

Conference Call in Portuguese

March 15, 2017
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Code: Anima Educação

Conference Call in English

March 15, 2017
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MESSAGE FROM MANAGEMENT

"It's not our abilities that show what we truly are. It's our choices"

Cinema is undoubtedly an endless source of inspiration, which is why we are beginning this annual message with this quote from the movie *Harry Potter and the Chamber of Secrets*. Albus Dumbledore, the headmaster of the wizarding school Hogwarts and the mentor of the lead character Harry Potter, expresses, to a large extent, Anima's current situation and the tone of this letter. In the movie, the old wizard, who is dedicated to educating young Harry, teaches him that, even in times of difficulties and adversities, the right choices show where we should focus all our potential.

There is no doubt that 2015-16 was one of the most challenging periods for the Brazilian economy, marked by a severe recession, combined with a policy of extremely high interest rates, out-of-control inflation, rising unemployment and low confidence levels. All this was aggravated by an institutional and fiscal crisis in the government, which, among other things, has halted the student financing program (FIES). In this scenario, we have chosen the difficult path of adjusting our company to the new reality without interrupting our value creation journey based on academic quality, our students' success and the creation of growth opportunities for our faculty and employees.

We are certain that all education projects should be long term and we have to bear this in mind when we think about our most important efforts and initiatives. That is why we have deliberately chosen to maintain our investments in innovation and quality intact and we firmly believe that this decision is crucial to support our purpose and market positioning. We also continue carrying out our expansion projects, which will guarantee a new growth cycle for Anima, especially when the economy begins to recover in a more consistent manner.

More than simple choices, therefore, we believe that quality and growth are true commitments of Anima's management team to its faculty, employees, students, investors and stakeholders in general. These commitments should also consequently translate into attractive returns for our shareholders.

Quality as an essential matter

The evaluation results disclosed this month by the Ministry of Education (MEC) for 2015 confirm that we are in the right direction. In this evaluation cycle, especially, we are very pleased about the improvement of IGC in all our institutions. One of the highlights was São Judas, which reached its goal of achieving an IGC of 4 and was ranked among the top five private universities in the country.

Alongside São Judas, UNA consolidated its position as the leader in the Belo Horizonte metropolitan region, as all its post-secondary institutions (UNA Belo Horizonte, Contagem and Betim) had an IGC of 4, coming once again on top of the ranking of the private universities and



university centers in Minas Gerais. We also highlight the substantial improvement of Unimonte's results, which are now in line with other Anima institutions, as Unimonte recorded a 40-point increase on its continuous IGC, which also positioned it as one of the leaders in its region. It is worth to mention Sociesc's results: three of its units achieved an IGC of 4. Although the indicators refer to the pre-Anima period, they make us even more certain about the strategic importance of this acquisition, which reinforces our quality positioning and marks the beginning of our expansion to new regions.

A more detailed analysis of individual program grades and CPC and ENADE results, which will be presented later on in this report, shows even more positive data. Anima's programs are often among the regional leaders in terms of quality and our performance (79% of programs with a CPC grade of 4 or 5) is substantially better than the results obtained by Brazilian public universities.

Unlike in the Harry Potter saga, which is full of magical spells, nothing happened by magic at Anima. The results are the consequence of a serious academic project, which is obsessed by quality and values the classroom, professors and their relationship with students. We began implementing the project in 2008 and it has been evolving year after year thanks to the tireless efforts of all our teams. We would like to express our appreciation to professors, course coordinators and academic managers who believe in the university's power of transformation and the key assumptions that support our academic base.

The initiatives do not stop there. We are very pleased with the progress of *Projeto de Vida* (Life Project) as an important element of our programs. A space where we encourage students to reflect on their dreams and life goals, in addition to effectively integrating the development of behavioral skills, also known as soft skills, into the curriculums. In 2016, 9.4 thousand students (in 51 different programs) and 107 professors have had this experience. Our next development frontier is the evolution of our programs and campuses, with a more intensive use of technology and active learning methods, focused on the development of competencies.

The discussion of quality should evolve towards what we internally call our Proprietary Definition of Quality, which will include not only the MEC's indicators, but also metrics related to student satisfaction and graduate success (employability, income, etc.), so that, at the end, we can measure the much-dreamed-of student ROI, whose results we will present throughout 2017. We know we have raised the bar and now need to be prepared to do even more.

Growth: increasing our impact on society

Regarding the expansion projects, we made important progress on all the fronts in 2016. As we mentioned in the last few quarters, we worked intensely on the acquisition front. We added around 22 thousand new students to our base, entered the South region of Brazil with Sociesc (February 2016), and accelerated our expansion into the countryside of Minas Gerais state with the acquisitions of Alis (July 2016), now UNA Bom Despacho, and Instituto Politécnico (October 2016), with one campus in Uberlândia and another in Catalão (Goiás). The integration projects are on schedule and we expect these institutions to make a substantial contribution over the next two years both to student base growth (especially with the expansion of Sociesc's program portfolio) and to the recovery of our operating margins through the capture of mapped synergies.



On the organic growth front, we began 2017 with three new UNA operations in the countryside of Minas Gerais authorized by the MEC: Sete Lagoas (August 2016), Pouso Alegre (February 2017) and Divinópolis (March 2017). As a result, UNA's on-campus operations are now available in eight municipalities in Minas Gerais state. We will also continue with our efforts to structure and review our commercial strategies in order to attract more new students and increase enrollments in the upcoming intake cycles.

Financial results: doing our homework

The 2016 results reflected the challenging times we are living in and the set of measures taken to minimize the effects of the loss of scale in our operating margins. In 2016, we optimized the programs/campuses offering, worked hard on the implementation of a new version of the academic model with faculty productivity gains, and managed our budgets in a responsible manner. Unfortunately, we had to reduce our footprint in the Belo Horizonte metropolitan region, with a decline in the number of campuses. We have also restructured HSM, making it leaner and more focused. These decisions were necessary to adjust our cost structure to a new reality. As almost all the measures were executed in 2016, we expect this to actually translate into margin recovery from now on.

As a result, we closed the year with consolidated net revenue of R\$956.8 million, a 13.5% increase over 2015, despite the macro environment. Excluding the period's acquisitions, our net revenue totaled R\$815.3 million (-3.3% versus 2015), mainly impacted by the decline in the undergraduate student base and the end of Pronatec (-R\$8.2 million versus 2015).

Consolidated adjusted EBITDA came to R\$153.6 million in 2016, with a margin of 16.1%, 6.3pp lower than in 2015. The period's acquisitions represented a substantial 2.7pp dilution in our margins in the first year of integration. We will gradually eliminate this effect as we capture the mapped synergies. From an organic point of view, despite the 3.6pp decline in our annual adjusted EBITDA margin, in the fourth quarter we can already see an increase in the gross margin (+0.9pp versus 4Q15).

Financial Performance	2016					4Q16				
	Consolidated	% YA	Consolidated exclud. Acquisitions	% YA	Acquisitions ¹	Consolidated	% YA	Consolidated exclud. Acquisitions	% YA	Acquisitions ¹
Net Revenue	956.8	13.5%	815.3	-3.3%	141.5	257.6	23.4%	212.3	1.7%	45.3
Gross Profit (exclud. deprec/amort)	383.1	2.3%	348.2	-7.0%	34.9	93.3	22.0%	79.8	4.3%	13.5
Gross Margin	40.0%	-4.4 p.p.	42.7%	-1.7 p.p.	24.7%	36.2%	-0.4 p.p.	37.6%	0.9 p.p.	29.9%
Adjusted EBITDA	153.6	-18.3%	152.7	-18.8%	0.9	18.1	-28.8%	19.0	-25.3%	-0.9
EBITDA Margin	16.1%	-6.3 p.p.	18.7%	-3.6 p.p.	0.6%	7.0%	-5.2 p.p.	9.0%	-3.2 p.p.	-2.0%
Adjusted Net Income	65.9	-53.4%	78.8	-44.3%	-12.9	-8.1	-179.4%	-1.9	-118.6%	-6.2
Net Margin	6.9%	-9.9 p.p.	9.7%	-7.1 p.p.	-9.1%	-3.1%	-8.0 p.p.	-0.9%	-5.8 p.p.	-13.7%

¹ Acquisitions in the last 12 months (Sociosc Feb-16, UNA Bom Despacho Jul-16, ACAD Sep-16 and Instituto Politécnico Oct-16)

Our business is to *Transform the Country through Education*

In 2017, we will continue working hard on our priority fronts: resume organic growth, guarantee the full integration of the recent acquisitions, expand the use of technology and distance learning as a



new driver of quality and growth, and continue investing in innovation and the quality of our academic model. As a natural consequence of this process, we expect to rebuild our margins and return on invested capital (ROIC), while preserving an excellent place to work for faculty and employees and, more importantly, improving the quality of the services provided to our students.

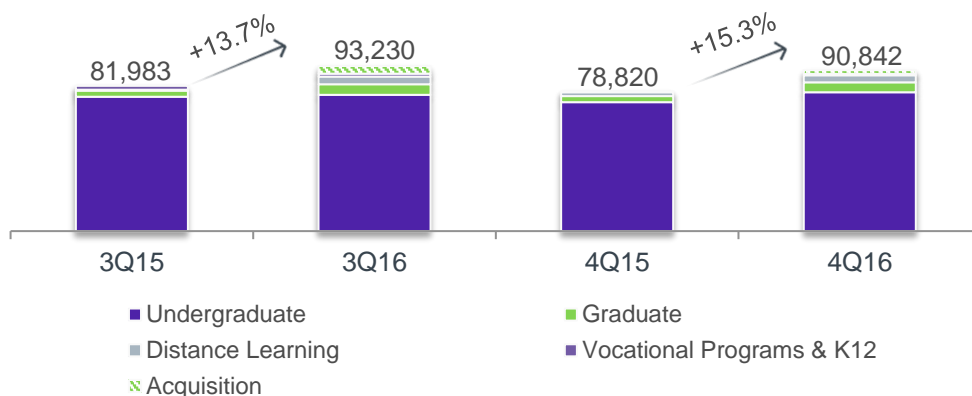
As in all previous years, our view of 2017 is once again optimistic. 2016 represented an important test of resilience for all of us at Anima. It was a year of tough decisions, at times difficult, but always necessary. At the same time, it was a period of reaffirmation, a moment to revisit our beliefs, projects and strategic options, and focus on what makes us unique. We are unstoppable in the pursuit of building a collective quality education project, a space where people can fully develop and transform themselves, as all education projects should be.



OPERATIONAL PERFORMANCE

EDUCATION

In the fourth quarter of 2016, we had 90.8 thousand students, including the new acquisitions, an increase of 15.3% over 4Q15. Pursuant to the Material Fact dated October 3, 2016, we completed the acquisition of Instituto Politécnico and are consolidating its figures in our results as of this date. Excluding the new acquisitions (Sociesc, UNA Bom Despacho and Instituto Politécnico), our student base totaled 71.7 thousand students, a 9.1% year-on-year decline, mainly due to a reduction of 5.1 thousand undergraduate students and 2.1 thousand Pronatec students.

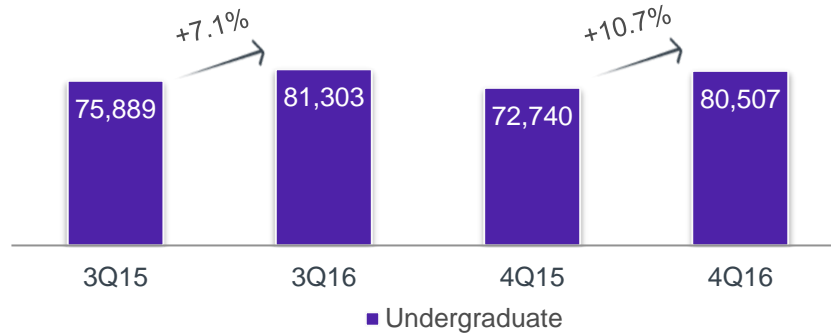


Student Base (Excl. Acquisitions)	4Q15	1Q16	2Q16	3Q16	4Q16	% 4Q16/4Q15	% 4Q16/3Q16
Undergraduate	72,740	75,952	71,852	70,292	67,596	-7.1%	-3.8%
Graduate	3,427	3,093	3,116	3,023	3,153	-8.0%	4.3%
Distance Learning	560	879	886	893	927	65.5%	3.8%
Vocational Programs & K12	2,093	177	0	0	0	-	-
Total	78,820	80,101	75,854	74,208	71,676	-9.1%	-3.4%

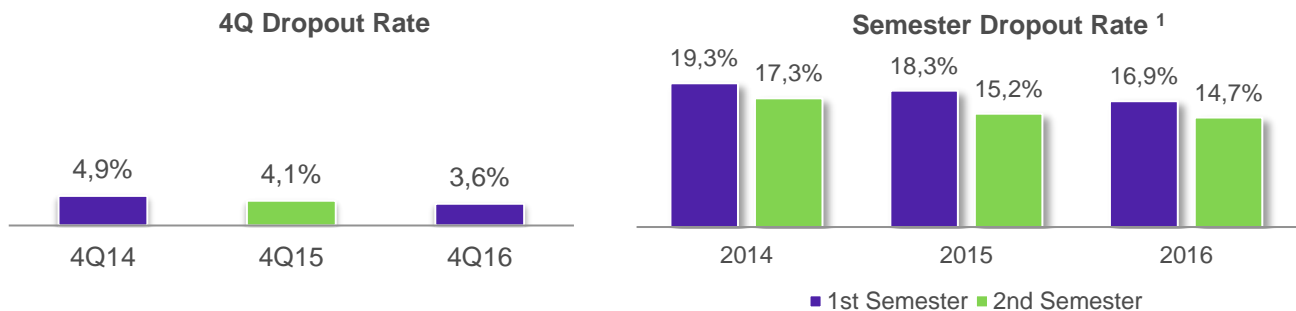
Student Base	4Q15	1Q16	2Q16	3Q16	4Q16	% 4Q16/4Q15	% 4Q16/3Q16
Undergraduate	72,740	83,027	79,196	81,303	80,507	10.7%	-1.0%
Graduate	3,427	5,315	5,698	5,954	5,508	60.7%	-7.5%
Distance Learning	560	4,316	4,443	4,241	3,949	605.2%	-6.9%
Vocational Programs & K12	2,093	2,710	2,580	1,732	878	-58.1%	-49.3%
Total	78,820	95,368	91,917	93,230	90,842	15.3%	-2.6%

On-campus Undergraduate Student Base

Our on-campus undergraduate student base totaled 80.5 thousand students in 4Q16, including the recent acquisitions, 10.7% up on 4Q15. Excluding the acquisitions, our student base would total 67.6 thousand students, 7.1% down year on year.

