.098)	(36.325)
SWAP Contract - Itaú BBA Liability Position - Interests	1.279	CDI Increase	(3.021)	(95)	(111)
SWAP Contract - Votorantim Liability Position - Interests	2.960	CDI Increase	(5.304)	(563)	(801)
	419.989		(170.556)	(32.325)	(61.141)

25 Insurance coverage

The Company has a policy of contracting insurance coverage for assets subject to risks in amounts considered to be sufficient to cover possible 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 guidance of experts, and take into account the nature and the level of risk involved. The main insurance coverage are those against fire (R\$ 95,700), unearned profits (R\$ 9,500), civil liability (R\$ 1,000), civil liability 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 possible losses.

The risk assumptions adopted, given their nature, are not part of the scope of an audit of quarterly financial information and, accordingly, were not examined by our independent auditors.

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26 Related party transactions

Our By-laws require that related party transactions with related parties be performed on an arm's length basis. Additionally, any transaction or set of transactions with related parties in Brazilian Reais above the equivalent to US\$ 500 thousand must be approved by the Board of Directors, by at least 75% of the members attending the Meeting.

During the periods ended at March 31, 2009, and, 2008, the Company maintained transactions included in the current operation with related parties, being the main transactions presented below:

Operations with non consolidated related parties

	03/31/2009	
	Expenses	Permanent assets
Terra Molhada Participações Ltda. (a)	991	-
RMA Construtora Ltda. (d)	1,527	1,142
Touch Tecnologia e Informática Ltda. (e)	53	260
Refazenda Participações Ltda. (f)	187	-
DA Produções Artísticas Ltda. (g)	57	-
Pátria Assessoria Financeira Ltda. (h)	94	450
Família Chimenti Auriemo (i)	<u>36</u>	<u>-</u>
	<u>2,945</u>	<u>1,852</u>

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	<u>03/31/2008</u>	
	Expenses	Permanent assets
Terra Molhada Participações Ltda. (a)	935	-
Companhia de Serviços e Participações. (b)	1,614	29
RMA Construtora Ltda. (c)	903	2,055
Touch Tecnologia e Informática Ltda. (d)	235	645
Refazenda Participações Ltda. (e)	155	-
DA Produções Artísticas Ltda. (f)	51	-
Pátria Assessoria Financeira Ltda. (g)	127	-
Família Chimenti Auriemo (h)	<u>34</u>	<u>-</u>
	<u>4,054</u>	<u>2,729</u>

(a) Terra Molhada Participações Ltda.

The Company rents 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., which is controlled by Renato Magnanini Auriemo, Ricardo Magnanini Auriemo, Adriana Auriemo Miglorancia and Guilherme Magnanini Auriemo, sons and daughter of Doctor Caio Roberto Chimenti Auriemo, Chairman of the Board of Directors of the Company.

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

The Company's 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 amendment to the contract, part of the cleaning services was terminated and the services of reception and parking were totally terminated. On August 3, 2008, the contract maintained by the parts was terminated.

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(c) RMA Construtora Ltda.

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

(d) Touch Tecnologia e Informática Ltda.

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

(e) Refazenda Participações Ltda.

Company that manages its own assets and business, which is controlled by Dr. Caio Auriemo. The Company rents four real estates (service units in Chácara Flora and Mooca neighborhoods in the City of São Paulo, and in Ipanema and downtown neighborhoods in the City of Rio de Janeiro), from Refazenda. The lease agreements related to the real estates located in São Paulo were executed in November 2005 for a 10-year period, and the lease agreements related to the real estates located in Rio de Janeiro were executed in April 2004 for a 5-year period.

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

Fund management Company, indirect shareholders of the Company, related to Patrimônio Investimentos e Participações Ltda., which provides financial advisory services to the Company in order to assist it in mergers and acquisitions.

(h) Família Chimenti Auriemo.

The Company leases real estate that belongs to the Auriemos, including 5% owned by Dr. Caio Auriemo, located at Avenida Brigadeiro Luiz Antônio, 3717, in the City of São Paulo.

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27 Leases

Local currency lease

The Company is a lessee of data processing equipment (hardware), machinery and equipment, vehicles, furniture and fixture, and software with a purchase option, totaling a payable balance until 2013 and an outstanding amount of R\$ 19,231, of which R\$ 9,275 is classified under current liabilities and R\$ 9,956 in the noncurrent liabilities. The average term of the contracts is 36 months and they are bound to interest rates that vary from CDI + 1,17 % per year to CDI + 3,19 % per year.

The accounts payable related to leasing contracts matures as follows:

	Amount
2009	7,394
2010	6,996
2011 to 2013	<u>4,841</u>
	<u>19,231</u>

The assets and the rights of these contracts are recorded in Property and Equipment assets and Intangible Assets, R\$ 29,221 of cost and R\$ 5,924 in accumulated depreciation.

