(A free translation of the original in Portuguese)

Ser Educacional S.A.

Quarterly information (ITR)
at March 31, 2016
and report on the review of
quarterly information

(A free translation of the original in Portuguese)

Independent auditor's report

To the Board of Directors and Shareholders
Ser Educacional S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Ser Educacional S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2016, comprising the balance sheet at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim 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 Brazilian and International 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 information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

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Ser Educacional S.A.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the quarter ended March 31, 2016. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted 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 have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

May 5th, 2016

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 5 "F" PE

José Vital Pessoa Monteiro Filho
Contador CRC 1PE016700/O-0

Ser Educacional S.A.

Balance sheet

All amounts In thousands of reais (A free translation of the original in Portuguese)

Assets	Note	Parent Company March 31, 2016	Parent Company December 31, 2015	Consolidated March 31, 2016	Consolidated December 31, 2015
Current assets					
Cash and cash equivalents	9	49,086	62,539	56,973	69,999
Marketable securities	9	168,657	213,135	168,657	213,135
Accounts receivable - students	10	113,837	65,919	317,486	192,251
Taxes recoverable	11	5,230	3,534	9,216	7,308
Advances to suppliers		704	833	5,105	5,599
Related parties	26.a	38,999	16,323		
Other assets		4,416	4,689	9,617	9,168
		380,929	366,972	567,054	497,460
Non-current assets					
Non-current assets					
Accounts receivable - students	10	77,078	74,385	196,376	189,102
Other assets		1,062	999	6,963	5,406
Indemnity assets	27.d	3,249	3,249	112,015	112,015
Investments	6	609,974	533,140		
Intangible assets	12	23,135	23,649	431,395	432,106
Property and equipment	13	360,397	361,121	615,260	612,499
		1,074,895	996,543	1,362,009	1,351,128
Total assets		1,455,824	1,363,515	1,929,063	1,848,588

Passivo e patrimônio líquido	Note	Parent Company March 31, 2016	Parent Company December 31, 2015	Consolidated March 31, 2016	Consolidated December 31, 2015
Current liabilities					
Suppliers	14	10,149	9,634	19,153	18,219
Commitments payable	15	3,986	6,019	88,205	70,736
Borrowings	16	46,372	40,977	49,526	44,450
Debentures	17	4,838	5,034	4,838	5,034
Salaries and social charges	18	31,216	28,130	73,445	66,406
Taxes payable	11	4,513	3,010	18,005	16,209
Income tax and social contribution	25	862	735	7,640	11,609
Lease commitments	19	9,341	3,369	15,238	4,691
Related parties	26.a	9,794	2,320		
Interest on capital and dividends payable	20.g	20,070	20,070	20,070	20,070
Other liabilities		4,126	4,045	13,442	13,342
		145,267	123,343	309,562	270,766
Non-current liabilities					
Borrowings	16	174,755	182,475	177,128	185,591
Debentures	17	147,649	147,649	147,649	147,649
Lease commitments	19	137,364	144,143	237,866	249,534
Commitments payable	15		244	81,491	109,675
Taxes payable	11	128	128	331	331
Income tax and social contribution	25			4,594	
Provision for contingencies	27	959	1,744	120,735	121,253
Other liabilities		6,556	6,556	6,561	6,556
		467,411	482,939	776,355	820,589
Equity	20				
Attributable to stockholders of parent company					
Share capital		377,048	377,048	377,048	377,048
Capital reserve					
Revenue reserve		394,609	386,639	394,609	386,639
Carrying value adjustments					
Treasury shares		(6,454)	(6,454)	(6,454)	(6,454)
Retained earnings		77,943		77,943	
Total equity		843,146	757,233	843,146	757,233
Total liabilities and equity		1,455,824	1,363,515	1,929,063	1,848,588

The accompanying notes are an integral part of the financial statements.

		Parent Company	
	Note	**2016**	**2015**
Net revenue from services	21	94,500	101,363
Cost of services	22	(37,659)	(37,546)
Gross profit		56,841	63,817
General and administrative expenses	23	(41,382)	(36,236)
Other operating expenses, net		281	(341)
Equity in the results of subsidiaries	6.a	76,009	62,610
Operating profit		91,749	89,850
Finance income	24	15,049	3,540
Finance costs	24	(20,715)	(8,889)
Finance income (costs), net	24	(5,666)	(5,349)
Profit before income tax and social contribution		86,083	84,501
Income tax and social contribution	25	(3,844)	(7,990)
Tax incentive - PROUNI	25	3,674	6,333
Profit for the period		85,913	82,844

The accompanying notes are an integral part of the financial statements.

	Note	Consolidated 2016	Consolidated 2015
Net revenue from services	21	285,125	269,498
Cost of services	22	(115,978)	(103,011)
Gross profit		169,147	166,487
General and administrative expenses	23	(69,941)	(70,168)
Other operating expenses, net		(200)	(2,046)
Operating profit		99,006	94,273
Finance income	24	26,697	8,474
Finance costs	24	(37,720)	(16,799)
Finance income (costs), net	24	(11,023)	(8,325)
Profit before income tax and social contribution		87,983	85,948
Income tax and social contribution	25	(28,269)	(29,992)
Tax incentive - PROUNI	25	26,199	26,888
Profit for the period		85,913	82,844
Attributable to			
Stockholders of the parent company		85,913	82,844
		85,913	82,844
Weighted average of outstanding common shares at the end of the period (in thousands)		124,836	125,038
Earnings per share attributable to stockholders of the parent company during the period (in R$ per share)		0.69	0.66

The accompanying notes are an integral part of the financial statements.

	Parent Company		Consolidated	
	2016	**2015**	**2016**	**2015**
Profit for the period	85,913	82,844	85,913	82,844
Other components of comprehensive income for the period				
Comprehensive income for the period	85,913	82,844	85,913	82,844

The accompanying notes are an integral part of the financial statements.

		Attributable to stockholders of the parent company								
				Revenue reserve						
	Note	Capital	Carrying value adjustments	Tax incentives	Legal	Retention	Proposed dividends	Treasury shares	Retained earnings	Total equity
At January 1, 2015		377,048	(586)	34,324	16,010	199,856	-	-	-	626,652
Profit for the period	28								82,844	82,844
Tax incentive reserve	20.d			6,333					(6,333)	-
Legal reserve	20.e				4,142				(4,142)	-
Treasury shares acquired								(6,217)		(6,217)
Realization of deemed cost adjustment	20.g		586						(586)	-
At March 31, 2015		377,048	-	40,657	20,152	199,856	-	(6,217)	71,783	703,279
At January 1, 2016		377,048	-	40,672	24,063	318,857	3,047	(6,454)	-	757,233
Profit for the period	28								85,913	85,913
Tax incentive reserve	20.d			3,674					(3,674)	-
Legal reserve	20.e				4,296				(4,296)	-
At March 31, 2016		377,048	-	44,346	28,359	318,857	3,047	(6,454)	77,943	843,146

The accompanying notes are an integral part of the financial statements.

	Note	Parent Company		Consolidated	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Cash flow from operating activities					
Profit before income tax and social contibution		86,083	84,501	87,983	85,948
Adjustments for					
Depreciation and amortization	12 e 13	7,557	6,604	14,512	12,326
Provision (reversal) for contingencies		(785)	(155)	(518)	421
Equity in results of subsidiaries	6.a	(76,009)	(62,610)		
Provision for doubtful accounts	10.e	1,864	1,829	6,390	4,595
Interest, monetary and exchange variations, net	24	14,323	8,529	26,147	12,170
		33,033	38,698	134,514	115,460
Changes in assets and liabilities					
Accounts receivable - students		(48,735)	(44,351)	(138,899)	(105,546)
Taxes recoverable		(1,696)	(683)	(1,908)	(2,139)
Advances to suppliers		129	(53)	494	5,384
Other assets		210	46	(1,390)	(612)
Suppliers		515	266	934	1,231
Salaries and social charges		3,086	3,349	7,039	11,815
Taxes payable		1,503	1,498	1,796	4,637
Income tax and social contribution payable		39	(194)	(219)	(357)
Other liabilities		81	798	105	(5,045)
Cash generated from operations		(11,835)	(626)	2,466	24,828
Interest paid on borrowings and leases		(18,989)	(8,529)	(22,519)	(12,170)
Income tax and social contribution paid		(82)	(1,657)	(1,226)	(3,104)
Net cash provided by (used in) operating activities		(30,906)	(10,812)	(21,279)	9,554
Cash flow from investing activities					
Marketable securities		44,478	63,418	44,478	63,418
Capitalization and additions to investments	6 e 7	(825)	475		
Additions to property and equipment	13	(5,267)	(16,468)	(14,297)	(35,584)
Additions to intangible assets	12.a	(950)	(1,791)	(1,805)	(2,519)
Acquisition of subsidiaries, net of cash obtained on acquisition	7	(1,649)		(15,615)	(62,371)
Net cash generated from (used in) investing activities		35,787	45,634	12,761	(37,056)
Cash flow from financing activities					
Borrowings	16		18,548		18,674
Amortization of borrowings	16	(2,325)	(1,020)	(3,387)	(1,779)
Amortization of leases	19	(807)	(1,840)	(1,121)	(3,199)
Related parties	26.a	(15,202)	(47,125)		(95)
Treasury shares			(6,217)		(6,217)
Dividends and interest on capital paid to Company stockholders			(7,419)		(7,419)
Cash flow used in financing activities		(18,334)	(45,073)	(4,508)	(35)
Increase (decrease) in cash and cash equivalents		(13,453)	(10,251)	(13,026)	(27,537)
Cash and cash equivalents		(13,453)	(10,251)	(13,026)	(27,537)
At the beginning of the period		62,539	39,021	69,999	73,248
At the end of the period		49,086	28,770	56,973	45,711
Main transactions with no cash effect					
Leasing and FINAME			1,196		3,473

The accompanying notes are an integral part of the financial statements.

	Note	Parent Company		Consolidated	
		2016	2015	2016	2015
Revenue					
Services	21	117,160	119,195	352,063	323,306
Provision for doubtful accounts and actual loss on accounts receivable	23	(1,864)	(1,829)	(6,390)	(4,595)
Revenue deductions	21	(18,034)	(12,330)	(54,607)	(42,306)
		97,262	**105,036**	**291,066**	**276,405**
Inputs acquired from third parties					
Services provided by individuals and corporations	22 e 23	(5,123)	(4,903)	(9,127)	(7,900)
Electricity, water and telephone	22	(2,514)	(1,621)	(5,989)	(4,417)
Publicity and advertising	23	(8,665)	(5,584)	(15,677)	(12,197)
Service materials	23	(1,353)	(1,814)	(3,165)	(3,503)
Other		(3,299)	(3,200)	(6,497)	(7,040)
		(20,954)	**(17,122)**	**(40,455)**	**(35,057)**
Gross value added		**76,308**	**87,914**	**250,611**	**241,348**
Depreciation and amortization	22 e 23	(7,557)	(6,604)	(14,512)	(12,326)
Net value added generated by the entity		**68,751**	**81,310**	**236,099**	**229,022**
Finance income	24	15,049	3,540	26,697	8,474
Equity in the results of subsidiaries	6.a	76,009	62,610		
Total value added to distribute		**159,809**	**147,460**	**262,796**	**237,496**
Distribution of value added					
Salaries and social charges	22 e 23	(38,078)	(38,673)	(108,692)	(108,265)
Taxes, fees and contributions		(5,293)	(7,621)	(15,272)	(15,349)
Federal taxes		(247)	(2,314)	(2,793)	(4,055)
Municipal taxes		(5,046)	(5,307)	(12,479)	(11,294)
Remuneration of third party capital		(30,525)	(18,322)	(52,919)	(31,038)
Finance costs	24	(20,715)	(8,889)	(37,720)	(16,799)
Rentals	22	(9,810)	(9,433)	(15,199)	(14,239)
Profit for the period		(85,913)	(82,844)	(85,913)	(82,844)
Value added distributed		**(159,809)**	**(147,460)**	**(262,796)**	**(237,496)**

The accompanying notes are an integral part of the financial statements.

Section A – General information

1 General information

Ser Educacional S.A. (the "Company") and its subsidiaries (jointly, the "Group") are principally involved in development and management activities for the undergraduate, graduate, professional training and other areas of education, and in participation, as a partner or shareholder, in other partnerships and companies in Brazil.

The Company is a publicly held company headquartered in Recife, State of Pernambuco, listed with the São Paulo Stock Exchange (BM&FBOVESPA S.A.) in the New Market segment, where its shares are traded under the code SEER3.

The Group owns 24 private limited liability companies and manages two universities, one university center and 26 colleges, located in 12 different states.

The Board of Directors authorized the issuance of these interim financial statements on May 5, 2016. The Audit Committee issued an opinion on May 3, 2016.

2 Summary of significant accounting policies

The main accounting policies applied to the preparation of this quarterly information are detailed below. These accounting policies have been applied in a consistent manner in all the periods shown, except where otherwise indicated.

2.1 Basis of preparation

The quarterly information for the quarter was prepared based on the historical cost convention, with financial assets and liabilities measured at fair value.

The Parent Company and Consolidated interim financial statements were prepared in accordance with Technical Pronouncement CPC 21 – "Interim Statements", as well as in compliance with IAS 34 – "Interim Financial Reporting", since it now allows the application of the equity accounting method to subsidiaries in the separate statements. These parent company financial statements are disclosed together with the consolidated interim financial statements.

The preparation of interim financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a high degree of judgment or complexity, and areas where assumptions and estimates are significant to the interim financial statements, are disclosed in Note 3.

The accounting practices adopted in the preparation of these interim financial statements are the same as those described in Note 30 to the annual audited financial statements for the year ended December 31, 2015, and they must be read together.

The presentation of the parent company and consolidated statements of value added is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil for listed companies, while it is not required by IFRS. Therefore, under the IFRS, the presentation of such statements is considered supplementary information, and not part of the set of financial statements.

Section B - Risks

3 Critical accounting estimates and judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

Based on assumptions, the Group makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Provision for contingencies

The Company recognizes provision for civil, tax and labor actions. The assessment of the probability of loss includes an appraisal of the available evidence, the hierarchy of laws, the available case law, the most recent court decisions and their relevance in the judicial system, as well as the opinion of external and internal legal counsel. Provision for contingencies (labor, civil and tax) is recognized when: (i) there is a present but non-formalized obligation as a result of events that have already occurred; (ii) it is probable that an outflow of resources will be necessary to settle the obligation; and (iii) the amount can be reliably estimated based on the judgment of legal counsel. The provision is reviewed and adjusted to take into account changes in circumstances, such as the applicable period for the statute of limitation, the conclusions of tax inspections or any additional exposure identified on the basis of new evidence or court decisions. See Note 27.

(b) Impairment of goodwill

The Group tests annually, at the end of the year, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 30.10. The recoverable amounts of cash-generating units (CGUs) have been determined based on value-in-use calculations, based on estimates prepared by external experts and reviewed by management. They consider discount rate and revenue growth estimates, among others, as shown in Note 12(e) of the financial statements for the year ended December 31, 2015.

(c) Allocation of fair value in business combinations

The Company analyses on the business combination dates the identifiable assets and liabilities arising from business combinations, in accordance with CPC 15 - “Business Combinations”, and identifies those that must be recorded. Judgment is used for the purpose of identifying the intangible assets acquired and contingent liabilities assumed. Estimates are used to determine the fair value of the assets and liabilities arising from the combination and of the residual goodwill. The estimates and methodologies used are described in Note 7.

(d) Provision for doubtful accounts

The Company carries out analyses to cover any losses on the collection of monthly fees and checks receivable, taking into account the risks involved, and records them when objective evidence of losses is identified.

