Ser Educacional announces its results for the first quarter of 2018

Recife, May 9, 2018 – Ser Educacional S.A. (B3 SEER3, Bloomberg SEER3:BZ and Reuters SEER3.SA), announces its results for the first quarter of 2018 (1Q18). The base for presentation and analysis of results are described on page 2 of this document.

- **Net revenue totaled R$317.2 million** in 1Q18, 1.6% up on 1Q17, due to the growth in the student base and the higher average ticket in the period.
- In 1Q18, **EBITDA Adjusted** for non-recurring effects totaled **R$78.2 million**, 30.3% down on 1Q17. The adjusted EBITDA margin came to 24.7%, versus 35.9% in the same period last year.
- **Adjusted net income amounted to R$62.8 million in 1Q18**, 24.1% down on the R$82.8 million posted in 1Q17.
- **Net cash ended 1Q18 at R$427.1 million,** compared to a net debt of R$130.9 million recorded in 1Q17, due to the inflow of resources from a capital increase and the Company's operating cash generation.
- The Company expanded the number of **Distance Learning centers, since the introduction of the new regulatory framework for the distance learning segment** in July 2017. Operations began at 190 centers, compared to 15 operating centers in 1Q17.
- The Company had **3 new on-campus units accredited by the Ministry of Education (MEC):** Patos (PB), Imperatriz (MA) and Campinas (SP). As a result, the Company successfully completed 37 of the 45 accreditations envisaged in its long-term plan.
- The Annual Shareholders' Meeting held on April 27, 2018, resolved to approve the Board of Directors' proposal to **distribute dividends,** in the amount of R$37,847,153.00, representing R$0.273393937 per share, paid on May 7, 2018, based on the shareholding position of April 27, 2018.

1Q18 Conference Call

May 9, 2018

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Financial Highlights	1Q18	1Q17 Comparable	% Chg. 1Q18 x 1Q17	4Q17 Comparable	% Chg. 1Q18 x 4Q17
(R$ '000)					
Net Revenue	317,249	312,137	1.6%	306,696	3.4%
Adjusted Cash Gross Profit	190,981	196,837	-3.0%	165,574	15.3%
Adjusted Cash Gross Margin	*60.2%*	*63.1%*	*-2.9 p.p.*	*54.0%*	*6.2 p.p.*
Adjusted EBITDA	78,220	112,162	-30.3%	41,299	89.4%
Adjusted EBITDA Margin	*24.7%*	*35.9%*	*-11.3 p.p.*	*13.5%*	*11.2 p.p.*
Adjusted Net Income	62,836	82,799	-24.1%	16,037	291.8%
Adjusted Net Margin	*19.8%*	*26.5%*	*-6.7 p.p.*	*5.2%*	*14.6 p.p.*

Basis for presentation of results and adoption of IFRS 9 and 15:

The information is presented in accordance with international financial reporting standards (IFRS) and consolidated in Brazilian reais (R$). Comparisons refer to the first quarter of 2017, unless otherwise indicated.

As of 1Q18, the Company will recognize its revenue from students' tuition fees in accordance with IFRS 15, and recognize gross revenue based on the amounts charged on bank slips due on the 30th of each month, or based on contracts for services, and no longer on the monthly tuition fee due on the 5th of each month that considers a punctuality discount. The practical effect of this change results in the additional recognition of the interest income on students' tuition fees as gross revenue as of this year, which until 2017 was recognized as financial income of tuition interest.

For purposes of comparison between results, the Company reclassified the interest on students' tuition fees of previous quarters by denominating these quarters as "Comparable 1Q17 and Comparable 4Q17". These accounting changes do not generate a nominal variation in the Company's adjusted EBITDA.

The results, when presented as "adjusted", consider the non-recurring effects. The impact of the investments in new units and the development of distance learning segment are presented in the section "EBITDA and Net Income Excluding Organic Expansion".

In the same quarter, the Company adopted the Provision for Doubtful Accounts (PDA) in accordance with IFRS 9, in order to reflect the expected loss in accounts receivable according to the default of the last 12 months per student, by title and for each maturity range, except for student financing from federal government programs (FIES). Until the 2017 fiscal year, the Company accrued its PDA considering 100% of default from 180 days.

Message from Management

The results for the first quarter of 2018 reflect the Company's efforts to implement its new organic growth cycle, which started in 2017 and is aimed at opening new on-campus units, expanding its distance learning center network (EAD) and a complementary strategy to carry out acquisitions. This cycle of growth has been taking place in a challenging market environment.

In the last 18 months, the Company had 29 new on-campus units accredited by the Ministry of Education (MEC), and obtained, through the new regulatory framework for the distance learning segment, the capacity to expand its number of new distance learning centers. The highlight of the year was the development of the Company's distance learning network, which, through a portfolio of regional brands, managed to double its student base in 1Q18 compared to 1Q17.

Regarding the on-campus higher education segment, the Company experienced an adverse period, mainly due to strong cuts in government programs in relation to FIES, which presented a significant delay in its intake process. This negatively impacted markets in which the Company operates, as students usually wait on government programs before defining how they will conduct their studies in the semester. Additionally, it should be mentioned that the Brazilian economic environment in the first quarter has not yet shown clear signs of improvement for the higher education sector, since the unemployment rate and income levels, mainly in the regions where the Company operates, have not yet presented the necessary development.

Considering this backdrop, undergraduate consolidated student enrollment decreased by 0.6%, with a growth of 155.2% in student enrollment in the distance learning undergraduate education segment, resulting in a growth of 106.9% in the student base of this segment. On-campus undergraduate segment we observed a consolidated reduction of 15.4% in the comparison between 1Q17 and 1Q18. Considering only non-FIES students, the Company presented a growth of 2.5% in its intake, resulting in a drop of 3.2% in its on-campus student base in the quarter.

As a result of the increase in the distance learning student base and a reduction in the on-campus student base, the Company grew its total student base by 1.9% in the quarter, and a sustainable average ticket, with low exposure to private credit alternatives, and with growth in participation of the health courses, which have the highest average ticket.

Regarding acquisitions, the Company is constantly engaged in negotiations and evaluates opportunities that may generate value for its shareholders and its business. In this sense, negotiations have recently been established with representatives of Nilza Cordeiro Herdy de Educação e Cultura S/S Ltda ("UNIGRANRIO"), with the purpose of signing a Purchase and Sale Agreement of said educational institution. Such negotiations, however, have not yet been concluded and there is no binding document signed with UNIGRANRIO. Therefore, there is no guarantee that the negotiation for the acquisition of UNIGRANRIO will be successfully completed and Ser Educacional will keep its shareholders informed about any developments in this negotiation.

In this scenario, the Company, which until the first quarter of 2018 was in the process of accelerating its long-term organic growth plan, focused on taking full advantage of the number of new on-campus units and learning distance centers accredited in recent months, will start an action plan aiming to resume its operating and financial efficiency from 2Q18.

This action plan is based on three pillars: (i) re-adjust its operating structure to align the Company's operations to the current student base, (ii) re-order the opening of newly accredited units in order to launch them over the next few years with a wider course portfolio – this move will be important since it will further dilute the impact and the expected maturation period of these openings and, without affecting the Company's long-term plan, and (iii) reduce the pace of new accredited units and on-campus courses, since the number of the Company's accreditations is already sufficient for the execution of its long-term growth plan and these activities represent significant expenses within the Company's operating structure.

The Company's Management believes in its long-term business plan and believes that, due to the market's current conditions and the Brazilian economic environment, it must act on this plan in order to provide growth with satisfactory profitability levels, in line with its history, keeping the Company prepared for its new growth cycle.

OPERATING PERFORMANCE

At the end of 1Q18, the Company had already enrolled 45,800 undergraduate students, compared to 46,100 students in the same period in 2017, a decrease of 0.6%. The highlight of the quarter was the Distance Learning segment (EAD), which grew by 155.2%, with an intake of 10,200 students, compared to 4,000 in 1Q17.

Undergraduate Student Enrollment						
In thousands	1Q18	1Q17	% Chg	2018.1 (May, 4)	2017.1 (May, 4)	% Chg
Undergraduate Enrollments	45.8	46.1	-0.6%	52.8	50.9	3.7%
Distance Learning	10.2	4.0	155.2%	12.3	4.6	163.8%
On-campus	35.6	42.0	-15.4%	40.5	46.2	-12.4%
Fies Enrollments	0.2	7.5	-97.9%	0.8	9.1	-91.4%
Ex-Fies Enrollments	35.4	34.5	2.5%	39.7	37.1	7.0%

On-campus undergraduate student intake

The on-campus undergraduate student intake process registered a 15.4% reduction compared to 1Q17, with the enrollment of 35,600 students in 1Q18. The enrollment of non-FIES students reached an increase of 2.5% and the enrollment of FIES students declined by 97.9%.

As shown in the table above, the decrease in enrollment was mainly due to strong cuts in government programs, mainly in relation to FIES, which presented a significant delay in its intake process, negatively impacting markets in which the Company operates, as students usually wait on government programs before defining how they will conduct their studies in the semester. Additionally, it should be mentioned that the Brazilian economic environment in the first quarter has not yet shown clear signs of improvement for the higher education sector, since the unemployment rate and income levels, mainly in the regions where the Company operates, have not yet presented the necessary development.

Using the concept of intake in the same units, which excludes the intake in 14 units that started operations in 1Q18 compared to 1Q17, the reduction in student intake was 18.6%.

