

Interim Consolidated Financial Statements

30 September 2014

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01. Consolidated Financial Report

HIGHLIGHTS

From August 19 to October 14, ESS was the target of several competing general and voluntary tender offers for its shares, which culminated in the acquisition of the company by Fidelidade – Companhia de Seguros S.A., owned by Fosun International Limited. The company has approved its new brand, Luz Saúde, currently under implementation process.

In the first nine months of 2014, our business continued to grow, both in the private healthcare segment and in the public healthcare segment:

- Consolidated operating revenues increased by 6.6% vis-à-vis 2013 first nine months, reaching €297.8 million (5.7% growth in the private segment and 9.0% in the public segment);
- Consolidated EBITDA grew 1.5% to €43.8 million, with an EBITDA margin of 14.7% versus 15.4% in 2013 9M, explained by structural costs increase associated with the fact that Luz Saúde is now a listed company and by non recurrent effects (extraordinary revenue in 2013 Q2; extraordinary marketing costs and costs associated with the sale of the company under the public tender process in 2014);
- Net Income attributable to shareholders was €14.2 million, representing a 57% growth versus the same period in 2013 (€9.0 million);
- Total CAPEX of €10.5 million, of which €5.0 million corresponded to maintenance CAPEX (1.7% of operating revenues);
- Luz Saúde net debt decreased €31.9 million to €178.4 million (15% reduction versus 2013 FY), reaching an annualized net debt to EBITDA ratio of 3.0x, comparing to 3.6x in 2013 EOY;
- Luz Saúde still waits for the decision from the State relatively to the payment for additional healthcare services rendered in outpatient context to HIV/AIDS patients, as it already happens in the remaining hospitals of the NHS, including the Braga and Cascais PPPs.

OVERALL PERFORMANCE

Consolidated Income Statement

(Million Euro)	2013 9M	2014 9M ¹	Var.	2013 Q3 ¹	2014 Q3 ¹	Var.
Operating revenues	279.5	297.8	6.6%	90.5	96.7	6.8%
Operating costs	(236.3)	(254.0)	7.5%	(75.4)	(81.2)	7.7%
EBITDA	43.1	43.8	1.5%	15.1	15.5	2.6%
EBITDA margin	15.4%	14.7%	-0.7 p.p.	16.7%	16.0%	-0.7 p.p.
Depreciation	(21.0)	(20.2)	-3.8%	(6.9)	(6.5)	-5.5%
EBIT	22.1	23.6	6.6%	8.2	9.0	9.3%
EBIT margin	7.9%	7.9%	0.0 p.p.	9.1%	9.3%	1.0 p.p.
Financial results	(8.2)	(5.5)	-32.6%	(2.6)	(1.7)	-33.1%
EBT	14.0	18.1	29.5%	5.7	7.3	28.5%
Taxes	(4.9)	(3.9)	-20.0%	(2.6)	(1.7)	-32.4%
Net Income	9.1	14.2	56.2%	3.1	5.5	79.2%
Non-controlling interests	0.05	(0.01)	N.A.	0.02	0.01	-63.9%
Net Income attributable to Shareholders	9.0	14.2	57.0%	3.1	5.5	80.2%
EPS (Euro)	0.102	0.151	47.3%	0.035	0.058	66.9%

¹Non audited values

In 2014 9M, Luz Saúde consolidated operating revenues increased by 6.6% vis-à-vis 2013 9M, reaching €297.8 million, driven by activity growth both on the private healthcare segment (+5.7%) and on the public healthcare segment (+9.0%).

EBITDA reached €43.8 million in 2014 9M (1.5% growth versus 2013 corresponding period) and EBITDA margin reached 14.7%, a 0.7 p.p. decrease vis-à-vis 2013 9M. This performance was driven by the increase in structural costs associated with the fact that Luz Saúde is now a listed company and by extraordinary costs of the company sale process through a public tender offer, as well as by the EBITDA margin evolution on the private healthcare segment (from 19.5% to 19.2%), mainly justified by non recurrent revenues in the second quarter of 2013 relative to a favorable decision regarding a lawsuit and by marketing costs associated to the international conference “Leaping Forward” in Hospital da Luz in 2014. Regarding Hospital Beatriz Ângelo (PPP), it evolved from a €1.3 million EBITDA in 2013 9M to €3.0 million in 2014 9M, reaching a 4.4% EBITDA margin.

Net income attributable to shareholders reached €14.2 million, representing a 57.0% growth versus the same period in 2013, driven by the operational results and by the financial results improvement, as a result of outstanding debt reduction and cost of debt improvement.

Consolidated Balance Sheet

(Million Euro)	2013 Dec	2014 Sep ¹
Fixed assets	351.2	341.5
Working capital	0.8	14.2
Shareholders' funds	141.7	177.4
Net debt	210.3	178.4
Net debt / EBITDA	3.6	3.0

¹ Non-audited values

During 2014 9M, Luz Saúde consolidated CAPEX was €10.5 million, of which €5.5 million represented expansion investment, specifically in Hospital da Luz and Hospital da Luz – Clínica de Oeiras. The remainder €5.0 million corresponded to maintenance CAPEX, distributed across the Group's facilities, representing 1.7% of consolidated operating revenues.

At the end of first nine months of 2014, Luz Saúde consolidated net debt totaled €178 million, representing a €32 million reduction from 2013 EOY, mainly driven by the capital increase made during the company's IPO (with proceeds of approximately €22.5 million) and by the operating cash flow generation from the several Group's facilities. Net debt / EBITDA reached 3.0 vis-à-vis 3.6 in 2013 EOY. In relation to 2014 end of first half net debt (€184 million), there was a decrease of €6 million, as a result of increased levels of operating cash flow generation, partially offset by working capital needs and expansion investments.

OPERATING REVENUES PERFORMANCE

Operating revenues by segment

(Million Euro)	2013 9M	2014 9M ¹	Var.	2013 Q3 ¹	2014 Q3 ¹	Var.
Consolidated operating revenues	279.5	297.8	6.6%	90.5	96.7	6.8%
Private Healthcare	214.7	226.9	5.7%	67.6	73.3	8.3%
Public Healthcare	62.8	68.5	9.0%	22.0	22.6	2.5%
Other businesses	2.5	2.8	10.8%	0.9	0.9	4.8%
Corporate center	6.4	9.1	43.1%	2.2	2.7	22.6%
Eliminations	(6.9)	(9.4)	36.8%	(2.2)	(2.8)	23.7%

¹ Non-audited values

In 2014 9M, Luz Saúde operating revenues reached €297.8 million, a growth of 6.6% compared to the same period in 2013.

The private healthcare segment operating revenues totaled €226.9 million, 5.7% above 2013 9M. This growth was mainly fueled by a generalized increase in activity (+6% in consultations, +8% in emergency visits, +7% in surgeries and deliveries and +9% in exams and treatments) across all facilities, paired with a positive effect on average revenue per service in surgeries and deliveries (+1%) and with a negative effect on the remaining areas (-1%).

The public healthcare segment (Hospital Beatriz Ângelo) operating revenues reached €68.5 million, growing 9.0% when compared with the corresponding period in 2013. This growth is justified by a significant increase in consultations activity paired with increased surgical activity, due to the continuous enhancement of the primary care referral network articulation with the Hospital and the enhancement of the public transportation network, which significantly contributed to improve the population access to the Hospital and to consolidate its position in its catchment area.

The other businesses segment (currently composed by the senior care facilities) obtained €2.8 million in operating revenues, a 10.8% growth versus 2013 9M.

Regarding Luz Saúde payer mix, the main changes during the first nine months of 2014 were: i) 0.6 p.p. increase in the weight of insurance companies on the private segment revenues, with the remaining payers maintaining or decreasing their respective share; and ii) 1.1 p.p. increase in the share of revenues from the public segment, because of the activity growth in Hospital Beatriz Ângelo (PPP).

RESULTS PERFORMANCE

Consolidated EBITDA and EBITDA margin

	2013 9M		2014 9M ¹		Var.
	€million	Margin	€million	Margin	
Consolidated results	43.1	15.4%	43.8	14.7%	1.5%
Private Healthcare	41.8	19.5%	43.7	19.2%	4.5%
Public Healthcare	1.3	2.0%	3.0	4.4%	N.A.
Other businesses	0.0	0.2%	0.1	4.8%	N.A.
Corporate center	0.1	N.A.	(3.0)	N.A.	N.A.

¹ Non-audited values

In consolidated terms, Luz Saúde's EBITDA was €43.8 million, representing a growth of 1.5% when compared with 2013 9M. The EBITDA margin decreased from 15.4% in 2013 9M to 14.7% in 2014 9M. This change was mainly due to the increase in structural costs associated with the fact that Luz Saúde is now a listed company, to the costs of the company sale process under a public tender offer and to the evolution of both private and public healthcare segments' profitability.

On the private healthcare segment, the EBITDA margin decreased from 19.5% in 2013 9M to 19.2% in 2014. This evolution was essentially due to non recurrent effects: i) €0.6 million revenue in the second quarter of 2013 relative to a favorable decision regarding a lawsuit; and ii) marketing costs associated to the international conference "Leaping Forward" in Hospital da Luz (approximately €0.4 million) in 2014.

On the public healthcare segment, EBITDA margin increased from 2.0% to 4.4%, as a result of increased levels of activity, which allowed for further dilution of fixed costs, especially personnel costs, and efficiency improvement initiatives.

Consolidated Net Income attributable to shareholders totaled €14.2 million, based on the operational results evolution and on the financial costs decrease (-33% versus 2013 9M) due to outstanding debt reduction and cost of debt improvement.

BALANCE SHEET PERFORMANCE

(Million Euro)	2013 Dec	2014 Sep ¹		2013 Dec	2014 Sep ¹
Property, Plant and Equipment	253.9	244.3	Share Capital and Premiums	136.2	157.1
Intangible assets	95.7	95.6	Reserves and Retained Earnings	5.5	20.3
Others	1.5	1.6	Shareholder funds	141.7	177.4
Fixed assets	351.2	341.5	Non-Current Bank Loans	140.6	150.7
Inventories	7.4	7.8	Current Bank Loans	66.1	22.6
Clients	84.4	116.6	Non-Current Financial Leases	27.4	21.5
Suppliers	(78.2)	(98.2)	Current Financial Leases	11.1	10.5
Others	(12.7)	(11.9)	Cash and Cash Equivalents	(34.8)	(26.8)
Working capital	0.8	14.2	Net Debt	210.3	178.4
Fixed assets + Working capital	352.0	355.8	Shareholder funds + Net debt	352.0	355.8

¹ Non-audited values

On the fixed assets side, during 2014 9M, Luz Saúde consolidated CAPEX reached €10.5 million, of which €5.5 million represented investment in capacity expansion. More specifically, Hospital da Luz started the expansion of its parking lot (doubling its current capacity), in order to improve client access to the Hospital; and Hospital da Luz – Clínica de Oeiras made the first down payment regarding the acquisition of a land plot adjacent to the Clinic facility, for the expansion project that will double the current capacity and introduce new clinical capabilities (e.g. inpatient services). The remainder €5.0 million corresponded to maintenance CAPEX, distributed across the Group's facilities, representing 1.7% of consolidated operating revenues.

With this level of investment, fixed assets reached €342 million by the end of 2014 9M, explained by the company's strategy of owning the majority of its assets, with a significant real estate portfolio, which integrates the healthcare facilities as well as the land plots where they are located.

Working capital increased to €14.8 million, mainly due to an increase in clients' receivables (from 83 days of receivables by the end of 2013 to 107 days in the end of 2014 first nine months), which is justified by two main effects: i) extraordinary payments from a few payers in the last quarter of 2013 that normalized in 2014; and ii) HBA activity levels above the amounts paid monthly by the State (90% of the contracted activity). This effect was partially offset by an increase in accounts payable (from 94 days of payables in 2013 to 108 days in 2014 9M), justified by an overall increase in payment days, in line with the contracted terms for 2014.

Shareholder funds increased approximately €36 million, due to the capital increase done in the IPO of the company (gross proceeds of €22.5 million and €1.1 million of expenses related to the IPO process, net of income tax) and to the net income generated during the first nine months of 2014.

In 2014 end of first nine months, Luz Saúde consolidated financial debt totaled €205.2 million, with €173.2 million in bank loans and €32.0 million in financial leases. Bank loans were split across short and medium-long term commercial paper programs (€138 million), medium-long term loans (€27 million) and short term facilities (€9 million), with an overall average spread over Euribor of 3.3% and an average maturity of 4 years. Net debt reached €178 million, representing a €32 million reduction from 2013 value, mainly driven by the capital increase made during the company's IPO and by the operating cash flow generation from the several Group's facilities. Net debt / EBITDA reached 3.0 vis-à-vis 3.6 in 2013 EOY. In comparison with the end of first half 2014 net debt (€184 million), there was a decrease of €6 million, as a result of increased levels of operating cash flow generation, partially offset by working capital needs and expansion investments.

OUTLOOK FOR 2014

In 2014, the Portuguese economy is expected to return to positive GDP growth (1.1% according to the Portuguese Central Bank). However, there are still several factors that can and may offset the economical turnaround, being the most relevant the high level of unemployment and the considerable tax burden on individuals and companies.

The health insurance market in Portugal has maintained its historical growth trajectory, with an increase in premiums volume of 3.1% in the first nine months of 2014 (which compares with 2.6% in the first half of the year). Relatively to the main healthcare subsystem (ADSE), the increase of beneficiaries' monthly contribution has been approved by the Constitutional Court, which allows for the self sustainability of the system solely through this source. According to the latest ADSE activity report, despite the contributions increase, the number of requests for termination was very low (428 beneficiaries in 2013).

On the healthcare market, Luz Saúde believes the public sector will continue to be under significant pressure on the available funding, which may have implications on access levels, modernization of public hospitals and staff motivation.

