

MATERIAL FACT DIAGNÓSTICOS DA AMÉRICA S.A.

Corporate Tax Payer (CNPJ) no. 486.650/0001-83

Pursuant to CVM Instruction no. 358/2002 and the applicable laws in effect, Diagnósticos da América S.A. (Bovespa: DASA3) hereby informs its shareholders and the market of the following:

1. On December 21, 2005, Diagnósticos da América S.A. (“DASA” or the “Company”) acquired 8,953 (eight thousand, nine hundred and fifty three) nominative common shares representing 100% of the capital stock of Laboratório Alvaro Análises e Pesquisas Clínicas S.A. (“Álvaro”), a clinical analysis service provider located in the city of Cascavel, State of Paraná.
2. The amount to be paid by DASA for the totality of such shares and with its own resources is R\$ 25,675,000.00. The Company will also assume Alvaro’s gross debt, valued at R\$ 1,897,000.00.
3. Of the amount to be paid to the former partners of Alvaro, R\$ 24,375,000.00 will be settled at sight and the remainder namely R\$ 1,300,000.00 - will be retained in an escrow account attached to the acquisition for a maximum period of six years.
4. Laboratório Alvaro was founded in 1971 for the purpose of offering clinical analysis services in the city of Cascavel (Paraná State). It has operated in the market of support to laboratories since 1997 by processing the samples collected in several clinical analysis laboratories across the Brazilian territory. These operations are carried out in 27 capital cities of the country through commercial representatives who are in charge of selling the services and collecting samples nationwide.
5. Additionally, Alvaro offers clinical analysis services through an outpatient service network of its own, consisting of nine (9) units in Cascavel and three (3) in Foz do Iguaçu. It reported gross revenues in the amount of R\$ 27.3 million in 2004 and R\$ 32.9 million between January and October 2005.
6. This acquisition represents DASA’s entry into the market of support to laboratories, which has grown significantly over the past five years. In its business plan, the Company assumes that this move will help to optimize the processing structure of its own central laboratories, to expand the base of laboratories served, and to widen the range of services to be offered by DASA to the 1,600 or more laboratories catered to by Alvaro today.
7. Two of Alvaro’s former partners will continue to manage its laboratory operations in pursuit of specific strategies to promote the growth of gross revenues and net earnings, tied to an incentive program of R\$ 12,250,000.00 to be paid in identical installments at the beginning of 2007, 2008 and 2009, depending on their ability to achieve the pre-established goals.
8. The operation was approved by DASA’s Board of Directors in a meeting held on this date. As the purchase price represents a significant capital investment pursuant to the terms of Act no. 6.404/76, Article no. 256, Section I, Paragraph 1, the acquisition will be submitted to DASA’s stockholders for ratification in a Special Shareholders’ Meeting (SSM) to be summoned in due course. Dissident stockholders will not be entitled to the right of withdrawal from the SSM because the said transaction is still within the limits set forth in Act no. 6.404/76, Article no. 256, Section II. Finally, the acquisition will be submitted to the Brazilian Antitrust Commission or *Conselho Administrativo de Defesa Econômica* - CADE for approval.

São Paulo, December 21, 2005

Marcelo Marques Moreira Filho
Chief Executive Officer