



**SARAIVA RELEASES RESULTS FOR 1Q14**

FOR IMMEDIATE RELEASE – São Paulo, May 7, 2014 – Saraiva S.A. Livreiros Editores (Bovespa: SLED3 and SLED4), one of the major publishers in Brazil and one of the largest retailers in content, culture and education, with stand-out performance in Brazil's e-commerce segment, reported today financial results for the first quarter ended March 31, 2014.

HIGHLIGHTS – 1Q14

- Consolidated gross revenue reported in 1Q14 increased 11% year-on-year, totaling R\$702 million. The result represents 28% of the midpoint guidance established for 2014.
- The consolidated gross profit reached R\$318 million in 1Q14, 7% higher than the previous year. Gross margin adjusted for INSS effect decreased by 0.5 percentage points, from 48.3% to 47.8% in 1Q14.
- As planned, adjusted consolidated EBITDA, excluding provision for bonus and non-recurring expenses, presented an increase of 4% in the yearly comparison, totaling R\$119 million in 1Q14. The result represents 59% of the midpoint guidance established for 2014.
- Net income reached R\$56 million in 1Q14.
- On February 13, Saraiva announced a share buyback program. Until April 22, 2014, Saraiva had already repurchased 292,300 preferred shares (SLED4) and 400 common shares (SLED3) within the program, jointly representative of 1.0% of company's total capital stock.
- The ratio of adjusted net debt to EBITDA (excluding non-recurring expenses) was 2.7x as of March 31, 2014 versus 3.7x in 4Q13.

HIGHLIGHTS PUBLISHING BUSINESS

- Resumed growth of the Learning Systems solution, with 176 thousand students (+14% versus 1Q13).
- Gross revenue reached R\$180 million in 1Q14, representing 12% growth vs 1Q13.
- Adjusted EBITDA summed up R\$71 million, 14% increase y-o-y.

HIGHLIGHTS RETAIL BUSINESS

- A 10% increase in SSS (same store sales), which is above the average growth of the market, due to the good performance in sales of school supplies during the back-to-school period.
- Growth of e-commerce sales (excluding the sales of consumer electronics) of 6% versus 1Q13.
- The SaraivaPlus program reached 9.2 million members.
- Gross revenue reached R\$547 million in 1Q14, representing 11% growth vs 1Q13.
- Adjusted EBITDA summed up R\$47,5 million, 8% drop y-o-y.

SUBSEQUENT EVENTS

- Opening of two stores in the Retail business in April 2014, one of them being in the Airport format. Currently, Saraiva has 114 stores in 17 states and the Federal District, totaling a sales area of 62,547 m², 8% higher than the previous year.
- Launch of Prepara, a collaborative learning platform with pedagogical solutions for the preparation of the second phase of the OAB (Brazilian Bar Association) exam.
- Entered the first contract that provides content delivery and a customized platform for distance learning courses (EaD).
- Hiring of the Information Technology Vice President, Luis Claudio Correa Villani.

Table 1. Main Indicators – Saraiva Group (R\$000, unless otherwise specified)

Consolidated	1Q14	1Q13	Y/Y	4Q13	Q/Q
Gross Revenues	702,133	634,998	11%	774,502	-9%
Net Revenues	670,387	612,811	9%	736,248	-9%
Gross Profit	317,979	295,803	7%	308,565	3%
Gross Margin (%)	47.4%	48.3%	-0.8p.p.	41.9%	5.5p.p.
Operating Expenses	208,226	181,936	14%	279,260	-25%
EBITDA	109,753	113,867	-4%	29,305	275%
EBITDA Margin (%)	16.4%	18.6%	-2.2p.p.	4.0%	12.4p.p.
Adjusted EBITDA ¹	118,934	113,867	4%	39,548	201%
Adjusted EBITDA Margin ¹ (%)	17.7%	18.6%	-0.8p.p.	5.4%	12.4p.p.
Net Income (Loss)	56,335	62,844	-10%	11,983	370%
Net Margin (%)	8.4%	10.3%	-1.9p.p.	1.60%	6.8p.p.

Note 1: Adjusted EBITDA excluding the effect of provision for bonus recorded in 1Q14.

Note: The consolidated financial information contained herein has been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and with the accounting practices adopted in Brazil (BRGAAP). The individual financial information contained herein has been prepared in accordance with BRGAAP. Any non-accounting information or derived from non-accounting numbers was not examined by the independent auditors.



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MAIN INDICATORS

It is worth highlighting that sales present significant seasonal impacts, with higher concentration in two periods during the year: (1) the first quarter of each fiscal year, when it sells more to the private sector due to increased demand during the back-to-school period, and (2) in the fourth quarter due to the government's purchases of textbooks in the Publishing Business, and Christmas sales in the Retail Business. Below we present our key operating and financial indicators per business segment.

Table 2. Main Indicators – Retail Business (R\$000, unless otherwise specified)

Retail	1Q14	1Q13	Y/Y	4Q13	Q/Q
Gross Revenues	546,973	494,084	11%	525,444	4%
Net Revenues	515,450	472,070	9%	487,202	6%
Gross Profits	176,222	168,051	5%	150,205	17%
Gross Margin (%)	34.2%	35.6%	-1.4p.p.	30.8%	3.4p.p.
Operating Expenses	134,937	116,619	16%	179,665	-25%
EBITDA	41,285	51,432	-20%	(29,460)	240%
EBITDA Margin (%)	8.0%	10.9%	-2.9p.p.	-6.00%	14.0p.p.
Adjusted EBITDA ¹	47,532	51,432	-8%	(25,798)	284%
Adjusted EBITDA Margin ¹ (%)	9.2%	10.9%	-1.7p.p.	-5.3%	14.5p.p.
Net Income (Loss)	15,637	24,103	-35%	(30,124)	-152%
Net Margin (%)	3.0%	5.1%	-2.1p.p.	-6.2%	9.2p.p.
Growth in same store sales	10.0%	9.0%	0.7p.p.	9.8%	0.2p.p.
Growth in Internet sales	-1.8%	16.1%	-17.8p.p.	1.90%	-3.7p.p.
Number of Stores - End of Period	114	105	9%	112	2%
Sales Area – End of Period (m²)	62,547	57,888	8%	61,297	2%

Note 1: Adjusted EBITDA excluding the effect of provision for bonus recorded in 1Q14.