Until the end of 2014, Luz Saúde will maintain its focus on leveraging the high demand verified for its services on the private healthcare segment, in order to continue improving capacity utilization, assets turnover and overall profitability. Simultaneously, the company will proceed with its capacity expansion plans, namely in Hospital da Luz, in Hospital da Arrábida and in Hospital da Luz – Clínica de Oeiras.

On the public healthcare segment, the Group will be focused on maintaining high levels of activity growth (yearly growth expectation of 8 to 9%, based on contracted activity and performance to date) and on efficiency enhancement initiatives, in order to continue to improve Hospital Beatriz Ângelo's profitability levels. It should be noted that due to the contract structure, namely on pricing, the last quarter is typically characterized by lower prices, since the average price per DRG paid by the State is 17% lower when the Hospital surpasses 90% of the contracted activity and 15% lower on Emergency when the 100% contracted activity is overcome. Thus, the Group anticipates an EBITDA margin decrease on the public segment to 2%.

The Group is still waiting for an answer from the Portuguese State regarding the recognition of the right of Hospital Beatriz Ângelo to receive payment for additional healthcare services rendered in outpatient context to HIV/AIDS patients. This right is recognized to NHS hospitals and to Hospital de Braga public-private partnership since 2013, after approval from the Court of Auditors. This corresponds to a measure with significant impact in the hospitals' financial performance. In particular, for Hospital Beatriz Ângelo, the recognition of this right would represent an estimated impact of € 2.2 million

for 2014 full year. Additionally, it will be initiated the arbitration proceeding that opposes the company that manages Hospital Beatriz Ângelo and the Portuguese State regarding the funding of costs incurred with medical interns working in the Hospital, placed there by the ARS Lisboa e Vale do Tejo.

Regarding the project for a new private Hospital in Luanda, the Group will continue to develop the initial planning and design activities in close collaboration with Teixeira Duarte, as reported in the half year results.

SUBSEQUENT EVENTS

During the period from August 19 to October 14, Luz Saúde was the target of several competing general and voluntary tender offers for its shares, which culminated in the acquisition of the company by Fidelidade – Companhia de Seguros S.A.. The full process developed as follows:

- August 19 – Preliminary announcement by Grupo Ángeles Servicios de Salud of an offer at €4.30 per share
- September 11 – Preliminary announcement by José de Mello Saúde of an offer at €4.40 per share
- September 19 – Price revision by Grupo Ángeles Servicios de Salud to €4.50 per share
- September 23 – Preliminary announcement by Fidelidade – Companhia de Seguros of an offer at €4.72 per share
- September 26 – Price revision by Fidelidade – Companhia de Seguros to €4.82 per share
- September 29 to October 14 - Fidelidade – Companhia de Seguros offer period
- October 7 – Announcement by United Health Group of a binding offer for 51% of Luz Saúde share capital, made to Espírito Santo Health Care Investments S.A., at a price of €5.00 per share
- October 9 – Price revision by Fidelidade – Companhia de Seguros to €5.01 per share
- October 15 – Special market session to determine the result of Fidelidade's offer
- October 17 – Offer financial settlement

Fidelidade – Companhia de Seguros S.A. through this public tender offer successfully acquired 96.067% of Luz Saúde share capital at €5.01 per share, thus becoming Luz Saúde majority shareholder.

02. Annex to the Consolidated Financial Report

INFORMATION ABOUT THE SHAREHOLDINGS OF MEMBERS OF THE COMPANY'S BOARD OF DIRECTORS AND SUPERVISORY BOARD IN THE COMPANY'S CAPITAL AS OF 31 OCTOBER 2014

In accordance with Article 447(5) of the Portuguese Company Code, Espírito Santo Saúde - SGPS, SA presents the details of the shareholdings of members of the company's board of directors and supervisory board in the company's capital below. The period presented refers to 31 October 2014, due to the fact that on 15 October 2014 a public tender offer over Espírito Santo Saúde SGPS share capital was concluded, as described in the Subsequent Events of this report-

Members of the Board of Directors	Shares held on 30 June 2014	Additions during the period	Decreases during the period	Shares held on 31 October 2014
Diogo José Fernandes Homem de Lucena	-	-	-	-
Isabel Maria Pereira Aníbal Vaz	21.224	-	21.224	-
João Paulo da Cunha Leite de Abreu Novais	19.797	-	19.797	-
Tomás Leitão Branquinho da Fonseca	60.267	-	60.267	-
Ivo Joaquim Antão	11.297	-	11.297	-
Pedro Gonçalo da Costa Pinheiro Libano Monteiro	13.950	5.670	19.620	-
António Davide de Lima Cardoso	10.050	-	10.050	-
Artur Aires Rodrigues de Morais Vaz	3.500	1.238	4.738	-
José Manuel Malheiro Holtreman Roquette	500	2.090	2.590	-
Maria do Rosário Nunes Vicente Rebordão Sobral	10.000	-	10.000	-
Luís Espírito Santo Silva Ricciardi	600	-	600	-
João Carlos Pellon Parreira Rodrigues Pena	-	-	-	-
José Manuel Caeiro Pulido	15.000	-	15.000	-
Alexandre Carlos de Melo Vieira Costa Relvas	-	-	-	-
Nuno de Carvalho Fernandes Thomaz	-	-	-	-
Pedro Guilherme Beauvillain de Brito e Cunha	1.000	-	1.000	-
António Luís Castanheira Silva Lopes – Conselho Fiscal	-	-	-	-
João Carlos Tovar Jalles – Conselho Fiscal	-	-	-	-
Luís Manuel Pereira da Silva – Conselho Fiscal	-	-	-	-
Clara José Cruz de Sequeira Viegas Penha Ventura – Conselho Fiscal	-	-	-	-

STATUTORY AUDITOR

The statutory auditor, Ernst & Young Audit & Associados-SROC, SA, held no shares on 30 September 2014, and has not made any transactions involving Espírito Santo Saúde - SGPS, SA securities.

LIST OF TRANSACTIONS OF MANAGERS AND PERSONS CLOSELY ASSOCIATED WITH THEM

Espírito Santo Saúde - SGPS, SA hereby discloses, in accordance with Article 14(7) of CMVM Regulation 5/2008, all transactions made by company managers during the period between 30 June 2014 and 31 October 2014.

Manager	Date	Type	ISIN Code	Volume	Price (Euros)	Place
José Manuel Malheiro Holtreman Roquette	07.07.2014	Purchase	PTEPT0AM0005	2.090	N.A.*	Off-market
Pedro Gonçalo da Costa Pinheiro Líbano Monteiro	07.07.2014	Purchase	PTEPT0AM0005	5.670	N.A.*	Off-market
Miguel João Godinho de Magalhães Carmona	07.07.2014	Purchase	PTEPT0AM0005	1.413	N.A.*	Off-market
Artur Aires Rodrigues de Moraes Vaz	25.07.2014	Purchase	PTEPT0AM0005	1.238	N.A.*	Off-market
Isabel Maria Pereira Aníbal Vaz	15.10.2014	Sale	PTEPT0AM0005	21.224	5,010	Euronext Lisbon
João Paulo da Cunha Leite de Abreu Novais	15.10.2014	Sale	PTEPT0AM0005	19.797	5,010	Euronext Lisbon
Tomás Leitão Branquinho da Fonseca	15.10.2014	Sale	PTEPT0AM0005	60.267	5,010	Euronext Lisbon
Ivo Joaquim Antão	15.10.2014	Sale	PTEPT0AM0005	11.297	5,010	Euronext Lisbon
Pedro Gonçalo da Costa Pinheiro Líbano Monteiro	15.10.2014	Sale	PTEPT0AM0005	19.620	5,010	Euronext Lisbon
António Davide de Lima Cardoso	15.10.2014	Sale	PTEPT0AM0005	10.050	5,010	Euronext Lisbon
Artur Aires Rodrigues de Moraes Vaz	15.10.2014	Sale	PTEPT0AM0005	4.738	5,010	Euronext Lisbon
José Manuel Malheiro Holtreman Roquette	15.10.2014	Sale	PTEPT0AM0005	2.590	5,010	Euronext Lisbon
Maria do Rosário Nunes Vicente Rebordão Sobral	15.10.2014	Sale	PTEPT0AM0005	10.000	5,010	Euronext Lisbon
Luís Espírito Santo Silva Ricciardi	15.10.2014	Sale	PTEPT0AM0005	600	5,010	Euronext Lisbon
José Manuel Caeiro Pulido	15.10.2014	Sale	PTEPT0AM0005	15.000	5,010	Euronext Lisbon
Pedro Guilherme Beauvillain de Brito e Cunha	15.10.2014	Sale	PTEPT0AM0005	1.000	5,010	Euronext Lisbon
Miguel João Godinho de Magalhães Carmona	15.10.2014	Sale	PTEPT0AM0005	1.413	5,010	Euronext Lisbon
Anabela Paula de Jesus Dias Lobo de Carvalho	15.10.2014	Sale	PTEPT0AM0005	2.000	5,010	Euronext Lisbon
José Manuel Varela Lourenço Gonçalves	15.10.2014	Sale	PTEPT0AM0005	400	5,010	Euronext Lisbon

Maria Gabriela Ferreira Neves da Silva Valido	29.09.2014	Sale	PTEPT0AM0005	400	4,892	Euronext Lisbon
Maria Isabel Sanches de Azevedo Mendes	15.10.2014	Sale	PTEPT0AM0005	300	5,010	Euronext Lisbon
Fernando Nazaré Abreu de Faria Rebelo	15.10.2014	Sale	PTEPT0AM0005	1.470	5,010	Euronext Lisbon
Sérgio Manuel Machado Viana Pereira	15.10.2014	Sale	PTEPT0AM0005	5.000	5,010	Euronext Lisbon
Simão de Avelar Santos Fezas Vital	15.10.2014	Sale	PTEPT0AM0005	1.000	5,010	Euronext Lisbon
Paulo Alexandre Pimentel Barreto	24.09.2014	Sale	PTEPT0AM0005	500	4,950	Euronext Lisbon
Manuel Nuno Oliveira Krug de Noronha	15.10.2014	Sale	PTEPT0AM0005	3.000	5,010	Euronext Lisbon
Marisa Isabel Vicente de Moraes	15.10.2014	Sale	PTEPT0AM0005	1.000	5,010	Euronext Lisbon
Luís Filipe Santos Moraes	09.10.2014	Sale	PTEPT0AM0005	1.000	4,970	Euronext Lisbon
Rita Maria Pinheiro Ferreira Soares de Oliveira	15.10.2014	Sale	PTEPT0AM0005	400	5,010	Euronext Lisbon
Ana Teresa Marques de Sousa Costa Freire de Andrade	15.10.2014	Sale	PTEPT0AM0005	24.000	5,010	Euronext Lisbon
Luís Pedro Pinto Martins	08.10.2014	Sale	PTEPT0AM0005	1.000	5,000	Euronext Lisbon
Francisco Vasconcelos Cruz de Almeida Mota	15.10.2014	Sale	PTEPT0AM0005	1.000	5,010	Euronext Lisbon
Manuel de Barros Caldas de Almeida	15.10.2014	Sale	PTEPT0AM0005	17.743	5,010	Euronext Lisbon
José Loreto da Costa	15.10.2014	Sale	PTEPT0AM0005	8.133	5,010	Euronext Lisbon
Manuel Ferreira de Sá Ribeiro	15.10.2014	Sale	PTEPT0AM0005	6.677	5,010	Euronext Lisbon
Rui Manuel Fraga Martins Maio	15.10.2014	Sale	PTEPT0AM0005	1.400	5,010	Euronext Lisbon
João Filipe Ferreira Rebelo	15.10.2014	Sale	PTEPT0AM0005	1.000	5,010	Euronext Lisbon
Jorge Manuel Graça Teixeira Santos	15.10.2014	Sale	PTEPT0AM0005	7.500	5,010	Euronext Lisbon
Ricardo Abecassis Espírito Santo Silva	15.10.2014	Sale	PTEPT0AM0005	6.000	5,010	Euronext Lisbon
Carlos Manuel de Melo Ribeiro	10.10.2014	Sale	PTEPT0AM0005	7.900	4,970	Euronext Lisbon

* These transactions were done free of charge, as part of the share-based payment program approved at Shareholders' Annual Meeting.

LIST OF QUALIFIED SHAREHOLDERS AS OF 30 SEPTEMBER 2014

Following admission of the Company's shares to trading on the Euronext Lisbon market, the Company's share capital and voting rights subject to free float as at 30 September 2014 included the following qualifying shareholdings that represent at least 2% or the share capital of Espírito Santo Saúde, which are calculated according to the provisions of Article 20 of the VM Code:

List of qualifying shareholders (as at 30.09.2014)	Number of shares	Capital (%)	Voting rights (%)
Grupo Ángeles Servicios de Salud, S.A.	6.660.147	6,97	6,97
Santander Asset Management, S.A., S.G.I.I.C.	6.587.918	6,90	6,90
T. Rowe Price Associates, Inc.	4.790.000	5,01	5,02
Espírito Santo Financial Group, S.A.	3.228.283	3,38	3,38
Halcyon Management Partners LP	2.800.000	2,93	2,93
Credit Suisse AG	2.437.400	2,55	2,55
UBS AG	2.037.190	2,13	2,13
Highbridge Capital Management LLC	1.950.000	2,04	2,04
JP Morgan Asset Management Holdings Inc.	1.920.328	2,01	2,01

STATEMENT UNDER THE TERMS OF ARTICLE 246, PARAGRAPH 1, C), OF THE SECURITIES CODE

In accordance with Article 246, paragraph 1, c) of the Securities Code, the Board of Directors of Espírito Santo Saúde - SGPS, SA, whose name is listed below, declare that, to their knowledge:

- a) The first nine months of 2014 accounts, were elaborated in compliance with the applicable accounting standards, accurately and truthfully portraying the assets and liabilities, situation and results, as well as those of the companies included in its consolidation perimeter;
- b) The management report faithfully portrays the important events occurred in First Nine Months of 2014 and its impact on the accounts and, when applicable, contains a description of the main risks and uncertainties for the following six months.

