



Laboratório Alvaro Acquisition

December 2005



Executive Summary

- ▶ Acquisition of 100% of "Laboratório Alvaro", second largest player in the fast growing Brazilian reference market;

- ▶ Strong revenues growth (55% CAGR for the 2002 - 2005E period);

- ▶ Acquisition multiple of 4.0x FV/Ebitda

Down Payment: R\$ 24,375,000	}	Equity Value: R\$ 25,675,000	}	FV: R\$ 27,572,000/
Escrow: R\$ 1,300,000		Total Debt: R\$ 1,897,000		Ebitda: R\$ 6,900,000

- ▶ Future performance incentivized by an attractive earn-out program for current management team;

- ▶ Significant operating leverage with low Capex needs.

Alvaro's Central Processing Lab



Alvaro Lab Overview

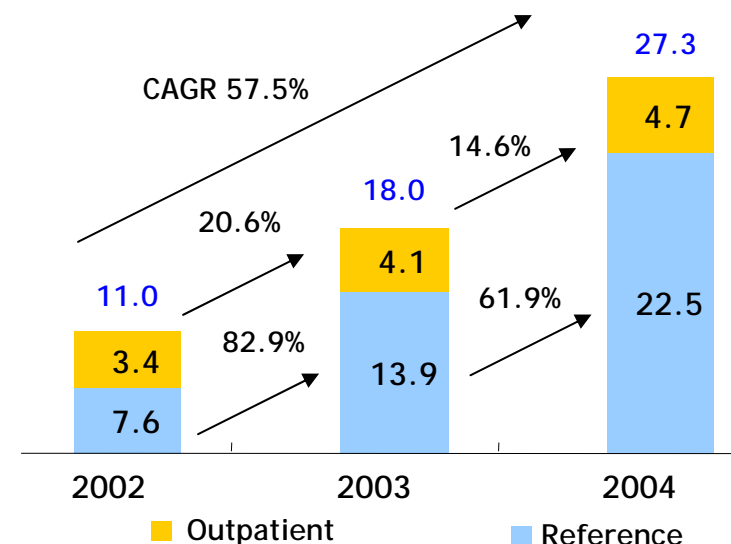
- ▶ Laboratório Alvaro (“Alvaro”) was established in 1971 in Cascavel, in the state of Paraná, as a clinical analysis laboratory;
- ▶ Alvaro’s activities targets two different segments in the clinical analysis market:
 - *Reference*: processing of clinical analysis testing samples collected from more than 1,600 laboratories located throughout Brazil (outsourcing). This segment accounted for 83% of 2004 gross revenues;
 - *Outpatient (PSC)*: provided through 12 patient service centers, 9 located in Cascavel and 3 in Foz do Iguaçu, accounting for 17% of 2004 gross revenues.
- ▶ Alvaro’s gross revenues CAGR for the 2002-2004 period of 57.5% has been boosted by the reference segment activities performance (CAGR of 72.1%);

Company Highlights

	YTD ¹	LTM ²	2005E
Gross Revenues (R\$ MM)	32.9	37.0	40.8
Net Revenues (R\$ MM)	31.6	35.6	39.2
Adjusted EBITDA (R\$ MM) ³	5.4	6.2	6.9
EBITDA Margin	17.1%	17.4%	17.6%

Source: Alvaro ¹ From January to October 2005
² From November 2004 to October 2005
³ Pricewaterhouse Coopers review





Gross Revenues Evolution (R\$ MM)



What is the Reference Market?

- ▶ Reference Lab activities involves the processing of clinical analysis testing samples collected from labs throughout Brazil;
- ▶ Introduction of automation in the clinical analysis industry turned scale into a key issue for competitiveness. Small clinical labs were the most affected players by these changes;
- ▶ Logistics, scale and low cost per test are key competitive advantages in this segment;
- ▶ Reference Labs usually operate an outpatient PSC chain combined with reference services, both using the same brand;
- ▶ According to the National Health Register (CNES), there are around 17,000 laboratories in the Brazilian territory.

