



MedLabor Acquisition

July 2006





- ▶ **Background:** Founded in 2001 in Brasília, Federal District, from the merge of 4 independent labs to provide clinical analysis services;
- ▶ **Competitive Position:** 4th laboratory in Brasília, behind Sabin, Exame and Pasteur (Dasa - April 2005). Certified by PALC (Brazilian Society of Clinical Pathology) and by SBAC (Brazilian Society of Clinical Analysis);
- ▶ **Valuation:** 5.6x EV/Ebitda (LTM apr/05 to mar/06);
- ▶ **Ownership Structure:** 6 owners that will not continue on the laboratory's organizational structure post-acquisition.

Operational Highlights

# of monthly Requisitions	10,000
Patient Service Centers	8
Central Labs	1
Employees	114

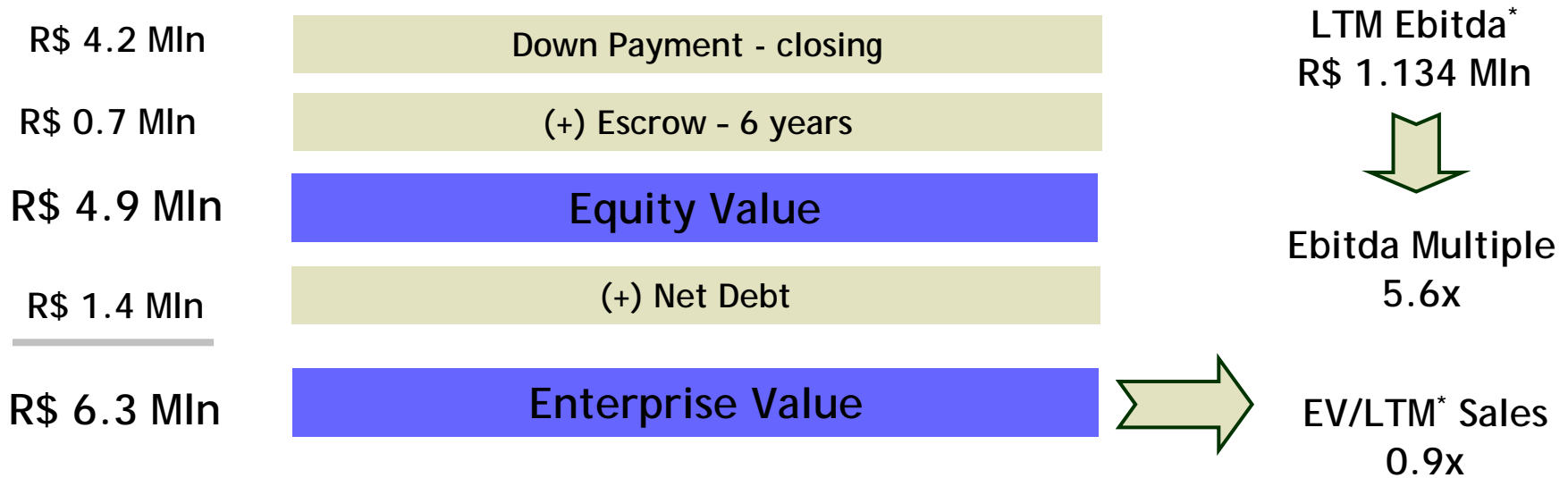
Financial Highlights¹

R\$ Million	2005	LTM ²
Gross Revenues	6.1	6.7
Net Revenues	5.8	6.4
Ebitda	1.0	1.1
Ebitda Margin	17.2%	17.2%

1) Revised by PWC

2) Last twelve months - apr/05 - mar/06

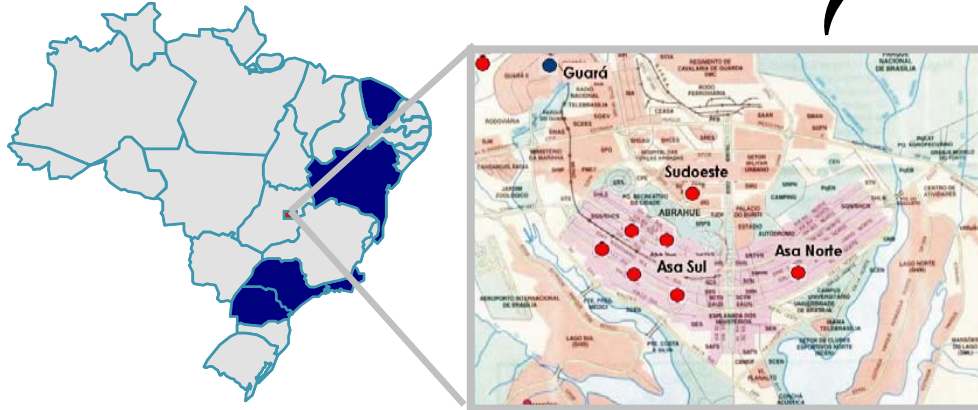
Deal Valuation



*Last twelve months - apr/05 - mar/06

- ▶ The remainder R\$ 700 th. will be held as Escrow for Contingencies until July 2012 provided that no additional contingencies are found.

