GAEC Educação S.A. and subsidiaries

Interim financial information for the three and six-month period ended June 30, 2016 and Independent Auditor's Report

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Management of
Gaec Educação S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying interim financial information of GAEC Educação S.A., identified as parent company and consolidated, respectively, included in the Interim Financial Information Form (ITR), for the quarter ended June 30, 2016, which comprises the statement of financial position as of June 30, 2016 and the related statements of income, comprehensive income for the three and six-month periods then ended, changes in equity and of cash flows for the three and six-month periods then ended, including the explanatory notes.

The Company's Management is responsible for the preparation of the parent company and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Information and with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim financial information included in the ITR referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of Interim Financial Information (ITR), and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added (DVA), for the six-month period ended June 30, 2016, prepared under the responsibility of the Company's Management, the presentation of which is required by the standards issued by the CVM applicable to the preparation of Interim Financial Information (ITR) and considered as supplemental information for International Financial Reporting Standards - IFRS, which does not require the presentation of DVA. These statements were subject to the same review procedures described above, and, based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the interim financial information taken as a whole.

Belo Horizonte, August 08, 2016

DELOITTE TOUCHE TOHMATSU
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GAEC EDUCAÇÃO S.A.

STATEMENT OF FINANCIAL POSITION AS AT June 30, 2016
Amounts in thousands of Brazilian reais R$

		Company		Consolidated	
ASSETS	Note	6/30/2016	12/31/2015	6/30/2016	12/31/2015
CURRENT ASSETS					
Cash and cash equivalents	6	1,778	1,411	22,537	25,480
Cash & financial investments	6	127,116	153,482	179,287	159,058
Accounts receivables	7 and 29	8,798	8,280	250,146	165,855
Prepaid expenses	8	663	671	27,121	19,001
Dividends receivable		25,858	56,858	-	-
Recoverable taxes	9.	3,229	2,029	9,536	8,288
Derivatives	30	-	12,093	-	12,093
Other current assets		58	56	10,669	4,349
Total current assets		167,500	234,880	499,296	394,124
NONCURRENT ASSETS					
Accounts receivables	7 and 29	-	-	131,760	123,397
Prepaid expenses	8	-	-	12,144	2,983
Judicial deposits	21	24	42	31,718	27,915
Credits with related parties	29	-	-	12	12
Recoverable taxes	9.	2,090	3,590	6,407	7,525
Derivatives	30	-	10,725	-	10,725
Other noncurrent assets		-	-	15,396	10,534
Investments	11	899,809	716,985	-	-
Fixed assets	12	4,464	3,901	214,233	145,958
Intangible assets	13	14,376	12,132	531,269	452,604
Total noncurrent assets		920,763	747,375	942,939	781,653
TOTAL ASSETS		1,088,263	982,255	1,442,235	1,175,777

		Company		Consolidated	
LIABILITIES AND EQUITY	Note	6/30/2016	12/31/2015	6/30/2016	12/31/2015
CURRENT LIABILITIES					
Suppliers	14	2,821	3,315	21,875	19,606
Borrowings and financing	15	75,492	109,399	101,000	124,192
Personnel	16	6,349	7,097	67,951	46,358
Taxes payable	17	724	901	8,872	10,690
Advances from clients	18	-	-	23,061	21,042
Tax debt installments	19	-	-	160	180
Accounts payable	20	-	-	3,313	-
Dividends payable		17	15,266	17	15,266
Derivatives	30	8,217	-	8,402	-
Other current liabilities		-	11	565	730
Total current liabilities		93,620	135,989	235,216	238,064
NONCURRENT LIABILITIES					
Borrowings and financing	15	300,959	201,820	333,635	230,263
Accounts payable	20	-	-	27,515	-
Tax debt installments	19	-	-	3,319	3,387
Deferred income tax and social contribution	10	-	-	53,472	15,320
Provision for risks	21	1,592	2,328	96,553	46,092
Derivatives	30	21,089	-	21,089	-
Other noncurrent liabilities		-	-	433	533
Total noncurrent liabilities		323,640	204,148	536,016	295,595
TOTAL LIABILITIES		417,260	340,137	771,232	533,659
EQUITY					
Capital stock	22	496,411	496,411	496,411	496,411
Capital reserve		5,856	1,231	5,856	1,231
Earnings reserve		217,191	217,191	217,191	217,191
Shares in treasury		(30,608)	(3,149)	(30,608)	(3,149)
Asset valuation adjustment		(69,566)	(69,566)	(69,566)	(69,566)
Retained earnings		51,719	-	51,719	-
Total equity		671,003	642,118	671,003	642,118
TOTAL EQUITY AND LIABILITIES		1,088,263	982,255	1,442,235	1,175,777

The notes are an integral part of the interim financial information.

GAEC EDUCAÇÃO S.A.

STATEMENT OF INCOME FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016
Amounts in thousands of Brazilian reais R$

		Company				Consolidated			
	Note	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015
NET REVENUE	24	630	1,259	581	1,162	247,708	482,997	222,443	440,462
COST OF PRODUCTS AND SERVICES	25	(4,522)	(8,112)	(2,247)	(7,690)	(159,654)	(281,550)	(131,184)	(231,767)
GROSS INCOME (LOSS)		(3,892)	(6,853)	(1,666)	(6,528)	88,054	201,447	91,259	208,695
OPERATING INCOME (EXPENSES)									
Selling expenses	25	(437)	(835)	(164)	(352)	(19,337)	(32,581)	(11,931)	(25,809)
General and administrative expenses	25	(534)	(884)	(53,954)	(54,268)	(54,288)	(98,256)	(99,971)	(140,099)
Equity in the earnings (losses) of subsidiaries	11	14,845	76,719	31,958	101,713	-	-	-	-
Other operating income (expenses)	25	603	1,303	271	622	(1,983)	(4,200)	(1,030)	(3,031)
		14,477	76,303	(21,889)	47,715	(75,608)	(135,037)	(112,932)	(168,939)
EARNINGS BEFORE FINANCIAL RESULT		10,585	69,450	(23,555)	41,187	12,446	66,410	(21,673)	39,756
Financial result	27	(11,621)	(17,731)	(598)	(1,503)	(13,846)	(15,005)	(2,447)	(46)
PROFIT (LOSS) BEFORE INCOME TAXES		(1,036)	51,719	(24,153)	39,684	(1,400)	51,405	(24,120)	39,710
Current and deferred income tax and social contribution	10	-	-	-	-	364	314	(33)	(26)
PROFIT (LOSS) FOR THE PERIOD		(1,036)	51,719	(24,153)	39,684	(1,036)	51,719	(24,153)	39,684
EARNINGS (LOSS) PER SHARE		(0.01)	0.63	(0.29)	0.48				

The notes are an integral part of the interim financial information.

INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE- AND NINE-MONTH PERIOD ENDED June 30, 2016
Amounts in thousands of Brazilian reais R$

					Earnings reserves				
	Note	Capital stock	Capital reserve	Shares in treasury	Legal reserve	Profit retention	Asset valuation adjustment	Retained earnings	Total equity
BALANCES AT DECEMBER 31, 2014		496,411	1,232	(11)	10,168	158,068	(69,566)	-	596,302
Incentive plan		-	(1)	1	-	-	-	-	-
Profit for the period		-	-	-	-	-	-	39,684	39,684
BALANCES AT JUNE 30, 2015		496,411	1,231	(10)	10,168	158,068	(69,566)	39,684	635,986
BALANCES AT DECEMBER 31, 2015		496,411	1,231	(3,149)	13,378	203,813	(69,566)	-	642,118
Share-based compensation	29.2	-	4,625	-	-	-	-	-	4,625
Acquisition of treasury shares	22.b	-	-	(27,459)	-	-	-	-	(27,459)
Profit for the period		-	-	-	-	-	-	51,719	51,719
BALANCES AT JUNE 30, 2016		496,411	5,856	(30,608)	13,378	203,813	(69,566)	51,719	671,003

The notes are an integral part of the interim financial information.

GAEC EDUCAÇÃO S.A.

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016
Amounts in thousands of Brazilian reais R$

	Company				Consolidated			
	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015
PROFIT (LOSS) FOR THE PERIOD	(1,036)	51,719	(24,153)	39,684	(1,036)	51,719	(24,153)	39,684
Other comprehensive income	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(1,036)	51,719	(24,153)	39,684	(1,036)	51,719	(24,153)	39,684

The notes are an integral part of the interim financial information.

GAEC EDUCAÇÃO S.A.

STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016

Amounts in thousands of Brazilian reais R$

		Company		Consolidated	
	Note	6/30/2016	6/30/2015	6/30/2016	6/30/2015
CASH FLOW FROM OPERATING ACTIVITIES					
Profit for the period		51,719	39,684	51,719	39,684
Adjustments:					
Provision for doubtful accounts	25	-	-	19,589	13,367
Legal deposits update	21	4	(1)	(504)	(1,036)
Depreciation and amortization	25	2,234	1,386	18,717	14,414
Decrease in residual value of fixed and intangible assets	12/13	90	39	1,726	56
Equity income	11	(76,719)	(101,713)	-	-
Losses with investment		-	-	36	-
Interest on loans, financing and tax installments		23,900	4,413	29,035	9,201
Constitution, reversal and update of provision for labor, tax and civil risks	25	(314)	192	6,097	5,160
Present value adjustments to accounts payable	27	-	166	3,560	183
FIES revenues regarding present value adjustments and monetary restatement		-	-	(10,659)	-
Share repurchase program bonuses	22	-	-	4,625	-
Deferred income tax and social contribution	10	-	-	(314)	26
		914	(55,834)	123,627	81,055
Variation in operating assets and liabilities:					
(Increase) decrease in accounts receivables		(518)	(121)	(88,696)	(130,375)
Decrease (increase) in other prepaid expenses		8	5,797	(15,063)	7,581
Decrease (increase) in legal deposits	21	14	(5)	(4,585)	(4,532)
Decrease in taxes and recoverable contributions		300	318	604	1,841
Decrease (increase) in other assets		(2)	3	(912)	(3,707)
(Decrease) increase in suppliers		(494)	497	186	8,492
(Decrease) in tax, social security and labor obligations		(925)	(1,353)	16,056	14,374
Increase in advances from clients		-	-	1,118	1,632
(Decrease) in tax installments and other contributions		-	-	(192)	(339)
(Decrease) in provision for labor, tax and civil risks	21	(422)	(49)	(10,670)	(4,452)
(Decrease) increase in other liabilities		(10)	-	(265)	(78)
		(2,049)	5,087	(102,419)	(109,563)
Interest paid		(9,838)	(2,144)	(15,689)	(6,857)
Income tax and social contribution paid		-	-	(298)	-
Net cash flow from operating activities		(10,973)	(52,891)	5,221	(35,365)
CASH FLOW FROM INVESTING ACTIVITIES					
Capital increase in subsidiary	11	(101,480)	(30,175)	-	-
Acquisition net of cash and equivalents		-	-	5,251	-
Decrease (increase) in financial assets		34,477	16,301	(10,079)	104,467
Income from financial assets		(8,111)	(1,850)	(9,943)	(5,208)
Acquisition of fixed assets	12	(1,458)	(1,179)	(19,311)	(28,521)
Acquisition of intangible assets	13	(3,673)	(4,058)	(7,373)	(6,250)
Dividends received		31,000	92,690	-	-
Net cash flow (applied) form investment activities		(49,245)	71,729	(41,455)	64,488
CASH FLOW FROM FINANCING ACTIVITIES					
Loans with related parties					
Loans and financing					
Funding		142,978	30,000	142,978	30,000
Amortizations		(39,685)	(11,107)	(66,979)	(21,070)
Shares held in treasury		(27,459)	-	(27,459)	-
Dividends paid		(15,249)	(39,166)	(15,249)	(39,166)
Net cash (applied) flow from financing activities		60,585	(20,273)	33,291	(30,236)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		367	(1,435)	(2,943)	(1,113)
VARIATION OF CASH AND CASH EQUIVALENTS					
Cash and cash equivalents at the beginning of the period		1,411	3,304	25,480	15,867
Cash and cash equivalents at the end of the period		1,778	1,869	22,537	14,754
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		367	(1,435)	(2,943)	(1,113)

The notes are an integral part of the interim financial information.

GAEC EDUCAÇÃO S.A.

STATEMENT OF VALUE ADDED FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016
Amounts in thousands of Brazilian reais - R$

		Company		Consolidated	
	Note	6/30/2016	6/30/2015	6/30/2016	6/30/2015
REVENUE					
Revenue form products and services	24	1,410	1,267	493,059	450,485
Other revenue		48	-	4,040	3,483
Provision for doubtful accounts	25	-	-	(19,589)	(13,367)
INPUTS ACQUIRED BY THIRD PARTIES					
Cost of products and services		(20)	(3)	(4,487)	(4,183)
Materials, electricity, outsourced services and other		(2,180)	(55,426)	(82,239)	(117,016)
GROSS VALUE ADDED		(742)	(54,162)	390,784	319,402
Depreciation and amortization	25	(2,234)	(1,386)	(18,717)	(14,414)
NET VALUE ADDED		(2,976)	(55,548)	372,067	304,988
VALUE ADDED RECEIVED IN TRANSFER					
Equity in the earnings (losses) of subsidiaries	11	76,719	101,713	-	-
Financial income		60,214	4,367	79,377	15,466
TOTAL VALUE ADDED TO DISTRIBUTE		133,957	50,532	451,444	320,454
VALUE ADDED DISTRIBUTION		133,957	50,532	451,444	320,454
Personnel					
Direct Compensation		1,983	3,404	187,489	164,181
Benefits		495	301	11,128	8,748
Severance pay fund (FGTS)		227	139	17,303	14,380
Taxes and contributions					
Federal		1,481	880	46,269	42,215
State		-	-	257	5
Municipal		44	46	10,878	11,505
Value distributed to providers of capital					
Interest		77,946	5,870	94,383	15,512
Rental		62	208	32,018	24,224
Value distributed to shareholders		51,719	39,684	51,719	39,684
Profit (loss) for the period		51,719	39,684	51,719	39,684

The notes are an integral part of the interim financial information.

GAEC EDUCAÇÃO S.A. AND SUBSIDIARIES

NOTES TO THE COMPANY AND CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016
(In thousands of Brazilian reais - R$, unless otherwise stated)

1. GENERAL INFORMATION

GAEC EDUCAÇÃO S.A. ("GAEC" or "Company"), with registered head office in the city of São Paulo, State of São Paulo, incorporated on December 3, 2007, is a publicly held corporation registered at the Brazilian Securities, Commodities and Futures Exchange ("BMF&BOVESPA S.A."), under the ticker ANIM3 engaged in providing advisory, consulting and business administration services and holding interests in other entities holding direct and indirect interests in companies engaged in:

(a) Management of education institutions and provision of assistance to education support activities.

(b) Provision of K-12 and post-secondary education services, including free, undergraduate, graduation, masters, doctorate, university extension, specialization, and distance learning courses, and research.

(c) Organization of congresses, seminars, lectures, cultural events, publishing and printing of books, newspapers and other publications, and the provision of online information services, such as portals, content providers, and other media, video and TV program distribution.

(d) Consultancy services in the area of technological innovation and technical testing and analysis, including calibration laboratory and testing of electrical equipment, measuring equipment, materials, founding and tooling.

The Company's direct and indirect subsidiaries are summarized in Note 2.3.

