



Diagnósticos
da América



Image Memorial Acquisition

October 2005



Image Memorial Overview

- ▶ Image Memorial (IM) was established in 1997 in Salvador (BA) providing imaging diagnostic services;
- ▶ Today, the company is the market leader in imaging diagnostics, with a strong brand recognition within the medical community;
- ▶ IM services are provided through 2 large Patient Service Centers located in Itaigara and Ondina district's;
- ▶ It represents the first acquisition in Bahia (in the Northeast region of Brazil), where the market is still highly fragmented;
- ▶ Opportunities for DASA comprise the introduction of the "multi-product" and "multi-brand" strategies aiming to become the undisputable market leader in Bahia.

Ondina Unit - Salvador (BA)



Image Memorial Highlights⁽¹⁾

| In R\$ Million | YTD* | LTM** | 2005E |
|----------------|-------|-------|-------|
| Net Revenues | 13.4 | 19.5 | 20.5 |
| EBITDA | 4.7 | 7.1 | 7.3 |
| Ebitda Margin | 35.1% | 36.4% | 35.6% |

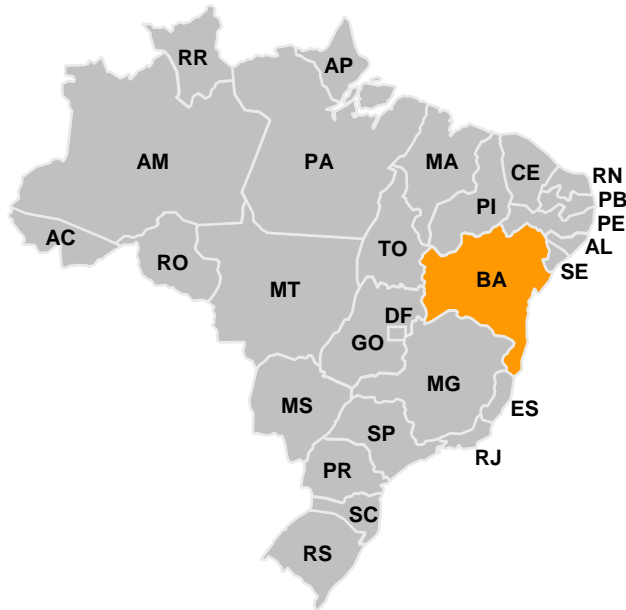
(1) Unaudited - revised by due diligence

*January to August 2005

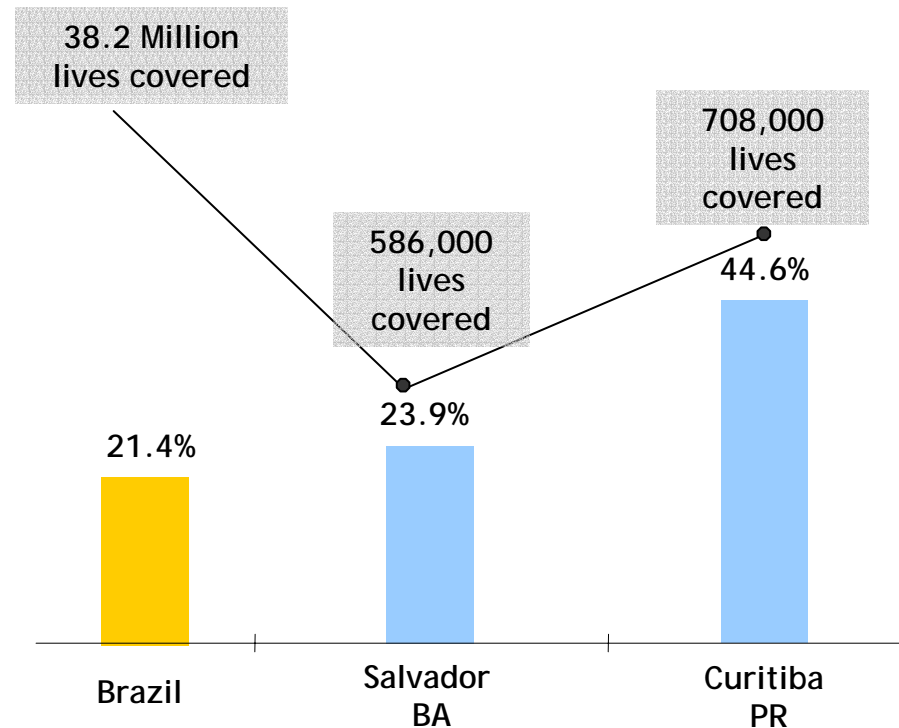
** Sept. 2004 to August 2005

Market Overview

- ▶ The state of Bahia has 1.1 million lives covered with private health plans, representing Brazil's 6th largest private healthcare market;
- ▶ Salvador, the state's capital, concentrates more than half of those insured lives (586,000) accounting for 23.9% of its population, slightly above Brazil's national average (21.4%);
- ▶ Highly Fragmented market: there are more than 450 medical diagnostic service providers located in Salvador.