(Diogo José Fernandes Homem de Lucena)

(Isabel Maria Pereira Aníbal Vaz)

(Alexandre Carlos de Melo Vieira Costa Relvas)

(António Davide de Lima Cardoso)

(Artur Aires Rodrigues de Moraes Vaz)

(Ivo Joaquim Antão)

(João Carlos Pellon Parreira Rodrigues Pena)

(João Paulo da Cunha Leite de Abreu Novais)

(José Manuel Caeiro Pulido)

(José Manuel Malheiro Holtreman Roquette)

(Luís Espírito Santo Silva Ricciardi)

(Maria do Rosário Nunes Vicente Rebordão Sobral)

(Nuno de Carvalho Fernandes Thomaz)

(Pedro Gonçalo Costa Pinheiro Líbano Monteiro)

(Pedro Guilherme Beauvillain de Brito e Cunha)

(Tomás Leitão Branquinho da Fonseca)

03. Consolidated Financial Statements

Consolidated Statement of financial position as at 30 September 2014 and 31 December 2014

In euros

	Notes	30-Set-14 (unaudited)	31-Dec-13 (audited)
Assets			
Property, plant and equipment	14	244,302,960.92	253,873,748.34
Intangible assets	15	95,646,767.91	95,747,666.08
Investments in associates and joint ventures	21	1,596,180.84	1,545,560.98
Total non-current assets		341,545,909.67	351,166,975.40
Inventories	16	7,752,982.77	7,358,159.58
Trade receivables	22	63,671,631.84	50,855,614.86
Other receivables	22	52,920,680.52	33,517,508.95
Current income tax receivable	22	-	30,460.81
Cash and cash equivalents	23	26,829,619.12	34,818,560.99
Total current assets		151,174,914.25	126,580,305.19
Total assets		492,720,823.92	477,747,280.59
Shareholders' Equity			
Share capital		95,542,254.00	88,500,000.00
Treasury shares		(205,804.04)	-
Share premium		61,795,792.91	47,729,917.86
Non-distributable reserves		1,863,500.00	1,003,300.00
Distributable reserves		34,209,545.42	18,643,645.26
Accumulated losses		(30,029,231.28)	(28,197,942.09)
	24	163,176,057.01	127,678,921.03
Net income attributable to equity holders of the parent		14,215,886.81	14,023,330.80
Total equity attributable to equity holders of the parents		177,391,943.82	141,702,251.83
Shareholders' equity attributable to non-controlling interests		1,500,240.79	1,509,754.20
Total shareholders' equity		178,892,184.61	143,212,006.03
Liabilities			
Provisions	17	8,211,893.22	7,940,056.52
Trade payables	26	399,061.20	698,357.10
Borrowings	27	150,255,703.09	139,868,729.50
Financial lease liabilities	19	21,549,402.56	27,372,734.79
Deferred tax liabilities	13	345,617.54	579,764.44
Total non-current liabilities		180,761,677.61	176,459,642.35
Trade payables	26	29,719,637.81	23,618,889.06
Other payables	26	68,519,291.05	54,581,217.40
Borrowings and bank overdrafts	27	22,557,429.45	66,054,577.06
Current income tax payable	26	1,816,786.98	2,729,846.35
Financial lease liabilities	19	10,453,816.41	11,091,102.34
Total current liabilities		133,066,961.70	158,075,632.21
Total liabilities		313,828,639.31	334,535,274.56
Total shareholders' equity and liabilities		492,720,823.92	477,747,280.59

Notes are an integral part of these statements

Consolidated statement of comprehensive income for the periods ended 30 September 2014 and 2013

In euros

	Notes	30-Sep-14 (unaudited)	30-Sep-13 (audited)
Income and gains			
Revenue from sales and services	6	296,355,395.81	277,372,301.98
Other operating income and gains	7	1,482,984.50	2,102,291.23
Other financial income and gains	7	363,815.19	514,219.05
Total income and gains		298,202,195.50	279,988,812.26
Expenses and losses			
Inventory consumed and sold	9	(41,870,881.32)	(38,708,260.26)
Costs of services and materials	10	(134,910,791.95)	(124,399,004.60)
Personnel expenses	11	(75,468,109.16)	(69,226,465.23)
Depreciation and amortization	14 e 15	(20,178,904.93)	(20,976,295.23)
Other operating expenses and losses	12	(1,094,144.76)	(931,314.49)
Provisions, net of reversals	17	(271,836.70)	(2,579,346.58)
Impairment of receivables, net of reversals	18	(429,370.20)	(504,059.38)
Interest and other financial expenses and losses	8	(5,861,997.89)	(8,677,492.76)
Total expenses and losses		(280,086,036.91)	(266,002,238.53)
Income before taxes		18,116,158.59	13,986,573.73
Income tax	13	(3,914,265.03)	(4,893,638.69)
Net income for the period		14,201,893.56	9,092,935.04
Other comprehensive income/(loss) for the period		-	-
Total comprehensive income		14,201,893.56	9,092,935.04
Income attributable to equity holders of the parent		14,215,886.81	9,044,129.60
Income attributable to non-controlling interests		(13,993.25)	48,805.44
Basic earnings per share	25	0.151	0.102
Diluted earnings per share	25	0.151	0.102

Notes are an integral part of these statements

Consolidated statement of changes in shareholders' equity for the periods ended 30 September 2014 and 2013
In euros

	Notes	Share capital	Own shares	Share premiums	Non-distributable reserves	Distributable reserves	Accumulated losses	Net income for the period	Non-controlling interests	Total
Balance as at 1 January 2013		88,500,000.00	-	47,729,917.86	122,600.00	2,180,078.59	(8,950,699.65)	(2,122,126.49)	1,481,299.29	128,941,069.60
Appropriation of net profit		-	-	-	880,700.00	16,463,566.67	(20,351,393.16)	3,007,126.49	-	-
Dividends		-	-	-	-	-	-	(885,000.00)	-	(885,000.00)
Other changes in reserves		-	-	-	-	-	1,104,334.17	-	-	1,104,334.17
Total direct change in shareholders' equity		-	-	-	880,700.00	16,463,566.67	(19,247,058.99)	2,122,126.49	-	219,334.17
Net income for the period		-	-	-	-	-	-	9,044,129.60	48,805.44	9,092,935.04
Balance as at 30 September 2013	24	88,500,000.00	-	47,729,917.86	1,003,300.00	18,643,645.26	(28,197,758.64)	9,044,129.60	1,530,104.73	138,253,338.81
Balance as at 1 January 2014		88,500,000.00	-	47,729,917.86	1,003,300.00	18,643,645.26	(28,197,942.09)	14,023,330.80	1,509,754.20	143,212,006.03
Share capital increase		7,042,254.00	-	15,492,958.80	-	-	-	-	-	22,535,212.80
Own shares acquisition		-	(205,804.04)	-	-	-	-	-	-	(205,804.04)
Appropriation of net profit		-	-	-	860,200.00	16,343,713.36	(3,180,582.56)	(14,023,330.80)	-	-
Other changes in reserves		-	-	(1,427,083.75)	-	(777,813.20)	1,349,293.37	-	4,479.84	(851,123.74)
Total direct change in shareholders' equity		7,042,254.00	(205,804.04)	14,065,875.05	860,200.00	15,565,900.16	(1,831,289.19)	(14,023,330.80)	4,479.84	21,478,285.02
Net income for the period		-	-	-	-	-	-	14,215,886.81	(13,993.25)	14,201,893.56
Balance as at 30 September 2014	24	95,542,254.00	(205,804.04)	61,795,792.91	1,863,500.00	34,209,545.42	(30,029,231.28)	14,215,886.81	1,500,240.79	178,892,184.61

Notes are an integral part of these statements

Consolidated statement of cash flows for the periods ended 30 September 2014 and 2013

In euros

	Notes	30-Sep-2014 (unaudited)	30-Sep-2013 (audited)
Operating activities			
Receipts from customers		267,997,814.99	272,110,164.47
Payments to suppliers		(165,935,439.38)	(165,905,595.19)
Payments to employees		(41,168,860.02)	(41,148,368.04)
Cash flow generated from operations		60,893,515.59	65,056,201.24
Income tax paid		(4,539,736.96)	(1,340,286.33)
Other receipts/(payments) related with operating activities		(36,874,039.42)	(26,899,313.97)
Net cash flow generated from operating activities		19,479,739.21	36,816,600.94
Investing activities			
Proceeds from:			
Reimbursement of loans to associates		110,000.00	300,000.00
Interest received		227,190.39	189,941.61
Sale of property, plant and equipment		8,243.01	81,804.98
Payments related with:			
Investments in associates		(600,000.00)	-
Purchase of property, plant and equipment		(8,540,631.67)	(6,153,268.87)
Purchase of intangible assets		(141,241.31)	(1,543,464.88)
Net cash flow used in investing activities		(8,936,439.58)	(7,124,987.16)
Financing activities			
Proceeds from:			
Proceeds from borrowings		491,440,043.49	814,485,034.50
Share capital increase		22,535,212.80	-
Payments related with:			
Repayment of financial lease liabilities		(7,667,296.59)	(8,571,675.11)
Interest and other similar expenses paid		(4,792,521.05)	(6,325,642.96)
Dividends paid		-	(867,300.00)
Repayment of borrowings		(519,764,826.63)	(829,618,619.51)
Purchase of treasury shares		(282,853.52)	-
Net cash flow used in financing activities		(18,532,241.50)	(30,898,203.08)
Change in cash and cash equivalents		(7,988,941.87)	(1,206,589.30)
Change in consolidation scope		-	(1,572.74)
Cash and cash equivalents at the beginning of the period		34,818,560.99	24,260,963.86
Cash and cash equivalents at the end of the period	23	26,829,619.12	23,052,801.82

Notes are an integral part of these statements

04. Notes to the Consolidated Financial Statements

(Free translation of a report originally issued in Portuguese)

(Amounts expressed in Euros)

1. GENERAL INFORMATION ABOUT THE COMPANY AND THE GROUP'S BUSINESS ACTIVITIES

ESPÍRITO SANTO SAÚDE - SGPS, SA (ES SAÚDE) is a public company headquartered in Lisbon, Portugal. The company was formed on 6 July 2000 as a holding company under the terms of Decree-Law 495/88 of 30 December for the purpose of managing investments in other companies as an indirect way to carry out economic activities. The shares of ES SAÚDE are listed in Lisbon Stock Exchange since February 11, 2014.

ES SAÚDE was set up to operate as a holding company for developing and participating in businesses in the area of healthcare.

The ES SAÚDE Group, of which ES SAÚDE is the parent company, comprises companies that operate exclusively in the area of healthcare delivery, including management of acute care hospitals, outpatient clinics, residential hospitals, senior residences with services and national health system (NHS) hospitals in Public-Private Partnerships (PPPs).

ES SAÚDE's consolidated financial statements for the period of nine months ended 30 September 2014 were approved and authorized for publication by the Board of Directors on 25 November 2014.

(a) Scope of the consolidation

	Headquarters	Percentage of share capital held		Method of consolidation
		Direct	Indirect	
Parent company:				
Espírito Santo Saúde – SGPS, SA	Lisbon	-	-	Parent
Subsidiaries:				
Casas da Cidade – Residências Sénior, SA ("CASAS")	Lisbon	100.00%	-	Full
Clínica Parque dos Poetas, SA ("CPP")	Oeiras	100.00%	-	Full
CLIRIA – Hospital Privado de Aveiro, SA ("CLIRIA")	Aveiro	90.59%	-	Full
Espírito Santo Saúde – Serviços, ACE	(1) Lisbon	-	100.00%	Full
Espírito Santo – Unidades de Saúde e de Apoio à Terceira Idade, SA ("ES USATI")	Lisbon	100.00%	-	Full
Instituto de Radiologia Dr. Idílio de Oliveira – Centro de Radiologia Médica, SA ("IRIO")	Lisbon	-	100.00%	Full

	Headquarters	Percentage of share capital held		Method of consolidation
		Direct	Indirect	
Espírito Santo Saúde – Residência com Serviços Sénior, SA ("ESS RcSS")	Oeiras	100.00%	-	Full
Hospital da Arrábida – Gaia, SA ("HAG")	V. N. Gaia	100.00%	-	Full
CRB – Clube Residencial da Boavista, SA ("CRB")	Oporto	-	100.00%	Full
Hospital da Luz, SA ("HL")	Lisbon	100.00%	-	Full
Hospital da Luz – Centro Clínico da Amadora, SA ("HL-CCA")	Amadora	100.00%	-	Full
HOSPOR – Hospitais Portugueses, SA ("HOSPOR")	Póvoa de Varzim	100.00%	-	Full
RML – Residência Medicalizada de Loures, SGPS, SA ("RML")	Lisbon	75.00%	-	Full
Hospital Residencial do Mar, SA ("HRM")	Loures	-	100.00%	Full
Vila Lusitano – Unidades de Saúde, SA ("VLUSITANO")	Lisbon	-	100.00%	Full
SGHL – Sociedade Gestora do Hospital de Loures, SA ("SGHL")	Lisbon	98.00%	2.00%	Full
Surgicare – Unidades de Saúde, SA ("SURGICARE")	Lisbon	100.00%	-	Full

(1) Espírito Santo Saúde - Serviços, ACE, was formed with no share capital, and groups together ten of the Group's subsidiaries. The percentage indicated refers to the voting rights held.