The subsidiaries MGE and Sociesc offer distance-learning courses at technical level and for undergraduate and graduate studies throughout the country. In the six-month period ended June 30, 2016, the subsidiaries had a total of 188centers.

Acquisition of Sociedade Educacional de Santa Catarina "Sociesc"

On February 1, 2016, after approval by the CADE (Brazil's antitrust agency) the Company, through its subsidiary PGP Educação S.A., concluded the transaction agreed under a Private Deed for Investment, Restructuring of Sociesc and other covenants, signed on December 18, 2015, whereby it acquired all the rights of Sociedade Educacional de Santa Catarina ("Sociesc"), one of the renowned learning institutions in southern Brazil, with nearly 15,600 students in on-campus undergraduate, graduate, elementary school and high school courses, in addition to distance learning programs.

Corporate Restructuring

On March 30, 2016, the subsidiary Sociesc undertook a partial spinoff of its assets and liabilities, to a net value of R$36, with the aim of improving the allocation of certain research and innovation activities directly carried out by Sociesc, and which are now carried out by the same partner Institute which performs the same activities to other schools in the group. Since Sociesc is a non-profit organization, the net assets were recognized in profit or loss for the year.

The spun off portion is as follows:

	Amounts transferred
Assets	
Other current assets	31
Financial funds relating to research projects	4,122
Liabilities	
Research projects to be undertaken and others	4,117
Net assets spun off	36

Comparability

The income statement for the six-month period ended June 30, 2015 does not include the results of the subsidiary Sociesc, which are being consolidated as of February 1, 2016.

Therefore, the readers of this financial information should take this aspect into consideration.

2. PRESENTATION OF THE INTERIM FINANCIAL INFORMATION

2.1. Statement of compliance (with IFRSs and CPCs)

The parent company and consolidated interim financial information identified as company and consolidated comprise:

- The parent company and consolidated interim financial information prepared and presented in accordance with the Brazilian Technical Pronouncement CPC 21 (R1) – Interim Financial Statement and the International Standard IAS 34 - Interim Financial Reporting, issued by International Accounting Standards Board - IASB, and in conformity with the rules issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Information Form - ITR, identified as “Parent Company” and “Consolidated”.

The accounting practices adopted in Brazil comprise the policies set out in Brazilian Corporate Law and the pronouncements, guidance, and interpretations issued by the Accounting Pronouncements Committee (“CPC”), and approved by the Federal Accounting Council (“CFC”) and the Brazilian Securities and Exchange Commission (“CVM”).

2.2. Basis of preparation

The interim financial information has been prepared based on the historical cost, except for certain financial instruments measured at their fair values. The historical cost is generally based on the fair value of the consideration paid in exchange for an asset on the acquisition date.

The Company's Management declares that all relevant information pertaining to the interim financial information is being addressed, and that it corresponds to the information used in the Company's management.

2.3. Basis of consolidation and investments in subsidiaries

The consolidated interim financial information includes the interim financial information of the Company and its subsidiaries. The subsidiaries are fully consolidated as of the date when control is transferred to the Group and it is interrupted when control ends.

For the six-month period ended June 30, 2016 and year ended December 31, 2015, the Company held the following direct and indirect subsidiaries:

	Equity interest %	
Subsidiary	6/30/2016	12/31/2015
Direct subsidiaries		
Minas Gerais Educação S.A. ("MGE")	100	100
Instituto Mineiro de Educação e Cultura Uni-BH S.A. ("IMEC")	100	100
Instituto de Educação e Cultura Unimonte S.A. ("Unimonte")	100	100
VC Network Educação S.A. ("VC Network")	100	100
BR Educação Executiva S.A. ("BR Educação")	100	100
Posse Gestão Patrimonial S.A. ("PGP Gestão")	100	99.99
Indirect subsidiaries		
UNA Gestão Patrimonial S.A. ("UNA GP")	100	100
HSM do Brasil S.A. ("HSM Brasil")	100	100
PGP Educação S.A. ("PGP Educação") (*)	100	100
AMC Serviços Educacionais Ltda. ("USJT")	100	100
Sociedade Educacional de Santa Catarina ("Sociesc")	100	-

(*) PGP Educação S.A. is the new name of HSM Educação S.A.

2.4. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is the Board of Directors, which is also responsible for making Company's strategic decisions.

3. SIGNIFICANT ACCOUNTING POLICIES

No changes occurred in the accounting policies of parent company or consolidated interim financial information for the six-month period ended June 30, 2016, as well as in the calculation methods applied in relation to those presented in the financial statements for the year ended December 31, 2015.

This interim financial information should be read jointly with the annual Financial Statements published.

4. ADOPTION OF NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The new standards and amendments to IFRS or IFRIC interpretations not effective yet do not pose relevant impact on the interim financial information of the Company and its subsidiaries.

4.1 New and revised standards and interpretations already issued but not yet adopted

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
Amendments to IAS 12	Recognition of deferred tax assets for unrealized losses
Amendments to IAS 7	Cash flow
Amendments to IAS 1/ CPC 26 (R1)	Disclosure Initiative
IAS 38/ CPC 04	Clarification of Acceptable Methods of Depreciation and Amortization
Amendments to IFRS 10 / CPC 36 IFRS 12 / CPC 45 and IAS 28 / CPC 18	Investment Entities: Applying the Consolidation Exception

5. BUSINESS COMBINATION

5.1. Acquisition of Sociedade Educacional de Santa Catarina "Sociesc"

On December 18, 2015, the Company, through its subsidiary PGP Educação S.A., signed a Private Deed for Investment, Restructuring of Sociesc and other covenants, whereby it acquired all the rights of Sociedade Educacional de Santa Catarina ("Sociesc"). The transaction was concluded on February 1, 2016, after approval by the Brazilian Antitrust Agency (CADE).

5.2. Consideration transferred

The Company will disburse R$52,500 for the business, to be settled in 180 equal and successive monthly installments, adjusted by the INPC on an annual basis, as of the date when the business was concluded (February 1, 2016), maturing on the 10th of each month. The present value of this transaction is R$28,727.

5.3. Assets acquired and liabilities recognized on the acquisition date

This quarter, the Company and its consultants finalized the fair value calculation of the assets and liabilities, and, consequently, goodwill arising from the transaction. These amounts were adjusted in relation to the preliminary amounts that had been recorded in the previous quarter.

	Carrying amount	Acquisition adjustments	Goodwill adjustments (i)	Fair value
Assets				
Cash and cash equivalents	5,542	-	-	5,542
Other current assets	17,183	-	(1,525)	15,658
Other noncurrent assets	12,450	-	-	12,450
Fixed assets	35,184	29,428	-	64,612
Intangible assets	1,890	29,108	-	30,998
Liabilities				
Other current liabilities	31,117	-	-	31,117
Other noncurrent liabilities	21,603	-	-	21,603
Deferred/current income tax and social contribution liabilities	-	38,537	-	38,537
Provision for labor, tax and civil risks	106,897	(54,807)	3,907	55,997
Net assets acquired	(87,368)	74,806	(5,432)	(17,994)

(i) Amounts referring to labor and civil contingencies and canceled tuition fees from Pronatec, which had not been recognized in the opening statement of financial position, but were recognized as goodwill adjustments in the period ended June 30, 2016.

5.4. Goodwill generated in the acquisition

	2/1/2016
	Acquired value
Consideration to be transferred at the acquisition	28,727
(-) Fair value of net liabilities / (assets) identifiable	17,994
Goodwill generated in the acquisition	46,721

Sociesc's acquisition generated goodwill resulting from the consideration paid for the transaction, which included amounts related to future synergy gains, future revenue growth, future market development, certificate of technical capacity and workforce. These benefits are not recognized separately from goodwill because they do not meet the criteria for the recognition of identifiable intangible assets.

5.5. Net cash outflow in the acquisition of subsidiary

	2/1/2016
Consideration paid in cash	291
(-) Balances of cash and cash equivalents acquired	(5,542)
Net cash disbursement	(5,251)

The transaction was agreed upon based on an estimated net debt of R$30,000, which in fact totaled R$37,493 on the closing date. The difference will be reimbursed by the vendors, as agreed in the contract governing the transaction between the parties.

6. CASH AND CASH EQUIVALENTS

	Company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Cash and banks	56	34	1,483	1,772
Short-term investments – Operations	1,722	1,377	21,054	23,708
Total cash and cash equivalents	1,778	1,411	22,537	25,480
Short-term investments – Investment	127,116	153,482	179,287	159,058
Total short-term investments	127,116	153,482	179,287	159,058

Short-term investments are classified as loans and receivables in the financial instruments category. These consist of Bank Deposit Certificates (CDBs), which yield between 82.53% and 100.00% of the CDI, and vary according to the amount of time these funds remain in the account and by exclusive investment funds for GAEC's companies, which yielded between 100.91% and 101.31% of the CDI in the last twelve months, all highly liquid.

7. ACCOUNTS RECEIVABLES

	Consolidated	
	6/30/2016	12/31/2015
FIES - student loan (a)	300,351	219,293
Tuitions receivable (b)	132,865	121,480
Notes for collection (c)	27,617	20,550
Events (d)	1,684	3,026
Pronatec scholarship (e)	2,651	427
Leases, services and other	13,187	3,874
Total	478,355	368,650
Provision for doubtful accounts - Other accounts receivables (f)	(81,512)	(67,428)
Provision for doubtful accounts - FIES (g)	(14,937)	(11,970)
Total	(96,449)	(79,398)
Overall total accounts receivables	381,906	289,252
Current assets	250,146	165,855
Noncurrent assets	131,760	123,397

The Company and its subsidiaries have the accounting policy of writing off notes past due for more than two years, even though they maintain their efforts to collect them.

(a) Refers to monthly tuitions financed under the government program FIES (Student Loan Fund) not yet received, net of present value adjustment. The National Education Development Fund (FNDE) transfers these amounts via credits that are offset against federal taxes. These credits can also be repurchased by the Fund. On December 29, 2015, the Company and its subsidiaries MGE, IMEC, UNIMONTE and USJT, through the Brazilian Association for the Development of Post-Secondary Education (ABRAES), entered into a judicial agreement where the Ministry of Education (MEC) and the FNDE committed to transfer 100% of the remaining balance due to the Company's subsidiaries in three installments adjusted by the inflation index: 25% of the balance until June 30, 2016, 25% until June 30, 2017 and 50% until June 30, 2018. On August 3, we received the portion due on June 30, 2016, in compliance with the initially disclosed schedule. In the agreement, the MEC and the FNDE also ensured that they would adopt the same monthly transfer schedule to all Education Institutions, regardless of the number of students enrolled in the FIES. The present value adjustment was calculated over the accounts receivable balance that comprises the agreement entered into, the coming due amounts of which adjusted to present value at the rate of 3.2% p.a. (free of risk), and is being reversed in proportion to the agreed balances and transfer dates.

(b) Refers to monthly tuition fees issued, but not yet received, including those which had initially been recorded as FIES in 2014 and prior years, but whose contracts were not amended by the students with the FNDE, and were reclassified to this account and charged directly from students, in addition to agreements entered into with students regarding past-due tuitions.

(c) Refers to renegotiated monthly tuitions, plus interest rates and adjustment by inflation at the contractual indices, recorded on an accrual basis. The renegotiated amounts are paid primarily with post-dated checks and credit cards, and in case of subsidiary USJT and Sociesc, through payment slips. This line item also includes returned checks, which are sent to an outsourced collection firm.

(d) Refer to the promotion and organization of congresses, seminars, festivals, and other cultural, domestic and international events.

(e) Refer to monthly tuition receivable from scholarships of the National Program for Access to Vocational Education and Employment – PRONATEC, created by the Federal Government, with the purpose of expanding the range of vocational courses offered and facilitating access to professional education for those who have completed high school.

(f) The Company and its subsidiaries recognized a provision for doubtful accounts after analyzing the balance of accounts receivables per portfolio and the aging list, and taking into account the history of default and the negotiations in progress and future estimates of receivables in a conservative scenario. Under such methodology, each default range per portfolio is assigned a percentage of likelihood of loss, which is recurrently accrued. In 2015, Management increased the percentages of the allowance for losses of undergraduate tuitions and of tuitions of students who did not receive an advance from the FIES program. The change in the percentages reflects the increase in receipt terms and the worsening of Brazil's economic scenario.

(g) The Company recognizes an provision for doubtful accounts for amounts under the FIES according to the likelihood of loss associated with the students included in the Program. The Company's subsidiaries are responsible for a portion of any potential student default to the FNDE, depending on the type of agreement and the date when they were entered into. For agreements without a guarantor, which are secured by the Educational Credit Guarantee Fund (FGEDUC), the entities contribute with 7% of its revenue under agreements executed before April 3, 2012 and 6.25% under agreements executed after that date, to establish a guarantee fund to bear 90% of default and the Company will bear 15% of the remaining 10% of default. Concerning former agreements and not guaranteed by FGEDUC, the Company is liable for 15% of total potential student's default and FNDE is responsible for the remaining. Thus, the provision for doubtful accounts over FIES is recognized over amounts not covered by FGEDUC, both the total of former agreements not guaranteed by FGEDUC and the 10% not covered by agreements with FGEDUC. The allowance corresponds to 2% of FIES financed amount not guaranteed by FGEDUC, which is considered sufficient by the management of the Company and its subsidiaries to deal with the 15% portion of default for which the entities are liable. This provision account does not include balances related to FGEDUC, which are directly reduced from accounts receivables as corresponding entry to the aforementioned expenses to record the Fund (R$9,993 on June 30, 2016 and R$8,516 on June 30, 2015).

The aging list of accounts receivables is as follows, which also includes the average percentages of estimated losses by aging level adopted in our policy:

	Consolidated				
	6/30/2016				
	Receivables	Provision for doubtful accounts	% loss per default rate	Net receivables	% (*)
FIES					
Current	300,351		-	300,351	78.64%
Loss of FIES credit (g)	-	(14,937)	-	(14,937)	(3.91%)
PRONATEC	2,651	-	-	2,651	0.69%
Current	40,059	(3,600)	8.99%	36,459	9.55%
Past due:					
Up to 180 days	56,072	(12,619)	22.50%	43,453	11.38%
181 to 360 days	31,209	(21,469)	68.79%	9,740	2.55%
361 to 720 days	48,013	(43,824)	91.28%	4,189	1.10%
Total	478,355	(96,449)	20.16%	381,906	100%

(*) Refers to the percentage share of total accounts receivable per maturity term.

	Consolidated				
	12/31/2015				
	Receivables	Provision for doubtful accounts	% loss per default rate	Net receivables	% (*)
FIES					
Current	165,944	-	-	165,944	57.37%
Past due	53,349	-	-	53,349	18.44%
Loss of FIES credit (g)	-	(11,970)	-	(11,970)	(4.14%)
PRONATEC	427	-	-	427	0.15%
Current	27,255	(3,729)	13.68%	23,526	8.13%
Past due:					
Up to 180 days	53,996	(13,145)	24.34%	40,851	14.12%
181 to 360 days	40,798	(26,423)	64.77%	14,375	4.97%
361 to 720 days	26,881	(24,131)	89.77%	2,750	0.96%
Total	368,650	(79,398)	21.54%	289,252	100%

(*) Refers to the percentage share of total accounts receivable per maturity term.