Table 3. Main Indicators – Publishing, including Editora Érica data (R\$000, unless otherwise specified)

Publishing	1Q14	1Q13	Y/Y	4Q13	Q/Q
Gross Revenues	179,838	160,322	12%	266,950	-33%
Net Revenues	179,615	160,149	12%	266,938	-33%
Private	175,023	158,660	10%	94,737	85%
Government	4,592	1,489	208%	172,201	-97%
Gross Profit	141,527	127,570	11%	161,606	-12%
Gross Margin (%)	78.8%	79.7%	-0,9p.p.	60.5%	18.3p.p.
Operating Expenses	73,289	65,456	12%	99,210	-26%
EBITDA	68,238	62,114	10%	62,394	9%
EBITDA Margin (%)	38.0%	38.8%	-0,8p.p.	23.4%	14.6p.p.
Adjusted EBITDA ¹	71,172	62,114	15%	68,975	3%
Adjusted EBITDA Margin ¹ (%)	39.6%	38.8%	0,8p.p.	25.8%	13.8p.p.
Net Income (Loss)	56,335	62,844	-10%	11,983	370%
Net Margin (%)	31.4%	39.2%	-7,9p.p.	4.5%	26.9p.p.

Note 1: Adjusted EBITDA excluding the effect of provision for bonus recorded in 1Q14.

Below we present our key Balance Sheet indicators.

Table 4. Main Indicators Balance Sheet (R\$000, unless otherwise specified)

Consolidated	1Q14	1Q13	Y/Y	4Q13	Q/Q
Cash and cash equivalents	29,968	114,948	-74%	23,086	30%
Total Debt	433,974	378,922	15%	445,684	-3%
Net Debt	404,006	263,974	53%	422,598	-4%
Adjusted Net Debt	486,230	263,974	84%	593,248	-18%
Total Assets	1,426,124	1,422,266	0%	1,326,029	8%
Shareholders' Equity	571,854	578,864	-1%	515,741	11%
Net Debt/Equity	71%	46%	25p.p.	82%	-11p.p.
Adjusted Net Debt ¹ /EBITDA	5,3	1,4	3,9	6,3	-1,0
Net Debt/ Adjusted EBITDA ²	2,2	1,4	0,8	2,6	-0,4
Adjusted Net Debt ¹ /Adjusted EBITDA ²	2,7	1,4	1,3	3,7	-1,0

Note: (1) includes receivables prepayments and acquisition obligations; (2) excluding non-recurring from 2013.

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OUTLOOK

Saraiva reinforced its position in the Brazilian education, culture and entertainment markets, with the elimination of independent structures and introduction of a new operating model and management, at a time of great change in those sectors, including: (1) new operating environment - new context of increasing digitalization and provision of services, in particular those to support and complement the educational content; (2) new business models - new models to market publishing work in new media, and (3) continuous evolution of behavior and expectations of consumers in different channels.

Saraiva's strategy in this scenario remains focused on strengthening its business platform and its competitive position. As part of our 100-year anniversary, we have revised our essence, strengthening our organizational culture, which is results oriented. Aiming to increase the integration between the business units of the Group, we have established a unique brand position: *"we create and distribute content, technology and services, available on any device and format, and accessible anytime and anywhere"*.

Since 1998, the launch date of our e-commerce platform, we've been investing in our integrated and multi-channel approach. In this regard, it is worth highlighting Saraiva's performance on the 2014's Consumer Day. This year, the new seasonal date for the retail national calendar took place on March 19. Saraiva innovated the customer experience, with an exclusive standardized shopping experience, whatever the channel the consumer chose to make purchases.

Our goal is to continue growing, while always balanced between sales and profitability. The expected growth in sales made through our e-commerce platform includes: the expansion of product options and selections, new B2B and Market Place partnerships, as well as the use of our stores for delivery of products sold online. In 1Q14, we deliberately chose to exclude the consumer electronics category from the e-commerce platform because their sales generated negative economic value. However, it is worth mentioning that it is possible to bring this category back, possibly via *Market Place*.

In order to suit the millions of customers, the Saraiva Group segmented its customer base and invested in the creation of the Clients Area – which is starting to operate with a sales approach focused (i) on the specific needs of our clients; (ii) in identifying new business opportunities aiming at increasing conversion; and (iii) on the review and improvement of processes.

Following our path of tradition coupled with innovation, Saraiva successfully invested in the development of hybrid solutions or content in digital format that can be integrated with printed educational material. Currently, the Saraiva Group's supply of products and services includes: e-books, self-publishing, content based on adaptive learning, digital supplements, digital packages of customized courses, online learning games and a multimedia / video and library services system via subscription.

We recently entered the first contract to provide educational content delivery for distance learning courses (EaD). As part of the new partnership, a platform for management of customized learning was designed to offer online versions of graduation and specialization courses, with multimedia presentations, including video lessons, exams with targeted feedback, a virtual library of digital books for each subject, structured lesson plans, manuals for teachers and students, textbook, games, simulators, interactive classes developed to adapt to the student learning process pace. Students will have access to the cloud content available on any device and screen size.

Finally, the Company made a number of important changes over the last 12 months, with adjustments in several areas, which position the Company to a new cycle of value creation.



Among Saraiva Group's key strategic drivers, we highlight:

- Growth of "same store sales";
- Investments in new stores and new store formats (airport model);
- Sustained growth with profitability in the e-commerce operation;
- Improved operational efficiency;
- Implementation of initiatives to enhance working capital management;
- Providing complete solutions for distance learning;
- Increased participation in the content market oriented to technical education.

GUIDANCE

On a consolidated basis, gross sales reported in 1Q14 increased 11% in the yearly comparison, totaling R\$702 million, mainly due to the growth in the volume of sales during the back-to-school period. The result represents 28% of the midpoint guidance established for 2014. It should be mentioned that the results were in line with budgets for this period, traditionally largely represented in the annual results of the Group.

Table 5. Estimated Gross Sales for 2014

	2014	1Q14	% total
Consolidated Gross Sales	R\$ 2.4 – 2.6 billion	R\$ 702 million	28%

As planned, the adjusted consolidated EBITDA was R\$119 million in 1Q14. The result represents 59% of the midpoint guidance established for 2014. The adjusted EBITDA margin went from 18.6% in 1Q13 to 17.7% in 1Q14. During the quarter, the Retail segment accounted for 73% of sales in 1Q14 and 38% of the EBITDA, while the Publishing segment reached 27% of sales and 62% of the EBITDA for the period.

