



# 2Q17

## RESULTS

### Conference Call in Portuguese

August 10, 2017

10:00 a.m. (Brasília)

9:00 a.m. (US EST)

+55 (11) 3127-4971

Replay: +55 (11) 3127-4999

Code: 71192988

### Conference Call in English

August 10, 2017

11:30 a.m. (Brasília)

10:30 a.m. (US EST)

+1 (412) 317-2504

Replay: +1 (412) 317-0088

Code: 10110212

### IR Contacts:

[ri@animaeducacao.com.br](mailto:ri@animaeducacao.com.br)

+55 (11) 4302-2611

# ănima

## MESSAGE FROM MANAGEMENT

We are experiencing a unique moment in our history. We see opportunities ahead to continue advancing our organic growth and acquisitions, as well as play a leading role in the revolution of education, thus strengthening our position as a benchmark institution in the country's education market.

Education will continue going through dramatic change in the coming years. Changes to the regulatory framework, the advent of new technology and growth opportunities, among others, will require education institutions to work increasingly hard. At the same time, we have to guarantee excellence in execution, combining quality and efficiency, while being obsessed about the front line, agility and transparency.

Following the example of companies with excellent corporate governance and thanks to the development of Anima's management model, on June 19, we announced changes to the Company's management. Balancing an innovative, entrepreneurial spirit and cutting-edge vision with disciplined execution and fast decision making is the way to go. We will be implacably opposed to average results and complacency. All this without giving up on participative management that values people, guided by Anima's values and principles. We are the product of our dreams and achievements and these changes were designed to combine our "Transforme" and "Performe" agendas. Our results point in this direction.

Net revenue totaled R\$515.2 million in the first half of 2017 (+9.9% vs. 1H16), fueled by last year's acquisitions. We have been able to significantly accelerate productivity gains, reaching a gross margin of 45.2% (+2.3pp vs. 1H16) and an EBITDA margin of 21.4% (slightly higher year on year). As a result, we closed the period with adjusted EBITDA of R\$110.2 million and adjusted net income of R\$61.3 million.

Financial Performance	Consolidated								
	1Q17	1Q16	% YA	2Q17	2Q16	% YA	1H17	1H16	% YA
Net Revenue	255.2	228.7	11.6%	260.0	240.2	8.3%	515.2	468.9	9.9%
Gross Profit (exclud. deprec/amort)	129.9	111.9	16.1%	102.7	89.0	15.4%	232.7	200.9	15.8%
Gross Margin	50.9%	48.9%	2.0pp	39.5%	37.1%	2.5pp	45.2%	42.8%	2.3pp
Adjusted EBITDA	73.9	67.4	9.6%	36.3	32.4	12.2%	110.2	99.8	10.5%
EBITDA Margin	29.0%	29.5%	-0.5pp	14.0%	13.5%	0.5pp	21.4%	21.3%	0.1pp
Adjusted Net Income	50.4	53.1	-5.1%	10.9	7.3	49.0%	61.3	60.4	1.5%
Net Margin	19.8%	23.2%	-3.5pp	4.2%	3.0%	1.1pp	11.9%	12.9%	-1.0pp

These good growth results are the product of the disciplined execution of our strategy, both organically and through good acquisitions. The structural changes implemented with the creation of the commercial area and the centralization of the marketing/communication and student service areas are beginning to show results. Firstly, we would like to highlight the excellent intake cycle in the first quarter (+17.8% vs. 1Q16, or +7.8% excluding the recently acquired Una Bom Despacho and Uberlândia). We continue to see a positive trend in our retention efforts, with a 3.8pp year-on-year reduction in dropout rates on the last full semester, and 0,2pp on the current semester so far.



We continue expanding our geographical presence. The three new campuses of the first phase of expansion into the countryside of Minas Gerais (Sete Lagoas, Pouso Alegre and Divinópolis) are already in operation and will help to gradually increase our student base in the coming semesters. We are expanding the portfolio of blended programs – which combine face-to-face classes with the intensive use of technology – in the second semester, with the expansion of activities in the Nova Serrana (MG) and Itajaí (SC) units. We have also taken important steps toward growth in São Paulo, with the opening of another two São Judas campuses scheduled for the beginning of 2018.

These growth moves are in line with our strategy of offering our quality education proposition to an ever-increasing number of students. In order to achieve this goal, we continue reviewing our academic model, with the implementation of the first programs in the second semester of 2017 and expansion to the balance of our programs portfolio as of 2018.

In light of all this, the first half of this year also marked a moment of margin recovery, especially in Post-secondary Education. Excluding the effects of the new acquisitions, we closed the first half of 2017 with a gross margin of 47.1% (+1.3pp vs. 1H16) and an operating result of R\$144.9 million (+12.2% vs. 1H16), which translates into an operating margin of 35.4% (+3.4pp vs. 1H16), thanks to initiatives focused on faculty productivity gains, better capacity utilization of our campuses and the centralization of activities, leading to gains in scale.

Education	Excl Acquisitions <sup>1</sup>			Acquisitions <sup>1</sup>		
	1H17	1H16	% YA	1H17	1H16	% YA
Net Revenue	409.8	404.6	1.3%	89.7	51.5	74.3%
Gross Profit (exclud. deprec/amort)	193.0	185.1	4.3%	34.4	12.5	174.2%
Gross Margin	47.1%	45.8%	1.3pp	38.3%	24.4%	14.0pp
Operating Result	144.9	129.1	12.2%	16.5	3.4	1278.1%
Operating Margin	35.4%	31.9%	3.4pp	18.4%	6.7%	11.8pp

<sup>1</sup> Acquisitions includes Sociesc Feb-16, Una Bom Despacho Jul-16 and Una Uberlândia Oct-16

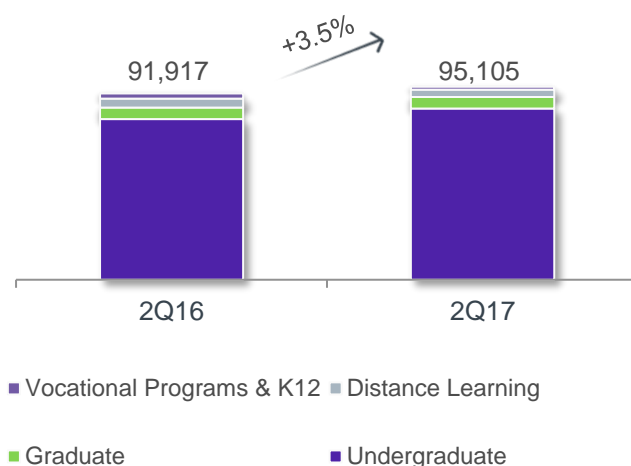
The recent acquisitions also made a positive contribution compared with the same period last year. While last year we started to consolidated Sociesc's results as of February, this year we are reporting the full semester, as well as the results of Una Bom Despacho and Uberlândia. We thus saw an R\$89.7 million net revenue contribution (versus R\$51.5 million in 1H16), combined with an increase of 14,0pp in the gross margin and 11.8pp in the operating margin. We recognize that, in addition to diligent efforts to prospect and acquire new education institutions, we must be disciplined during the integration process in order to truly capture value through an inorganic growth strategy. We are very pleased with the results obtained so far, while being aware that there is still much to be done.

There are, therefore, opportunities and challenges ahead of us that, in one hand, inspire and move us, and on the other demand a reinvention of our "*modus operandi*". We continue moving forward in our long term strategy, with consistency, increasing our presence into new geografies and consolidating our quality positioning. At the same time, we are mature to understand that changes are part of our DNA, and this is a fundamental item to enable our purpose of Transforming the Country through Education!

## OPERATIONAL PERFORMANCE

### EDUCATION

In the second quarter of 2017, we had 95.1 thousand students, an increase of 3.5% over 2Q16, already including the consolidation of the recent acquisitions in 2016. Excluding the more recent acquisitions (Una Bom Despacho and Una Uberlândia), our student base totaled 87.8 thousand students, a 4.5% year-on-year decline, mainly due to a reduction of 2.0 thousand undergraduate students, 1.2 thousand Pronatec students and 0.8 thousand distance-learning students.



Student Base	2Q16	3Q16	4Q16	1Q17	2Q17	% 2Q17/2Q16	% 2Q17/1Q17
Undergraduate <sup>2</sup>	79,196	81,303	80,507	88,423	84,517	6.7%	-4.4%
Graduate	5,698	5,954	5,508	5,321	5,596	-1.8%	5.2%
Distance Learning	4,443	4,241	3,949	4,164	3,651	-17.8%	-12.3%
Vocational Programs & K12	2,580	1,732	878	1,046	1,341	-48.0%	28.2%
<b>Total</b>	<b>91,917</b>	<b>93,230</b>	<b>90,842</b>	<b>98,954</b>	<b>95,105</b>	<b>3.5%</b>	<b>-3.9%</b>

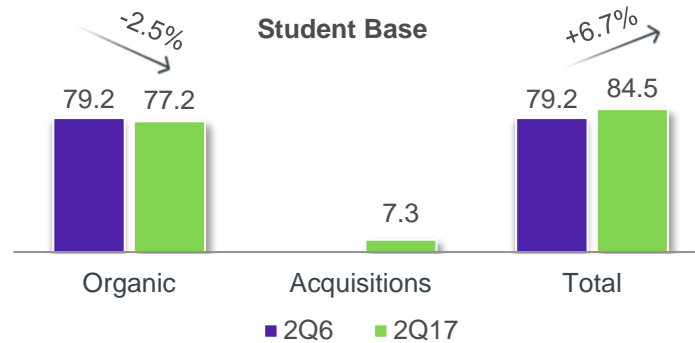
Student Base (Excl. Acquisitions) <sup>1</sup>	2Q16	3Q16	4Q16	1Q17	2Q17	% 2Q17/2Q16	% 2Q17/1Q17
Undergraduate <sup>2</sup>	79,196	76,950	74,109	81,011	77,221	-2.5%	-4.7%
Graduate	5,698	5,954	5,508	5,321	5,596	-1.8%	5.2%
Distance Learning	4,443	4,241	3,949	4,164	3,651	-17.8%	-12.3%
Vocational Programs & K12	2,580	1,732	878	1,046	1,341	-48.0%	28.2%
<b>Total</b>	<b>91,917</b>	<b>88,877</b>	<b>84,444</b>	<b>91,542</b>	<b>87,809</b>	<b>-4.5%</b>	<b>-4.1%</b>

<sup>1</sup> Excludes acquisitions of Una Bom Despacho (Jul-16) and Instituto Politécnico (Oct-16)

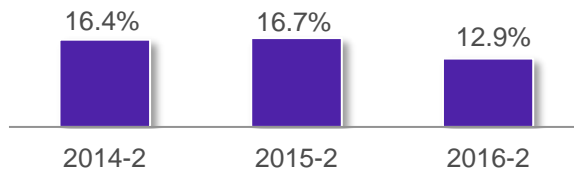
<sup>2</sup> Includes blended programs

## On-campus Undergraduate Student Base

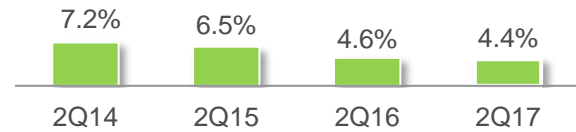
Our undergraduate student base totaled 84.5 thousand students in 2Q17, 6.7% up on 2Q16, including the consolidation of the recent acquisitions. Excluding the acquisitions, our student base would total 77.2 thousand students, 2.5% down year on year.