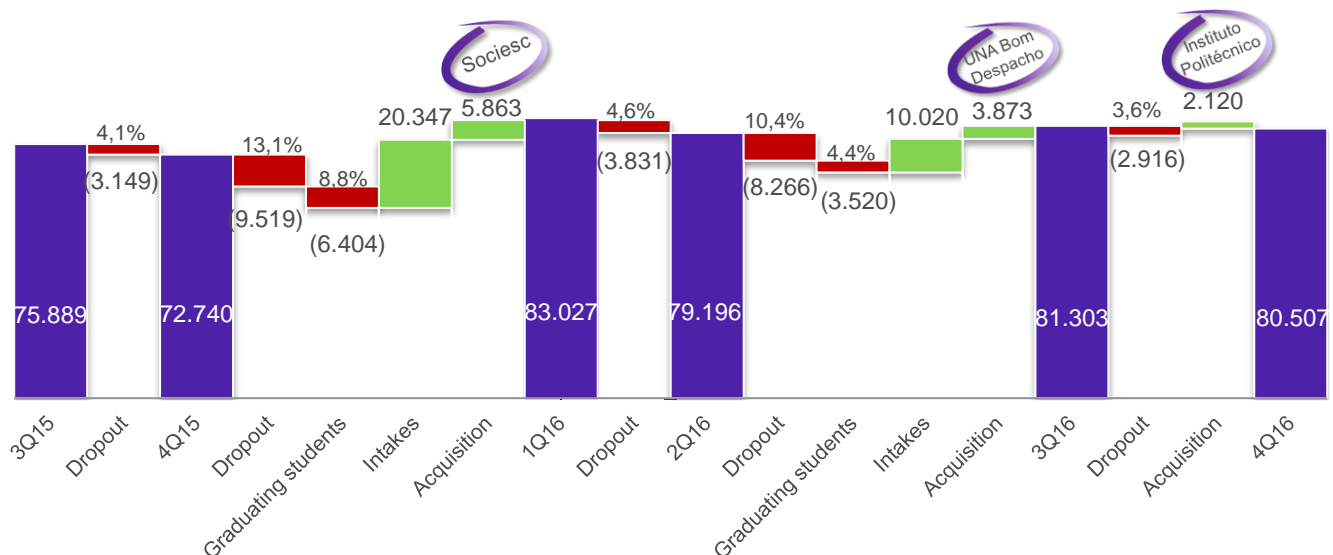


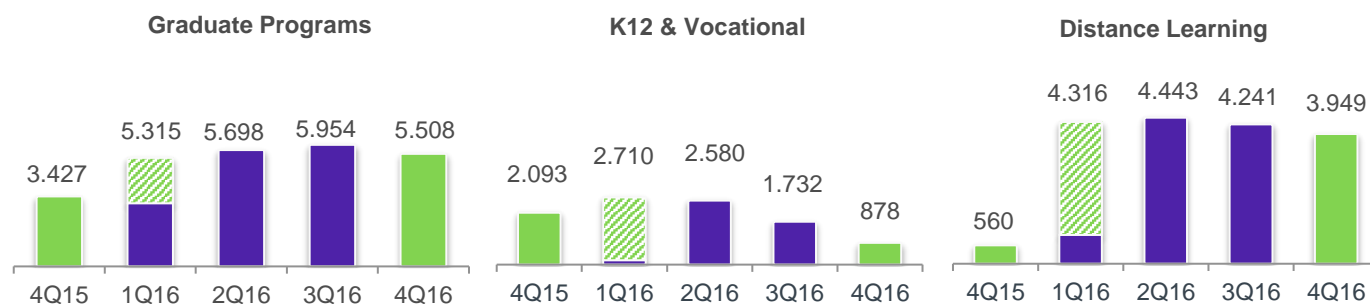
In the fourth quarter, 2.9 thousand students dropped out, equivalent to 3.6% of the base. This represents a 0.5pp year-on-year improvement. These results are in line with the trend we have been observing since 2014. Consolidating the semester results from 2014 to 2016, the period that was most impacted by the difficult external environment, we can see a consistent improvement year after year, reflecting the efforts and results of our retention team.



¹ Does not include the acquisitions carried out since 2014 (excludes USJT's figures due to the impact of the change from the annual to the semester program)

Student Flow - On-campus Undergraduate Programs





On-campus Graduate Student Base - The number of students enrolled in our on-campus graduate programs came to 5.5 thousand in 4Q16, 60.7% higher than in 4Q15, due to the consolidation of Sociesc students.

K12 and Vocational Education Student Base - We closed the quarter with 0.9 thousand K12 and vocational education students, including Escola Técnica Tupy (ETT), Colégio Tupy (COT) and Escola Internacional de Florianópolis, in addition to the 84 remaining Pronatec students, who will finish their courses at the beginning of 2017. The reduction observed throughout 2016 was solely due to the end of Pronatec.

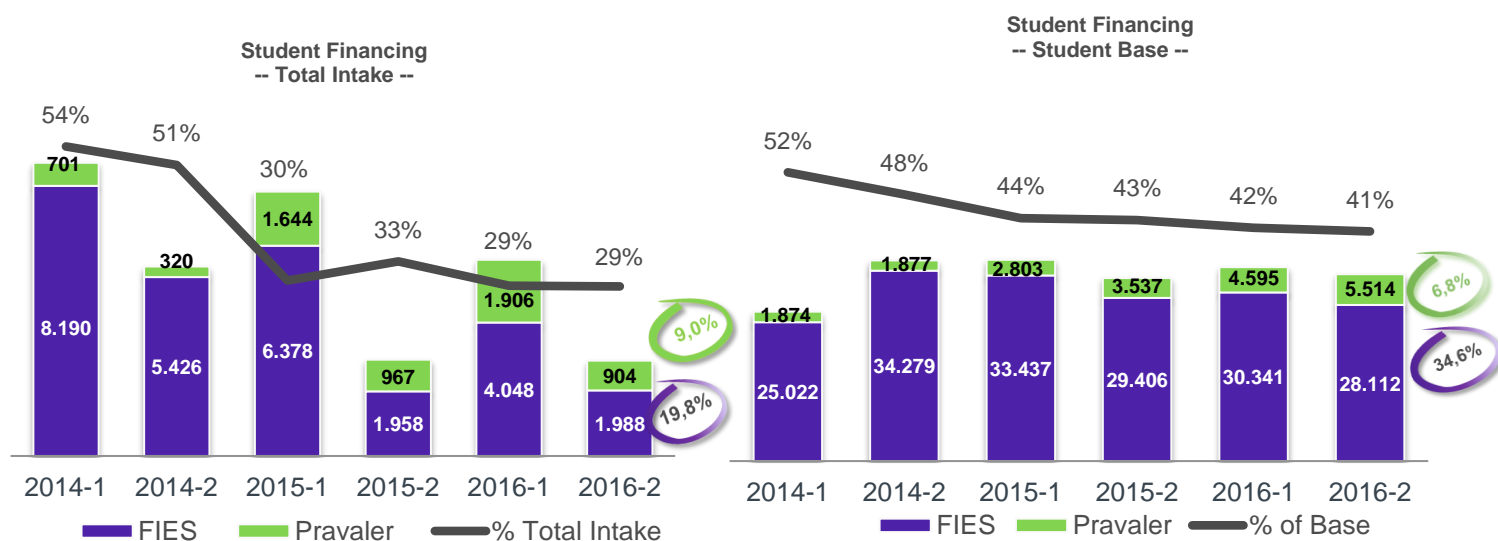
Distance-Learning Student Base - We closed 4Q16 with 3.9 thousand distance-learning students in undergraduate, graduate and vocational programs. As mentioned in 1Q16, the integration with Sociesc represented another important gain of scale compared with the beginning of our operations. The unification of distance-learning operations continues to be one of the priorities of our integration project and is already at an advanced stage.



Student Financing

Since the beginning of 2015, when there were drastic changes to the FIES program for the education sector as a whole, we have reinforced our strategy of promoting and developing private student financing solutions. We have created the AMPLIAR program in order to centralize all public and private student financing processes and requests. In recent intake processes, we have been able to gradually increase the penetration of private financing in our student base, focusing mainly on the PraValer program. At the same time, we continue exploring and testing new alternatives, both internally and through partners. Our purpose in doing so is to give students access to our institutions, while maintaining our quality positioning. It is also worth pointing out that the pursuit of new solutions includes controlled working capital commitments and responsible risk management.

The penetration of students with financing came to 28.4% of total intake in 2S16, considering FIES (19.8%) and PraValer (9.0%), slightly more than the 26.2% reported in 3Q16. This increase was due to new financing contracts in 4Q16. As a result, the number of students with financing (FIES or PraValer) totaled 33.6 thousand this quarter, representing 41.4% of our undergraduate base, including the acquisitions. This includes a decline in the penetration of FIES, which fell from 38.7% in 4Q15 to 34.6% in 4Q16. On the other hand, PraValer continued to grow, having reached 6.8% of our base in 4Q16, versus 4.7% in 4Q15.



* With São Judas as of 2014.2, Sociesc as of 2016.1 and UNA Bom Despacho and Instituto Politécnico as of 2016.2.



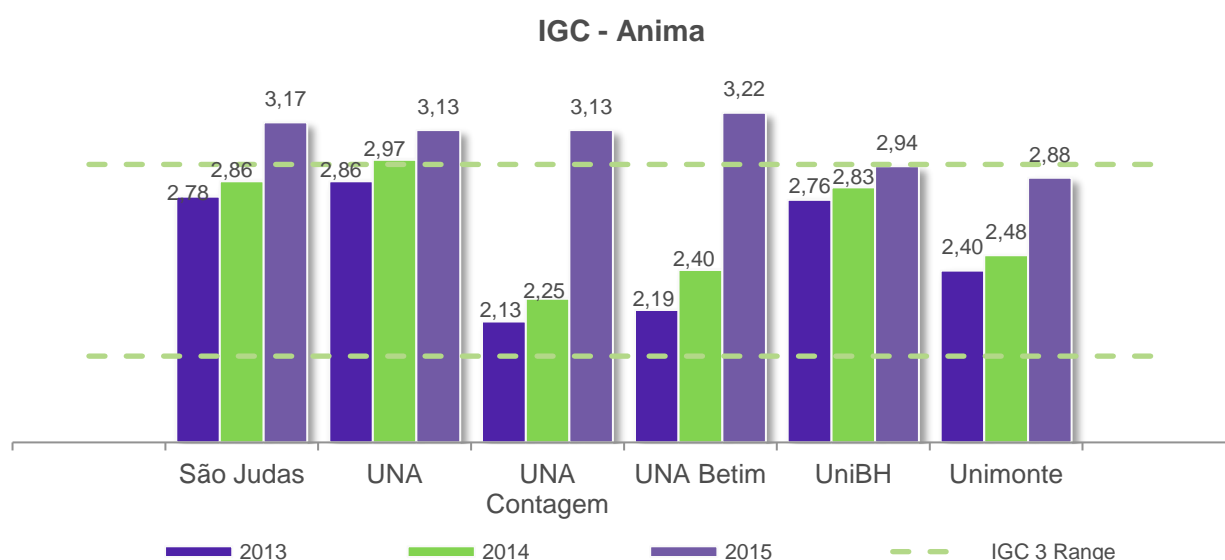
Academic Quality

The disclosure by the MEC of Enade, Preliminary Course Concept (CPC) and Course General Index (IGC) grades for 2015 confirms Anima's superior quality positioning, with most of its programs and institutions obtaining a grade of 4 (scale of 1 to 5).

Academic Quality Indicators

The publication of 2015 results reinforces the effectiveness of our academic model and our commitment to remaining focused on constantly improving the quality of the education we provide our students.

In this evaluation cycle, we were very pleased with the consolidation of and consistent improvement in IGC results in all our institutions. The chart below shows the evolution of Anima institutions' IGCs.



