Qualicorp S.A.

2Q16 Earnings Release

Qualicorp S.A.
BOVESPA:QUAL3

Shares Outstanding (06/30/2016)
274.325.288 shares

Free Float (06/30/2016)
215.096.548 shares (78.4%)

Cash and Cash Equivalents (06/30/2016)
R$333.2 million

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Conference Calls
August, 2nd 2016
(Tuesday)

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São Paulo, August 1st, 2016. QUALICORP S.A (BM&FBOVESPA: QUAL3), one of the leading full-service healthcare benefits administrator and health management services provider in Brazil, announces its consolidated 2Q16 results. The operating and financial data are presented on a consolidated basis in Reais ("BRL" or "R$"), in accordance with Corporate Law and regulations of "Comissão de Valores Mobiliários" – CVM (the Brazilian SEC).

FINANCIAL AND OPERATING HIGHLIGHTS

- ✓ We closed 2Q16 with R$148.6 million operating cash flow, influenced by tax efficiency combined with seasonal absence of interest payments and strong EBITDA. After Capex, the cash flow generation reached a record level of R$125.6 million, reflected by wise cash usage control.
- ✓ Our consolidated Adjusted EBITDA grew 15.5% y/y reaching R$192.2 million, which represents 40.7% margin, reflected by our operational efforts and service tax reduction due to three associated companies that were transferred to the city of Barueri.
- ✓ Our consolidated Net Revenue reached R$472.6 million, 16.5% higher than the previous year, which reflects once again the resilience of our business model and good sales performance.
- ✓ In 2Q16, we were able to add 26.7k lives to Affinity Medical Care portfolio, a nice result given the macroeconomic scenario. Our total portfolio of beneficiaries reached 4.7 million lives, out of which 1.8 million in Affinity, 2.9 million in Corporate and Others, decreased 10.8% y/y in 2Q16, mainly due to the exit of important clients in the Corporate segment.

MAIN INDICATORS (R$MM)

Consolidated Income Statement - (R$ MM)	2Q16	2Q15	% change 2Q16/2Q15	1Q16	% change 2Q16/1Q16
Net Revenues	472.6	405.7	16.5%	454.8	3.9%
Total Expenses (Ex-Depreciation and amortization)	(297.2)	(220.4)	34.9%	(283.0)	5.0%
Adjustments to EBITDA	16.9	(18.9)	-189.6%	16.5	2.6%
Adjusted EBITDA	192.2	166.4	15.5%	188.3	2.1%
Adjusted EBITDA Margin	40.7%	41.0%	-34bps	41.4%	-73bps
Net Income (Loss)	**69.7**	**70.8**	**-1.6%**	**198.3**	**-64.9%**

Balance Sheet	1Q16	2015	Var. 1Q16/2015
Equity	2,088.2	1,993.9	4.7%
Net Debt[1]	467.2	416.7	12.1%

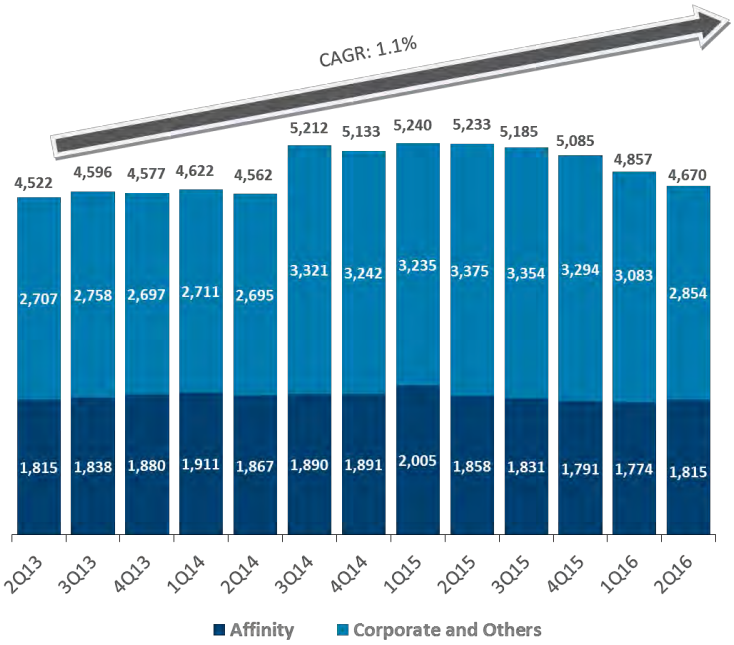
Other	1Q16	2015	Var. 1Q16/2015
Net Debt / Equity	0.22x	0.21x	7.1%
Net Debt / Adjusted EBITDA LTM	0.65x	0.62x	4.7%

(1) *Includes acquisition payables recognized as "other payables". It does not include the investment retained as a guaranteed asset in the direct subsidiary Qualicorp Administradora de Benefícios S.A., and in the indirect subsidiaries Aliança Administradora de Benefícios de Saúde S.A and CRC/Gama, according to the 33rd normative instruction by the ANS, from October 5, 2009.*

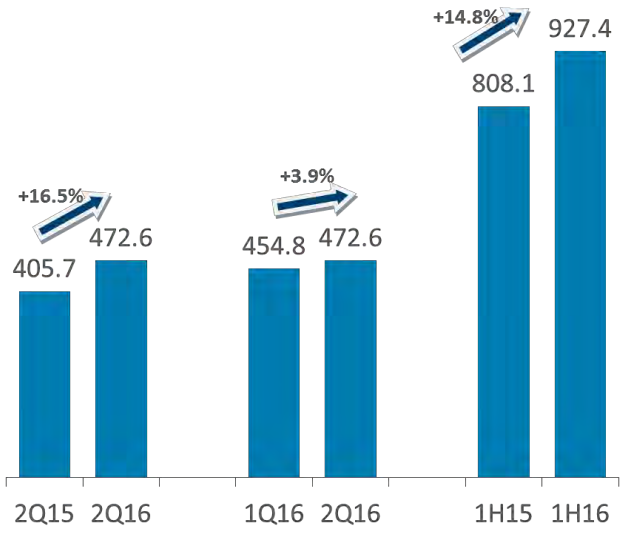
Qualicorp S.A.

2Q16 Earnings Release

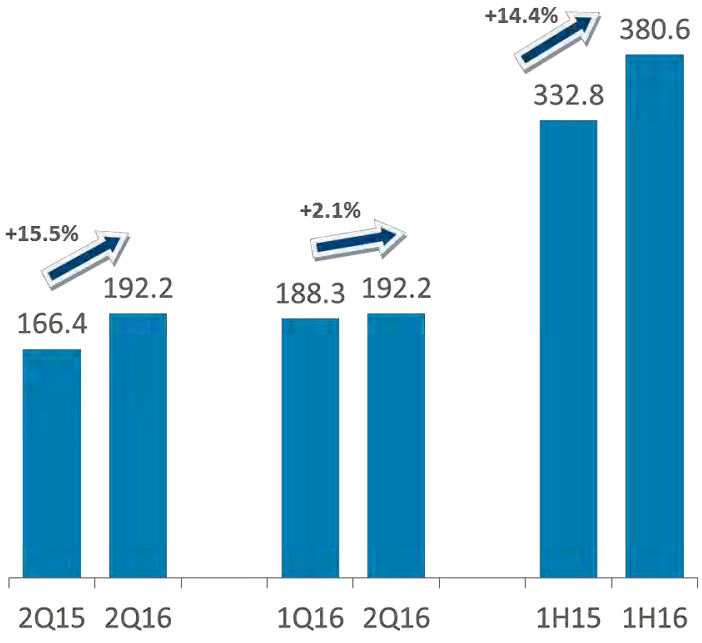
BENEFICIARIES (MM)



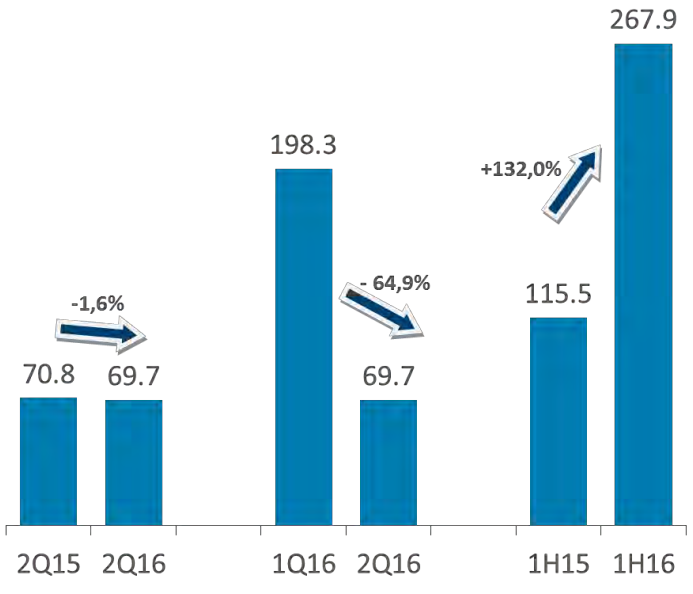
NET REVENUES (R$MM)



ADJUSTED EBITDA (R$MM)



NET (LOSS) INCOME (R$MM)



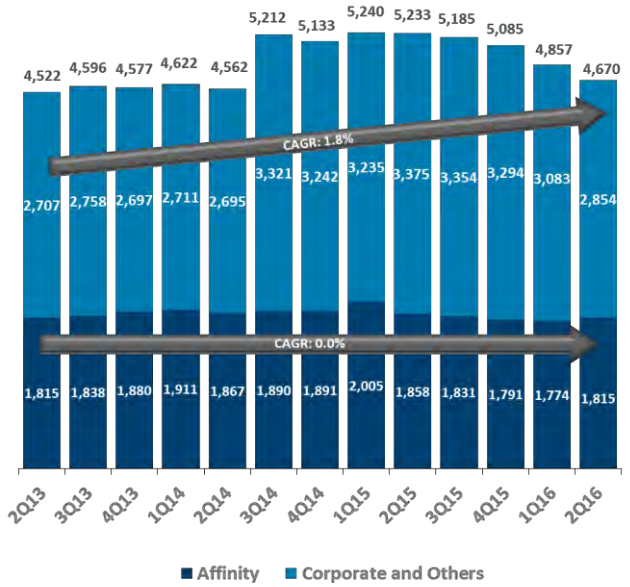
* Whereas in 2Q15 our profit was positively affected by R$45.7 million (R$30.1 million net of taxes), capital gains incurred on the Potencial sale the result of 1Q16 was positively impacted by R$137.7 million which is the net effect of income tax and social contribution taxes, reflected by the tax bases review of certain intangible assets related to historical transactions.

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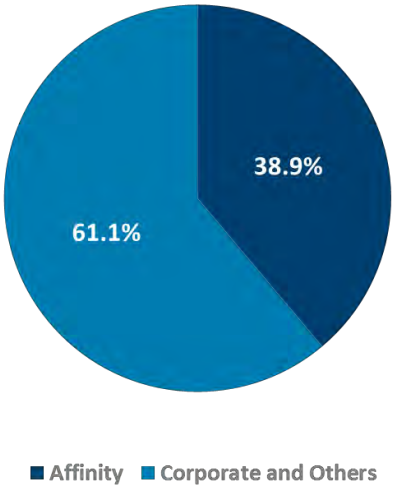
2Q16 Earnings Release

1 | Beneficiaries

BENEFICIARIES (MM)



BENEFICIARIES PORTFOLIO BREAKDOWN IN 1Q16



Total Portfolio

The total number of beneficiaries reached 4.7 million lives in the end of the year, which represents a 10.8% y/y drop (-3.9% q/q). Once again it is important to remember that part of the annual decrease is related to Affinity segment (-2.3% y/y) and reflects the extraordinary factors mentioned over the prior quarters. However, the main contribution to the 10.8% y/y decrease is the corporate contracts reduction (-56.3%y/y). Out of the 4.7 million beneficiaries, 1.8 million are in the Affinity segment and 2.9 million in the Corporate and Others segment.

Affinity Portfolio

❑ Medical Care

Our Affinity Medical Care portfolio ended 2Q16 with 1.4 million lives, which represents an addition of 26.7 thousand lives during the quarter and reflects the good performance of our sales force despite the actual macroeconomic scenario. On a year over year comparison, the decrease of 2.8% (loss of 39.8k lives) was widely discussed over the last quarters and refers to the exit of Potencial's lives in 2Q15 and the extraordinary cancellations of Unimed Seguros in 3Q15 and Unimed Paulistana in 4Q15.

❑ Other products

The Other products portfolio, in the Affinity segment, closed 2Q16 with 423k lives, a result virtually flat when compared to 2Q15 (-0.7%) even considering the exit of 122.1k lives of Potential in 2Q15, which indicates a strong recovery along the past 12 months. Regarding the sequential comparison, the portfolio increased 3.5% (14,3k lives) and is explained by better life and dental sales.

Corporate and Others Total Portfolio

Our total portfolio of beneficiaries in the Corporate and Others segment decreased15.4% y/y in 2Q16 (-7.4% q/q), achieving 2.9 million lives, mainly due to corporate contracts reduction.

❑ Corporate

The Corporate segment decreased 56.3% y/y in 2Q16 (-41.8% q/q) which represents 535.9k lives, mainly due to the non-renewal of significant contracts in the first half of 2016. However, these contracts had a very low contribution margin, bringing very little impact on EBITDA performance

❑ SME

The SME segment shows 32.1% y/y decrease (-13.1k lives) when compared to 2Q15, mainly due to the exit of Unimed Paulistana's lives and some contracts cancellations. In the sequential comparison, the portfolio remained almost flat with only a 173 lives drop.

❑ TPA

The self-management portfolio, which consolidates the lives of Qualicorp TPA and CRC/Gama has reached 2.3 million lives by the end of 2Q16, +9.1% y/y and +7.5% q/q. The important increase (+191k lives) is mainly explained by the implementation of a new phase at CRC/GAMA projects carried out over 2Q16.

❑ Health Management

In Health Management portfolio, which closed the quarter with 5.3k lives, there was 59.1% y/y reduction due to a client exit in 3Q15 whom internalized the health management process. The sequential drop (-20.6% q/q) is related to the exit of another client.

1.1 Portfolio of lives evolution

Portfolio	2Q16	2Q15	% change 2Q16/2Q15	1Q16	% change 2Q16/1Q16
Affinity Health Lives					
Total Portfolio (BOP)	1,365,637	1,467,799	-7.0%	1,365,460	0.0%
(+) Gross Adds	123,423	103,785	18.9%	98,654	25.1%
(-) Churn	(96,730)	(86,131)	12.3%	(98,477)	-1.8%
New Lives Added (net)	26,693	17,654	51.2%	177	N.A.
Total Portfolio (EOP)	1,392,330	1,432,123*	-2.8%	1,365,637	2.0%
Affinity Other Products Lives					
Total Portfolio (BOP)	408,767	536,872	-23.9%	425,312	-3.9%
New Lives Added (net)	14,265	11,385	25.3%	(16,545)	N.A.
Total Portfolio (EOP)	423,032	426,155*	-0.7%	408,767	3.5%
Affinity Portfolio	1,815,362	1,858,278	-2.3%	1,774,404	2.3%
Corporate	535,926	1,226,487	-56.3%	921,202	-41.8%
TPA	2,285,365	2,094,318	9.1%	2,126,731	7.5%
Small/Medium Enterprises	27,707	40,815	-32.1%	27,880	-0.6%
Health Management	5,321	13,008	-59.1%	6,699	-20.6%
Corporate and Others Portfolio	2,854,319	3,374,628	-15.4%	3,082,512	-7.4%
Total Portfolio	4,669,681	5,232,906	-10.8%	4,856,916	-3.9%

** The total number of lives at the end of 2015 period includes the exit of Potencial lives (53.3k on Medical Care and 122.1k on others), to attend the Performance Commitment Agreement ("TCD") signed with the Administrative Council for Economic Defense ("CADE" - anti-trust organism), the subsidiareis Qualicorp Administradora de Benefícios S.A. and Qualicorp Corretora.*

In the Affinity segment, which represented 90.8% of our revenues in 2Q16, we reached 123.4k gross additions lives, which represents a 18.9% increase y/y and a 25.1% q/q. This significant increase is the result of sales recovery on different states, highlighting São Paulo, Rio de Janeiro and Bahia, combined with greater contribution from Clube de Saúde operation, in order to create alternatives for the private health products high costs. It is important to mention that this growth was achieved with the support of our main partners, which made some adjustments on their portfolio presenting a good response in in this 2Q16.

Regarding churn level we had 96.7k cancellations in 2Q16, which represents a +12.3% increase y/y and a slight decrease of -1.8% q/q. Despite the increase in the absolute number of cancellations, the retention effectiveness rate improved through the investment made in a specific retention cell with additional incentives. The net effect would have been higher if not for the higher number of requests during the period.

As a result of all the factors mentioned above, our portfolio in Medical Care Affinity segment increased 26.7k lives in 2Q16, 2.0% of the portfolio.

2 | Operating Net Revenues

Net Revenues (R$ MM)	2Q16	2Q15	% change 2Q16/2Q15	1Q16	% change 2Q16/1Q16
Affinity	429.1	366.9	17.0%	412.1	4.1%
% on Total Net Revenues	90.8%	90.4%	37bps	90.6%	19bps
Corporate and Other	43.4	38.8	12.0%	42.7	1.8%
% on Total Net Revenues	9.2%	9.6%	-37bps	9.4%	-19bps
Total Consolidated	**472.6**	**405.7**	**16.5%**	**454.8**	**3.9%**

Our total Net Revenues grew 16.5% in 2Q16 y/y, reaching R$472.6 million. The Affinity segment contributed with R$429.1 million in 2Q16 (+17.0% y/y and +4.1% q/q), due to (i) gross sales increase and consequently new sales fee growth (ii) price adjustment in 3Q15; (iii) product mix; (iv) service tax reduction due to three companies that were transferred to the city of the Barueri on February 2016.

It is important to mention that even with the extraordinary factors that happened in 2015 (the exit of Potencial lives with consequently R$4 million revenue loss in 2Q15 – R$2 million by month); extraordinary churn of 16.4k lives from Unimed Seguros (approximately R$2.6 million in 2Q15); extraordinary churn of 44k Unimed Paulistana lives (around R$7.1 million in 2Q15), we were able to increase our revenues and post once again a double digit growth. If we were to created a 2Q15 pro-forma the revenue growth would have been 20.6% y/y.

On the sequential analysis, our consolidated net revenue increased +3.9%, mainly due to the 25.1% q/q increase in gross sales, which caused gratear sales fee volume.

The Net Revenue from the Corporate and Others Segment reached R$43.4 million in 2Q16 (+12.0% y/y and flat q/q). The annual growth is the main result of higher revenues from CRC/Gama considering the expansion of new projects. In the sequential comparison, although we observed an increase regarding CRC/Gama, we had a decrease in other revenue lines, mainly due to non-renewal of contracts in TPA and Corporate segments, resulting in flat revenue q/q.

It is worth mentioning that regarding the transference of three subsidiaries to the city of Barueri, we had the full benefit impact for all months in 2Q16. Finally we would like to remember that from June onwards, we have the impact of the PIS-COFINS rate increase on Qualicorp Corretora gross revenue. Taking into account all the positive and negative effects, the Group gross revenue tax rate in June (ISS, PIS and COFINS) was around 7.7% (versus 9% average in 2015).

3 | Operating Expenses

Cost summary (R$ MM)	2Q16	2Q15	% change 2Q16/2Q15	1Q16	% change 2Q16/1Q16
Cost of Services	(123.6)	(108.6)	13.8%	(114.3)	8.1%
Total Costs of Services	**(123.6)**	**(108.6)**	**13.8%**	**(114.3)**	**8.1%**
Total Adm. Expenses	(121.2)	(123.1)	-1.5%	(115.3)	5.1%
Total Selling Expenses	(87.7)	(72.5)	20.9%	(80.6)	8.9%
Bad Debt (Uncollectible Receivables)	(24.6)	(18.1)	36.1%	(30.1)	-18.1%
Other Operating Income (Expenses)	4.9	44.8	-89.0%	1.3	292.1%
Total Operating Expenses	**(228.6)**	**(168.9)**	**35.4%**	**(224.7)**	**1.7%**
Total Consolidated	**(352.2)**	**(277.5)**	**26.9%**	**(339.1)**	**3.9%**
(-) One-time Revenues (a)	-	(45.7)	N.A.	3.7	N.A.
(+) One Time Expenses (b)	3.3	15.2	-78.6%	-	N.A.
Total Consolidated Recurring	**(349.0)**	**(307.9)**	**13.3%**	**(335.4)**	**4.1%**

a) Regarding 2Q15 R$45.7million refers to Potencial sale which impacts other operating income line.

b) For 2Q15 refers to expenses with stock option plan in the amount of R$10.9 million and R$4.3 million impairment of Newport portfolio. Regarding 1Q16 and 2Q16 refers to expenses with stock option plan in the amount of R$3.7 million and R$3.3 million, respectively.