Foreign lease

The Company is a leaseholder of equipment used in the rendering of the services, in accordance with lease agreements with purchase option. The payment term is 84 months, and for the first installment it was established a grace period of six months for its payment, and for the others it was established that they will be made on a quarterly and semi-annual basis. The quarterly and semi-annual installments fixed in U.S. Dollars are translated into Reais at the dollar market exchange rate quotation ruling on the payment date, plus interest which varies from 7.20% per annum to 9.00% per annum, which up to 2016 total a payable balance in the amount of R\$ 88,261, R\$ 21,210 of which is classified under the current liabilities and R\$ 67,051 under noncurrent liabilities.

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The accounts payable related to leases matures as follows:

	Amount
2009	15,552
2010	20,338
2011	17,704
2012	14,903
2013	12,288
2014	5,937
2015	1,481
2016	<u>58</u>
	<u>88,261</u>

The equipment related to these contracts is recorded as property and equipment, in the account Machinery and Equipment, R\$ 152,304 of which is cost and R\$ 28,090 is accumulated depreciation.

28 Stock option plan

In Extraordinary General Meeting held on March 25, the shareholders approved the Stock Option Plan to Company management's and employees', the term of the plan is five (5) years as of its approval date. The call options shall confer acquisition rights over a total number of shares that shall not exceed the equivalent to 0.2% of the Company's capital in the year, and 1% of the total capital. The Board of Directors shall establish the price for the acquisition of the options granted in the terms of the Plan, respecting the floor price equivalent to the average price of the shares, by the end of the day, in five business days at Bovespa immediately before the date of the option granting. The granting date of options is in 2009. The contents of the Plan was announced to the market on March 25, 2008 at the CVM website (www.cvm.gov.br).

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29 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 its subsidiaries is prepared in accordance with accounting practices adopted in Brazil (Brazilian GAAP), which comprises those prescribed by Brazilian Corporate Law, the Pronouncement, Guidelines and Interpretations issued by the Committee for Accounting Statements(CPC) and the rules of the Brazilian Securities and Exchange Commission (CVM). Note 2 to the consolidated interim financial information summarizes the accounting policies adopted by the Company, which differ significantly from U.S.GAAP, as summarized below.

a. Deferred charges

Prior to Law 11638/07, the Company capitalized certain preoperating, research and development costs under Brazilian GAAP. Under U.S. GAAP, these costs are recorded as expenses when incurred. The U.S. GAAP adjustment represents the reversal of deferred costs capitalized and the related amortization recorded under Brazilian GAAP.

According to Law 11638/07, beginning in 2008, the Brazilian GAAP will be similar to U.S. GAAP, and the deferral of costs will not be allowed.

b. Capitalization of interest related to construction in progress

Under BRGAAP, the Company is allowed to capitalize interest costs and other financial charges on borrowed funds as part of the cost of the related asset under construction only if the borrowed funds are directly related to the asset under construction.

In accordance with U.S. GAAP, SFAS 34, "Capitalization of Interest Costs", interest incurred on borrowings is capitalized to the extent that the 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.

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c. Deferred income taxes

Under BRGAAP, 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 loss carryforwards is based on future taxable income brought at its present value. The Realization estimated 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 loss carryforwards of an acquired entity are recognized directly in the statement of operations in the year when all conditions for recognition are met. Pursuant to US GAAP, these assets must be assessed at the date of acquisition and, if recorded, should have their effects on the amount assigned to goodwill.

d. Acquisitions and business combinations

Prior Law 11638/07, according to BR GAAP on the acquisition of subsidiaries, the difference between the purchases price paid and the book value was recorded as goodwill, when such goodwill was supported by future profitability of operations undertaken by the subsidiaries acquired, and it was amortized over the period estimated to be benefited. If the fair value of the property and equipment of the acquired company exceeds the book value, the goodwill relating to this excess was amortized over the remaining useful lives of the related assets. If the goodwill did not fall into one of the above categories, it was written off.

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The enactment of Law 11638/07 and the publication of accounting pronouncements such as “CPC 04 - Intangible Assets” and “CPC 13 - Initial Compliance with Law 11638/07 and Provisional Measure 449/08”, modified BR GAAP regarding this matter basically through the recognition of a new subgroup under Noncurrent Assets called “Intangibles” which comprises (i) intangibles assets with finite useful lives subject to amortization, and (ii) intangible assets with indefinite useful lives subject annually to an impairment test (i.e. goodwill).

Pursuant to the new law, the goodwill that was related to the acquisitions were reclassified to “intangibles” and were amortized until December 31, 2008. As of January 1st, 2009, goodwill will no longer be amortized and will be tested for impairment annually, or more frequently if events or changes in circumstances indicate that the goodwill or the intangible asset might be impaired.