### Semester Dropout rate<sup>1</sup>



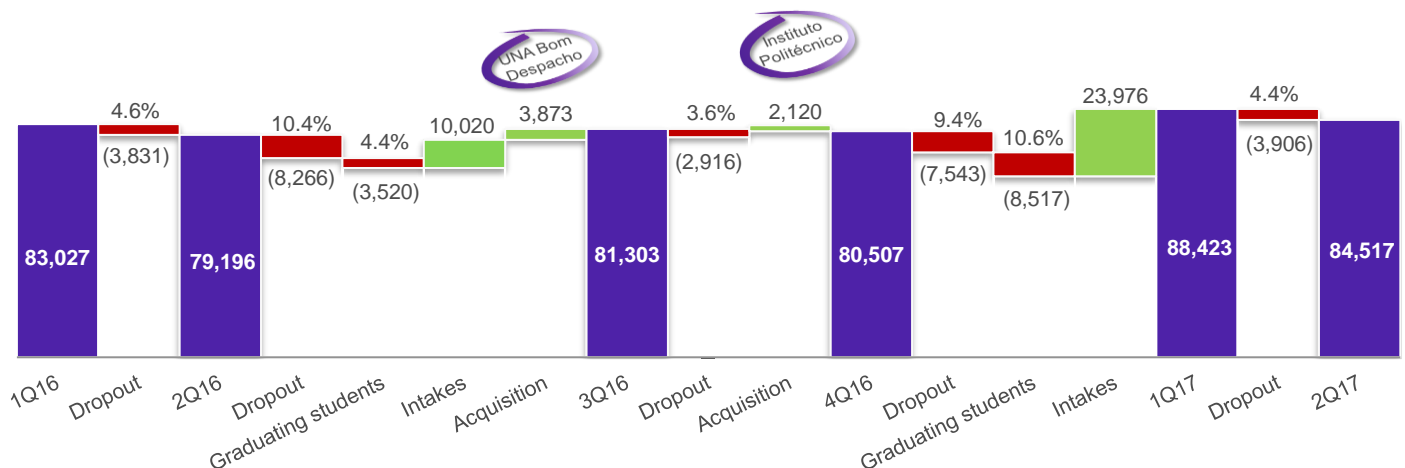
### 2Q Dropout rate

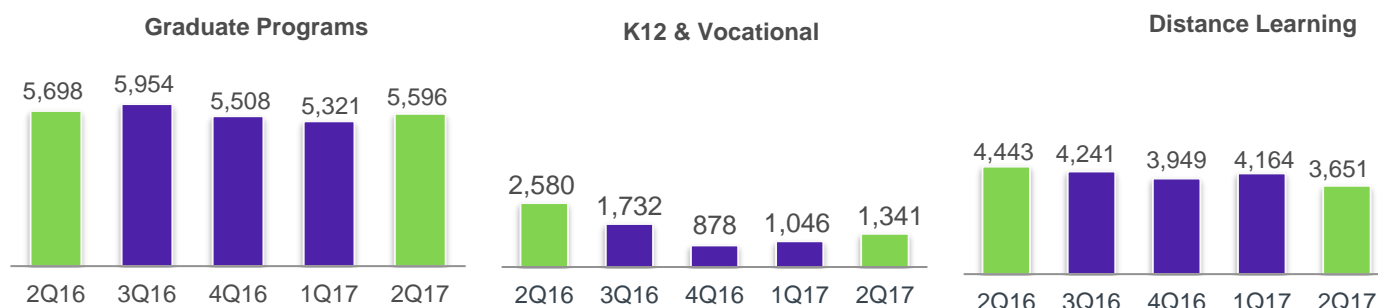


<sup>1</sup> Drop-Out rates of the last full semester, which includes the students that dropped out during the semester (reported in 4Q16) and the ones that did not reenrolled for the following semester (as reported in 1Q17) divided by the 4Q16 beginning of period student base.

In 2Q17, 3.9 thousand students dropped out, corresponding to 4.4% of the base, a slight improvement of 0.2pp over 2Q16. We saw a gradual improvement in semester dropout rates, reinforcing a trend that has been observed since 2014, when we were impacted by a difficult external scenario (2014 to 2017), thus reflecting the efforts and results of the Student Service Executive Area.

### Student Flow - Undergraduate Programs





**Graduate Student Base** – The number of students enrolled in our graduate programs came to 5.6 thousand in 2Q17, edging down 1.8% year on year.

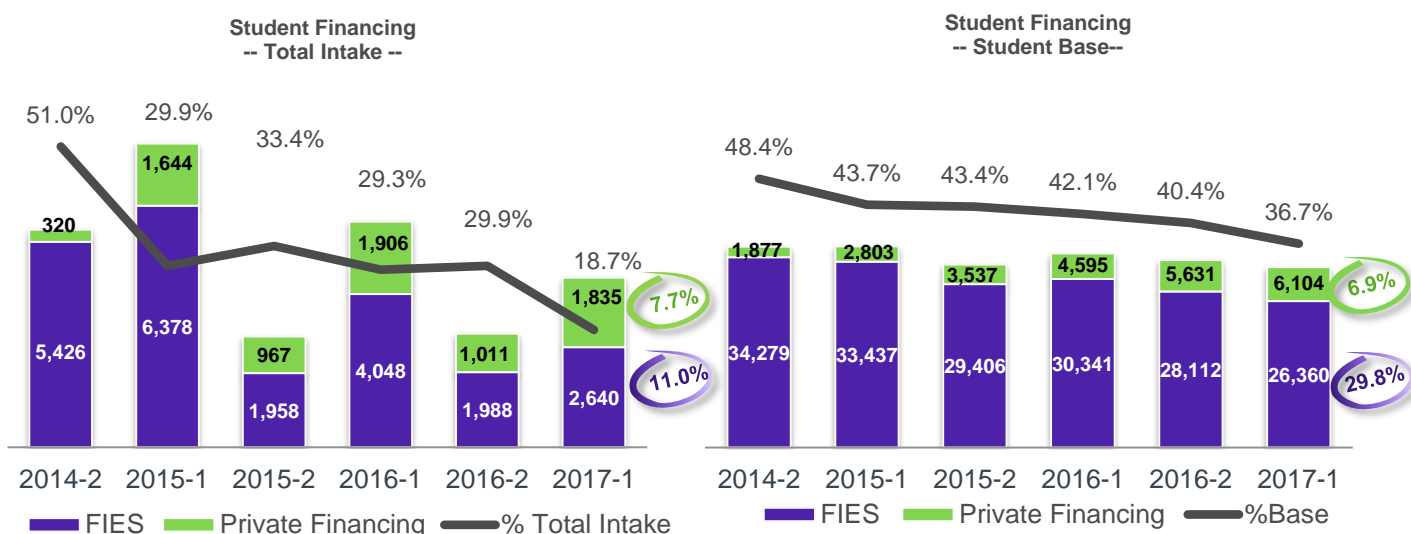
**K12 and Vocational Student Base** – We closed the quarter with 1.3 thousand K12 and vocational education students, including Florianópolis International School, Colégio Tupy (COT) and Escola Técnica Tupy (ETT). The reduction observed throughout 2016 was solely due to the end of Pronatec.

**Distance-Learning Student Base** – We closed 2Q17 with 3.6 thousand distance-learning students in undergraduate, graduate and vocational programs, 17.8% down year on year. It is worth noting that, since the beginning of this year, we have been prioritizing blended programs that are being consolidated into the undergraduate student base for management purposes.

## Student Financing

We closed the first semester with 2.6 thousand new students with FIES contracts (-34.8% vs. 2016-1), who accounted for 11.0% of the total intake. As a result, we closed the semester with 26.4 thousand FIES students, or 29.8% of the total student base.

As disclosed in previous earnings releases, we continue promoting different private financing modalities. Nowadays, in addition to the traditional *PraValer* products, in which the receivables' credit risk is fully transferred to Ideal Invest, we have also been testing a type of financing in which students go through *PraValer's* entire credit scoring process, but we decide to approve an additional number of students and, therefore, maintain the credit risk in our balance sheet. At the same time, we have been testing our fully proprietary financing model, *Ampliar*, on a small scale. In the first semester, all these private financing products together totaled 1.8 thousand new students (1.1 thousand in 1Q17 and 0.7 thousand in 2Q17), corresponding to 7.7% of the total intake, 0.7 thousand of whom using our own balance sheet. We currently have 6.1 thousand students with private financing (6.9% of the undergraduate base), only 1.3 thousand of whom use our own balance sheet.



\* With São Judas as of 2014-2, Sociesc as of 2016-1 and UNA Bom Despacho and Una Uberlândia as of 2016-2.

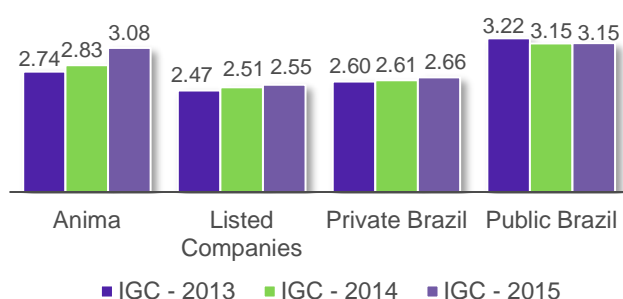
We continue seeking student financing alternatives that increase access to our education institutions, while always balancing our short-term goals with responsible use of working capital and risk management.

## Academic Quality

As disclosed in 4Q16, our academic indicators disclosed by the Ministry of Education (MEC) confirm Anima's superior quality positioning, as most of its programs and institutions obtained a grade of 4 (scale of 1 to 5), reinforcing the effectiveness of our academic model and our commitment to constantly improve the quality of the education we provide our students.

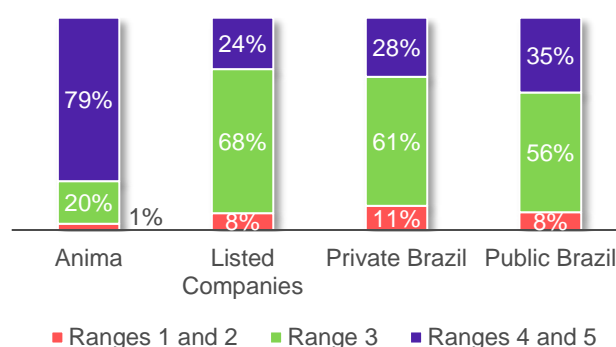
Please see below a summary of the main academic indicators:

**Weighted IGC<sup>1</sup>**

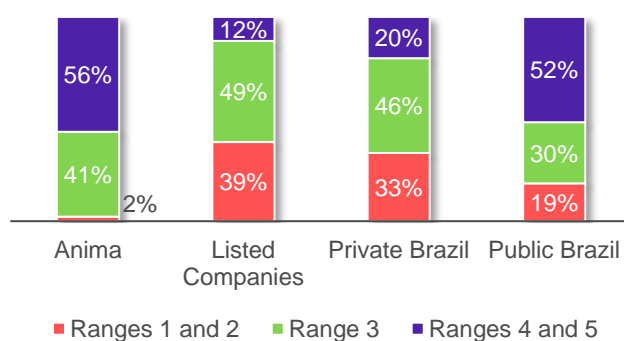


<sup>1</sup> IGC weighted by the number of students.

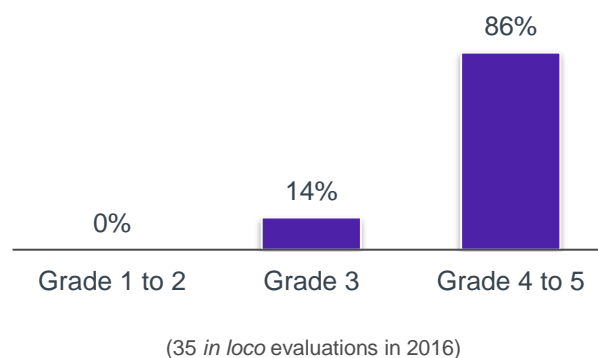
**CPC 2015**



**Enade 2015**



**Anima's Course Concept (CC)**



\* Anima's figures do not include the acquisitions in 2016 (Sociesc - February 2016; Bom Despacho - July 2016; Una Uberlândia - October 2016).



## FINANCIAL PERFORMANCE

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

- i) **Education** – which includes, in addition to post-secondary education (undergraduate and graduate), K12 and vocational programs.
- ii) **Other Businesses** – which includes HSM, Sociesc's Management and Technology Innovation (GIT) area and Escola Brasileira de Direito (EBRADI - Brazilian Law School).