Our consolidated recurring Operating Expenses presented an increase of 13.3% y/y in 2Q16 (+4.1% q/q), showing once again the Company's ability to leverage its cost when compared to the revenue growth. The increase is reflected by the additional effort to achieve customer retention, new projects implementation, higher sales and a deterioration on bad debt losses.

Once again the highlight of this quarter is the administrative expenses control which decreased 1.5% y/y and the bad debts level which remained flat q/q if we exclude the R$5.3 million one time CRC/Gama loss reversion.

Furthermore it is important to mention the selling expenses increase, reflected by the good performance in sales observed throughout 2Q16.

3.1. Cost of Services

Cost of Services (R$ MM)	2Q16	2Q15	% change 2Q16/2Q15	1Q16	% change 2Q16/1Q16
Personnel expenses	(42.3)	(37.2)	13.8%	(37.0)	14.3%
Third Party Services	(24.1)	(20.3)	19.0%	(21.9)	10.0%
Occupancy expenses	(3.4)	(4.4)	-23.3%	(3.7)	-7.9%
Royalties (a)	(43.2)	(37.4)	15.7%	(42.3)	2.2%
Others (b)	(10.7)	(9.5)	12.7%	(9.5)	12.6%
Total Consolidated	**(123.6)**	**(108.6)**	**13.8%**	**(114.3)**	**8.1%**
Gross Margin	**73.8%**	**73.2%**	**61bps**	**74.9%**	**-102bps**

a) *Refers to expenses related to financial 'pass through' incurred in agreements signed with professional associations for the contracting and selling of affinity plans (called royalties).*

b) *Refers mainly to lawsuits, mailing expenses and annual membership fees paid by the Company to associations, unions and councils on behalf of the beneficiaries / members of the professional associations, paid by the Company for associations, unions and councils to which the beneficiaries are affiliated.*

The consolidated Cost of Services reached R$123.6 million in 2Q16 (+13.8% y/y and +8.1% q/q). Thus, we achieved 73.8% gross margin, leveraging +61bps y/y and -102 bps q/q.

In Personnel line, the 13.8% y/y increase (+14.3 q/q) is mainly explained by (i) new hiring related to the expansion of CRC/Gama projects (ii) collective wage increase agreement due to the restructuring of employees among subsidiaries, after moving to Barueri.

The Third Party services annual growth (+19%) is the result of (i) higher volume of calls received by our call center combined with the enhancement made in our retention cell, aiming to keep our operational capacity fully active in order to support any demand prior the price adjustment; and (ii) adjustment in Clube de Saúde back office costs due to sales increase impacting the portfolio.

The decrease observed in the Occupancy expenses line reflects the transference of 3 companies to Barueri, which has lower rental costs.

Finally, the sequential increase in other's line (+12.7% y/y and +12.6 q/q) is the result of higher legal agreements volume.

3.2. Administrative Expenses

Administrative expenses (R$ MM)	2Q16	2Q15	% change 2Q16/2Q15	1Q16	% change 2Q16/1Q16
Personnel expenses	(27.7)	(37.8)	-26.6%	(29.9)	-7.2%
Third Party services	(19.8)	(15.7)	26.1%	(15.0)	32.5%
Occupancy expenses	(5.0)	(3.3)	50.0%	(4.1)	22.2%
Depreciation and amortization	(54.9)	(57.1)	-3.8%	(56.1)	-2.0%
Others	(13.7)	(9.1)	49.9%	(10.3)	32.3%
Total Consolidated	**(121.2)**	**(123.1)**	**-1.5%**	**(115.3)**	**5.1%**
(+) Stock Options Expenses	3.3	10.9	-70.1%	3.7	-12.0%
Total Recurring Adm. Expenses	**(117.9)**	**(112.2)**	**5.1%**	**(111.6)**	**5.6%**
Recurring Adm. Expenses/ Net Revenue %	**25.0%**	**27.6%**	**-270bps**	**24.5%**	**40bps**

Our recurring Administrative expenses increased 5.1% y/y (+5.6% q/q), reaching R$117.9 million in 2Q16. In the annual comparison, we once again observed a significant dilution of our administrative expenses as a percentage of net revenues, improving our results in 270 bps.

In the Personnel line, the 26.6% drop reflects lower stock option plan expenses combined with lower payroll expenses, once the Company restructured its staff in 4Q15 to suit the challenging macroeconomic scenario in 2016.

In Third Party expenses we observed a 26.1% y/y increase (+32.5% q/q). In this account, we highlight expenses with support systems related to CRC/Gama expansion projects, consulting for the new GSP project and some extra expenses related to legal and tax consulting services related to the corporate restructuring undertaken in this quarter.

The increase in Occupancy is related to the new apportionment of expenses after the transference of 3 companies to Barueri and the consequent increase of rental costs of our administrative/Commercial areas.

Lastly the 50% y/y (+32% q/q) increase in Others line is due to R$2.4 million higher legal agreements expenses.

3.3. Selling Expenses

Selling Expenses (R$ MM)	2Q16	2Q15	% change 2Q16/2Q15	1Q16	% change 2Q16/1Q16
Personnel expenses	(17.5)	(17.3)	1.1%	(17.5)	0.0%
Third Party services	(3.5)	(2.9)	18.0%	(3.7)	-5.4%
Occupancy expenses	(2.3)	(1.9)	26.7%	(2.0)	19.0%
Other selling expenses	(1.4)	(2.7)	-45.9%	(1.2)	21.7%
Sales campaign	(15.6)	(8.2)	90.4%	(15.9)	-1.7%
Sponsorships	(1.9)	(2.6)	-25.2%	(1.9)	-0.5%
Third-party commission	(37.9)	(25.4)	49.5%	(31.1)	21.8%
Publicity and advertising	(5.4)	(9.4)	-42.2%	(5.4)	0.3%
Others (a)	(2.1)	(2.2)	-7.2%	(1.9)	10.1%
Total Consolidated	**(87.7)**	**(72.5)**	**20.9%**	**(80.6)**	**8.9%**
Selling/Net Revenue %	**18.6%**	**17.9%**	**68bps**	**17.7%**	**85bps**

Our consolidated Selling Expenses increased 20.9% y/y in 2Q16 (8.9% q/q) reaching R$87.7 million.

As in 1Q16 we kept focused on initiatives that could generate direct production impact, such as sales campaigns launched in the second half of 2015 and the increase in brokers' awards, which were in line with sales levels and products prices, directly impacting "Sales Campaign" y/y. Regarding Third-party Commission the q/q and y/y growth is reflected by the gross sales increase (+18.9% y/y and +25.1% q/q).

Overall, in the sequential comparison we noticed little variation between accounts, except for the Third-party commission, which is the result of higher sales as mentioned above.

Finally, we highlight the Occupation line, which had a slight increase due to the new apportionment of expenses after the transference of 3 companies to Barueri and the consequence increase of rental costs of our administrative/commercial areas.

3.4. Bad Debt (Uncollectible Receivables)

Bad Debt (R$ MM)	2Q16	2Q15	% change 2Q16/2Q15	1Q16	% change 2Q16/1Q16
Bad Debt/Uncollectible Receivables	(24.6)	(18.1)	36.1%	(30.1)	-18.1%
% Net Revenue Consolidated	5.2%	4.5%	75bps	6.6%	-140bps

Our consolidated Bad Debt expenses, reached R$24.6 million in 2Q16, representing 5.2% of our net revenue, which can be compared with 4.5% y/y and 6.6% in 4Q15. It is worth mentioning that 2Q15 and 2Q16 figures were positively impacted by bad debt reversals in CRC/Gama, with R$4.0 million and R$5.3 million, respectively. If we exclude these one time effects, our consolidated Bad debt would be 5.4% of the net revenue in 2Q15 and 6.3% in 2Q16, a result aligned with the current churn level.

3.4. Bad Debt - Uncollectible Receivables (cont.)

Bad Debt Breakdown	2Q15	3Q15	4Q15	1Q16	2Q16	% change 2Q16/1Q16
Bad Debt	(22.8)	(33.2)	(36.4)	(33.8)	(28.6)	-15.3%
Recovering	4.7	4.2	5.3	3.7	4.0	7.1%
Total Consolidated	(18.1)	(29.0)	(31.1)	(30.1)	(24.6)	-18.1%

The past due credit recovery contributed positively with R$4.0 million during 2Q16, which can be compared with R$4.7 million y/y and R$3.7 million q/q.

It is important to mention that the positive result in recoveries has remained due to the continuous strategies to recover credits. It is worth noticing that this benefit had a counterpart in the administrative expenses, due to fees for the collection agencies and Serasa expenses.

3.5. Other Operating Income / (Expense)

Other Operating Income/Expenses (R$ MM)	2Q16	2Q15	% change 2Q16/2Q15	1Q16	% change 2Q16/1Q16
Expenses related to contingencies	(1.2)	(0.5)	132.8%	0.6	N.A.
Impairment	7.3	(4.3)	N.A.	(1.3)	N.A.
Operational Losses	(1.1)	(0.3)	325.6%	4.3	N.A.
Potencial Sale	-	45.7	N.A.	-	N.A.
PIS COFINS on other revenues	(0.04)	-	N.A.	(0.02)	90.9%
Other income (expenses)	(0.04)	4.3	N.A.	(2.4)	-98.5%
Total Consolidated	4.9	44.8	N.A.	1.3	292.1%
(-) One-time revenues	-	(45.7)	N.A.	-	N.A.
(+) One-time expenses	-	4.3	N.A.	-	N.A.
Total Consolidated	4.9	3.5	41.3%	1.3	292.1%

In 2Q16, our Other Operating revenues reached R$4.9 million vs. R$44.8 million in 2Q15 (R$3.5 million if we exclude the extraordinary impacts) and R$1.3 million in 1Q16.

As nonrecurring highlights we have R$7.3 million impairment on goodwill in 1Q16 which is related to the tax work carried out by the Company during the quarter. In 1Q16, this account had a negative impact and in 2Q16 its positive. We highlight that the tax review benefit was prominent in 1Q16.

4 | Financial Income (expenses)

Financial Income (Expenses) (R$MM)	2Q16	2Q15	% change 2Q16/2Q15	1Q16	% change 2Q16/1Q16
Financial income					
Income from short-term investments	17.9	20.8	-13.9%	15.8	13.1%
Interest and fine on late payment of health plans	13.7	11.5	18.6%	12.8	6.8%
Monetary update from tax rate change - PIS/CONFINS	-	0.1	N.A	-	N.A.
Other income	1.9	1.9	-3.0%	3.3	-43.6%
Total	**33.4**	**34.3**	**-2.6%**	**31.9**	**4.7%**
Financial expenses					
Debentures Interest	(20.0)	(17.6)	13.2%	(19.6)	2.1%
Monetary adjustment from acquisition payables	(7.9)	(8.5)	-7.3%	(7.5)	5.9%
Other financial expenses	(13.5)	(11.0)	23.0%	(15.3)	-11.7%
Total	**(41.3)**	**(37.1)**	**11.4%**	**(42.3)**	**-2.2%**
Total Consolidated	(7.9)	(2.8)	183.9%	(10.3)	-23.5%

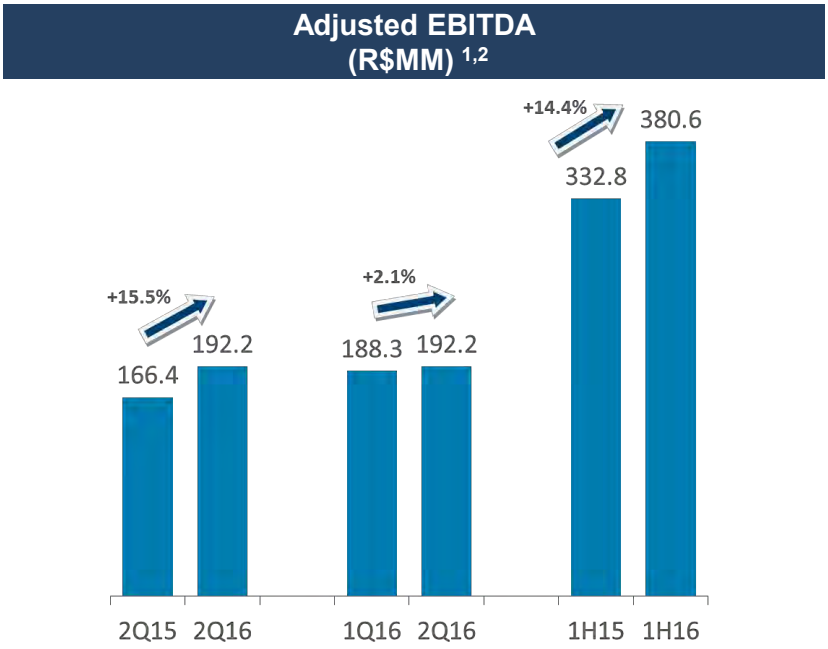
The Company's Financial Income results comes from two main sources: interest on financial investments and interest and penalties on late premiums payments from beneficiaries.

In financial expenses, the largest contribution once again came from the cost of our debentures, whereas the monetary adjustment from payable acquisitions of R$7.9 million in 2Q16 reflects the adjustment over 25% which we still have as a call option for Aliança.

5 | Generation of Operating Cash (EBITDA and Adjusted EBITDA) [1,2]

EBITDA and Adjusted EBITDA (R$ MM)	2Q16	2Q15	% change 2Q16/2Q15	1Q16	% change 2Q16/1Q16
Net Income	69.7	70.8	-1.6%	198.3	-64.9%
(+) Taxes	42.8	54.7	-21.7%	(92.9)	-146.1%
(+) Depreciation and Amortization	54.9	57.1	-3.8%	56.1	-2.0%
(+) Financial Expense	41.3	37.1	11.4%	42.3	-2.3%
(-) Financial Income	(33.4)	(34.3)	-2.6%	(31.9)	4.7%
EBITDA	**175.3**	**185.3**	**-5.4%**	**171.8**	**2.0%**
EBITDA Margin	**37.1%**	**45.7%**	**-859bps**	**37.8%**	**-69bps**
Non-cash Stock Option Plan Expense	3.3	10.9	-70.1%	3.7	-12.0%
Interest and fine on late payment of health plans	13.7	11.5	18.6%	12.8	6.8%
Potencial Sale	-	(45.7)	N.A.	-	N.A.
Impairment	-	4.3	N.A.	-	N.A.
Adjusted EBITDA	**192.2**	**166.4**	**15.5%**	**188.3**	**2.1%**
Adjusted EBITDA Margin	**40.7%**	**41.0%**	**-35bps**	**41.4%**	**-74bps**

Our consolidated Adjusted EBITDA grew 15.5% y/y reaching R$192.2 million in 2Q16 (+2.1% q/q). This performance results from our operational efforts related to costs and administrative expenses reductions and also due to the ISS tax reduction after the transfer of three subsidiaries to Barueri. Our consolidated Adjusted EBITDA margin reached 40.7% in 2Q16 which represents a drop of 35bps when compared with 2Q15 (-74bps q/q). It is important to highlight that the impairment impact of +R$7.3 million in 2Q16 and -R$1.3 million in 1Q16 were not adjusted in EBITDA. If we were to exclude these effects, EBITDA would have been R$184.9 million (39.1% margin) in 2T16 and R$189.6 million (41.7% margin) in 1Q16.



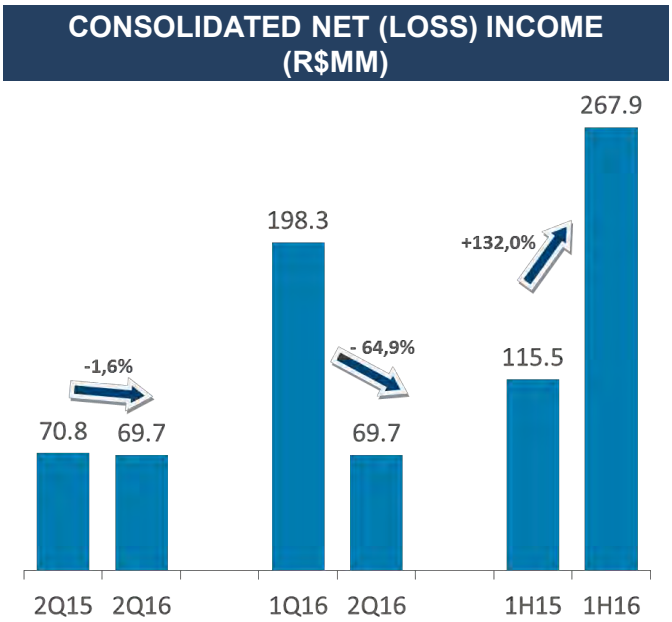
(1) EBITDA and Adjusted EBITDA are presented because management believes that they are significant indicators of financial performance. According to the IFRS, EBITDA and Adjusted EBITDA are not indicators of financial performance and shall not be considered as an alternative to net profit, operational performance, operating cash flow, or as a liquidity indicator.

(2) EBITDA and Adjusted EBITDA consist of net income before income tax and social contribution, financial income, financial expense, and depreciation and amortization. "Other adjustments" include items such as spending on acquisitions and associations; costs of corporate restructuring and operational provisions for stock option plan; interest and penalties on late fees; and other non-cash adjustments.

6 | Net Income (Loss)

Net Income (Loss) (R$ MM)	2Q16	2Q15	% change 2Q16/2Q15	1Q16	% change 2Q16/1Q16
Net Income	69.7	70.8	-1.6%	198.3	-64.9%

Our consolidated net income reached R$69.7 million in 2Q16, reflecting a 1.6% y/y decrease (-64.9% q/q). It is worth noticing that 2Q15 and 1Q16 results have extraordinary components that impair variations analysis. Whereas in 2Q15 our net income was positively affected by R$45.7 million (R $ 30.1 million net of taxes) from Potencial sale, the 1Q16 result was impacted by the net effect of the positive income tax constitution and social contribution taxes of R$137.7 million, product of the tax bases review of certain intangible assets related to historical transactions conducted by the Company.



7 | Amortization

Amortization	2Q16	2Q15	% change 2Q16/2Q15	1Q16	% change 2Q16/1Q16
Amortization Clients Relationship	26.5	28.1	-5.5%	26.5	0.0%
Goodwill Amortization	57.4	52.5	9.3%	58.5	-1.8%
Portfolio Amortization	15.5	19.5	-20.5%	16.7	-7.1%

Amortization Summary	Income Statement	Fiscal benefit	Amount 2Q16	Tax	Adjustments to net income
Amortization Clients Relationship	Yes	No	26.5	9.0	17.5
Goodwill amortization	No	Yes	57.4	19.5	19.5
Portfolio Amortization	Yes	Yes	15.5	5.3	10.2

Amortization Schedule	2016	2017	2018	2019	2020	2021	2022	2023	2024
Clients Relationship	106.2	104.3	95.8	90.6	53.1	0.8	0.8	0.8	0.5
Goodwill	230.6	229.0	105.6	5.8	1.0	0.8	0.3	-	-
Portfolio Acquisition	59.1	42.0	34.5	16.8	11.6	5.3	2.4	0.9	-

8 | Capital Expenditures

Capex (R$ MM)	2Q16	2Q15	% change	1Q16	% change
Capex in IT	16.6	22.7	-26.7%	18.4	-9.8%
Other Capex	3.7	1.2	205.9%	8.9	-58.5%
Right Assignment Agreeement / Exclu	0.5	-	N.A.	4.5	-88.3%
TOTAL	20.9	23.9	-12.7%	31.9	-34.5%

Our total Capex in IT reached R$16.6 million in 2Q16, mainly due to investments in the new IT platform and operational systems improvements. The fixed assets Capex is R$3.7 million and reflects the purchase of new equipments and construction renovations mainly regarding the three associated companies that were transferred to Barueri and new new data processing equipment for CRC.