(b) Joint ventures and associated companies

	Headquarters	Percentage of share capital held		Method of consolidation
		Direct	Indirect	
GENOMED – Diagnósticos de Medicina Molecular, SA	Lisbon	37,50%	-	Equity Method
HL – Sociedade Gestora do Edifício, SA	Oeiras	10,00%	-	Excluded
HME – Gestão de Hospitalar, SA	Évora	50,00%	-	Equity Method

As at 30 September 2014 Espírito Santo Control, SA, a company headquartered in Luxembourg, was the ultimate beneficial owner of ES SAÚDE Group. On October 15, 2014, as a result of a public offer, Fidelidade – Companhia de Seguros, SA ("Fidelidade"), acquired control over ES SAÚDE. Fosun International Limited, a company listed on the Hong Kong Stock Exchange, incorporated in Hong Kong with headquarters in Room 808, ICBC Tower, 3 Garden Road, Central, Hong Kong, registered in the Commercial Registry of Hong Kong under number 942 079 with a share capital of HK\$ 17.687.332.114,00, owns 80% of the share capital and voting rights of Fidelidade, having control over this entity. Fosun is controlled by Mr. Guo Guangchang (note 31).

2. BASIS OF PRESENTATION

The consolidated financial statements have been prepared under the going concern assumption and under the historical cost basis of accounting from the accounting records of the companies included in the consolidation (see Note 1 (a)) in accordance with International Financial Reporting Standards (IFRS) as

adopted by the European Union. These standards include the IFRS issued by the International Accounting Standards Board (IASB) as well as the International Accounting Standards (IAS) issued by the International Accounting Standards Committee (IASC) and their respective interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC). These standards and interpretations are collectively known as IFRS.

The consolidated financial statements are presented according to IAS 34 – Interim financial reporting (“IAS 34”). Consequently, the financial statements do not include all the information required by IFRS, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2013.

The financial statements are expressed in Euros.

Up to 31 December 2005, inclusive, ES SAÚDE’s financial statements were prepared according to the generally accepted accounting standards used in Portugal.

EC regulation 1606/2002 of the European Parliament and the Council, of 19 July 2002, was transposed into Portuguese law in the form of Decree-Law 35/2005 of 17 February, allowing the Company’s financial statements to be prepared according to the International Financial Reporting Standards (IFRS), starting from 2006. The Board of Directors decided to present the Group’s financial statements according to the IFRS as adopted by the European Union starting from 1 January 2006.

Preparing the financial statements according to the IFRS required the Group to make judgments and estimates and use assumptions that affect how accounting policies are applied and the amounts of income, costs, assets and liabilities reported. Any changes or differences in these assumptions with respect to the actual situation may have an impact on current estimates and judgments.

During the first nine months of 2014, new accounting standards and interpretations were approved by the European Union and published in the Official Journal of the European Union (OJ). These standards apply to subsequent financial years, although early adoption is allowed.

2.1. New standards, amendments and interpretations applicable for periods beginning on or after 1 January 2014

Following endorsement by the European Union, the following new standards, revisions, amendments and improvements made to the standards and interpretations entered into force on 1 January 2014:

Issued	IASB Standard or IFRIC Interpretation	Regulation	Mandatory application for financial years starting on or after (IASB)
December 2012	Amendments to IAS 32 – Financial instruments: Offsetting Financial Assets and Financial Liabilities	1256/2012	1 January 2014
December 2012	IFRS 10 – Consolidated financial statements	1254/2012	1 January 2014

Issued	IASB Standard or IFRIC Interpretation	Regulation	Mandatory application for financial years starting on or after (IASB)
December 2012	IFRS 11 – Joint arrangements	1254/2012	1 January 2014
December 2012	IFRS 12 – Disclosure of interests in other entities	1254/2012	1 January 2014
December 2012	IAS 27 (revised) – Separate financial statements	1254/2012	1 January 2014
December 2012	IAS 28 (revised) – Associates and joint ventures	1254/2012	1 January 2014
April 2013	Amendments to IFRS 10, 11 and 12 - Transition guidance	313/2013	1 January 2014
November 2013	Amendments to IFRS 10, 12 and IAS 27 - Exception from consolidation for Investment entities	1174/2013	1 January 2014
November 2013	Amendments to IAS 36 – Impairment of assets	1374/2013	1 January 2014
November 2013	Amendments to IAS 39 – Financial instruments – Recognition and measurement' novation of derivatives and continuation of hedge accounting	1375/2013	1 January 2014
June 2014	IFRIC 21 – Levies	634/2014	1 January 2014

2.2. New standards, amendments and interpretations issued by the IAS but not yet endorsed by the EU

As at 30 September 2014, the following Standards, revisions, amendments and improvements to Standards and Interpretations, have been issued but its endorsement by the EU is still pendent:

Issued	IASB Standard or IFRIC Interpretation	Mandatory application for financial years starting on or after (IASB)
October 2010	IFRS 9 – Financial Instruments	1 January 2018
November 2013	Amendments to IAS 19 – Employee Benefits on defined benefits plans	1 July 2014
December 2013	IFRS 2 – Share-based Payments (annual improvements 2010-2012 cycle)	1 January 2014
December 2013	IFRS 3 – Business Combinations (annual improvements 2010-2012 cycle)	1 January 2014
December 2013	IFRS 8 – Operating Segments (annual improvements 2010-2012 cycle)	1 January 2014
December 2013	IFRS 13 – Fair Value Measurement (annual improvements 2010-2012 cycle)	1 January 2014
December 2013	IAS 16 – Property, Plant and Equipment (annual improvements 2010-2012 cycle)	1 January 2014
December 2013	IAS 24 – Related Party Disclosures (annual improvements 2010-2012 cycle)	1 January 2014
December 2013	IAS 38 – Intangible Assets (annual improvements 2010-2012 cycle)	1 January 2014
December 2013	IFRS 1 – First-time Adoption of International Financial Reporting Standards (annual improvements 2011-2013 cycle)	1 January 2014
December 2013	IFRS 3 – Business Combinations (annual improvements 2011-2013 cycle)	1 January 2014
December 2013	IFRS 13 – Fair Value Measurement (annual improvements 2011-2013 cycle)	1 January 2014
December 2013	IAS 40 – Investment Property (annual improvements 2011-2013 cycle)	1 January 2014
2014	IFRS 14 - Regulatory deferral accounts	1 January 2016
May 2014	Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
May 2014	IFRS 15 – Revenue from Contracts with Customers	1 January 2017
May 2014	Amendments to IAS 16 and 38 – Clarification of Acceptable Methods of Depreciation and Amortization	1 January 2016

3. PRINCIPAL ACCOUNTING POLICIES

3.1. Basis of consolidation

The consolidated financial statements presented herein reflect the assets, liabilities, shareholders' equity and income of ES SAÚDE and its subsidiaries (the Group), and the share of profits of associated companies.

The accounting policies have been applied consistently to all the companies in the Group for all the periods covered by these consolidated financial statements.

3.2. Principal accounting policies

The accounting policies presented here were applied consistently with the ones used in the preparation of consolidated financial statements for the year ended 31 December 2013, and described in the following notes.

3.3. Key estimates and judgments used in preparing the financial statements

The IFRS establish accounting treatments and require the Board of Directors to make the necessary judgments and estimates to determine the most suitable accounting treatment to use. The key accounting estimates and judgments used by the Group are presented in this note to enable a better understanding of how their application affects ES SAÚDE's consolidated financial position, consolidated results and the related disclosures.

Considering that in many situations there are alternative accounting treatments to those adopted by the Board of Directors, the financial position and results reported by ES SAÚDE could be different had a different accounting treatment been chosen. The Board of Directors believes that the choices made are appropriate and that the financial statements adequately present the consolidated financial position of the Group, the consolidated results and consolidated cash flows of its operations in all materially relevant aspects.

The results of the alternatives presented below are disclosed only to enable a better understanding of the financial statements and are not intended to suggest that other alternatives or estimates would be more appropriate.

Property, plant and equipment and intangible assets - estimated useful lives

Depreciation and amortization are calculated on the acquisition cost on a straight-line basis, starting from the month when the asset is available for use. The depreciation and amortization rates applied reflect the best knowledge on the estimated useful life of the assets. The residual values of the assets and their respective useful lives are reviewed and adjusted, when deemed necessary.

Impairment on Trade Receivables

Impairment losses on trade receivables are based on the Group's assessment of the probability to recover the balances stated. This assessment is made according to the period of time of default, the credit history of the debtor, and the deterioration of the credit situation of the main debtors. Should the debtors' financial conditions deteriorate, the impairment losses might be higher than that expected.

Provisions

The Group exercises considerable judgment in the measurement and recognition of provisions. Judgment is required to assess the probability of litigation having a successful outcome. Provisions are made when the Group expects an unfavorable outcome that will result in an outflow of funds, the loss is probable and may be reasonably estimated. Due to the uncertainties inherent to the process of assessment, actual losses may be different from those originally estimated in the provision. These estimates are subject to changes as new information becomes available. Reviews of estimated losses may affect future results.

Income taxes

Determining the amount of tax on income requires making some interpretations and estimates.

There are a number of transactions and calculations for which determination of the final amount of income taxes to be paid is not certain during the normal business cycle.

Other interpretations and estimates could result in a different level of income taxes, current and deferred, recognized in the period.

The tax authorities have the right to review the Group's calculations of taxable income for a period of four, or six years if there are tax losses carried forward (five years for social security). Corrections may therefore be made to taxable income, mainly due to different interpretations of the tax laws. However, the Board of Directors believes that there will be no significant corrections to the income taxes reported in the financial statements.

Goodwill

The Group performs an annual impairment test on goodwill recognized as an intangible asset according to the IFRS. For this purpose, the Group estimates the recoverable value of cash generating units to which goodwill is allocated. The recoverable value is calculated by determining the value in use, based on the present value of future estimated cash flows, using a discount rate that reflects the risk associated with the assets.

If future cash flows are lower than those estimated by the ES SAÚDE Board of Directors, significant impairment losses may need to be recognized.

Hospital de Loures management contract

The settlement of accounts between SGHL and ARSLVT, in respect of the years of 2012, 2013 and the period of nine months ended 30 September 2014, has not yet been closed. In addition, a clarification process between the parties is currently in place, in relation to the results of the monitoring of the outcome performance parameters and service performance parameters, which are a part of the annual performance evaluation of SGHL report for 2013. In this context, and despite the uncertainty that it represents, the Board assumed the best estimate in terms of the values recognized for reporting purposes, and it is the Board's understanding that the impact of closing the settlement of accounts with ARSLVT and the closing of the aforementioned monitoring process for the year of 2013 and the period of nine months ended 30 September 2014 (which will take place in 2015) will not have a material impact on the financial statements.

4. ACQUISITION OF SUBSIDIARIES, ASSOCIATES AND NON-CONTROLLING INTERESTS

In April 2014, ES SAÚDE acquired 27,000 shares of GENOMED, increasing its stake from 24% to 37.5%.

5. SEGMENT REPORTING

The Group operates in the following business segments:

- Private healthcare;
- Public healthcare;
- Other activities;
- Holding company and shared services.

The "Private healthcare" segment comprises:

- Six hospitals dedicated to specialized acute care, including surgery, inpatient treatment and specialized diagnostic procedures, which is complemented by a strong capacity for delivering non-acute outpatient primary care. The hospitals also undertake activities designed to promote health and prevent disease, such as check-ups and other preventive health care.
- Six outpatient clinics dedicated to providing non-acute primary care, including outpatient visits in a wide range of medical and surgical specialties, diagnostic testing and therapeutic procedures (particularly in the area of imaging and laboratory tests) and 24-hour urgent care. One of these clinics is also able to provide all types of ambulatory surgical procedures.
- One residential care facility that specializes in providing health care that involves rehabilitation, medical or post-operative convalescence, neurostimulation and general assistance to patients with

dementia (particularly in cases of Alzheimer's disease), long-term care palliative care and geriatric care in a day centre or inpatient setting.

- One radiotherapy unit.

The "Public healthcare" segment includes Hospital Beatriz Ângelo in Loures, which is managed by the subsidiary SGHL under a partnership agreement with the Portuguese government and is part of the National Health Service. The partnership contract has a period of 10 years, beginning on the date of opening of the hospital (February 2012). The hospital serves the population of the municipalities of Loures, Odivelas, Mafra, and Sobral de Monte Agraço.

The "Other activities" segment comprises the remaining business areas in which ES SAÚDE operates. This segment includes two senior residences for individuals 65 years of age or older who are seeking a comprehensive solution that includes housing, leisure and healthcare services, which are integrated into and complementary to the Group's network of residential and acute care hospitals.

The Holding and shared services" segment includes, in addition to the holding company, another entity in the form of a complementary group of companies that provides management, consulting, operational, legal, maintenance, negotiation and procurement and marketing services, among others, to the units in the "Private healthcare" and "Other businesses" segments.