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

R\$ (million)	Education					
	1H16	Reclass. <sup>1</sup>	1H16 Adj.	% Net Revenue	1H17	% Net Revenue
Discounts, Deductions & Scholarships	(195.1)	(12.2)	(207.3)	-45.5%	(275.7)	-55.2%
<b>Net Revenue</b>	<b>468.3</b>	<b>(12.2)</b>	<b>456.1</b>	<b>100.0%</b>	<b>499.6</b>	<b>100.0%</b>
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>209.9</b>	<b>(12.2)</b>	<b>197.7</b>	<b>43.3%</b>	<b>227.4</b>	<b>45.5%</b>
<b>General &amp; Administrative Expenses</b>	<b>(49.2)</b>	<b>12.2</b>	<b>(37.0)</b>	<b>-8.1%</b>	<b>(42.5)</b>	<b>-8.5%</b>
- Others	(17.5)	12.2	(5.3)	-1.2%	(8.1)	-1.6%
<b>Operating Result</b>	<b>132.6</b>	<b>0.0</b>	<b>132.6</b>	<b>29.1%</b>	<b>161.4</b>	<b>32.3%</b>

R\$ (million)	Consolidated					
	1H16	Reclass. <sup>1</sup>	1H16 Adj.	% Net Revenue	1H17	% Net Revenue
Discounts, Deductions & Scholarships	(195.7)	(12.2)	(207.9)	-44.3%	(275.9)	-53.6%
<b>Net Revenue</b>	<b>481.1</b>	<b>(12.2)</b>	<b>468.9</b>	<b>100.0%</b>	<b>515.2</b>	<b>100.0%</b>
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>213.1</b>	<b>(12.2)</b>	<b>200.9</b>	<b>42.8%</b>	<b>232.7</b>	<b>45.2%</b>
<b>General &amp; Administrative Expenses</b>	<b>(55.8)</b>	<b>12.2</b>	<b>(43.6)</b>	<b>-9.3%</b>	<b>(55.0)</b>	<b>-10.7%</b>
- Others	(18.2)	12.2	(6.0)	-1.3%	(9.4)	-1.8%
<b>Operating Result</b>	<b>127.9</b>	<b>0.0</b>	<b>127.9</b>	<b>27.3%</b>	<b>151.9</b>	<b>29.5%</b>

<sup>1</sup> Reclassification referring to 1S16. Accounting change from 3Q16.

## 1H17 Results

R\$ (million)	1H17					
	Consolidated	% Net Revenue	Education	% Net Revenue	Others	% Net Revenue
<b>Gross Revenue</b>	<b>805.2</b>	<b>156.3%</b>	<b>787.9</b>	<b>157.7%</b>	<b>17.4</b>	<b>110.9%</b>
Discounts, Deductions & Scholarships	(275.9)	-53.6%	(275.7)	-55.2%	(0.3)	-1.8%
Taxes	(14.1)	-2.7%	(12.6)	-2.5%	(1.4)	-9.1%
<b>Net Revenue</b>	<b>515.2</b>	<b>100.0%</b>	<b>499.6</b>	<b>100.0%</b>	<b>15.6</b>	<b>100.0%</b>
<b>Cash Cost of Services</b>	<b>(282.5)</b>	<b>-54.8%</b>	<b>(272.2)</b>	<b>-54.5%</b>	<b>(10.4)</b>	<b>-66.3%</b>
- Personnel	(205.3)	-39.8%	(203.5)	-40.7%	(1.8)	-11.6%
- Services from Third Parties	(16.5)	-3.2%	(12.6)	-2.5%	(3.9)	-24.9%
- COGS	(1.9)	-0.4%	0.0	0.0%	(1.9)	-11.9%
- Rental & Utilities	(42.5)	-8.2%	(41.7)	-8.3%	(0.8)	-5.2%
- Others	(16.4)	-3.2%	(14.4)	-2.9%	(2.0)	-12.7%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>232.7</b>	<b>45.2%</b>	<b>227.4</b>	<b>45.5%</b>	<b>5.3</b>	<b>33.7%</b>
<b>Sales Expenses</b>	<b>(35.1)</b>	<b>-6.8%</b>	<b>(32.2)</b>	<b>-6.4%</b>	<b>(2.9)</b>	<b>-18.7%</b>
- Provision for Doubtful Accounts (PDA)	(22.0)	-4.3%	(21.3)	-4.3%	(0.8)	-4.9%
- Marketing	(13.1)	-2.5%	(10.9)	-2.2%	(2.2)	-13.8%
<b>General &amp; Administrative Expenses</b>	<b>(55.0)</b>	<b>-10.7%</b>	<b>(42.5)</b>	<b>-8.5%</b>	<b>(12.5)</b>	<b>-80.1%</b>
- Personnel	(37.0)	-7.2%	(27.4)	-5.5%	(9.5)	-60.8%
- Third Party Services	(6.6)	-1.3%	(5.4)	-1.1%	(1.2)	-7.6%
- Rental & Utilities	(2.1)	-0.4%	(1.5)	-0.3%	(0.6)	-3.8%
- Others	(9.4)	-1.8%	(8.1)	-1.6%	(1.2)	-7.9%
<b>Other Operating Revenues (Expenses)</b>	<b>3.5</b>	<b>0.7%</b>	<b>2.9</b>	<b>0.6%</b>	<b>0.6</b>	<b>4.0%</b>
- Provisions	(0.2)	0.0%	(0.2)	0.0%	(0.0)	-0.2%
- Taxes	(1.2)	-0.2%	(1.0)	-0.2%	(0.2)	-1.3%
- Other Operating Revenues	5.0	1.0%	4.1	0.8%	0.9	5.5%
<b>Late Payment Fees</b>	<b>5.8</b>	<b>1.1%</b>	<b>5.8</b>	<b>1.2%</b>	<b>0.0</b>	<b>0.0%</b>
<b>Operating Result</b>	<b>151.9</b>	<b>29.5%</b>	<b>161.4</b>	<b>32.3%</b>	<b>(9.6)</b>	<b>-61.1%</b>
- Corporate Expenses	(41.6)	-8.1%				
<b>Adjusted EBITDA</b>	<b>110.2</b>	<b>21.4%</b>				
(-) Late Payment Fees	(5.8)	-1.1%				
(-) Non-Recurring Items - EBITDA	(8.5)	-1.7%				
<b>EBITDA</b>	<b>95.9</b>	<b>18.6%</b>				
Depreciation & Amortization	(24.5)	-4.8%				
<b>EBIT</b>	<b>71.4</b>	<b>13.9%</b>				
Net Financial Result	(23.1)	-4.5%				
<b>EBT</b>	<b>48.3</b>	<b>9.4%</b>				
Income Tax and Social Contribution	15.9	3.1%				
<b>Net Income Before Non-Controlling Interest</b>	<b>64.3</b>	<b>12.5%</b>				
Non-Controlling Interest	0.0	0.0%				
<b>Net Income</b>	<b>64.3</b>	<b>12.5%</b>				
(-) Non-Recurring Items - EBITDA	8.5	1.7%				
(-) Non-Recurring Items - Net Income	(11.5)	-2.2%				
<b>Adjusted Net Income</b>	<b>61.3</b>	<b>11.9%</b>				

## 2Q17 Results

R\$ (million)	2Q17					
	Consolidated	% Net Revenue	Education	% Net Revenue	Others	% Net Revenue
<b>Gross Revenue</b>	<b>408.4</b>	<b>157.1%</b>	<b>397.8</b>	<b>158.8%</b>	<b>10.6</b>	<b>111.2%</b>
Discounts, Deductions & Scholarships	(140.0)	-53.8%	(139.7)	-55.8%	(0.3)	-2.9%
Taxes	(8.4)	-3.2%	(7.7)	-3.1%	(0.8)	-8.4%
<b>Net Revenue</b>	<b>260.0</b>	<b>100.0%</b>	<b>250.4</b>	<b>100.0%</b>	<b>9.6</b>	<b>100.0%</b>
<b>Cash Cost of Services</b>	<b>(157.3)</b>	<b>-60.5%</b>	<b>(150.8)</b>	<b>-60.2%</b>	<b>(6.5)</b>	<b>-67.6%</b>
- Personnel	(114.8)	-44.1%	(113.8)	-45.5%	(0.9)	-9.7%
- Services from Third Parties	(8.9)	-3.4%	(6.8)	-2.7%	(2.2)	-22.9%
- COGS	(1.4)	-0.5%	0.0	0.0%	(1.4)	-14.7%
- Rental & Utilities	(21.9)	-8.4%	(21.4)	-8.6%	(0.5)	-5.0%
- Others	(10.3)	-3.9%	(8.8)	-3.5%	(1.5)	-15.4%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>102.7</b>	<b>39.5%</b>	<b>99.6</b>	<b>39.8%</b>	<b>3.1</b>	<b>32.4%</b>
<b>Sales Expenses</b>	<b>(19.5)</b>	<b>-7.5%</b>	<b>(17.4)</b>	<b>-6.9%</b>	<b>(2.1)</b>	<b>-22.2%</b>
- Provision for Doubtful Accounts (PDA)	(13.2)	-5.1%	(12.8)	-5.1%	(0.4)	-3.8%
- Marketing	(6.3)	-2.4%	(4.6)	-1.8%	(1.8)	-18.4%
<b>General &amp; Administrative Expenses</b>	<b>(27.9)</b>	<b>-10.7%</b>	<b>(21.6)</b>	<b>-8.6%</b>	<b>(6.4)</b>	<b>-66.6%</b>
- Personnel	(18.8)	-7.2%	(13.8)	-5.5%	(5.0)	-52.0%
- Third Party Services	(2.9)	-1.1%	(2.5)	-1.0%	(0.5)	-4.9%
- Rental & Utilities	(1.1)	-0.4%	(0.8)	-0.3%	(0.3)	-2.8%
- Others	(5.2)	-2.0%	(4.5)	-1.8%	(0.7)	-6.8%
<b>Other Operating Revenues (Expenses)</b>	<b>2.5</b>	<b>1.0%</b>	<b>2.1</b>	<b>0.8%</b>	<b>0.4</b>	<b>4.5%</b>
- Provisions	0.5	0.2%	0.5	0.2%	(0.0)	-0.1%
- Taxes	(0.7)	-0.3%	(0.5)	-0.2%	(0.2)	-1.6%
- Other Operating Revenues	2.7	1.0%	2.1	0.8%	0.6	6.1%
<b>Late Payment Fees</b>	<b>1.7</b>	<b>0.6%</b>	<b>1.7</b>	<b>0.7%</b>	<b>0.0</b>	<b>0.0%</b>
<b>Operating Result</b>	<b>59.5</b>	<b>22.9%</b>	<b>64.5</b>	<b>25.8%</b>	<b>(5.0)</b>	<b>-51.9%</b>
- Corporate Expenses	(23.2)	-8.9%				
<b>Adjusted EBITDA</b>	<b>36.3</b>	<b>14.0%</b>				
(-) Late Payment Fees	(1.7)	-0.6%				
(-) Non-Recurring Items - EBITDA	(8.0)	-3.1%				
<b>EBITDA</b>	<b>26.7</b>	<b>10.3%</b>				
Depreciation & Amortization	(13.6)	-5.2%				
<b>EBIT</b>	<b>13.1</b>	<b>5.0%</b>				
Net Financial Result	(14.3)	-5.5%				
<b>EBT</b>	<b>(1.2)</b>	<b>-0.5%</b>				
Income Tax and Social Contribution	15.6	6.0%				
<b>Net Income Before Non-Controlling Interest</b>	<b>14.4</b>	<b>5.5%</b>				
Non-Controlling Interest	(0.0)	0.0%				
<b>Net Income</b>	<b>14.4</b>	<b>5.5%</b>				
(-) Non-Recurring Items - EBITDA	8.0	3.1%				
(-) Non-Recurring Items - Net Income	(11.5)	-4.4%				
<b>Adjusted Net Income</b>	<b>10.9</b>	<b>4.2%</b>				

