

Ser Educacional Posts Net Revenue of R\$248.5 Million in 4Q15

Recife, March 18 2016 – Ser Educacional S.A. (BM&FBovespa SEER3, Bloomberg SEER3:BZ and Reuters SEER3.SA), herein announces its results for the fourth quarter of 2015 (4Q15).

Basis for the presentation of results: All the information herein is presented in accordance with international financial reporting standards (IFRS) and consolidated in Brazilian reais (R\$). All comparisons refer to the fourth quarter of 2014, unless otherwise indicated. The Company's 2015 results include the acquisitions of UNAMA, consolidated as of October 2014, and UNG, consolidated as of February 2015.

In February 2016, the Company entered into an agreement with the government, establishing that outstanding FIES tuition fees related to 2015 will be settled in the next three years, 25% of which until June 2016, 25% until June 2017, and the remaining 50% until June 2018. The agreement also sets forth that the balances receivable be restated by the IPCA Consumer Price Index. In this sense, the Company recorded in its financial statements: (i) the adjustment to present value (APV) of outstanding FIES tuition fees, which resulted in a gross deduction of R\$12.2 million and, as contra-entry, an adjustment in the same amount in FIES Accounts Receivable in the balance sheet and (ii) financial revenues of R\$7.0 million referring to the IPCA restatement of the debit balance. For a better analysis of these non-recurring effects, the results presented herein do not reflect the APV adjustment effects, only fourth-quarter financial revenues (R\$6.0 million of the R\$7.1 million total). The reconciliation of the adjustments presented herein is available in the section "Reconciliation of the Income Statement".

Additionally, the dividends approved by the Board of Directors' Meeting of March 17, 2016 were also calculated excluding the APV effects.

4Q15

Conference Calls

March 18, 2016

Portuguese

11:00 am (Brasília time)

10:00 am (New York time)

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Highlights

- **Net revenue stood at R\$248.5 million** in 4Q15, an increase of 21.9% in relation to 4Q14, due to the increase in the student base, driven by the consolidation of the recent acquisitions and the better course mix, primarily due to the recent approvals of higher average ticket courses in the areas of health, engineering and teaching.

- **Accounts receivable turnover for student tuition reached its lowest level** since 4Q14 and has recorded three consecutive reductions, amounting to 35 days compared to 51 days in 3Q15, demonstrating an improvement in the credit quality of the Company's student portfolio. **Accounts receivable for student tuition** remained stable in the R\$70 million between 3Q15 and 4Q15.

- In 4Q15, **adjusted EBITDA came to R\$53.4 million**, 2.5% lower than in 4Q14. The adjusted EBITDA margin totaled 21.5%, compared to 26.9% year-on-year, mainly due to the consolidation of the recently acquired institutions and lower operating efficiency as a result of the non-recurring increase in drop out rates among students enrolled in 2H15 who were denied access to FIES.

- Until March 16, 2016, the Company had **enrolled 34,700 new undergraduate students in the on-campus mode in its intake process referring to 2016.1**, a 4.1% increase over the 33,400 students on March 16, 2015 (net of the extraordinary drop out of 8,300 students who did not have access to FIES).

Financial Highlights	4Q15	4Q14	% Chg.	12M15	12M14	% Chg.
(R\$ '000)						
Net Revenue	248,510	203,861	21.9%	1,032,448	705,067	46.4%
Gross Profit	117,309	116,004	1.1%	554,992	437,772	26.8%
Gross Margin	47.2%	56.9%	-9.7 p.p.	53.8%	62.1%	-8.3 p.p.
Operating Income	32,909	51,123	-35.6%	230,285	229,349	0.4%
Operating Margin	13.2%	25.1%	-11.8 p.p.	22.3%	32.5%	-10.2 p.p.
Adjusted EBITDA	53,409	54,752	-2.5%	297,832	247,816	20.2%
Adjusted EBITDA Margin	21.5%	26.9%	-5.4 p.p.	28.8%	35.1%	-6.3 p.p.
Net Income	16,149	43,774	-63.1%	173,252	213,864	-19.0%
Net Margin	6.5%	21.5%	-15.0 p.p.	16.8%	30.3%	-13.6 p.p.

- **The Ministry of Education (MEC) authorized 121 new undergraduate courses in Grupo Ser Educacional institutions in 4Q15**, of which 42.6% are in the areas Health, Engineering and Teaching, corresponding to 8,700 new places in the North and Northeast regions of Brazil, particularly five new courses in Dentistry, with a total of 1,160 new places, in Manaus/AM, Belém/PA, Caruaru/PE, Maceió/AL and Salvador/BA, and three in Psychology with 660 places, distributed across Belém/PA, São Luís/MA and Teresina/PI, which have more specific regulations and were, therefore, more difficult to authorize. All the courses received CC ratings of 3 or more, with approximately 52% receiving a rating of 4. The new courses will be offered under the Maurício de Nassau, Joaquim Nabuco and FIT brands.
- On November 3, the Company's Board of Directors **elected João Aguiar as the new Chief Financial Officer of Grupo Ser Educacional**. With over 20 years of experience in the financial area, João Aguiar was an auditor at PricewaterhouseCoopers for more than 12 years, working afterwards as a Controller in companies from the beverages, health, real estate and retail sectors. In the latter, he held the position of controllership director of Grupo Máquina de Vendas. With vast experience in organizational and corporate restructuring, in addition to extensive knowledge in the areas of accounting, finance, structured transactions and internal controls, João Aguiar has a degree in Accounting and completed his graduate studies in Corporate Finance at UFPE (Federal University of Pernambuco), with a specialization in Business Management from CEDEPE Business School (PE) and Tax Planning, from IBPT (Brazilian Institute of Planning and Taxation).
- The Company obtained MEC accreditation for **3 new units in the cities of Feira de Santana, Olinda and Jaboatão dos Guararapes**. In addition to the new **Petrolina** operation approved in 3Q15, the group also opened 4 new units in 2015. In December, the positive opinion granted by the National Education Council was published in *Diário Oficial da União* referring to the opening process of the Cabo de Santo Agostinho unit which should begin in the next few months.
- In November, **Universidade de Guarulhos (UNG) obtained MEC accreditation to offer Distance Learning in Brazil**. With the accreditation, UNG started to initially offer 18 Distance Learning courses through 6 units in the cities of Guarulhos, Atibaia, Bragança Paulista and Itaquaquecetuba, generating a significant increase in the competitive capacity of UNG, which combines new products and investments in the reinforcement of the brand recognition, which have been developed since the beginning of 2015 with radio and TV insertions that included the revitalization of the UNG brand. With the accreditation of the 6 UNG units, the group closes the year with 15 Distance Learning units.
- In December, **UNINASSAU received recognition for its Distance Learning course and filed a request for the opening of 400 new distance learning units**, primarily located in the Northeast and North regions of Brazil, and part of the Company's organic growth strategy.
- In January, the **Company published the closing of its share buyback program initiated in January 2015 and the reopening of a new share buyback program**, valid until January 9th 2017, for a total of up to 2,950,000 shares. In the program concluded in January 2016, a total of 377,500 shares were repurchased, amounting to R\$6.5 million at an average price of R\$17.09 per share.
- On March 4, the Board of Directors accepted the resignation of Mr. Antonio Carbonari Netto of his duties as Vice President of Development and Expansion and Board of Directors member. He will now dedicate his time to educational projects in the USA, in particular the creation of the Miami University of Science and Technology. Carbonari played a significant role in several projects, with emphasis on the reformulation of the curricular grid, and the consolidation of the quality of the education developed today in Ser Educacional Group.
- On March 17, the Board of Directors approved the **payment of R\$23.1 million in dividends**, representing R\$0.18517280 per share, to be paid on May 6, 2016.

Message from Management

2015 was a year of important challenges and transformations for Grupo Ser Educacional, as well as for the Brazilian higher education sector. The period was marked by significant changes in the regulatory environment, particularly referring to the FIES Program, with the announcement of new measures implemented by the Ministry of Education ("MEC"), which published regulatory ordinances that envisage the payments of installments due to the learning institutions in 2015 and reduced the total number of new financing contracts which began being offered under different rules produced along 2015.

On the other hand, the Company successfully consolidated two important acquisitions announced in 2014: the acquisition of Universidade da Amazônia (UNAMA) and Universidade de Guarulhos (UNG). Together these Universities allowed the group to increase its undergraduate student base by more than 30,000 students, which represented significant growth in the Company's presence in the North region and its debut in the Southeast region.

In 2015, the Company acquired Faculdade Talles de Mileto (FAMIL) for R\$6.0 million. FAMIL has 2 units, one of which in Fortaleza, which was transformed into a unit of Faculdade Joaquim Nabuco and another in Parnamirim, in the metropolitan region of Natal (RN), which began operating under the Faculdade Maurício de Nassau brand. In the same year, the Company also signed an Onerous Assignment of Maintenance Agreement and other Covenants with Instituto Metodista Bennett, envisaging the assignment of Maintenance of the Centro Universitário Bennett ("University Center") to UNESPA for the amount of R\$10.0 million, to be paid upon conclusion of the assignment of maintenance, which will enable the Company to enter the city of Rio de Janeiro with a University Center license, which allows autonomy in the launch of new courses, in case of success in the maintenance transfer process.

