Odontoprev S.A.

Financial Statements
As of December 31, 2013 and 2012
(A free translation of the original report in Portuguese)

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This is a free translation of the official original Portuguese financial statements. In case of any unclarities or differences, the Portuguese version prevails.

Odontoprev S.A.

Capital breakdown

Number of shares (units) From paid-in capital	Current period 12/31/2013
Common	531,294,792
Preferred	-
Total	531,294,792
Treasury Shares	
Common	77,868
Preferred	-
Total	77,868

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Cash distribuitions

Event	Approval	Type of distribution	Payment Date	Share type	Earnings per share
Board of Directors' Meeting	3/26/2013	Interests on Capital	4/10/2013	Common	0.01571
Board of Directors' Meeting	4/02/2013	Dividends	5/03/2013	Common	0.07748
Board of Directors' Meeting	4/30/2013	Dividends	6/04/2013	Common	0.09495
Board of Directors' Meeting	6/25/2013	Interests on Capital	7/10/2013	Common	0.01556
Board of Directors' Meeting	7/30/2013	Dividends	9/04/2013	Common	0.05877
Board of Directors' Meeting	10/29/2013	Dividends	12/04/2013	Common	0.06318
Board of Directors' Meeting	10/29/2013	Interests on Capital	11/13/2013	Common	0.01782
Board of Directors' Meeting	12/20/2013	Interests on Capital	8/1/2014	Common	0.01354

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Balance sheet at December 30, 2013, 2012 and 2011

(In thousands of Reais)

Code	Description	Current Year 12/31/2013	Prior Year 12/31/2012	1/1/2012
1	Total assets	1,057,787	1,019,571	1,016,667
1.01	Current assets	337,959	308,254	289,124
1.01.01	Cash and cash equivalents	8,839	3,491	7,222
1.01.02	Financial instruments	232,098	199,661	183,449
1.01.02.01	Financial instruments at fair value	232,098	199,661	183,449
1.01.02.01.01	Trading securities	232,098	199,661	183,449
1.01.03	Receivables	92,321	102,541	90,743
1.01.03.01	Trade accounts receivable	84,126	95,454	83,961
1.01.03.01.01	Healthcare receivables	120,433	121,298	106,195
1.01.03.01.02	(-) Allowance for doubtful accounts	(36,307)	(25,844)	(22,234)
1.01.03.02	Sundry receivables	8,195	7,087	6,782
1.01.03.02.01	Advances to suppliers	1,505	1,399	1,141
1.01.03.02.02	Advances to employees	1,718	1,472	1,432
1.01.03.02.03	Other receivables	4,972	4,216	4,209
1.01.06	Taxes recoverable	3,896	2,059	7,455
1.01.06.01	Current taxes recoverable	3,896	2,059	7,455
1.01.07	Prepaid expenses	805	502	255
1.02	Non-current assets	719,828	711,317	727,543
1.02.01	Long-term receivables	152,690	158,781	176,982
1.02.01.06	Deferred taxes	114,142	122,310	141,850
1.02.01.06.01	Deferred income tax and social contribution	114,142	122,310	141,850
1.02.01.09	Other non-current assets	38,548	36,471	35,132
1.02.01.09.03	Judicial deposits	37,274	34,564	31,918
1.02.01.09.04	Other receivables	1,189	1,823	3,130
1.02.01.09.05	Notes receivable	85	84	84
1.02.02	Investments	35,868	26,601	27,985
1.02.02.01	Equity interests	35,868	26,601	27,985
1.02.02.01.02	Investments in subsidiaries	34,418	26,169	27,486
1.02.02.01.04	Other equity interests	1,450	432	499
1.02.03	Property and equipment	6,635	7,174	9,424
1.02.03.01	Property and equipment in use	6,635	7,174	9,424
1.02.04	Intangible assets	524,635	518,761	513,152
1.02.04.01	Intangible assets	524,635	518,761	513,152
1.02.04.01.02	Goodwill on acquisition of investments (Goodwill)	492,876	492,876	492,876
1.02.04.01.03	System development, software licenses and other	22,358	17,597	11,061
1.02.04.01.04	Deferred acquisition costs	9,401	8,288	9,215

The notes are an integral part of the Financial Statements.

Odontoprev S.A.

Balance sheet at December 30, 2013, 2012 and 2011

(In thousands of Reais)

Code	Description	Current Year 12/31/2013	Prior Year 12/31/2012	1/1/2012
2	Total liabilities and shareholders' equity	1,057,787	1,019,571	1,016,667
2.01	Current liabilities	208,871	205,965	178,398
2.01.01	Social and labor charges	14,063	13,209	11,074
2.01.01.01	Social charges	5,510	6,703	5,636
2.01.01.01.01	Charges payable	5,510	6,703	5,636
2.01.01.02	Labor charges	8,553	6,506	5,438
2.01.01.02.01	Salaries, vacation pay and fees	8,553	6,506	5,438
2.01.02	Suppliers	13,677	9,019	9,423
2.01.02.01	Local suppliers	13,677	9,019	9,423
2.01.02.01.01	Commissions payable	4,249	4,391	4,345
2.01.02.01.02	Suppliers of goods and services	9,428	4,628	5,078
2.01.03	Tax liabilities	10,181	7,204	7,644
2.01.03.01	Federal tax liabilities	8,901	6,068	6,405
2.01.03.01.01	Tax and social contribuition payable	2,818	2,196	-
2.01.03.01.02	Other federal tax liabilities	6,083	3,872	6,405
2.01.03.03	Municipal tax liabilities	1,280	1,136	1,239
2.01.05	Other liabilities	32,698	21,673	29,829
2.01.05.02	Other	32,698	21,673	29,829
2.01.05.02.02	Minimum mandatory dividend payable	6,124	11	2,129
2.01.05.02.04	Advances from customers	3,278	3,022	3,976
2.01.05.02.05	Other accounts payable	23,296	18,640	23,724
2.01.06	Provisions	138,252	154,860	120,428
2.01.06.02	Other provisions	138,252	154,860	120,428
2.01.06.02.04	Provision for unsettled claims/events	13,438	16,928	5,010
2.01.06.02.05	Provision for claims/events incurred but not reported	51,395	59,773	44,270
2.01.06.02.06	Unearned premiums reserve	73,419	78,159	71,148
2.02	Non-current liabilities	153,221	113,593	75,663
2.02.02	Other liabilities	1,892	1,811	3,085
2.02.02.02	Other	1,892	1,811	3,085
2.02.02.02.03	Other liabilities	1,177	1,811	3,085
2.02.02.02.04	Fees payable	715	-	-
2.02.03	Deferred taxes	3,465	2,809	2,081
2.02.03.01	Deferred income tax and social contribution	3,465	2,809	2,081
2.02.04	Provisions	147,864	108,973	70,497
2.02.04.01	Provision for tax, social security, labor and civil lawsuits	147,864	108,973	70,497
2.02.04.01.01	Provision for taxes	1,394	1,284	552
2.02.04.01.02	Provisions for social security and labor lawsuits	143,731	104,227	68,103
2.02.04.01.04	Provision for civil lawsuits	2,739	3,462	1,842
2.03	Equity	695,695	700,013	762,606
2.03.01	Capital	506,557	506,557	506,557
2.03.02	Capital reserves	16,999	19,534	35,324
2.03.02.01	Share premium	48,392	48,392	48,392
2.03.02.04	Granting of stock options	20,078	14,523	5,947
2.03.02.07	Deferred stock options granted	(12,493)	(9,042)	(1,601)
2.03.02.08	Additional paid-up capital	(38,978)	(34,339)	(17,414)
2.03.04	Profit reserves	172,139	173,922	220,725
2.03.04.01	Legal reserve	45,852	36,447	29,169
2.03.04.02	Statutory reserve	126,867	96,330	117,568
2.03.04.07	Tax incentive reserve	129	129	129
2.03.04.08	Additional proposed dividends	-	41,016	84,594
2.03.04.09	Treasury stock	(709)	-	(10,735)
2.03.05	Retained earnings/Accumulated deficit	-	-	-

The notes are an integral part of the Financial Statements.

Odontoprev S.A.

Statement income

Years ended in December 31, 2013, 2012 and 2011

(In thousands of Reais)

Code	Description	Current Year 01/01/2013 to 12/31/2013	Prior Year 01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011
3.01	Gross sales and/or services revenues	1,048,704	934,181	809,241
3.01.01	Net installments	1,084,957	965,292	836,225
3.01.02	Revenues of Sales and services	27	502	12
3.01.04	Taxes on healthcare plan operations	(36,280)	(31,613)	(26,996)
3.02	Cost of sales and/or services	(487,843)	(470,266)	(404,608)
3.02.01	Indemnifiable claims, net	(443,753)	(416,868)	(345,102)
3.02.02	Social charges on services	(31,536)	(29,559)	(26,247)
3.02.03	Dental materials	(8,260)	(6,549)	(6,142)
3.02.04	Other operating incomes (expenses)	(12,672)	(1,787)	(13,096)
3.02.05	Changes in claims/events incurred but not reported	8,378	(15,503)	(14,021)
3.03	Gross profit	560,861	463,915	404,633
3.04	Operating expenses	(300,842)	(266,786)	(227,286)
3.04.01	Selling expenses	(98,388)	(87,984)	(73,922)
3.04.01.01	Selling expenses	(98,388)	(87,984)	(73,922)
3.04.02	General and administrative expenses	(164,819)	(153,445)	(135,938)
3.04.05	Other operating expenses	(44,350)	(31,332)	(22,213)
3.04.05.01	Stock option plan	(6,350)	(3,624)	(2,863)
3.04.05.02	Allowance for doubtful accounts	(35,089)	(22,744)	(18,784)
3.04.05.03	Profit sharing	(2,911)	(4,964)	(566)
3.04.06	Share in the earnings of subsidiaries and associated companies	6,715	5,975	4,787
3.05	Profit before finance income (costs) and taxes	260,019	197,129	177,347
3.06	Finance income (cost)	11,069	12,151	15,780
3.06.01	Financial income	55,433	53,511	64,011
3.06.01.01	Financial income	22,224	20,867	23,546
3.06.01.02	Reversal of interest on capital	33,209	32,644	40,465
3.06.02	Financial expenses	(44,364)	(41,360)	(48,231)
3.07	Profit before taxation and profit sharing	271,088	209,280	193,127
3.08	Income tax and social contribution	(82,997)	(63,714)	(47,816)
3.08.01	Current tax	(74,174)	(43,446)	(33,645)
3.08.02	Deferred tax	(8,823)	(20,268)	(14,171)
3.09	Net results from continuing operations	188,091	145,566	145,311
3.11	Net income for the period	188,091	145,566	145,311
3.99.01	Basic earnings per share	-	-	-
3.99.01.01	Common	0.3547	0.2745	0.2739
3.99.02	Diluted earnings per share	-	-	-
3.99.02.01	Common	0.3505	0.2719	0.2709

The notes are an integral part of the Financial Statements.

Odontoprev S.A.

Statements of comprehensive income

Years ended in December 31, 2013, 2012 and 2011

(In thousands of Reais)

Code	Description	Current Year 01/01/2013 to 12/31/2013	Prior Year 01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011
4.01	Net income for the period	188,091	145,566	145,311
4.03	Comprehensive income for the period	188,091	145,566	145,311

The notes are an integral part of the Financial Statements.

Odontoprev S.A.

Statements of cash flows - Indirect method

Years ended in December 31, 2013, 2012 and 2011

(In thousands of Reais)

Code	Description	Current Year 01/01/2013 to 12/31/2013	Prior Year 01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011
6.01	Net cash provided by operating activities	210,087	213,272	125,547
6.01.01	Cash provided by operations	283,848	235,836	170,851
6.01.01.01	Net income for the period	188,091	145,566	145,311
6.01.01.02	Depreciation and amortization	4,762	4,824	5,800
6.01.01.03	Monetary variations, net	6,053	3,233	1,437
6.01.01.05	Provision for contingencies	(297)	1,702	1,111
6.01.01.06	Disposal of property and equipment and investments	522	35	(4)
6.01.01.07	Share in the losses of subsidiary and associated companies	(6,715)	(5,975)	(4,787)
6.01.01.08	Allowance for doubtful accounts	10,463	3,610	5,099
6.01.01.09	Stock option plan	6,350	3,624	2,863
6.01.01.10	Changes in claims/events incurred but not reported	(8,378)	15,503	14,021
6.01.01.11	Tax and social contribuition payable	82,997	63,714	-
6.01.02	Changes in assets and liabilities	(73,761)	(22,564)	(45,304)
6.01.02.01	Financial instruments at fair value	(32,437)	(16,212)	(71,760)
6.01.02.02	Healthcare receivables	865	(15,103)	(1,634)
6.01.02.03	Others receivable	(3,000)	5,709	(16,605)
6.01.02.05	Long-term receivables	(148)	803	15,123
6.01.02.06	Provision for events/ claims to be settled	(3,490)	11,918	(10,164)
6.01.02.07	Unearned premiums reserve	(4,740)	7,011	-
6.01.02.08	Salaries, vacation pay and fees	2,047	1,068	932
6.01.02.09	Taxes and contributions payable	84	603	12,827
6.01.02.10	Suppliers - Healthcare transactions	9,570	(6,372)	2,139
6.01.02.11	Long-term liabilities	31,040	29,261	23,838
6.01.02.13	Income tax and social contribution payable	(73,552)	(41,250)	-
6.02	Net cash used in investing activities	(13,171)	(857)	(10,567)
6.02.01	Purchase of property and equipment	(1,236)	(2,386)	(4,267)
6.02.02	System development, software licenses and other	(8,270)	(6,759)	(2,385)
6.02.03	Deferred acquisition expenses	(1,113)	927	(3,286)
6.02.06	Acquisition of investments	(1,052)	(639)	(629)
6.02.07	Dividends received from subsidiaries	3,000	8,000	-
6.02.08	Advance for future capital increase in subsidiaries	(4,500)	-	-
6.03	Net cash used in financing activities	(191,568)	(216,146)	(116,997)
6.03.01	Dividends and Interest on capital paid	(181,974)	(207,467)	(85,806)
6.03.02	Acquisition of own shares - in treasury	(17,272)	(9,002)	(37,345)
6.03.04	Received on exercise of stock options	7,678	323	6,154
6.05	Increase (decrease) in cash and cash equivalents	5,348	(3,731)	(2,017)
6.05.01	Cash and cash equivalents at the beginning of period	3,491	7,222	9,239
6.05.02	Cash and cash equivalents at the end of the period	8,839	3,491	7,222

The notes are an integral part of the Financial Statements.

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Statement of changes in shareholders' equity

Year ended in December 31, 2013

(In thousands of Reais)

Code	Description	Paid-up capital	Capital reserves, stock options and treasury stock	Profit reserves	Earnings (accumulated deficit)	Other Comprehensive Income	Total equity
5.01	Opening balance	506,557	19,534	173,922	-	-	700,013
5.03	Adjusted opening balance	506,557	19,534	173,922	-	-	700,013
5.04	Capital transactions with shareholders	-	(3,244)	(41,016)	(148,149)	-	(192,409)
5.04.03	Granting of stock options recognized	-	6,350	-	-	-	6,350
5.04.04	Treasury shares acquired	-	(17,272)	-	-	-	(17,272)
5.04.05	Treasury shares sold		7,678	-	-		7,678
5.04.06	Dividends	-	-	-	(114,940)	-	(114,940)
5.04.07	Interest on Capital	-	-	-	(33,209)	-	(33,209)
5.04.12	Additional Proposed Dividend and Interest on Capital	-	-	(41,016)	-		(41,016)
5.05	Total comprehensive income	-	-	-	188,091	-	188,091
5.05.01	Profit for the period	-	-	-	188,091	-	188,091
5.06	Internal changes of equity	-	-	39,942	(39,942)	-	-
5.06.01	Reserve constituition	-	-	39,942	(39,942)	-	-
5.07	Closing balance	506,557	16,290	132,906	43,023	-	695,695

The notes are an integral part of the Financial Statements.

Odontoprev S.A.

Statement of changes in shareholders'equity

Year ended in December 31, 2012

(In thousands of Reais)

Code	Description	Paid-up capital	Capital reserves, stock options and treasury stock	Profit reserves	Earnings (accumulated deficit)	Other Comprehensive Income	Total equity
5.01	Opening balance	506,557	24,589	231,460	-	-	762,606
5.03	Adjusted opening balance	506,557	24,589	231,460	-	-	762,606
5.04	Capital transactions with shareholders	-	(5,055)	(64,816)	(138,288)	-	(208,159)
5.04.03	Granting of stock options recognized	-	3,624	-	-	-	3,624
5.04.04	Treasury shares acquired	-	(9,002)	-	-	-	(9,002)
5.04.05	Treasury shares sold	-	323	-	-	-	323
5.04.06	Dividens	-	-	-	(85,866)		(85,866)
5.04.07	Interest on Capital	-	-	-	(32,644)	-	(32,644)
5.04.12	Additional Proposed Dividend and Interest on Capital	-	-	-	-	-	-
5.04.13	Additional Proposed Dividend (Complement)	-	-	41,016	-	-	41,016
5.04.14	Additional Proposed Dividend (Utilization of statutory reserve)	-	-	(21,238)	(19,778)		(41,016)
5.04.15	Additional Dividend, excess Interest on capital paid	-	-	(12,594)	-		(12,594)
5.04.16	Additional Dividend (Complement) Paid	-	-	(72,000)	-		(72,000)
5.05	Total comprehensive income	-	-	-	145,566	-	145,566
5.05.01	Profit for the period	-	-	-	145,566	-	145,566
5.06	Internal changes of equity	-	-	7,278	(7,278)		
5.06.01	Reserve constituition	-	-	7,278	(7,278)		
5.07	Closing balance	506,557	19,534	146,866	-	-	700,013

The notes are an integral part of the Financial Statements.

Odontoprev S.A.

Statement of changes in shareholders'equity

Year ended in December 31, 2011

(In thousands of Reais)

Code	Description	Paid-up capital	Capital reserves, stock options and treasury stock	Profit reserves	Earnings (accumulated deficit)	Other Comprehensive Income	Total equity
5.01	Opening balance	506,557	50,575	161,241	-	-	718,373
5.03	Adjusted opening balance	506,557	50,575	161,241	-	-	718,373
5.04	Capital transactions with shareholders	-	(25,986)	62,953	(138,045)	-	(101,078)
5.04.03	Granting of stock options recognized	-	2,863	-	-	-	2,863
5.04.04	Treasury shares acquired	-	(35,003)	-	-	-	(35,003)
5.04.05	Treasury shares sold	-	6,154	-	-	-	6,154
5.04.06	Dividens	-	-	-	(47,221)		(47,221)
5.04.07	Interest on Capital	-	-	-	(40,465)	-	(40,465)
5.04.12	Additional Proposed Dividend and Interest on Capital	-	-	12,594	-	-	(12,594)
5.04.13	Additional Proposed Dividend (Complement)	-	-	72,000	-	-	72,000
5.04.14	Additional Proposed Dividend (Utilization of statutory reserve)	-	-	(21,641)	(50,359)		(72,000)
5.05	Total comprehensive income	-	-	-	145,311	-	145,311
5.05.01	Profit for the period	-	-	-	145,311	-	145,311
5.06	Internal changes of equity	-	-	7,266	(7,266)		
5.06.01	Reserve constituition	-	-	7,266	(7,266)		
5.07	Closing balance	506,557	24,589	146,866	-	-	762,606

The notes are an integral part of the Financial Statements.

Odontoprev S.A.

Statements of value added

Years ended in December 31, 2013, 2012 and 2011

(In thousands of Reais)

Code	Description	Current Year 01/01/2013 to 12/31/2013	Prior Year 01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011
7.01	Income	1,049,895	943,050	817,453
7.01.01	Sales of goods and services	1,084,957	965,292	836,225
7.01.02	Other incomes	27	502	12
7.01.02.02	Sales of goods and services	27	502	12
7.01.04	Provision/reversal of impairment of trade receivables	(35,089)	(22,744)	(18,784)
7.02	Inputs acquired from third parties	(652,216)	(616,963)	(529,171)
7.02.01	Costs of goods and services	(443,753)	(416,868)	(345,102)
7.02.02	Materials, energy, outsourced services and other	(14,421)	(13,404)	(12,754)
7.02.04	Others	(194,042)	(186,691)	(171,315)
7.02.04.01	Other operating revenues (expenses)	(1,755)	14,606	(3,944)
7.02.04.02	Selling expenses	(98,388)	(87,984)	(73,922)
7.02.04.03	Administrative expenses	(102,277)	(97,810)	(79,428)
7.02.04.04	Changes in claims/events incurred but not reported	8,378	(15,503)	(14,021)
7.03	Gross value added	397,679	326,087	288,282
7.04	Retentions	(4,762)	(4,824)	(5,800)
7.04.01	Depreciation, amortization and depletion	(4,762)	(4,824)	(5,800)
7.05	Net value added generated	392,917	321,263	282,482
7.06	Value added received through transfer	28,939	26,842	28,333
7.06.01	Share in the results of subsidiaries	6,715	5,975	4,787
7.06.02	Financial income	22,224	20,867	23,546
7.07	Total value added to distribute	421,856	348,105	310,815
7.08	Distribution of value added	421,856	348,105	310,815
7.08.01	Personnel	48,817	49,310	39,300
7.08.01.01	Direct remuneration	36,020	37,015	29,419
7.08.01.02	Benefits	10,282	9,691	7,652
7.08.01.03	FGTS	2,515	2,604	2,229
7.08.02	Taxes and contributions	163,383	137,343	111,848
7.08.02.01	Federal taxes	151,105	125,612	101,904
7.08.02.02	State taxes	76	28	30
7.08.02.03	Municipal taxes	12,202	11,703	9,914
7.08.03	Remuneration of third-party capital	15,215	12,262	11,493
7.08.03.02	Rentals	4,060	3,546	3,727
7.08.03.03	Others	11,155	8,716	7,766
7.08.03.03.01	Finance costs	11,155	8,716	7,766
7.08.04	Remuneration of own capital	188,091	145,566	145,311
7.08.04.01	Interest on capital	33,209	32,644	40,465
7.08.04.02	Dividends	114,940	105,644	97,580
7.08.04.03	Profits reinvested/loss for the year	39,942	7,278	7,266
7.08.05	Others	6,350	3,624	2,863
7.08.05.01	Granting of stock options	6,350	3,624	2,863

The notes are an integral part of the Financial Statements.

Odontoprev S.A.

Consolidated balance sheet at December 30, 2013, 2012 e 2011

(In thousands of Reais)

Code	Description	Current Year 12/31/2013	Prior Year 12/31/2012	1/1/2012
1	Total assets	1,073,885	1,035,921	1,031,352
1.01	Current assets	369,381	340,289	322,800
1.01.01	Cash and cash equivalents	10,266	4,418	8,052
1.01.02	Financial instruments	246,856	213,512	199,799
1.01.02.01	Financial instruments at fair value	246,856	213,512	199,799
1.01.02.01.01	Trading securities	246,856	213,512	199,799
1.01.03	Receivables	96,948	109,804	98,709
1.01.03.01	Trade accounts receivable	85,627	100,305	88,572
1.01.03.01.01	Healthcare receivables	122,795	126,828	111,812
1.01.03.01.02	(-) Allowance for doubtful accounts	(37,168)	(26,523)	(23,240)
1.01.03.02	Sundry receivables	11,321	9,499	10,137
1.01.03.02.01	Advances to suppliers	1,694	1,538	1,309
1.01.03.02.02	Advances to employees	2,460	2,453	2,142
1.01.03.02.03	Other receivables	7,167	5,508	6,686
1.01.04	Inventories	954	987	784
1.01.06	Taxes recoverable	13,535	11,059	15,201
1.01.06.01	Current taxes recoverable	13,535	11,059	15,201
1.01.07	Prepaid expenses	822	509	255
1.02	Non-current assets	704,504	695,632	708,552
1.02.01	Long-term receivables	157,533	162,397	180,699
1.02.01.06	Deferred taxes	115,333	123,427	143,035
1.02.01.06.01	Deferred income tax and social contribution	115,333	123,427	143,035
1.02.01.09	Other non-current assets	42,200	38,970	37,664
1.02.01.09.03	Judicial deposits	39,600	37,060	34,355
1.02.01.09.04	Other receivables	2,512	1,823	3,130
1.02.01.09.05	Notes receivable	88	87	179
1.02.02	Investments	3,750	1,030	438
1.02.02.01	Equity interests	3,750	1,030	438
1.02.02.01.04	Other equity interests	3,750	1,030	438
1.02.03	Property and equipment	9,924	9,589	10,894
1.02.03.01	Property and equipment in use	9,924	9,589	10,894
1.02.04	Intangible assets	533,297	522,616	516,521
1.02.04.01	Intangible assets	533,297	522,616	516,521
1.02.04.01.02	Goodwill in acquisition of investments (Goodwill)	500,296	495,589	495,255
1.02.04.01.03	System development, software licenses and other	23,600	18,739	12,051
1.02.04.01.04	Deferred acquisition costs	9,401	8,288	9,215

The notes are an integral part of the Financial Statements.

Odontoprev S.A.

Consolidated balance sheet at December 30, 2013, 2012 e 2011

(In thousands of Reais)

Code	Description	Current Year 12/31/2013	Prior Year 12/31/2012	1/1/2012
2	Total liabilities and shareholders' equity	1,073,885	1,035,921	1,031,352
2.01	Current liabilities	219,839	219,251	189,708
2.01.01	Social and labor charges	19,183	17,588	14,585
2.01.01.01	Social charges	6,798	8,000	6,830
2.01.01.01.01	Charges payable	6,798	8,000	6,830
2.01.01.02	Labor charges	12,385	9,588	7,755
2.01.01.02.01	Salaries, vacation pay and fees	12,385	9,588	7,755
2.01.02	Suppliers	14,728	8,916	9,694
2.01.02.01	Local suppliers	14,728	8,916	9,694
2.01.02.01.01	Commissions payable	4,286	4,418	4,365
2.01.02.01.02	Suppliers of goods and services	10,442	4,498	5,329
2.01.03	Tax liabilities	11,476	8,877	9,437
2.01.03.01	Federal tax liabilities	9,844	7,366	7,844
2.01.03.01.01	Tax and social contribuition payable	3,119	2,548	728
2.01.03.01.02	Other federal tax liabilities	6,725	4,818	7,116
2.01.03.02	State tax liabilities	-	47	13
2.01.03.03	Municipal tax liabilities	1,632	1,464	1,580
2.01.05	Other liabilities	33,703	23,185	30,949
2.01.05.02	Other	33,703	23,185	30,949
2.01.05.02.02	Minimum mandatory dividend payable	6,124	11	2,129
2.01.05.02.04	Advances from customers	3,293	3,043	3,993
2.01.05.02.05	Other accounts payable	24,286	20,131	24,827
2.01.06	Provisions	140,749	160,685	125,043
2.01.06.02	Other provisions	140,749	160,685	125,043
2.01.06.02.04	Provision for unsettled claims/events	14,308	17,888	5,929
2.01.06.02.05	Provision for claims/events incurred but not reported	52,612	61,276	44,947
2.01.06.02.06	Unearned premiums reserve	73,829	81,521	74,167
2.02	Non-current liabilities	156,244	115,369	77,604
2.02.02	Other liabilities	3,215	1,811	3,085
2.02.02.02	Other	3,215	1,811	3,085
2.02.02.02.03	Other liabilities	2,500	1,811	3,085
2.02.02.02.04	Fees payable	715	-	-
2.02.03	Deferred taxes	3,465	2,809	2,081
2.02.03.01	Deferred income tax and social contribution	3,465	2,809	2,081
2.02.04	Provisions	149,564	110,749	72,438
2.02.04.01	Provision for tax, social security, labor and civil lawsuits	149,564	110,749	72,438
2.02.04.01.01	Provision for taxes	2,576	2,523	1,769
2.02.04.01.02	Provisions for social security and labor lawsuits	144,145	104,678	68,736
2.02.04.01.04	Provision for civil lawsuits	2,843	3,548	1,933
2.03	Consolidated equity	697,802	701,301	764,040
2.03.01	Capital	506,557	506,557	506,557
2.03.02	Capital reserves	16,999	19,534	35,324
2.03.02.01	Share premium	48,392	48,392	48,392
2.03.02.04	Granting of stock options	20,078	14,523	5,947
2.03.02.07	Deferred stock options granted	(12,493)	(9,042)	(1,601)
2.03.02.08	Additional paid-up capital	(38,978)	(34,339)	(17,414)
2.03.04	Profit reserves	172,139	173,922	220,725
2.03.04.01	Legal reserve	45,852	36,447	29,169
2.03.04.02	Statutory reserve	126,867	96,330	117,568
2.03.04.07	Tax incentive reserve	129	129	129
2.03.04.08	Additional proposed dividends	-	41,016	84,594
2.03.04.09	Treasury stock	(709)	-	(10,735)
2.03.05	Retained earnings/Accumulated deficit	-	-	-
2.03.09	Non-controlling interests	2,107	1,288	1,434

The notes are an integral part of the Financial Statements.

Odontoprev S.A.