## FINANCIAL PERFORMANCE – EDUCATION

R\$ (million)	Education									
	1H17	% Net Revenue	1H16	% Net Revenue	% YA	2Q17	% Net Revenue	2Q16	% Net Revenue	% YA
<b>Gross Revenue</b>	<b>787.9</b>	<b>157.7%</b>	<b>672.6</b>	<b>147.5%</b>	<b>17.1%</b>	<b>397.8</b>	<b>158.8%</b>	<b>344.0</b>	<b>148.1%</b>	<b>15.6%</b>
Discounts, Deductions & Scholarships	(275.7)	-55.2%	(207.3)	-45.5%	32.9%	(139.7)	-55.8%	(106.9)	-46.0%	30.6%
Taxes	(12.6)	-2.5%	(9.2)	-2.0%	37.2%	(7.7)	-3.1%	(4.8)	-2.1%	59.5%
<b>Net Revenue</b>	<b>499.6</b>	<b>100.0%</b>	<b>456.1</b>	<b>100.0%</b>	<b>9.5%</b>	<b>250.4</b>	<b>100.0%</b>	<b>232.3</b>	<b>100.0%</b>	<b>7.8%</b>
<b>Cash Cost of Services</b>	<b>(272.2)</b>	<b>-54.5%</b>	<b>(258.4)</b>	<b>-56.7%</b>	<b>5.3%</b>	<b>(150.8)</b>	<b>-60.2%</b>	<b>(145.0)</b>	<b>-62.4%</b>	<b>4.0%</b>
- Personnel	(203.5)	-40.7%	(193.7)	-42.5%	5.0%	(113.8)	-45.5%	(108.1)	-46.5%	5.3%
- Services from Third Parties	(12.6)	-2.5%	(13.6)	-3.0%	-7.3%	(6.8)	-2.7%	(10.3)	-4.4%	-34.4%
- COGS	0.0	0.0%	0.0	0.0%	-100.0%	0.0	0.0%	0.0	0.0%	-100.0%
- Rental & Utilities	(41.7)	-8.3%	(38.3)	-8.4%	8.7%	(21.4)	-8.6%	(18.9)	-8.1%	13.7%
- Others	(14.4)	-2.9%	(12.8)	-2.8%	12.6%	(8.8)	-3.5%	(7.8)	-3.4%	12.6%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>227.4</b>	<b>45.5%</b>	<b>197.7</b>	<b>43.3%</b>	<b>15.0%</b>	<b>99.6</b>	<b>39.8%</b>	<b>87.3</b>	<b>37.6%</b>	<b>14.1%</b>
<b>Sales Expenses</b>	<b>(32.2)</b>	<b>-6.4%</b>	<b>(30.6)</b>	<b>-6.7%</b>	<b>5.1%</b>	<b>(17.4)</b>	<b>-6.9%</b>	<b>(18.0)</b>	<b>-7.7%</b>	<b>-3.3%</b>
- Provision for Doubtful Accounts (PDA)	(21.3)	-4.3%	(19.3)	-4.2%	10.2%	(12.8)	-5.1%	(12.3)	-5.3%	3.9%
- Marketing	(10.9)	-2.2%	(11.3)	-2.5%	-3.5%	(4.6)	-1.8%	(5.6)	-2.4%	-18.9%
<b>General &amp; Administrative Expenses</b>	<b>(42.5)</b>	<b>-8.5%</b>	<b>(37.0)</b>	<b>-8.1%</b>	<b>14.8%</b>	<b>(21.6)</b>	<b>-8.6%</b>	<b>(18.7)</b>	<b>-8.1%</b>	<b>15.3%</b>
- Personnel	(27.4)	-5.5%	(25.0)	-5.5%	9.8%	(13.8)	-5.5%	(12.2)	-5.3%	12.8%
- Third Party Services	(5.4)	-1.1%	(4.7)	-1.0%	13.9%	(2.5)	-1.0%	(2.5)	-1.1%	-0.9%
- Rental & Utilities	(1.5)	-0.3%	(2.0)	-0.4%	-23.8%	(0.8)	-0.3%	(1.1)	-0.5%	-26.4%
- Others	(8.1)	-1.6%	(5.3)	-1.2%	53.9%	(4.5)	-1.8%	(2.9)	-1.3%	55.3%
<b>Other Operating Revenues (Expenses)</b>	<b>2.9</b>	<b>0.6%</b>	<b>(3.5)</b>	<b>-0.8%</b>	<b>-183.5%</b>	<b>2.1</b>	<b>0.8%</b>	<b>(1.5)</b>	<b>-0.6%</b>	<b>-241.2%</b>
- Provisions	(0.2)	0.0%	(6.4)	-1.4%	-96.9%	0.5	0.2%	(3.2)	-1.4%	-116.7%
- Taxes	(1.0)	-0.2%	(0.9)	-0.2%	7.1%	(0.5)	-0.2%	(0.7)	-0.3%	-25.6%
- Other Operating Revenues	4.1	0.8%	3.8	0.8%	6.6%	2.1	0.8%	2.3	1.0%	-10.9%
<b>Late Payment Fees</b>	<b>5.8</b>	<b>1.2%</b>	<b>6.0</b>	<b>1.3%</b>	<b>-3.5%</b>	<b>1.7</b>	<b>0.7%</b>	<b>1.4</b>	<b>0.6%</b>	<b>20.0%</b>
<b>Operating Result</b>	<b>161.4</b>	<b>32.3%</b>	<b>132.6</b>	<b>29.1%</b>	<b>21.8%</b>	<b>64.5</b>	<b>25.8%</b>	<b>50.5</b>	<b>21.8%</b>	<b>27.6%</b>

R\$ (million)	1H17					
	Education	% YA	Education Ex. Acquisitions <sup>1</sup>	% YA	Acquisitions <sup>1</sup>	% YA
<b>Net Revenue</b>	<b>499.6</b>	<b>9.5%</b>	<b>409.8</b>	<b>1.3%</b>	<b>89.7</b>	<b>74.3%</b>
Cash Cost of Services	(272.2)	5.3%	(216.8)	-1.2%	(55.3)	42.1%
Gross Profit (exclud. deprec. /amort.)	227.4	15.0%	193.0	4.3%	34.4	174.2%
<b>% Gross Margin</b>	<b>45.5%</b>	<b>2.2pp</b>	<b>47.1%</b>	<b>1.3pp</b>	<b>38.3%</b>	<b>14.0pp</b>
Operating Result	161.4	21.8%	144.9	12.2%	16.5	382.7%
<b>% Operating Margin</b>	<b>32.3%</b>	<b>3.2pp</b>	<b>35.4%</b>	<b>3.4pp</b>	<b>18.4%</b>	<b>11.8pp</b>

R\$ (million)	2Q17					
	Education	% YA	Education Ex. Acquisitions <sup>1</sup>	% YA	Acquisitions <sup>1</sup>	% YA
<b>Net Revenue</b>	<b>250.4</b>	<b>7.8%</b>	<b>205.4</b>	<b>1.8%</b>	<b>45.0</b>	<b>47.7%</b>
Cash Cost of Services	(150.8)	4.0%	(120.3)	-0.3%	(30.5)	25.2%
Gross Profit (exclud. deprec. /amort.)	99.6	14.1%	85.1	4.8%	14.6	136.9%
<b>% Gross Margin</b>	<b>39.8%</b>	<b>2.2pp</b>	<b>41.4%</b>	<b>1.2pp</b>	<b>32.3%</b>	<b>12.2pp</b>
Operating Result	64.5	27.6%	58.7	20.3%	5.8	234.3%
<b>% Operating Margin</b>	<b>25.8%</b>	<b>4.0pp</b>	<b>28.6%</b>	<b>4.4pp</b>	<b>12.8%</b>	<b>7.2pp</b>

<sup>1</sup> Acquisitions includes Sociesc Feb-16, UNA Bom Despacho Jul-16 and Una Uberlândia Oct-16



## Net Revenue

Net revenue totaled R\$499.6 million in 1H17, R\$43.5 million or 9.5% higher than in 1H16. Excluding the acquisitions, net revenue moved up 1.3%, thanks to the average annual increase in tuition fees (inflation adjustment), in addition to an improvement in our program mix with the expansion of the healthcare portfolio. These effects were partially offset by the decline in the undergraduate (-2.5% versus 2016) and Pronatec student bases (-R\$3.1 million). We also saw an increase in our average discount, chiefly due to the transfer of 2% expenses with FIES financial agents from the government to education institutions and higher early enrollment discounts in the 2017-1 intake.

In 2Q17, net revenue totaled R\$250.4 million, R\$18.1 million or 7.8% higher than in 2Q16. Excluding the acquisitions, net revenue grew 1.8%.

## Average Ticket

R\$ (million)	Education		
	1H17	1H16	% YA
Average Gross Ticket <sup>1</sup>	R\$ 1,426	R\$ 1,263	+12.9%
Average Net Ticket <sup>1</sup>	R\$ 886	R\$ 836	+5.9%
Average Net Ticket with new acquisitions <sup>1</sup>	R\$ 850	-	-

<sup>1</sup> Accumulated Revenue ÷ Average Number of Students

The net ticket averaged R\$886 in 1H17, 5.9% up on the same period last year, in line with our plans. We have increased our average price by 9% given our estimate for 2017 inflation when we made the pricing decision and the expected impacts of the execution of our new commercial strategy. We continued to see an improvement in our program mix, given the expansion of the healthcare portfolio, partially offset by higher discounts. Including the acquisitions, our weighted average net ticket came to R\$850.

## Total Costs and Gross Profit

We closed 1H17 with gross profit of R\$227.4 million and a gross margin of 45.5%, 2.2pp higher than in 1H16.

Excluding the acquisitions, gross profit came to R\$193.0 million in the first half of 2017, with a margin of 47.1% (+1.3pp vs. 1H16). This improvement was directly related to our margin recovery efforts. We saw a 4.7pp improvement driven by academic (average number of students per classroom) and infrastructure efficiency (capacity utilization in our campuses) gains, partially offset by the increase in the average discount (-3.0pp of the gross margin) and the transfer of 2% expenses with FIES financial agents from the government to education institutions (-0.4pp of the gross margin).

## **Operating Result**

We closed 1H17 with an operating result of R\$161.4 million, 21.8% up on 1H16. As a result, the operating margin came to 32.3% of net revenue (+3.2pp vs. 1H16). In addition to the 2.2pp gross margin increase, we recorded another 1.0pp gain in selling, general and administrative expenses, concentrated in the second quarter (+1.8pp in 2Q17 vs. +0.3pp in 1Q17).

### Selling Expenses

Selling expenses totaled R\$32.2 million year to date (+5.1% vs. 1H16, influenced by the acquisitions), or 6.4% of net revenue. The 0.3pp gain was due to an improvement in marketing expenses, while the provision for doubtful accounts (PDA) remained virtually stable as a percentage of net revenue. In 2Q17, selling expenses came to R\$17.4 million (-3.3% vs. 2Q16), or 6.9% of net revenue (+0.8pp vs. 2Q16).

### General and Administrative Expenses

General and administrative expenses totaled R\$42.5 million in 1H17 (+14.8% vs. 1H16, driven by the acquisitions), or 8.5% of net revenue (-0.4pp vs. 1H16). In 2Q17, general and administrative expenses came to R\$21.6 million (+15.3% vs. 2Q16), or 8.6% of net revenue (-0.6pp vs. 2Q16).

### Other Operating Revenues (Expenses)

Other operating revenues (expenses), including late payment fees, came to a positive R\$8.7 million in 1H17, or 1.7% of net revenue. The 1.2pp year-on-year improvement was mainly due to a reduction in the provision for risk. In 2Q17, other operating revenues (expenses) totaled a positive R\$3.8 million, or 1.5% of net revenue, a 1.6pp improvement over 2Q16.