Under U.S. GAAP, pursuant to SFAS 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 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 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.

In December 2007, 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

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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 applied such pronouncement on a prospective basis.

Acquisitions

The Company acquired the following companies in 2009 and 2008:

Maximagem

On November 19th, 2008, the Company completed its acquisition of the companies (i) Maxidiagnósticos Participações Ltda., (ii) Digirad Diagnósticos Médicos Ltda., (iii) Clínica Radiológica Clira Ltda., (iv) Cedimax Diagnósticos Médicos Ltda. and (v) Clínica Radiológica Brafer Ltda., which make up the group Maximagem (“Maximagem”). Maximagem renders imaging diagnostic services in the cities of Sao Paulo and Santo André. The acquisition will reinforce Company presence in the State of São Paulo and increases its participation in the imaging diagnostics services.

Maximagem became a wholly owned subsidiary of the Company in a transaction accounted for using the purchase method. The Company acquired 100% of the outstanding quotas of Maximagem for an initial purchase price of R\$ 35,655, from which R\$ 1,555 is related to acquisition costs, R\$ 25,381 were paid cash, R\$ 2,719 will be paid on November 19th, 2010 and R\$ 6,000 were placed in an escrow account to secure Maximagem’s obligations under certain representation and warranty provisions. The escrow funds will be released six years from the closing date of the acquisition. The results of operations of Maximagem are included in the Company’s Consolidated Statements of Operations beginning November 19, 2008, the closing date of the acquisition.

Under the purchase method of accounting, the initial purchase price as shown above is allocated to Maximagem’s net tangible and intangible assets based on their estimated fair values as of the date of the completion of the acquisition. In addition, adjustments may be made to the allocation of the initial purchase price to reflect adjustments to the fair value of fixed assets, as well as the related deferred taxes.

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The preliminary allocation of the initial purchase price as of December 31, 2008 is as follows:

Cash	752
Accounts receivable	3,193
Other accounts receivable	1,672
Property and equipment	6,185
Identifiable intangible assets	8,921
Goodwill	28,114
Suppliers	(1,052)
Loans and financing	(5,174)
Deferred taxes	(3,033)
Other accounts payable	(3,923)
Total initial purchase price	<u>35,655</u>

Identifiable intangible assets

Identifiable intangible assets, which consist non-contractual customer relationships and are amortized on a straight-line basis over their estimated useful lives of 30 years.

Goodwill

Approximately R\$ 28,114 of the initial purchase price has been allocated to goodwill. Goodwill represents the excess of the purchase price over the fair value of the underlying net tangible and intangible assets. The goodwill was attributed to the premium paid to based on the expectation of future profitability. 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.

In accordance with SFAS 142, goodwill will not be amortized but instead will be tested for impairment at least annually (more frequently if certain indicators are present). In the event that management determines that the value of goodwill has become impaired, the Company would incur an accounting charge for the amount of impairment during the period in which the determination is made.

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Deferred tax liability

Deferred tax liability of R\$ 3,033 related to tax effects of fair value adjustments related to intangible assets.

Cedic

On December 05, 2008 the Company completed its acquisition of the companies (i) Cedic - Centro de Diagnósticos por Imagem de Cuiabá Ltda.; (ii) Centro Médico de Imagenologia Ltda.; (iii) Ressonância Magnética Cuiabá Ltda., which make up the group Cedic (“Cedic”). Cedic renders imaging diagnostic services in the cities of Cuiabá e Várzea Grande. The acquisition is the starting point for the entrance in the city of Cuiabá, by offering imaging services.

Cedic became a wholly owned subsidiary of the Company in a transaction accounted for using the purchase method. The Company acquired 100% of the outstanding quotas of Cedic for an initial purchase price of R\$ 26,920, from which R\$ 1,239 is related to acquisition costs, R\$ 21,604 were paid cash, R\$ 577 will be paid two days upon the presentation of certain tax documentation and R\$ 3,500 were placed in an escrow account to secure Cedic’s obligations under certain representation and warranty provisions. The escrow funds will be released six years from the closing date of the acquisition. The results of operations of Cedic are included in the Company’s Consolidated Statements of Operations beginning December 05, 2008, the closing date of the acquisition.

Under the purchase method of accounting, the initial purchase price as shown above is allocated to Cedic net tangible and intangible assets based on their estimated fair values as of the date of the completion of the acquisition. In addition, adjustments may be made to the allocation of the initial purchase price to reflect adjustments to the fair value of fixed assets, as well as the related deferred taxes.