Changes in the provision for doubtful accounts in the year were as follows:

	Consolidated	
	6/30/2016	6/30/2015
Opening balance	79,398	52,201
Provision for doubtful accounts for the period (i)	19,589	13,367
Business combination - Sociesc	9,840	-
Notes written off in the period (ii)	(12,378)	(6,532)
Notes recovered in the period (iii)	-	1,966
Closing balance	96,449	61,002

(i) Refers to the recurring increase of the provision for doubtful accounts in the period;
(ii) Refers to notes written off in the period, past due for more than two years.
(iii) Refers to notes written off in the period and that were recovered.

8. PREPAID EXPENSES

	Company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Rent (a)	-	-	25,758	9,957
Accounts payables	411	357	4,655	1,915
Employees - vacations	252	314	8,059	9,475
Other	-	-	793	637
Total	663	671	39,265	21,984
Current assets	663	671	27,121	19,001
Noncurrent assets	-	-	12,144	2,983

(a) Refers mainly to rent advances related to Sociesc and IMEC units.

9. RECOVERABLE TAXES

	Company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Withholding income tax (IRRF) (a)	5,132	5,446	9,458	9,196
Prepaid income tax (b)	-	-	2,444	2,646
Prepaid social contribution (b)	-	-	691	928
Taxes on revenue (PIS/COFINS)/social contribution	182	169	2,142	2,240
Other	5	4	1,208	803
Total	5,319	5,619	15,943	15,813
Current assets	3,229	2,029	9,536	8,288
Noncurrent assets	2,090	3,590	6,407	7,525

(a) It mainly refers to withholding income tax on financial investments.

(b) Refer mainly to early payment of income tax and social contribution calculated based on the taxable profit of the Company’s subsidiaries. Subsidiary UNA has amounts for offset related to prepaid 2000 and 2001 income tax and social contribution, which were included in the REFIS IV (Tax Installment Program, created under Law 11941/09) which was settled and for which a tax return request was filed at the Brazilian Internal Revenue Service (IRS). These amounts are being adjusted using the SELIC (Central Bank’s overnight lending rate).

10. CURRENT AND DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

10.1. Deferred income tax and social contribution

Assets - The Company and its subsidiaries hold income tax and social contribution credits on tax loss carryforwards, amounting to R$127,357 (R$01,810 at December 31, 2015) in Parent Company and R$233,064 (R$199,569 at December 31, 2015) in consolidated, respectively, which can be carried forward indefinitely, on which no deferred tax assets were recognized. Recognition of deferred tax assets only occurs when it is reasonably certain that these credits will be realized.

Liabilities - deferred income tax and social contribution refers to:

(i) Taxes levied on the difference between the carrying amount of revalued assets in 2007 and the allocation of the asset surplus value in 2009, and its corresponding tax base at the original amount, which is a temporary difference and generates a deferred tax liability to be settled proportionally to the realization of the underlying assets.

(ii) Taxes and contributions related to the difference between the carrying amount and the fair value of the assets allocated to the business combination in the acquisition of HSM do Brasil, PGP Educação and Sociesc, which generated a deferred tax liability to be settled when the business is sold or in the realization of the allocated assets.

The change of liabilities for the six-month period ended June 30, 2016 was as follows:

	Consolidated			
	Opening balance	Change		Closing balance
	12/31/2015	Business combination	Effect on profit (loss)	6/30/2016
Income tax	11,264	28,336	(283)	39,317
Social contribution	4,056	10,201	(102)	14,155
Total	15,320	38,537	(385)	53,472

10.2. Effective rate reconciliation

Reconciliation of income tax and social contribution statutory and effective tax rates:

	Company			
	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015
Income before income tax and social contribution	(1,036)	51,719	(24,153)	39,684
Combined tax rate	34%	34%	34%	34%
Income tax and social contribution by combined tax rate	353	(17,584)	8,212	(13,493)
Adjustments to profit or loss:				
Equity income	5,046	26,084	10,866	34,582
Unrecognized tax credits	(4,745)	(8,444)	(19,354)	(20,915)
Other additions and exclusions	(654)	(56)	276	(174)
Current income tax and social contribution for the period	-	-	-	-
Deferred income tax and social contribution for the period	-	-	-	-

	Consolidated			
	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015
Income before income tax and social contribution	(1,400)	51,405	(24,120)	39,710
Combined tax rate	34%	34%	34%	34%
Income tax and social contribution by combined tax rate	476	(17,478)	8,201	(13,501)
Adjustments to profit or loss:				
Tax incentive - PROUNI (a)	6,870	29,415	13,299	40,631
Unrecognized tax credits	(3,841)	(9,627)	(21,742)	(24,165)
Tax exemption (non-profit entity) (b)	(2,808)	(2,722)	-	-
Other additions and exclusions	(333)	726	209	(2,991)
Calculated income tax and social contribution	364	314	(33)	(26)
Current income tax and social contribution for the period	(10)	(71)	(57)	(75)
Deferred income tax and social contribution for the period	374	385	24	49

(a) These amounts correspond to the income tax and social contribution exemption because subsidiaries MGE, IMEC, Unimonte and USJT joined the PROUNI. For further details, refer to Note 23.

(b) Amount corresponding to the subsidiary Sociesc, which, for the six-month period ended June 30, 2016, is exempt from tax since it is a non-profit organization in the process of being converted into a corporation.

11. INVESTMENTS

The investments in subsidiaries are measured by the equity method of accounting, as shown below:

	Company			Company		
	6/30/2016			6/30/2015		
	Investment	Equity income	Equity interest	Investment	Equity income	Equity interest
Assets:						
IMEC	146,295	51,496	100%	64,860	47,581	100%
MGE	544,878	44,684	100%	422,306	63,026	100%
BR Educação Executiva	67,757	(16,486)	100%	40,989	(9,058)	100%
Unimonte	43,171	(2,977)	100%	36,749	260	100%
PGP Gestão	7	-	100%	7	(69)	99.99%
VC Network	74	4	100%	68	3	100%
Allocated fair value	52,301	(2)		52,322	(30)	
Goodwill	45,326	-		45,326	-	
Total	899,809	76,719		662,627	101,713	

	Number of total shares/ quotas held		
	6/30/2016	12/31/2015	
Direct subsidiaries:			
IMEC	8,789,479	7,717,479	
MGE	4,532,699	4,036,199	
VC Network	4,023,145	4,023,145	
Unimonte	91,928,323	91,928,323	
BR Educação	123,700,000	119,400,000	
PGP Gestão	255,784	255,774	(*)
Indirect subsidiaries:			
Una Gestão Patrimonial	32,564	32,564	
HSM Brasil	2,464,860	2,452,360	
PGP Educação	276,760	214,360	
USJT	462,228	232,228	
Sociesc	2	-	

(*) The total number of PGP Gestão shares is 255,784.

The interim financial information of the subsidiaries are as follows:

	6/30/2016						
	IMEC	MGE	VC Network	Unimonte	PGP Gestão	BR Educação	
Statement of financial position							
Current assets	108,533	203,770	74	14,478	-	41,376	
Noncurrent assets	105,459	455,369	-	51,659	7	232,608	
Current liabilities	41,016	87,935	-	9,418	-	39,664	
Noncurrent liabilities	26,681	26,326	-	13,548	-	145,819	
Equity	146,295	544,878	74	43,171	7	88,501	(*)
Profit (loss)							
Net revenue	124,279	266,721	-	27,075	-	64,811	
Cost of services	(57,082)	(158,336)	-	(16,291)	-	(49,819)	
Operating expenses	(19,728)	(69,720)	-	(12,706)	-	(25,522)	
Financial result	4,027	6,090	4	(1,075)	-	(6,321)	
Deferred/current income tax and social contribution	-	(71)	-	20	-	365	
Profit (loss) for the period	51,496	44,684	4	(2,977)	-	(16,486)	

	12/31/2015						
	IMEC	MGE	VC Network	Unimonte	PGP Gestão	BR Educação	
Statement of financial position							
Current assets	80,994	122,511	70	10,998	-	10,866	
Noncurrent assets	93,176	449,494	-	49,412	7	82,290	
Current liabilities	55,792	94,433	-	7,341	-	10,705	
Noncurrent liabilities	37,179	29,750	-	10,421	-	14,097	
Equity	81,199	447,822	70	42,648	7	68,354	(*)
Profit (loss)							
Net revenue	243,704	530,809	-	49,628	-	32,479	
Cost of services	(123,428)	(317,404)	-	(30,408)	-	(21,376)	
Operating expenses	(48,425)	(131,905)	(1)	(23,186)	(70)	(23,906)	
Financial result	4,110	(1,632)	7	(1,902)	-	(1,046)	
Deferred income tax and social contribution	-	1,856	(1)	39	-	51	
Profit (loss) for the period	75,961	81,724	5	(5,829)	(70)	(13,798)	

(*) The equity of BR Educação includes the allocated goodwill amounting to R$20,744, as shown in the breakdown of the Parent Company's investment table in the columns of allocated fair value.

	Parent Company								
	IMEC	MGE	VC Network	Unimonte	PGP	BR Educação	Allocated fair value	Goodwill	Total
Closing balance at December 31, 2014	48,476	378,403	65	33,010	1	42,283	52,352	45,326	599,916
Capital increase	6,056	12,801	-	3,479	75	7,764	-	-	30,175
Equity in the earnings (losses) of subsidiaries	47,581	63,026	3	260	(69)	(9,058)	(30)	-	101,713
Dividend distribution	(37,253)	(31,924)	-	-	-	-	-	-	(69,177)
Closing balance at June 30, 2015	64,860	422,306	68	36,749	7	40,989	52,322	45,326	662,627
Closing balance at December 31, 2015	81,199	447,822	70	42,648	7	47,610	52,303	45,326	716,985
Capital increase	13,600	52,370	-	3,500	-	32,010	-	-	101,480
Equity in the earnings (losses) of subsidiaries	51,496	44,684	4	(2,977)	-	(16,486)	(2)	-	76,719
Capital reserve	-	2	-	-	-	4,623	-	-	4,625
Closing balance at June 30, 2016	146,295	544,878	74	43,171	7	67,757	52,301	45,326	899,809

12. FIXED ASSETS

	Annual depreciation rates	Company 6/30/2016 Acquisition cost	Accumulated depreciation	Net fixed assets	12/31/2015 Net fixed assets
Computers and peripherals	20%	3,651	(1,488)	2,163	1,382
Leasehold improvements	10%	1,554	(227)	1,327	1,434
Furniture and fixtures	10%	759	(220)	539	583
Machinery and equipment	10%	311	(96)	215	321
Other	10% and 20%	444	(263)	181	181
Construction in progress	-	39	-	39	-
Total		6,758	(2,294)	4,464	3,901

	Annual depreciation rates	Consolidated 6/30/2016 Acquisition cost	Accumulated depreciation	Net fixed assets	12/31/2015 Net fixed assets
Leasehold improvements	2.86% to 10%	79,959	(22,203)	57,756	55,451
Buildings	1.43% to 4%	51,901	(3,278)	48,623	12,655
Land	-	28,392	-	28,392	13,110
Machinery and equipment	10%	68,244	(45,990)	22,254	20,231
Library and video library	10%	34,659	(17,275)	17,384	14,025
Furniture and fixtures	10%	41,390	(27,092)	14,298	13,100
Computers and peripherals	20%	46,078	(32,266)	13,812	10,510
Construction in progress	-	2,658	-	2,658	-
Other	10% and 20%	23,845	(14,789)	9,056	6,876
Total		377,126	(162,893)	214,233	145,958

Below, the changes in property, plant and equipment of the Parent Company and Consolidated:

	Parent Company						
	Net balance on 12/31/2015	Additions	Write-offs	Depreciation	Transfer	Reclassification	Net balance on 6/30/2016
Computers and peripherals	1,382	967	(30)	(260)	-	104	2,163
Leasehold improvements	1,434	-	(52)	(80)	25	-	1,327
Furniture and fixtures	583	38	-	(37)	-	(45)	539
Machinery and equipment	321	8	-	(16)	-	(98)	215
Other	181	-	-	(39)	-	39	181
Construction in progress	-	445	(8)	-	(398)	-	39
Total	3,901	1,458	(90)	(432)	(373)	-	4,464

	Consolidated							
	Net balance on 12/31/2015	Additions	Business combination (iii)	Write-offs	Depreciations	Transfers	Reclassification	Net balance on 6/30/2016
Leasehold improvements (iii)	55,451	28	1,355	(1,371)	(3,573)	(1,505)	7,371	57,756
Buildings	12,655	-	36,618	-	(650)	-	-	48,623
Land	13,110	-	15,282	-	-	-	-	28,392
Machinery and equipment	20,231	1,273	3,371	(40)	(1,882)	301	(1,000)	22,254
Library and video library	14,025	2,460	2,057	-	(1,145)	-	(13)	17,384
Furniture and fixtures	13,100	894	1,507	(2)	(1,245)	44	-	14,298
Computers and peripherals	10,510	1,477	2,700	(47)	(2,290)	807	655	13,812
Other	6,876	1,807	1,181	(169)	(994)	-	355	9,056
Construction in progress (ii)	-	11,372	541	(73)	-	(1,814)	(7,368)	2,658
Total	145,958	19,311	64,612	(1,702)	(11,779)	(2,167)	-	214,233

(i) Expenses with leasehold improvements mainly refer to campus improvements carried out by MGE, IMEC, Unimonte, USJT and Sociesc in order to expand their facilities and give more comfort to students.

(ii) Construction in progress mainly refers to the disbursements made by the Company's subsidiaries to build and expand its units. The amounts will be transferred to leasehold improvements and start to be depreciated after the completion of the construction works

(iii) Additions shown in this column refer to additions arising from the business combination from the acquisition of Sociesc.

12.1 Assets pledged as collateral

The Company and its subsidiaries have pledged property, plant and equipment items as collateral in lawsuits. The Group's pledged assets amount approximately to R$77,015 (R$25,765 at December 31, 2015) in such lawsuits.

The machinery and equipment acquired under Finame facilities with Banco do Brasil, whose carrying amount is approximately R$401 (R$432 at December 31, 2015) are pledged as collateral for such loans. The Company cannot pledge these assets as collateral of any other borrowings or financing or sell them to another entity.

13. INTANGIBLE ASSETS

	Annual Amortization rates	Parent Company 6/30/2016 Acquisition cost	Accumulated amortization	Net intangible assets	12/31/2015 Net intangible assets
Software (a)	20%	21,085	(6,709)	14,376	12,132
Total		21,085	(6,709)	14,376	12,132

	Annual Amortization rates	Consolidated 6/30/2016 Acquisition cost	Accumulated amortization	Net intangible assets	12/31/2015 Net intangible assets
Goodwill (d)		291,363	-	291,363	244,642
Trademarks and patents (b)		143,116	-	143,116	121,956
Licenses (c)		55,595	-	55,595	54,600
Customer portfolio (a)	22% to 33%	33,152	(17,028)	16,124	12,384
Mailing list	38%	533	(533)	-	-
Total		523,759	(17,561)	506,198	433,582
Software	20%	43,445	(22,903)	20,542	16,109
Other	10% to 33%	11,320	(6,791)	4,529	2,913
Total		54,765	(29,694)	25,071	19,022
Total intangible assets		578,524	(47,255)	531,269	452,604

(a) Refers to the amount of the customer portfolio paid upon to the acquisition of the Operating Licenses of Centro Universitário de Belo Horizonte - UNI-BH, of USTJ, Sociesc and the acquisition of the Operating License of UNA Betim.

(b) Refers to the amounts paid for the acquisition of the trademarks “UNA”, “UNI-BH”, “HSM”, “USTJ” and “SOCIESC”, whose Operating License (certificate granted by the Ministry of Education that authorizes higher education institutions to operate) is held by the Company through its investees. The indefinite projection in the cash flow of the asset classifies it as non-amortized intangible asset.