Consolidated statements of income

Years ended in December 31, 2013, 2012 and 2011

(In thousands of Reais)

Code	Description	Current Year 01/01/2013 to 12/31/2013	Prior Year 01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011
3.01	Gross sales and/or services revenues	1,069,606	955,483	835,263
3.01.01	Net installments	1,109,665	989,544	861,594
3.01.02	Revenues of Sales and services	5,147	5,678	6,907
3.01.04	Taxes on healthcare plan operations	(37,421)	(32,765)	(28,218)
3.01.05	Taxes on sales of goods and services	(7,785)	(6,974)	(5,020)
3.02	Cost of sales and/or services	(501,165)	(485,528)	(416,464)
3.02.01	Indemnifiable claims, net	(451,644)	(426,859)	(352,470)
3.02.02	Social charges on services	(31,839)	(29,882)	(26,564)
3.02.03	Dental materials	(4,582)	(3,781)	(4,025)
3.02.04	Other operating incomes (expenses)	(21,764)	(9,503)	(19,384)
3.02.05	Changes in claims/events incurred but not reported	8,664	(15,503)	(14,021)
3.03	Gross profit	568,441	469,955	418,799
3.04	Operating expenses	(305,356)	(270,027)	(239,644)
3.04.01	Selling expenses	(99,226)	(88,832)	(74,783)
3.04.01.01	Selling expenses	(99,226)	(88,832)	(74,783)
3.04.02	General and administrative expenses	(159,747)	(147,643)	(141,372)
3.04.05	Other operating expenses	(46,485)	(32,824)	(22,618)
3.04.05.01	Stock option plan	(6,350)	(3,624)	(2,863)
3.04.05.02	Allowance for doubtful accounts	(35,840)	(22,566)	(19,454)
3.04.05.03	Profit sharing	(4,295)	(6,634)	(301)
3.04.06	Share in the earnings of subsidiaries and associated companies	102	(728)	(871)
3.05	Profit before finance income (costs) and taxes	263,085	199,928	179,155
3.06	Finance income (cost)	11,914	13,233	17,808
3.06.01	Financial income	56,742	55,318	66,621
3.06.01.01	Financial income	23,533	22,674	26,156
3.06.01.02	Reversal of interest on capital	33,209	32,644	40,465
3.06.02	Financial expenses	(44,828)	(42,085)	(48,813)
3.07	Profit before taxation and profit sharing	274,999	213,161	196,963
3.08	Income tax and social contribution	(86,563)	(67,398)	(51,293)
3.08.01	Current tax	(77,814)	(47,062)	(37,142)
3.08.02	Deferred tax	(8,749)	(20,336)	(14,151)
3.09	Net results from continuing operations	188,436	145,763	145,670
3.11	Consolidated profit/loss for the period	188,436	145,763	145,670
3.11.01	Attributable to stockholders of the Parent company	188,091	145,566	145,311
3.11.02	Attributable to non-controlling interests	345	197	359
3.99.01	Basic earnings per share	-	-	-
3.99.01.01	Common	0.3547	0.2745	0.2739
3.99.02	Diluted earnings per share	-	-	-
3.99.02.01	Common	0.3505	0.2719	0.2709

The notes are an integral part of the Financial Statements.

Odontoprev S.A.

Consolidated statements of comprehensive income

Years ended in December 31, 2013, 2012 and 2011

(In thousands of Reais)

Code	Description	Current Year 01/01/2013 to 12/31/2013	Prior Year 01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011
4.01	Consolidated net income for the period	188,436	145,763	145,670
4.03	Consolidated Comprehensive income for the period	188,436	145,763	145,670
4.03.01	Granted to shareholders of parent company	188,091	145,566	145,311
4.03.02	Granted to non-controlling shareholders	345	197	359

The notes are an integral part of the Financial Statements.

Odontoprev S.A.

Consolidated statements of cash flows - Indirect method

Years ended in December 31, 2013, 2012 and 2011

(In thousands of Reais)

Code	Description	Current Year 01/01/2013 to 12/31/2013	Prior Year 01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011
6.01	Net cash provided by operating activities	216,690	223,789	124,780
6.01.01	Cash provided by operations	294,234	245,917	177,410
6.01.01.01	Net income for the period	188,436	145,763	145,670
6.01.01.02	Depreciation and amortization	5,140	5,159	6,173
6.01.01.03	Monetary variations, net	5,702	2,824	457
6.01.01.05	Provision for contingencies	(368)	1,595	1,647
6.01.01.06	Disposal of property and equipment and investments	532	40	(2)
6.01.01.07	Share in the losses of subsidiary and associated companies	(102)	728	871
6.01.01.08	Allowance for doubtful accounts	10,645	3,283	5,710
6.01.01.09	Stock option plan	6,350	3,624	2,863
6.01.01.10	Changes in claims/events incurred but not reported	(8,664)	15,503	14,021
6.01.01.11	Tax and social contribuition payable	86,563	67,398	-
6.01.02	Changes in assets and liabilities	(77,544)	(22,128)	(52,630)
6.01.02.01	Financial instruments at fair value	(33,344)	(13,713)	(78,272)
6.01.02.02	Healthcare receivables	4,033	(15,016)	(1,627)
6.01.02.03	Others receivable	(4,063)	5,803	(17,685)
6.01.02.04	Inventories	33	(203)	(429)
6.01.02.05	Long-term receivables	(1,234)	835	16,951
6.01.02.06	Provision for events/ claims to be settled	(3,580)	12,785	(10,262)
6.01.02.07	Unearned premiums reserve	(7,692)	7,354	-
6.01.02.08	Salaries, vacation pay and fees	2,797	1,833	676
6.01.02.09	Taxes and contributions payable	(252)	454	13,151
6.01.02.10	Suppliers - Healthcare transactions	10,667	(6,223)	3,230
6.01.02.11	Long-term liabilities	32,336	29,205	21,637
6.01.02.13	Income tax and social contribution payable	(77,245)	(45,242)	-
6.02	Net cash used in investing activities	(19,227)	(10,934)	(10,913)
6.02.01	Purchase of property and equipment	(2,471)	(3,653)	(4,568)
6.02.02	System development, software licenses and other	(8,389)	(6,929)	(2,385)
6.02.03	Deferred acquisition expenses	(1,113)	927	(3,287)
6.02.05	Low Investment by incorporation	-	-	(44)
6.02.06	Acquisition of investment	(7,254)	(1,279)	(629)
6.03	Net cash used in financing activities	(191,615)	(216,489)	(116,997)
6.03.01	Dividends and Interest on capital paid	(182,021)	(207,467)	(85,806)
6.03.02	Acquisition of own shares - in treasury	(17,272)	(9,002)	(37,345)
6.03.04	Received on exercise of stock options	7,678	323	6,154
6.03.05	Others	-	(343)	-
6.05	Increase (decrease) in cash and cash equivalents	5,848	(3,634)	(3,130)
6.05.01	Cash and cash equivalents at the beginning of period	4,418	8,052	11,182
6.05.02	Cash and cash equivalents at the end of the period	10,266	4,418	8,052

The notes are an integral part of the Financial Statements.

Odontoprev S.A.

Consolidated statement of changes in equity

Year ended in December 31, 2013

(In thousands of Reais)

Code	Description	Paid-up capital	Capital reserves, stock options and treasury stock/	Profit reserves	Earnings (accumulated deficit)	Other Comprehensive Income	Total equity	Non controlling Interests	Consolidated Equity
5.01	Opening balance	506,557	19,534	173,922	-	-	700,013	1,288	701,301
5.03	Adjusted opening balance	506,557	19,534	173,922	-	-	700,013	1,288	701,301
5.04	Capital transactions with shareholders	-	(3,244)	(41,016)	(148,149)	-	(192,409)	474	(191,935)
5.04.03	Granting of stock options recognized	-	6,350	-	-	-	6,350	-	6,350
5.04.04	Treasury shares acquired	-	(17,272)	-	-	-	(17,272)	-	(17,272)
5.04.05	Ações em Tesouraria Vendidas		7,678	-	-		7,678	-	7,678
5.04.06	Dividends	-	-	-	(114,940)	-	(114,940)	-	(114,940)
5.04.07	Interest on capital	-	-	-	(33,209)	-	(33,209)	-	(33,209)
5.04.15	Additional Dividend, excess Interest on capital paid	-	-	(41,016)			(41,016)		(41,016)
5.04.20	Other	-	-	-	-		-	474	474
5.05	Total comprehensive income	-	-	-	188,091	-	188,091	345	188,436
5.05.01	Profit for the period	-	-	-	188,091	-	188,091	345	188,436
5.06	Internal changes of equity	-	-	39,942	(39,942)	-			
5.06.01	Reserve constituition	-	-	39,942	(39,942)	-			
5.07	Closing balance	506,557	16,290	132,906	43,023	-	695,695	2,107	697,802

The notes are an integral part of the Financial Statements.

Odontoprev S.A.

Consolidated statement of changes in equity

Year ended in December 31, 2012

(In thousands of Reais)

Code	Description	Paid-up capital	Capital reserves, stock options and treasury stock /	Profit reserves	Earnings (accumulated deficit)	Other Comprehensive Income	Total equity	Non controlling interests	Consolidated equity
5.01	Opening balance	506,557	24,589	231,460	-	-	762,606	1,434	764,040
5.03	Adjusted opening balance	506,557	24,589	231,460	-	-	762,606	1,434	764,040
5.04	Capital transactions with shareholders	-	(5,055)	(64,816)	(138,288)	-	(208,159)	(343)	(208,502)
5.04.03	Granting of stock options recognized	-	3,624	-	-	-	3,624	-	3,624
5.04.04	Treasury shares acquired	-	(9,002)	-	-	-	(9,002)	-	(9,002)
5.04.05	Treasury shares sold		323	-	-	-	323	-	323
5.04.06	Dividends		-	-	(85,866)	-	(85,866)	-	(85,866)
5.04.07	Interest on Capital		-	-	(32,644)	-	(32,644)	-	(32,644)
5.04.12	Additional Proposed Dividend and Interest on Capital		-	-	-	-	-	-	-
5.04.13	Additional Proposed Dividend (Complement)		-	41,016	-	-	41,016	-	41,016
5.04.14	Additional Proposed Dividend (Utilization of statutory reserve)	-	-	(21,238)	(19,778)		(41,016)		(41,016)
5.04.15	Additional Dividend, excess Interest on capital paid	-	-	(12,594)	-		(12,594)		(12,594)
5.04.16	Additional Dividend (Complement) Paid	-	-	(72,000)	-		(72,000)		(72,000)
5.04.20	Others		-	-	-	-	-	(343)	(343)
5.05	Total comprehensive income	-	-	-	145,566	-	145,566	197	145,763
5.05.01	Profit for the period	-	-	-	145,566	-	145,566	197	145,763
5.06	Internal changes of equity	-	-	7,278	(7,278)	-	-		-
5.06.01	Reserve constituition	-	-	7,278	(7,278)	-	-		-
5.07	Closing balance	506,557	19,534	173,922	-	-	700,013	1,288	701,301

The notes are an integral part of the Financial Statements.

Odontoprev S.A.

Consolidated statement of changes in equity

Year ended in December 31, 2011

(In thousands of Reais)

Code	Description	Paid-up capital	Capital reserves, stock options and treasury stock /	Profit reserves	Earnings (accumulated deficit)	Other Comprehensive Income	Total equity	Non controlling interests	Consolidated equity
5.01	Opening balance	506,557	50,575	161,241	-	-	718,373	1,085	719,458
5.03	Adjusted opening balance	506,557	50,575	161,241	-	-	718,373	1,085	719,458
5.04	Capital transactions with shareholders	-	(25,986)	62,953	(138,045)	-	(101,078)	(10)	(101,088)
5.04.03	Granting of stock options recognized	-	2,863	-	-	-	2,863	-	2,863
5.04.04	Treasury shares acquired	-	(35,003)	-	-	-	(35,003)	-	(35,003)
5.04.05	Treasury shares sold		6,154	-	-	-	6,154	-	6,154
5.04.06	Dividends		-	-	(47,221)	-	(47,221)	-	(47,221)
5.04.07	Interest on Capital		-	-	(40,465)	-	(40,465)	-	(40,465)
5.04.12	Additional Proposed Dividend and Interest on Capital		-	12,594	-	-	12,594	-	12,594
5.04.13	Additional Proposed Dividend (Complement)		-	72,000	-	-	72,000	-	72,000
5.04.14	Additional Proposed Dividend (Utilization of statutory reserve)	-	-	(21,641)	(50,359)		(72,000)		(72,000)
5.04.20	Others		-	-	-	-	-	(10)	(10)
5.05	Total comprehensive income	-	-	-	145,311	-	145,311	359	145,670
5.05.01	Profit for the period	-	-	-	145,311	-	145,311	359	145,670
5.06	Internal changes of equity	-	-	7,266	(7,266)	-	-		-
5.06.01	Reserve constituition	-	-	7,266	(7,266)	-	-		-
5.07	Closing balance	506,557	24,589	231,460	-	-	762,606	1,434	764,040

The notes are an integral part of the Financial Statements.

Odontoprev S.A.

Consolidated statements of value added

Years ended in December 31, 2013, 2012 and 2011

(In thousands of Reais)

Code	Description	Current Year 01/01/2013 to 12/31/2013	Prior Year 01/01/2012 to 12/31/2012	01/01/2011 to 12/31/2011
7.01	Income	1,078,972	972,656	849,047
7.01.01	Sales of goods and services	1,109,665	989,544	861,594
7.01.02	Other incomes	5,147	5,678	6,907
7.01.02.02	Sales of goods and services	5,147	5,678	6,907
7.01.04	Provision/reversal of impairment of trade receivables	(35,840)	(22,566)	(19,454)
7.02	Inputs acquired from third parties	(626,575)	(595,746)	(520,010)
7.02.01	Costs of goods and services	(451,644)	(426,859)	(352,470)
7.02.02	Materials, energy, outsourced services and other	(10,850)	(10,700)	(10,735)
7.02.04	Others	(164,081)	(158,187)	(156,805)
7.02.04.01	Other operating revenues (expenses)	(2,677)	13,858	(4,095)
7.02.04.02	Selling expenses	(99,226)	(88,832)	(74,783)
7.02.04.03	Administrative expenses	(70,842)	(67,710)	(63,906)
7.02.04.04	Changes in claims/events incurred but not reported	8,664	(15,503)	(14,021)
7.03	Gross value added	452,397	376,910	329,037
7.04	Retentions	(5,140)	(5,159)	(6,173)
7.04.01	Depreciation, amortization and depletion	(5,140)	(5,159)	(6,173)
7.05	Net value added generated	447,257	371,751	322,864
7.06	Value added received through transfer	23,635	21,946	25,285
7.06.01	Share in the results of subsidiaries	102	(728)	(871)
7.06.02	Financial income	23,533	22,674	26,156
7.07	Total value added to distribute	470,892	393,697	348,149
7.08	Distribution of value added	470,892	393,697	348,149
7.08.01	Personnel	75,813	74,454	59,440
7.08.01.01	Direct remuneration	55,814	55,506	44,373
7.08.01.02	Benefits	15,826	14,808	11,217
7.08.01.03	FGTS	4,173	4,140	3,850
7.08.02	Taxes and contributions	181,157	153,990	125,995
7.08.02.01	Federal taxes	164,721	138,427	113,065
7.08.02.02	State taxes	1,577	1,186	361
7.08.02.03	Municipal taxes	14,859	14,377	12,569
7.08.03	Remuneration of third-party capital	19,136	15,866	14,181
7.08.03.02	Rentals	7,517	6,425	5,833
7.08.03.03	Others	11,619	9,441	8,348
7.08.03.03.01	Finance costs	11,619	9,441	8,348
7.08.04	Remuneration of own capital	188,436	145,763	145,670
7.08.04.01	Interest on capital	33,209	32,644	40,465
7.08.04.02	Dividends	114,940	105,644	97,580
7.08.04.03	Profits reinvested/loss for the year	39,942	7,278	7,266
7.08.04.04	Non-controlling interest on retained earnings	345	197	359
7.08.05	Others	6,350	3,624	2,863
7.08.05.01	Grating of stock options	6,350	3,624	2,863

The notes are an integral part of the Financial Statements.

Management's Report

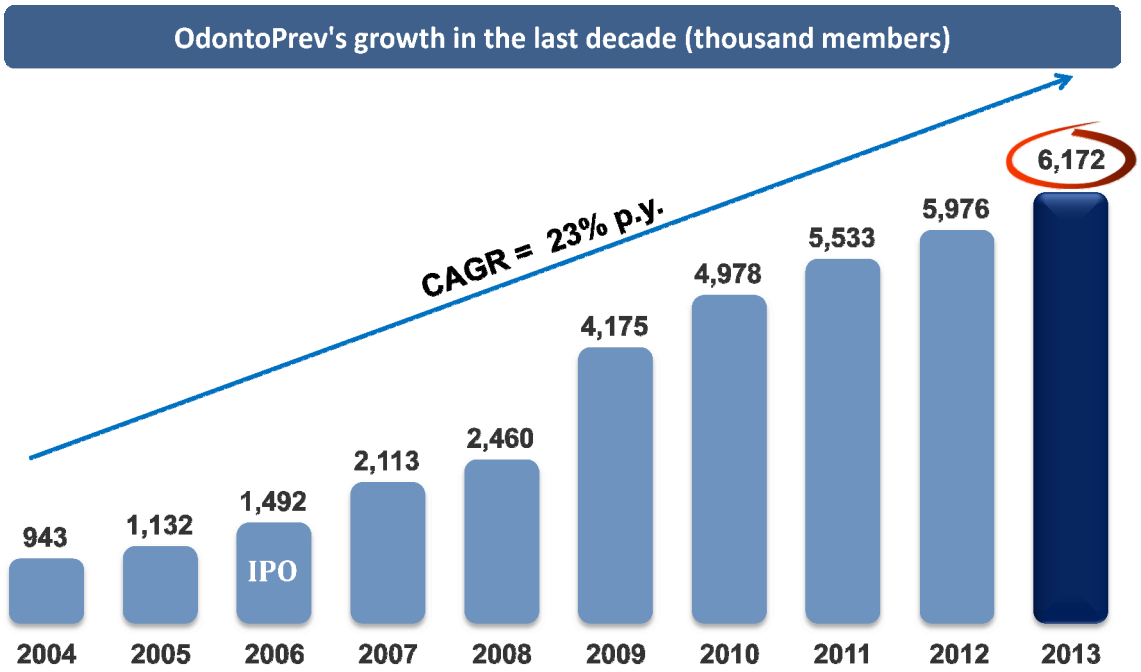
Dear Shareholders,

Management from Odontoprev S.A. (OdontoPrev or the Company) submits for your consideration the financial statements for the years ended December 31, 2013 and 2012.

General Overview of the Company and the Market in which it operates
OdontoPrev operates with private health plans, offering dental assistance.

OdontoPrev has been operating for 26 years, and is the lead company in the sector, attending approximately 6.2 million Brazilians, who receive differential oral health solutions. OdontoPrev has its own technological platform, which is world class. The Company has an accredited network of approximately 25,000 dentists throughout the country.

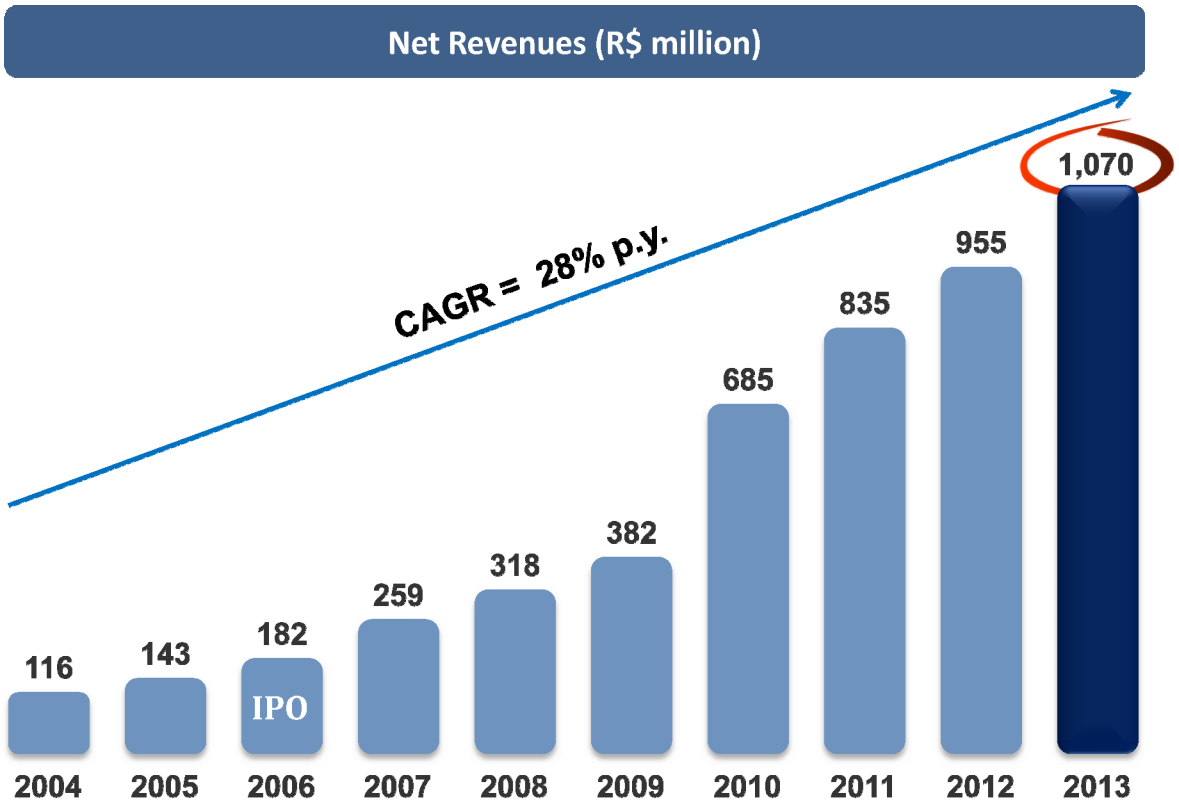
According to preliminary data from the National Health Agency, (ANS), in September 2013, the sector for dental care plans, reached a total of 19.5 million beneficiaries, representing growth of 4.2% compared to September 2012.



Operational and financial performance

The number of beneficiaries attended by OdontoPrev reached 6,171,927 in 2013, representing annual growth of 3.3%, with a net increase of 196,073 new clients.

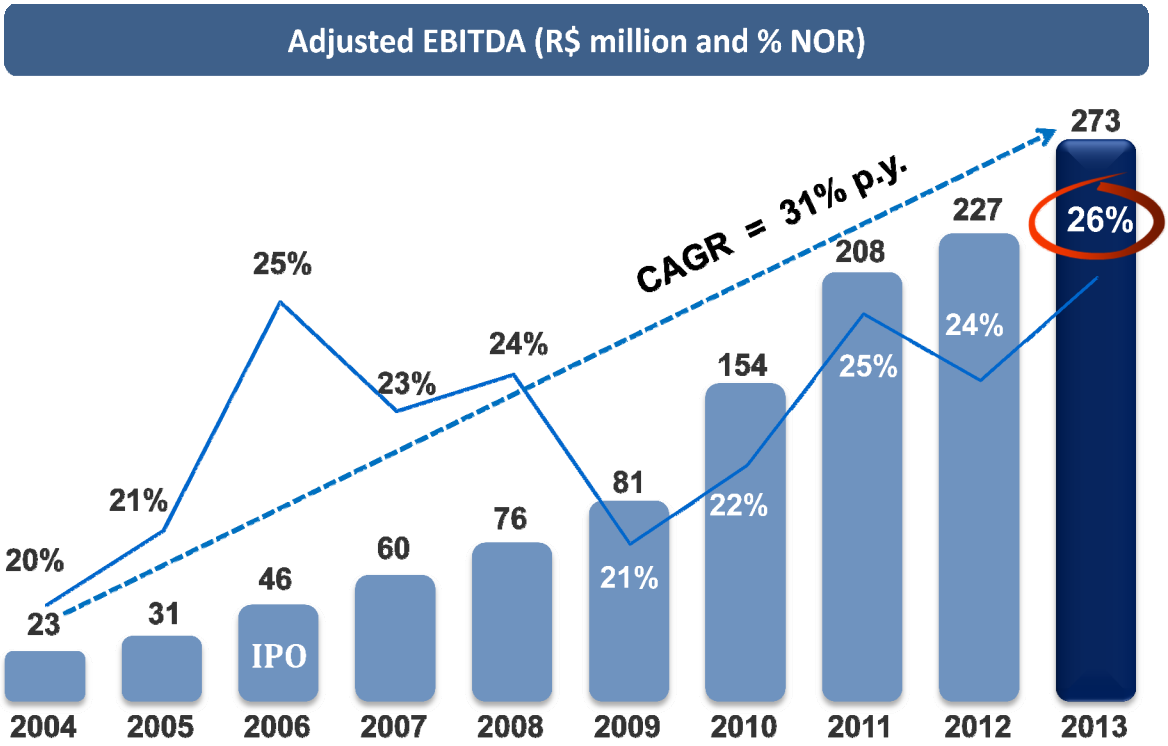
Net operational income (NOI) increased 11.9% during the period, increasing from R$955,483 in 2012 to R$1,069,606 in 2013, with an average price variation of 6.2%, from R$14.33 to R$15.22 per beneficiary/month, reflecting the price adjustment for corporate contracts, adjustments to the portfolio and, to a lesser extent, a change in the mix during the period.

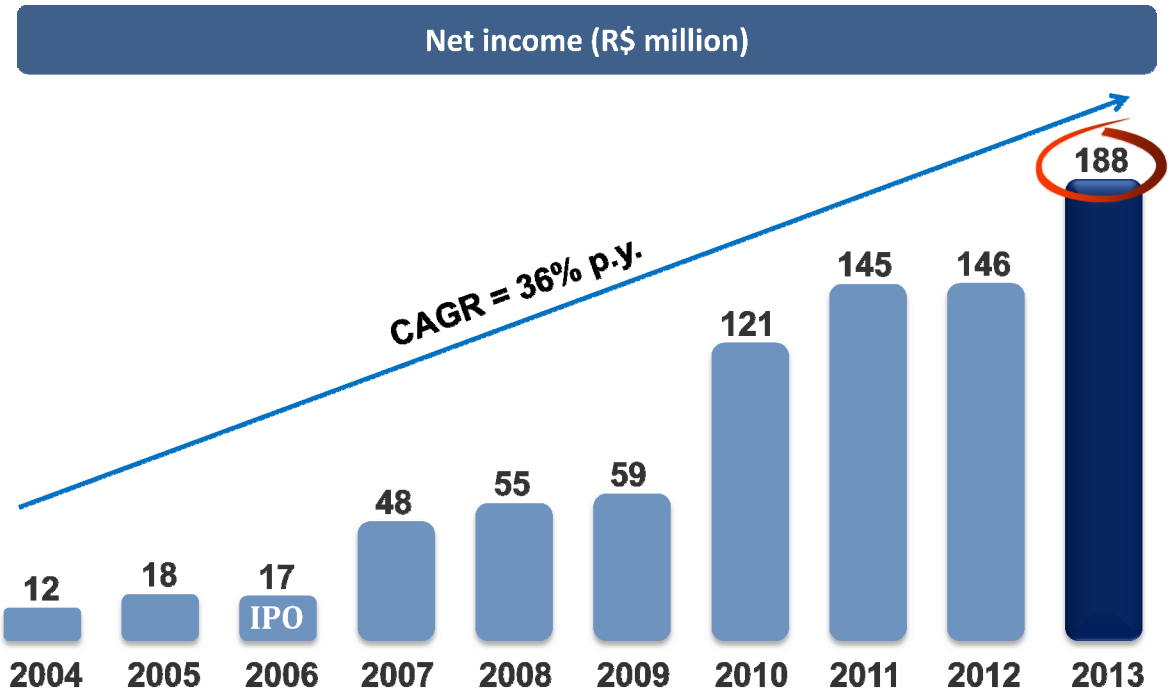


The cost of services represented 47.7% of net operational income for the year, below the 49.2% registered in 2012.

Selling expenses represented 9.3% of net operational income in 2013, the same percentage registered in 2012. Administrative expenses represented 13.8% of net operational income in 2013, compared to 14.7% in 2012, which was achieved as a result of the economies of scale and optimization of processes.

Generation of operational cash, measured based on EBITDA (LAJIDA) criteria, net of non recurring expenses for the year, reached R$272,736 in 2013, an increase of 20.1% compared to 2012. In relation to net operational, EBITDA margin was 25.5% in 2013, 1.7% above the 23.8% reported in 2012.





OdontoPrev closed 2013 with net cash of R$257,122 and zero debts.

Capitals market

In 2013, OdontoPrev completed seven years since its initial public offer (IPO) on the BM&FBovespa New Market, and at the end of the year, it had achieved capitalization of R$5.7 billion. It operated on 100% of the tradings, under the code ODPV3, and in 2013, the Company's shares reported a negative variation of 8%, *versus* a negative variation of 16% for Ibovespa, with the minimum quotation during the year being R$8.65 and the maximum R$11.30.

The liquidity of OdontoPrev shares reached a record in 2013, with R$4.5 billion traded on the BMF&Bovespa, a daily average of R$18.2 million and 3,826 tradings per trading session, a high marketability of 42% compared to 2012.

Awards and Recognitions in 2013

OdontoPrev received the highest assessment for the sector (grade of 0.83) for the Development of Supplemental Health Index (IDSS) in 2013, amongst leading companies from the market, according to ANS. The IDSS measures performance and qualifications of the medical and dental operators, based on four scales: attention to health, structure and operation, economic capacity and client satisfaction.

