

Conference Call in Portuguese

August 11, 2016
10:00 a.m. (Brasília)
9:00 a.m. (US EST)
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Replay: +55 (11) 2188-0400
Code: Anima Educação

Conference Call in English

August 11, 2016
11:30 a.m. (Brasília)
10:30 a.m. (US EST)
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MESSAGE FROM MANAGEMENT

The results of the first semester of 2016 naturally reflected the trend observed in the first quarter. These results also mark the end of a twelve-month cycle, from July 2015 to June 2016, since we began to feel the effects of this more challenging external environment, both in the macro political-economic dimension and, more specifically, in our sector, which has been facing regulatory challenges related to the FIES program.

In the last two semesters, we worked intensely to minimize the impacts of a weaker demand on our operational efficiency. Our modular academic model was once again a key element of our strategy, allowing our classrooms to remain efficient, without compromising academic quality, despite the decline in the number of new students. We reduced our campuses' capacity, especially in Belo Horizonte, in order to preserve an efficient utilization of our buildings, and consequently lease costs. These initiatives generated benefits, some already reflected in the results of the first semester, but others that will be captured on the second semester of 2016 and in 2017. Finally, we have revised our internal structures in order to adjust to this new moment.

The results, excluding the Sociesc effect, reflect this challenge. We closed the first half of the year with net revenue 4% lower than in the same period last year. The 47.3% (-2.1pp) gross margin in 1H16 represents an improvement versus the drop reported in the first quarter (-3.5pp). We continue to see a positive trend in our students retention figures, despite the extremely challenging external environment. The dropout rate stood at 4.6% in the semester, 1.9pp lower than in the same period last year. This shows that, once students overcome their concern to commit, they remain engaged and satisfied.

Financial Performance	Consolidated exclud. Sociesc			Consolidated		
	6M16	6M15	% YA	6M16	6M15	% YA
Net Revenue	423.2	440.9	-4.0%	481.1	440.9	9.1%
Gross Profit (exclud. deprec/amort)	200.1	217.6	-8.1%	213.1	217.6	-2.1%
<i>Gross Margin</i>	<i>47.3%</i>	<i>49.4%</i>	<i>-2.1 p.p.</i>	<i>44.3%</i>	<i>49.4%</i>	<i>-5.1 p.p.</i>
Adjusted EBITDA	97.3	117.0	-16.8%	99.8	117.0	-14.7%
<i>EBITDA Margin</i>	<i>23.0%</i>	<i>26.5%</i>	<i>-3.5 p.p.</i>	<i>20.7%</i>	<i>26.5%</i>	<i>-5.8 p.p.</i>
Adjusted Net Income	62.5	98.4	-36.5%	60.4	98.4	-38.6%
<i>Net Margin</i>	<i>14.8%</i>	<i>22.3%</i>	<i>-7.5 p.p.</i>	<i>12.6%</i>	<i>22.3%</i>	<i>-9.8 p.p.</i>

The negative highlight of the semester was the increase of around 1pp in the provision for doubtful accounts (PDA) compared with 1H15. However, it is worth noting that, in addition to a gradual change in the mix of FIES and non-FIES students, which naturally increased PDA, we changed our provisioning criteria as of 3Q15, adopting a more conservative approach. Accounts-Receivables' DSO (Days Sales Outstanding) has continued to improve, in both the FIES and non-FIES student segments, given that we are once again receiving the tuition fees related to this program on a regular basis. It's worth noting that we received in June the CFTEs (Treasury



Financial Certificates) related to the first installment of the PN23 agreement, equivalent to 25% of the outstanding balance, which were converted into cash, adjusted by inflation, on the first week of August.

In the consolidated results of the first half of 2016, now including Sociesc, net revenue totaled R\$481.1 million, 9.1% higher year on year. We closed the period with adjusted EBITDA of R\$99.8 million and an adjusted EBITDA margin of 20.7%.

The integration of Sociesc initially causes a natural dilution of our EBITDA margin (-2.3pp) as we have just begun the integration process to capture synergies. We are very pleased with the progress of the work in all mapped fronts. Among the positive highlights, we note the successful implementation of our financial ERP (on July 1); the expansion of our programs portfolio, marked by the beginning of the first classes in the health area in the Joinville campus in August; and the integration and consolidation of the distance-learning operations for all our institutions at Sociesc. The next deliveries include the implementation of the academic ERP and the unification of the academic models for all the courses as of 2017. We remain very optimistic about Sociesc, not only because of the value creation potential, but also, and more importantly, due to the quality of the institution and its people.

We also welcome another institution to our group. As we announced in June 2016, Alis Educacional will reinforce and accelerate our presence in Minas Gerais. This process has been studied, planned and executed in a very consistent manner. We have been able to combine a strategy of organic growth with acquisitions. As for greenfield projects, we have the successful Contagem campus (in operation since 2008) and now the Sete Lagoas campus, with its first on-campus undergraduate programs beginning in the second semester of 2016. We have another two campuses in the countryside of Minas Gerais at the final stage of approval by the Ministry of Education (MEC). Regarding acquisitions, after the Betim campus (acquired in 2014), Alis is more than a simple acquisition, as it comes with a highly competent team, a very efficient academic model and its own growth plan, which has a perfect fit to ours. The integration of Alis has already begun and is taking place simultaneously with Sociesc. As expected, we will begin consolidating its results as of July 2016.

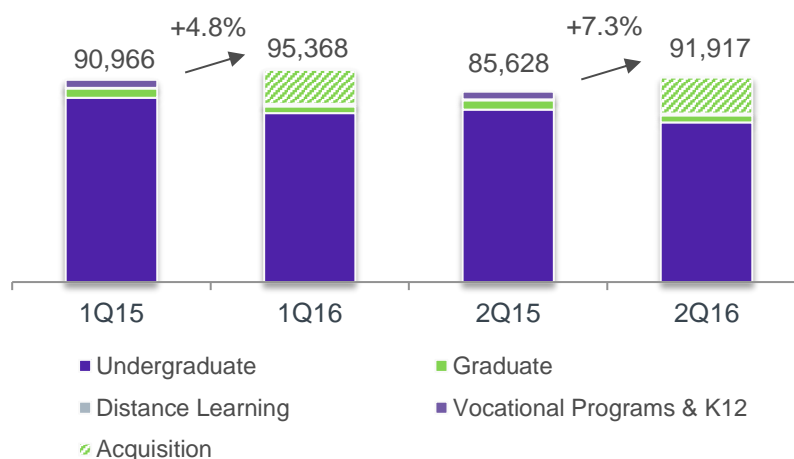
The moment Brazil has been going through is extremely challenging for all sectors and for education in particular. However, we expect that the progress of the political agenda can reduce the high level of pessimism among the general population, attracting new investments and creating jobs, which can lead to the gradual recovery of confidence levels. We have begun to observe external signs, albeit still modest, that this process may have already started. As a result, we have focused all our energy on doing the necessary homework to allow the Company to remain lean, agile and always alert to the opportunities that normally arise in troubled times such as these. All this without losing our convictions and positioning, reiterating our commitment to “Transforming the Country through Education”.



OPERATIONAL PERFORMANCE

EDUCATION

In the second quarter of 2016, we had 91.9 thousand students already including the consolidation of Sociesc, an increase of 7.3% over 2Q15. Excluding Sociesc's figures, our student base totaled 75.9 thousand students, an 11.4% year-on-year decline, mainly due to a reduction of 5.6 thousand undergraduate students and 3.5 thousand Pronatec students. The 2Q16 figures still do not include Alis Educacional, an acquisition that was announced in a Material Fact dated June 28, 2016, which will be consolidated as of July 1, 2016.



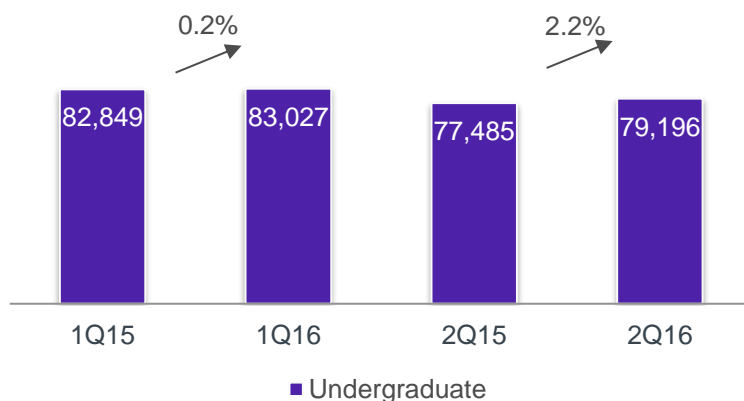
Student Base	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	% 2Q16/2Q15	% 2Q16/1Q16
Undergraduate	82,849	77,485	75,889	72,740	83,027	79,196	2.2%	-4.6%
Graduate	4,154	4,242	3,353	3,427	5,315	5,698	34.3%	7.2%
Distance Learning	335	384	630	560	4,316	4,443	1,057.0%	2.9%
Vocational Programs & K12	3,628	3,517	2,111	2,093	2,710	2,580	-26.6%	-4.8%
Total	90,966	85,628	81,983	78,820	95,368	91,917	7.3%	-3.6%

Student Base (Ex-SOCIESC)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	% 2Q16/2Q15	% 2Q16/1Q16
Undergraduate	82,849	77,485	75,889	72,740	75,952	71,852	-7.3%	-5.4%
Graduate	4,154	4,242	3,353	3,427	3,093	3,116	-26.5%	0.7%
Distance Learning	335	384	630	560	879	886	130.7%	0.8%
Vocational Programs & K12	3,628	3,517	2,111	2,093	177	0	-	-
Total	90,966	85,628	81,983	78,820	80,101	75,854	-11.4%	-5.3%

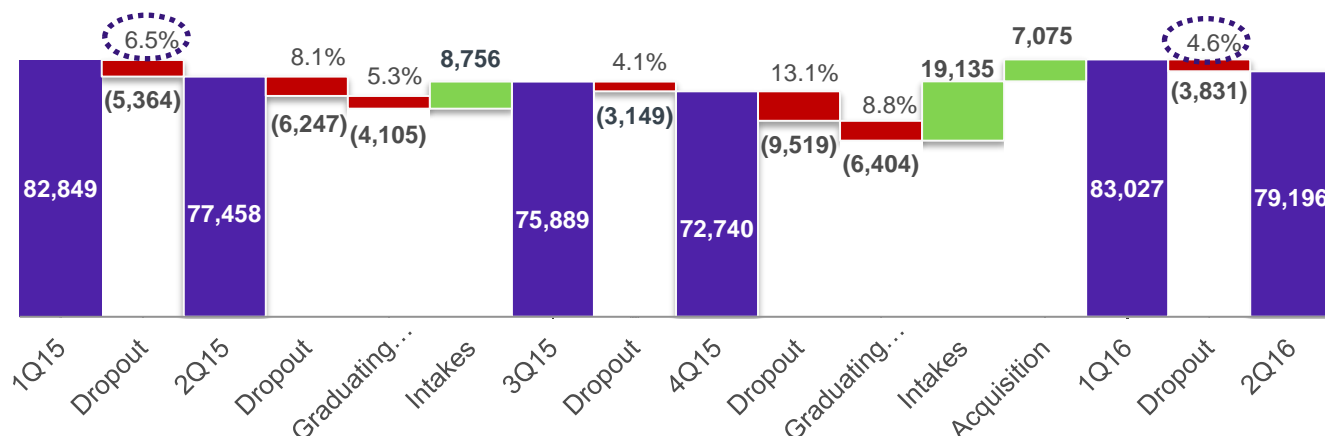


On-campus Undergraduate Student Base

Our on-campus undergraduate student base totaled 79.2 thousand students in 2Q16, 2.2% up on 2Q15, including the consolidation of Sociesc's undergraduate students. Excluding this effect, we would have 71.9 thousand students, 7.3% down year on year.



