



# Atalaia Lab. Acquisition

*October 2006*



- ▶ “Laboratório Atalaia” was founded in 1968 to provide clinical analysis services in Goiania - Goiás State (Center West Region), and today is the leading Medical Diagnostics company in the city.
- ▶ Since 2004, Atalaia has been offering some imaging tests (X-Ray, ultrasound and mammography) in one of its PSCs, that today corresponds to 3% of its gross revenues. The lab also provides reference services (lab-to-lab), representing 9% of its revenues;
- ▶ Atalaia is positioned in the executive segment and is a very well regarded brand (“top of mind”) among the local medical community and patients, both in clinical and imaging services;
- ▶ Atalaia Lab posted R\$ 19.2 million gross revenues, with R\$ 5.0 million Ebitda in the last twelve months<sup>3</sup>. The lab was valued at R\$ 26.9 million EV @ 5.4x LTM<sup>3</sup> Ebitda.

## Operational Highlights (Sept. 2006)

Monthly Requisitions	30,000
Employees	322
Main Certifications <sup>1</sup>	PALC, PELM
Central Labs	1
Patient Service Centers	12

1) PALC - Clinical Labs Accreditation Program; PELM - Brazilian Clinical Pathology Society.

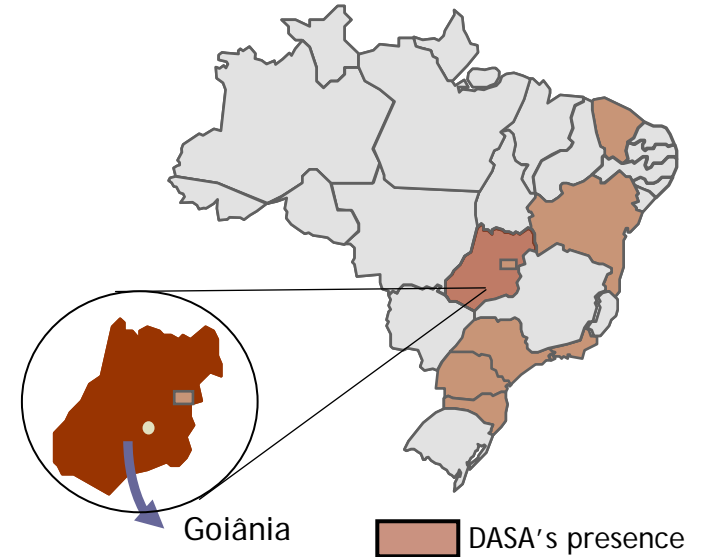
## Financial Highlights<sup>2</sup>

R\$ Million	LTM <sup>3</sup>
Gross Revenues	19.2
Ebitda	5.0
Ebitda Margin	27.3%
EV	R\$ 26.9 million
EV/Ebitda	5.4x

2) Revised by PWC

3) Last twelve months - oct./05 - sept./06

- ▶ Goiânia is in the heart of the fastest GDP growing region of Brazil (center-west) and grew 8.8% in average from 2000 to 2003;
- ▶ Including the Goiania's metropolitan area and Brasília, there are around six million inhabitants with life standards above national average. The population is growing at 3.3% p.a. (Brazil = 1.3% p.a.);
- ▶ Around 36% of the population is covered by private healthcare (Brazil's average = 21%).






## Goiânia - Goiás (GO)

Demographic Data	
Population	1.2 million inhabitants
GDP	R\$ 7.6 billion (0.5% of Brazil's GDP)
Life Expectancy	72.5 years (2005)
Health Care Coverage	36% of the population

Source: ANS and Ipagso

## Main Competitors

Labs	Net Revenues*	PSCs
 IPADRÃO® LABORATÓRIO CLÍNICO MEDICINA LABORATORIAL	R\$ 6.3 million	10
 LABORATÓRIO JARBAS DOLES	R\$ 0.8 million	4
 LABORATÓRIO SALUTI® DIAGNÓSTICO MÉDICO	N/A	9