For the fourth consecutive year, OdontoPrev was awarded first place for the health sector in Latin American, in corporate ranking from the American magazine *Institutional Investor*.

At the annual awards "Best Companies for Shareholders in Brazil", by the magazine, Capital Aberto, OdontoPrev was elected as outstanding EVA 2013, by Stern Stewart.

OdontoPrev was re-elected as one of the 50 most valuable brands in Brazil, according to the ranking 2013 published by the magazine Isto é Dinheiro, prepared by BrandAnalytics.

The research "100 Best Suppliers for HR 2013" from the magazine Gestão e RH identified OdontoPrev as the best company for dental assistance.

The Company was also elected by ABRASCA (Brazilian Association for Public Companies), in the annual sector for adding value to health services, for the third time.

Creation of Brasildental in association with Banco do Brasil
In June 2013, OdontoPrev signed, together with BB Seguros Participações S.A. and BB Corretora de Seguros e Administradora de Bens S.A., an Assocation Agreement, by means of a new public stock corporation, called Brasildental Operadora de Planos Odontológicos S.A., aimed at the distribution and sale of dental plans, exclusively throughout Brazil, for an initial period of 20 years. In August 2013, the Association Agreement was approved by the Administrative Council for Economic Defense ("CADE"), unanimously, without restrictions.

Corporate Reorganization and change in Directors
In October 2013, the shareholders of Bradesco Saúde and Randal Zanetti contracted the strategic consolidation of its investments, which resulted in the indirect investment by Bradesco Saúde in 50.01% of the capital in OdontoPrev. In January 2014, Mauro Figueiredo was elected the president of the Company, and Randal Zanetti Vice-President of the management board.

Corporate Governance
Since going public, OdontoPrev has participated in the New Market, the segment with the highest standard of corporate governance from BM&FBOVESPA. In addition to the rules for the segment, the Company has the following differentiated practices:

- President of the management board who is distinct from the president of the executive board;
- Statutory audit committee, Audit Committee and Human Resources Committee;
- Internal Audit Management;
- *Free float* of 48%;
- Notice of 30 days for convening the OGM;
- Practice of making full quarterly profit distribution to shareholders

Statement from the Statutory Board of Directors
In compliance with the rulings stated in the CVM instructions, the Statutory Board of Directors of OdontoPrev state that it has discussed, reviewed and agrees with the opinions expressed in the independent auditors' report and with the financial statements for the year ended December 31, 2013, and authorizes their publication.

Relationship with Independent Auditors
KPMG Auditores Independentes was contracted by the Company to provide the external audit services of the financial statements, and for the effects of CVM Normative Instruction 381, we declare that during the year ended December 31, 2013, they did not provide any other services that could affect their professional independence.

Barueri, February 25, 2014.

The Directors

Notes to the financial statements (company and consolidated)

(In thousands of Reais)

1 Operations and general information

Odontoprev S.A. (**"Company" or "OdontoPrev"**), a public stock corporation, with its head Office at Alameda Tocantins, 125 – 15th floor, Alphaville - Barueri, São Paulo - Brazil, started to operate on August 28 1987. Its corporate objective is to provide private odontological assistance plans and within this context, the administration, sale or availability of these plans to corporate entities and/or individuals, as well as the participation, as a partner, shareholder or quotaholder in other civil or commercial companies, in commercial enterprises of whatever nature, in Brazil and/or overseas, and the administration of its own assets and/or those of third parties.

The Company holds interests in the following associates and direct and indirect subsidiaries:

	Percentage holding (%)							
	December 31, 2013				December 31, 2012			
	Subsidiaries		Associates		Subsidiaries		Associates	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
Clidec - Clinica Dentária Especializada Cura Dar's Ltda. (Clidec)	99.9	-	-	-	99.9	-	-	-
Odontoprev Serviços Ltda. (OdontoPrev Serviços)	99.9	-	-	-	99.9	-	-	-
Garcia Pedrosa Ltda. (Rede Dental)	99.9	-	-	-	99.9	-	-	-
Easy Software Ltda. (Easy)	-	51.0	-	-	-	51.0	-	-
Adcon Administradora de Convênios Odontológicos Ltda. (Adcon)	99.9	-	-	-	99.9	-	-	-
Dental Partner Comércio de Produtos e Equipamentos Odontológicos Ltda. (Dental Partner)	-	99.9	-	-	-	99.9	-	-
Odontored CV Sociedad Anônima de Capital Variable (Odontored)	-	-	49.0	-	-	-	40.0	-
G2D Serviços Tecnológicos S.A. (G2D)	-	-	-	16.7	-	-	-	16.7
Clínicas Radiológicas Papaiz (Grupo Papaiz)	-	-	-	49.0	-	-	-	-
Clidec Participações S.A. (Clidec Participações)	-	60.0	-	-	-	-	-	-

Clidec - A company established on July 2, 1970 with the objective of providing dental care services.

OdontoPrev Serviços - A company established on December 3, 1999, engaged in providing sales assistance, consulting and business management services to companies in general and holding interests in other companies as partner or stockholder.

Rede Dental - A company established on August 31, 1990 to operate private dental care plans and manage, sell or provide these plans to legal entities and/or individuals.

Easy - A company established on November 3, 1993, being controlled by Odontoprev Serviços in 51%, engaged in developing and licensing software and in holding interests in other companies as partner or stockholder.

Adcon - A company established on April 14, 1997, engaged in the management and sale of

dental care plans, acting as group dental care plan operator.

Dental Partner - A company established on November 14, 2008, being controlled by Clidec for 99.9%, engaged in retail and wholesale distribution of dental equipment and products, sanitizers, drugs, medicines, pharmaceutical inputs and related items.

Odontored - A company established on August 13, 2009, located in Mexico City DF, Mexico, engaged in developing dental care plans, including their operation, management and sale, as well as to provide direct or indirect (through third-parties) dental care assistance.

G2D - A company associated with Odontoprev Serviços for 16.7% was established on December 19, 2011 and owns a platform offering the online schedule of appointments with health professionals.

In accordance with Collegiate Board of Directors (RDC) 39, issued on October 27, 2000 by the Brazilian Healthcare Regulatory Agency (ANS), the Company and its subsidiaries Rede Dental and Adcon are classified as dental care operators in the tertiary dental care segment.

Papaiz Group and Clidec Participações

On August 28, 2012, the Company, through its subsidiary Clidec, entered into a purchase agreement of Papaiz Group, in a partnership with the Fleury Group. The acquisition was completed on January 31, 2013, after the approval by the Administrative Council for Economic Competition (CADE).

Under the terms of the contract, upon fulfilling the terms precedent, Fleury acquired 51% of the capital of the Papaiz Group, and Clidec Participações the remaining 49%. Clidec Participações is an indirect subsidiary of the Company, and its shareholders are Clidec, which holds 60% and some of the sellers and existing executives from the Papaiz Group, who hold 40%.

On December 31, 2013 the amount paid to acquire the investment in the Papaiz Group was R$5,487 (R$265 for advances to acquire investments at December 31, 2012).

Brasildental

On June 11, 2013, in addition to the Material Fact dated August 19, 2010, OdontoPrev and its wholly controlled company OdontoPrev Serviços Ltda, Banco do Brasil S.A.(BB), BB Seguros Participações S.A. (BB Seguros) and BB Corretora de Seguros e Administradora de Bens S.A. (BB Corretora), executed an Association Agreement with the objective to, through a new company named Brasildental Operadora de Planos Odontológicos S.A. (Brasildental), developing and promoting, and through BB Corretora, distributing and commercializing dental plans under the brand BB Dental, with exclusivity in all of BB's distribution channels in Brazil.

Brasildental's initial corporate capital shall be R$5 million, distributed in 100,000 common shares and 100,000 preferred shares, with the following ownership structure: (i) BB Seguros shall hold 49.99% of the common shares and 100% of preferred shares, representing a 74.99% ownership of the total capital, and (ii) Odontoprev shall hold 50.01% of the common shares, representing 25.01% of the total corporate capital.

The Agreement shall be in force for twenty (20) years and may be extended for equal periods and is still subject to approval by governmental authorities, pursuant to applicable legislation.

Approval of the financial statements

The issue of the financial statements of the Company and its subsidiaries was authorized by the Board of Directors on February 25, 2014.

2 Description of significant accounting policies

The main accounting policies applied in the preparation of the parent company and consolidated financial statements are set out below. These policies have been consistently applied in the periods presented.

2.1 Preparation and presentation

The Company's financial statements have been prepared in accordance with accounting practices adopted in Brazil issued by the Brazilian Accounting Pronouncements Committee (CPC), and the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), assuming that the Company will continue to operate as a going concern in Brazil.

The financial statements have been prepared and are presented in accordance with the ANS Chart of Accounts and the requirements of the Brazilian Securities Commission (CVM), as described in note 3.

The financial information for the year ended December 31, 2012 and 2011 (January, 1 2012) has been modified for comparison purposes, for the following reasons:

i. Due to regulatory requirements, through RN 322/13, the constitution of the "Unearned premiums reserve "(PPCNG)", which until December 31, 2012 was classified as a reduction of the income - anticipated billing, is now stated under the current liabilities.

ii. In 2012, the current tax assets and liabilities were presented separately in the balance sheet, without taking into consideration that the Company has the legal executable right to compensate them. Consequently, given the fact that the Company understands that it has the right to compensate, these balances have been compensated and re-stated in the balance sheet.

The compensation of current tax assets and liabilities as well as the presentation of the PPCNG did not affect the profit and loss, the shareholders' equity or any of the Company's contractual covenants during the year ended December 31, 2012 and 2011 (January 1, 2012) these reclassifications are consistent with IAS 8 - Accounting Policies, Changes in Estimates and Errors and IAS 1 - Presentation of Financial Statements.

We present below a summary of the balance sheet and cash flows originally presented, compared to the amended statements:

a. Balance sheet at December, 31 2012

	Company			Consolidated		
Assets	**December 31, 2012**	**Reclassifications (R)**	**December 31, 2012 (R)**	**December 31, 2012**	**Reclassifications (R)**	**December 31, 2012 (R)**
Current assets	**271,345**	**36,909**	**308,254**	**303,069**	**37,220**	**340,289**
Cash and cash equivalents	3,491	-	3,491	4,418	-	4,418
Financial instruments at fair value	199,661	-	199,661	213,512	-	213,512
Receivables from health assistance plans	**17,295**	**78,159**	**95,454**	**18,784**	**81,521**	**100,305**
Healthcare receivables	43,139	78,159	121,298	45,307	81,521	126,828
Invoices/premiums receivable	119,815	-	119,815	125,345	-	125,345
Others receivables	1,483	-	1,483	1,483	-	1,483
Advanced billings	(78,159)	78,159	-	(81,521)	81,521	-
(-) Allowance for doubtful accounts	(25,844)	-	(25,844)	(26,523)	-	(26,523)
Current taxes recoverable	43,309	(41,250)	2,059	55,360	(44,301)	11,059
Corporate Income Tax (IRPJ)	30,965	(30,199)	766	38,455	(32,426)	6,029
Social Contribution on Net Income (CSLL)	11,127	(11,051)	76	12,953	(11,875)	1,078
Withholding Income Tax (IRRF)	707	-	707	1,269		1,269
Others	510	-	510	2,683	-	2,683
Other receivables	**7,087**	**-**	**7,087**	**9,499**	**-**	**9,499**
Advances to suppliers	1,399	-	1,399	1,538	-	1,538
Advances to employees	1,472	-	1,472	2,453	-	2,453
Other receivables	4,216	-	4,216	5,508	-	5,508
Inventories	-	-	-	987	-	987
Advances expenses	502	-	502	509	-	509
Non-current assets	**711,317**	**-**	**711,317**	**695,632**	**-**	**695,632**
Long-term receivables	158,781	-	158,781	162,397	-	162,397
Investments	26,601	-	26,601	1,030	-	1,030
Property and equipment	7,174	-	7,174	9,589	-	9,589
Intangible assets	518,761	-	518,761	522,616	-	522,616
Total assets	**982,662**	**36,909**	**1,019,571**	**998,701**	**37,220**	**1,035,921**

	Company			Consolidated		
Liabilities and equity	**December 31, 2012**	**Reclassifications (R)**	**December 31, 2012 (R)**	**December 31, 2012**	**Reclassifications (R)**	**December 31, 2012 (R)**
Current liabilities	**169,056**	**36,909**	**205,965**	**182,031**	**37,220**	**219,251**
Technical reserves	**76,701**	**78,159**	**154,860**	**79,164**	**81,521**	**160,685**
Provision for unsettled claims/events	16,928	-	16,928	17,888	-	17,888
Unearned premiums reserve (PPCNG)	-	78,159	78,159	-	81,521	81,521
Provision for claims/events incurred but not reported	59,773	-	59,773	61,276	-	61,276
Labor charges	6,506	-	6,506	9,588	-	9,588
Social charges	6,703	-	6,703	8,000	-	8,000
Taxes and contributions payable	**48,454**	**(41,250)**	**7,204**	**53,178**	**(44,301)**	**8,877**
Federal tax liabilities	47,318	(41,250)	6,068	51,667	(44,301)	7,366
Income tax (IRPJ)	31,721	(30,199)	1,522	34,202	(32,426)	1,776
social contribution on profit (CSLL)	11,725	(11,051)	674	12,647	(11,875)	772
Other federal tax liabilities	3,872	-	3,872	4,818	-	4,818
State tax liabilities	-	-	-	47	-	47
Municipal tax liabilities	1,136	-	1,136	1,464	-	1,464
Suppliers	9,019	-	9,019	8,916	-	8,916
Other liabilities	21,673	-	21,673	23,185	-	23,185
Non-current liabilities	**113,593**	**-**	**113,593**	**115,369**	**-**	**115,369**
Deferred income tax and social contribution	2,809	-	2,809	2,809	-	2,809
Contingent liabilities	108,973	-	108,973	110,749	-	110,749
Other liabilities	1,811	-	1,811	1,811	-	1,811
Total liabilities	**282,649**	**36,909**	**319,558**	**297,400**	**37,220**	**334,620**
Capital and reserves attributable to Company´s shareholders	700,013	-	700,013	700,013	-	700,013
Non-controlling interests	-	-	-	1,288	-	1,288
Total equity	**700,013**	**-**	**700,013**	**701,301**	**-**	**701,301**
Total liabilities and shareholders' equity	**982,662**	**36,909**	**1,019,571**	**998,701**	**37,220**	**1,035,921**

b. Balance sheet at January, 1 2012

	Conmpany			Consolidated		
ASSETS	**January 1, 2012**	**Reclassifications (R)**	**January 1, 2012 (R)**	**January 1, 2012**	**Reclassifications (R)**	**January 1, 2012 (R)**
Current assets	**251,615**	**37,509**	**289,124**	**284,726**	**38,074**	**322,800**
Cash and cash equivalents	7,222	-	7,222	8,052	-	8,052
Financial investments at fair value	183,449	-	183,449	199,799	-	199,799
Receivables from health assistance plans	12,813	71,148	83,961	14,405	74,167	88,572
Healthcare receivables	35,047	71,148	106,195	37,645	74,167	111,812
Invoices/premiums receivable	105,595	-	105,595	111,212	-	111,212
Debit notes	600	-	600	600	-	600
Advanced billings	(71,148)	71,148	-	(74,167)	74,167	-
Provision for impairment of trade receivables	(22,234)	-	(22,234)	(23,240)	-	(23,240)
Current taxes recoverable	41,094	(33,639)	7,455	51,294	(36,093)	15,201
Corporate Income Tax (IRPJ)	29,532	(24,550)	4,982	36,318	(26,340)	9,978
Social Contribution on Net Income (CSLL)	10,504	(9,089)	1,415	11,906	(9,753)	2,153
Withholding Income Tax (IRRF)	627	-	627	1,216	-	1,216
Others	431	-	431	1,854	-	1,854
Other receivables	6,782	-	6,782	10,137	-	10,137
Advances to suppliers	1,141	-	1,141	1,309	-	1,309
Advances to employees	1,432	-	1,432	2,142	-	2,142
Other receivables	4,209	-	4,209	6,686	-	6,686
Inventories	-	-	-	784	-	784
Advances expenses	255	-	255	255	-	255
Non-current assets	**727,543**	**-**	**727,543**	**708,552**	**-**	**708,552**
Long-term receivables	176,982	-	176,982	180,699	-	180,699
Investments	27,985	-	27,985	438	-	438
Property and equipment	9,424	-	9,424	10,894	-	10,894
Intangible assets	513,152	-	513,152	516,521	-	516,521
Total assets	**979,158**	**37,509**	**1,016,667**	**993,278**	**38,074**	**1,031,352**

	Company			Consolidated		
LIABILITIES AND EQUITY	**January 1, 2012**	**Reclassifications (R)**	**January 1, 2012 (R)**	**January 1, 2012**	**Reclassifications (R)**	**January 1, 2012 (R)**
Current liabilities	**140,889**	**37,509**	**178,398**	**151,634**	**38,074**	**189,708**
Technical reserves	**49,280**	**71,148**	**120,428**	**50,876**	**74,167**	**125,043**
Provision for unsettled claims/events	5,010	-	5,010	5,929	-	5,929
Unearned premiums reserve (PPCNG)	-	71,148	71,148	-	74,167	74,167
Provision for claims/events incurred but not reported	44,270	-	44,270	44,947	-	44,947
Labor charges	5,438	-	5,438	7,755	-	7,755
Social charges	5,636	-	5,636	6,830	-	6,830
Taxes and contributions payable	**41,283**	**(33,639)**	**7,644**	**45,530**	**(36,093)**	**9,437**
Federal tax liabilities	40,044	(33,639)	6,405	43,937	(36,093)	7,844
Imposto de renda (IRPJ)	24,550	(24,550)	-	26,862	(26,340)	522
Contribuição social sobre o lucro (CSLL)	9,089	(9,089)	-	9,959	(9,753)	206
Other federal tax liabilities	6,405	-	6,405	7,116	-	7,116
State tax liabilities	-	-	-	13	-	13
Municipal tax liabilities	1,239	-	1,239	1,580	-	1,580
Suppliers	9,423	-	9,423	9,694	-	9,694
Other debits	29,829	-	29,829	30,949	-	30,949
Non-current liabilities	**75,663**	**-**	**75,663**	**77,604**	**-**	**77,604**
Deferred income tax and social contribution	2,081	-	2,081	2,081	-	2,081
Contingent liabilities	70,497	-	70,497	72,438	-	72,438
Other liabilities	3,085	-	3,085	3,085	-	3,085
Total liabilities	**216,552**	**37,509**	**254,061**	**229,238**	**38,074**	**267,312**
Capital and reserves attributable to Company shareholders	762,606	-	762,606	762,606	-	762,606
Non-controlling interests	-	-	-	1,434	-	1,434
Consolidated equity	**762,606**	**-**	**762,606**	**764,040**	**-**	**764,040**
Total liabilities and shareholders' equity	**979,158**	**37,509**	**1,016,667**	**993,278**	**38,074**	**1,031,352**

c. Statement of cash flows - Indirect method

	Company			Consolidated		
	Period ended at December, 31			Period ended at December, 31		
	2012	Reclassifications	**2012 (R)**	**2012**	Reclassifications	**2012 (R)**
Net income for the period	**145,566**	**-**	**145,566**	**145,763**	**-**	**145,763**
Adjustments to reconcile the net profit to cash generated from operational activities:	26,556	63,714	90,270	32,756	67,398	100,154
	172,122	**63,714**	**235,836**	**178,519**	**67,398**	**245,917**
Decrease (increase) in the operational assets :						
Financial investments at fair value	(16,212)	-	(16,212)	(13,713)	-	(13,713)
Healthcare receivables	(8,092)	(7,011)	(15,103)	(7,662)	(7,354)	(15,016)
Accounts receivable	(1,902)	7,611	5,709	(2,405)	8,208	5,803
Inventories	-	-	-	(203)	-	(203)
Long-term receivables	20,343	(19,540)	803	20,443	(19,608)	835
Increase (decrease) in operational liabilities:						
Provision for events/ claims to be settled	11,918	-	11,918	12,785	-	12,785
Unearned premiums reserve (PPCNG)	-	7,011	7,011	-	7,354	7,354
Salaries, holiday pay and fees	1,068	-	1,068	1,833	-	1,833
Taxes and contributions payable	-	(41,250)	(41,250)	-	(45,242)	(45,242)
Taxes and contributions payable and social security	10,410	(9,807)	603	10,482	(10,028)	454
Suppliers	(6,372)	-	(6,372)	(6,223)	-	(6,223)
Long-term liabilities	29,989	(728)	29,261	29,933	(728)	29,205
Net cash provided by operating activities	**213,272**	**-**	**213,272**	**223,789**	**-**	**223,789**
Net cash used in investing activities	**(857)**	**-**	**(857)**	**(10,934)**	**-**	**(10,934)**
Net cash used in financing activities	**(216,146)**	**-**	**(216,146)**	**(216,489)**	**-**	**(216,489)**
Decrease in cash and cash equivalents	**(3,731)**	**-**	**(3,731)**	**(3,634)**	**-**	**(3,634)**
Cash and cash equivalents						
Cash and cash equivalents at the beginning of the period	7,222	-	7,222	8,052	-	8,052
Cash and cash equivalents at the end of the period	3,491	-	3,491	4,418	-	4,418
Decrease in cash and cash equivalents	**(3,731)**	**-**	**(3,731)**	**(3,634)**	**-**	**(3,634)**

2.2 Consolidated financial statements

The following accounting policies are applied in the preparation of the consolidated financial statements.

a. Subsidiaries

Subsidiaries are all entities over which the Company has influence and direct or indirect control on the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights or most of the risks and rewards originated from these investments, in accordance with IFRS. Subsidiaries are fully consolidated from the date on which control is transferred to OdontoPrev.

The Company applies the acquisition method to account for business combinations, which are recorded at the fair value of transfered assets, liabilities and equity, calculated on the acquisition

date. Acquisition-related costs are expensed as incurred. Non-controlling interests in subsidiaries are recognized proportionally based on the fair value at the acquisition date.

The excess of cost of acquisition over the fair value on the acquisition date of any equity investment is recorded as goodwill, after allocation of tangible and/or intangible assets.

Investments in subsidiaries and the share in the results of investees, as well as intercompany asset and liability balances and transactions, have been eliminated on consolidation. Balances receivable and payable and profit (loss) from intercompany transactions between consolidated entities have also been eliminated. The consolidated financial statements include the balances of the Company and its subsidiaries, according to table in note 1.

The accounting policies of subsidiaries have been changed where necessary to ensure the consistency of the financial statements with IFRS and the application of the accounting policies adopted by the Company.

b. Associates

Associates are all entities over which the Company has significant influence and has the power to take part in decisions related to financial and operating policies, without holding control. Investments in associates are accounted for using the equity method and are initially recognized at cost, which included spending the transaction until 2012.

c. Exclusive investment fund

According to CPC 36 (R3)/IFRS10 we have consolidated the exclusive investment fund "Bradesco - Fundo de Investimento Renda Fixa OdontoPrev" at December 31, 2013 and 2012.

2.3 Parent company financial statements

In the parent company's financial statements, subsidiaries are recorded based on the equity accounting method. The same adjustments are made in the parent company and consolidated financial statements to obtain the same profit or loss and equity attributable to the owners of the Company. The accounting practices adopted in Brazil applicable to the parent company financial statements determine the evaluation of investments based on the equity accounting method, which differ from IFRS applicable to the separate financial statements, which establish the evaluation of investments in subsidiaries and associates based on cost or fair value.

2.4 Statements of comprehensive income

The Company and its subsidiaries do not have: (i) pension plans; (ii) gains/losses on available-for-sale assets; (iii) hedge transactions; (iv) gains/losses on monetary translations. Accordingly, the comprehensive income corresponds to profit for the presented periods.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating and strategic decision-maker, the Statutory Board, which is responsible for allocating resources and assessing the performance of the operating segments, as disclosed in note 20.

2.6 Foreign currency translation

a. Functional and presentation currency

Items included in the financial statements of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The parent company and consolidated financial statements are presented in Brazilian reais (R$), which is the Company's functional and presentation currency.

b. Translation of balances in foreign currency

Foreign currency transactions are translated into the functional currency of the parent company using the current exchange rate (assets and liabilities) and the exchange rate prevailing at the dates of the transactions (equity). Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation of balances at the reporting date are recognized in the statement of income.

2.7 Financial assets

2.7.1 Classification

The Company and its subsidiaries classify their financial assets, as determined by management, at initial recognition, in the following categories:

a. Cash and cash equivalents

Include cash on hand, bank deposits and other short-term highly liquid investments with original maturities of three months or less, with immaterial risk of change in value (note 6).

b. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. All financial assets in this category are classified as current assets (note 7).

c. Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The loans and receivables of the Company and its subsidiaries comprise trade receivables (healthcare receivables, as disclosed in note 8).

Healthcare receivables correspond to the consideration receivable for the sale of collective or individual standardized or personalized dental care plans.

These are reported in the balance sheet at the nominal values of titles that represent these receivables, with the corresponding entry recorded to net consideration (profit and loss) or Unearned premiums reserve (PPCNG in current liabilities), according to the coverage period of the contracts in force at the balance sheet date, and at the amounts receivable from reimbursement of events.

2.7.2 Recognition and measurement

Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of income. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred, and the Company and its subsidiaries have transferred substantially all risks and rewards of ownership.

Gains or losses arising from the changes in the fair value of the "Financial assets at fair value through profit or loss" category are presented in the statement of income in the period in which they arise.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired, according to note 2.7.5.

2.7.3 Fair value estimation

The Company adopted CPC 43/IFRS 13 for financial instruments that are measured in the balance sheet at fair value; this requires disclosure of fair value measurements by level of the following hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: The discounted cash flow or another methodology is used to determine the asset price based on observable market data.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The Company's financial risk management policy is to contract financial products available in the Brazilian market, whose market value can be reliably measured, seeking high liquidity to meet its future liabilities and with a prudent liquidity risk management policy. The composition of financial instruments, which are classified as level 1 (public bonds) and level 2 (Bank Deposit Certificates (CDBs) and others) is shown in note 7.

2.7.4 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legal right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.7.5 Impairment of financial assets carried at amortized cost

The Company and its subsidiaries assess at the end of each reporting period whether there is evidence that the credit quality of an asset or group of assets is impaired, and impairment losses are incurred as a result of a loss event that has an impact on the estimated future cash flows of the asset or group of financial assets.

The criteria that the Company and its subsidiaries use to determine whether there is objective evidence of impairment loss include:

- Significant financial difficulty of the issuer or debtor;
- A break of contract, such as a default or delinquency in interest or principal payments;

- The company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that it would not otherwise consider;

- Declaration of bankruptcy or reorganization of the service receiver;

- The disappearance of an active market for that financial asset;

- Data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition, including: (i) adverse changes in the payment status of borrowers in the portfolio; and; (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

  By assessing the existence of objective evidence of impairment, the Company and its subsidiaries measure the provision. In this circumstance, the carrying amount is reduced to its recoverable value, and the amount of the provision is recognized in the statement of income.

  If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the loss is recognized in the statement of income, limited to the book value that would have been determined if the devaluation loss had not been recorded in prior periods.

  The provision for impairment of trade receivables is set up according to CPC 38/IAS 39 guidelines, which determine the individual assessment of objective evidence of impairment loss for financial assets that are individually material, and individual or collective assessment for financial assets that are not individually material or that have similar credit risk characteristics.

  Losses from client receivables are registered to the account "provision for doubtful receivables" to profit and loss. Amounts which are accounted for as impairment losses are generally written off when Management no longer anticipates recovering the financial asset, which generally occurs after 180 days have lapsed.

  The other types of financial assets classified as loans and receivables do not include assets classified as *impaired.* The maximum exposure to credit risk at the reporting date of the balance sheet is the book value of each class of accounts receivables stated above.

2.8 Non-current assets

2.8.1 Long-term receivables

These include deferred income tax and social contribution (note 10.1), judicial deposits (note 10.2), and other receivables (note 10.3), stated at cost, including, when applicable, accrued earnings and provisions for losses.

Asset and liability items resulting from long or short-term transactions, are adjusted, when applicable, to their present value based on the origin of the transaction.

a. Deferred income tax and social contribution (assets)

Deferred tax assets with probable deductibility are recognized in relation to taxable temporary differences, that is, on those differences that will result in amounts to be excluded from the calculation of taxable income tax and social contribution of future years, when the carrying amount of the asset is recovered. They are basically recorded on temporary differences related to: goodwill for expected future profitability from merged subsidiaries (this tax benefit is

recorded in conformity with the current accounting standards CPC 32/IAS 12 and is based on future tax benefits generated in the ordinary course of OdontoPrev's business); provision for impairment of trade receivables; tax, social security, civil and labor contingencies and others provisions (note 10.1).

Deferred tax is measured based on the rates anticipated to be used for temporary differences when these are reversed, based on the rates that were enacted or substantially enacted at the reporting date of these financial statements.

Deferred tax assets and liabilities are compensated when there is a legal right to compensate current tax assets and liabilities, and when they refer to taxes charged by the same tax authorityies and on the same entity subject to taxation, or on separate taxable entities but when there is the intention to liquidate the current tax assets and liabilities on a net basis or when the tax assets and liabilities will be realized simultaneously.