Main players (as of Dec. 2004)

	Net Revenues R\$ MM ¹	% from Reference Operations ⁴	Reference Operations Net Revenues R\$ MM ⁴	Geographic Coverage
	112.0 ²	50%	56.0 ²	National
	68.9	30%	20.7	Rio de Janeiro
	20.6 ³	80%	16.5 ³	National
	14.3	70%	10.0	National

Source: SERASA

¹ Includes outpatient and reference operations

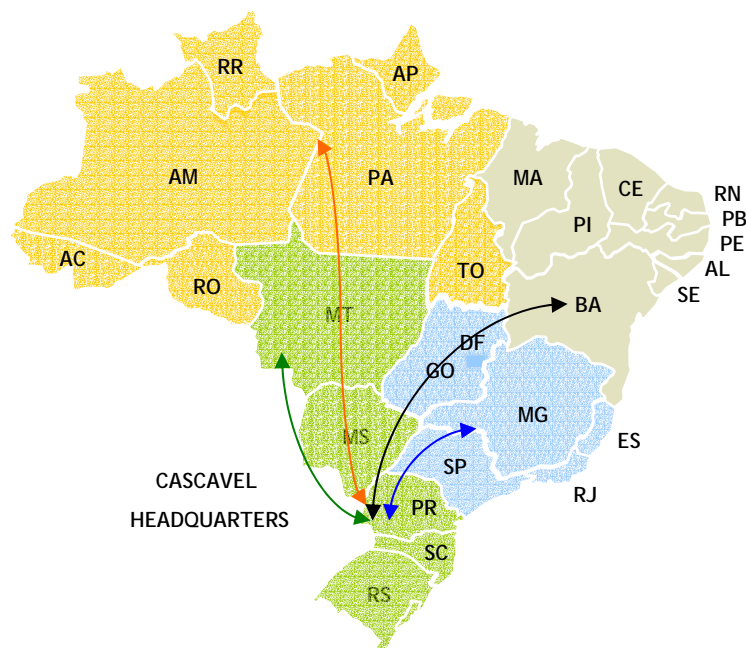
² 2002 data.

³ January to October, 2004.

⁴ Alvaro estimates

Alvaro's Reference Operation

- ▶ Alvaro began its operations in the reference segment in 1997. Today it represents 83% of the laboratory's total revenues;
- ▶ Samples are collected by client laboratories and then delivered by Alvaro's logistic system to Cascavel's Central Lab. Results can be electronically retrieved by clients.
- ▶ Alvaro has regional sales operations distributed through commercial offices, spread all over Brazil's 27 state capitals.



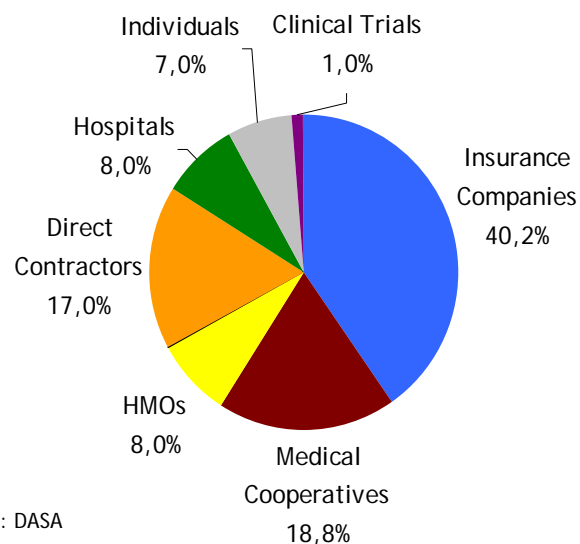
REGION	MARKET TARGET	TIME OF OPERATION
Southeast	State Capitals	1.5 years
South & Mid West	State Capitals & Countryside	8 years
Northeast	State Capitals	2.5 years
North	State Capitals	1 year