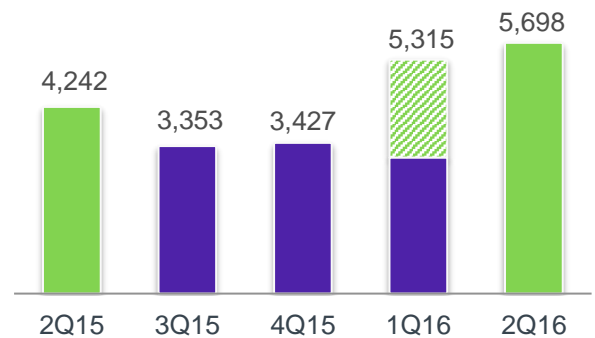
This undergraduate student base in 2Q16 is the result of the beginning of the year intake and the re-enrollment of existing students, less 3.8 thousand students who dropped out during the second quarter. This represents a loss of 4.6% of the initial student base, i.e. lower than the 6.5% or 5.4 thousand students who dropped out in 2Q15. This reduction was the result of an improvement in virtually all our institutions.





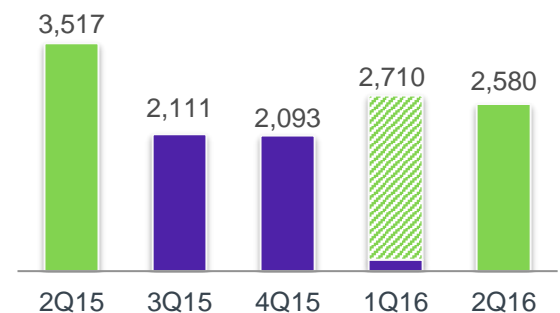
On-campus Graduate Student Base

The number of students enrolled in our on-campus graduate programs came to 5.7 thousand in 2Q16, 34.3% higher than in 2Q15. The growth is due to Sociesc's consolidation.



Vocational Programs and K12 Student Base

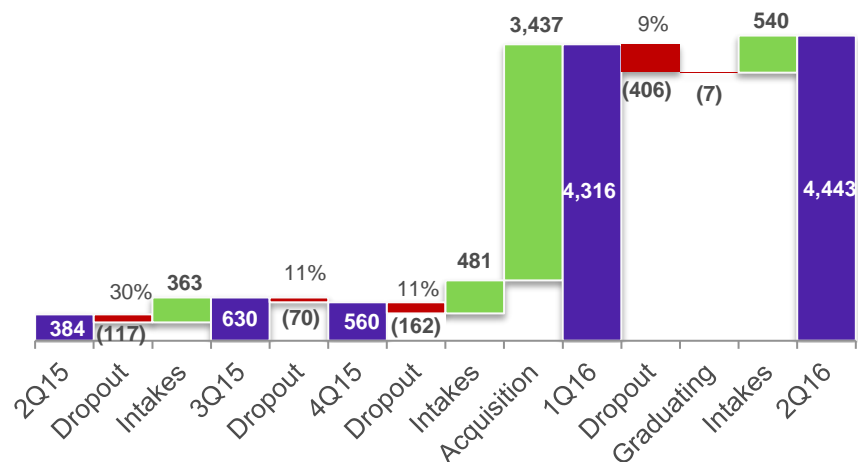
In 2Q16, Anima's remaining Pronatec students concluded their courses. As a result, the 2.6 thousand K12 and vocational students were due to the consolidation of Sociesc's students, that beyond Pronatec includes Tupy Vocational School, Tupy Highschool and Florianópolis International School.



Distance Learning Student Base

We closed 2Q16 with 4,443 distance-learning students in undergraduate, graduate and vocational programs. The first half dropout rate was more than offset by the 540 new enrollments.

As mentioned in 1Q16, the integration with Sociesc represented an important gain of scale compared with the beginning of our operations. The unification of the distance learning operations continues to be one of the priority fronts of our integration project, and is already in an advanced stage.





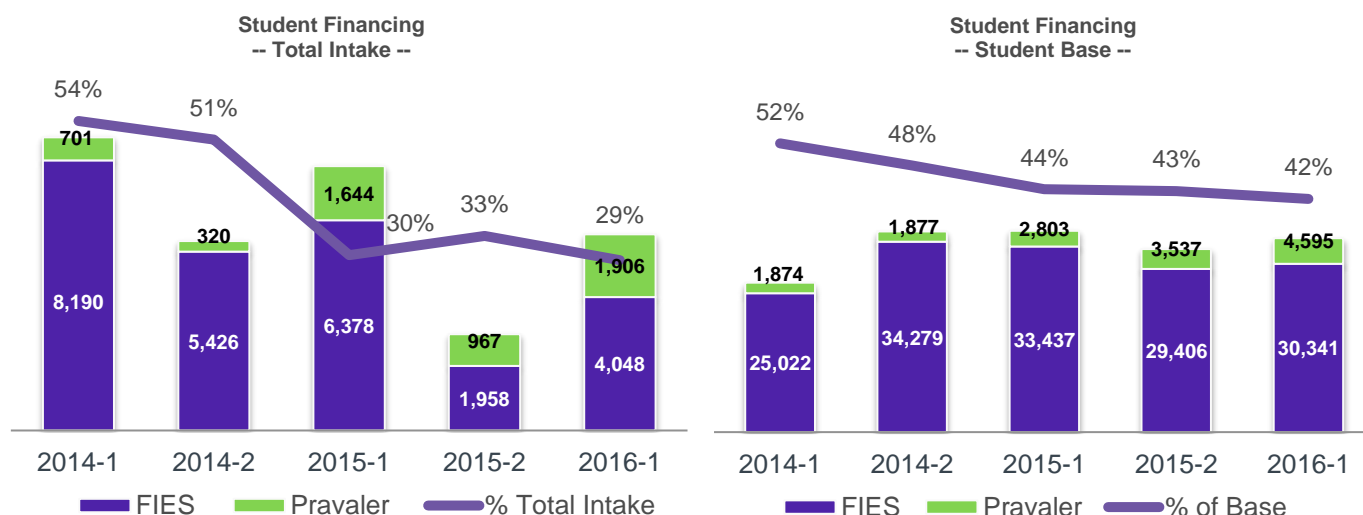
Student Financing

At Anima, we have always believed that, in order to strike a balance between academic quality and scale, it is necessary to face the challenge of increasing access, mostly through student financing. Bearing this in mind, not only do we offer the federal government program (FIES), but we have also maintained since 2006 a private alternative — the *PraValer* program — in partnership with Ideal Invest.

Due to the changes in the FIES program and always seeking to improve the services offered to our students, Anima launched in 2015 the AMPLIAR program, a service channel with dedicated spaces in all our institutions focused on consulting, offer and full support for all private and public students loans contracts offered by Anima. With AMPLIAR, we are also offering new financing options to our students, including new *PraValer* modalities and an unemployment guarantee, that covers for their tuition in the current semester in case of job loss.

The first results are beginning to appear. We are gradually growing the penetration of *PraValer* within the intake process, reaching about one third of the new financed students in the last two processes, thus preserving the penetration of students with financing (FIES + *PraValer*) around 30% of total intake, despite the drop in new FIES contracts.

The number of students with financing (FIES or *PraValer*) totaled 34.9 thousand this semester, representing 42.0% of our undergraduate base, including Sociesc students. This number reflects a drop in the penetration of FIES, which fell from 40.4% in 2Q15 to 36.5% in 2Q16, as a result of the substantial decline in new contracts in 2015. On the other hand, *PraValer* continued to grow, having reached 5.5% of our base in 2Q16, versus 3.4% in 2Q15.





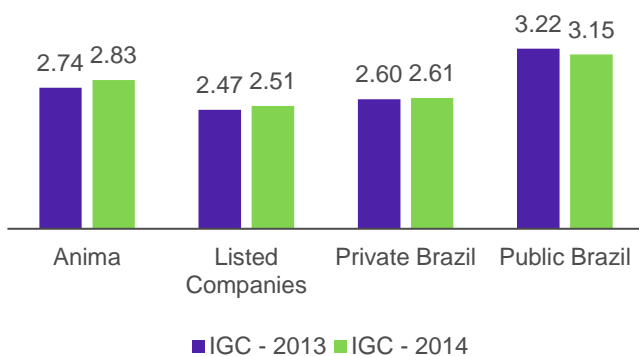
Academic Quality

We monitor our academic quality indicators in two dimensions: one external, mainly represented by the MEC's indicators, and the other internal, based on our institutional evaluation process.

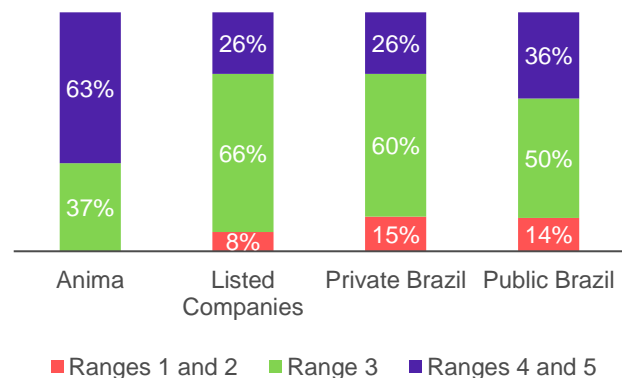
According to the latest result disclosed in 4Q15, we continued to record a consistent improvement in our academic and student satisfaction indicators, reinforcing our confidence in the effectiveness of our academic model and our commitment to remaining focused on constantly improving the quality of the education we provide our students.