## FINANCIAL PERFORMANCE – Other Businesses

R\$ (million)	Others									
	1H17	% Net Revenue	1H16	% Net Revenue	% YA	2Q17	% Net Revenue	2Q16	% Net Revenue	% YA
<b>Gross Revenue</b>	<b>17.4</b>	<b>110.9%</b>	<b>14.3</b>	<b>111.2%</b>	<b>21.8%</b>	<b>10.6</b>	<b>111.2%</b>	<b>8.6</b>	<b>109.7%</b>	<b>23.2%</b>
Discounts, Deductions & Scholarships	(0.3)	-1.8%	(0.6)	-4.6%	-51.3%	(0.3)	-2.9%	(0.3)	-4.3%	-18.4%
Taxes	(1.4)	-9.1%	(0.8)	-6.6%	68.0%	(0.8)	-8.4%	(0.4)	-5.4%	87.0%
<b>Net Revenue</b>	<b>15.6</b>	<b>100.0%</b>	<b>12.8</b>	<b>100.0%</b>	<b>22.0%</b>	<b>9.6</b>	<b>100.0%</b>	<b>7.9</b>	<b>100.0%</b>	<b>21.5%</b>
<b>Cash Cost of Services</b>	<b>(10.4)</b>	<b>-66.3%</b>	<b>(9.6)</b>	<b>-75.0%</b>	<b>7.9%</b>	<b>(6.5)</b>	<b>-67.6%</b>	<b>(6.2)</b>	<b>-78.3%</b>	<b>4.9%</b>
- Personnel	(1.8)	-11.6%	(1.8)	-14.2%	-0.5%	(0.9)	-9.7%	(1.1)	-13.6%	-13.5%
- Services from Third Parties	(3.9)	-24.9%	(4.2)	-32.8%	-7.5%	(2.2)	-22.9%	(2.7)	-34.4%	-19.0%
- COGS	(1.9)	-11.9%	(1.5)	-11.6%	25.3%	(1.4)	-14.7%	(1.0)	-12.2%	46.3%
- Rental & Utilities	(0.8)	-5.2%	(1.0)	-7.6%	-17.6%	(0.5)	-5.0%	(0.7)	-8.8%	-31.7%
- Others	(2.0)	-12.7%	(1.1)	-8.6%	79.2%	(1.5)	-15.4%	(0.7)	-9.3%	100.6%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>5.3</b>	<b>33.7%</b>	<b>3.2</b>	<b>25.0%</b>	<b>64.4%</b>	<b>3.1</b>	<b>32.4%</b>	<b>1.7</b>	<b>21.7%</b>	<b>81.6%</b>
<b>Sales Expenses</b>	<b>(2.9)</b>	<b>-18.7%</b>	<b>(1.2)</b>	<b>-9.0%</b>	<b>153.6%</b>	<b>(2.1)</b>	<b>-22.2%</b>	<b>(0.9)</b>	<b>-12.1%</b>	<b>123.9%</b>
- Provision for Doubtful Accounts (PDA)	(0.8)	-4.9%	(0.3)	-2.2%	167.7%	(0.4)	-3.8%	(0.3)	-3.8%	22.0%
- Marketing	(2.2)	-13.8%	(0.9)	-6.8%	149.0%	(1.8)	-18.4%	(0.6)	-8.2%	171.1%
<b>General &amp; Administrative Expenses</b>	<b>(12.5)</b>	<b>-80.1%</b>	<b>(6.6)</b>	<b>-51.8%</b>	<b>88.6%</b>	<b>(6.4)</b>	<b>-66.6%</b>	<b>(3.5)</b>	<b>-44.8%</b>	<b>80.7%</b>
- Personnel	(9.5)	-60.8%	(5.0)	-38.7%	91.7%	(5.0)	-52.0%	(2.6)	-32.8%	92.7%
- Third Party Services	(1.2)	-7.6%	(0.4)	-3.3%	182.8%	(0.5)	-4.9%	(0.2)	-2.9%	103.1%
- Rental & Utilities	(0.6)	-3.8%	(0.5)	-4.1%	13.5%	(0.3)	-2.8%	(0.2)	-3.1%	11.4%
- Others	(1.2)	-7.9%	(0.7)	-5.8%	66.5%	(0.7)	-6.8%	(0.5)	-5.9%	39.9%
<b>Other Operating Revenues (Expenses)</b>	<b>0.6</b>	<b>4.0%</b>	<b>(0.1)</b>	<b>-0.8%</b>	<b>-717.3%</b>	<b>0.4</b>	<b>4.5%</b>	<b>(0.1)</b>	<b>-1.7%</b>	<b>-427.3%</b>
- Provisions	(0.0)	-0.2%	0.0	0.0%	0.0%	(0.0)	-0.1%	0.0	0.0%	0.0%
- Taxes	(0.2)	-1.3%	(0.2)	-1.9%	-13.7%	(0.2)	-1.6%	(0.2)	-2.3%	-14.8%
- Other Operating Revenues	0.9	5.5%	0.1	1.1%	502.1%	0.6	6.1%	0.0	0.6%	1156.3%
<b>Late Payment Fees</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Operating Result</b>	<b>(9.6)</b>	<b>-61.1%</b>	<b>(4.7)</b>	<b>-36.6%</b>	<b>103.8%</b>	<b>(5.0)</b>	<b>-51.9%</b>	<b>(2.9)</b>	<b>-36.8%</b>	<b>71.4%</b>

The other businesses area is composed of HSM, Sociesc's Management and Technological Innovation (GIT) and EBRADI – Escola Brasileira de Direito.

HSM is an integrated educational solution platform that promotes the continuing education and professional development of executives and managers from all over Brazil through customized products that foster learning, the exchange of experience and networking.

GIT 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).

EBRADI is a new Anima brand launched at the end of last year in order to offer online legal education and training to students from all over the country. Its portfolio includes preparatory programs for the Brazilian Bar exam, as well as graduate and extension programs.

The results for the first six months of 2017 reflect the different stages of each of these business units. HSM results are still impacted by the challenging moment for the corporate training market, as well as event seasonality and its integration with ACAD. The HSM perspectives for the back half of the year is positive, as we should see potential improvements behind the full integration with ACAD, a stronger events' calendar and also an improving pipeline of in-company programs proposals. GIT already showed a year-on-year profitability improvement, although this was more than offset by EBRADI, which is in the first stages of its development cycle.

Net revenue totaled R\$15.6 million in the 1H17, 22.0% more than in 1H16, while gross profit came to R\$5.3 million, with a 33.7% gross margin (+8.7pp vs. 1H16). We closed the 1H17 with a negative operating result of R\$9.6 million (-R\$4.9 million vs. 1H16).

In 2Q17, net revenue totaled R\$9.6 million, 21.5% higher than in the same period in 2016. Our gross profit stood at R\$3.1 million (32.4% of net revenue) and the operating result was a negative R\$5.0 million.

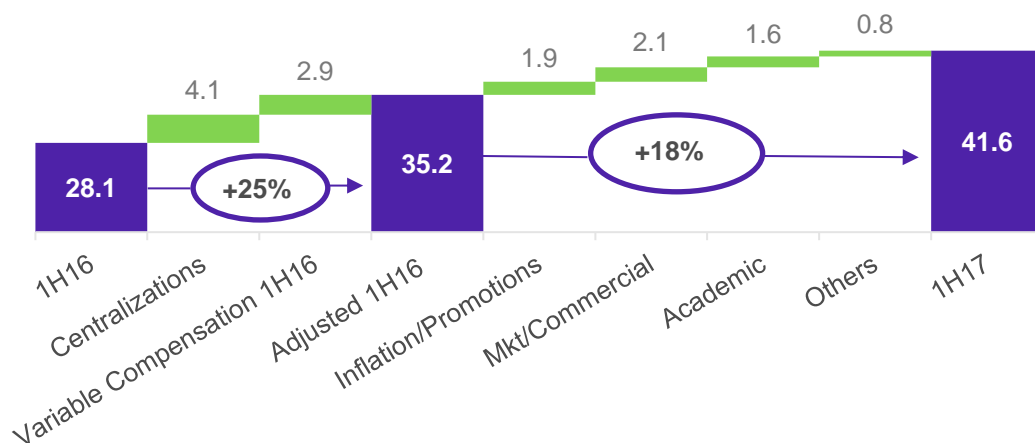
## CONSOLIDATED PERFORMANCE

R\$ (million)	Consolidated Ânima									
	1H17	% Net Revenue	1H16	% Net Revenue	% YA	2Q17	% Net Revenue	2Q16	% Net Revenue	% YA
<b>Gross Revenue</b>	<b>805.2</b>	<b>156.3%</b>	<b>686.9</b>	<b>146.5%</b>	<b>17.2%</b>	<b>408.4</b>	<b>157.1%</b>	<b>352.6</b>	<b>146.8%</b>	<b>15.8%</b>
Discounts, Deductions & Scholarships	(275.9)	-53.6%	(207.9)	-44.3%	32.7%	(140.0)	-53.8%	(107.2)	-44.7%	30.5%
Taxes	(14.1)	-2.7%	(10.1)	-2.1%	39.8%	(8.4)	-3.2%	(5.2)	-2.2%	61.8%
<b>Net Revenue</b>	<b>515.2</b>	<b>100.0%</b>	<b>468.9</b>	<b>100.0%</b>	<b>9.9%</b>	<b>260.0</b>	<b>100.0%</b>	<b>240.2</b>	<b>100.0%</b>	<b>8.3%</b>
<b>Cash Cost of Services</b>	<b>(282.5)</b>	<b>-54.8%</b>	<b>(268.0)</b>	<b>-57.2%</b>	<b>5.4%</b>	<b>(157.3)</b>	<b>-60.5%</b>	<b>(151.2)</b>	<b>-62.9%</b>	<b>4.0%</b>
- Personnel	(205.3)	-39.8%	(195.5)	-41.7%	5.0%	(114.8)	-44.1%	(109.2)	-45.4%	5.1%
- Services from Third Parties	(16.5)	-3.2%	(17.8)	-3.8%	-7.4%	(8.9)	-3.4%	(13.0)	-5.4%	-31.2%
- COGS	(1.9)	-0.4%	(1.5)	-0.3%	26.0%	(1.4)	-0.5%	(1.0)	-0.4%	47.7%
- Rental & Utilities	(42.5)	-8.2%	(39.3)	-8.4%	8.1%	(21.9)	-8.4%	(19.5)	-8.1%	12.1%
- Others	(16.4)	-3.2%	(13.9)	-3.0%	17.9%	(10.3)	-3.9%	(8.5)	-3.6%	20.1%
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>232.7</b>	<b>45.2%</b>	<b>200.9</b>	<b>42.8%</b>	<b>15.8%</b>	<b>102.7</b>	<b>39.5%</b>	<b>89.0</b>	<b>37.1%</b>	<b>15.4%</b>
<b>Sales Expenses</b>	<b>(35.1)</b>	<b>-6.8%</b>	<b>(31.7)</b>	<b>-6.8%</b>	<b>10.5%</b>	<b>(19.5)</b>	<b>-7.5%</b>	<b>(18.9)</b>	<b>-7.9%</b>	<b>3.1%</b>
- Provision for Doubtful Accounts (PDA)	(22.0)	-4.3%	(19.6)	-4.2%	12.4%	(13.2)	-5.1%	(12.6)	-5.3%	4.3%
- Marketing	(13.1)	-2.5%	(12.2)	-2.6%	7.4%	(6.3)	-2.4%	(6.3)	-2.6%	0.7%
<b>General &amp; Administrative Expenses</b>	<b>(55.0)</b>	<b>-10.7%</b>	<b>(43.6)</b>	<b>-9.3%</b>	<b>26.1%</b>	<b>(27.9)</b>	<b>-10.7%</b>	<b>(22.2)</b>	<b>-9.3%</b>	<b>25.6%</b>
- Personnel	(37.0)	-7.2%	(30.0)	-6.4%	23.3%	(18.8)	-7.2%	(14.8)	-6.2%	26.7%
- Third Party Services	(6.6)	-1.3%	(5.1)	-1.1%	27.8%	(2.9)	-1.1%	(2.7)	-1.1%	7.9%
- Rental & Utilities	(2.1)	-0.4%	(2.5)	-0.5%	-16.0%	(1.1)	-0.4%	(1.3)	-0.6%	-19.5%
- Others	(9.4)	-1.8%	(6.0)	-1.3%	55.4%	(5.2)	-2.0%	(3.4)	-1.4%	53.1%
<b>Other Operating Revenues (Expenses)</b>	<b>3.5</b>	<b>0.7%</b>	<b>(3.6)</b>	<b>-0.8%</b>	<b>-198.4%</b>	<b>2.5</b>	<b>1.0%</b>	<b>(1.6)</b>	<b>-0.7%</b>	<b>-256.2%</b>
- Provisions	(0.2)	0.0%	(6.4)	-1.4%	-96.4%	0.5	0.2%	(3.2)	-1.3%	-116.5%
- Taxes	(1.2)	-0.2%	(1.2)	-0.2%	2.8%	(0.7)	-0.3%	(0.9)	-0.4%	-23.3%
- Other Operating Revenues	5.0	1.0%	4.0	0.9%	24.4%	2.7	1.0%	2.4	1.0%	11.9%
<b>Late Payment Fees</b>	<b>5.8</b>	<b>1.1%</b>	<b>6.0</b>	<b>1.3%</b>	<b>-3.5%</b>	<b>1.7</b>	<b>0.6%</b>	<b>1.4</b>	<b>0.6%</b>	<b>20.0%</b>
<b>Operating Result</b>	<b>151.9</b>	<b>29.5%</b>	<b>127.9</b>	<b>27.3%</b>	<b>18.8%</b>	<b>59.5</b>	<b>22.9%</b>	<b>47.6</b>	<b>19.8%</b>	<b>25.0%</b>
- Corporate Expenses	(41.6)	-8.1%	(28.1)	-6.0%	48.3%	(23.2)	-8.9%	(15.3)	-6.4%	51.9%
<b>Adjusted EBITDA</b>	<b>110.2</b>	<b>21.4%</b>	<b>99.8</b>	<b>21.3%</b>	<b>10.5%</b>	<b>36.3</b>	<b>14.0%</b>	<b>32.4</b>	<b>13.5%</b>	<b>12.2%</b>
(-) Late Payment Fees	(5.8)	-1.1%	(6.0)	-1.3%	-3.5%	(1.7)	-0.6%	(1.4)	-0.6%	20.0%
(-) Non-Recurring Items - EBITDA	(8.5)	-1.7%	(8.7)	-1.9%	0.0%	(8.0)	-3.1%	(8.3)	-3.5%	0.0%
<b>EBITDA</b>	<b>95.9</b>	<b>18.6%</b>	<b>85.1</b>	<b>18.2%</b>	<b>12.7%</b>	<b>26.7</b>	<b>10.3%</b>	<b>22.6</b>	<b>9.4%</b>	<b>17.8%</b>
Depreciation & Amortization	(24.5)	-4.8%	(18.7)	-4.0%	30.9%	(13.6)	-5.2%	(10.2)	-4.2%	33.6%
<b>EBIT</b>	<b>71.4</b>	<b>13.9%</b>	<b>66.4</b>	<b>14.2%</b>	<b>7.6%</b>	<b>13.1</b>	<b>5.0%</b>	<b>12.4</b>	<b>5.2%</b>	<b>4.9%</b>
Net Financial Result	(23.1)	-4.5%	(15.0)	-3.2%	54.0%	(14.3)	-5.5%	(13.8)	-5.8%	3.2%
<b>EBT</b>	<b>48.3</b>	<b>9.4%</b>	<b>51.4</b>	<b>11.0%</b>	<b>-6.0%</b>	<b>(1.2)</b>	<b>-0.5%</b>	<b>(1.4)</b>	<b>-0.6%</b>	<b>-11.7%</b>
Income Tax and Social Contribution	15.9	3.1%	0.3	0.1%	4963.4%	15.6	6.0%	0.4	0.2%	4181.5%
<b>Net Income Before Non-Controlling Interest</b>	<b>64.3</b>	<b>12.5%</b>	<b>51.7</b>	<b>11.0%</b>	<b>24.2%</b>	<b>14.4</b>	<b>5.5%</b>	<b>(1.0)</b>	<b>-0.4%</b>	<b>-1483.6%</b>
Non-Controlling Interest	0.0	0.0%	0.0	0.0%	0.0%	(0.0)	0.0%	0.0	0.0%	
<b>Net Income</b>	<b>64.3</b>	<b>12.5%</b>	<b>51.7</b>	<b>11.0%</b>	<b>24.2%</b>	<b>14.4</b>	<b>5.5%</b>	<b>(1.0)</b>	<b>-0.4%</b>	<b>-1484.7%</b>
(-) Non-Recurring Items - EBITDA	8.5	1.7%	8.7	1.9%	0.0%	8.0	3.1%	8.3	3.5%	0.0%
(-) Non-Recurring Items - Net Income	(11.5)	-2.2%	0.0	0.0%	0.0%	(11.5)	-4.4%	0.0	0.0%	0.0%
<b>Adjusted Net Income</b>	<b>61.3</b>	<b>11.9%</b>	<b>60.4</b>	<b>12.9%</b>	<b>1.5%</b>	<b>10.9</b>	<b>4.2%</b>	<b>7.3</b>	<b>3.0%</b>	<b>49.0%</b>