(e) Intangibles with indefinite useful lives

The Company has identified intangibles arising from business combinations (licenses) that have indefinite useful lives, and course licenses and brands that have defined useful lives. Annually, the Group tests the intangibles that have indefinite useful lives for impairment in accordance with the accounting policy presented in Note 30.10. The recoverable amounts for the CGUs are determined based on the estimated value in use. Management estimates the useful life of certain intangible assets based on past history and its experience with respect to the use of these intangible assets.

(f) Leases

The assessment of the classification between operating leases and financial leases considers estimates of the fair value of the properties leased for the Company's activities, as well as their estimated useful lives considering their use. The fair value and useful life estimates are based on expert reports rendered by third-party experts.

(g) Determination of adjustment to present value of certain assets and liabilities

Management evaluates and recognizes the effects of the adjustment to present value of certain assets and liabilities that are part of the Company's operations, taking into account the time value of money and the uncertainties associated with them.

4 Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including cash flow or fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group does not use derivative financial instruments to hedge risk exposure.

Risk management is carried out by the Group's central treasury department. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board of Directors provides written principles for risk management, as well as for specific areas.

(a) Market risk

(i) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from short-term and long-term borrowings and temporary cash investments substantially linked to interbank deposit certificate (CDI) floating rates.

The Group analyzes its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing and the renewal of existing positions. Based on this evaluation, the Group monitors the risk of significant changes in interest rates and calculates the impact on income.

(b) Credit risk

Credit risk is managed at a Group level. Credit risk arises from cash and cash equivalents, financial instruments

and deposits with banks and other financial institutions, as well as from exposure to student credit, including outstanding accounts receivable.

The sales policy of the Company and its subsidiary companies is directly related to the level of credit exposure experienced in the course of its business. Registration for the next semester is not permitted if a student is in default with the institution. In order to minimize the effects of defaults on its accounts receivable, the Company has diversified its receivables portfolio, maintains selection procedures for its students and follows up on due dates. In the segment of on-campus higher education, for students enrolled in the Higher Education Student Financing Program (*Programa de Financiamento ao Estudante de Ensino Superior* or *FIES*), a substantial part of the Company's credits are guaranteed by the program.

The Company sets up provision for doubtful accounts to cover credit risk, including the possible risk of default on the unguaranteed portion of the debt of the students who benefit from FIES. This credit analysis considers the credit quality of the students based on their payment history, the duration of their relationship with the institution and their default situation (SPC and Serasa).

Management monitors specific credit risks and does not expect any losses due to defaults by counterparties above the amounts already provided for in Note 10 (e), which reflect the changes in the provision for doubtful accounts in the period.

With respect to credit risk related to financial institutions, the Company and its subsidiaries act in accordance with their financial policy, which establishes that cash and cash equivalent amounts and securities should be invested with financial institutions with minimum BBB credit risk in accordance with ratings by Standard & Poor's - brBBB, Fitch Ratings – BBB(br) and Moody's – Baa1.br.

(c) Liquidity risk

Liquidity risk is the risk of the Company not having sufficient funds to meet its financial commitments, on account of mismatches in maturities or volumes between expected revenue and payments.

Assumptions regarding future disbursements and receipts are made to manage cash liquidity and are monitored daily by the treasury department.

The following table gives a breakdown of financial liabilities, grouped according to their due dates, for the remaining period from the balance sheet date to their contracted maturities. The amounts shown in the table represent the contractual undiscounted cash flows.

	Parent Company			
	Less than one year	Between one and two years	Between two and five years	More than five years
At March 31, 2016				
Borrowings	46,372	42,622	68,739	63,394
Debentures	4,838	35,140	84,338	28,171
Leases	22,428	22,428	67,284	244,852
Commitments payable	3,986			
	77,624	100,190	220,361	336,417
At December 31, 2015				
Borrowings	40,977	46,171	72,423	63,881
Debentures	5,034	35,140	84,338	28,171
Leases	22,428	44,856	67,284	228,031
Commitments payable	6,019	244		
	74,458	126,411	224,045	320,083

	Consolidated			
	Less than one year	Between one and two years	Between two and five years	More than five years
At March 31, 2016				
Borrowings	49,526	44,782	68,952	63,394
Debentures	4,838	35,140	84,338	28,171
Leases	39,000	39,000	117,000	463,632
Commitments payable	79,205	47,542	82,726	
	172,569	166,464	353,016	555,197
At December 31, 2015				
Borrowings	64,796	68,043	109,159	69,454
Debentures	29,520	61,781	137,413	
Leases	39,000	78,000	117,000	434,383
Commitments payable	61,736	45,819	120,468	
	195,052	253,643	484,040	503,837

4.2 Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio corresponds to the net debt expressed as a percentage of the sum of net debt and equity. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents.

The gearing ratios at March 31, 2016 and December 31, 2015 were as follows:

	Consolidated	
	March 31, 2016	December 31, 2015
Total borrowings	226,654	230,041
Total debentures	152,487	152,683
Total commitments payable	169,696	180,411
Cash and cash equivalents	(56,973)	(69,999)
Marketable securities	(168,657)	(213,135)
Net debt	323,207	280,001
Total equity	843,146	757,233
Equity plus net debt (total capital)	1,166,353	1,037,234
Financial leverage ratio	28%	27%

4.3 Additional sensitivity analysis required by the Brazilian Securities Commission (CVM)

CVM Deliberation 550 of October 17, 2008, provides that publicly held companies must issue explanatory notes with specific qualitative and quantitative information on all their financial instruments, whether or not they are recognized as assets or liabilities in the balance sheet.

The Group's financial instruments consist of cash and cash equivalents, accounts receivable and payable, judicial deposits and borrowings, and are recorded at cost adjusted by revenue or charges incurred, which was close to market value at March 31, 2016 and December 31, 2015. The principal risks underlying the Group's operations are linked to changes in the CDI rate.

CVM Instruction No. 475 of December 17, 2008 provides that specific information on financial instruments must be shown in an explanatory note, and that a table must be included giving details of the sensitivity analysis.

Borrowing operations are shown at values approximating the market values of the corresponding financial instruments. Investments in CDIs are recorded at market value, based on prices issued by the corresponding financial institutions, and other investments relate mainly to bank certificates of deposit and buyback operations, where the book value is the same as market value.

Three different scenarios were used to verify the sensitivity to which the Company was exposed as a result of the indexer's financial investments on the base date December 31, 2015, using the latest basic interest rate determined by the Central Bank of Brazil of 14.25% as the probable scenario for the year (Scenario I). Variations of 25% (Scenario II) and 50% (Scenario III) were calculated on this basic rate.

For each scenario, gross financial revenue was calculated, excluding the effects of tax on earnings from the investments. The base date used was March 31, 2016, with projections for one year. The sensitivity of the CDI and the official long-term interest rate (TJLP) was tested for each scenario.

		CDI and TJLP rise scenario		
Operations	**Risk**	**Probable scenario (I)**	**Scenario (II)**	**Scenario (III)**
Assets				
Financial investments 51,202	CDI	14.13% 7,235	17.66% 9,044	21.20% 10,852
Marketable securities 168,657	CDI	14.13% 23,831	17.66% 29,789	21.20% 35,747
Liabilities				
Financing - working capital 70,827	CDI	14.13% 10,008	17.66% 12,510	21.20% 15,012
FINAME 18,737	TJLP	7.50% 1,405	9.38% 1,757	11.25% 2,108
IFC 127,494	CDI	14.13% 18,015	17.66% 22,519	21.20% 27,022
Debentures 152,487	CDI	14.13% 21,546	17.66% 26,933	21.20% 32,320
Commitments payable 41,669	CDI	14.13% 5,888	17.66% 7,360	21.20% 8,832
Commitments payable 127,665	IGP-M	11.57% 14,769	14.46% 18,461	17.35% 22,153
Net position		40,565	50,706	60,847

		CDI and TJLP drop scenario		
Operations	**Risk**	**Probable scenario (I)**	**Scenario (II)**	**Scenario (III)**
Assets				
Financial investments 51,202	CDI	14.13% 7,235	10.60% 5,426	7.07% 3,617
Marketable securities 168,657	CDI	14.13% 23,831	10.60% 17,873	7.07% 11,916
Liabilities				
Financing - working capital 70,827	CDI	14.13% 10,008	10.60% 7,506	7.07% 5,004
FINAME 18,737	TJLP	7.50% 1,405	5.63% 1,054	3.75% 703
IFC 127,494	CDI	14.13% 18,015	10.60% 13,511	7.07% 9,007
Debentures 152,487	CDI	14.13% 21,546	10.60% 16,160	7.07% 10,773
Commitments payable 41,669	CDI	14.13% 5,888	10.60% 4,416	7.07% 2,944
Commitments payable 127,665	IGP-M	11.57% 14,769	8.68% 11,076	5.78% 7,384
Net position		40,565	30,424	20,282

Section C – Segment reporting

5 Evaluation of information by segment

Since its activities are concentrated in on-campus higher education, the Group is organized in a single business unit. The courses offered by the Company, although intended for a diverse customer audience, are not monitored and managed by management as independent segments. The results of the Group are monitored and assessed as an integrated whole.

Section D – Group structure

6 Investments

The consolidated financial statements include the operations of the Group and of the following subsidiary companies, which are shown with a summary of the Company's interest in each of them:

	Direct %		Indirect %	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Instituto Campinense de Ensino Superior Ltda	99.99	99.99	100.00	100.00
União de Ensino Superior do Pará – UNESPA (i)			100.00	100.00
Instituto Santareno de Educação Superior – ISES (i)			100.00	100.00
ABES - Sociedade Baiana de Ensino Superior Ltda.	99.99	99.99	100.00	100.00
ADEA - Sociedade de Desenvolvimento Educacional Avançado Ltda.	99.99	99.99	100.00	100.00
Centro de Educação Profissional BJ Ltda.	99.99	99.99	100.00	100.00
CETEBA - Centro de Ensino e Tecnologia da Bahia Ltda.	99.99	99.99	100.00	100.00
Sociedade Educacional Carvalho Gomes Ltda.	99.99	99.99	100.00	100.00
CENESUP - Centro Nacional de Ensino Superior Ltda.	99.99	99.99	100.00	100.00
Sociedade Paulista de Ensino e Pesquisa S/S Ltda. (ii)			100.00	100.00
Sociedade Universitária Mileto Ltda. (ii)			100.00	100.00
FMN Clinica Escola de Fisioterapia, Psicologia, Enfermagem e Nutrição Ltda.	99.99	99.99	100.00	100.00
Educred - Administradora de Crédito Educativo e Cobrança Ltda.	99.99	99.99	100.00	100.00
Centro de Educação Continuada Mauricio de Nassau Ltda.	99.99	99.99	100.00	100.00
Sociedade de Ensino Superior e de Pesquisa de Sergipe Ltda - SESPS	99.99	99.99	100.00	100.00
Faculdade Maurício de Nassau de Belém Ltda	99.99	99.99	100.00	100.00
Centro de Ensino Superior Piauiense - CESP	99.99	99.99	100.00	100.00
CIESPI - Centro Integrado de Educação Superior do Piauí Ltda.	99.99	99.99	100.00	100.00
Sociedade de Ensino Superior Piauiense Ltda.	99.99	99.99	100.00	100.00
Uninassau Participações S.A.	99.99	99.99	100.00	100.00
Nassau Escola de Aviação Civil Ltda.	99.99	99.99	100.00	100.00
Instituto de Ensino Superior Juvêncio Terra Ltda.	99.99	99.99	100.00	100.00
Faculdade Joaquim Nabuco de São Lourenço da Mata Ltda	99.99	99.99	100.00	100.00
Faculdade Joaquim Nabuco de Olinda Ltda	99.99	99.99	100.00	100.00

(i) União de Ensino Superior do Pará (UNESPA) and Instituto Santareno de Educação Superior (ISES) are indirect subsidiaries of the Company through Instituto Campinense de Ensino Superior Ltda.

(ii) Sociedade Paulista de Ensino e Pesquisa S/S Ltda. and Sociedade Universitária Mileto Ltda. are indirect subsidiaries of the Company through Centro Nacional de Ensino Superior Ltda. (CENESUP).

The period covered by the financial statements of the subsidiaries included in the consolidation is the same as that of the parent company. Uniform accounting policies were applied to all of the companies consolidated, and they are consistent with those used for the previous year.

The consolidation process of the balance sheet and income accounts corresponds to the sum of the balances of assets, liabilities, revenue and expenses, as appropriate, eliminating transactions between the consolidated companies. In the case of income accounts, the amounts are consolidated only as from the date on which control was acquired by the Company.

(a) Investments (parent company)

					03/31/2016		
	Direct interest	Indirect interest	Equity	Equity in subsidiaries	Investment amount	Goodwill (Note 10(c))	Total
Direct subsidiaries							
CETEBA - Centro de Ensino e Tecnologia da Bahia Ltda.	99.99	100.00	6,103	1,271	7,374	4,140	11,514
FMN Clinica Escola de Fisioterapia, Psicologia, Enfermagem e Nutrição Ltda.	99.99	100.00	222	15	237		237
CENESUP - Centro Nacional de Ensino Superior Ltda.	99.99	100.00	85,619	9,928	95,547		95,547
Educred - Administradora de Crédito Educativo e Cobrança Ltda.	99.99	100.00	2,143	1,147	3,290		3,290
Sociedade Educacional Carvalho Gomes Ltda.	99.99	100.00	23,869	4,031	27,900	4,362	32,262
Instituto Campinense de Ensino Superior Ltda	99.99	100.00	186,026	33,573	219,599		219,599
Centro de Educação Profissional BJ Ltda.	99.99	100.00	1,421	698	2,119		2,119
ADEA - Sociedade de Desenvolvimento Educacional Avançado Ltda.	99.99	100.00	30,225	6,597	36,822	5,125	41,947
ABES - Sociedade Baiana de Ensino Superior Ltda.	99.99	100.00	45,769	1,853	47,622	8,405	56,027
Centro de Educação Continuada Mauricio de Nassau Ltda.	99.99	100.00	647	(349)	298		298
Sociedade de Ensino Superior e de Pesquisa de Sergipe Ltda - SESPS	99.99	100.00	25,895	685	27,247	1,043	28,290
Faculdade Maurício de Nassau de Belém Ltda	99.99	100.00	22,030	6,819	30,110	959	31,069
Centro de Ensino Superior Piauiense - FAP Teresina	99.99	100.00	8,626	2,836	15,121	8,662	23,783
Centro Integrado de Educação Superior do Piauí Ltda. - FAP Aliança	99.99	100.00	8,492	3,101	11,593		11,593
Sociedade de Ensino Superior Piauiense Ltda. - Fap Parnaíba	99.99	100.00	12,301	4,301	21,234	5,360	26,594
Uninassau Participações S.A.	99.99	99.99					
Nassau Escola de Aviação Civil Ltda.	99.99	100.00				120	120
Instituto de Ensino Superior Juvêncio Terra Ltda.	99.99	100.00	3,378	161	6,034	573	6,607
Faculdade Joaquim Nabuco de São Lourenço da Mata Ltda. - FAL	99.99	100.00	1,359	(129)	1,230	2,232	3,462
Faculdade Joaquim Nabuco de Olinda Ltda. - FASE	99.99	100.00	3,371	(374)	6,077	3,521	9,598
Acquisition of operating licenses							
Faculdade Decisão - FADE				(5)	2,290	1,028	3,318
Faculdades COC de Maceió - FACOCMA				(150)	2,700		2,700
Total direct subsidiaries			467,496	76,009	564,444	45,530	609,974
Indirect subsidiaries							
União de Ensino Superior do Pará – UNAMA		100.00	(896)	21,157	57,504	92,134	149,638
Instituto Santareno de Educação Superior – FIT		100.00	(1,144)	980	7,156	5,320	12,476
Sociedade Paulista de Ensino e Pesquisa S/S Ltda. - UNG		100.00	(648)	5,024	112,952	43,591	156,543
Sociedade Universitária Mileto Ltda. - FAMIL		100.00	(2)	357	4,475	1,346	5,821
Total indirect subsidiaries			(2,690)	27,518	182,087	142,391	324,478