The R$0.5 million refers to the Exclusivity Agreement signed between the subsidiary GA Corretora and Unimed Fortaleza, ensuring exclusivity in sales of corporate and affinity plans. The length of the new agreement is 2 years.

9 | Capital Structure

Capital Structure (R$ MM)	2Q16	2015	Var. 2Q16/2015
Current Debt	350.1	50.9	587.9%
Long Term Debt[1]	450.3	732.2	-38.5%
TOTAL	800.4	783.1	2.2%
Cash and cash equivalents[2]	333.2	366.4	-9.1%
TOTAL NET DEBT	467.2	416.7	12.1%

(1) Includes acquisition payables
(2) It does not include the investment retained as a guaranteed asset in the direct subsidiary Qualicorp Administradora de Benefícios S.A., and in the indirect subsidiaries Aliança Administradora de Benefícios de Saúde S.A and CRC/Gama, according to the 33rd normative instruction by the ANS, from October 5, 2009

Our Net Debt increased 12.1% when compared to the end of 2015 mainly due to R$215.8 million dividend payments.

10 |Return on Investments

We closed 2Q16 with 39.6% ROIC, showing an increase versus the 38.3% reported last quarter. However it is important to mention that the 3Q14 results were directly impacted by the positive effect of retroactive PIS/COFINS recognition. ROIC is based on the last twelve months, so the exclusion of 3Q14 from the base was the cause of this annual reduction from 3Q15 on.

Return on Investment	2Q16	1Q16	4Q15	3Q15	2Q15
Invested Capital					
Fixed Asset	2,464,460	2,498,851	2,523,079	2,546,741	2,567,948
Working Capital	(53,857)	(116,240)	(143,986)	(106,787)	(74,960)
TOTAL	2,410,603	2,382,611	2,379,093	2,439,954	2,492,988
(-) Intangible - Goodwill (LBO)	924,767	924,767	924,767	924,766	924,766
(-) Intangible - Client Relationship (LBO)	327,085	346,710	366,335	385,960	405,584
Adjusted Invested Capital	1,158,751	1,111,134	1,087,991	1,129,228	1,162,638
NOPAT					
Adjusted EBITDA	192,241	188,334	157,266	186,104	166,433
EBIT	137,292	132,239	100,044	130,860	109,308
(+) Ammortization	(42,045)	(43,235)	(43,881)	(44,152)	(47,595)
EBIT adjusted	179,337	175,474	143,924	175,012	156,903
(-) taxes (34%)	(60,975)	(59,661)	(48,934)	(59,504)	(53,347)
NOPAT	118,362	115,813	94,990	115,508	103,556
ROIC (12m)	39.6%	38.3%	37.1%	36.7%	41.9%

We closed 2Q16 with a R$148.6 million operating cash flow, influenced by tax efficiency combined with the seasonal absence of interest on debt payment and a strong EBITDA. After Capex, the cash generation reached record level at R$125.6 million, reflected by high cash flow performance. The financial cash flow was slightly affected by the shares by back. The Company remains confident in a operating cash flow expansion supported by its organic growth combined with operating improvements.

Cash Flow	2Q16	1Q16	2015	4Q15	3Q15	2Q15
Income adjusted by non-cash effects	192,542	195,880	730,413	160,644	216,813	175,045
Working Capital	(12,775)	(32,470)	33,971	28,775	9,651	9,500
Interest paid	-	(43,236)	(70,409)	-	(33,189)	(4,117)
Dividends received/paid	(6,617)	-	(12,026)	(3,234)	(6,343)	(2,449)
Income tax and social contribution paid	(24,577)	(23,839)	(111,770)	(38,749)	(34,490)	(23,821)
Cash Flow from Operating Activities	**148,573**	**96,335**	**570,179**	**147,436**	**152,442**	**154,158**
Capex (TI)	(18,095)	(22,608)	(103,654)	(31,795)	(29,660)	(21,299)
PP&E	(4,001)	(9,529)	(14,720)	(4,444)	(2,768)	(1,260)
Intangible (M&A + Portfolio + Deals)	(901)	(187)	(76,200)	(376)	(60,029)	(15,608)
Cash Flow from Investment Activities	**(22,997)**	**(32,324)**	**(194,574)**	**(36,615)**	**(92,457)**	**(38,167)**
Cash Flow from Operating Activities (-) Capex	**125,576**	**64,011**	**375,605**	**110,821**	**59,985**	**115,991**
Cash Flow from Financing Activities	**(215,767)**	**(6,979)**	**(548,362)**	**(403,850)**	**30**	**(138,540)**
Other Investments	**(116,033)**	**-**	**(80,000)**	**-**	**-**	**(80,000)**
Total Cash Flow	**(206,224)**	**57,032**	**(252,757)**	**(293,029)**	**60,015**	**(102,549)**
Cash at beginning of period	**342,822**	**285,790**	**538,547**	**578,819**	**518,804**	**621,353**
Cash at end of period	**136,598**	**342,822**	**285,790**	**285,790**	**578,819**	**518,804**

Forward-looking statements

This release may contain forward-looking statements concerning the business outlook. These statements are based exclusively on the expectations of the management of Qualicorp S.A. regarding the prospects of the business and its continued ability to access capital markets to finance its business plan. These forward-looking statements are highly sensitive to changes in the capital markets, government regulations, competitive pressures, the performance of the industry and the Brazilian economy and other factors, as well as to the risk factors highlighted in documents previously filed by Qualicorp S.A., and therefore are subject to change without prior notice

Qualicorp S.A.

2Q16 Earnings Release

Appendix I – Income Statement

INCOME STATEMENT (R$ MM)	2Q16	2Q15	% change 2Q16/2Q15	1Q16	% change 2Q16/1Q16
Net Operating Revenue	**472.6**	**405.7**	**16.5%**	**454.8**	**3.9%**
Cost of Services	(123.6)	(108.6)	13.8%	(114.3)	8.1%
Gross Profit	**348.9**	**297.1**	**17.5%**	**340.5**	**2.5%**
Operating Income (expenses)	**(228.6)**	**(168.9)**	**35.4%**	**(224.7)**	**1.7%**
Administrative expenses	(121.2)	(123.1)	-1.5%	(115.3)	5.1%
Selling expenses	(87.7)	(72.5)	20.9%	(80.6)	8.9%
Losses on uncollectible receivables	(24.6)	(18.1)	36.1%	(30.1)	-18.1%
Other operating income (expenses), net	4.9	44.8	-89.0%	1.3	292.1%
Income From Operations Before Financial Income (Expenses)	**120.3**	**128.2**	**-6.1%**	**115.7**	**4.0%**
Financial income	33.4	34.3	-2.6%	31.9	4.7%
Financial expenses	(41.3)	(37.1)	11.4%	(42.3)	-2.2%
Income Before Income Tax Social Contribution	**112.4**	**125.4**	**-10.4%**	**105.4**	**6.7%**
INCOME TAX AND SOCIAL CONTRIBUTION	**(42.8)**	**(54.7)**	**-21.7%**	**92.9**	**N.A.**
Current	(37.7)	(39.3)	-4.0%	(19.3)	95.7%
Deferred	(5.1)	(15.4)	-67.0%	112.2	-104.5%
NET (LOSS) INCOME FOR PERIOD	**69.7**	**70.8**	**-1.6%**	**198.3**	**-64.9%**
Attributable to					
Controlling interest	**66.1**	**67.2**	**188.7%**	**194.1**	**193.9%**
Noncontrolling interest	**3.6**	**3.5**	**16.7%**	**4.1**	**14.5%**
Controlling interest	**69.7**	**70.8**	**180.1%**	**198.3**	**184.6%**

Appendix II – Balance Sheet

ASSETS (R$ MM)	2Q16	2015	% change 2Q16/2015
CURRENT ASSETS			
Cash and cash equivalents	136.6	285.8	-52.2%
Short-term investments	239.2	121.0	97.7%
Trade receivables	199.1	148.3	34.2%
Other assets	189.2	155.9	21.4%
Other financial assets	172.3	139.9	23.2%
Other non-financial assets	17.0	16.0	6.2%
Total current assets	**764.1**	**710.9**	**7.5%**
NONCURRENT ASSETS			
Long-term assets			
Income tax and social contribution	233.3	136.8	70.6%
Related Parties	3.4	3.8	-11.8%
Other assets	51.2	59.8	-14.5%
Other financial assets	40.4	44.7	-9.6%
Other non financial assets	10.8	15.1	-28.8%
Total long-term assets	**287.8**	**200.4**	**43.6%**
Investments	0.3	0.3	0.0%
Property, plant and equipment	76.6	70.3	9.0%
Intangible assets			
Goodwill	1,624.2	1,624.2	0.0%
Others intangible assets	763.4	828.3	-7.8%
Total noncurrent assets	**2,752.3**	**2,723.5**	**1.1%**
TOTAL ASSETS	3,516.4	3,434.4	2.4%

LIABILITIES & SHAREHOLDERS EQUITY (R$ MM)	2Q16	2015	% change 2Q16/2015
CURRENT LIABILITIES			
Debentures	332.1	22.9	1350.4%
Loans and Financing	0.0	5.8	N.A.
Taxes payable	36.7	34.1	7.7%
Technical Reserves	13.1	4.9	169.7%
Premiums to be transferred	134.3	110.0	22.1%
Financial transfers payable	13.4	13.4	-0.1%
Payroll and related taxes	48.0	62.6	-23.4%
Transferable prepayments	57.1	72.9	-21.6%
Related parties	0.0	54.0	N.A.
Other payables	139.5	96.3	44.8%
Total current liabilities	**774.2**	**476.8**	**62.4%**
NONCURRENT LIABILITIES			
Debentures	219.3	519.0	-57.7%
Income tax and social contribution	6.8	7.0	-2.6%
Deferred income tax and social contribution	145.6	162.6	-10.4%
Provision for risks	51.3	61.9	-17.2%
Granted options on no controlling interest	217.9	203.4	-32.1%
Other payables	13.2	9.8	-32.1%
Total noncurrent liabilities	**654.0**	**963.7**	**-32.1%**
EQUITY			
Capital	1,525.1	1,537.2	-0.8%
Capital reserves	131.6	124.6	5.6%
Earnings reserves	21.1	182.9	-88.5%
Asset v Accumulated losses	260.2	0.0	N.A.
Asset valuation adjustment	145.0	145.0	0.0%
Total equity majority shareholder	**2,083.0**	**1,989.9**	**4.7%**
Noncontrolling interest in subsidiaries	5.2	4.0	28.3%
Total equity	**2,088.2**	**1,993.9**	**4.7%**
TOTAL LIABILITIES AND EQUITY	3,516.4	3,434.4	2.4%

Appendix III – Cash Flow Statement

STATEMENTS OF CASH FLOWS (R$ MM)	1H16	1H15	% change 1H16/1H15
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (losses) before income tax and social contribution	217.8	216.7	0.5%
Adjustments	**170.6**	**181.8**	**-6.2%**
Depreciation and Amortization	111.0	109.4	1.5%
Impairment	(6.1)	4.3	N.A.
Result from fixed Assets and Intangibles	-	0.1	N.A.
Stock Option Program	7.0	21.7	-67.9%
Financial Expenses	55.2	44.6	23.8%
Taxes to compensate - PIS/COFINS	-	45.6	N.A.
Potencial Sale	-	(46.4)	N.A.
Provision for Risks	3.5	2.6	33.4%
Adjusted profit (loss)	**388.4**	**398.5**	**-2.5%**
Origin Cash provided by operating activities	**(45.2)**	**(50.0)**	**-9.5%**
Cash provided by operating activities	**343.2**	**348.5**	**-1.5%**
Interest paid on debentures	(43.2)	(37.2)	16.2%
Dividends paid to non controlling shareholders	(6.6)	(2.4)	170.2%
Income tax and social contribution paid	(48.4)	(38.5)	25.7%
Net cash provided by operating activities	**244.9**	**270.3**	**-9.4%**
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in intangible assets	(41.8)	(50.5)	-17.3%
Purchase of property, plant and equipment	(13.5)	(7.5)	80.2%
Financial Investments	(116.0)	(80.0)	N.A.
Amount paid in acquisition (CRC-Gama)	-	(7.5)	N.A.
Net cash used in investing activities	**(171.4)**	**(145.5)**	**17.8%**
CASH FLOW FROM FINANCING ACTIVITIES			
Amount paid in loans and financing	(5.8)	(7.7)	-24.7%
Buyback - Treasury	(12.2)	(40.0)	-69.5%
Dividends paid to Qualicorp S.A. shareholders	(215.8)	(116.3)	85.5%
Amounts paid upon issuance of debentures	(300.0)	-	N.A.
Amounts received upon issuance of debentures	311.0	-	N.A.
Capital Increase	-	19.5	N.A.
Cash provided by (used in) financing activities	**(222.7)**	**(144.5)**	**54.1%**
INCREASE IN CASH AND CASH EQUIVALENTS, NET	**(149.2)**	**(19.7)**	**655.7%**
Cash and cash equivalents at beginning of period	**285.8**	**538.5**	**-46.9%**
Cash and cash equivalents at end of period	**136.6**	**518.8**	**-73.7%**

(A free translation of the original in Portuguese)

Qualicorp S.A. and subsidiaries

Quarterly Information (ITR) at June 30, 2016 and report on review of quarterly information

(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Stockholders
Qualicorp S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Qualicorp S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2016, comprising the balance sheet as at June 30, 2016 and the statements of income and comprehensive income for the quarter and six-month period then ended, and the changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, issued by the Brazilian Accounting Pronouncements Committee (CPC), and the International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information form referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of Quarterly Information form, and presented in accordance with the standards issued by the CVM.

Other matters

Statement of value added

We have also reviewed the parent company and consolidated statements of value added for the six-month period ended June 30, 2016. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information Form (ITR) and are considered supplementary information under International Financial Reporting Standards (IFRS), which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in relation to the parent company and consolidated interim accounting information taken as a whole.

Audit of prior-year information

The Quarterly Information form mentioned in the first paragraph includes accounting information corresponding to the statements of income, changes in equity, cash flows and value added for the quarter and six-month period ended June 30, 2015, obtained from the Quarterly Information Form for that period, and related to the balance sheet as at December 31, 2015, obtained from the financial statements as at December 31, 2015, presented for comparison purposes. The review of the Quarterly Information Form (ITR) for the quarter and six-month period ended June 30, 2015 and the audit of the financial statements for the year ended December 31, 2015 were conducted by other auditors, who issued a review report and an independent auditor's report thereon, dated August 10, 2015 and March 29, 2016, respectively, without qualifications.

São Paulo, August 1, 2016

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Carlos Eduardo Sá da Matta
Contador CRC 1SP216397/O-5

(DC3) Secreta - Altamente Confidencial

QUALICORP S.A. AND SUBSIDIARIES

BALANCE SHEET AT JUNE 30, 2016 AND DECEMBER 31, 2015
All amounts in thousands of reais

(A free translation of the original in Portuguese)

ASSETS	Note	6/30/2016 Parent company	6/30/2016 Consolidated	12/31/2015 Parent company	12/31/2015 Consolidated
CURRENT ASSETS					
Cash and cash equivalents	8.1	144	136.598	110	285.790
Financial investments	8.2	-	239.215	-	121.001
Amounts receivable from customers	9	-	199.056	-	148.301
Other assets		31.260	189.236	32.450	155.856
Other financial assets	10.1	22.510	172.273	24.651	139.880
Other non-financial assets	10.2	8.750	16.963	7.799	15.976
Related parties	12.1	21.762	-	40.410	-
Total current assets		53.166	764.105	72.970	710.948
NON-CURRENT ASSETS					
Long-term receivables:					
Deferred income tax and social contribution	11	-	233.286	-	136.769
Related parties	12.1	849	3.380	2.063	3.833
Other assets		44.448	51.159	52.280	59.803
Other financial assets	10.1	35.085	40.393	39.203	44.673
Other non-financial assets	10.2	9.363	10.766	13.077	15.130
Total long-term receivables		45.297	287.825	54.343	200.405
Investments	13	2.168.314	262	2.273.889	262
Property and equipment	14	-	76.574	-	70.271
Intangible assets:					
Goodwill	15	-	1.624.223	-	1.624.223
Other intangible assets	15		763.401		828.323
Total non-current assets		2.213.611	2.752.285	2.328.232	2.723.484
TOTAL ASSETS		2.266.777	3.516.390	2.401.202	3.434.432

LIABILITIES AND EQUITY	Note	6/30/2016 Parent company	6/30/2016 Consolidated	12/31/2015 Parent company	12/31/2015 Consolidated (Restated)
CURRENT LIABILITIES					
Debentures	16	-	332.051	11.815	22.893
Borrowings		-	-	-	5.795
Taxes and contributions payable	17	1.485	36.670	5.842	34.060
Technical reserves for healthcare operations		-	13.144	-	4.874
Premiums to be transferred	18	-	134.324	-	110.015
Financial transfers payable		-	13.395	-	13.412
Payroll and related charges	19	2.558	48.000	5.407	62.628
Transferable prepayments	20	-	57.138	-	72.874
Related parties	12.1	149.284	-	53.942	53.954
Other payables	21	7.034	139.478	8.726	96.326
Total current liabilities		160.361	774.200	85.732	476.831
NON-CURRENT LIABILITIES					
Debentures	16	-	219.303	299.967	518.972
Taxes and contributions payable	17	-	6.815	-	6.998
Deferred income tax and social contribution	11	13.665	145.622	15.672	162.591
Provision for contingencies	22	-	51.264	206	61.936
Options for acquisition of non-controlling interests	7.1	-	217.886	-	203.446
Other payables	21	9.775	13.150	9.775	9.775
Total non-current liabilities		23.440	654.040	325.620	963.718
EQUITY					
Share capital	23	1.525.067	1.525.067	1.537.249	1.537.249
Capital reserves		131.565	131.565	124.612	124.612
Revenue reserves		21.118	21.118	182.945	182.945
Retained earnings		260.182	260.182	-	-
Carrying value adjustments		145.044	145.044	145.044	145.044
Total equity attributable to owners of the Parent company		2.082.976	2.082.976	1.989.850	1.989.850
Non-controlling interests in the equity of subsidiaries		-	5.174		4.033
Total equity		2.082.976	2.088.150	1.989.850	1.993.883
TOTAL LIABILITIES AND EQUITY		2.266.777	3.516.390	2.401.202	3.434.432

The accompanying notes are an integral part of these interim financial statements.

QUALICORP S.A. AND SUBSIDIARIES

STATEMENT OF INCOME FOR THE QUARTERS AND SIX-MONTH PERIODS ENDED JUNE 30, 2016 AND 2015
All amounts in thousands of reais, except earnings per share (A free translation of the original in Portuguese)

	Note	4/1/2016 to 6/30/2016		4/1/2015 to 6/30/2015		1/1/2016 to 6/30/2016		1/1/2015 to 6/30/2015	
		Parent company	Consolidated	Parent company	Consolidated	Parent company	Consolidated	Parent company	Consolidated
NET OPERATING REVENUE	32.d	-	472.576	-	405.716	-	927.367	-	808.065
COST OF SERVICES	25 and 33	-	(123.647)	-	(108.641)	-	(237.987)	-	(212.615)
OPERATING INCOME (EXPENSES)									
Administrative expenses	26 and 33	(5.759)	(121.175)	(6.869)	(123.069)	(10.773)	(236.520)	(15.003)	(236.402)
Selling expenses	27 and 33	-	(87.726)	-	(72.540)	-	(168.309)	-	(140.979)
Losses on uncollectible receivables	9	-	(24.619)	-	(18.091)	-	(54.685)	-	(39.259)
Equity in results of investees	13	77.004	-	56.039	-	283.935	-	113.626	-
Other income (expenses), net	29	2	4.945	45.670	44.838	234	6.206	45.664	41.384
OPERATING PROFIT BEFORE FINANCE RESULT		71.247	120.354	94.840	128.213	273.396	236.072	144.287	220.194
Finance income	28	17	33.444	221	34.327	270	65.391	1.984	66.671
Finance costs	28	(6.137)	(41.349)	(12.360)	(37.111)	(15.491)	(83.634)	(22.167)	(70.128)
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		65.127	112.449	82.701	125.429	258.175	217.829	124.104	216.737
INCOME TAX AND SOCIAL CONTRIBUTION	30	931	(42.775)	(15.471)	(54.651)	2.007	50.111	(15.398)	(101.262)
Current		-	(37.703)	-	(39.276)	-	(56.969)	-	(67.962)
Deferred		931	(5.072)	(15.471)	(15.375)	2.007	107.080	(15.398)	(33.300)
PROFIT FOR THE PERIOD		66.058	69.674	67.230	70.778	260.182	267.940	108.706	115.475
ATTRIBUTABLE TO									
Owners of the parent		66.058	66.058	67.230	67.230	260.182	260.182	108.706	108.706
Non-controlling interests		-	3.616	-	3.548	-	7.758	-	6.769
		66.058	69.674	67.230	70.778	260.182	267.940	108.706	115.475
EARNINGS PER SHARE									
Basic (R$ per share)	35	0,25728	0,25728	0,24519	0,24519	0,98939	0,98939	0,39695	0,39695
Diluted (R$ per share)	35	0,24305	0,24305	0,23101	0,23101	0,93468	0,93468	0,37395	0,37395

The accompanying notes are an integral part of these interim financial statements.