Table 6. Estimated EBITDA for 2014

	2014	1Q14	% total
Adjusted consolidated EBITDA	R\$ 190 – 210 million	R\$ 119 million	59%

The ratio between the adjusted net debt (represented by total loans, financing and receivables prepayments subtracted from the cash balance) and the adjusted EBITDA (excluding non-recurring expenses) was 2.7x at March 31, 2014 versus 3.7x at December 31, 2013. The Company reports adjusted net debt with this concept because it uses it to measure its need for cash.

Table 7. Adjusted Net Debt to EBITDA ratio projected for 2014

	2014	1Q14	4Q13
Adjusted net debt /Adjusted EBITDA	< 2.8x	2.7x	3.7x



SARAIVA CONSOLIDATED RESULTS

The comments presented below on the Saraiva Group's operating performance refer to the consolidated figures, which include the operating results of the Publishing and Retail businesses.

NET REVENUES - Consolidated net revenue grew 9% from R\$613 million in 1Q13 to R\$670 million in 1Q14. This performance reflects both the increase in the sales volume of the Retail division and the increase in sales in the Publishing business segment in the period.

Table 8. Net Revenue by Business Segment (R\$000, unless otherwise specified)

	1Q14	1Q13	Y/Y	4Q13	Q/Q
Publishing Net Revenue	179,615	160,149	12%	266,938	-33%
Retail Net Revenue	515,450	472,070	9%	487,202	6%
Eliminations ¹	(24,678)	(19,408)	27%	(17,893)	38%
Total²	670,387	612,811	9%	736,248	-9%

Note 1: Includes Editora Érica results. 2. The Publishing business sells books it publishes to the Retail business. Therefore, for consolidation purposes, adjustments have to be made to the consolidated sales figure to take into account transactions between Saraiva Group's two business units. 3. Consolidated Net Revenue.

GROSS PROFIT - Gross consolidated profit totaled R\$318 million in 1Q14, 7% higher than previous year's result. Gross margin was down by 0.8 percentage point, to 47.4% in 1Q14 from 48.3% in 1Q13, due to the mix of products sold in Retail and the impact of the accounting criteria of the INSS *Patronal* (social security) tax, which had been previously reported on the operating expenses line. The adjusted gross margin for this effect would be of 47.8% in 1Q14 versus 48.3% in 1Q13.

OPERATING EXPENSES - Operating expenses registered a 14% expansion in the period. This increase is related to expenses in the expansion of the store chain, the reinforcing of corporate structures to support the operations, particularly IT, market intelligence and communications, as well as the investments in new businesses. As a result, operating expenses as a percentage of net revenues, in the y-o-y comparison, presented an increase of 1.4 p.p., reaching 31.1% in 1Q14, versus 29.7% in 1Q13.

Table 9. Operating Expenses by Business Segment (R\$000, unless otherwise specified)

	1Q14	1Q13	Y/Y	4Q13	Q/Q
Publishing Operating Expenses	73,289	65,456	12%	99,210	-26%
Retail Operating Expenses	134,937	116,619	16%	179,665	25%
Eliminations	-	(139)	ns	385	ns
Total	208,226	181,936	14%	279,260	-25%

General and administrative expenses reached R\$58 million in 1Q14, versus R\$42 million in 1Q13, an increase of 37%. General and administrative expenses as a percentage of net revenues reached 8.6% in 1Q14, versus 6.9% in 1Q13. The result is mainly impacted by (i) the expenses aimed at reinforcing the Company's corporate structure, (ii) the provision for bonus of R\$6 million recorded in 1Q14, which started being recorded in 4Q13, and (iii) non-recurring expenses in the amount of R\$ 3,5 million.

Table 10. SG&A Expenses by Business Segment (R\$000, unless otherwise specified)

	1T14	1T13	A/A	4T13	T/T
SG&A Expenses- Publishing	23,092	18,799	23%	28,655	-19%
SG&A Expenses - Retail	34,414	23,224	48%	34,923	-1%
Total SG&A	57,506	42,023	37%	63,578	-10%
SG&A ex-bonus – Publishing	20,158	18,799	7%	22,074	-9%
SG&A ex-bonus – Retail	31,685	23,224	36%	31,261	1%
Total SG&A excluindo provisão para bônus	51,843	42,023	23%	53,335	-3%
SG&A ex-bonus and non-recurring – Publishing	20,158	18,799	7%	22,074	-9%
SG&A ex-bonus and non-recurring – Retail	28,167	23,224	21%	31,261	-10%
Total SG&A ex-bonus e non-recurring	48,325	42,023	15%	53,335	-9%



EBITDA – EBITDA was R\$110 million in 1Q14, a 4% drop compared to R\$114 million in 1Q13, due to the reduction in gross margin and also the effect of operational expenses already mentioned. Adjusted EBITDA, excluding the effect of provision for bonus was R\$119 million, up 4% compared to 1Q13 figures. Adjusted EBITDA margin was 17.7% in 1Q14 as compared to 18.6% in the same period of last year.

Table 11. Consolidated EBITDA (R\$000, unless otherwise specified)

	1Q14	1Q13	Y/Y	4Q13	Q/Q
Net Income (Loss)	56,335	62,844	-10%	11,983	370%
(+) Net financial interests	14,312	7,308	96%	10,354	38%
(+) Income tax / Social Contribution	28,132	32,380	-13%	(4,594)	-712%
(+) Depreciation and amortization	11,010	11,317	-3%	11,561	-5%
(+) Provision for Bonus	5,663	-		10,243	-45%
(+) Equity Income	(38)	14	-371%	6	-733%
(+) Minority shareholders	2	4	-50%	(5)	-
(+) Non-recurring expenses	3,518				
Adjusted EBITDA	118,934	113,867	4%	39,548	201%
Adjusted EBITDA margin	17.7%	18.6%	-0.8p.p.	5.4%	12.4p.p.
Net revenue	670,387	612,811	9%	736,248	-9%
EBITDA	109,753	113,867	-4%	29,305	275%
EBITDA Margin	16.4%	18.6%	-2.2p.p.	4.0%	12.4p.p.