					12/31/2015		
	Direct interest	Indirect interest	Equity	Equity in subsidiaries	Investment amount	Goodwill (Note 10(c))	Total
Direct subsidiaries							
CETEBA - Centro de Ensino e Tecnologia da Bahia Ltda.	99.99	100.00	6,103	(675)	6,103	4,140	10,243
FMN Clinica Escola de Fisioterapia, Psicologia, Enfermagem e Nutrição Ltda.	99.99	100.00	222	76	222		222
CENESUP - Centro Nacional de Ensino Superior Ltda.	99.99	100.00	85,619	21,355	85,619		85,619
Educred - Administradora de Crédito Educativo e Cobrança Ltda.	99.99	100.00	2,142	1,683	2,142		2,142
Sociedade Educacional Carvalho Gomes Ltda.	99.99	100.00	23,869	9,350	23,869	4,362	28,231
Instituto Campinense de Ensino Superior Ltda	99.99	100.00	186,025	68,183	186,025		186,025
Centro de Educação Profissional BJ Ltda.	99.99	100.00	1,421	2,112	1,421		1,421
ADEA - Sociedade de Desenvolvimento Educacional Avançado Ltda.	99.99	100.00	30,225	17,562	30,225	5,125	35,350
ABES - Sociedade Baiana de Ensino Superior Ltda.	99.99	100.00	45,769	(737)	45,769	8,405	54,174
Centro de Educação Continuada Mauricio de Nassau Ltda.	99.99	100.00	646	1,201	646		646
Sociedade de Ensino Superior e de Pesquisa de Sergipe Ltda - SESPS	99.99	100.00	25,895	(2,812)	26,562	1,043	27,605
Faculdade Maurício de Nassau de Belém Ltda	99.99	100.00	22,030	10,886	23,291	959	24,250
Centro de Ensino Superior Piauiense - FAP Teresina	99.99	100.00	8,626	6,257	12,208	8,662	20,870
Centro Integrado de Educação Superior do Piauí Ltda. - FAP Aliança	99.99	100.00	8,492	6,799	8,492		8,492
Sociedade de Ensino Superior Piauiense Ltda. - Fap Parnaíba	99.99	100.00	12,301	10,510	16,830	5,360	22,190
Uninassau Participações S.A.	99.99	99.99					
Nassau Escola de Aviação Civil Ltda.	99.99	100.00				120	120
Instituto de Ensino Superior Juvêncio Terra Ltda.	99.99	100.00	3,377	(2,371)	5,857	573	6,430
Faculdade Joaquim Nabuco de São Lourenço da Mata Ltda. - FAL	99.99	100.00	1,358	(1,377)	1,358	2,232	3,590
Faculdade Joaquim Nabuco de Olinda Ltda. - FASE	99.99	100.00	3,370	(1,623)	6,390	3,521	9,911
Acquisition of operating licenses							
Faculdade Decisão - FADE				(20)	2,280	1,028	3,308
Faculdades COC de Maceió - FACOCMA				(700)	2,300		2,300
Total direct subsidiaries			467,491	145,660	487,610	45,530	533,140
Indirect subsidiaries							
União de Ensino Superior do Pará – UNAMA		100.00	(896)	38,931	57,504	92,135	149,639
Instituto Santareno de Educação Superior – FIT		100.00	(1,144)	(512)	7,156	5,320	12,476
Sociedade Paulista de Ensino e Pesquisa S/S Ltda. - UNG		100.00	(648)	7,580	112,952	42,622	155,574
Sociedade Universitária Mileto Ltda. - FAMIL		100.00	(2)	346	(2)	5,840	5,838
Total indirect subsidiaries			(2,690)	46,346	177,610	145,917	323,527

(b) Changes in investments in subsidiaries (parent company)

	Parent Company	
	March 31, 2016	December 31, 2015
At the beginning of the period	533,140	400,625
Capital increase		80,770
Interest in the profits of subsidiaries	76,009	145,660
Distribution of profits of subsidiaries		(93,274)
Business combinations		(829)
Outros	825	188
At the end of the period	609,974	533,140

7 Business combinations

Identifiable assets acquired and liabilities and contingent liabilities assumed for the acquisition of subsidiaries in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

The following business combinations took place in 2015:

(a) UNG

On December 12, 2014, in accordance with the significant event disclosed on December 15, 2014, the Company entered into a purchase agreement for the acquisition of quotas and other covenants, through which its subsidiary CENESUP agreed to acquire 100% of the capital of Sociedade Paulista de Ensino e Pesquisa S/S Ltda., a supporting entity of UNG, based in Guarulhos, State of São Paulo.

On February 2, 2015, the Group completed, through subsidiary CENESUP, the acquisition of the total capital of UNG, in accordance with the terms and conditions provided in the Quota Purchase Agreement and Other Covenants signed on December 12, 2014. As the implementation conditions, including the corporate restructuring, have been completed, Ser Educacional, through CENESUP (i) paid, on January 30, 2015, R$ 63,741 and (ii) will pay R$ 139,255 in five annual installments restated based on the General Market Price Index (IGP-M). The total amount of the acquisition is R$ 202.996 in nominal value. For the effect of the recognition of the business combination, the amounts payable and total acquisition amount were considered at present value. These were R$ 106,111 and R$ 169,852, respectively, at the transaction date. There was also an amount for the acquisition of subsidiaries net of cash of R$ 48,800, comprising the amount paid of R$ 63,741 less the net cash received upon acquisition of R$ 14,941.

The discount rate that best reflects the effect of the premium for the risk used to calculate present value is the DI rate with the accretion of a spread, in line with the Company's capital costs.

The table below summarizes the consideration paid or payable to the former owners of UNG and the fair value of the assets acquired and liabilities assumed recognized on the acquisition date:

	Sociedade Paulista de Ensino e Pesquisa S/S Ltda.
Consideration for the purchase	**169,852**
Cash and cash equivalents	14,941
Accounts receivable - students	186
Taxes recoverable	4
Advances to suppliers	14
Other receivables	200
Property and equipment	13,743
Intangible assets	738
Intangible assets identified - brand	17,400
Intangible assets identified - student portfolio	5,600
Intangible assets identified - licenses	90,600
Suppliers	(386)
Salaries, payroll charges and social charges	(9,683)
Taxes payable	(1,572)
Other payables	(5,523)
Identifiable assets acquired and liabilities assumed	126,262
Goodwill	43,590
	169,852

The estimated fair value of the assets acquired and liabilities assumed calculated by management with the support of its independent consultants considered the following methodologies:

a) **Portfolio of students:** the fair value of bills receivable from students was calculated using the multiperiod excess earnings method;

b) **Accreditation and operating:** the operating licenses are associated with the qualifying courses and their maintenance. They are interdependent and, therefore, fulfill the criterion of separability under CPC 04 when jointly considered. The assessment of the operating license intangible was performed using the revenue approach methodology and the "With or Without Method" (WOWM). The fundamental principle of the WOWM is to assess the following scenarios: (i) cash flow generated with the licenses purchased; (ii) cash flow generated without the licenses purchased.

c) **Brand:** The revenue approach, more specifically the relief-from-royalty method, was used to derive the fair value of the brand.

(b) **FAMIL**

In accordance with the significant event disclosed on June 30, 2015, the Company signed, on that date, a Quota Purchase Agreement and Other Covenants through its subsidiary CENESUP, to acquire the total capital of Sociedade Universitária Mileto Ltda., a supporting entity of FAMIL.

The agreement establishes a total payment of R$ 6,000, of which approximately R$ 3,900 is payable in up to 15 days from its execution, three half-yearly installments counted from the date of execution of approximately R$ 400, and a final installment of R$ 900 payable in August 2017, less all debts and/or contingencies retainable identified. These amounts will be restated based on the IGP-M up to their respective payments.

The Company considers the combination date to be July 2, 2015, which is when it effectively assumed control of FAMIL. This is based on the requirements of CPC-15 - "Business Combinations", which establishes the date on which control of the acquiree is obtained as the acquisition date. Accordingly, the acquisition date is the moment when the new owner assumes responsibility for and establishes the accounting and administrative policies of the business.

The amount of R$ 3,469, related to the first installment, was paid on July 7, 2015.

The table below summarizes the consideration paid or payable to FAMIL's former owners and the fair values of the assets acquired and liabilities assumed recognized on the acquisition date:

	Sociedade Universitária Mileto Ltda - FAMIL
Consideration for the purchase	**6,000**
Operating assets	31
Property and equipment	247
Intangible assets identified - licenses	4,500
Other payables	(124)
Identifiable assets acquired and liabilities assumed	4,654
Goodwill	1,346
	6,000

a) Accreditation and operating: the operating licenses are associated with the qualifying courses and their maintenance. They are interdependent and, therefore, fulfill the criterion of separability under CPC 04 when jointly considered. The assessment of the operating license intangible was performed using the revenue approach methodology and the "With or Without Method" (WOWM). The fundamental principle of the WOWM is to assess the following scenarios: (i) cash flow generated with the licenses purchased; (ii) cash flow generated without the licenses purchased.

Section E – Selected significant notes

8 Financial instruments by category

	Parent Company		Consolidated	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Loans and receivables				
Cash and cash equivalents	1,487	2,829	5,771	7,945
Accounts receivable - students	190,915	140,304	513,862	381,353
Related parties	38,999	16,323		
	231,401	159,456	519,633	389,298
Measured at fair value				
Cash and cash equivalents	47,599	59,710	51,202	62,054
Marketable securities	168,657	213,135	168,657	213,135
	216,256	272,845	219,859	275,189
	447,657	432,301	739,492	664,487
Other financial liabilities recorded at amortized cost				
Borrowings	221,127	223,452	226,654	230,041
Debentures	152,487	152,683	152,487	152,683
Leases	146,705	147,512	253,104	254,225
Related parties	9,794	2,320		
Suppliers	10,149	9,634	19,153	18,219
Commitments payable	3,986	6,263	169,696	180,411
	544,248	541,864	821,094	835,579

The fair value of the financial instruments approximates their carrying amounts.

9 Cash and cash equivalents and securities

	Parent Company		Consolidated	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Cash	48	42	170	125
Banks - current account	1,439	2,787	5,601	7,820
Financial investments	47,599	59,710	51,202	62,054
Cash and cash equivalents	49,086	62,539	56,973	69,999
Debentures from financial institutions	168,657	213,135	168,657	213,135
Marketable securities	168,657	213,135	168,657	213,135
Total	217,743	275,674	225,630	283,134

Cash and cash equivalents consist of the Company's cash on hand, deposits in banks and short-term financial investments that have a maturity date of no longer than 90 days, maintained to meet short-term commitments and not for investment or other purposes, and that are readily convertible into a known amount of cash and subject to immaterial risk of change in value.

Investments in short-term financial investments and debentures are as follows:

		Parent Company		Consolidated	
Type	Remuneration	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Buyback oper.	99.0% to 102% of CDI	41,908	52,664	44,166	54,096
CDB	100.0% to 105% of CDI	5,691	7,046	7,036	7,958
	Financial investments	47,599	59,710	51,202	62,054
Debentures	99.5% to 102.0 % of CDI	168,657	213,135	168,657	213,135
	Marketable securities	168,657	213,135	168,657	213,135

10 Accounts receivable – students

	Parent Company		Consolidated	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Students' tuition (a)	19,956	18,099	73,334	69,965
FIES receivable (b)	154,162	108,532	397,502	285,311
PRONATEC	5,300	6,707	7,791	10,023
Agreements receivable (c)	16,931	14,597	58,411	46,789
Educational credits receivable (d)	5,890	6,079	10,229	9,020
Other	2,774	1,604	7,925	5,988
Total	205,013	155,618	555,192	427,096
(-) Provision for doubtful accounts (e)	(14,098)	(15,314)	(41,330)	(45,743)
	190,915	140,304	513,862	381,353
(-) Current	(113,837)	(65,919)	(317,486)	(192,251)
Non-current	77,078	74,385	196,376	189,102

Non-current receivables relate to educational credits receivable and the FIES balance renegotiated with terms over 365 days.

(a) Student tuition

At March 31, 2016 and December 31, 2015, the maturity analysis of student tuition was as follows:

	Parent Company		Consolidated	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Overdue up to 30 days	6,440	3,057	23,686	12,091
Overdue from 31 to 60 days	2,935	2,490	10,209	9,867
Overdue from 61 to 90 days	1,159	2,420	4,126	8,972
Overdue from 91 to 180 days	3,263	3,492	12,582	12,601
Overdue more than 180 days	6,159	6,640	22,731	26,434
	19,956	18,099	73,334	69,965

(b) FIES receivable

	Parent Company		Consolidated	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
FIES credits in installments	100,331	96,591	258,797	249,149
Credit amounts not in installments	53,831	11,941	138,705	36,162
FIES credits receivable	154,162	108,532	397,502	285,311
(-) Current	(79,750)	(36,925)	(205,561)	(100,606)
Non-current	74,412	71,607	191,941	184,705

Educational credits receivable (the FIES system) represent educational credits the financing of which is contracted by the students with Caixa Econômica Federal (CEF) and the National Fund for Education Development (FNDE). The financial resources are transferred monthly from CEF and Banco do Brasil to a specific bank account, and are used for the payment of withheld social security contributions on the salaries of Company employees, and are also converted into cash by means of auctions of National Treasury Bonds.

At the end of 2014, the Ministry of Education issued Regulatory Ordinances 21 and 23, which address the review of the terms for the transfers by the federal government in 2015 and lay down rules for the acceptance of students into the FIES program.

On February 3, 2016, the Company signed the court settlement agreement entered into between the higher education institution (IES) members of the Brazilian Association for the Development of Higher Education and the federal government to receive the FIES credits not settled by the FNDE during 2015. The amounts will be received in three annual installments maturing up to June of each year, restated based on the IPCA variation from the date of maturity in 2015 up to actual receipt. The table below shows the restated amount of the installments in accordance with their maturities:

		Parent Company			Consolidated		
Maturity	Percentage	December 31, 2015	Restatement	March 31, 2016	December 31, 2015	Restatement	March 31, 2016
June/2016	25%	24,984	935	25,919	64,444	2,412	66,856
June/2017	25%	24,308	935	25,243	62,700	2,412	65,112
June/2018	50%	47,299	1,870	49,169	122,005	4,824	126,829
		96,591	3,740	100,331	249,149	9,648	258,797

The amount of the parent company and of the consolidated at December 31, 2015 and March 31, 2016 are presented net of adjustment to present value of R$ 4,725 and R$ 12,187 respectively, recorded on December 31, 2015. As provided in the contract, no FIES credit installments were received in the first quarter of 2016.

(c) Receivable agreements

The Company' management imposes strict criteria preventing debt rollover from one semester to the next. The Company offers many different forms and means of payment to students; however, it considers the respective credit limits for each student, and, if necessary, requests the assignment of a guarantor for the credit granted. At March 31, 2016 and December 31, the analysis of the balance due from agreements was as follows:

	Parent Company		Consolidated	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Falling due	6,915	3,416	26,947	14,872
Overdue up to 30 days	2,272	1,724	8,122	5,847
Overdue from 31 to 60 days	1,213	1,462	4,312	4,702
Overdue from 61 to 90 days	674	1,503	2,382	4,456
Overdue from 91 to 180 days	2,332	2,947	7,236	8,395
Overdue more 180 days	3,525	3,545	9,412	8,517
	16,931	14,597	58,411	46,789

(d) Educational credits

Other educational credits receivable are those from Fundação Aplub de Crédito Educativo and Educred. These offer financing for students subject to approval by the Company and are recorded at their current value. These financial resources are transferred to the Company and its subsidiaries after the graduation of the respective students.