Deferred income tax and social contribution assets are revised at each reporting date for the financial statements and are reduced to the extent that realization is no longer probable.

For purposes of determining deferred and current income tax, the Company takes into consideration the impact of uncertainties related to the tax positions taken and whether additional taxes and interest may be due. The Company believes that the provision for income tax recorded to liabilities is sufficient in relation to all of the tax periods outstanding, based on its assessment of various factors, including interpretations of tax laws and past experience. This assessment is based on estimates and assumptions and may involve a series of judgments regarding future events. New information may become available, which could result in the Company changing its judgment as to the adequacy of the existing provision; any alterations to the provision would affect the income tax expense for the year in which these adjustments are made.

b. Judicial deposits

These refer basically to deposits for lawsuits relating to the payment of the National Institute of Social Security (INSS) contribution of independent contractors and the increase in the Social Contribution on Revenues (COFINS) rate, as mentioned in note 10.2.

c. Other receivables

Correspond to the amount for cases of potential risks identified in relation to past acquisitions (note 10.3).

2.8.2 Investments

These comprise investments in subsidiaries and associates accounted for using the equity accounting method based on their respective balance sheets at December 31, 2013 and 2012 (note 11).

2.8.3 Property and equipment

These are stated at acquisition cost, less impairment and accumulated depreciation, calculated using the straight-line method based on the estimated economic useful lives of assets at the annual rates mentioned in note 12.

Property and equipment comprise mainly computer equipment and furniture.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount when the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the amounts obtained with the carrying amount and are recognized in the statement of income.

2.8.4 Intangible assets

a. Goodwill on acquisition of investments

Refers to goodwill based on expected future profitability, paid on the acquisition of investments (investments in subsidiaries) mentioned in note 13.1. Goodwill represents the excess of the cost of an acquisition over the net fair value of assets and liabilities of the acquired entity, including the allocation of intangible assets.

Goodwill is tested annually for impairment, as disclosed in note 13.2, and carried at cost less accumulated impairment losses, which are not reversed.

b. System development, software licenses and others

System development and software license expenses are capitalized on the basis of the costs incurred to acquire and bring them to use. They are amortized using the straight-line method over 60 months (13.3).

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets.

Goodwill attributable to the brand, customer portfolio and agreement for non-competition are grouped in “Intangible assets - OdontoServ”. These items are amortized using the straight-line method, using the terms identified in the appraisal report (note 13.3).

c. Deferred selling expenses

The Company recognizes as deferred selling expenses (Deferred Acquisition Costs (DAC)) the expenditures that are directly incremental and related to the origin or renewal of contracts, that is, the amounts paid for agency and that can be reliably measured. Other expenditures are recorded as selling expenses, as incurred. This asset is recognized in profit or loss over a period of twelve months.

2.9 Impairment of non-financial assets

CVM Resolution 639/10, CPC 01 (R1)/IAS 36, requires that companies and their subsidiaries carry out periodic impairment tests of the amounts recorded in property and equipment and intangible assets with the purpose of reviewing and adjusting the criteria utilized to determine the estimated economic useful lives and calculate depreciation and amortization.

Assets are tested for impairment in order to: (i) verify whether there is any loss due to assets impaired; and (ii) measure any impairment loss of existing assets to complement or reverse the provision for impairment of trade receivables, when applicable.

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization

and are tested annually for impairment. For the purposes of assessing impairment, assets are grouped in cash generating units (active and/or merged companies acquired).

Assets that are subject to amortization are periodically reviewed for impairment or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

2.10 Dental care plan contracts

The Company issues dental care plan contracts which transfer financial risk, insurance or dental care cost fluctuation risk or both. In general, the Company defines significant insurance risk as the possibility of incurring losses at amounts higher than the monthly payments made by the beneficiaries. Investment contracts are those which do not transfer insurance risk or transfer insignificant insurance risk (notes 5.1 and 5.2).

The Company classified the postpaid collective plans as “Investment contracts” on first-time adoption of CPC 11/IFRS 4, recording in the accounts the results in " Net installments " at cost.

a. Liability Adequacy Test (LAT)

In conformity with CPC 11/IFRS 4, the Company prepared at December 31, 2013 a liability adequacy test of all dental care plan contracts in effect at the testing date. This test is prepared based on the net carrying amount of all liabilities arising from insurance contracts, as permitted by CPC 11/IFRS 4, less intangible assets, such as DAC, directly related to these insurance contracts.

Should any deficiency be identified, the Company immediately recognizes the loss in the statement of income, initially reducing the DAC (the deferred acquisition costs) up to the limit of zero (or other intangible assets, such as those arising from exclusivity contracts and those directly related to insurance contracts) and, subsequently, recognizes additional provisions for insurance liabilities already recognized at the testing date, when the loss exceeds the carrying amount of these intangible assets. Any intangible asset, such as DAC, which was written down due to this test, cannot be reinstated by the Company when the test shows favorable results for the Company in future periods.

For this test, the Company prepared a methodology based on its best estimate of all future cash flows, which also include additional and accessory claim settlement expenses, using current assumptions for the test and no insufficiency was identified.

2.11 Technical reserves

In accordance with ANS RN 209/09, amended by RN 227/10, 243/10, 246/11 and 313/12 operators shall record monthly the “Reserve for claims incurred but not reported” (IBNR), actuarially estimated to cover events/claims already occurred but not recorded by the Company in the accounting books (note 14, item c).

The events pending settlement involving dental care assistance are classified in “Reserve for events/claims to be settled in the group “Technical reserves for dental care operations” in accordance with RN 290/12, amended by RN 322/13. Costs of services provided are recorded based on claims reported by accredited service providers upon the analysis of the events covered by the plans, with a corresponding entry to the accounts of result of indemnifiable claims, net.

2.12 Taxes and contributions payable

a. Federal tax liabilities

i. **Income tax (IRPJ) and social contribution (CSLL)**: these are calculated based on criteria established by the legislation in force. IRPJ is calculated at the rate of 15% of taxable income, plus a 10% surtax on taxable income exceeding R$240 per year, and includes the tax incentive portion. CSLL is calculated at the rate of 9% of adjusted accounting profit, as established by the current legislation.

ii. **Other federal tax liabilities:** these comprise provisions for Social Integration Program (PIS) and Social Contribution on Revenues (COFINS), which are calculated based on the criteria established by the legislation in force. PIS is calculated at the rate of 0.65% and COFINS at the rate of 3.0%, both on billings less indemnifiable claims paid.

b. Municipal tax liabilities

These comprise the provision for Services Tax (ISS), calculated based on criteria established by the legislation in force. ISS is calculated at rates that vary from 2.0% to 5.0% on billings less indemnifiable claims paid.

2.13 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business, and are classified as current liabilities if payment is due in one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method. In practice, they are recognized at the amount of the related invoice.

2.14 Other current liabilities

These are stated at known or estimated amounts and include, when applicable, the corresponding charges and monetary variations.

2.15 Deferred income tax and social contribution (liability)

Deferred tax liabilities, whose payment is probable, are recognized in relation to the taxable temporary differences, that is, on differences that result in amounts to be added to the calculation of taxable income in future years, when the carrying amount of the asset or liability is recovered or settled.

2.16 Contingent liabilities and legal obligations

The Company and its subsidiaries assess their contingent liabilities based on the requirements of the accounting pronouncement CPC 25/IAS 37, in which for the lawsuits assessed as "probable losses", based on the assessments of internal and external legal attorneys, the similarity of previous disputes, the complexity of the lawsuit and the opinion ot the legal courts, 100% of the claimed amount is provided.

According to the history for lawsuits classified as "possible losses" involving dental treatments to beneficiaries of the dental plan in which the Company and/or its subsidiaries are parties, 25%

of the claimed amount is provided. Disputes involving dental treatments are directly related to the activity of the Company and / or its subsidiaries, depending on its outcome, may: a) demonstrate a failure in the operations, b) indicate possible deficiencies in the service rendered, c) affect the image of the Company and / or its subsidiaries. Consequently, we consider these relevant enough to be accounted for.

The Company and its subsidiaries also consider material, making individually estimates and recording a related provision for, the administrative proceedings with ANS and other consumer protection agencies (e.g.: Procon), especially those in which a pecuniary monetary penalty was applied. The proceedings with ANS, depending on their outcome, may generate impact on the health operators' performance indicators, and the proceedings with the consumer protection agencies may results in damages to the image of the Company and its subsidiaries.

Legal, tax and social security obligations arise from lawsuits related to tax obligations, whose legality or constitutionality is being challenged, and are fully recognized in the interim financialfinancial statements and monetarily restated in accordance with current tax legislation (Special System for Settlement and Custody (SELIC)) interest rate.

2.17 Share capital

Common shares are classified as equity.

The Company buys back shares to provide shares for the stock option program (note 19.5), which are recorded as deductions from profit reserves.

2.18 Revenue recognition

a. Effective consideration

Income from considerations derived from operations related to private dental assistance plans in the form of previously agreed prices have to be appropriated for the amount corresponding to the daily allocation - *pro rata diem* - for the individual coverage period of each contract, as from the first day of coverage. The installments for the consideration corresponding to the coverage period for the subsequent month are registered in the "Unearned premiums reserve (PPCNG)", in accordance with RN 322/13.

b. Sales of goods and services

Revenues from sales of goods and services provided by the subsidiaries, as stated in note 20 item (iv), are allocated to the statement of income on accrual basis.

c. Finance income

This income arises from financial instruments and tax credit and judicial deposit accruals.

2.19 Recognition of costs of services

The costs of services provided by accredited professionals and dental clinics are recognized in the statement of income on the accrual basis, when claims covered by the plans are reported and analyzed, together with the recording of IBNR. The costs of operating the company-owned dental care network are recognized as incurred.

2.20 Employee benefits (variable remuneration)

Employee and management profit sharing, even in the form of financial instruments, is

classified as profit sharing, in operating expenses. The Company and its subsidiaries adopt the following procedures: (i) employee profit sharing expenses are classified as profit sharing results in operating expenses, according to CPC 33(R1)/IAS 19; and (ii) all the estimated costs of stock options granted under share-based payment contracts existing as from the year ended December 31, 2007, as prescribed by CPC 10(R1)/IFRS 2 are calculated and recorded as operating expenses. These operating expenses are recorded with a corresponding entry to equity, in "options granted".

The Company grants stock options to be exercised on a future date and after a vesting period, subject to continuing service by the beneficiary to the Company (vesting condition - CPC 10(R1)/IFRS 2). On the option grant date, the Company calculates the fair value of each option based on the financial model, widely known as Black-& Scholes, taking into consideration several factors on the option grant date, such as volatility of shares, share exercise price, share market price, vesting period, risk-free discount rate, and other factors. Share-based remuneration expense is recorded in accordance with the vesting period and as the beneficiary renders the services to the Company up to the date on which the capital instrument may be acquired by the beneficiary.

2.21 Distribution of dividends and interest on capital

Dividends and interest on capital distribution to the OdontoPrev's stockholders are recognized as a liability in the financial statements based on the Company's bylaws that provide a mandatory minimum dividend of 50%. Any amount that exceeds the minimum required is maintained in equity, in the account "additional dividend proposed", until it is approved by the stockholders at the annual general meeting.

2.22 Earnings per share

The Company's basic earnings per share, in compliance with CPC 41/IAS 33, were calculated by dividing profit attributable to the Company's stockholders by the weighted average number of common shares outstanding during the period, excluding treasury shares. Earnings per share are also calculated by adjusting the weighted number of common shares outstanding to assume conversion of all potential dilutive common shares. The calculation of basic and diluted earnings per share is presented in note 27.

2.23 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The IASB has published several pronouncements, interpretations or accounting guidelines (new or modified), which is mandatory adoption in fiscal years beginning after January 1, 2014. One that may have some impact to the Company is as follows:

IFRS 9, "Financial Instruments ", issued in November 2009, is the first step in the process to replace CPC 38/IAS 39 " Financial Instruments - Recognition and Measurement". IFRS 9 has introduced new requirements for classifying and measuring financial assets. There is no date set for implementation of the standard.

3 Reconciliation of Brazilian Corporation Law and ANS

Considering that the Company performs a regulated activity in the dental care segment, it is required to present its financial statements based on the ANS Chart of Accounts, which contains accounting items with names that differ from those commonly used by companies of other sectors. Accordingly, to facilitate the understanding of the financial statements, we present below the reconciliation between the items used by Brazilian Corporation Law and those adopted by the ANS Chart of Accounts:

		Company		Consolidated	
		Period ended at December, 31		Period ended at December, 31	
Corporate Law	**ANS**	**2013**	**2012**	**2013**	**2012**
	Net installments	1,084,957	965,292	1,109,665	989,544
	Revenues from sale of products	27	502	5,147	5,678
Tax on sales	Direct taxes on health care plan operations	(36,280)	(31,613)	(37,421)	(32,765)
	Taxes on sales and services	-	-	(7,785)	(6,974)
Net operating revenue		**1,048,704**	**934,181**	**1,069,606**	**955,483**
Cost of services	**Cost of services**	**(487,843)**	**(470,266)**	**(501,165)**	**(485,528)**
	Indemnfiable claims, net	(443,753)	(416,868)	(451,644)	(426,859)
	Social charges on services	(31,536)	(29,559)	(31,839)	(29,882)
	Dental care materials	(8,260)	(6,549)	(4,582)	(3,781)
	Other operating expenses	(12,672)	(1,787)	(21,764)	(9,503)
	Changes in events incurred but not reported	8,378	(15,503)	8,664	(15,503)
Gross profit		**560,861**	**463,915**	**568,441**	**469,955**
Selling expenses	**Selling expenses**	**(98,388)**	**(87,984)**	**(99,226)**	**(88,832)**
Administrative expenses	**Administrative expenses**	**(164,819)**	**(153,445)**	**(159,747)**	**(147,643)**
Other expenses	**Other expenses**	**(44,350)**	**(31,332)**	**(46,485)**	**(32,824)**
Granting stock options	Granting stock options	(6,350)	(3,624)	(6,350)	(3,624)
Provision for impairment of trade receivables	Provision for impairment of trade receivables	(35,089)	(22,744)	(35,840)	(22,566)
Equity in the result of subsidiaries	Equity in the result of subsidiaries	(2,911)	(4,964)	(4,295)	(6,634)
Finance income (cost), net	**Finance income (cost), net**	**11,069**	**12,151**	**11,914**	**13,233**
Finance income	Finance income	22,224	20,867	23,533	22,674
Finance costs	Finance costs	33,209	32,644	33,209	32,644
Reversion of interests on capital	Reversion of interests on capital	(44,364)	(41,360)	(44,828)	(42,085)
Equity share in the result of subsidiaries	**Equity share in the result of subsidiaries**	**6,715**	**5,975**	**102**	**(728)**
Profit before taxation	**Profit before taxation**	**271,088**	**209,280**	**274,999**	**213,161**
Income tax and social contribution	**Income tax and social contribution**	**(82,997)**	**(63,714)**	**(86,563)**	**(67,398)**
Current	Current	(74,174)	(43,446)	(77,814)	(47,062)
Deferred	Deferred	(8,823)	(20,268)	(8,749)	(20,336)
Profit for the period	**Profit for the period**	**188,091**	**145,566**	**188,436**	**145,763**
Attibutable to:					
Shareholders of the Company		188.091	145.566	188.091	145.566
Non-controlling interests		-	-	345	197
Profit for the period	**Profit for the period**	**188.091**	**145.566**	**188.436**	**145.763**
Earnings per share to the Company's shareholders					
Basic earnings per share (R$)		0.35469	0.27453	0.35469	0.27453
Diluted earnings per share (R$)		0.35054	0.27185	0.35054	0.27185

4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with accounting practices adopted in Brazil and IFRS requires management to use judgment to determine and record accounting estimates. Significant assets and liabilities subject to these estimates and assumptions comprise, among others, deferred income tax and social contribution, impairment of intangible assets, technical reserves and provisions for contingencies. The transactions involving these estimates may be settled at amounts which differ from those estimated due to the inaccuracy inherent to their determination process. The Company and its subsidiaries review these estimates and assumptions on a periodic basis.

a. Estimates used in the calculation of impairment of financial assets

As required by IFRS, the Company applies the rules for analysis of impairment for financial assets measured at amortized cost. In this respect, the Company uses a high level of judgment to determine the level of uncertainty associated with the realization of estimated contractual flows of financial assets, including considerations receivable from customers.

Currently, losses identified in the impairment test of receivables represent approximately 3.4% of the total revenues of the Company and its subsidiaries, of which approximately 81.7% arises from individual prepaid contracts.

b. Estimates used in the evaluation of tax credits

Deferred tax assets and liabilities are recognized to the extent it is probable that future taxable income is available. This requires a high level of judgment by the Company's management for determination of estimates as to the capacity and timing of future taxable income generation.

These refer basically to the income tax and social contribution effects on temporary differences related to goodwill on expected future profitability from merged subsidiaries (this tax benefit is recorded in accordance with the current accounting standards CPC 32/IAS 12 and is based on future tax benefit generated in the ordinary course of OdontoPrev's business); provision for impairment of trade receivables; tax, social security, civil and labor contingencies; and sundry provisions (note 10.1).

c. Estimates used in the calculation of impairment of non-financial assets

As required by IFRS, the Company applies the rules for analysis and assessment of impairment for non-financial assets. In the calculation of goodwill impairment, the Company uses the income approach through the discounted cash flow methodology.

In the assessment of value in use, management believes that no reasonably possible change in any of the main assumptions mentioned in note 13.2 would make the carrying amount exceed significantly its recoverable value.

d. Estimates and judgments used in evaluation of insurance liabilities

The Company has prepaid dental care plan contracts, which are classified as insurance contracts due to their characteristics of, transfering significant insurance risk to the Company. Estimates used in the recording of insurance liabilities represent an area in which the Company uses critical accounting estimates in the preparation of financial statements in conformity with IFRS. Several sources of uncertainties should be considered in the estimation of the liabilities to be ultimately settled by the Company. The Company uses all available internal and external information sources concerning past experiences and indicators that may affect the decision

making of the Company's management and experts to define actuarial assumptions and the best estimate of claim settlement amounts for contracts whose insured event has already occurred. Consequently, the provisions may differ from the amounts actually paid in the future for these obligations (see accounting policy disclosed in note 5.2 on insurance risk management and sensitivity analyses of the main assumptions used in the assessment of these liabilities).

e. Estimates and judgments used in the evaluation of provisions for tax, civil and labor contingencies

The Company is a party to labor, tax and civil lawsuits in progress on the date of preparation of the financial statements. The process used by management to determine and record the accounting estimates takes into consideration the legal advice of experts, progress of the lawsuits and judgment status (or court) of each specific case. In addition, the Company uses its best judgment on these cases and historical information about losses, in which there is a high level of judgment used, to record the provisions in accordance with CPC 25/IAS 37 (note 18.1).

5 Risk management

The main risks arising from the businesses of the Company and its subsidiaries are related to market (interest rate), credit, liquidity, insurance, dental care cost fluctuation, market of operation (competition) and capital. The management of these risks involves different departments and comprises a series of fund allocation strategies and policies considered appropriate by management.

Polices and strategies are accompanied by the Audit Committee, that was created and installed on March 26, 2010, by the definition of the Supervisory Board of directors, in accordance with company bylaws.

5.1 Financial risk factors

5.1.1 Market risk (interest rate)

Considering the Company's market and financial position, interest rate risk arises from the possibility that the Company and its subsidiaries are subject to changes in interest rates that may generate impacts on the fair value of the financial instruments portfolio.

The Company and its subsidiaries adopt the policy to invest in securities issued by financial institutions (CDBs) and short term funds, complying with internal assessment criteria (Administrative and Financial Directors and Audit Committee) and limits established based on qualitative and quantitative information, including the requirement to allocate resources in compliance with RN159/07 and RN 206/09, from ANS, amended by RNs 208/09 and 290/12 amended by RN 322/13, to guarantee the technical provisions. Almost all of the Company's and its subsidiaries' portfolio of financial instrumenys are exposed to variations in interest rates on the domestic market.

At December 31, 2013, the financial instruments of the Company and its subsidiaries, as stated in note 7, totalled R$246,856 (R$213,512 at December 31, 2012), of which 93.2% (92.5% at December 31, 2012) of the resources are held in investment funds. These funds, the majority of which are exclusive, are affected by variations in the rates for National Treasury government securities (NTB, NTN and FTB).

In compliance with CVM Resolution 475, of December 17, 2008, the Company and its subsidiaries performed a sensitivity analysis of their financial instruments, based on the variation in the Special System of Settlement and Custody (SELIC) rate, as shown below:

		Consolidated			
		31, december de 2013			
	Selic (a.a.)[1]	CDBs	Investment Funds	Federal Securities	Total
Applications		16.816	8.431	221.609	246.856
Forecast profitability for next 12 months					
Probable	10,58%	1,779	892	23,446	26,117
Decrease 25%	7,94%	1,334	669	17,585	19,588
Decrease 50%	5,29%	890	446	11,723	13,059
Increase 25%	13,23%	2,225	1,115	29,319	32,659
Increase 50%	15,87%	2,669	1,338	35,169	39,176

(1) Based on future interest rate curves reported by BM&F Bovespa.

a. The distribution of investments in CDBs with financial institutions, as well as their classification by rating agencies:

	Consolidated				Ratings of financial institutions						
					Fitch		Moody's		S&P		
	December 31, 2013	Average yield - % of CDI	December 31, 2012	Average yield - % of CDI	CP	LP	CP	LP	CP	LP	Level of the hierarchy[1]
Banco Bradesco S.A.	2,938	98,5%	2,817	100,8%	F1+(bra)	AAA(bra)	BR-1	Aaa.br	brA-1	brAAA	2
Banco Industrial e Comercial S.A.	682	107,0%	628	105,0%	F1(bra)	A+(bra)	BR-1	Aa2.br	-	brAA-	2
Banco Panamericano S.A.	51	102,0%	48	104,0%	F1+(bra)	AA-(bra)	BR-1	A1.br	-	-	2
Banco Santander Brasil S.A.	4,160	101,0%	4,144	100,5%	F1+(bra)	AAA(bra)	BR-1	Aaa.br	brA-1	brAAA	2
Banco Votorantim S.A.	8,985	103,5%	8,418	104,5%	F1+(bra)	AA+(bra)	BR-1	Aaa.br	brAAA	brA-1	2
	16,816		**16,055**								

[1]Note 2.7.3 Fair value estimation.

Composition of the portfolio of the "Bradesco - Fundo de Investimento Renda Fixa OdontoPrev" exclusive fund:

				Consolidated	Level of the hierarchy[1]
Assets[2]	Description	Emission	Maturity	Market	
Committed	National Treasury Notes - NTN	1/14/2009	1/2/2014	34,187	1
Federal Public Bonds	Financial Treasury Bills - FTB	1/11/2008	3/7/2014	37,139	1
Federal Public Bonds	Financial Treasury Bills - FTB	5/9/2008	9/7/2014	37,219	1
Federal Public Bonds	Financial Treasury Bills - FTB	3/6/2009	3/7/2015	51,886	1
Federal Public Bonds	Financial Treasury Bills - FTB	7/3/2009	9/7/2015	41,530	1
Federal Public Bonds	Financial Treasury Bills - FTB	7/15/2011	3/1/2018	12,391	1
Federal Public Bonds	Nacional Treasury Bills - NTB	1/11/2013	9/1/2018	5,902	1
Federal Public Bonds	Nacional Treasury Bills - NTB	12/22/2010	1/1/2015	1,355	1
				221,609	

[1]Note 2.7.3 Fair value estimation.

[2]These are subject to risk Brazil currently rated "BBB" by Fitch.

In accordance with CPC 36 (R3) / IFRS10, the Company consolidated the exclusive fund "Bradesco - Fundo de Investimento Renda Fixa OdontoPrev" on December 31, 2013 and 2012 (note 2.2; c).

Derivative financial instruments are represented by interest rate futures contracts (DI1) stated at their market value, which are part of the exclusive fund portfolio and are used with the objective to hedge exposures to fixed interest rate risk, transferring them to the (CDI) floating interest rate. At December 31, 2013, their fair value amounted to R$0 (December 31, 2012 they amounted to R$7).

5.1.2 Credit risk

This risk arises from the possibility of the Company and its direct and indirect subsidiaries not receiving the amounts arising from considerations and services as they become due. The credit policy takes into consideration the specific characteristics of dental care plan operations and is focused on maintaining the flexibility required by market conditions and customers' needs. Through appropriate internal controls, the Company constantly monitors its receivables. The method adopted to calculate the provision for impairment of receivables is described in note 2.7.5.

None of the Company's customer represents 10% or more of the total of the respective class of financial assets. Note 20 discloses the contribution margin and the main assets by operating segment, of which the prepaid collective plans are the most significant.

5.1.3 Liquidity risk

The main objective of liquidity risk management is to monitor the settlement terms of the receivables and payables of the Company and its subsidiaries, as well as the liquidity of their financial instruments. The Company and its subsidiaries prepare projected cash flow analyses and periodically review the liabilities assumed and the financial instruments used, mainly those related to assets pledged as guarantee of technical reserves.

The receivables comprising the Company's cash flows arise mainly from prepaid collective contracts, which establish the settlement of monthly payments (mainly at the beginning of each month) for the use of benefits. In turn, the payments to the accredited network and brokers, the main suppliers, occur throughout the month.

5.2 Insurance risk and dental care cost fluctuation risk

OdontoPrev's business model is based on the customers' monthly payments, in medium and long-term contracts, and is exposed to a risk of insurance and dental care cost fluctuation, taking into consideration that in the dental care plan sector the risk is limited to the frequency that the services rendered by the accredited network are used and the low individual cost of the treatments given.

OdontoPrev operates more than 100 different dental care plans registered with the ANS which, together with the dental care plans registered by the medical and hospital plan operators that act with the Company, represent a wide range of options. New dental care plans are constantly developed. The following factors are taken into consideration for the formation of these plans:

Risk model - This refers to the determination of the person responsible for the cost of dental treatment during the life of the contract (classified as prepaid or postpaid).

The cost of dental treatments can be covered by the Company, the customer or shared by both in several manners. When OdontoPrev bears part of or all costs, the per capita monthly rate includes their actuarial estimate, as well as other administrative and selling expenses (prepaid). When the customer bears these costs, the per capita monthly rate includes only administrative and selling expenses, and the dental surgeons' fees are transferred directly to the customer (postpaid).

Most of the customers have opted for the prepaid risk model, since there is the benefit of diluting their individual risk. This type of model is more predictable for the customer, avoiding unintended cost oscillations during the life of the contract, and it is also easier to manage. Note 20, "Operating segments", discloses the contribution margin and composition of the main assets of the products sold by the Company.

Service model – This defines how the member will receive the dental care service contracted: (i) through an accredited network; (ii) with a dental surgeon of the member's choice; or (iii) in company-owned units. In the accredited network, the member receives the necessary dental care services, those covered by the contract, without any additional disbursement, and the beneficiary can also rely on the systems for control of quality and selection of professionals. In the system in which the member can choose the professionals, they must pay directly to the dentist and subsequently request the reimbursement of the costs, under the limits of the contract. When the customer opts for the company-owned units, two types are available: the dental care plan itself, named by ANS as own dental care segment, or the lease of exclusive dental clinics in the customers' facilities. In the first model, the type of coverage and the payment of a per capita monthly rate are defined. In the second model, the Company pays a fixed amount to the dental clinic, without defining a type of coverage, designation of beneficiary or per capita rate.

Enrollment model - This determines if the entire group (mandatory enrollment) or part of the group (free enrollment) of beneficiaries will be included in the plan, and how the payment of the per capita monthly rate will be made, that is, if it will be totally paid by the customer (employer, association, etc.), totally paid by the beneficiary, or divided between them, in various proportions.

Types of coverage - This describes all the dental care treatments whose costs are totally or partially covered in the dental care plan contracted. The current regulation determines minimum dental care coverage, defined by ANS.

The most contracted type of coverage is the full plan, which is higher than the minimum dental care plan, but does not include protheses, orthodontics and dental implants.

Factor for moderated use – These are rules for use and access to covered dental care services, which contribute to determine costs of these services and avoid abusive use of the system. The main types used are: (i) co-payment, which comprises the payment by the beneficiary of part of the treatments effectively received; (ii) grace periods, which comprise periods in which the beneficiary cannot use the services covered by their plan; and (iii) deductibles, which comprise levels of amounts by dental care event which are the sole responsibility of the beneficiaries, above which the effective coverage of the plan is valid.

The moderation factors are included in several dental care plan structures, mainly for enrollment plans and individual customers.

Fees - Special remuneration is considered for the professionals of our accredited network, as well as several levels of reimbursement to be chosen.

In addition to the insurance risk, the **dental care cost fluctuation risk** also has direct impact on the dental care plan contracts. These costs can increase due to the frequency of use, legislation and higher prices of dental care materials.

To control costs, the Company has its own system that ensures the individual evaluation of all treatments made, through images and analyses of electronic records, thus monitoring the dental costs per customer.

The contracts are effective over approximately 24 months, originally with a termination clause establishing a 90-day prior notice and contractual fine for terminations requested out of term. Most of the contracts also have an annual adjustment of the rates adopted through the claims ratio, which consists of the division of the costs incurred over the past twelve months by the net consideration, that is, cost of services divided by sales, and adjustment based on inflation, according to an index established with each customer.