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The preliminary allocation of the initial purchase price as of December 31, 2008 is as follows:

Cash	1,503
Accounts receivable	395
Other accounts receivable	9
Property and equipment	8,071
Identifiable intangible assets	7,321
Goodwill	17,773
Suppliers	(1,217)
Loans and financing	(3,332)
Deferred taxes	(2,489)
Other accounts payable	(1,114)
Total initial purchase price	<u>26,920</u>

Identifiable intangible assets

Identifiable intangible assets, which consist of brand and are amortized on a straight-line basis over their estimated useful lives of 30 years.

Goodwill

Approximately R\$ 17,773 of the initial purchase price has been allocated to goodwill. Goodwill represents the excess of the purchase price over the fair value of the underlying net tangible and intangible assets. The goodwill was attributed to the premium paid to based on the expectation of future profitability. 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.

In accordance with SFAS 142, goodwill will not be amortized but instead will be tested for impairment at least annually (more frequently if certain indicators are present). In the event that management determines that the value of goodwill has become impaired, the Company would incur an accounting charge for the amount of impairment during the period in which the determination is made.

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Deferred tax liability

Deferred tax liability of R\$ 2,489 related to tax effects of fair value adjustments related to intangible assets.

Cedilab

On December 05, 2008 the Company completed its acquisition of Centro Médico de Diagnóstico Laboratorial Ltda. (“Cedilab”). Cedilab renders clinical analysis services in the cities of Cuiabá e Várzea Grande. The acquisition is the starting point for the entrance in the city of Cuiabá, by offering clinical analysis.

Cedilab became a wholly owned subsidiary of the Company in a transaction accounted for using the purchase method. The Company acquired 100% of the outstanding quotas of Cedilab for an initial purchase price of R\$ 8,713, from which R\$ 151 is related to acquisition costs, R\$ 7,963 were paid cash and R\$ 600 were placed in an escrow account to secure Cedilab’s obligations under certain representation and warranty provisions. The escrow funds will be released six years from the closing date of the acquisition. The results of operations of Cedilab are included in the Company’s Consolidated Statements of Operations beginning December 05, 2008, the closing date of the acquisition.

Under the purchase method of accounting, the initial purchase price as shown above is allocated to Cedilab net tangible and intangible assets based on their estimated fair values as of the date of the completion of the acquisition. In addition, adjustments may be made to the allocation of the initial purchase price to reflect adjustments to the fair value of fixed assets, as well as the related deferred taxes.

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The preliminary allocation of the initial purchase price as of December 31, 2008 is as follows:

Cash	728
Accounts receivable	170
Other accounts receivable	182
Property and equipment	361
Identifiable intangible assets	2,399
Goodwill	6,830
Suppliers	(801)
Loans and financing	(59)
Deferred taxes	(816)
Other accounts payable	(281)
Total initial purchase price	<u>8,713</u>

Identifiable intangible assets

Identifiable intangible assets, which consist of brand and are amortized on a straight-line basis over their estimated useful lives of 30 years.

Goodwill

Approximately R\$ 6,830 of the initial purchase price has been allocated to goodwill. Goodwill represents the excess of the purchase price over the fair value of the underlying net tangible and intangible assets. The goodwill was attributed to the premium paid to based on the expectation of future profitability. 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.

In accordance with SFAS 142, goodwill will not be amortized but instead will be tested for impairment at least annually (more frequently if certain indicators are present). In the event that management determines that the value of goodwill has become impaired, the Company would incur an accounting charge for the amount of impairment during the period in which the determination is made.

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Deferred tax liability

Deferred tax liability of R\$ 816 related to tax effects of fair value adjustments related to intangible assets.

Unimagem

On January 20, 2009 the Company completed the acquisition of all representative shares of the quota capital of the company Unidade Cearense de Imagem Ltda. - Unimagem that renders services of diagnosis by image in the city of Fortaleza (Ceará State). Unimagem became a wholly owned subsidiary of the Company in a transaction for using the purchase method. The Company acquired 100% of the outstanding quotas of Unimagem for an initial purchase price of R\$ 15,882 from which R\$ 12,682 of which were paid in cash, R\$ 1,700 will be paid in 2012 and R\$ 1,500 were placed in an escrow account to secure Unimagem obligations under certain representations and warranty provisions. The results of operation of Unimagem are included in the Company's Consolidated Statements of operations beginning January 20, 2009, the closing date of the acquisition.

With this other acquisition, the company strengthens its presence in the State of Ceará, where it already offers services of clinical analysis through the trademark LabPasteur, as a supplement to its market share in diagnostic services through imaging. The acquisition was approved at a Company's Board of Directors' meeting held on December 23, 2008, which was submitted to the approval of the Administrative Council for Economic Defense (CADE).