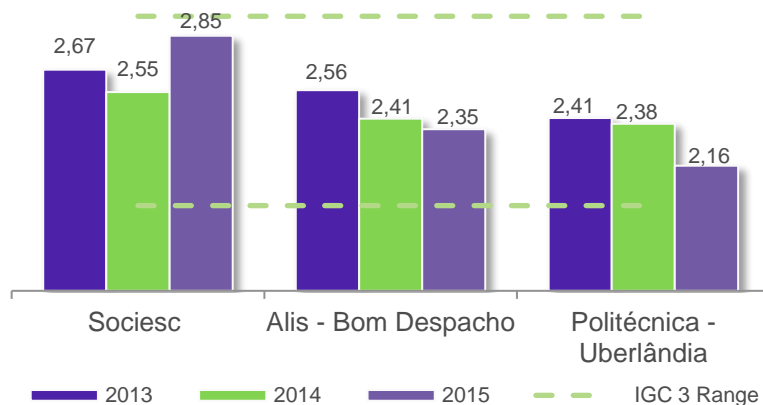
Firstly, we highlight the result of Universidade São Judas Tadeu (USJT), which had a continuous IGC of 3.17 and reached the IGC 4 range for the first time. Thanks to this result, USJT is ranked among the top five private universities in Brazil and the second best private university in São Paulo city.

UNA's results in the Belo Horizonte metropolitan region stood out as all its post-secondary institutions reached an IGC of 4: UNA BH – 3.13, UNA Contagem – 3.13 and UNA Betim – 3.22. We have thus further consolidated our presence in Minas Gerais as UNA remained at the top of the ranking of private universities and university centers in Minas Gerais and UniBH continued as the second best private university center in Belo Horizonte, very close to an IGC of 4.

Finally, we would like to mention the evolution of Unimonte, whose result was close to the Brazilian average in the last two years and increased by 40 points to reach an IGC of 2.88 in 2015, with a significant change in the regional ranking and getting close to an IGC of 4.

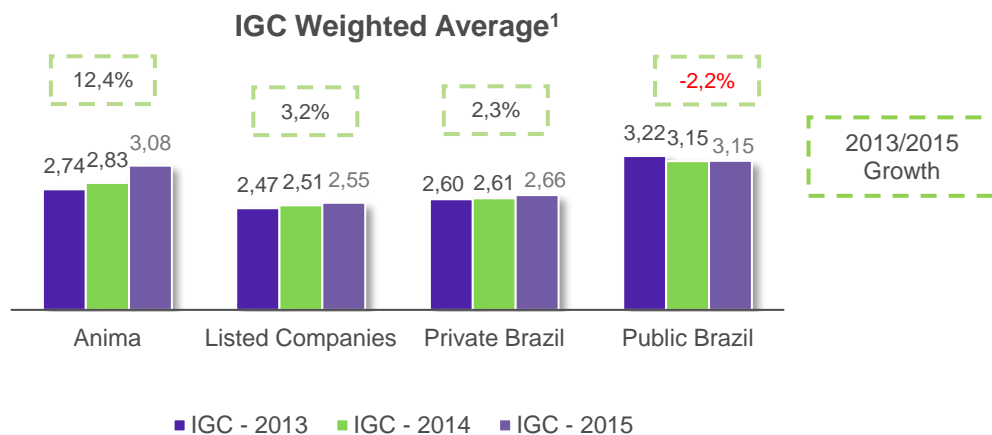


IGC - Acquisitions ¹



¹ IGC weighted by the number of students.

An analysis of this last IGC cycle weighted by the total number of enrollments showed that Anima had a grade of 3.08 and a 12.4% improvement in the three-year period, increasing its lead over the average of listed (2.55) and private education companies (2.66) and achieving the level recorded by public post-secondary institutions (3.15).

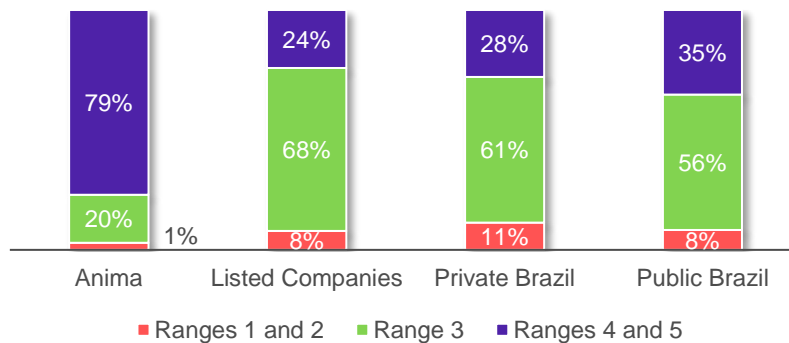


¹ IGC weighted by the number of students.

Anima's unique quality positioning becomes evident when we look at the distribution of the programs across the three ranges compared with the other Brazilian post-secondary institutions. While 79% of our programs have a CPC in the 4 or 5 range, this percentage for the other listed post-secondary institutions is a mere 24%. In this cycle, our percentage was substantially higher than that of public institutions.



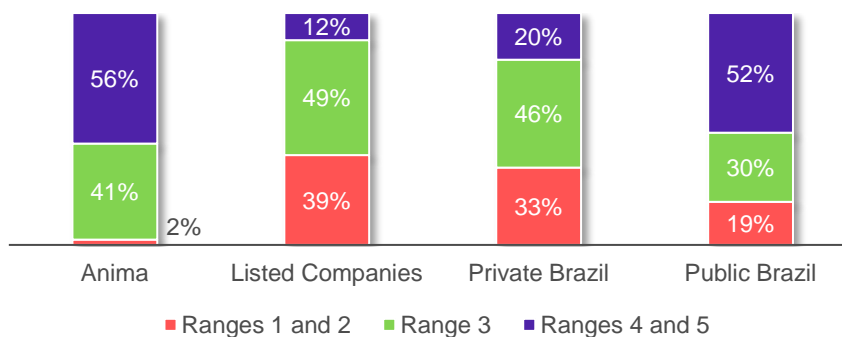
CPC 2015



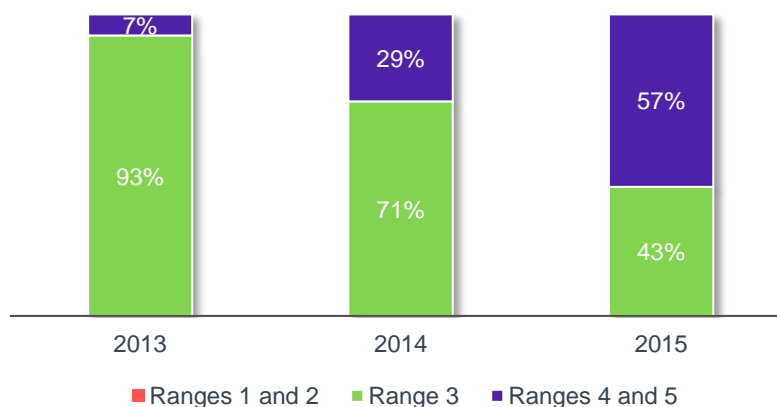
One of the components of CPC is the Enade evaluation, which proves the quality of the education received by students in the group's post-secondary institutions as it shows their mastery of the knowledge needed to practice each profession.

At Anima, 56% of the courses received grades of 4 or 5 at Enade 2015, while listed education companies obtained a 12% figure in the same comparison. Anima is thus consistently recording the highest quality standards in the Brazilian post-secondary education sector, even when compared with the country's public institutions.

Enade 2015



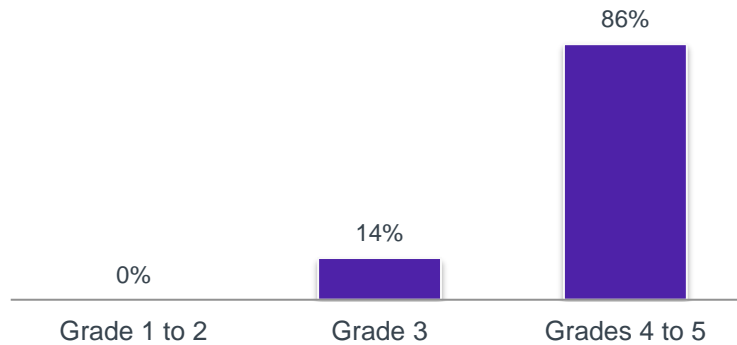
Anima's IGC





Another important metric to evaluate the quality of our programs is the Course Concept (CC). We were evaluated at the end of 4Q16 based on the last twelve months, when we received 35 visits to our units, and 100% of the programs received a grade of 3 or higher, 86% of which obtained a grade of 4 or 5.

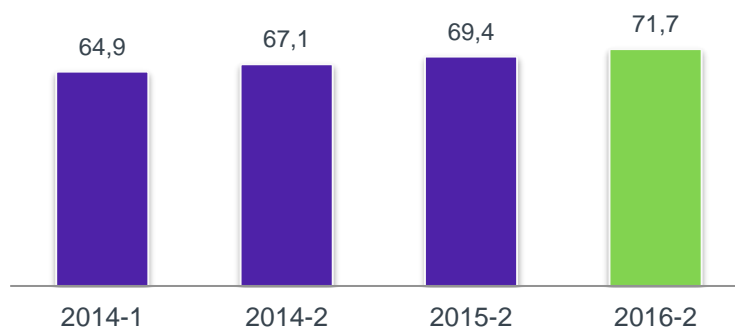
Anima's Course Concept (CC)



In addition to the MEC's metrics, we monitor student satisfaction rates through internal surveys. We monitor three important items: program, faculty and student services. The results of these surveys provide valuable input for the development of internal action plans designed to improve the quality of our services.

The last survey was conducted between July and November 2016, with the participation of approximately 30 thousand students, or around 40% of our total on-campus undergraduate student base. The overall satisfaction index increased in relation to previous years (+2.3pp vs. 2015-2). It is important to note that this indicator is already at a very high level, with 71.7% of students awarding us a grade of 8, 9 or 10, on a scale of 1 to 10.

Overall Student Satisfaction Index



* Anima's figures do not include the acquisitions of the last 12 months.

FINANCIAL PERFORMANCE

The Company's financial results are divided into two segments:

- i) **Education** – which includes, in addition to on-campus post-secondary education (undergraduate and graduate), distance learning, K12 and vocational programs.
- ii) **Other Businesses** – which includes HSM, our management niche brand, and Sociesc's Management and Technology Innovation (MTI) division. MTI provides consulting and business solutions for companies in the engineering field, in addition to a laboratory structure to support the development of technological solutions (foundry, tooling and others).

The annual results include important reclassifications between lines of the income statement, already reflected in the 3Q16 results. Firstly, we began including in our financial statements the effects of Executive Decree 741, which transferred expenses with FIES financial agents to education institutions. This represents 2% of all tuition fees transferred by the government for all FIES contracts as of the second semester of 2016. This amount was included in the Discounts, Deductions & Scholarships line of our income statement. Given their similar nature, we also reclassified as Deductions all the amounts related to FGEDUC and PraValer contributions, which used to be classified as Other Operating Expenses. For comparison purposes, all the tables and analyses in this report consider this reclassification retrospectively to 2015. The amounts and impacts on the main lines are shown in the table below:

R\$ (million)	Education									
	2015	% Net Revenue	Reclass. ¹	2015 Adj.	% Net Revenue	2016	% Net Revenue	Reclass. ¹	2016 Adj.	% Net Revenue
Discounts, Deductions & Scholarships	(316.9)	-38.1%	(21.7)	(338.6)	-41.8%	(413.9)	-44.9%	(12.2)	(426.1)	-46.8%
Net Revenue	832.4	100.0%	(21.7)	810.7	100.0%	922.7	100.0%	(12.2)	910.5	100.0%
Gross Profit (exclud. deprec. /amort.)	383.7	46.1%	(21.7)	362.0	44.7%	381.2	41.3%	(12.2)	369.0	40.5%
General & Administrative Expenses	(87.7)	-10.5%	21.7	(66.0)	-8.1%	(95.4)	-10.3%	12.2	(83.1)	-9.1%
- Others	(29.9)	-3.6%	21.7	(8.2)	-1.0%	(25.3)	-2.7%	12.2	(13.1)	-1.4%
Operating Result	246.4	29.6%	0.0	246.4	30.4%	220.9	23.9%	0.0	220.9	24.3%

R\$ (million)	Consolidated									
	2015	% Net Revenue	Reclass. ¹	2015 Adj.	% Net Revenue	2016	% Net Revenue	Reclass. ¹	2016 Adj.	% Net Revenue
Discounts, Deductions & Scholarships	(318.1)	-36.8%	(21.7)	(339.8)	-40.3%	(414.5)	-42.8%	(12.2)	(426.7)	-44.6%
Net Revenue	864.9	100.0%	(21.7)	843.2	100.0%	969.0	100.0%	(12.2)	956.8	100.0%
Gross Profit (exclud. deprec. /amort.)	396.3	45.8%	(21.7)	374.6	44.4%	395.3	40.8%	(12.2)	383.1	40.0%
General & Administrative Expenses	(103.9)	-12.0%	21.7	(82.2)	-9.7%	(110.6)	-11.4%	12.2	(98.4)	-10.3%
- Others	(31.5)	-3.6%	21.7	(9.8)	-1.2%	(26.8)	-2.8%	12.2	(14.6)	-1.5%
Operating Result	238.0	27.5%	0.0	238.0	28.2%	216.6	22.4%	0.0	216.6	22.6%

¹ Reclassification referring to 6M16. Accounting change from 3Q16.