At the close of 1Q18, of the total number of students enrolled, approximately 2,100 students adhered to student financing programs, of which 900 students had PraValer financing, 1,000 students had Educred loans, and by March 31, 2018, due to the delay in the FIES intake process, only 200 students were enrolled through this financing program. In 1Q17, 9,800 students were enrolled through student loans, of which 7,500 students enrolled through FIES, 1,100 had PraValer financing and 1,200 had Educred loans. As a result, the percentage of students enrolled through student loans decreased from 23% in 1Q17 to 5.8% in 1Q18.

The 2018.1 enrollment season accumulated as of May 4th 2018, on-campus undergraduate enrollment improved as compared to the 1Q17 versus 1Q18 figures, however still showing a 12.4% reduction overall, however with the ex-FIES enrollment showing a 7.0% growth.

Distance learning undergraduate student intake

The 155.2% growth in the distance learning undergraduate student intake is mainly due to the introduction of the new regulatory framework for the segment from July 2017, enabling the Company to increase its number of new operating centers. As of March 31, 2018, the Company had approximately 190 operational centers.

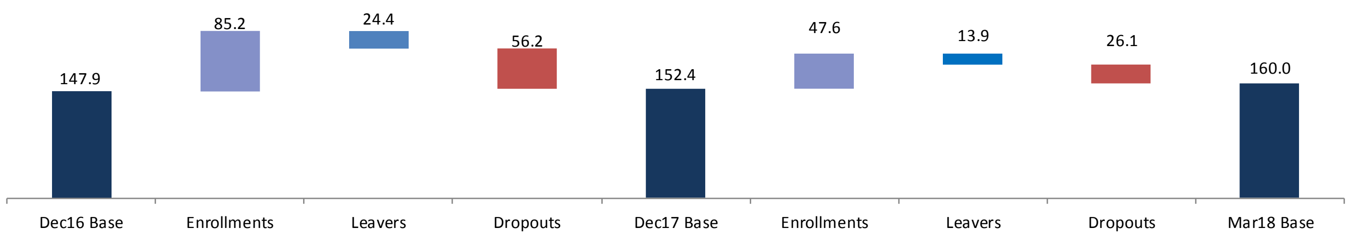
The on-campus graduate segment showed a 60.2% drop in intake in 1Q18, due to a change in the Company's business practices, reducing the number of partnerships and creating stricter parameters for the formation of classes, in order to focus on operating margins per course, which resulted in a drop of 28.9% in the final student base of on-campus graduate courses in 1Q18.

Student Growth Trends

Number of Students	Undergraduate		Graduate		Vocational		Total
1Q18	On Campus	Distance Learning	On Campus	Distance Learning	On Campus	Distance Learning	Total
Dec17 Base	**133,945**	**9,462**	**6,433**	**2,256**	**229**	**98**	**152,423**
Enrollments	35,553	10,243	939	680	155	38	47,608
Leavers	(12,122)	(60)	(1,695)	-	-	-	(13,877)
Dropouts	(21,682)	(3,813)	(146)	(413)	(55)	(26)	(26,135)
Mar18 Base	**135,694**	**15,832**	**5,531**	**2,523**	**329**	**110**	**160,019**
% Mar18 Base /Dec17 Base	*1.3%*	*67.3%*	*-14.0%*	*11.8%*	*43.7%*	*12.2%*	*5.0%*
% Mar18 Base / Mar17 Base	*-3.2%*	*106.9%*	*-28.9%*	*100.9%*	*216.3%*	*N.M.*	*1.9%*

As a result, the on-campus undergraduate student base totaled 135,700 students, 3.2% lower than the 140,200 reported in 1Q17. In the Distance Learning segment, the student base increased by 106.9%, from 7,700 students in 1Q17 to 15,800 students in 1Q18.

The overall student base grew by 1.9% compared to March 31, 2017.



Dropout rate

Dropout rate in the on-campus undergraduate student segment

In 1Q18, the re-enrollments indicator of the on-campus programs reached 86.9% of the renewable student base, with a nominal reduction in the number of dropout students of 3.2% compared to 1Q17, as a result of the Company's efforts in relation to retention and satisfaction of its students, but in an economic environment that still presents high unemployment rate and low improvement in disposable income. The dropout rate reached 13.8%, stable compared to 1Q17. This percentage did not improve as much as the nominal reduction in the number of dropout students, due to the lower volume of enrollments, which is part of its calculation.

Dropout rate in the distance learning undergraduate student segment

In the distance learning undergraduate segment, the re-enrollments indicator stood at 69.7% and the dropout rate reached 19.4% in 1Q18, which represents an improvement compared to 1Q17, when it reached 24.0%, despite the worsening economic environment. This variation is mainly due to the implementation of measures focused on student retention and high-quality service, such as the implementation of SRS – Ser Retention System and *Tutor Guardião*.

Average Net Ticket

Average Ticket (R$)	1Q18	1Q17 Comparable	% Chg. 1Q18 x 1Q17	4Q17 Comparable	% Chg. 1Q18 x 4Q17
Undergraduate Students (On Campus)	734.55	723.94	1.5%	719.61	2.1%

The average ticket in 1Q18 was R$734.55, 1.5% up year-on-year, mainly due to the pass-through of inflation and the improvement in the course mix, which has been gradually increasing the share of engineering and health courses and offsetting the increase of discounts and scholarships observed during the year. It is also worth mentioning that, due to the intake strategy adopted in 2017, the first and third quarters now have a higher volume of punctual discounts for the first and second monthly tuition fees and, consequently, the average ticket of these quarters tends to have a greater impact than the one observed in the second and fourth quarters, when a lower volume of discounts related to the intake process is granted.

Student Financing

STUDENT LOANS	Dec/13	Dec/14	Dec/15	Dec/16	1Q17	Dec/17	1Q18
Students	**70,255**	**101,195**	**123,988**	**131,092**	**140,159**	**133,945**	**135,694**
FIES Students	31,432	48,048	56,089	58,840	52,236	55,565	44,858
% of FIES Students	44.7%	47.5%	45.2%	44.9%	37.3%	41.5%	33.1%
EDUCRED Students			754	1,922	1,385	2,390	3,104
% of EDUCRED Students			0.6%	1.5%	1.0%	1.8%	2.3%
PRAVALER Students			954	1,794	1,447	2,873	2,520
% of PRAVALER Students			0.8%	1.4%	1.0%	2.1%	1.9%
Total Students with Loans			57,797	62,556	55,068	60,828	50,482
% of Students with Loans			46.6%	47.7%	39.3%	45.4%	37.2%

On March 31, 2018, students adhering to the FIES program accounted for 33.1% of the undergraduate base, a 4.2 p.p. reduction from the 37.3% at the close of 1Q17. This decline reflects the reduced availability of vacancies in the FIES program by the Federal Government as of 2015.

In April 2015, the Company redesigned its student financing plans, offering new student financing products through PraValer, one of Brazil's largest private programs, and the re-launch of Educred, the Company's own educational loan program, which enables students to pay a portion of their semiannual tuition after the completion or termination of their courses. With these changes in private financing alternatives, at the close of 1Q18, of the total number of students enrolled, approximately 2,100 students adhered to student financing programs, of which 900 students had PraValer financing, 1,000 students had Educred loans, and 0.2 thousand students through FIES.

Organic Growth

In 1Q18, 22 new courses were authorized, giving a total of 1,513, while the number of places in certain courses also expanded. As a result, in March 2018, the Company had approximately 886,000 places per year, 548,400 of which in the Distance Learning segment. Ser Educacional moved on with its organic growth strategy based on the accreditation of new units, distance learning centers and the authorization of new courses.

FINANCIAL PERFORMANCE

Gross Revenue

Gross Revenue - Accounting (R$ '000)	1Q18	1Q17 Comparable	% Chg. 1Q18 x 1Q17	4Q17 Comparable	% Chg. 1Q18 x 4Q17
Gross Operating Revenue	**437,179**	**408,322**	**7.1%**	**409,646**	**6.7%**
Undergraduate Monthly Tuition	410,008	388,787	5.5%	386,740	6.0%
Graduate Monthly Tuition	7,239	4,650	55.7%	6,866	5.4%
Vocational Courses Revenues	282	474	-40.6%	265	6.1%
Distance Learning Revenues	15,605	6,576	137.3%	9,560	63.2%
Others	4,045	4,518	-10.5%	3,514	15.1%
Interest on Tuition*	-	3,317	-100.0%	2,701	-100.0%
Deductions from Gross Revenue	**(119,930)**	**(96,185)**	**24.7%**	**(102,950)**	**16.5%**
Discounts and Scholarships	(62,510)	(43,820)	42.7%	(46,417)	34.7%
PROUNI	(37,352)	(31,249)	19.5%	(34,647)	7.8%
FGEDUC And FIES charges	(9,117)	(9,986)	-8.7%	(11,317)	-19.4%
Taxes	(10,951)	(11,130)	-1.6%	(10,569)	3.6%
% Discounts and Scholarships/ Net Oper. Rev.	*14.3%*	10.7%	*3.6 p.p.*	*11.3%*	*3.0 p.p.*
Net Operating Revenue	**317,249**	**312,137**	**1.6%**	**306,696**	**3.4%**

* Interest on monthly tuitions was reclassified from the “Interest on Tuition and Agreements” line of the Company's financial result in order to provide comparability to the results in accordance to IFRS 15. This reclassification is unaudited.

In 1Q18, gross revenue totaled R$437.2 million, 7.1% up on 1Q17, mainly fueled by the Company’s organic growth, which had a 1.9% increase in its student base, and pass-through of prices by approximately 7%.

For the same reasons, gross revenue in the undergraduate segment reached R$410.0 million in 1Q18, representing 93.8% of the total, an increase of 5.5% year-on-year.