	Parent Company		Consolidated	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Educational credit receivable				
Fundaplub and Educred	5,890	6,079	10,229	9,020
	5,890	6,079	10,229	9,020
(-) Current	(3,224)	(3,301)	(5,794)	(4,623)
Non-current	2,666	2,778	4,435	4,397

At March 31, 2016 and December 31, 2015, the maturity of educational credits receivable was as follows:

	Parent Company		Consolidated	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Falling due	4,725	5,050	8,485	7,390
Overdue up to 30 days	162	159	239	254
Overdue from 31 to 60 days	138	115	200	184
Overdue from 61 to 90 days	122	107	177	153
Overdue from 91 to 180 days	300	257	438	407
Overdue more than 180 days	443	391	690	632
	5,890	6,079	10,229	9,020

(e) Provision for doubtful accounts

The provision for doubtful accounts considers notes overdue for more than 180 days, considering the semester cycle of registration. The provision for doubtful accounts is set up at an amount considered adequate by management to cover losses on the payment of tuition fees, amounts to be received currently under negotiation and other assets receivable, considering objective evidence of loss incurred.

The provision for doubtful accounts for students who have FIES educational credit was calculated as follows:

(i) For FIES students with guarantors and without the Guarantee Fund for Educational Credit Operations (FGEDUC): provision was set up for 4.05% of the accounts receivable, on an assumption of 15% credit risk and 27% risk of default.

(ii) For financing guaranteed by FGEDUC: for the non-covered risk, provision was set up for the 10% of the supporting entities' responsibility for the 15% credit risk considering an estimate of 27% default, that is 0.405%.

In addition to the policy mentioned above, the Company has carried out a detailed analysis of accounts receivable and no unrecoverable items have been identified. The Company writes off notes past due for more than 360 days, considered non-collectible, on a quarterly basis.

Changes in the provision for doubtful accounts related to accounts receivable from Company students were as follows:

	Parent Company		Consolidated	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
At the beginning of the period / year	15,314	9,794	45,743	27,744
Write-off of uncollectible credits	(3,080)	(9,578)	(10,803)	(29,660)
Provision for doubtful accounts	1,864	15,098	6,390	47,659
At the end of the period / year	14,098	15,314	41,330	45,743

There are also amounts overdue for less than 181 days which do not satisfy the criteria for provision, as follows:

	Parent Company		Consolidated	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Overdue up to 30 days	8,874	4,940	32,047	18,192
Overdue from 31 to 60 days	4,286	4,067	14,721	14,753
Overdue from 61 to 90 days	1,955	4,030	6,685	13,581
Overdue from 91 to 180 days	5,895	6,696	20,256	21,403
	21,010	19,733	73,709	67,929

11 Taxes recoverable and payable

	Parent Company		Consolidated	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Taxes recoverable				
Income tax and social contribution for offset	3,242	1,522	4,783	3,052
Service tax (ISS)	521	520	1,765	1,734
PIS and COFINS for offset	1,458	1,484	2,588	2,441
Other	9	8	80	81
	5,230	3,534	9,216	7,308
Taxes payable				
Service tax (ISS)	2,571	1,768	9,278	7,789
PIS and COFINS	113	113	1,368	1,105
Withholding income tax (IRRF)	505	1,054	4,332	6,200
Taxes payable in installments	134	139	592	705
Other	1,318	64	2,766	741
	4,641	3,138	18,336	16,540
(-) Current	(4,513)	(3,010)	(18,005)	(16,209)
Non-current	128	128	331	331

12 Intangible assets

(a) Parent company

	Trademarks and patents	Software licenses and *deployment*	Operating licenses	Agreements	Portfolio of students	Digital content	Going concern value	Total
At December 31, 2015								
Opening balance	531	7,517	2,406	2,005		432	359	13,250
Acquisitions	7	9,053	1,754	709		2,564	538	14,625
Amortization		(2,612)	(1,330)	(12)		(272)		(4,226)
Carrying amount, net	538	13,958	2,830	2,702		2,724	897	23,649
At December 31, 2015								
Cost	538	20,560	5,773	3,624	828	3,186	897	35,406
Accumulated amortization		(6,602)	(2,943)	(922)	(828)	(462)		(11,757)
Carrying amount, net	538	13,958	2,830	2,702		2,724	897	23,649
At March 31, 2016								
Opening balance	538	13,958	2,830	2,702		2,724	897	23,649
Acquisitions		1,404		107		54		1,565
Write offs			(615)					(615)
Amortization		(881)	(370)	(9)		(147)	(57)	(1,464)
Carrying amount, net	538	14,481	1,845	2,800		2,631	840	23,135
At March 31, 2016								
Cost	538	21,964	5,158	3,731	828	3,240	897	36,356
Accumulated amortization		(7,483)	(3,313)	(931)	(828)	(609)	(57)	(13,221)
Carrying amount, net	538	14,481	1,845	2,800		2,631	840	23,135
Amortization annual average rates %		20	33	25	25	20		

(b) Consolidated

	Trademarks and patents	Software licenses and *deployment*	Operating licenses	Agreements	Portfolio of students	Digital content	Going concern value	*Goodwill*	Intangible assets identified on acquisitions	Total
At December 31, 2015										
Opening balance	573	7,910	5,423	2,051	197	433	359	133,741	91,128	241,815
Acquisitions	7	10,408	13,628	727		2,562	556	57,706	113,600	199,194
Acquisitions arising from business combinations		751								751
Accumulated amortization arising from business combinations		(13)								(13)
Amortization		(3,112)	(3,132)	(12)		(272)			(3,113)	(9,641)
Carrying amount, net	580	15,944	15,919	2,766	197	2,723	915	191,447	201,615	432,106
At December 31, 2015										
Cost	580	27,984	22,045	3,688	1,025	3,185	915	191,447	204,728	455,597
Accumulated amortization		(12,040)	(6,126)	(922)	(828)	(462)			(3,113)	(23,491)
Carrying amount, net	580	15,944	15,919	2,766	197	2,723	915	191,447	201,615	432,106
At March 31, 2016										
Opening balance	580	15,944	15,919	2,766	197	2,723	915	191,447	201,615	432,106
Acquisitions		1,585	46	119		55		974		2,779
Reclassification arising from business combinations								(4,500)	4,500	
Write offs			(616)							(616)
Amortization		(1,014)	(769)	(10)		(152)	(58)		(871)	(2,874)
Carrying amount, net	580	16,515	14,580	2,875	197	2,626	857	187,921	205,244	431,395
At March 31, 2016										
Cost	580	29,569	21,475	3,807	1,025	3,240	915	187,921	209,228	457,760
Accumulated amortization		(13,054)	(6,895)	(932)	(828)	(614)	(58)		(3,984)	(26,365)
Carrying amount, net	580	16,515	14,580	2,875	197	2,626	857	187,921	205,244	431,395
Amortization annual average rates %		20	33	25	25	20	20			

(c) Goodwill

At March 31, 2016 and December 31, 2015, goodwill recorded on the acquisition of investments was as follows:

	March 31, 2016	December 31, 2015
CETEBA - Centro de Ensino e Tecnologia da Bahia Ltda.	4,140	4,140
ABES - Sociedade Baiana de Ensino Superior Ltda.	8,405	8,405
Sociedade Educacional Carvalho Gomes Ltda.	4,362	4,362
ADEA - Sociedade de Desenvolvimento Educacional Avançado Ltda.	5,125	5,125
Sociedade de Ensino Superior e de Pesquisa de Sergipe Ltda - SESPS	1,043	1,043
Faculdade Maurício de Nassau de Belém Ltda	959	959
Centro de Ensino Superior Piauiense - CESP	8,662	8,662
Sociedade de Ensino Superior Piauiense	5,360	5,360
Nassau Escola de Aviação Civil Ltda.	120	120
Faculdade Decisão - FADE	1,028	1,028
Instituto de Ensino Superior Juvêncio Terra Ltda.	573	573
Faculdade Joaquim Nabuco de São Lourenço da Mata Ltda	2,232	2,232
União de Ensino Superior do Pará – UNESPA	92,135	92,135
Instituto Santareno de Educação Superior – ISES	5,320	5,320
Sociedade Paulista de Ensino e Pesquisa S/S Ltda. (i)	43,590	42,622
Faculdade Joaquim Nabuco de Olinda Ltda	3,521	3,521
Sociedade Universitária Mileto Ltda(i)	1,346	5,840
	187,921	191,447

The goodwill recorded on the acquisition of investments has an indefinite useful life, therefore it is tested for impairment on an annual basis. See item (e) to this Note.

(i) Changes in goodwill that occurred between December 31, 2015 and March 31, 2016 were due to variation in preliminary assessments of liabilities assumed on the acquisition of UNG and intangible reclassification identified on the acquisition of FAMIL. These adjustments occurred within the purchase price revision period provided for in the business combination, as described in Note 7.

(d) Intangible assets identified on acquisitions

At March 31, 2016 and December 31, 2015, intangible assets identified on investment acquisitions were as follows:

	March 31, 2016				December 31, 2015			
	Course licenses (i)	Brands (ii)	Portfolio of students (ii)	Total	Course licenses (i)	Brands (ii)	Portfolio of students (ii)	Total
Sociedade de Ensino Superior e de Pesquisa de	667			667	667			667
Faculdade Maurício de Nassau de Belém Ltda	1,261			1,261	1,261			1,261
Centro de Ensino Superior Piauiense - CESP	4,404	508		4,912	4,404	508		4,912
Sociedade de Ensino Superior Piauiense Ltda.	5,996	692		6,688	5,996	692		6,688
Faculdade Decisão - FADE	2,200	100		2,300	2,200	100		2,300
Instituto de Ensino Superior Juvêncio Terra Ltda.	2,400	100		2,500	2,400	100		2,500
Faculdades COC de Maceió - FACOCMA	3,000			3,000	3,000			3,000
Faculdade Joaquim Nabuco de Olinda Ltda	2,700	400		3,100	2,700	400		3,100
União de Ensino Superior do Pará – UNESPA	45,500	12,100	800	58,400	45,500	12,100	800	58,400
Instituto Santareno de Educação Superior – ISES	7,600	700		8,300	7,600	700		8,300
Sociedade Universitária Mileto Ltda	4,500			4,500				
Sociedade Paulista de Ensino e Pesquisa S/S Ltda.	90,600	17,400	5,600	113,600	90,600	17,400	5,600	113,600
	170,828	32,000	6,400	209,228	166,328	32,000	6,400	204,728

(i) The course licenses acquired through business combinations are recognized initially at fair value. These intangible assets identified on acquisitions have indefinite useful lives and are subject to annual impairment tests.

(ii) Brands and portfolios of students acquired through business combinations are recognized initially at fair value. These intangible assets identified on acquisitions have defined useful lives and are subject to amortization.

(f) Impairment of goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives are allocated to CGUs identified in accordance with the respective units that benefit from the transaction and that do not generate economic benefits for the Group.

The recoverable amount of a CGU is determined based on the calculation of its value in use. Those calculations use estimates of cash flow, before income tax (IRPJ) and social contribution (CSLL), based on finance budgets approved by management for a period of five years. The amounts concerning the cash flow subsequent to the five-year period are extrapolated based on the estimated growth rates shown below. The growth rate does not exceed the average long-term growth rate for the sector in which a CGU operates.

An asset recovery test was performed on December 31, 2015. No factor indicated the need to repeat the test for the quarter ended March 31, 2016.

(f) Operating licenses

Centro Universitário Bennet ("Bennet")

In accordance with the significant event disclosed on March 26, 2015, the Company entered on that date into an Onerous Assignment of Maintenance Agreement and Other Covenants through which its subsidiary UNESPA agreed to acquire the right to operate Bennet, licensed in Rio de Janeiro, State of Rio de Janeiro. The total amount of the onerous assignment is R$ 10,000.

The closing of the operation and the effective assignment of the right to operate the university center to UNESPA is subject to certain conditions precedent including the approval of the transaction by the Brazilian Antitrust Agency and approval of the assignment of the right to operate by the Ministry of Education. Ser Educacional, through UNESPA, (i) paid on April 13, 2015 R$1,000 and, once the conditions for the assignment are concluded (ii) will pay R$ 9,000 upon the closing of the operation.

With respect to the acquisition, because it is an Assignment of Accreditation and Operating Licenses Agreement, the Company understands that it involves the acquisition of assets and not a business combination, therefore the investment is treated as an intangible asset in accordance with Technical Pronouncement CPC 04 - "Intangible Assets".

13 Property and equipment

(a) Balance composition – parent company

	Computers	Buildings and improvements	Leased properties	Equipment and facilities	Vehicles and aircraft	Furniture and fittings	Books	Land	Total in operation	Construction in progress	Total property and equipment
At December 31, 2015											
Opening balance	11,356	120,926	126,989	17,201	25,775	9,486	14,274	3,797	329,804	23,209	353,013
Acquisitions	3,829	9,061		4,238	22	1,779	3,305		22,234	9,992	32,226
Reclassification		20,545							20,545	(20,545)	
Depreciation	(3,851)	(5,067)	(7,360)	(2,192)	(1,710)	(1,594)	(2,344)		(24,118)		(24,118)
Carrying amount, net	11,334	145,465	119,629	19,247	24,087	9,671	15,235	3,797	348,465	12,656	361,121
At December 31, 2015											
Cost	19,400	164,730	149,668	27,422	26,167	13,933	25,177	3,797	430,294	12,656	442,950
Accumulated depreciation	(8,066)	(19,265)	(30,039)	(8,175)	(2,080)	(4,262)	(9,942)		(81,829)		(81,829)
Carrying amount, net	11,334	145,465	119,629	19,247	24,087	9,671	15,235	3,797	348,465	12,656	361,121
At March 31, 2016											
Opening balance	11,334	145,465	119,629	19,247	24,087	9,671	15,235	3,797	348,465	12,656	361,121
Acquisitions	30	2,028		400		228	851		3,537	1,832	5,369
Depreciation	(875)	(1,428)	(1,840)	(634)	(437)	(367)	(512)		(6,093)		(6,093)
Carrying amount, net	10,489	146,065	117,789	19,013	23,650	9,532	15,574	3,797	345,909	14,488	360,397
At March 31, 2016											
Cost	19,430	166,758	149,668	27,822	26,167	14,161	26,028	3,797	433,831	14,488	448,319
Accumulated depreciation	(8,941)	(20,693)	(31,879)	(8,809)	(2,517)	(4,629)	(10,454)		(87,922)		(87,922)
Carrying amount, net	10,489	146,065	117,789	19,013	23,650	9,532	15,574	3,797	345,909	14,488	360,397
Depreciation annual average rates %	20	4	4.3	10	6.9	10	20				

(b) Balance composition – consolidated

	Computer	Buildings and improvements	Leased properties	Equipment and facilities	Vehicles and aircraft	Furniture and fittings	Books	Land	Total in operation	Construction in progress	Total property and equipment
At December 31, 2015											
Opening balance	17,321	171,341	196,030	39,476	26,198	17,359	29,698	3,837	501,260	24,527	525,787
Acquisitions	7,106	33,743	36,911	14,367	65	4,934	6,258		103,384	16,043	119,427
Acquisitions arising from business combinations	944			9,178		883	2,870		13,875		13,875
Reclassification		23,022							23,022	(23,022)	
Accumulated depreciation arising from business combinations	(16)			(84)		(7)	(24)		(131)		(131)
Depreciation	(6,408)	(6,337)	(13,033)	(8,404)	(1,930)	(3,640)	(6,707)	-	(46,459)		(46,459)
Carrying amount, net	18,947	221,769	219,908	54,533	24,333	19,529	32,095	3,837	594,951	17,548	612,499
At December 31, 2015											
Cost	43,326	251,453	258,242	87,170	27,315	33,475	61,513	3,837	766,331	17,548	783,879
Accumulated depreciation	(24,379)	(29,684)	(38,334)	(32,637)	(2,982)	(13,946)	(29,418)		(171,380)		(171,380)
Carrying amount, net	18,947	221,769	219,908	54,533	24,333	19,529	32,095	3,837	594,951	17,548	612,499
At March 31, 2016											
Opening balance	18,947	221,769	219,908	54,533	24,333	19,529	32,095	3,837	594,951	17,548	612,499
Acquisitions	110	7,972		1,694		668	1,453		11,897	2,502	14,399
Depreciation	(1,473)	(2,304)	(3,200)	(2,076)	(466)	(719)	(1,400)		(11,638)		(11,638)
Carrying amount, net	17,584	227,437	216,708	54,151	23,867	19,478	32,148	3,837	595,210	20,050	615,260
At March 31, 2016											
Cost	43,436	259,425	258,242	88,864	27,315	34,143	62,966	3,837	778,228	20,050	798,278
Accumulated depreciation	(25,852)	(31,988)	(41,534)	(34,713)	(3,448)	(14,665)	(30,818)		(183,018)		(183,018)
Carrying amount, net	17,584	227,437	216,708	54,151	23,867	19,478	32,148	3,837	595,210	20,050	615,260
Depreciation annual average rates %	20	4	4.3	10	7.5	10	20				

(c) Other information

(c.i) Leased properties

The Company and the Group have lease agreements classified as finance leases under property and equipment, with a corresponding entry in liabilities.