See below the reclassified amounts broken down by quarter:

R\$ (million)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
FGEDUC and PraValer Commission	(3.4)	(6.3)	(6.1)	(5.8)	(5.6)	(6.6)



2016 Results

R\$ (million)	2016					
	Consolidated	% Net Revenue	Education	% Net Revenue	Others	% Net Revenue
Gross Revenue	1,405.3	146.9%	1,355.0	148.8%	50.3	108.6%
Discounts, Deductions & Scholarships	(426.7)	-44.6%	(426.1)	-46.8%	(0.6)	-1.3%
Taxes	(21.8)	-2.3%	(18.5)	-2.0%	(3.4)	-7.3%
Net Revenue	956.8	100.0%	910.5	100.0%	46.3	100.0%
Cash Cost of Services	(573.7)	-60.0%	(541.5)	-59.5%	(32.2)	-69.5%
- Personnel	(411.9)	-43.1%	(406.7)	-44.7%	(5.3)	-11.4%
- Services from Third Parties	(40.2)	-4.2%	(26.6)	-2.9%	(13.5)	-29.2%
- COGS	(3.8)	-0.4%	(0.0)	0.0%	(3.8)	-8.1%
- Rental & Utilities	(84.0)	-8.8%	(79.7)	-8.8%	(4.3)	-9.3%
- Others	(33.8)	-3.5%	(28.5)	-3.1%	(5.3)	-11.5%
Gross Profit (exclud. deprec. /amort.)	383.1	40.0%	369.0	40.5%	14.1	30.5%
Sales Expenses	(73.4)	-7.7%	(70.7)	-7.8%	(2.7)	-5.9%
- Provision for Doubtful Accounts (PDA)	(45.6)	-4.8%	(44.8)	-4.9%	(0.7)	-1.5%
- Marketing	(27.9)	-2.9%	(25.8)	-2.8%	(2.0)	-4.4%
General & Administrative Expenses	(98.4)	-10.3%	(83.1)	-9.1%	(15.3)	-33.0%
- Personnel	(66.0)	-6.9%	(54.5)	-6.0%	(11.6)	-25.0%
- Third Party Services	(11.9)	-1.2%	(10.9)	-1.2%	(1.0)	-2.2%
- Rental & Utilities	(5.9)	-0.6%	(4.8)	-0.5%	(1.1)	-2.4%
- Others	(14.6)	-1.5%	(13.1)	-1.4%	(1.5)	-3.3%
Other Operating Revenues (Expenses)	(5.6)	-0.6%	(5.3)	-0.6%	(0.4)	-0.8%
- Provisions	(12.7)	-1.3%	(12.7)	-1.4%	(0.0)	0.0%
- Taxes	(2.8)	-0.3%	(1.8)	-0.2%	(0.9)	-2.0%
- Other Operating Revenues	9.8	1.0%	9.2	1.0%	0.6	1.2%
Late Payment Fees	11.0	1.1%	11.0	1.2%	0.0	0.0%
Operating Result	216.6	22.6%	220.9	24.3%	(4.2)	-9.2%
- Corporate Expenses	(63.0)	-6.6%				
Adjusted EBITDA	153.6	16.1%				
(-) Late Payment Fees	(11.0)	-1.1%				
(-) Non-Recurring Items ¹	(45.1)	-4.7%				
EBITDA	97.6	10.2%				
Depreciation & Amortization	(42.1)	-4.4%				
EBIT	55.4	5.8%				
Net Financial Result	(36.1)	-3.8%				
EBT	19.3	2.0%				
Income Tax and Social Contribution	1.5	0.2%				
Net Income	20.8	2.2%				
(-) Non-Recurring Items ²	45.1	4.7%				
Adjusted Net Income	65.9	6.9%				

¹ Non-Recurring Items impacting EBITDA

² Non-Recurring Items impacting Net Income



4Q16 Results

R\$ (million)	4Q16					
	Consolidated	% Net Revenue	Education	% Net Revenue	Others	% Net Revenue
Gross Revenue	373.9	145.1%	344.9	149.5%	29.0	107.4%
Discounts, Deductions & Scholarships	(109.6)	-42.5%	(109.6)	-47.5%	(0.0)	0.0%
Taxes	(6.7)	-2.6%	(4.7)	-2.0%	(2.0)	-7.4%
Net Revenue	257.6	100.0%	230.6	100.0%	27.0	100.0%
Cash Cost of Services	(164.3)	-63.8%	(146.7)	-63.6%	(17.6)	-65.4%
- Personnel	(113.5)	-44.1%	(111.3)	-48.3%	(2.2)	-8.1%
- Services from Third Parties	(13.7)	-5.3%	(5.9)	-2.6%	(7.7)	-28.7%
- COGS	(1.8)	-0.7%	(0.0)	0.0%	(1.8)	-6.7%
- Rental & Utilities	(24.0)	-9.3%	(21.2)	-9.2%	(2.8)	-10.4%
- Others	(11.3)	-4.4%	(8.1)	-3.5%	(3.1)	-11.6%
Gross Profit (exclud. deprec. /amort.)	93.3	36.2%	84.0	36.4%	9.3	34.6%
Sales Expenses	(26.3)	-10.2%	(26.0)	-11.3%	(0.3)	-1.1%
- Provision for Doubtful Accounts (PDA)	(17.3)	-6.7%	(17.4)	-7.5%	0.1	0.3%
- Marketing	(9.0)	-3.5%	(8.6)	-3.7%	(0.4)	-1.4%
General & Administrative Expenses	(29.2)	-11.3%	(24.4)	-10.6%	(4.8)	-18.0%
- Personnel	(18.8)	-7.3%	(15.1)	-6.6%	(3.7)	-13.6%
- Third Party Services	(3.9)	-1.5%	(3.6)	-1.5%	(0.4)	-1.4%
- Rental & Utilities	(1.8)	-0.7%	(1.5)	-0.6%	(0.3)	-1.2%
- Others	(4.7)	-1.8%	(4.2)	-1.8%	(0.5)	-1.8%
Other Operating Revenues (Expenses)	(1.7)	-0.7%	(1.4)	-0.6%	(0.3)	-1.1%
- Provisions	(3.8)	-1.5%	(3.8)	-1.6%	(0.0)	0.0%
- Taxes	(1.0)	-0.4%	(0.4)	-0.2%	(0.6)	-2.3%
- Other Operating Revenues	3.0	1.2%	2.7	1.2%	0.3	1.2%
Late Payment Fees	1.5	0.6%	1.5	0.6%	0.0	0.0%
Operating Result	37.5	14.6%	33.6	14.6%	3.9	14.4%
- Corporate Expenses	(19.4)	-7.5%				
Adjusted EBITDA	18.1	7.0%				
(-) Late Payment Fees	(1.5)	-0.6%				
(-) Non-Recurring Items ¹	(28.3)	-11.0%				
EBITDA	(11.7)	-4.5%				
Depreciation & Amortization	(13.2)	-5.1%				
EBIT	(24.9)	-9.7%				
Net Financial Result	(12.5)	-4.9%				
EBT	(37.4)	-14.5%				
Income Tax and Social Contribution	1.0	0.4%				
Net Income	(36.4)	-14.1%				
(-) Non-Recurring Items ²	28.3	11.0%				
Adjusted Net Income	(8.1)	-3.1%				

¹ Non-Recurring Items impacting EBITDA

² Non-Recurring Items impacting Net Income

FINANCIAL PERFORMANCE – EDUCATION

R\$ (million)	Education									
	2016	% Net Revenue	2015	% Net Revenue	% YA	4Q16	% Net Revenue	4Q15	% Net Revenue	% YA
Gross Revenue	1,355.0	148.8%	1,167.6	144.0%	16.1%	344.9	149.5%	277.8	145.5%	24.2%
Discounts, Deductions & Scholarships	(426.1)	-46.8%	(338.6)	-41.8%	25.8%	(109.6)	-47.5%	(82.7)	-43.3%	32.6%
Taxes	(18.5)	-2.0%	(18.3)	-2.3%	0.7%	(4.7)	-2.0%	(4.3)	-2.2%	9.7%
Net Revenue	910.5	100.0%	810.7	100.0%	12.3%	230.6	100.0%	190.8	100.0%	20.9%
Cash Cost of Services	(541.5)	-59.5%	(448.7)	-55.3%	20.7%	(146.7)	-63.6%	(121.0)	-63.4%	21.2%
- Personnel	(406.7)	-44.7%	(350.7)	-43.3%	15.9%	(111.3)	-48.3%	(93.8)	-49.2%	18.6%
- Services from Third Parties	(26.6)	-2.9%	(13.0)	-1.6%	104.3%	(5.9)	-2.6%	(3.8)	-2.0%	53.9%
- COGS	(0.0)	0.0%	0.0	0.0%	0.0%	(0.0)	0.0%	0.0	0.0%	0.0%
- Rental & Utilities	(79.7)	-8.8%	(62.4)	-7.7%	27.7%	(21.2)	-9.2%	(17.2)	-9.0%	23.2%
- Others	(28.5)	-3.1%	(22.5)	-2.8%	26.5%	(8.1)	-3.5%	(6.0)	-3.2%	34.7%
Gross Profit (exclud. deprec. /amort.)	369.0	40.5%	362.0	44.7%	1.9%	84.0	36.4%	69.9	36.6%	20.2%
Sales Expenses	(70.7)	-7.8%	(54.1)	-6.7%	30.7%	(26.0)	-11.3%	(16.6)	-8.7%	56.7%
- Provision for Doubtful Accounts (PDA)	(44.8)	-4.9%	(31.4)	-3.9%	42.9%	(17.4)	-7.5%	(9.5)	-5.0%	82.7%
- Marketing	(25.8)	-2.8%	(22.7)	-2.8%	13.7%	(8.6)	-3.7%	(7.1)	-3.7%	21.9%
General & Administrative Expenses	(83.1)	-9.1%	(66.0)	-8.1%	26.0%	(24.4)	-10.6%	(16.1)	-8.4%	51.8%
- Personnel	(54.5)	-6.0%	(47.6)	-5.9%	14.5%	(15.1)	-6.6%	(11.3)	-5.9%	34.0%
- Third Party Services	(10.9)	-1.2%	(6.4)	-0.8%	69.5%	(3.6)	-1.5%	(1.6)	-0.8%	125.9%
- Rental & Utilities	(4.8)	-0.5%	(3.8)	-0.5%	25.0%	(1.5)	-0.6%	(1.1)	-0.6%	31.8%
- Others	(13.1)	-1.4%	(8.2)	-1.0%	59.1%	(4.2)	-1.8%	(2.1)	-1.1%	102.9%
Other Operating Revenues (Expenses)	(5.3)	-0.6%	(3.7)	-0.5%	41.0%	(1.4)	-0.6%	(0.7)	-0.4%	93.4%
- Provisions	(12.7)	-1.4%	(9.2)	-1.1%	37.6%	(3.8)	-1.6%	(2.5)	-1.3%	50.1%
- Taxes	(1.8)	-0.2%	(1.1)	-0.1%	63.7%	(0.4)	-0.2%	(0.3)	-0.1%	40.7%
- Other Operating Revenues	9.2	1.0%	6.6	0.8%	40.0%	2.7	1.2%	2.0	1.1%	33.2%
Late Payment Fees	11.0	1.2%	8.2	1.0%	33.5%	1.5	0.6%	1.2	0.6%	22.9%
Operating Result	220.9	24.3%	246.4	30.4%	-10.4%	33.6	14.6%	37.7	19.7%	-10.7%

Net Revenue

Net revenue totaled R\$910.5 million in 2016, R\$99.8 million or 12.3% higher than in 2015. The consolidation of the results of Sociesc (February 2016), UNA Bom Despacho (July 2016) and Instituto Politécnico (October 2016) contributed R\$125.3 million to the net revenue increase in 2016.

Excluding the acquisitions, net revenue fell 3.1%, mainly as a result of the decline in the undergraduate (-7.5% versus 2015) and Pronatec student bases (-R\$8.2 million). We also saw an increase in our average discount, chiefly due to a larger share of students with Prouni partial scholarships in our base, early enrollment discounts in the 2016 mid-term intake and the transfer of 2% expenses with FIES financial agents from the government to education institutions. These effects were partially offset by a 10% average annual increase in tuition fees (inflation adjustment), in addition to an improvement in our program mix.

In 4Q16, net revenue totaled R\$230.6 million, R\$39.8 million or 20.9% higher than in 4Q15. Excluding the acquisitions, net revenue came to R\$192.3 million, 0.7% up on the same period last year, reversing the downward trend observed in the previous three quarters. This improvement during the year was due to the fact that we are gradually absorbing the reduction in the undergraduate student base, the end of Pronatec and the increase in discounts. It also reflected a positive trend in our program mix, mainly driven by the health area.



Average Ticket

R\$ (million)	Education		
	4Q16	4Q15	% YA
Average Gross Ticket¹	R\$ 1,304	R\$ 1,170	+11.5%
Average Gross Ticket with new acquisitions¹	R\$ 1,240	-	+6.0%

¹ Accumulated Gross Revenue (Undergraduate+Graduate) ÷ Average Number of Students

The gross ticket averaged R\$1,304 in 4Q16, 11.5% up on the same period last year, due to the 10.0% increase in tuition fees and the improved program mix. Including the acquisitions, our weighted average gross ticket was R\$1,240, 6.0% higher than in 4Q15.