The graduate segment recorded revenue of R$7.2 million in 1Q18, or 1.7% of the total, which represents an increase of 55.7% when compared to 1Q17, despite the reduction in the graduate student base, due to a change in the Company’s business practices, reducing the number of partnerships and creating stricter parameters for the formation of classes, in order to focus on operating margins per course, which resulted in a drop of 28.9% in the final student base of on-campus graduate courses in 1Q18, compared to 1Q17.

Distance learning, a segment in which the Company began operating in 2014, already accounted for 3.6% of total revenue, or R$15.6 million, up by 137.3% over 1Q17, reflecting the 106.0% year-on-year upturn in the segment’s undergraduate and graduate student base. The distance learning student base has been growing considerably and consistently since 2015, mainly due to the increase from 15 to 119 centers with effective intake of students as of 4Q17. This figure rose to 190 centers with effective intake of students in 1Q18.

Deductions from gross revenue climbed 24.7% in the quarter, fueled by the increase in sales discounts and scholarships, due to a higher volume of discounts granted, as part of the intake strategy adopted for the semester, in which the Company carried out a pass-through of prices of approximately 7% to its student base and offered sales discounts to attract new students - this quarter had a higher number of late enrollments and re-enrollments, particularly in March, which generated an increase in discounts granted, as discussed in the “Operating Performance” section, and the increase in the PROUNI student base over the last 12 months, improving the mix of courses, and pass-through of inflation to the average ticket in this segment.

As a result of the factors mentioned above, net revenue rose by 1.6%, from R$312.1 million in 1Q17, already considering the reclassification of revenue from interest on monthly tuitions from financial income to gross revenue, in accordance with IFRS 15, effective from January/18, to R$317.2 million in 1Q18.

Cost of Services Rendered

Breakdown of Cost of Services Rendered[1] - Accounting (R$ '000)	1Q18	1Q17 Comparable	% Chg. 1Q18 x 1Q17	4Q17 Comparable	% Chg. 1Q18 x 4Q17
Cash Cost of Services Rendered	**(127,966)**	**(115,580)**	**10.7%**	**(144,525)**	**-11.5%**
Payroll and Charges	(91,755)	(86,737)	5.8%	(103,921)	-11.7%
Rent	(20,218)	(17,875)	13.1%	(22,122)	-8.6%
Concessionaires (Electricity, Water and Telephone)	(9,201)	(7,084)	29.9%	(10,121)	-9.1%
Third-Party Services and Others	(6,792)	(3,884)	74.9%	(8,361)	-18.8%

[1] Excluding Depreciation and Amortization.

The cash cost of services rendered (excluding depreciation and amortization) totaled R$128.0 million in 1Q18, 10.7% more than in 1Q17. The main components of this line all recorded an upturn in 4Q17, basically for the following reasons:

a) Payroll and charges grew 5.8% in 1Q18 over 1Q17, mainly due to a teachers' collective bargaining agreement during the second half of 2017. This line also had a non-recurring impact due to amounts paid in relation to indemnification fines in the amount of R$1.7 million, mainly referring to UNG's operational improvements and the beginning of the cost and expenses reduction process in the last week of March 2018.

b) The rental line expanded by 13.1%, from R$17.9 million in 1Q17 to R$20.2 million in 1Q18, mainly due to the increase in the number of leased properties as a result of the Company's operational expansion and readjustments of existing contracts as of the second quarter of 2017.

c) The concessionaires line increased by 29.9%, totaling R$9.2 million by the end of 1Q18, against R$7.1 million in 1Q17, due to new campuses in operation.

d) Third-party services increased by 74.9%, from R$3.9 million in 1Q17 to R$6.8 million in 1Q18, due to the hiring of a larger number of service providers, mainly to support health courses (preceptorship), as well as costs related to licenses for Distance Learning courses and online courses for on-campus students.

e) The table below shows managerial operating costs, which are adjusted for non-recurring effects.

Breakdown of Cost of Services Rendered[1] - Adjusted (R$ '000)	1Q18	1Q17 Comparable	% Chg. 1Q18 x 1Q17	4Q17 Comparable	% Chg. 1Q18 x 4Q17
Cash Cost of Services Rendered	**(126,268)**	**(115,300)**	**9.5%**	**(141,122)**	**-10.5%**
Payroll and Charges	(90,057)	(86,457)	4.2%	(101,930)	-11.6%
Rent	(20,218)	(17,875)	13.1%	(20,710)	-2.4%
Concessionaires (Electricity, Water and Telephone)	(9,201)	(7,084)	29.9%	(10,121)	-9.1%
Third-Party Services and Others	(6,792)	(3,884)	74.9%	(8,361)	-18.8%

[1] Excluding Depreciation and Amortization.

Gross Profit

Gross Profit - Accounting (R$ '000)	1Q18	1Q17 Comparable	% Chg. 1Q18 x 1Q17	4Q17 Comparable	% Chg. 1Q18 x 4Q17
Net Operating Revenue	**317,249**	**312,137**	**1.6%**	**306,696**	**3.4%**
Cost of Services Rendered	(138,871)	(123,916)	12.1%	(155,364)	-10.6%
Gross Profit	**178,378**	**188,221**	**-5.2%**	**151,332**	**17.9%**
Gross Margin	56.2%	60.3%	-4.1 p.p.	49.3%	6.9 p.p.
(-) Depreciation	10,905	8,336	30.8%	10,839	0.6%
Cash Gross Profit	**189,283**	**196,557**	**-3.7%**	**162,171**	**16.7%**
Cash Gross Margin	59.7%	63.0%	-3.3 p.p.	52.9%	6.8 p.p.

Comparable gross profit decreased by 3.7%, from R$196.6 million in 1Q17 to R$189.3 million in 1Q18. The cash gross margin stood at 59.7% in 1Q18, a reduction of 3.3 p.p. when compared to 1Q17, when it reached 63.0%, due to the 3.2% drop in the on-campus undergraduate student base compared to 1Q17, increases in the rental and concessionaire lines, and the start of operations of newly accredited units.

The table below shows gross profit adjusted for main non-recurring cost effects:

Gross Profit - Adjusted (R$ '000)	1Q18	1Q17 Comparable	% Chg. 1Q18 x 1Q17	4Q17 Comparable	% Chg. 1Q18 x 4Q17
Net Operating Revenue	**317,249**	**312,137**	**1.6%**	**306,696**	**3.4%**
Cost of Services Rendered	(137,173)	(123,636)	10.9%	(151,961)	-9.7%
Adjusted Gross Profit	**180,076**	**188,501**	**-4.5%**	**154,735**	**16.4%**
Adjusted Gross Margin	56.8%	60.4%	-3.6 p.p.	50.5%	6.3 p.p.
(-) Depreciation	10,905	8,336	30.8%	10,839	0.6%
Adjusted Cash Gross Profit	**190,981**	**196,837**	**-3.0%**	**165,574**	**15.3%**
Adjusted Cash Gross Margin	60.2%	63.1%	-2.9 p.p.	54.0%	6.2 p.p.

Operating Expenses (Selling, General and Administrative)

Operating Expenses - Accounting (R$ '000)	1Q18	1Q17 Comparable	% Chg. 1Q18 x 1Q17	4Q17 Comparable	% Chg. 1Q18 x 4Q17
General and Administrative Expenses	**(118,971)**	**(85,059)**	**39.9%**	**(128,014)**	**-7.1%**
Payroll and Charges	(35,110)	(30,990)	13.3%	(38,060)	-7.8%
Third-Party Services	(8,204)	(7,119)	15.2%	(9,978)	-17.8%
Advertising	(35,771)	(20,742)	72.5%	(28,157)	27.0%
Materials	(5,448)	(4,124)	32.1%	(4,255)	28.0%
PDA	(15,689)	(7,303)	114.8%	(26,794)	-41.4%
Others	(12,270)	(8,589)	42.9%	(14,302)	-14.2%
Depreciation and Amortization	(6,479)	(6,192)	4.6%	(6,468)	0.2%
Operating Income	**60,369**	**102,520**	**-41.1%**	**18,850**	**220.3%**
General and Administrative Expenses (Ex-Depreciation and Amortization)	**(112,492)**	**(78,867)**	**42.6%**	**(121,546)**	**-7.4%**

General and administrative expenses increased by 39.9%, from R$85.1 million in 1Q17, to R$119.0 million in 1Q18, mainly due to:

a) Payroll and charges, which grew 13.3% over 1Q17 due to (i) a pay rise for the administrative staff of approximately 3%, due to the collective bargaining agreement, and (ii) a non-recurring effect of approximately R$0.7 million for indemnification fines related to the operational reorganization seeking synergies and higher productivity, as part of the initial implementation of the action plan to reduce costs and expenses from the last week of March due to the drop in student enrollment and (iii) increase of the administrative support structure and EAD to support the new units.

b) Services rendered, which amounted to R$8.2 million in 1Q18, 15.2% higher than the R$7.1 million recorded in 1Q17, mainly impacted by the hiring of service providers dedicated to the expansion projects of new units, centers and implementation and maintenance of systems.

c) Advertising expenses, which grew 72.5% quarter-on-quarter, mainly due to the higher number of new units and distance learning centers in this student intake process.

d) The provision for doubtful accounts line, which had an increase of 114.8% year-on-year, from R$7.3 million in 1Q17 to R$15.7 million in 1Q18, which reflects the higher dropout rate due to students in default observed in 1Q18, as a result of Brazil's current economic environment. It should be noted that there was no significant change in the PDA expense of this quarter due to the implementation of IFRS 9 (CPC 48).

e) Other expenses, which increased by 42.9%, from R$8.6 million in 1Q17 to R$12.3 million in 1Q18, due to the higher volume of expenses mainly related to the new accreditations carried out by the Company, as well as the non-recurring effect of R$1.8 million mainly referring to non-capitalizable expenses with refunds from service providers and fees related to M&A, stock offering attempts, capital increase and issuance of debentures recently performed by the Company.