The Company constantly monitors its contracts in order to minimize risks, as well as maintain their financial balance. All the aforementioned procedures are intended to minimize possible losses or decreases in the contribution margin. Currently, the Company considers that a claims ratio of up to 60% permits a margin that supports the Company's administrative expenses.

In the year ended December 31, 2013, according to notes 3 and 20, the consolidated claims ratio (gross profit less selling expenses divided by sales revenues) was 46.9% and the contribution margin (gross income less selling expenses divided by sales income) was 43.9%.

In the table below we highlight the increase / decrease in contribution margin resulting from changes in the claims ratio:

					Consolidated	
	Year ended at December 31, 2013		Equal to 60%		Equal to 40%	
Net operating revenue	1,069,606	100.0%	1,069,606	100.0%	1,069,606	100.0%
Cost of services	(501,165)	-46.9%	(641,764)	-60.0%	(427,842)	-40.0%
Selling expenses	(99,226)	-9.3%	(99,226)	-9.3%	(99,226)	-9.3%
Contribuition margin	**469,215**	**43.9%**	**328,616**	**30.7%**	**542,538**	**50.7%**
(Decrease)/increase - contribution margin			**140,599**	**-13.2%**	**73,323**	**6.8%**

5.3 Operating risk - Market of operations (competition)

The Company operates in a competitive market and competes with other companies that offer dental care plans with similar benefits, including health care companies, mainly health care insurance and medical and hospital operators, dental care cooperatives, charitable entities and exclusive dental care operators.

OdontoPrev has a diversified selling strategy, which enables that its products be sold to a wide range of potential groups in an efficient manner, and its several distribution channels provide

flexibility in satisfying the needs of the entire spectrum of customers. The Company sells dental care plans to companies, associations and individuals by means of:

- An internal sales team, which operates throughout the country;
- An independent network of brokers;
- Commercial associations with medical and hospital plans;
- Distribution channels of Banco Bradesco and Bradesco Seguros.

Currently, the factors that stimulate the growth in the dental care plan sector are the following: (i) structural imbalance between the supply and demand of services; (ii) lack of alternatives in the public system; (iii) growing inclusion of dental care plans in employee benefit programs; (iv) opportunities represented by the increasing interest of new distribution channels; and (v) regulation.

5.4 Capital risk

The Company carries out its capital risk management activities based on a centralized management model, with the main purpose of meeting the requirements of minimum regulatory capital for its segment, in accordance with capital requirements defined by ANS. The Company's strategy and model consider both "regulatory capital" and "economic capital" in accordance with the capital risk management view adopted by the Company.

The capital risk management strategy is to maximize the Company's capital value through optimization and diversification of available capital sources. The decisions about allocation of capital are made as part of the periodical review of the Company's strategic planning.

During the years 2013 and 2012, the Company maintained capital levels above the minimum regulatory requirements.

Note 14, "Minimum Capital and Technical Reserves", describes the rules for determining technical reserves and criteria for maintenance of minimum equity and solvency margin, according to definitions applicable to dental care plan operators.

6 Cash and cash equivalents

	Company		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Cash and deposits in cash in financial institutions	4,607	39	4,799	126
Short-term deposits	4,232	3,452	5,467	4,292
	8,839	**3,491**	**10,266**	**4,418**

7 Financial assets at fair value through profit or loss (financial instruments)

Financial instruments, mostly classified as financial instruments at fair value through profit or loss, are highly liquid and have the following composition:

	Company		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Bank Deposits Certificates (CDBs)	16,732	15,580	16,816	16,055
Investment funds (non exclusive)	4,425	4,153	8,431	7,922
Federal Public Bonds (exclusive fund)	210,941	179,928	221,609	189,535
	232,098	**199,661**	**246,856**	**213,512**

CDBs - Refer to floating rate securities indexed to the Interbank deposit certificate (CDI) daily interest rates, mostly of which have daily liquidity. In note 5.1.1 (a) we highlight the financial institutions in which the Company and its subsidiaries maintain investments in CDB.

Investment funds - The investment fund participations are valued based on the value disclosed by the investment funds' administrators.

Federal government bonds - These refer to the assets from exclusive funds, which are managed by Banco Bradesco and Bradesco Asset Management, under market conditions, mentioned in note 5.1.1 (b).

A portion of the financial instruments at December 31, 2013, totaling R$70,187 (R$65,249 at December 31, 2012) for the Company and R$73.896 (R$68,730 at December 31, 2012) for the group, is pledged to ANS to guarantee the technical reserves, in accordance with RN 206/09, amended by RN 208/09, RN 290/12 and RN 322/13, with no mandatory collateral security for PESL Provision for claims with a maturity under 30 days and PPCNGthe unearned premium reserve.

Composition of the investment portfolio by maturity:

					Company
	No maturity date	Up to 180 days	181 to 360 days	Over 360 days	Total
Bank Deposit Certificates (CDBs)	-	3,537	8,227	4,968	16,732
Investment funds (non exclusive)	4,425	-	-	-	4,425
Federal Public Bonds (exclusive fund)	-	71,305	37,219	102,417	210,941
At December 31, 2013	**4,425**	**74,842**	**45,446**	**107,385**	**232,098**
At December 31, 2012	**4,153**	**4,712**	**13,668**	**177,128**	**199,661**

					Consolidated
	No maturity date	Up to 180 days	181 to 360 days	Over 360 days	Total
Bank Deposit Certificates (CDBs)	-	3,621	8,227	4,968	16,816
Investment funds (non exclusive)	8,431	-	-	-	8,431
Federal Public Bonds (exclusive fund)	-	71,326	37,219	113,064	221,609
At December 31, 2013	**8,431**	**74,947**	**45,446**	**118,032**	**246,856**
At December 31, 2012	**7,922**	**5,187**	**13,668**	**186,735**	**213,512**

Investments in CDBs are classified in current assets, regardless of their maturity terms, in view of the guarantee of daily liquidity offered by the counterparty or because they are redeemable in up to 12 months and also because they are classified as financial assets at fair value through profit or loss.

8 Healthcare receivables (Loans and receivables - Customers)

These refer to receivables from individuals and legal entities, as follows:

	Company			Consolidated		
	December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
Premiums receivable	119,076	119,815	105,595	121,439	125,345	111,212
Debit notes	1,357	1,483	600	1,356	1,483	600
Healthcare receivables	**120,433**	**121,298**	**106,195**	**122,795**	**126,828**	**111,812**
Provision for impairment of trade receivables	(36,307)	(25,844)	(22,234)	(37,168)	(26,523)	(23,240)
	84,126	**95,454**	**83,961**	**85,627**	**100,305**	**88,572**

At December 31, 2013 and 2012, the composition of the Company and Consolidated health care receivables by maturity is as follows:

	Company				
		Overdue			
	Falling due	Up to 30 days	From 31 to 90 days	Over to 90 days	Total
Premiums and debit notes receivable	70,381	16,753	12,282	21,017	120,433
Provision for impairment of trade receivables	(6,667)	(2,407)	(6,216)	(21,017)	(36,307)
At December 31, 2013	**63,714**	**14,346**	**6,066**	**-**	**84,126**
At December 31, 2012	**73,314**	**15,076**	**7,064**	**-**	**95,454**
At January 1, 2012	**69,120**	**9,053**	**5,788**	**-**	**83,961**

	Consolidated				
		Overdue			
	Falling due	Up to 30 days	From 31 to 90 days	Over to 90 days	Total
Premiums and debit notes receivable	71,637	17,003	12,439	21,716	122,795
Provision for impairment of trade receivables	(6,683)	(2,410)	(6,359)	(21,716)	(37,168)
At December 31, 2013	**64,954**	**14,593**	**6,080**	**-**	**85,627**
At December 31, 2012	**77,806**	**15,403**	**7,096**	**-**	**100,305**
At January 1, 2012	**73,432**	**9,343**	**5,797**	**-**	**88,572**

Receivables are comprised as follows:

	Company			Consolidated		
	December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
Premiums receivable	119,076	119,815	105,595	121,439	125,345	111,212
Debit notes	1,357	1,483	600	1,356	1,483	600
(=) Healthcare receivables	**120,433**	**121,298**	**106,195**	**122,795**	**126,828**	**111,812**
Provision for impairment of trade receivables	(36,307)	(25,844)	(22,234)	(37,168)	(26,523)	(23,240)
(=) Trade receivables, net	**84,126**	**95,454**	**83,961**	**85,627**	**100,305**	**88,572**
(-) Advances from customers	(3,278)	(3,022)	(3,976)	(3,293)	(3,043)	(3,993)
(=) Considerations/premiums receivable from customers	**80,848**	**92,432**	**79,985**	**82,334**	**97,262**	**84,579**

Changes in provision for losses on consideration receivable are shown in the table below:

	Company			Consolidated		
	December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
Balance at the beginning of the period	**(25,844)**	**(22,234)**	**(17,135)**	**(26,523)**	**(23,240)**	**(17,530)**
Provisions and reverals recorded in the year, net	(35,089)	(22,744)	(18,784)	(35,840)	(22,566)	(19,454)
Losses with customers	24,626	19,134	13,685	25,195	19,283	13,744
Balance at the end of the period	**(36,307)**	**(25,844)**	**(22,234)**	**(37,168)**	**(26,523)**	**(23,240)**

9 Current taxes recoverable

	Company			Consolidated		
	December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
IRPJ	1,122	766	4,982	6,169	6,029	9,978
CSLL	122	76	1,415	1,436	1,078	2,153
IRRF	1,871	707	627	2,566	1,269	1,216
PIS and COFINS	307	310	414	2,806	2,351	1,769
ISS	474	200	16	484	208	34
INSS	-	-	1	72	124	51
ICMS	-	-	-	2	-	-
	3,896	**2,059**	**7,455**	**13,535**	**11,059**	**15,201**

10 Long-term receivables

10.1 Deferred income tax and social contribution

These primarily refer to the IRPJ and CSLL effects on temporary differences, whose realization is probable, based on projections of future results prepared in accordance with and supported by internal assumptions and economic scenarios that may, therefore, suffer changes. The Company and its subsidiaries record IRPJ and CSLL on all temporary differences.

	Company		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Deferred income tax	83,928	89,934	84,803	90,755
Deferred social contribution	30,214	32,376	30,530	32,672
	114,142	**122,310**	**115,333**	**123,427**

	Company		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Provision for impairment of trade receivables	12,344	8,787	12,639	9,062
Provision for tax, social security, labor and civil contingencies	49,794	36,609	49,939	36,782
Goodwill on expected future profitability - merged subsidiaries	43,840	72,655	43,840	72,655
Other provisions	8,164	4,259	8,915	4,928
	114,142	**122,310**	**115,333**	**123,427**

The Company recorded deferred tax assets on goodwill for expected future profitability arising from acquired subsidiaries. This tax benefit is recorded in accordance with the current accounting standards CPC 32/IAS 12 and is based on the future tax benefit generated in the ordinary course of OdontoPrev's business.

Deferred income tax and social contribution, recorded in long-term receivables, have a corresponding entry in the statement of income, under “Deferred income tax” and “Deferred social contribution”.

					Company
Deferred taxes	Provision for impairment of trade receivables	Provision for tax, social security, labor and civil contingencies	Goodwill on expected future profitability - merged subsidiaries	Other provisions	Total
At December 31, 2012	**8,787**	**36,609**	**72,655**	**4,259**	**122,310**
Charged (credited) to income statement	3,557	13,185	(28,815)	3,905	**(8,168)**
At December 31, 2013	**12,344**	**49,794**	**43,840**	**8,164**	**114,142**

					Consolidated
Deferred taxes	Provision for impairment of trade receivables	Provision for tax, social security, labor and civil contingencies	Goodwill on expected future profitability - merged subsidiaries	Other provisions	Total
At December 31, 2012	**9,062**	**36,782**	**72,655**	**4,928**	**123,427**
Charged (credited) to income statement	3,577	13,157	(28,815)	3,987	**(8,094)**
At December 31, 2013	**12,639**	**49,939**	**43,840**	**8,915**	**115,333**

10.2 Judicial deposits

These refer prinmarily to deposits for lawsuits related to the collection of INSS contributions for services provided by independent contractors and to the increase in COFINS, as presented in the following table:

	Company		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
TAX	**1,173**	**691**	**3,280**	**2,975**
COFINS	-	-	2,084	2,235
Other	1,173	691	1,196	740
Social security and labor	**35,593**	**33,476**	**35,808**	**33,684**
INSS	35,241	33,313	35,241	33,313
Other	352	163	567	371
Civil	**508**	**397**	**512**	**401**
	37,274	**34,564**	**39,600**	**37,060**

10.3 Other receivables

As mentioned in note 13.2, the acquisition of the controlling share of the companies listed above below was approved. Accordingly, the accounting, tax and labor procedures of these companies were reviewed, and cases involving potential risks were identified. The total amount identified above has a corresponding entry to the amount recorded under "Other payables", note 18.2.

	Company		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
DentalCorp	993	1,057	993	1,057
Care Plus/Biodent	12	449	12	449
Sepao	-	107	-	107
Prontodente	41	41	41	41
OdontoServ	143	169	143	169
Papaiz Group	-	-	1,323	-
	1,189	**1,823**	**2,512**	**1,823**

As set forth in the Purchase Option Agreement and Other Covenants entered into between the former owners of these companies and the Company, in certain circumstances, the former owners guarantee the reimbursement of any payments the Company is required to make. The amounts recorded in other receivables are deposited in investment funds and CDBs in the name of the former owners, who can only use these funds with the Company's authorization in order to avoid any credit risk related to the acquisition of control of the companies mentioned above.

11 Investments

	Company		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Equity Interests	8,942	7,423	-	-
Equity Interests - others	25,476	18,746	-	-
Other equity interests	1,450	432	3,750	1,030
	35,868	**26,601**	**3,750**	**1,030**

Investments in subsidiaries are classified as follows:

					2013	Equity in the results of		Investment balances	
Subsidiaries	Share capital	Number of quotas/shares held	Holding (%)	Profit (loss) for the period	Equity	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Rede Dental	1,162	1,162	99.9	4,173	8,227	4,173	4,356	8,227	7.054
Adcon	43	860	99.9	345	715	345	(230)	715	369
		Equity Interests - Dental Care				**4,518**	**4,126**	**8,942**	**7,423**
Clidec	8,290	8,290	99.9	1,455	17,238	1,495	666	17,238	11.244
OdontoPrev Serviços	2,278	2,278	99.9	736	8,238	736	1,890	8,238	7.502
		Equity Interests - Others				**2,231**	**2,556**	**25,476**	**18,746**
		Equity Interests				**6,749**	**6,682**	**34,418**	**26,169**

At December 31, 2013, the share in the results of subsidiaries totaled R$6,715 (R$5,975 at December 31, 2012), including income of R$34 (expense of R$707 as at December 31, 2012) related to the investments in the associated company Odontored CV.

12 Property, plant and equipment

	Company										
	Computer equipment	Vehicles	Facilities	Machinery and equipment	Furniture and fittings	Communication equipment	Dental care equipment	**Total fixed assets**	Leasehold improvements	Others	**Total**
Net book value at December 31, 2012	**2,107**	**428**	**126**	**520**	**1,565**	**156**	**56**	**4,958**	**1,133**	**1,083**	**7,174**
Additions and (disposals)	730	73	(6)	20	(366)	838	(33)	**1,256**	16	(779)	**493**
Depreciation	(644)	93	(30)	(72)	(104)	37	17	**(703)**	(329)	-	**(1,032)**
At December 31, 2013	**2,193**	**594**	**90**	**468**	**1,095**	**1,031**	**40**	**5,511**	**820**	**304**	**6,635**
Acquisition cost	8,075	1,435	533	1,054	2,884	1,601	423	**16,005**	4,689	304	**20,998**
Accumulated depreciation	(5,882)	(841)	(443)	(586)	(1,789)	(570)	(383)	**(10,494)**	(3,869)	-	**(14,363)**
Net book value at September 30, 2013	**2,193**	**594**	**90**	**468**	**1,095**	**1,031**	**40**	**5,511**	**820**	**304**	**6,635**
Annual depreciation rate (%)	**20**	**20**	**10**	**10**	**10**	**10**	**10**	**-**	**20**	**-**	**-**

	Consolidated										
	Computer equipment	Vehicles	Facilities	Machinery and equipment	Furniture and fittings	Communication equipment	Dental care equipment	**Total fixed assets**	Leasehold improvements	Others	**Total**
Net book value at December 31, 2012	**2,217**	**429**	**240**	**592**	**1,932**	**159**	**609**	**6,178**	**1,415**	**1,996**	**9,589**
Additions and (disposals)	779	73	(6)	54	(235)	836	117	**1,618**	242	(135)	**1,725**
Depreciation	(659)	93	(45)	(88)	(181)	37	(96)	**(939)**	(451)	-	**(1,390)**
At December 31, 2013	**2,337**	**595**	**189**	**558**	**1,516**	**1,032**	**630**	**6,857**	**1,206**	**1,861**	**9,924**
Acquisition cost	8,691	1,468	1,940	1,266	3,781	1,607	2,136	**20,889**	6,078	1,861	**28,828**
Accumulated depreciation	(6,354)	(873)	(1,751)	(708)	(2,265)	(575)	(1,506)	**(14,032)**	(4,872)	-	**(18,904)**
Net book value at December 31, 2013	**2,337**	**595**	**189**	**558**	**1,516**	**1,032**	**630**	**6,857**	**1,206**	**1,861**	**9,924**
Annual depreciation rate (%)	**20**	**20**	**10**	**10**	**10**	**10**	**10**	**-**	**20**	**-**	**-**

13 Intangible assets

13.1 Goodwill on acquisition of investments

This relates to goodwill paid for expected future profitability, paid on acquisition of the investments. Up to December 31, 2008, these amounts were amortized using the straight-line method. After that date, they are no longer amortized and only tested for impairment.

13.2 Impairment tests of goodwill

Goodwill represents the excess of the cost of an acquisition over the net fair value of assets and liabilities of the acquired entity, including the allocation of intangible assets. Goodwill is allocated to the business units which benefited from the business combination from which the goodwill was originated for the purpose of impairment testing, as presented in the following table:

	Historical data relating to the acquisition and/or approval				December 31, 2013			December 31, 2012
	Date	Total value	Asset value	Date of the legal merger	Goodwill	Amortization (1)	Net goodwill	Net goodwill
Bradesco Dental	10/18/2009	723,392	313,752	7/01/2010	409,640	-	409,640	409,640
OdontoServ	2/27/2009	30,841	10,025	12/01/2009	20,816	-	20,816	20,816
Prontodente	12/22/2008	5,445	(235)	12/01/2009	5,680	-	5,680	5,680
Sepao	10/24/2008	9,203	82	12/01/2009	9,121	(303)	8,818	8,818
SRJSPE	6/26/2008	13,720	(130)	12/01/2008	13,850	(1,616)	12,234	12,234
Care Plus	6/19/2008	13,113	(230)	12/01/2008	13,343	(1,563)	11,780	11,780
Biodent	6/19/2008	2,837	98	12/01/2008	2,739	(319)	2,420	2,420
Rede Dental	10/08/2007	7,584	(119)	unincorporated	7,703	(1,544)	6,159	6,159
DentalCorp	2/09/2007	25,244	386	3/03/2008	24,858	(9,529)	15,329	15,329
Total - Company		**831,379**	**323,629**		**507,750**	**(14,874)**	**492,876**	**492,876**
Easy	7/08/2008	3,100	456	unincorporated	2,644	(265)	2,379	2,379
G2D[2]	8/09/2012	750	416	unincorporated	334	-	334	334
Group Papaiz[3]	1/31/2013	5,487	780	unincorporated	4,707	-	4,707	-
Total - Consolidated		**840,716**	**325,281**		**515,435**	**(15,139)**	**500,296**	**495,589**

(1) Accumulated Amortization up to December 31, 2008.

(2) Associated company.

(3) Equivalent to 60% of the investment of the Clidec in Clidec Participações, as reported in note 1.

The goodwill impairment test is applied annually, and the last one was carried out at December 31, 2013. This test used the income approach, through the discounted cash flow methodology. This approach is based on the nature of the cash-generating units evaluated, the existence of historical financial and operational control of the business unit, availability of financial projections and discussions with management. No evidence of impairment was identified in the period for these assets; therefore, the Company considered that a provision for impairment was not necessary.

Following are the assumptions used to perform the impairment test:

Calculation period:	6 years, being January 01, 2014 to December 31, 2019 and perpetuity
Currency projection:	R$ in nominal terms, considering the inflationary effect
Discount rate:	14.0% according to the methodology WACC[1]
Specific assumptions:	(i) financial and management statements of UN and OdontoPrev ; (ii) Management information
Growth rate in perpetuity:	projected inflation of 5.3%, with no real growth

Macroeconomic assumptions:

Description	2014P	2015P	2016P	2017P	2018P	2019P
Growth PIB	2.00%	2.38%	2.94%	3.11%	2.81%	2.95%
Inflation - IPCA	5.95%	5.62%	5.31%	5.23%	5.39%	5.31%

(1) WACC - Weighted Average Cost of Capital

13.3 System development, software licenses and others

		Company		Consolidated	
	Amortization period	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
System development	60 months	21,394	15,303	21,649	15,458
Software licenses	60 months	9,210	7,575	10,671	9,018
Intangible assets - OdontoServ	straight-line method based on useful life	9,779	9,779	9,779	9,779
Other		-	-	19	19
Accumulated amortization		(18,025)	(15,060)	(18,518)	(15,535)
		22,358	**17,597**	**23,600**	**18,739**

13.4 Changes in intangible assets

	Company			
	Goodwill on acquisition of investment	System development, software licenses and other	Deferred selling expenses	Total
At December 31, 2012	**492,876**	**17,597**	**8,288**	**518,761**
Additions	-	8,270	19,527	27,797
Amortization	-	(3,509)	(18,414)	(21,923)
At December 31, 2013	**492,876**	**22,358**	**9,401**	**524,635**
Cost	507,750	40,383	27,815	575,948
Accumulated amortization and impairment	(14,874)	(18,025)	(18,414)	(51,313)
Net book value	**492,876**	**22,358**	**9,401**	**524,635**

	Consolidated			
	Goodwill on acquisition of investment	System development, software licenses and other	Deferred selling expenses	Total
At December 31, 2012	**495,589**	**18,739**	**8,288**	**522,616**
Additions	4,707	8,389	19,527	32,623
Amortization	-	(3,528)	(18,414)	(21,942)
At December 31, 2013	**500,296**	**23,600**	**9,401**	**533,297**
Cost	515,435	42,698	27,815	585,948
Accumulated amortization and impairment	(15,139)	(19,098)	(18,414)	(52,651)
Net book value	**500,296**	**23,600**	**9,401**	**533,297**

14 Minimum capital and technical reserves - Company

ANS published, on December 22, 2009, RN 209, amended by RNs 227/10, 243/10, 247/11, 313/12 and IN50/12, which establishes new rules for recognizing technical provisions and minimum capital requirements. The main definitions applicable to dental care operators are as follows:

a. Adjusted minimum equity (AME) represents the minimum amount of equity or net assets, calculated by multiplying the K factor by the capital base.

b. The solvency margin corresponds to the amount of adjusted equity sufficient to cover the higher of 0.20 times the sum of the last 12 months premium, or 0.33 times the annual average of the last 36 months' net claims.

In the table below, we presentation calculation AME, MS and S:

	Company	
	December 31, 2013	December 31, 2012
Capital base	6,264	5,871
(x) Fator K[1]	0.48%	0.48%
Adjusted minimum equity (AME)	**30**	**28**
(+) Equity	695,695	700,013
(+) Legal obligations	92,803	107,910
(-) Equity Interests in Others Dental Care	8,942	7,423
(-) Deferred acquisition costs	9,401	8,288
(-) Prepaid expenses	805	502
(-) IIntangible assets	515,234	510,473
Adjusted minimum equity (AME)	**254,116**	**281,237**
(A) 0.20 times the sum of the last 12 months premium	214,454	190,913
(B) 0.33 times the annual average of the last 36 months' net claims	131,610	108,215
Solvency Margin (MS) total = higher amount (A) and (B)	**214,454**	**190,913**
Total surplus [2] AME - MS total)	**39,662**	**90,324**
MS required[3] (%)	38.0%	35.0%
MS equired[3] (R$)	81,493	66,820
Surplus on required solvency (AME - MS required)	**172,623**	**214,417**

[1] K factor corresponds to classification: group dentistry, tertiary sector, region 4 as Annex RN 209/09

[2] Total solvency margin should be set up until December 31, 2022 as RN 313/12

[3] Required solvency margin as provided for in the scale of dilution RN 313/12

c. As from January 1, 2011, IBNR is mandatory for operators with more than 20,000 beneficiaries. Until approval has been obtained for the technical actuarial note (NTA), a minimum IBNR must be recorded by operators, based on the higher of 9.5% of total premium and 12% of total indemnifiable claims for the prior 12 months for the prepayment contracts. At December 31, 2012 the Company and the subsidiary Rede Dental used this methodology, and at March 31, 2013 and August 31,2013, it used its own methodology to constitute the IBNR stated in NTA approved on March 14, 2013, according to the register 491/2013/GGAME (GEHAE)/DIOPE/ANS and in NTA approved on August 27, 2013, according to the register 3177/2013/GGAME (GEHAE)/DIOPE/ANS, respectively.

The amount calculated based on the NTA has been registered within current liabilities, under "provision for events/claims incurred but not reported".

At December 31, 2013 the Company had a provision for events/claims incurred but not reported amounting to R$51,395 (R$59,773 at December 31, 2012) and Consolidated of R$52,612 (R$61,276 at December 31, 2012).

d. The events pending settlement involving dental care assistance are classified in "Reserve for events/claims to be settled in the group "Technical reserves for dental care operations" (PESL) in accordance with RN 290/12, amended by RN 322/13. At December 31, 2013, the balance of the Company totals R$13,438 (R$16,928 at December 31, 2012). In the consolidated balance sheet, the balance at December 31, 2013 is R$14.308 (R$17,888 at December 31, 2012).

According to CPC 11/IFRS 4, paragraph 37, the changes in reserves related to claims/events (insurance liabilities) are as follows:

	Company	Consolidated
At December 31, 2012	**76,701**	**79,164**
Events reported/ incurred in the year	443,753	451,644
Event paid	(447,243)	(455,224)
Provision for events / claims incurred but not reported (IBNR)	(8,378)	(8,664)
At December 31, 2013	**64,833**	**66,920**
	-	-
Provision for events / claims to be settled	13,438	14,308
Provision for events / claims incurred but not reported (IBNR)	51,395	52,612
At December 31, 2013	**64,833**	**66,920**

e. As from 2013, in accordance with RN 322/13, which requires that income be registered according to the contractual terms, the Company started to record the "Unearned premiums reserve (PPCNG)" under current liabilities. In 2012 and 2011, the Company used the account "anticipated billing", registered under current assets, and in 2013, this was reclassified for comparison purposes, as reported in note 2.1 (i).

15 Taxes and contributions payable

	Company			Consolidated		
	December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
Federal tax liabilities	**8,901**	**6,068**	**6,405**	**9,844**	**7,366**	**7,844**
IRPJ	1,803	1,522	-	2,006	1,776	522
CSLL	1,015	674	-	1,113	772	206
COFINS	1,795	1,103	1,232	1,983	1,611	1,572
PIS	840	578	964	918	692	1,038
IRRF	3,140	1,857	3,884	3,458	2,138	4,142
Other	308	334	325	366	377	364
State tax liabilities	**-**	**-**	**-**	**-**	**47**	**13**
Municipal tax liabilities	**1,280**	**1,136**	**1,239**	**1,632**	**1,464**	**1,580**
	10,181	**7,204**	**7,644**	**11,476**	**8,877**	**9,437**

16 Trade payables

	Company		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Commissions payable	4,249	4,391	4,286	4,418
Suppliers of goods and services	9,428	4,628	10,442	4,498
	13,677	**9,019**	**14,728**	**8,916**

Commissions payable: refer to commitments related to intermediation service providers of the plans, most of which are settled monthly.

Suppliers of goods and services: mainly comprise services rendered related to the maintenance and operation of the Company's complementary activities. On December 31, 2013 this amount includes R$4,000 financial advisory fees payable to Banco Bradesco BBI S.A. relating to the process of setting up a cooperation with Banco do Brasil.

17 Other payables

	Company		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Sundy provisions:	**14,045**	**5,947**	**14,378**	**6,873**
Comissions	4,008	2,414	4,008	2,414
IT support and service	434	344	434	344
Telecommunications	422	505	431	505
Services	1,288	1,231	1,537	1,458
Associations	80	151	80	151
Location	85	171	151	250
Traveling	233	300	242	320
Indemnifiable and charges	7,495	831	7,495	831
Investments to pay	-	-	-	600
Credit to identify	**8,255**	**12,089**	**8,616**	**12,520**
Others	**996**	**604**	**1,292**	**738**
	23,296	**18,640**	**24,286**	**20,131**

18 Long-term liabilities

18.1. Provisions for contingencies

The Company's management sets up provisions based on the opinion of its internal and external legal advisors and considers that the amounts recorded in "Provisions for contingencies", in long-term liabilities, are sufficient to cover potential losses arising from court decisions. The amounts related to possible losses not accrued at December 31, 2013, relate to 710 civil lawsuits (not related to treatments made to the dental plan beneficiaries) and to 40 labor lawsuits of the Company and its subsidiaries, totaling R$28,776 (R$10,546 at December 31, 2012).