Under the purchase method of accounting, the initial purchase price as shown above is allocated to Unimagem's net tangible and intangible assets based on their estimated fair values as of the date of the completion of the acquisition. In addition, adjustments may be made to the allocation of the initial purchase price to reflect adjustments to the fair value of assets and liabilities as well as the related deferred taxes.

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The preliminary allocation of the initial purchase price as of March 31, 2009 is as follows:

Cash	457
Accounts receivable	96
Inventories	89
Recoverable and deferred taxes	251
Marketable securities	386
Other accounts receivable	64
Investments	89
Property, plant, equipment	5,655
Identifiable intangible assets	3,987
Goodwill	9,772
Suppliers	(290)
Loans and financing	(2,068)
Deferred taxes	(1,356)
Other accounts payable	(1,250)
Total initial purchase price	<u>15,882</u>

Identifiable intangible assets

Identifiable intangible assets, which consist of brand and are amortized on a straight-line basis over their estimated useful lives of 30 years.

Goodwill

Approximately R\$ 9,772 of the initial purchase price has been allocated to goodwill. Goodwill represents the excess of the purchase price over the fair value of the underlying net tangible and intangible assets. The goodwill was attributed to the premium paid to based on the expectation of future profitability. 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.

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In accordance with SFAS 142, goodwill will not be amortized but instead will be tested for impairment at least annually (more frequently if certain indicators are present). In the event that management determines that the value of goodwill has become impaired, the Company would incur an accounting charge for the amount of impairment during the period in which the determination is made.

Deferred tax liability

Deferred tax liability of R\$ 1,356 related to tax effects of fair value adjustments related to intangible assets.

The following summary presents the Company's unaudited pro forma consolidated results of operations for the period ended March 31, 2009 and 2008, in accordance with accounting practices adopted in Brazil, as if Unimagem acquisitions has been completed at the beginning of each period. The unaudited pro forma information is only presented for comparative purposes and does not purport to be indicative of what would have occurred had the acquisition actually been made at such date, nor is it necessarily indicative of future operation results:

Amounts under accounting practices adopted in Brazil	03/31/2009	03/31/2008
Net services revenues	325,764	259,266
Operation income	44,377	6,483
Net income	33,487	4,674
Net income per share	0.58	0.08

e. Transaction costs - Senior notes

All expenses incurred with the issue of *Senior Notes* have been amortized on a straight line basis during the term of the notes. According to the Technical Announcement - CPC 08, which defines the transaction costs and premiums in the issue of securities, the Company has reclassified the expenses incurred with the issue of notes, not amortized, to the line of Bank Loans and Financings, showing the net liability of its transaction costs in its consolidated financial statements prepared in accordance with BR GAAP.

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Under US GAAP, transaction costs, not amortized, are presented as prepaid expenses.

f. Financial income (expenses)

Under BR GAAP, 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.

g. Earnings per share

Under BR GAAP, the Company determines earnings per share based on the number of shares outstanding at the end of each year in which earnings are reported. Subsequent changes in the Company's share capital are not retroactively reflected in the disclosure of the number of shares outstanding and in the calculation of earnings per share under BR GAAP.

Under U.S. GAAP in accordance with SFAS 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).

h. Classification of cash flow items

Under Brazilian GAAP, in addition to the issues noted above, the classifications of certain items between cash flows activities are presented differently from US GAAP. The reclassification is 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 higher than 90 days, so these securities are subject to potential risk of change in value due to changes in interest rates. For US GAAP purposes these securities should be classified as short-term investments under investing activities.

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i. Recently issued accounting pronouncements

In December 2007, FASB issued SFAS 160, Noncontrolling Interest in Consolidated Financial Statements - amendment to Accounting Research Bulletin 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, FASB issued SFAS 161, *Disclosures about Derivative Instruments and Hedging Activities — an amendment to FASB Statement 133* (“SFAS 161”). SFAS 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 161 in the first quarter of 2009. Since SFAS 161 requires only additional disclosures concerning derivatives and hedging activities, adoption of SFAS 161 is not expected to affect the Company’s financial condition, results of operations or cash flows.

In April 2008, FASB issued FASB Staff Position (FSP) FAS 142-3, Determination of the Useful Lives 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 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 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS 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.