NET INTEREST REVENUE (EXPENSE) - Net financial interests was negative in R\$14 million in 1Q14, compared to R\$7 million in 1Q13. In 1Q14, financial expenses amounted to R\$16 million, compared to R\$9 million in 1Q13, reflecting the increase in the average debt balance.

NET INCOME FOR THE PERIOD - Consolidated net income in 1Q14 was R\$56 million, a year-over-year decline of 10%. Net margin was 8.4% in 1Q14, versus 10.3% in 1Q13.

INVESTMENTS (CAPEX) - In 1Q14, investments made by the Saraiva Group totalled R\$17 million, focused in: (i) information technology and logistics; (ii) new stores / new formats and (iii) development of new models for the commercialization of publishing works in new media.

LIQUIDITY - On March 31, 2014, the Company had approximately R\$30 million in cash and cash equivalents. Net debt, including operations of prepayment of receivables, totaled R\$486 million at the end of 1Q14.

Table 12. Evolution of the main debt indicators monitored by the Company (R\$000)

Consolidated	1Q14	1Q13	Y/Y	4Q13	Q/Q
Cash and cash equivalents	29,968	114,948	-74%	23,086	30%
Total debt	433,974	378,922	15%	445,684	-3%
Short term debt	309,652	169,800	82%	224,722	38%
Long term debt	124,322	209,122	-41%	220,962	-44%
Net debt	404,006	263,974	53%	422,598	-4%
Adjusted net debt ¹	486,230	263,974	84%	593,248	-18%
Shareholders' equity	571,854	578,864	-1%	515,741	11%
Net debt/Equity	71%	46%	25 p.p.	82%	-11 p.p.

Note 1: includes receivables prepayments, leasing and acquisition obligations.

In addition to loans and credit lines, in the last two quarters, the Company used receivables prepayments in the last two quarters to finance its working capital, as shown below. The anticipated total volume of receivables (card) increased and totaled R\$72 million in 1Q14.


Table 13. Sources used for financing working capital and investments (R\$000)

Source of Funding	Profile	Classification	1Q14	1Q13	Y/Y
Working capital	ST & LT	Passive	324,406	207,013	57%
Discounting receivables ¹	ST	-	71,955	-	-
BNDES	ST & LT	Passive	107,248	168,853	-36%
Other ²			12,589	3,056	312%
Total			516,198	378,922	36%

Note 1. discounting receivables transaction is without recourse. 2. includes leasing and acquisition obligations. ST – Short Term and LT – Long Term.

The ratio of adjusted net debt to EBITDA (excluding non-recurring from 2013), used to measure the Company's cash needs, was 2.7x as of March 31, 2014, compared to 3,7x in 4Q13.

Table 14. Evolution of main debt indicators monitored by the Company

Consolidated	1Q14	1Q13	Y/Y	4Q13	Q/Q
Net Debt ¹ / Adjusted EBITDA ²	2.2	1.4	0.8	2.6	-0.4
Adjusted Net Debt ¹ / EBITDA	5.3	1.4	3.9	6.3	-1.0
Adjusted Net Debt¹ / Adjusted EBITDA²	2.7	1.4	1.3	3.7	-1.0

Note 1: includes receivables prepayments, leasing and acquisition obligations. 2. Adjusted EBITDA excluding 2013 non-recurring

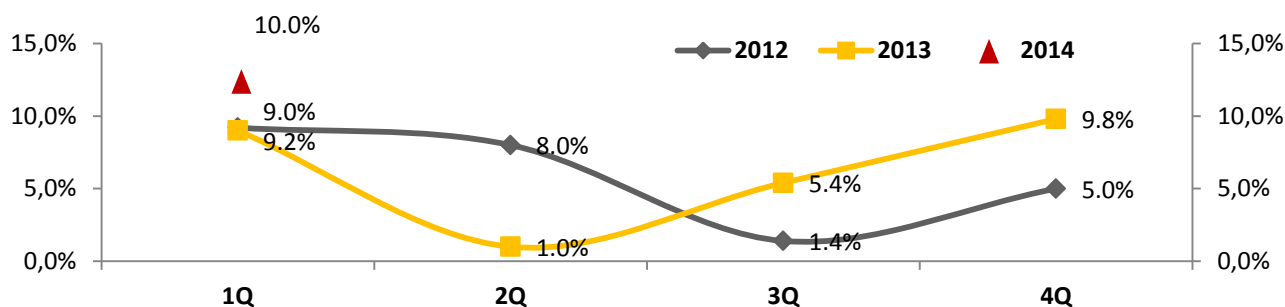
On February 13, Saraiva announced a share buyback program aiming at maximizing shareholder value. The Company is authorized to purchase up to 8.35% of its outstanding shares on the market for a period of 365 days. Until April 22, 2014, 18% of the authorized shares were already repurchased within the program, representing 292,300 preferred shares and 400 common shares.



RETAIL BUSINESS SEGMENT RESULTS

NET SALES REVENUE – The gross revenue from retail operations reached R\$547 million in 1Q14, up 11% compared to the same period last year, mainly due to the performance of the stores in sales of school supplies during the back-to-school period. As shown in the graph below, net same store sales increased by 10.0% in the quarter compared to the same period last year.

Chart 1. Sales Performance – Nominal Growth of Same Store Sales – by Quarter



Net revenues from the e-commerce division decreased 1.8% from the previous year, reaching R\$158 million, due to the decline in the consumer electronics category. E-commerce sales, excluding consumer electronics, went up by 6% compared to the previous year. It is worth highlighting that the Company deliberately chose to stop selling consumer electronics in the current business conditions because those sales generated negative economic value. It is possible that the Company could bring this category back to e-commerce, possibly via *Market Place*.

GROSS PROFIT – Retail gross profit reached R\$176 million in 1Q14, 5% higher than 1Q13. Gross margin decreased by 1.4 percentage point, to 34.2% in 1Q14 from 35.6% in 1Q13, mainly due to the mix of products sold and impact from accounting criteria of INSS *Patronal* (social security) tax, which had been previously reported on the operating expenses line. It is worth mentioning that the gross margin in 1Q14, when compared to the results reported in the same period last year, is also distorted due to the effect of changes in the INSS *Patronal*, which is now deducted from gross revenues, of approximately 0.7% in the quarter. Gross margin adjusted to such effect would be 34.9% in 1Q14 versus 35.6% in 1Q13.