As the MEC evaluation cycles are annual, there are no new information versus what was reported in 4Q15. More information on the latest quality indicators are available in our 4Q15 Earnings Release and below you can find a summary of the main MEC's indicators:

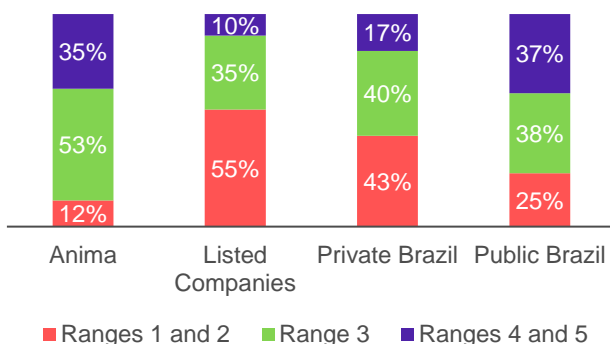
IGC Weighted Average



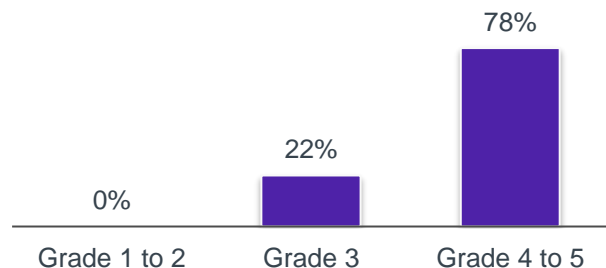
CPC 2014 per Range



Enade 2014 per Range



Anima's Course Concept (CC)



* Anima's figures do not include Sociesc.



FINANCIAL PERFORMANCE

6M16 Results

R\$ (million)	6M16					
	Consolidated	% Net Revenue	Education	% Net Revenue	Others	% Net Revenue
Gross Revenue	686.9	142.8%	672.6	143.6%	14.3	111.2%
Discounts, Deductions & Scholarships	(195.7)	-40.7%	(195.1)	-41.7%	(0.6)	-4.6%
Taxes	(10.1)	-2.1%	(9.2)	-2.0%	(0.8)	-6.6%
Net Revenue	481.1	100.0%	468.3	100.0%	12.8	100.0%
Cash Cost of Services	(268.0)	-55.7%	(258.4)	-55.2%	(9.6)	-75.0%
- Personnel	(195.5)	-40.6%	(193.7)	-41.4%	(1.8)	-14.2%
- Services from Third Parties	(17.8)	-3.7%	(13.6)	-2.9%	(4.2)	-32.8%
- COGS	(1.5)	-0.3%	0.0	0.0%	(1.5)	-11.6%
- Rental & Utilities	(39.3)	-8.2%	(38.3)	-8.2%	(1.0)	-7.6%
- Others	(13.9)	-2.9%	(12.8)	-2.7%	(1.1)	-8.6%
Gross Profit (exclud. deprec. /amort.)	213.1	44.3%	209.9	44.8%	3.2	25.0%
Sales Expenses	(31.7)	-6.6%	(30.6)	-6.5%	(1.2)	-9.0%
- Provision for Doubtful Accounts (PDA)	(19.6)	-4.1%	(19.3)	-4.1%	(0.3)	-2.2%
- Marketing	(12.2)	-2.5%	(11.3)	-2.4%	(0.9)	-6.8%
General & Administrative Expenses	(55.8)	-11.6%	(49.2)	-10.5%	(6.6)	-51.8%
- Personnel	(30.0)	-6.2%	(25.0)	-5.3%	(5.0)	-38.7%
- Third Party Services	(5.1)	-1.1%	(4.7)	-1.0%	(0.4)	-3.3%
- Rental & Utilities	(2.5)	-0.5%	(2.0)	-0.4%	(0.5)	-4.1%
- Others	(18.2)	-3.8%	(17.5)	-3.7%	(0.7)	-5.8%
Other Operating Revenues (Expenses)	(3.6)	-0.7%	(3.5)	-0.7%	(0.1)	-0.8%
- Provisions	(6.4)	-1.3%	(6.4)	-1.4%	0.0	0.0%
- Taxes	(1.2)	-0.2%	(0.9)	-0.2%	(0.2)	-1.9%
- Other Operating Revenues	4.0	0.8%	3.8	0.8%	0.1	1.1%
Late Payment Fees	6.0	1.2%	6.0	1.3%	0.0	0.0%
Operating Result	127.9	26.6%	132.6	28.3%	(4.7)	-36.6%
- Corporate Expenses	(28.1)	-5.8%				
Adjusted EBITDA	99.8	20.7%				
(-) Late Payment Fees	(6.0)	-1.2%				
(-) Non-Recurring Items ¹	(8.7)	-1.8%				
EBITDA	85.1	17.7%				
Depreciation & Amortization	(18.7)	-3.9%				
EBIT	66.4	13.8%				
Net Financial Result	(15.0)	-3.1%				
EBT	51.4	10.7%				
Income Tax and Social Contribution	0.3	0.1%				
Net Income Before Non-Controlling Interest	51.7	10.7%				
Non-Controlling Interest	0.0	0.0%				
Net Income	51.7	10.7%				
(-) Non-Recurring Items ²	8.7	1.8%				
Adjusted Net Income	60.4	12.6%				

¹ Non-Recurring Items impacting EBITDA

² Non-Recurring Items impacting Net Income



2Q16 Results

R\$ (million)	2Q16					
	Consolidated	% Net Revenue	Education	% Net Revenue	Others	% Net Revenue
Gross Revenue	352.6	142.9%	344.0	144.0%	8.6	109.7%
Discounts, Deductions & Scholarships	(100.7)	-40.8%	(100.3)	-42.0%	(0.3)	-4.3%
Taxes	(5.2)	-2.1%	(4.8)	-2.0%	(0.4)	-5.4%
Net Revenue	246.8	100.0%	238.9	100.0%	7.9	100.0%
Cash Cost of Services	(151.2)	-61.3%	(145.0)	-60.7%	(6.2)	-78.3%
- Personnel	(109.2)	-44.2%	(108.1)	-45.2%	(1.1)	-13.6%
- Services from Third Parties	(13.0)	-5.3%	(10.3)	-4.3%	(2.7)	-34.4%
- COGS	(1.0)	-0.4%	0.0	0.0%	(1.0)	-12.2%
- Rental & Utilities	(19.5)	-7.9%	(18.9)	-7.9%	(0.7)	-8.8%
- Others	(8.5)	-3.5%	(7.8)	-3.3%	(0.7)	-9.3%
Gross Profit (exclud. deprec. /amort.)	95.6	38.7%	93.9	39.3%	1.7	21.7%
Sales Expenses	(18.9)	-7.7%	(18.0)	-7.5%	(0.9)	-12.1%
- Provision for Doubtful Accounts (PDA)	(12.6)	-5.1%	(12.3)	-5.2%	(0.3)	-3.8%
- Marketing	(6.3)	-2.5%	(5.6)	-2.4%	(0.6)	-8.2%
General & Administrative Expenses	(28.8)	-11.7%	(25.3)	-10.6%	(3.5)	-44.8%
- Personnel	(14.8)	-6.0%	(12.2)	-5.1%	(2.6)	-32.8%
- Third Party Services	(2.7)	-1.1%	(2.5)	-1.0%	(0.2)	-2.9%
- Rental & Utilities	(1.3)	-0.5%	(1.1)	-0.5%	(0.2)	-3.1%
- Others	(10.0)	-4.0%	(9.5)	-4.0%	(0.5)	-5.9%
Other Operating Revenues (Expenses)	(1.6)	-0.7%	(1.5)	-0.6%	(0.1)	-1.7%
- Provisions	(3.2)	-1.3%	(3.2)	-1.3%	0.0	0.0%
- Taxes	(0.9)	-0.3%	(0.7)	-0.3%	(0.2)	-2.3%
- Other Operating Revenues	2.4	1.0%	2.3	1.0%	0.0	0.6%
Late Payment Fees	1.4	0.6%	1.4	0.6%	0.0	0.0%
Operating Result	47.6	19.3%	50.5	21.2%	(2.9)	-36.8%
- Corporate Expenses	(15.3)	-6.2%				
Adjusted EBITDA	32.4	13.1%				
(-) Late Payment Fees	(1.4)	-0.6%				
(-) Non-Recurring Items ¹	(8.3)	-3.4%				
EBITDA	22.6	9.2%				
Depreciation & Amortization	(10.2)	-4.1%				
EBIT	12.4	5.0%				
Net Financial Result	(13.8)	-5.6%				
EBT	(1.4)	-0.6%				
Income Tax and Social Contribution	0.4	0.1%				
Net Income	(1.0)	-0.4%				
Before Non-Controlling Interest						
Non-Controlling Interest	0.0	0.0%				
Net Income	(1.0)	-0.4%				
(-) Non-Recurring Items ²	8.3	3.4%				
Adjusted Net Income	7.3	3.0%				

¹ Non-Recurring Items impacting EBITDA

² Non-Recurring Items impacting Net Income

With Sociesc's consolidation, we started reporting two business units:

- 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 besides HSM, our management niche brand, includes the results of the Management and Technology Innovation (MTI) division of Sociesc. 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).