(c) Refers to a portion of licenses paid in the acquisition of USJT and Sociesc, whose Operating License is held by the Company through its investees. For being highly renewable and with low cost, licenses are classified as non-amortized intangible assets.

(d) Refers to the goodwill amount paid upon the acquisition of the operating license of Centro Universitário de Belo Horizonte - UNI-BH, the acquisition of BR Educação Executiva S.A., which includes HSM do Brasil and PGP Educação, the acquisition of AMC Serviços Educacionais Ltda, which has the operating license of Universidade São Judas Tadeu and the acquisition of Sociedade Educacional de Santa Catarina - Sociesc, which has not been allocated in identified assets, as per valuation report. Pursuant to the criteria set forth by ICPC 09 (R2), goodwill recognized by the Parent Company must be reclassified to intangible assets in the consolidated interim financial information.

Changes in Parent Company are as follows:

	Parent Company				
	Net balance on 12/31/2015	Additions	Amortization	Transfer	Net balance on 6/30/2016
Software	12,132	3,673	(1,802)	373	14,376
Total	12,132	3,673	(1,802)	373	14,376

The table below shows the changes in consolidated:

	Consolidated							
	Net balance on 12/31/2015	Additions	Write-offs	Transfers (i)	Reclassification	Amortization	Business combination (ii)	Net balance on 6/30/2016
Goodwill	244,642	-	-	-	-	-	46,721	291,363
Trademarks and patents	121,956	-	-	-	-	-	21,160	143,116
Licenses	54,600	-	-	-	-	-	995	55,595
Customer portfolio	12,384	-	-	-	-	(3,213)	6,953	16,124
Software	16,109	5,276	-	535	(6)	(2,794)	1,422	20,542
Other	2,913	2,097	(24)	-	6	(931)	468	4,529
Total	452,604	7,373	(24)	535	-	(6,938)	77,719	531,269

(i) Transfers from construction in progress for presentation purposes.

(ii) Additions shown in this column refer to additions arising from the business combination described in Notes 5.3 and 5.4.

13.1. 13.1 Intangible assets identified in acquisitions

Part of the goodwill paid on the acquisition of subsidiaries was allocated to identifiable intangible assets with finite and indefinite useful lives, after an analysis of the acquired assets and the calculation of the future earnings projection, as follows:

	Consolidated					
	6/30/2016					
	IMEC	USJT	HSM	SOCIESC	Other	Total
Amortizable intangible assets:						
Customer portfolio	-	9,801	13	6,310	-	16,124
Total	-	9,801	13	6,310	-	16,124
Non-amortizable intangible assets:						
Trademarks and patents	24,380	34,900	59,872	21,160	2,804	143,116
Licenses	-	54,600	-	995	-	55,595
Goodwill	29,825	174,445	40,370	46,721	2	291,363
Total	54,205	263,945	100,242	68,876	2,806	490,074
Overall Total	54,205	273,746	100,255	75,186	2,806	506,198

	Consolidated				
	12/31/2015				
	IMEC	USJT	HSM	Other	Total
Amortizable intangible assets:					
Customer portfolio	-	12,250	18	116	12,384
Total	-	12,250	18	116	12,384
Non-amortizable intangible assets:					
Trademarks and patents	24,380	34,900	59,872	2,804	121,956
Licenses	-	54,600	-	-	54,600
Goodwill	29,825	174,445	40,370	2	244,642
Total	54,205	263,945	100,242	2,806	421,198
Overall Total	54,205	276,195	100,260	2,922	433,582

13.2. Allocation of non-amortizable intangible assets to the Cash-Generating Units

Goodwill, licenses trademarks and patents were allocated, for impairment-testing purposes, to the cash- generating units ("CGUs"), identified according to the operating segment, as detailed below:

	Consolidated	
	6/30/2016	12/31/2015
Higher education	389,832	320,956
Vertical Management	100,242	100,242
	490,074	421,198

As at December 31, 2015, goodwill, trademarks and licenses were tested for impairment and no need to adjust goodwill and trademarks was identified.

14. SUPPLIERS

Consisting basically of leases, payables to IT vendors, services providers, suppliers of consumables, and infrastructure builders. Outstanding balance in the Parent Company and consolidated for the six-month period ended June 30, 2016 is R$2,821 (R$3,315 as at December 31, 2015) and R$21,875 (R$19,606 as at December 31, 2015), respectively.

15. BORROWINGS AND FINANCING

	Parent Company					
	6/30/2016			12/31/2015		
	Current	Non-current	Total	Current	Non-current	Total
Local currency						
HSBC	4,341	3,218	7,559	4,356	5,364	9,720
Santander	4,798	28,275	33,073	4,515	28,719	33,234
Caixa Geral	2,511	1,875	4,386	2,517	3,125	5,642
IFC	2,868	139,080	141,948	-	-	-
Other borrowings	297	4,147	4,444	-	-	-
Foreign currency						
HSBC – Credit Facility 4131	48,376	46,223	94,599	57,422	54,587	112,009
Itaú – Credit Facility 4131	12,301	78,141	90,442	40,589	110,025	150,614
Total	75,492	300,959	376,451	109,399	201,820	311,219

	Consolidated					
	6/30/2016			12/31/2015		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Local currency						
Banco do Brasil	6,461	13,893	20,354	5,572	16,364	21,936
HSBC	16,395	15,374	31,769	13,471	17,083	30,554
Santander	10,223	32,030	42,253	4,515	28,719	33,234
Caixa Geral	2,511	1,875	4,386	2,517	3,125	5,642
IFC	2,868	139,080	141,948	-	-	-
Other borrowings	1,865	7,019	8,884	106	360	466
Foreign currency						
HSBC – Credit Facility 4131	48,376	46,223	94,599	57,422	54,587	112,009
Itaú – Credit Facility 4131	12,301	78,141	90,442	40,589	110,025	150,614
Total	101,000	333,635	434,635	124,192	230,263	354,455

The main contractual conditions are as follows:

	Consolidated				
	Guarantees	Average interest rate (annual)	Index	Start date	End date
Working capital domestic currency	25% to 100% of receivables from students and cross-guarantee with group companies	1.80% to 4.60%	CDI	10/22/2010	5/29/2023
Working capital foreign currency	100% of amounts deposited in account restricted to the loan, promissory note and cross-guarantee with group companies	2.78% to 3.89%	USD(*)	7/31/2015	8/26/2020
IFC	Fiduciary sale of AMC Serviços' quotas and receivables; guarantees of all subsidiaries; specific permanence commitment of five officers and one shareholder with a minimum interest of 25% of the capital stock on the contracting date.	1.49%	CDI	5/12/2016	3/15/2024
Other borrowings	Bank surety and cross-guarantee with group companies/ 100% of the goods acquired through financing/ 30% of student receivables	7.00% to 24.14%	-	12/30/2011	1/15/2026
	100% of the assets acquired with financing	12.00% to 15.90%	TR	11/28/2009	10/28/2019
	100% of the assets acquired with financing	2.7% to 5.50%	TJLP	8/15/2007	12/15/2023

(*) The Company manages its exchange rate volatility risk through swap instruments, as described in Note 30.1 item (c), which details the rates and indices of borrowings taken out for working capital in foreign currency alleviated by the CDI swap plus fixed rates of 0.5% p.a. to 2.40% p.a.

Borrowings and financing basically refer to working capital used to finance the operations of the Company and its subsidiaries.

The Company and its subsidiaries have certain borrowings and financing containing restrictive covenants defined contractually on June 30, 2016, as follows:

Restrictive Covenant	Lowest required ratio
Current ratio (i)	≥ 1.0
Net financial debt/EBITDA (ii)	≤ 2.5
EBITDA/Net finance expenses (iii)	≥ 1.3

(i) Current ratio = current assets divided by current liabilities.

(ii) Net financial debt = sum of the balances of borrowings and financing less cash and cash equivalents.

(iii) EBITDA = Earnings before interest, income taxes, depreciation, and amortization. Some agreements provide for specific EBITDA calculation criteria with some variations to this formula.

The above-mentioned analyses are annual and, in the year ended December 31, 2015, the Company and its subsidiaries complied with all said restrictive covenants.

The maturities of amounts recognized in noncurrent liabilities for the six-month period ended June 30, 2016 and for the year ended December 31, 2015 are as follows:

	Parent Company		Consolidated	
	6/30/2016		6/30/2016	
	Payment schedule	Face value	Payment schedule	Face value
2017	64,189	103,954	76,712	117,296
2018	30,872	66,894	43,694	85,041
2019	54,703	86,436	61,857	95,460
After 2019	151,195	216,586	151,372	216,776
Total	300,959	473,870	333,635	514,573

	Parent Company		Consolidated	
	12/31/2015		12/31/2015	
	Payment schedule	Face value	Payment schedule	Face value
2017	95,194	120,840	109,635	138,671
2018	35,513	45,313	43,839	55,030
2019	33,816	40,269	39,315	46,220
After 2019	37,297	55,905	37,474	56,094
Total	201,820	262,327	230,263	296,015

In 2015, the Company took out US-dollar denominated loans with Itaú Unibanco S.A. Nassau Branch and HSBC Bank Brasil S.A Banco Multiplo, Grand Cayman Branch. In addition, aiming at mitigating the impact of exchange rate variation on its results, the Company contracted a cash flow swap with Banco Itaú S.A. and HSBC Bank Brasil S.A.

Proceeds will be applied to reinforce cash and carry on the Company's expansion plan.

16. PERSONNEL

	Parent Company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Payroll	1,657	1,364	17,789	16,081
Accrued vacation pay	2,742	2,734	22,460	16,590
Accrued Christmas bonus	1,023	-	15,902	-
Social security tax (INSS)	567	545	8,688	7,784
Severance pay fund (FGTS)	147	192	2,369	2,647
Variable remuneration	147	2,199	180	2,707
Other	66	63	563	549
Total	6,349	7,097	67,951	46,358

Accrued payroll and related taxes are recognized in profit or loss for the period, in line items 'Cost of services' and 'General and administrative expenses', according to employee's allocation.

17. TAXES PAYABLE

	Parent Company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Withholding income tax (IRRF)	549	688	6,347	8,121
Service tax (ISS)	7	15	1,607	1,706
Taxes on revenue (PIS and COFINS)	154	188	634	719
Other	14	10	284	144
Total	724	901	8,872	10,690

18. ADVANCES FROM CLIENTS

	Consolidated	
	6/30/2016	12/31/2015
Advances from students (a)	13,811	13,085
Customer prebilling (b)	7,064	3,827
Research projects (c)	1,827	3,563
Subscribers for future delivery	159	547
Other	200	20
Total	23,061	21,042

(a) Refer to prepaid enrollment fees and monthly tuitions, which will be recognized in profit or loss on an accrual basis and the Pravaler receivables, student loans awarded entered into between students and financial company Ideal Invest S.A., under terms that stipulate that a student can extend the payment maturity and pay the double amount thus reducing the monthly installment. The loan agreement is renewed semiannually between Ideal Invest S.A. and student loses the financial bidding with the school to have a link only with Pravaler. Every time a service is engaged and a loan is renewed, Pravaler prepays approximately 90% of the student's payable financed for the six-month period to subsidiaries MGE, IMEC, Unimonte, USTJ and Sociesc, which record these receipts on an accrual basis as the service is provided.

(b) Refer to prepayments of services related to the organization of trade shows, congresses, and exhibitions to be provided after receiving. Revenue from this type of payment is recognized when the services are provided.

(c) Refer to funds from agreements entered into between government companies and MGE, UNIMONTE and IMEC to cover the costs incurred on the performance research, development, and scientific and technology qualification projects. These advances are recognized as these project costs are incurred and are broken down as follows:

	Consolidated	
	6/30/2016	12/31/2015
FAPEMIG	354	1,725
CEMIG	867	1,229
British embassy	405	405
Petrocoque	151	151
Settaport	50	50
Other	-	3
	1,827	3,563

19. TAX DEBT INSTALLMENTS

	Consolidated	
	6/30/2016	12/31/2015
FGTS (a)	2,827	2,847
RFB - PIS payroll	652	685
Service tax (ISS)	-	35
Total	3,479	3,567
Current liabilities	160	180
Noncurrent liabilities	3,319	3,387

(a) FGTS installment plan - On December 31, 2005, subsidiary Unimonte negotiated the FGTS in arrears, payable in 130 monthly, consecutive installments adjusted using the TR, a managed prime rate plus 3% per year. As of July 2015, Unimonte now collects the remaining amounts through judicial deposit, since the parent company is awaiting for Caixa Econômica Federal to send the list of employees who still have FGTS amounts to be deposited. Additionally, on December 31, 2009, subsidiary IMEC assumed the FGTS debt in installments of the former sponsor of Centro Universitário de Belo Horizonte - Uni-BH, Fundação Cultural de Belo Horizonte, to Caixa Econômica Federal.

The payment schedule of the amount recorded in non-current liabilities by maturity year is as follows:

	Payment schedule
	6/30/2016
2017	1,120
2018	318
2019	410
After 2019	1,471
Total	3,319

20. ACCOUNTS PAYABLE

	Consolidated
	6/30/2016
Acquisition of Sociesc (a)	53,295
(-) Adjustment to present value	(22,467)
Total	30,828
Current liabilities	3,313
Noncurrent liabilities	27,515

(a) Refers to the acquisition of Sociesc, under which the amounts owed will be settled in 180 equal monthly installments, adjusted annually by the INPC inflation index.

Amounts payable in the long term are distributed as follows:

	Consolidated
	6/30/2016
2017	1,550
2018	2,929
2019	2,702
After 2019	20,334
Total	27,515

21. JUDICIAL DEPOSITS AND PROVISION FOR RISKS

The Company and its subsidiaries are parties to lawsuits arising in the normal course of their operations, involving tax, labor, civil, and other matters.

Management monitors the progress of lawsuits and, based on the opinion of its in-house and external legal counsels and in-company policies, a provision is recognized for the lawsuits whose likelihood of loss is considered as probable, including principal and charges. This provision is considered as sufficient by Management to cover probable losses.

	Judicial deposits			
	Parent Company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Labor (a)	24	42	10,525	10,699
Tax (b)	-	-	10,877	10,264
Civil (c)	-	-	10,316	6,952
Total	24	42	31,718	27,915

	Provision for risks			
	Parent Company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Labor provisions (a)	1,592	2,328	36,971	43,844
Tax provisions (b)	-	-	52,101	200
Civil provisions (c)	-	-	7,481	2,048
Total	1,592	2,328	96,553	46,092

The changes in the Parent Company's provisions were as follows:

	12/31/2015	Addition/Reversal	Payments	Inflation adjustment	6/30/2016
Labor (a)	2,328	(366)	(422)	52	1,592
Total	2,328	(366)	(422)	52	1,592

The changes in the consolidated provisions were as follows:

	12/31/2015	Addition/ Reversal	Business combination (d)	Payments	Inflation adjustment	Offsetting of judicial deposits	Reclassification	6/30/2016
Labor (a)	43,844	524	2,425	(9,891)	606	(1,356)	819	36,971
Tax (b)	200	241	51,900	(240)	-	-	-	52,101
Civil (c)	2,048	4,726	1,672	(539)	-	(426)	-	7,481
Total	46,092	5,491	55,997	(10,670)	606	(1,782)	819	96,553

(a) Labor provisions are recognized based on the individual analysis of the lawsuits, of the claims made in each lawsuit, and an updated analysis of the previous court rulings, and refer mainly to claimed overtime, salary equalization, reversal of salary reductions, and payroll taxes, at administrative and court levels, by employees, former employees, service providers or public authorities, and the interpretation of the labor law to discuss whether or not there is an employment relationship with such service providers.