Total Costs and Gross Profit

R\$ (million)	2016					4Q16					
	Education	% YA	Education Ex. Acquisitions ¹	Acquisitions ¹	% YA	Education	% YA	Education Ex. Acquisitions ¹	% YA	Acquisitions ¹	% YA
Net Revenue	910.5	12.3%	785.3	125.3	n.a.	230.6	20.9%	192.3	0.7%	38.4	n.a.
Cash Cost of Services	(541.5)	20.7%	(450.7)	(90.8)	n.a.	(146.7)	21.2%	(121.5)	0.5%	(25.1)	n.a.
Gross Profit (exclud. deprec. /amort.)	369.0	1.9%	334.6	34.4	n.a.	84.0	20.2%	70.7	1.2%	13.2	n.a.
% Gross Margin	40.5%	-4.1 p.p.	42.6%	27.5%	n.a.	36.4%	-0.2 p.p.	36.8%	0.2 p.p.	34.5%	n.a.

¹ Acquisitions in the last 12 months (Sociesc Feb-16, UNA Born Despacho Jul-16 and Instituto Politécnico Oct-16)

We closed 2016 with gross profit of R\$369.0 million and a gross margin of 40.5%, 4.1pp lower than in 2015. The recent acquisitions represented a 2.1pp dilution in our annual gross margin. Despite the decline in the annual comparison, we can see an improvement from the first (-5.0pp vs. 1H15) to the second half of 2016 (-2.9pp vs. 2H15) in all our business units. In fact, the 4Q16 margin remained virtually flat year on year, both with the acquisitions (-0.2pp) and excluding this effect (+0.2pp).

R\$ (million)	Education					
	1H16	% YA	2H16	% YA	2016	% YA
Net Revenue	456.1	7.9%	454.4	17.1%	910.5	12.3%
Cash Cost of Services	(258.4)	18.4%	(283.1)	22.9%	(541.5)	20.7%
Gross Profit (exclud. deprec. /amort.)	197.6	-3.2%	171.3	8.6%	369.0	1.9%
% Gross Margin	43.3%	-5.0 p.p.	37.7%	-2.9 p.p.	40.5%	-4.1 p.p.

Excluding the acquisitions, gross profit came to R\$334.4 million in 2016, with a margin of 42.6% (-2.0pp vs. 2015). Here we can also see an improvement from the first (-2.6pp) to the second (-1.4pp) half of the year.

R\$ (million)	Education Ex. Acquisitions ¹					
	1H16	% YA	2H16	% YA	2016	% YA
Net Revenue	404.8	-4.2%	380.5	-2.0%	785.3	-3.1%
Cash Cost of Services	(219.5)	0.6%	(231.2)	0.3%	(450.7)	0.4%
Gross Profit (exclud. deprec. /amort.)	185.3	-9.3%	149.3	-5.3%	334.6	-7.6%
% Gross Margin	45.8%	-2.6 p.p.	39.2%	-1.4 p.p.	42.6%	-2.0 p.p.

¹ Acquisitions in the last 12 months (Sociesc Feb-16, UNA Bom Despacho Jul-16, ACAD Sep-16 and Instituto Politécnico Oct-16)

The improvement in the second semester was directly related to our margin recovery efforts. We can already see a 2.3pp improvement driven mainly by the increased average number of students per classroom and infrastructure efficiency (capacity utilization in our campuses). However, gains were more than offset by the increase in our average discounts (-3.1pp in the gross margin) and the transfer of 2% expenses with FIES financial agents from the government to education institutions (-0.6pp in the gross margin).

See below a breakdown by brand for 2016:

R\$ (million)	2016									
	UNA	% YA	UNIBH	% YA	UNIMONTE	% YA	SÃO JUDAS	% YA	Acquisitions ¹	% YA
Net Revenue	263.2	-8.7%	229.9	-3.7%	50.6	3.4%	241.4	2.8%	125.3	n.a.
Cash Cost of Services	(156.6)	-4.1%	(114.4)	-2.4%	(29.4)	4.1%	(150.3)	7.3%	(90.8)	n.a.
Gross Profit (exclud. deprec. /amort.)	106.6	-14.7%	115.5	-5.0%	21.3	2.4%	91.1	-3.8%	34.4	n.a.
% Gross Margin	40.5%	-2.9 pp	50.2%	-0.7 pp	42.0%	-0.4 pp	37.7%	-2.6 pp	27.5%	n.a.

¹ Acquisitions in the last 12 months (Sociesc Feb-16, UNA Bom Despacho Jul-16 and Instituto Politécnico Oct-16)

Operating Result

Selling Expenses

Selling expenses totaled R\$70.7 million in 2016 (+30.7% vs. 2015, influenced by the acquisitions), or 7.8% of net revenue. While marketing expenses were virtually flat as a percentage of net revenue, our provision for doubtful accounts (PDA) worsened by 1.1pp compared with the previous year.

This impact was related to a more conservative approach to the provisioning of each aging level of our accounts receivable, reflecting the deterioration of the macroeconomic environment, in spite of the fact that we intensified our collection efforts. In 4Q16, specifically, our selling expenses increased 2.6pp as a percentage of net revenue compared with 4Q15, once again concentrated in the PDA. In this quarter, the PDA was negatively impacted mainly by the increase in the outstanding balances of tuition. Finally, it is worth remembering that in the last quarter we were impacted by delays in the process of amendment of FIES contracts for the second semester of 2016. With the delays generated by the government schedule in this last cycle, once again we had to transfer receivables for the entire semester related to students who were not able to amend their contracts within the deadline from the FIES to the non-FIES receivables. This event generated a concentrated impact of R\$2.1 million on the PDA in the last quarter of 2016.



General and Administrative Expenses

General and administrative expenses totaled R\$83.1 million in 2016 (+26.0% vs. 2015), or 9.1% of net revenue (+1.0pp vs. 2015). Excluding the effects of the acquisitions, there would have been an improvement of 0.4pp

In 4Q16, general and administrative expenses came to R\$24.4 million (+51.8% vs. 4Q15), or 10.6% of net revenue (+2.2pp vs. 4Q15). Excluding the effects of the acquisitions, there would have been an improvement of 0.4pp

Other Operating Revenues (Expenses)

Other operating expenses totaled R\$5.3 million in 2016 (+41% vs. 2015), or 0.6% of net revenue (+0.1pp vs. 2015).

In 4Q16, other operating expenses totaled R\$1.4 million (+93.4% vs. 4Q15), or 0.6% of net revenue (+0.2pp vs. 4Q15).

FINANCIAL PERFORMANCE – Other Businesses

R\$ (million)	Others									
	2016	% Net Revenue	2015	% Net Revenue	% YA	4Q16	% Net Revenue	4Q15	% Net Revenue	% YA
Gross Revenue	50.3	108.6%	35.3	108.6%	42.6%	29.0	107.4%	19.0	105.8%	52.7%
Discounts, Deductions & Scholarships	(0.6)	-1.3%	(1.2)	-3.8%	-50.8%	(0.0)	0.0%	(0.4)	-2.0%	-98.9%
Taxes	(3.4)	-7.3%	(1.6)	-4.8%	114.8%	(2.0)	-7.4%	(0.7)	-3.8%	190.3%
Net Revenue	46.3	100.0%	32.5	100.0%	42.6%	27.0	100.0%	17.9	100.0%	50.4%
Cash Cost of Services	(32.2)	-69.5%	(19.9)	-61.3%	61.7%	(17.6)	-65.4%	(11.3)	-63.1%	55.9%
- Personnel	(5.3)	-11.4%	(0.6)	-1.8%	-	(2.2)	-8.1%	(0.6)	-3.3%	-
- Services from Third Parties	(13.5)	-29.2%	(8.6)	-26.5%	57.2%	(7.7)	-28.7%	(4.5)	-25.1%	72.2%
- COGS	(3.8)	-8.1%	(0.7)	-2.1%	457.5%	(1.8)	-6.7%	(0.1)	-0.8%	1171.9%
- Rental & Utilities	(4.3)	-9.3%	(5.2)	-16.1%	-18.0%	(2.8)	-10.4%	(3.5)	-19.5%	-19.9%
- Others	(5.3)	-11.5%	(4.8)	-14.8%	11.0%	(3.1)	-11.6%	(2.6)	-14.5%	20.2%
Gross Profit (exclud. deprec. /amort.)	14.1	30.5%	12.6	38.7%	12.3%	9.3	34.6%	6.6	36.9%	41.1%
Sales Expenses	(2.7)	-5.9%	(4.4)	-13.6%	-38.5%	(0.3)	-1.1%	(1.2)	-6.9%	-75.2%
- Provision for Doubtful Accounts (PDA)	(0.7)	-1.5%	(0.1)	-0.3%	669.8%	0.1	0.3%	0.4	2.3%	-80.2%
- Marketing	(2.0)	-4.4%	(4.3)	-13.4%	-53.5%	(0.4)	-1.4%	(1.6)	-9.2%	-76.5%
General & Administrative Expenses	(15.3)	-33.0%	(16.2)	-49.8%	-5.7%	(4.8)	-18.0%	(2.9)	-16.4%	65.0%
- Personnel	(11.6)	-25.0%	(12.8)	-39.5%	-9.8%	(3.7)	-13.6%	(2.1)	-12.0%	70.4%
- Third Party Services	(1.0)	-2.2%	(0.5)	-1.4%	122.5%	(0.4)	-1.4%	(0.1)	-0.5%	361.2%
- Rental & Utilities	(1.1)	-2.4%	(1.3)	-4.0%	-13.6%	(0.3)	-1.2%	(0.2)	-1.4%	33.2%
- Others	(1.5)	-3.3%	(1.6)	-5.0%	-3.8%	(0.5)	-1.8%	(0.5)	-2.6%	4.1%
Other Operating Revenues (Expenses)	(0.4)	-0.8%	(0.4)	-1.1%	-1.7%	(0.3)	-1.1%	(0.4)	-2.4%	-29.9%
- Provisions	(0.0)	0.0%	0.3	0.8%	-100.5%	(0.0)	0.0%	0.0	0.0%	0.0%
- Taxes	(0.9)	-2.0%	(1.2)	-3.7%	-22.7%	(0.6)	-2.3%	(0.7)	-3.7%	-4.9%
- Other Operating Revenues	0.6	1.2%	0.6	1.8%	-1.2%	0.3	1.2%	0.2	1.3%	41.5%
Late Payment Fees	0.0	0.0%	0.0	0.0%	-100.0%	0.0	0.0%	0.0	0.0%	-100.0%
Operating Result	(4.2)	-9.2%	(8.4)	-25.9%	-49.6%	3.9	14.4%	2.0	11.2%	92.4%

As of 1Q16, we began consolidating HSM and Sociesc's Management and Technological Innovation (MTI) division in other businesses. MTI provides consulting and business solutions for



companies in the engineering field, in addition to a laboratory structure to support the development of technological solutions (foundry, tooling and others).

HSM is an integrated educational solution platform that promotes the continuing education and professional development of executives and managers from all over Brazil, through customized products that foster learning, the exchange of experience and networking. HSM Educação Executiva is made up of three business units: Events, Business School and Publishing. In order to improve the results and expand the scope of Executive Education activities (HSM's Business School), in September we took over the operations of Academia da Estratégia – ACAD.

The 2016 results still reflected the challenges of the macroeconomic scenario, but HSM's restructuring at the end of 2015 has already produced positive effects. Despite the 7.5% decline in HSM (excluding the acquisitions), we saw a 6.6pp improvement in its gross margin. Including the acquisitions, we recorded net revenue of R\$46.3 million in 2016 (42.6% up). We also saw an improvement in the operating result of the Other Businesses segment, which, despite still being negative by R\$4.2 million, represented an improvement over 2015.