## Corporate Expenses

Corporate expenses totaled R\$41.6 million, or 8.1% of net revenue, year to date. It's worth noting that we started last year a process to centralize more activities, increasing the scope of our corporate departments and shared service center. This implies on the transferring of personnel and budgets from the business units level to corporate cost centers, always aiming at gains of scale. These transfers accounted for R\$4.1 million of total corporate expenses in 1H17. Besides, the first half of 2016 was also impacted by the reversal of a provision for variable compensation of R\$2.9 million, making the year-on-year comparison harder. These two items caused a 25% increase on our corporate expenses, as shown below:



From this adjusted basis, we see a 18% increase directly related to the priority areas defined by Anima, of which we highlight the recently created commercial department, and the central students' service department. We are already starting to see the early results from these investments, both on intakes and retention numbers. In this period we also see an increase related to personnel and technology services for academic and KPI's / data-science groups. In 2Q17, corporate expenses totaled R\$23.2 million, or 8.9% of net revenue, 2.6pp more than in 2Q16.

## Adjusted EBITDA

Adjusted EBITDA totaled R\$110.2 million in 1H17 (+10.5% vs. 1H16), with a margin of 21.4%, edging up 0.1pp year on year and reversing the downward trend in recent semesters. In 2Q17, adjusted EBITDA came to R\$36.3 million, or 14.0% of net revenue, a 0.5pp improvement over 2Q16.

## Non-Recurring Items

R\$ (million)	EBITDA		Net Income	
	1H17	2Q17	1H17	2Q17
Restructuring Expenses	(6.6)	(5.1)	(6.6)	(5.1)
Account Receivables Adjustments - FIES	1.7	0.9	1.7	0.9
Provision for inventory losses	(1.2)	(1.2)	(1.2)	(1.2)
2017 Refis Program (Executive Decree 766 - 1,687)	(2.5)	(2.5)	9.0	9.0
<b>Total Non Recurring Items</b>	<b>(8.5)</b>	<b>(8.0)</b>	<b>2.9</b>	<b>3.5</b>

**Restructuring Expenses.** Non-recurring restructuring expenses totaled R\$6.6 million in 1H17. This amount includes i) R\$6.2 million in severance pay of professors and administrative staff resulting from the reduction in our student base; and ii) R\$0.4 million in expenses with the integration of the new acquisitions.

**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 would 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, has had a positive effect since 2016. In 1H17, we excluded the positive impact of this adjustment, which represented net revenue of R\$1.7 million, also non-cash.

**Provision for inventory losses.** 2Q17 was impacted by a R\$1.2 million inventory write-off related to old issues of HSM's magazine that would no longer be sold.

**2017 Refis Program (Executive Decree 766 - Normative Instruction 1,687).** In January 2017, the federal government issued an executive decree that enabled the prepayment of tax installments through the use of credits arising from tax losses and/or negative social contribution calculation basis (carryforwards) to settle 80% of the debt and payment of the remaining 20% in cash. Thanks to this benefit, Anima settled the balance of existing installment payments at GAEC and Una, generating a net gain of R\$9.0 million, with a negative impact of R\$2.5 million on EBITDA and a credit of R\$11.5 million that impacted the net income, as shown below:

Impacted by Refis 2017	2Q17
Provisions	(2.5)
Net Financial Result	(3.1)
Income Tax and Social Contribution	14.6
<b>Total</b>	<b>9.0</b>

## Financial Result

R\$ (million)	Consolidated Ânima			
	1H17	1H16	2Q17	2Q16
<b>(+) Financial Revenue</b>	<b>20.5</b>	<b>26.7</b>	<b>8.3</b>	<b>9.9</b>
Late payment fees	5.8	6.0	1.7	1.4
Interest on financial investments	8.8	10.2	3.8	5.0
Inflation adjustment - PN23 FIES acc. rec.	3.9	8.8	1.7	2.0
Other financial revenues	2.0	1.7	1.1	1.5
<b>(-) Financial Expense</b>	<b>(43.9)</b>	<b>(41.7)</b>	<b>(22.6)</b>	<b>(23.8)</b>
Financial debt interest expense	(24.5)	(28.9)	(11.1)	(16.0)
Tax debt interest expenses	(3.4)	(0.2)	(3.2)	(0.1)
PraValer interest expenses	(8.8)	(5.1)	(5.6)	(2.7)
Accounts payable interest expenses (acquisitions)	(4.7)	(3.6)	(1.6)	(2.5)
Other financial expenses	(2.5)	(3.9)	(1.1)	(2.5)
<b>Financial Result</b>	<b>(23.4)</b>	<b>(15.0)</b>	<b>(14.3)</b>	<b>(13.8)</b>

In the first semester, the net financial result came to a negative R\$23.4 million against a negative R\$15.0 million in the same period of 2016. Financial revenue came to R\$20.5 million, R\$6.2 million less than in 1H16, mainly due to lower inflation adjustment of the FIES accounts receivable balance related to the PN23 agreement (R\$3.9 million in 1H17 vs. R\$8.8 million in 1H16).

Financial expense totaled R\$43.9 million, a R\$2.2 million increase, mainly as a result of higher interest rates in *PraValer*, due to the growth of the student base with private financing contracts, most of which entered into in 2Q17. There was also an upturn in interest on taxes related to the prepayment of tax installments mentioned earlier (Refis Program), with an impact of R\$3,1 million (classified as non-recurring). On the flip side, we see a reduction on financial debt interest expenses behind a reduction on our gross debt and also due to the reduction on Brazil's base interest rate (CDI).

In 2Q17, the net financial result came to a negative R\$14.3 million against a negative R\$13.8 million in the same period of 2016.

## Income Tax and Social Contribution

We continue benefiting from Prouni, which guarantees income tax and social contribution exemption for most of our business. In 1H17, income tax and social contribution credits totaled R\$1.3 million. As explained earlier, we also had a R\$14.6 million positive effect related to the 2017 Refis program, classified as non-recurring.

## Adjusted Net Income

Adjusted net income totaled R\$61.3 million in 1H17 (+1.5% vs. 1H16), with a margin of 11.9% (-1.0pp vs. 1H16). In 2Q17, adjusted net income came to R\$10.9 million, with a margin of 4.2%.

## Cash and Net Debt

R\$ (million)	Consolidated Anima		
	JUN 17	JUN 16	MAR 17
<b>(+) Cash and Cash Equivalents</b>	<b>139.5</b>	<b>201.8</b>	<b>184.4</b>
Cash	30.8	22.5	28.4
Financial Investments	108.6	179.3	156.1
<b>(-) Loans and Financing <sup>1</sup></b>	<b>379.0</b>	<b>463.9</b>	<b>388.1</b>
Short Term	139.5	109.2	137.0
Long Term	239.5	354.7	251.0
<b>(=) Net (Debt) Cash <sup>2</sup></b>	<b>(239.5)</b>	<b>(262.1)</b>	<b>(203.6)</b>
(-) Other Short and Long Term Obligations	79.3	34.3	79.7
<b>(=) Net (Debt) Cash <sup>3</sup></b>	<b>(318.8)</b>	<b>(296.4)</b>	<b>(283.3)</b>

<sup>1</sup> Net of swap adjustment

<sup>2</sup> Considering financial debt (bank loans) only.

<sup>3</sup> Including obligations related to tax debt and acquisitions payables.

At the end of 1H17, cash and cash equivalents totaled R\$139.5 million and loans and financing came to R\$379.0 million, while other short and long-term obligations represented by acquisitions and tax installments amounted to R\$79.3 million. As a result, we closed 1H17 with net debt of R\$318.8 million, representing a leverage (net debt ÷ LTM adjusted EBITDA) of 1.9x.

## Accounts Receivable and Days of Sales Outstanding (DSO)

We ended 1H17 with net accounts receivable of R\$344.5 million. For management and DSO calculation purposes, we are adjusting accounts receivable by R\$2.5 million, comprising the R\$7.8 million adjustment recorded in 4Q15 less the R\$5.4 million write-offs since then.

As a result, adjusted accounts receivable totaled R\$346.9 million, a decline of R\$40.9 million compared with 1H16. It is worth noting that in early July and August we have converted R\$130.0 million of FIES receivables in cash. This includes the second PN23 installment, which represented R\$48.5 million of the total amount received.