(b) The provisions for labor litigation risks refer mainly to the risks of lawsuits filed by tax authorities regarding discussions and interpretations of prevailing tax legislation, at the administrative and court levels.

(c) The civil provisions refer mainly to lawsuits filed by former students, in relation to the disagreement with contractual clauses, in relation to collection, indemnities, amongst other issues.

(d) In the acquisition of Sociesc, the Company assumed the discussion of tax liabilities arising from the tax authorities' challenge of Sociesc's tax exemption status. In the opinion of the legal advisors, there is a "possible" risk of loss inherent in the case, which under normal circumstances would not require provisioning. However, in accordance with paragraphs 23 and 56 of CPC 15, which govern the assessment of contingences in business combinations, this claim has been adjusted to fair value, in the amount of R$ 51.900, and will be recorded at the same amount, unless in the opinion of the legal advisors the risk of loss increases to "probable" and the estimated amount rises, or unless there is a final and unappealable decision in favor of Sociesc. In these cases, respectively, the provision will be increased or reversed. The Company also assumed the risk of possible labor and civil liabilities existing on the acquisition date up to the maximum limit of R$4,096. The treatment to supplement or reverse this provision is the same as the one mentioned above for tax liabilities.

Additionally, the Company and its subsidiaries are parties to other lawsuits to which Management, based on the assessment of its in-house and external legal counsels, did not recognize a provision for labor, tax and civil risks, as they believe that there is a possible risk of loss, as follows, highlighting disputes in the administrative and court levels related to interpretations of the law on tax immunity of subsidiaries in periods prior to their changes into for-profit entities. Sociesc's tax-exempt status is being challenged by the tax authorities, and the risk of loss is classified by the legal advisors as "possible", for a total R$ 54,807 higher than the amount of the provision, as mentioned in item "b" above.

	Consolidated	
	6/30/2016	12/31/2015
Labor	15,053	12,836
Tax	141,886	81,723
Civil	11,744	18,059
Total	168,683	112,618

The judicial deposits are disclosed in noncurrent assets and, similarly to the provision for labor, tax, and civil risks, are adjusted by the official indices established for their adjustment.

	12/31/2015	Redemption	Restatement / Reversal	6/30/2016
Labor	42	(14)	(4)	24
Total	42	(14)	(4)	24

Changes in the consolidated judicial deposits were as follows:

	12/31/2015	Additions	Business combination	Redemption	Contingency set-off	Restatement/ Reversal	Reallocatio n	6/30/2016
Labor	10,699	1,592	496	(813)	(1,369)	(146)	66	10,525
Tax	10,264	1,236	-	(954)	-	331	-	10,877
Civil	6,952	3,585	-	(61)	(413)	319	(66)	10,316
Total	27,915	6,413	496	(1,828)	(1,782)	504	-	31,718

22. EQUITY

(a) Capital stock

Subscribed and paid-in capital, in local legal tender, for the six-month period ended June 30, 2016 and the year ended December 31, 2015 is represented by 82,866,371 registered common shares without par value, corresponding to R$496,411, which is broken down as follows:

	Common Shares	
	6/30/2016	12/31/2015
Total outstanding shares	80,040,982	82,592,482
Treasury shares	2,825,389	273,889
Overall total shares	82,866,371	82,866,371

(b) Capital reserves

For the six-month period ended June 30, 2016, the capital reserve balance totaled R$5,856 (R$1,231 as at December 31, 2015). The period changes mainly refer to share-based compensation, as described in Note 29.2.

(c) Shares in treasury

From January to June 2016, the Company repurchased 2,551,500 common shares totaling R$27,459 at an average cost of R$10.76 to maximize the generation of value to shareholders, as approved by the Board of Directors on December 18, 2015.

At June 30, 2016, the balance of shares in treasury was 2,825,389 common shares totaling R$30,608 (273,889 common shares totaling R$3,149 at December 31, 2015).

(d) Dividends

In accordance with the Company´s Bylaws, every year shareholders are guaranteed minimum mandatory dividends, equivalent to 25% of profit for the year, after deducting the legal reserve.

(e) Earnings per share

As prescribed by IAS 33 (equivalent to CPC 41), the Company must calculate basic earnings or loss per share attributable to its controlling shareholders and, if disclosed, the profit or loss resulting from continuing operations attributable to these holders of common shares.

(i) Basic earnings per share:

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average of common shares outstanding during the period, less common shares bought back by the Company and held as treasury shares, if any.

	Parent Company			
	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015
Profit (Loss) for the period	(1,036)	51,719	(24,153)	39,684
Weighted average of common shares (in thousands)	80,965	81,577	82,866	82,866
Basic earnings (loss) per common share – R$	(0.01)	0.63	(0.29)	0.48

(ii) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of outstanding common shares to assume conversion of all potential dilutive common shares. In the six-month period ended June 30, 2016, the Company had only one instrument with dilutive effect, related to the bonus agreement of up to 900,000 Company shares, subject to the achievement of targets, as described in Note 29.2.

	Parent Company	
	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016
Earnings for the period attributable to the Company's shareholders	(1,036)	51,719
Weighted average number of shares	80,965	81,577
Weighted average number of shares (in thousands) - diluted	900	750
Weighted average number of common shares for diluted earnings per share - thousands	81,865	82,327
Diluted earnings per share - R$	(0.01)	0.63

23. UNIVERSITY FOR ALL PROGRAM (ProUNI)

The Program is focused on granting scholarships to undergraduate and specific graduate students with monthly household income per capita that does not exceed three minimum wages.

Thus, by signing the adhesion agreement and in compliance with Law 11096, of January 13, 2005 and Decree 5493, of July 18, 2005, subsidiaries MGE, IMEC, Unimonte, USTJ and Sociesc offer full and partial scholarships according to the selection criteria established by the PROUNI legislation, benefiting from the income tax, social contribution, COFINS and PIS exemptions, as prescribed by Article 8 of Law 11096/2005. This exemption refers only to taxes levied on profit and revenue earned on higher education activities, namely graduate degrees. This exemption is renewed semiannually through the digital signature of an adhesion agreement entered into with the MEC.

The number of scholarships awarded in the six-month period ended June 30, 2016 and year ended December 31, 2015 is consistent with PROUNI rules related to the minimum number of students per place, as prescribed by Law 12431, of June 24, 2011.

24. NET REVENUE FROM PRODUCTS AND SERVICES

The reconciliation between gross revenue and revenue disclosed in the income statement for the six-month period ended June 30, 2016, compared to June 30, 2015 is as follows:

	Parent Company			
	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015
Gross revenue from services provided	706	1,410	633	1,267
Taxes on revenue (a)	(76)	(151)	(52)	(105)
Net revenue	630	1,259	581	1,162

	Consolidated			
	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015
Gross revenue from services provided	256,581	500,660	204,707	421,046
FIES revenue	96,068	186,237	105,436	190,973
Discounts on monthly tuitions	(100,662)	(195,720)	(82,422)	(161,534)
Taxes on revenue (a)	(5,223)	(10,062)	(5,278)	(10,023)
Present value adjustment	944	1,882	-	-
Net revenue	247,708	482,997	222,443	440,462

(a) Refers to PIS, COFINS, ICMS, IPI, ISS and INSS on revenue.

The discounts on monthly tuitions consist mainly of discounts granted by subsidiaries MGE, IMEC, Unimonte, USJT and Sociesc, as shown below:

	Consolidated			
	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015
PROUNI gratuity	(53,145)	(104,943)	(43,067)	(83,025)
Scholarships and discounts	(37,144)	(71,720)	(30,071)	(61,001)
Graduate degrees	(1,072)	(2,398)	(1,846)	(3,734)
Arrangements with companies	(1,465)	(2,401)	(1,610)	(2,424)
Refunding, rebates and other	(7,836)	(14,258)	(5,828)	(11,350)
Total	(100,662)	(195,720)	(82,422)	(161,534)

25. INCOME AND (EXPENSES) BY NATURE

	Parent Company			
	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015
Advertising and publicity	(437)	(835)	(164)	(352)
Taxes and fees	(415)	(732)	(78)	(373)
Provision for labor, tax, and civil risks (Note 21)	128	314	(267)	(192)
Other operating revenues	892	1,723	617	1,187
Personnel expenses	(1,614)	(3,655)	(1,429)	(4,146)
Outsourced services expenses (d)	(1,717)	(2,133)	55	(1,919)
Expenses on leases and occupancy	(18)	(95)	(121)	(239)
Depreciation expenses (Note 12)	(233)	(432)	(174)	(334)
Amortization expenses (Note 13)	(946)	(1,802)	(578)	(1,052)
Maintenance	(92)	(123)	(6)	(7)
Commuting	(261)	(485)	(233)	(468)
Whitney agreement termination (a)	-	-	(53,658)	(53,658)
Other expenses	(177)	(273)	(58)	(135)
Total	(4,890)	(8,528)	(56,094)	(61,688)
Classified as:				
Cost	(4,522)	(8,112)	(2,247)	(7,690)
Selling expenses	(437)	(835)	(164)	(352)
General and administrative expenses	(534)	(884)	(53,954)	(54,268)
Other operating income, net	603	1,303	271	622

	Consolidated			
	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015
Advertising and publicity	(6,718)	(12,992)	(6,388)	(12,442)
Provision for doubtful accounts (Note 7)	(12,619)	(19,589)	(5,543)	(13,367)
Taxes and fees	(1,273)	(1,990)	(679)	(1,250)
Provision for labor, tax, and civil risks (Note 21)	(3,030)	(6,097)	(2,369)	(5,160)
Other operating income	1,132	2,127	1,394	2,170
Revenue from lease of rooms and stores	1,191	1,763	625	1,207
Personnel expenses (a)	(142,557)	(253,049)	(123,356)	(222,204)
Outsourced services expenses (d)	(18,115)	(26,668)	(10,460)	(18,055)
Expenses on leases and occupancy	(21,013)	(42,188)	(17,902)	(33,062)
Depreciation expenses (Note 12)	(6,325)	(11,779)	(4,375)	(8,737)
Amortization expenses (Note 13)	(3,877)	(6,938)	(2,927)	(5,677)
Maintenance	(3,485)	(6,058)	(2,501)	(4,393)
Commuting	(2,661)	(4,060)	(1,581)	(2,739)
Whitney agreement termination	-	-	(53,658)	(53,658)
Other expenses	(15,912)	(29,069)	(14,396)	(23,339)
Total	(235,262)	(416,587)	(244,116)	(400,706)
Classified as:				
Cost	(159,654)	(281,550)	(131,184)	(231,767)
Selling expenses	(19,337)	(32,581)	(11,931)	(25,809)
General and administrative expenses	(54,288)	(98,256)	(99,971)	(140,099)
Other operating income (expenses)	(1,983)	(4,200)	(1,030)	(3,031)

(a) The amount recognized as personnel expenses includes payroll and related taxes.

(b) The amount recognized as outside services refers mainly to consulting, information technology, security, and outsourced labor.

The amounts of materials, power, outsourced services and other expenses disclosed in the Statement of Value Added, are stated above in the outsourced services, maintenance, commuting, occupancy and other expenses lines.

26. SEGMENT REPORTING

The Company's Management elected to organize the Group based on the two different services provided, as follows:

(a) Education - Activity performed by the companies MGE, IMEC, UNA, Unimonte, USTJ, PGP Educação and Sociesc, which are engaged in the provision of education services by offering elementary school and high school courses, college degrees and professional specialization courses, including undergraduate, graduate, masters, doctorate, and extension degrees, in addition to Pronatec, both formal and distance education.

(b) Vertical Management and Technological Innovation - Activity performed by subsidiaries HSM do Brasil and Sociesc focused on the development of corporate leaders and companies through congresses, forums, seminars, specialization courses, in-company courses, publishing books and magazines specifically focused of management and business, consultancy services in the area of technological innovation and technical testing and analysis, including a calibration laboratory and testing of electrical equipment, measuring equipment, materials, founding and tooling.

The Company believes that the allocation of expenses through apportionment among the operating segments does not produce any additional benefit to the business analysis and management and, therefore, said expenses are not allocated. The Company does not analyze reports on the equity amounts per segment.

	6/30/2016			
	Consolidated			
	Education	Vertical Management and Technological Innovation	Unallocated amount	Total
NET REVENUE	470,174	12,823	-	482,997
COST OF PRODUCTS AND SERVICES	(271,751)	(9,799)	-	(281,550)
GROSS PROFIT	198,423	3,024	-	201,447
OPERATING INCOME (EXPENSES)				
Selling expenses	(30,595)	(1,151)	-	(31,746)
General and administrative expenses	(64,329)	(6,965)	-	(71,294)
Corporate	-	-	(28,407)	(28,407)
Other operating income (expenses)	(3,489)	(100)	(1)	(3,590)
EARNINGS BEFORE FINANCE INCOME (EXPENSES)	100,010	(5,192)	(28,408)	66,410
Financial result	3,379	(656)	4	2,727
Corporate finance income (expenses)	-	-	(17,732)	(17,732)
PROFIT (LOSS) BEFORE INCOME TAXES	103,389	(5,848)	(46,136)	51,405
Current and deferred income tax and social contribution	313	1	-	314
PROFIT (LOSS) FOR THE PERIOD	103,702	(5,847)	(46,136)	51,719

	4/1/2016 to 6/30/2016			
	Consolidated			
	Higher Education	Vertical Management and Technological Innovation	Unallocated amount	Total
NET REVENUE	239,843	7,865	-	247,708
COST OF SERVICES RENDERED	(153,401)	(6,253)	-	(159,654)
GROSS PROFIT	86,442	1,612	-	88,054
OPERATING INCOME (EXPENSES)				
Selling expenses	(17,950)	(949)	-	(18,899)
General and administrative expenses	(35,696)	(3,679)	-	(39,375)
Corporate	-	-	(15,709)	(15,709)
Other operating income (expenses)	(1,494)	(130)	(1)	(1,625)
EARNINGS BEFORE FINANCE INCOME (EXPENSES)	31,302	(3,146)	(15,710)	12,446
Financial result	(2,033)	(193)	2	(2,224)
Corporate finance income (expenses)	-	-	(11,622)	(11,622)
PROFIT (LOSS) BEFORE INCOME TAXES	29,269	(3,339)	(27,330)	(1,400)
Current and deferred income tax and social contribution	363	1	-	364
PROFIT (LOSS) FOR THE PERIOD	29,632	(3,338)	(27,330)	(1,036)

	6/30/2015			
	Consolidated			
	Education	Vertical Management and Technological Innovation	Unallocated amount	Total
NET REVENUE	431,826	8,636	-	440,462
COST OF SERVICES RENDERED	(226,737)	(5,030)	-	(231,767)
GROSS PROFIT	205,089	3,606	-	208,695
OPERATING INCOME (EXPENSES)				
Selling expenses	(23,351)	(2,044)	-	(25,395)
General and administrative expenses	(50,850)	(10,387)	(53,727)	(114,964)
Corporate	-	-	(26,237)	(26,237)
Other operating income (expenses)	(2,494)	152	(1)	(2,343)
EARNINGS BEFORE FINANCE INCOME (EXPENSES)	128,394	(8,673)	(79,965)	39,756
Financial result	1,483	(30)	4	1,457
Corporate finance income (expenses)	-	-	(1,503)	(1,503)
PROFIT (LOSS) BEFORE INCOME TAXES	129,877	(8,703)	(81,464)	39,710
Current and deferred income tax and social contribution	20	(46)	-	(26)
PROFIT (LOSS) FOR THE PERIOD	129,897	(8,749)	(81,464)	39,684

	4/1/2015 to 6/30/2015			
	Consolidated			
	Higher Education	Vertical Management and Technological Innovation	Unallocated amount	Total
NET REVENUE	216,139	6,305	-	222,444
COST OF SERVICES RENDERED	(127,665)	(3,520)	-	(131,185)
GROSS PROFIT	88,474	2,785	-	91,259
OPERATING INCOME (EXPENSES)				
Selling expenses	(10,570)	(1,135)	-	(11,705)
General and administrative expenses	(28,369)	(6,593)	(53,658)	(88,620)
Corporate	-	-	(11,977)	(11,977)
Other operating income (expenses)	(488)	(141)	(1)	(630)
EARNINGS BEFORE FINANCE INCOME (EXPENSES)	49,047	(5,084)	(65,636)	(21,673)
Financial result	(1,266)	(585)	2	(1,849)
Corporate finance income (expenses)	-	-	(598)	(598)
PROFIT (LOSS) BEFORE INCOME TAXES	47,781	(5,669)	(66,232)	(24,120)
Current and deferred income tax and social contribution	10	(43)	-	(33)
PROFIT (LOSS) BEFORE NON-CONTROLLING INTEREST	47,791	(5,712)	(66,232)	(24,153)
PROFIT (LOSS) FOR THE PERIOD	47,791	(5,712)	(66,232)	(24,153)

The unallocated amount is basically related to the group's administrative activities performed by GAEC.