R\$ (million)	2016					4Q16				
	Total	% YA	HSM	% YA	Acquisitions ¹	Total	% YA	HSM	% YA	Acquisitions ¹
Net Revenue	46.3	42.6%	30.1	-7.5%	16.3	27.0	50.4%	20.0	11.8%	6.9
Cash Cost of Services	(32.2)	61.7%	(16.4)	-17.4%	(15.7)	(17.6)	55.9%	(11.0)	-2.8%	(6.6)
Gross Profit (exclud. deprec. /amort.)	14.1	12.3%	13.6	8.3%	0.5	9.3	41.1%	9.0	36.7%	0.3
% Gross Margin	30.5%	-8.2pp	45.3%	6.6pp	3.1%	34.6%	-2.3pp	45.1%	8.2pp	4.2%

¹ Acquisitions in the last 12 months (MTI Feb-16 and ACAD Sep-16)

CONSOLIDATED PERFORMANCE

R\$ (million)	Consolidated Anima									
	2016	% Net Revenue	2015	% Net Revenue	% YA	4Q16	% Net Revenue	4Q15	% Net Revenue	% YA
Gross Revenue	1,405.3	146.9%	1,202.9	142.7%	16.8%	373.9	145.1%	296.7	142.1%	26.0%
Discounts, Deductions & Scholarships	(426.7)	-44.6%	(339.8)	-40.3%	25.6%	(109.6)	-42.5%	(83.0)	-39.8%	32.0%
Taxes	(21.8)	-2.3%	(19.9)	-2.4%	9.7%	(6.7)	-2.6%	(4.9)	-2.4%	34.8%
Net Revenue	956.8	100.0%	843.2	100.0%	13.5%	257.6	100.0%	208.8	100.0%	23.4%
Cash Cost of Services	(573.7)	-60.0%	(468.6)	-55.6%	22.4%	(164.3)	-63.8%	(132.3)	-63.4%	24.2%
- Personnel	(411.9)	-43.1%	(351.3)	-41.7%	17.2%	(113.5)	-44.1%	(94.4)	-45.2%	20.2%
- Services from Third Parties	(40.2)	-4.2%	(21.6)	-2.6%	85.6%	(13.7)	-5.3%	(8.3)	-4.0%	63.7%
- COGS	(3.8)	-0.4%	(0.7)	-0.1%	460.4%	(1.8)	-0.7%	(0.1)	-0.1%	1191.7%
- Rental & Utilities	(84.0)	-8.8%	(67.6)	-8.0%	24.2%	(24.0)	-9.3%	(20.7)	-9.9%	16.0%
- Others	(33.8)	-3.5%	(27.3)	-3.2%	23.8%	(11.3)	-4.4%	(8.6)	-4.1%	30.3%
Gross Profit (exclud. deprec. /amort.)	383.1	40.0%	374.6	44.4%	2.3%	93.3	36.2%	76.5	36.6%	22.0%
Sales Expenses	(73.4)	-7.7%	(58.5)	-6.9%	25.4%	(26.3)	-10.2%	(17.8)	-8.5%	47.6%
- Provision for Doubtful Accounts (PDA)	(45.6)	-4.8%	(31.5)	-3.7%	44.7%	(17.3)	-6.7%	(9.1)	-4.4%	90.2%
- Marketing	(27.9)	-2.9%	(27.1)	-3.2%	3.0%	(9.0)	-3.5%	(8.7)	-4.2%	3.3%
General & Administrative Expenses	(98.4)	-10.3%	(82.2)	-9.7%	19.7%	(29.2)	-11.3%	(19.0)	-9.1%	53.8%
- Personnel	(66.0)	-6.9%	(60.4)	-7.2%	9.3%	(18.8)	-7.3%	(13.4)	-6.4%	39.8%
- Third Party Services	(11.9)	-1.2%	(6.9)	-0.8%	73.1%	(3.9)	-1.5%	(1.7)	-0.8%	137.5%
- Rental & Utilities	(5.9)	-0.6%	(5.1)	-0.6%	15.2%	(1.8)	-0.7%	(1.4)	-0.7%	32.1%
- Others	(14.6)	-1.5%	(9.8)	-1.2%	48.8%	(4.7)	-1.8%	(2.5)	-1.2%	85.0%
Other Operating Revenues (Expenses)	(5.6)	-0.6%	(4.1)	-0.5%	37.2%	(1.7)	-0.7%	(1.2)	-0.6%	48.5%
- Provisions	(12.7)	-1.3%	(8.9)	-1.1%	41.6%	(3.8)	-1.5%	(2.5)	-1.2%	50.1%
- Taxes	(2.8)	-0.3%	(2.3)	-0.3%	18.6%	(1.0)	-0.4%	(0.9)	-0.4%	8.0%
- Other Operating Revenues	9.8	1.0%	7.2	0.8%	36.7%	3.0	1.2%	2.3	1.1%	34.0%
Late Payment Fees	11.0	1.1%	8.2	1.0%	33.4%	1.5	0.6%	1.2	0.6%	22.8%
Operating Result	216.6	22.6%	238.0	28.2%	-9.0%	37.5	14.6%	39.7	19.0%	-5.5%
- Corporate Expenses	(63.0)	-6.6%	(49.9)	-5.9%	26.3%	(19.4)	-7.5%	(14.2)	-6.8%	36.3%
Adjusted EBITDA	153.6	16.1%	188.1	22.3%	-18.3%	18.1	7.0%	25.5	12.2%	-28.8%
(-) Late Payment Fees	(11.0)	-1.1%	(8.2)	-1.0%	33.4%	(1.5)	-0.6%	(1.2)	-0.6%	22.8%
(-) Non-Recurring Items ¹	(45.1)	-4.7%	(81.0)	-9.6%	0.0%	(28.3)	-11.0%	(19.6)	-9.4%	0.0%
EBITDA	97.6	10.2%	98.9	11.7%	-1.3%	(11.7)	-4.5%	4.6	2.2%	-352.8%
Depreciation & Amortization	(42.1)	-4.4%	(27.9)	-3.3%	51.2%	(13.2)	-5.1%	(5.8)	-2.8%	127.0%
EBIT	55.4	5.8%	71.0	8.4%	-21.9%	(24.9)	-9.7%	(1.2)	-0.6%	1973.2%
Net Financial Result	(36.1)	-3.8%	(12.5)	-1.5%	188.3%	(12.5)	-4.9%	(8.8)	-4.2%	42.6%
EBT	19.3	2.0%	58.5	6.9%	-67.0%	(37.4)	-14.5%	(10.0)	-4.8%	275.2%
Income Tax and Social Contribution	1.5	0.2%	5.7	0.7%	-73.4%	1.0	0.4%	4.3	2.1%	-77.6%
Net Income	20.8	2.2%	64.2	7.6%	-67.5%	(36.4)	-14.1%	(5.6)	-2.7%	546.6%
(-) Non-Recurring Items ²	45.1	4.7%	77.2	9.2%	0.0%	28.3	11.0%	15.8	7.6%	0.0%
Adjusted Net Income	65.9	6.9%	141.4	16.8%	-53.4%	(8.1)	-3.1%	10.2	4.9%	-179.4%

¹ Non-Recurring Items impacting EBITDA

² Non-Recurring Items impacting Net Income

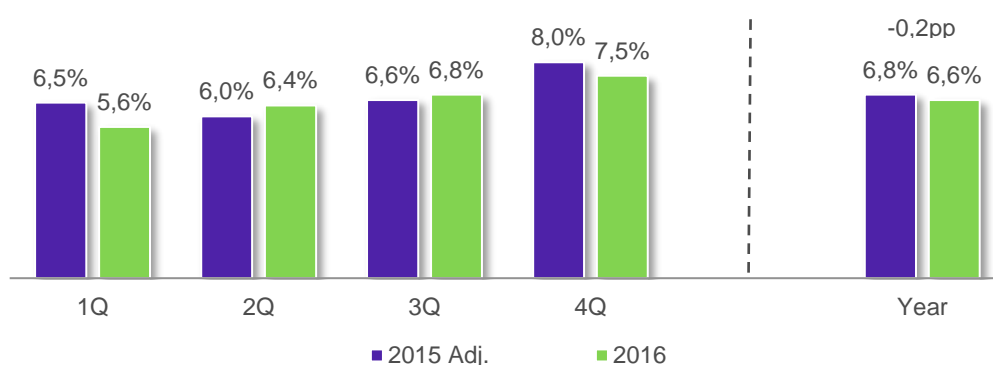
Corporate Expenses

In 2016, corporate expenses totaled R\$63.0 million, representing 6.6% of net revenue. In 4Q16, corporate expenses came to R\$19.4 million, or 7.5% of net revenue. It is worth noting that in 2016 we centralized certain areas and, as of 1Q16, we have reclassified personnel expenses related to executive officers who work in the corporate area of subsidiaries from education to corporate expenses. Analyzing the retroactive reclassification of these expenses, we can see a 0.2pp improvement between 2015 and 2016. The table below shows the comparison of pro-forma corporate expenses, reflecting this reclassification retrospectively:



R\$ (million)	Consolidated									
	1Q	% Net Revenu	2Q	% Net Revenu	3Q	% Net Revenu	4Q	% Net Revenu	Year	% Net Revenu
2016	12.8	5.6%	15.3	6.4%	15.6	6.8%	19.4	7.5%	63.0	6.6%
2015 Adjusted	14.0	6.5%	13.0	6.0%	13.4	6.6%	16.6	8.0%	57.1	6.8%
Adjustment	1.1		2.4		1.3		2.4		7.2	
2015 Reported	13.0	6.0%	10.6	4.9%	12.1	6.0%	14.2	6.8%	49.9	5.9%

Corporate Expenses (% of Net Revenue)



Adjusted EBITDA

Adjusted EBITDA totaled R\$153.6 million in 2016 (-18.3% vs. 2015), with a margin of 16.1% (-6.3pp vs. 2015). The consolidation of the acquisitions, which still run with lower margins than our other units, represented a 2.7pp margin dilution in 2016. Excluding this effect, our adjusted EBITDA margin would have fallen 3.6pp, mainly due to the gross margin loss, as described previously, and the worsening in our provision for doubtful accounts.

In 4Q16, adjusted EBITDA totaled R\$18.1 million (-28.8% vs. 4Q15), with a margin of 7.0% (-5.2pp vs. 4Q15). Excluding the effects of the acquisitions, adjusted EBITDA would have totaled R\$19.0 million in 4Q16 (-25.3% vs. 4Q15), with a margin of 9.0% (-3.2pp vs. 4Q15).



Non-Recurring Items

R\$ (million)	EBITDA	
	2016	4Q16
Restructuring Expenses	(24.6)	(9.8)
Account Receivables Adjustments - FIES	3.6	0.9
Stock Options	(5.1)	(0.4)
HSM Impairment Test	(19.0)	(19.0)
Total Non Recurring Items	(45.1)	(28.3)

Restructuring Expenses. This quarter, non-recurring restructuring expenses totaled R\$9.8 million. This amount includes: i) R\$7.3 million from the increase in severance pay of professors and administrative staff resulting from the reduction in our student base; ii) R\$0.6 million from expenses with the integration of the acquisitions of the last twelve months; and iii) R\$1.9 million from costs with the shutdown of the Raja (UNA), Antônio Carlos (UNIBH) and Perini (Sociesc) campuses, R\$1.0 million of which non cash as it refers to the write-off of fixed assets. In 2016 restructuring expenses totaled R\$24.6 million distributed according to the itens listed above: i) R\$15.9 million; ii) R\$2.8 million; e iii) R\$5.9 million (R\$3.9 million non cash).

Adjustment of FIES accounts receivable. As reported in the 4Q15 earnings release, in February 2016, we entered into an agreement with the government establishing that the outstanding FIES tuition fees related to 2015 will be paid in the next three years adjusted for inflation (IPCA). As a result, in 2015, we adjusted our FIES accounts receivable and gross revenue by R\$7.8 million, reflecting the spread between the SELIC interest rate and inflation (IPCA). This adjustment, which had a negative impact on the 2015 result, has had a positive effect since 2016. This quarter, we excluded the positive impact of this adjustment, which represented revenue of R\$0.9 million (R\$3.6 million in 2016), also non-cash.

Share-based compensation. The structure of Sociesc's acquisition includes a potential bonus of up to 900 thousand Anima Educação shares subject to the achievement of certain goals. In 4Q16, we added R\$0.4 million to this provision, which totaled R\$5.1 million or 56% of the total amount, recognizing the positive results of the first year of the integration. We will adjust this provision annually based on the partial achievement of the agreed-upon goals. This adjustment does not have a cash effect in the quarter, as all the shares that will be used in the bonus are already held in treasury.

Intangible Assets Impairment Test. We have started a deep restructuring process at HSM in 2016. This process included a reduction on its product lines, focusing only on the most relevant events and products. This allowed a simplification of HSM's operations and consequently cost reductions. We have been very disciplined on the execution of the plan, and so far have met all the key milestones. However, revisiting its business plan, and after discussions with our auditors, we have agreed to use more conservative future growth assumptions. Therefore, we are recognizing a R\$19.0 million loss on that asset after the impairment test. As it is a provision in the financial statement, it has a non cash effect.



Income Tax and Social Contribution

We continue benefiting from Prouni, which guarantees income tax and social contribution exemption for most of our business. Income tax and social contribution credits totaled R\$1.0 million in 4Q16 and R\$1.5 million in 2016.

Financial Result

R\$ (million)	Consolidated Ânima			
	2016	2015	4Q16	4Q15
(+) Financial Revenue	52.5	30.2	9.3	8.0
Late payment fees	11.0	8.2	1.5	1.2
Interest on financial investments	23.8	15.9	5.4	6.6
Inflation adjustment - PN23 FIES acc. rec.	12.7	0.0	0.7	0.0
Other financial revenues	5.0	6.0	1.6	0.2
(-) Financial Expense	(89.3)	(41.4)	(22.4)	(15.4)
Financial debt interest expense	(60.5)	(30.0)	(14.4)	(12.4)
Tax debt interest expenses	(0.6)	(0.3)	(0.2)	(0.1)
PraValer interest expenses	(13.4)	(5.6)	(4.2)	(1.9)
Accounts payable interest expenses (acquisitions)	(8.7)	-	(2.6)	-
Other financial expenses	(6.1)	(5.4)	(1.1)	(1.1)
Financial Result	(36.8)	(11.2)	(13.2)	(7.4)

In 2016, financial revenue totaled R\$52.5 million, while the financial expense came to R\$89.3 million, giving a negative financial result of R\$36.8 million.