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

Description	Note I	03/31/09 (Unaudited)	03/31/08 (Unaudited) Restated
Net income as reported under accounting practices adopted in Brazil		33,781	3,823
Deferred charges	a)	(141)	742
Capitalization of interest:	b)		
Cost		302	750
Amortization expenses		(463)	(406)
Deferred tax effects on adjustments above	c)	103	(369)
Business combinations:	d)		
Reversal of amortization of goodwill under BR GAAP		-	18,012
Tax benefit applied as a reduction of goodwill		(62)	(89)
Deferred income taxes on goodwill basis difference	c)	(983)	(413)
Amortization of intangible assets recognized under U.S. GAAP		(4,904)	(4,716)
Deferred income tax effect on intangible assets	c)	<u>1,665</u>	<u>1,603</u>
Net income under U.S. GAAP		<u>29,298</u>	<u>18,937</u>
Comprehensive income		<u>29,298</u>	<u>18,937</u>
Basic and diluted earnings per common share under U.S. GAAP (*)		<u>0.51</u>	<u>0.33</u>

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

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Description	Note I	03/31/09 (Unaudited)	12/31/08
Shareholders' equity as reported under accounting practices adopted in Brazil		<u>512,683</u>	<u>478,902</u>
Deferred charges	a)	3,799	3,940
Capitalization of interest:	b)		
Cost		11,435	11,133
Accumulated amortization		(6,150)	(5,687)
Deferred tax effects on adjustments above	c)	(3,088)	(3,191)
Business combinations:	d)		
Different criteria in the determination of goodwill		(183,504)	(180,869)
Accumulated amortization of goodwill under U.S. GAAP		(3,217)	(3,217)
Accumulated amortization of goodwill under BR GAAP		273,422	273,422
Tax benefit applied as a reduction of goodwill		(19,818)	(19,756)
Deferred income taxes on goodwill basis difference	c)	(28,128)	(27,145)
Intangible assets recognized under U.S. GAAP		261,396	257,409
Accumulated amortization of intangible assets recognized under U.S. GAAP		(55,599)	(50,695)
Deferred income tax effect on intangible assets	c)	(<u>69,969</u>)	(<u>70,283</u>)
Shareholders' equity under U.S. GAAP		<u>693,262</u>	<u>663,963</u>

III - Restatement

Subsequent to the issuance of the Company's consolidated quarterly financial information for the period ended March 31, 2008, the Company discovered an unintentional error related to the classification of certain transactions as deferred charges under BR GAAP. Upon the initial adoption of Law 11638/07 certain transactions that were previously recorded as deferred charges were reclassified to property and equipment. Under US GAAP, such transactions were incorrectly expensed as incurred. Consequently, the Company restated its reconciliation to US GAAP for the period end on March 31, 2008.

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Set forth below is a comparison of the previously reported and restated income statements reconciliation for the period ended March 31, 2008:

	As of and for the period ended March 31, 2008	
	Previously reported	As Restated
Net income as reported under accounting practices adopted in Brazil	8,253	3,823
Deferred charges	4,263	742
Deferred tax effect on adjustment above	(1,449)	(252)
Others adjustments, net (net of deferred tax effects)	<u>14,660</u>	<u>14,624</u>
Net income under U.S. GAAP	25,727	18,937
Comprehensive income	25,727	18,937
Basic and diluted earnings per share	0.45	0.33

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IV - 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 short term. These investments are recorded at fair value. Unrealized 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 March 31, 2009 and 2008, is as follows:

	03/31/09 (Unaudited)	03/31/08 (Unaudited)
Interest cost capitalized	302	750
Interest cost charged to income	<u>44,333</u>	<u>15,906</u>
Total interest expense	<u>44,635</u>	<u>16,656</u>

c. Long-lived assets

In accordance with FASB Statement 144 (Statement 144), Accounting for the Impairment or Disposal of Long-Lived Assets, long-lived assets, such as property 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.

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Law 11638/07 provided additional requirements, similar to U.S. GAAP, regarding the recoverability of long lived assets, which are subject to impairment test at least annually . As of March 31, 2009, the recoverable value of these assets exceeds their book value recognized under Brazilian Accounting Principles and under U.S. GAAP. Therefore, no losses due to devaluation was recorded under any of these accounting principles.

d. Leasing transactions

Capital leases

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

The Company has capital lease arrangements for machines and equipment, data processing equipment (hardware) and vehicles, based on 106 local currency leases and 38 foreign lease contracts in force as of March 31, 2009.

The following table summarizes the assets recorded under capital leases:

	Depreciation rate - % p.a.	03/31/09 (Unaudited)		
		Cost	Depreciation	Net
Machinery and equipment	10	140,076	25,754	114,322
Furniture and fixtures	10	984	109	875
Hardware	20	7,418	1,413	6,005
Vehicles	20	3,419	746	2,673
Software	20	<u>407</u>	<u>68</u>	<u>339</u>
		<u>152,304</u>	<u>28,090</u>	<u>124,214</u>
		12/31/08		
	Depreciation rate - % p.a.	Cost	Depreciation	Net
Machinery and equipment	10	142,874	29,231	113,643
Furniture and fixtures	10	984	89	895
Hardware	20	7,452	1,274	6,178
Vehicles	20	3,471	602	2,869
Software	20	<u>372</u>	<u>53</u>	<u>319</u>
		<u>155,153</u>	<u>31,249</u>	<u>123,904</u>

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The accounts payable related to capital leasing matures as follows:

Maturity year	Capital leases
2009	22,946
2010	27,334
2011	20,927
2012	16,262
2013	12,547
Later periods	<u>7,476</u>
Total minimum payments	<u>107,492</u>

Operating lease

Payments made during the operating lease contracts are presented as expenses in the statements income. If rental payments are not made on a straight-line basis, rental expense nevertheless is recognized on a straight-line basis.