27. FINANCE INCOME (EXPENSES), NET

	Parent Company			
	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015
Finance income:				
Income from short-term investments	3,525	7,719	912	1,868
Exchange gain variation	-	8	1,251	1,251
Currency variation on loans	24,207	49,717	-	-
Realized gains on derivatives	2,406	2,406	-	-
Income from derivatives	-	-	1,058	1,058
Monetary restatement	176	356	38	41
Other	2	8	11	149
Total	30,316	60,214	3,270	4,367
Finance expenses:				
Loan interest expense	(13,461)	(23,900)	(2,588)	(4,413)
Expenses with derivatives	(26,613)	(52,123)	-	-
Exchange losses	(349)	(349)	(1,058)	(1,058)
Tax on financial transactions (IOF)	(87)	(91)	(180)	(183)
Present value adjustment expenses and restatement of notes	-	-	-	(166)
Taxes interest expenses	(2)	(2)	(19)	(21)
Banking expenses	(1,425)	(1,477)	(15)	(15)
Other	-	(3)	(8)	(14)
Total	(41,937)	(77,945)	(3,868)	(5,870)
Financial result	(11,621)	(17,731)	(598)	(1,503)

	Consolidated			
	4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015
Finance income:				
Income from short-term investments	4,830	10,001	1,798	5,567
Income from monthly tuition interest rates	1,406	5,978	1,223	4,113
Exchange gain variation	-	21	1,042	2,009
Currency variation on loans	24,207	49,717	-	-
Realized gains on derivatives	2,406	2,406	-	-
Income from derivatives	-	-	1,496	1,496
Monetary restatement	3,139	9,942	765	1,391
Discounts	434	859	-	-
Other	453	453	410	890
Total	36,875	79,377	6,734	15,466
Finance expenses:				
Loan interest expense	(16,032)	(28,931)	(4,933)	(9,133)
Interest from Pravaler financing	(2,677)	(5,051)	(1,358)	(2,252)
Financial discounts granted to students	(714)	(1,438)	(587)	(1,112)
Expenses with derivatives	(26,797)	(52,307)	-	-
Exchange losses	(156)	(387)	(1,058)	(1,058)
Tax on financial transactions (IOF)	(221)	(260)	(269)	(306)
Expenses with adjustment to present value and inflation adjustments of securities	(2,489)	(3,560)	-	(183)
Taxes interest expenses	(94)	(199)	(80)	(165)
Banking expenses	(1,454)	(1,517)	(53)	(65)
Other	(87)	(732)	(843)	(1,238)
Total	(50,721)	(94,382)	(9,181)	(15,512)
Financial result	(13,846)	(15,005)	(2,447)	(46)

28. EMPLOYEE BENEFITS

Variable compensation - The Compostella program, created in 2008, to offer opportunities to be part of a variable compensation process, includes the key management personnel of the Company and its subsidiaries MGE, IMEC and Unimonte. The Compostella consists on paying an additional compensation, earned biannually or annually, provided that the entity meets its overall goals and each manager achieves his or her individual goal. The annual variable compensation proposed in case of fully achieving the targets may vary between 2 and 7 monthly salaries, according to the hierarchical level and partial achievements of targets are accepted according to previously defined criteria, with the partial payment of compensation proposed. The Company and its subsidiaries make monthly provisions in order to deal with these expenses. No amount was paid related to this benefit in the six-month period ended June 30, 2016 (R$4,532 on June 30, 2015).

Food benefit - The Company and its subsidiaries offer two alternative types of benefit to their employees: a meal card or a food card, except for Unimonte, which only grants food cards, and Sociesc, which only grants meal cards. In the six-month period ended June 30, 2016, the expenses incurred on this benefit came to R$3,955 (R$3.526 at June 30, 2015).

Health and dental insurance plan -The Company and its subsidiaries MGE, IMEC, Unimonte, HSM, USJT and Sociesc offer a health and dental insurance plan to its employees, according to the criteria established in their policy. The adopted plan, provided by a specialized firm engaged for this purpose, has co-payment requirements, mostly under which an employee pays a fixed amount to use the medical procedures covered by the agreement. The Company and its subsidiaries' liability is limited to the payment of monthly obligations according to the service agreement entered into with the health operator, which totaled R$3,849 in the six-month period ended June 30, 2016 (R$2,581 on June 30, 2015).

Scholarships - The Company and its subsidiaries offer to all their employees scholarships ranging from 50% to 100%, depending on the salary bracket, course selected and academic performance and can be transferred to an employee's dependent in turn. In addition, spouses and offspring are entitled to a 50% scholarship and the Anima Community (other employee family members), are entitled to a 30% scholarship. In the six-month period ended June 30, 2016, scholarships totaling R$9,456 were awarded to employees and their dependents (R$8,348 at June 30, 2015).

Day care center benefit - Sociesc offers its employees with children up to one year old, who attend a private day care center, up to 50% of the minimum wage.

Transportation allowance - Sociesc offers its corporate officers and unit directors monthly transportation allowance and a fuel and toll card.

Funeral assistance - Sociesc offers its employees funeral assistance if a member of the staff dies, in which case children over 14 years of age have the right to payment of funeral expenses and indemnity of R$5,000, while children younger than 14 are entitled to funeral expenses alone, up to a maximum amount of R$5,000.

Private pension plan - Sociesc provides its employees a defined benefit private pension plan, contributing up to 70% of the cost, with a maximum of 10% of the employee's salary in the case of those with salaries exceeding R$7,000, and 100% for employees earning less than R$7,000. In the six-month period ended June 30, 2016, the cost of this benefit amounted to R$345.

29. RELATED-PARTY TRANSACTIONS

During the course of their business, the Company and its related parties recorded intragroup receivables and payables originated by acquired services and loan transactions. The business and financial terms thereof are agreed by the Company and its related parties.

In the six-month period ended June 30, 2016 and in the year ended December 31, 2015, the Company’s related-party balances and transactions are as follows:

	Parent Company		
	6/30/2016		
	Assets	Liabilities	Profit (loss)
	Accounts receivables	Accounts payables	Revenue
MGE	3,482	497	1,047
IMEC	2,360	256	-
AMC	1,910	91	-
Unimonte	882	258	363
HSM Brasil	96	-	-
Other	68	70	-
Total	8,798	1,172	1,410

	Parent Company		
	12/31/2015		
	Assets		Profit (loss)
	Accounts receivables	Accounts payables	Revenue
MGE	3,278	476	1,882
IMEC	2,260	248	-
AMC	1,753	83	651
Unimonte	844	235	-
HSM Brasil	77	-	-
Other	68	69	-
Total	8,280	1,111	2,533

	Consolidated			
	6/30/2016			
	Assets		Liabilities	Profit (loss)
	Accounts receivables	Loan	Accounts payables	Expenses
Santa Antonieta Gestão Patrimonial (a)	-	-	297	1,701
Instituto UNA	32	12	-	-
Virtual	36	-	-	-
Total	68	12	297	1,701

	Consolidated			
	12/31/2015			
	Assets		Liabilities	Profit (loss)
	Accounts receivables	Loan	Accounts payables	Expenses
Santa Antonieta Gestão Patrimonial (a)	-	-	270	3,178
Instituto UNA	32	12	-	-
Virtual	36	-	-	-
Total	68	12	270	3,178

(a) Refers to the rent of the Aimorés Campus used by MGE.

29.1. Key management personnel compensation

Key management personnel include the Company's officers and board members. The compensation received during the six-month period ended June 30, 2016 and the six-month period ended June 30, 2015 as follows:

	Parent Company		Consolidated	
	6/30/2016	6/30/2015	6/30/2016	6/30/2015
Short-term benefits	1,877	2,809	5,438	7,331
Long-term benefits	-	-	4,622	-

29.2. Share-based compensation

After the acquisition of Sociesc, in order to maintain its main executive, the Company entered into a share bonus agreement subject to the achievement of certain financial, operational, academic performance and people management goals for the next five years, which may result in bonuses of up to 900,000 Company shares (ANIM3).

The shares granted will be settled with equity instruments (Company shares) only, and the Company is under no obligation to change settlement to payment in cash.

As defined in the rules governing the departure of the executive, during the bonus agreement's effective period, the executive is entitled to 450,000 shares, which is why the Company has already recognized the amount corresponding to these shares in profit or loss.

The fair value of the shares granted was determined based on their average price in January 2016, when the shares for the bonus payment were bought. These shares are held in treasury, at the average price of R$10.27.

The fair value of the shares granted was recognized as an expense, in the "personnel expenses" line, with a counter-entry in equity, in the "capital reserve" line, in the amount of R$4,622 in the six-month period ended June 30, 2016.

30. FINANCIAL INSTRUMENTS

30.1. Financial risk management:

In the normal course of its operations, the Company and its subsidiaries are exposed to the following risks related to their financial instruments:

(a) Liquidity risk - is the risk of shortage of funds to settle their obligations. The management of the liquidity risk is made to ensure that the Company and its subsidiaries have the funds necessary to settle their liabilities on their maturities.

The Board of Directors has the ultimate responsibility for managing of liquidity risk and has preparing an appropriate liquidity risk management model to manage funding requirements and short-, medium- and long-terms liquidity management. Company and its subsidiaries manage the liquidity risk by maintaining proper reserves, bank and other credit facilities to raise new borrowings that they consider appropriate, based on the continuous monitoring of budgeted and actual cash flows, and the combination of the maturity profiles of financial assets and liabilities.

The table below shows the Company's financial liabilities:

	Consolidated			
	Less than 1 year	Between 1 and 2 years	Over 2 years	Total
At June 30, 2016:				
Borrowings and financing (Note 15.)	101,000	120,405	213,230	434,635
Derivatives	8,402	10,033	11,056	29,491
Suppliers (Note 14)	21,875	-	-	21,875
Accounts payable (Note 20)	3,313	4,479	23,036	30,828
At December 31, 2015:				
Borrowings and financing (Note 15.)	124,192	153,474	76,789	354,455
Derivatives	(12,093)	(2,131)	(8,594)	(22,818)
Suppliers (Note 14)	19,606	-	-	19,606

(b) Credit risk - assessed on historic bases by Management and arises from market fluctuations and changes in the national and local economy. The provision for doubtful accounts is calculated in an amount considered sufficient by Management to cover potential losses on the realization of receivables.

Credit risk refers to the risk of a counterparty not complying with its contractual obligations, which would result in financial losses for the Company and its subsidiaries. Therefore, the Company and its subsidiaries' sales policy is closely related to the level of credit risk that they are willing to assume in the ordinary course of their businesses, limited to Federal Government rules (Law 9870/99, which provides for total school annual tuitions). Enrollment for the next school year is blocked whenever a student is in default with the institution. The diversification of its receivables portfolio and the selectivity of students, as well as monitoring of payment terms, are procedures adopted to minimize any default on the collection of receivables.

The Company restricts its exposure to credit risks related to banks and short-term investments by investing through prime financial institutions, based on the rating awarded by the agencies Fitch Rating and Standard & Poors, and in accordance with previously established limits.

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk on the reporting dates was:

		Parent Company		Consolidated	
	Notes	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Cash and cash equivalents	6	1,778	1,411	22,537	25,480
Short-term investments	6	127,116	153,482	179,287	159,058
Accounts receivables	7	8,798	8,280	381,906	289,252
Prepaid advances	8	663	671	39,265	21,984
Credits with related parties	29	-	-	12	12
Total		138,355	163,844	623,007	495,786

Market risk - it is the risk that fair value or future cash flows of a certain financial instrument will fluctuate because of changes in interest rates and inflation adjustment indices. The management of the market risk is made to ensure that the Company and its subsidiaries are only exposed to risk levels considered acceptable in the context of their operations.

(i) Foreign exchange risk - The Company and its subsidiaries use derivative financial instruments, recorded in the statement of financial position and in the income statement, in order to manage market risks arising from the mismatch between currencies and indices. Derivative transactions are carried out in accordance with the Company's annual business plan previously approved by the Board of Directors.

In this scenario, subsidiary HSM holds non-deliverable forwards (NDF), in dollars, whose hedge refers to the highly probable future contracting of service providers in foreign currency.

The Company takes US dollar-denominated loans and contracted a SWAP to ensure the US dollar quote, aiming at mitigating the foreign exchange variation risk. These derivative transactions are recorded in the Company's statement of financial position at their fair value and the respective gains or losses are immediately recognized in the finance income (expenses).

These derivative operations were contracted with Itaú Unibanco S.A. and HSBC Bank Brasil S.A., under the following amounts and conditions:

Parent Company						
Contracting date	Maturity date	Pegged amount (USD thousand)	Contracted Quote	Fair value adjustment (R$ thousand)	Closing Quote	SWAP Rate
8/26/2015	8/26/2020	28,090	3.5600	11,056	2.788% p.a.	CDI + 2.40% p.a.
7/31/2015	7/25/2016	9,024	3.3243	4,130	2.868% p.a.	CDI + 1.15% p.a.
8/28/2015	8/17/2017	13,793	3.6250	10,033	3.893% p.a.	CDI + 1.00% p.a.
8/28/2015	8/22/2016	5,517	3.6250	4,087	2.808% p.a.	CDI + 0.50% p.a.
Total		56,424		29,306		
Current liabilities				8,217		
Noncurrent liabilities				21,089		

Consolidated						
Contracting date	Maturity date	Pegged amount (USD thousand)	Contracted Quote	Fair value adjustment (R$ thousand)	Closing Quote	SWAP Rate
Futures market operations						
3/3/2016	8/15/2016	40	4.0854	11	13.162%	-
3/3/2016	9/15/2016	32	4.1179	8	12.598%	-
3/3/2016	10/14/2016	249	4.1725	98	13.251%	-
3/3/2016	11/14/2016	175	4.2096	68	12.954%	-
Total		496		185		
Swap operations						
8/26/2015	8/26/2020	28,090	3.5600	11,056	2.788%	CDI + 2.40%
7/31/2015	7/25/2016	9,024	3.3243	4,130	2.868%	CDI + 1.15%
8/28/2015	8/17/2017	13,793	3.6250	10,033	3.893%	CDI + 1.00%
8/28/2015	8/22/2016	5,517	3.6250	4,087	2.808%	CDI + 0.50%
Total		56,424		29,306		
Current liabilities				8,402		
Noncurrent liabilities				21,089		

For the six-month period ended June 30, 2016, the variation between the reference amounts of derivatives contracted and related calculations of fair value were recorded under “finance expenses” totaling R$52,307 against “derivatives”.

