

Ser Educacional Posts Record High Result, with Adjusted EBITDA of R\$113.1 Million and Net Income of R\$85.9 million in 1Q16

Recife, May 6, 2016 – Ser Educacional S.A. (BM&FBovespa SEER3, Bloomberg SEER3:BZ and Reuters SEER3.SA), herein announces its results for the first quarter of 2016 (1Q16) and the results reported for the 4Q15 exclude the effects of the net present value (NPV) according to the Notice to the Market released on March 18, 2016. All information is presented in accordance with international financial reporting standards (IFRS) and consolidated in Brazilian reais (R\$). All comparisons refer to the first quarter of 2015, unless otherwise indicated. The Company's 2016 results include the acquisition of UNG, consolidated as of February 2015.

1Q16 Conference Call

May 6, 2016

Portuguese

12:00 pm (Brasília time)
11:00 am (New York time)
Phone: +55 (11) 2188-0155
Code: Ser Educacional
Replay: +55 (11) 2188-0400

English

1:30 pm (Brasília time)
12:30 pm (New York time)
Phone: +1 (646) 846-6054
Code: Ser Educacional
Replay: +55 (11) 2188-0400
Code: Ser Educacional

Contacts:

Jânio Diniz - CEO
João Aguiar - CFO
Rodrigo Alves - IRO
Geraldo Soares - IR Manager

Phone: 55 11 2769 3223

Email ri@sereducacional.com

Website:

www.sereducacional.com/ri

Media Relations

Sílvia Fragoso
(+55 81) 3413-4643
silvia.fragoso@sereducacional.com



Highlights

- **Net revenue totaled R\$285.1 million in 1Q16**, up 5.8% over 1Q15, 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.
- At the end of 1Q16, **37,300 new on-campus undergraduate students had been enrolled, up 4.3% over the adjusted enrollment** achieved by the Company as of March 31, 2015 (excluding the 8,300 students who had already been enrolled but were denied access to FIES).
- In 1Q16, **adjusted EBITDA came to R\$113.1 million**, 8.1% higher than 1Q15. The adjusted EBITDA margin reached 39.7% compared to 38.8% in the same period last year, mainly due to the Company's organic growth with the opening of new courses and units and operational efficiency gain due to the synergies with the acquisitions of UNG and UNAMA.
- **Net income reached R\$85.9 million in 1Q16**, up 3.7% over the R\$82.8 million reached in 1Q15, due to the strong enrollment achieved by the Company in 1Q16, as well as Ser Educacional's actions to improve operating efficiency, which generated reductions in costs and expenses of 11.6% and 13.8%, respectively, over 4Q15.
- **Accounts receivable for student tuition** remained under control reaching R\$73.3 million in 1Q16, an increase of 4.8% compared to 4Q15, below the growth in net revenue of 14.7 % over the same period.

Financial Highlights (R\$ '000)	1Q16	1Q15	% Chg.	4Q15	% Chg.
Net Revenue	285,125	269,498	5.8%	248,510	14.7%
Gross Profit	169,147	166,487	1.6%	117,309	44.2%
Gross Margin	59.3%	61.8%	-2.5 p.p.	47.2%	12.1 p.p.
Operating Income	99,006	94,273	5.0%	32,909	200.8%
Operating Margin	34.7%	35.0%	-0.3 p.p.	13.2%	21.5 p.p.
Adjusted EBITDA	113,087	104,566	8.1%	53,409	111.7%
Adjusted EBITDA Margin	39.7%	38.8%	0.9 p.p.	21.5%	18.2 p.p.
Net Income	85,913	82,844	3.7%	16,149	432.0%
Net Margin	30.1%	30.7%	-0.6 p.p.	6.5%	23.6 p.p.

- 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 9, 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. The Company made no repurchases during the first quarter of 2016.
- On March 4, the Board of Directors accepted the **resignation request of Antonio Carbonari Netto from his duties as Vice President of Development and Expansion and member of the Board of Directors**, as he will dedicate himself to educational projects in the US, particularly the creation of the Miami University of Science and Technology. Carbonari played a significant role in several projects, particularly the reformulation of the curriculum.
- On March 17, the Board of Directors approved the **distribution of R\$23.1 million in dividends**, representing R\$0.185172280 per share to be paid by May 6, 2016.
- During 1Q16, **new units were inaugurated in Aracaju and Salvador**, which will increase the Company's competitiveness in these cities. Also expansions were completed in Caruaru units and João Pessoa in order to increase capacity in those units that already had almost full occupancy of their classrooms.
- On April 20, the Company held its **Annual Shareholders' Meeting**, which approved (i) the financial statements for the Fiscal Year 2015, (ii) ratified the proposal for the distribution of dividends and interest on equity, (iii) the proposed compensation for management, (iii) and approved management's proposal for **renewal of the Fiscal Council** for Fiscal Year 2016. For this new period, new members indicated by the Controlling Shareholder were elected, Luiz Carlos Vieira da Silva and Fernando Eduardo Ramos dos Santos, while Reginaldo Alexandre was re-elected by the minority shareholders.
- On May 3, **José Janguê Diniz**, Chairman of the Board of Directors of the Ser Educacional group, **became the President of the Brazilian Association of the Maintainers of Higher Education (ABMES) (www.abmes.org.br)**, the highest representative body of Brazilian higher education.
- On May 5, in **continuity with the package of operating cost optimization and rationalization** measures and due to the current economic environment, the Board of Directors approved to proposal to suspend, for 12 months, the lease of two properties located in the city of Recife, and exceptionally for the year 2016, to not update the values of other lease agreements for properties from the company in which the controlling shareholder holds a majority stake as negotiations between the contracting parties. As a result, the Company is expected to obtain a total savings in 2016 of R\$4.9 million, of which R\$3.2 million will come from the suspension of the contracts and R\$1.7 million from foregoing the inflation rate update. In 2017, the expected savings are approximately R\$2.1 million.

Message from Management

Despite the economic and political uncertainty in Brazil, 2016 is showing itself to be period of recovery for the operating and financial results of the Ser Educacional group.

Student enrollment and re-enrollment in the first quarter were higher than initially expected, and as a result, the base of on-campus undergraduate students ended the period roughly in line with the same period in 2015, a positive result, especially when considering the default and dropout rates, which, to date, are below the Company's recent historical average and the industry average as a whole. The same can be said for the distance learning and graduate segments, which together played an important role in replacing the revenue from the PRONATEC program, which was essentially discontinued by the federal government, with regard to the private sector.