There were also important developments on the organic growth front. The group had four new on-campus units approved by the MEC which will begin operations in 2016, in the cities of Petrolina, Jaboatão dos Guararapes and Olinda, in the State of Pernambuco, and Feira de Santana in the State of Bahia. The new units are an important step in the Company's strategy, which aims to increase higher education's penetration in the metropolitan regions in the state capitals and interior cities, especially in Brazil's North and Northeast regions. A total of 195 new courses were approved, including 8 new Dentistry courses, 7 Nursing courses, and 9 Pharmacology courses, turning the Health segment into the year's highlight.

In the Distance Learning segment, UNG obtained MEC authorization to begin its Distance Learning activities in the fourth quarter of 2015, and as of 2016 it began to offer 18 courses in 6 distance learning units located in the cities of Guarulhos, Atibaia, Bragança Paulista and Itaquaquecetuba. As a result, the Company will be operating 15 Distance Learning units in 2016, versus 9 in 2015.

Also in the Distance Learning segment, in December 2015, UNINASSAU received MEC accreditation for the course, the last stage required to allow this group's institution to begin its unit expansion plan. With the completion of this stage, the Company filed with the same ministry a request for the opening of 400 new units targeted at significantly increasing the group's penetration in Brazil's North and Northeast regions. The goal is to reinforce one of the Company's strategic pillars, aiming to increase the penetration of higher education among the Brazilian population by offering places in cities located in the interior of the states, as well as in metropolitan regions, expanding the unique value proposition offered to students in the state capitals, combining learning quality, strong brands recognized by the job market, and quality infrastructure that allows for a cost benefit that generates a return on the students' investment, to students in several Brazilian cities.

The increase in the student base is only sustainable if there is learning quality, satisfied students and a good academic level that allow students to enter the labor market and increase their income. To achieve these results, the academic goals of Grupo Ser Educacional focus on employability and good performance in the General Course Index (IGC) and Preliminary Course Concept (CPC) ratings.

Considering the acquisition of UNG, 94% of the Company's institutions posted a satisfactory result (IGC of 3 or more) in the evaluation referring to 2014, an indication of a good quality level, with a positive evolution year-on-year. As for the CPC, 80% of our courses evaluated in 2014 received a grade of 3 or more, and when we exclude the recent acquisitions (UNG and UNAMA), we have a 91% index, a significant increase in positive indices when compared to the 77% recorded in 2011, when the same course group was compared (engineering and human sciences segments).

As for employability, 65% of on-campus undergraduate students attending courses in the Company's units work or take part in internship programs, a quite positive indicator of our students' attractiveness in the job market. In addition, according to a survey conducted with students who graduated from UNINASSAU in the city of Recife, 86% of the undergraduate students were working, of which 54% were already working when they started to attend university. In 2015, the Company was recognized by Instituto Euvaldo Lodi (IEL), an arm of the Brazilian Industry Confederation (CNI) that promotes competitiveness among Brazilian companies. Centro Universitário Maurício de Nassau (UNINASSAU), in Recife, ranked first among Pernambuco institutions with the best internship practices, and Faculdade Joaquim Nabuco ranked 3rd. In Bahia, Faculdade Maurício de Nassau, in Salvador, ranked 1st in the Best Learning Institutions Category. In Ceará, Faculdade Maurício de Nassau, in Fortaleza, ranked 2nd among local competitors.

Accordingly, despite all the changes in the regulatory environment and the economic uncertainties that impacted 2015 results, as analyzed in the following section, the Company continued to develop its expansion plan and implemented several important operating efficiency projects in 2015 such as the revision of its intake and negotiation scale, optimization of its curricular grid, and a reduction in operating costs and organizational structure, among others. These activities allowed Grupo Ser Educacional to improve its operating competitiveness to face this more challenging scenario over the next few years.

The Company's Management is confident in the success of its long term strategy, although it is aware of the reduction in the operating margins in the short term as a result of sudden changes in the Brazilian regulatory and economic scenarios.

Operating Performance

Intake – First Semester of 2016 – Partial until March 16, 2016.

Until March 16, 2015 the Company had already enrolled 34,700 on-campus undergraduate students, which accounts for a 4.1% increase compared to the Company's proforma intake until March 16, 2015 (excluding 8,300 students already enrolled until March 16, 2015 who did not have access to FIES).

Status of Undergraduate Student Enrollment					
In thousands	Reported 03/16/16	Adjusted 03/16/15	% Chg	03/16/15	% Chg
On-campus Undergraduate Enrollments	34,717	33,364	4.1%	41,664	-16.7%

Of the total number of new students, 7,800 students came through student loans, which were 0,300 financed through PraValer, 0,300 through Educured and 7,200 through FIES. The total number of FIES contracts finalized to date was 8,700 (7,200 freshmen and 1,500 senior students), an achievement to date of approximately 46% of the 19,100 vacancies allocated by the Federal Government for the Company.

The re-enrollment ratio until the same date reached 89.5% of the renewable base and on the same date, the Company totaled 133,800 students, 5.1% more than the adjusted base of the same 8,300 students of extraordinary evasion of the 127,300 undergraduate students recorded on March 31, 2015 (only 1.4% below the reported student base was 135,600 students). compared to 4Q14, the current student base represents a growth of 7.9%

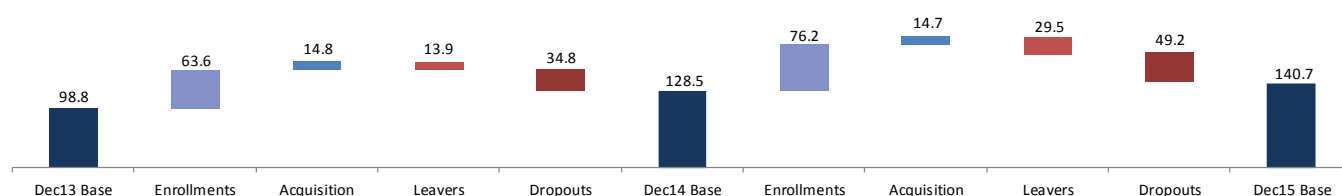
Student Growth Trends

Number of Students	Undergraduate		Graduate		Vocational	Total
2015.2	On Campus	Distance Learning	On Campus	Distance Learning	Total	Total
Jun15 Base	132,311	2,838	9,812	81	4,809	149,851
Enrollments*	15,865	2,007	3,645	260	1,418	23,195
UnG Acquisition	350	-	-	-	-	350
Acquisition	350	-	-	-	-	350
Leavers	(4,913)	-	(2,900)	-	(2,541)	(10,354)
Dropouts	(19,625)	(1,756)	(169)	(110)	(681)	(22,341)
Dec15 Base	123,988	3,089	10,388	231	3,005	140,701
% Dec15 Base / Jun15 Base	-6.3%	8.8%	5.9%	185.2%	-37.5%	-6.1%
% Dec15 Base / Dec14 Base	22.5%	50.8%	25.2%	N.M.	-82.2%	9.5%

The on-campus undergraduate student base in 2H15 posted a 22.5% upturn compared to 2H14, from 101,200 to 124,000 students.

The total student base grew by 9.5% over 2H14, due to the increase in undergraduate and Distance Learning courses. The Company began operating in the latter segment in 2014 and in December 2015 had a student base of 3,100 student base, 50.8% up on the year before. The graduate base increased from 8,300 students in December 2014 to 10,600 in December 2015.

This increase was partially offset by the graduation of 2,500 students via PRONATEC, the professional training program created by the federal government which underwent a reduction in the number of places in 2015 and a non-recurring increase in the number of on-campus undergraduate drop outs, as explained in the “Drop Out Rate” section.



Drop Out Rate

In 2H15, still affected by FIES, the Company registered a non-recurring number of drop outs in the on-campus undergraduate segment. The drop out rate amounted to 13.7% in the second half of the year.

Of the total departure of 19,600 students, around 3,600 effectively dropped out due to lack of financial conditions to pay their monthly tuition, as they expected to have access to FIES; however, they had not previously informed the Company.

If we exclude these students, the 2H15 drop out rate declines from 13.7% to 11.1%, 1.0p.p. above the 10.1% recorded in 2H14. This increase is mainly attributed to the worsening of the Brazilian macroeconomic scenario.

Average Net Ticket

Average Ticket (R\$)	4Q15	4Q14	% Chg. 4Q15 x 4Q14	3Q15	% Chg. 4Q15 x 3Q15	12M15	12M14	% Chg. 12M15 x 12M14
Undergraduate Students	632.30	573.38	10.3%	639.98	-1.2%	653.31	558.04	17.1%

The average ticket in 4Q15 was R\$632.30, up 10.3% year-on-year, chiefly due to the pass-through of inflation and the improvement in the course mix which has been gradually increasing the share of courses in the engineering, health and teaching areas. The average ticket YoY reached R\$ 653.31, an increase of 17.1% compared to 2015. In addition to the factors that impacted the quarterly change, the increase is mainly due to the consolidation of UNAMA which has a higher average ticket than the other institutions. As UNAMA was consolidated in October 2014, the average ticket in 4Q14 was practically all composed of UNAMA while the same does not occur in the annual comparison.