Information regarding results in the various business segments for the periods ended 30 September 2014 and 2013 is shown below:

September 2014	Private Healthcare	Public Healthcare	Other Businesses	Holding company and shared services	Consolidation adjustments	Consolidated
Operating Revenues						
Third party	226,178,862.33	68,506,279.39	2,763,712.72	389,525.87	-	297,838,380.31
Intersegments	696,069.58	-	-	8,731,869.48	(9,427,939.06)	-
Operating Revenues total	226,874,931.91	68,506,279.39	2,763,712.72	9,121,395.35	(9,427,939.06)	297,838,380.31
Inventory consumed	(27,669,564.98)	(14,199,807.99)	(1,508.35)	-	-	(41,870,881.32)
Costs of services and materials	(127,885,784.20)	(23,101,649.88)	(2,179,710.99)	(4,719,598.66)	22,975,951.78	(134,910,791.95)
Personnel expenses	(39,590,470.37)	(27,731,704.01)	(850,107.86)	(7,295,826.92)	-	(75,468,109.16)
Depreciation and amortization	(15,020,097.08)	(4,221,322.54)	(720,883.58)	(216,601.73)	-	(20,178,904.93)
Provisions and adjustments, net of reversals	(151,894.47)	(473,760.00)	(31,194.25)	(44,358.18)	-	(701,206.90)
Other costs and operating revenues	12,075,529.83	(13,792.83)	431,875.64	(39,744.68)	(13,548,012.72)	(1,094,144.76)
Earnings before interest and taxes	28,632,650.64	(1,235,757.86)	(587,816.67)	(3,194,734.82)	-	23,614,341.29
Interest and other financial expenses and losses						(5,861,997.89)
Other financial income and earnings						363,815.19
Financial results						(5,498,182.70)
Pre-tax earnings						18,116,158.59
Income tax						(3,914,265.03)
Income attributable to non-controlling interests	(12,959.22)	(1,034.03)	-	-	-	(13,993.25)
Income attributable to the company's shareholders						14,215,886.81

September 2013	Private Healthcare	Public Healthcare	Other Businesses	Holding company and shared services	Consolidation adjustments	Consolidated
Operating Revenues						
Third party	214,108,897.82	62,842,981.61	2,493,683.26	29,030.52	-	279,474,593.21
Intersegments	546,164.11	-	-	6,345,510.17	(6,891,674.28)	-
Operating Revenues	214,655,061.93	62,842,981.61	2,493,683.26	6,374,540.69	(6,891,674.28)	279,474,593.21
Inventory consumed	(27,041,390.92)	(11,663,352.83)	(3,516.51)	-	-	(38,708,260.26)
Costs of services and materials	(120,781,645.85)	(21,184,425.71)	(2,051,254.19)	(2,605,155.85)	22,223,477.00	(124,399,004.60)
Personnel expenses	(38,168,172.09)	(26,092,580.43)	(881,969.70)	(4,083,743.01)	-	(69,226,465.23)
Depreciation and amortization	(16,230,488.72)	(3,832,974.39)	(759,682.56)	(153,149.56)	-	(20,976,295.23)
Provisions and adjustments, net of reversals	(815,432.94)	(2,624,947.90)	(16,182.67)	373,157.55	-	(3,083,405.96)
Other costs and operating revenues	13,922,365.66	(25,900.96)	465,207.13	38,816.40	(15,331,802.72)	(931,314.49)
Earnings before interest and taxes	25,540,297.07	(2,581,200.61)	(753,715.24)	(55,533.78)	-	22,149,847.44
Interest and other financial expenses and losses						(8,677,492.76)
Other financial income and earnings						514,219.05
Financial results						(8,163,273.71)
Pre-tax earnings						13,986,573.73
Income tax						(4,893,638.69)
Income attributable to non-controlling interests	51,222.66	(2,417.22)	-	-	-	48,805.44
Income attributable to the company's shareholders						9,044,129.60

Only two of the Group's biggest clients represent more than 10% of the operating revenue of the segments in which they are reported. In the private healthcare segment, ADSE represents approximately 32% of the segment's operating revenue, this figure includes the co-payments paid directly to the Group by the end customers. In the public healthcare segment, the contracting public entity represents 99% of the segment's operating revenue.

Inter-segment transactions are carried out at arm's length under similar terms and conditions as transactions with third parties.

Other information:

September 2014	Private Healthcare	Public Healthcare	Other Businesses	Holding company and shared services	Consolidation adjustments	Consolidated
Depreciation and amortization	15,020,097.08	4,221,322.54	720,883.58	216,601.73	-	20,178,904.93
Impairment of fixed assets	-	-	-	-	-	-
Investment in fixed assets	9,661,415.54	296,740.72	108,305.90	440,757.17	-	10,507,219.33
September 2013	Private Healthcare	Public Healthcare	Other Businesses	Holding company and shared services	Consolidation adjustments	Consolidated
Depreciation and amortization	16,230,488.72	3,832,974.39	759,682.56	153,149.56	-	20,976,295.23
Impairment of fixed assets	-	-	-	-	-	-
Investment in fixed assets	6,698,459.58	2,170,186.16	36,723.06	931,470.80	-	9,836,839.60

Assets and liabilities by business segment and reconciliation with the consolidated figures as at 30 September 2014 and 31 December 2013 are shown below:

<u>September 2014</u>	Private Healthcare	Public Healthcare	Other Businesses	Holding company and shared services	Consolidation adjustments	Consolidated
Assets						
Property, plant and equipment	189,580,536.90	15,459,707.82	38,104,033.12	1,158,683.08	-	244,302,960.92
Intangible assets	92,765,161.47	47,471.79	-	2,834,134.65	-	95,646,767.91
Inventories, trade receivables and other receivables	92,583,860.34	34,237,902.29	489,640.53	9,625,263.93	(12,591,371.96)	124,345,295.13
Other segment related assets	20,114,292.67	5,979,724.26	216,417.82	319,527,807.4	(319,008,623.03)	26,829,619.12
Investments in associates and joint ventures				1,596,180.84		1,596,180.84
Total consolidated assets						492,720,823.92
Liabilities						
Trade and other payables	62,219,577.55	27,730,938.87	5,346,972.95	14,059,147.75	(10,718,647.06)	98,637,990.06
Other segment related liabilities	166,973,759.05	36,076,361.83	8,834,572.88	114,590,864.44	(111,284,908.95)	215,190,649.25
Total consolidated liabilities						313,828,639.31

<u>December 2013</u>	Private Healthcare	Public Healthcare	Other Businesses	Holding company and shared services	Consolidation adjustments	Consolidated
Assets						
Property, plant and equipment	194,935,077.69	19,274,889.34	38,716,610.80	947,170.51	-	253,873,748.34
Intangible assets	92,769,302.22	156,872.09	-	2,821,491.78	(0.01)	95,747,666.08
Inventories, trade receivables and other receivables	75,352,188.55	18,057,484.38	284,060.53	20,161,786.20	(22,124,236.27)	91,731,283.39
Other segment related assets	30,810,516.33	5,720,148.86	613,282.45	307,737,374.34	(310,032,300.18)	34,849,021.80
Investments in associates and joint ventures				1,545,560.98		1,545,560.98
Total consolidated assets						477,747,280.59
Liabilities						
Trade and other payables	54,893,513.00	22,128,783.85	5,463,399.43	6,887,530.34	(10,474,763.06)	78,898,463.56
Other segment related liabilities	175,070,578.03	32,820,565.84	10,797,737.12	154,598,850.18	(117,650,920.18)	255,636,811.00
Total consolidated liabilities						334,535,274.56

6. REVENUE

	<u>30-Sep-2014</u>	<u>30-Sep-2013</u>
Health care services		
Hospitals and outpatient clinics	220,004,728.75	206,692,569.43
National Health Service (NHS) hospitals	68,390,638.66	62,707,450.91
Residential hospitals	4,570,507.95	4,838,655.42
Senior residences with services	2,713,455.33	2,510,653.16
Other services	676,065.12	622,973.06
	<u>296,355,395.81</u>	<u>277,372,301.98</u>

7. OTHER INCOME

	30-Sep-2014	30-Sep-2013
Other operating income and gains	1,482,984.50	2,102,291.23
Other financial income and gains	363,815.19	514,219.05
	<u>1,846,799.69</u>	<u>2,616,510.28</u>

"Other operating income and earnings" includes income from rents of commercial areas in the Group's units as well as income from discounts received from suppliers (e.g. for advance payments for goods and services), sale of equipment, insurance reimbursements, recovery of costs related to tax claims, adjustments to income tax estimates and other miscellaneous sources.

8. FINANCIAL COSTS AND LOSSES

	30-Sep-2014	30-Sep-2013
Interest paid	4,627,537.00	6,524,642.94
Other financial costs and losses	1,234,460.89	2,152,849.82
	<u>5,861,997.89</u>	<u>8,677,492.76</u>

Changes in the amount of interest paid is consequence of a decrease in the interest-bearing liabilities, due to a reduction of financial debt by the use of the proceeds generated from the cash flow from operating activities, and the share capital increase in February 2014 (note 24).

The decrease in "Other financial costs and losses" is mainly due to a reduction in the impairment charges recognized in 2014, in respect of the potential losses arising from loans made by Espírito Santo Saúde - SGPS, SA to its associate HME - Gestão de Hospitalar, SA.

9. INVENTORY CONSUMED AND SOLD

	Raw materials and Consumables	
	30-Sep-2014	30-Sep-2013
Inventories as at 1 January	7,358,159.58	7,916,680.78
Change in consolidation scope	-	(66,059.85)
Purchases	42,285,377.29	38,674,729.34
Consumption adjustments (materials)	-	(94,840.16)
Write-off on inventory	(19,672.78)	(35,876.00)
Inventories as at 30 September	<u>(7,752,982.77)</u>	<u>(7,686,373.85)</u>
Costs for the period	<u>41,870,881.32</u>	<u>38,708,260.26</u>

"Change in consolidation scope" in 2013, refers to the change in the consolidation method of the investment in the joint venture HME, from proportional method to equity method.

10. COSTS OF SERVICES AND MATERIALS

	30-Sep-2014	30-Sep-2013
Subcontracts	64,138,492.64	59,062,521.63
Professional fees	39,300,257.75	37,848,251.19
Specialized work	8,144,495.96	6,359,026.81
Maintenance and repairs	6,448,153.34	5,543,636.03
Rents and leases	4,960,744.56	4,936,291.64
Electricity	3,506,398.12	3,520,785.84
Security services	1,537,425.69	1,444,182.12
Communication	1,150,076.17	1,219,866.94
Fuel	1,134,351.69	1,129,364.47
Advertising	791,571.72	553,669.34
Insurance	766,745.70	670,870.35
Water	652,795.76	600,557.29
Tools and other material	579,242.60	490,644.39
Travel and accommodation	420,356.03	391,608.94
Other services and consumables	1,379,684.22	627,727.62
	134,910,791.95	124,399,004.60

Professional fees and subcontracts refer mainly to the amounts paid to health professionals of the Group's various facilities. The increase in subcontracts and professional fees is related with the increasing of the Group's activity.

Specialized work refers mainly to costs associated with IT systems, while repair and maintenance costs refer to the main maintenance contracts.

11. PERSONNEL EXPENSES

	30-Sep-2014	30-Sep-2013
Remuneration paid to the governing bodies	2,669,751.22	1,715,836.92
Wages and salaries	57,286,817.84	54,174,908.85
Social security	12,428,599.88	11,265,086.82
Other personnel expenses	3,082,940.22	2,070,632.64
	75,468,109.16	69,226,465.23

The average number of people employed by ES SAÚDE Group in the period ended 30 September 2014 was 4,521 (30 September 2013: 4,194).

Remuneration paid to the Group's governing bodies was as follows:

	30-Sep-2014	30-Sep-2013
Board of Directors	2,561,751.22	1,715,836.92
Remunerations Committee	31,500.00	-
General Shareholders Meeting	38,250.00	-
Supervisory bodies	351,000.00	178,500.00
	<u>2,982,501.22</u>	<u>1,894,336.92</u>

12. OTHER OPERATING EXPENSES AND LOSSES

	30-Sep-2014	30-Sep-2013
Taxes	318,271.83	402,781.15
Write-down on trade receivables	475,276.13	279,328.41
Inventory losses	19,672.78	35,876.00
Losses in non-financial investments	7,016.67	54,827.83
Other operating expenses	273,907.35	158,501.10
	<u>1,094,144.76</u>	<u>931,314.49</u>

13. INCOME TAXES

Deferred tax assets and liabilities recognized on the statement of financial position as at 30 September 2014 and as at 31 December 2013 are shown below:

	Assets		Liabilities		Net	
	30-Sep-2014	31-Dec-2013	30-Sep-2014	31-Dec-2013	30-Sep-2014	31-Dec-2013
Temporary differences in the value of property, plant and equipment	1,989,635.54	2,932,789.27	(7,070,100.63)	(8,379,479.72)	(5,080,465.09)	(5,446,690.45)
Temporary differences in the value of intangible assets	48,552.81	197,300.49	-	-	48,552.81	197,300.49
Provisions and adjustments	4,200,631.65	4,154,332.06	-	-	4,200,631.65	4,154,332.06
Tax losses carried forward	70,106.09	99,736.46	-	-	70,106.09	99,736.46
Temporary differences in the recognition of costs relating to customer contracts with lifetime rights of use	415,557.00	415,557.00	-	-	415,557.00	415,557.00
Deferred tax assets/(liabilities)	<u>6,724,483.09</u>	<u>7,799,715.28</u>	<u>(7,070,100.63)</u>	<u>(8,379,479.72)</u>	<u>(345,617.54)</u>	<u>(579,764.44)</u>

Movements of deferred taxes on the statement of financial position can be presented as follows:

	30-Sep-2014	31-Dec-2013
Opening balance	(579,764.44)	(225,750.72)
Recognized in the income statement	435,817.27	419,943.27
Recognized in reserves	(172,040.00)	-
Use of tax losses carried forward	(29,630.37)	(2,017,394.63)
Change in consolidation scope	-	1,243,437.64
	(345,617.54)	(579,764.44)

“Change in consolidation scope” in 2013, refers to the change in the consolidation method of the investment in the joint venture HME, from proportional method to equity method.

Income tax breakdown:

	30-Sep-2014	30-Sep-2013
Current tax	4,350,082.30	5,259,672.70
Deferred tax		
Origin and reversal of temporary differences	(465,447.64)	(2,467,848.87)
Tax losses carried forward	29,630.37	2,101,814.86
	(435,817.27)	(366,034.01)
Total income tax reported in the income statement	3,914,265.03	4,893,638.69

Reconciliation of the tax rate is presented as follows:

		30-Sep-2014		30-Sep-2013
Pre-tax income/(loss) excluding non-controlling interests		18,116,158.59		13,986,573.73
Income tax rate for the Group	24.5%	4,438,458.85	26.5%	3,706,442.04
Differences of subsidiaries tax rate		746,955.18		732,960.00
Non-deductible expenses		(285,896.23)		551,752.34
Tax incentives		(906,546.58)		(886,798.81)
Autonomous taxation		316,473.12		222,549.82
Other		(395,179.31)		566,733.30
		3,914,265.03		4,893,638.69

Deferred taxes on tax losses are only recognized in cases where their recovery before the expected maturity date can be assured.