The table below shows managerial general and administrative expenses, adjusted for non-recurring effects:

Operating Expenses - Adjusted (R$ '000)	1Q18	1Q17 Comparable	% Chg. 1Q18 x 1Q17	4Q17 Comparable	% Chg. 1Q18 x 4Q17
General and Administrative Expenses	**(116,045)**	**(82,724)**	**40.3%**	**(121,892)**	**-4.8%**
Payroll and Charges	(34,408)	(28,655)	20.1%	(36,174)	-4.9%
Third-Party Services	(7,928)	(7,119)	11.4%	(8,477)	-6.5%
Advertising	(35,771)	(20,742)	72.5%	(28,157)	27.0%
Materials	(5,448)	(4,124)	32.1%	(4,255)	28.0%
PDA	(15,689)	(7,303)	114.8%	(26,794)	-41.4%
Others	(10,322)	(8,589)	20.2%	(11,567)	-10.8%
Depreciation and Amortization	(6,479)	(6,192)	4.6%	(6,468)	0.2%
Adjusted Operating Income	**64,993**	**105,135**	**-38.2%**	**31,075**	**109.1%**
General and Administrative Expenses (Ex-Depreciation and Amortization)	**(109,566)**	**(76,532)**	**43.2%**	**(115,424)**	**-5.1%**

EBITDA and Adjusted EBITDA

EBITDA (R$ '000)	1Q18	1Q17 Comparable	% Chg. 1Q18 x 1Q17	4Q17 Comparable	% Chg. 1Q18 x 4Q17
EBITDA[1]	**77,753**	**117,048**	**-33.6%**	**38,858**	**100.1%**
EBITDA Margin	24.5%	37.5%	-13.0 p.p.	12.7%	11.8 p.p.
(+) Revenue from Interest on Agreements and Others[2]	5,593	2,249	148.7%	2,666	109.8%
(+) Non-recurring costs and expenses[3]	4,624	2,615	76.8%	9,525	-51.5%
Rent	-	-	N.M.	1,412	-100.0%
Payroll	2,400	2,615	-8.2%	3,877	-38.1%
Cost	1,698	280	506.5%	1,991	-14.7%
Expense	702	2,335	-70.0%	1,886	-62.8%
Third-Party Services	276	-	N.M.	1,501	-81.6%
Expense	*276*	*-*	*N.M.*	*1,501*	*-81.6%*
Other Expenses / Other Net Operating Expenses	1,948	-	N.M.	2,735	-28.8%
(-) Minimum rent paid[4]	(9,750)	(9,750)	0.0%	(9,750)	0.0%
Adjusted EBITDA[5]	**78,220**	**112,162**	**-30.3%**	**41,299**	**89.4%**
Adjusted EBITDA Margin	24.7%	35.9%	-11.3 p.p.	13.5%	11.2 p.p.

1. EBITDA is not an official accounting measurement.
2. Interest income and fine on Interest on Agreements and Others are comprised of our net financial result, derived from interest income and fines on monthly installments corresponding to the financial charges on the monthly fees negotiated and monthly payments paid in arrears.
3. Non-recurring costs and expenses consist mainly of expenses related to mergers and acquisitions of companies, which would not impact the usual cash generation.
4. The minimum rents are comprised of rental agreements recorded as financial leases by CPC 06. The expenses of these leases do not pass through our EBITDA, making up the adjusted EBITDA.
5. Adjusted EBITDA corresponds to the sum of EBITDA with (a) financial income from fines and interest on monthly payments, (b) non-recurring costs and expenses, and (c) minimum rents paid.

Cash generation measured by Adjusted EBITDA for 1Q18 amounted to R$78.2 million, a decrease of 30.3% when compared to 1Q17, when it reached R$112.2 million. The Adjusted EBITDA margin closed the first quarter of 2018 at 24.7%, compared to 35.9% in 1Q17.

The reduction in the Adjusted EBITDA margin in the quarter was mainly due to costs and expenses related to the opening of new units and the expansion of the distance learning center network from 15 to 190 centers in the comparison between the two quarters, as well as higher provision for doubtful accounts due to the worsening economic scenario in Brazil, which has led to the increase of default rates.

EBITDA and Net Income Excluding Organic Expansion

Result excluding new units and Distance Learning 1Q18 (R$ ('000))	Consolidated	New units and Distance Learning (1)*	Consolidated ex-new units and Distance Learning*	Consolidated ex-new units and Distance Learning Change
Net Revenue	317,249	19,678	297,571	-6.2%
Adjusted Cash Gross Profit	190,981	8,682	182,299	-4.5%
Adjusted Cash Gross Margin	*60.2%*	*44.1%*	*61.3%*	*1.0 p.p.*
Adjusted EBITDA	78,220	(17,236)	95,456	22.0%
Adjusted EBITDA Margin	*24.7%*	*-87.6%*	*32.1%*	*7.4 p.p.*

(1) Expansion units: Garanhuns, Maceió (Nabuco), João Pessoa (Nabuco), Mossoró, Juazeiro do Norte, Maracanaú, Porto Velho, Arapiraca, Marabá, Ananindeua, Boa Vista, Rio Branco, Anápolis, Sobral, Cabo de Santo Agostinho, Petrolina, Jaboatão dos Guararapes, Feira de Santana, Fortaleza (Nabuco), Rio de Janeiro and Belo Horizonte.

* Allocations of results are not audited.

The table above shows the results excluding on-campus units with two years or less of their initial operation and distance learning operations that are in the phase of expansion of their base of poles and had launch of the brands in this segment.

The table shows that the new operations are generating negative Adjusted EBITDA of R$17.2 million, impacting 7.4 percentage points on the Company's consolidated adjusted EBITDA margin, which excluding organic growth initiatives show an increase from 24.7% to 32.1%.

Financial Result

Financial Result - Accounting (R$ '000)	1Q18	1Q17 Comparable	% Chg. 1Q18 x 1Q17	4Q17 Comparable	% Chg. 1Q18 x 4Q17
(+) Financial Revenue	**22,640**	**17,610**	**28.6%**	**18,279**	**23.9%**
Interest on Agreements and Others	5,593	2,249	148.7%	2,666	109.8%
Returns on Financial Investments	13,700	10,701	28.0%	13,330	2.8%
Others	3,347	4,660	-28.2%	2,283	46.6%
(-) Financial Expenses	**(23,361)**	**(38,616)**	**-39.5%**	**(30,615)**	**-23.7%**
Interest Expenses	(6,448)	(12,687)	-49.2%	(7,435)	-13.3%
Interest on Leasing	(8,322)	(8,486)	-1.9%	(8,365)	-0.5%
Discounts Granted	(3,360)	(10,298)	-67.4%	(7,388)	-54.5%
Monetary Variation Expenses	(2,799)	(3,665)	-23.6%	(3,632)	-22.9%
Others	(2,432)	(3,480)	-30.1%	(3,795)	-35.9%
Financial Result	**(721)**	**(21,006)**	**-96.6%**	**(12,336)**	**-94.2%**

* Interest on monthly payments was reclassified from the "Interest on Monthly and Agreements" line of the Company's financial result in order to give comparability to results as a result of the adoption of IFRS 15. As from 1Q18 this line was renamed "Interest on Agreements and Others". This reclassification is not audited.

Financial revenues climbed 28.6%, from R$17.6 million in 1Q17 to R$22.6 million in 1Q18, reflecting:

a) the increase in revenue from interest on agreements and others in 148.7%, totaling R$5.6 million, as the Company reduced the volume of agreements signed with exemption of interest on overdue payments, and favored agreements with a credit card payment option.

b) the increase in income from financial investments due to higher cash availability, after capital increase operations and the second issuance of debentures in 4Q17.

Financial expenses reached R$23.4 million in 1Q18, 39.5% lower than the R$38.6 million recorded in 1Q17, primarily due to:

a) Interest expenses, which fell by 49.2%, from R$12.7 million in 1Q17 to R$6.4 million in 1Q18, chiefly due to the reduction in net debt and interest rates.

b) The Discounts Granted line, which decreased by 67.4%, totaling R$3.4 million in 1Q18, compared to R$10.3 million in 1Q17, due to the lower volume of renegotiations for recover agreements with students in arrears for more than 180 days, which were already in the provision for doubtful accounts.

c) Monetary variation expenses, corresponding to financial remuneration related to payment commitments, mainly of the acquisition of UNG, which declined by 23.6%, from R$3.7 million in 1Q17 to R$2.8 million in 1Q18, due to the amortization of the balance of payment commitments and reduction of inflation.

As a result of the factors mentioned above, net financial expense was R$0.7 million in 1Q18, compared to an expense of R$21.0 million in 1Q17, down 96.6%.

The table below presents the managerial financial result, adjusted for non-recurring effects from other financial revenue and interest expenses.