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 are:

Maturity year	Operating leases
2009	34,258
2010	39,141
2011	34,272
2012	23,334
2013	17,525
Later periods	<u>46,802</u>
Total minimum payments	<u>195,332</u>

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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 three months ended March 31, 2009 and 2008 including contingent rentals, amount to R\$ 56,904 and R\$ 11,029, 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, 2007 through March 31, 2009	<u>57,402,935</u>

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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 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.

Description	03/31/09 (Unaudited)	03/31/08 (Unaudited) Restated
Net income under U.S. GAAP	29,298	18,937
Weighted average shares outstanding - Basic and diluted	57,402,935	57,402,935
Basic and diluted earnings per share - R\$	0.51	0.33

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 resulting fair value of the reporting unit's goodwill is lower than the carrying amount of such goodwill, an impairment loss is recognized.

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

Goodwill description	03/31/09 (Unaudited)	12/31/08
Lavoisier acquisition	20,846	20,846
Broenstein acquisition	22,499	22,499
Lamina acquisition	1,208	1,208
Santa Casa acquisition	619	619
CRL acquisition	9,428	9,428
Elkis acquisition	20,381	20,414
Pasteur acquisition	6,249	6,279
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 (a)	52,599	50,630
MedImagem acquisition	26,401	26,401
Maximagem acquisition	28,114	28,114
CEDICacquisition	17,773	17,773
CEDILAB acquisition	6,830	6,830
Unimagem acquisition	<u>9,772</u>	<u>-</u>
	<u>369,401</u>	<u>357,723</u>

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 three month period ended March 31, 2009 and for the year December 31, 2008 are as follows:

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Movement of the period	Goodwill
Balance as of December 31, 2008	<u>357,723</u>
Additions	11,740
Tax benefit applied to reduce goodwill	(62)
Balance as of March 31, 2009	<u>369,401</u>

(a) Increase of the purchase price acquisition (goodwill) - Cientificalab Produtos Laboratoriais e Sistemas Ltda.

It refers mainly to the third installment of the Cientificalab acquisition price.

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, noncompetition agreements and client relationship acquired through business combinations.

	<u>03/31/09 (Unaudited)</u>				
	Brands	Government contracts	Non-competition agreements	Client relationship	Total
Gross	192,696	49,242	10,537	8,921	261,396
Accumulated amortization	(25,730)	(21,707)	(8,038)	(124)	(55,599)
Net	<u>166,966</u>	<u>27,535</u>	<u>2,499</u>	<u>8,797</u>	<u>205,797</u>
Weighted- average amortization period (years)	22.3	2.1	3.1	29.6	-
	<u>12/31/2008</u>				
	Brands	Government contracts	Non-competition agreements	Client relationship	Total
Gross	188,709	49,242	10,537	8,921	257,409
Accumulated amortization	(24,144)	(18,667)	(7,834)	(50)	(50,695)
Net	<u>164,565</u>	<u>30,575</u>	<u>2,703</u>	<u>8,871</u>	<u>206,714</u>
Weighted- average amortization period (years)	22.4	2.3	3.3	29.9	-

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Under U.S. GAAP the aggregate amortization expense for the above intangible assets amounted to R\$ 4,904 and R\$ 4,716 for the three month period ended March 31, 2009 and 2008, 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 consecutive years:

	Estimated amortization expenses
2009	15,362
2010	19,660
2011	11,692
2012	7,220
Thereafter	<u>151,863</u>
Total	<u>205,797</u>

k. Income tax

On January 1, 2007, the Company adopted FASB Interpretation 48, "Accounting for Uncertainty in Income Taxes - An Interpretation of FASB Statement 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 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 fines, accounting in interim periods, disclosure, and transition. The implementation of FIN 48 had no significant impact on the unaudited consolidated interim financial information.

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

The Company is subject to Brazilian income and social contribution taxes. The calendar years 2004 through 2008 remain open to examination. As of March 31, 2009, the Company

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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 and recorded in the local books under provision for contingencies, from January 1, 2009 to March 31, 2009:

Balance as of January 1, 2009	8,174
Increases related to prior year tax position	265
Balance as of March 31, 2009	8,440

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 three month ended March 31, 2009 was R\$ 265.