The Company’s Management permanently monitors the derivative financial instruments contracted.

(ii) Interest rate risk - the Company has borrowings and financing denominated in local currency subject to interest rates linked to indices (mainly the CDI). The risk related to these liabilities is linked to the possibility of changes in interest rates.

The Company does not have any contract to hedge against this type of exposure; however it continually monitors market interest rates to assess the need to enter into hedging transactions against the risk of volatility in these rates.

Interest rates in current and non-current liabilities are as follows:

		Consolidated	
	Note	6/30/2016	12/31/2015
Borrowings and financing:			
Interbank Deposit Certificate - CDI	15	416,404	353,989
Derivatives	30	29,491	(22,818)
TJLP and TR	15	4,165	466
Other (i)	15	14,066	-
Accounts payable:			
National Consumer Price Index (INPC)	20	30,828	-
Total		494,954	331,637

(i) Borrowings and financing with no index.

30.2. Capital management

The Company and its subsidiaries manage their capital to ensure their going concern and, at the same time, maximize return to all stakeholders or parties involved in their operations, by optimizing the debt and equity balance.

Management reviews the Company's and its subsidiaries' capital structure on a regular basis. As part of this review, Management considers the cost of capital, asset liquidity, the risks associated to each class of equity, and the debt-to-equity ratio in a consolidated way by adopting a financial leverage ratio.

The Company and its subsidiaries are not subject to any external requirement on capital.

The table below shows the financial leverage ratios:

		Parent Company		Consolidated	
	Note	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Loans and borrowings	15	376,451	311,219	434,635	354,455
Derivatives	30.1	29,306	(22,818)	29,491	(22,818)
Cash and cash equivalents	6	(1,778)	(1,411)	(22,537)	(25,480)
Short-term investments	6	(127,116)	(153,482)	(179,287)	(159,058)
Net debt (cash)		276,863	133,508	262,302	147,099
Equity	22	671,003	642,118	671,003	642,118
Financial leverage ratio		41.26%	20.79%	39.09%	22.91%

30.3. Fair value measurements recognized in the statement of financial position and/or disclosed:

(a) Fair value versus carrying amount

It was identified that in the transactions involving financial instruments the carrying amounts and the fair values of borrowings and financing are different because such borrowings and financing have extended maturities.

The fair values of borrowings and financing were calculated by projecting the future cash flows of borrowings and financing using the interest rates agreed for each transaction (Note 15), subsequently discounted to present value using the average funding rates incurred at the end of each period, which are in conformity with the rates used by the market on each date and in each type of funding. The discount rate used in financial liabilities for the six-month period ended June 30, 2016 was 16.00% (16.15% on December 31, 2015).

The estimated fair values are as follows:

		Parent Company			
		6/30/2016		12/31/2015	
	Note	Fair value	Carrying amount	Fair value	Carrying amount
Net financial liabilities					
Loans and borrowings	15	403,482	376,451	288,301	311,219
Derivatives	30.1	29,306	29,306	(22,818)	(22,818)
Total		432,788	405,757	265,483	288,401

		Consolidated			
		6/30/2016		12/31/2015	
	Note	Fair value	Carrying amount	Fair value	Carrying amount
Net financial liabilities					
Loans and borrowings	15	455,389	434,635	331,177	354,455
Derivatives	30.1	29,491	29,491	(22,818)	(22,818)
Accounts payable	20	30,828	30,828	-	-
Total		515,708	494,954	308,359	331,637

(b) Fair value hierarchy

For the six-month period ended June 30, 2016 and the fiscal year ended December 31, 2015, the Company and its subsidiaries adopted Level 2 for derivatives and all borrowings and financing and accounts payable.

30.4. Credit quality of financial assets:

The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	Parent Company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Accounts receivables				
Counterparties without external credit rating	8,798	8,280	381,906	289,252
	8,798	8,280	381,906	289,252
Cash at bank and short-term bank deposits (i) AAA	51	30	1,383	1,682
Financial investments (i) AAA	128,838	154,859	200,341	182,766
	128,889	154,889	201,724	184,448

(i) National rating assigned by risk rating agency Fitch Ratings.

The residual balance of “cash and cash equivalents” of the statement of financial position is cash on hand.

31. SENSITIVITY ANALYSIS

The following is the sensitivity analysis table of the financial instruments that might produce material losses for the Company and its subsidiaries, shown in the probable scenario (index used: CDI – 14.13% and INPC - 9.49%), taking into account a 12-month time horizon. Additionally, two other scenarios are provided, therefore showing a 25% and 50% stress at the risk variable considered, respectively.

Parent Company
6/30/2016
Effect on profit (loss)

	Index	Risk	Value	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Short-term investments	CDI	CDI increase	(128,838)	(18,205)	(22,756)	(27,307)
Borrowings and financing (domestic currency)	CDI	CDI increase	191,410	27,046	33,808	40,569
Borrowings and financing (foreign currency)	CDI	CDI increase	185,041	26,146	32,683	39,219
Derivatives	CDI	CDI increase	29,306	4,141	5,176	6,211
Net exposure - loss			276,919	39,128	48,911	58,692

	Consolidated					
	6/30/2016					
				Effect on profit (loss)		
	Index	Risk	Value	Probable scenario	Possible scenario (25%)	Remote scenario (50%)
Short-term investments	CDI	CDI increase	(200,342)	(28,308)	(35,385)	(42,462)
Borrowings and financing (domestic currency)	CDI	CDI increase	249,594	35,268	44,085	52,901
Borrowings and financing (foreign currency)	CDI	CDI increase	185,041	26,146	32,683	39,219
Derivatives	CDI	CDI increase	29,491	4,167	5,209	6,251
Accounts payable	INPC	INPC increase	30,828	2,926	3,658	4,390
Net exposure - loss			294,612	40,199	50,250	60,299

For the six-month period ended June 30, 2016, we carried out a sensitivity analysis considering the “CDI increase” scenario, given that this is the scenario that would most negatively impact the Company in the current period considering that we have more borrowings than investments.

For interest rate sensitivity analysis purposes, the Company and its subsidiaries adopted as a criteria to show the impact of total interest to be incurred over the next 12 months.

Gains and losses on these transactions are consistent with the policies and strategies designed by the Management of the Company and its subsidiaries.

The rates used for the projections described above were based on the CDI - estimate disclosed by Anbima and the INPC estimate disclosed by the Brazilian Institute of Geography and Statistics (IBGE), deemed by Management as independent external and reliable sources.

No sensitivity analysis was carried out on the US dollar variation impact, given that the Company’s Management contracted hedging instruments in an amount deemed to be sufficient to minimize the impacts from the exchange variation.

32. INSURANCE

The Company and its subsidiaries have the policy of obtaining insurance coverage considering the type of its operations, risks involved and advice from insurance brokers. All insurance policies were obtained with Brazilian insurers.

For the six-month period ended June 30, 2016 and the year ended December 31, 2015, the Company had insurance policies, which cover, but not limited to, fire, floods, occupational accidents, electrical damages, riots, window breaking, electronic equipment, robbery, lightening, explosions, windstorms, and vehicle and plane crashes.

33. STATEMENTS OF CASH FLOWS - MAIN NON-CASH TRANSACTIONS

For the correct analysis of the statements of cash flows for the six-month period ended June 30, 2016, it is necessary to appraise the transaction below, which did not affect cash:

(a) On February 1, 2016, the Company, through its subsidiary PGP Educação S.A., assumed ownership of all the rights over Sociedade Educacional de Santa Catarina ("Sociesc"). Under the agreement, subsidiary PGP Educação has disbursed R$291 until this moment and has taken over Sociesc with a cash balance of R$5,542, with a net positive cash effect of R$5,251 with no transfer of funds.

34. SUBSEQUENT EVENTS

34.1. Acquisition of Alis Educacional

On July 1, 2016, the Company, through its subsidiary Posse Gestão Patrimonial S.A. "PGP Gestão", entered into a Private Instrument for the Acquisition of Interest in Alis Educacional and Other Covenants, which will result in the ownership of all rights over Alis Educacional, one of the most important reference institutions in education innovation, management quality and post-secondary education in the countryside of Minas Gerais, with around 4,300 students enrolled in on-campus undergraduate courses. The transaction did not require approval by the Brazilian antitrust authority (CADE).

34.2. Consideration to be transferred

The Company will disburse R$46,000 for the business, including a down payment of R$20,000 on the closing of the transaction and 10 annual installments of R$26,000, adjusted by the inflation index basket, the first of which will mature twelve (12) months as of the closing date (July 1, 2016). The Transaction also envisages earn-out payments of up to R$8,000 between 2018 and 2023, based on the achievement of financial and operating targets.

34.3. Assets acquired, liabilities recognized and goodwill from the acquisition

The Company and its consultants have not yet begun the fair value calculation of the assets and liabilities, and in consequence have not yet determined any possible goodwill or negative goodwill arising from the transaction.

35. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The Interim Financial Information was approved and authorized for disclosure by the Board of Directors on August 8, 2016.

BOARD OF EXECUTIVE OFFICERS

DANIEL FACCINI CASTANHO
Chief Executive Officer

GABRIEL RALSTON CORREA RIBEIRO
Chief Financial Officer

TECHNICAL MANAGER

MARY AFONSO MOUSINHO
Accountant
CRC/MG 088.391/O-8

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%**
Gross Margin	*47.3%*	*49.4%*	*-2.1 p.p.*	*44.3%*	*49.4%*	*-5.1 p.p.*
Adjusted EBITDA	**97.3**	**117.0**	**-16.8%**	**99.8**	**117.0**	**-14.7%**
EBITDA Margin	*23.0%*	*26.5%*	*-3.5 p.p.*	*20.7%*	*26.5%*	*-5.8 p.p.*
Adjusted Net Income	**62.5**	**98.4**	**-36.5%**	**60.4**	**98.4**	**-38.6%**
Net Margin	*14.8%*	*22.3%*	*-7.5 p.p.*	*12.6%*	*22.3%*	*-9.8 p.p.*

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.

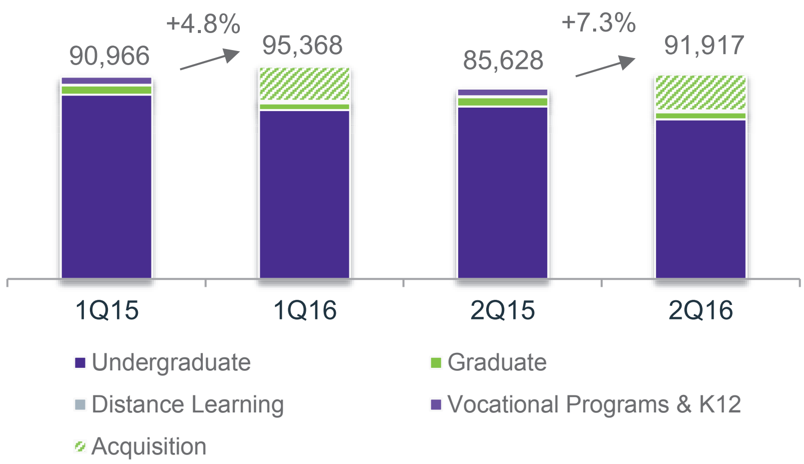
We also welcome another institution to our group. As we announced in June 2016, Alis Educacional will reinforce and accelerate our presence in Minas Gerais. This process has been studied, planned and executed in a very consistent manner. We have been able to combine a strategy of organic growth with 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.

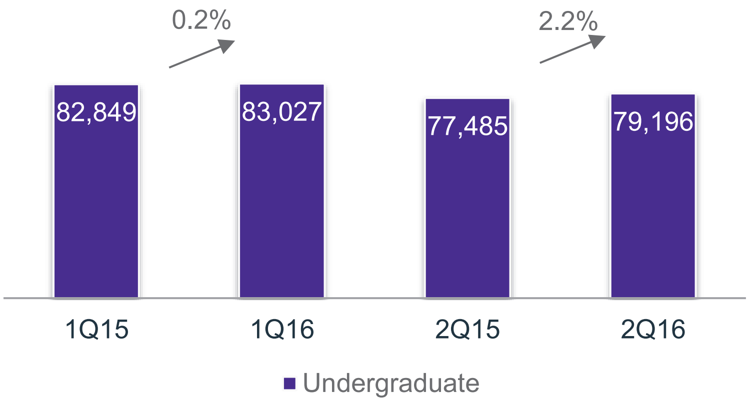


Student Base	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	% 2Q16/2Q15	% 2Q16/1Q16
Undergraduate	82,849	77,485	75,889	72,740	83,027	79,196	2.2%	-4.6%
Graduate	4,154	4,242	3,353	3,427	5,315	5,698	34.3%	7.2%
Distance Learning	335	384	630	560	4,316	4,443	1,057.0%	2.9%
Vocational Programs & K12	3,628	3,517	2,111	2,093	2,710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

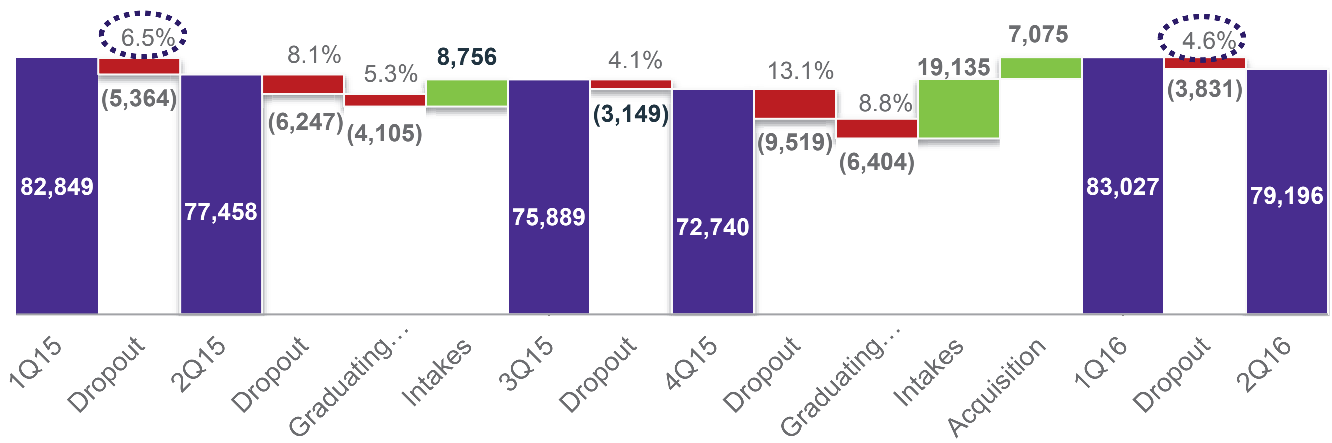
Student Base (Ex-SOCIESC)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	% 2Q16/2Q15	% 2Q16/1Q16
Undergraduate	82,849	77,485	75,889	72,740	75,952	71,852	-7.3%	-5.4%
Graduate	4,154	4,242	3,353	3,427	3,093	3,116	-26.5%	0.7%
Distance Learning	335	384	630	560	879	886	130.7%	0.8%
Vocational Programs & K12	3,628	3,517	2,111	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.