In addition, the quarterly financial results show that Ser Educacional again recovered its profitability margins, especially when compared to the results from the second half of 2015, approximating to those of 1Q15 in terms of gross margin, and higher at least in terms of the Adjusted EBITDA margin.

This improvement in results is due to a variety of factors, but the main one is the adherence to a goal that guides all the group's activities and allows the implementation of a virtuous cycle of creating long-term value for shareholders: the focus on its unique offer of value to students, which combines quality teaching, strong brands that recognized by the labor market, and quality infrastructure that provides a cost benefit that generates return on the investment made by students.

It is the focus on that goal that allows the Company to implement measures that generate sustainable long-term results. If on the one hand in 2015 there was a non-recurring dropout of approximately 8,300 students due to the change in the FIES rules, on the other hand, the Company was able to identify that there was need to make adjustments in its activities so that it was possible to regain its operating efficiency rapidly and effectively. In this sense, several projects were carried out, the results of which were highlighted in the quarter and were mainly developed in the shared service center of the company, such as the creation of market intelligence department and attract students, the improvement project in retention capacity students as being Retention System (SRS), and payroll optimization initiatives, culminating in the end of the process of consolidation of the activities of UNG and UNAMA in the center of shared services in Recife.

In addition to the projects to gain efficiency, the Company is creating new sources of revenue that will be important for the coming student enrollment processes. There were more than 250 courses approved by the MEC in the last 12 months, with the majority in healthcare, one of the major demands of the North and Northeast market, and, in addition, four new units were approved last year (Petrolina, Jaboatão dos Guararapes, Feira de Santana and Olinda), which will more actively engage in the student enrollment process in 2016. In the distance learning segment, the group continues to work on its plan to open the 400 centers requested with the MEC.

Therefore, despite the challenging scenario, Ser Educacional has relevant and foundations based on three pillars which will allow it to continue to generate sustained growth, as it did in recent years: organic growth, acquisitions and distance learning.

Operating Performance

Status of 1Q16 Student Enrollment					
In thousands	Reported 03/31/16	Adjusted 03/31/15	% Chg	Reported 03/31/15	% Chg
Undergraduate Enrollments*	39,935	37,339	7.0%	45,639	-12.5%
On-campus*	37,305	35,750	4.3%	44,050	-15.3%
Distance Learning	2,630	1,589	65.5%	1,589	65.5%
Graduate Enrollments	2,314	1,066	117.1%	1,066	117.1%
On-campus	2,173	1,066	103.8%	1,066	103.8%
Distance Learning	141	-	0.0%	-	0.0%

* Excludes 8,300 students enrolled in 2015.1 who dropped out by July/2015, since they had joined the Company's institutions in anticipation of accessing FIES but were not able to due to changes in the program that occurred in 2015 and after the end of enrollment process.

At the end of 1Q16, 37,300 new on-campus undergraduate students had been enrolled, up 4.3% over the adjusted enrollment achieved by the Company as of March 31, 2015 (excluding the 8,300 students who had already been enrolled but were denied access to FIES).

The enrollment of undergraduate Distance Learning students in the first quarter of 2016 was up 65.5%, reaching 2,600 students, based on UNG's six Distance Learning centers.

The Graduate segment also showed significant result in enrolment in the first quarter of 2016, up 103.8% in total enrolled students, ending the period with a 17.1% increase in the graduate student base compared to 1Q15. This increase is mainly due to reorganization of the department in 2015, focused on seeking out new sources of revenue to offset the reduced share of PRONATEC students, which, in turn, did not show signs that enrollment in 2016.

The 2016.1 enrollment/re-enrollment process has shown better than expected results to date and is due to the response of students to the strong organic growth achieved in 2015 with the opening of more than 250 new courses and four new units, as well as the successful implementation of projects focused on increasing operational efficiency, such as the department of market intelligence and student enrollment and student retention project – Ser Retention System (SRS).

At the end of 1Q16, of the total number of students enrolled, 9,200 students came with student loans, with 600 financed through PraValer, 300 through Educured and 8,300 through FIES. The total amount of new finalized FIES contracts as of March 31, 2016, reached 9,700 (with 8,300 freshmen and 1,500 upperclassmen), filling approximately 50.4% of the 19,100 slots allocated to the Company by the federal government.

Student Base Evolution

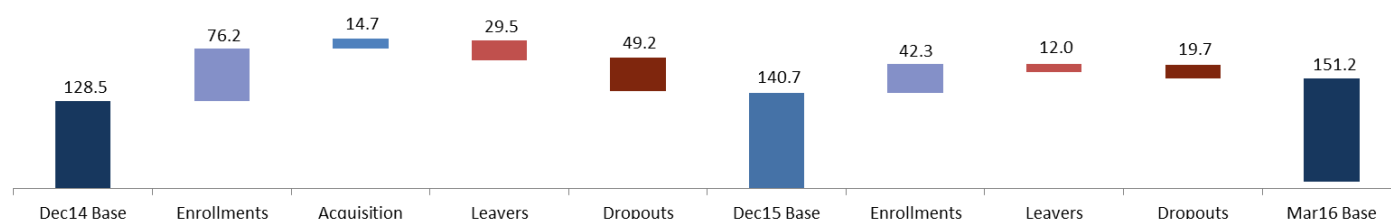
Number of Students	Undergraduate		Graduate		Vocational	Total
1Q16	On Campus	Distance Learning	On Campus	Distance Learning	Total	Total
Dec15 Base	123,988	3,089	10,388	231	3,005	140,701
Enrollments*	37,305	2,634	2,173	141	-	42,253
Leavers	(7,943)	-	(2,115)	-	(1,966)	(12,024)
Dropouts	(17,991)	(1,267)	(199)	(35)	(248)	(19,740)
Mar16 Base	135,359	4,456	10,247	337	791	151,190
% Mar16 Base / Dec15 Base	9.2%	44.3%	-1.4%	45.9%	-73.7%	7.5%
% Mar16 Base / Mar15 Base	-0.2%	73.9%	17.1%	N.M.	-95.1%	-7.2%
% Mar16 Base / Mar15 Adjusted Base*	6.3%	-	-	-	-	-2.2%

* Excludes 8,300 students enrolled in 2015.1 who dropped out by July/2015, since they had joined the Company's institutions in anticipation of accessing FIES but were not able to due to changes in the program that occurred in 2015 and after the end of enrollment process.