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l. Fair value measurements

As of March 31, 2009, the Company had certain financial assets and liabilities that were required to be measured and reported at fair value on a recurring basis. These assets and liabilities are listed in the table below and classified based on how their values were determined under the fair value hierarchy:

Financial Items

	Level 1	Level 2	Level 3	Total
Assets:				
Interest rate swaps	-	51,544	-	51,544
Marketable securities	372,934	-	-	372,934
Liabilities:				
Interest rate swaps	-	(3,752)	-	(3,752)
Net	<u>372,934</u>	<u>47,792</u>	<u>-</u>	<u>420,726</u>

Non Financial Items

	Level 1	Level 2	Level 3	Total
Assets:				
Intangible (brand of Unimagem)	-	3,987	-	3,987
Net	<u>-</u>	<u>3,987</u>	<u>-</u>	<u>3,987</u>

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.

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Marketable Securities

Company's marketable investments are comprised exclusively of highly liquid government bonds, which quoted prices are available in an active market.

Intangible

The fair value of the intangible related to Unimagem brand was determined based on a discounted cash flow model matched to the projected revenue over a 5 years period. Since inputs to the model are observable and significant judgment is not required in determining the fair values, intangible were classified within Level 2 of the fair value hierarchy.

m. Concentration of credit risk

Cash and cash equivalents and marketable investments are financial instruments which potentially subject the Company to credit risk. 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\$ (22,056) and R\$ 668 for the three month periods ended March 31, 2009 and 2008, respectively.

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V - 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.

a. Consolidated balance sheets as of March 31, 2009 and December 31, 2008 under U.S. GAAP

Assets	03/31/09	12/31/08	Liabilities	03/31/09	12/31/08
Current assets			Current liabilities		
Cash and cash equivalents	22,103	29,328	Accounts payable to Suppliers	52,666	58,897
Marketable securities	372,934	462,896	Loans and financing	210,083	188,437
Trade accounts receivable	315,949	263,704	Taxes and contributions payable	19,167	19,934
Inventories	37,807	38,916	Salaries, social security charges and vacation payable	53,517	47,111
Taxes recoverable	53,809	48,520	Installments taxes	8,998	6,130
Deferred income taxes	14,347	15,054	Accounts payable from acquisition of subsidiaries	7,979	8,228
Derivatives	7,396	2,372	Derivatives	3,320	3,553
Prepaid expenses	7,275	4,804	Other accounts payable	<u>29,111</u>	<u>24,494</u>
Other accounts receivable	<u>12,081</u>	<u>13,017</u>			
	<u>843,701</u>	<u>878,611</u>		<u>384,841</u>	<u>356,784</u>
Noncurrent assets			Long-term liabilities		
Restricted cash	61,548	73,732	Loans and financing	758,033	846,631
Deposits in court	6,158	3,288	Installment taxes	21,970	16,179
Other accounts receivable	21,906	22,996	Accounts payable from acquisition of subsidiaries	68,515	66,264
Derivatives	44,148	27,428	Provision for contingencies	102,848	98,510
Investments	336	216	Derivatives	432	549
Goodwill	369,401	357,723	Deferred income taxes	<u>29,677</u>	<u>29,629</u>
Intangible assets, net	205,797	206,714			
Property and equipment, net	<u>508,482</u>	<u>509,413</u>	Minority interest	<u>1,899</u>	<u>1,612</u>
	<u>1,217,776</u>	<u>1,201,510</u>	Shareholders' equity		
			Capital	377,206	377,206
			Capital reserves	65,427	65,427
			Retained earnings	<u>250,629</u>	<u>221,330</u>
				<u>693,262</u>	<u>663,963</u>
Total	<u>2,061,477</u>	<u>2,080,121</u>	Total	<u>2,061,477</u>	<u>2,080,121</u>

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b. Unaudited consolidated statement of income for the periods ended March 31, 2009 and 2008 under U.S. GAAP

	03/31/09	03/31/08
Net revenues	325,390	256,748
Cost of services rendered	(222,409)	(181,854)
Gross profit	102,981	74,894
Operating income (expense):		
Administrative and general	(53,840)	(41,064)
Amortization of intangible assets	(4,905)	(4,716)
Other, net	<u>1,053</u>	<u>697</u>
	(57,692)	(45,083)
Operating income	45,289	29,811
Financial expenses, net	(5,842)	(9,974)
Income before taxes	39,447	19,837
Income and social contribution taxes:		
Current	(10,400)	(29,819)
Deferred	<u>538</u>	<u>29,280</u>
Income before minority interest	29,585	19,298
Minority interest	(287)	(361)
Net income	<u>29,298</u>	<u>18,937</u>
Earnings per share- basic and diluted	0.51	0.33