Student Financing

STUDENT LOANS	Dec/12	Dec/13	Dec/14	Dec/15
Students	48,670	70,255	101,195	123,988
FIES Students	15,916	31,432	48,048	56,089
% of FIES Students	32.7%	44.7%	47.5%	45.2%
EDUCRED Students				754
% of EDUCRED Students				0.6%
PRAVALER Students				954
% of PRAVALER Students				0.8%
PRAVALER Students				57,797
% of PRAVALER Students				46.6%

On December 31, 2015, students partaking of the FIES program accounted for 45.2% of the undergraduate student base, in line with 4Q14, when FIES beneficiaries corresponded to 47.5% of the student base.

As an alternative to the recent changes in FIES, as of April 2015, the Company launched two new student-financing options. The first was Pravalier, one of Brazil's largest private student financing programs, which allows students to finance part of their tuition, with installment payments only after completion of their undergraduate courses and at competitive rates plus adjustments for inflation.

The second option was the re-launch of Educured, the Company's own loan program that finances approximately 50% of tuition at 7.44% per year.

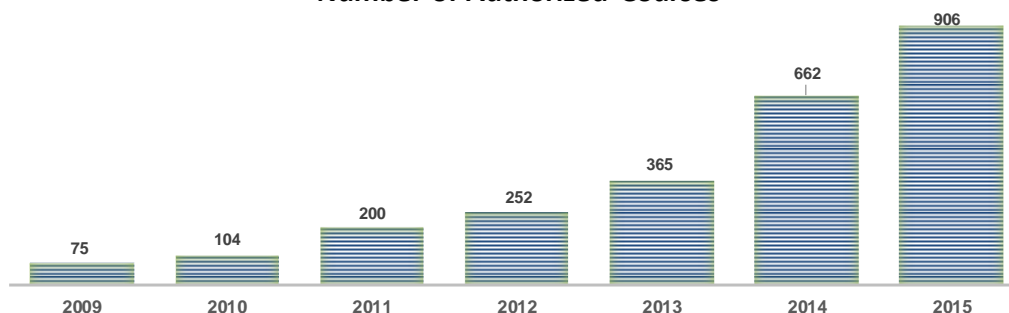
Through these two private financing options, in 4Q15, 140 students had access to Pravalier, from Ideal Invest, and 249 students were enrolled through Educured (offered by Ser Educacional itself).

At the end of 4Q15, Educured's loan portfolio totaled R\$9.0 million, 3.3% up on 4Q14, given that the Company is receiving payments related to financing from previous years and the volume of new students up to December 2015 was not yet significant.

Organic Growth

In 4Q15, a total of 121 new courses were authorized. With this, in December 2015, the Company had more than 239,300 places per year, of which 35,100 in the Distance Learning segment, corresponding to 906 courses. Ser Educacional continues carrying out its organic growth strategy based on the accreditation of new units and the authorization of new courses.

Number of Authorized Courses



FINANCIAL PERFORMANCE

Gross Revenue

Net Revenue (R\$ '000)	3Q15	4Q14	% Chg. 3Q15 x 3Q14	3Q15	% Chg. 4Q15 x 3Q15	12M15	12M14	% Chg. 12M15 x 12M14
Gross Operating Revenue	313,057	239,946	30.5%	305,960	2.3%	1,289,286	833,080	54.8%
Undergraduate Monthly Tuition	295,753	202,429	46.1%	288,267	2.6%	1,198,066	716,217	67.3%
Graduate Monthly Tuition	7,248	4,268	69.8%	7,821	-7.3%	28,879	14,988	92.7%
Vocational Courses Revenues	4,108	26,376	-84.4%	5,010	-18.0%	39,653	84,383	-53.0%
Distance Learning Revenues	2,577	2,089	23.4%	2,141	20.4%	9,430	5,133	83.7%
Others	3,371	4,784	-29.5%	2,721	23.9%	13,258	12,359	7.3%
Deductions from Gross Revenue	(64,547)	(36,085)	78.9%	(64,684)	-0.2%	(256,838)	(128,013)	100.6%
Discounts and Scholarships	(55,234)	(25,522)	116.4%	(53,726)	2.8%	(213,340)	(91,990)	131.9%
Taxes	(9,313)	(10,563)	-11.8%	(10,958)	-15.0%	(43,498)	(36,023)	20.8%
% Discounts and Scholarships/ Net Oper. Rev.	17.6%	10.6%	7.0 p.p.	17.6%	0.1 p.p.	16.5%	11.0%	5.5 p.p.
Net Operating Revenue	248,510	203,861	21.9%	241,276	3.0%	1,032,448	705,067	46.4%

In 4Q15, gross revenue amounted to R\$313.1 million (R\$218.4 million excluding UNG and UNAMA/FIT), a 30.5% improvement over 4Q14, due to the combined effect of organic growth and the recently acquired UNG and UNAMA, which increased the total student base and average ticket. It is worth noting that, UNAMA was consolidated in October 2014 and therefore the 4Q14 included two months of revenue recognition of this institution.

For the same reasons, gross revenue in the undergraduate segment totaled R\$ 295.8 million in 4Q15, representing 94.5% of the total and resulting in 46.1% growth year-on-year.

The graduate studies segment corresponded to 2.3% of total revenue in 4Q15, with R\$7.2 million, a 69.8% upturn year-on-year, impacted by the consolidation of UNG and UNAMA/FIT.

Revenue from vocational courses/Pronatec amounted to R\$4.1 million in 4Q15, accounting for 1.3% of the total and 84.4% down on 4Q14, due to the graduation of PRONATEC students during the quarter who were not replaced as a result of the reduction in the program by the federal government.

Distance Learning, a segment in which the Company started operating in 2014, already accounts for 0.8% of total revenue, with R\$ 2.6 million, an increase of 23.4% in relation to 4Q14.

Deductions from gross revenue increased by 78.9% in 4Q15, primarily due to the reversal of revenue allocated to discounts and scholarships totaling approximately R\$6.0 million related to 2,100 students (of the total of 3,600) who dropped out in the quarter because they had hoped to obtain FIES, but had not previously informed the Company. As a result, they had high levels of absence and did not take the exams.

Net revenue climbed 21.9%, from R\$203.9 million in 4Q14, to R\$248.5 million in 4Q15 (R\$176.6 million excluding UNG and UNAMA/FIT).

On December 31, 2015, discounts, scholarships and rebates contained an amount of R\$25.6 million in FGEDUC discounts, against R\$17.5 million in December 2014.

Cost of Services Rendered

Breakdown of Cost of Services Rendered¹ (R\$ '000)	4Q15	4Q14	% Chg. 4Q15 x 4Q14	3Q15	% Chg. 4Q15 x 3Q15	12M15	12M14	% Chg. 12M15 x 12M14
Cash Cost of Services Rendered	(122,629)	(84,141)	45.7%	(107,082)	14.5%	(443,251)	(257,105)	72.4%
Payroll and Charges	(94,681)	(60,876)	55.5%	(81,547)	16.1%	(343,197)	(182,573)	88.0%
Rent	(15,503)	(13,899)	11.5%	(15,565)	-0.4%	(59,893)	(49,327)	21.4%
Concessionaires (Electricity, Water and Telephone)	(9,208)	(5,847)	57.5%	(7,231)	27.3%	(28,849)	(15,256)	89.1%
Third-Party Services	(3,237)	(3,519)	-8.0%	(2,739)	18.2%	(11,312)	(9,949)	13.7%

The cash cost of services rendered (excluding depreciation and amortization) totaled R\$122.6 million in 4Q15, representing a variation of 45.7% in relation to 4Q14. Excluding UNG and UNAMA/FIT, these costs amounted to R\$75.2 million. The main components of the costs of services increased in the quarter for the following main reasons:

- Payroll and charges increased due to: (i) the addition of 200 professors in 4Q15 compared to 4Q14, representing a 4.4% upturn (ii) increased payroll expenses due to the collective bargaining agreement of professors and staff and (iii) non-recurring costs of R\$7.9 million corresponding to labor fines and charges due to the organizational restructuring at UNG and UNAMA during the quarter, as well as the optimization of the teaching staff.
- The rent upturn was due to the increase in the property base in order to sustain the Company's growth, including facilities that are not yet operational and the adjustment of existing leasing contracts. In 3Q15, Ser Educacional embarked on a review of its costs and expenses, implementing certain actions to optimize spending, including reduction by 18 third-party property lease agreements in pre-operational and operational units. Due to this reduction, the Company incurred a non-recurring expense of R\$0.5 million per quarter to be transformed into a recurring reduction of expenses starting in 4Q15 and is expected to save at least R\$4.0 million in rents under these initiatives in 2016.
- The variation in the concessionaire line was due to the increased number of operational units (São Luis and Manaus), the consolidation of the acquired units (Unama/FIT, UNG, FAL and FASE) and the higher electricity tariff.

The cash cost of services rendered reached 49.3% of net revenue, up by 8.1 percentage points, year-on-year, chiefly due to the increase in personnel and rental costs, as described above.