The re-enrollment indicator for 1Q16 reached 90.3% of the renewable base, which demonstrates the effectiveness of the dropout control actions and the success of student retention projects and collection rule review carried out in 2015. These projects focused on preventive actions, such as sending reminders of monthly tuition due dates, contract signings and other important routine financial and academic activities, thus allowing a greater engagement of the financial and academic areas in student activities.

As a result, the on-campus undergraduate student base totaled 135,400 students, up 6.3% from the base adjusted for the extraordinary dropout of 8,300, which totaled 127,300 students, and stable with regard to the base of 135,600 on-campus undergraduate students reported in 1Q15.

The total student base fell by only 2.2% compared to the total student base adjusted for the nonrecurring dropout of 8,300 students in 2015, as explained above.



Dropout Rate

First-quarter dropout rate stood at 11.7%, a 0.4 p.p. reduction over the 12.1% recorded in 1Q15, which demonstrates the positive outcome of retention projects undertaken during the year, even considering that there was a major deterioration in the macroeconomic scenario between the two periods.

Average Net Ticket

Average Ticket (R\$)	1Q16	1Q15	% Chg. 1Q16 x 1Q15	4Q15	% Chg. 1Q16 x 4Q15
Undergraduate Students (On Campus)	675.31	625.75	7.9%	632.30	6.8%

The average ticket in 1Q16 was R\$675.31, up 7.9% year-on-year, mainly due to the pass through of inflation and the improvement in the course mix that has been gradually increasing the share of courses in engineering, health and teaching areas. Compared to 4Q15, the average ticket in 1Q16 was up 6.8%.

Student Financing

STUDENT LOANS	Dec/12	Dec/13	Dec/14	1Q15	Dec/15	1Q16
Students	48,670	70,255	101,195	135,622	123,988	135,359
FIES Students	15,916	31,432	48,048	47,758	56,089	57,842
% of FIES Students	32.7%	44.7%	47.5%	35.2%	45.2%	42.7%
EDUCRED Students			-	-	754	921
% of EDUCRED Students			0.0%	0.0%	0.6%	0.7%
PRAVALER Students			-	-	954	1,114
% of PRAVALER Students			0.0%	0.0%	0.8%	0.8%
PRAVALER Students			-	-	57,797	59,877
% of PRAVALER Students			0.0%	0.0%	46.6%	44.2%

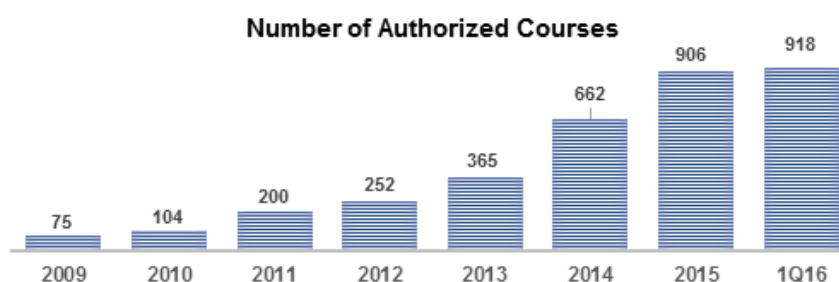
On March 31, 2015, students partaking of the FIES program accounted for 42.7% of the undergraduate student base, a 2.5 p.p. decline over 4Q15, when FIES beneficiaries corresponded to 45.2% of the student base.

As an alternative to the recent changes in FIES, as of April 2015, the Company launched two new student-financing plans. 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 1Q16, 600 students were financed by PraValer and 300 were enrolled through Educured. At the end of 1Q16, Educured's loan portfolio totaled R\$9.0 million, up 15.4% over 4Q15, due to the increase in the financed students.

Organic Growth

In 1Q16, 12 new courses were authorized, a total of 918 courses. With this, in March 2016, the Company had approximately 242,000 places per year, of which 35,100 in the Distance Learning segment. Ser Educacional continues carrying out its organic growth strategy based on the accreditation of new units and the authorization of new courses.



FINANCIAL PERFORMANCE

Gross Revenue

Net Revenue (R\$ '000)	1Q16	1Q15	% Chg. 1Q16 x 1Q15	4Q15	% Chg. 1Q16 x 4Q15
Gross Operating Revenue	352,063	323,306	8.9%	313,057	12.5%
Undergraduate Monthly Tuition	336,106	292,663	14.8%	295,753	13.6%
Graduate Monthly Tuition	5,720	5,315	7.6%	7,248	-21.1%
Vocational Courses Revenues	3,757	19,117	-80.3%	4,108	-8.5%
Distance Learning Revenues	2,954	2,221	33.0%	2,577	14.6%
Others	3,526	3,990	-11.6%	3,371	4.6%
Deductions from Gross Revenue	(66,938)	(53,808)	24.4%	(64,547)	3.7%
Discounts and Scholarships	(54,607)	(42,306)	29.1%	(55,234)	-1.1%
Taxes	(12,331)	(11,502)	7.2%	(9,313)	32.4%
% Discounts and Scholarships/ Net Oper. Rev.	15.5%	13.1%	2.4 p.p.	17.6%	-2.0 p.p.
Net Operating Revenue	285,125	269,498	5.8%	248,510	14.7%

In 1Q16, gross revenue amounted to R\$352.1 million, a 8.9% improvement over 1Q15, due to the combined effect of organic growth and the recently acquired UNG and UNAMA, which increased the total undergraduate students base the increase in average ticket, although partially compensated by the decrease of the total student base due to the discontinuation of PRONATEC. It is worth noting that UNG was consolidated in February 2015 and that, therefore, 1Q15 included two months of recognized revenue from this institution.

For the same reasons, gross revenue in the undergraduate segment totaled R\$336.1 million in 1Q16, representing 95.5% of the total, up 14.8% year-on-year.

The graduate studies segment corresponded to 1.6% of total revenue in 1Q16, with R\$5.7 million, a 7.6% increase over 1Q15, impacted by the consolidation of UNG and UNAMA/FIT. The revenue growth at a slower pace than the student base growth rate (+17%) is due to the fact that these students have only paid their registrations without even having commenced their classes until the end of March.