FINANCIAL PERFORMANCE – EDUCATION

R\$ (million)	Education									
	6M16	% Net Revenue	6M15	% Net Revenue	% YA	2Q16	% Net Revenue	2Q15	% Net Revenue	% YA
Gross Revenue	672.6	143.6%	602.8	139.4%	11.6%	344.0	144.0%	303.2	140.3%	13.5%
Discounts, Deductions & Scholarships	(195.1)	-41.7%	(161.0)	-37.2%	21.2%	(100.3)	-42.0%	(82.1)	-38.0%	22.1%
Taxes	(9.2)	-2.0%	(9.6)	-2.2%	-3.6%	(4.8)	-2.0%	(4.9)	-2.3%	-2.7%
Net Revenue	468.3	100.0%	432.3	100.0%	8.3%	238.9	100.0%	216.1	100.0%	10.5%
Cash Cost of Services	(258.4)	-55.2%	(218.3)	-50.5%	18.4%	(145.0)	-60.7%	(123.4)	-57.1%	17.5%
- Personnel	(193.7)	-41.4%	(172.0)	-39.8%	12.6%	(108.1)	-45.2%	(96.3)	-44.6%	12.2%
- Services from Third Parties	(13.6)	-2.9%	(5.8)	-1.3%	136.7%	(10.3)	-4.3%	(3.9)	-1.8%	167.3%
- COGS	0.0	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0	0.0%	0.0%
- Rental & Utilities	(38.3)	-8.2%	(29.5)	-6.8%	29.9%	(18.9)	-7.9%	(16.3)	-7.5%	15.6%
- Others	(12.8)	-2.7%	(11.0)	-2.6%	15.8%	(7.8)	-3.3%	(7.0)	-3.2%	12.0%
Gross Profit (exclud. deprec. /amort.)	209.9	44.8%	214.0	49.5%	-1.9%	93.9	39.3%	92.7	42.9%	1.3%
Sales Expenses	(30.6)	-6.5%	(23.8)	-5.5%	28.8%	(18.0)	-7.5%	(10.6)	-4.9%	69.8%
- Provision for Doubtful Accounts (PDA)	(19.3)	-4.1%	(13.5)	-3.1%	43.2%	(12.3)	-5.2%	(5.5)	-2.6%	122.1%
- Marketing	(11.3)	-2.4%	(10.3)	-2.4%	9.8%	(5.6)	-2.4%	(5.0)	-2.3%	12.1%
General & Administrative Expenses	(49.2)	-10.5%	(44.0)	-10.2%	11.7%	(25.3)	-10.6%	(24.7)	-11.4%	2.4%
- Personnel	(25.0)	-5.3%	(24.8)	-5.7%	0.8%	(12.2)	-5.1%	(14.1)	-6.5%	-13.6%
- Third Party Services	(4.7)	-1.0%	(3.4)	-0.8%	38.9%	(2.5)	-1.0%	(1.6)	-0.7%	55.0%
- Rental & Utilities	(2.0)	-0.4%	(1.7)	-0.4%	17.9%	(1.1)	-0.5%	(0.2)	-0.1%	402.3%
- Others	(17.5)	-3.7%	(14.2)	-3.3%	23.5%	(9.5)	-4.0%	(8.7)	-4.0%	8.8%
Other Operating Revenues (Expenses)	(3.5)	-0.7%	(2.5)	-0.6%	39.9%	(1.5)	-0.6%	(0.5)	-0.2%	206.8%
- Provisions	(6.4)	-1.4%	(5.2)	-1.2%	22.6%	(3.2)	-1.3%	(2.1)	-1.0%	50.3%
- Taxes	(0.9)	-0.2%	(0.5)	-0.1%	71.8%	(0.7)	-0.3%	(0.3)	-0.2%	101.6%
- Other Operating Revenues	3.8	0.8%	3.3	0.8%	17.5%	2.3	1.0%	1.9	0.9%	20.0%
Late Payment Fees	6.0	1.3%	4.1	0.9%	46.3%	1.4	0.6%	1.2	0.6%	15.9%
Operating Result	132.6	28.3%	147.8	34.2%	-10.3%	50.5	21.2%	58.2	26.9%	-13.1%

Net Revenue

Net revenue totaled R\$468.3 million in 1H16 (+R\$36.0 million or +8.3% vs. 1H15). The consolidation of Sociesc's result as of February 2016 contributed R\$52.0 million to the net revenue increase. Excluding Sociesc, net revenue fell 3.7%, mainly due to the 8% decline in the undergraduate base, the end of Pronatec (excluding Sociesc), in addition to an increase in discounts, mainly related to the higher share of Prouni students with partial scholarships. On the other hand, we implemented a 10.0% average increase in tuition fees at the beginning of the year, in addition to having recorded a slight improvement in the program mix.



In 2Q16, net revenue totaled R\$238.9 million (+R\$22.8 million and +10.5% vs. 1Q15). Excluding the R\$31.0 million contribution from Sociesc, net revenue fell 3.8% for the same reasons mentioned above.

Average Ticket

R\$ (million)	Education		
	2Q16	2Q15	% YA
Average Gross Ticket¹	\$ 1,271	\$ 1,145	+11.0%
Average Gross Ticket with Sociesc¹	\$ 1,250	-	+9.2%

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

The gross ticket (excluding Pronatec) averaged R\$1,271 in 2Q16, 11.0% up on the same period last year. As mentioned above, this growth can be explained by the 10.0% increase in tuition fees and the improved program mix. Including Sociesc, our weighted average gross ticket was R\$1,250, 9.2% higher than in 2Q15.

Total Costs and Gross Profit

The 2Q16 gross margin (-1pp vs. 2Q15 excluding the effects of Sociesc) represented an improvement compared with the drop reported in 1Q16 (-3.5pp vs. 1Q15). All our brands contributed to this improvement. This reflects the benefits of a decline in the dropout rate in the first semester of 2016 compared with the same period in 2015, in addition to our continuous efforts to control costs. As a result, we closed the first half of 2016 with gross profit of R\$196.7 million, which represents a gross margin of 47.3% (-2.2pp vs. 1H15). This decline was due to:

- Idle capacity in the new units that are not fully operational and the expansion of campuses in Belo Horizonte (-0.6pp);
- Loss of scale/efficiency (-1.6pp), due to the slowdown in our growth, especially in rental (excluding the effect of the new units), and academic support.

It is important to note that, despite the intake losses at the beginning of the semester, our modular academic model enabled us to maintain the average number of students per classroom relatively stable in all our institutions.

R\$ (million)	6M16					
	Education	% YA	Consolidated exclud. Sociesc	% YA	Sociesc	% YA
Net Revenue	468.3	8.3%	416.2	-3.7%	52.1	n.a.
Cash Cost of Services	(258.4)	18.4%	(219.5)	0.5%	(39.0)	n.a.
Gross Profit (exclud. deprec. /amort.)	209.9	-1.9%	196.7	-8.0%	13.1	n.a.
% Gross Margin	44.8%	-4.7 pp	47.3%	-2.2 pp	25.2%	n.a.



Sociesc's results for the period from February 1st to June 30th, 2016 added R\$13.1 million to our consolidated gross profit in 1H16, with a margin of 25.2%, still substantially lower than that of our other brands. This represented a dilution effect of 2.5pp in our consolidated gross profit.

As a result, we closed the first half of 2016 with gross profit of R\$209.9 million, which represents a gross margin of 44.8%.

Below the breakdown by institution:

R\$ (million)	6M16									
	UNA	% YA	UNIBH	% YA	UNIMONTE	% YA	SÃO JUDAS	% YA	SOCIESC	% YA
Net Revenue	142.5	-9.8%	123.7	-3.8%	27.0	3.7%	123.0	2.8%	52.1	n.a.
Cash Cost of Services	(74.0)	-5.2%	(54.2)	-1.1%	(15.1)	-0.7%	(76.2)	8.4%	(39.0)	n.a.
Gross Profit (exclud. deprec. /amort.)	68.5	-14.4%	69.5	-5.7%	12.0	9.9%	46.8	-5.2%	13.1	n.a.
% Gross Margin	48.1%	-2.6 pp	56.2%	-1.2 pp	44.2%	2.5 pp	38.0%	-3.2 pp	25.2%	n.a.

Operating Result

Selling Expenses

In 1H16, selling expenses totaled R\$30.6 million (+28.8% versus 1H15), or 6.5% of net revenue. While marketing expenses were in line with the same period last year, our provision for doubtful accounts (PDA) worsened by 1.0pp. It is worth noting that we have adopted a more conservative approach to provisioning for each aging level of our accounts receivable since 3Q15.

Although the 2Q16 results showed a higher increase as percentage of net revenue than in 1H16, we do not consider this to be a structural upturn. The comparison with 2Q15 was influenced by the fact that there was a partial reversal in São Judas' PDA and the fact that in 2Q16 we recognized the non-recurring impact on PDA of another migration of FIES receivables to non-FIES receivables related to students who missed the official government deadline for amending contracts from previous periods. In 2015, this effect was recognized in 1Q15.

General and Administrative Expenses

General and administrative expenses totaled R\$49.2 million (+11.7% vs. 1H15) and represented 10.5% of net revenue (-0.3pp vs. 1H15). As reported in 1Q16, this increase was mainly due to the consolidation of Sociesc's results as of February and higher expenses with FGEDUC, given that the 1H15 results benefited from a reversal in provisions due to the reclassification of FIES receivables to non-FIES receivables at the beginning of last year. In 2Q16, general and administrative expenses came to R\$25.3 million (+2.4% vs. 2Q15) and represented 10.6% of net revenue (+0.8pp vs. 2Q15).

Other Operating Revenues (Expenses)

In 1H16, other operating expenses stood at R\$3.5 million (+39.9% versus 1H15), or 0.7% of net revenue (-0.1pp versus 1H15). In addition to the consolidation of Sociesc, an increase of R\$1.2 million in provisions for risks in 2Q16 impacted the 1H16 result.