QUALICORP S.A. AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME
QUARTERS AND SIX-MONTH PERIODS ENDED JUNE 30, 2016 AND 2015
All amounts in thousands of reais (A free translation of the original in Portuguese)

	4/1/2016 to 6/30/2016		4/1/2015 to 6/30/2015		1/1/2016 to 6/30/2016		1/1/2015 to 6/30/2015	
	Parent company	Consolidated	Parent company	Consolidated	Parent company	Consolidated	Parent company	Consolidated
PROFIT FOR THE PERIOD	66.058	69.674	67.230	70.778	260.182	267.940	108.706	115.475
Other comprehensive income	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	66.058	69.674	67.230	70.778	260.182	267.940	108.706	115.475
ATTRIBUTABLE TO								
Owners of the parent	66.058	66.058	67.230	67.230	260.182	260.182	108.706	108.706
Non-controlling interests	-	3.616	-	3.548	-	7.758	-	6.769

The accompanying notes are an integral part of these interim financial statements.

QUALICORP S.A. AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
SIX-MONTH PERIODS ENDED JUNE 30, 2016 AND 2015
All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Share capital					Revenue reserves		Carrying value adjustments	Retained earnings	Attributable to owners of	Interest		Total consolidated
		Paid-up capital	Unpaid capital	Treasury shares	Share issue costs	Capital reserve	Legal	Other	Fair value of merged investments	(accumulated deficit)	the parent (BR GAAP)	Non-controlling interests	Share options - non-controlling interests	(IFRS and BR GAAP)
AT DECEMBER 31, 2014 (Restated)		1.982.997	6.062	-	(20.983)	144.379	6.122	90.877	145.044	-	2.354.498	90.342	(88.006)	2.356.834
Exercise of share options - subscribed and partially paid-up		-	16.394	-	-	-	-	-	-	-	16.394	-	-	16.394
Payment of prior periods' options		19.464	(19.464)	-	-	-	-	-	-	-	-	-	-	-
Options granted		-	-	-	-	21.652	-	-	-	-	21.652	-	-	21.652
Payment of proposed additional dividend		-	-	-	-	-	-	(87.237)	-	-	(87.237)	-	-	(87.237)
Treasury shares		-	-	(39.999)	-	-	-	-	-	-	(39.999)	-	-	(39.999)
Profit for the period		-		-	-	-	-	-	-	108.706	108.706	6.769	-	115.475
Distribution of dividends to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(2.449)	-	(2.449)
AT JUNE 30, 2015		2.002.461	2.992	(39.999)	(20.983)	166.031	6.122	3.640	145.044	108.706	2.374.014	94.662	(88.006)	2.380.670
AT DECEMBER 31, 2015		1.605.453	-	(47.221)	(20.983)	124.612	17.478	165.467	145.044	-	1.989.850	92.039	(88.006)	1.993.883
Options granted	13 and 24	-	-	-	-	6.953	-	-	-	-	6.953	-	-	6.953
Payment of proposed additional dividend	23	-	-	-	-	-	-	(161.827)	-	-	(161.827)	-	-	(161.827)
Treasury shares	23	-	-	(12.182)	-	-	-	-	-		(12.182)	-	-	(12.182)
Profit for the period		-	-	-	-	-	-	-	-	260.182	260.182	7.758	-	267.940
Distribution of dividends to non-controlling interests	23	-	-	-	-	-	-	-	-	-	-	(6.617)	-	(6.617)
AT JUNE 30, 2016		1.605.453	-	(59.403)	(20.983)	131.565	17.478	3.640	145.044	260.182	2.082.976	93.180	(88.006)	2.088.150

The accompanying notes are an integral part of these interim financial statements.

QUALICORP S.A. AND SUBSIDIARIES

STATEMENT OF CASH FLOWS
SIX-MONTH PERIODS ENDED JUNE 30, 2016 AND 2015
All amounts in thousands of reais (A free translation of the original in Portuguese)

	Note	6/30/2016		6/30/2015	
		Parent company	Consolidated	Parent company	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax and social contribution		258.175	217.829	124.104	216.737
Adjustments for:					
Depreciation and amortization	33	-	111.044	-	109.388
(Reversal) Provision for impairment losses	29	-	(6.094)	-	4.332
Equity in results of investees	13	(283.935)	-	(113.626)	-
Result on disposal of property and equipment		-	-	-	60
Options granted	24	-	6.953	-	21.652
Unrealized finance income/costs		11.384	55.199	17.328	44.577
Taxes to offset - Social Integration Program (PIS)/ Social Contribution on Revenues (COFIN		-	-	-	45.555
Provision for contingencies		(206)	3.491	7	2.616
		(14.582)	388.422	(17.860)	398.511
Changes in operating assets and liabilities:					
(Increase) decrease in amounts receivable from customers		-	(50.755)	-	20.480
(Increase) decrease in other assets		9.022	(18.331)	(2.085)	15.190
Increase (decrease) in taxes and contributions payable		(6.052)	(21.988)	(65)	(41.653)
Increase (decrease) in premiums to be transferred		-	24.309	-	(14.697)
Increase in financial transfers payable		-	(17)	-	52
Increase in technical reserves for healthcare operations		-	8.270	-	(644)
Increase (decrease) in payroll and related charges		(2.849)	(14.628)	88	(11.880)
Increase (decrease) in other payables		(784)	45.371	(487)	11.680
Decrease in transferable prepayments		-	(15.736)	-	(18.615)
Increase (decrease) in related parties		158.972	441	322	741
Increase in financial investments (restricted cash)		-	(2.181)	-	(10.664)
Cash provided by (used in) operations		143.727	343.177	(20.087)	348.501
Interest paid on debentures	16	(12.205)	(43.236)	(23.061)	(37.220)
Dividends received from subsidiaries	13	435.399	-	155.973	-
Dividends paid to non-controlling interests	23	-	(6.617)	-	(2.449)
Income tax and social contribution paid		-	(48.416)	-	(38.531)
Net cash provided by operating activities		566.921	244.908	112.825	270.301
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital increase in subsidiaries	13	(38.936)	-	(13.545)	-
Additions to intangible assets		-	(41.791)	-	(50.511)
Purchases of property and equipment		-	(13.530)	-	(7.508)
Increase in financial investments		-	(116.033)	-	(80.000)
Amount paid on acquisition of Connectmed-CRC and Gama Saúde		-	-	-	(7.483)
Net cash used in investing activities		(38.936)	(171.354)	(13.545)	(145.502)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments of borrowings		-	(5.795)	-	(7.691)
Payments for issuance of debentures	16	(300.000)	(300.000)	-	-
Proceeds from issuance of debentures	16	-	311.000	-	-
Share capital increase		-	-	19.464	19.464
Purchase of treasury shares	23	(12.182)	(12.182)	(39.999)	(39.999)
Dividends paid	23	(215.769)	(215.769)	(116.316)	(116.316)
Net cash used in financing activities		(527.951)	(222.746)	(136.851)	(144.542)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		34	(149.192)	(37.571)	(19.743)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	8.1	110	285.790	42.813	538.547
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8.1	144	136.598	5.242	518.804

The accompanying notes are an integral part of these interim financial statements.

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QUALICORP S.A. AND SUBSIDIARIES

STATEMENT OF VALUE ADDED
PERIODS ENDED JUNE 30, 2016 AND 2015
All amounts in thousands of reais (A free translation of the original in Portuguese)

	6/30/2016		6/30/2015	
	Parent company	Consolidated	Parent company	Consolidated
REVENUE				
Services revenue	-	1.004.434	-	888.079
Other operating income	55	7.291	45.671	53.324
Provision for impairment of trade receivables, cancellations and returns	-	(58.328)	-	(42.795)
Total revenue	55	953.397	45.671	898.608
INPUTS ACQUIRED FROM THIRD PARTIES				
Cost of services	-	(158.681)	-	(140.917)
Materials, electricity, outsourced services and other	4.577	(162.181)	(2.817)	(132.993)
Impairment/recovery of assets	-	(6.094)	-	(4.332)
Other operating expenses	(14.677)	(43.764)	(3.430)	(43.933)
Total inputs acquired from third parties	(10.100)	(370.720)	(6.247)	(322.175)
GROSS VALUE ADDED	(10.045)	582.677	39.424	576.433
DEPRECIATION, AMORTIZATION AND DEPLETION				
Depreciation and amortization	-	(111.044)	-	(109.388)
NET VALUE ADDED GENERATED BY THE ENTITY	(10.045)	471.633	39.424	467.045
VALUE ADDED RECEIVED THROUGH TRANSFER				
Finance income	270	65.391	1.984	66.671
Share of profit of investees	283.935	-	113.626	-
Total value added received through transfer	284.205	65.391	115.610	66.671
TOTAL VALUE ADDED TO DISTRIBUTE	274.160	537.024	155.034	533.716
DISTRIBUTION OF VALUE ADDED				
Personnel and social charges	7.813	171.508	9.845	174.521
Taxes and contributions	(2.007)	26.810	15.398	181.839
Creditors and lenders	8.172	70.766	21.085	61.881
Stockholders	260.182	267.940	108.706	115.475
Total value added distributed	274.160	537.024	155.034	533.716

The accompanying notes are an integral part of these interim financial statements.

(A free translation of the original in Portuguese)

QUALICORP S.A. AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND SIX-MONTH PERIOD ENDED JUNE 30, 2016
(All amounts in thousands of reais unless when otherwise stated)

1. General information

a) Operations

Qualicorp S.A. (the "Company") is a corporation headquarters in São Paulo, Brazil that was incorporated on May 19, 2010, and which commenced its operations on July 1, 2010, . The Company´s objective is to holds equity interests, as a partner or stockholder, in other companies, both unincorporated and incorporated, and in business projects of any nature.

The Company and its subsidiaries ("Qualicorp Group") are engaged in the brokerage, intermediation, consulting, management of benefits and health promotion and disease prevention, as well as the rendering of connectivity services in companies that operate in the health and insurance industry, the rendering of management and operational services for corporate collective healthcare plans, management and stipulation of insurance portfolios and policies as well as deductibles, through its direct subsidiaries. The Company's and its subsidiaries' activities are divided into the following segments: (a) private healthcare plans, whose service providers include group medical organizations, specialized health insurers, medical cooperatives, self-managed entities, charitable institutions, dental cooperatives and group dentists ("healthcare plan operators"); (b) sale and management of other health insurance and supplementary services. Private health plans and other insurances and supplementary services are collectively referred to as "benefits". Qualicorp Group develops its activities in two main market segments known as the Affinity and Corporate segments. The Affinity segment has activities related to the support, management, stipulation, brokerage and/or intermediation of collective membership benefits focused on professional organizations (unions, associations, regional councils, etc.) and the Corporate segment engages in the brokerage and intermediation of collective corporate benefits, and in the provision of specialized consulting services, helping to manage the benefits contracted by its clients; (c) services rendered for the capture, routing, authorization and billing of medical, hospital and related services; and (d) mass insurance brokerage through retail channels, such as life insurance, capitalization certificates, home insurance, extended warranty, financial protection insurance, among others.

b) Main events during the second quarter of 2016

i. Recognition of tax credit

As mentioned in Note 38 to the 2015 annual financial statements, due to changes in the tax legislation upon the enactment of Law 12,973/14, which became effective from 2015, management, with the support of counsel and related tax opinions, reviewed certain tax positions in relation to past transactions. As a result of this process, it identified additional tax benefits,recorded at June 30, 2016, in respect of previous years. For more information, see Notes 11 and 30.

ii. Corporate restructurings during the second quarter of 2016

a) The merger of Medlink into CRC was approved on April 30, 2016. This corporate restucturing did not have any impact on the Company's balance sheet and results. According to the Protocols and Justification of the Merger, the merger will benefit the companies involved and their quotaholders, because it will bring administrative and economic benefits, allowing better use of the resources of the companies involved, as well as the operational and administrative optimization, which will result in synergies and savings arising from operational, corporate and structural efforts. The valuation methodology for the equity of Medlink

on the merger was the book value of Medlink's assets and liabilities, based on the balance sheets as at February 29, 2016, according to the appraisal report approved on April 30, 2016.

	Net assets merged of Medlink
Current assets:	
Cash and cash equivalents	107
Securities and amounts receivable	807
Tax credits	626
Prepaid expenses	1
Total current assets	1,541
Non-current assets:	
Property and equipment	515
Intangible assets	7,770
Total non-current assets	8,285
Total assets (A)	9,826

	Net assets merged of Medlink
Current liabilities:	
Taxes and social charges payable	727
Payroll and related charges	972
Trade payables	1
Other payables	160
Total current liabilities (B)	1,860
Non-current liabilities:	
Taxes and social charges payable	1,731
Provision for contingencies	133
Total non-current liabilities (C)	1,864
Net assets (A) – (B) – (C)	6,102

b) On May 19, 2016, the National Regulatory Agency for Private Health Insurance and Plans (ANS) approved the merger of Multicare into Gama. This corporate restucturing did not have any impact on the Company's balance sheet and results. According to the Protocols and Justification of the Merger, the merger will benefit the companies involved and their quotaholders, because it will bring administrative and economic benefits, allowing better use of the resources of the companies involved, as well as the operational and administrative optimization, which will result in synergies and savings arising from operational, corporate and structural efforts. The valuation methodology for the equity of Multicare for the merger was the book value of Multicare's assets and liabilities, based on the balance sheets as at November 30, 2015, according to the appraisal report approved on May 31, 2016.

	Net assets merged of Multicare
Current assets:	
Cash and cash equivalents	48
Financial investments	5,442
Other receivables	17
PSL – SUS transfers	16
Tax credits	1,030
Total current assets	6,553
Non-current assets:	
Property and equipment	6
Total non-current assets	6
Total assets (A)	6,559

	Net assets merged of Multicare
Current liabilities:	
Trade payables	15
Taxes and contributions payable	100
PSL – SUS transfers	16
Total current liabilities (B)	131
Non-current liabilities:	
Provision for contingencies	2,442
Total non-current liabilities (C)	2,442
Net assets (A) – (B) – (C)	3,986

c) The partial spin-off of CRC into Gama was approved on June 30, 2016. This corporate restucturing did not have any impact on the Company's balance sheet and results. According to the Protocols and Justification of the Merger, the merger will benefit the companies involved and their quotaholders, because it will bring administrative and economic benefits, allowing better use of the resources of the companies involved, as well as the operational and administrative optimization, which will result in synergies and savings arising from operational, corporate and structural efforts. The valuation methodology for the equity of CRC on the partial spin-off was the book value of CRC's assets and liabilities, based on the balance sheets as at April 30, 2016, according to the appraisal report approved on June 30, 2016.

	Net assets spun off from CRC into Gama
Current assets:	
Cash and cash equivalents	12
Trade receivables	569
Total current assets	581
Total assets (A)	581

	Net assets spun off from CRC into Gama
Current liabilities:	
Other payables	(81)
Total current liabilities (B)	(81)
Net assets (A) – (B) – (C)	662

iii. Change in the PIS/COFINS tax on Qualicorp Corretora

On March 21, 2016, the Brazilian Federal Revenue Service published Normative Instruction (IN) 1,628, which removes Insurance Brokerage companies from the list of companies similar to financial institutions from the Cumulative System of PIS/COFINS (4.65%).

On April 20, 2016, Qualicorp Corretora obtained a favorable injunction to continue recording the PIS/COFINS taxes under the Cumulative System during a 90-day period. From June 2016, it started to accrue the taxes under the Non-cumulative System (9.25%), enabling it to recoignize a tax credit.

2. *Presentation of financial statements*

I. Statement of compliance

The Company's interim financial statements include the parent company and consolidated interim financial information prepared in accordance with the accounting standard CPC 21 (R1), Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 – Interim Financial Reporting issued by the International Accounting Standards Board (IASB). The accounting practices adopted in Brazil comprise those included in the Brazilian corporate law and technical pronouncements, guidance and interpretations issued by CPC and approved by the Brazilian Securities Commission (CVM).

Since there is no difference between the consolidated equity and the consolidated profit attributable to the owners of the Parent company in the consolidated interim financial statements prepared in accordance with IFRS and the accounting practices adopted in Brazil, and the parent company's equity and profit in the parent company interim financial statements prepared in accordance with the accounting practices adopted in Brazil, the Company opted to present this parent company and consolidated financial information as a single set of information, side by side.

The Company's interim financial statements are being presented in accordance with technical guidance OCPC 07, which sets out the basic requirements for preparing and presenting financial statements, especially the information included in explanatory notes. In brief, it provides guidance to streamline disclosurses focusing on critical information, taking into account qualitative and quantitative characteristics and the risks to the entity.

II. Basis of preparation

The interim financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair value, as described below in the accounting principles section. The historical cost is generally based on the fair value of the consideration paid in exchange for the assets.

Certain balances from the financial statements for the year ended December 31, 2015 have been reclassified for purposes of comparability with the interim financial statements for the six-month period ended June 30, 2016, as described in Note 2.iii below.

III. Restatement of prior year balances

a) Reclassifications

At December 31, 2015, the balances of current liabilities, related to the credentialed network of customers served under "network rental" of the direct subsidiary Gama Saúde, had been incorrectly recorded in the account "technical reserves for healthcare operations" instead of in "other payables" also in current liabilities.

A summary of the reclassification in the balance sheet is as follows:

CONSOLIDATED Account	12/31/2015 Previously reported	Reclassification	Restated
Current liabilities – Technical reserves for healthcare operations	24,914	(20,040)	4,874
Current liabilities – Other payables	76,286	20,040	96,326

3. Significant accounting principles

The interim financial statements are presented based on the same accounting practices as described in Note 3 to the financial statements at December 31, 2015.

4. Significant estimates and judgments

The main accounting estimates and assumptions adopted in the preparation of the interim financial statements are the same as those adopted in the financial statements at December 31, 2015, as described in Note 4.

5. Financial instruments

a) Classification and fair value of financial instruments

Due to the nature of its operations and of its financial instruments as at June 30, 2016, management believes that the carrying amounts of the financial assets and financial liabilities stated at amortized cost and recognized in the financial statements approximate their fair values. The financial instruments and their respective classifications are presented below:

Consolidated										
	6/30/2016					12/31/2015				
	Loans and receivables	Financial assets measured at fair value through profit or loss	Held to maturity	Amortized cost	Financial liabilities measured at fair value through profit or loss	Loans and receivables	Financial assets measured at fair value through profit or loss	Held to maturity	Amortized cost	Financial liabilities amortized at fair value through profit or loss
Financial assets:										
Financial investments	-	259,138	80,000	-	-	-	282,868	80,603	-	-
Amounts receivable from customers	199,056	-	-	-	-	148,301	-	-	-	-
Other financial assets – current	172,273	-	-	-	-	139,880	-	-	-	-
Other financial assets – non-current	40,393	-	-	-	-	44,673	-	-	-	-
Financial liabilities:										
Debentures	-	-	-	551,354	-	-	-	-	541,865	-
Premiums to be transferred	-	-	-	134,324	-	-	-	-	110,015	-
Technical reserves for healthcare operations	-	-	-	13,144	-	-	-	-	24,914	-
Borrowings	-	-	-	-	-	-	-	-	5,795	-
Financial transfers payable	-	-	-	13,395	-	-	-	-	13,412	-
Transferable prepayments	-	-	-	57,138	-	-	-	-	72,874	-
Payroll and related charges	-	-	-	48,000	-	-	-	-	62,628	-
Related parties	-	-	-	-	-	-	-	-	53,954	-
Other payables – current	-	-	-	139,478	-	-	-	-	76,286	-
Other payables – non-current	-	-	-	13.150	-	-	-	-	9.775	-
Share options of non-controlling interests – non-current	-	-	-	-	217,886	-	-	-	-	203,446

Measurement of fair value recognized in the balance sheet -

The table below provides an analysis of the financial instruments that are measured at fair value after the initial recognition, grouped in Levels 1, 2 and 3, based on the degree to which fair values are based on observable inputs:

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 fair value measurements are based on valuation techniques that use inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	6/30/2016			
Description	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss – financial investments	259,138	-	-	259,138
Financial liabilities at fair value through profit or loss – share options of non-controlling interests	-	-	217,886	217,886

There were no transfers between the Levels during the periods presented.