Revenue from vocational courses/Pronatec amounted to R\$3.8 million in 1Q16, accounting for 1.1% of the total and 80.3% down on 1Q15, 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\$3.0 million, an increase of 33.0% in relation to 1Q15. The gross revenue growth at a slower pace compared to the growth of the student base is due to the lower average ticket and higher dropout rates.

Deductions from gross revenue increased by 24.4% in 1Q16, primarily due to the increase in commercial discounts and scholarships, mainly as a result of the higher number of PROUNI students, in turn arising from the adjustments of this type of scholarship for UNG and UNAMA in 2015, given that, as these used to be non-profit institutions, they had little exposure to PROUNI.

Net revenue climbed 5.8%, from R\$269.5 million in 1Q15, to R\$285.1 million in 1Q16.

Discounts, grants and rebates, as of March 31, 2016, totaled R\$6.8 million in FGEDUC discounts, against R\$4.9 million on March 31, 2015. At the end of 1T16, the distribution of FIES students was 95.4% with FGEDUC and 4.6% with guarantors.

Cost of Services Rendered

Breakdown of Cost of Services Rendered¹ (R\$ '000)	1Q16	1Q15	% Chg. 1Q16 x 1Q15	4Q15	% Chg. 1Q16 x 4Q15
Cash Cost of Services Rendered	(106,923)	(95,741)	11.7%	(122,629)	-12.8%
Payroll and Charges	(82,524)	(74,973)	10.1%	(94,681)	-12.8%
Rent	(15,199)	(14,239)	6.7%	(15,503)	-2.0%
Concessionaires (Electricity, Water and Telephone)	(5,989)	(4,417)	35.6%	(9,208)	-35.0%
Third-Party Services	(3,211)	(2,112)	52.0%	(3,237)	-0.8%
Depreciation and Amortization	(9,055)	(7,270)	24.6%	(8,572)	5.6%

The cash cost of services rendered (excluding depreciation and amortization) totaled R\$106.9 million in 1Q16, representing a variation of 11.7% in relation to 1Q15. 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 16.9% reduction in faculty numbers, or 940 individuals, in 1Q16 over 1Q15, reflecting the Company's cost optimization initiatives, which was offset by the absence of one month of personnel expenses and charges of UNG, consolidated in February/15, in addition to the collective bargaining agreement that impacted the 1Q16 costs and were not present yet in 1Q15; (ii) extraordinary costs of R\$0.4 million corresponding to labor fines and charges due to the finalization of the organizational restructuring at UNG and UNAMA.
- The rent line increased 6.7% in 1Q16 over 1Q15, due to the inflationary adjustment of contracts, partially offset by the return of properties in 2015.
- The variation in the concessionaire line was due to the increased number of operational units (São Luís, Manaus, Petrolina, Jaboatão dos Guararapes, Olinda and Feira de Santana), the consolidation of the acquired units (Unama/FIT, UNG, FAL and FASE), the inauguration of new buildings to expand operations, including in Aracaju and Salvador, and the higher electricity tariff, partially offset by the return of rented properties throughout last year.

The cash cost of services rendered, as a percentage of net revenue, went from 35.5% in 1Q15 to 37.5% in 1Q16, up by 2.0 percentage points, year-on-year, chiefly due to the increase in personnel and rental costs, as described above.

% of net operating revenue	1Q16	1Q15	% Chg. 1Q16 x 1Q15	4Q15	% Chg. 1Q16 x 4Q15
Cash Cost of Services Rendered	-37.5%	-35.5%	-2.0 p.p.	-49.3%	11.8 p.p.
Payroll and Charges	-28.9%	-27.8%	-1.1 p.p.	-38.1%	9.2 p.p.
Rent	-5.3%	-5.3%	0.0 p.p.	-6.2%	0.9 p.p.
Concessionaires (Electricity, Water and Telephone)	-2.1%	-1.6%	-0.5 p.p.	-3.7%	1.6 p.p.
Third-Party Services	-1.1%	-0.8%	-0.3 p.p.	-1.3%	0.2 p.p.

Gross Profit

Gross Profit (R\$ '000)	1Q16	1Q15	% Chg. 1Q16 x 1Q15	4Q15	% Chg. 1Q16 x 4Q15
Net Operating Revenue	285,125	269,498	5.8%	248,510	14.7%
Cost of Services Rendered	(115,978)	(103,011)	12.6%	(131,201)	-11.6%
Gross Profit	169,147	166,487	1.6%	117,309	44.2%
Gross Margin	59.3%	61.8%	-2.5 p.p.	47.2%	12.1 p.p.
(-) Depreciation	9,055	7,270	24.6%	8,572	5.6%
Cash Gross Profit	178,202	173,757	2.6%	125,881	41.6%
Cash Gross Margin	62.5%	64.5%	-2.0 p.p.	50.7%	11.8 p.p.

Cash gross profit increased 2.6%, from R\$173.8 million in 1Q15 to R\$178.2 million in 1Q16, while the cash gross margin totaled 62.5% in 1Q16 versus 64.5% in 1Q15.

The gross margin reduction was primarily caused by the decrease in the student base due to the graduation of PRONATEC students which in turn were not replaced due to the discontinuation of the program by the Federal Government; this student base was partially offset by the entry of distance learning and Post- Graduation students.

Operating Expenses (Selling, General and Administrative)

Operating Expenses (R\$ '000)	1Q16	1Q15	% Chg. 1Q16 x 1Q15	4Q15	% Chg. 1Q16 x 4Q15
General and Administrative Expenses	(69,941)	(70,168)	-0.3%	(81,162)	-13.8%
Payroll and Charges	(26,168)	(33,292)	-21.4%	(27,647)	-5.3%
Third-Party Services	(6,806)	(6,238)	9.1%	(6,423)	6.0%
Advertising	(15,677)	(12,197)	28.5%	(12,813)	22.4%
PDA	(6,390)	(4,595)	39.1%	(18,155)	-64.8%
Depreciation and Amortization	(5,457)	(5,056)	7.9%	(5,695)	-4.2%
Materials	(3,165)	(3,503)	-9.6%	(3,878)	-18.4%
Others	(6,278)	(5,287)	18.7%	(6,551)	-4.2%
Operating Income	99,006	94,273	5.0%	32,909	200.8%
General and Administrative Expenses (Ex-Depreciation and Amortization)	(64,484)	(65,112)	-1.0%	(75,467)	-14.6%