	1H17	1Q17	2016	9M16	1H16	Δ 1H17 / 1H16
Net Accounts Receivable	344.5	321.0	285.6	304.0	381.9	(37.4)
Adjusted Accounts Receivable FIES	(2.5)	(3.3)	(4.2)	(5.1)	(5.9)	3.5
<b>Adjusted Net Accounts Receivable</b>	<b>346.9</b>	<b>324.4</b>	<b>289.8</b>	<b>309.0</b>	<b>387.8</b>	<b>(40.9)</b>
to mature	282.5	265.7	227.7	258.5	330.5	(48.0)
until 180 days	51.2	45.1	45.5	37.7	43.5	7.8
between 180 and 360 days	8.5	9.1	12.4	8.7	9.7	(1.2)
between 361 and 720 days	4.7	4.5	4.2	4.0	4.2	0.5
more than 721 days	0.0	0.0	0.0	0.0	0.0	0.0

We closed 1H17 with DSO (Days of Sales Outstanding) of 121 days, representing a 27-day decline from the same period last year. Breaking down our accounts receivable, we recorded a DSO of 254 days for FIES receivables, an annual reduction of 48 days. For non-FIES receivables, our DSO stood at 56 days in 2Q17, practically in line with the same period last year. In the other businesses line, we closed the quarter with a DSO of 108 days.

<b>Total</b>	<b>1H17</b>	<b>1Q17</b>	<b>2016*</b>	<b>9M16*</b>	<b>1H16*</b>	<b>Δ 1H17 / 1H16</b>
Net Accounts Receivable	344.5	321.0	285.6	304.0	381.9	(37.4)
Adjusted Accounts Receivable FIES	(2.5)	(3.3)	(4.2)	(5.1)	(5.9)	3.5
Adjusted Net Accounts Receivable	346.9	324.4	289.8	309.0	387.8	(40.9)
Net Revenue (accumulative)	515.2	255.2	956.8	699.2	468.9	46.3
DSO	121	114	107	118	148	(27)

<b>FIES</b>	<b>1H17</b>	<b>1Q17</b>	<b>2016*</b>	<b>9M16*</b>	<b>1H16*</b>	<b>Δ 1H17 / 1H16</b>
Net Accounts Receivable	231.4	207.1	191.7	210.4	285.4	(54.0)
Adjusted Accounts Receivable FIES	(2.5)	(3.3)	(4.2)	(5.1)	(5.9)	3.5
Adjusted Net Accounts Receivable	233.9	210.5	195.9	215.5	291.3	(57.4)
Net Revenue (accumulative)	165.5	79.0	336.4	254.9	172.8	(7.3)
DSO	254	240	208	227	303	-48

<b>Non FIES</b>	<b>1H17</b>	<b>1Q17</b>	<b>2016*</b>	<b>9M16*</b>	<b>1H16*</b>	<b>Δ 1H17 / 1H16</b>
Net Accounts Receivable	103.6	103.9	83.7	85.0	84.5	19.0
Net Revenue (accumulative)	333.9	170.2	567.5	419.3	277.6	56.3
DSO	56	55	52	53	55	1

<b>Others</b>	<b>1H17</b>	<b>1Q17</b>	<b>2016*</b>	<b>9M16*</b>	<b>1H16*</b>	<b>Δ 1H17 / 1H16</b>
Net Accounts Receivable	9.5	10.0	10.2	8.6	12.0	(2.5)
Net Revenue (accumulative)	15.8	6.0	53.0	25.0	18.5	(2.7)
DSO	108	149	61	83	102	6

\* Weighted DSO, considering acquisitions of 2016



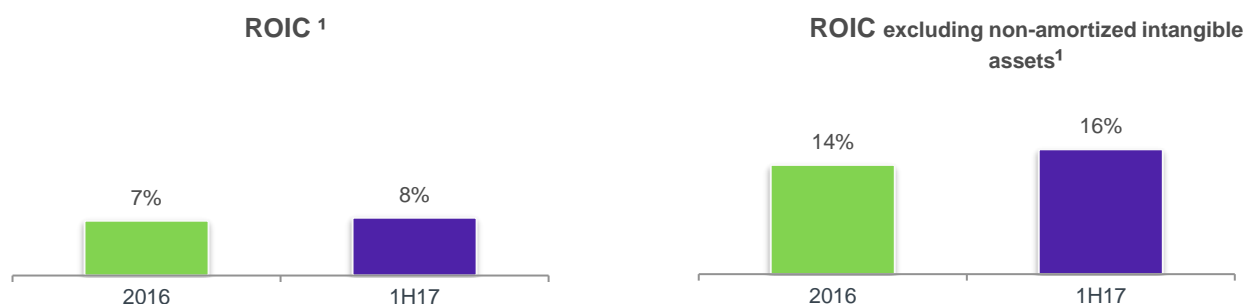
Operating cash flow before working capital and CAPEX came to R\$94.9 million in 1H17. The change in accounts receivable resulted in a cash consumption of R\$54.8 million, mainly due to FIES contracts. As previously mentioned, we have already received R\$130.0 million in July and August. Our working capital was a negative R\$46.8 million, while CAPEX consumed another R\$31.6 million. Still, we had a R\$16.6 million free cash flow generation in the period, versus a R\$5.4 million cash consumption in the same period last year.

Financing activities absorbed R\$40.9 million in 1H17, mainly due to the payment of bank loans and interest. We also executed the share buyback program, which totaled R\$3.7 million year to date, and distributed R\$5.0 million in dividends in May 2017. Accounts payable related to acquisitions (Sociesc, Una Uberlândia and Una Bom Despacho) absorbed R\$6.0 million, which includes the payment of Una Bom Despacho's first earn-out, in the amount of R\$2.0 million, in June 2017, as we are ahead of the agreed targets. Finally, it is worth noting that we stopped consolidating Le Cordon Bleu-Anima (LCB Anima) figures as of 2Q17. Therefore, we are classifying our R\$3.1 million contribution to the joint venture in 1Q17 as an investment.

As a result, we closed the first half with cash and financial investments of R\$139.5 million, i.e. a cash consumption of R\$42.0 million in relation to the position at the beginning of the year.

## Return on Invested Capital (ROIC)

We monitor our financial performance through our return on invested capital (ROIC), among other metrics. At the end of 2Q17, we had a ROIC for the last twelve months of 8%. Although the improvement is still modest compared with our ambitions, we continue improving after an inflection point in our return rate last quarter. We can see the same effect when we analyze our ROIC excluding non-amortized intangible assets, which climbed from 14% in 2016 to 16% in the last twelve months ended 2Q17.



<sup>1</sup> ROIC = LTM EBIT\* (1- effective tax rate) ÷ avg. invested capital.  
Invested Capital = net working capital + long-term FIES accounts receivable + net fixed assets  
2016 EBIT adjusted for the impairment of HSM.

## APPENDIX 1 – Reconciliation of the 1H17 Income Statement

Consolidated Anima R\$ (million)	1H17						IFRS Income Statement
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non- Recurring Items	HSM Reclass.	
<b>Gross Revenue</b>	<b>805.2</b>						<b>805.2</b>
Discounts, Deductions & Scholarships	(275.9)				1.7		(274.2)
Taxes	(14.1)						(14.1)
<b>Net Revenue</b>	<b>515.2</b>				<b>1.7</b>		<b>517.0</b>
<b>Cash Cost of Services</b>	<b>(282.5)</b>	<b>(12.8)</b>	<b>0.0</b>	<b>0.0</b>	<b>(4.6)</b>	<b>0.3</b>	<b>(299.7)</b>
- Personnel	(205.3)				(4.6)		(209.9)
- Services from Third Parties	(16.5)					0.3	(16.2)
- COGS	(1.9)						(1.9)
- Rental & Utilities	(42.5)						(42.5)
- Others	(16.4)	(12.8)					(29.2)
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>232.7</b>	<b>(12.8)</b>	<b>0.0</b>	<b>0.0</b>	<b>(2.9)</b>	<b>0.3</b>	<b>217.2</b>
<b>Sales Expenses</b>	<b>(35.1)</b>		<b>(1.0)</b>		<b>0.0</b>	<b>0.0</b>	<b>(36.0)</b>
- Provision for Doubtful Accounts (PDA)	(22.0)		0.0				(22.0)
- Marketing	(13.1)		(1.0)				(14.0)
<b>General &amp; Administrative Expenses</b>	<b>(55.0)</b>	<b>(11.7)</b>	<b>(40.6)</b>	<b>0.0</b>	<b>(2.9)</b>	<b>0.0</b>	<b>(110.1)</b>
- Personnel	(37.0)		(29.6)		(1.7)		(68.3)
- Third Party Services	(6.6)		(4.6)				(11.2)
- Rental & Utilities	(2.1)		(0.7)				(2.7)
- Others	(9.4)	(11.7)	(5.7)		(1.2)		(27.9)
<b>Other Operating Revenues (Expenses)</b>	<b>3.5</b>	<b>0.0</b>	<b>(0.4)</b>	<b>0.0</b>	<b>(2.5)</b>	<b>0.0</b>	<b>0.6</b>
- Provisions	(0.2)		(0.0)		(2.5)		(2.8)
- Taxes	(1.2)		(0.4)				(1.6)
- Other Operating Revenues	5.0		0.0				5.0
<b>Late Payment Fees</b>	<b>5.8</b>			<b>(5.8)</b>			<b>0.0</b>
<b>Operating Result</b>	<b>151.9</b>	<b>(24.5)</b>	<b>(41.9)</b>	<b>(5.8)</b>	<b>(8.3)</b>	<b>0.3</b>	<b>71.7</b>
- Corporate Expenses	(41.6)		41.9		(0.3)		0.0
<b>Adjusted EBITDA</b>	<b>110.2</b>	<b>(24.5)</b>	<b>0.0</b>	<b>(5.8)</b>	<b>(8.5)</b>	<b>0.3</b>	<b>71.7</b>
(-) Late Payment Fees	(5.8)			5.8			0.0
(-) Non-Recurring Items - EBITDA	(8.5)				8.5		0.0
<b>EBITDA</b>	<b>95.9</b>	<b>(24.5)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>71.7</b>
Depreciation & Amortization	(24.5)	24.5					0.0
<b>EBIT</b>	<b>71.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>71.7</b>
Net Financial Result	(23.1)					(0.3)	(23.4)
<b>EBT</b>	<b>48.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>48.3</b>
Income Tax and Social Contribution	15.9						15.9
<b>Net Income Before Non-Controlling Interest</b>	<b>64.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>64.3</b>
Non-Controlling Interest	0.0						0.0
<b>Net Income</b>	<b>64.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>64.3</b>
(-) Non-Recurring Items - EBITDA	8.5				(8.5)		0.0
(-) Non-Recurring Items - Net Income	(11.5)				11.5		0.0
<b>Adjusted Net Income</b>	<b>61.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.9</b>	<b>0.0</b>	<b>64.3</b>