FINANCIAL PERFORMANCE – Other Businesses

R\$ (million)	Others									
	6M16	% Net Revenue	6M15	% Net Revenue	% YA	2Q16	% Net Revenue	2Q15	% Net Revenue	% YA
Gross Revenue	14.3	111.2%	9.7	112.1%	47.3%	8.6	109.7%	6.9	110.0%	24.5%
Discounts, Deductions & Scholarships	(0.6)	-4.6%	(0.6)	-6.7%	0.8%	(0.3)	-4.3%	(0.3)	-4.5%	20.5%
Taxes	(0.8)	-6.6%	(0.5)	-5.4%	81.9%	(0.4)	-5.4%	(0.3)	-5.5%	22.2%
Net Revenue	12.8	100.0%	8.6	100.0%	48.5%	7.9	100.0%	6.3	100.0%	24.8%
Cash Cost of Services	(9.6)	-75.0%	(5.0)	-57.7%	93.1%	(6.2)	-78.3%	(3.5)	-55.4%	76.4%
- Personnel	(1.8)	-14.2%	(0.0)	-0.1%	23010.6%	(1.1)	-13.6%	0.6	9.2%	-285.7%
- Services from Third Parties	(4.2)	-32.8%	(2.6)	-29.5%	65.0%	(2.7)	-34.4%	(2.1)	-34.0%	26.1%
- COGS	(1.5)	-11.6%	(0.4)	-4.4%	293.2%	(1.0)	-12.2%	(0.2)	-2.9%	432.2%
- Rental & Utilities	(1.0)	-7.6%	(0.9)	-10.1%	11.8%	(0.7)	-8.8%	(0.8)	-12.6%	-12.5%
- Others	(1.1)	-8.6%	(1.2)	-13.5%	-5.0%	(0.7)	-9.3%	(1.0)	-15.1%	-23.3%
Gross Profit (exclud. deprec. /amort.)	3.2	25.0%	3.7	42.3%	-12.2%	1.7	21.7%	2.8	44.6%	-39.4%
Sales Expenses	(1.2)	-9.0%	(2.0)	-23.7%	-43.7%	(0.9)	-12.1%	(1.1)	-18.0%	-16.4%
- Provision for Doubtful Accounts (PDA)	(0.3)	-2.2%	(0.3)	-3.4%	-3.5%	(0.3)	-3.8%	0.0	0.1%	-8760.2%
- Marketing	(0.9)	-6.8%	(1.7)	-20.3%	-50.4%	(0.6)	-8.2%	(1.1)	-18.1%	-43.0%
General & Administrative Expenses	(6.6)	-51.8%	(9.0)	-104.6%	-26.4%	(3.5)	-44.8%	(5.5)	-87.3%	-36.0%
- Personnel	(5.0)	-38.7%	(7.3)	-84.7%	-32.1%	(2.6)	-32.8%	(4.5)	-72.1%	-43.2%
- Third Party Services	(0.4)	-3.3%	(0.2)	-2.6%	85.4%	(0.2)	-2.9%	(0.2)	-2.7%	32.2%
- Rental & Utilities	(0.5)	-4.1%	(0.7)	-8.0%	-24.8%	(0.2)	-3.1%	(0.4)	-6.7%	-42.5%
- Others	(0.7)	-5.8%	(0.8)	-9.2%	-7.1%	(0.5)	-5.9%	(0.4)	-5.7%	29.2%
Other Operating Revenues (Expenses)	(0.1)	-0.8%	0.2	1.8%	-166.1%	(0.1)	-1.7%	(0.1)	-2.2%	-7.7%
- Provisions	0.0	0.0%	0.3	3.0%	-100.0%	0.0	0.0%	0.0	0.0%	0.0%
- Taxes	(0.2)	-1.9%	(0.3)	-3.7%	-23.3%	(0.2)	-2.3%	(0.3)	-4.2%	-32.5%
- Other Operating Revenues	0.1	1.1%	0.2	2.4%	-30.7%	0.0	0.6%	0.1	1.9%	-61.4%
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	(4.7)	-36.6%	(7.3)	-84.1%	-35.4%	(2.9)	-36.8%	(4.0)	-62.9%	-27.0%

As of 1Q16, we began consolidating HSM and Sociesc's Technological Innovation and Management (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 provides continuing education and professional development of executives and managers through customized courses that foster learning, the exchange of experience and networking. HSM Executive Education is made up of three business units: Events, Business School and Publishing.

In 2016, we plan to hold six events at HSM, including four master classes, in addition to the traditional format events, such as Forums and ExpoManagement. This quarter, we held three of these events: the Leadership and High Performance Forum in May and master classes on Family Business with John Davis and Finance with Aswath Damodaran. At the Business School, where we develop educational solutions through customized In-Company courses and the HSM Performance solution, we held ten programs in 2Q16 (one more than in 1Q16). At the Publishing unit, we began licensing the HSM Management magazine and books to a strategic partner as part of the restructuring plan designed in 2015. Finally, we closed the quarter with 25.0 thousand HSM Experience users.

The results of the first six months of 2016 still reflected the macroeconomic challenges faced in 2015; however, we are starting to feel the positive effects of the restructuring carried out at HSM last year, when we streamlined its operations as much as possible in order to reduce its



management structure. As a result, HSM recorded net revenue of R\$6.9 million in 1H16, R\$1.7 million lower than in 1H15, concentrated in the Events segment. On the other hand, we reduced the operating loss from R\$7.3 million in 1H15 to R\$3.8 million in 1H16. In 2Q16, net revenue came to R\$ 4.6 million, while the operating loss stood at R\$2.1 million.

The Management and Technological Innovation division generated R\$5.8 million in net revenue and an operating loss of R\$0.9 million in 1H16. In 2Q16, it recorded net revenue of R\$3.3 million and an operating loss of R\$0.8 million.

CONSOLIDATED PERFORMANCE

R\$ (million)	Consolidated Ânima									
	6M16	% Net Revenue	6M15	% Net Revenue	% YA	2Q16	% Net Revenue	2Q15	% Net Revenue	% YA
Gross Revenue	686.9	142.8%	612.5	138.9%	12.1%	352.6	142.9%	310.1	139.4%	13.7%
Discounts, Deductions & Scholarships	(195.7)	-40.7%	(161.5)	-36.6%	21.2%	(100.7)	-40.8%	(82.4)	-37.1%	22.1%
Taxes	(10.1)	-2.1%	(10.0)	-2.3%	0.4%	(5.2)	-2.1%	(5.3)	-2.4%	-1.0%
Net Revenue	481.1	100.0%	440.9	100.0%	9.1%	246.8	100.0%	222.4	100.0%	10.9%
Cash Cost of Services	(268.0)	-55.7%	(223.3)	-50.6%	20.0%	(151.2)	-61.3%	(126.9)	-57.1%	19.1%
- Personnel	(195.5)	-40.6%	(172.0)	-39.0%	13.7%	(109.2)	-44.2%	(95.7)	-43.0%	14.0%
- Services from Third Parties	(17.8)	-3.7%	(8.3)	-1.9%	114.6%	(13.0)	-5.3%	(6.0)	-2.7%	116.8%
- COGS	(1.5)	-0.3%	(0.4)	-0.1%	290.9%	(1.0)	-0.4%	(0.2)	-0.1%	427.4%
- Rental & Utilities	(39.3)	-8.2%	(30.4)	-6.9%	29.4%	(19.5)	-7.9%	(17.1)	-7.7%	14.3%
- Others	(13.9)	-2.9%	(12.2)	-2.8%	13.8%	(8.5)	-3.5%	(7.9)	-3.6%	7.8%
Gross Profit (exclud. deprec. /amort.)	213.1	44.3%	217.6	49.4%	-2.1%	95.6	38.7%	95.5	42.9%	0.1%
Sales Expenses	(31.7)	-6.6%	(25.8)	-5.9%	23.0%	(18.9)	-7.7%	(11.7)	-5.3%	61.5%
- Provision for Doubtful Accounts (PDA)	(19.6)	-4.1%	(13.8)	-3.1%	42.2%	(12.6)	-5.1%	(5.5)	-2.5%	127.7%
- Marketing	(12.2)	-2.5%	(12.0)	-2.7%	1.1%	(6.3)	-2.5%	(6.2)	-2.8%	1.9%
General & Administrative Expenses	(55.8)	-11.6%	(53.1)	-12.0%	5.2%	(28.8)	-11.7%	(30.2)	-13.6%	-4.6%
- Personnel	(30.0)	-6.2%	(32.1)	-7.3%	-6.7%	(14.8)	-6.0%	(18.7)	-8.4%	-20.8%
- Third Party Services	(5.1)	-1.1%	(3.6)	-0.8%	41.8%	(2.7)	-1.1%	(1.8)	-0.8%	52.8%
- Rental & Utilities	(2.5)	-0.5%	(2.4)	-0.5%	5.3%	(1.3)	-0.5%	(0.6)	-0.3%	108.8%
- Others	(18.2)	-3.8%	(15.0)	-3.4%	21.9%	(10.0)	-4.0%	(9.1)	-4.1%	9.6%
Other Operating Revenues (Expenses)	(3.6)	-0.7%	(2.3)	-0.5%	53.3%	(1.6)	-0.7%	(0.6)	-0.3%	158.5%
- Provisions	(6.4)	-1.3%	(5.0)	-1.1%	29.1%	(3.2)	-1.3%	(2.1)	-0.9%	50.3%
- Taxes	(1.2)	-0.2%	(0.9)	-0.2%	36.5%	(0.9)	-0.3%	(0.6)	-0.3%	42.7%
- Other Operating Revenues	4.0	0.8%	3.5	0.8%	14.6%	2.4	1.0%	2.1	0.9%	15.3%
Late Payment Fees	6.0	1.2%	4.1	0.9%	46.2%	1.4	0.6%	1.2	0.5%	15.7%
Operating Result	127.9	26.6%	140.5	31.9%	-9.0%	47.6	19.3%	54.2	24.4%	-12.1%
- Corporate Expenses	(28.1)	-5.8%	(23.6)	-5.3%	19.2%	(15.3)	-6.2%	(10.6)	-4.8%	44.2%
Adjusted EBITDA	99.8	20.7%	117.0	26.5%	-14.7%	32.4	13.1%	43.6	19.6%	-25.8%
(-) Late Payment Fees	(6.0)	-1.2%	(4.1)	-0.9%	46.2%	(1.4)	-0.6%	(1.2)	-0.5%	15.7%
(-) Non-Recurring Items ¹	(8.7)	-1.8%	(58.7)	-13.3%	0.0%	(8.3)	-3.4%	(56.8)	-25.5%	0.0%
EBITDA	85.1	17.7%	54.2	12.3%	57.1%	22.6	9.2%	(14.4)	-6.5%	-257.6%
Depreciation & Amortization	(18.7)	-3.9%	(14.4)	-3.3%	29.8%	(10.2)	-4.1%	(7.3)	-3.3%	39.6%
EBIT	66.4	13.8%	39.8	9.0%	67.0%	12.4	5.0%	(21.7)	-9.7%	-157.4%
Net Financial Result	(15.0)	-3.1%	(0.0)	0.0%	32266.7%	(13.8)	-5.6%	(2.4)	-1.1%	465.9%
EBT	51.4	10.7%	39.7	9.0%	29.5%	(1.4)	-0.6%	(24.1)	-10.8%	-94.2%
Income Tax and Social Contribution	0.3	0.1%	(0.0)	0.0%	-1297.8%	0.4	0.1%	(0.0)	0.0%	-1210.3%
Net Income Before Non-Controlling Interest	51.7	10.7%	39.7	9.0%	30.3%	(1.0)	-0.4%	(24.2)	-10.9%	-95.7%
Non-Controlling Interest	0.0	0.0%	0.0	0.0%		0.0	0.0%	0.0	0.0%	
Net Income	51.7	10.7%	39.7	9.0%	30.3%	(1.0)	-0.4%	(24.2)	-10.9%	-95.7%
(-) Non-Recurring Items ²	8.7	1.8%	58.7	13.3%	0.0%	8.3	3.4%	56.8	25.5%	0.0%
Adjusted Net Income	60.4	12.6%	98.4	22.3%	-38.6%	7.3	3.0%	32.6	14.7%	-77.7%

¹ Non-Recurring Items impacting EBITDA

² Non-Recurring Items impacting Net Income

Corporate Expenses

In 1H16, corporate expenses totaled R\$28.1 million (+19.2% vs. 1H15), representing 5.8% of net revenue (0.5pp worse than 1H15). Besides the natural inflation adjustments on salaries, as of 1Q16 we reclassified some personnel expenses related to corporate directors that are also legal entity representatives of our subsidiaries that were previously being accounted at the education segment level. The table below shows the comparison of pro-forma corporate expenses, reflecting this reclassification retroactively:



R\$ (million)	Consolidated					
	6M16	% Net Revenue	6M15 Actual	Adj	6M15 Adj	% Net Revenue
- Corporate Expenses	(28.1)	-5.8%	(23.6)	(3.5)	(27.0)	-6.1%

We are keeping the discipline and control over our corporate expenses in order to continue translating opportunities for productivity gains into margin improvements.