Reconciliation of Level 3 fair value measurements for **financial liabilities**

	Fair value through profit or loss
At December 31, 2015	203,446
Inflation-indexation and accruals adjustments of obligations payable and share options of non-controlling interests - Aliança, GA Corretora (Note 7.1)	14,440
At June 30, 2016	217,886

The table below shows the sensitivity of the fair values of possible alternative assumptions to variations in the discount and growth rates, which are the main assumptions that determined financial liabilities at fair value through profit or loss. If these assumptions were to vary by +/- 1.00% of its estimated amount, a positive amount indicates an increase in profit and equity, while a negative amount indicates that there would be a negative impact on profit and equity:

	Assumption used	6/30/2016	Increase	Decrease
Share options of non-controlling interests	+/- 1%	217,886	(2,507)	2,559

With respect to the financial liabilities at fair value through profit or loss at June 30, 2016 and December 31, 2015, the Company had the following financial liabilities:

Share options of non-controlling interests – non-current liabilities

As described in Note 7.1, the Company has commitments contracted through share options on non-controlling interests relating to the acquisition of equity interests in Aliança and GA Corretora.

The acquisition price of the non-controlling interests is determined based on multiples of EBITDA (earnings before interest, taxes, depreciation and amortization) for the twelve-month period before the exercise of the option. This liability is measured based on the fair value of the non-controlling interests, under the discounted cash flow approach, using as key assumptions a discount rate of 14.7% and a long-term sustainable growth rate of 15.3% (2014-2017 CAGR).

Derivative instruments

At June 30, 2016 and December 31, 2015, the Company and its subsidiaries had no derivative financial instrument contracts for hedging or speculative purposes.

b) Management of the main risks

The Company conducts benefit stipulation and healthcare plan management, including self-management, brokerage, and consulting transactions through its direct subsidiaries, basically in the health insurance, healthcare and dental plan segments.

The main risks arising from the business of the Company and its subsidiaries are credit risk, interest rate risk, liquidity risk and capital risk. The management of these risks involves different departments and comprises a series of funds allocation strategies and policies that are considered appropriate.

The Company has internal controls requiring compliance with these strategies and policies, and the results obtained meet the objectives established by management.

Credit risk

Credit risk arises from the possibility that the Company and its direct subsidiaries may be required to pay the healthcare/insurance companies for plan/insurance bills that are past due and not paid by the beneficiaries.

In order to mitigate this risk, the Company cancels defaulting beneficiaries pursuant to the contract term, which are mostly canceled after 30 days of default from payment due date. The method adopted to calculate the provision for the impairment of trade receivables and the write-off of uncollectible receivables is described in Note 3.iv to the financial statements at December 31, 2015.

Interest rate risk of financial instruments

This risk arises from the possibility that the Company may incur losses due to fluctuations in the interest rates applicable to its liabilities and assets raised (invested) in the market.

As the average term of receipts/payments of the Company is 30 days, management uses the variation in the CDI (Interbank Deposit Certificate) rate as an assumption to analyze fluctuations in the interest rate, as follows:

	6/30/2016		
Account	Asset and liability accounts	Note	Consolidated
Highly liquid financial investments (i)	Current assets	8.1	216,559
Financial investments (i)	Current assets	8.2	122,579
Debentures (ii)	Current and non-current liabilities	16	(551,354)
Total exposure			(212,216)

i. Financial investments are mainly realized based on negotiated yield rates pegged to the CDI rate, and reflect normal market conditions during the period, as described in Note 8.

The policy for financial investments adopted by the Company's management establishes those financial institutions with which the Company and its subsidiaries may do business, and the fund allocation limits and objectives.

According to the internal policy, financial investments are concentrated on lower risk investments, particularly fixed-income investments and fixed-income investment fund units, multi-market and federal government securities. Cash

investment is permitted only in highly-rated institutions with ratings from "AAA" to "BBB", within the limit of 100%, and with ratings from "BBB" to "BBB+" within the limit of 20%. Part of the amounts invested is centralized in funds dedicated to the National Regulatory Agency for Private Health Insurance and Plans (ANS) and the Bank Deposit Certificates (CDB), with yields based on the Interbank Deposit Certificate (CDI) rate.

Debentures issued by Qualicorp Group pay interest at 100% of the accumulated variation of the daily average overnight rates of Interbank Deposits (DI), expressed as a percentage rate per year, corresponding to 252 business days (CETIP), plus a spread of 1.60% per year for the subsidiaries Qualicorp Corretora and Qualicorp Benefícios (1st and 2nd issues) and 1.35% per year for Qualicorp Corretora (3rd issue), which are due semiannually from the date of placement, as described in Note 16.

Sensitivity analysis of variations in interest rates

Fluctuations in interest rates, e.g. the CDI, can have a positive or adverse impact on the financial statements as a result of an increase or decrease in the balances of financial investments and cash equivalents, and payables for debentures and borrowings.

At June 30, 2016, if the CDI rate had been 10% per year higher/lower with all other variables held constant, profit for the quarter before taxes would have been R$ 366 higher/lower.

Supplementary sensitivity analysis of financial instruments pursuant to CVM Instruction 475/08

Pursuant to CVM Instruction 475 of December 17, 2008, at June 30, 2016 management estimated for 2016, based on the quotations contained in the Focus report issued by the Brazilian Central Bank, the future interest rates (14.25% p.a.) plus a spread on debentures of 1.60% and 1.35% per year, showing in each scenario the effect of the changes in the fair value, as follows:

	Scenario			
	6/30/2016	Probable	Possible	Remote
Assumptions		CDI – 0.22% to 14.25% p.a.	CDI – 0.27% to 14.25% p.a.	CDI – 0.33% to 14.25% p.a.
Highly liquid financial investments and financial investments	339,138	339,884	340,071	340,257
Liabilities - debentures	(551,354)	(560,345)	(560,653)	(560,960)
Net exposure	(212,216)	(220,461)	(220,582)	(220,703)

	Assumptions		
	Probable	Possible	Remote
CDI	Brazilian Central Bank Focus report (6/30/2016)	25% on probable rate	50% on probable rate

- Under the probable scenario, the Company would present a net exposure of R$ 220,461 through June 30, 2016, arising from the difference in the estimated future CDI rates for interest on debentures plus a surcharge of 1.60% per year.

At June 30, 2016, the same differences in the estimated future CDI rates on the Company's investments were taken into account for financial investments. For stressed scenarios, using the same criteria described in the probable scenario, estimates would give rise to an increase in net exposure of R$ 121 and R$ 242, respectively, compared to the probable scenario.

- Stressed scenario: Management assumed a decrease of 25% in the risk variable.
- Stressed scenario: Management assumed a decrease of 50% in the risk variable.

Capital risk

Qualicorp Group manages its capital so as to ensure that both the Company and subsidiaries can continue as going concerns, while maximizing returns for stockholders and stakeholders by optimizing the balance of debt and equity.

Qualicorp Group's capital structure consists of net debt (debentures detailed in Note 16 less cash and cash equivalents detailed in Note 8), and equity (Note 23).

The Company and its subsidiaries are subject to certain leverage ratios, as stated in Note 16 to the financial statements at December 31, 2015.

Additionally, the subsidiaries Qualicorp Benefícios, Aliança, Clube de Saúde and Gama Saúde are subject to minimum funding requirements, as prescribed by ANS.

Under ANS Normative Resolution (RN) 209, of December 22, 2009, the base capital to be considered by the subsidiaries at June 30, 2016 is R$ 158 for benefits management companies, R$ 7,266 for Gama Saúde, and these amounts must be greater than the adjusted minimum equity.

The adjusted minimum equity represents the equity adjusted for economic effects according to Normative Instruction (IN) 50, of November 30, 2012.

At June 30, 2016, the adjusted minimum equity is R$ 134,139 (Qualicorp Benefícios), R$ 12,071 (Aliança), R$ 35,363 (Clube de Saúde) and R$ 94,006 (Gama Saúde), all under the provisions of the respective Normative Instruction. The solvency margin is R$ 29,454 (Gama Saúde), and is thus sufficient to maintain the total equity at an amount that is adequate to meeting the legal solvency margin requirements and to cover non-operating liabilities.

The Company´s indebtedness ratio is as follows:

	Consolidated	
Description	6/30/2016	12/31/2015
Debt (debentures and borrowings)	(551,354)	(541,865)
Cash and cash equivalents	253,234	285,790
Net debt	(298,120)	(256,075)
Equity	2,088,149	1,993,883
Net (surplus/deficit) debt to equity ratio	(14.28%)	(12.84%)

Liquidity risk

Considering Qualicorp Group's activities, the liquidity risk management consists of monitoring the terms for the settlement of receivables and payables so as to help maintain a highly liquid cash position that is sufficient to fulfill the commitments assumed.

The Company and its subsidiaries conduct analyses of projected cash flow and periodically review the commitments assumed and financial instruments used. The expected cash flows for financial liabilities are shown below:

	Consolidated (IFRS and BR GAAP)					
	Estimated interest rate – per month	Less than six months	From six months to one year	From one to two years	More than two years	Total
	%	R$	R$	R$	R$	R$
June 30, 2016:						
Debentures	CDI + 1.60% and CDI + 1.35% (a)	17,435	317,435	127,245	129,810	591,925
Premiums to be transferred	-	134,324	-	-	-	134,324
Transferable prepayments	-	57,138	-	-	-	57,138
Technical reserves for healthcare operations	-	13,144	-	-	-	13,144
Payroll and related charges	-	48,000	-	-	-	48,000
Intangible assets payable	-	11,170	563	1,125	1,688	14,546
Other payables	-	119,023	-	-	-	119,023
Non-competition agreement payable	-	6,529	-	6,529	6,529	19,587
Call options (Aliança and GA)	-	-	-	217,886		217,886
Total	-	406,763	317,998	352,785	138,027	1,215,573

(a) Considering the total estimated debt at June 30, 2016 not calculated at present value.

6. *Adoption of new and revised international financial reporting standards*

There are no other standards and interpretations that are not yet adopted that, in the opinion of management, would be expected to have a material impact on the Company's reported profit or equity, as mentioned in Note 6 to the financial statements at December 31, 2015.

7. *Acquisition of subsidiaries*

7.1. Aliança Administradora de Benefícios de Saúde S.A. and GA Corretora de Seguros, Consultoria, Administração e Serviços S.A.

At June 30, 2016, the financial liability related to this call option amounted to R$ 217,886 (R$ 203,446 at December 31, 2015). The variation in the period of R$ 14,440 refers to the fair value adjustmentof this liability.

There were no changes in assumptions and estimates during the quarter in relation to adjusted EBITDA, which is used to calculate this financial liability. This transaction is fully explained in Note 8.1 to the financial statements at December 31, 2015.

8. *Cash and cash equivalents and financial investments*

8.1. Cash and cash equivalents

Consist of the following:

Description	Parent company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Highly liquid financial investments (ii)	2	11	99,923	242,470
Bank deposits (i)	139	99	36,625	43,260
Cash	3	-	50	60
Total	144	110	136,598	285,790

i) At June 30, 2016 and December 31, 2015, consolidated balances include mainly the receipts from customers that occurred on the last business day of the month.

ii) The management's strategy is to make investments that can be redeemed before their maturity dates. These investments are comprised of the following:

Type of investment

Description	Market/carrying value			
	Parent company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Bank Deposit Certificates (CDBs) (iii)	3	11	39,064	136,778
Investments in purchase and sale commitments (iv)	-	-	60,841	92,646
Other investments	-	-	18	13,046
Total	3	11	99,923	242,470

iii) These financial instruments pay interest of 90% to 101% of the CDI and are in custody of CETIP S.A. - Balcão Organizado de Ativos e Derivativos. They are highly liquid and can be redeemed before their maturity date without penalties.

iv) Refers to a highly liquid repurchase transaction backed by debentures. The yield is based on the Interbank Deposit (DI) rate from 89.33% to 101.00%.

8.2. Financial investments

	Consolidated	
	6/30/2016	12/31/2015
Non-exclusive financial investment fund (i)	42,579	40,398
Exclusive financial investment fund (ii)	116,636	-
Held-to-maturity financial investments (iii)	80,000	80,603
Total	239,215	121,001

i) Refers to a financial investment held as a guaranteeing asset in the Company's direct subsidiaries Qualicorp Benefícios and Gama Saúde and indirect subsidiaries Clube de Saúde and Aliança, which are regulated by ANS. The market value of the non-exclusive fixed-income investment fund units is measured based on the unit's value disclosed by the manager of the fund in which the Company invests its money.

ii) Refers to an exclusive private credit multimarket investment fund, which invests in government debt securities and repurchase transactions seeking the best yield rate. These investments can be redeemed before their maturity dates without penalties. They are composed of the following:

Description	Market/carrying value – Exclusive investment funds Consolidated 6/30/2016
Financial Treasury Bills (LFT)	31,353
Financial Bills (LF)	1,054
National Treasury Bills (LTN)	4,023
Financial Bills - LFS Eligible – level II	11,349
National Treasury Bills (LTN) - over	61,916
CDB – floating rate	5,120
Fixed-income investment funds	2,128
Taxes	(313)
Reserve	6
Total	116,636

iii) Refers to the investment in CDBs classified as held to maturity. The maturity date is July 31, 2016 (previously on May 31, 2016), with interest based on the CDI rate plus a spread of 2.57% p.a.

9. Amounts receivable from customers

Consist of the following:

	Consolidated	
	6/30/2016	12/31/2015
Premiums recoverable – with risk of default (a)	165,896	111,264
Trade receivables (b)	19,078	24,926
Benefit management consulting (c)	14,045	12,016
Other receivables from customers	37	95
Total current	199,056	148,301

a) Refers to amounts receivable from beneficiaries, amounting to R$ 22,924 at June 30, 2016, whose payment is subsequent to the plan validity month. The aging of premiums recoverable is as follows:

	Consolidated	
	6/30/2016	12/31/2015
Not yet due (*)	126,255	51,159
Past due:		
Up to 30 days (**)	30,872	50,283
From 31 to 60 days	8,582	9,481
Over 60 days (***)	187	341
Total	165,896	111,264

(*) The increase compared to 2015 is mainly due to the inclusion of new lives of customers of Gama, in the amount of R$ 59,977.

(**) Out of the balance at June 30, 2016, R$ 14,856 was received up to July 12, 2016.

(***) Amounts at June 30, 2016 were fully received up to July 12, 2016, and the amounts at December 31, 2015 were fully received up to January 16, 2016.

b) Refers basically to amounts receivable for agency and brokerage services. The aging of trade receivables is as follows:

	Consolidated	
	6/30/2016	12/31/2015
Not yet due	15,222	23,419
Past due:		
Up to 30 days	2,908	661
From 31 to 60 days	76	733
Over 60 days	872	113
Total	19,078	24,926

Refers to amounts receivable from customers for outsourcing services to support the activities related to the consulting and advice on the management of healthcare plans, connectivity services, benefit management consulting and healthcare consulting. The aging of these receivables is as follows:

	Consolidated	
	6/30/2016	12/31/2015
Not yet due	12,789	6,821
Past due:		
Up to 30 days	332	2,872
From 31 to 60 days	253	533
Over 60 days	671	1,790
Total	14,045	12,016

Change in the provision for impairment of trade receivables

	Consolidated	
	Six-month period 6/30/2016	Six-month period 6/30/2015
At the beginning of the period	-	-
Provisions, net (*)	54,685	39,259
Write-offs	(54,685)	(39,259)
At the end of the period	-	-

	Consolidated	
	Quarter 6/30/2016	Quarter 6/30/2015
At the beginning of the period	-	-
Provisions, net (*)	24,619	18,091
Write-offs	(24,619)	(18,091)
At the end of the period	-	-

(*) Refers basically to the provision for impairment of trade receivables from management and stipulation of collective membership benefits where the Company assumes the risk of default on payments to healthcare and dental operators and insurers. This amount is net of recoveries as a result of collection suits against customers canceled due to default.

10. Other assets

10.1. Other financial assets

Consist of the following:

	Parent company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Current				
Taxes recoverable/to offset (i)	10,075	12,171	108,445	93,317
Amounts to identify from operators/insurers (ii)	-	-	18,472	12,877
Advances from transfer of contracts (v)	-	-	14,388	2,200
Accounts receivable – sale of Potencial (iii)	12,380	12,380	12,380	12,380
Advances to brokers (iv)	-	-	5,333	5,401
Advances to suppliers	1	-	2,264	1,355
Other current assets	54	100	10,991	12,350
Total current	22,510	24,651	172,273	139,880
Non-current				
Accounts receivable – sale of Potencial (iii)	35,085	39,203	35,085	39,203
Advances from transfer of contracts (vi)	-	-	3,252	3,304
Advances to brokers (v)	-	-	1,557	1,981
Other non-current assets	-	-	499	185
Total non-current	35,085	39,203	40,393	44,673
Total	57,595	63,854	212,666	184,553

i) Taxes recoverable/to offset are as follows:

	Consolidated	
	6/30/2016	12/31/2015
Corporate Income Tax (IRPJ)	61,391	56,103
Social Contribution on Revenues (COFINS) and Social Integration Program (PIS) (i)	13,896	12,951
National Institute of Social Security (INSS)	11,582	11,249
Social Contribution on Net Income (CSLL)	15,537	12,844
Withholding Income tax (IRRF)	5,845	-
Other taxes recoverable	194	170
Total	108,445	93,317

ii) Refers mainly to timing differences between the listing of beneficiaries in the Company's system/internal control and the detailed listing of beneficiaries included in the paid and/or payable bills of health and dental plan operators/insurers, which are regularized in subsequent periods, after changes sent by the Company are processed.

iii) Refers to the balance receivable for the sale of Potencial. Up to the completion of these financial statements, the Company had received the four installments upon maturity. On May 8, 2016, an addendum was signed to postpone the payments due in May, June and July 2016 to the end of the contract, with resumption of payments in August 2016 and the end of the contract in June 2020.

iv) Agreements were entered into with outsourced brokers for the sale of private healthcare plans, collective membership plans and other healthcare services for individuals related to legal entities, in the amount of R$ 6,890, of which R$ 5,333 is in current and R$ 1,557 in non-current.

v) At June 30, 2016, this refers basically to advances to entities and operators, from which the Company has been deducting financial transfers and premiums to be transferred, respectively.

10.2. Other non-financial assets

Consist of the following:	Parent company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Current				
Prepaid expenses (i)	1,850	899	9,634	8,473
Advances to executives (ii)	6,900	6,900	7,042	7,042
Sundry materials	-	-	287	461
Total current	8,750	7,799	16,963	15,976
Non-current				
Advances to executives (ii)	6,325	9,775	6,329	9,779
Prepaid expenses (i)	3,038	3,302	4,437	5,351
Total non-current	9,363	13,077	10,766	15,130
Total	18,113	20,876	27,729	31,106

(i) Refers to prepaid expenses that will be amortized as the services are provided. Prepaid expenses consist of advertising services, information technology services, consulting services and insurance. The increase basically refers to advertising services.

(ii) Refers to prepaid expenses incurred when an executive is hired; these expenses are amortized within four years, depending on each executive's contract. If an executive leaves the Group before the agreed date, the balance is reimbursed by this executive, prorated to the remaining contractual period.

11. Deferred income tax and social contribution

For the purposes of disclosure under CPC 32 and ICPC 09, the amounts are broken down as follows:

	6/30/2016		12/31/2015	
	Parent company	Consolidated	Parent company	Consolidated
Deferred income and social contribution – assets	-	233,286	-	136,769
Deferred income and social contribution – liabilities (*)	(13,665)	(145,622)	(15,672)	(162,591)
Deferred income and social contribution, net	(13,665)	87,664	(15,672)	(25,822)

(*) In the parent company, this balance at June 30, 2016 refers to the sale of Potencial.