OPERATING EXPENSES – Operating expenses in the Retail business, which consist of the commercial department, marketing, advertising, freight, packaging and rent expenses, increased by 16% to R\$135 million, against R\$117 million in 1Q13. These results are due to (i) an increase in personnel expenses (which already include provision for bonus), (ii) the expenses related to investments in new stores, IT and logistics and (iii) non-recurring expenses in the amount of R\$ 3,5 million.

General and administrative expenses totaled R\$34 million in 1Q14, or 6.7% of net sales, increase of 1.8 percentage point in the yearly comparison. Excluding the provision for bonus and non-recurring expenses, general and administrative expenses totaled R \$ 28 million, or 5.5% of net sales versus 4.9% in 1Q13. Selling expenses, in turn, totaled R\$103 million in 1Q14 against R\$97 million in 1Q13. The ratio between selling expenses to net sales in Retail decreases by 1.1 percentage point; 19.9% in 1Q14 compared to 20.6% in 1Q13.



EBITDA - Retail EBITDA totaled US\$ 41 million. Adjusted EBITDA decreased by 8% y-o-y, to R\$47,5 million in 1Q14 from R\$51 million in 1Q13. Adjusted EBITDA margin was 9.2% in 1Q14, compared to 10.9% in the same period last year. The result was driven by a drop in the gross margin and an increase in expenses as mentioned above.

Table 15. EBITDA Retail Business (R\$000, unless otherwise specified)

	1Q14	1Q13	Y/Y	4Q13	Q/Q
Net Income (Loss)	13,637	24,103	-43%	(30,124)	145%
(+) Net financial interests	11,654	5,608	108%	5,571	109%
(+) Income tax / Social Contribution	7,446	12,413	-40%	(13,988)	153%
(+) Depreciation and amortization	8,548	9,308	-8%	9,081	-6%
(+) Provision for Bonus	2,729	-		3,662	-25%
(+) Equity Income	-	-		-	
(+) Minority shareholders	-	-		-	
(+) non-recurring expenses	3,518	-		-	
Adjusted EBITDA	47,532	51,432	-8%	(25,798)	-284%
Adjusted EBITDA margin	9.2%	10.9%	-1,7p.p.	-5.3%	14p.p.
Net revenue	515,450	472,070	9%	487,202	6%
EBITDA	41,285	51,432	-20%	(29,460)	240%
EBITDA Margin	8.0%	10.9%	-2,9p.p.	-6.0%	14p.p.

NET INCOME (LOSS) FOR THE PERIOD – Due to the aforementioned reasons, retail net income was R\$14 million in 1Q14.

WORKING CAPITAL - The ratio "working capital/net revenue" went from 17.9% in 1Q13 to 20.2% in 1Q14. The Retail operating cycle reached 85 days in 1Q14, compared to 70 days in 1Q13. "Accounts receivable" remained stable in 55 days in 1Q14. The average inventory coverage period increased 7 days, from 87 in 1Q13 to 94 days in 1Q14. The payment period to suppliers decreased 8 days, from 71 days in 1Q13, to 63 days in 1Q14.

HIGHLIGHTS RETAIL – In April 2014, Saraiva opened a Mega Store in Shopping Iguatemi Esplanada, in Sorocaba, which is in the countryside of São Paulo state. Saraiva currently has a network of 114 stores in 17 states and the Federal District, two of them being in the Airport format, which includes the store at Guarulhos International Airport, opened in September 2013, the first one in this segment, and another store at the International Airport in Manaus - Eduardo Gomes, opened on April 9, 2014.

Table 18. New Stores opened in 2014

Date	Format	Location	City	State
April/2014	Megastore	Shopping Iguatemi Esplanada	Sorocaba	SP
April/2014	Airport	Aeroporto Eduardo Gomes	Manaus	AM

In December 2013, Saraiva signed an exclusivity agreement to open 5 new stores in Viracopos International Airport, located in Campinas, São Paulo. With opening slated for June 2014, the stores will be located in the new terminal area of the International Airport. This represents a strategic positioning opportunity for the Company in a new niche with excellent potential for generating returns.

Table 17. New Stores Planned for 2014

Date	Format	Location	City	State
May/2014	Airport	Aeroporto Afonso Pena	Curitiba	PR
June/2014	Airport	Aeroporto Internacional de Viracopos	Campinas	SP
October/2014	Megastore	Shopping Vila Velha	Vila Velha	ES
October/2014	Megastore	Shopping Passeio das Águas	Goiânia	GO



NEW LOGISTIC CENTER - The new logistics center in Cajamar, metro region of São Paulo, is on schedule and on budget. At the quarter end, the new distribution center accounted for 90% of Saraiva's e-commerce deliveries.

PUBLIQUE-SE! - Within the portfolio of services offered by Saraiva Group is *Publique-se!* (Publish-it!), a self-publishing service, which already has more than 7,445 authors waiting for contractual review and more than 1,700 books already published.

SARAIVA PLUS - Another initiative is the Saraiva Plus customer loyalty card, which is an important tool for building relationships with customers in our physical stores and on Saraiva.com.br. The analysis of the information generated by customer utilization enables us to identify the buying habits and preferences of each program member, aggregate more value to our customer's shopping experience, anticipate customers' needs in advance, and as a result, leverage our sales. The Saraiva Plus loyalty program had 9.2 million members in 1Q14.

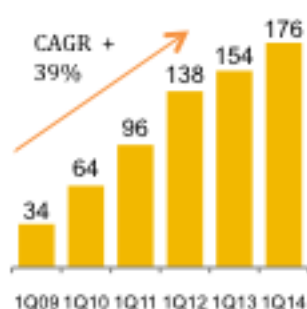


PUBLISHING BUSINESS SEGMENT RESULTS

The first quarter is characterized by the sale of content for students enrolled in elementary and secondary private schools, as well as university students and professionals in Law, Economics, Accounting and Business.

REVENUES – Net revenue in the Publishing business, including Editora Érica results, totaled R\$180 million in 1Q14, up 12% compared to the same period last year. The sales performance of the Publishing unit reflected increased sales of textbooks to private schools for elementary and middle levels.