General and administrative expenses decreased by 0.3%, from R\$70.2 million in 1Q15 to R\$69.9 million in 1Q16, mainly due to:

- Personnel expenses and social charges fell by 21.4% compared to 1Q15, even with the increase in headcount, due to the consolidation of the UNG and UNAMA/FIT operations, and 5.3% compared to 4Q15, already reflecting the staff reductions carried out during the year.
- Increased advertising expenses due to the 2016.1 student recruitment process, which involved more units than in the previous year, including those recently acquired, UNAMA/FIT and UNG.
- The allowance for doubtful accounts increased by 39.1%, from R\$4.6 million in 1Q15 to R\$6.4 million in 1Q16, chiefly due to the lack of such provisions for UNG and UNAMA students due to the recent consolidation of these operations at that time.
- Other expenses increased by 18.7% and increased from R\$5.3 million in 1Q15 to R\$6.3 million in 1Q16, mainly due to non-recurring expenses related to the opening of pre-operational units and approvals for new courses and consulting services totaling approximately R\$1.1million.

Compared to the 1Q15, the reduction in payroll and charges (3.6 p.p.) and workplace materials (0.2 p.p.) demonstrate 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	1Q16	1Q15	% Chg. 1Q16 x 1Q15	4Q15	% Chg. 1Q16 x 4Q15
General and Administrative Expenses	-24.5%	-26.0%	1.5 p.p.	-32.7%	8.1 p.p.
Payroll and Charges	-9.2%	-12.4%	3.2 p.p.	-11.1%	1.9 p.p.
Third-Party Services	-2.4%	-2.3%	-0.1 p.p.	-2.6%	0.2 p.p.
Advertising	-5.5%	-4.5%	-1.0 p.p.	-5.2%	-0.3 p.p.
PDA	-2.2%	-1.7%	-0.5 p.p.	-7.3%	5.1 p.p.
Depreciation and Amortization	-1.9%	-1.9%	0.0 p.p.	-2.3%	0.4 p.p.
Materials	-1.1%	-1.3%	0.2 p.p.	-1.6%	0.5 p.p.
Others	-2.2%	-2.0%	-0.2 p.p.	-2.6%	0.4 p.p.
Operating Income	34.7%	35.0%	0.3 p.p.	13.2%	21.5 p.p.
General and Administrative Expenses (Ex-Depreciation and Amortization)	-22.6%	-24.2%	154.4%	-30.4%	775.2%

EBITDA and Adjusted EBITDA

EBITDA (R\$ '000)	1Q16	1Q15	% Chg. 1Q16 x 1Q15	4Q15	% Chg. 1Q16 x 4Q15
Net Income (Loss)¹	85,913	82,844	3.7%	16,149	432.0%
(+) Net financial expense ²	11,023	8,325	32.4%	12,295	-10.3%
(+) Income and social contribution taxes	2,070	3,104	-33.3%	4,465	-53.6%
(+) Depreciation and amortization	14,512	12,326	17.7%	14,267	1.7%
EBITDA³	113,518	106,599	6.5%	47,176	140.6%
EBITDA Margin	39.8%	39.6%	0.3 p.p.	19.0%	20.8 p.p.
(+) Revenue from interest and fines on tuition ⁵	7,791	5,912	31.8%	7,121	9.4%
(+) Non-recurring costs and expenses ⁶	1,528	1,334	14.5%	8,862	-82.8%
(-) Minimum rent paid ⁷	(9,750)	(9,279)	5.1%	(9,750)	0.0%
Adjusted EBITDA⁴	113,087	104,566	8.1%	53,409	111.7%
Adjusted EBITDA Margin	39.7%	38.8%	0.9 p.p.	21.5%	18.2 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\$113.1 million in 1Q16, up 8.1% over the R\$104.6 million reported in 1Q15.

The adjusted EBITDA margin ended the first quarter of 2016 at 39.7%, up 0.9 percentage points compared to 1Q15.

In both comparisons, the increase in the EBITDA margin is related to the gain of operating synergies arising from economies of scale from recent acquisitions and the Company's organic growth, combined with operational efficiency gains in projects carried out during 2015.

The non-recurring items recorded in the quarter were as follow: R\$0.4 million in severance arising from the rationalization process and synergy gain from UNG, R\$0.6 million related to the payment of strategic consulting for operational efficiency gains projects conducted since 2015 and R\$0.5 million related to non-recurring expenses for expansion projects and M&A.

Financial Result

Financial Result (R\$ '000)	1Q16	1Q15	% Chg. 1Q16 x 1Q15	4Q15	% Chg. 1Q16 x 4Q15
(+) Financial Revenue	26,697	8,474	215.0%	25,509	4.7%
Interest on Tuition and Agreements	7,791	5,912	31.8%	7,121	9.4%
Returns on Financial Investments	7,864	1,647	377.5%	10,173	-22.7%
Others	11,042	915	1106.8%	8,215	34.4%
(-) Financial Expenses	(37,720)	(16,799)	124.5%	(37,804)	-0.2%
Interest Expenses	(14,946)	(4,013)	272.4%	(15,070)	-0.8%
Interest on Leasing	(8,631)	(8,157)	5.8%	(8,663)	-0.4%
Discounts Granted	(8,119)	(756)	973.9%	(7,732)	5.0%
Monetary Variation Expenses	(4,070)	(2,482)	64.0%	(4,287)	-5.1%
Others	(1,954)	(1,391)	40.5%	(2,052)	-4.8%
Financial Result	(11,023)	(8,325)	32.4%	(12,295)	-10.3%

Financial revenue increased 215.0%, from R\$8.5 million in 1Q15 to R\$26.7 million in 1Q16. This increase was mainly due to the variation in the income from financial investments line, due to the higher cash and securities balance, which increased from R\$45.7 million at the end of 1Q15 to R\$225.6 million in 1Q16, as a result of the addition of 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. Another contributory factor was the recognition of R\$9.6 million in active monetary variation related to the outstanding balance of FIES accounts receivable recognized due to a government agreement establishing that FIES monthly tuition referring to terms unpaid in 2015 will be settled within the next three years, 25% of the balance in June 2016, 25% by June 2017, and the remaining 50% by June 2018. The agreements also determined that the balances be adjusted by inflation (IPCA).