\* 2005 figures

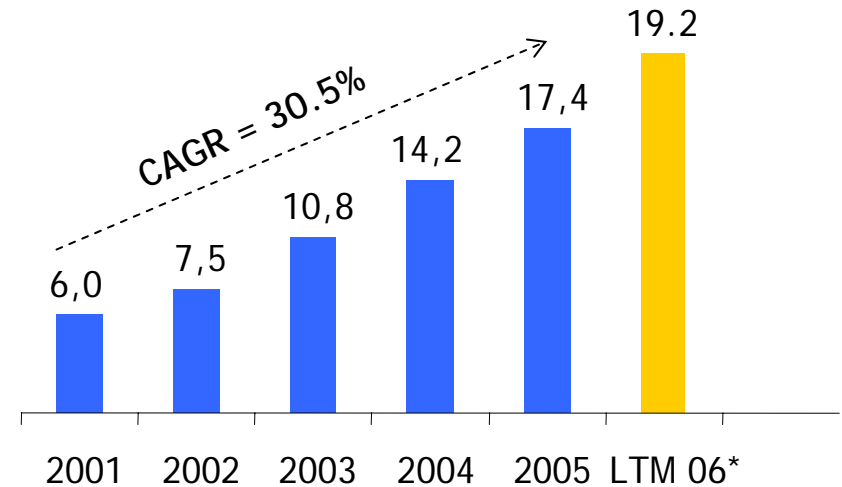
## Current Situation

- ▶ **Ownership Structure:** 13 partners, of which, three will remain as DASA executives, managing Goiania's operations;
- ▶ **Central Lab:** opened in 2002 in Aparecida de Goiânia (10km from Goiania), is a "state-of-art" 4,000 sq. mts lab and is working at 23% of its total capacity (600 th. tests per month);
- ▶ **Growth:** The five new PSCs opened over the last four years fueled the 30.5% gross revenue CAGR.

## Next Steps and Opportunities

- ▶ **Imaging Services:** The fragmented market in Goiânia can be served by leveraging the strength of the Atalaia brand. DASA plans to broaden the test range and introduce more equipments in other PSCs;
- ▶ **Central Laboratory:** The idle capacity of Atalaia's Central lab can be filled through the absorption of Brasilia's operations. The geographic location can be an opportunity to build a technical platform to support the center west activities;
- ▶ **Organic Growth:** Goiania's underserved market characteristics give room to ambitious expansion plans for the next five years. The former shareholder's had growth plans projecting the opening of 10 new PSC over this period. DASA plans to implement this plan and also expand the imaging services.

## Gross Revenues (R\$ Million)



\* Last twelve months - oct/05 - sept/06

## Deal Valuation

<b>Enterprise Value</b>	R\$ 26.9 MM
(-) Net Debt	R\$ 1.9 MM
<b>Equity Value</b>	R\$ 25.0 MM
Down Payment	R\$ 22.1 MM
Second Installment (60 days after Closing)	R\$ 0.4 MM
(+) Escrow Deposit- 6 years	R\$ 2.5 MM



LTM Ebitda* R\$ 5.0 MM	Ebitda Multiple 5.4x	EV/LTM* Sales 1.4x
---------------------------	-------------------------	-----------------------





- ▶ Additional R\$ 3.9 MM will be paid in connection with the acquisition of two Real Estate properties owned by the sellers and Atalaia. The R\$ 5.0 Mln Ebitda already includes a R\$ 360 thousand annual rental expense.

\*Last twelve months - oct./05 - sept./06



# Acquisition Overview

Diagnósticos da América

2006 Acquisitions	Company	Gross Revenues (2006E)	Market Position	Ebitda Multiple
June	 Lab Pasteur Centro de Medicina Laboratorial	R\$ 19 MM	Clinical Analysis market leader	6.0x
July	 Med Labor	R\$ 7 MM	Strengthening Brasília's market position	5.6x
October	 VITA MEDICINA DIAGNÓSTICA	R\$ 9 MM <sup>1</sup>	Imaging Services market leader	5.4x
October	 Laboratório Atalaia	R\$ 20 MM	Clinical Analysis market leader	5.4x

1) Annualized YTD august'06 gross sales

R\$ 55 Mln = 55% of  
2006 Acquisition  
target

- ▶ As of October 2005, DASA was at 64% of the 2005 acquisition target, with Pasteur, Frischmann Aisengart and Image Memorial.

## Central Lab

---



## Airport PSC

---