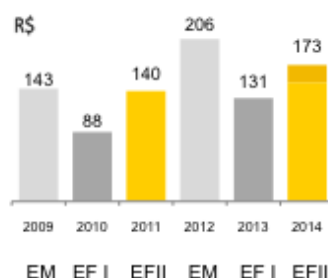
Chart 2. Learning Systems Students Base (1Q09-1Q14)



The line of business for basic education content accounted for 63% of the billing for the period and increased by 11% over the same period last year. This performance is primarily associated with the sales results in the area of educational material in the textbook format, as well as in the learning systems. In 1Q14, the net revenue of the Learning Systems unit totaled R\$17 million, an increase of 30% over the same period last year.

In the Government sphere, sales of the Publishing Business Unit are impacted by the textbook purchasing cycle under the National Textbooks Program (PNLD). In the fiscal year of 2014, new adoptions in PNLD are aimed at high school students.

Chart 3. PNLD Results (2008-2014)



The Government's purchasing cycle (PNLD) is based on a three year cycle.

Under the PNLD for the 2015 academic year, requests for 68 titles as part of the Federal Government purchases cycle were made, with new acquisitions aimed at High Schools. In relation to the new acquisitions, we estimate market potential of approximately 83.4 million books, a segment in which the Publishing business has traditionally been obtaining good results.

GROSS PROFIT - Gross profit of the Publishing business reached R\$142 million in 1Q14, 11% more than 1Q13. Gross margin had a slight decrease of 0.9 percentage point, to 78.8% in 1Q14 from 79.7% in 1Q13. The decline in the Publishing unit gross margins in 1Q14 is explained by the increased participation of content sales designed for Basic Education in the mix, with margins that are lower than those of other segments in which the Publishing unit operates.

OPERATING EXPENSES - Operating expenses in the Publishing business showed an increase aligned with the increase in revenues, of 12% compared to the same period last year. This behavior is explained, to a large extent, by the consolidation of Editora Érica expenses in 1Q14, the reinforcing of corporate structures and the development of new distribution channels of the Publishing unit, pressuring results in the short term, but with good prospects in future returns. The general and administrative expenses line amounted to R\$21 million in 1Q14, 14% higher than 1Q13, or 12.3% of net sales, compared to 11.7% in 1Q13. The selling expenses to net sales ratio in the Publishing business was 28.4% in 1Q14 compared to 29.1% in 1Q13.



EBITDA – EBITDA for the Publishing business ended with a positive result of R\$68 million. Adjusted EBITDA reached R\$71 million, compared to EBITDA of R\$62 million in 1Q13, mainly due to the good performance of the private market and the positive contribution of Editora Érica. Adjusted EBITDA margin was 39.3% in 1Q14, as compared to 39.6% in the same period last year.

Table 18. EBITDA Publishing Business (R\$000, unless otherwise specified)

	1Q14	1Q13	Y/Y	4Q13	Q/Q
Net Income (Loss)	56,335	62,844	-10%	11,983	370%
(+) Net financial interests	2,658	1,700	56%	4,782	-44%
(+) Income tax / Social Contribution	20,794	19,967	4%	9,698	114%
(+) Depreciation and amortization	2,142	2,009	7%	2,159	-1%
(+) Provision for Bonus	2,934	-	ns	6,581	-55%
(+) Equity Income	(13,691)	(24,406)		33,772	
(+) Minority shareholders	-	-	-	-	-
Adjusted EBITDA	71,172	62,114	15%	68,975	3%
Adjusted EBITDA margin	39.6%	38.8%	0.8p.p.	25.8%	13.8p.p.
Net revenue	179,615	160,149	12%	266,938	-33%
EBITDA	68,238	62,114	10%	62,394	9%
EBITDA Margin	38.0%	38.8%	-0.8p.p.	23.4%	14.6p.p.

NET INCOME FOR THE PERIOD – Adjusted net income of the Publishing business reached R\$56 million in 1Q14, 10% lower than the R\$63 million result reported in 1Q13, due to the impact of net financial interests.

SUBSEQUENT EVENTS – Saraiva entered the first contract with an Institution of Higher Education, providing content in the form of distance learning, in print and digital format, including a platform for management of customized learning. There are 7 courses included in the scope of this contract, in which 3 are of degree level and 4 of technical levels, all in the EaD model.



CONFERENCE CALL DETAILS

Our 1Q14 Conference Call, conducted in Portuguese, will be held on Thursday, May 8, 2014, 10:30AM (local time) / 9:30AM (Eastern Time). The Conference Call in English will be held on the same date, at 12:00PM (local time) / 11:00AM (Eastern Time).

To participate in the conference call conducted in Portuguese, please dial: (11) 2188-0155. To participate in the conference call conducted in English, please dial: (11) 2188-0155 (domestic BZ); (1 646) 843-6054 (US); (1 866) 890-2584 (other international).

The conference call will be webcast live through streaming audio. For details please access www.saraivair.com.br.

CONFERENCE CALL DETAILS (PORTUGUESE)

Date: May 8, 2014

Time: 10:30 AM (local time) / 9:30 AM (ET)

Dial-in numbers:

Brazil: +55 11 2188 0155

EUA: +1 646 843 6054

Other regions: 1 866 890 2584

Access code: Saraiva

The conference call will be recorded and available for replay for 7 days. In order to get obtain access to the replay, please dial the following numbers:

Portuguese: +55 11 2188 0155 Code: Saraiva Português

English: +55 11 2188 0155 Code: Saraiva English

CONFERENCE CALL DETAILS (ENGLISH)

Date: May 8, 2014

Time: 12:00 noon (local time) / 11:00 AM (ET)

Dial-in numbers:

Brazil: +55 11 2188 0155

EUA: +1 646 843 6054

Other regions: 1 866 890 2584

Access code: Saraiva

The conference call will be recorded and available for replay for 7 days. In order to obtain access to the replay, please dial the following numbers:

Portuguese: +55 11 2188 0155 Code: Saraiva Português

English: +55 11 2188 0155 Code: Saraiva English

To access the live webcast, log on at:

WEBCAST PLATAFORM

Portuguese: <http://webcast.mzvaluemonitor.com/Cover.aspx?PlatformId=1964>

English: <http://webcast.mzvaluemonitor.com/Cover.aspx?PlatformId=1964>

Webcast: www.saraivair.com.br

ABOUT SARAIVA

Saraiva, a company focused on education, culture and entertainment, is present in all phases of its clients' lives. The Company operates its retail business through a multichannel concept with a wide range of products and services, and conducts its online business through Saraiva.com.br, which is fully integrated with the physical store chain. The Company also publishes and distributes content, primarily focused on education, in print and digital formats and through Learning Systems, covering from pre-school to university, and also publishes technical and professional content.