		March 31, 2016			December 31, 2015
Type	Amortization term	Cost	Accumulated depreciation	Net balance	Net balance
Buildings - parent company	from 20 to 25 years	149,668	(31,879)	117,789	119,629
Buildings - consolidated	from 20 to 25 years	258,242	(41,534)	216,708	219,908

(c.ii) Guarantees

The Company has borrowing agreements (leases and Finame financing) with a fiduciary lien on the assets acquired. These assets are vehicles, aircraft, machinery and equipment and computer equipment. At December 31, 2016, the parent company had a chattel mortgage of R$ 31,941 (December 31, 2015 - R$ 31,941), and the consolidated Group had a chattel mortgage of R$ 44,348 (December 31, 2015 - R$ 44,348).

(d) Capitalized borrowing costs

The Group has new projects under construction involving new units and renovations. Two sets of borrowing were obtained in 2015 to finance these enterprises and the capitalized borrowing costs in the period ended March 31, 2016 amounted to R$ 730, adding R$ 4.832 in total. The rate used to determine the capitalized borrowing costs is the weighted average of the borrowings concerned.

14 Suppliers

	Parent Company		Consolidated	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Domestic suppliers	10,120	9,604	19,018	18,103
Domestic service providers	29	30	135	116
	10,149	9,634	19,153	18,219

15 Commitments payable

	Parent Company		Consolidated	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Payables for acquisitions of properties (a)	1,691	2,319	1,691	2,319
Payables for acquisitions of investments (b)	2,295	3,944	168,005	178,092
	3,986	6,263	169,696	180,411
(-) Current	(3,986)	(6,019)	(88,205)	(70,736)
Non-current		244	81,491	109,675

(a) Commitment arising from the acquisition of property located in the city of Fortaleza and property in the city of Recife, where new units will be implemented.

(b) Commitments arising from the following acquisitions:

	Parent Company		Consolidated	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
FAPs (Teresina; Parnaíba e Aliança)		1,379		1,379
FADE	362	633	362	633
FAL	1,186	1,185	1,186	1,185
FASE	747	747	747	747
UNAMA e FIT			41,670	41,670
UNG			112,510	120,948
FAMIL			2,530	2,530
Operating license of Bennett (Note 12(f))			9,000	9,000
	2,295	3,944	168,005	178,092

The installments mature as follows:

	Parent Company		Consolidated	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Less than one year	2,295	3,944	86,514	59,661
Between one and two years			25,283	33,672
Between two and three years			27,459	26,739
Between three and four years			28,749	27,915
More than four years				30,105
	2,295	3,944	168,005	178,092

16 Borrowings

		Parent Company		Consolidated	
Type	Financial charges	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Working capital (1)	CDI + 2.5% p.a.	70,827	76,300	70,827	76,305
FINAME (2)	TJLP + 3.18% to 4.50% p.a.	18,180	18,798	18,737	19,430
Leasing (2)	0.90% to 1.73% p.m.	4,626	5,529	9,596	11,481
IFC (1)	CDI + 2.05% p.a.	127,494	122,825	127,494	122,825
		221,127	223,452	226,654	230,041
(-) Curret		(46,372)	(40,977)	(49,526)	(44,450)
Non-current		174,755	182,475	177,128	185,591

(1) Guaranteed by securities for collection.

(2) Relates mainly to the leasing of IT equipment, vehicles, televisions, and air conditioners, among other items, guaranteed by the chattel mortgage of the respective asset and/or a promissory note.

There are no borrowing amounts in foreign currency.

The long-term installments fall due as shown below:

	Parent Company		Consolidated	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Between one and two years	42,622	46,171	44,782	48,697
Between two and three years	40,916	40,576	41,129	41,166
Between three and four years	27,824	31,847	27,824	31,847
More than four years	63,393	63,881	63,393	63,881
	174,755	182,475	177,128	185,591

The fair value of borrowings classified as current approximates their carrying amounts, since the impact of the discount is not significant. The fair values are based on the discounted cash flows, using a rate based on the

borrowing rate in accordance with the respective agreements.

Borrowing agreement with the International Finance Corporation (IFC)

On June 30, 2015, the Company signed a financing agreement with the IFC to cover the building costs of the Aracajú (Sergipe) and Fortaleza (Ceará) campuses. The financing amounts to R$ 120,000 and will be settled, beginning in 2017, in half-yearly installments through 2022. The Company has pledged as guarantee the fiduciary assignment of a portion of the monthly tuition paid by the students of the Company and its subsidiaries.

On August 3, 2015, R$120,000 of funds arising from the borrowing from the IFC were released. The borrowing costs amounted to R$1,335. The borrowing is payable over seven years, including two years' grace for the principal, and the payment of interest occurs in April and October of each year.

Although the funds were obtained abroad in US dollars, the IFC established the transaction in Brazilian reais with no foreign exchange risk to the Company.

The borrowing from the IFC requires the maintenance of covenant financial indices. The covenants are calculated based on the financial statements of the Company, which is the guarantor of the borrowing, in relation to periods ended December 31 of each year, and are payable starting 2013 up to the final maturity. The financial indices are:

- Result of the division of current assets less prepaid expenses by current liabilities - current ratio of at least 1.2;
- Result of the division of net debt by adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) - not higher than 2.75; and
- Future debt service index of at least 1.2. This index is calculated based on the result of the division of profit (less adjustments with no cash effect) by the projected payment of interest and amortization of gross debt in the next 12 months.

In the period ended March 31, 2016 and the year ended December 31, 2015, the covenants related to the borrowing agreement were monitored and did not present amounts higher than the limits imposed.

17 Debentures

On July 13, 2015, the Board of Directors approved the first issue of simple debentures of the Company, of the subordinated type, not convertible into shares, in a single series, in accordance with CVM Instruction 476. The funds obtained will be used to finance investments in Company projects and the balance will be used to increase working capital. The nominal unit price of the debentures will be subject to interest corresponding to the accumulated variation of the DI rate plus a surcharge of 2.50% per year.

The issue of the debentures was completed on July 24, 2015. The nominal unit price of the debentures on the issue date was R$1,000, totaling the amount of R$ 150,000. The costs incurred on the issue totaled R$ 2,351. The payment term is five years including the grace period of eighteen months for the principal, with quarterly payment of interest.

The debentures issued by the Company require the maintenance of covenant financial indices. The covenants are calculated based on the financial statements of the Company, which is the guarantor of the issue, related to

the quarters ended on March 31, June 30, September 30, and December 31 of each year, and are demanded starting 2015 through final maturity. The main financial index is the result of the division of net debt by adjusted EBITDA . The resulting amount should not be higher than 3.

In the period ended March 31, 2016 and the year ended December 31, 2015, the covenants related to the debenture issue agreements were monitored and did not present amounts higher than the limits imposed.

The long-term installments fall due as shown below:

	Parent Company and Consolidated	
	March 31, 2016	**December 31, 2015**
Current		
Less than one year	4,838	5,034
Non-current		
Between one and two years	35,140	35,140
Between two and three years	42,169	42,169
Between three and four years	42,169	42,169
More than four years	28,171	28,171
	147,649	147,649
	152,487	152,683

The fair value of debentures classified as current approximate their carrying amounts, since the impact of the discount is not significant. The fair values are based on the discounted cash flows, using a rate in accordance with the respective agreements.

18 Salaries and social charges

	Parent Company		Consolidated	
	March 31, 2016	**December 31, 2015**	**March 31, 2016**	**December 31, 2015**
Salaries payable	11,224	9,951	22,369	21,134
Provision for vacation pay and payroll cl	16,243	14,554	40,182	33,612
Social charges	3,598	3,491	10,430	11,146
Other	151	134	464	514
	31,216	28,130	73,445	66,406

19 Obligations under lease-purchase agreements

The Company and the Group have lease agreements that are classified as lease-purchase agreements in property and equipment and in obligations for lease-purchase agreements, as discussed in Note 13.

The agreements are for ten years and may be renewed under conditions to be negotiated at the end of the term. The agreements are payable monthly at fixed amounts, which are adjusted annually by the civil construction index or the IGP-M disclosed by Fundação Getúlio Vargas. There are no restrictions or clauses that depend on income or the distribution of dividends by the Company.

The agreements were considered by the Company as lease-purchase agreements essentially as the terms of the lease agreements represent most of the economic life of the assets or because the fair values of the buildings and land are lower than the present value of the minimum payment of the leases.

The agreements were calculated at present value at rates equivalent to the borrowing rate of transactions of a similar risk and nature.

The due date for payments of the minimum lease of the lease-purchase agreements are as follows:

Parent Company			March 31, 2016	December 31, 2015
Maturity	Minimum payments	Discount to present value	Present value of minimum payments	Present value of minimum payments
Current				
Less than one year	22,426	(13,085)	9,341	3,369
Non-current				
Between one and two years	22,426	(13,085)	9,341	3,771
Between two and three years	22,426	(13,085)	9,341	4,224
Between three and four years	22,426	(13,085)	9,341	4,736
More than four years	267,288	(157,947)	109,341	131,412
	334,566	(197,202)	137,364	144,143
	356,992	(210,287)	146,705	147,512

Consolidated			March 31, 2016	December 31, 2015
Maturity	Minimum payments	Discount to present value	Present value of minimum payments	Present value of minimum payments
Current				
Less than one year	39,000	(23,762)	15,238	4,691
Non-current				
Between one and two years	39,000	(23,762)	15,238	5,294
Between two and three years	39,000	(23,762)	15,238	5,981
Between three and four years	39,000	(23,762)	15,238	6,761
More than four years	502,632	(310,480)	192,152	231,498
	619,632	(381,766)	237,866	249,534
	658,632	(405,528)	253,104	254,225

The classification methodology of the lease based on signed contracts was revised by the Company and reclassified between short and long term in the amount of R$ 5,876 for the parent company, and R$ 10,403 for the consolidated accounts, thus changing the maturity of the installments.

20 Share capital and reserves

(a) Share capital

Capital is divided into 125,213,244 common shares, nominative and with no par value, amounting to R$ 377,048 at March 31, 2016.

(b) Treasury shares

On January 12, 2015, the acquisition of up to 3,752,237 nominative registered common shares, with no par value, issued by the Company, was approved, to be held, cancelled in treasury or replaced in the market, with no capital reduction, within 365 days from January 12, 2015, and closing on January 11, 2016, as a repurchase program.

Up to March 31, 2016, 377,500 shares had been purchased for the total amount of R$ 6,454, deducted from equity in "Treasury shares". The weighted average cost of these shares acquired during the year was R$ 17.09.

On January 11, 2016, the Company's Board of Directors approved the renewal of the share repurchase program up to January 9, 2017.

(c) Capital reserve

At March 31, 2016 and December 31, 2015 the Company had no amount recorded as capital reserve.

(d) Reserve for tax incentives

At March 31, 2016, the Company had a reserve for tax incentives of R$ 44,346 (R$ 40,672 - 2015). This reserve was set up as provided for by Article 195-A of the Brazilian Corporate Law (amended by Law 11.638 of 2008). This reserve receives the portion of tax incentives recognized in the statement of income and allocated to it from the retained earnings account.

Due to its adherence to the "University for All" Program (*Programa Universidade para Todos* or *PROUNI*), the Company records as income for the period the IRPJ and CSLL amounts not paid by virtue of the tax incentive, reducing the tax expenses. To avoid distributing dividends, the tax relief granted, after passing through the statement of income, is recorded in the reserve for tax incentives account in equity. This revenue reserve can only be used for capital increases or the absorption of losses. These amounts may not be distributed to stockholders by means of capital amortization or reduction for five years from the date on which the capitalization took place.

(e) Legal reserve

At March 31, 2016, the Company had a legal reserve of R$ 28,439 (R$ 24,063 - 2015). The legal reserve takes 5% of profit for the year or the remaining balance, up to the limit of 20% of capital. The purpose of the legal reserve is to ensure the integrity of capital and it may only be used to offset losses and to increase capital.

(f) Retained earnings

At March 31, 2016, the Company's retained earnings amounted to R$ 318,857 (R$ 318,857 - 2015). Retained earnings represent the portion of profit allocated to the retained earnings reserve account for future capital investment subject to the approval of shareholders at the Shareholders' General Meeting.

(g) Dividends and interest on capital

Shareholders are entitled to mandatory minimum dividend of 25% of profit for the year adjusted by the recognition of the legal reserve, in accordance with the Corporate Law. The incentives described in item 20.d. are not included in the calculation basis of the mandatory minimum dividend. Based on legal opinion, the Company adopts the practice of not distributing tax incentive reserves, as they are intended exclusively to increase capital.

At the Board of Directors meeting held on July 31, 2015, management approved the distribution to stockholders of interest on capital in the amount of R$ 3,960, calculated based on the TJLP variation, which will be attributed to the amount of minimum mandatory dividend upon its distribution.