In 4Q16, the financial result came to a negative R\$13.2 million against a negative R\$7.4 million in the same period of 2015. We recorded an increase in late payment fees and a decline in interest on financial investments, in addition to the recognition of the restatement of FIES accounts receivable, totaling R\$0.7 million. It is worth noting that this amount refers to the effective monetary restatement of the FIES accounts receivable balance related to the PN23 agreement. Differently from the impacts of the present value adjustment on accounts receivable and gross revenue, which are being excluded from our results as non-recurring items, this adjustment of the FIES balance in accordance with the IPCA (inflation index) represents an actual net income gain and has been positively affecting the cash position since 1Q16 as the government pays the installments of the agreement. We are not, however, considering these effects in our adjusted EBITDA.

Similarly, our financial expense with interest on bank loans was higher in the period due to the new loans taken out in 2015 and early 2016. In addition, expenses with interest subsidy for our students enrolled in the PraValer private financing program moved up, due to the increased penetration of this program in our student base. Finally, there was also an increase in interest expenses with accounts payable due to the monetary restatement and present value adjustments related to the acquisitions made in 2016.



Adjusted Net Income

Adjusted net income totaled R\$65.9 million in 2016, with a margin of 6.9%, and a negative R\$8.1 million in 4Q16, with a margin of -3.1%.

Cash and Net Debt

R\$ (million)	Consolidated Ânima		
	DEC 16	SEP 16	DEC 15
(+) Cash and Cash Equivalents	181.5	215.0	184.5
Cash	39.6	23.4	25.5
Financial Investments	141.9	191.5	159.1
(-) Loans and Financing ¹	400.3	400.5	331.6
Short Term	137.2	109.3	112.1
Long Term	263.1	291.1	219.5
(=) Net (Debt) Cash ²	(218.8)	(185.5)	(147.1)
(-) Other Short and Long Term Obligations	78.7	58.9	3.6
(=) Net (Debt) Cash ³	(297.5)	(244.4)	(150.7)

¹ Net of swap adjustment

² Considering financial debt (bank loans) only.

³ Including obligations related to tax debt and acquisitions payables.

At the end of 2016, cash and cash equivalents totaled R\$181.5 million and loans and financing came to R\$400.3 million. We settled three short-term loans totaling R\$80.0 million and paid the recurring amortization of other loans. We borrowed R\$140.2 million from the IFC, due in 8 years.

The other short- and long-term obligations represented by acquisitions and tax installments, which totaled R\$78.7 million, increased mainly due to the acquisitions of Sociesc, Alis Educacional (UNA Bom Despacho) and Instituto Politécnico. This net debt represented a leverage of 1.9 times (net debt ÷ LTM adjusted EBITDA), within the parameters considered and approved by our Board of Directors.



Accounts Receivable and Days of Sales Outstanding (DSO)

We ended 4Q16 with net accounts receivable of R\$285.6 million. For management and DSO calculation purposes, we are adjusting the accounts receivable balance by R\$4.2 million, comprising the R\$7.8 million adjustment recorded in 4Q15 less the R\$3.6 million that have already been recognized in 2016.

As a result, adjusted accounts receivable totaled R\$289.8 million, a decline of R\$7.3 million compared with 4Q15 and a gradual reduction compared with the previous three quarters. In 4Q16, the amendments related to the second semester of 2016 were settled, thus reducing our FIES accounts receivable balance.

	4Q16	3Q16	2Q16	1Q16	4Q15	
	Total	Total	Total	Total	Total	Δ 4Q16 / 4Q15
Net Accounts Receivable	285.6	304.0	381.9	386.8	289.3	(3.6)
Adjusted Accounts Receivable FIES	(4.2)	(5.1)	(5.9)	(6.9)	(7.8)	3.6
Adjusted Net Accounts Receivable	289.8	309.0	387.8	393.6	297.1	(7.3)
to mature	227.7	258.5	330.5	338.9	239.1	(11.4)
until 180 days	45.5	37.7	43.5	42.1	40.9	4.6
between 180 and 360 days	12.4	8.7	9.7	9.3	14.4	(2.0)
between 361 and 720 days	4.2	4.0	4.2	3.3	2.7	1.5
more than 721 days	0.0	0.0	0.0	0.0	0.0	0.0

We closed 4Q16 with a DSO (Days of Sales Outstanding) of 107 days, a year-on-year reduction of 20 days and a decline of 11 days compared with 3Q16.

Breaking down our accounts receivable, we recorded a DSO of 215 days for FIES receivables, a quarter-on-quarter reduction of 9 days. For non-FIES receivables, our DSO stood at 51 days in 4Q16, a year-on-year reduction of 12 days and a quarter-on-quarter decline of four days. In the other businesses line, we closed the quarter with a DSO of 61 days.



	4Q16 *	3Q16 *	2Q16 *	1Q16 *	4Q15	
Total	Total	Total	Total	Total	Total	Δ 4Q16 / 4Q15
Net Accounts Receivable	285.6	304.0	381.9	386.8	289.3	(3.6)
Adjusted Accounts Receivable FIES	(4.2)	(5.1)	(5.9)	(6.9)	(7.8)	3.6
Adjusted Net Accounts Receivable	289.8	309.0	387.8	393.6	297.1	(7.3)
Net Revenue (accumulative)	956.8	699.2	468.9	228.7	843.2	113.6
DSO	107	118	148	152	127	(20)

	4Q16 *	3Q16 *	2Q16 *	1Q16 *	4Q15	
FIES	Total	Total	Total	Total	Total	Δ 4Q16 / 4Q15
Net Accounts Receivable	191.7	210.4	285.4	287.0	207.3	(15.6)
Adjusted Accounts Receivable FIES	(4.2)	(5.1)	(5.9)	(6.9)	(7.8)	3.6
Adjusted Net Accounts Receivable	195.9	215.5	291.3	293.9	215.1	(19.2)
Net Revenue (accumulative)	324.7	258.4	172.8	83.9	350.6	(26.0)
DSO	215	224	303	316	221	-6

	4Q16 *	3Q16 *	2Q16 *	1Q16 *	4Q15	
Non FIES	Total	Total	Total	Total	Total	Δ 4Q16 / 4Q15
Net Accounts Receivable	83.7	85.0	84.5	86.6	78.3	5.4
Net Revenue (accumulative)	579.2	415.8	277.6	135.3	448.9	130.3
DSO	51	54	55	56	63	-12

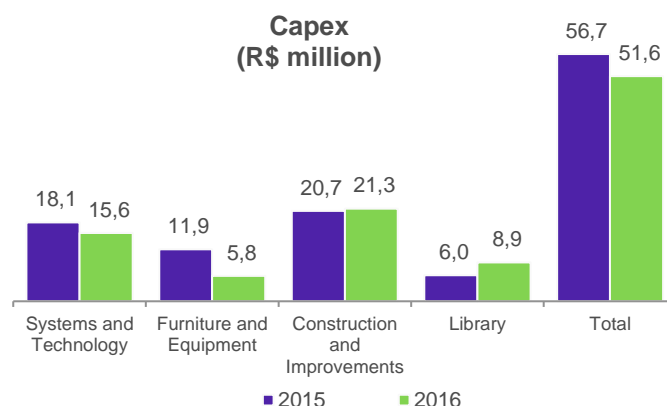
	4Q16 *	3Q16 *	2Q16 *	1Q16 *	4Q15	
Others	Total	Total	Total	Total	Total	Δ 4Q16 / 4Q15
Net Accounts Receivable	10.2	8.6	12.0	13.1	3.6	6.6
Net Revenue (accumulative)	53.0	25.0	18.5	9.5	43.7	9.3
DSO	61	83	102	92	30	31

* Weighted DSO, considering LTM acquisitions



Investments (CAPEX)

In 2016, CAPEX totaled R\$51.6 million, or 5.4% of net revenue, down from R\$56.7 million, or 6.7% of net revenue, in 2015. This figure includes investments in our campuses and amounts allocated to the development of education systems and technology.



Cash Flow

	2016	2015	4Q16	4Q15
Net Income	20.8	64.2	(36.4)	(5.6)
Depreciation & Amortization	42.1	27.9	13.2	5.8
Interest expenses/revenues	29.7	22.7	10.1	13.2
Provisions for labor, tax and civil risks	10.4	7.4	3.2	9.9
Other non-cash adjustments	26.2	(4.8)	18.7	(4.3)
Contract Cancellation Whitney - Account Impact	0.0	53.7	0.0	0.0
Operating Cash Flow	129.2	171.0	8.8	19.0
Δ Accounts receivable/PDA	39.8	(139.9)	22.3	(24.4)
Δ Other assets/liabilities	(44.2)	(18.9)	(35.4)	(33.8)
Working Capital Variance	(4.4)	(158.8)	(13.2)	(58.2)
Free Cash Flow before CAPEX	124.8	12.2	(4.4)	(39.2)
CAPEX - Fixed and Intangible	(51.6)	(56.7)	(14.7)	(10.0)
Free Cash Flow	73.2	(44.5)	(19.1)	(49.1)
Financing/Investments activities	(21.9)	187.8	(12.3)	(5.9)
Shares held in treasury	(27.6)	(3.1)	(0.2)	(3.1)
Acquisitions	(11.7)	(6.2)	(1.9)	0.0
Dividends	(15.2)	(39.2)	0.0	0.0
Contract Cancellation Whitney - Cash Impact	0.0	(46.2)	0.0	0.0
Net Cash Flow from Financing Activities	(76.4)	93.1	(14.4)	(9.0)
Net Increase (Reduction) of Cash and Cash Equivalents	(3.2)	48.7	(33.5)	(58.2)
Cash at the begging of the period	184.5	135.9	215.0	242.7
Cash at the end of the period	181.5	184.5	181.5	184.5



Operating cash flow before working capital and CAPEX came to R\$129.2 million. This amount, combined with the partial recovery of FIES receivables (PN23) and the settlement of the amendments related to the second half of 2016, led to the generation of free cash flow of R\$73.2 million after CAPEX.

Financing activities consumed R\$21.9 million in 2016, due to the settlement of three short-term bank loans totaling R\$80.0 million taken out in 3Q15, the prepayment of Sociesc's more expensive debts and the amortization of other loans in accordance with their respective repayment schedules. On the other hand, we took out a long-term loan of R\$140.2 million with the IFC in 2Q16.

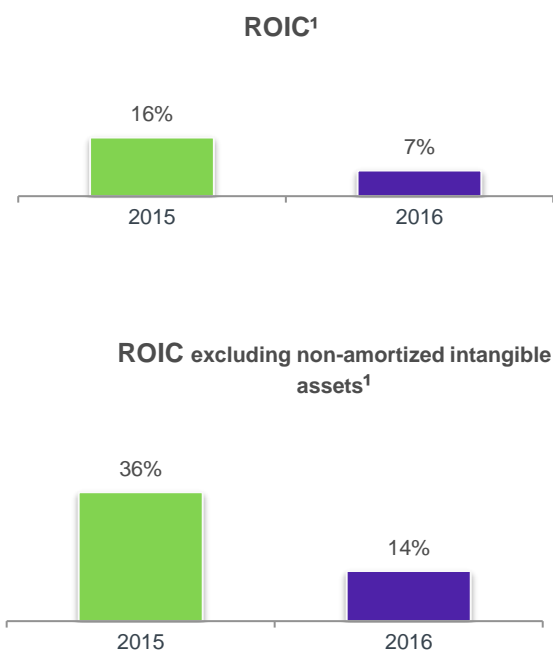
The execution of the share repurchase program totaled R\$27.6 million in 2016. The acquisitions (Sociesc, UNA Bom Despacho and Instituto Politécnico) consumed R\$11.7 million and the distribution of dividends absorbed another R\$15.2 million.

As a result, we closed 2016 with cash and financial investments of R\$181.5 million, i.e. a slight cash consumption (R\$3.2 million) in relation to the position at the beginning of the year.

Return on Invested Capital (ROIC)

We monitor our financial performance through our return on invested capital (ROIC), among other metrics. At the end of 4Q16, we had a ROIC for the last twelve months of 7%. The decline in our ROIC compared with 2015 was caused by a combination of a lower NOPAT and an increase in the average invested capital. We have three major initiatives to recover our ROIC: i) resume top line growth and increase the margin of our core business; ii) deliver the synergies expected from the recent acquisitions (as they are currently adding to the invested capital base but still make a marginal contribution to our NOPAT); and iii) the expected reduction in FIES receivables in 2017 and 2018.

Excluding non-amortized intangible assets from the total invested capital, we recorded a return of 14% in 4Q16. We believe that the ROIC analysis, using both approaches, provides a complementary perspective to track our business performance in a more comprehensive manner.