The Group elected to be taxed under the special taxation system for corporate groups (RETGS) beginning in the 2006 fiscal year. Following the changes in corporate income tax legislation, from 2014 onwards, the three companies that composed the sub-group for tax purposes of RML (RML, VLUSITANO and HRM), were included in ES SAÚDE tax group scope.

The Group's tax losses carried forward as at 30 September 2014 and 31 December 2013, for which deferred tax assets were partially recognized are shown below:

Year of origin / limit		30-Sep-2014	31-Dec-2013
2008 / 2014	RETGS losses RML	1,011,117.29	1,011,117.29
2009 / 2015	RETGS losses RML	227,811.11	227,811.11
		1,238,928.40	1,238,928.40
		(934,119.31)	(805,291.62)
	Estimated recoverable tax losses	304,809.09	433,636.78
	Deferred tax recognized	70,106.09	99,736.46

14. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Basic and transport equipment	Office equipment	Other	Assets under construction	Total
Acquisition Cost						
Balance as at 1 January 2013	275,336,365.08	156,556,064.86	11,718,601.14	4,447,505.99	3,711,470.36	451,770,007.43
Change in consolidation scope	(254,964.79)	(1,264,384.47)	(168,178.19)	(20,987.50)	(3,063.27)	(1,711,578.22)
Additions	81,476.66	5,604,488.66	249,797.95	118,729.98	6,441,288.24	12,495,781.49
Disposals and write-offs	(109,306.07)	(2,391,916.12)	(122,040.47)	(2,964.21)	(158,815.24)	(2,785,042.11)
Transfers and adjustments	3,976,148.75	(4,778,752.47)	(1,346,431.33)	9,246.96	(6,120,306.84)	(8,260,094.93)
Balance as at 31 December 2013	279,029,719.63	153,725,500.46	10,331,749.10	4,551,531.22	3,870,573.25	451,509,073.66
Balance as at 1 January 2014	279,029,719.63	153,725,500.46	10,331,749.10	4,551,531.22	3,870,573.25	451,509,073.66
Additions	283,072.78	3,941,009.49	384,263.34	94,874.21	5,747,859.28	10,451,079.10
Disposals and write-offs	-	(976,496.53)	(68,672.60)	(800.00)	-	(1,045,969.13)
Transfers and adjustments	311,939.76	126,775.60	-	33,183.85	(471,899.21)	-
Balance as at 30 September 2014	279,624,732.17	156,816,789.02	10,647,339.84	4,678,789.28	9,146,533.32	460,914,183.63

	Land and buildings	Basic and transport equipment	Office equipment	Other	Assets under construction	Total
Accumulated depreciation						
Balance as at 1 January 2013	62,492,770.29	106,949,169.95	8,123,678.45	3,009,757.51	-	180,575,376.20
Change in consolidation scope	(210,552.52)	(1,104,883.75)	(156,543.68)	(3,466.37)	-	(1,475,446.32)
Depreciation	10,662,317.07	15,447,834.96	1,249,448.94	375,932.29	-	27,735,533.26
Disposals and write-offs	(65,819.28)	(2,310,179.71)	(120,204.16)	(2,936.71)	-	(2,499,139.86)
Transfers and adjustments	-	(5,778,340.45)	(922,657.51)	-	-	(6,700,997.96)
Balance as at 31 December 2013	72,878,715.56	113,203,601.00	8,173,722.04	3,379,286.72	-	197,635,325.32
Balance as at 1 January 2014	72,878,715.56	113,203,601.00	8,173,722.04	3,379,286.72	-	197,635,325.32
Depreciation	8,091,422.63	10,757,224.31	898,117.01	255,062.88	-	20,001,826.83
Disposals and write-offs	-	(958,087.09)	(67,042.35)	(800.00)	-	(1,025,929.44)
Balance as at 30 September 2014	80,970,138.19	123,002,738.22	9,004,796.70	3,633,549.60	-	216,611,222.71
Net book value						
31 December 2013	206,151,004.07	40,521,899.46	2,158,027.06	1,172,244.50	3,870,573.25	253,873,748.34
30 September 2014	198,654,593.98	33,814,050.80	1,642,543.14	1,045,239.68	9,146,533.32	244,302,960.92

The Group's gross investment in nine months ended 30 September 2014 amounted to approximately €10,5 million, of which €4.5 million in respect of the expansion of Hospital da Luz parking, approximately €1,0 million to acquire a plot of land to expand the Hospital da Luz – Clínica de Oeiras unit, and the acquisition/replacement of basic equipment in the Group's business units.

"Change in consolidation scope" in 2013, refers to the change in the consolidation method of the investment in the joint venture HME, from proportional method to equity method.

Transfers and adjustments in 2013, refers mainly to the transfer of software to the Intangible assets heading (note 15).

As at 30 September 2014, there were contractual commitments relative to the expansion works of Hospital da Luz parking and to the acquisition of a land plot adjacent to Hospital da Luz - Clínica de Oeiras, whose payments are scheduled.

The Group finances part of property, plant and equipment through finance lease arrangements. Additional information about these finance lease arrangements, see Note 19.

Some of the land and buildings held by the Group are granted as collateral of some of the loans to financial institutions (note 29).

15. INTANGIBLE ASSETS

	Goodwill	Computer programs	Property rights	Assets under construction	Total
Acquisition cost					
Balance as at 1 January 2013	94,481,383.61	-	86,549.00	-	94,567,932.61
Additions	-	74,792.49	-	800,541.54	875,334.03
Write-offs	-	-	-	(76,487.60)	(76,487.60)
Transfers and adjustments	-	7,258,254.07	-	202,994.39	7,461,248.46
Balance as at 31 December 2013	94,481,383.61	7,333,046.56	86,549.00	927,048.33	102,828,027.50
Balance as at 1 January 2014	94,481,383.61	7,333,046.56	86,549.00	927,048.33	102,828,027.50
Additions	-	54,728.19	-	21,451.74	76,179.93
Write-offs	-	-	-	-	-
Transfers and adjustments	-	62,367.24	-	(62,367.24)	-
Balance as at 30 September 2014	94,481,383.61	7,450,141.99	86,549.00	886,132.83	102,904,207.43
Accumulated amortization					
Balance as at 1 January 2013	-	-	14,444.39	-	14,444.39
Amortization	-	362,034.15	2,884.92	-	364,919.07
Write-offs	-	-	-	-	-
Transfers and adjustments	-	6,700,997.96	-	-	6,700,997.96
Balance as at 31 December 2013	-	7,063,032.11	17,329.31	-	7,080,361.42
Balance as at 1 January 2014	-	7,063,032.11	17,329.31	-	7,080,361.42
Amortization	-	174,914.41	2,163.69	-	177,078.10
Write-offs	-	-	-	-	-
Transfers and adjustments	-	-	-	-	-
Balance as at 30 September 2014	-	7,237,946.52	19,493.00	-	7,257,439.52
Book value					
31 December 2013	94,481,383.61	270,014.45	69,219.69	927,048.33	95,747,666.08
30 September 2014	94,481,383.61	212,195.47	67,056.00	886,132.83	95,646,767.91

Transfers and adjustments in 2013, refers mainly to the transfer of software from the Tangible assets heading (note 14).

The goodwill reported is the result of acquisitions of subsidiary companies. In the period of nine months ended 30 September 2014 and the year ended 31 December 2013, there were no movements in the Goodwill heading.

The balance in the consolidated statement of financial position is composed as follows:

<u>Company</u>	<u>Year of acquisition</u>	<u>Ownership</u>	<u>Goodwill</u>
HAG	2000	100.00%	446,140.69
CLIRIA	2000/10	90.59%	3,611,317.83
HME	2001	50.00%	14,103.47
HOSPOR	2006	100.00%	89,944,136.34
IRIO	2006/8	100.00%	479,788.75
Impairment			(14,103.47)
Total goodwill recognized			94,481,383.61

As a result of the impairment testing performed as at 31 December 2013, and subsequently updated as at 30 June 2014, the Group concluded that there were no impairment losses. With reference to those dates, sensitivity analyses were performed on the results of the impairment tests relative to the following key assumptions: (i) perpetuity growth rate (-1.00%) and (ii) discount rate (+0.50%). The results of the sensitivity analysis did not reveal any indications of impairment.

16. INVENTORIES

	<u>30-Sep-2014</u>	<u>31-Dec-2013</u>
Raw materials and consumables	7,430,493.05	7,358,159.58

Inventories consist mainly of pharmaceutical products and medical supplies used by the Group's hospitals and clinics in their business of providing clinical services.

Taking into account the procedures used for the physical management of inventories and the expiration dates of the goods, there were we did not see a need to record any impairment losses on inventories.

17. PROVISIONS

The amounts reported under provisions as at 30 September 2014 and 31 December 2013 were as follows:

	30-Sep-2014	31-Dec-2013
Opening balance	7,940,056.52	5,606,206.65
Additions (net of reversals)	(83,333.30)	67,345.50
Utilizations	-	(2,000.00)
Change in the consolidation method used for HME	-	2,268,504.37
	<u>7,856,723.22</u>	<u>7,940,056.52</u>

The impact in 2013 of the change in the consolidation method used for HME, includes the liabilities assumed by the Group as consequence of the change in the consolidation method of HME, from including the proportional share of equity, liabilities and assets of the company, which were formerly included in the consolidation.

The balance of provisions as at 30 September 2014 and 31 December 2013 can be presented as follows:

	30-Sep-2014	31-Dec-2013
Litigation	64,656.33	64,656.33
Tax disputes	4,048,442.45	4,048,442.45
Risk of losses from non-consolidated associates	3,100,000.00	3,183,333.30
Financial assets impairment	400,000.00	400,000.00
Other	598,794.44	243,624.44
	<u>8,211,893.22</u>	<u>7,940,056.52</u>

The transactions recorded in the income statement in the periods ended 30 September 2014 and 30 September 2013 can be summarized as follows:

	30-Sep-2014	30-Sep-2013
Charges	355,170.00	48 000.00
Reversals	(83 333.30)	(127 333.36)
Impact on the income statement	<u>271,836.70</u>	<u>(79 333.36)</u>

The provisions recognized by the Group are related with operational risks identified at each reporting date, meeting the necessary requirements for being recognized as a liability.

18. IMPAIRMENT LOSSES

Impairment losses as at 30 September 2014 and 31 December 2013 were as follows:

	Balance as at 31 December 2013	Additions	Reversals and utilizations	Balance as at 30 September 2014
Impairment of receivables				
Trade receivables	8,106,033.02	513,432.39	(364,498.50)	8,254,966.91
Other receivables	1,277,635.23	120,801.93	-	1,398,437.16
	<u>9,383,668.25</u>	<u>634,234.32</u>	<u>(364,498.50)</u>	<u>9,653,404.07</u>
Impairment of property, plant and equipment:				
Hospor – Valença	916,934.01	-	-	916,934.01
CRB – Porto	2,904,258.72	-	-	2,904,258.72
ES USATI – Lote 28	2,068,839.01	-	-	2,068,839.01
	<u>5,890,031.74</u>	<u>-</u>	<u>-</u>	<u>5,890,031.74</u>

Transactions recorded in the income statement in the periods ended 30 September 2014 and 2013 can be summarized as follows:

	30-Sep-2014	30-Sep-2013
Impairment charge	634,234.32	280,856.65
Reversals of impairment charge	(204,864.12)	(120,940.22)
Effect on net income	<u>429,370.20</u>	<u>159,916.43</u>
Change in the consolidation scope	-	540,620.18
Other effects	(159,634.38)	(2,019.22)
	<u>269,735.82</u>	<u>698,517.39</u>

“Change in consolidation scope” in 2013, refers to the change in the consolidation method of the investment in the joint venture HME, from proportional method to equity method.

19. FINANCE LEASE LIABILITIES

Assets used under financial lease agreements can be presented as follows:

30-Sep-2014	Acquisition value	Accumulated depreciation	Net book value
Buildings	384,074.38	-	384,074.38
Basic equipment	70,045,198.98	48,324,954.18	21,720,244.80
Office equipment	3,048,610.27	2,276,716.32	771,894.40
Transport equipment	18,489.60	18,489.60	-
Other equipment	71,280.62	18,746.46	52,534.16
	<u>73,567,654.30</u>	<u>50,638,906.56</u>	<u>22,928,747.74</u>

31-Dec-2013	Acquisition value	Accumulated depreciation	Net book value
Buildings	384,074.38	-	384,074.38
Basic equipment	74,445,702.81	43,237,856.28	31,207,846.53
Office equipment	2,272,081.64	1,270,350.03	1,001,731.61
Transport equipment	18,489.60	18,489.60	-
Other equipment	25,455.87	12,910.01	12,545.86
	<u>77,145,804.30</u>	<u>44,539,605.92</u>	<u>32,606,198.38</u>

These assets are recorded under property, plant and equipment.