% of net operating revenue	4Q15	4Q14	% Chg. 4Q15 x 4Q14	3Q15	% Chg. 4Q15 x 3Q15	12M15	12M14	% Chg. 12M15 x 12M14
Cash Cost of Services Rendered	-49.3%	-41.3%	-8.1 p.p.	-44.4%	-5.0 p.p.	-42.9%	-36.5%	-6.5 p.p.
Payroll and Charges	-38.1%	-29.9%	-8.2 p.p.	-33.8%	-4.3 p.p.	-33.2%	-25.9%	-7.3 p.p.
Rent	-6.2%	-6.8%	0.6 p.p.	-6.5%	0.2 p.p.	-5.8%	-7.0%	1.2 p.p.
Concessionaires (Electricity, Water and Telephone)	-3.7%	-2.9%	-0.8 p.p.	-3.0%	-0.7 p.p.	-2.8%	-2.2%	-0.6 p.p.
Third-Party Services	-1.3%	-1.7%	0.4 p.p.	-1.1%	-0.2 p.p.	-1.1%	-1.4%	0.3 p.p.

Gross Profit

Gross Profit (R\$ '000)	4Q15	4Q14	% Chg. 4Q15 x 4Q14	3Q15	% Chg. 4Q15 x 3Q15	12M15	12M14	% Chg. 12M15 x 12M14
Net Operating Revenue	248,510	203,861	21.9%	241,276	3.0%	1,032,448	705,067	46.4%
Cost of Services Rendered	(131,201)	(87,857)	49.3%	(115,962)	13.1%	(477,456)	(267,295)	78.6%
Gross Profit	117,309	116,004	1.1%	125,314	-6.4%	554,992	437,772	26.8%
Gross Margin	47.2%	56.9%	-9.7 p.p.	51.9%	-4.7 p.p.	53.8%	62.1%	-8.3 p.p.
(-) Depreciation	8,572	3,716	130.7%	8,880	-3.5%	34,205	10,190	235.7%
Cash Gross Profit	125,881	119,720	5.1%	134,194	-6.2%	589,197	447,962	31.5%
Cash Gross Margin	50.7%	58.7%	-8.1 p.p.	55.6%	-5.0 p.p.	57.1%	63.5%	-6.5 p.p.

Cash gross profit increased 5.1%, from R\$119.7 million in 4Q14 to R\$125.9 million in 4Q15, while the cash gross margin totaled 50.7% in 4Q15 versus 58.7% in 4Q14. Cash gross profit excluding UNG and UNAMA/FIT totaled R\$97.4 million in the quarter.

The gross margin reduction was primarily due to the consolidation of UNG and UNAMA/FIT operations, which is currently in the final stages, resulting in higher personnel costs, as well as a one-off reduction in the Company's operating efficiency, due to the non-recurring departure of approximately 8,300 students (4,700 in the first half of the year and 3,600 in 4Q15), as described in the "Drop out Rate" section. As a result, the drop out rate increased from 10% in 1H14 to 15% in 1H15, and 13.7% in 2H15.

Operating Expenses (Selling, General and Administrative)

Operating Expenses (R\$ '000)	4Q15	4Q14	% Chg. 3Q15 x 3Q14	3Q15	% Chg. 4Q15 x 3Q15	12M15	12M14	% Chg. 12M15 x 12M14
General and Administrative Expenses	(81,162)	(61,829)	31.3%	(80,011)	1.4%	(313,726)	(200,317)	56.6%
Payroll and Charges	(27,647)	(24,665)	12.1%	(28,984)	-4.6%	(124,899)	(78,456)	59.2%
Third-Party Services	(6,423)	(6,287)	2.2%	(8,158)	-21.3%	(28,625)	(25,062)	14.2%
Advertising	(12,813)	(10,868)	17.9%	(16,922)	-24.3%	(51,249)	(34,287)	49.5%
PDA	(18,155)	(8,080)	124.7%	(10,670)	70.1%	(47,659)	(25,468)	87.1%
Depreciation and Amortization	(5,695)	(3,952)	44.1%	(5,663)	0.6%	(21,895)	(14,433)	51.7%
Materials	(3,878)	(3,135)	23.7%	(3,076)	26.1%	(14,385)	(8,538)	68.5%
Others	(6,551)	(4,842)	35.3%	(6,538)	0.2%	(25,014)	(14,073)	77.7%
Operating Income	32,909	51,123	-35.6%	41,898	-21.5%	230,285	229,349	0.4%
General and Administrative Expenses (Ex-Depreciation and Amortization)	(75,467)	(57,877)	30.4%	(74,348)	1.5%	(291,831)	(185,884)	57.0%

General and administrative expenses increased by 31.3%, from R\$61.8 million in 4Q14, to R\$81.2 million in 4Q15. In 4Q15, excluding UNG and UNAMA/FIT, this line of expenses totaled R\$52.9 million. This increase was mainly due to:

- Higher expenses with payroll and social charges, due to increased headcount related to the expansion and adjustment of administrative areas to cope with the Company's growth, specially because of the consolidation of UNAMA and UNG and the collective bargaining agreement on the employee base. It is worth highlighting that in the comparison with 3Q15 there is a 4.6% drop in the payroll and social charges line, already reflecting the headcount reduction of the year.
- Increased advertising expenses due to the 2015 student recruitment process, which involved more units than in the previous year, including those recently acquired, UNAMA/FIT and UNG. In 4Q15, the increase in advertising expenses also refers to expenses incurred with the beginning of the student recruitment process for the first semester of 2016.
- The allowance for doubtful accounts increased 124.7%, from R\$8.1 million in 4Q14 to R\$18.2 million in 4Q15, chiefly mainly due to the increase in recurrent dropout rate which impacted on higher provision for losses, as well as the effect of non-recurring evasion from 1.5000 students of the 3,600 who left the institution due to lack of access to the FIES program, as described in the "Drop out Rate" section, and generated an increase of R\$4.6 million in the allowance for doubtful accounts.
- Other expenses increased 35.6% and went from R\$4.8 million to R\$6.6 million mainly due to expenses related to the opening of pre-operational units and approvals of new courses.

At the end of 4Q15, excluding UNAMA/FIT and UNG, 91.8% of FIES students were with FGEduc and 8.2% had guarantors. Compared to 3Q15, the reduction in payroll and charges (0.9pp) and services rendered (0.8pp) were due to the streamlining of the Company's expenditures, and denote the beginning of the gain of operational synergies with the recent acquisitions.

% of net operating revenue	4Q15	4Q14	% Chg. 3Q15 x 3Q14	3Q15	% Chg. 4Q15 x 3Q15	12M15	12M14	% Chg. 12M15 x 12M14
General and Administrative Expenses	-32.7%	-30.3%	-2.3 p.p.	-33.2%	0.5 p.p.	-30.4%	-28.4%	-2.0 p.p.
Payroll and Charges	-11.1%	-12.1%	1.0 p.p.	-12.0%	0.9 p.p.	-12.1%	-11.1%	-1.0 p.p.
Third-Party Services	-2.6%	-3.1%	0.5 p.p.	-3.4%	0.8 p.p.	-2.8%	-3.6%	0.8 p.p.
Advertising	-5.2%	-5.3%	0.2 p.p.	-7.0%	1.9 p.p.	-5.0%	-4.9%	-0.1 p.p.
PDA	-7.3%	-4.0%	-3.3 p.p.	-4.4%	-2.9 p.p.	-4.6%	-3.6%	-1.0 p.p.
Depreciation and Amortization	-2.3%	-1.9%	-0.4 p.p.	-2.3%	0.1 p.p.	-2.1%	-2.0%	-0.1 p.p.
Materials	-1.6%	-1.5%	0.0 p.p.	-1.3%	-0.3 p.p.	-1.4%	-1.2%	-0.2 p.p.
Others	-2.6%	-2.4%	-0.3 p.p.	-2.7%	0.1 p.p.	-2.4%	-2.0%	-0.4 p.p.
Operating Income	13.2%	25.1%	11.8 p.p.	17.4%	-4.1 p.p.	22.3%	32.5%	10.2 p.p.
General and Administrative Expenses (Ex-Depreciation and Amortization)	-30.4%	-28.4%	-197.7%	-30.8%	44.7%	-28.3%	-26.4%	-190.2%

EBITDA, Adjusted EBITDA

EBITDA (R\$ '000)	4Q15	4Q14	% Chg. 4Q15 x 4Q14	3Q15	% Chg. 4Q15 x 3Q15	12M15	12M14	% Chg. 12M15 x 12M14
Net Income (Loss)¹	16,149	43,774	-63.1%	24,156	-33.1%	173,252	213,864	-19.0%
(+) Net financial expense ²	12,295	3,972	209.5%	15,714	-21.8%	45,555	(813)	-5703.3%
(+) Income and social contribution taxes	4,465	3,377	32.2%	2,028	120.2%	11,478	16,298	-29.6%
(+) Depreciation and amortization	14,267	7,668	86.1%	14,543	-1.9%	56,100	24,623	127.8%
EBITDA³	47,176	58,791	-19.8%	56,441	-16.4%	286,385	253,972	12.8%
EBITDA Margin	19.0%	28.8%	-9.9 p.p.	23.4%	-4.4 p.p.	27.7%	36.0%	-8.3 p.p.
(+) Revenue from interest and fines on tuition ⁵	7,121	2,605	173.4%	6,955	2.4%	24,393	12,081	101.9%
(+) Non-recurring costs and expenses ⁶	8,862	892	893.5%	7,777	14.0%	25,583	7,109	259.8%
(-) Minimum rent paid ⁷	(9,750)	(7,536)	29.4%	(9,750)	0.0%	(38,529)	(25,346)	52.0%
Adjusted EBITDA⁴	53,409	54,752	-2.5%	61,423	-13.0%	297,832	247,816	20.2%
Adjusted EBITDA Margin	21.5%	26.9%	-5.4 p.p.	25.5%	-4.0 p.p.	28.8%	35.1%	-6.3 p.p.

