



Diagnósticos da América S.A.

Investor Relations
Av. Juruá, 434 – Alphaville, Barueri – SP
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DIAGNÓSTICOS DA AMÉRICA S.A.
Corporate Tax Payer no. 61.486.650/0001-83
State Registration no. 35.300.172.507

Publicly-Held Company

MATERIAL FACT

In compliance with CVM Instructions no. 319 of December 3, 1999 (including its subsequent amendments) and no. 358 of January 3, 2002, Diagnósticos da América S.A. (DASA or the "Company"), with head offices located at Av. Juruá, 434, Alphaville, in Barueri, State of São Paulo, hereby informs its shareholders and the market as a whole of the conditions governing the incorporation of the following subsidiaries by DASA: Centro Radiológico da Lagoa Ltda., Presmedi Rio Serviços Médicos Ltda., Elkis e Furlanetto Centro de Diagnósticos e Análises Clínicas Ltda., Elkis e Furlanetto Laboratório Médico Ltda., and Laboratório Pasteur Patologia Clínica S/S Ltda., (hereinafter referred to collectively as the "Affiliates"). The said conditions will be submitted to the stockholders for due appreciation in a Special Shareholders' Meeting to be held on August 1st, 2005 and for which a summons has been issued on the date hereof, and they are as follows:

- 1) **Present ownership structure:** The Company now controls the Affiliates.
- 2) **Proposed operation:** The Company intends to incorporate the Affiliates at book value as at 06/30/2005, based on the valuation reports issued by a firm retained to perform this study, namely KPMG Auditores Independents ("KPMG"), with head offices located at Rua Dr. Renato Paes de Barros, 33 - 17^o andar, Itaim Bibi, in the City and State of São Paulo, and registered with the Treasury Department as Corporate Tax Payer no. 57.755.217/0001-29, and with the National Board of Accountants (CRC) under no. 2SP014428/O-6. Prior to the incorporation, the Affiliates' remaining quotas will be transferred to DASA, which will thereby become their sole partner but exclusively for the purposes of this operation and for the length of time required to bring it to completion. As a result of the incorporation, DASA will assume all the rights and obligations of the Affiliates, which will in turn be made extinct for all legal purposes.
- 3) **Reasons for the operation:** The incorporation of the Affiliates will bring administrative and economic benefits, allowing DASA to rationalize its business activities and consolidate its operations.
- 4) **Benefits of the operation:** By joining forces and assets with the Affiliates, the Company will be able to put their resources to the best use, with the possibility of expanding its business operations and simplifying its administrative processes significantly.
- 5) **No transfer of liabilities:** The Company is not aware of any contingent or unreported liability to be transferred to it by the Affiliates as a result of their incorporation.



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- 6) **Cost of operation:** The total cost of the incorporation hereunder is estimated at approximately R\$ 80,000.00 and it consists basically of expenses related to accounting and legal consulting services, in addition to legal publications.
- 7) **Corporate actions and agreements relative to the incorporation:** The executive officers of DASA and the Affiliates agreed to the incorporation hereunder by signing a Protocol and Justification for Incorporation on July 14, 2005. However, its final approval is still subject to the acceptance of a Valuation Report on the stockholders' equity of the Affiliates by DASA's shareholders in the Special Shareholders' Meeting summoned on the date hereof.
- 8) **Capital increase:** There will be no capital increase in the Company. Therefore, the present shareholdings will not be diluted.
- 9) **Extinction of quotas held by DASA in the Affiliates:** As a result of the incorporation, the Affiliates will cease to exist as per section "2" above and, consequently, the quotas of their capital stock held by the Company will also be made extinct.
- 10) **Criterion and base date for determining the stockholders' equity of the Affiliates:** The stockholders' equity of the Affiliates to be incorporated by DASA was determined at book value, and the preparation of the corresponding Valuation Reports was entrusted to KPMG, whose appointment will be submitted to the Company's stockholders for ratification in the aforementioned Special Shareholders' Meeting. The base date of the balance sheets used for the purposes of this incorporation is June 30, 2005. Subsequent equity variations will be reflected in the Company's operating results.
- 11) **No conflicts of interest:** KPMG has expressly stated in writing that there are no conflicts of interest involved in the preparation of the Valuation Reports or in any other related activity.
- 12) **Availability of documents pertaining to the operation:** The documents produced so far are available to all Company shareholders in its head office at Av. Juruá, 434, Alphaville - Barueri, São Paulo, and on the following website: www.diagnosticosdaamerica.com.br.
- 13) **Conditions to which the operation is subject:** The bases of the incorporation hereunder, as detailed in the Protocol and Justification for Incorporation, are subject to final approval by Company stockholders in a Special Shareholders' Meeting summoned on the date hereof, pursuant to a Summons to be published after this Material Fact.

Barueri, July 14, 2005

Marcelo Marques Moreira Filho
Investor Relations Officer