FORWARD-LOOKING STATEMENTS

This report may contain certain forward-looking statements concerning our future performance that should be considered as good faith estimates made by us. These forward-looking statements reflect management's expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact our actual performance.



CONSOLIDATED INCOME STATEMENTS

	1Q14	4Q13	Q/Q	1Q13	Y/Y
Gross Revenue	702,133	774,502	-9%	634,998	11%
Deductions	31,746	38,254	-17%	22,187	43%
Net Revenue	670,387	736,248	-9%	612,811	9%
Cost of Goods, Merchandise and Services Sold	352,408	427,683	-18%	317,008	11%
Gross Profit	317,979	308,565	3%	295,803	7%
Selling Expenses	152,755	175,188	-13%	143,623	6%
General and Adm Expenses	57,506	63,578	-10%	42,023	37%
Other Revenues/Expenses	(2,035)	40,494	-105%	(3,710)	-45%
Equity Income	(38)	6	-733%	14	-371%
Operating Revenue/Expenses	208,188	279,266	-25%	181,950	14%
Depreciation and Amortization	11,010	11,561	-5%	11,317	-3%
Result before Net Financial Interest and Taxes	98,781	17,738	457%	102,536	-4%
Net Financial Interests	(14,312)	(10,354)	38%	(7,308)	96%
Financial Revenue	1,750	2,137	-18%	1,728	1%
Financial Expenses	(16,062)	(12,491)	29%	(9,036)	78%
Result before Taxes	84,469	7,384	1044%	95,228	-11%
Income Tax and Social Contribution	(28,132)	4,594	512%	(32,380)	-13%
Net Income (Loss)	56,337	11,978	370%	62,848	-10%
Attributable to:					
Controlling shareholders	56,335	11,983	370%	62,844	-10%
Minority shareholders	2	(5)		4	0
EBITDA ¹	109,753	29,305	275%	113,867	-4%

Note 1: EBITDA represents net income before financial results, social contribution, income tax, depreciation and amortization. It is not a measure used in accordance with accounting practices adopted in Brazil, or the generally accepted accounting principles of other countries; not representing cash flows for the periods presented, and should not be considered an alternative to net income as an indicator of the operating performance of the Company, or an alternative to cash flows as an indicator of liquidity. EBITDA does not have a standardized formula, and this definition of EBITDA may not be comparable with EBITDA as defined by other companies.



CONSOLIDATED BALANCE SHEETS

	1Q14	4Q13	Q/Q	1Q13	Y/Y
Total Assets	1,426,124	1,326,029	8%	1,422,266	0%
Current Assets	1,055,190	949,363	11%	1,042,602	1%
Cash and Cash Equivalents	29,968	23,086	30%	114,948	-74%
Trade Accounts Receivable	396,356	256,907	54%	431,146	-8%
Inventories	471,915	503,225	-6%	396,048	19%
Recoverable Taxes	136,533	140,196	-3%	81,511	68%
Other Credits and Receivables	17,782	23,390	-24%	16,581	7%
Prepaid expenses	2,636	2,559	3%	2,368	11%
Non-Current Assets	370,934	376,666	-2%	379,664	-2%
Long Term Assets	72,973	84,549	-14%	91,013	-20%
Other Long Term Assets	72,973	79,008	-8%	91,013	-20%
Investments	752	714	5%	596	26%
Property, Plant & Equipment	115,144	116,092	-1%	126,608	-9%
Intangibles	182,065	175,311	4%	161,447	13%
Total Liabilities	1,426,124	1,326,029	8%	1,422,266	0%
Current Liabilities	688,854	549,896	25%	591,788	16%
Loans and Financing	309,652	224,722	38%	169,800	82%
Suppliers	251,962	215,945	17%	311,977	-19%
Taxes and Social Contribution	28,455	16,809	69%	27,248	4%
Accounts and Expenses Payable	79,947	88,796	-10%	60,010	33%
Interest on own capital	2,763	2763	0%	15,206	-82%
Participação dos colaboradores	14,380			0	
Participação dos administradores	1,695			7,547	-78%
Non-Current Liabilities	737,270	776,133	-5%	830,478	-11%
Long Term Liabilities	165,416	260,392	-36%	251,614	-34%
Provision for contributions and taxes	16,806	16,543	2%	15,668	7%
Loans and Financings	124,322	220,962	-44%	209,122	-41%
Deferred income tax and social contribution	19,206	21,530	-11%	25,882	-26%
Other	5,082	1357	275%	942	439%
Shareholder's equity	571,854	515,741	11%	578,864	-1%
Share capital	279,901	279,901	0%	229,901	22%
Treasury shares	-5,168	-4,923	5%	-4,923	5%
Profits reserve	209,907	209,886	0%	272,007	-23%
Retained earnings	56,335			62,844	-10%
Proposed additional dividend	19,543	19,543	0%	7,695	154%
Equity valuation adjustments	11,279	11,279	0%	11,279	0%
Minority Shareholders	57	55	4%	61	-7%



INCOME STATEMENT – PUBLISHING

	1Q14	4Q13	Q/Q	1Q13	Y/Y
Gross Revenues	174,716	262,966	-34%	160,322	9%
Deductions	223	12	1758%	173	29%
Net Revenues	174,493	262,954	-34%	160,149	9%
Cost of Goods Sold	37,485	104,742	-64%	32,579	15%
Gross Profit	137,008	158,212	-13%	127,570	7%
Selling Expenses	49,524	71,346	-31%	46,649	6%
General and Administrative Expenses	21,492	27,124	-21%	18,799	14%
Other Revenue/Expenses	39	(1,477)	-103%	8	388%
Equity Income	(15,767)	32,731	-148%	(24,406)	-35%
Operating Revenue/Expenses	55,288	129,724	-57%	41,050	35%
Depreciation and Amortization	2,125	2,143	-1%	2,009	6%
Operating Income before Net Financial Interests and Taxes	79,595	26,345	202%	84,511	-6%
Net Financial Interests	(2,618)	(4,583)	-155%	(1,700)	54%
Financial Revenues	1,065	517	106%	1,508	-29%
Financial Expenses	(3,683)	(5,300)	-169%	(3,208)	15%
Results before Taxes	76,977	21,562	257%	82,811	-7%
Income Tax and Social Contribution	20,642	9,579	115%	19,967	3%
Net Results before Minority Shareholders	56,335	11,983	370%	62,844	-10%
Minority Shareholders	-	-		-	
Net Income (Loss)	56,335	11,983	370%	62,844	-10%
EBITDA ¹	65,953	61,219	8%	62,114	6%