Brasília - Federal District



Main Clinical Labs

LABS	# of PSCs	Net Revenues (2004)
	36	R\$ 38.2 MIn
	14	R\$ 28.0 MIn
	12	R\$ 9.7 MIn.*

Source: Serasa and websites

* 2005

MAIN INDICATORS

Population	2.3 million inhabitants
GDP	R\$ 35.7 Billion (3.0% of Brazil's)
Average Nominal Income per capita	R\$ 14,366.60 per year
Life Expectancy	74.6 y.o. (2004)
Health Care Coverage	26% of the population (Brazil=21%)

Source: IBGE, 2003/2004

▶ The acquisition complements the expansion projects of Pasteur, which includes:

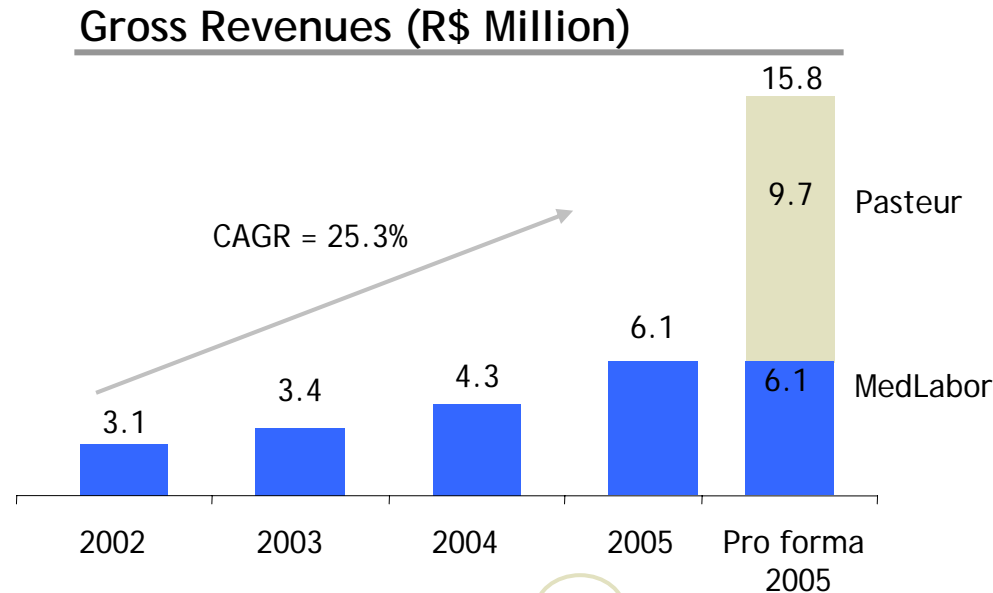
- ▶ Refurbishment of Matriz PSC and Laclib PSC to introduce imaging tests;
- ▶ Construction of the first mega-unit in Taguatinga;
- ▶ Opening of Formosa, Águas Claras and Ceilândia PSCs.



MedLabor Overview

Diagnósticos da América

- ▶ This acquisition increases DASA's presence in Brasilia, narrowing the gap with the other two main players in the market;
- ▶ MedLabor plays an important role in occupational healthcare (admission and periodic tests for company employees);
- ▶ Presence in one new state: 2 PSCs in Palmas (TO);
- ▶ As MedLabor serves the C and D classes, it should be positioned in Dasa's multi-brand strategy as a standard laboratory, while Pasteur is positioned in the executive level;
- ▶ Brand segmentation enables penetration and expansion to districts surrounding Brasília, where the population is longing for healthcare.



- ▶ **Benefits and Synergies on the Integration of Operations**
 - Merge the two production sites (Pasteur's and MedLabor's Central Labs);
 - Reduce reagent and material costs;
 - Obtain synergies on SG&A expenses;
 - Lower costs on esoteric test outsourcing, as Alvaro can absorb MedLabor's demand.
- ▶ **Efficiency Gains** - Integration of the IT systems and administrative - expected for 60 days;
- ▶ **Expansion Plans** - Open four new PSC in 2007/8 in surrounding neighbourhoods;
- ▶ **Multi- product Strategy** - Introduce frequent imaging tests (ultrasound and other imaging tests).

Patient Service Center



Central Lab