The Company and its subsidiaries are parties to lawsuits involving tax, social security, labor and civil contingencies, as follows:

	Company					
	December 31, 2013			December 31, 2012		
	Provision	Judicial deposits	Net provision	Provision	Judicial deposits	Net provision
Tax	**1,394**	**(1,173)**	**221**	**1,284**	**(691)**	**593**
Social secutity and labor	**143,731**	**(35,593)**	**108,138**	**104,227**	**(33,476)**	**70,751**
INSS	143,339	(35,241)	108,098	103,817	(33,313)	70,504
Other	392	(352)	40	410	(163)	247
Civil	**2,739**	**(508)**	**2,231**	**3,462**	**(397)**	**3,065**
	147,864	**(37,274)**	**110,590**	**108,973**	**(34,564)**	**74,409**

	Company					
				December 31, 2013		December 31, 2012
	Social security and labor					
Changes	**Tax**	**INSS**	**Others**	**Civil**	**Total**	
Opening balance	1,284	103,817	410	3,462	108,973	70,497
Additions	118	31,532	33	1,496	33,179	33,397
Write-offs	(8)	-	(51)	(2,457)	(2,516)	(1,096)
Monetary adjustment	-	7,990	-	238	8,228	6,175
Closing balance	**1,394**	**143,339**	**392**	**2,739**	**147,864**	**108,973**
Number of law suits			Number of law suits		152	121

	Consolidated					
	December 31, 2013			December 31, 2012		
	Provision	Judicial deposits	Net provision	Provision	Judicial deposits	Net provision
Tax	**2,576**	**(3,280)**	**(704)**	**2,523**	**(2,975)**	**(452)**
Social secutity and labor	**144,145**	**(35,808)**	**108,337**	**104,673**	**(33,684)**	**70,989**
INSS	143,339	(35,241)	108,098	103,817	(33,313)	70,504
Other	806	(567)	239	856	(371)	485
Civil	**2,843**	**(512)**	**2,331**	**3,553**	**(401)**	**3,152**
	149,564	**(39,600)**	**109,964**	**110,749**	**(37,060)**	**73,689**

						Consolidated
				December 31, 2013		December 31, 2012
		Social security and labor				
Changes	**Tax**	**INSS**	**Others**	**Civil**	**Total**	
Opening balance	2,523	103,817	856	3,553	110,749	72,438
Additions	117	31,537	41	1,496	33,191	34,203
Write-offs	(64)	-	(91)	(2,459)	(2,614)	(2,098)
Monetary adjustment	-	7,985	-	253	8,238	6,206
Closing balance	**2,576**	**143,339**	**806**	**2,843**	**149,564**	**110,749**
			Number of law suits		159	134

a. Tax

Liabilities related to tax contingencies under dispute are maintained up to the rendering of a final and non appealable decision.

The Company and its subsidiary Clidec filed a lawsuit requesting to pay COFINS as established by LC 7/70 rather than in accordance with Law 9.718/98, and to offset the difference in amounts paid at the rate of 3% against social contribution. The Company was partially successful, since the increase in the COFINS calculation basis was determined unconstitutional.

b. Social security and labor

i. INSS

The Company and its subsidiary Rede Dental are discussing in court the social security contribution levied on the remuneration paid to accredited dentists of 20%, as set forth by LC 84/96 and subsequently by Law 9.876/99 (new wording provided for in article 22, item I of Law 8.212/91). The Company alleges that because the services are not rendered to the insurance companies but to the insured parties, they would be outside the scope of the mentioned contribution. It should be mentioned that Bradesco Dental had already a lawsuit with the same objective, and had made judicial deposits up to July 2010, being the date of the merger into the Company, and when it became the plaintiff. In the consolidated accounts, these obligations had been fully accounted for and totaled R$143,339 at December 31, 2013 (R$103,817 at December 31, 2012), and for which there are monetarily restated judicial deposits of R$35,241 (R$33,313 at December 31, 2012).

ii. Other

The Company and its subsidiaries are parties to various labor lawsuits, most of them relating to requests for salary adjustment as established in the collective agreement in which the National Union of Group Dental Enterprises (SINOG) union, of which the Company and its subsidiaries are signatories, did not participate. At December 31, 2013, the amount provided for totalled R$806 (R$856 at December 31, 2012).

c. Civil claims

The Company and its subsidiaries are parties to civil lawsuits, mainly involving requests for indemnification for moral and property damages, totaling R$3,558 at December 31, 2013 (R$3,548 at December 31, 2012).

18.2. Other payables

These refer to potential risks identified in due diligence and are guaranteed by deposits in related accounts, as mentioned in note 10.3.

	Company		Consolidated	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
DentalCorp	993	1,057	993	1,057
Care Plus/Biodent	-	437	-	437
Sepao	-	107	-	107
Prontodente	41	41	41	41
OdontoServ	143	169	143	169
Group Papaiz	-	-	1,323	-
	1,177	**1,811**	**2,500**	**1,811**

19 Equity

19.1 Share capital

At December 31, 2013 and 2012, the Company's subscribed and paid-up capital was R$506,557 comprising 531,294,792 common shares, with no par value.

According to Article 8 of its bylaws, the Company is authorized to increase its capital up to the limit of 80,000,000 shares, with no changes in the bylaws.

The closing price of the Company's shares (ODPV3 - BM&FBOVESPA) at December 31, 2013 was R$9.83 (R$10.73 per share at December 31, 2012), The book value per share at December 31, 2013 was R$1.31 (R$1.32 per share at December 31, 2012).

19.2 Capital reserves

The Company's capital reserves total R$16,999 at December 31, 2013 (R$19,534 at December 31, 2012), and comprise the following:

	Company and Consolidated	
	December 31, 2013	December 31, 2012
Share premium	48,392	48,392
Granted of stock options	20,078	14,523
Deferred granted stock options	(12,493)	(9,042)
Additional paid-up capital	(38,978)	(34,339)
	16,999	**19,534**

Options granted - Constitution of the amount estimated of the 4th (balance), 5th, 6th and 7th grants of options, using the Black & Scholes methodology.

Deferral of granted stock options - Balance of the 5th, 6th and 7th grants of options to be appropriated to the remaining vesting period.

Additional paid-up capital - Amount of the difference between the constitution estimated by the Black & Scholes methodology and the amount received upon the exercise of the 1st, 2nd, 3rd and 4th grants of options.

19.3 Profit reserves

The Company's profit reserves total R$172,139 at December 31, 2013 (R$173,922 at December 31, 2012), and comprise the following:

	Company and Consolidated	
	December 31, 2013	December 31, 2012
Legal reserve	45,852	36,447
Statutory reserve	68,695	96,330
Tax incentive	129	129
Additional proposed dividends	58,172	41,016
Treasury share	(709)	-
Revenue reserves	**172,139**	**173,922**

Legal reserve - This reserve must be recorded by the Company through the allocation of 5% of the profit for the year, up to 20% of the capital.

Statutory reserve - Pursuant to the Company's bylaws, profit is allocated as follows: i) deduction of losses, if any; ii) 5% for recognition of the legal reserve up to 20% of the subscribed capital; iii) mandatory dividend of 50% on profit, complying with the following adjustments: a) decrease of amounts allocated to the legal and contingency reserves for the year; b) increase of amounts resulting from reversal, for the year, of contingency reserves previously recorded; and iv) recognition of the statutory reserve (profit retention), including the remaining balance, with the distribution of interest on capital and dividends exceeding the mandatory dividends subject to approval.

Treasury shares - On July 26, 2012, the Board of Directors authorized the acquisition of up to 1,928,280 shares of the Company, through the use of funds consigned in a statutory reserve for the purpose of guaranteeing the exercise of the 4 th stock option grant. This program was concluded on March 14, 2013, after the acquisition of 1,896,318 shares to cover the estimated exercise of the options that were granted in 2010 (4 th grant).

At December 31, 2013, the balance of treasury shares was R$709, which represents 77,868 shares, after exercise of 1,818,450 shares of the 4th grant in August 2013 (as at December 31, 2012, the Company reported a balance of 0 shares in treasury, after exercising 2,220,108 shares, which referred to the 3rd grant, in May and August 2012).

Additional dividends - As management's proposal for allocation of net income for 2013 is being submitted for approval at AGM (to be held on April 1, 2014), the final dividend worth R$58,172, above the percentage of 50% provided for in the Bylaws as mandatory minimum dividend, consisting of R$30,537 of net income and part of R$27,635 balance at the statutory reserve.

19.4 Retained earnings

In compliance with CPC 26(R1)/IAS 1 (R), the changes in retained earnings of the December 31, 2012 and 2013 are as follows:

At December 31, 2012	**-**
Profit for the period	188,091
Proposed profit allocation[1]:	**(188,091)**
Legal Reserve	(9,405)
Interest on capital (0,01571 for share)	(8,316)
Interest on capital (0,01556 for share)	(8,238)
Interest on capital (0,01354 for share)	(7,191)
Dividends interim (0,09495 for share)	(50,268)
Dividends interim (0,05877 for share)	(31,114)
Dividends interim (0,06318 for share)	(33,558)
Interest on capital (0,01782 for share)	(9,464)
Additional dividends (0,10951 for share)	(30,537)
At December 31, 2013	**-**

[1]In note, there is mentioned the 28 date of determination and payment of dividends and interest on capital.

19.5 Stock option plan

At the General Meeting held on April 19, 2007, stockholders approved the creation of the stock option plan (the "Plan") pursuant to article 19 - XVIII of the Company's bylaws, designated for the employees and officers of the Company and its subsidiaries. The Plan is managed by the Board of Directors, which has powers to take the required actions for its maintenance, according to the approved guidelines. Options granted under the Plan are limited to 5% of capital.

Presented below are the seven stock option plans granted between 2007 and 2013, which, together, represented 3.5% of the Company's capital at December 31, 2013:

					Concession			
					Original		After share split [2]	
Nº	**Year**	**Date of approval**	**Recommendation[1]**	**Approval**	**Amount**	**Option value**	**Amount[3]**	**Option value**
1ª	2007	8/2/2007	CEO	Board of Directors	221.859	44,85	2.662.308	3,74
2ª	2008	2/28/2008	CEO	Board of Directors	353.494	32,42	4.241.928	2,70
3ª	2009	3/25/2009	CEO	Board of Directors	255.002	17,60	3.060.024	1,47
4ª	2010	8/11/2010	Human Resources Committee	Board of Directors	698.707	12,93	2.096.121	4,31
5ª	2011	9/20/2011	Human Resources Committee	Board of Directors	583.815	20,87	1.751.445	6,96
6ª	2012	9/20/2012	Human Resources Committee	Board of Directors	1.609.097	8,22	1.609.097	8,22
7ª	2013	9/20/2013	Human Resources Committee	Board of Directors	3.000.000	7,44	3.000.000	7,44
					6.721.974		**18.420.923**	

[1] In six grants the former CEO and Vice Chairman of the Board of Directors since January 2, 2014 voluntarily waived his benefit.

[2] Splits from July 1, 2010 and April 2, 2012.

[3] The total amount granted of 18,420,923 shares representing 3.5% of the capital of 531,294,792 shares.

The exercise price will be monetarily adjusted based on the variation of the General Market Price Index (IGPM), released by Fundação Getulio Vargas, in the period between the date of the granting of a series and the option exercise date, after deduction of the remuneration paid to stockholders during this period.

The option vesting period is three years from the date of the granting of the options.

Beneficiaries may exercise their options, totally or partially, provided that they inform the Company in writing, observing the six-year exercise deadline and each vesting period. The exercise notice shall only be valid and effective if submitted to the Company's management one month before each Annual Meeting of the Company's Board of Directors, the dates of which are disclosed in the corporate events calendar, unless another term is set by the Board of Directors and communicated in advance to the beneficiaries.

During a period of three years from the option exercise date, beneficiaries cannot sell and/or offer a number of shares calculated based on the following formula:

N = 0.5 x Q x (1 - Pe/Pm), where:

- N = number of share held for sale after three years from exercise date.
- Q = number of vested options.
- Pm = market price of the share on exercise date (closing price on the prior day).
- Pe = exercise price of the option.

The fair value of the stock option plan benefit was estimated based on the *Black & Scholes* stock option valuation model, considering the following weighted average assumptions:

	Year of Granting the Stock Options						
Risk-free rate	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**
Expected annualized volatility - %	5.1%	3.4%	5.3%	6.0%	9.3%	11.4%	11.3%
Exercise price of the option at the time of stock-option	36.2%	36.1%	30.1%	26.6%	40.6%	24.3%	33.9%
Exercise price of the option at the time of stock-option after split of July 01, 2010 and April 02, 2012	**7.44**	**8.22**	**20.87**	**12.93**	**17.60**	**32.42**	**44.85**
Fair value of the benefit on grant date (per share)	7.44	8.22	6.96	4.31	1.47	2.70	3.74
Fair value of the benefit on grant date after split of July 01, 2010 and April 02, 2012 (per share)	3.66	5.01	13.23	7.00	14.17	19.72	20.18
	3.66	**5.01**	**4.41**	**2.33**	**1.18**	**1.64**	**1.68**

The maximum compensation cost of these stock option plans calculated on the date they were granted was R$46,725 as follows, as shown on the following table, that summarizes the status per stock option grant as at December 31, 2013.

	Beginning of the period				Cancellations		Option exercised		End of period	
Year	Eligible beneficiaries	Options	Fair value option	Maximum cost	Eligible beneficiaries terminated	Cancelled options	Eligible options	Exercised options	Eligible options	Existing options
2007	31	2.662.308	1,68	4.477	10	989.304	21	1.673.004	-	-
2008	46	4.241.928	1,64	6.971	9	977.544	37	3.264.384	-	-
2009	51	3.060.024	1,18	3.613	10	839.916	41	2.220.108	-	-
2010	47	2.096.121	2,33	4.891	7	199.803	38	1.818.450	2	77.868
2011	45	1.751.445	4,41	7.724	4	64.012	-	-	41	1.687.433
2012	51	1.609.097	5,01	8.055	5	94.112	-	-	46	1.514.985
2013	52	3.000.000	3,66	10.994	-	-	-	-	52	3.000.000
		18.420.923		**46.725**		**3.164.691**		**8.975.946**		**6.280.286**

In compliance with CPC 10 (R1)/IFRS 2, based on the grace periods of the programs, an expense is recognized from the stock option plans along the vesting period, with the corresponding entry made to shareholders' equity, to a specific capital reserve account, for the amount of R$6,350 at December 31, 2013 (R$3,624 at December 31, 2012).

The Board of Directors approved the sale of 8,975,946 shares, as a result of the options exercised by the Plan's beneficiaries, referring to the Grant Program of 2007 (first grant), of 2008 (second grant), of 2009 (third grant) and of 2010 (fourth grant).

20 Operating segments

Management has determined the operating segments of the Company and its subsidiaries based on the reports approved by the Executive Board that are used to make strategic decisions,

The activities of the Company and its subsidiaries are organized in the following business segments:

i. Collective individual plans: the costs of the beneficiaries´ dental care service, all aspects related to the management of the plan and the population's dental health are assumed by the Company, in exchange for a per capita monthly payment;

ii. Collective post-paid plans: the customer assumes the entire actuarial risk of the contract, bearing the cost of services. The administrative services, support and health management are basically the same products as offered in our prepaid products. In this model, Odontoprev receives a fixed monthly tax per capita for management services as well as reimbursement of the cost of dental services provided in the reference month;

iii. Individual prepaid plans: the costs of beneficiaries´ dental care services, all aspects related to plan administration and management of oral health are assumed by the Company in exchange for a per capita monthly payment;

iv. Other: include several less significant segments to the Company's total revenue, as follows:

- Dental care service in the Company's dental clinics: include the installation of dental clinics in the facilities of specific customers (in company), and the units available for all beneficiaries (through Clidec).

- Management and Advisory Services (provided by Odontoprev Serviços);

- Acquisition and distribution of dental care materials for the accredited network (through Dental Partner).

- Software development (through Easy).

Below we present the contribution margin per channel / operating segment of the Company and its subsidiaries:

Company

	COLLECTIVE				INDIVIDUAL					
	Prepayment		**Postpayment**		**Prepayment**		**OTHER**		**TOTAL**	
	Period ended at December 31,		Period ended at December 31,		Period ended at December 31,		Period ended at December 31,		Period ended at December 31,	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Net installments	928,305	852,494	25,433	21,774	131,219	91,024	-	-	1,084,957	965,292
Direct taxes on healthcare plan operatins	(29,795)	(25,240)	(944)	(1,230)	(5,541)	(5,143)	-	-	(36,280)	(31,613)
Sales of good and services	-	-	-	-	-	-	27	502	27	502
Taxes on sales of good and services	-	-	-	-	-	-	-	-	-	-
SALES OF GOOD	**898,510**	**827,254**	**24,489**	**20,544**	**125,678**	**85,881**	**27**	**502**	**1,048,704**	**934,181**
Cost of services	(445,789)	(443,916)	(8,731)	(10,999)	(33,146)	(15,351)	-	-	(487,843)	(470,266)
OPERATING RESULT	**452,721**	**383,338**	**15,758**	**9,545**	**92,532**	**70,530**	**27**	**502**	**560,861**	**463,915**
Selling expenses	(61,509)	(62,422)	(4,081)	(601)	(32,798)	(24,961)	-	-	(98,388)	(87,984)
CONTRIBUTION MARGIN	**391,212**	**320,916**	**11,677**	**8,944**	**59,734**	**45,569**	**27**	**502**	**462,473**	**375,931**
Margin sales (%)	**43.5**	**38.8**	**47.7**	**43.5**	**47.5**	**53.1**	**100.0**	**100.0**	**44.1**	**40.2**
Margin total (%)	**84.6**	**85.4**	**2.5**	**2.4**	**12.9**	**12.1**	**0.0**	**0.1**	**100.0**	**100.0**
Mains assets allocated by segment:										
Invoices / Premiums receivable	88,350	92,197	5,642	4,944	25,079	22,674	5	-	119,076	119,815
Debit notes	119	-	1,238	1,483	-	-	-	-	1,357	1,483
Provision for impairment of trade receivables	(17,582)	(14,740)	(1,409)	(730)	(17,316)	(10,374)	-	-	(36,307)	(25,844)
Assets allocated by segment	**70,887**	**77,457**	**5,471**	**5,697**	**7,763**	**12,300**	**5**	**-**	**84,126**	**95,454**
Assets not allocated by segment:										
Cash and cash equivalents	-	-	-	-	-	-	-	-	8,839	3,491
Financial assets at fair value	-	-	-	-	-	-	-	-	232,098	199,661
Notes and credits receivable	-	-	-	-	-	-	-	-	3,896	2,059
Other assets	-	-	-	-	-	-	-	-	9,000	7,589
Long-term receivables	-	-	-	-	-	-	-	-	152,690	158,781
Investments	-	-	-	-	-	-	-	-	35,868	26,601
Property and equipment	-	-	-	-	-	-	-	-	6,635	7,174
Intangible assets	-	-	-	-	-	-	-	-	524,635	518,761
Assets not allocated	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**973,661**	**924,117**
TOTAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,057,787**	**1,019,571**

	COLLECTIVE				INDIVIDUAL					
	Prepayment		Postpayment		Prepayment		OTHER		TOTAL	
	Period ended at December 31,		Period ended at December 31,		Period ended at December 31,		Period ended at December 31,		Period ended at December 31,	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Net installments	948,489	873,919	25,433	21,776	135,743	93,849	-	-	1,109,665	989,544
Direct taxes on healthcare plan operatins	(30,676)	(26,232)	(944)	(1,230)	(5,801)	(5,303)	-	-	(37,421)	(32,765)
Sales of good and services	-	-	-	-	-	-	5,147	5,678	5,147	5,678
Taxes on sales of good and services	-	-	-	-	-	-	(7,785)	(6,974)	(7,785)	(6,974)
SALES OF GOOD	**917,813**	**847,687**	**24,489**	**20,546**	**129,942**	**88,546**	**(2,638)**	**(1,296)**	**1,069,606**	**955,483**
Cost of services	(457,109)	(457,549)	(8,731)	(11,163)	(35,325)	(16,816)	-	-	(501,165)	(485,528)
OPERATING RESULT	**460,704**	**390,138**	**15,758**	**9,383**	**94,617**	**71,730**	**(2,638)**	**(1,296)**	**568,441**	**469,955**
Selling expenses	(61,666)	(62,622)	(4,081)	(601)	(33,479)	(25,609)	-	-	(99,226)	(88,832)
CONTRIBUTION MARGIN	**399,038**	**327,516**	**11,677**	**8,782**	**61,138**	**46,121**	**(2,638)**	**(1,296)**	**469,215**	**381,123**
Margin sales (%)	**43.5**	**38.6**	**47.7**	**42.7**	**47.1**	**52.1**	**100.0**	**100.0**	**43.9**	**39.9**
Margin total (%)	**85.0**	**85.9**	**2.5**	**2.3**	**13.0**	**12.1**	**-0.6**	**-0.3**	**100.0**	**100.0**
Mains assets allocated by segment:										
Invoices / Premiums receivable	90,350	94,533	5,642	4,944	25,442	25,868	5	-	121,439	125,345
Debit notes	119	-	1,237	1,483	-	-	-	-	1,356	1,483
Provision for impairment of trade receivables	(18,248)	(15,311)	(1,409)	(730)	(17,511)	(10,482)	-	-	(37,168)	(26,523)
Assets allocated by segment	**72,221**	**79,222**	**5,470**	**5,697**	**7,931**	**15,386**	**5**	**-**	**85,627**	**100,305**
Assets not allocated by segment:										
Cash and cash equivalents	-	-	-	-	-	-	-	-	10,266	4,418
Financial assets at fair value	-	-	-	-	-	-	-	-	246,856	213,512
Notes and credits receivable	-	-	-	-	-	-	-	-	13,535	11,059
Inventories	-	-	-	-	-	-	-	-	954	987
Other assets	-	-	-	-	-	-	-	-	12,143	10,008
Long-term receivables	-	-	-	-	-	-	-	-	157,533	162,397
Investments	-	-	-	-	-	-	-	-	3,750	1,030
Property and equipment	-	-	-	-	-	-	-	-	9,924	9,589
Intangible assets	-	-	-	-	-	-	-	-	533,297	522,616
Assets not allocated	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**988,258**	**935,616**
TOTAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,073,885**	**1,035,921**

21 Health care payments (sales revenue)

Health care payments consist of a net premium, according to the ANS chart of accounts, plus the gross revenue from sales and/or services and taxes, and are equivalent to the sales as established by the Brazilian Corporation Law. The contra-entry to these payments is the account "Health care receivables" and "Other receivables", in current assets, respectively, as follows:

	Company		Consolidated	
	Period ended at December 31,		Period ended at December 31,	
	2013	2012	2013	2012
Net installments	1,084,957	965,292	1,109,665	989,544
Direct taxes on healthcare plan operatins	(36,280)	(31,613)	(37,421)	(32,765)
Health care payments	**1,048,677**	**933,679**	**1,072,244**	**956,779**
Sales of good and services	27	502	5,147	5,678
Taxes on sales of good and services	-	-	(7,785)	(6,974)
	1,048,704	**934,181**	**1,069,606**	**955,483**

The net consideration includes at December 31, 2013, R$25,433 (R$21,744 and R$ 21,776 at December 31, 2012) for the Company and the Consolidated Group, respectively, which refer to the administered plans, different from CPC11/IFRS 4 which defines it as service income.

The Company and its subsidiaries: (i) do not have individual customers representing more than 10% of all sales; and (ii) generated all revenues in Brazil.

22 Indemnifiable claims, net (cost of goods and/or services sold)

These refer to costs of dental services, according to the contractual terms agreed with our network of dentists and the compensation established in the table of procedures in force. It also includes reimbursements made to members for the use of dental benefits outside the accredited network of dentists. The amounts are recorded with a corresponding entry to the account "Health care claims / events payable" (PESL), in current liabilities.

By adding to the claims / events the total social charges on services, dental care material and other operating expenses, the cost of services are calculated as shown below:

	Company		Consolidated	
	Period ended at December 31,		Period ended at December 31,	
	2013	2012	2013	2012
Indemnifiable claims, net	(443,753)	(416,868)	(451,644)	(426,859)
Social charges on services	(31,536)	(29,559)	(31,839)	(29,882)
Dental care materials	(8,260)	(6,549)	(4,582)	(3,781)
Other income (expenses)	(12,672)	(1,787)	(21,764)	(9,503)
Operating materials	(6,161)	(6,855)	(6,268)	(6,919)
Own units	-	-	(8,940)	(7,514)
(Provisions) / reversals	(6,511)	5,068	(6,556)	4,930
Change in provision for incurred but not reported events (IBNR)	8,378	(15,503)	8,664	(15,503)
	(487,843)	**(470,266)**	**(501,165)**	**(485,528)**

23 Selling expenses

Selling expenses refer to commissions paid to independent brokers and other distribution channels. At December 31, 2013, these expenses totaled R$98,388 and R$99,226 (R$87,984 and R$88,832 at December 31, 2012), in the Company and Consolidated accounts, respectively.

24 General and administrative expenses

	Company		Consolidated	
	Period ended at December 31,		Period ended at December 31,	
	2013	2012	2013	2012
Personnel and third-party services	(114,828)	(103,217)	(101,670)	(90,313)
Rentals and occupancy	(24,498)	(24,463)	(29,422)	(28,222)
Charges and fees	(3,799)	(3,574)	(3,917)	(3,781)
Publicity and advertising	(12,058)	(11,846)	(12,778)	(12,673)
Travelling, printing materials and subscriptions	(5,161)	(5,417)	(5,689)	(6,150)
Depreciation and amortization	(4,762)	(4,824)	(5,140)	(5,159)
Other expenses	287	(104)	(1,131)	(1,345)
	(164,819)	**(153,445)**	**(159,747)**	**(147,643)**

25 Finance result

Finance result comprises the finance income generated by investments and adjustments of judicial deposits, less the finance costs generated by adjustments to the provision for legal contingencies and expenses with bank fees.

	Company		Consolidated	
	Period ended at December 31,		Period ended at December 31,	
	2013	2012	2013	2012
Proceeds from financial investments	17,409	15,626	18,296	16,947
Monetary restatement of judicial deposits	1,928	2,141	1,928	2,141
Other	2,887	3,100	3,309	3,586
Financial revenue	**22,224**	**20,867**	**23,533**	**22,674**
Reversal of interests on capital	**33,209**	**32,644**	**33,209**	**32,644**
Bank fees	(2,150)	(1,853)	(2,460)	(2,170)
Monetary restatement of provision of contingencies	(8,228)	(6,175)	(8,238)	(6,206)
Interests on capital	(33,209)	(32,644)	(33,209)	(32,644)
Other costs	(777)	(688)	(921)	(1,065)
Financial expenses	**(44,364)**	**(41,360)**	**(44,828)**	**(42,085)**
Net financial income	**11,069**	**12,151**	**11,914**	**13,233**

26 Income tax and social contribution calculation

Income tax and social contribution are reconciled to the amounts recorded as expenses, as follows:

	Company		Consolidated	
	Period ended at December 31,		Period ended at December 31,	
	2013	2012	2013	2012
IRPJ and CSLL calculation basis	**271,088**	**209,280**	**274,999**	**213,161**
(x) Current rate (%)	34%	34%	34%	34%
Expected income tax and social contribution expenses at the effective rate	**(92,170)**	**(71,155)**	**(93,500)**	**(72,475)**
Effect of income tax and social contribution on permanent/temporary differences:				
Equity share in the results of subsidiaries	2,283	2,032	35	(248)
Tax losses	-	-	134	96
Provision for contingencies	(13,186)	(12,829)	(13,156)	(12,768)
Other provisions	(3,843)	2,022	(3,999)	2,337
Provision for impairment of trade receivables	(2,790)	212	(2,834)	176
Amortization of goodwill	28,814	30,292	28,814	30,292
Adjustments arising from adoption of Law 11.638/07	(1,000)	(1,616)	(976)	(1,642)
Interest on capital	(2,159)	(1,232)	(2,159)	(1,232)
Granting of stock options	11,291	11,099	11,291	11,099
Other	(1,414)	(2,271)	(1,464)	(2,697)
IRPJ and CSLL calculation basis	**(74,174)**	**(43,446)**	**(77,814)**	**(47,062)**
Effective rate income IRPJ and CSLL	27.4%	20.8%	28.3%	22.1%
Deferred IRPJ and CSLL	**(8,823)**	**(20,268)**	**(8,749)**	**(20,336)**

27 Earnings per share

According to CPC 41/IAS 33, detailed in Note 2,22, we present the calculation of basic and diluted earnings per share:

a. Basic

	Period ended at December, 31	
	2013	**2012**
Profit attibutable to the Company's shareholders (R$ thousands)	188,091	145,566
Weighted average number of common shares outstanding (thousands)	530,299	530,242
Basic earnings per share (R$)	**0.35469**	**0.27453**

b. Diluted

	Period ended at December, 31	
	2013	**2012**
Profit attibutable to the Company's shareholders (R$ thousands)	**188,091**	**145,566**
Common shares (in thousands)		
Weighted average number of share outstanding	530,299	530,242
Adjustment of share option scheme	6,280	5,232
Weighted average number of share for diluted earnings per share	**536,579**	**535,474**
Diluted earnings per share (R$)	**0.35054**	**0.27185**

28 Dividends and interest on capital

The dividends and interest on capital are as follows:

					Company	
			Decision		Year	
Approval	Type	Date	Earnings per share (R$)	Payment date	2013	2012
RCA	Interest on capital	4/26/2012	0.02789	5/23/2012	-	14,761
RCA	Interim dividends	4/26/2012	0.05221	5/23/2012	-	27,625
RCA	Interest on capital	7/26/2012	0.01735	8/22/2012	-	9,216
RCA	Interim dividends	7/26/2012	0.06161	8/22/2012	-	32,735
RCA	Interest on capital	10/25/2012	0.01631	11/21/2012	-	8,667
RCA	Interim dividends	10/25/2012	0.04801	11/21/2012	-	25,506
AGM	Dividends	4/02/2013	0.07748	5/03/2013	-	41,016
RCA	Interest on capital	3/26/2013	0.01571	4/10/2013	8,316	-
RCA	Interim dividends	4/30/2013	0.09495	6/04/2013	50,268	-
RCA	Interest on capital	6/25/2013	0.01556	7/10/2013	8,238	-
RCA	Dividends	7/30/2013	0.05877	9/4/2013	31,114	
RCA	Interim dividends	10/29/2013	0.06318	12/04/2013	33,558	
RCA	Interest on capital	10/29/2013	0.01782	11/13/2013	9,464	
RCA	Interest on capital	12/20/2013	0.01354	01/08/2014	7,191	
AGM	Additional dividends[1]	04/01/2014	0.10951	-	58,172	
					206,321	**159,526**

[1] To be submitted for shareholder approval at the AGM of April 1, 2014
RCA = Meeting of the Board of Directors
AGM = Annual General Meeting

Statute as the minimum mandatory dividend on December 31, 2013 is R$89,343 (R$69,144 at December 31, 2012):

	December 31, 2013	December 31, 2012
Net income for the period	**188,091**	**145,566**
(-) Legal reserve	(9,405)	(7,278)
Adjusted tax basis in	**178,686**	**138,288**
(%) Percentage minimum dividend as Statute	50	50
Minimum mandatory dividend	**89,343**	**69,144**
Dividens	114,940	85,866
Interest on capital, net [1]	28,228	27,748
Proposed additional dividend	58,172	41,016
Dividends and Interest on Own Capital	**201,340**	**154,630**
Complement (surplus) minimum mandatory dividend	(111,997)	(85,486)
Minimum mandatory dividend	**89,343**	**69,144**

[1] Net of withholding (withholding tax) of 15%.