The maximum limit on the deductibility of interest on capital and the respective distribution is as follows:

Description	Meeting on 31.07.2015
Equity at March 31,2015	
Equity basis	703,279
(-) Treasury shares	6,217
Adjusted equity for calculation of interest on capital	709,496
Long-Term Interest Rate (TJLP)	1.50%
Gross interest on capital	10,642
Withholding Income Tax (IRRF)	(1,596)
Net interest on capital	9,046
Gross interest on capital	
Approved for distribution	3,960
Per common share (ON)	0.03

21 Net income from services rendered

	Parent Company		Consolidated	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Gross revenue from services rendered				
Undergraduate tuition (i)	110,884	98,989	336,106	292,663
Graduate tuition	705	745	5,720	5,315
Technical course tuition (ii)	1,416	15,378	3,757	19,117
Distance education tuition	2,773	2,221	2,954	2,221
Other revenue	1,382	1,862	3,526	3,990
	117,160	119,195	352,063	323,306
Gross revenue deductions				
Discounts, scholarships and rebates (iii)	(18,034)	(12,330)	(54,607)	(42,306)
Taxes on services	(4,626)	(5,502)	(12,331)	(11,502)
Adjustment to present value of receivables	(22,660)	(17,832)	(66,938)	(53,808)
	94,500	101,363	285,125	269,498

(i) The increase in the consolidated amount relates to income of UNG that in 2015 only included two months, and the students intake in the new units of the Group;
(ii) The decrease relates to the discontinuation of PRONATEC (a program for technical students) by the federal government;
(iii) The consolidated amount includes the amounts of R$ 6,791 (R$ 4,914 – 2015) related to FGEDUC and R$ 26,540 (R$ 13,472) related to PROUNI discounts.

22 Cost of services rendered

	Parent Company		Consolidated	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Payroll and social charges (i)	23,152	21,829	82,524	74,973
Services rendered by individuals and companies	1,051	955	2,321	1,662
Electricity, water and telephone	2,514	1,621	5,989	4,417
Depreciation and amortization	4,225	3,412	9,055	7,270
Rentals	6,324	9,433	15,199	14,239
Other	393	296	890	450
	37,659	37,546	115,978	103,011

(i) The increase in the consolidated amount comes from the integration of UNG and the operational costs of new units.

23 General and administrative expenses

	Parent Company		Consolidated	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Payroll and social charges (i)	14,926	16,844	26,168	33,292
Services rendered by individuals and companies	4,072	3,948	6,806	6,238
Publicity and advertising	8,665	5,584	15,677	12,197
Provision for and actual losses on doubtful accounts	1,864	1,829	6,390	4,595
Rentals	3,486			
Depreciation and amortization	3,332	3,192	5,457	5,056
Service materials	1,353	1,814	3,165	3,503
Taxes	497	462	871	743
Other	3,187	2,563	5,407	4,544
	41,382	36,236	69,941	70,168

(i) The decrease in the consolidated amount was due basically to the integration of the activities of UNAMA and UNG in the Shared Services Center in Recife, Pernambuco.

24 Finance income and costs

	Parent Company		Consolidated	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Finance income				
Interest on tuition and agreements	2,617	2,164	7,791	5,912
Earnings from financial investments (i)	7,787	1,069	7,864	1,647
Discounts obtained	105	90	541	487
Restatement incomes (ii)	3,740		9,648	
Captalization of interest	730		730	
Other	70	217	123	428
	15,049	3,540	26,697	8,474
Finance costs				
Interest expenses (iii)	(14,046)	(3,644)	(14,946)	(4,013)
Interest on leases	(4,800)	(4,885)	(8,631)	(8,157)
Discounts granted (iv)	(1,551)	(194)	(8,119)	(756)
Restatement losses			(4,070)	(2,482)
Other	(318)	(166)	(1,954)	(1,391)
	(20,715)	(8,889)	(37,720)	(16,799)
Finance costs, net	(5,666)	(5,349)	(11,023)	(8,325)

(i) Refers to income from the financial investment of the funds raised and not used by the Company in July and August 2015 (Notes 16 and 17);
(ii) Refers to the restatement of the value of FIES installments under the court settlement agreement (Note 10 (b));
(iii) Refers mainly to charges arising from borrowings that occurred in July and August 2015 (Notes 16 and 17);
(iv) Refers mainly to the students' renegotiation campaign relating to amounts in arrears or overdue for more than 180 days;

25 IRPJ and CSLL

In accordance with Law 11,096/2005 regulated by Decree 5,493/2005 and by Normative Instruction of the Federal Revenue Office 456/2004, under the terms of Article 5 of Provisional Measure 213/2004, higher education institutions adhering to PROUNI are exempted, during the term of the adhesion instrument, from taxes including IRPJ and CSLL. The accounting for this exemption must be based on the profit arising from the exempted activities. The reconciliation of the taxes determined, according to the nominal rates, and the amount of taxes recorded in the period ended March 31, 2016 and the year December 31, 2015, were as follows:

	Parent Company		Consolidated	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Profit before income tax and social contribution	86,083	84,501	87,439	84,577
Nominal combined rate of income tax and social contribution - %	34%	34%	34%	34%
Income tax and social contribution based on current legislation rates	29,268	28,730	29,729	28,756
Adjustments for calculations at the effective rate				
Adjustments under Law 11.638/2007		547		770
Equity in subsidiaries	(25,843)	(21,287)		
Adjustment to present value of accounts receivable	(24)		72	
Leases	351		707	
Provision for doubtful accounts and contingencies	70		173	
Nondeductible expenses	290		1,791	157
Reversal of contingencies provision	(268)		(383)	
Offsetting of tax loss			(4,053)	
	3,844	7,990	28,036	29,683
Tax incentive from exploration - PROUNI	(3,674)	(6,333)	(26,199)	(26,888)
Income tax and social contribution on income for the period	170	1,657	1,837	2,795
Effective rate - %	0.20%	1.96%	2.10%	3.30%

(i) Consolidated reconciliation of IRPJ and CSLL expenses for companies under the presumed profit regime

	Consolidated	
	March 31, 2016	March 31, 2015
Gross sales	2,139	2,841
Presumption 32% - income tax	684	909
Presumption 32% - social contribution	684	909
Profit before income tax and social contribution	544	1,371
Income tax - presumed	171	227
Social contribution - presumed	62	82
Income tax and social contribution	233	309
Effective rate - %	42.83%	22.54%

Part of the post-graduate and professional education operations are carried out under the presumed profit regime of the Company's investees.

(ii) Consolidated reconciliation of IRPJ and CSLL

	Parent Company		Consolidated	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Income tax and social contribution for the current period - companies opting for the taxable income system	170	1,657	1,837	2,795
Income tax and social contribution for the current period - companies opting for the presumed profit system			233	309
	170	1,657	2,070	3,104
Taxable income	86,083	84,501	87,439	84,577
Presumed profit			544	1,371
Profit before income tax and social contribution	86,083	84,501	87,983	85,948
Effective rate - %	0.20%	1.96%	2.35%	3.61%

26 Related parties

(a) Loans between the parent company's subsidiaries and related parties

	March 31, 2016	December 31, 2015
Assets		
Loans between subsidiaries		
CETEBA - Centro de Ensino e Tecnologia da Bahia Ltda.	1,339	297
ABES - Sociedade Baiana de Ensino Superior Ltda.	4,884	819
Sociedade Educacional Carvalho Gomes – SECARGO	1,132	
CENESUP - Centro Nacional de Ensino Superior Ltda. (i)	20,290	6,177
Faculdade Maurício de Nassau de Belém Ltda	1,321	501
Sociedade de Ensino Superior e de Pesquisa de Sergipe - SESPS	7,953	1,724
Instituto Campinense de Ensino Superior		6,039
Instituto de Pesquisa Maurício de Nassau		2
Instituto de Ensino Superior Juvêncio Terra Ltda.	749	294
Faculdade Joaquim Nabuco de São Lourenço da Mata Ltda	275	108
Faculdade Joaquim Nabuco de Olinda Ltda	744	285
Centro de Educação Continuada Mauricio de Nassau Ltda.	312	77
	38,999	16,323
Liabilities		
Loans between subsidiaries		
CENESUP - Centro Nacional de Ensino Superior Ltda.	3,601	
Sociedade Educacional Carvalho Gomes Ltda.		613
ADEA - Sociedade de Desenvolvimento Educacional Avançado Ltda.	1,179	296
Sociedade de Ensino Superior Piauiense Ltda. – SIESPI	2,039	312
FMN Clinica Escola de Fisioterapia, Psicologia, Enfermagem e Nutrição Ltda.	190	153
Faculdade Maurício de Nassau de Belém Ltda	356	506
Centro de Ensino Superior Piauiense - CESP	1,013	72
Centro de Educação Profissional BJ Ltda.	1,316	333
ABES - Sociedade Baiana de Ensino Superior Ltda.	100	33
Instituto de Pesquisa Maurício de Nassau		2
	9,794	2,320

(i) Refers to the resources made available by the Company for the payment of the installment purchase of UNG.

(b) Remuneration of key management personnel

Key management personnel include the Company's directors and officers. The compensation paid or payable to key management is as follows:

	Parent Company		Consolidated	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Total remuneration of key management personnel	1,298	1,194	1,298	1,194

(c) Other transactions

	Parent Company and Consolidated			
	March 31, 2016		March 31, 2015	
	Expense	(Assets)/ Liabilities	Expense	(Assets) /Liabilities
Rent - Oktus Participações Ltda (i)	7,288	144,521	6,498	152,535
Social actions (ii)	99		290	
Publicity and advertising (iii)			103	
	7,387	144,521	6,891	152,535

(i) The Company entered into commercial lease agreements for real estate with Oktus Participações Ltda., now called JJ Participações Ltda., owned by stockholder José Janguiê Bezerra Diniz, for a ten-year term, which can be extended for an equal period.

(ii) The Company supports the Instituto Ser Educacional, a nonprofit institution, to perform activities related to corporate social responsibility. In addition, from time to time the Company donates funds for the development of support activities in areas including research, outreach and arts, market research, scholarships, and community integration actions, among others. The expenditure incurred is recorded in the Company's expenses.

(iii) The Company has signed agreements with Sistema de Comunicação Leia Já, a company owned by members of the family of stockholder José Janguiê Bezerra Diniz. The transactions with this company involve the provision of advertising and publicity services. The expenditure incurred is recorded in the expenses of the Company.

27 Provision for contingencies

Management, based on the opinion of its legal counsel, has set up provision considered sufficient to cover potential losses from pending litigation.

	Parent Company		Consolidated	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Civil (a)	276	1,235	5,494	6,034
Labor (b)	683	509	3,225	3,204
	959	**1,744**	**8,719**	**9,238**
Indemnity contingencies (d)			112,016	112,015
	959	**1,744**	**120,735**	**121,253**

(a) Civil

The Company, with the support of its legal advisors, has performed a study, valuation and quantification of its civil lawsuits to determine the probable outflow of funds related to them. Management has made provision of R$ 276 (2015 - R$ 1,235). Management has also made provision of R$ 5,494 for the Group (2015 -R$ 6,034). The major lawsuits classified as probable losses involve indemnity for pain and suffering and damage to property. There are no debts to the Company and its subsidiares.

The Company has also performed a study, valuation and quantification of the civil lawsuits classified as possible losses, for which there is no provision and which amounted at March 31, 2016 to R$ 3,120 (2015 - R$ 4,409) for the parent company and R$ 17,823 (2015 - R$ 16,623) for the Group, the main claims of which relate to: (i) disputes over the amounts tuition payments, fees for cancellation and related demands, as well as failure to return additional amounts considered undue, (ii) difficulty in issuing graduation degrees, in validating graduation ceremonies and in enrollment, (iii) the regularization of academic issues and (iv) the validation of, enrollment into, and refund and transfer of amounts under FIES.

(b) Labor

The Company, with the support of its legal advisors, has performed a study, valuation and quantification of its various labor lawsuits to determine the probable outflow of funds related to them. Management has made provision of R$ 683 (2015 -R$ 509) for the parent company and R$ 3,225 for the Group (2015 -R$ 3,204).

The Company has also performed a study, valuation and quantification of the various labor lawsuits classified as possible losses, for which there is no provision. At March 31, 2016 these amounted to R$ 6,230 (2015 -R$ 7,973) for the parent company and R$ 22,509 (2014 - R$ 15,331) for the Group, the main claims of which relate to overtime, unused vacation, the recognition of employment relationships, salary parity and salary differences resulting from the reduction of working hours.

(c) Tax

The Company's legal advisors have performed a study, valuation and quantification of tax lawsuits. Management has not made provision to support probable losses on these lawsuits, as there are no lawsuits classified as probable losses.

Likewise, the legal advisors have also performed a study, valuation and quantification of the Company's tax lawsuits classified as possible losses, for which no provision has been set up. These amounted at March 31, 2016 to R$ 9,183 (2015 -R$ 9,183) for the parent company and R$ 126,274 (2015 - R$ 126,274) for the Group.

Among the main tax lawsuits, the following are highlighted:

(i) 0019270-28.2014.8.14.0301 - This relates to a tax collection lawsuit brought by the Municipality of Belém related to the collection of Service Tax (ISS) due to UNESPA's supposed loss of tax exemption. The issue deals with the ISS tax exemption granted to UNESPA by the municipal government through a municipal decree. The exemption was later withdrawn and the tax credit related to the last five years was assessed, generating this lawsuit. Before this lawsuit was filed, UNESPA filed an action for annulment, registered under No. 0057879-84.2009.8.14.0301, to annul the tax assessment notices that authorized the filing of the present tax collection lawsuit. The term for the defense (appeals against the collection lawsuit) has not started yet, pending the acceptance of the asset offered as guarantee by UNESPA. The loss risk classification attributed by the external legal advisors is possible and the estimated amount is R$ 103,000 (Note 27 (d)).

(ii) 280/2014 - This relates to administrative proceedings filed by the Municipality of Santarém covering the collection of ISS related to ISES's supposed loss of tax exemption. The issue deals with the ISS tax exemption granted to ISES by the municipal government through a municipal decree. The exemption was later withdrawn and the tax credit related to the last five years was assessed, generating this lawsuit. The issue has been contested in the administrative court. The loss risk classification attributed by the external legal advisors is possible and the estimated amount is R$ 4,254 (Note 27 (d)).

(iii) 10480.727015/2011-88 - These are administrative proceedings whereby the tax authority pointed out a violation of the tax legislation characterized by divergences in the information provided in relation to the payment of income tax withholding for calendar years 2008, 2009 and 2010. The loss risk classification attributed by the external legal advisors is possible and the amount is R$ 2,496.

(iv) 0020993-62.2013.8.17.0001 - This is an action for annulment against the Municipality of Recife, due to the illegality of a tax notification against the Company. An injunction has been granted, in view of the full deposit, to suspend the enforceability of the tax credit, and is still pending judgment. The matter relates to the fact that the Company is a beneficiary of the educational programs of the federal government, specifically PROUNI, which does not generate revenue for the Company and, therefore, should not be liable to taxation. Nevertheless, the Municipality of Recife believes, contrary to the legislation, that the amount of tax benefit granted to IES by virtue of PROUNI is revenue, and has therefore increased the Company's tax calculation base. The loss risk classification attributed by the external legal advisors is remote, and the amount is R$ 305.

(v) 0801234-75.2016.4.05.8300S – This action relates to a writ of mandamus the objective of which is the non-levy of PIS and COFINS on finance income as established by Decree 8.426/2015. On February 25, 2016 a preliminary injunction to stop the collection of PIS and COFINS on finance income was granted, preventing the federal government from demanding these taxes. Considering that this matter has not yet been decided by the Higher Courts (Federal Supreme Court and Higher Court of Justice), and although the arguments in favor of the non-levy of these taxes are significant, the risk of losing this action has been evaluated as possible.

(d) Labor contingencies for indemnity purposes resulting from business combination

Among the main labor claims provided for, a contingent liability for indemnity of R$ 3,249 is highlighted, which was recognized in relation to the labor exposure of Centro de Ensino Superior Piauiense Ltda, Sociedade de Ensino Superior Piauiense Ltda. and its subsidiary Centro Integrado de Educação Superior do Piauí Ltda., as a result of their business combination in 2013.

Another major labor claim provided for is a contingent liability of R$ 108,766, which was recognized for the labor exposure of UNESPA and ISES, as a result of their business combination in 2014.