Adjusted EBITDA

Adjusted EBITDA totaled R\$99.8 million in 1H16 (-14.7% vs. 1H15), with a margin of 20.7% (-5.8pp vs. 1H15). As we mentioned in 1Q16, the consolidation of Sociesc, which still runs with lower margins than our other units, represented a 2.3pp margin dilution this semester. Besides this, our adjusted EBITDA margin fell another 3.5pp, mainly due to the decline in our student base and the resulting loss of scale (-2.5pp) and increased PDA (-1pp).

Non-Recurring Items

R\$ (million)	EBITDA	
	6M16	2Q16
Restructuring Expenses	(6.0)	(4.7)
Account Receivables Adjustments - FIES	1.9	0.9
Stock Options	(4.6)	(4.6)
Total Non Recurring Items	(8.7)	(8.3)

Restructuring Expenses This quarter, non-recurring restructuring expenses totaled R\$4.7 million. This amount refers to the increase in severance pay of professors and administrative staff resulting from the reduction in our student base.

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, 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, will have a positive effect as of 2016. This quarter we excluded the positive impact of this adjustment, which represented net revenue of R\$0.9 million in 2Q16 (R\$1.9 million in 1H16), with no cash impact.

Share-based compensation In accordance with the Material Fact dated December 21, 2015 related to the acquisition of Sociesc, the transaction structure established a potential bonus of up to 900 thousand Anima Educação shares subject to the achievement of specific financial, operational, academic and organizational goals. Although the actual granting of these shares is still dependent on the achievement of these goals, we already recognized a provision in this quarter's results, with no cash effect, equivalent to 50% of this potential bonus. The constitution of



this provision represented an impact of R\$4.6 million in 2Q16, which we are excluding from our adjusted EBITDA given its non-recurring nature.

Income Tax and Social Contribution

We continue benefiting from Prouni, which guarantees income tax and social contribution exemption for most of our business. In 1H16, we recorded income tax and social contribution credits of R\$0.3 million generated from Sociesc's business combination.

Financial Result

R\$ (million)	Consolidated Ânima			
	6M16	6M15	2Q16	2Q15
(+) Financial Revenue	26.7	15.5	9.9	6.7
Late Payment Fees	6.0	4.1	1.4	1.2
Interest on Financial Investments	10.2	5.6	5.1	1.8
Monetary restatement - FIES accounts receivable	8.8	0.0	3.3	0.0
Other Financial Revenues	1.7	5.8	0.2	3.7
(-) Financial Expense	(41.7)	(15.5)	(23.8)	(9.2)
Financial debt interest expense	(28.9)	(9.1)	(16.0)	(4.9)
Tax debt interest expenses	(0.2)	(0.2)	(0.1)	(0.1)
PraValer interest expenses	(5.1)	(2.3)	(2.7)	(1.4)
Other Financial Expenses	(7.5)	(4.0)	(5.0)	(2.8)
Financial Result	(15.0)	(0.0)	(13.8)	(2.4)

In 6M16, the net financial result came to a negative R\$15.0 million versus zero in the same period of 2015. Financial revenue moved up, due the increase in interest on financial investments and late payment fees. We also recorded financial revenue of R\$8.8 million in the six-month period from the monetary adjustment of FIES accounts receivable related to the agreement with the government regarding the tuition fees of 2015 affected by PN23. Differently from the impacts of the present value adjustment on accounts receivable and gross revenue, which are being excluded as non-recurring items from our results, this adjustment of the FIES balance by the IPCA represents an effective gain in our net income, and will positively affect the cash position as soon as the government pays the installments of the agreement. We are not, however, considering these effects in our adjusted EBITDA.

Our financial expenses with interest on bank loans were higher in the period due to the new loans taken out in 2015 and beginning of 2016. In addition, expenses with interest subsidy for our students enrolled in the *PraValer* financing program moved up to R\$5.1 million, due to the increased penetration of this program in our student base.

In the quarter, financial revenue totaled R\$9.9 million, while financial expenses came to R\$23.8 million, giving a negative net financial result of R\$13.8 million.



Adjusted Net Income

Adjusted net income totaled R\$60.4 million in the first half of 2016 (-38.6% vs. 1H15), with a margin of 12.6%.

Cash and Net Debt

R\$ (million)	Consolidated Ânima		
	JUN 16	JUN 15	MAR 16
Cash and Cash Equivalents	201.8	35.5	150.1
Cash	22.5	14.8	24.5
Financial Investments	179.3	20.7	125.6
Loans and Financing ¹	463.9	147.2	374.0
Short Term	109.2	62.4	136.4
Long Term	354.7	84.8	237.5
Net (Debt) Cash ²	(262.1)	(111.7)	(223.8)
Other Short and Long Term Obligations	34.3	3.0	32.7
Net (Debt) Cash ³	(296.4)	(114.6)	(256.6)

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 1H16, cash and cash equivalents totaled R\$201.8 million and loans and financing came to R\$463.9 million. In relation to March 2016, in addition to the recurring amortization of current loans, we settled a short-term bank debt totaling R\$30.0 million, as well as Sociesc's bank debt in the amount of R\$13.4 million. On the other hand, we took out a long-term (eight years) loan with the IFC in the amount of R\$140.2 million.

Other short and long-term liabilities, totaling R\$34.3 million, is represented by tax installments and mainly by the outstanding balance, adjusted to present value, of Sociesc's acquisition (R\$30.8 million). Therefore net debt totaled R\$296.4 million, which is equivalent to a leverage of 1.7x (net debt ÷ LTM adjusted EBITDA).



Accounts Receivable and Days of Sales Outstanding (DSO)

We ended 1H16 with net accounts receivable of R\$381.9 million. For management purposes and DSO calculation, we are adjusting accounts receivable by R\$5.9 million, which is the net impact between the original R\$7.8 million adjustment recorded in 4Q15 less the R\$1.9 million that has already passed through our results in 1H16.

As a result, adjusted accounts receivable totaled R\$387.8 million, an increase of R\$113.6 million compared with 2Q15, mainly due to the problems with FIES (PN23). On June 30, 2016, the government transferred CFTE-s (Treasury Financial Certificates) totaling R\$46.6 million related to the first installment of the agreement regarding the impacts of PN23. However, this will only reduce our accounts receivable in 3Q16, as the actual repurchase of these certificates took place in August.

	2Q16 *	1Q16 *	4Q15	3Q15	2Q15	
	Total	Total	Total	Total	Total	Δ 2Q16 / 2Q15
Net Accounts Receivable	381.9	386.8	289.3	272.6	274.2	107.7
Adjusted Accounts Receivable FIES	(5.9)	(6.9)	(7.8)	0.0	0.0	(5.9)
Adjusted Net Accounts Receivable	387.8	393.6	297.1	272.6	274.2	113.6
to mature	330.5	338.9	239.1	226.7	220.5	110.0
untill 180 days	43.5	42.1	40.9	32.4	43.4	0.1
between 180 and 360 days	9.7	9.3	14.4	9.8	6.5	3.2
between 361 and 720 days	4.2	3.3	2.7	3.7	3.9	0.3
for more than 721 days	0.0	0.0	(0.0)	0.0	0.0	(0.0)

Thus, our DSO (Days of Sales Outstanding) grew to 144 days, which despite representing an increase versus the same period last year, already shows a positive trend compared to last quarter. The improvement is observed in both the FIES and non-FIES student segments, given that we are once again receiving the tuition fees related to this program in a regular manner.

Breaking down our accounts receivable, we reported a DSO of 286 days for FIES receivables, or 116 days more than in 2Q15, but 13 days less than in 1Q16. For non-FIES students our DSO stood at 54 days in 2Q16, fifteen days less than the 69 days reported in 2Q15 and two days less than in 1Q16. In the other businesses line, we closed the quarter with a DSO of 116 days. Finally, regarding Pronatec, we ended 2Q16 with a DSO of 72 days.