Private health coverage



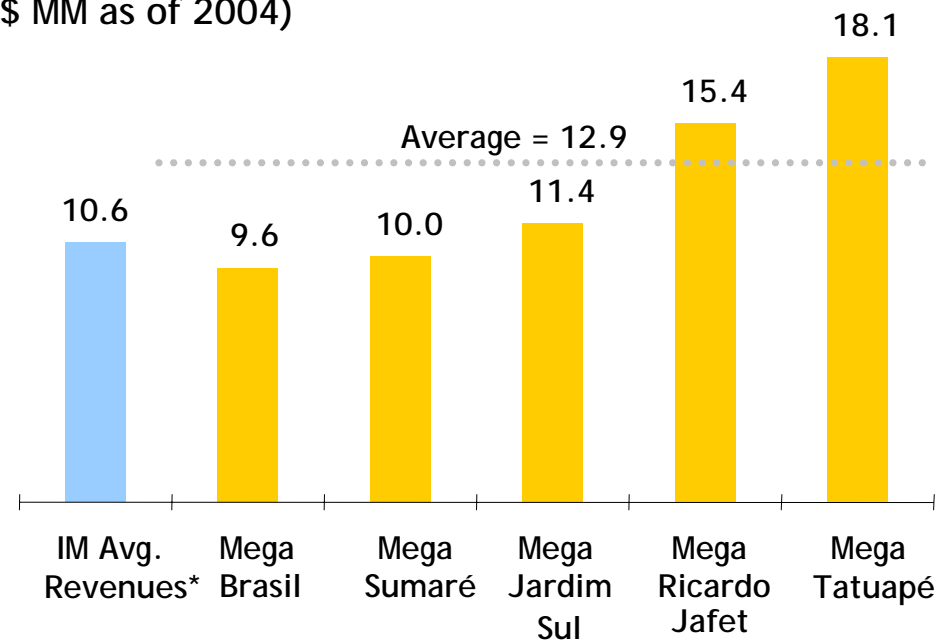
Why start from an Imaging Company?

- ▶ IM Patient Service Centers' revenues are comparable to DASA's Mega Units, although it offers a limited variety of exams compared to DASA's menu;
- ▶ The Salvador market is even more fragmented in Clinical Analysis - around 150 service providers and 86 hospitals in Great Salvador; the largest clinical laboratory has revenues of approximately R\$ 14 million;
- ▶ In addition, IM counts with state-of-the-art imaging equipment.



Image Memorial x DASA Mega Units Imaging Revenues

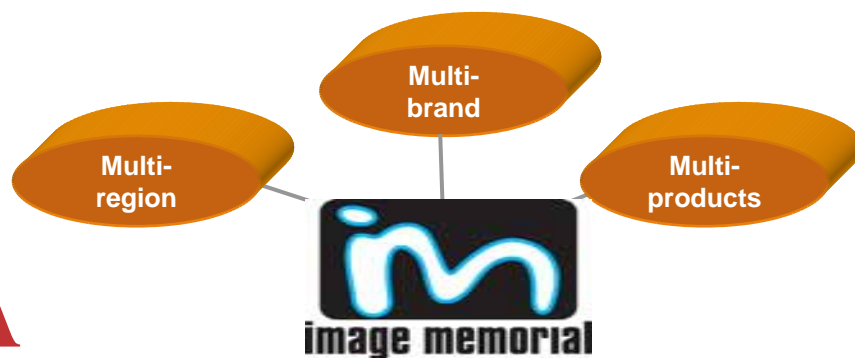
(R\$ MM as of 2004)



* September 2004 to August 2005

Strategy and Opportunities

- ▶ DASA's main objective in Salvador is to become the leading provider of medical diagnostics services in both clinical analysis and imaging segments;
- ▶ Today, the Salvador market is underserved in both imaging diagnostic and clinical analysis services;
 - ▶ In the imaging segment, DASA will expand its services through the acquisition of new equipment and by offering a broader variety of exams including cardiology, mammography, bone densitometry, endoscopy and others;
 - ▶ Opportunities in the clinical analysis segment includes: (i) organic growth in IM units and new hospital contracts; (ii) acquiring clinical analysis laboratories;
- ▶ The highly fragmented market creates an opportunity to leverage revenues by implementing the multi-brand strategy (segmentation);
- ▶ Possibility to expand through a standard brand segmentation in the countryside: Feira de Santana and Lauro de Freitas.