29 Commitments

The Company and its subsidiaries had commitments related to agreements for lease of their offices and dental clinics, with the following maturities:

	Period ended at December, 31	
	Company	**Consolidated**
Up to one year	1,133	2,775
From one to five years	173	2,015
	1,306	**4,790**

All agreements can be canceled with a termination penalty.

30 Related parties

Transactions between the Company and its subsidiaries consist of agreements for the rendering of administrative services and accreditation as service providers, rendering of dental care services, information technology services and supply of dental products, whose amounts, terms and rates were agreed and applied under the same conditions as those agreed with unrelated parties, as follows:

Assets / (Liabilities)	**Nature**	**OdontoPrev**	**Clidec**	**OdontoPrev Serviços**	**Easy**	**Dental Partner**	**Rede Dental**
Other receivables	Administrative services	-	-	-	-	253	-
Suppliers of goods and services	Administrative services	(253)	-	-	-	-	-
Revenue / (Expenses)							
Plans premiums	Dental care plans	97	-	-	-	-	-
Net installments sales of good and services	Administrative services	-	11,480	32,176	106	8,379	-
Indemnifiable claims, net	Dental care services	(2,525)	-	-	-	-	(7)
Dental care materials	Dental care materials	(8,379)	-	-	-	-	-
Administrative	Administrative services	(40,958)	(25)	(69)	(98)	-	(177)
Period ended at December 31, 2013		**(51,765)**	**11,455**	**32,107**	**8**	**8,379**	**(184)**
Period ended at December 31, 2012		**(47,808)**	**9,571**	**30,879**	**233**	**7,125**	**-**

The Company has transactions with companies of the Bradesco Group, of which Bradesco Saúde, stockholder of OdontoPrev, is part. These operations are listed below:

	Bradesco Group
Assets / (Liabilities)	
Cash and deposits in cash in financial institutions	1,821
Financial investments	3,237
Healthcare receivables	4,795
Advanced billings	(4,784)
Suppliers of goods and services	(487)
Revenue / (Expenses)	
Plan premiums	56,377
Other expenses	(1,930)
Financial income	237
Financial expenses	(1,639)
Period ended at December 31, 2013	**53,045**

The Company also has a contract for distribution of dental care plans with Banco Bradesco effective for 10 years, Banco Bradesco is the sales agent. Up to December 31, 2013, R$24 was paid for the accounting services.

The Company has financial advisory contract for the process of setting up a cooperation with Banco do Brasil with Banco Bradesco BBI S.A., having incurred expenses from R$5,000 in fiscal 2013, of which R$4,000 are pending for payment (note 16).

In addition to these transactions, the Company also has the following: (i) accreditation contract for the provision of dental care assistance over an undetermined period with Mrs. Raquel Virgínia Zanetti and Mrs. Anete Scharfstein Zanetti, respectively sister and spouse of the former CEO, which totaled R$0 and R$1 at December 31, 2013; (ii) through its direct subsidiary Clidec, a commercial lease agreement for an undetermined period of a property located at Av. Paulista, No, 2,444, set 151, with Mr. Artemio Luiz Zanetti, father of the former CEO, which totaled R$35 at December 31, 2013.

The Company and its subsidiaries pay profit sharing to their employees and officers, subject to the achievement of operational goals and specific objectives, established and approved at the beginning of each year. At December 31, 2013, the titles of profit sharing were appropriated for amounts of R$ 2,911 (R$ 4,964 at December 31, 2012) and R $ 4,295 (R$ 6,634 at December 31, 2012), for the Company and Consolidated accounts respectively.

Annual compensation attributed to the Supervisory Board of Directors, the Fiscal Counsel and Statutory Directors, segregated into fixed and variable components, is as follows:

	Period ended at December 31, 2013	
	2013	**2012**
Statutory Board	**3,900**	**4,153**
Pro-labore and fees	3,008	2,840
Benefits	209	155
Board of Directors	683	1,158
Pro-labore and fees	**1,183**	**1,198**
Fiscal Counsel	1,183	1,198
Pro-labore	**285**	**280**
	285	280
	5,368	**5,631**

As mentioned below, the Statutory Directors hold stock options in accordance with the stock option plan (long-term benefits) detailed in note 19.5.

	Beginning of the period		Cancellations		Exercised options		End of the period	
Year	Eligible beneficiaries	Options	Eligible beneficiaries terminated	Canceled option	Eligible beneficiaries	Exercised options	Eligible beneficiaries	Existing options
2007	6	1.285.488	3	584.424	3	701.064	-	-
2008	5	1.397.592	2	488.916	3	908.676	-	-
2009	7	1.378.356	3	678.084	4	700.272	-	-
2010	5	787.521	-	-	5	787.521	-	-
2011	5	533.829	-	-	-	-	5	533.829
2012	6	587.288	-	-	-	-	6	587.288
2013	-	1.134.588	-	-	-	-	6	1.134.588
		7.104.662		**1.751.424**		**3.097.533**		**2.255.705**

The Supervisory Board of Directors and Fiscal Counsel do not have variable compensation, and the Company does not sponsor any complementary pension plan or other post-employment or termination benefits.

31 Insurance

The Company maintains insurance coverage in an amount considered sufficient to cover the risks involved.

	Consolidated
	December, 31 2013
Building	30,027
Machinery, furniture and fixtures	21,630
Material damages	**51,657**
Profits	147,300
Directors and officers liability	60,000
	258,957

32 Derivative financial instruments

The Company does not carry out transactions with derivatives for speculative purposes. At December 31, 2013, the Company and its subsidiaries did not directly operate or maintain receiving or paying positions related to derivative financial instruments.

33 Reorganization

On January 2, 2014 a corporate reorganization that was completed included the following transactions : (i) Health Bradesco SA (Bradesco Saúde) transferred to ZNT Ventures, Comércio e Participações SA (ZNT) for capital infusion, all of the shares that it held, representing 43.5% of the share capital of OdontoPrev, and (ii) Bradesco Saúde acquired from Mr. Randal Luiz Zanetti (Randal) its indirect interest in OdontoPrev, owned by ZNT and St. Rita, Developments, Comércio e Participações SA (Santa Rita), corresponding to 6.5% of the total share capital of OdontoPrev.

So, ZNT now holds 50.01 % of the total share capital of OdontoPrev, and Bradesco Saúde no longer direct shareholder of the Company, becoming the sole shareholder of ZNT, directly and indirectly through its participation in the Santa Rita. Randal, meanwhile, ceased to be an indirect shareholder of the Company, becoming direct shareholder with a share of about 1% of the shares of OdontoPrev.

Randal resigned as Chief Executive Officer of the Company, the Board of Directors elected Mr. Mauro Figueiredo Silverio to occupy that office for a term of two years.

On January 27, 2014, Randal was elected member and Vice Chairman of the Board of Directors, to serve until the next AGM of the Company.

34 Impacts of Provisional Measure 627

On November 11, 2013 Provisional Measure No. 627 (MP) was issued, revoking the Transitory Tax Regime (RTT) and bringing other measures, including: (i) changes in Decree - Law No. 1.598/77 which treats income tax of legal entities, as well as amending the relevant social contribution on net income tax legislation, (ii) provides that the amendment or adoption of accounting methods and criteria through administrative acts issued based on empowered business lawafter the publication of this MP, will not have implications in the calculation of federal taxes until tax law will govern the matter, (iii) includes specific treatment on potential taxation of profits or dividends ; (iv) includes provisions on the calculation of interest on own capital, and includes considerations on investments valued at equity method.

The provisions of the MP are effective from 2015. The early adoption for 2014 can eliminate potential tax effects, especially related to payment of dividends and interest on capital actually paid up to the date of publication of this MP as well as equity earnings. Based on the analysis made by management about the possible tax impacts of from the new elements of Provisional Measure No. 627 (which was not signed into law until the date hereof), the Company intends to opt for early application of its features from the calendar year 2014 (Article 71), assuming that the Provisional Measure is regulated and converted into Law on terms substantially equivalent to the current text in its main aspects.

Commentary on the performance of business forecasts

The company's practice is not to disclose financial projections.

Proposal for allocation of net profit for the year

ODONTOPREV S.A.

Proposal for allocation of **net profit for the year**
Ordinary General Meeting (OGM) to be held on April 01, 2014
(art. 9, § 1, II, of CVM Instruction 481/2009)

Dear Shareholders,

Management from Odontoprev S.A. (the Company or OdontoPrev) submits, for examination and decision during the Company's OGM to be held on April 01, 2014, the following proposals:

I. The allocation of net profit for the year and ratification of the interest on own capital and dividends distributed as follows (details in annex I):

Considering that the Company reported for the financial year ended December 31, 2013, net profit of R$188,090,799.24 (one hundred and eighty eight million, ninety thousand, seven hundred and ninety nine reais and twenty four cents), we propose that net profit for the year be allocated as follows:

i) R$9,404,539.96 (nine million, four hundred and four thousand, five hundred and thirty nine reais and ninety six cents) to the account "revenue reserves – legal reserve";

ii) R$8,316,591.61 (eight million, three hundred and sixteen thousand, five hundred and ninety one reais and sixty one cents) as interest on own capital, which was declared on March 26, 2013, and paid on April 10, 2013;

iii) R$50,267,669.35 (fifty million, two hundred and sixty seven thousand, six hundred and sixty nine reais and thirty five cents) as dividends, which were declared on April 30, 2013 and paid on June 04, 2013;

iv) R$8,237,309.64 (eight million, two hundred and thirty seven thousand, three hundred and nine reais and sixty four cents) as interest on own capital, which was declared on June 25, 2013 and paid on July 10, 2013;

v) R$31,114,156.72 (thirty one million, one hundred and fourteen thousand, one hundred and fifty six reais and seventy two cents) as dividends, which were declared on July 30, 2013 and paid on September 04, 2013;

vi) R$33,558,378.38 (thirty three million, five hundred and fifty eight thousand, three hundred and seventy eight reais and thirty eight cents) as dividends, which were declared on October 29, 2013 and paid on December 04, 2013;

vii) R$9,464,436.46 (nine million, four hundred and sixty four thousand, four hundred and thirty six reais and forty six cents) as interest on own capital, which was declared on October 29, 2013 and paid on November 13, 2013;

viii) R$7,190,902.50 (seven million, one hundred and ninety thousand, nine hundred and two reais and fifty cents) as interest on own capital, which was declared on December 20, 2013 and paid on January 08, 2014;

ix) R$58,172,157.64 (fifty-eight million, one hundred seventy-two thousand, one hundred fifty-seven reais and sixty-four cents) above the provisions of the Bylaws as mandatory minimum dividend, the use of R$27,635,343.02 being required (twenty-seven million, six hundred thirty-five thousand, three hundred forty-three real two cents) of the existing balance of statutory reserve for payment until December 30, 2014.

II. Approval of the Company's capital budget for the financial year 2014, adopted as a reference, in accordance with the proposal for the capital budget (see annex II), which can be revised when necessary during the year, according to the Company's requirements.

* * *

ANNEX I

MANAGEMENT PROPOSAL FOR ALLOCATION OF RESULTS FOR THE FINANCIAL YEAR 2013

Dear Shareholders,

In accordance with the Statutes in force, the results reported shall be distributed as follows: i) set off against losses, if such exist; ii) 5% (five percent) to constitute the legal reserve, up to a limit of 20% (twenty percent) of subscribed capital; iii) minimum compulsory dividend of 50% (fifty percent) of net profit, observing the following adjustments: a) deducting the amounts allocated, during the year, to constitute the legal reserve and the reserve for contingencies, b) adding back the amounts resulting from the reversal, during the year, of reserves for contingences, previously created, and iv) constitution of statutory reserve (retained profits), and for the remaining balance, a decision can be made to distribute interest on own capital and dividends beyond the compulsory dividends.

In compliance with the legal rulings that govern this matter, Company management proposes to the shareholders, the distribution of net profit for the year 2013, for the amount of R$188,090,799.24 (one hundred and eighty eight million, ninety thousand, seven hundred and ninety nine reais and twenty four cents).

1 - LEGAL RESERVE

In accordance with the ruling in article 193 of Law 6.404/76, the allocation of 5% (five percent) of net profit has to be allocated to the legal reserve, amounting to R$9,404,539.96 (nine million, four hundred and four thousand, five hundred and thirty nine reais and ninety six cents).

2 – INTEREST ON OWN CAPITAL AND DIVIDENDS

Interest on own capital

During the Management Board Meeting held on March 26, 2013, as proposed by the directors, the counselors approved payment of interest on own capital, calculated based on the long term interest rate (TJLP) applied monthly to shareholders' equity, to the title holders of the shares issued by the Company, on March 27, 2013, for the amount of R$8,316,591.16 (eight million, three hundred and sixteen thousand, five hundred and ninety one reais, and sixteen cents), equivalent to R$0.015709512 per share, which was declared on March 26, 2013, and paid on April 10, 2013. The amount net of withholding tax is equivalent to R$7,069,102.87 (seven million, sixty nine thousand, one hundred and two reais and eighty seven cents), equivalent to R$0.013353085 per share.

In the management board meeting held on June 25,2013, as proposed by the Directors, the counselors approved payment of interest on own capital, calculated based on the long term interest rate (TJLP) applied monthly to shareholders' equity, to the title holders of the shares issued by the Company on June 26, 2013, for the amount of R$8,237,309.64 (eight million, two hundred and thirty seven thousand, three hundred and nine reais, and sixty four cents), equivalent to R$0.015559753 per share, which was declared on June 25, 2013, and paid on July 10, 2013. The net amount is equivalent to R$7,001,713.19 (seven million, one thousand, seven hundred and thirteen reais and nineteen cents), equivalent to R$0.013225790 per share.

In the management board meeting held on October 29, 2013, as proposed by the Directors, the counselors approved payment of interest on own capital, calculated based on the long term interest rate (TJLP) applied monthly to shareholders' equity, to the title holders of the shares issued by the Company on October 29, 2013, for the amount of R$9,464,436.46 (nine million, four hundred and sixty four thousand, four hundred and thirty six reais, and forty six cents), equivalent to $0.017818431 per share, which was declared on October 29, 2013, and paid on November 13, 2013. The amount net of withholding tax, is equivalent to R$8,044,770.99 (eight million, forty four thousand, seven hundred and seventy reais and ninety nine cents), equivalent to R$0.015145666 per share.

In the management board meeting held on December 20, 2013, as proposed by the Directors, the counselors approved payment of interest on own capital, calculated based on the long term interest rate (TJLP) applied monthly to shareholders' equity, to the title holders of the shares issued by the Company on December 23, 2013, for the amount of R$7,190,902.50 (seven million, one hundred and ninety thousand, nine hundred and two reais, and fifty cents), equivalent to R$0.013536659 per share, which was declared on December, 20, 2013, and paid on January 08, 2014. The amount net of withholding tax, is equivalent to R$6,112,267.13 (six million, one hundred and twelve thousand, two hundred and sixty seven reais and thirteen cents), equivalent to R$0.011506160 per share.

Dividends

In the management board meeting held on April 30, 2013, as proposed by the Directors, the counselors approved payment of interim dividends to the title holders of the shares issued by the Company, on May 02, 2013, for the amount of R$50,267,669.35 (fifty million, two hundred and sixty seven thousand, six hundred and sixty nine reais and thirty five cents), equivalent to R$0.094952426 per share, which were declared on April 30, 2013 and paid on June 04, 2013.

In the management board meeting held on July 30, 2013, as proposed by the Directors, the counselors approved payment of interim dividends to the title holders of the shares issued by the Company, on July 31, 2013, for the amount of R$31,114,156.72 (thirty one million, one hundred and fourteen thousand one hundred and fifty six reais and seventy two cents), equivalent to R$0.058772660 per share, which were declared on July 30, 2013 and paid on September 04, 2013.

In the management board meeting held on October 29, 2013, as proposed by the Directors, the counselors approved payment of interim dividends to the title holders of the shares issued by the Company, on October 30, 2013, for the amount of R$33,558,378.38 (thirty three million, five hundred and fifty eight thousand three hundred and seventy eight reais and thirty eight cents), equivalent to

R$0.063179424 per share, which were declared on October 29, 2013 and paid on December 04, 2013.

Is being submitted for the approval of the AGM supplementary dividend of R$ 58,172,157.64 (fifty-eight million, one hundred seventy-two thousand, one hundred fifty-seven reais and sixty-four cents), higher than expected in the Bylaws of Company as mandatory minimum dividend, the use of R$ 27,635,343.02 (twenty seven million, six hundred thirty-five thousand, three hundred forty-three real two cents) of the existing balance of statutory reserve for payment is necessary until December 30, 2014.

3 – RETAINED EARNINGS FORECAST IN CAPITAL BUDGET

As mentioned in items 1 and 2 to allocate 100% of net income for the year 2013 was made in the amount of R$188,090,799.24 (one hundred eighty-eight million, ninety thousand, seven hundred and ninety-nine reais and twenty four cents).

On December 31, 2013, we propose to maintain the balance of R$68,694,502.67 (sixty eight million, six hundred ninety-four thousand, five hundred and two reais and sixty-seven cents) in statutory reserve to support the proposal capital budget presented in Annex II.

4 – SUMMARY OF ITEMS 1 TO 3

			Date			R$			
	Approval by	% or R$ per gross share	Decision	Holders	Constituition (C) /Payment (P)	Retained Profits	Lega Reserve	Reserva legal	Statutory Reserve
Balances at December 31, 2012						**-**	**36,447,355.84**	**41,015,957.94**	**96,329,845.69**
Additional Dividend	AGM		04/02/2013	04/03/2013	05/03/2013			**(41,015,957.94)**	
Net profit for the year 2013						**188,090,799.24**			
Proposed allocation of profit:						**(188,090,799.24)**	**9,404,539.96**	**58,172,157.64**	**(27,635,343.02)**
Legal reserve	Statutes	5%	12/31/2013	-	12/31/2013 (C)	(9,404,539.96)	9,404,539.96	-	-
Interest on Capital	RCA	0.015709512	03/26/2013	03/26/2013	04/10/2013 (P)	(8,316,591.61)	-	-	-
Interest on Capital	RCA	0.015559753	06/26/2013	06/26/2013	07/10/2013 (P)	(8,237,309.64)	-	-	-
Interest on Capital	RCA	0.017818431	10/29/2013	10/30/2013	11/13/2013 (P)	(9,464,436.46)	-	-	-
Interest on Capital	RCA	0.013536659	12/20/2013	12/23/2013	01/08/2014 (P)	(7,190,902.50)	-	-	-
Interim Dividends	RCA	0.094952426	04/30/2012	05/02/2013	06/04/2013 (P)	(50,267,669.35)	-	-	-
Interim Dividends	RCA	0.058772660	07/30/2012	07/31/2013	09/04/2013 (P)	(31,114,156.72)	-	-	-
Interim Dividends	RCA	0.063179424	10/29/2013	10/30/2013	12/04/2013 (P)	(33,558,378.38)	-	-	-
Additional Dividend	AGM	0.10950735	12/31/2013	-	12/31/2013 (C)	(30,536,814.62)	-	58,172,157.64	(27,635,343.02)
Balances at December 31, 2013						**-**	**45,851,895.80**	**58,172,157.64**	**68,694,502.67**

CALCULATION OF MINIMUM COMPULSORY DIVIDENDS	
Net profit for the year 2013	188,090,799.24
(-) legal reserve (5%)	(9,404,539.96)
(=) net profit for the year 2013 available for distribution	**178,686,259.28**
(x) % According to statutes	50
(=) MINIMUM COMPULSORY DIVIDENDS	**89,343,129.64**

In summary, Management proposes that net profit for the year of R$188,090,799.24 (one hundred and eighty eight million, ninety thousand, seven hundred and ninety nine reais and twenty four cents), after constituting the legal reserve of R$9.404.539,96 (nine million, four hundred and four thousand, five hundred and thirty nine reais and ninety six cents), are fully distributed, R$178,686,259.28 (one hundred seventy-eight million, six hundred and eighty-six thousand two hundred fifty-nine reais and twenty-eight cents), equivalent to 100% of the profit of the year is likely distribution.

Additionally, to make the amount of final dividend of R$ 58,172,157.64 (fifty-eight million, one hundred seventy-two thousand, one hundred fifty-seven reais and sixty-four cents) above provided in the Bylaws of the Company as mandatory dividend, proposes the use of R$27,635,343.02 (twenty seven million, six hundred thirty-five thousand, three hundred forty-three real two cents) of the existing balance of statutory reserve.

Barueri, February 25, 2014.

ANNEX II

MANAGEMENT PROPOSAL FOR 2014 CAPITAL BUDGET

According to the terms of paragraph 2 of Article 196 of Law 6.404/76, we submit for consideration by the shareholders, the capital budget of Odontoprev S.A. for the year 2014, for the amount of R$70,000,000.00 (seventy million reais), as detailed below:

Use of funds:	**Value (R$)**
Investments in software and hardware	12,000,000.00
Investments in facilities and equipment	8,000,000.00
Investments in acquisition and incorporation of companies and others	50,000,000.00
Total	**70,000,000.00**

1. The investments in software and hardware represent Management's estimates of the amounts to be used in new projects and to update the existing systems.

2. The investments in facilities and operational equipment refer mainly to expenditure on the construction and reform of existing clients and new attendance units and also improvements to the administrative facilities.

3. The amount that refers to investments in acquisitions/incorporations is allocated to purchase companies or incorporate companies that Management considers to be of interest to the Company.

The sources of financing for Odontoprev S.A.'s capital budget for the year 2014,will be:

Sources of funds	**Value (R$)**
Statutory reserve (retained profits)	68,694,502.67
Own funds and/or from third parties	1,305,497.33
Total	**70,000,000.00**

Thus, we propose the consideration and decision of the aforementioned capital budget.

Barueri, February 25, 2014.

Additional Information

1. Report net income for the year:
The Company obtained during the year ended December 31, 2013, net income of R$ 188,090,799.24 (one hundred eighty-eight million, ninety thousand, seven hundred and ninety-nine reais and twenty-four cents).

2. Report the total amount and per share dividends, including interim dividends and interest on equity declared:

Distributions for the year ended December 31, 2013

		Common Stock - ON (R$ / share)		Date				Total amount (R$)	
	Approval	Gross	Net	Declared	Holders	Ex-rights	Payment	Gross	Net
Interest on capital	RCA	0.015709512	0.013353085	3/26/2013	3/26/2013	3/27/2013	4/10/2013	8,316,591.61	7,069,102.87
Interest on capital	RCA	0.015559753	0.013225790	6/25/2013	6/25/2013	6/26/2013	7/10/2013	8,237,309.64	7,001,713.19
Interest on capital	RCA	0.017818431	0.015145666	10/29/2013	10/29/2013	10/30/2013	11/13/2013	9,464,436.46	8,044,770.99
Interest on capital	RCA	0.013536659	0.011506160	12/20/2013	12/20/2013	12/23/2013	1/8/2014	7,190,902.50	6,112,267.13
Interim dividends	RCA	0.094952426	0.094952426	4/30/2013	4/30/2013	5/2/2013	6/4/2013	50,267,669.35	50,267,669.35
Interim dividends	RCA	0.058772660	0.058772660	7/30/2013	7/30/2013	7/31/2013	9/4/2013	31,114,156.72	31,114,156.72
Interim dividends	RCA	0.063179424	0.063179424	10/29/2013	10/29/2013	10/30/2013	12/4/2013	33,558,378.38	33,558,378.38
Complementary dividends[11]	AGM 04/01/2014	0.109507350	0.109507350	Proposed on 02/25/2014	will be set at the AGM of 04/01/2014	will be set at the AGM of 04/01/2014	date to be set up 12/30/2014	58,172,157.64	58,172,157.64
Total		**0.389036215**	**0.379642561**					**206,321,602.30**	**201,340,216.27**

[1] The amount of R $ 58,172,157.64 is composed of R$ 30,536,814.62 profit for the year 2013 and R$ 27,635,343.02 balance existing in statutory reserve.

3. State the percentage of net income distributed:

The income of R$ 188,090,799.24 (one hundred eighty-eight million, ninety thousand, seven hundred and ninety-nine reais and twenty-four cents), after the legal reserve of R$ 9,404,539.96 (nine million, four hundred and four thousand, five hundred and thirty-nine reais and ninety-six cents), was fully distributed R $ 178,686,259.28 (one hundred seventy-eight million, six hundred eighty-six thousand, two hundred and fifty nine reais and twenty-eight cents), equivalent to 100% of the profit of the year is likely distribution.

4. Report the total amount and the amount per share of dividends based on profits from previous years

To compose the amount of final dividend of R$ 58,172,157.64 (fifty-eight million, one hundred seventy-two thousand, one hundred fifty-seven reais and sixty-four cents) above provided in the Bylaws of the Company as minimum dividend binding, we used R$ 27,635,343.02 (twenty seven million, six hundred thirty-five thousand, three hundred forty-three real two cents) the remaining balance of the statutory reserve, R$ 0.052022708 per share.

5. State, after deducting the interim dividends and interest on equity declared:

a. The gross amount of dividends and interest on equity, separately, per each type and class

b. The form and time of payment of dividends and interest on own capital

c. Any restatement and interest on dividends and interest on capital

d. Date of declaration of payment of dividends and interest on capital used to identify those shareholders entitled to receive

		Proposed additional dividend (complementary)				
					Date	
Approval	**Common Stock - ON (R$ / share)**	**Proposal**	**Holders**	**Ex-rights**	**Payment**	**Total amount (R$)**
AGM 04/01/2014	0.109507350	25/02/2013	will be set at the AGM of 04/01/2014	will be set at the AGM of 04/01/2014	date to be set up 12/30/2014	58,172,157.64
			Total proposed dividend in 2013			**58,172,157.64**

6. Event of declaration of dividends or interest on equity based on income determined in six months or for shorter periods

a. Report the amount of dividends or interest on equity declared

b. Inform the relevant payments

		Common Stock - ON (R$ / share)		Date				Total amount (R$)	
	Approval	Gross	Net	Declared	Holders	Ex-rights	Payment	Gross	Net
Interest on capital	RCA	0.015709512	0.013353085	3/26/2013	3/26/2013	3/27/2013	4/10/2013	8,316,591.61	7,069,102.87
Interest on capital	RCA	0.015559753	0.013225790	6/25/2013	6/25/2013	6/26/2013	7/10/2013	8,237,309.64	7,001,713.19
Interest on capital	RCA	0.017818431	0.015145666	10/29/2013	10/29/2013	10/30/2013	11/13/2013	9,464,436.46	8,044,770.99
Interest on capital	RCA	0.013536659	0.011506160	12/20/2013	12/20/2013	12/23/2013	1/8/2014	7,190,902.50	6,112,267.13
Interim dividends	RCA	0.094952426	0.094952426	4/30/2013	4/30/2013	5/2/2013	6/4/2013	50,267,669.35	50,267,669.35
Interim dividends	RCA	0.058772660	0.058772660	7/30/2013	7/30/2013	7/31/2013	9/4/2013	31,114,156.72	31,114,156.72
Interim dividends	RCA	0.063179424	0.063179424	10/29/2013	10/29/2013	10/30/2013	12/4/2013	33,558,378.38	33,558,378.38
			Total interest on capital and dividends declaradosem 2013					**148,149,444.66**	**143,168,058.63**

7. Provide a comparative table showing the following amounts per share for each type and class:

a. Profit for the year and three (3) years

		Years ended December 31,			
Description	**Reference**	**2013**	**2012**	**2011[2]**	**2010[2]**
Net income (R$)	**A**	**188,090,799.24**	**145,566,351.19**	**145,311,424.80**	**219,005,363.03**
Total common shares (unit)[1]	B	531,294,792	531,294,792	531,294,792	531,294,792
Treasury shares (unit)	C	77,868	-	1,298,400	291,150
Common shares - weighted average (unit)	D	530,299,000	530,241,556	530,460,571	531,209,255
Stock option (unit)	E	6,280,286	5,232,151	6,006,516	7,580,652
Basic earnings per share (R$)	**F = A / D**	**0.354688203**	**0.274528372**	**0.273934450**	**0.412277009**
Diluted earnings per share (R$)	**G = A / (D + E)**	**0.350536825**	**0.271845936**	**0.270867362**	**0.406476365**

[1] The total share capital consists only of common shares.