	2Q16 *	1Q16 *	4Q15	3Q15	2Q15	
Total	Total	Total	Total	Total	Total	Δ 2Q16 / 2Q15
Net Accounts Receivable	381.9	386.8	289.3	272.6	274.2	107.7
Adjusted Accounts Receivable FIES	(5.9)	(6.9)	(7.8)	0.0	0.0	(5.9)
Adjusted Net Accounts Receivable	387.8	393.6	297.1	272.6	274.2	113.6
Net Revenue (accumulative)	481.1	234.4	864.9	650.3	440.9	40.2
DSO	144	149	124	113	112	32

	2Q16 *	1Q16 *	4Q15	3Q15	2Q15	
FIES	Total	Total	Total	Total	Total	Δ 2Q16 / 2Q15
Net Accounts Receivable	285.4	287.0	207.3	188.8	176.7	108.7
Adjusted Accounts Receivable FIES	(5.9)	(6.9)	(7.8)	0.0	0.0	(5.9)
Adjusted Net Accounts Receivable	291.3	293.9	215.1	188.8	176.7	114.6
Net Revenue (accumulative)	182.8	88.5	369.4	278.6	187.2	(4.4)
DSO	286	299	210	183	170	116

	2Q16 *	1Q16 *	4Q15	3Q15	2Q15	
Non FIES	Total	Total	Total	Total	Total	Δ 2Q16 / 2Q15
Net Accounts Receivable	84.5	86.6	78.3	77.3	89.7	(5.2)
Net Revenue (accumulative)	279.8	136.3	451.8	347.0	237.4	42.4
DSO	54	56	63	61	69	-15

	2Q16 *	1Q16 *	4Q15	3Q15	2Q15	
Others	Total	Total	Total	Total	Total	Δ 2Q16 / 2Q15
Net Accounts Receivable	9.3	8.9	3.2	4.0	3.6	5.7
Net Revenue (accumulative)	12.8	5.0	32.5	14.6	8.6	4.2
DSO	116	121	36	74	75	41

	2Q16 *	1Q16 *	4Q15	3Q15	2Q15	
PRONATEC	Total	Total	Total	Total	Total	Δ 2Q16 / 2Q15
Net Accounts Receivable	2.7	4.2	0.4	2.5	4.1	(1.5)
Net Revenue (accumulative)	5.7	4.5	11.2	10.1	7.7	(2.0)
DSO	72	60	14	67	97	-25

* 1Q16 and 2Q16 weighted DSO, based on the fact that Sociesc started to be consolidated as of Feb. 1st 2016

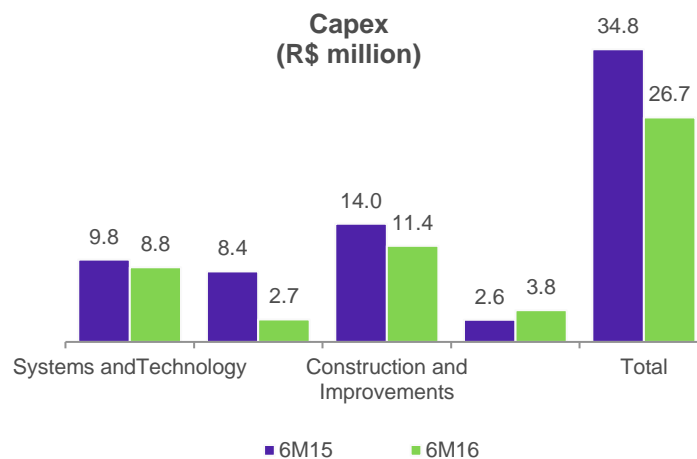


Investments (CAPEX)

In 1H16, CAPEX totaled R\$26.7 million, or 5.6% of net revenue, down from R\$34.8 million, or 7.9% of net revenue, in 1H15. This figure includes both maintenance and expansion projects.

It is worth noting that, in the first half of 2015, we were still investing in certain important capacity expansion projects, including Una's new campuses in the countryside of Minas Gerais, and São Judas organic growth in existing campuses.

In addition to investing in our campuses, we continue investing in systems and technology applied to education. Our main projects include those related to content development and the improvement of the technological platforms for Distance Learning and other innovation projects.





Cash Flow

	6M16	6M15	2Q16	2Q15
Net Income	51.7	39.7	(1.0)	(24.2)
Depreciation & Amortization	18.7	14.4	10.2	7.3
Interest expenses/revenues	12.0	4.2	9.4	3.3
Provisions for labor, tax and civil risks	5.6	4.1	3.3	1.9
Other non-cash adjustments	6.1	0.1	4.6	0.1
Contract Cancellation Whitney - Account Impact	0.0	53.7	0.0	53.7
Operating Cash Flow	94.1	116.1	26.4	42.1
Δ Accounts receivable/PDA	(69.1)	(117.0)	7.6	(58.2)
Δ Other assets/liabilities	(13.8)	13.7	(13.3)	11.1
Working Capital Variance	(82.9)	(103.4)	(5.8)	(47.1)
Free Cash Flow before CAPEX	11.2	12.8	20.7	(5.0)
CAPEX - Fixed and Intangible	(26.7)	(34.8)	(12.7)	(14.4)
Free Cash Flow	(15.5)	(22.0)	8.0	(19.4)
Financing/Investments activities	70.9	13.2	78.8	21.4
Shares held in treasury	(27.5)	0.0	(19.0)	0.0
Acquisitions	4.4	(6.2)	(0.9)	0.0
Dividends	(15.2)	(39.2)	(15.2)	(39.2)
Contract Cancellation Whitney - Cash Impact	0.0	53.7	0.0	53.7
Net Cash Flow from Financing Activities	32.6	(78.4)	43.6	35.9
Net Increase (Reduction) of Cash and Cash Equivalents	17.1	(100.4)	51.6	(83.3)
Cash at the begging of the period	184.5	135.9	150.1	118.8
Cash at the end of the period	201.8	35.5	201.8	35.5

Year-to-date operating cash flow before working capital and CAPEX was R\$94.1 million. Working capital consumption stood at R\$82.9 million in 6M16, mostly still related to the increase in FIES accounts receivable in 1Q16. It's worth noting that in 2Q16 we began to see the recovery of cash from accounts receivable (R\$7.6 million), which should be intensified in 3Q16. We invested this semester R\$26.7 million in Capex. As a result, free cash flow came to a R\$15.5 million consumption in the semester, but on a positive trend as of 2Q16, which presented a free cash flow generation of R\$8.0 million.

Financing activities in the period (R\$70.9 million) include a new long-term loan of R\$140.2 million from the IFC, the pre-payment of more expensive loans from Sociesc and the amortization of other loans in accordance with their respective payment schedules.

We continue carrying out the share repurchase program, which totaled R\$27.5 million in the semester (R\$19.0 million in 2Q16), and also distributed R\$15.2 million in dividends. Finally, we paid monthly installments totaling R\$0.9 million related to the Sociesc acquisition, which, added to the R\$5.3 million minimum cash on the transaction generated a positive impact of R\$4.4 million.

As a result, the cash position increased R\$17.1 million in 6M16 (+R\$51.6 million in 2Q16), for a cash position on June 30, 2016 of R\$201.8 million.

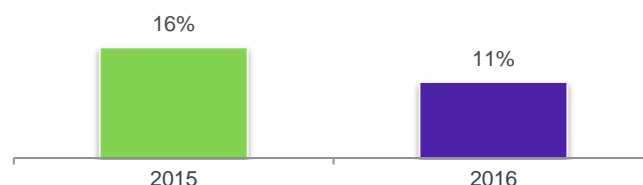


Return On Invested Capital (ROIC)

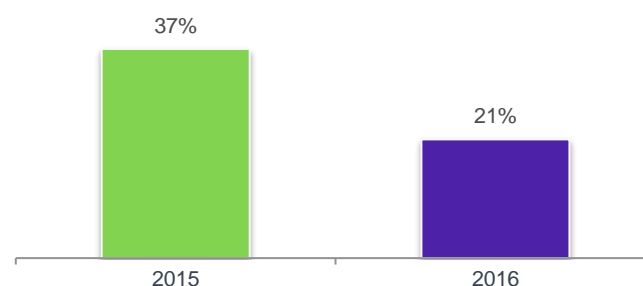
We monitor our financial performance through our return on invested capital (ROIC), among other metrics. At the end of 2Q16, we had a ROIC for the last twelve months of 11%. The decrease compared to 2015 can be explained by the consolidation of Sociesc's results and the significant increase in the average invested capital, mostly due to FIES accounts receivable.

Excluding non-amortized intangible assets from the total invested capital, we reported a return of 21% in 2Q16. We believe that the ROIC analysis, using both approaches, provides a complementary perspective to track our business performance in a more comprehensive manner.

ROIC¹



ROIC excluding non-amortized intangible assets¹



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

APPENDIX 1 – Reconciliation of the 6M16 Income Statement

Consolidated Ânima R\$ (million)	6M16					
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non- Recurring Items	IFRS Income Statement
Gross Revenue	686.9				1.9	688.8
Discounts, Deductions & Scholarships	(195.7)					(195.7)
Taxes	(10.1)					(10.1)
Net Revenue	481.1				1.9	483.0
Cash Cost of Services	(268.0)	(10.6)	0.0	0.0	(2.9)	(281.5)
- Personnel	(195.5)				(2.9)	(198.4)
- Services from Third Parties	(17.8)					(17.8)
- COGS	(1.5)					(1.5)
- Rental & Utilities	(39.3)					(39.3)
- Others	(13.9)	(10.6)				(24.5)
Gross Profit (exclud. deprec. /amort.)	213.1	(10.6)	0.0	0.0	(1.0)	201.4
Sales Expenses	(31.7)		(0.8)		0.0	(32.6)
- Provision for Doubtful Accounts (PDA)	(19.6)		0.0			(19.6)
- Marketing	(12.2)		(0.8)			(13.0)
General & Administrative Expenses	(55.8)	(8.1)	(27.1)	0.0	(7.3)	(98.3)
- Personnel	(30.0)		(18.7)		(5.9)	(54.7)
- Third Party Services	(5.1)		(3.7)			(8.8)
- Rental & Utilities	(2.5)		(0.4)			(2.9)
- Others	(18.2)	(8.1)	(4.3)		(1.3)	(31.9)
Other Operating Revenues (Expenses)	(3.6)	0.0	(0.6)	0.0	0.0	(4.2)
- Provisions	(6.4)		0.3			(6.1)
- Taxes	(1.2)		(0.8)			(2.0)
- Other Operating Revenues	4.0		(0.1)			3.9
Late Payment Fees	6.0			(6.0)		0.0
Operating Result	127.9	(18.7)	(28.5)	(6.0)	(8.2)	66.4
- Corporate Expenses	(28.1)		28.5		(0.5)	(0.0)
Adjusted EBITDA	99.8	(18.7)	0.0	(6.0)	(8.7)	66.4
(-) Late Payment Fees	(6.0)			6.0		0.0
(-) Non-Recurring Items ¹	(8.7)				8.7	0.0
EBITDA	85.1	(18.7)	0.0	0.0	0.0	66.4
Depreciation & Amortization	(18.7)	18.7				0.0
EBIT	66.4	0.0	0.0	0.0	0.0	66.4
Net Financial Result	(15.0)					(15.0)
EBT	51.4	0.0	0.0	0.0	0.0	51.4
Income Tax and Social Contribution	0.3					0.3
Net Income	51.7	0.0	0.0	0.0	0.0	51.7
Before Non-Controlling Interest						
Non-Controlling Interest	0.0					0.0
Net Income	51.7	0.0	0.0	0.0	0.0	51.7
(-) Non-Recurring Items ²	8.7				(8.7)	0.0
Adjusted Net Income	60.4	0.0	0.0	0.0	(8.7)	51.7