Financial Result - Adjusted (R$ '000)	1Q18	1Q17 Comparable	% Chg. 1Q18 x 1Q17	4Q17 Comparable	% Chg. 1Q18 x 4Q17
(+) Financial Revenue	**22,640**	**16,809**	**34.7%**	**18,279**	**23.9%**
Interest on Agreements and Others	5,593	2,249	148.7%	2,666	109.8%
Returns on Financial Investments	13,700	10,701	28.0%	13,330	2.8%
Others	3,347	3,859	-13.3%	2,283	46.6%
(-) Financial Expenses	**(23,361)**	**(37,815)**	**-38.2%**	**(30,615)**	**-23.7%**
Interest Expenses	(6,448)	(11,886)	-45.8%	(7,435)	-13.3%
Interest on Leasing	(8,322)	(8,486)	-1.9%	(8,365)	-0.5%
Discounts Granted	(3,360)	(10,298)	-67.4%	(7,388)	-54.5%
Monetary Variation Expenses	(2,799)	(3,665)	-23.6%	(3,632)	-22.9%
Others	(2,432)	(3,480)	-30.1%	(3,795)	-35.9%
Financial Result	**(721)**	**(21,006)**	**-96.6%**	**(12,336)**	**-94.2%**

Net Income

Net Income - Accounting (R$ 000)	1Q18	1Q17 Comparable	% Chg. 1Q18 x 1Q17	4Q17 Comparable	% Chg. 1Q18 x 4Q17
Operating Income	**60,369**	**102,520**	**-41.1%**	**21,551**	**180.1%**
(+) Financial Result	(721)	(21,006)	-96.6%	(12,336)	-94.2%
(+) Income and Soc. Contrib. Taxes	(1,428)	(1,376)	3.8%	(3,882)	-63.2%
(+) Deferred Income and Soc. Contrib. Taxes	-	87	-100.0%	(1,011)	-100.0%
Net Income (Loss)	**58,220**	**80,225**	**-27.4%**	**4,322**	**-100.0%**
Net Margin	18.4%	25.7%	-7.4 p.p.	30.1%	-0.4 p.p.

Operating income totaled R$60.4 million in 1Q18, down 41.1% from the R$102.5 million recorded in 1Q17, already considering the reclassification of revenue from interest on monthly tuitions, as mentioned in the "Net Revenue" section.

Net income went from R$80.2 million in the three-month period ended March 31, 2017, to R$58.2 million in the same period in 2018, equivalent to a 27.4% reduction. Net income adjusted for non-recurring effects decreased by 24.1% due to the non-recurring effects of R$4.6 million, which increased payroll and charges and other expenses in the quarter.

The table below shows managerial net income, adjusted for non-recurring effects. It is worth noting that the Company continues to calculate its dividend payments in accordance with the results presented in IFRS.

Net Income - Adjusted (R$ 000)	1Q18	1Q17 Comparable	% Chg. 1Q18 x 1Q17	4Q17 Comparable	% Chg. 1Q18 x 4Q17
Operating Income	**64,993**	**105,135**	**-38.2%**	**31,075**	**109.1%**
(+) Financial Result	(721)	(21,006)	-96.6%	(12,336)	-94.2%
(+) Income and Soc. Contrib. Taxes	(1,436)	(1,417)	1.3%	(1,691)	-15.1%
(+) Deferred Income and Soc. Contrib. Taxes	-	87	-100.0%	(1,011)	-100.0%
Adjusted Net Income (Loss)	**62,836**	**82,799**	**-24.1%**	**16,037**	**-100.0%**
Adjusted Net Margin	19.8%	26.5%	-6.7 p.p.	5.2%	2.8 p.p.

Accounts Receivable and Average Collection Period

As from 1Q18, the Company began to calculate the estimated loss with doubtful accounts following a model established in IFRS 9 (CPC 48), which records expected losses during the entire cycle of accounts receivable. For a better analysis, the table below presents the average period of net receipt of the PDA in order to better reflect the effect of provisioning under the method of IFRS 9 (CPC 48).

Accounts Receivable and Average Receivable Days (R$ '000)	1Q17	4Q17	1Q18
Gross Accounts Receivable	**521,491**	**394,782**	**474,172**
Monthly tuition fees	87,714	92,106	103,410
FIES	331,719	206,600	261,797
Negotiated agreements receivable	80,184	70,315	76,379
Education credits receivable	11,113	16,857	18,020
Others	10,761	8,904	14,566
PDA balance	(46,048)	(65,715)	(91,014)
Net Accounts Receivable	**475,443**	**329,067**	**383,158**
Net Revenue (Last 12 Months - FIES+Ex-FIES)	**1,149,075**	**1,231,785**	**1,240,214**
Average Net Receivable Term (FIES+Ex-FIES)	149	96	111
Net Revenue FIES (Last 12 Months)	**552,413**	**578,236**	**547,631**
Average Net Receivable Term (FIES)	210	121	164
Average Net Receivable Term (Monthly tuition fees + Negotiated agreements receivable + Education credits receivable)	86	69	62

The average term of net receipt decreased by 25.3% in the comparison between 1Q17 and 1Q18 due to the payment of the second installment of the debt created in 2015 by the Federal Government (PN 23) due to non-payment of FIES monthly payments that year. The third and last installment of this indebtedness is expected to be paid for the third quarter of 2018. The average term of tuition, agreements and Educred dropped 28.4% due to the increase in provisions made in 4Q17 and 1Q18.

Aging of Monthly tuition fees (R$ '000)	1Q17	% Chg.	4Q17	% Chg.	1Q18	% Chg.
Overdue by up to 30 day	29,072	33.1%	17,708	19.2%	33,894	32.8%
Overdue from 31 to 60 days	12,351	14.1%	13,493	14.6%	14,817	14.3%
Overdue from 61 to 90 days	5,066	5.8%	12,419	13.5%	5,898	5.7%
Overdue from 91 to 180 days	21,207	24.2%	20,041	21.8%	21,744	21.0%
Overdue more than 180 days	20,018	22.8%	28,445	30.9%	27,057	26.2%
TOTAL	**87,714**	**100.0%**	**92,106**	**100.0%**	**103,410**	**100.0%**
% of Gross Accounts Receivable	16.8%		23.3%		21.8%	

Aging of Negotiated Agreements (R$ '000)	1Q17	% Chg.	4Q17	% Chg.	1Q18	% Chg.
Not yet due	35,496	44.3%	14,744	21.0%	29,323	38.4%
Overdue by up to 30 day	11,890	14.8%	6,756	9.6%	7,889	10.3%
Overdue from 31 to 60 days	6,482	8.1%	6,720	9.6%	4,313	5.6%
Overdue from 61 to 90 days	3,563	4.4%	6,368	9.1%	2,962	3.9%
Overdue from 91 to 179 days	9,811	12.2%	14,502	20.6%	10,334	13.5%
Overdue more than 180 days	12,942	16.1%	21,225	30.2%	21,558	28.2%
TOTAL	**80,184**	**100.0%**	**70,315**	**100.0%**	**76,379**	**100.0%**
% of Gross Accounts Receivable	15.4%		17.8%		16.1%	

The table below shows the evolution of our PDA from December 31, 2017 to March 31, 2018:

Constitution of Provision for Doubtful Accounts in the Income Statement (R$ '000)	12/31/2017	Adoption of CPC 48	Gross Increase in Provision for Doubtful Accounts	Write-off	03/31/2018
Total	65,715	25,757	15,689	(16,147)	91,014

Due to the adoption of IFRS 9 (CPC48), on January 1, 2018, the Company additionally recognized the amount of R$25.8 million to the balance of this provision recorded in current assets on December 31, 2017, as a counterpart to the equity, as provided by CPC 48.

Investments (CAPEX)

CAPEX (R$ ('000))	3M18	% of Total	3M17	% of Total
CAPEX Total	**26,458**	**100.0%**	**33,202**	**100.0%**
Property acquisition / Construction / Maintenance of campuses	10,610	40.1%	19,120	57.6%
Equipment / Library / IT	11,939	45.1%	10,121	30.5%
MEC Licenses	953	3.6%	179	0.5%
Software Licenses	67	0.3%	2,383	7.2%
Partnerships	702	2.7%	150	0.5%
Intangibles and Others	2,187	8.3%	1,249	3.8%
Acquisitions Debt Payment	**37,324**		**37,479**	
Total CAPEX + Acquisitions Payables	**63,782**		**70,681**	

In the first three months of 2018, the Company invested R$10.6 million in the renovation of campuses, mainly in the cities of Caruaru, Fortaleza and Rio de Janeiro. Acquisitions of equipment, library and IT consumed R$11.9 million, mostly allocated to the purchase of books and journals for the libraries of the operating units, and IT equipment.

The total of R$37.3 million in debt payments related to previous acquisitions (payment commitments) recorded under cash flow as investment activities was mostly allocated to the payment of the UNG acquisition.

Indebtedness

Indebtedness (R$ '000)	03/31/2018	12/31/2017	% Chg. Mar18 x Dec17
Cash, Cash equivalents and Securities	**856,742**	**911,713**	**-6.0%**
Gross debt	**(429,684)**	**(459,146)**	**-6.4%**
Loans and financing	(319,924)	(314,860)	1.6%
Short term	(28,070)	(29,205)	-3.9%
Long term	(291,854)	(285,655)	2.2%
Aquisitions Payables*	(109,760)	(144,286)	-23.9%
Net debt	**427,058**	**452,567**	**-5.6%**
Net debt / Adjusted EBITDA (LTM)	(1.44)	(1.37)	
* Acquisitions payables refer to acquisition scheduled payments			

Cash and cash equivalents totaled R$856.7 million, 6.0% down on 1Q17. This reduction is mainly due to the lower operating cash generation, as the Federal Government anticipated the payment of FIES receivables, usually made in

January, to December, in the amount of R$24 million, as mentioned in the 4Q17 earnings release, and the payment of UNG's commitments in the amount of R$37.3 million in the quarter.

The Company's gross debt basically reflects commitments related to the acquisitions and the issue of two long-term debts with the following characteristics: (i) financing from the IFC over seven years, totaling R$120.0 million at the CDI+2.05% p.a., payable semi-annually as of April 15, 2017 and maturing on April 15, 2022, (ii) the Company's 2nd issue of simple debentures, unsecured, non-convertible into shares, in 2 series, being 100,000 Debentures in the First Series and 100,000 Debentures in the Second Series. The First Series Debentures shall accrue interest of 100% of the aggregate variation of 1-Day Interbank Deposits, plus a spread of 0.65% per year, based on 252 Business Days, maturing on September 15, 2019. The Second Series Debentures shall accrue interest of 100% of the aggregate variation of 1-Day Interbank Deposits, plus a spread of 1.35% per year, based on 252 Business Days, maturing on September 15, 2021. The Debentures have a unit face value of R$1,000.00 as of the date of issue, totaling R$200,000,000.00.