1 Due to belonging to PROUNI, we are entitled to certain tax benefits that affect net income.

2 Corresponds to the difference between financial revenue and expenses.

3 EBITDA is not an official accounting measurement.

4 Adjusted EBITDA corresponds to EBITDA plus financial revenue from fines and interest on tuition, non-recurring costs and expenses, and minimum rent paid.

5 Revenue from interest and fines on tuition corresponds to financial charges on renegotiated and overdue tuition fees.

6 Non-recurring costs and expenses are mainly related to costs and expenses from mergers and acquisitions, which would not affect normal cash flow.

7 Minimum rent refers to rental agreements recorded under financial leasing in accordance with CPC 6. The expenses from such leasing are not recorded under EBITDA, but are part of adjusted EBITDA.

Cash generation as measured by adjusted EBITDA totaled R\$53.4 million in 4Q15, 2.5% down on the R\$54.8 million reported in 4Q14. The Adjusted EBITDA excluding UNAMA/FIT and UNG came to R\$26.9 million.

The adjusted EBITDA margin ended the quarter at 21.5%, 5.4 percentage points down in relation to 4Q14. Excluding the acquisitions, the adjusted EBITDA margin totaled 15.8%, 11.7 percentage points down year-on-year.

In both comparisons, the decline in the adjusted EBITDA margin was related to the following factors: (i) the drop in operating efficiency due to the smaller number of students per class; (ii) increased personnel costs and expenses due to the transfer of UNAMA's and UNG's activities to the headquarters in Recife, mainly to the CRA (Student Relations Center, (iii) higher provision for losses on bad debt and (iv) larger marketing investments aimed at boosting student intake and repositioning the UNG brand.

Income Statement Reconciliation

Income Statement (R\$ ('000))	Reported 4Q15	Reconciliation				Normalized 4Q15	Reported 4Q15	AVP	Reconciled 4Q15
		1	2	3	4				
Net Revenue	248,510					248,510	248,510	(12,187)	236,323
Cost of Goods and/or Services Sold	(131,201)	5,565	499	-	-	(125,138)	(131,201)		(131,201)
Gross Profit	117,309	5,565	499	-	-	123,372	117,309	-	105,122
Gross Margin	47.2%					49.6%	47.2%		44.5%
Operating Expenses/Revenue	(81,162)	2,370	-	429	-	(78,363)	(81,162)		(81,162)
EBITDA	47,176	7,935	499	429	-	56,038	47,176		34,989
(+) Non-recurring expenses	8,862	(7,935)	(499)	(429)	-	0	8,862	-	8,862
(+) Interest on Tuition and Agreements	7,121					7,121	7,121		7,121
(-) Minimum rent paid	(9,750)					(9,750)	(9,750)		(9,750)
Adjusted EBITDA	53,409					53,409	53,409		41,222
(-) Depreciation and amortization	(14,267)					(14,267)	(14,267)		(14,267)
(+) Rentals Paid	9,750					9,750	9,750		9,750
EBIT	36,147					45,009	36,147		23,960
Other Operating Expenses, net	(3,238)					(3,238)	(3,238)		(3,238)
Finance costs, net	(12,295)				1,097	(11,198)	(12,295)	1,097	(11,198)
Income tax and social contribution	(4,465)				(1)	(4,466)	(4,465)		(4,465)
Net Income	16,149	-	-	-	1,097	17,246	16,149	1,097	5,059

(1) Non-recurring impact of the realignment of staff due to the consolidation of the operations of recent acquisitions, as well as optimization of the number of classes to meet the non-recurring increase in evasion.

(2) Non-recurring expenses from penalties for early cancellation of leases with third parties in order to optimize operations.

(3) Non-recurring expenses with the expansions in the process of opening units which are not yet operational.

(4) Adjust in the recognition of financial income in relation to accounts receivable from FIES revenue to recognize only the period for the 4Q15 (R\$ 6.0 million of the total of R\$ 7.1 million) , as described in the "Basis for Presentation of Results".

(APV) Exclusion of the Adjustment to Present Value (APV) deduction in gross revenue of R\$12.2 million, as described on the first page of this document in the "Basis for Presentation of Results".

Income Statement (R\$ ('000))	Reported 12M15	Reconciliation				Normalized 12M15	Reported 12M15	AVP	Reconciled 12M15
		1	2	3	4				
Net Revenue	1,032,448					1,032,448	1,032,448	(12,187)	1,020,261
Cost of Goods and/or Services Sold	(477,456)	12,439	823	-	-	(464,194)	(477,456)		(477,456)
Gross Profit	554,992	12,439	823	-	-	568,254	554,992	-	542,805
Gross Margin	53.8%					55.0%	53.8%		53.2%
Operating Expenses/Revenue	(313,726)	2,370	-	5,072	4,879	(301,405)	(313,726)		(313,726)
EBITDA	286,385	14,809	823	5,072	4,879	311,968	286,385		274,198
(+) Non-recurring expenses	25,583	(14,809)	(823)	(5,072)	(4,879)	(0)	25,583	-	25,583
(+) Interest on Tuition and Agreements	24,393					24,393	24,393		24,393
(-) Minimum rent paid	(38,529)					(38,529)	(38,529)		(38,529)
Adjusted EBITDA	297,832					297,832	297,832		285,645
(-) Depreciation and amortization	(56,100)					(56,100)	(56,100)		(56,100)
(+) Rentals Paid	38,529					38,529	38,529		38,529
EBIT	241,266					266,849	241,266	-	229,079
Other Operating Expenses, net	(10,981)					(10,981)	(10,981)		(10,981)
Finance costs, net	(45,555)					(45,555)	(45,555)	-	(45,555)
Income tax and social contribution	(11,478)					(11,478)	(11,478)		(11,478)
Net Income	173,252					173,252	173,252	-	161,065

(1) Non-recurring impact of the realignment of staff due to the consolidation of the operations of recent acquisitions, as well as optimization of the number of classes to meet the non-recurring increase in evasion.

(2) Non-recurring expenses from penalties for early cancellation of leases with third parties in order to optimize operations.

(3) Non-recurring expenses with expansions in the process of opening units which are not yet in the operational phase and hiring consultants for long-term strategic planning and management optimization projects

(4) Extraordinary provision for losses of 2 thousand students who did not have retroactive registration of FIES in 2014.

(APV) As described on the first page of this document in the "Basis for Presentation of Results" section, for better discussion of the results were disregarded the results of the 4Q15 Adjustment to Present Value (APV), deducting the gross revenue of R\$12.2 million.

Financial Result

Financial Result (R\$ '000)	4Q15	4Q14	% Chg. 4Q15 x 4Q14	3Q15	% Chg. 4Q15 x 3Q15	12M15	12M14	% Chg. 12M15 x 12M14
(+) Financial Revenue	25,509	8,023	217.9%	16,614	53.5%	61,811	42,260	46.3%
Interest on Tuition and Agreements	7,121	3,592	98.2%	6,955	2.4%	24,393	13,068	86.7%
Returns on Financial Investments	10,173	4,894	107.9%	7,374	38.0%	20,621	27,852	-26.0%
Others	8,215	(463)	-1874.3%	2,285	259.5%	16,797	1,340	1153.5%
(-) Financial Expenses	(37,804)	(11,995)	215.2%	(32,328)	16.9%	(107,366)	(41,447)	159.0%
Interest Expenses	(15,070)	(3,785)	298.2%	(12,817)	17.6%	(36,400)	(14,757)	146.7%
Interest on Leasing	(8,663)	(6,591)	31.4%	(8,695)	-0.4%	(34,242)	(22,271)	53.8%
Discounts Granted	(7,732)	(400)	1833.0%	(5,772)	34.0%	(17,646)	(1,764)	900.3%
Monetary Variation Expenses	(4,287)	-	N.M.	(4,130)	3.8%	(14,957)	-	N.M.
Others	(2,052)	(1,219)	68.3%	(914)	124.5%	(4,121)	(2,655)	55.2%
Financial Result	(12,295)	(3,972)	209.5%	(15,714)	-21.8%	(45,555)	813	-5703.3%

Financial revenue increased 217.9%, from R\$8.0 million in 4Q14 to R\$25.5 million in 4Q15. Excluding UNAMA/FIT and UNG, it totaled R\$23.5 million. This upturn was due to the recognition of R\$6,100 million in financial income on the outstanding balance of accounts receivable from FIES, recognized in the "financial investments income", because of the signing of the settlement agreement and was recorded as explained in "Basis for Presentation of Results" section. This amount was not included in the Adjusted EBITDA calculation.