¹ ROIC = LTM EBIT * (1 - effective income and social contribution tax rate) ÷ average invested capital
Invested Capital = net working capital + long-term FIES accounts receivable + net fixed assets
EBIT 2015 adjusted for Whitney's non-recurring termination.
EBIT 2016 adjusted for HSM Impairment



APPENDIX 1 – Reconciliation of the 2016 Income Statement

Consolidated Ânima R\$ (million)	2016						IFRS Income Statement
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non- Recurring Items	HSM Reclass.	
Gross Revenue	1,405.3				3.6		1,408.9
Discounts, Deductions & Scholarships	(426.7)						(426.7)
Taxes	(21.8)						(21.8)
Net Revenue	956.8				3.6		960.4
Cash Cost of Services	(573.7)	(23.4)	0.0	0.0	(15.1)	0.7	(611.6)
- Personnel	(411.9)				(13.5)		(425.4)
- Services from Third Parties	(40.2)					0.7	(39.5)
- COGS	(3.8)						(3.8)
- Rental & Utilities	(84.0)				(1.5)		(85.5)
- Others	(33.8)	(23.4)			(0.1)		(57.3)
Gross Profit (exclud. deprec. /amort.)	383.1	(23.4)	0.0	0.0	(11.5)	0.7	348.9
Sales Expenses	(73.4)		(2.0)		0.0	0.0	(75.4)
- Provision for Doubtful Accounts (PDA)	(45.6)		0.0				(45.6)
- Marketing	(27.9)		(2.0)				(29.8)
General & Administrative Expenses	(98.4)	(18.7)	(61.2)	0.0	(12.9)	0.0	(191.2)
- Personnel	(66.0)		(43.5)		(8.3)		(117.8)
- Third Party Services	(11.9)		(7.7)				(19.6)
- Rental & Utilities	(5.9)		(0.9)		(0.4)		(7.1)
- Others	(14.6)	(18.7)	(9.1)		(4.2)		(46.6)
Other Operating Revenues (Expenses)	(5.6)	0.0	(20.5)	0.0	0.0	0.0	(26.2)
- Provisions	(12.7)		0.6				(12.1)
- Taxes	(2.8)		(2.0)				(4.7)
- Other Operating Revenues	9.8		(19.2)				(9.4)
Late Payment Fees	11.0			(11.0)			0.0
Operating Result	216.6	(42.1)	(83.7)	(11.0)	(24.4)	0.7	56.1
- Corporate Expenses	(63.0)		83.7		(20.7)		(0.0)
Adjusted EBITDA	153.6	(42.1)	0.0	(11.0)	(45.1)	0.7	56.1
(-) Late Payment Fees	(11.0)			11.0			0.0
(-) Non-Recurring Items ¹	(45.1)				45.1		0.0
EBITDA	97.6	(42.1)	0.0	0.0	0.0	0.7	56.1
Depreciation & Amortization	(42.1)	42.1					0.0
EBIT	55.4	0.0	0.0	0.0	0.0	0.7	56.1
Net Financial Result	(36.1)					(0.7)	(36.8)
EBT	19.3	0.0	0.0	0.0	0.0	0.0	19.3
Income Tax and Social Contribution	1.5						1.5
Net Income	20.8	0.0	0.0	0.0	0.0	0.0	20.8
(-) Non-Recurring Items ²	45.1				(45.1)		0.0
Adjusted Net Income	65.9	0.0	0.0	0.0	(45.1)	0.0	20.8

¹ Non-Recurring Items impacting EBITDA

² Non-Recurring Items impacting Net Income



APPENDIX 2 – Reconciliation of the 4Q16 Income Statement

Ânima Consolidated R\$ (million)	4Q16						IFRS Income Statement
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non- Recurring Items	HSM Reclass.	
Gross Revenue	373.9				0.9		374.7
Discounts, Deductions & Scholarships	(109.6)						(109.6)
Taxes	(6.7)						(6.7)
Net Revenue	257.6				0.9		258.5
Cash Cost of Services	(164.3)	(6.5)	0.0	0.0	(6.5)	0.7	(176.7)
- Personnel	(113.5)				(6.0)		(119.5)
- Services from Third Parties	(13.7)					0.7	(13.0)
- COGS	(1.8)						(1.8)
- Rental & Utilities	(24.0)				(0.5)		(24.5)
- Others	(11.3)	(6.5)			0.0		(17.8)
Gross Profit (exclud. deprec. /amort.)	93.3	(6.5)	0.0	0.0	(5.6)	0.7	81.8
Sales Expenses	(26.3)		(0.4)		0.0	0.0	(26.7)
- Provision for Doubtful Accounts (PDA)	(17.3)		0.0				(17.3)
- Marketing	(9.0)		(0.4)				(9.4)
General & Administrative Expenses	(29.2)	(6.7)	(18.6)	0.0	(3.4)	0.0	(57.9)
- Personnel	(18.8)		(13.3)		(1.8)		(33.9)
- Third Party Services	(3.9)		(2.3)		0.0		(6.3)
- Rental & Utilities	(1.8)		(0.3)		(0.4)		(2.5)
- Others	(4.7)	(6.7)	(2.7)		(1.2)		(15.3)
Other Operating Revenues (Expenses)	(1.7)	0.0	(19.7)	0.0	0.0	0.0	(21.4)
- Provisions	(3.8)		0.1				(3.7)
- Taxes	(1.0)		(0.8)				(1.8)
- Other Operating Revenues	3.0		(19.0)				(15.9)
Late Payment Fees	1.5			(1.5)		0.0	0.0
Operating Result	37.5	(13.2)	(38.7)	(1.5)	(9.0)	0.7	(24.3)
- Corporate Expenses	(19.4)		38.7		(19.3)		0.0
Adjusted EBITDA	18.1	(13.2)	0.0	(1.5)	(28.3)	0.7	(24.3)
(-) Late Payment Fees	(1.5)			1.5			0.0
(-) Non-Recurring Items ¹	(28.3)				28.3		0.0
EBITDA	(11.7)	(13.2)	0.0	0.0	0.0	0.7	(24.3)
Depreciation & Amortization	(13.2)	13.2					0.0
EBIT	(24.9)	0.0	0.0	0.0	0.0	0.7	(24.3)
Net Financial Result	(12.5)					(0.7)	(13.2)
EBT	(37.4)	0.0	0.0	0.0	0.0	0.0	(37.4)
Income Tax and Social Contribution	1.0						1.0
Net Income	(36.4)	0.0	0.0	0.0	0.0	0.0	(36.4)
(-) Non-Recurring Items ²	28.3				(28.3)		0.0
Adjusted Net Income	(8.1)	0.0	0.0	0.0	(28.3)	0.0	(36.4)

¹ Non-Recurring Items impacting EBITDA

² Non-Recurring Items impacting Net Income



APPENDIX 3 – Income Statement – IFRS

	2016	2015	4Q16	4Q15
Net Revenue	960.4	834.9	258.5	201.0
COST OF SERVICES	(611.6)	(492.6)	(176.7)	(140.9)
Gross (Loss) Profit	348.9	342.3	81.8	60.0
OPERATING (EXPENSES) / INCOME	(292.8)	(272.7)	(106.0)	(62.5)
Commercial	(75.4)	(66.8)	(26.7)	(18.3)
General and administrative	(191.2)	(199.9)	(57.9)	(34.9)
Equity income	-	-	-	-
Other operating (expenses) revenues	(26.2)	(6.0)	(21.4)	(9.3)
Income before Financial Result	56.1	69.7	(24.3)	(2.5)
Financial interest income	162.1	55.2	53.6	(3.1)
Financial interest expenses	(198.8)	(66.4)	(66.7)	(4.3)
Net (Loss) Income before Taxes	19.3	58.5	(37.4)	(10.0)
Income tax and social contribution, current and deferred	1.5	5.7	1.0	4.3
Net Income or Loss for the Period	20.8	64.2	(36.4)	(5.6)



APPENDIX 4 – Balance Sheet - IFRS

Assets	DEC 16	DEC 15	SEP 16	Liabilities	DEC 16	DEC 15	SEP 16
Current Assets	434.0	394.1	476.6	Current Liabilities	268.3	238.1	252.7
Cash and cash equivalents	39.6	25.5	23.4	Supplier	23.7	19.6	22.5
Cash & financial investments	141.9	159.1	191.5	Loans	124.1	124.2	97.3
Accounts receivable	195.7	165.9	215.2	Personnel	58.4	46.4	75.1
Prepaid expenses	37.4	19.0	24.8	Taxes payable	14.8	10.7	9.5
Recoverable taxes	11.2	8.3	9.7	Advances from clients	19.2	21.0	29.2
Derivatives	-	12.1	-	Tax debt installments	0.6	0.2	0.3
Other current assets	8.3	4.3	12.1	Accounts payables	9.1	-	5.8
				Dividends payables	5.0	15.3	0.0
				Derivatives	13.1	-	12.4
				Other current liabilities	0.5	0.7	0.6
Non-Current Assets	953.8	781.7	947.0	Non-Current Liabilities	483.9	295.6	494.4
Accounts receivable	89.9	123.4	88.8	Loans	253.5	230.3	281.1
Prepaid expenses	12.4	3.0	12.2	Accounts payables	64.6	-	49.2
Judicial deposits	36.3	27.9	34.1	Tax debt installments	4.5	3.4	3.7
Credit with related parties	0.1	0.0	0.1	Deferred income tax and social contribution	52.2	15.3	53.2
Recoverable taxes	6.0	7.5	6.8	Provisions for risks	98.5	46.1	96.8
Derivatives	-	10.7	-	Derivatives	9.6	-	10.0
Other non-current assets	16.4	10.5	15.9	Other non-current liabilities	1.1	0.5	0.4
Fixed	223.5	146.0	216.8				
Intangible	569.1	452.6	572.3				
				Shareholder Equity	635.7	642.1	676.6
				Capital Stock	496.4	496.4	496.4
				Capital reserve	6.5	1.2	5.9
				Earnings reserve	212.3	217.2	217.2
				Shares in treasury	(10.0)	(3.1)	(30.6)
				Asset valuation adjustment	(69.6)	(69.6)	(69.6)
				Retained earnings	0.0	(0.0)	57.3
Total Assets	1,387.9	1,175.8	1,423.6	Total Liabilities and Shareholder Equity	1,387.9	1,175.8	1,423.6



APPENDIX 5 – Cash Flow – IFRS

	2016	2015	4Q16	4Q15
Net Income for the period	20.8	64.2	(36.4)	(5.6)
Adjustments for				
Provision for doubtful accounts	45.6	38.4	17.3	9.1
Legal deposits update	(1.7)	(2.3)	(0.4)	(0.5)
Depreciation and amortization	42.1	27.9	13.2	5.8
Decrease in residual value of fixed and intangible assets	4.5	0.9	1.1	0.1
Third party loans update	(1.1)		(1.1)	
Interest on loans, financing and tax installments	60.7	30.2	14.5	12.5
Constitution, reversal and update of provision for labor, tax and civil risks	12.1	9.7	3.7	10.5
Present value adjustments to accounts payable	8.7	8.0	2.6	7.8
FIES revenues regarding present value adjustments and monetary restatement	(16.3)	-	(1.7)	-
Share repurchase program bonuses	5.3	-	0.7	-
Deferred income tax and social contribution	(1.5)	(5.7)	(1.0)	(4.3)
Losses with investments	0.0	-	-	-
Losses with provision for impairment	19.0	-	19.0	-
	198.2	171.2	31.4	35.2
Change in operating assets and liabilities				
(Increase) decrease in accounts receivable	(5.8)	(178.2)	5.0	(33.5)
Decrease in other prepaid expenses	(25.2)	5.4	(12.8)	(9.4)
Increase in legal deposits	(8.7)	(8.1)	(1.9)	(1.0)
Decrease in taxes and recoverable contributions	(0.3)	1.7	(0.6)	0.4
Decrease in other assets	2.0	0.1	4.5	7.3
Decrease in suppliers	0.4	4.0	0.5	(1.5)
Decrease in tax, social security and labor obligations	6.1	1.6	(14.2)	(15.5)
Increase in advances from clients	(4.0)	(5.2)	(9.6)	(9.0)
Decrease in tax installments and other contributions	(0.5)	(0.6)	(0.6)	(0.1)
(Decrease) in provision for labor, tax and civil risks	(14.4)	(10.4)	(1.8)	(4.9)
(Decrease) Increase in other liabilities	0.2	(0.5)	0.5	(0.3)
Cash from operations	(50.1)	(190.3)	(30.9)	(67.4)
Interest paid	(25.6)	(16.7)	6.1	(6.0)
Income tax and social contribution paid	(0.4)	-	(0.1)	-
	122.1	(35.8)	6.5	(38.1)
Net cash flow from operating activities				
Cash Flow from Investment Activities				
Loans with related parties				
Concessions	(0.1)	-	(0.1)	-
Acquisitions net of cash and equivalents	(8.0)	-	0.0	-
Decrease (Increase) in financial assets	40.7	(23.6)	54.9	71.8
Income from financial assets	(23.4)	(15.5)	(5.3)	(7.1)
Fixed asset purchase	(38.4)	(43.7)	(10.7)	(6.1)
Intangible asset purchase	(13.2)	(13.0)	(4.0)	(3.9)
	(42.4)	(95.8)	34.8	54.7
Net cash flow (applied) from investment activities				
Cash Flow from Financial Activities				
Loans and financing				
Funding	143.0	230.0	-	-
Amortizations	(143.4)	(46.6)	(2.7)	(6.9)
Gains (Losses) with Derivatives	(18.6)		(18.6)	
Accounts payable amortization on controlling acquisitions	(3.7)		(3.7)	
Shares held in treasury	(27.6)	(3.1)	(0.2)	(3.1)
Dividends paid	(15.2)	(39.2)	-	-
	(65.6)	141.1	(25.2)	(10.1)
Net cash (applied to) flow from financing activities				
Cash (Applied) Flow for the Period	14.1	9.6	16.1	6.6
Change in Cash and Cash Equivalents				
Cash and cash equivalents at the beginning of the period	25.5	15.9	23.4	18.9
Cash and cash equivalents at the end of the period	39.6	25.5	39.6	25.5
Increase (Decrease) of Cash and Cash Equivalents	14.1	9.6	16.1	6.6