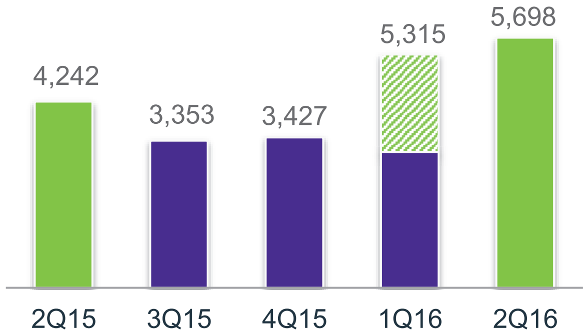


This undergraduate student base in 2Q16 is the result of the beginning of the year intake and the re-enrollment of existing students, less 3.8 thousand students who dropped out during the second quarter. This represents a loss of 4.6% of the initial student base, i.e. lower than the 6.5% or 5.4 thousand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



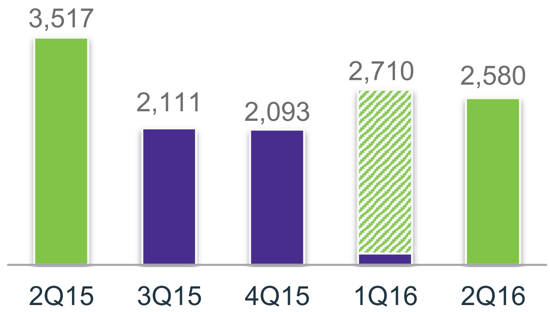
On-campus Graduate Student Base

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

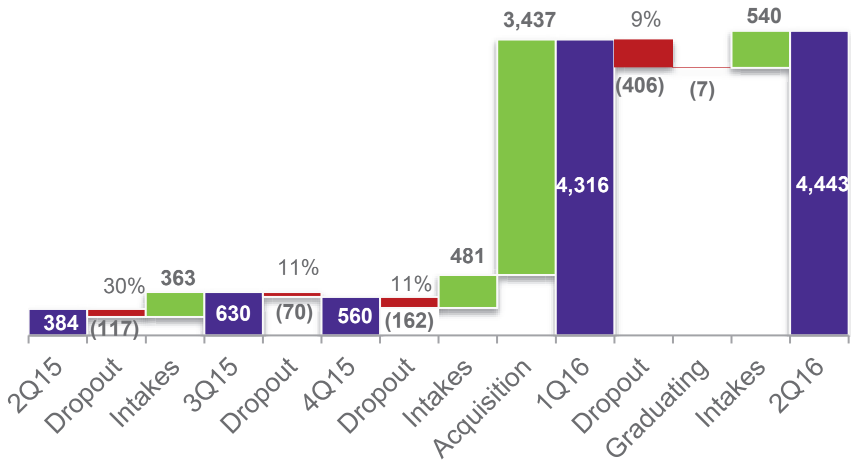
In 2Q16, Anima's remaining Pronatec students concluded their courses. As a result, the 2.6 thousand K12 and vocational students were due to the consolidation of Sociesc's students, that beyond Pronatec includes Tupy Vocational School, Tupy Highschool and Florianópolis International School.



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.



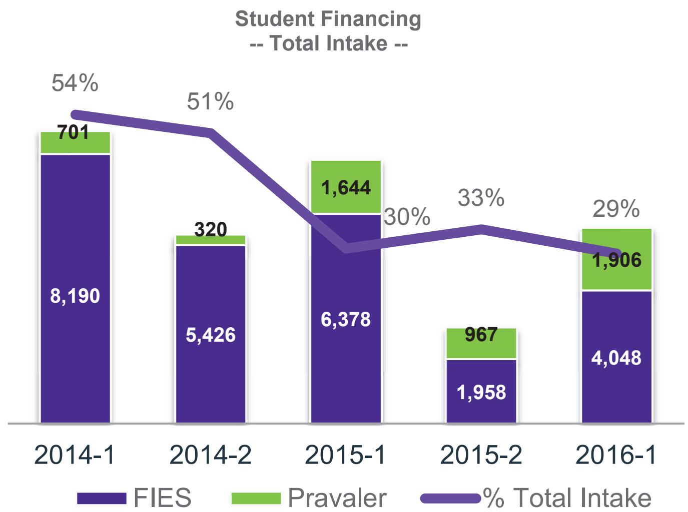
Student Financing

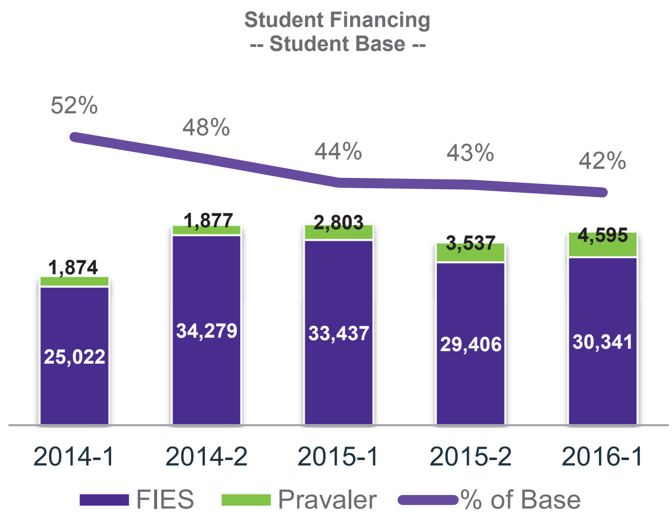
At Anima, we have always believed that, in order to strike a balance between academic quality and scale, it is necessary to face the challenge of increasing access, mostly through student financing. Bearing this in mind, not only do we offer the federal government program (FIES), but we have also maintained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





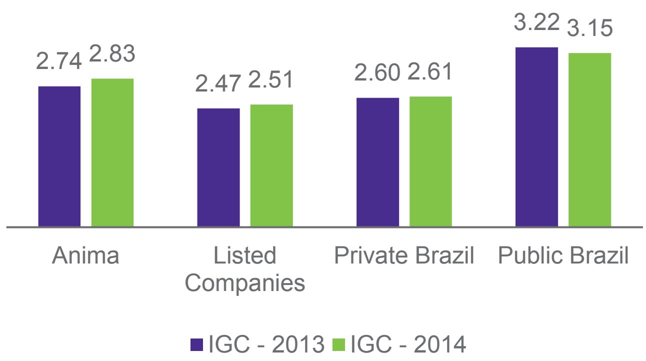
Academic Quality

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.

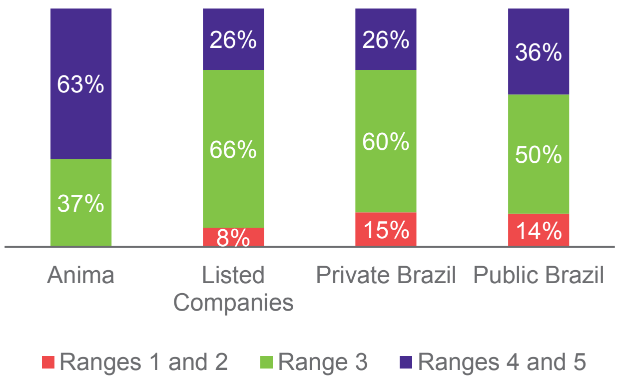
According to the latest result disclosed in 4Q15, we continued to record a consistent improvement in our academic and student satisfaction indicators, reinforcing our confidence in the effectiveness of our academic model and our commitment to remaining focused on constantly improving the quality of the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

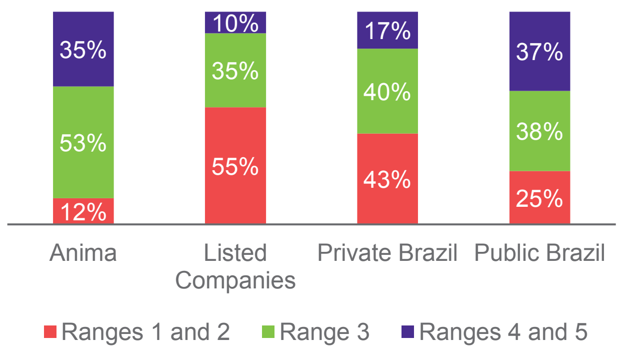
IGC Weighted Average



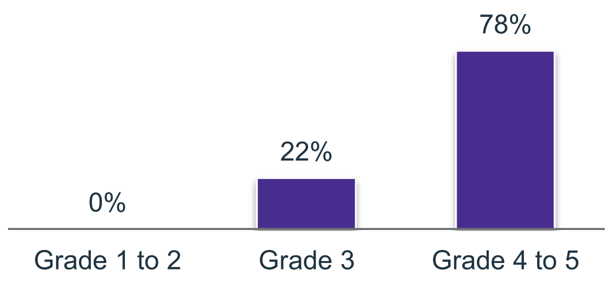
CPC 2014 per Range



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 Before Non-Controlling Interest	**(1.0)**	**-0.4%**				
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 Ticket[1]	$ 1,271	$ 1,145	+11.0%
Average Gross Ticket with Sociesc[1]	$ 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:

i. Idle capacity in the new units that are not fully operational and the expansion of campuses in Belo Horizonte (-0.6pp);
ii. 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 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 throught 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	∆ 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.

Total	2Q16 * Total	1Q16 * Total	4Q15 Total	3Q15 Total	2Q15 Total	∆ 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

FIES	2Q16 * Total	1Q16 * Total	4Q15 Total	3Q15 Total	2Q15 Total	∆ 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

Non FIES	2Q16 * Total	1Q16 * Total	4Q15 Total	3Q15 Total	2Q15 Total	∆ 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

Others	2Q16 * Total	1Q16 * Total	4Q15 Total	3Q15 Total	2Q15 Total	∆ 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

PRONATEC	2Q16 * Total	1Q16 * Total	4Q15 Total	3Q15 Total	2Q15 Total	∆ 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

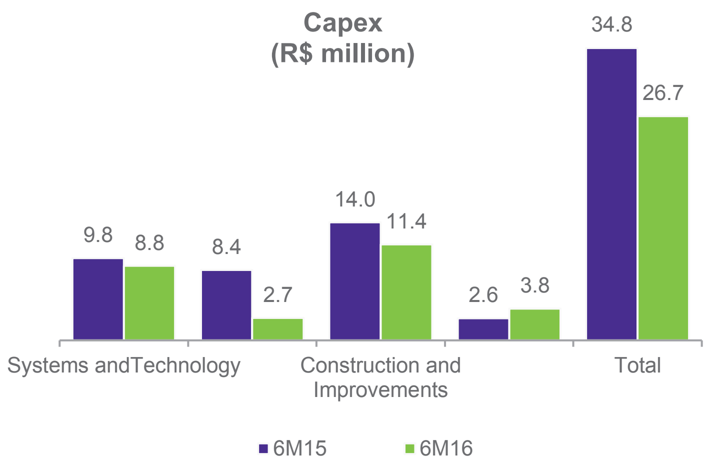
* 1Q16 and 2Q16 weighted DSO, based on the fact that Sociesc started to be consolidated as of Feb. 1st 2016

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 Cancelation 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 Cancelation 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.

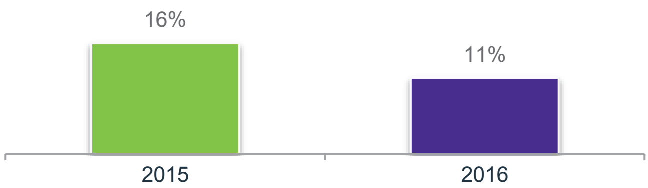
As a result, the cash position increased R$17.1 million in 6M16 (+R$51.6 million in 2Q16), for a cash position on June 30, 2016 of R$201.8 million.

Return On Invested Capital (ROIC)

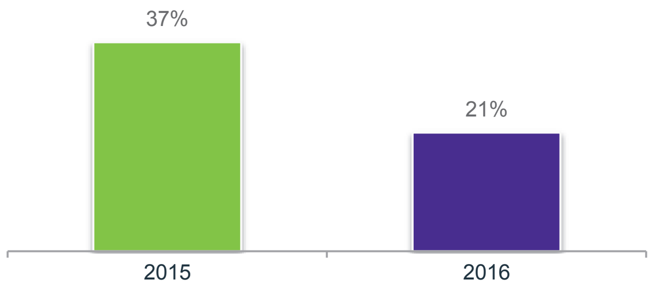
We monitor our financial performance through our return on invested capital (ROIC), among other metrics. At the end of 2Q16, we had a ROIC for the last twelve months of 11%. The decrease compared to 2015 can be explained by the consolidation of Sociesc's results and the significant increase in the average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

ROIC[1]



ROIC excluding non-amortized intangible assets[1]



[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 Before Non-Controlling Interest	**51.7**	**0.0**	**0.0**	**0.0**	**0.0**	**51.7**
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 Before Non-Controlling Interest	**(1.0)**	**0.0**	**0.0**	**0.0**	**0.0**	**(1.0)**
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
Current Assets	**499.3**	**345.4**	**443.9**
Cash and cash equivalents	22.5	14.8	24.5
Cash & financial investments	179.3	20.7	125.6
Accounts receivable	250.1	274.0	258.4
Prepaid expenses	27.1	17.2	13.3
Recoverable taxes	9.5	7.3	8.8
Derivatives	-	-	3.2
Other current assets	10.7	11.3	10.2
Non-Current Assets	**942.9**	**636.8**	**894.5**
Accounts receivable	131.8	0.2	128.4
Prepaid expenses	12.1	2.6	4.4
Judicial deposits	31.7	25.6	31.2
Credit with related parties	0.0	-	0.0
Recoverable taxes	6.4	8.4	6.4
Derivatives	-	-	-
Other non-current assets	15.4	9.1	14.8
Investments	-	-	-
Fixed	214.2	141.3	211.1
Intangible	531.3	449.6	498.2
Total Assets	**1,442.2**	**982.2**	**1,338.5**

Liabilities	JUN 16	JUN 15	MAR 16
Current Liabilities	**235.2**	**188.0**	**259.2**
Supplier	21.9	25.1	19.1
Loans	101.0	62.4	138.2
Personnel	68.0	63.3	49.9
Taxes payable	8.9	8.5	8.5
Advances from clients	23.1	27.8	22.6
Tax debt installments	0.2	0.1	0.2
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 Liabilities	**536.0**	**158.2**	**392.8**
Loans	333.6	84.8	233.1
Accounts payables	27.5	-	25.9
Debit with related parties	-	-	-
Client advances	-	-	-
Tax debt installments	3.3	2.9	3.3
Deferred income tax and social contribution	53.5	15.4	25.3
Provisions for risks	96.6	54.3	100.2
Derivatives	21.1		4.5
Other non-current liabilities	0.4	0.8	0.5
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 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)	-
Net cash flow from operating activities	5.2	(35.4)	16.1	(52.9)
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)	-
Net cash flow (applied) from investment activities	(41.5)	64.5	(66.2)	58.0
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)
Net cash (applied to) flow from financing activities	33.3	(30.2)	48.2	(16.0)
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)