Additionally, the financial revenues had an increase to the higher cash and securities balance which went from R\$136.7 million at the end of 4Q14 to R\$283.1 million in 4Q15, through obtaining two lines of credit (a loan from the IFC and the launch of debentures) which bolstered cash and enabled the generation of higher financial revenue.

Financial expenses rose from R\$12.0 million in 4Q14, to R\$37.8 million in 4Q15 and excluding UNAMA/FIT and UNG it amounted to R\$29.9 million. In the comparison of the two periods, this increase was primarily due to:

- Interest expenses, which rose 298.2%, from 3.8 million in 4Q14 to 15.1 million in 4Q15, due to the increase in indebtedness, resulting from the completion in July 2015 of the issuance of long-term debt of R\$120 million with the IFC and the issuance of debentures of R\$150 million, as outlined in the "Indebtedness" section. Another factor that contributed to these expenses being higher was the increase during the year in the average Interbank Deposit Certificate (CDI), the Company's main indebtedness indexer.
- Leasing interest related to rented properties, which went from 6.6 million in 4Q14 to 8.7 million in 4Q15, representing an increase of 31.4%, due to the inclusion of the leases of the properties where UNAMA and UNG are located.
- Discounts granted, totaling 7.7 million in 4Q15 against 0.4 million in 4Q14, due to higher discounts given to UNG and UNAMA students, and discount on tuition arrears for renegotiation of students in the re-enrollment process and increase in the volume of agreements for students with delays of 360 days, as a result of a bad debt recovery campaign from the second half of the year.
- Monetary variance expense represents adjustment to present value of the outstanding balance related to the recent acquisitions, especially UNG.
- Other financial expenses increased from R\$1.2 million in 4Q14 to R\$2.1 million in 4Q15, which represents an increase of 68.3%. This increase is due to a concentration of bank fees in the quarter, mainly due to new financing and the increase in the volume of registered bank slips.

Due to higher financial expenses, the net financial result was a loss of R\$12.3 million in 4Q15 versus a loss of R\$4.0 million in 4Q14. Excluding UNAMA/FIT and UNG, the net financial loss was R\$6.4 million.

Net Income

Net Income (R\$ 000)	4Q15	4Q14	% Chg. 4Q15 x 4Q14	3Q15	% Chg. 4Q15 x 3Q15	12M15	12M14	% Chg. 12M15 x 12M14
Operating Income	32,909	51,123	-35.6%	41,898	-21.5%	230,285	229,349	0.4%
(+) Financial Result	(12,295)	(3,972)	209.5%	(15,714)	-21.8%	(45,555)	813	-5703.3%
(+) Income and Soc. Contrib. Taxes	(4,869)	(3,377)	44.2%	(2,028)	140.1%	(11,882)	(16,298)	-27.1%
(+) Deferred Income and Soc. Contrib. Taxes	404	-	0.0%	-	0.0%	404	-	0.0%
Net Income (Loss)	16,149	43,774	-63.1%	24,156	-33.1%	173,252	213,864	-19.0%
Net Margin	6.5%	21.5%	-15.0 p.p.	10.0%	-3.5 p.p.	16.8%	30.3%	-13.6 p.p.

Operating income dropped 35.6%, from R\$51.1 million in 4Q14, to R\$32.9 million in 4Q15.

Income tax and social contribution for the year increased by 42.4 % compared to the 4Q14, totaling R\$ 4.9 million in the quarter, due to the increase in non-deductible expenses for income tax and social contribution, with net effect of R\$2.9 million, identified after the integration of UNG and were considered in the calculation of the quarter.

Net income fell from R\$43.8 million in the quarter ended on December 31, 2014, to R\$16.1 million in the same period 2015, down by 63.1%. As a percentage of net revenue, quarterly net income went from 21.5% to 6.5% in the same periods. Excluding net income from UNAMA/FIT and UNG, the result would have been R\$25.8 million.

Unama/FIT and UNG Proforma Financial Data

Results Per Unit R\$MM	SER		UNAMA/FIT		UNG		Consolidated	
	4Q	12M	4Q	12M	4Q	12M	4Q	12M
Net Revenue	176.6	730.5	42.3	171.3	29.7	130.6	248.5	1,032.4
Gross Profit	94.3	410.1	15.7	82.8	7.4	62.1	117.3	555.0
Gross Margin	53.4%	56.1%	37.1%	48.4%	24.9%	47.5%	47.2%	53.8%
EBITDA	46.9	211.5	6.3	52.3	6.0	22.6	47.2	286.4
EBITDA Margin	26.6%	28.9%	14.9%	30.6%	-20.1%	17.3%	19.0%	27.7%
Adjusted EBITDA	27.9	201.7	11.4	56.5	14.1	39.7	53.4	297.8
Adjusted EBITDA Margin	15.8%	27.6%	27.0%	33.0%	47.6%	30.4%	21.5%	28.8%
Net Income	25.7	126.3	1.8	39.3	(11.4)	7.7	16.1	173.3
Net Margin	14.6%	17.3%	4.3%	22.9%	-38.4%	5.9%	6.5%	16.8%

Accounts Receivable and Average Collection Period

Accounts Receivable and Average Receivable Days (R\$ '000)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Gross Accounts Receivable	139,205	195,489	180,626	233,415	333,900	396,996	387,611	427,096
Monthly tuition fees	33,970	43,577	35,479	74,099	103,462	93,071	66,214	69,965
FIES	69,776	109,410	101,518	107,340	156,316	234,269	241,670	285,311
FIES (NPV - Net Present Value)	-	-	-	107,340	-	-	-	297,498
PRONATEC	6,639	15,347	12,893	19,610	30,309	17,408	12,111	10,023
Negotiated agreements receivable	15,839	16,361	19,050	17,736	29,020	33,320	47,533	46,789
Education credits receivable	10,376	9,628	9,023	8,730	8,171	8,202	7,380	9,020
Others	2,605	1,166	2,663	5,900	6,622	10,726	12,703	5,988
PDA balance	(18,459)	(18,344)	(19,829)	(27,744)	(25,595)	(31,129)	(37,319)	(45,743)
Net Accounts Receivable	120,746	177,145	160,797	205,494	308,305	365,867	350,292	381,353
Net Revenue (Last 12 Months - FIES+Ex-FIES+Pronatec)	504,304	566,308	625,762	705,067	820,035	917,581	987,799	1,032,448
Net Receivable Days (FIES+Ex-FIES+Pronatec)	86	113	93	105	135	144	128	133
Net Revenue FIES (Last 12 Months)	230,853	266,072	306,304	351,278	372,502	391,635	433,248	478,890
Net Receivable Days (FIES)	109	148	119	110	151	215	201	224
Net Receivable Days (Monthly tuition fees)	53	60	54	92	107	75	51	35
Net Receivable Days (Monthly tuition fees + Negotiated agreements receivable)	78	83	83	115	137	102	88	58

Our accounts receivable turnover from FIES was affected by payment schedule delays and the effects of Ordinances 23/2014 and 02/2015, which impacted the balance of accounts receivable in December 2015, significantly increasing our average collection period in recent quarters. Accounts receivable turnover for student tuition reached its lowest level since 4Q14 and has recorded three consecutive reductions, amounting to 35 days compared to 51 days in 3Q15, underlining an improvement in the credit quality of the Company's student portfolio. Accounts receivable for student tuition remained practically stable at R\$70 million, compared to R\$74 million in 4Q14 and R\$66 million in 3Q15.

Net accounts receivable increased by 42 million over 3Q15, chiefly due to the effects of Ordinance 23 published by the Ministry of Education, which determined the reduction of FIES payments from 12 to 8 installments.

The Company set aside an allowance for doubtful accounts considered sufficient by Management to deal with any losses from accounts receivable, taking into account the risks involved. The criterion used by the Company is to set aside 100% of receivables overdue by more than 180 days, plus FIES provisions.

Aging of Monthly tuition fees (R\$ '000)	4Q15	% Chg.	4Q14	% Chg.
Overdue by up to 30 day	12,091	17.3%	26,377	35.6%
Overdue from 31 to 60 days	9,867	14.1%	10,202	13.8%
Overdue from 61 to 90 days	8,972	12.8%	10,179	13.7%
Overdue from 91 to 179 days	12,601	18.0%	10,796	14.6%
Overdue more than 180 days	26,434	37.8%	16,545	22.3%
TOTAL	69,965	100.0%	74,099	100.0%
% of Gross Accounts Receivable	16.4%		31.7%	

Aging of Negotiated Agreements (R\$ '000)	4Q15	% Chg.	4Q14	% Chg.
Not yet due	14,872	31.8%	4,930	27.8%
Overdue by up to 30 day	5,847	12.5%	2,457	13.9%
Overdue from 31 to 60 days	4,702	10.0%	1,884	10.6%
Overdue from 61 to 90 days	4,456	9.5%	1,647	9.3%
Overdue from 91 to 179 days	8,395	17.9%	3,158	17.8%
Overdue more than 180 days	8,517	18.2%	3,660	20.6%
TOTAL	46,789	100.0%	17,736	100.0%
% of Gross Accounts Receivable	11.0%		7.6%	

Accounts receivable from students refers to renegotiations with students in debt to the Company. We can see in the table above that 31.8% of the agreements were falling due.