The selling stockholders have contractually agreed to indemnify Ser Educacional for the amount that may become due with respect to the lawsuits mentioned above. The withholding of a portion of the purchase amounts has been fixed contractually, as well as discounts on the future rents of the units, and the properties have been mortgaged in favor of the Company to guarantee that amount. An indemnity asset equivalent to the fair value of the indemnified liability has been recognized by the Company.

28 Basic and diluted earnings per share

The basic earnings per share are calculated by dividing the profit attributable to the stockholders of the Company by the weighted average number of common shares issued during the period. The Company does not have potential common shares with dilutive effects.

	March 31, 2016	March 31, 2015
Profit attributable to stockholders of the parent company	85,913	82,844
Weighted average number of outstanding common shares (thousands)	124,836	125,038
Basic and diluted earnings per share - R$	0.69	0.66

29 Insurance

Insurance coverage at March 31, 2016 was contracted for the amounts shown below, which are in accordance with the insurance policies:

Type	Amounts insured
Property and equipment (buildings/contents) against fire	R$ 30,000
Accident, fire and crash - aircraft body	US$ 13.620
Accident, fire and crash - aeronautical RETA	R$ 636
Civil liability of employees and third parties	R$ 2,500
Fire/third parties/bodies of light and heavy vehicles	100% Fipe
Civil liability of managers	R$ 20,000

Section F – Accounting policies

30 Summary of significant accounting policies

The main accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in the periods presented, unless otherwise stated.

30.1 Consolidation

The following accounting policies are applied in the preparation of the consolidated financial statements:

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. They are fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases.

Identifiable assets acquired and liabilities and contingent liabilities assumed on the acquisition of subsidiaries in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. Non-controlling interests are determined on each acquisition. Acquisition-related costs are expensed as incurred.

Transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of the impairment of the asset transferred. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

30.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less, and with immaterial risk of change in value.

30.3 Financial assets

30.3.1 Classification

The Group classifies its financial assets, upon initial recognition, in the following categories: at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the financial assets are acquired.

30.3.2 Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets and are presented in Note 8.

30.3.3 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities exceeding 12 months from the balance sheet date (which are classified as non-current assets). The Group's loans and receivables comprise "Receivables from students and other receivables" and "Cash and cash equivalents" (Notes 30.3 and 30.1).

30.3.4 Recognition and measurement

Purchases and sales of financial assets are usually recognized on the trading date. Investments are recognized initially at fair value plus transaction costs for all financial assets not classified at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognized at fair value, and transaction costs are charged to the statement of income. Financial assets are written off when the rights to receive cash flows have expired or have been transferred, provided that the Group has transferred substantially all of the risks and benefits of ownership. Financial assets measured at fair value through profit or loss are subsequently recorded at fair value. Loans and receivables are initially recorded at fair value and subsequently at amortized cost using the effective interest rate method.

Gains or losses arising from variations in the fair value of financial assets measured at fair value through profit or loss are presented in the statement of income under "Other operating expenses, net" in the period in which they occur.

The fair values of publicly quoted investments are based on actual purchase prices. If the market for a financial asset (or for unlisted securities) is not active, the Group establishes fair value through valuation techniques. These techniques include the use of recent transactions carried out with third parties, reference to other substantially similar instruments, analysis of discounted cash flows and option pricing models that make maximum use of information generated by the market and minimum use of information generated by the entity's management.

30.3.5 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when there is a legal right to offset the recognized amounts and the intention to settle them on a net basis, or to realize the asset and settle the liability simultaneously.

30.4 Accounts receivable – students

Accounts receivable are the result of teaching services provided and do not include amounts for services provided after the balance sheet date. Services paid for but not provided prior to the balance sheet date are recorded as monthly fees received in advance, and are recognized as income in the corresponding period on an accrual basis.

Bills receivable from students are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less provision for doubtful accounts or impairment.

30.5 Provision for doubtful accounts

This provision appears as a deduction from accounts receivable and is set at an amount considered by management to be sufficient to meet any losses on the collection of monthly fees and checks receivable based on the risks involved. It is calculated by management when there is objective evidence that a loss may occur, on the basis of the expected cash flow discounted at the effective interest rate.

30.6 Investments in subsidiaries (applicable only for parent company financial statements)

Investments in subsidiary companies are recorded in the parent company's financial statements using the equity accounting method.

Corporate interests in subsidiaries are shown in the parent company's statement of income as equity income, representing the net income attributable to the stockholders of the subsidiaries. Goodwill representing expected future profitability is presented in the parent company's financial statements as part of the investment. The same adjustments made in the consolidated financial statements are made in the financial statements to reach the same values of equity and results.

30.7 Intangible assets

(a) Goodwill

Goodwill consists of the positive difference between the amount paid and/or payable for the acquisition of a business and the net amount of the fair value of its assets and liabilities. Goodwill on acquisitions of subsidiaries is recorded as an intangible asset in the consolidated financial statements. Goodwill is tested for impairment annually. It is recorded in the books at cost less accumulated impairment losses. Impairment losses recognized on goodwill cannot be reversed.

Gains and losses on the disposal of an entity include the book value of the goodwill corresponding to the entity sold.

(b) Portfolio of students

Contractual relationships with students acquired in business combinations are recognized at their fair value on the date of acquisition. The contractual relationships have a defined useful life and are booked at cost less accumulated amortization. Amortization is calculated using the straight line method over the expected period of the relationship with the student.

(c) Software licenses and installation

Software licenses are capitalized on the basis of the costs incurred to acquire the software plus the costs of making it ready for use. These costs are amortized over the estimated useful life of the software, which is from three to five years.

Software maintenance costs are recognized as expenses at the time when they are incurred.

Other development costs that do not meet these criteria are recognized as expenses when incurred. Development costs previously recognized as expenses are not recognized as assets in subsequent periods.

Software development costs recognized as assets are amortized over the useful life of the software.

(d) Accreditation and operating licenses

Accreditation and operating licenses are capitalized on the basis of the costs incurred to obtain authorization for and recognition of the courses offered from the Ministry of Education, plus the renewal of licenses for course units. Accreditation and licenses have a defined useful life and are recorded at cost less accumulated amortization. Amortization is calculated using the straight line method during the period of validity of the licenses obtained from the Ministry of Education.

(e) Digital content

Digital content is capitalized at the amount of the costs incurred to acquire the right to use the digital content as part of the services provided by the Company. These costs are amortized over the contract period.

(f) Agreements

Agreements are capitalized at the amounts of the costs incurred to execute contracts with partner companies, giving the Group's students the right to undertake the supplementary undergraduate activities required for their academic education. These costs are amortized over the period of the respective agreements.

(g) Going-concern value

Intangible assets with a defined useful life, represented by amounts paid upon the acquisition of new business premises (going-concern value), are amortized on a straight line basis over the lease term of the properties rented.

(h) Intangible assets identified on acquisitions – course licenses

Course licenses identified on acquisitions relate basically to the amounts of licenses and the accreditation of courses with the Ministry of Education, and are first recorded at fair value based on appraisal reports supporting the amounts allocated in business combinations. These intangible assets identified on acquisitions have indefinite useful lives and are subject to annual impairment testing.

(i) Intangible assets identified on acquisitions – trademarks and portfolios of students

Trademarks and portfolios of students identified on acquisitions are first recorded at fair value based on appraisal reports supporting the amounts allocated in business combinations. These intangible assets identified on acquisitions have defined useful lives and are subject to amortization calculated on the straight line method to allocate the cost during their estimated useful lives.

30.8 Property and equipment

Property and equipment are measured at historical cost, less accumulated depreciation and impairment losses. Historical costs include expenses directly attributable to the acquisition of the items.

Land is not depreciated. The depreciation of other assets is calculated using the straight line method, so as to allocate their costs, less residual value, over their useful lives.

Subsequent costs are included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and they can be measured reliably. The carrying amount of the replaced item is derecognized. All other repair and maintenance costs are charged to the statement of income when incurred.

An item of property and equipment is written off when it is sold, or when no future economic benefit is anticipated from its use or sale. The eventual profit or loss resulting from the asset write-off (calculated as the difference between the net amount of the disposal and the residual value of the asset) are recorded in the statement of income for the period in which the asset is written off.

Residual values, useful lives and depreciation methods for assets are reviewed and adjusted, if necessary, when there is an indication of a significant change since the date of the last balance sheet.

30.9 Capitalized borrowing costs

The historical costs of property and equipment include the costs of borrowings directly related to the acquisition, construction or production of an asset that requires a significant amount of time to be completed for the purpose of use or sale. These historical costs are capitalized as part of the cost of the corresponding asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs include interest and other costs related to the borrowing incurred by the entity.

30.10 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that have been adjusted due to impairment are subsequently reviewed for the possible reversal of the impairment at the balance sheet date.

30.11 Suppliers and commitments payable

Accounts payable are liabilities owing for goods or services acquired from suppliers in the ordinary course of business, and commitments payable are liabilities owed for the acquisition of property and amounts payable under business combinations. They are classified as current liabilities if payment is due within a year. Otherwise, accounts and commitments payable are shown as non-current liabilities.

Accounts and commitments payable are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method.

30.12 Leases

Leasing agreements in which a significant portion of the risks and benefits of ownership is held by the lessor are classified as operating leases. Payments for operating leases (net of any incentives received from the lessor) are recognized in the statement of income using the straight line method over the lease period.

The Group leases certain property and equipment assets. Property and equipment leases under which the Group holds substantially all of the risks and benefits of ownership are classified as financial leases. Financial leases are capitalized at the beginning of the lease period at the lower of the fair value of the leased asset and the present value of the minimum payments on the lease as a contra entry to a lease liability payable.

A portion of each lease installment paid is allocated to liabilities, and a portion to financial charges, in order to obtain a constant rate on the outstanding debt balance. The corresponding obligations, net of financial charges, are included in lease obligations. Interest on financial charges is recognized in the statement of income over the lease period in order to produce a constant periodic interest rate on the outstanding liabilities balance for each period. Property and equipment acquired through financial leasing is depreciated over the useful life of the asset.

30.13 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred, and are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the statement of income over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Both general and specific borrowing costs directly related to the acquisition, construction or production of a qualifying asset that requires a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset when it is probable that future economic benefits associated with the item will flow to the Company and the costs can be measured reliably. Other borrowing costs are recognized as finance costs in the period in which they are incurred.

30.14 Debentures

Debentures are recognized initially at fair value, net of transaction costs incurred, and are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the statement of income over the period in which the debentures are current, using the effective interest method.

Debentures are classified as current liabilities, unless the Company has an unconditional right to defer settlement for at least 12 months after the reporting period.

The general and specific debenture costs directly related to the acquisition, construction or production of a qualifying asset that requires a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset when it is probable that future economic benefits will flow to the Company and such costs can be measured reliably. Other debenture costs are recognized as expenses in the period in which they are incurred.

30.15 Provision

Provision for contingencies (labor, civil and tax) is recognized when: (i) the Group has a present but non-formalized obligation as a result of events that have already occurred; (ii) it is probable that an outflow of resources will be necessary to settle the obligation; and (iii) the amount can be reliably estimated based on the judgment of legal advisors.

Provision is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the time elapsed is recognized as interest expense.

30.16 Taxation

(a) Current IRPJ and CSLL

The cost of IRPJ and CSLL for the period includes current tax. Income taxes are recognized in the statement of income, except to the extent that they relate to items recognized directly in equity. In this case, the tax is also recognized in equity. The undergraduate teaching activities by the units that have PROUNI are exempt from IRPJ and CSLL during the term of the adhesion instrument.

(b) Social Integration Program (PIS) and Contribution to Social Security Financing (COFINS)

For revenue from teaching activities, except for undergraduate teaching by units that have joined the PROUNI, PIS and COFINS are payable at the rates of 0.65% and 3%, respectively. PIS is payable on revenue from non-teaching activities at a rate of 1.65% and COFINS at 7.6%.

Undergraduate teaching by units that have joined the PROUNI are exempt from PIS and from COFINS.

(c) PROUNI

Units that have joined the PROUNI are exempt from the following federal taxes for as long as they are members:

- IRPJ and CSLL, introduced by Law 7.689 of December 15, 1988;
- COFINS, introduced by Supplementary Law 70 of December 30, 1991, and
- PIS, introduced by Supplementary Law 7 of September 7, 1970.

The above-mentioned exemptions are originally calculated on the amount of revenue received as a result of providing higher education services, including undergraduate courses and specific training associated with degrees.

(d) ISS

Revenue from teaching activities is subject to ISS, as established in Supplementary Law 116/2003, at rates from 3% to 5%, depending on the municipality. The tax is recognized in accordance with the recognition of the Company's revenue.

30.17 Earnings per share

The Company calculates earnings per lot of 1,000 shares using the weighted average number of total common shares outstanding during the period, corresponding to income, in accordance with Technical Pronouncement CPC 41 (IAS 33).

30.18 Share capital

Common shares are classified in equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

30.19 Recognition of revenue, costs and expenses

Revenue, costs and expenses are recognized on an accrual basis.

Revenue from services

Revenue consists of the fair value of consideration received or receivable from business relating to higher education, graduate courses, short courses and related educational activities. Revenue is shown net of tax and after returns, rebates and discounts. Revenue from services provided is recognized based on services carried out up to the balance sheet date.

Monthly payments for courses and the discounts granted on them vary according to the course, the unit and the academic term. Revenue is generated from fixed-price contracts, and recognized monthly as the services are provided. Monthly dues received in advance are recorded as "Advances from students" and recognized in the month when the corresponding services are provided.

In October 2013, the Company joined the National Program for Access to Technical Education, created by the

Ministry of Education to broaden the offering of medium-level technical and professional courses, and basic and continuing training courses for Brazilian workers. Revenue is generated from scholarships and is recognized monthly based on the services provided, and considering the confirmation of each student's presence in accordance with the program's conditions and requirements.

The Company records as discounts the educational charges arising from financing agreements guaranteed by the students who adhere to the FGEDUC, in accordance with Regulatory Ordinance 21 of October 21, 2010, Regulatory Ordinance 14 of June 28, 2012 and Regulatory Ordinance 3 of January 3, 2014. The educational charges total 5.63% of revenue arising from students who have adhered to FGEDUC through FIES.

(b) Finance income and costs

Finance income is recognized in accordance with the time elapsed on an accrual basis, using the effective interest method.

30.20 Distribution of dividends and interest on capital

The distribution of dividends and interest on capital to Company stockholders is recognized as a liability in the Group's financial statements at the end of the year pursuant to the Company's bylaws, which establish a mandatory minimum of 25% and the dividends and interest on capital eventually paid in advance during the year. Any amount exceeding the mandatory minimum is provided for only on the date when it is approved by the stockholders at the General Meeting.

The tax effect of interest on capital is recognized in the statement of income.