Financial expenses increased from R\$16.8 million in 1Q15 to R\$37.7 million in 1Q16, mainly due to:

- Interest expenses, which rose 272.4%, from 4.0 million in 1Q15 to 14.9 million in 1Q16, 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, both incurred at the beginning of 3Q15, 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 R\$8.2 million in 1Q15 to R\$8.6 million in 1Q16, representing an increase of 5.8%, due to the consolidation of UNG have occurred in February 2015 and therefore only 2 months of interest in the first quarter from the three months during the 1Q16.
- Discounts granted, totaling R\$8.1 million in 1Q16 against R\$0.8 million in 1Q15, due to higher discounts given to UNG and UNAMA students (approximately R\$5.0 million), and discount on tuition arrears for renegotiation of students in the re-enrollment process and an increase in arrangements for students in arrears in excess of 360 days, as a result of a default recovery campaign carried out during the second half of the year. In 1Q15, the volume of discounts granted to UNG students it was non-existent since the effective integration of systems was performed only from April 2015.
- The passive monetary variation refers to financial remuneration for payable commitments, mainly for the acquisition of UNG and the increase of R\$2.5 million in 1Q15 to R\$4.1 million in 1Q16 is mainly due to the consolidation UNG that occurred only in February 2015.

As a result of the increase in financial expenses, the net financial result represented an expense of R\$11.0 million in 1Q16 compared to an expense of R\$8.3 million in 1Q15.

Net Income

Net Income (R\$ '000)	1Q16	1Q15	% Chg. 1Q16 x 1Q15	4Q15	% Chg. 1Q16 x 4Q15
Operating Income	99,006	94,273	5.0%	32,909	200.8%
(+) Financial Result	(11,023)	(8,325)	32.4%	(12,295)	-10.3%
(+) Income and Soc. Contrib. Taxes	(2,070)	(3,104)	-33.3%	(4,869)	-57.5%
(+) Deferred Income and Soc. Contrib. Taxes	-	-	0.0%	404	-100.0%
Net Income (Loss)	85,913	82,844	3.7%	16,149	432.0%
Net Margin	30.1%	30.7%	-0.6 p.p.	6.5%	23.6 p.p.

Operating income increased by 5.0%, from R\$ 94.3 million in 1Q15 to R\$99.0 million in 1Q16. Income tax and social contributions for the year decreased by 33.3% compared to 1Q15, totaling R\$2.1 million in the quarter, due to the R\$4.1 million compensation related to the tax loss, in previously acquired units.

Net income increased from R\$82.8 million in the three months ended March 31, 2015 to R\$85.9 million in the same period in 2016, up 3.7%. As a percentage of net revenue, net income in 1Q16 reached 30.1%, in line with 1Q15, which was 30.7%.

Accounts Receivable and Average Collection Period

Accounts Receivable and Average Receivable Days (R\$ '000)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16
Gross Accounts Receivable	139,205	195,489	180,626	233,415	333,900	396,996	387,611	427,096	555,192
Monthly tuition fees	33,970	43,577	35,479	74,099	103,462	93,071	66,214	69,965	73,334
FIES	69,776	109,410	101,518	107,340	156,316	234,269	241,670	285,311	397,502
PRONATEC	6,639	15,347	12,893	19,610	30,309	17,408	12,111	10,023	7,791
Negotiated agreements receivable	15,839	16,361	19,050	17,736	29,020	33,320	47,533	46,789	58,411
Education credits receivable	10,376	9,628	9,023	8,730	8,171	8,202	7,380	9,020	10,229
Others	2,605	1,166	2,663	5,900	6,622	10,726	12,703	5,988	7,925
PDA balance	(18,459)	(18,344)	(19,829)	(27,744)	(25,595)	(31,129)	(37,319)	(45,743)	(41,330)
Net Accounts Receivable	120,746	177,145	160,797	205,494	308,305	365,867	350,292	381,353	513,862
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	1,048,075
Net Receivable Days (FIES+Ex-FIES+Pronatec)	86	113	93	105	135	144	128	133	177
Net Revenue FIES (Last 12 Months)	230,853	266,072	306,304	351,278	372,502	391,635	433,248	478,890	505,215
Net Receivable Days (FIES)	109	148	119	110	151	215	201	224	283
Net Receivable Days (Monthly tuition fees)	53	60	54	92	107	75	51	35	40
Net Receivable Days (Monthly tuition fees + Negotiated agreements receivable)	78	83	83	115	137	102	88	58	72
Net Receivable Days (Monthly tuition fees + Negotiated agreements receivable + Education credits receivable)	94	96	96	125	145	108	93	63	77

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 1Q16, significantly increasing our average collection period.

Net accounts receivable increased R\$132.5 million over 4Q15, chiefly due to the upturn in FIES accounts receivable arising from the effects of Ordinance 23, which limited the payments related to 2015.

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 Tuition (R\$ '000)	1Q16	% Chg.	4Q14	% Chg.
Overdue by up to 30 day	23,686	32.3%	12,091	17.3%
Overdue from 31 to 60 days	10,209	13.9%	9,867	14.1%
Overdue from 61 to 90 days	4,126	5.6%	8,972	12.8%
Overdue from 91 to 179 days	12,582	17.2%	12,601	18.0%
Overdue more than 180 days	22,731	31.0%	26,434	37.8%
TOTAL	73,334	100.0%	69,965	100.0%
% of Gross Accounts Receivable	13.2%		16.4%	

Aging of Negotiated Agreements (R\$ '000)	1Q16	% Chg.	4Q14	% Chg.
Not yet due	26,947	46.1%	14,872	31.8%
Overdue by up to 30 day	8,122	13.9%	5,847	12.5%
Overdue from 31 to 60 days	4,312	7.4%	4,702	10.0%
Overdue from 61 to 90 days	2,382	4.1%	4,456	9.5%
Overdue from 91 to 179 days	7,236	12.4%	8,395	17.9%
Overdue more than 180 days	9,412	16.1%	8,517	18.2%
TOTAL	58,411	100.0%	46,789	100.0%
% of Gross Accounts Receivable	10.5%		11.0%	

Accounts receivable from students refers to renegotiations with students in debt to the Company. We can see in the table above that 46.1% of the agreements were falling due. The table below shows the evolution of our allowance for doubtful accounts from December 31, 2015 to March 31, 2016:

Constitution of Provision for Doubtful Accounts in the Income Statement (R\$ '000)	12/31/2015	Gross Increase in Provision for Doubtful Accounts	Write-off	03/31/2016
Total	45,743	6,390	(10,803)	41,330