The table below shows the evolution of our allowance for doubtful accounts from December 31, 2014 to December 31, 2015:

Constitution of Provision for Doubtful Accounts in the Income Statement (R\$ '000)	12/31/2014	Gross Increase in Provision for Doubtful Accounts	Write-off	12/31/2015
Total	27,744	47,659	(29,660)	45,743

Investments (CAPEX)

CAPEX (R\$ ('000))	12M15	% of Total	12M14	% of Total
CAPEX Total	170,057	100.0%	295,568	100.0%
Property acquisition / Construction / Maintenance of campuses	45,685	26.9%	81,681	27.6%
Equipment / Library / IT	26,292	15.5%	43,221	14.6%
MEC Licenses	13,628	8.0%	3,788	1.3%
Software Licenses	8,912	5.2%	4,284	1.4%
Partnerships	729	0.4%	1,560	0.5%
Intangibles and Others	3,702	2.2%	26,742	9.0%
Acquisitions	71,109	41.8%	134,292	45.4%

In 12M15, the Company invested R\$62.4 million of the first installment of R\$199.1 million from the acquisition of UNG. The remaining installments will be paid by 2019 in accordance with to the schedule set forth in the "Indebtedness" section. The next largest payment was R\$35.1 million, used for campus renovation, followed by R\$32.7 million related to the purchase of books (titles and publications) to set up libraries in operational units.

Indebtedness

Indebtedness (R\$ '000)	12/31/2015	12/31/2014	% Chg. dec15 x dec14
Cash and cash equivalents	69,999	73,248	-4.4%
Securities	213,135	63,418	236.1%
Gross debt	(563,135)	(173,709)	224.2%
Loans, financing and debentures	(382,724)	(107,937)	254.6%
Short term	(49,484)	(33,264)	48.8%
Long term	(333,240)	(74,673)	346.3%
Aquisitions Payables*	(180,411)	(65,772)	174.3%
Net debt	(280,001)	(37,043)	655.9%
Net debt / Adjusted EBITDA (Last 12 Months)	0.95	0.15	

* Acquisitions payables refer to acquisition scheduled payments

On December 31, 2015, Grupo Ser Educacional had gross debt of R\$563.1 million, 224.2% up on the R\$173.7 million in 4Q14. This higher indebtedness is primarily due to increased commitments related to the acquisition of UNG which raised commitments payable by R\$136.9 million and also due to the issuance of two long-term debts with the following characteristics: (i) Financing from the IFC over seven years, totaling R\$120.0 million at CDI+2.05 p.a., maturing on April 15, 2022. The payments will be every six months, with the first amortization installment on April 15, 2017 and the last installment in April 2022 and (ii) Issuance of non-convertible debentures totaling R\$150.0 million at CDI+2.5% p.a., with monthly payments as of February 2017 until final maturity in July 2020.

On the same date, the Company had a net debt of R\$280.0 million, representing a leverage ratio (net debt / LTM EBITDA) of 0.93x versus 0.15x in 4Q14 chiefly due to commitments related to the acquisition of UNG which raised commitments payable by R\$136.9 million, as well as the 50% period increase in accounts payable, primarily due to the delay in federal government payments to FIES.

This increase in net debt is due to the delay in payments to FIES, since if we considered accounts receivable from FIES with 110 days, as reported in 4Q14, our accounts receivable from FIES would decrease from 290.4 million to 146.3 million in 4Q15, so the conversion of these receivables into cash would represent around 144.1 million and, consequently, would reduce the net debt from 280.0 million to 136.0 million, with a leverage ratio declining from 0.95x to 0.46x net debt/EBITDA.

Debt Amortization Schedule (R\$ '000)	Loans and Financing	A.V. (%)	Aquisições Payables	A.V. (%)	Debentures	A.V. (%)	Total	A.V. (%)
Short Term	44,450	19.3%	70,736	39.2%	5,034	3.3%	120,220	21.3%
Total Long Term	185,591	80.7%	109,675	60.8%	147,649	96.7%	442,915	78.7%
2017	48,697	21.2%	24,916	13.8%	35,140	23.0%	108,753	19.3%
2018	41,166	17.9%	26,739	14.8%	42,169	27.6%	110,074	19.5%
2019	31,847	13.8%	27,915	15.5%	42,169	27.6%	101,931	18.1%
After 2020	63,881	27.8%	30,105	16.7%	28,171	18.5%	122,157	21.7%
Total Loans, Financing and Acquisitions payables	230,041	100.0%	180,412	100.0%	152,683	100.0%	563,136	100.0%

In regard to the debt payment schedule, 21.3% corresponds to short-term debt, showing that the Company has adequate debt amortization terms, as well as a comfortable level of financial leverage.

Cash Flow

In 12M15, the Company's cash flow dropped by R\$3.2 million, resulting from the use of R\$319.8 million in investment activities and an increase of R\$239.5 million in financing activities, versus a cash flow of R\$77.0 million from operating activities, as shown below:

Cash Flow (R\$ '000)	4Q15	4Q14	% Chg. 4Q15 x 4Q14	12M15	12M14	% Chg. 12M15 x 12M14
Cash flow from operating activities						
Net cash from operating activities	(7,536)	33,084	-122.8%	77,060	177,040	-56.5%
(-) Cash flow allocated to investing activities	(2,621)	(13,569)	-80.7%	(319,839)	(274,675)	16.4%
(+) Cash flow allocated to financing activities	(2,668)	(16,534)	-83.9%	239,530	(46,377)	-616.5%
Increase in cash and cash equivalents	(12,825)	2,981	-530.2%	(3,249)	(144,012)	-97.7%
Net increase in cash and cash equivalents						
Beginning of period	-	-	0.0%	73,248	217,260	-66.3%
End of period	(12,825)	2,981	-530.2%	69,999	73,248	-4.4%
Increase in cash and cash equivalents	(12,825)	2,981	-530.2%	(3,249)	(144,012)	-97.7%

Cash flow allocated to investments represents the Company's CAPEX in the period, excluding the securities line. In 4Q15, the Company successfully carried out two financial operations, raising an additional R\$270 million in new resources (financing from the IFC and the launch of debentures), to be used for strengthening working capital, investing in new units, particularly the construction of the new units in Fortaleza and Aracaju, and potential new acquisitions.

ABOUT GRUPO SER EDUCACIONAL

Founded in 2003 and headquartered in Recife, Grupo Ser Educacional (BM&FBOVESPA SEER3, Bloomberg SEER3:BZ and Reuters SEER3.SA) is one of the largest private education groups in Brazil and the leader in the Northeast and North regions in terms of number of students enrolled. It offers undergraduate, graduate, vocational and distance learning courses in 12 states, with a consolidated base of 140,000 students. The Company operates under the following brands: Faculdades Maurício de Nassau, UNINASSAU – Centro Universitário Maurício de Nassau, Faculdades Joaquim Nabuco, Escolas Técnicas Joaquim Nabuco and Maurício de Nassau, FIT – Faculdades Integradas dos Tapajós, UNG (Universidade Guarulhos) and UNAMA (Universidade da Amazônia), through which it offers more than 900 courses.

This notice may contain forward-looking statements related to business prospects, estimates of operating and financial results and the growth prospects of Grupo Ser Educacional. These are merely projections and, as such, are solely based on the expectations of the Management of Grupo Ser Educacional. Such forward-looking statements are substantially dependent on external factors, in addition to the risks presented in the disclosure documents filed by Grupo Ser Educacional and are therefore subject to change without prior notice.

ATTACHMENTS

Income Statement – As Explained in Basis for the presentation of results

Income Statement (R\$ '000)	4Q15	4Q14	% Chg. 4Q15 x 4Q14	3Q15	% Chg. 4Q15 x 3Q15	12M15	12M14	% Chg. 12M15 x 12M14
Revenue from the Sale of Goods and/or Services	248,510	203,861	21.9%	241,276	3.0%	1,032,448	705,067	46.4%
Cost of Goods Sold and/or Services Rendered	(131,201)	(87,857)	49.3%	(115,962)	13.1%	(477,456)	(267,295)	78.6%
Gross Profit	117,309	116,004	1.1%	125,314	-6.4%	554,992	437,772	26.8%
Operating Expenses/Revenue	(84,400)	(64,881)	30.1%	(83,416)	1.2%	(324,707)	(208,423)	55.8%
General and Administrative Expenses	(81,162)	(61,829)	31.3%	(80,011)	1.4%	(313,726)	(200,317)	56.6%
Other Operating Expenses/Revenue	(3,238)	(3,052)	6.1%	(3,405)	-4.9%	(10,981)	(8,106)	35.5%
Operating Income	32,909	51,123	-35.6%	41,898	-21.5%	230,285	229,349	0.4%
Financial Result	(12,295)	(3,972)	209.5%	(15,714)	-21.8%	(45,555)	813	-5703.3%
Financial Revenue	25,509	8,023	217.9%	16,614	53.5%	61,811	42,260	46.3%
Financial Expenses	(37,804)	(11,995)	215.2%	(32,328)	16.9%	(107,366)	(41,447)	159.0%
Income Before Income Taxes	20,614	47,151	-56.3%	26,184	-21.3%	184,730	230,162	-19.7%
Income and Social Contribution Taxes	(4,465)	(3,377)	32.2%	(2,028)	120.2%	(11,478)	(16,298)	-29.6%
Current	(12,468)	(17,743)	-29.7%	(9,524)	30.9%	(68,775)	(81,392)	-15.5%
Deferred	404	-	0.0%	-	0.0%	404	-	0.0%
Tax Incentive - Prouni	7,599	14,366	-47.1%	7,496	1.4%	56,893	65,094	-12.6%
Consolidated Net Income/Loss	16,149	43,774	-63.1%	24,156	-33.1%	173,252	213,864	-19.0%
Attributed to the Controlling Shareholders	16,149	43,774	-63.1%	24,156	-33.1%	173,252	213,864	-19.0%
Attributed to Non-Controlling Shareholders	-	-	0.0%	-	0.0%	-	-	0.0%
Weighted Average Number of Shares (thousand)	124,864	125,213	-0.3%	124,864	0.0%	125,038	125,213	0.0%
Earnings/Share Attributed to the Controlling Shareholders (R\$/Share)	0.13	0.35	-63.0%	0.19	-33.1%	1.39	1.71	-18.9%