The consolidated amounts above are broken down as follows:

	6/30/2016						
	Qualicorp S.A.	Qualicorp Consultoria	Qualicorp Corretora	Qualicorp Benefícios	Aliança	CRC	Consolidated
Deferred income tax and social contribution – assets (i)	-	-	88,666	202,750	2,700	-	294,116
Deferred income tax and social contribution – liabilities (ii)	(137,735)	-	(31,177)	(29,653)	-	(7,887)	(206,452)
Deferred income tax and social contribution, net	(137,735)	-	57,489	173,097	2,700	(7,887)	87,664

	12/31/2015						
	Qualicorp S.A.	Qualicorp Consultoria	Qualicorp Corretora	Qualicorp Benefícios	Aliança	CRC	Consolidated
Deferred income tax and social contribution – assets (i)	-	-	44,801	155,271	1,943	-	202,015
Deferred income tax and social contribution – liabilities (ii)	(154,985)	(7,606)	(39,761)	(25,485)	-	-	(227,837)
Deferred income tax and social contribution, net	(154,985)	(7,606)	5,040	129,786	1,943	-	(25,822)

i) Refers to deferred income tax and social contribution recorded mainly from temporary differences deductible against future taxable profits.

Breakdown of income and social contribution – assets

	Consolidated	
Item	6/30/2016	12/31/2015
Provision for inflation-indexation and accruals adjustment on the acquisition of Aliança Group	147,025	142,118
Tax benefit on goodwill from corporate restructuring (i)	111,344	14,355
Income tax and social contribution losses (ii)	41,353	73,885
Provision for impairment of trade receivables and write-off of uncollectible amounts – short-term amount	13,528	17,155
Provisions for contingencies – portion related to the companies and/or periods subject to the taxable income system	6,292	10,845
Provision for profit sharing program	5,235	9,866
Provision for impairment	4,964	4,964
Other provisions	3,145	2,712
Provision	2,583	-
Total tax credits	335,469	275,900
(-) Unrecorded tax credits (iii)	(41,353)	(73,885)
Total recorded tax credits	294,116	202,015

(i) As mentioned in Note 1, after the enactment of Law 12,973 (conversion of Provisional Measure 627/13), published on May 14, 2014, the Company reviewed the tax bases of certain intangible assets arising from business combinations.

(ii) Income tax (IRPJ) and social contribution (CSLL) losses are as follows:

Companies	Base 6/30/2016	IRPJ/CSLL (34%)	Base 12/31/2015	IRPJ/CSLL (34%)
Qualicorp S.A.	92,302	31,383	69,493	23,628
Medlink Conectividade em Saúde Ltda.	-	-	52,328	17,792
Qualicorp Consultoria em Saúde Ltda. (b)	-	-	34,681	11,792
Connectmed-CRC Consultoria, Administração e Tecnologia em Saúde Ltda.	-	-	31,239	10,621
Qualicorp Administração e Serviços Ltda.	20,026	6,809	19,207	6,530
Clube de Saúde Administradora de Benefícios Ltda.	7,100	2,414	4,450	1,513
Gama Saúde Ltda.	2,198	747	5,502	1,871
Multicare Saúde Ltda.	-	-	406	138
Total	121,626	41,353	217,306	73,885

(a) At the dates of the respective mergers, unrecorded tax losses were written off as follows:

Merged company	Merging company	Date of merger	Base	IRPJ/CSLL (34%)
Qualicorp Consultoria	Connectmed-CRC	3/31/2016	39,559	13,450
Medlink	Connectmed-CRC	4/30/2016	55,649	18,921
Multicare	Gama	5/31/2016	322	109
Connectmed-CRC	Gama	6/30/2016	48,665	16,546
Total			144,195	49,026

(iii) Some of the direct and indirect subsidiaries have tax losses carryforward for which no deferred tax credits have been recognized because to date they were not in a position to generate taxable profits that would allow them to recognize tax credits.

Estimate of realization and present value of tax credits

Deferred income tax and social contribution are realized as the temporary differences reverse or become deductible for tax purposes. Based on expected future taxable profits, tax credits are estimated to utilized as follows:

(ii) Income tax and social contribution on temporary differences

	Consolidated	
Year	6/30/2016	12/31/2015
2016	58,267	49,153
2017	61,209	8,339
2018	25,613	403
2019	31,810	31,310
From 2020 to 2024	117,217	112,810
Total	294,116	202,015

The present value of total tax credits at June 30, 2016 is R$ 198,910, calculated using Brazil's base interest rate (SELIC), based on the estimated period of realization of temporary differences.

Breakdown of deferred income tax and social contribution liabilities:

	Consolidated	
	6/30/2016	12/31/2015
On fair value of acquisition of investments allocated to intangible assets – customer relationships	139,857	157,907
Temporary differences on the portion of goodwill of merged companies amortized during the year, for tax purposes	57,713	58,938
Sale of Potencial	13,665	15,529
Provision for impairment losses on the fair value of acquisition of investments allocated to intangible assets – customer relationships	(5,016)	(5,016)
Other	233	479
Total	206,452	227,837

12. Related parties

12.1. Balances and transactions with related parties

Up to March 31, 2016, the direct subsidiary Qualicorp Benefícios performed all back-office activities for Qualicorp Group companies (Finance, Controllership, Legal, Administrative, Human Resources and Information Technology), whose service costs were apportioned among and reimbursed by the other operating companies of the Group.

From April 1, 2016, these activities started to be performed by the direct subsidiary Qualicorp Corretora.

The related-party balances in current and non-current assets and liabilities are composed of the following:

	Parent company 6/30/2016		Parent company 12/31/2015	
	Accounts receivable	Accounts payable	Accounts receivable	Accounts payable
Current				
Mandatory dividends payable (iii)				53,942
Profits and dividends receivable (iv)	21,762	-	40,410	-
Qualicorp Corretora de Seguros S.A. (v)	-	149,284	-	-
Total current	21,762	149,284	40,410	53,942
Non-current				
Qualicorp Corretora de Seguros S.A. (vi)	849	-	308	-
Qualicorp Administração e Serviços Ltda	-	-	810	-
Qualicorp Administradora de Benefícios S.A.	-	-	945	-
Total non-current	849	-	2,063	
Balance	22,611	149,284	42,473	53,942

	Consolidated 6/30/2016			Consolidated 12/31/2015		
	Accounts receivable	Accounts payable	Expenses	Accounts receivable	Accounts payable	Expenses
Current						
Seripatri Participações Ltda. (i)	-	-	(1,164)	-	-	(2,958)
Brazilian Association of Benefit Management Organizations (ANAB) (iii)	-	-	(1,850)	-	-	(2,997)
Mandatory dividends payable (iv)	-	-	-	-	53,954	-
Capital reduction (v)	-	-	-	-	-	-
Total current	-	-	(3,014)	-	53,954	5,955)
Non-current						
Reimbursement of provision for contingencies (viii)	3,380	-	-	3,833	-	-
Total non-current	3,380	-	-	3,833	-	-
Balance	3,380	-	(3,014)	3,833	53,954	(5,955)

i) On January 1, 2010, the Company entered into a cost sharing and reimbursement agreement for the use of aircraft owned by Seripatri Participações Ltda. ("Seripatri") to support, when necessary, its officers, whereby Seripatri is responsible for the payment of all costs and expenses related to such assets. Total expenses incurred in the quarter were R$ 1,164 (R$ 925 in 2015).

ii) The Brazilian Association of Benefit Management Organizations (ANAB) is a not-for-profit entity created on September 2, 2010 to represent, coordinate and defend the interests of legal entities regularly registered with the ANS as healthcare plan operators, as a benefit manager, since they are affiliated with ANAB, as well as the promotion and development of this segment in Brazil, the promotion of ethics, support for studies and research, promotion and dissemination of technical and scientific information and knowledge related to its area of expertise, the promotion of fair competition and equality among its members. The expense basically refers to the extraordinary contribution as a form of financial support for ANAB to be able to perform its corporate purposes, which include: (i) maintenance of the infrastructure, building rental, purchase of furniture and equipment, telephone lines, internet services, cleaning, and other; (ii) hiring of employees, accounting, legal and press services, among other; (iii) participation in events, meetings, conferences, hearings with ANS, government bodies, supplementary healthcare operators, consumer affairs agencies, and others; (iv) fulfillment of its legal obligations; and (v) other expenses and commitments necessary for the entity to meet its purposes.

The monthly fee paid to this Association is 0.03% of the annual gross revenue of the direct subsidiaries Qualicorp Benefícios, Aliança and Clube de Saúde.

Total expenses incurred in the six-month period were R$ 1,850 (R$ 1,472 in 2015).

iii) Refers to the mandatory dividends payable of R$ 53,942 and balance of R$ 12 to the non-controlling stockholder relating to fiscal year 2015. These amounts were paid in May 2016.

iv) In 2016, this refers to interest on capital receivable from subsidiaries, net of taxes.

v) The amount of R$ 149,284 refers to an intercompany loan.

vi) At June 30, 2016, Qualicorp S.A. has receivables from subleases to Qualicorp Corretora, in the amount of R$ 849.

vii) The indirect subsidiaries Aliança and GA Corretora are entitled to a reimbursement related to provisions for contingencies from their former controlling stockholder, which is payable, irrespective of willful misconduct or fault, for a five-year term from January 1 of the year subsequent to the closing date of the transaction. At June 30, 2016, the amount to be settled is R$ 3,380.

12.2. Key management compensation

Key management includes members of the Board of Directors, the CEO, and the statutory and non-statutory officers.

The compensation paid or payable to key management is as follows:

	2016			
	Parent company		Consolidated	
	Accounts payable	Expenses	Accounts payable	Expenses
Short-term compensation to management (*)	2,558	8,757	6,100	33,378
Share-based compensation	-	-	-	6,328
At June 30, 2016	2,558	8,757	6,100	39,706

	2015			
	Parent company		Consolidated	
	Accounts payable	Expenses	Accounts payable	Expenses
Short-term compensation to management (*)	7,089	13,884	13,754	32,477
Share-based compensation	-	-	-	16,664
At June 30, 2015	7,089	13,884	13,754	49,141

(*) The compensation to the Board of Directors consists of a fixed amount in U.S. dollars, and the compensation to officers and employees consists of a fixed pay and variable pay in Brazilian reais based on their performance and annual overall goals, as approved by the Board.

13. Investments

Consist of the following:

	Parent company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Investments in subsidiaries:				
Qualicorp Administradora de Benefícios S.A.	1,039,045	1,017,453	-	-
Qualicorp Administração e Serviços Ltda.	50,970	47,619	-	-
Qualicorp Consultoria em Saúde Ltda.	-	54,009	-	-
Qualicorp Corretora de Seguros S.A.	753,520	907,486	-	-
Medlink Conectividade em Saúde Ltda.	-	18,623	-	-
Gama Saúde and Connectmed CRC	324,779	228,699	-	-
Total investments in subsidiaries	2,168,314	2,273,889	-	-
Other investments	-	-	262	262
Total other investments	-	-	262	262
Total investments	2,168,314	2,273,889	262	262

	Qualicorp Administradora de Benefícios S.A.	Qualicorp Administração e Serviços Ltda.	Qualicorp Consultoria em Saúde Ltda.	Qualicorp Corretora de Seguros S.A.	Medlink Conectividade em Saúde Ltda.	Gama Saúde and Connectmed - CRC	Total
Information on the investees at June 30, 2016							
Capital (i) and (iii)	276,365	26,663	-	107,736	-	133,367	-
Equity (i), (ii)	489,472	24,552	-	228,643	-	144,376	-
Profit (loss) for the period	185,769	3,954	(1,672)	134,979	(2,721)	(6,786)	313,523
Information on investments:							
Number of shares/quotas (v)	496,715,989	26,662,567	-	287,468,603	-	13,336,692,912	-
Equity interest - %	100	99,99	-	100	-	99,99	-
Changes in investments:							
Total investment at December 31, 2015	1,017,453	47,619	54,009	907,486	18,623	228,699	2,273,889
Capital increase in subsidiaries (i)	-	-	990	-	3,205	34,741	38,936
Capital reserve – share option plan	3,129	-	-	3,824	-	-	6,953
Profit distribution	-	-	-	(150,285)	-	-	(150,285)
Prepaid dividends	(154,688)	-	-	(130,426)	-	-	(285,114)
Transfer of customer relationships due to merger, net of tax credit	-	-	(5,515)	-	-	5,515	-
Transfer of goodwill due to merger	-	-	(29,386)	-	(12,966)	42,352	-
Capital increase with net assets merged	-	-	(18,077)	-	(6,102)	24,179	-
Other amounts	-	-	(37)	-	(39)	76	-
Equity in results of investees	173,151	3,351	(1,984)	122,921	(2,721)	(10,783)	283,935
Equity in results of investees from investments in subsidiaries	185,769	3,954	(1,672)	134,979	(2,721)	(6,786)	313,523
Amortization of intangible assets (iv)	(19,118)	(914)	(473)	(18,271)	-	(6,056)	(44,832)
Deferred income tax and social contribution on amortization of intangible assets	6,500	311	161	6,213	-	2,059	15,244
Total investment at June 30, 2016	1,039,045	50,970	-	753,520	-	324,779	2,168,314

i) Includes advances for future capital increase of R$ 3,205 referring to Medlink Conectividade em Saúde Ltda., R$ 990 referring to Qualicorp Consultoria em Saúde Ltda., R$ 23,541 referring to Connectmed-CRC, and R$ 11,200 referring to Gama Saúde Ltda. in 2016.

ii) The equity of the subsidiaries Qualicorp Benefícios and Qualicorp Corretora, presented herein, considers the effects of the consolidation of their investments in subsidiaries. For Gama Saúde and Connectmed-CRC, the equity amounts are R$ 50,710 and R$ 93,666, respectively.

iii) For Gama Saúde and Connectmed-CRC, the share capital amounts are R$ 67,298 and R$ 66,069, respectively.

iv) Refers to the amortization of intangible assets related to customer relationships, trademarks, non-compete agreements and software for the period.

v) For Gama Saúde and Connectmed-CRC, they refer to 6,729,833,580 and 6,606,859,332 quotas, respectively.

14. Property and equipment

Property and equipment are as follows:

	Consolidated
At December 31, 2015	70,271
Additions:	
Leasehold improvements	8,212
Furniture and fittings	641
Data processing equipment	3,065
Machinery and equipment	380
Telephone and communications equipment	84
Sound and image equipment	58
Facilities	4
Vehicles	191
Total additions	12,635
Depreciation	(6,332)
At June 30, 2016	76,574

15. Intangible assets

Consolidated	Annual amortization rate - %	6/30/2016 Adjusted cost	6/30/2016 Accumulated amortization	6/30/2016 Total	12/31/2015 Adjusted cost	12/31/2015 Accumulated amortization	12/31/2015 Total
Goodwill arising from acquisition of investments based on expected future profitability:							
Qualicorp Administradora de Benefícios S.A. (i)	-	446,895	-	446,895	446,895	-	446,895
Qualicorp Corretora de Seguros S.A. (i)	-	427,098	-	427,098	427,098	-	427,098
Aliança Adminstradora de Benefícios de Saúde S.A (ii)	–	249,420	-	249,420	249,420	-	249,420
Padrão Group	-	184,675	-	184,675	184,675	-	184,675
Connectmed-CRC and Gama Saúde (iii)	-	107,881	-	107,881	107,881	-	107,881
Salutar merged	-	52,004	-	52,004	52,004	-	52,004
GA Consultoria, Administração e Serviços S.A (ii)	–	44,075	-	44,075	44,075	-	44,075
Qualicorp Consultoria em Saúde Ltda.(i)	-	29,386	-	29,386	29,386	-	29,386
Athon, Brüder SP and Brüder RJ	-	27,251	-	27,251	27,251	-	27,251
Qualicorp Administração e Serviços Ltda. (i)	-	21,388	-	21,388	21,388	-	21,388
PraxiSolutions Consultoria de Negócios e Corretora de Seguros Ltda. merged by subsidiary	-	21,184	-	21,184	21,184	-	21,184
Medlink Conectividade em Saúde Ltda.	-	12,966	-	12,966	12,966	-	12,966
Total goodwill	**-**	**1,624,223**	**-**	**1,624,223**	**1,624,223**	**-**	**1,624,223**
Acquisition of assignment of rights – Affinity segment (iv)	20	316,188	(252,317)	63,871	316,188	(230,623)	85,565
Software in use (v)	20	237,149	(108,440)	128,709	220,237	(91,072)	129,165
Exclusive rights (vii)	10 to 25	182,019	(105,607)	76,412	176,993	(95,108)	81,885
Software under development (vi)	-	97,811	-	97,811	82,018	-	82,018
Trademarks and patents	-	7	-	7	7	-	7
Fair value of intangible assets – customer relationships paid on acquisition investments:							
Qualicorp Administradora de Benefícios S.A. (i)	10	382,374	(223,051)	159,323	382,374	(203,933)	178,441
Qualicorp Corretora de Seguros S.A. (i)	10	365,418	(213,160)	152,258	365,418	(194,889)	170,529
Salutar	10	53,316	(34,655)	18,661	53,316	(31,990)	21,326
Aliança Adminstradora de Benefícios de Saúde S.A. (ii)	20	33,598	(26,318)	7,280	33,598	(22,959)	10,639
Qualicorp Consultoria em Saúde Ltda. (i)	10	18,919	(11,036)	7,883	18,919	(10,090)	8,829
Qualicorp Administração e Serviços Ltda. (i)	10	18,291	(10,669)	7,622	18,291	(9,755)	8,536
Padrão Group	20	13,393	(10,714)	2,679	13,393	(9,375)	4,018
Athon, Bruder SP and Bruder RJ	10	7,775	(6,003)	1,773	7,775	(5,700)	2,075
Connectmed-CRC (iii)	20	10,134	(3,885)	6,249	10,134	(2,871)	7,263
GA Consultoria, Adminstração e Serviços S.A. (ii)	20	5,929	(4,644)	1,285	5,929	(4,052)	1,877
Fair value of other intangible assets Connectimed-CRC:							
Non-competition (iii)	20	39,428	(15,114)	24,314	39,428	(11,171)	28,257
Software (iii)	10	7,758	(1,487)	6,271	7,758	(1,099)	6,659
Trademark (iii)	25	1,911	(916)	995	1,911	(677)	1,234
Total other intangible assets		**1,791,419**	**(1,028,018)**	**763,401**	**1,753,687**	**(925,364)**	**828,323**
Total		**3,415,642**	**(1,028,018)**	**2,387,624**	**3,377,910**	**(925,364)**	**2,452,546**

i) Amounts relating to corporate restructuring on March 31, 2011. For further details, see Notes 1.c) and 15 to the 2012 financial statements disclosed on March 27, 2013.

ii) Amounts relating to the acquisition of Aliança and GA on August 8, 2012. For further details, see Note 8.1 to the 2014 financial statements disclosed on March 26, 2015.

iii) Amounts relating to the acquisition of CRC and Gama on August 13, 2014. For further details, see Note 8.2 to the 2015 financial statements disclosed on March 29, 2016.

iv) Assignment of Rights and Obligations and Commercial Reciprocity Agreements entered into up to 2015.

v) Refers to costs incurred to acquire software licenses and software already placed into operation.

vi) Represents mainly costs related to the development of a new operating system acquired from third parties. In 2016, with the completion and start of use of several modules, the amount of R$ 17,444 (R$ 51,489 in 2015) was transferred to “software in use”.

vii) Exclusivity rights realized in 2016.

Associação Paulista de Medicina

On January 15, 2016, the agreement between the subsidiary Qualicorp Benefícios and Associação Paulista de Medicina was renewed, extending the exclusivity in the rendering of services of assignor or contracting party in healthcare and dental care agreements with the participation of any healthcare plan operator.

The agreement entered into by the parties amounts to R$ 4,500 and the payments are made bimonthly, in the amount of R$ 187. The value of the agreement is being amortized over the period of four years, which coincides with the duration of the agreement.

Unimed Fortaleza

On June 6, 2016, an agreement was signed between the subsidiary GA Corretora de Seguros and Unimed Fortaleza for GA Corretora to enjoy exclusivity in the sale of collective healthcare corporate plans and collective membership contracts. The agreement signed by the parties amounts to R$ 526 and the value of the agreement is being amortized over the period of two years, which coincides with the duration of the agreement.