The finance lease liabilities have the following maturities:

30-Sep-2014	Principal	Interest	Total
Less than one year	10,453,816.41	1,064,694.89	11,518,511.30
Current	10,453,816.41	1,064,694.89	11,518,511.30
Between one and five years	15,106,987.30	2,217,905.12	17,324,892.42
More than five years	6,442,415.26	454,337.43	6,896,752.69
Non-current	<u>21,549,402.56</u>	<u>2,672,242.55</u>	<u>24,221,645.11</u>

31-Dec-2013	Principal	Interest	Total
Less than one year	11,091,102.34	1,206,591.07	12,297,693.41
Current	11,091,102.34	1,206,591.07	12,297,693.41
Between one and five years	18,481,468.58	2,467,573.02	20,949,041.60
More than five years	8,891,266.21	623,088.58	9,514,354.79
Non-current	<u>27,372,734.79</u>	<u>3,090,661.60</u>	<u>30,463,396.39</u>

20. OPERATING LEASES

As at 30 September 2014 and 31 December 2013, the Group had liabilities for assets under operating leases related to vehicles and equipment. These leases contained penalty clauses in case of cancellation. The total amounts of future payments are as follows:

	30-Sep-2014	31-Dec-2013
Less than one year	1,016,832.22	1,033,671.16
Between one and five years	1,773,504.56	1,837,987.56
More than five years	-	-
	<u>2,790,336.78</u>	<u>2,871,658.72</u>

For the periods ended 30 September 2014 and 2013, the amounts paid relating to operating leases totaled €951,220.25 and €923,188.98, respectively.

21. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINTLY CONTROLLED ENTITIES

	Shareholdings in associated companies	Equity loans	Loans to associated companies	Other financial investments	Total
Balance as at 1 January 2013	115,453.36	1,719,397.00	-	-	1,834,850.36
Increases	8,771.97	-	1,170,000.00	1,938.65	1,180,710.62
Decreases	-	(300,000.00)	-	-	(300,000.00)
Impairment charges	-	-	(1,170,000.00)	-	(1,170,000.00)
Balance as at 31 December 2013	<u>124,225.33</u>	<u>1,419,397.00</u>	<u>-</u>	<u>1,938.65</u>	<u>1,545,560.98</u>
Balance as at 1 January 2014	124,225.33	1,419,397.00	-	1,938.65	1,545,560.98
Increases	135,000.00	-	510,000.00	29,373.25	674,373.25
Decreases	(3,753.39)	(110,000.00)	-	-	(113,753.39)
Impairment charges	-	-	(510,000.00)	-	(510,000.00)
Balance as at 30 September 2014	<u>255,471.94</u>	<u>1,309,397.00</u>	<u>-</u>	<u>31,311.90</u>	<u>1,596,180.84</u>

GENOMED

On 7 October 2004, ES SAÚDE subscribed 48,000 shares, with a nominal value of €5 each, representing 24% of the share capital of GENOMED, whose object is to provide diagnostic, prevention and therapeutic support services in human diseases, and to promote diagnostic and research and development activities in the area of molecular medicine.

In April 2014, ES SAÚDE acquired an additional lot of 27,000 shares, increasing its stake to 37.5% of GENOMED's share capital.

HL-SGE

In December 2009, ES SAÚDE subscribed 14,400 shares, with a nominal value of €1 each, representing 10% of the share capital of HL – Sociedade Gestora do Edifício, SA, a company headquartered in Oeiras whose object was the construction and maintenance of Hospital Beatriz Ângelo building in Loures under the Public-Private Partnership Program, in accordance with a contract signed at the end of 2009.

(i) Shareholdings in associates and joint-ventures and Equity loans

The interest in associates and joint ventures and the Equity loans to these entities, can be presented as follows:

	Head- quarters	Acquisition cost	% of share capital held	Equity value of the share	Value of the share in net profit/(loss)	Year	Net book value as at 30-Sep-2014
<u>Joint-ventures</u>							
HME	Évora	125,000.00	50.00	-	-	-	-
<u>Associated companies</u>							
GENOMED	Lisboa	375 000.00	37.50	166 004.30	(3 753.39)	6 / 2014	241,071.94
HL-SGE	Oeiras	14 400.00	10.00	601 809.30	190 655.00	2013	1,323,797.00
							<u>1,564,868.94</u>

HME presents negative shareholders equity, therefore the book value of the financial investment held by the group was entirely adjusted to reduce the value of the investment to null. In addition a provision for risks and liabilities assumed by ES SAÚDE related with the investee has been recognized (note 17).

(ii) Loans to joint-ventures

Loans granted joint-ventures and movements occurred during the period ended 30 September 2014, could be presented as follows:

	31-Dec-2013	Increases	Decreases	30-Sep-2014
Joint-venture				
HME	4,850,000.00	510,000.00	-	5,360,000.00
	<u>4,850,000.00</u>	<u>510 000.00</u>	<u>-</u>	<u>5,360,000.00</u>

The loan granted to HME refers to shareholders loans made, bearing interest at market rates. Due to the investee's situation, an impairment allowance has been recognized to fully adjust the net book value of the loan to null.

22. TRADE AND OTHER RECEIVABLES

	30-Sep-2014	31-Dec-2013
Current:		
Trade receivables	63,671,631.84	50,855,614.86
Doubtful trade receivables	8,254,966.91	8,106,033.02
Impairment for doubtful trade receivables	(8,254,966.91)	(8,106,033.02)
	<u>63,671,631.84</u>	<u>50,855,614.86</u>
Advances to suppliers	651,496.00	549,156.73
State and other public entities	1,901,070.38	2,337,571.64
Other receivables	1,718,216.90	1,770,835.93
Impairment for doubtful other receivables	(1,398,437.16)	(1,277,635.23)
Accrued income	44,960,568.32	25,533,811.41
Deferred expenses	5,087,766.08	4,603,768.47
	<u>52,920,680.52</u>	<u>33,517,508.95</u>
Income tax receivable	-	30,460.81
	<u>116,592,312.36</u>	<u>84,403,584.62</u>

The increase in the Trade receivables balance from December 2013, is due to two events: (i) extraordinary payments performed by the payers in the last quarter of 2013, which in 2014 have not occurred; and (ii) to a higher level of activity of Hospital Beatriz Ângelo in comparison to the monthly payments performed by the Portuguese State.

"Accrued income" refers mainly to amounts from clinical procedures not yet invoiced (Note 3.3). The change in 2014 is related with: (i) the clinical activity of Hospital Beatriz Ângelo, as the services rendered are only invoiced in following year, and effective production values are higher than the production values invoiced in

accordance with the contract, and (ii) with the fact that the settlement of accounts with ARSLVT related with the years of 2012, 2013, have not yet been settled (note 3).

Amounts to be received from the “State and other public entities” consist primarily of VAT receivable and advance payments made in respect of corporate income tax.

23. CASH AND CASH EQUIVALENTS

	30-Sep-2014	31-Dec-2013
Cash	531,119.93	367,836.30
Bank deposits that mature within 3 months	25,718,882.24	32,894,197.08
Cash equivalents	564,616.95	526,900.15
Other cash investments	15,000.00	1,029,627.46
Cash and equivalents in the cash flow statement	26,829,619.12	34,818,560.99

24. SHARE CAPITAL, RESERVES AND RETAINED EARNINGS

Share Capital

The company's share capital consists of 94,542,254 ordinary registered shares with a nominal value of one euro per share (31 December 2013: 88.500.000 shares). On 11 February 2014, there was a share capital increase through the issue of 7,042,254 new shares fully paid in cash, which occurred simultaneously with the Initial Public Offer (IPO) of up to 49% of the share capital of ES SAÚDE in the Lisbon stock exchange.

As a result of the transactions undertaken and communicated by the shareholders to the Society, the main shareholder positions at 30 September 2014 were the following:

	30-Sep-2014	31-Dec-2013
Espírito Santo Health Care Investments, SA (*)	51.0%	-
Espírito Santo Financial Group, SA (*)	3.4%	24.9%
Rio Forte Investments, SA	-	57.1%
Banco Espírito Santo, SA	-	10.0%
BES Vida, Companhia de Seguros, SA	-	5.0%
Companhia de Seguros Tranquilidade, SA	-	3.0%
Other qualifying stakes	30.5%	-
Non qualifying stakes	15.1%	-

(*) companies held, directly and indirectly, by Espírito Santo International (ESI).

Treasury shares

As part of the share-based payment plan, defined by ES SAÚDE Remunerations Committee, or by other governing bodies of the several subsidiaries, there was the acquisition of treasury shares during the second quarter of 2014, as follows:

	Number of shares
Shares acquired	91,486
Shares used for payment of 2013 bonus	(37,101)
Balance as at 30 September 2014	54,385

Share premium

Share premium is the result of increases in the company's share capital that were made in 2004, 2005 and 2006 in the amounts of €12,500,000, €7,500,000 and €61,600,000, respectively. During the 2011 financial year, by decision of the general shareholders meeting, a portion of the share premiums (€33,870,082.14) was used to cover losses carries forward, leaving a remaining balance of €47,729,917.86.

In the capital increase occurred in February 2014, €15,492,958.80 of share premiums were accounted, from which €1,427,083.75 relative to expenses with the share capital increase were deducted. As such, the share premiums presents a total balance of €61,795,792.91.

Proposal for the appropriation of the net profit

According to the proposal presented on the Annual Shareholders Meeting held on May 23rd of 2014, the net income of ES SAÚDE in accordance with its stand alone financial statements, related to the year ended 31 December 2013, were appropriated as follows:

	Value
Legal reserve	860,200.00
Free reserves	16,343,713.36
Total	17,203,913.36

Non-distributable reserves

Non-distributable reserves in the amount of €1,863,500 (2013: €1,003,300), correspond to the legal reserve established by allocating net income in accordance with the stand alone accounts of the parent company in financial years up to and including 2013.

Distributable reserves

Distributable reserves in the amount of €34,209,545.42 (2013: €18,643,645.26), correspond to the free reserves established by allocating net income in the stand alone accounts of the parent company in financial years up to and including 2013:

	Share based payment	Retained earnings	Total
Balance as at 1 January 2013	-	2,180,078.59	2,180,078.59
Appropriation of net profit	-	16,463,566.67	16,463,566.67
Balance as at 31 December 2013	-	18,643,645.26	18,643,645.26
Appropriation of net profit	-	16,343,713.36	16,343,713.36
Other changes in the period	575,960.00	(1,353,773.20)	(777,813.20)
Balance as at 30 September 2014	575,960.00	33,633,585.42	34,209,545.42

The expenses with the stock plan are recognized on straight line method from the date of granting until the vesting date. The responsibility of the plan is calculated in accordance with the price of ES SAÚDE's shares on the date of granting (in this case, the company's first listing date). As at 30 September 2014, the effect of the share based plan amounts to €575,960.00, net of taxes, being recognized directly under distributable reserves.

Share-based payment

On the Shareholders Meeting that took place on the 22nd of January of 2014, ES SAÚDE created a share based plan for the members of its Board of Directors who have collaborated with ES SAÚDE since its inception on July 6th 2000, through a labor contract or as governing bodies, and that will be in function as directors on the dates established by the plan. On the date of this report, the directors that comply with the mentioned requirements are Isabel Maria Pereira Aníbal Vaz, João Paulo da Cunha Leite de Abreu Novais, Tomás Leitão Branquinho da Fonseca and Ivo Joaquim Antão.

The mentioned share based plan will distribute 510,000 shares (already issued), through transfer to the mentioned directors' accounts. On the first workday of 2015, 2016 and 2017, one third of this amount of shares will be attributed.

Since implementation of the share based plan implies that the company acquires its own shares in order to deliver them to the eligible directors, it was already approved, on the Shareholders Meeting mentioned above, the purchase of shares by the Company, on a period no longer than eighteen months, with a maximum of 170,000 shares, in regulated market and with a price that should fall between +10% and -10% of the average price of the shares traded in the five market sessions previous to the acquisition of the shares. It was also approved the free disposal of such shares, for the settlement of the attributions made under the share based plan.

Accumulated losses

Accumulated losses totaling €30,029,231.28 (2013: €28,197,942.09) are the result of losses incurred by the Group in previous years, less the amount of the share premiums used to cover the losses.

25. EARNINGS PER SHARE

Basic	30-Sep-2014	30-Sep-2013
Net income attributable to equity holders of the parent	14,215,886.81	9,044,129.60
Average number of shares in the period	94,436,190	88,500,000
Basic earnings per share	0.151	0.102

Average number of shares in the period ended 30 September 2014, could be presented as follows:

	30-Sep-2014	30-Sep-2013
Shares issued at the beginning of the period	88,500,000	88,500,000
Effect of shares issuing in the period	5,962,785	-
Average number of shares paid	94,462,785	88,500,000
Effect of the own shares	(26,595)	-
Average number of shares in the period	94,436,190	88,500,000

As at 30 September 2014 and 30 September 2013, the company had no financial instruments with a dilutive effect; therefore, basic earnings per share are equal to diluted earnings per share.

26. TRADE AND OTHER PAYABLES

	30-Sep-2014	31-Dec-2013
Trade payables	27,661,926.67	22,336,462.52
Fixed assets suppliers	2,057,711.14	1,282,426.54
	29,719,637.81	23,618,889.06
Customer advances	9,169,973.42	6,525,769.33
State and other public entities	3,551,153.21	3,428,969.81
Other creditors	7,549,855.53	1,644,408.72
Fees payable for services	12,793,215.86	12,936,103.61
Deferred income ROUs	4,488,335.99	4,777,857.92
Accrued expenses with ROUs	1,501,510.33	1,533,823.83
Employee salaries and benefits	18,264,605.56	16,609,773.90
Interest payable	404,582.49	102,515.85
Other deferred income	33,186.10	39,526.36
Other accrued expenses	10,762,872.56	6,982,468.07
	68,519,291.05	54,581,217.40
Income tax payable	1,816,786.98	2,729,846.35
Total current	100,055,715.84	80,929,952.81
Non-current trade payables	399,061.20	698,357.10
	100,454,777.04	81,628,309.91

The change on fixed assets suppliers balance is due to the stage of completion of the construction works in progress at 31 December 2013 and at the date of these financial statements, namely in respect of the expansion of Hospital da Luz parking lot and some refurbishment work in other facilities.

The increase in customer advances results mainly from payments from the State regarding Hospital Beatriz Ângelo's production and also from the activity growth across all the other facilities.