Source: Alvaro

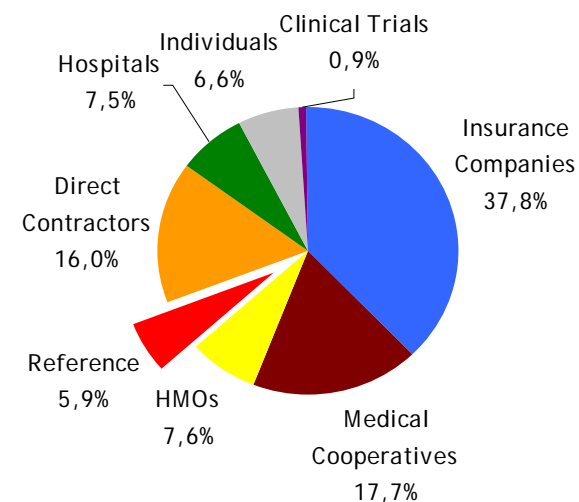
Potential Synergies and Highlights

- ▶ The entrance in the Reference Market brings DASA a new expertise on a fast growing segment of the clinical analysis business;
- ▶ Alvaro's Central Lab has enough capacity to absorb DASA's volumes in critical situations, working as a contingency processing Lab, reducing operational risks;
- ▶ Efficient cost and expense control assures sustainable operating margins;
- ▶ Paraná and Cascavel tax incentive (Service Tax "ISS" exemption for the Reference Lab activity and reduced VAT "ICMS" duties for imported reagents);
- ▶ Alvaro's acquisition will enable DASA to diversify even further its multi-payer base by adding 1,600 new clients, thus diluting revenue sources (see charts below).

DASA's Gross Revenues Breakdown by Payers (9M05)

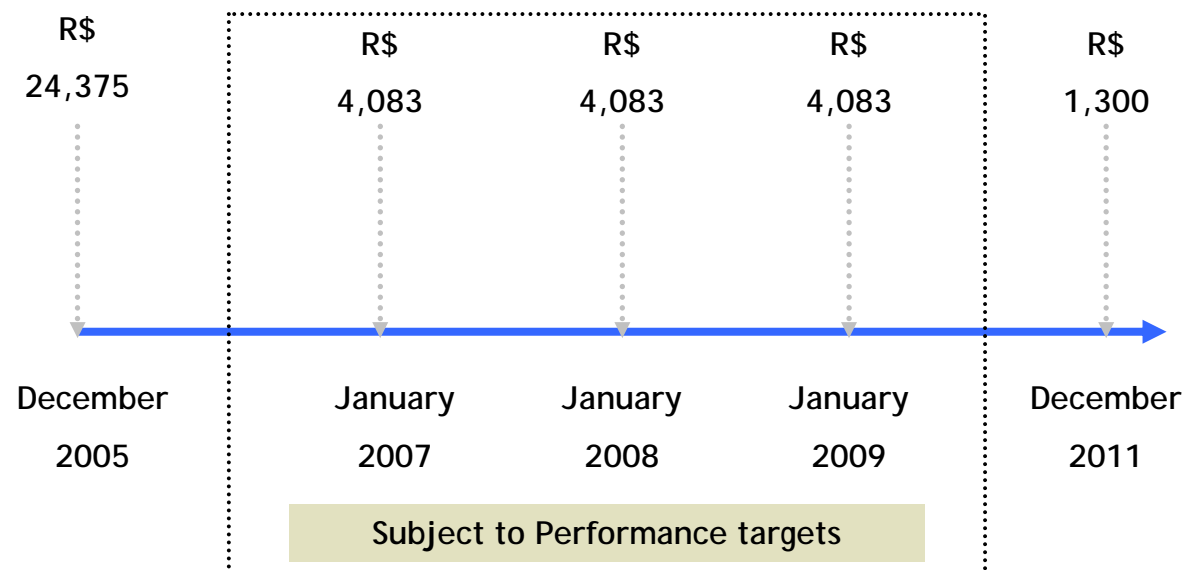


Forecasted Gross Revs. Breakdown including Alvaro (9M05)



Alvaro's Acquisition – Proposed Deal

- ▶ The three families currently partners of Alvaro, will no longer hold shares of the Laboratory. Dr. Alvaro Largura and his son, who have been responsible for the Reference Lab activities, will continue running the operations with the challenge of delivering Alvaro's projected results for 2006, 2007 and 2008, motivated by an annual earn-out performance fee of R\$ 4.083 million for the next three years.



Deal Highlights	
Total Firm Value	27,572
Total Debt	1,897
Equity Value	25,675
FV/Ebitda (2005E)	4.0x

- ▶ Targets are based on gross revenues and net earnings improvements.
- ▶ If achieved, FV rises to R\$ 39.8 Million.