¹ Non-Recurring Items impacting EBITDA

² Non-Recurring Items impacting Net Income



APPENDIX 2 – Reconciliation of the 2Q16 Income Statement

Ânima Consolidated R\$ (million)	2Q16					
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non- Recurring Items	IFRS Income Statement
Gross Revenue	352.6				0.9	353.6
Discounts, Deductions & Scholarships	(100.7)					(100.7)
Taxes	(5.2)					(5.2)
Net Revenue	246.8				0.9	247.7
Cash Cost of Services	(151.2)	(5.6)	0.0	0.0	(2.9)	(159.7)
- Personnel	(109.2)				(2.9)	(112.0)
- Services from Third Parties	(13.0)					(13.0)
- COGS	(1.0)					(1.0)
- Rental & Utilities	(19.5)					(19.5)
- Others	(8.5)	(5.6)				(14.1)
Gross Profit (exclud. deprec. /amort.)	95.6	(5.6)	0.0	0.0	(1.9)	88.1
Sales Expenses	(18.9)		(0.4)		0.0	(19.3)
- Provision for Doubtful Accounts (PDA)	(12.6)		0.0			(12.6)
- Marketing	(6.3)		(0.4)			(6.7)
General & Administrative Expenses	(28.8)	(4.6)	(14.9)	0.0	(5.9)	(54.3)
- Personnel	(14.8)		(9.8)		(5.9)	(30.5)
- Third Party Services	(2.7)		(2.4)			(5.1)
- Rental & Utilities	(1.3)		(0.1)			(1.5)
- Others	(10.0)	(4.6)	(2.6)		0.0	(17.2)
Other Operating Revenues (Expenses)	(1.6)	0.0	(0.4)	0.0	0.0	(2.0)
- Provisions	(3.2)		0.1			(3.0)
- Taxes	(0.9)		(0.4)			(1.3)
- Other Operating Revenues	2.4		(0.1)			2.3
Late Payment Fees	1.4			(1.4)		0.0
Operating Result	47.6	(10.2)	(15.7)	(1.4)	(7.9)	12.4
- Corporate Expenses	(15.3)		15.7		(0.5)	(0.0)
Adjusted EBITDA	32.4	(10.2)	0.0	(1.4)	(8.3)	12.4
(-) Late Payment Fees	(1.4)			1.4		0.0
(-) Non-Recurring Items ¹	(8.3)				8.3	0.0
EBITDA	22.6	(10.2)	0.0	0.0	0.0	12.4
Depreciation & Amortization	(10.2)	10.2				0.0
EBIT	12.4	0.0	0.0	0.0	0.0	12.4
Net Financial Result	(13.8)					(13.8)
EBT	(1.4)	0.0	0.0	0.0	0.0	(1.4)
Income Tax and Social Contribution	0.4					0.4
Net Income	(1.0)	0.0	0.0	0.0	0.0	(1.0)
Before Non-Controlling Interest						
Non-Controlling Interest	0.0					0.0
Net Income	(1.0)	0.0	0.0	0.0	0.0	(1.0)
(-) Non-Recurring Items ²	8.3				(8.3)	0.0
Adjusted Net Income	7.3	0.0	0.0	0.0	(8.3)	(1.0)

¹ Non-Recurring Items impacting EBITDA

² Non-Recurring Items impacting Net Income



APPENDIX 3 – Income Statement – IFRS

	6M16	6M15	2Q16	2Q15
Net Revenue	483.0	440.5	247.7	222.4
COST OF SERVICES	(281.6)	(231.8)	(159.7)	(131.2)
Gross (Loss) Profit	201.4	208.7	88.1	91.3
OPERATING (EXPENSES) / INCOME	(135.0)	(168.9)	(75.6)	(112.9)
Commercial	(32.6)	(25.8)	(19.3)	(11.9)
General and administrative	(98.3)	(140.1)	(54.3)	(100.0)
Equity income	-	-	-	-
Other operating (expenses) revenues	(4.2)	(3.0)	(2.0)	(1.0)
Income before Financial Result	66.4	39.8	12.4	(21.7)
Financial interest income	67.7	15.5	44.8	6.7
Financial interest expenses	(82.7)	(15.5)	(58.7)	(9.2)
Net (Loss) Income before Taxes	51.4	39.7	(1.4)	(24.1)
Income tax and social contribution, current and deferred	0.3	(0.0)	0.4	(0.0)
Net Income or Loss before Non-Controlling Interest	51.7	39.7	(1.0)	(24.2)
Non-Controlling Interest	-	-	-	-
Net Income or Loss for the Period	51.7	39.7	(1.0)	(24.2)



APPENDIX 4 – Balance Sheet - IFRS

Assets	JUN 16	JUN 15	MAR 16	Liabilities	JUN 16	JUN 15	MAR 16
Current Assets	499.3	345.4	443.9	Current Liabilities	235.2	188.0	259.2
Cash and cash equivalents	22.5	14.8	24.5	Supplier	21.9	25.1	19.1
Cash & financial investments	179.3	20.7	125.6	Loans	101.0	62.4	138.2
Accounts receivable	250.1	274.0	258.4	Personnel	68.0	63.3	49.9
Prepaid expenses	27.1	17.2	13.3	Taxes payable	8.9	8.5	8.5
Recoverable taxes	9.5	7.3	8.8	Advances from clients	23.1	27.8	22.6
Derivatives	-	-	3.2	Tax debt installments	0.2	0.1	0.2
Other current assets	10.7	11.3	10.2	Accounts payables	3.3	-	3.3
				Dividends payables	0.0	0.0	15.3
				Derivatives	8.4	-	1.6
				Other current liabilities	0.6	0.9	0.6
Non-Current Assets	942.9	636.8	894.5	Non-Current Liabilities	536.0	158.2	392.8
Accounts receivable	131.8	0.2	128.4	Loans	333.6	84.8	233.1
Prepaid expenses	12.1	2.6	4.4	Accounts payables	27.5	-	25.9
Judicial deposits	31.7	25.6	31.2	Debit with related parties	-	-	-
Credit with related parties	0.0	-	0.0	Client advances	-	-	-
Recoverable taxes	6.4	8.4	6.4	Tax debt installments	3.3	2.9	3.3
Derivatives	-	-	-	Deferred income tax and social contribution	53.5	15.4	25.3
Other non-current assets	15.4	9.1	14.8	Provisions for risks	96.6	54.3	100.2
Investments	-	-	-	Derivatives	21.1	-	4.5
Fixed	214.2	141.3	211.1	Other non-current liabilities	0.4	0.8	0.5
Intangible	531.3	449.6	498.2				
				Shareholder Equity	671.0	636.0	686.5
				Capital Stock	496.4	496.4	496.4
				Capital reserve	5.9	1.2	1.2
				Earnings reserve	217.2	168.2	217.2
				Shares in treasury	(30.6)	(0.0)	(11.6)
				Goodwill on capital transactions	-	(69.6)	-
				Asset valuation adjustment	(69.6)	-	(69.6)
				Retained earnings	51.7	39.7	52.8
Total Assets	1,442.2	982.2	1,338.5	Total Liabilities and Shareholder Equity	1,442.2	982.2	1,338.5



APPENDIX 5 – Cash Flow – IFRS

	6M16	6M15	2Q16	2Q15
Net Income for the period	51.7	39.7	(1.0)	(24.2)
Adjustments for				
Provision for doubtful accounts	19.6	13.4	12.6	5.5
Legal deposits update	(0.5)	(1.0)	0.3	(0.5)
Depreciation and amortization	18.7	14.4	10.2	7.3
Decrease in residual value of fixed and intangible assets	1.7	0.1	0.3	0.1
Interest on loans, financing and tax installments	29.0	9.2	16.1	5.0
Constitution, reversal and update of provision for labor, tax and civil risks	6.1	5.2	3.0	2.4
Present value adjustments to accounts payable	3.6	0.2	2.5	-
FIES revenues regarding present value adjustments and monetary restatement	(10.7)	-	(4.2)	-
Share repurchase program bonuses	4.6	-	4.6	-
Deferred income tax and social contribution	(0.3)	0.0	(0.4)	0.0
Losses with investments	0.0	-	-	-
	123.6	81.1	44.1	(4.3)
Change in operating assets and liabilities				
(Increase) decrease in accounts receivable	(88.7)	(130.4)	(5.1)	(63.7)
Decrease in other prepaid expenses	(15.1)	7.6	(21.6)	(2.6)
Increase in legal deposits	(4.6)	(4.5)	(2.4)	(2.5)
Decrease in taxes and recoverable contributions	0.6	1.8	(0.7)	2.3
Decrease in other assets	(0.9)	(3.7)	(0.6)	0.6
Decrease in suppliers	0.2	8.5	2.7	2.9
Decrease in tax, social security and labor obligations	16.1	14.4	18.4	14.5
Increase in advances from clients	1.1	1.6	0.5	5.2
Decrease in tax installments and other contributions	(0.2)	(0.3)	(0.1)	(0.2)
(Decrease) in provision for labor, tax and civil risks	(10.7)	(4.5)	(9.6)	(2.6)
(Decrease) Increase in other liabilities	(0.3)	(0.1)	(0.1)	0.7
Cash from operations	(102.4)	(109.6)	(18.5)	(45.4)
Interest paid	(15.7)	(6.9)	(9.4)	(3.2)
Income tax and social contribution paid	(0.3)	-	(0.0)	-
	5.2	(35.4)	16.1	(52.9)
Net cash flow from operating activities				
Cash Flow from Investment Activities				
Acquisitions net of cash and equivalents	5.3	-	-	-
Decrease (Increase) in financial assets	(10.1)	104.5	(48.5)	74.0
Income from financial assets	(9.9)	(5.2)	(5.0)	(1.6)
Fixed asset purchase	(19.3)	(34.8)	(10.1)	(14.4)
Intangible asset purchase	(7.4)	-	(2.6)	-
	(41.5)	64.5	(66.2)	58.0
Net cash flow (applied) from investment activities				
Cash Flow from Financial Activities				
Loans and financing				
Funding	143.0	30.0	139.4	30.0
Amortizations	(67.0)	(21.1)	(57.0)	(6.8)
Shares held in treasury	(27.5)	-	(19.0)	-
Dividends paid	(15.2)	(39.2)	(15.2)	(39.2)
	33.3	(30.2)	48.2	(16.0)
Net cash (applied to) flow from financing activities				
Cash (Applied) Flow for the Period	(2.9)	(1.1)	(1.9)	(10.9)
Change in Cash and Cash Equivalents				
Cash and cash equivalents at the beginning of the period	25.5	15.9	(0.0)	0.0
Cash and cash equivalents at the end of the period	22.5	14.8	(1.9)	(10.9)
Increase (Decrease) of Cash and Cash Equivalents	(2.9)	(1.1)	(1.9)	(10.9)