Increase in Other creditors, is mainly due to the reclassification of the balance with Banco Espírito Santo ("BES") from current borrowings in the amount of €5,5 million, the intervention measures applied by the Bank of Portugal have inhibited the provision of credit by BES.

Lifetime rights of use (ROUs) are related to the "Senior Residences with Services" business area. The sales value of these rights charged to the customers is initially accounted for under deferred income and is subsequently recognized as revenue during the expected lifetime of each customer.

Accrued expenses related to ROUs result from recognition of losses associated with lifetime right of use contracts.

27. BORROWINGS

As at 30 September 2014 and 31 December 2013, the balance of this heading corresponded to bank loans and other financing obtained at market interest rates. Details are shown below:

	Maturity	Interest rate	30-Sep-2014	31-Dec-2013
Current:				
BCP – ES SAÚDE (*)	Commercial paper	Eur6M + spread	-	5,000,000.00
Public issue	Commercial paper	Fixed	4,982,442.01	38,787,765.39
BST – ES SAÚDE	Commercial paper	Eur + spread	3,000,000.00	-
BES – ES SAÚDE	Overdraft	Eur1M + spread	-	109,058.79
BST – ES SAÚDE	Overdraft	Eur6M + spread	5,000,000.00	-
BES – HL-CCA	Overdraft	Eur1M + spread	-	1,147,064.54
CGD – HL-CCA (*)	2014	Eur6M + spread	581,250.00	1,162,500.00
BES – CPP	Overdraft	Eur1M + spread	-	496,385.57
BES – CLIRIA	Overdraft	Eur1M + spread	-	1,114,050.21
BES – CLIRIA	Renewable		-	1,944.24
BBK – CLIRIA	2014	Eur3M + spread	1,108,238.46	1,098,964.36
BST – CLIRIA	2014	Eur6M + spread	192,137.42	185,468.94
BST – CLIRIA	Renewable	Eur3M + spread	-	200,000.00
CGD – HAG (*)	2014	Eur6M + spread	2,000,000.00	13,000,000.00

	Maturity	Interest rate	30-Sep-2014	31-Dec-2013
POPULAR – HAG	2015	Eur3M+ Spread	2,500,000.00	-
BPI – RML (*)	2014	Eur6M + spread	1,750,000	1,419,062.50
BPI – PMEInvest – RML	2014	Eur3M + spread	150,000.00	150,000.00
BPI – Treasury – RML (*)	Renewable	Eur6M + spread	500,000.00	500,000.00
BPI – PMEInvest – VLUSITANO	2014	Eur3M + spread	157,894.72	157,894.72
BCP – HOSPOR	2014	Eur6M + spread	185,466.84	185,466.84
BST – HOSPOR	2014	Eur6M + spread	-	750,000.00
CGD – ESS RcSS (*)	2014	Eur6M + spread	450,000.00	450,000.00
CGD – ESS RcSS (*)	2014	Eur6M + spread	-	138,950.96
			<u>22,557,429.45</u>	<u>66,054,577.06</u>
Non-current:				
BST – ES SAÚDE	Commercial paper	Eur + spread	7,057,316.77	9,003,681.81
BCP – ES SAÚDE (*)	Commercial paper	Eur + spread	87,725,327.29	84,799,757.51
CGD – ES SAÚDE (*)	Commercial paper	Eur + spread	-	4,998,154.85
CGD – ES USATI (*)	Commercial paper	Eur + spread	10,475,753.85	10,496,507.36
BST – ES USATI	Commercial paper	Eur + spread	905,172.84	-
BST – CLIRIA	2015 to 2018	Eur6M + spread	565,328.20	710,797.90
BST – CLIRIA	Commercial paper	Eur + spread	3,519,559.46	-
BBK – CLIRIA	2015 to 2016	Eur3M + spread	1,472,022.79	2,341,583.09
BST – H LUZ	Commercial paper	Eur + spread	100,574.76	-
BST – HAG	Commercial paper	Eur + spread	1,508,397.33	2,501,025.56
CGD – HAG (*)	2015 to 2016	Eur6M + spread	10,000,000.00	-
BPI – RML (*)	2015 to 2016	Eur6M + spread	5,250,000.00	3,001,250.00
BPI – PMEInvest – RML	2015 to 2017	Eur3M + spread	262,500.00	375,000.00
BPI – PMEInvest – VLUSITANO	2015 to 2016	Eur3M + spread	118,421.04	236,842.08
BCP – HOSPOR	2015 to 2016	Eur6M + spread	262,744.24	401,844.37
BST – HOSPOR	Commercial paper	Eur + spread	9,051,136.00	9,004,615.00
CGD – HOSPOR (*)	Commercial paper	Eur + spread	9,481,448.52	9,497,669.97
BBK – SGHL	2022	Eur3M + spread	2,500,000.00	2,500,000.00
			<u>150,255,703.09</u>	<u>139,868,729.50</u>

(*)These loans include change of ownership clauses on the part of Espírito Santo International – See note 24.

Most of the loans mentioned above contain covenants that are common in financing agreements. Typical nonfinancial restrictions included are negative pledge provisions, guarantees provided by members of the Group and by the Company, in particular restrictions applying to the use of capital resources, acquisition and disposal of assets, pari passu obligations, situations of default that include cross default clauses relative to the companies that are controlled by or are in a group relationship with the respective borrower. In terms of

financial restrictions, some contracts include obligations to ensure certain debt to equity and working capital ratios.

Some financing agreements involving subsidiaries of the Company contain change-of-control provisions that require ESI to maintain a direct or indirect controlling interest in the Company. Some of these change of control provisions may be activated if (i) ESI's direct or indirect investment falls below 51% of the Company's share capital, (ii) ESI's direct or indirect investment falls below 51% of the Company's share capital and voting rights (iii) ESI ceases to hold, directly or indirectly, a majority of the Company's share capital and voting rights without obtaining authorization for the disposal from the creditors in question.

Following the change in the shareholders structure of the company (note 31), it was not received any communication in respect to the change of control provisions described in the precedent paragraph.

28. CONTINGENT LIABILITIES

As stated in the IPO Prospectus, in the Shareholders Meeting of January 22, 2014, and considering the uninterrupted exercise over about 15 years of management functions within the Group by Isabel Maria Pereira Aníbal Vaz, as well as its role in promoting the development of the Group's business, it was approved granting her a recognition award for its professional performance, worth €850,000, payable in one installment at the moment when she ceases the exercise of functions in the Board of Directors of the Company, for any reason not imputable to her. The payment of the proposed award is independent and is not intended to replace the assignment of any patrimonial benefits that are deemed legally payable by the term of corporate management functions by Isabel Maria Pereira Aníbal Vaz, independent of the cause and time of the termination of those functions.

29. GUARANTEES

As at 30 September 2014, the breakdown of guarantees made to third parties was as follows:

Company	Bank	Beneficiary	Value
CLIRIA	BES	Hospital Infante D. Pedro	665.99
CLIRIA	BES	Lusitânia Gás Comercialização	2,437.83
ES SAÚDE	CGD	SGHL	3,250,000.00
ES SAÚDE	CGD	HL-SGE	105,000.00
ES SAÚDE	Bankia	SGHL	3,250,000.00
ES USATI	BES	CML	500,000.00
HOSPOR	BST	ARS Norte	53,778.74
HOSPOR	BCP	DGCI	48,909.34
HOSPOR	BES	CTT	2,500.00
SURGICARE	BES	DGCI	2,291,014.32
VILA LUSITANO	BPI	EDP – power supply	1,976.40

9,506,282.62

In addition, real guarantees (mortgages and promissory mortgages) have been given to financial institutions to secure bank financings, which are detailed as follows:

Company	Guarantee	Beneficiary	Value
CLIRIA	Real estate	Barclays Bank Plc	8,674,705.00
ES USATI	Real estate	BCP	96,000,000.00
ESS – RcSS	Real estate	Caixa Geral de Depósitos	3,744,229.91
HL – CCA	Real estate	Caixa Geral de Depósitos	6,259,027.00
HAG	Real estate	Caixa Geral de Depósitos	20,000,000.00
VILA LUSITANO	Real estate	Banco BPI	8,700,000.00
VILA LUSITANO	Real estate	Banco BPI	500,000.00
			143,877,961.91

30. RELATED PARTIES

As at 30 September 2014, Espírito Santo Control, headquartered in Luxembourg, was the ultimate beneficial owner of the ES SAÚDE Group.

Since 17 October 2014, and following a public tender offer for the acquisition of the share capital of ES SAÚDE, Fidelidade – Companhia de Seguros, SA holds a stake of control of 96,067% in ES SAÚDE.

Balances as at 30 September 2014 and 31 December 2013 and transactions with related parties that occurred during the period of nine months ended 30 September 2014 and 2013, were as follows:

	30-Sep-2014	31-Dec-2013
Receivables:		
Shareholders		
BES – Deposits	3,813,445.89	29,375,240.91
BES – Trade receivables	535.78	3,535.78
BES – Other receivables	3,366.01	3,366.01
Tranquilidade – Trade receivables	2,217,412.27	1,842,544.24
	6,034,759.95	31,224,686.94
Other related parties		
BES Angola – Trade receivables	-	3,831.74
ES Seguros – Trade receivables	753,924.78	727,835.04
Esumédica – Trade receivables	29,729.10	37,554.80
Locarent – Trade payables	-	2,133.05
Seguros Logo – Trade receivables	16,609.58	71,151.83

	30-Sep-2014	31-Dec-2013
Tranquilidade Angola – Trade receivables	-	1,044.67
	800,263.46	843,551.13
	6,835,023.41	32,068,238.07
Payables:		
Shareholders		
BES – Bank overdrafts	-	2,866,559.11
BES – Loans	-	1,944.24
BES – Finance lease	27,764,160.51	31,673,534.22
BES – Other creditors	5,544,917.78	-
Tranquilidade – Trade payables	33,195.42	-
Tranquilidade – Other payables	7,646.91	166,402.99
	33,349,920.62	34,708,440.56
Associated companies		
Hotéis Tivoli	-	316.00
OutSystems – Trade payables	107,625.00	-
Top Atlântico – Trade payables	-	620.00
Top Partner – Trade payables	16,600.12	-
	124,225.12	936.00
Other related parties		
BES Angola – Trade receivables	1,221.38	-
BES Investimento – Trade payables	40,175.12	13,453.62
Edenred Portugal – Trade payables	4,746.52	2,855.58
ES Resources – Trade payables	4,920.00	3,695.80
Esegur – Empresa de segurança – Trade payables	146,732.31	97,735.96
Esegur – Soluções de backoffice – Trade payables	3,310.92	3,138.75
Esumédica – Trade payables	22,581.15	18,481.95
Esumédica – Other payables	1,319.51	3,874.92
Europe Assistance – Trade receivables	-	7,335.17
Europe Assistance – Trade payables	2,643.16	1,299.38
Locarent – Trade payables	4,610.68	541.34
Multipessoal – SGL – Trade payables	94,605.17	84,383.58
	326,865.92	236,796.05
	33,801,011.66	34,946,172.61
	30.06.2014	30.06.2013
Income:		
Shareholders		
BES – Interest	90,913.75	161,263.82

	30-Sep-2014	31-Dec-2013
BES – Other operating income and earnings	27,000.00	18,000.00
BES – Revenue from sales and services	19,875.00	2,950.00
Tranquilidade – Revenue from sales and services	8,667,866.98	5,376,446.46
	8,805,655.73	5,558,660.28
Other related parties		
BES Angola – Revenue from sales and services	17,382.14	-
BES Investimento – Revenue from sales and services	81.00	-
ES Seguros – Revenue from sales and services	4,183,424.82	2,753,543.83
Esumédica – Revenue from sales and services	61,769.07	43,570.57
Europe Assistance – Revenue from sales and services	1,965.40	-
Seguros Logo – Revenue from sales and services	99,866.14	41,488.56
Hotéis Tivoli – Revenue from sales and services	30.00	-
	4,364,518.57	2,838,602.96
	13,170,174.30	8,397,263.24
Expenses:		
Shareholders		
BES – Interest	47,361.15	652,157.18
BES – Banking services	389,233.04	316,173.95
BES – Finance leases	829,192.21	-
ESFG – Materials and services used	-	12,000.00
Tranquilidade – Personnel costs	1,065,029.89	645,006.89
Tranquilidade – Materials and services used	518,058.47	333,460.55
	2,848,874.76	1,958,798.57
Other related parties		
Edenred Portugal - Materials and services used	28,369.87	37.31
ES Resources – Materials and services used	27,372.50	18,915.00
Esegur – Empresa de segurança – Materials and services used	835,218.09	548,586.63
Esegur – Soluções de backoffice – Materials and services used	6,722.75	2,995.21
Esumédica – Personnel costs	169,564.65	110,641.34
Locarent – Materials and services used	587,728.02	354,585.54
Multipessoal – ETT – Materials and services used	10,211.90	-
Multipessoal – SGL – Materials and services used	717,978.75	471,005.34
Outsystems – Materials and services used	98,225.20	73,066.69
T-Vida – Materials and services used	5,808.51	3,834.19
	2,487,200.24	1,583,667.25
	5,336,075.00	3,542,465.82

The amounts reported as income are primarily related to healthcare services delivered by ES SAÚDE units to insurance companies at normal market prices.

The amounts reported as expenses are related to the normal business activity of the respective entities and correspond to bank financing, finance leases, insurance and other services used by ES SAÚDE and its subsidiaries, which are acquired at arm's length prices and market conditions.

Remuneration paid to governing bodies is detailed in Note 11.

31. SUBSEQUENT EVENTS

During the period from 19 August 2014 until 14 October 2014, ES SAÚDE has been subject, by three economic Groups, to several public tender offers to acquire its share capital. This process has been concluded on 17 October 2014 with the acquisition of 96.067% of the shares of ES SAÚDE by Fidelidade – Companhia de Seguros, SA at a price of €5,01 per share.

The Accountant

Board of Directors