Income Statement – As presented in the Financial Statements

Income Statement (R\$ '000)	4Q15	4Q14	% Chg. 4Q15 x 4Q14	3Q15	% Chg. 4Q15 x 3Q15	12M15	12M14	% Chg. 12M15 x 12M14
Revenue from the Sale of Goods and/or Services	236,323	203,861	15.9%	241,276	-2.1%	1,020,261	705,067	44.7%
Cost of Goods Sold and/or Services Rendered	(131,201)	(87,857)	49.3%	(115,962)	13.1%	(477,456)	(267,295)	78.6%
Gross Profit	105,122	116,004	-9.4%	125,314	-16.1%	542,805	437,772	24.0%
Operating Expenses/Revenue	(84,400)	(64,881)	30.1%	(83,416)	1.2%	(324,707)	(208,423)	55.8%
General and Administrative Expenses	(81,162)	(61,829)	31.3%	(80,011)	1.4%	(313,726)	(200,317)	56.6%
Other Operating Expenses/Revenue	(3,238)	(3,052)	6.1%	(3,405)	-4.9%	(10,981)	(8,106)	35.5%
Operating Income	20,722	51,123	-59.5%	41,898	-50.5%	218,098	229,349	-4.9%
Financial Result	(11,198)	(3,972)	181.9%	(15,714)	-28.7%	(45,555)	813	-5703.3%
Financial Revenue	26,606	8,023	231.6%	16,614	60.1%	61,811	42,260	46.3%
Financial Expenses	(37,804)	(11,995)	215.2%	(32,328)	16.9%	(107,366)	(41,447)	159.0%
Income Before Income Taxes	9,524	47,151	-79.8%	26,184	-63.6%	172,543	230,162	-25.0%
Income and Social Contribution Taxes	(4,465)	(3,377)	32.2%	(2,028)	120.2%	(11,478)	(16,298)	-29.6%
Current	(12,468)	(17,743)	-29.7%	(9,524)	30.9%	(68,775)	(81,392)	-15.5%
Deferred	404	-	0.0%	-	0.0%	404	-	0.0%
Tax Incentive - Prouni	7,599	14,366	-47.1%	7,496	1.4%	56,893	65,094	-12.6%
Consolidated Net Income/Loss	5,059	43,774	-88.4%	24,156	-79.1%	161,065	213,864	-24.7%
Attributed to the Controlling Shareholders	5,059	43,774	-88.4%	24,156	-79.1%	161,065	213,864	-24.7%
Attributed to Non-Controlling Shareholders	-	-	0.0%	-	0.0%	-	-	0.0%
Weighted Average Number of Shares (thousand)	124,864	125,213	-0.3%	124,864	0.0%	125,038	125,213	0.0%
Earnings/Share Attributed to the Controlling Shareholders (R\$/Share)	0.04	0.35	-88.4%	0.19	-79.1%	1.29	1.71	-24.6%

Balance Sheet – As presented in the Financial Statements

Balance Sheet - ASSETS (R\$ '000)	31/12/2015	31/12/2014	% Chg. dec15 x dec14
Total Assets	1,848,588	1,249,163	48.0%
Current Assets	497,460	359,356	38.4%
Cash and cash equivalents	69,999	73,248	-4.4%
Securities	213,135	63,418	236.1%
Accounts receivable	192,251	201,321	-4.5%
Taxes recoverable	7,308	3,289	122.2%
Advances to suppliers	5,599	9,066	-38.2%
Other assets	9,168	9,014	1.7%
Non-Current Assets	1,351,128	889,807	51.8%
Long-Term Assets	1,351,128	889,807	51.8%
Accounts receivable	189,102	4,173	4431.6%
Other assets	5,406	6,017	-10.2%
Indemnifications	112,015	112,015	0.0%
Intangible assets	432,106	241,815	78.7%
Property, plant and equipment	612,499	525,787	16.5%
Balance Sheet - LIABILITIES (R\$ '000)	31/12/2015	31/12/2014	% Chg. dec15 x dec14
Total Liabilities	1,091,355	622,511	75.3%
Current Liabilities	270,766	196,679	37.7%
Suppliers	18,219	17,314	5.2%
Accounts payable	70,736	52,820	33.9%
Loans and financing	44,450	33,264	33.6%
Debentures	5,034	-	0.0%
Payroll and charges	66,406	55,270	20.1%
Taxes payable	16,209	11,991	35.2%
Income and social contribution taxes payable	11,609	3,789	206.4%
Leasing	4,691	3,816	22.9%
Dividends payable	20,070	8,232	143.8%
Other liabilities	13,342	10,183	31.0%
Non-Current Liabilities	820,589	425,832	92.7%
Loans and financing	185,591	74,673	148.5%
Debentures	147,649	-	0.0%
Leasing	249,534	217,531	14.7%
Accounts payable	109,675	12,952	746.8%
Tax installments	331	409	-19.1%
Provision for contingencies	121,253	120,267	0.8%
Provision for contingencies	6,556	-	0.0%
Consolidated Shareholders' Equity	757,233	626,652	20.8%
Capital Realized	377,048	377,048	0.0%
Income Reserve	386,639	250,190	54.5%
Equity Adjustments	-	(586)	-100.0%
Treasury shares	(6,454)	-	0.0%
Total Liabilities and Shareholders' Equity	1,848,588	1,249,163	48.0%

Cash Flow – As presented in the Financial Statements

Cash Flow Statement (R\$ '000)	12/31/2015	12/31/2014	% Chg. dec15 x dec14
Consolidated Net Income for the Period before Income Taxes	172,543	230,162	-25.0%
Net Cash from Operating Activities	77,060	177,040	-56.5%
Cash Flow from Operations	(24,082)	(2,875)	737.6%
Depreciation and amortization	56,100	24,623	127.8%
Provision for doubtful accounts	47,659	25,468	87.1%
Adjustment present value of accounts receivable	12,187	-	0.0%
Provisions	986	(603)	-263.5%
Interest and exchange variation, net	72,222	36,985	95.3%
Changes in Assets and Liabilities	(213,236)	(89,348)	138.7%
Accounts receivable	(228,435)	(100,575)	127.1%
Taxes recoverable	(4,015)	(485)	727.8%
Advances	3,481	(2,413)	-244.3%
Other assets	657	(3,430)	-119.2%
Suppliers	519	5,264	-90.1%
Payroll and charges	1,453	7,100	-79.5%
Taxes payable	2,568	(1,417)	-281.2%
Income and social contribution taxes payable	5,377	1,066	404.4%
Other liabilities	5,159	5,542	-6.9%
Other	(71,401)	(50,247)	42.1%
Interest on loans	(62,366)	(33,949)	83.7%
Income and social contribution taxes paid	(9,035)	(16,298)	-44.6%
Net Cash from Investing Activities	(319,839)	(274,675)	16.4%
Securities	(149,717)	20,893	-816.6%
Additions of Investments	(18,840)	-	0.0%
Additions to property, plant and equipment	(72,042)	(150,800)	-52.2%
Additions to intangible assets	(26,971)	(10,474)	157.5%
Acquisition of subsidiaries	(52,269)	(134,294)	-61.1%
Net Cash from Financing Activities	239,530	(46,377)	-616.5%
Debentures	147,649	-	0.0%
Loans and financing	137,213	-	0.0%
Amortization of loans and financing	(22,653)	(8,815)	157.0%
Amortization of leasing	(4,033)	(8,328)	-51.6%
Treasury Shares	(6,454)	-	0.0%
Dividends	(12,192)	(29,234)	-58.3%
Increase (Reduction) in Cash and Cash Equivalents	(3,249)	(144,012)	-97.7%
Cash and Cash Equivalents at Beginning of Period	73,248	217,260	-66.3%
Cash and Cash Equivalents at End of Period	69,999	73,248	-4.4%