Changes in intangible assets are as follows:

	Consolidated
At December 31, 2015	2,452,546
Additions:	
Software under development	33,365
Exclusivity rights	5,026
Software	1,710
Total additions	40,101
Amortization	(104,712)
Write-off due to impairment (i)	(311)
At June 30, 2016	2,387,624

(i) During the current year the Company detected the need for assessing software under development and software in use. The impairment test for these assets revealed the need to recognize an impairment loss of R$ 311.

16. Debentures

Quantity/Type

Issuer	Debentures	Quantity	Unit face value	Effective term	Interest rate
Qualicorp Administradora de Benefícios S.A.	1st issue	56	1,000	10/25/2010 to 8/25/2018	100% of the CDI + spread of 1.60% p.a.
Qualicorp Administradora de Benefícios S.A.	2nd issue	165	1,000	10/25/2010 to 8/25/2018	100% of the CDI + spread of 1.60% p.a.
Qualicorp Corretora de Seguros S.A.	1st issue	36	1,000	10/25/2010 to 8/25/2018	100% of the CDI + spread of 1.60% p.a.
Qualicorp Corretora de Seguros S.A.	2nd issue	143	1,000	10/25/2010 to 8/25/2018	100% of the CDI + spread of 1.60% p.a.
Qualicorp Corretora de Seguros S.A. (i)	3rd issue	31,100	10	12/15/2015 to 1/16/2017	100% of the CDI + spread of 1.35% p.a.

(i) On December 15, 2015, the direct subsidiary Qualicorp Corretora entered into an indenture agreement for the 3rd placement of simple, non-convertible debentures in an unsecured, single series, with an additional real guarantee. The placement of the debentures was approved at the Extraordinary General Meeting held on that same date.

The issue has the following characteristics:

The debenture indenture was entered into on December 15, 2015, and the unit face value of the debentures was R$ 10,000, with the issue of 31,100 debentures, totaling R$ 311,000.

Duration and maturity: 13 months, falling due on January 16, 2017.

Amortization: The face value of the debentures will not be amortized, and will be paid in full on the maturity date of the debentures.

Schedule of maturities and breakdown of the debt:

	Parent company		Consolidated		
	6/30/2016	12/31/2015	6/30/2016	12/31/2015	Maturity
Debentures – single payment	-	-	311,000	-	January 16, 2017
Interest payable	-	12,205	22,202	23,881	
Cost of financial intermediation on issue/placement to defer on the maturity date	-	(390)	(1,151)	(988)	
Current	-	11,815	332,051	22,893	
Cost of financial intermediation on issue/placement to defer to the maturity date	-	(33)	(697)	(1,028)	
Debentures – single payment	-	300,000	220,000	611,000	January 16, 2017
Proceeds receivable (i)	-	-	-	(311,000)	January 19, 2016
Debentures – 4th installment	-	-	-	100,000	August 25, 2017
Debentures – 5th installment	-	-	-	120,000	August 25, 2018
Non-current	-	299,967	219,303	518,972	
Total	-	311,782	551,354	541,865	

(i) At the Company´s option, the 1st placement of debentures was early redeemed, amounting to R$ 314,378, thus settling the obligation on that date. The proceeds from the 3rd issue of debentures of Qualicorp Corretora were used for this early redemption.

No other terms regarding debentures (parent company and consolidated) changed significantly from that disclosed in Note 18 to the financial statements at December 31, 2015.

Changes in debentures

	Parent company	Consolidated
At the beginning of the period	311,782	541,865
Cost of funding	-	(1,151)
Allocation of expenses (cost of funding)	423	1,320
Payment of interest	(12,205)	(43,236)
Revenue from debentures	-	1,999
Allocation of interest (Note 28)	-	39,557
Prepayment	(300,000)	(300,000)
Proceeds from new debentures	-	311,000
At the end of the period	-	551.354

17. Taxes and contributions payable

Consist of the following:

	Parent company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Social Contribution on Revenues (COFINS)	2	4,461	8,854	11,367
Corporate Income Tax (IRPJ)	-	-	7,780	881
Withholding Income Tax (IRRF)	1,461	265	4,791	5,190
National Institute of Social Security (INSS)	-	90	4,559	4,715
Social Contribution on Net Income (CSLL)	-	-	3,309	540
Service Tax (ISS)		-	2,864	5,705
Social Integration Program (PIS)	3	997	2,356	2,987
Government Severance Indemnity Fund for Employees (FGTS)	19	29	1,147	1,310
Federal and municipal taxes payable in installments (*)		-	996	1,352
Mandatory and voluntary union dues	-	-	14	13
Total	1,485	5,842	36,670	34,060
Non-current:				
Federal and municipal taxes payable in installments	-	-	6,815	6,998
Total	1,485	5,842	43,485	41,058

(*) The Company applied to the government for a tax installment payment plan for federal taxes (PIS, COFINS, IRRF, INSS, IRPJ and CSLL) for the subsidiary Medlink, which refinanced all federal tax debts owed on November 30, 2008. The confirmation of acceptance of the Company's application was issued by the government on November 16, 2009. The Company also applied for a tax installment payment plan for ISS with the São Paulo and Rio de Janeiro municipal authorities, which refinanced these municipal tax debts, as approved in November 2010 and May 2011, for 60 months, to be adjusted monthly based on the Amplified Consumer Price Index (IPCA). The subsidiary Connectmed-CRC applied for a tax installment payment plan for federal taxes (PIS/PASEP, COFINS, IRPJ and CSLL), and refinanced all federal tax debts owed for the period from 2006 to October 2008. They were properly consolidated by the Brazilian Federal Revenue Service (RFB) in July 2011.

18. Premiums to be transferred

Premiums to be transferred are as follows:

	Consolidated	
	6/30/2016	12/31/2015
Premiums to be transferred – with risk of default (i)	134,324	110,015
Total premiums to be transferred	134,324	110,015

i) Refers to healthcare insurance invoices to be paid to the insurance/healthcare companies on the maturity date of the invoices, regardless of whether the beneficiaries have paid their invoices. The payments were made up to July 31, 2016 for amounts at June 30, 2016 and up to January 31, 2016 for amounts at December 31, 2015.

19. Payroll and related charges

Consist of the following:

	Parent company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Provision for profit sharing program (i)	1,881	4,626	17,640	37,890
Provision for vacation pay and related charges	407	676	18,898	19,145
Salaries payable	105	105	4,641	5,156
Provision for 13th month salary and related charges	165	-	5,832	-
Other	-	-	989	437
	2,558	5,407	48,000	62,628

(i) Refers to a provision for the payment of a share of the Company's profits based on the Company's policies. The balance relating to 2015 was paid up to April 2016. The amount for fiscal year 2016 will be paid up to April 30, 2017.

20. Transferable prepayments

	Consolidated	
	6/30/2016	12/31/2015
Insurance premiums and collection processing agreements (i)	52,847	67,838
Prepaid management fees (ii)	3,343	4,012
Prepaid financial transfers (iii)	948	1,024
Total	57,138	72,874

i) Refers to prepayments related to collections from the beneficiaries of healthcare plans and insurance agreements. The amounts collected are transferred to healthcare operators and insurers upon maturity of the related invoices. The amounts were basically transferred to the healthcare operators and insurers by July 31, 2016 for amounts due at June 30, 2016 and January 31, 2016 for amounts at December 31, 2015.

ii) Refers to management fees received in advance from beneficiaries and recognized as revenue in the month to which the fees relate.

iii) Refers to financial transfers due to trade associations. The amounts received in advance are transferred on maturity as established by the agreements, when applicable. The amounts were substantially transferred to the trade associations through July 31, 2016 for amounts at June 30, 2016 and January 31, 2016 for the amounts at December 31, 2015.

21. Other payables

Other payables are as follows:

	Parent company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Current:				
Healthcare services payable (v)	-	-	70,539	20,040
Amounts to identify – operators/insurers (i)	-	-	15,146	21,508
Purchases of intangible assets payable	-	-	11,170	16,235
Sundry suppliers	-	36	9,488	5,375
Non-competition agreement payable (ii)	6,877	5,968	6,877	5,969
Commissions payable (iv)	-	-	5,800	5,681
Rental payable	70	1,364	5,380	1,554
Demapo (iii)	-	-	3,074	3,766
Other	87	1,358	12,004	16,198
Total current	7,034	8,726	139,478	96,326
Non-current:				
Non-competition agreement payable (ii)	9,775	9,775	9,775	9,775
Purchases of intangible assets payable	-	-	3,375	-
Total non-current	9,775	9,775	13,150	9,775
Total	16,809	18,501	152,628	106,101

i) Refers mainly to timing differences between the listing of beneficiaries in the Company's system/internal control and the detailed listing of beneficiaries included in the paid and/or payable bills of healthcare and dental plan operators/insurers, which are regularized in subsequent periods, after changes sent by the Company are processed.

ii) For the balances at June 30, 2016, R$ 6,877 in current liabilities and R$ 9,775 in non-current liabilities refer to the acquisition of Gama Saúde and Connectmed-CRC. The following table shows the breakdown of the balance:

Opening balance – non-competition agreement payable (*)	32,645
Non-competition agreement paid – 1st installment paid	(6,529)
Non-competition agreement paid – 2nd installment paid	(6,529)
Residual balance payable	19,587
(-) Non-competition agreement – present value adjustment	(2,925)
Liability balance at June 30, 2016	16,662

(*) The amount of this obligation at present value at the acquisition date was R$ 25,427, based on the final business valuation report and the purchase price allocation (PPA) study. See Note 8.2 to the 2015 financial statements.

iii) Refers to the balances of the subsidiary Gama Saúde relating to dismissed and retired employees who opted for the continuity of the healthcare plan, assuming the payment of the monthly fee. Normative Resolution 279 guarantees dismissed and retired employees the right to continuation of the corporate healthcare plan, with the same coverage they enjoyed during the employment contract.

iv) At December 31, 2015 and June 30, 2016, refers mainly to the balance payable to outside brokers for sales made and already received from beneficiaries.

v) Refers basically to amounts payable to service providers from the credentialed network of direct subsidiary Gama Saúde for the provision of medical and hospital services for other operators/self-managed entities (“network rental”).

22. Provisions for contingencies

The Company and its subsidiaries are exposed to tax, labor, social security and civil contingencies arising in the ordinary course of business for which provisions were recorded, based on the opinion of their in-house and outside legal counsel and management’s

estimates, as shown in the table below.

Additionally, as from April 1, 2016, the subsidiary Gama established a new healthcare plan called Gama Saúde GSP, in which only certain Qualicorp Group employees are participating and are therefore the exclusive beneficiaries of this new plan. Based on the historical claims ratio of prior plans and on actuarial data, a provision has been recognized for this plan to cover future claims costs of such employees. This provision will be adjusted as the actual claims costs of this plan are determined. The effective expense is recorded in the benefits account, in personnel costs. The following provisions for probable losses have been recorded:

	Consolidated	
	6/30/2016	12/31/2015
Civil (i)	28,732	26,318
Labor and social security (ii)	12,589	12,385
Tax (iii)	7,064	23,233
Provision for claims - Gama GSP	2,879	-
Total	51,264	61,936

Description of the main lawsuits and/or contingencies:

i) The Company and its subsidiaries are defendants in ongoing civil lawsuits, where R$ 28,732 (R$ 26,318 in 2015) is assessed as probable losses, for which a provision for contingencies was recognized, and R$ 91,120 (R$ 68,064 in 2015) is assessed as possible losses, for which no provisions were recognized. The main lawsuits address the following matters: (i) coverage requirements for medical procedures not included in the collective healthcare membership contract or in the list of procedures of the ANS, responsibility for which is solely and exclusively incumbent upon healthcare plan operators, pursuant to the prevailing legislation; (ii) questioning the application of an increase in the healthcare plan's price as a result of the individual's age; (iii) requests for the reactivation of healthcare plans canceled due to the non-payment of monthly fees are being discussed at the administrative and/or judicial levels; and (iv) civil action to collect commissions provided for in the underlying commercial agreements.

ii) Refers mainly to provisions recognized for tax matters that may be taken to a law court, for which there are no lawsuits or other actions filed, totaling R$ 7,064 (R$ 23,233 in 2015). For contingencies involving risks of loss classified as possible, amounting to R$ 12,968 (R$ 28,309 in 2015), no provisions for possible losses have been recognized.

iii) The Company and its subsidiaries are defendants in labor and social security proceedings under discussion at the administrative and/or judicial levels, involving mainly: (i) the payment of the variations in the percentage of commissions paid to internal consultants; and (ii) the additional payment for the double role exercised by call center operators who provided services to the Company and its subsidiaries and who were dismissed when these services were outsourced. The provisions for contingencies recorded for probable losses arising from said labor lawsuits totaled R$ 7,460 (R$ 6,061 in 2015). Provisions were also recognized to cover contingences arising from the procedures adopted by the Company, for which there are no lawsuits or other proceedings filed, totaling R$ 5,129 (R$ 6,324 in 2015).

For contingencies involving risks of loss classified as possible, totaling R$ 35,170 (R$ 37,778 in 2015), no provision was recognized.

The table below presents the changes in such provisions for the six-month period:

	12/31/2015	Additions	Reversals	Write-offs	Changes in provisions for reimbursable contingencies	6/30/2016
Civil (i)	26,318	8,855	(7,140)		699	28,732
Labor and social security	12,385	1,842	(1,141)		(497)	12,589
Tax (ii)	23,233	292	(397)	(14,380)	(1,684)	7,064
Provision for claims - Gama GSP	-	2,879	-	-	-	2,879
Total	61,936	13,868	(8,678)	(14,380)	(1,482)	51,264

(i) Additions refer basically to changes in the likelihood of loss on lawsuits from possible to probable due to changes in estimates and the increase in administrative contingencies.

(ii) On March 4, 2016, Qualicorp Corretora withdrew its lawsuit that discussed the increase in COFINS for the entities similar to financial entities (change from 3% to 4%), settling payment for the period from November 2013 to February 2016 at March 28, 2016. Therefore, this contingency was reversed.

23. Equity

Share capital

At June 30, 2016 and December 31, 2015, capital was R$ 1,605,453, represented by 274,325,088 registered common shares with no par value.

According to the Company's bylaws, the Company is authorized to increase its share capital, irrespective of any amendment to its bylaws, subject to the approval from and the conditions for issue to be determined by the Board of Directors, up to the limit of 350,000,000 new common shares.

The interest held by stockholders in the Company's capital is as follows:

	Common shares	
Stockholders	6/30/2016	12/31/2015
José Seripieri Filho	403,401	403,401
L2 Participações Fundo de Investimento	55,563,286	55,563,286
Market (i)	215,096,937	216,043,137
Treasury shares (ii)	3,261,463	2,315,263
Other stockholders	1	1
Total	274,325,088	274,325,088

(i) Refers to shares traded on the Stock Exchange (BM&FBOVESPA).

(ii) The Company's shares acquired under the Share Repurchase Program have the objective of creating value for stockholders, and may be subsequently canceled, sold and/or used in settlement of the exercise of share options granted by the Company.

The balance of the Company's treasury shares is as follows:

	Treasury shares	
	Quantity	Amount
At December 31, 2015	2,315,263	47,221
Purchase of shares in the period	946,200	12,182
June 30, 2016	3,261,463	59,403

Share price				
Minimum	Maximum	Weighted average	Last quotation (6/30/2016)	Market value at 6/30/2016
18	18.82	18.21	18.61	60,696

Distribution of dividends to stockholders

Pursuant to the Company's bylaws, the mandatory minimum dividend is 25% of the profit for the year, adjusted as prescribed by the Brazilian Corporate Law.

At the Annual General Meeting held on April 30, 2016, the stockholders approved the distribution of total profits, with R$ 53,942 of mandatory minimum dividends after the transfer to the legal reserve, and R$ 161,827 of proposed additional dividend, totaling R$ 215,769 of total profits for 2015, which were paid on May 24, 2016.

The indirect subsidiaries Aliança and GA Corretora distributed dividends of R$ 6,617 to their non-controlling stockholders and of R$ 19,851 to controlling stockholders. The dividends were distributed to stockholders according to the proportion of shares that they own, i.e. 25% to minority stockholders and 75% to majority stockholders.

24. Share option plan

Qualicorp Group offers a share option plan for managers, employees and service providers. The Plan is managed by the Board of Directors, which has the power to take the required actions for its maintenance, according to the approved guidelines.

In the first half of 2016, expenses associated with the granting of share options by the Company and/or its subsidiaries were recognized in the total amount of R$ 6,953 (R$ 21,652 in 2015). In 2015, the estimated calculation of the share option plan was revised, including in the assumptions the history and planning of the distribution of dividends of the Company. Up to June 30, 2016, the change in the share options granted during the period is as follows:

Grant date	Weighted average exercise price	Estimated weighted average volatility of share price	Expected dividend yield	Fair value at grant date	Risk-free rate of return	Abandonment rate	Expiry date	Quantity of options	Exercised	Canceled	Balance
3/3/2011	7.21	42.91%	0.03%	4.12	11.89%	0%	3/3/2016	3,848,182	(3,028,993)	(819,189)	-
5/31/2011	9.52	43.67%	0.03%	3.84	11.67%	0%	5/31/2016	33,475	-	(33,475)	-
4/30/2012	16.58	39.54%	0.00%	4.91	3.07%	5%	4/30/2017	1,352,663	(1,033,474)	(319,189)	-
10/22/2012	19.20	37.67%	0.00%	4.37	2.34%	35.67%	10/22/2017	142,857	(142, 857)	-	-
10/30/2012	2.80	37.55%	0.00%	16.87	3.12%	0%	10/22/2017	1,172,543	(1,172,543)	-	-
11/16/2012	21.30	36.99%	0.00%	4.40	2.34%	35.67%	11/16/2017	350,000	(87,500)	(262,500)	-
10/31/2013	16.79	33.71%	2.37%	8.63	4.51%	23.70%	10/31/2017	10,333,000	(2,187,500)	(2,975,000)	5,170,500
2/18/2014	16.79	32.81%	0.00%	7.65	5.27%	23.70%	2/18/2017	200,000	(50,000)	(150,000)	-
3/7/2014	18.41	32.64%	2.37%	7.83	5.19%	23.70%	3/31/2018	1,650,000	(662,500)	(987,500)	-
6/13/2014	20.00	33.00%	2.37%	9.72	5.17%	23.70%	6/13/2018	6,680,000	-	-	6,680,000
8/12/2014	26.39	32.70%	2.37%	8.80	5.07%	23.70%	8/12/2018	650,000	-	(300,000)	350,000
11/4/2014	25.80	32. 01%	2.37%	8.23	5.45%	23.70%	11/4/2018	4,000,000	-	(1,000,000)	3,000,000
12/16/2015	15.95	33.32%	2.37%	3.55	7.05%	23.70%	12/16/2019	750,000	-	(100,000)	650,000
Total	20.28							31,162,720	(8,365,367)	(6,946,853)	15,850,500

The weighted average contractual vesting period is 697 days. The other information relating to the share option plan did not change significantly in relation to that disclosed in Note 28 to the financial statements at December 31, 2015.

25. Cost of services

Consist of the following:

	Consolidated	
	Six-month period ended 6/30/2016	Six-month period ended 6/30/2015
Financial transfers from membership contracts (i)	85,531	74,850
Personnel costs and management compensation (ii)	79,306	71,698
Outsourced services (iii)	45,993	38,329
Office expenses	7,031	7,645
Mailing expenditure	3,910	3,471
Other costs of services	16,216	16,622
Total	237,987	212,615

	Consolidated	
	Quarter ended 6/30/2016	Quarter ended 6/30/2015
Financial transfers from membership contracts (i)	43,229	37,353
Personnel costs and management compensation (ii)	42,295	37,181
Outsourced services (iii)	24,092	20,252
Office expenses	3,371	4,394
Mailing expenditure	1,919	1,703
Other costs of services	8,741	7,758
Total	123,647	108,641

(i) Refers to financial transfer costs incurred on the special agreements entered into with professional organizations for the stipulation and sale of collective membership plans. The increase in such costs compared to the same period of 2015 was mainly due to the annual adjustment to the collective membership plans in July 2015 and subsequent adjustments to the financial transfers.

(ii) The increase in this cost compared to the same period in 2015 was primarily due to the increase in CRC Gama expenditure due to new hires to implement and expand new customers in this segment.