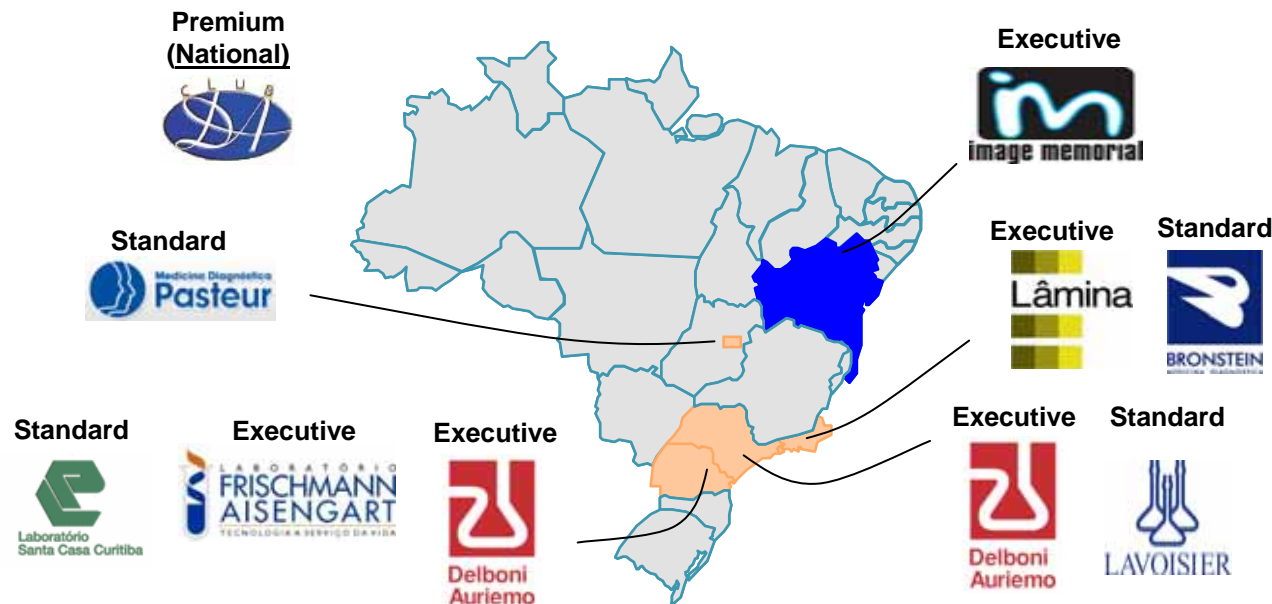


Itaigara Unit - Salvador (BA)



Highlights

- ▶ DASA will acquire 100% of IM's shares from its 6 partners;
- ▶ Two of IM's partners, who are currently in charge of the medical activities, will continue in the business over the next five years;
- ▶ A R\$ 2 million retention fee payable at the end of the 5 years, and an additional performance based annual bonus will motivate key management (2 physicians);
- ▶ The deal has been approved by DASA's board of directors, and is subject to confirmation by a shareholders' meeting and Brazil's anti-trust authorities.



Highlights - Valuation

| | | |
|--------------|--|------------|
| | Enterprise Value (excluding Real Estate) | R\$ 39.6 m |
| | Real Estate | R\$ 0.8 m |
| | Enterprise Value (including Real Estate) | R\$ 40.4 m |
| Equity Value | Down Payment | R\$ 21.0 m |
| | Escrow Account (6 years) | R\$ 6.1 m |
| | Physicians' Retention Fee/ non compete (5 years) | R\$ 2.0 m |
| | Second Installment (February 2006) | R\$ 4.2 m |
| Net Debt | Equipment Financing | R\$ 7.1 m |

- ▶ Enterprise value is based on 5.5x 2005E EBITDA;
- ▶ Second installment is subject to Sep-Dec '05 performance;
- ▶ Acquisition price includes 1 Real Estate valued at R\$ 0.8 million

| Key Statistics | LTM* | 2005E |
|-----------------------|------|-------|
| EBITDA | 7.2 | 7.3 |
| Gross Revenues | 21.6 | 22.5 |
| Acquisition Multiples | | |
| EV / EBITDA | 5.6x | 5.5x |
| EV / Revenues | 1.9x | 1.8x |

* Sept. 2004 to August 2005