[2] For comparison consider stock split on April 2, 2012 the ratio 1:3.

b. Dividends and interest on equity paid in three (3) years

Distributions for the year ended December 31, 2012

		Common Stock - ON (R$ / share)		Date				Total amount (R$)	
	Approval	Gross	Net	Declared	Holders	Ex-rights	Payment	Gross	Net
Interest on capital	RCA	0.027899933	0.023714943	4/26/2012	4/27/2012	4/30/2012	5/23/2012	14,761,148.55	12,546,975.97
Interest on capital	RCA	0.017346929	0.014744890	7/26/2012	7/27/2012	7/30/2012	8/22/2012	9,216,333.15	7,833,883.18
Interest on capital	RCA	0.016313054	0.013866096	10/25/2012	10/25/2012	10/26/2012	11/21/2012	8,667,040.58	7,366,984.49
Interim dividends	RCA	0.052213784	0.052213784	4/26/2012	4/27/2012	4/30/2012	5/23/2012	27,624,991.68	27,624,991.68
Interim dividends	RCA	0.061613469	0.061613469	7/26/2012	7/27/2012	7/30/2012	8/22/2012	32,734,915.30	32,734,915.30
Interim dividends	RCA	0.048007793	0.048007793	10/25/2012	10/25/2012	10/26/2012	11/21/2012	25,506,290.63	25,506,290.63
Complementary dividends[1]	AGM	0.077476532	0.077476532	4/2/2013	4/2/2013	4/3/2013	5/3/2013	41,015,957.94	41,015,957.94
Total		**0.300871494**	**0.291637507**					**159,526,677.83**	**154,629,999.19**

[1] The amount of R$ 41,015,957.94 is composed of R$ 19,777,313.74 in income for 2012 and R$ 21,238,644.20 balance existing in statutory reserve.

Distributions for the year ended December 31, 2011

		Common Stock - ON (R$ / share)[2]		Date				Total amount (R$)	
	Aprovação	Gross	Net	Declared	Holders	Ex-rights	Payment	Gross	Net
Interest on capital	RCA	0.044246307	0.037609360	8/4/2011	8/11/2011	8/12/2011	9/21/2011	23,507,832.30	19,981,657.10
Interest on capital	RCA	0.031995037	0.027195780	12/26/2011	12/26/2011	12/27/2011	1/10/2012	16,957,254.00	14,413,665.28
Interim dividends	RCA	0.088880173	0.088880173	8/4/2011	8/11/2011	8/12/2011	9/21/2011	47,221,573.20	47,221,573.20
Complementary dividends[1]	AGO	0.136086647	0.136086647	4/2/2012	4/2/2012	4/2/2012	4/25/2012	71,999,999.58	71,999,999.58
Total		**0.301208163**	**0.289771960**					**159,686,659.08**	**153,616,895.16**

[1] The amount of R $ 72,000,000.00 is composed of R $ 50,359,194.06 in income for 2011 and R $ 21,640,805.94 balance existing in statutory reserve.

[2] For comparison consider stock split on April 2, 2012 the ratio 1:3.

Distributions for the year ended December 31, 2010

		Common Stock - ON (R$ / share)[1]		Date				Total amount (R$)	
	Aprovação	Gross	Net	Declared	Holders	Ex-rights	Payment	Gross	Net
Interest on capital	RCA	0.061533333	0.052303333	11/10/2010	11/10/2010	11/11/2010	12/22/2010	32,692,339.53	27,788,488.60
Interim dividends	RCA	0.105888367	0.105888367	11/10/2010	11/10/2010	11/11/2010	12/22/2010	56,257,937.74	56,257,937.74
Dividends (mandatory minimum)	AGO	0.028553792	0.028553792	4/15/2011	4/15/2011	4/18/2011	5/11/2011	15,077,270.17	15,077,270.17
Total		**0.195975492**	**0.186745492**					**104,027,547.44**	**99,123,696.51**

[1] For comparison consider stock split on April 2, 2012 the ratio 1:3.

8. If profits are allocated to the legal reserve

a. Amount allocated to the legal reserve

Pursuant to article 193 of Law 6.404/76, it becomes necessary to apply 5% (five percent) of the net profit to the legal reserve in the amount of R $ 9,404,539.96 (nine million, four hundred and four thousand five hundred and thirty-nine reais and ninety-six cents).

b. Detail the calculation of the legal reserves:

	Legal reserve calculation
Net income 2013	188,090,799.24
(x) Percentage of constituition	5%
(=) Legal reserve	**9,404,539.96**

9. If the company has preferred shares entitled to fixed or minimum dividends

OdontoPrev has no preferred shares, all of their common shares.

a. Describe the calculation of fixed or minimum dividends: Not applicable.

b. State whether the income is sufficient to pay in full the fixed or minimum dividends: **Not applicable**.

c. Identify whether any unpaid portion is cumulative: **Not applicable**.

d. Identify the total amount of fixed or minimum dividends to be paid to each class of preferred shares: **Not applicable**.

e. Identify the fixed or minimum dividends to be paid per preferred share for each class: **Not applicable**.

10. Regarding the mandatory dividend

a. Describe the calculation method set forth in the statute:

	DIVIDEND CALCULATION OF MINIMUM REQUIRED
Net income 2013	188,090,799.24
(-) Legal reserve (5%)	(9,404,539.96)
(=) Net income 2013 distributable	**178,686,259.28**
(x)% according to Bylaws	50
(=) Minimum mandatory dividend	**89,343,129.64**

b. Inform whether it has been fully paid:

Determined under item 10.a. and paid in full.

c. Report any amount retained:
Not applicable (see 10. B.)

11. If there is retention of the mandatory dividend due to the financial situation of the company
OdontoPrev not made any withholding mandatory dividend.

a. Report the amount retained: **Not applicable.**

b. Describe in detail the financial situation of the company, including aspects related to the analysis of liquidity, working capital and positive cash flows: **Not applicable.**

c. Justify the withholding of dividends: **Not applicable.**

12. If profits are allocated to the contingency reserve
OdontoPrev not made any profits are allocated to the contingency reserve.

a. Identify the amount allocated to the reserve: **Not applicable**.

b. Identify the probable loss and its cause: **Not applicable**.

c. Explain why the loss is considered probable: **Not applicable**.

d. Justify the booking: **Not applicable**.

13. Allocation of net income to the reserve for unrealized profits
OdontoPrev not made any allocation of income to the reserve for unrealized profits.

a. Amount allocated to the reserve for unrealized profits: **Not applicable**.

b. State the nature of unrealized profits that led to the reservation: **Not applicable**.

14. Allocation of earnings to statutory reserves
OdontoPrev not made any allocation of profits to statutory reserves for the year ended December 31, 2013.

a. Describe the statutory provisions establishing the reserve:
As Bylaws in force, the results obtained are distributed as follows: i) reduction of losses, if any, ii) 5% (five percent) to the legal reserve until it reaches 20% (twenty percent) of the capital subscribed iii) mandatory dividend of 50% (fifty percent) of the net profit observing the following settings: a) amounts allocated during the fiscal year to the legal reserve and contingency reserves, b) higher the amounts resulting from the reversal in the year of reserves for contingencies previously, and iv) the statutory reserve (retained earnings), including the remaining balance and can be resolved to distribute interest on capital and dividends beyond mandatory dividends.

b. Identify the amount allocated to the reserve: **Not applicable**.

c. Describe how the amount was calculated: **Not applicable**.

15. If retained earnings provided in the capital budget
In 2013 the allocation of 100% of net income for the year 2013 in the amount of R$ 188,090,799.24 (one hundred eighty-eight million, ninety thousand, seven hundred and ninety-nine reais and twenty-four cents) was performed.

a. Identify the amount withheld

On December 31, 2013, we propose to maintain the balance of R $ 68,694,502.67 (sixty eight million, six hundred ninety-four thousand, five hundred and two reais and sixty-seven cents) in statutory reserve to support the proposal capital budget presented in Annex II.

b. Provide a copy of the capital budget

MANAGEMENT PROPOSAL FOR CAPITAL BUDGET 2014
Pursuant to paragraph 2 of Article 196 of Law 6.404/76, the present capital budget Odontoprev S.A. for the year 2014 in the amount of R$ 70,000,000.00 (seventy million reais), as detailed below:

Use of funds:	**Value (R$)**
Investments in software and hardware	12.000.000,00
Investments in facilities and equipment	8.000.000,00
Investments in acquisition and incorporation of companies and others	50.000.000,00
Total	**70.000.000,00**

1. Investments in software and hardware represent management's estimates of the amounts to be spent on new projects and upgrading of current systems.

2. Investments in facilities and operational equipment intended primarily to disbursements for construction and renovation in own clinical and patient service centers as well as improvements in administrative facilities.

3. The figure for investment in acquisitions / constitutions is intended to pay for the acquisition of companies or businesses that the constitutions of Directors review the Company's interest.

Funding sources for the capital budget Odontoprev SA for the year 2014 will be:

Source of funds:	**Value (R$)**
Statutory reserve (retained earnings)	68,694,502.67
Own and / or third party resources	1,305,497.33
Total	**70,000,000.00**

16. Allocation of income to the tax incentive reserve

OdontoPrev not made any allocation of income to the tax incentive reserve.

a. Amount allocated to the reserve: **Not applicable**.

b. Explaining the nature of allocation: **Not applicable**.

Other relevant information

i. Shareholders with more than 5%

Shareholders holding more than 5% of the company's shares

Position at 12/31/2013

	Common shares		Preferred shares		Total	
Shareholder	**Number**	**%**	**Number**	**%**	**Number**	**%**
Bradesco Saúde S.A.	231,113,232	43.50	-	-	231,113,232	43.50
Randal Luiz Zanetti	5,630,611	1.06	-	-	5,630,611	1.06
Aberdeen Asset Managers Limited	26,708,600	5.03			26,708,600	5.03
ZNT Emp. Com. Particip. S.A.	34,535,165	6.50	-	-	34,535,165	6.50
Others	233,307,184	43.91	-	-	233,307,184	43.91
Total	**531,294,792**	**100.00**	-	-	**531,294,792**	**100.00**

Distribution of the company's capital (company shareholders) down to individual holdings
Name: Bradesco Saúde S.A.

					Position at 12/31/2013	
	Common shares		Preferred shares		Total	
Shareholder	**Number**	**%**	**Number**	**%**	**Number**	**%**
Bradesco SegPrev Investimentos Ltda.	11,911,941	100.00	-	-	11,911,941	100.00

Distribution of the company's capital (company shareholders) down to individual holdings
Name: Bradesco SegPrev Investimentos Ltda.

					Position at 12/31/2013	
	Common shares		Preferred shares		Total	
Shareholder	**Number**	**%**	**Number**	**%**	**Number**	**%**
Bradesco Seguros S.A.	2,276,502,959	100.00	-	-	2,276,502,959	100.00

Distribution of the company's capital (company shareholders) down to individual holdings
Name: Bradesco Seguros S.A.

	Position at 12/31/2013					
	Common shares		Preferred shares		Total	
Shareholder	Number	%	Number	%	Number	%
Bradseg Participações S.A.	750,693	100.00	-	-	750,693	100.00

Distribution of the company's capital (company shareholders) down to individual holdings
Name: Bradseg Participações S.A.

	Position at 12/31/2013					
	Common shares		Preferred shares		Total	
Shareholder	Number	%	Number	%	Number	%
Banco Bradesco S.A. (1)	7,456,226,262	100.00	-	-	7,456,226,262	100.00

(1) Banco Bradesco S.A. is a listed company

Distribution of the company's capital (company shareholders) down to individual holdings
Name: ZNT Emp. Com. Particip. S.A.

	Position at 12/31/2013					
	Common shares		Preferred shares		Total	
Shareholder	Number	%	Number	%	Number	%
Santa Rita de Cássia Emp Com e Part S,A,	19,687,062	99.97	-	-	19,687,062	99.97
Other	5,908	0.03	-	-	5,908	0.03
Total Shareholders of ZNT	**19,692,970**	**100.00**	-	-	**19,692,970**	**100.00**
			-	-		
Randal Luiz Zanetti	29,994,000	99.98	-	-	29,994,000	99.98
Other	6,000	0.02	-	-	6,000	0.02
Total Shareholders of Santa Rita de Cássia Com e Part S,A,	**30,000,000**	**100.00**	-	-	**30,000,000**	**100.00**

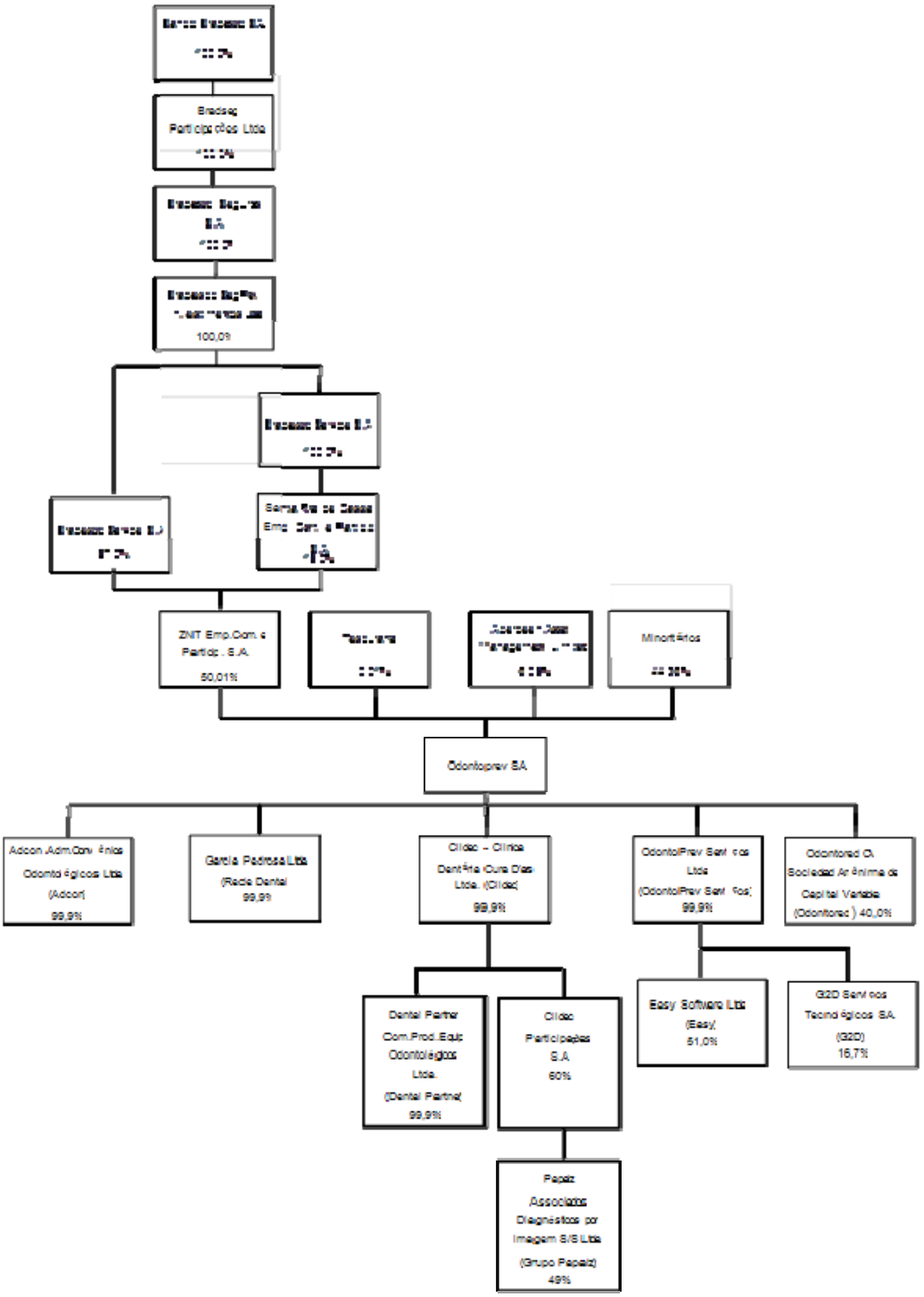
ii. Shareholding position: 12/31/2013

Consolidated shareholding position of controlling shareholders and management and outstanding shares *Position at 12/31/13*						
Shareholder	**Number of common shares (in units)**	**%**	**Number of preferred shares**	**%**	**Total number of shares (in units)**	**%**
Controlling shareholders	**271,279,008**	**51.06**	**-**	**-**	**271,279,008**	**51.06**
Non-controlling shareholders	**3,452,773**	**0.65**	**-**	**-**	**3,452,773**	**0.65**
Supervisory Board of Directors	174,812	0.03	-	-	174,812	0.03
Executive Board	3,227,961	0.62	-	-	3,227,961	0.62
Statutory audit and tax committees	-	-	-	-	-	-
Treasury shares	77,868	0.01	-	-	77,868	0.01
Other	**256,485,143**	**48.28**	**-**	**-**	**256,485,143**	**48.28**
Total	**531,294,792**	**100.00**	**-**	**-**	**531,294,792**	**100.00**
Outstanding shares	**256,407,275**	**48.26**	**-**	**-**	**256,407,275**	**48.26**

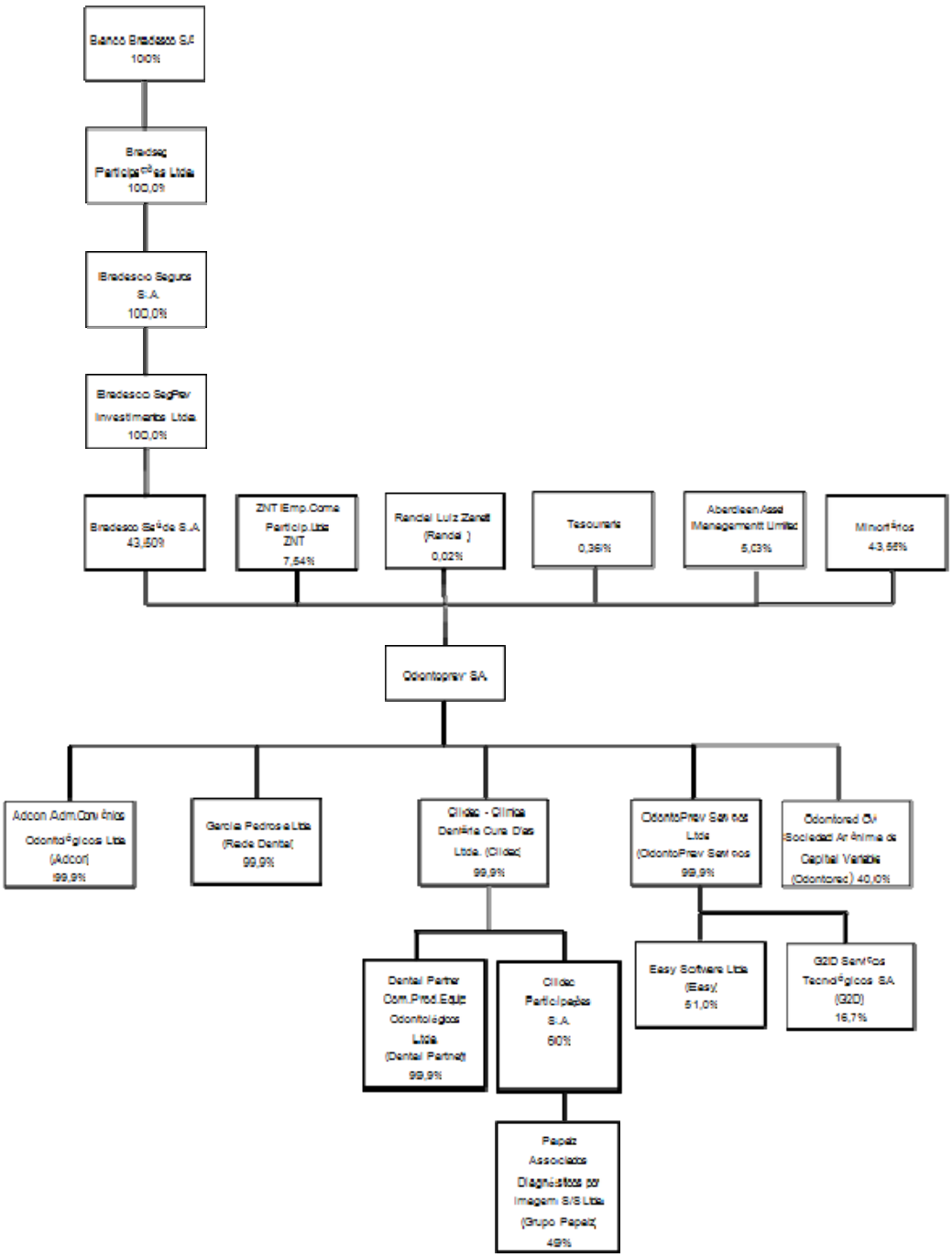
iii. Shareholding position: 12/31/2012

Consolidated shareholding position of controlling shareholders and management and outstanding shares						
Position at 12/31/12						
Shareholder	**Number of common shares (in units)**	**%**	**Number of preferred shares**	**%**	**Total number of shares (in units)**	**%**
Controlling shareholders	**271,279,008**	**51.06**	**-**	**-**	**271,279,008**	**51.06**
Non-controlling shareholders	**3,184,017**	**0.60**	**-**	**-**	**3,184,017**	**0.60**
Board of Directors	168,412	0.03	-	-	168,412	0.03
Executive Board	3,105,605	0.57	-	-	3,105,605	0.57
Statutory audit committee	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-
Other	**256,831,767**	**48.34**	**-**	**-**	**256,831,767**	**48.34**
Total	**531,294,792**	**100.00**	**-**	**-**	**531,294,792**	**100.00**
Outstanding shares	**256,831,767**	**48.34**	**-**	**-**	**256,831,767**	**48.34**

iv. Shareholdings on December 31, 2013



v. Shareholdings on January 2,2014 after reorganization (note 33)



vi. Commitment Clause

The Arbitration Commitment Clause is mentioned in chapter VI - Arbitration, contained in the Bylaws (approved at the Special Meeting of 4/02/12).

"**Article 41** - The Company, its shareholders, management and members of the Statutory Audit Committee are committed to resolve, through arbitration, any and all disputes that may arise between them, relating to or originating, especially, from the application, validity, efficacy, interpretation, violation, and their effects, of the provisions comprised in Brazilian Corporation Law, in these bylaws, in the regulations issued by the National Monetary Council, the Brazilian Central Bank and the Brazilian Securities Commission, as well as other regulations applicable to the functioning of capital markets in general, besides those comprised in the Regulations of the New Market Listing, the Contract for Participation in the New Market and the Arbitration Regulations of the Market Arbitration Chamber."

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Independent Auditors' Report on the Individual and Consolidated Financial Statements

(A free translation of the original report in Portuguese)

To:
Management and the Shareholders
Odontoprev S.A.
Barueri – SP

We have audited the individual and consolidated financial statements of Odontoprev S.A. (the "Company"), identified as the Parent and Consolidated, respectively, which comprise the balance sheet as at December 31, 2013 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Company Management is responsible for the preparation and fair presentation of these individual financial statements in accordance with accounting practices adopted in Brazil and for the consolidated financial statements in accordance with international financial reporting standards issued by the *International Accounting Standards Board – IASB accounting practices adopted in Brazil and* for such internal control as management determines necessary to enable the preparation of these financial statements to be free from material misstatement, whether due to fraud or error.

The responsibility of the independent auditors

Our responsibility is to express an opinion on these financial statements based on our audit, conducted in accordance with Brazilian and International Auditing Standards. These standards require that we comply with ethical requirements and that the audit be planned in order to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves the execution of procedures selected to obtain evidence for the values and disclosures presented in the financial statements. The procedures selected depend on the auditor's judgment, including an evaluation of the risks of significant distortions in the financial statements, irrespective of whether these are caused by fraud or errors. For this risk evaluation the auditor considers the internal controls relevant for the preparation and adequate presentation of the Company's financial statements to plan the audit procedures that are appropriate in the circumstances, but not for purposes of expressing an opinion on the effectiveness of these internal controls. An audit also includes an evaluation of the adequacy of the accounting practices adopted and the reasonableness of the accounting estimates made by management, and an evaluation of the presentation of the financial statements taken as a whole.

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ("KPMG International"), uma entidade suíça.

KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on the individual financial statements

In our opinion the individual financial statements referred to above, present fairly, in all material respects, the financial position of Odontoprev S.A. as at December 31, 2013, the results of its operations, and its cash flows for the year then ended, in conformity with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion the consolidated financial statements referred to above, present fairly, in all material respects, the consolidated financial position of Odontoprev S.A. as at December 31, 2013, the consolidated results of its operations, and consolidated cash flows for the year then ended, in conformity with international financial reporting standards issued by the *International Accounting Standards Board – IASB* and in accordance with accounting practices adopted in Brazil.

Emphasis

Difference between accounting practices adopted in Brazil and IFRS
As reported in Note 2.2, the individual financial statements were prepared in accordance with accounting practices adopted in Brazil. In the case of Odontoprev S.A., these practices differ from IFRS, applicable to individual financial statements, only with respect to the valuation of investments in subsidiaries, associated companies and joint ventures using the equity method, whilst for purposes of IFRS, these investments are valued at cost or fair values. Our opinion is not qualified as a result of this issue.

Other issues

Audit of the values corresponding to the prior year
The individual and consolidated values reported in the balance sheet at January 01, 2012 (derived from the financial statements for the year ended December 31, 2011) and at December 31, 2012, presented for comparison purposes, and represented as a result of the issues reported in note 2.1, were audited by other independent auditors, who issued their unqualified audit opinion, dated February 25, 2014.

Statements of added value
We have also examined the individual and consolidated statements of added value, for the year ended December 31, 2013, which are the responsibly of Company management, and presentation of which is required by Brazilian corporate legislation for public stock corporations, and as additional information for purposes of IFRS which do not require the statement of added value to be presented. these statements were subject to the same audit procedures described above, and in our opinion, and fairly

presented, in all material respects, in relation to the financial statements taken as a whole.

São Paulo, February 25, 2014

KPMG Auditores Independentes
CRC 2SP014428/O-6

Luciene Teixeira Magalhães
Accountant CRC RJ-079849/O-3

Statutory Audit Committee Report

The Statutory Audit Committee of OdontoPrev S.A., in compliance with legal and statutory rulings, has examined the Management Report and the Company's financial statements (parent and consolidated), for the financial year ended December 31, 2013. Based on this examination and considering the unqualified Independent Auditors' Report on the Financial Statements, issued by KPMG Auditores Independentes on February 25, 2014, determine that the aforementioned documents, and the proposal for allocating the profit for the year, including the anticipated distribution of dividends and interest on own capital can be considered and voted on in the General Meeting.

Barueri/SP, February 25, 2014.

Statement of Directors on the Financial Statements

FOR PURPOSES OF ARTICLE 25 OF CVM INSTRUCTION 480/09

We declare, as the Statutory Directors of Odontoprev S.A., a public stock company, with its head office located in the City of Barueri, State of São Paulo, at Alameda Tocantins, nº 125, registered with CNPJ/MF under number 58.119.199/0001-51 ("Company"), in accordance with the terms of clause V of paragraph 1 of article 25 of CVM Instruction 480, of December 7, 2009, that we have reviewed, discussed and agree with the opinions expressed in the report issued by the Company's independent auditors, KPMG Auditores Independentes with respect to the Company's financial statements for the year ended December 31, 2013.

Barueri, Feburary 25, 2014.

Statement of Directors on the Independent auditor's report

FOR PURPOSES OF ARTICLE 25 OF CVM INSTRUCTION 480/09

We declare, as the Statutory Directors of Odontoprev S.A., a public stock company, with its head office located in the City of Barueri, State of São Paulo, at Alameda Tocantins, nº 125, registered with CNPJ/MF under number 58.119.199/0001-51 ("Company"), in accordance with the terms of clause VI of paragraph 1 of article 25 of CVM Instruction 480, of December 7, 2009, that we have reviewed, discussed and agree with the Company's financial statements for the year ended December 31, 2013.

Barueri, Feburary 25, 2014.