Grupo Ser Educacional's gross debt totaled R$429.7 million on March 31, 2018, 6.4% down from the R$459.1 million on December 31, 2017, due to payment commitments in the amount of R$37.1 million in the quarter.

In 1Q18, the Company's net cash amounted to R$427.1 million against a net debt of R$130.9 million in 1Q17.

Debt Amortization Schedule (R$ '000)	Loans and Financing	A.V. (%)	Aquisitions Payables	A.V. (%)	Debentures	A.V. (%)	Total	A.V. (%)
Short Term	**28,070**	**24.4%**	**78,758**	**71.8%**	**-**	**0.0%**	**106,828**	**24.9%**
Total Long Term	**86,922**	**75.6%**	**31,002**	**28.2%**	**204,932**	**100.0%**	**322,856**	**75.1%**
1-2 years	23,530	20.5%	31,002	28.2%	102,398	50.0%	156,930	36.5%
2-3 years	23,530	20.5%	-	0.0%	51,267	25.0%	74,797	17.4%
3-4 years	23,530	20.5%	-	0.0%	51,267	25.0%	74,797	17.4%
4-5 years	12,753	11.1%	-	0.0%	-	0.0%	12,753	3.0%
After five years	3,579	3.1%	-	0.0%	-	0.0%	3,579	0.8%
Total Loans, Financing and Acquisitions payables	**114,992**	**100.0%**	**109,760**	**100.0%**	**204,932**	**100.0%**	**429,684**	**100.0%**

In regard to the debt payment schedule, 24.9% 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 1Q18, the Company's cash flow increased by R$20.9 million, resulting in a cash generation of R$21.8 million from operating activities in the period. This result was driven by the improved punctuality in FIES monthly payments by the Federal Government, which, in turn, paid the November and December of 2017 installments in December of the same year, when it would normally have paid in January of 2018, representing an increase of approximately R$24 million in the Company's operating cash generation. Excluding this effect, cash generation would have been virtually stable compared to 1Q17, despite the decrease in the Company's EBITDA over the same period, reaching R$46.0 million if we adjusted the operating cash generation due to the effect of the payment term improvement.

Cash Flow (R$ '000)	1Q18	1Q17	% Chg. 1Q18 x 1Q17
Cash flow from operating activities			
Net cash from operating activities	21,761	47,424	-54.1%
(-) Cash flow allocated to investing activities	(64,235)	(70,681)	-9.1%
(+) Securities	75,914	51,881	46.3%
(+) Cash flow allocated to financing activities	(2,736)	(6,330)	N.M.
Financing Actvities	(2,736)	(6,330)	N.M.
Dividends	-	-	0.0%
(+) Interest on loans	(8,322)	(31,566)	-73.6%
(+) Income and social contribution taxes paid	(1,439)	(1,640)	-12.3%
Increase in cash and cash equivalents	**20,943**	**(10,912)**	**-291.9%**
Net increase in cash and cash equivalents			
Beginning of period	279,286	62,036	350.2%
End of period	300,229	51,124	487.3%
Increase in cash and cash equivalents	**20,943**	**(10,912)**	**-291.9%**
Cash and Securities changes	**(54,971)**	**(62,793)**	**-12.5%**
Beginning of period	911,713	399,583	128.2%
End of period	856,742	336,790	154.4%

ABOUT GRUPO SER EDUCACIONAL

Founded in 2003 and headquartered in Recife, Grupo Ser Educacional (B3 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 26 states and the Federal District, with a consolidated base of more than 160,000 students. The Company operates under the following brands: UNINASSAU, UNINASSAU – Centro Universitário Maurício de Nassau, UNINABUCO – Centro Universitário Joaquim Nabuco, Faculdades UNINABUCO, Escolas Técnicas Joaquim Nabuco e Maurício de Nassau, UNG/UNIVERITAS, UNAMA – Universidade da Amazônia and Faculdade da Amazônia and UNIVERITAS – Centro Universitário Universus Veritas and Faculdades UNIVERITAS through which it offers more than 1,510 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 (Comparable)

Income Statement - Accounting R$ ('000)	1Q18	1Q17 Comparable	Var. (%) 1Q18 x 1Q17	4Q17 Comparable	Var. (%) 1Q18 x 4Q17
Gross Operating Revenue	**437,179**	**408,322**	**7.1%**	**409,646**	**6.7%**
Undergraduate Monthly Tuition	410,008	388,787	5.5%	386,740	6.0%
Graduate Monthly Tuition	7,239	4,650	55.7%	6,866	5.4%
Vocational Courses Revenues	282	474	-40.6%	265	6.1%
Distance Learning Revenues	15,605	6,576	137.3%	9,560	63.2%
Others	4,045	4,518	-10.5%	3,514	15.1%
Interest on Tuition	-	3,317	-100.0%	2,701	-100.0%
Deductions from Gross Revenue	**(119,930)**	**(96,185)**	**24.7%**	**(102,950)**	**16.5%**
Discounts and Scholarships	(62,510)	(43,820)	42.7%	(46,417)	34.7%
PROUNI	(37,352)	(31,249)	19.5%	(34,647)	7.8%
FGEDUC And FIES charges	(9,117)	(9,986)	-8.7%	(11,317)	-19.4%
Taxes	(10,951)	(11,130)	-1.6%	(10,569)	3.6%
Net Operating Revenue	**317,249**	**312,137**	**1.6%**	**306,696**	**3.4%**
Cash Cost of Services Rendered	**(138,871)**	**(123,916)**	**12.1%**	**(155,364)**	**-10.6%**
Payroll and Charges	(91,755)	(86,737)	5.8%	(103,921)	-11.7%
Rent	(20,218)	(17,875)	13.1%	(22,122)	-8.6%
Concessionaires (Electricity, Water and Telephone)	(9,201)	(7,084)	29.9%	(10,121)	-9.1%
Third-Party Services	(6,792)	(3,884)	74.9%	(8,361)	-18.8%
Depreciation and Amortization	(10,905)	(8,336)	30.8%	(10,839)	0.6%
Managerial Gross Profit	**178,378**	**188,221**	**-5.2%**	**151,332**	**17.9%**
Gross Margin	*56.2%*	*60.3%*	*-4.1 p.p.*	*49.3%*	*6.9 p.p.*
Operating Expenses/Revenue	**(118,009)**	**(85,701)**	**37.7%**	**(129,781)**	**-9.1%**
General and Administrative Expenses	(118,971)	(85,059)	39.9%	(128,014)	-7.1%
Payroll and Charges	(35,110)	(30,990)	13.3%	(38,060)	-7.8%
Third-Party Services	(8,204)	(7,119)	15.2%	(9,978)	-17.8%
Advertising	(35,771)	(20,742)	72.5%	(28,157)	27.0%
Materials	(5,448)	(4,124)	32.1%	(4,255)	28.0%
PDA	(15,689)	(7,303)	114.8%	(26,794)	-41.4%
Others	(12,270)	(8,589)	42.9%	(14,302)	-14.2%
Depreciation and Amortization	(6,479)	(6,192)	4.6%	(6,468)	0.2%
Other Operating Expenses/Revenue	962	(642)	-249.8%	(1,767)	-154.4%
Managerial Operating Income	**60,369**	**102,520**	**-41.1%**	**21,551**	**180.1%**
Operating Margin	*19.0%*	*32.8%*	*-13.8 p.p.*	*7.0%*	*12.0 p.p.*
(+) Depreciation and Amortization	17,384	14,528	19.7%	17,307	0.4%
EBITDA	**77,753**	**117,048**	**-33.6%**	**38,858**	**100.1%**
EBITDA Margin	*24.5%*	*37.5%*	*-13.0 p.p.*	*12.7%*	*11.8 p.p.*
(+) Non-recurring costs and expenses	4,624	2,615	76.8%	9,525	-51.5%
(+) Interest on Agreements and Others	5,593	2,249	148.7%	2,666	109.8%
(-) Minimum rent paid	(9,750)	(9,750)	0.0%	(9,750)	0.0%
Adjusted EBITDA	**78,220**	**112,162**	**-30.3%**	**41,299**	**89.4%**
Adjusted EBITDA Margin	*24.7%*	*35.9%*	*-11.3 p.p.*	*13.5%*	*11.2 p.p.*
(-) Depreciation and Amortization	(17,384)	(14,528)	19.7%	(17,307)	0.4%
Adjusted EBIT	**60,836**	**97,634**	**-37.7%**	**23,992**	**153.6%**
Adjusted EBIT Margin	*19.2%*	*31.3%*	*-12.1 p.p.*	*7.8%*	*11.4 p.p.*
Financial Result	(721)	(21,006)	-96.6%	(12,336)	-94.2%
(+) Financial Revenue	22,640	16,809	34.7%	18,279	23.9%
Interest on Agreements and Others	5,593	2,249	148.7%	2,666	109.8%
Returns on Financial Investments	13,700	10,701	28.0%	13,330	2.8%
Others	3,347	3,859	-13.3%	2,283	46.6%
(-) Financial Expenses	(23,361)	(37,815)	-38.2%	(30,615)	-23.7%
Interest Expenses	(6,448)	(11,886)	-45.8%	(7,435)	-13.3%
Interest on Leasing	(8,322)	(8,486)	-1.9%	(8,365)	-0.5%
Discounts Granted	(3,360)	(10,298)	-67.4%	(7,388)	-54.5%
Monetary Variation Expenses	(2,799)	(3,665)	-23.6%	(3,632)	-22.9%
Others	(2,432)	(3,480)	-30.1%	(3,795)	-35.9%
Income Before Income Taxes	**59,648**	**81,514**	-26.8%	**9,215**	547.3%
Income and Social Contribution Taxes	(1,428)	(1,289)	10.8%	(4,893)	-70.8%
Current	(18,406)	(27,978)	-34.2%	(16,017)	14.9%
Tax Incentive - Prouni	16,978	26,602	-36.2%	12,135	39.9%
Deferred	-	87	-100.0%	(1,011)	-100.0%
Consolidated Net Income/Loss	**58,220**	**80,225**	**-27.4%**	**4,322**	**1247.1%**
Net Margin	*18.4%*	*25.7%*	*-7.4 p.p.*	*1.4%*	*16.9 p.p.*