Investments (CAPEX)

CAPEX (R\$ ('000))	3M16	% of Total	12M15	% of Total
CAPEX Total	31,717	100.0%	170,057	100.0%
Property acquisition / Construction / Maintenance of campuses	11,102	35.0%	45,685	26.9%
Equipment / Library / IT	3,195	10.1%	26,292	15.5%
MEC Licenses	46	0.1%	13,628	8.0%
Software Licenses	1,442	4.5%	8,912	5.2%
Partnerships	119	0.4%	729	0.4%
Intangibles and Others	198	0.6%	3,702	2.2%
Acquisitions	15,615	49.2%	71,109	41.8%

In 3M16, the Company invested R\$15.6 million related to acquisitions, and this amount mainly related to the payment of commitments from the acquisition of UNG, R\$11.1 million was used for campuses repairs, and in the quarter the new buildings were delivered in Aracaju and Salvador, as well as expansions in João Pessoa and Caruaru, followed by R\$3.2 million related to the purchase of books (titles and publications) to set up libraries in operational units.

Indebtedness

Indebtedness (R\$ '000)	03/31/2016	12/31/2015	% Chg. mar16 x dec15
Cash and cash equivalents	56,973	69,999	-18.6%
Securities	168,657	213,135	-20.9%
Gross debt	(548,837)	(563,135)	-2.5%
Loans and financing	(379,141)	(382,724)	-0.9%
Short term	(54,364)	(49,484)	9.9%
Long term	(324,777)	(333,240)	-2.5%
Aquisitions Payables*	(169,696)	(180,411)	-5.9%
Net debt	(323,207)	(280,001)	15.4%
Net debt / Adjusted EBITDA (Last 12 Months)	1.06	0.95	
* Acquisitions payables refer to acquisition scheduled payments			

On March 31, 2016, the Ser Educacional Group had gross debt of R\$548.8 million, down 2.5% from the R\$563.1 million in 4Q15, due to the payment of owed amounts, related to the acquisition of UNG. The Company's indebtedness is due primarily to the increase of commitments related to the acquisition of UNG, which raised commitments payable to 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., payable semi-annually from April 15, 2017 and maturing on April 15, 2022 (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\$323.2 million, representing a leverage ratio (net debt/LTM EBITDA) of 1.06x compared to 0.95x in 4Q15.

Debt Amortization Schedule (R\$ '000)	Loans and Financing	A.V. (%)	Aquisitions Payables	A.V. (%)	Debentures	A.V. (%)	Total	A.V. (%)
Short Term	49,526	21.9%	88,205	52.0%	4,838	3.2%	142,569	26.0%
Total Long Term	177,128	78.1%	81,491	48.0%	147,649	96.8%	406,268	74.0%
1-2 years	44,782	19.8%	25,283	14.9%	35,140	23.0%	105,205	19.2%
2-3 years	41,129	18.1%	27,459	16.2%	42,169	27.7%	110,757	20.2%
3-4 years	27,824	12.3%	28,749	16.9%	42,169	27.7%	98,742	18.0%
After four years	63,393	28.0%	-	0.0%	28,171	18.5%	91,564	16.7%
Total Loans, Financing and Acquisitions payables	226,654	100.0%	169,696	100.0%	152,487	100.0%	548,837	100.0%

In regard to the debt payment schedule, 30.5% 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 3M16, the Company's cash flow dropped by R\$13.0 million, resulting from the use of R\$21.3 million in operating activities. The negative cash flow in the quarter, mainly due to the non-receipt of FIES values in the period since seasonally FIES payments flows are only relevant as of April of each year, due to the flow of enrollments and re-enrollments. As in 2015 payments were suspended from Jul, under the Regulatory Ordinance 23, there were no payments for that year in 2016. In addition, we used R\$4.5 million in financing activities and investments of R\$31,7 million in investment activities (as described in CAPEX).

Cash Flow (R\$ '000)	1Q16	1Q15	% Chg. 1Q16 x 1Q15
Cash flow from operating activities			
Net cash from operating activities	(21,279)	9,554	-322.7%
(-) Cash flow allocated to investing activities	(31,717)	(100,474)	-68.4%
(+) Securities	44,478	63,418	-29.9%
(+) Cash flow allocated to financing activities	(4,508)	(35)	12780.0%
Increase in cash and cash equivalents	(13,026)	(27,537)	-52.7%
Net increase in cash and cash equivalents			
Beginning of period	69,999	73,248	-4.4%
End of period	56,973	45,711	24.6%
Increase in cash and cash equivalents	(13,026)	(27,537)	-52.7%

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 151,000 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 915 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

Income Statement (R\$ '000)	1Q16	1Q15	% Chg. 1Q16 x 1Q15	4Q15	% Chg. 1Q16 x 4Q15
Revenue from the Sale of Goods and/or Services	285,125	269,498	5.8%	248,510	14.7%
Cost of Goods Sold and/or Services Rendered	(115,978)	(103,011)	12.6%	(131,201)	-11.6%
Gross Profit	169,147	166,487	1.6%	117,309	44.2%
Operating Expenses/Revenue	(70,141)	(72,214)	-2.9%	(84,400)	-16.9%
General and Administrative Expenses	(69,941)	(70,168)	-0.3%	(81,162)	-13.8%
Other Operating Expenses/Revenue	(200)	(2,046)	-90.2%	(3,238)	-93.8%
Operating Income	99,006	94,273	5.0%	32,909	200.8%
Financial Result	(11,023)	(8,325)	32.4%	(12,295)	-10.3%
Financial Revenue	26,697	8,474	215.0%	25,509	4.7%
Financial Expenses	(37,720)	(16,799)	124.5%	(37,804)	-0.2%
Income Before Income Taxes	87,983	85,948	2.4%	20,614	326.8%
Income and Social Contribution Taxes	(2,070)	(3,104)	-33.3%	(4,465)	-53.6%
Current	(28,269)	(29,992)	-5.7%	(12,468)	126.7%
Deferred	-	-	0.0%	404	-100.0%
Tax Incentive - Prouni	26,199	26,888	-2.6%	7,599	244.8%
Consolidated Net Income/Loss	85,913	82,844	3.7%	16,149	432.0%
Attributed to the Controlling Shareholders	85,913	82,844	3.7%	16,149	432.0%
Attributed to Non-Controlling Shareholders	-	-	0.0%	-	0.0%
Weighted Average Number of Shares (thousand)	124,836	125,038	-0.2%	125,038	-0.2%
Earnings/Share Attributed to the Controlling Shareholders (R\$/Share)	0.69	0.66	3.9%	0.13	432.9%