Message from Management

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

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

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

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

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

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

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

Operating Performance

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

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

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

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

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

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

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

Student Base Evolution

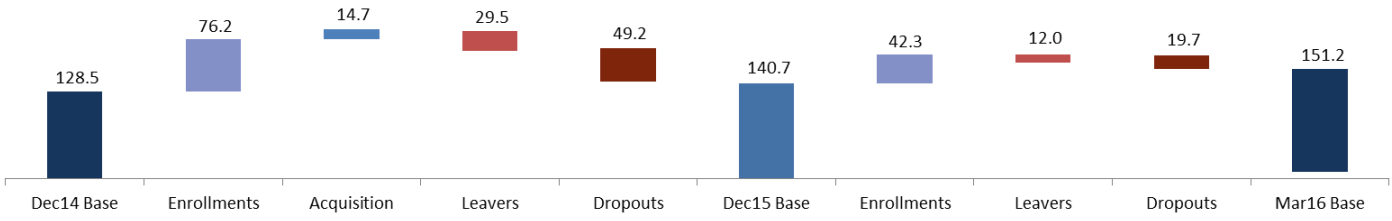
Number of Students	Undergraduate		Graduate		Vocational	Total
1Q16	**On Campus**	**Distance Learning**	**On Campus**	**Distance Learning**	**Total**	**Total**
Dec15 Base	**123,988**	**3,089**	**10,388**	**231**	**3,005**	**140,701**
Enrollments*	37,305	2,634	2,173	141	-	42,253
Leavers	(7,943)	-	(2,115)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

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

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

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

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



Dropout Rate

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

Average Net Ticket

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

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

Student Financing

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

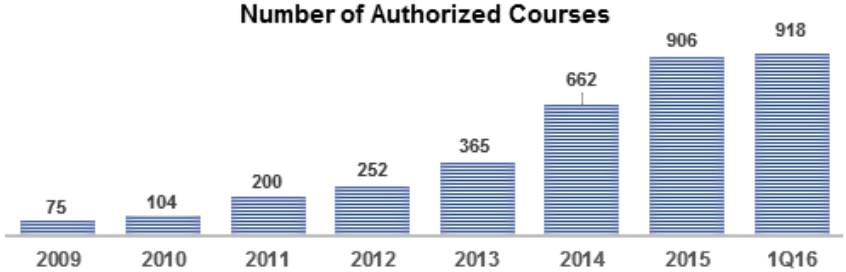
On March 31, 2015, students partaking of the FIES program accounted for 42.7% of the undergraduate student base, a 2.5 p.p. decline over 4Q15, when FIES beneficiaries corresponded to 45.2% of the student base.

As an alternative to the recent changes in FIES, as of April 2015, the Company launched two new student-financing plans. The first was Pravaler, one of Brazil's largest private student financing programs, which allows students to finance part of their tuition, with installment payments only after completion of their undergraduate courses and at competitive rates plus adjustments for inflation.

The second option was the re-launch of Educred, the Company's own loan program that finances approximately 50% of tuition at 7.44% per year. Through these two private financing options, in 1Q16, 600 students were financed by PraValer and 300 were enrolled through Educred. At the end of 1Q16, Educred's loan portfolio totaled R$9.0 million, up 15.4% over 4Q15, due to the increase in the financed students.

Organic Growth

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



FINANCIAL PERFORMANCE

Gross Revenue

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

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

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

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

Revenue from vocational courses/Pronatec amounted to R$3.8 million in 1Q16, accounting for 1.1% of the total and 80.3% down on 1Q15, due to the graduation of PRONATEC students during the quarter who were not replaced as a result of the reduction in the program by the federal government.

Distance Learning, a segment in which the Company started operating in 2014, already accounts for 0.8% of total revenue, with R$3.0 million, an increase of 33.0% in relation to 1Q15. The gross revenue growth at a slower pace compared to the growth of the student base is due to the lower average ticket and higher dropout rates.

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

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

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

Cost of Services Rendered

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

The cash cost of services rendered (excluding depreciation and amortization) totaled R$106.9 million in 1Q16, representing a variation of 11.7% in relation to 1Q15. The main components of the costs of services increased in the quarter for the following main reasons:

a) Payroll and charges increased due to: (i) the 16.9% reduction in faculty numbers, or 940 individuals, in 1Q16 over 1Q15, reflecting the Company's cost optimization initiatives, which was offset by the absence of one month of personnel expenses and charges of UNG, consolidated in February/15, in addition to the collective bargaining agreement that impacted the 1Q16 costs and were not present yet in 1Q15; (ii) extraordinary costs of R$0.4 million corresponding to labor fines and charges due to the finalization of the organizational restructuring at UNG and UNAMA.

b) The rent line increased 6.7% in 1Q16 over 1Q15, due to the inflationary adjustment of contracts, partially offset by the return of properties in 2015.

c) The variation in the concessionaire line was due to the increased number of operational units (São Luís, Manaus, Petrolina, Jaboatão dos Guararapes, Olinda and Feira de Santana), the consolidation of the acquired units (Unama/FIT, UNG, FAL and FASE), the inauguration of new buildings to expand operations, including in Aracaju and Salvador, and the higher electricity tariff, partially offset by the return of rented properties throughout last year.

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

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

Gross Profit

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

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

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

Operating Expenses (Selling, General and Administrative)

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

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

a) Personnel expenses and social charges fell by 21.4% compared to 1Q15, even with the increase in headcount, due to the consolidation of the UNG and UNAMA/FIT operations, and 5.3% compared to 4Q15, already reflecting the staff reductions carried out during the year.

b) Increased advertising expenses due to the 2016.1 student recruitment process, which involved more units than in the previous year, including those recently acquired, UNAMA/FIT and UNG.

c) The allowance for doubtful accounts increased by 39.1%, from R$4.6 million in 1Q15 to R$6.4 million in 1Q16, chiefly due to the lack of such provisions for UNG and UNAMA students due to the recent consolidation of these operations at that time.

d) Other expenses increased by 18.7% and increased from R$5.3 million in 1Q15 to R$6.3 million in 1Q16, mainly due to non-recurring expenses related to the opening of pre-operational units and approvals for new courses and consulting services totaling approximately R$1.1million.

Compared to the 1Q15, the reduction in payroll and charges (3.6 p.p.) and workplace materials (0.2 p.p.) demonstrate the streamlining of the Company's expenditures, and denote the beginning of the gain of operational synergies with the recent acquisitions.

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

EBITDA and Adjusted EBITDA

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

1. Due to belonging to PROUNI, we are entitled to certain tax benefits that affect net income.
2. Corresponds to the difference between financial revenue and expenses.
3 EBITDA is not an official accounting measurement.
4 Adjusted EBITDA corresponds to EBITDA plus financial revenue from fines and interest on tuition, non-recurring costs and expenses, and minimum rent paid.
5 Revenue from interest and fines on tuition corresponds to financial charges on renegotiated and overdue tuition fees.
6. Non-recurring costs and expenses are mainly related to costs and expenses from mergers and acquisitions, which would not affect normal cash flow.
7. Minimum rent refers to rental agreements recorded under financial leasing in accordance with CPC 6. The expenses from such leasing are not recorded under EBITDA, but are part of adjusted EBITDA.

Cash generation as measured by adjusted EBITDA totaled R$113.1 million in 1Q16, up 8.1% over the R$104.6 million reported in 1Q15.

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

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

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

Financial Result

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

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

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

a) Interest expenses, which rose 272.4%, from 4.0 million in 1Q15 to 14.9 million in 1Q16, due to the increase in indebtedness, resulting from the completion in July 2015 of the issuance of long-term debt of R$120 million with the IFC and the issuance of debentures of R$150 million, both incurred at the beginning of 3Q15, as outlined in the “Indebtedness” section. Another factor that contributed to these expenses being higher was the increase during the year in the average Interbank Deposit Certificate (CDI), the Company's main indebtedness indexer.

b) Leasing interest related to rented properties, which went from R$8.2 million in 1Q15 to R$8.6 million in 1Q16, representing an increase of 5.8%, due to the consolidation of UNG have occurred in February 2015 and therefore only 2 months of interest in the first quarter from the three months during the 1Q16.

c) Discounts granted, totaling R$8.1 million in 1Q16 against R$0.8 million in 1Q15, due to higher discounts given to UNG and UNAMA students (approximately R$5.0 million), and discount on tuition arrears for renegotiation of students in the re-enrollment process and an increase in arrangements for students in arrears in excess of 360 days, as a result of a default recovery campaign carried out during the second half of the year. In 1Q15, the volume of discounts granted to UNG students it was non-existent since the effective integration of systems was performed only from April 2015.

d) The passive monetary variation refers to financial remuneration for payable commitments, mainly for the acquisition of UNG and the increase of R$2.5 million in 1Q15 to R$4.1 million in 1Q16 is mainly due to the consolidation UNG that occurred only in February 2015.

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

Net Income

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

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

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

Accounts Receivable and Average Collection Period

Accounts Receivable and Average Receivable Days (R$ '000)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16
Gross Accounts Receivable	**139,205**	**195,489**	**180,626**	**233,415**	**333,900**	**396,996**	**387,611**	**427,096**	**555,192**
Monthly tuition fees	33,970	43,577	35,479	74,099	103,462	93,071	66,214	69,965	73,334
FIES	69,776	109,410	101,518	107,340	156,316	234,269	241,670	285,311	397,502
PRONATEC	6,639	15,347	12,893	19,610	30,309	17,408	12,111	10,023	7,791
Negotiated agreements receivable	15,839	16,361	19,050	17,736	29,020	33,320	47,533	46,789	58,411
Education credits receivable	10,376	9,628	9,023	8,730	8,171	8,202	7,380	9,020	10,229
Others	2,605	1,166	2,663	5,900	6,622	10,726	12,703	5,988	7,925
PDA balance	(18,459)	(18,344)	(19,829)	(27,744)	(25,595)	(31,129)	(37,319)	(45,743)	(41,330)
Net Accounts Receivable	**120,746**	**177,145**	**160,797**	**205,494**	**308,305**	**365,867**	**350,292**	**381,353**	**513,862**
Net Revenue (Last 12 Months - FIES+Ex-FIES+Pronatec)	**504,304**	**566,308**	**625,762**	**705,067**	**820,035**	**917,581**	**987,799**	**1,032,448**	**1,048,075**
Net Receivable Days (FIES+Ex-FIES+Pronatec)	86	113	93	105	135	144	128	133	177
Net Revenue FIES (Last 12 Months)	230,853	266,072	306,304	351,278	372,502	391,635	433,248	478,890	505,215
Net Receivable Days (FIES)	**109**	**148**	**119**	**110**	**151**	**215**	**201**	**224**	**283**
Net Receivable Days (Monthly tuition fees)	**53**	**60**	**54**	**92**	**107**	**75**	**51**	**35**	**40**
Net Receivable Days (Monthly tuition fees + Negotiated agreements receivable)	**78**	**83**	**83**	**115**	**137**	**102**	**88**	**58**	**72**
Net Receivable Days (Monthly tuition fees + Negotiated agreements receivable + Education credits receivable)	**94**	**96**	**96**	**125**	**145**	**108**	**93**	**63**	**77**

Our accounts receivable turnover from FIES was affected by payment schedule delays and the effects of Ordinances 23/2014 and 02/2015, which impacted the balance of accounts receivable in 1Q16, significantly increasing our average collection period.

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

The Company set aside an allowance for doubtful accounts considered sufficient by Management to deal with any losses from accounts receivable, taking into account the risks involved. The criterion used by the Company is to set aside 100% of receivables overdue by more than 180 days, plus FIES provisions.

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

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

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

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

Investments (CAPEX)

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

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

Indebtedness

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

On March 31, 2016, the Ser Educacional Group had gross debt of R$548.8 million, down 2.5% from the R$563.1 million in 4Q15, due to the payment of owed amounts, related to the acquisition of UNG. The Company's indebtedness is due primarily to the increase of commitments related to the acquisition of UNG, which raised commitments payable to R$136.9 million and also due to the issuance of two long-term debts with the following characteristics: (i) Financing from the IFC over seven years, totaling R$120.0 million at CDI+2.05% p.a., payable semi-annually from April 15, 2017 and maturing on April 15, 2022 (ii) Issuance of non-convertible debentures totaling R$150.0 million at CDI+2.5% p.a., with monthly payments as of February 2017 until final maturity in July 2020.

On the same date, the Company had a net debt of R$323.2 million, representing a leverage ratio (net debt/LTM EBITDA) of 1.06x compared to 0.95x in 4Q15.

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

In regard to the debt payment schedule, 30.5% corresponds to short-term debt, showing that the Company has adequate debt amortization terms, as well as a comfortable level of financial leverage.

Cash Flow

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

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

ABOUT GRUPO SER EDUCACIONAL

Founded in 2003 and headquartered in Recife, Grupo Ser Educacional (BM&FBOVESPA SEER3, Bloomberg SEER3:BZ and Reuters SEER3.SA) is one of the largest private education groups in Brazil and the leader in the Northeast and North regions in terms of number of students enrolled. It offers undergraduate, graduate, vocational and distance learning courses in 12 states, with a consolidated base of 151,000 students. The Company operates under the following brands: Faculdades Maurício de Nassau, UNINASSAU – Centro Universitário Maurício de Nassau, Faculdades Joaquim Nabuco, Escolas Técnicas Joaquim Nabuco and Maurício de Nassau, FIT – Faculdades Integradas dos Tapajós, UNG (Universidade Guarulhos) and UNAMA (Universidade da Amazônia), through which it offers more than 915 courses.

This notice may contain forward-looking statements related to business prospects, estimates of operating and financial results and the growth prospects of Grupo Ser Educacional. These are merely projections and, as such, are solely based on the expectations of the Management of Grupo Ser Educacional. Such forward-looking statements are substantially dependent on external factors, in addition to the risks presented in the disclosure documents filed by Grupo Ser Educacional and are therefore subject to change without prior notice.

ATTACHMENTS

Income Statement

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

Balance Sheet

Balance Sheet - ASSETS (R$ '000)	03/31/2016	12/31/2015	% Chg. mar16 x dec15
Total Assets	**1,929,063**	**1,848,588**	**4.4%**
Current Assets	**567,054**	**497,460**	**14.0%**
Cash and cash equivalents	56,973	69,999	-18.6%
Securities	168,657	213,135	-20.9%
Accounts receivable	317,486	192,251	65.1%
Taxes recoverable	9,216	7,308	26.1%
Advances to suppliers	5,105	5,599	-8.8%
Other assets	9,617	9,168	4.9%
Non-Current Assets	**1,362,009**	**1,351,128**	**0.8%**
Long-Term Assets	1,362,009	1,351,128	0.8%
Accounts receivable	196,376	189,102	3.8%
Other assets	6,963	5,406	28.8%
Indemnifications	112,015	112,015	0.0%
Intangible assets	431,395	432,106	-0.2%
Property, plant and equipment	615,260	612,499	0.5%

Balance Sheet - LIABILITIES (R$ '000)	03/31/2016	12/31/2015	% Chg. mar16 x dec15
Total Liabilities	**1,085,917**	**1,091,355**	**-0.5%**
Current Liabilities	**309,562**	**270,766**	**14.3%**
Suppliers	19,153	18,219	5.1%
Accounts payable	88,205	70,736	24.7%
Loans and financing	49,526	44,450	11.4%
Debentures	4,838	5,034	-3.9%
Payroll and charges	73,445	66,406	10.6%
Taxes payable	18,005	16,209	11.1%
Income and social contribution taxes payable	7,640	11,609	-34.2%
Leasing	15,238	4,691	224.8%
Dividends payable	20,070	20,070	0.0%
Other liabilities	13,442	13,342	0.7%
Non-Current Liabilities	**776,355**	**820,589**	**-5.4%**
Loans and financing	177,128	185,591	-4.6%
Debentures	147,649	147,649	0.0%
Leasing	237,866	249,534	-4.7%
Accounts payable	81,491	109,675	-25.7%
Taxes payable	331	331	0.0%
Tax installments	4,594	-	N.M.
Provision for contingencies	120,735	121,253	-0.4%
Provision for contingencies	6,561	6,556	0.1%
Consolidated Shareholders' Equity	**843,146**	**757,233**	**11.3%**
Capital Realized	377,048	377,048	0.0%
Income Reserve	394,609	386,639	2.1%
Retained income	77,943	-	N.M.
Treasury shares	(6,454)	(6,454)	0.0%
Total Liabilities and Shareholders' Equity	**1,929,063**	**1,848,588**	**4.4%**

Cash Flow

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