Income Statement – Managerial

Income Statement - Adjusted R$ ('000)	1Q18	1Q17 Comparable	% Chg. 1Q18 x 1Q17	4Q17 Comparable	Var. (%) 4Q17 x 3Q17
Gross Operating Revenue	**437,179**	**408,322**	**7.1%**	**409,646**	**6.7%**
Undergraduate Monthly Tuition	410,008	388,787	5.5%	386,740	6.0%
Graduate Monthly Tuition	7,239	4,650	55.7%	6,866	5.4%
Vocational Courses Revenues	282	474	-40.6%	265	6.1%
Distance Learning Revenues	15,605	6,576	137.3%	9,560	63.2%
Others	4,045	4,518	-10.5%	3,514	15.1%
Interest on Tuition	-	3,317	-100.0%	2,701	-100.0%
Deductions from Gross Revenue	**(119,930)**	**(96,185)**	**24.7%**	**(102,950)**	**16.5%**
Discounts and Scholarships	(62,510)	(43,820)	42.7%	(46,417)	34.7%
PROUNI	(37,352)	(31,249)	19.5%	(34,647)	7.8%
FGEDUC And FIES charges	(9,117)	(9,986)	-8.7%	(11,317)	-19.4%
Taxes	(10,951)	(11,130)	-1.6%	(10,569)	3.6%
Net Operating Revenue	**317,249**	**312,137**	**1.6%**	**306,696**	**3.4%**
Cash Cost of Services Rendered	**(137,173)**	**(123,636)**	**10.9%**	**(151,961)**	**-9.7%**
Payroll and Charges	(90,057)	(86,457)	4.2%	(101,930)	-11.6%
Rent	(20,218)	(17,875)	13.1%	(20,710)	-2.4%
Concessionaires (Electricity, Water and Telephone)	(9,201)	(7,084)	29.9%	(10,121)	-9.1%
Third-Party Services	(6,792)	(3,884)	74.9%	(8,361)	-18.8%
Depreciation and Amortization	(10,905)	(8,336)	30.8%	(10,839)	0.6%
Managerial Gross Profit	**180,076**	**188,501**	**-4.5%**	**154,735**	**16.4%**
Managerial Gross Margin	***56.8%***	***60.4%***	***-3.6 p.p.***	***50.5%***	***6.3 p.p.***
Operating Expenses/Revenue	**(115,083)**	**(83,366)**	**38.0%**	**(123,659)**	**-6.9%**
General and Administrative Expenses	(116,045)	(82,724)	40.3%	(121,892)	-4.8%
Payroll and Charges	(34,408)	(28,655)	20.1%	(36,174)	-4.9%
Third-Party Services	(7,928)	(7,119)	11.4%	(8,477)	-6.5%
Advertising	(35,771)	(20,742)	72.5%	(28,157)	27.0%
Materials	(5,448)	(4,124)	32.1%	(4,255)	28.0%
PDA	(15,689)	(7,303)	114.8%	(26,794)	-41.4%
Others	(10,322)	(8,589)	20.2%	(11,567)	-10.8%
Depreciation and Amortization	(6,479)	(6,192)	4.6%	(6,468)	0.2%
Other Operating Expenses/Revenue	962	(642)	-249.8%	(1,767)	-154.4%
Managerial Operating Income	**64,993**	**105,135**	**-38.2%**	**31,075**	**109.1%**
Managerial Operating Margin	***20.5%***	***33.7%***	***-13.2 p.p.***	***10.1%***	***10.4 p.p.***
(+) Depreciation and Amortization	17,384	14,528	19.7%	17,307	0.4%
EBITDA	**82,377**	**119,663**	**-31.2%**	**48,382**	**70.3%**
(+) Interest on Agreements and Others	5,593	2,249	148.7%	2,666	109.8%
(-) Minimum rent paid	(9,750)	(9,750)	0.0%	(9,750)	0.0%
Adjusted EBITDA	**78,220**	**112,162**	**-30.3%**	**41,299**	**89.4%**
Adjusted EBITDA Margin	***24.7%***	***35.9%***	***-11.3 p.p.***	***13.5%***	***11.2 p.p.***
(-) Depreciation and Amortization	(17,384)	(14,528)	19.7%	(17,307)	0.4%
Adjusted EBIT	**60,836**	**97,634**	**-37.7%**	**23,992**	**153.6%**
Adjusted EBIT Margin	***19.2%***	***31.3%***	***-12.1 p.p.***	***7.8%***	***11.4 p.p.***
Financial Result	(721)	(21,006)	-96.6%	(12,336)	-94.2%
(+) Financial Revenue	22,640	16,809	34.7%	18,279	23.9%
Interest on Agreements and Others	5,593	2,249	148.7%	2,666	109.8%
Returns on Financial Investments	13,700	10,701	28.0%	13,330	2.8%
Others	3,347	3,859	-13.3%	2,283	46.6%
(-) Financial Expenses	(23,361)	(37,815)	-38.2%	(30,615)	-23.7%
Interest Expenses	(6,448)	(11,886)	-45.8%	(7,435)	-13.3%
Interest on Leasing	(8,322)	(8,486)	-1.9%	(8,365)	-0.5%
Discounts Granted	(3,360)	(10,298)	-67.4%	(7,388)	-54.5%
Monetary Variation Expenses	(2,799)	(3,665)	-23.6%	(3,632)	-22.9%
Others	(2,432)	(3,480)	-30.1%	(3,795)	-35.9%
Income Before Income Taxes	**64,272**	**84,129**	-23.6%	**18,740**	243.0%
Income and Social Contribution Taxes	(1,436)	(1,330)	7.9%	(2,702)	-46.9%
Current	(18,414)	(28,019)	-34.3%	(13,826)	33.2%
Tax Incentive - Prouni	16,978	26,602	-36.2%	12,135	39.9%
Deferred	-	87	-100.0%	(1,011)	-100.0%
Adjusted Consolidated Net Income/Loss	**62,836**	**82,799**	**-24.1%**	**16,037**	**291.8%**
Adjusted Net Margin	***19.8%***	***26.5%***	***-6.7 p.p.***	***5.2%***	***14.6 p.p.***

Balance Sheet

Balance Sheet - ASSETS (R$ '000)	03/31/2018	12/31/2017	% Chg. Mar18 x Dec17	03/31/2017	% Chg. Mar18 x Mar17
Total Assets	**2,517,109**	**2,507,874**	**0.4%**	**2,055,916**	**22.4%**
Current Assets	**1,263,302**	**1,265,461**	**-0.2%**	**712,514**	**77.3%**
Cash and cash equivalents	300,229	279,286	7.5%	51,124	487.3%
Securities	556,513	632,427	-12.0%	285,666	94.8%
Accounts receivable	370,061	317,358	16.6%	340,275	8.8%
Taxes recoverable	10,992	11,544	-4.8%	9,205	19.4%
Other assets	25,507	24,846	2.7%	26,244	-2.8%
Non-Current Assets	**1,253,807**	**1,242,413**	**0.9%**	**1,343,402**	**-6.7%**
Long-Term Assets	1,253,807	1,242,413	0.9%	1,343,402	-6.7%
Accounts receivable	13,097	11,709	11.9%	135,168	-90.3%
Other assets	24,321	23,343	4.2%	19,165	26.9%
Indemnifications	112,015	112,015	0.0%	112,015	0.0%
Intangible assets	427,951	428,511	-0.1%	435,713	-1.8%
Property, plant and equipment	676,423	666,835	1.4%	641,341	5.5%
Balance Sheet - LIABILITIES (R$ '000)	**03/31/2018**	**12/31/2017**	**% Chg. Mar18 x Dec17**	**03/31/2017**	**% Chg. Mar18 x Mar17**
Total Liabilities	**976,256**	**999,484**	**-2.3%**	**1,025,291**	**-4.8%**
Current Liabilities	**303,133**	**295,187**	**2.7%**	**370,992**	**-18.3%**
Suppliers	35,849	31,422	14.1%	28,486	25.8%
Accounts payable	78,758	80,720	-2.4%	77,992	1.0%
Loans and financing	28,070	26,569	5.6%	55,810	-49.7%
Debentures	-	2,636	-100.0%	43,118	-100.0%
Payroll and charges	79,591	74,831	6.4%	76,988	3.4%
Taxes payable	16,062	16,220	-1.0%	15,803	1.6%
Leasing	16,632	16,446	1.1%	15,909	4.5%
Dividends payable	27,034	27,034	0.0%	34,234	-21.0%
Other liabilities	21,137	19,309	9.5%	22,652	-6.7%
Non-Current Liabilities	**673,123**	**704,297**	**-4.4%**	**654,299**	**2.9%**
Loans and financing	86,922	87,410	-0.6%	135,421	-35.8%
Debentures	204,932	198,245	3.4%	98,453	108.2%
Leasing	226,181	227,794	-0.7%	232,363	-2.7%
Accounts payable	31,002	63,566	-51.2%	56,886	-45.5%
Taxes payable	1,634	1,777	-8.0%	6,148	-73.4%
Provision for contingencies	119,106	121,845	-2.2%	120,346	-1.0%
Other liabilities	3,346	3,660	-8.6%	4,682	-28.5%
Consolidated Shareholders' Equity	**1,540,853**	**1,508,390**	**2.2%**	**1,030,625**	**49.5%**
Capital Realized	987,549	987,549	0.0%	377,048	161.9%
Income Reserve	504,450	527,295	-4.3%	588,438	-14.3%
Retained income	55,308	-	N.M.	71,593	-22.7%
Treasury shares	(6,454)	(6,454)	0.0%	(6,454)	0.0%
Total Liabilities and Shareholders' Equity	**2,517,109**	**2,507,874**	**0.4%**	**2,055,916**	**22.4%**