Balance Sheet

Balance Sheet - ASSETS (R\$ '000)	03/31/2016	12/31/2015	% Chg. mar16 x dec15
Total Assets	1,929,063	1,848,588	4.4%
Current Assets	567,054	497,460	14.0%
Cash and cash equivalents	56,973	69,999	-18.6%
Securities	168,657	213,135	-20.9%
Accounts receivable	317,486	192,251	65.1%
Taxes recoverable	9,216	7,308	26.1%
Advances to suppliers	5,105	5,599	-8.8%
Other assets	9,617	9,168	4.9%
Non-Current Assets	1,362,009	1,351,128	0.8%
Long-Term Assets	1,362,009	1,351,128	0.8%
Accounts receivable	196,376	189,102	3.8%
Other assets	6,963	5,406	28.8%
Indemnifications	112,015	112,015	0.0%
Intangible assets	431,395	432,106	-0.2%
Property, plant and equipment	615,260	612,499	0.5%
Balance Sheet - LIABILITIES (R\$ '000)	03/31/2016	12/31/2015	% Chg. mar16 x dec15
Total Liabilities	1,085,917	1,091,355	-0.5%
Current Liabilities	309,562	270,766	14.3%
Suppliers	19,153	18,219	5.1%
Accounts payable	88,205	70,736	24.7%
Loans and financing	49,526	44,450	11.4%
Debentures	4,838	5,034	-3.9%
Payroll and charges	73,445	66,406	10.6%
Taxes payable	18,005	16,209	11.1%
Income and social contribution taxes payable	7,640	11,609	-34.2%
Leasing	15,238	4,691	224.8%
Dividends payable	20,070	20,070	0.0%
Other liabilities	13,442	13,342	0.7%
Non-Current Liabilities	776,355	820,589	-5.4%
Loans and financing	177,128	185,591	-4.6%
Debentures	147,649	147,649	0.0%
Leasing	237,866	249,534	-4.7%
Accounts payable	81,491	109,675	-25.7%
Taxes payable	331	331	0.0%
Tax installments	4,594	-	N.M.
Provision for contingencies	120,735	121,253	-0.4%
Provision for contingencies	6,561	6,556	0.1%
Consolidated Shareholders' Equity	843,146	757,233	11.3%
Capital Realized	377,048	377,048	0.0%
Income Reserve	394,609	386,639	2.1%
Retained income	77,943	-	N.M.
Treasury shares	(6,454)	(6,454)	0.0%
Total Liabilities and Shareholders' Equity	1,929,063	1,848,588	4.4%

Cash Flow

Cash Flow Statement (R\$ '000)	03/31/2016	03/31/2015	% Chg. mar16 x mar15	12/31/2015	% Chg. mar16 x dec15
Consolidated Net Income for the Period before Income Taxes	87,983	85,948	2.4%	172,543	-49.0%
Depreciation and amortization	14,512	12,326	17.7%	56,100	-74.1%
Provisions	(518)	421	-223.0%	986	-152.5%
Adjustment present value of accounts receivable	-	-	0.0%	12,187	-100.0%
Provision for doubtful accounts	6,390	4,595	39.1%	47,659	-86.6%
Interest and exchange variation, net	26,147	12,170	114.8%	72,222	-63.8%
Adjusted Net Income	134,514	115,460	16.5%	361,697	-62.8%
Changes in Assets and Liabilities	(132,048)	(90,632)	45.7%	(213,236)	-38.1%
Accounts receivable	(138,899)	(105,546)	31.6%	(228,435)	-39.2%
Taxes recoverable	(1,908)	(2,139)	-10.8%	(4,015)	-52.5%
Advances	494	5,384	-90.8%	3,481	-85.8%
Other assets	(1,390)	(612)	127.1%	657	-311.6%
Suppliers	934	1,231	-24.1%	519	80.0%
Payroll and charges	7,039	11,815	-40.4%	1,453	384.4%
Taxes payable	1,796	4,637	-61.3%	2,568	-30.1%
Income and social contribution taxes payable	(219)	(357)	-38.7%	5,377	-104.1%
Other liabilities	105	(5,045)	-102.1%	5,159	-98.0%
Cash generated from operations	2,466	24,828	-90.1%	148,461	-98.3%
Other	(23,745)	(15,274)	55.5%	(71,401)	-66.7%
Interest on loans	(22,519)	(12,170)	85.0%	(62,366)	-63.9%
Income and social contribution taxes paid	(1,226)	(3,104)	-60.5%	(9,035)	-86.4%
Net Cash from Operating Activities	(21,279)	9,554	-322.7%	77,060	-127.6%
Net Cash from Investing Activities	12,761	(37,056)	-134.4%	(319,839)	-104.0%
Securities	44,478	63,418	-29.9%	(149,717)	-129.7%
Additions of Investments	-	-	0.0%	(18,840)	-100.0%
Additions to property, plant and equipment	(14,297)	(35,584)	-59.8%	(72,042)	-80.2%
Additions to intangible assets	(1,805)	(2,519)	-28.3%	(26,971)	-93.3%
Acquisition of subsidiaries	(15,615)	(62,371)	-75.0%	(52,269)	-70.1%
Net Cash from Financing Activities	(4,508)	(35)	12780.0%	239,530	-101.9%
Debentures	-	-	0.0%	147,649	-100.0%
Loans and financing	-	18,674	-100.0%	137,213	-100.0%
Amortization of loans and financing	(3,387)	(1,779)	90.4%	(22,653)	-85.0%
Amortization of leasing	(1,121)	(3,199)	-65.0%	(4,033)	-72.2%
Related parties	-	(95)	-100.0%	-	0.0%
Treasury Shares	-	(6,217)	-100.0%	(6,454)	-100.0%
Dividends	-	(7,419)	-100.0%	(12,192)	-100.0%
Increase (Reduction) in Cash and Cash Equivalents	(13,026)	(27,537)	-52.7%	(3,249)	300.9%
Cash and Cash Equivalents at Beginning of Period	69,999	73,248	-4.4%	73,248	-4.4%
Cash and Cash Equivalents at End of Period	56,973	45,711	24.6%	69,999	-18.6%