(iii) The increase in this cost compared to the same period in 2015 was mainly due to an increase in expenditure related to IT and technology to support new technologies, mainly in the Memberships segment, increase in expenses of the call center dedicated to retaining customers, and the adjustment of the back-office costs for the Clube de Saúde segment.

26. Administrative expenses

Consist of the following:

	Parent company		Consolidated	
	Six-month period ended 6/30/2016	Six-month period ended 6/30/2015	Six-month period ended 6/30/2016	Six-month period ended 6/30/2015
Depreciation and amortization	-	-	111,044	109,388
Personnel costs and management compensation (i)	8,019	9,838	57,603	70,625
Outsourced services (ii)	561	2,502	34,792	33,390
Office expenses	829	1,816	9,100	6,848
Other administrative expenses	1,364	847	23,981	16,151
Total	10,773	15,003	236,520	236,402

	Parent company		Consolidated	
	Quarter ended 6/30/2016	Quarter ended 6/30/2015	Quarter ended 6/30/2016	Quarter ended 6/30/2015
Depreciation and amortization	-	-	54,949	57,125
Personnel costs and management compensation (i)	4,097	5,101	27,732	37,771
Outsourced services	299	1,346	19,829	15,727
Office expenses	796	-	5,005	3,337
Other administrative expenses (ii)	567	422	13,660	9,109
Total	5,759	6,869	121,175	123,069

(i) The decrease in personnel costs is mainly due to the termination of employees and the decrease in the provision for the share option plan.

(ii) Increase due to expenses related to lawsuits and settlement agreements.

27. Selling expenses

Consist of the following:

	Consolidated	
	Six-month period ended 6/30/2016	Six-month period ended 6/30/2015
Third-party commissions (i)	69,067	50,579
Personnel costs and management compensation	35,072	32,905
Sales campaigns (ii)	31,467	16,493
Advertising and publicity	10,842	17,208
Outsourced services	7,105	5,773
Other selling expenses	14,756	18,021
Total	168,309	140,979

	Consolidated	
	Quarter ended 6/30/2016	Quarter ended 6/30/2015
Third-party commissions (i)	37,924	25,367
Personnel costs and management compensation	17,539	17,345
Sales campaigns (ii)	15,595	8,190
Advertising and publicity	5,430	9,394
Outsourced services	3,454	2,927
Other selling expenses	7,784	9,317
Total	87,726	72,540

(i) The increase in third-party commissions is mainly due to the higher volume of sales in the first half of 2016 compared to the same period of 2015.

(ii) The increase in sales campaign expenses was mainly due to the increased volume of sales, external campaigns with Operators and the "De Bem com a vida" (Dealing well with life) Campaign, as compared to the same period of the prior year.

28. Finance income (costs)

Consist of the following:

	Parent company		Consolidated	
	Six-month period ended 6/30/2016	Six-month period ended 6/30/2015	Six-month period ended 6/30/2016	Six-month period ended 6/30/2015
Finance income:				
Interest income on financial investments	229	1,116	33,706	37,970
Interest and fine on late payment of healthcare plan and insurance contracts managed by the Company, arising from contracts with risk of default (i)	-	-	26,512	22,906
Other income	41	868	5,173	5,795
Total finance income	270	1,984	65,391	66,671
Finance costs:				
Inflation-indexation and accruals adjustment of debentures (Note 16)	(2,173)	(19,531)	(39,557)	(34,315)
Inflation-indexation and accruals adjustment of payables for the acquisition of the stake in subsidiaries	(908)	(2,110)	(15,349)	(14,700)
Collection fee	-	-	(11,887)	(12,737)
Discounts granted	-	-	(5,500)	(4,600)
Tax on Financial Transactions (IOF) (ii)	(1,695)	-	(5,432)	-
Interest and penalties on taxes	(2)	-	(2,224)	-
Other finance costs	(539)	(526)	(3,685)	(3,776)
Finance charge on loans	(10,174)	-	-	-
Total finance costs	(15,491)	(22,167)	(83,634)	(70,128)
Finance result	(15,221)	(20,183)	(18,243)	(3,457)

	Parent company		Consolidated	
	Quarter ended 6/30/2016	Quarter ended 6/30/2015	Quarter ended 6/30/2016	Quarter ended 6/30/2015
Finance income:				
Interest income on financial investments	6	133	17,889	20,772
Interest and penalties on late payment of healthcare plan and insurance contracts managed by the Company, arising from contracts with risk of default (i)	-	-	13,689	11,539
Other income	11	88	1,866	2,016
Total finance income	17	221	33,444	34,327
Finance costs:				
Inflation-indexation and accruals adjustment of debentures (Note 16)	-	(10,026)	(19,982)	(17,648)
Inflation-indexation and accruals adjustment of payables for the acquisition of the stake in subsidiaries	(551)	(2,110)	(7,895)	(8,513)
Collection fee	-		(6,047)	(6,697)
Tax on Financial Transactions (IOF)	(16)	-	(3,068)	-
Discounts granted	-		(2,391)	(2,293)
Finance charge on loans	(5,484)		-	-
Other finance costs	(86)	(224)	(1,966)	(1,960)
Total finance costs	(6,137)	(12,360)	(41,349)	(37,111)
Finance result	(6,120)	(12,139)	(7,905)	(2,784)

i) Refers to the interest and penalties received by the subsidiaries Qualicorp Administração e Serviços and Qualicorp Benefícios on the management and stipulation of collective membership benefits and complementary products. These amounts are received from the beneficiaries who pay their invoices after the original due date.

ii) The parent company and consolidated amount of IOF refers to the loan agreement entered into between the Company and Qualicorp Corretora.

29. Other income (expenses), net

Consist of the following:

	Consolidated			
	Quarter ended 6/30/2016	Quarter ended 6/30/2015	Six-month period ended 6/30/2016	Six-month period ended 6/30/2015
Impairment (*)	7,349	(4,331)	6,094	(4,331)
Gain on sale of Potencial	-	45,670	-	45,670
Operating (losses) income	(1,098)	(258)	3,177	(1,561)
Other (expenses) income, net	(77)	4,285	(2,453)	4,222
(Recognition) reversal of expenses related to provisions for tax, civil and labor contingencies	(1,229)	(528)	(612)	(2,616)
Total	4,945	44,838	6,206	41,384

(*) For 2016, R$ 6,405 refers mainly to the reversal of the impairment of tax credit and the impairment of software (R$ 311). For 2015 the Company detected the need to recognize impairment losses on the Newport portfolio in the amount of R$ 4,331.

30. Income tax and social contribution

Income tax and social contribution expense is as follows:

	Parent company		Consolidated	
	Six-month period ended 6/30/2016	Six-month period ended 6/30/2015	Six-month period ended 6/30/2016	Six-month period ended 6/30/2015
Profit before income tax (IRPJ) and social contribution (CSLL)	258,174	124,104	217,829	216,737
Equity in the results of subsidiaries	(283,935)	(113,626)	-	-
Subtotal	(25,761)	10,478	217,829	216,737
Statutory rate of IRPJ and CSLL	34%	34%	34%	34%
Expected income tax and social contribution expense at the statutory rate	8,759	(3,563)	(74,062)	(73,692)
Tax losses without recognition of tax credits (*)	(7,756)	(10,831)	(14,581)	(16,235)
Non-deductible expenses – other	-	(1,174)	(2,706)	(1,927)
Losses on uncollectible receivables	-	-	(2,138)	(2,768)
Share options granted	-	-	-	(7,362)
Tax incentive	-	-	817	258
(Recognition) /reversal of temporary additions without recognition of tax credits, net	1,004	170	2,195	1,112
Result of companies that are taxed under the presumed profit system	-	-	3,120	(2,749)
Amortization of goodwill (**)	-	-	138,083	-
Other	-	-	(617)	2,101
Total income tax and social contribution expense	2,007	(15,398)	50,111	(101,262)
Effective rate of IRPJ/CSLL (%)	(7.79%)	146.96%	(23.00%)	46.72%

(*) As detailed in Note 11, the Company and some of its direct and indirect subsidiaries have tax losses carryforward, for which no deferred tax credits have been recognized because to date they have not been in a position to generate taxable profits that would

allow them to recognize tax credits.

(**) As mentioned in Note 1, after the enactment of Law 12,973 (conversion of Provisional Measure 627/13), published on May 14, 2014, the Company reviewed the tax bases of certain intangible assets arising on business combinations. During the second quarter of 2016, an additional tax credit of R$ 7,678 was recorded, most of which has already been used.

31. Insurance

The Company and its subsidiaries have insurance coverage for their assets. The insurance amounts are considered sufficient by management to cover possible losses, as shown below:

Items	Type of coverage	Sum insured
Buildings, facilities, machinery, furniture and fittings	Any damage to buildings and loss of profits due to fire, facilities, machinery and equipment, civil liability in relation to operations and employer's liability.	157,960
Civil liability of directors and officers (POSI)	Responsibility for the Public Offering of Securities Insurance (POSI)	181,604
Civil liability of directors and officers (POSI) (after IPO)	Coverage of liabilities of officers and directors (D&O)	170,000
Civil liability of officers	Directors and Officers Liability Insurance (D&O) and errors and omissions (E&O)	146,392
Construction warranty	Non-structural warranty for construction - new Qualicorp head office	33,384
Insurance against administrative proceedings	Insurance covering losses in administrative proceedings filed by government authorities	2,577

32. Segment reporting

a) Description of services from which the reportable segment derives revenue

The Company, through its subsidiaries, has only one reportable segment, the Affinity segment, and operates in this segment as a benefit manager through its subsidiaries Qualicorp Benefícios, Clube de Saúde, Aliança and Qualicorp Administração e Serviços Ltda. ("Qualicorp Administração"), and through the brokerage business of the subsidiaries Qualicorp Corretora de Seguros S.A. ("Qualicorp Corretora") and GA Corretora.

The benefit management companies are responsible for managing collective membership benefits related to health and/or dental care private plans, and the main activities developed are: (a) gathering contracting legal entities; (b) contracting of a group healthcare private plan, as policyholder, to be provided to the legal entities that are entitled to contract it; (c) offering of plans to the associates of contracting legal entities; (d) technical support for the discussion of operating matters; (e) support for the human resources area in the management of plan benefits; (f) outsourcing of administrative services; (g) changes to master files; (h) checking of invoices; (i) collection of the beneficiary by delegation; and (j) market prospection consultancy, suggesting plan design and management models.

The brokerage companies are responsible for the distribution (sale) of collective membership plans, and the main activities developed are: (a) identification of the target market, which is composed of the associates of entities and/or people eligible to join the association; (b) definition of a marketing strategy and distribution model; (c) offering of group membership plans to potential clients through their own distribution channels or through networks of other accredited insurance brokerage companies.

b) Measurement of profit, assets and liabilities by operating segment

The accounting policies and practices of the Affinity segment are the same as those described in Note 3 to the 2015 financial

statements. The Company assesses the performance of the reportable segment based on the profit before interest, finance income (costs), depreciation, amortization and provisions for income tax and social contribution. The provisions for civil and labor contingencies have not been included in the profit or loss per segment. Shared administrative expenses are not allocated to the segments.

c) Factors used by management to identify the segment

The Affinity segment is the business unit that accounts for 90.73% of the Company's and its subsidiaries' net operating revenue. This unit is separately managed under the management model used by the Company's officers.

The Affinity segment uses most of the operating and financial resources of the Qualicorp Group, for example, healthcare operator/insurer master files of beneficiaries, billing and collection of benefits, write-off of receipts and payments of invoices, and amounts transferred to professional associations.

All direct revenue and expenses of segments are identified in the ERP - RM System, whose cost center structure is designed for the identification of segments and other unallocated expenses.

d) Gross and net revenue by type of service

	Consolidated	
	Six-month period ended 6/30/2016	Six-month period ended 6/30/2015
Management fee	533,093	445,915
Brokerage	296,215	288,073
Agency services	72,017	56,371
Financial transfers with contract stipulation	51,960	56,060
Benefit management consulting	23,064	21,032
Connectivity services	26,960	19,327
Provision of medical services in general	1,125	1,301
Total gross operating revenue	1,004,434	888,079
Deductions from gross operating revenue:		
Taxes on billings	(76,727)	(79,815)
Returns and cancellations	(340)	(199)
Total deductions	(77,067)	(80,014)
Net operating revenue	927,367	808,065

e) Information on profit, assets and liabilities of the reportable segment

The table below shows the breakdown of items related to the reportable segment; unallocated expenses and/or revenue are presented in item (f) below:

Consolidated	1/1/2016 to 6/30/2016			1/1/2015 to 6/30/2015		
	Affinity segment	Other segments	Total	Affinity segment	Other segments	Total
Net revenue	841,262	86,105	927,367	734,727	73,338	808,065
Cost of services	(177,140)	(60,847)	(237,987)	(158,267)	(54,348)	(212,615)
Net income (expenses)	(183,363)	(7,234)	(190,597)	(147,708)	(6,771)	(154,479)
Selling expenses	(155,190)	(7,234)	(162,424)	(129,794)	(6,771)	(136,565)
Losses on uncollectible receivables	(54,685)	-	(54,685)	(39,259)	-	(39,259)
Other operating income, net	26,512	-	26,512	21,345	-	21,345
Profit before unallocated expenses	480,759	18,024	498,783	428,752	12,219	440,971

Information on profit, assets and liabilities of segments that are not reportable (other segments) is attributable to five business units, which separately do not represent more than 10% of the Company's revenue:

- Corporate segment: all activities related to the insurance brokerage or plan intermediation, as well as advice on benefits to large corporate clients or small and medium-sized businesses (SMEs).
- Health Management segment: focus on preventive medicine and patient management activities.
- TPA segment: focuses on prior authorization activities and regulation of medical events, and management of the network of medical service providers.
- Connectivity segment: includes the activities related to the processing of medical information.
- Mass Market segment: focuses on marketing activities of all products not related to healthcare plans.

f) Reconciliation of revenue, profit, assets and liabilities

	Consolidated	
	1/1/2016 to 6/30/2016	1/1/2015 to 6/30/2015
Unallocated items:		
Administrative expenses	(236,520)	(236,402)
Gain on sale of Potencial	-	45,673
Finance result	(44,755)	(26,363)
Provisions for contingencies	(612)	(2,616)
Selling expenses	(5,885)	(4,414)
Other income (expenses), net	6,818	(112)
Total	(280,954)	(224,234)
Profit before income tax and social contribution	217,829	216,737
(-) Income tax and social contribution	50,111	(101,262)
Non-controlling interests	(7,758)	(6,769)
Profit attributable to owners of the parent	260,182	108,706

	6/30/2016	12/31/2015
Assets:		
Total of reportable segment	2,200,140	2,153,327
Other segments	268,742	277,112
Unallocated items	1,047,508	1,003,993
Total	3,516,390	3,434,432

	30/06/2016	31/12/2015
Liabilities:		
Total of reportable segment	1,194,609	1,062,205
Other segments	22,919	40,484
Unallocated items	2,298,862	2,331,743
Total	3,516,390	3,434,432

g) Geographical information of the reported segment

The Company and its subsidiaries conduct all of their activities in the domestic market and the Affinity segment presents the distribution of its revenue into the following units:

Breakdown by State (consolidated)	1/1/2016 to 6/30/2016	1/1/2015 to 6/30/2015
São Paulo	522,138	470,597
Rio de Janeiro	157,760	154,310
Federal District	75,627	55,310
Bahia	40,646	36,597
Minas Gerais	17,849	13,210
Pernambuco	26,277	18,803
Other	70,507	58,977
Total - Affinity segment	910,804	807,804
Total - other segments	93,630	80,275
Total gross operating revenue	1,004,434	888,079

Information on main customers

For the first half of 2016, the three main customers of the Affinity segment provided revenue of R$ 67,752, R$61,734 and R$ 52,862, which accounted for 7.44%, 6.78% and 5.80% of the segment's revenue and 6.75%, 6.15% and 5.26% of the consolidated revenue.

33. Expenses by nature

Breakdown of the consolidated statement of income by nature:

	Consolidated	
	Six-month period ended 6/30/2016	Six-month period ended 6/30/2015
Personnel costs and management compensation	171,981	175,227
Depreciation and amortization	111,044	109,388
Financial transfers from membership contracts	85,531	74,850
Outsourced services	87,890	77,492
Third-party commissions	69,067	50,579
Sales campaigns	31,467	16,493
Office expenses	20,446	18,000
Advertising and publicity	10,842	17,208
Other costs of services, other administrative expenses and other selling expenses	54,548	50,759
Total	642,816	589,996
As per statement of income:		
Administrative expenses	236,520	236,402
Cost of services	237,987	212,615
Selling expenses	168,309	140,979
Total	642,816	589,996

	Consolidated	
	Quarter ended 6/30/2016	Quarter ended 6/30/2015
Personnel costs and management compensation	87,565	92,297
Depreciation and amortization	54,949	57,124
Financial transfers from membership contracts	43,229	37,353
Outsourced services	47,375	38,906
Third-party commissions	37,924	25,367
Sales campaigns	15,595	8,190
Office expenses	10,721	9,582
Advertising and publicity	5,430	9,394
Other costs of services, other administrative expenses and other selling expenses	29,760	26,037
Total	332,548	304,250
As per statement of income:		
Administrative expenses	121,175	123,069
Cost of services	123,647	108,641
Selling expenses	87,726	72,540
Total	332,548	304,250

34. Commitments

At June 30, 2016, the Company has the following significant commitments:

a) Office lease agreements: the commitments already assumed are approximately R$ 8,730 for the next six months of 2016, R$ 23,270 for 2017 and R$22,463 for 2018 (unaudited).

The expenses incurred under these agreements for the period ended June 30, 2016 totaled R$ 10,314 (R$ 6,064 at June 30, 2015).

These agreements are basically represented by the following two individual agreements:

- An agreement entered into for a ten-year period beginning on August 1, 2013 and ending on July 1, 2023, providing for monthly lease payments of R$ 1,321, to be adjusted annually based on the accumulated IGP-M (General Market Price Index) variance.

- An agreement entered into for a five-year period beginning on August 1, 2015 and ending on July 1, 2020, providing for monthly lease payments of R$ 294, to be adjusted annually based on the accumulated IGP-M variance.

b) The budgeted purchases of intangible assets (software under development) are R$ 16,635 for 2016, R$ 50,000 for 2017, and R$ 50,000 for 2018 (unaudited).

c) Commitments for the provision of call center services already assumed in the amount of approximately R$ 35,987 for 2016 (unaudited).

The agreement was signed on April 1, 2014 and will be effective for five years.

The expenses incurred on such agreements for the period ended June 30, 2016 totaled R$ 8,996 (R$ 329 in 2015).

35. Earnings (loss) per share

	Parent company and Consolidated	
	1/1/2016 to 6/30/2016	1/1/2015 to 6/30/2015
Profit for the period attributable to owners of the parent	267,940	108,706
Weighted average number of common shares used to calculate basic earnings per share	270,813,625	273,853,059
Weighted average number of common shares adjusted for share options to calculate diluted earnings per share	286,664,125	290,693,284
Basic earnings per share - R$	0.98939	0.39695
Diluted earnings per share - R$	0.93468	0.37395

	Parent company and Consolidated	
	Quarter ended 6/30/2016	Quarter ended 6/30/2015
Profit for the period attributable to owners of the parent	69,674	67,230
Weighted average number of common shares used to calculate basic earnings per share	270,813,625	274,191,072
Weighted average number of common shares adjusted for share options to calculate diluted earnings per share	286,664,125	291,031,297
Basic earnings per share - R$	0.25728	0.24519
Diluted earnings per share - R$	0.24305	0.23101

36. Events after the reporting period

At the Board of Directors' meeting held on July 20, 2016, the Board passed a resolution approving an increase in the Company's share capital within the limit of the authorized capital by means of the exercise of share options granted under the Share Option Plan by beneficiaries who have informed the Company through that date of their intention to exercise their options, in the amount of R$ 27,516, with the issue of 1,920,000 new registered common shares without par value.

Upon the approval of the capital increase, the Company's share capital will be increased from R$ 1,605,454, divided into 274,325,088 registered common shares without par value, to R$ 1,632,970, divided into 276,245,088 registered common shares without par value.

37. Completion of the interim financial statements

The parent company and consolidated interim financial statements were approved by management on July 29, 2016 and consider the events that occurred after the base reporting date of June 30, 2016.

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