Note 1: EBITDA represents net income before financial results, social contribution, income tax, depreciation and amortization. It is not a measure used in accordance with accounting practices adopted in Brazil, or the generally accepted accounting principles of other countries; not representing cash flows for the periods presented, and should not be considered an alternative to net income as an indicator of the operating performance of the Company, or an alternative to cash flows as an indicator of liquidity. EBITDA does not have a standardized formula, and this definition of EBITDA may not be comparable with EBITDA as defined by other companies.



INCOME STATEMENT – RETAIL

	1Q14	4Q13	Q/Q	1Q13	Y/Y
Gross Revenues	546,973	525,444	4%	494,084	11%
Deductions	31,523	38,242	-18%	22,014	43%
Net Revenues	515,450	487,202	6%	472,070	9%
Cost of Goods Sold	339,228	336,997	1%	304,019	12%
Gross Profit	176,222	150,205	17%	168,051	5%
Selling Expenses	102,597	102,770	0%	97,113	6%
General and Administrative Expenses	34,414	34,923	-1%	23,224	48%
Other Revenue/Expenses	(2,074)	41,972	-105%	-3,718	-44%
Equity Income	-	-	-	-	-
Operating Revenue/Expenses	134,937	179,665	-25%	116,619	16%
Depreciation and Amortization	8,548	9,081	-6%	9,308	-8%
Operating Income before Financial Net Financial	32,737	(38,541)	-185%	42,124	-22%
Interests and Taxes					
Net Financial Interests	(11,654)	(5,571)	109%	(5,608)	108%
Financial Revenues	1,167	2,886	-60%	357	227%
Financial Expenses	(12,821)	(8,457)	52%	(5,965)	115%
Results before Taxes	21,083	(44,112)	-148%	36,516	-42%
Income Tax and Social Contribution	7,446	(13,988)	-47%	12,413	-40%
Net Income (Loss)	13,637	(30,124)	-145%	24,103	-43%
EBITDA ¹	41,285	(29,460)	240%	51,432	-20%

Note 1: EBITDA represents net income before financial results, social contribution, income tax, depreciation and amortization. It is not a measure used in accordance with accounting practices adopted in Brazil, or the generally accepted accounting principles of other countries; not representing cash flows for the periods presented, and should not be considered an alternative to net income as an indicator of the operating performance of the Company, or an alternative to cash flows as an indicator of liquidity. EBITDA does not have a standardized formula, and this definition of EBITDA may not be comparable with EBITDA as defined by other companies.



GLOSSARY

ABRELIVROS - Brazilian Association of School Book Publishers is a non-profit organization that guides, defends and protects the interests of educational book publishers in the country, and their associates, representing the companies among the Federal Government and other bodies.

BNDES - National Bank for Economic and Social Development.

CNE - The National Education Council, which performs the functions and responsibilities of the federal Federal Government in education-related matters.

EBITDA - In accordance with CVM Instruction 527, the definition of EBITDA is Earnings Before the Net Financial Result, Income Taxes including Social Contribution, Depreciation and Amortization.

Basic Education - Basic education is the first level of schooling within the country and contains three levels: early childhood education (for children up to 5 years old), elementary / middle school (for students from 6 to 14 years old) and high school (for students from 15 to 17 years old).

Higher education - Education in universities, colleges, polytechnic schools, graduate schools and other institutions that offer academic or professional degrees.

Technical Education - Intermediate level between Basic Education and Higher Education, or a substitute for Higher Education. Its goal is to qualify students who complete Primary Education or Secondary Education for the job market.

FNDE - National Fund for the Development of Education - Administrative Unit responsible for running the PNLD.

Hoper - Hoper Education is a group of specialized consulting firms in the public and private education segments in Brazil.

MEC - The Ministry of Education, which is the federal agency responsible for the national policy on Early Childhood Education; Elementary School, Middle School and Professional; Higher Education, of Young People and Adults; Special Education; and Distance Learning.

MecDaisy - MecDaisy is a technological tool that allows for the production of books in an accessible digital format. It allows for the generation of spoken digital books with audio reproduction, recorded or synthesized, with easy navigation of the text; allowing for the synchronized playback of selected passages, going backwards and forwards among paragraphs and searching for sections or chapters.

OED - Digital Educational Objects is audiovisual content produced under the PNLD program, aiming to provide students with experiences that go beyond just reading and writing. The content of the printed book is integrated with digital learning objects; including videos, animations, games and simulators.

PNLD - National Textbooks Program - Program focused on the distribution of textbooks to students in Brazil's public schools network, in primary and secondary education. The process of evaluating, acquiring and distributing books under the PNLD is performed by the FNDE, with funding from the Federal Budget and collection of the educational allowance. The entire pedagogical evaluation process, selection of the works and preparation of the Textbooks Guide is coordinated by the MEC's Office of Basic Education.

Pronatec - National Program for Access to Technical Education and Employment (Pronatec), created by the Federal Government in 2011, for the purpose of expanding professional and technological course offerings.

SEB - Secretary of Basic Education

SSA - courseware solution to support education in the areas of Law and Business Administration. This is a methodology developed to support the work of teachers in the classroom and to maximize student learning; covering a wide range of activities that support the curriculum, and able to develop in the students the skills and abilities they require in order to perform better on official tests and assessments, such as the ENADE and OAB.

The Saraiva Group is engaged in the publishing segment, selling books and content through Saraiva S.A. Livreiros Editores ("Publishing"), Editora Érica Ltda. ("Érica") and Minha Biblioteca Ltda. ("My Library"), and in the retail segment, selling products related to culture, leisure and information, through Saraiva and Siciliano S.A. ("Retail").