## APPENDIX 2 – Reconciliation of the 2Q17 Income Statement

Ânima Consolidated R\$ (million)	2Q17						IFRS Income Statement
	Release Income Statement	Depreciation & Amortization	Corporate Expenses	Late Payment Fees	Non- Recurring Items	HSM Reclas.	
<b>Gross Revenue</b>	<b>408.4</b>						<b>408.4</b>
Discounts, Deductions & Scholarships	(140.0)				0.9		(139.1)
Taxes	(8.4)						(8.4)
<b>Net Revenue</b>	<b>260.0</b>				<b>0.9</b>		<b>260.9</b>
<b>Cash Cost of Services</b>	<b>(157.3)</b>	<b>(6.8)</b>	<b>0.0</b>	<b>0.0</b>	<b>(3.8)</b>	<b>0.1</b>	<b>(167.8)</b>
- Personnel	(114.8)				(3.8)		(118.5)
- Services from Third Parties	(8.9)					0.1	(8.9)
- COGS	(1.4)						(1.4)
- Rental & Utilities	(21.9)						(21.9)
- Others	(10.3)	(6.8)					(17.1)
<b>Gross Profit (exclud. deprec. /amort.)</b>	<b>102.7</b>	<b>(6.8)</b>	<b>0.0</b>	<b>0.0</b>	<b>(2.9)</b>	<b>0.1</b>	<b>93.1</b>
<b>Sales Expenses</b>	<b>(19.5)</b>		<b>(0.5)</b>		<b>0.0</b>	<b>0.0</b>	<b>(20.0)</b>
- Provision for Doubtful Accounts (PDA)	(13.2)		0.0				(13.2)
- Marketing	(6.3)		(0.5)				(6.8)
<b>General &amp; Administrative Expenses</b>	<b>(27.9)</b>	<b>(6.8)</b>	<b>(22.5)</b>	<b>0.0</b>	<b>(2.5)</b>	<b>0.0</b>	<b>(59.8)</b>
- Personnel	(18.8)		(16.2)		(1.3)		(36.3)
- Third Party Services	(2.9)		(2.2)				(5.1)
- Rental & Utilities	(1.1)		(0.3)				(1.4)
- Others	(5.2)	(6.8)	(3.8)		(1.2)		(17.0)
<b>Other Operating Revenues (Expenses)</b>	<b>2.5</b>	<b>0.0</b>	<b>(0.2)</b>	<b>0.0</b>	<b>(2.5)</b>	<b>0.0</b>	<b>(0.2)</b>
- Provisions	0.5		(0.1)		(2.5)		(2.1)
- Taxes	(0.7)		(0.1)				(0.8)
- Other Operating Revenues	2.7		(0.0)				2.6
<b>Late Payment Fees</b>	<b>1.7</b>			<b>(1.7)</b>			<b>0.0</b>
<b>Operating Result</b>	<b>59.5</b>	<b>(13.6)</b>	<b>(23.2)</b>	<b>(1.7)</b>	<b>(8.0)</b>	<b>0.1</b>	<b>13.1</b>
- Corporate Expenses	(23.2)		23.2		0.0		0.0
<b>Adjusted EBITDA</b>	<b>36.3</b>	<b>(13.6)</b>	<b>0.0</b>	<b>(1.7)</b>	<b>(8.0)</b>	<b>0.1</b>	<b>13.1</b>
(-) Late Payment Fees	(1.7)			1.7			0.0
(-) Non-Recurring Items - EBITDA	(8.0)				8.0		0.0
<b>EBITDA</b>	<b>26.7</b>	<b>(13.6)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>13.1</b>
Depreciation & Amortization	(13.6)	13.6					0.0
<b>EBIT</b>	<b>13.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>13.1</b>
Net Financial Result	(14.3)					(0.1)	(14.3)
<b>EBT</b>	<b>(1.2)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(1.2)</b>
Income Tax and Social Contribution	15.6						15.6
<b>Net Income Before Non-Controlling Interest</b>	<b>14.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>14.4</b>
Non-Controlling Interest	(0.0)						(0.0)
<b>Net Income</b>	<b>14.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>14.4</b>
(-) Non-Recurring Items - EBITDA	8.0				(8.0)		0.0
(-) Non-Recurring Items - Net Income	(11.5)				11.5		0.0
<b>Adjusted Net Income</b>	<b>10.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3.5</b>	<b>0.0</b>	<b>14.4</b>

## APPENDIX 3 – Income Statement – IFRS

	1H17	1H16	2Q17	2Q16
<b>Net Revenue</b>	<b>517.0</b>	<b>470.8</b>	<b>260.9</b>	<b>241.1</b>
COST OF SERVICES	(299.7)	(281.6)	(167.8)	(159.7)
<b>Gross (Loss) Profit</b>	<b>217.2</b>	<b>189.2</b>	<b>93.1</b>	<b>81.5</b>
OPERATING (EXPENSES) / INCOME	(145.5)	(122.8)	(80.0)	(69.0)
Commercial	(36.0)	(32.6)	(20.0)	(19.3)
General and administrative	(110.1)	(86.1)	(59.8)	(47.7)
Equity income	(0.0)	-	(0.0)	-
Other operating (expenses) revenues	0.6	(4.2)	(0.2)	(2.0)
<b>Income before Financial Result</b>	<b>71.7</b>	<b>66.4</b>	<b>13.1</b>	<b>12.4</b>
Financial interest income	37.3	67.7	11.7	44.8
Financial interest expenses	(60.7)	(82.7)	(26.1)	(58.7)
<b>Net (Loss) Income before Taxes</b>	<b>48.3</b>	<b>51.4</b>	<b>(1.2)</b>	<b>(1.4)</b>
Income tax and social contribution, current and deferred	15.9	0.3	15.6	0.4
<b>Net Income or Loss before Non-Controlling Interest</b>	<b>64.2</b>	<b>51.7</b>	<b>14.4</b>	<b>(1.0)</b>
Non-Controlling Interest	-	-	(0.0)	-
<b>Net Income or Loss for the Period</b>	<b>64.2</b>	<b>51.7</b>	<b>14.4</b>	<b>(1.0)</b>

## APPENDIX 4 – Balance Sheet - IFRS

Assets	JUN 17	JUN 16	MAR 17	Liabilities	JUN 17	JUN 16	MAR 17
<b>Current Assets</b>	<b>442.6</b>	<b>499.3</b>	<b>462.4</b>	<b>Current Liabilities</b>	<b>283.2</b>	<b>235.2</b>	<b>270.3</b>
Cash and cash equivalents	30.8	22.5	28.4	Supplier	23.1	21.9	21.2
Cash & financial investments	108.6	179.3	156.1	Loans	121.8	101.0	117.0
Accounts receivable	251.8	250.1	229.6	Personnel	74.6	68.0	52.7
Prepaid expenses	28.2	27.1	22.7	Taxes payable	13.5	8.9	11.7
Recoverable taxes	12.1	9.5	11.9	Advances from clients	20.6	23.1	28.5
Derivatives	-	-	-	Tax debt installments	0.6	0.2	0.6
Other current assets	11.1	10.7	13.7	Accounts payables	10.8	3.3	13.1
				Dividends payables	0.0	0.0	5.0
				Derivatives	17.7	8.4	20.0
				Other current liabilities	0.4	0.6	0.4
<b>Non-Current Assets</b>	<b>980.6</b>	<b>942.9</b>	<b>954.9</b>	<b>Non-Current Liabilities</b>	<b>443.7</b>	<b>536.0</b>	<b>458.3</b>
Accounts receivable	92.7	131.8	91.4	Loans	234.7	333.6	243.1
Prepaid expenses	11.5	12.1	10.8	Accounts payables	63.7	27.5	61.7
Judicial deposits	38.5	31.7	37.3	Tax debt installments	4.2	3.3	4.3
Credit with related parties	0.2	0.0	0.1	Deferred income tax and social contribution	53.7	53.5	52.7
Recoverable taxes	14.3	6.4	4.7	Provisions for risks	81.5	96.6	87.7
Derivatives	-	-	-	Derivatives	4.8	21.1	8.0
Other non-current assets	18.5	15.4	16.4	Other non-current liabilities	1.1	0.4	1.0
Investments	3.1	-	-				
Fixed	230.8	214.2	224.9				
Intangible	571.0	531.3	569.1				
				<b>Shareholder Equity</b>	<b>696.3</b>	<b>671.0</b>	<b>688.6</b>
				Capital Stock	496.4	496.4	496.4
				Capital reserve	6.6	5.9	6.5
				Earnings reserve	212.3	217.2	212.3
				Shares in treasury	(13.6)	(30.6)	(10.1)
				Asset valuation adjustment	(69.6)	(69.6)	(69.6)
				Retained earnings	64.2	51.7	49.9
				Minority shareholders interest	-	-	3.1
<b>Total Assets</b>	<b>1,423.1</b>	<b>1,442.2</b>	<b>1,417.2</b>	<b>Total Liabilities and Shareholder Equity</b>	<b>1,423.1</b>	<b>1,442.2</b>	<b>1,417.2</b>

## APPENDIX 5 – Cash Flow – IFRS

	1H17	1H16	2Q17	2Q16
<b>Net Income for the period</b>	64.2	51.7	14.4	(1.0)
Adjustments:				
Allowance for doubtful accounts	22.0	19.6	13.2	12.6
Reversal (restatement) of escrow deposits	(1.0)	(0.5)	(0.5)	0.3
Depreciation and amortization	24.5	18.7	13.6	10.2
Decrease in residual value of fixed and intangible assets	0.1	1.7	0.0	0.3
Equity income	0.0	-	0.0	-
Third party loans update	(0.9)		(0.4)	
Interest on loans, financing and tax installments	19.2	29.0	8.8	16.1
Constitution, reversal and update of provision for labor, tax and civil risks	2.8	6.1	2.1	3.0
Present value adjustments to accounts payable	4.7	3.6	1.6	2.5
FIES revenues regarding present value adjustments and monetary restatement	(4.0)	(10.7)	(1.6)	(4.2)
Share repurchase program bonuses	0.0	4.6	0.0	4.6
Deferred income tax and social contribution	(15.9)	(0.3)	(15.6)	(0.4)
Losses with investments	-	0.0	-	-
Inventory and net assets write-off	1.2	-	1.2	-
fair value of derivatives	-	-	-	-
	116.9	123.6	36.7	44.1
<b>Change in operating assets and liabilities</b>				
Decrease (increase) in trade receivables	(76.9)	(88.7)	(35.0)	(5.1)
Decrease (increase) in sundry advances	10.1	(15.1)	(6.2)	(21.6)
Decrease (increase) in escrow deposits	(4.5)	(4.6)	(1.7)	(2.4)
Decrease (increase) in recoverable taxes and contributions	(0.6)	0.6	(1.2)	(0.7)
Decrease (increase) in other assets	(4.4)	(0.9)	0.6	(0.6)
Increase (decrease) in trade payables	(0.5)	0.2	1.7	2.7
Increase (decrease) in payroll and related taxes	15.8	16.1	24.5	18.4
Increase (decrease) in advances from clients	1.5	1.1	(7.9)	0.5
Increase (decrease) of taxes and contributions paid in installments	(0.3)	(0.2)	(0.1)	(0.1)
Increase (decrease) of provision for tax, civil and labor risks	(9.3)	(10.7)	(2.8)	(9.6)
Increase (decrease) in other liabilities	0.0	(0.3)	0.2	(0.1)
<b>Cash from operations</b>	(69.1)	(102.4)	(27.7)	(18.5)
Interest paid	(11.3)	(15.7)	(0.5)	(9.4)
Income tax and social contribution paid	0.0	(0.3)	-	(0.0)
<b>Net cash flow from operating activities</b>	36.5	5.2	8.5	16.1
<b>Cash Flow from Investment Activities</b>				
Loans with related parties				
Concessions	(0.0)	-	(0.0)	-
Subsidiary capital increase	(3.1)	-	(6.3)	-
Acquisitions net of cash and equivalents	-	5.3	-	-
(Redemption) investment of financial investments	42.7	(10.1)	51.4	(48.5)
Yields from financial investments	(9.4)	(9.9)	(4.0)	(5.0)
Acquisition of property and equipment	(23.7)	(19.3)	(12.8)	(10.1)
Acquisition of intangible assets	(7.9)	(7.4)	(4.5)	(2.6)
<b>Net cash flow (applied) from investment activities</b>	(1.4)	(41.5)	23.8	(66.2)
<b>Cash Flow from Financial Activities</b>				
<b>Loans and financing</b>				
Funding	5.4	143.0	-	139.4
Amortizations	(29.1)	(67.0)	(15.1)	(57.0)
Gains (Losses) with Derivatives	(5.5)	-	(2.3)	
Accounts payable amortization on controlling acquisitions	(6.0)	-	(4.0)	
Shares held in treasury	(3.7)	(27.5)	(3.6)	(19.0)
Dividends paid	(5.0)	(15.2)	(5.0)	(15.2)
<b>Net cash (applied to) flow from financing activities</b>	(43.9)	33.3	(29.9)	48.2
<b>Cash (Applied) Flow for the Period</b>	(8.7)	(2.9)	2.4	(1.9)
<b>Change in Cash and Cash Equivalents</b>				
Cash and cash equivalents at the beginning of the period	39.6	25.5	28.4	24.5
Cash and cash equivalents at the end of the period	30.8	22.5	30.8	22.5
<b>Increase (Decrease) of Cash and Cash Equivalents</b>	(8.7)	(2.9)	2.4	(1.9)