Cash Flow

Cash Flow Statement (R$ '000)	03/31/2018	03/31/2017	% Chg. Mar18 x Mar17
Consolidated Net Income for the Period before IncomeTaxes	**59,648**	**81,514**	**-26.8%**
Depreciation and amortization	17,384	14,528	19.7%
Provisions	(2,739)	-	0.0%
Provision for doubtful accounts	15,689	7,303	114.8%
Write-off of Non-Current Assets	46	782	-94.1%
Interest and exchange variation, net	15,624	20,960	-25.5%
Adjusted Net Income	**105,652**	**125,087**	**-15.5%**
Changes in Assets and Liabilities	**(83,891)**	**(77,663)**	**8.0%**
Accounts receivable	(93,215)	(74,181)	25.7%
Taxes recoverable	552	1,553	-64.5%
Advances	-	(1,456)	-100.0%
Other assets	(1,639)	(12,363)	-86.7%
Suppliers	4,427	(1,248)	-454.7%
Payroll and charges	4,760	5,115	-6.9%
Taxes payable	(301)	363	-182.9%
Income and social contribution taxes payable	11	(96)	-111.5%
Other liabilities	1,514	4,650	-67.4%
Cash generated from operations	**21,761**	**47,424**	**-54.1%**
Other	**(9,761)**	**(33,206)**	**-70.6%**
Interest on loans	(8,322)	(31,566)	-73.6%
Income and social contribution taxes paid	(1,439)	(1,640)	-12.3%
Net Cash from Operating Activities	**12,000**	**14,218**	**-15.6%**
Net Cash from Investing Actvities	**11,679**	**(18,800)**	**-162.1%**
Securities	75,914	51,881	46.3%
Additions to property, plant and equipment	(23,777)	(29,301)	-18.9%
Additions to intangible assets	(3,134)	(3,901)	-19.7%
Acquisition of subsidiaries Payments	(37,324)	(37,479)	-0.4%
Net Cash from Financing Actvities	**(2,736)**	**(6,330)**	**-56.8%**
Amortization of loans and financing	(1,309)	(5,067)	-74.2%
Amortization of leasing	(1,427)	(1,263)	13.0%
Increase (Reduction) in Cash and Cash Equivalents	**20,943**	**(10,912)**	**-291.9%**
Cash and Cash Equivalents at Beginning of Period	279,286	62,036	350.2%
Cash and Cash Equivalents at End of Period	300,229	51,124	487.3%
Cash changes and Securities	**(54,971)**	**(62,793)**	**-12.5%**

Income Statement – Accounting

As per published in the financial statements

Income Statement - Accounting R$ ('000)	1Q18	1Q17	Var. (%) 1Q18 x 1Q17	4Q17	Var. (%) 1Q18 x 4Q17
Gross Operating Revenue	**437,179**	**405,005**	**7.9%**	**406,945**	**7.4%**
Undergraduate Monthly Tuition	410,008	388,787	5.5%	386,740	6.0%
Graduate Monthly Tuition	7,239	4,650	55.7%	6,866	5.4%
Vocational Courses Revenues	282	474	-40.6%	265	6.1%
Distance Learning Revenues	15,605	6,576	137.3%	9,560	63.2%
Others	4,045	4,518	-10.5%	3,514	15.1%
Deductions from Gross Revenue	**(119,930)**	**(96,185)**	**24.7%**	**(102,950)**	**16.5%**
Discounts and Scholarships	(62,510)	(43,820)	42.7%	(46,417)	34.7%
PROUNI	(37,352)	(31,249)	19.5%	(34,647)	7.8%
FGEDUC And FIES charges	(9,117)	(9,986)	-8.7%	(11,317)	-19.4%
Taxes	(10,951)	(11,130)	-1.6%	(10,569)	3.6%
Net Operating Revenue	**317,249**	**308,820**	**2.7%**	**303,995**	**4.4%**
Cash Cost of Services Rendered	**(138,871)**	**(123,916)**	**12.1%**	**(155,364)**	**-10.6%**
Payroll and Charges	(91,755)	(86,737)	5.8%	(103,921)	-11.7%
Rent	(20,218)	(17,875)	13.1%	(22,122)	-8.6%
Concessionaires (Electricity, Water and Telephone)	(9,201)	(7,084)	29.9%	(10,121)	-9.1%
Third-Party Services	(6,792)	(3,884)	74.9%	(8,361)	-18.8%
Depreciation and Amortization	(10,905)	(8,336)	30.8%	(10,839)	0.6%
Managerial Gross Profit	**178,378**	**184,904**	**-3.5%**	**148,631**	**20.0%**
Gross Margin	*56.2%*	*59.9%*	*-3.6 p.p.*	*48.9%*	*7.3 p.p.*
Operating Expenses/Revenue	**(118,009)**	**(85,701)**	**37.7%**	**(129,781)**	**-9.1%**
General and Administrative Expenses	(118,971)	(85,059)	39.9%	(128,014)	-7.1%
Payroll and Charges	(35,110)	(30,990)	13.3%	(38,060)	-7.8%
Third-Party Services	(8,204)	(7,119)	15.2%	(9,978)	-17.8%
Advertising	(35,771)	(20,742)	72.5%	(28,157)	27.0%
Materials	(5,448)	(4,124)	32.1%	(4,255)	28.0%
PDA	(15,689)	(7,303)	114.8%	(26,794)	-41.4%
Others	(12,270)	(8,589)	42.9%	(14,302)	-14.2%
Depreciation and Amortization	(6,479)	(6,192)	4.6%	(6,468)	0.2%
Other Operating Expenses/Revenue	962	(642)	-249.8%	(1,767)	-154.4%
Managerial Operating Income	**60,369**	**99,203**	**-39.1%**	**18,850**	**220.3%**
Operating Margin	*19.0%*	*32.1%*	*-13.1 p.p.*	*6.2%*	*12.8 p.p.*
(+) Depreciation and Amortization	17,384	14,528	19.7%	17,307	0.4%
EBITDA	**77,753**	**113,731**	**-31.6%**	**36,157**	**115.0%**
EBITDA Margin	*24.5%*	*36.8%*	*-12.3 p.p.*	*11.9%*	*12.6 p.p.*
(+) Non-recurring costs and expenses	4,624	2,615	76.8%	9,525	-51.5%
(+) Interest on Tuition and Agreements	5,593	5,566	0.5%	5,367	4.2%
(-) Minimum rent paid	(9,750)	(9,750)	0.0%	(9,750)	0.0%
Adjusted EBITDA	**78,220**	**112,162**	**-30.3%**	**41,299**	**89.4%**
Adjusted EBITDA Margin	*24.7%*	*36.3%*	*-11.7 p.p.*	*13.6%*	*11.1 p.p.*
(-) Depreciation and Amortization	(17,384)	(14,528)	19.7%	(17,307)	0.4%
Adjusted EBIT	**60,836**	**97,634**	**-37.7%**	**23,992**	**153.6%**
Adjusted EBIT Margin	*19.2%*	*31.6%*	*-12.4 p.p.*	*7.9%*	*11.3 p.p.*
Financial Result	(721)	(17,689)	-95.9%	(9,635)	-92.5%
(+) Financial Revenue	22,640	20,126	12.5%	20,980	7.9%
Interest on Tuition and Agreements	5,593	5,566	0.5%	5,367	4.2%
Returns on Financial Investments	13,700	10,701	28.0%	13,330	2.8%
Others	3,347	3,859	-13.3%	2,283	46.6%
(-) Financial Expenses	(23,361)	(37,815)	-38.2%	(30,615)	-23.7%
Interest Expenses	(6,448)	(11,886)	-45.8%	(7,435)	-13.3%
Interest on Leasing	(8,322)	(8,486)	-1.9%	(8,365)	-0.5%
Discounts Granted	(3,360)	(10,298)	-67.4%	(7,388)	-54.5%
Monetary Variation Expenses	(2,799)	(3,665)	-23.6%	(3,632)	-22.9%
Others	(2,432)	(3,480)	-30.1%	(3,795)	-35.9%
Income Before Income Taxes	**59,648**	**81,514**	-26.8%	**9,215**	547.3%
Income and Social Contribution Taxes	(1,428)	(1,289)	10.8%	(4,893)	-70.8%
Current	(18,406)	(27,978)	-34.2%	(16,017)	14.9%
Tax Incentive - Prouni	16,978	26,602	-36.2%	12,135	39.9%
Deferred	-	87	-100.0%	(1,011)	-100.0%
Consolidated Net Income/Loss	**58,220**	**80,225**	**-27.4%**	**4,322**	**1247.1%**
Net Margin	*18.4%*	*26.0%*	*-7.6 p.p.*	*1.4%*	*16.9 p.p.*