
Conference Call in Portuguese

March 31, 2015

12:00 p.m. (Brasília time)

11:00 a.m. (New York time)

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Conference Call in English

March 31, 2015

1:30 p.m. (Brasília time)

12:30 p.m. (New York time)

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Ser Educacional Records

Net Revenue of R\$203.9 Million in 4Q14


Adjusted EBITDA reaches R\$54.8 million in 4Q14,
74.1% up on the same period last year.

Recife, March 31, 2015 – Ser Educacional S.A. (BM&FBovespa SEER3, Bloomberg SEER3:BZ and Reuters SEER3.SA), announces today its results for the fourth quarter of 2014. All the information herein is presented in accordance with international financial reporting standards (IFRS) and consolidated in Brazilian Reais (R\$). All comparisons refer to the fourth quarter of 2013, unless otherwise indicated. The 4Q14 and 2014 results include the consolidation of the results of the University of Amazônia (UNAMA) for November and December 2014.

MAIN INDICATORS – 4Q14 x 4Q13

 **Net Income**
R\$43.8 million
+103.3%

 **Net Revenue**
R\$203.9 million
+63.7%

 **128.5 thousand students**
+30.0%

- ✦ Ser Educacional closed 4Q14 with a **student base of 128.5 thousand students**, 30.0% higher than in 4Q13. Of this total, 101.2 thousand were enrolled in undergraduate courses (44.0% up on the previous year), 8.3 thousand in graduate courses, 16.9 thousand in vocational courses and 2.0 thousand in distance learning courses. The on-campus undergraduate re-enrollment ratio in 2H14 was 89.0%.
- ✦ **Net revenue totaled R\$203.9 million** in 4Q14, 63.7% more than in 4Q13, primarily due to the increased number of undergraduate students, which grew by 44.0% over December/13, and the consolidation of two months of UNAMA's results, totaling R\$20.5 million. In 2014, net revenue came to R\$705.1 million, an increase of 54.4%.
- ✦ In 4Q14, **adjusted EBITDA reached R\$54.8 million**, 74.1% higher than in 4Q13. The adjusted EBITDA margin was 26.9%, a 1.6 p.p. improvement over the 25.2% recorded in the same period last year. Annual adjusted EBITDA stood at R\$247.8 million, an increase of 60.4% compared to 2013, while the adjusted EBITDA margin widened by 1.3 p.p., from 33.8% to 35.1%.
- ✦ **Net income totaled R\$43.8 million in 4Q14**, an increase of 103.3% over the same quarter last year, while the net margin ended the period at 21.5% (4.2 p.p. higher than 4Q13). Annual net income came to R\$213.9 million, 83.9% up on the R\$116.3 million reported in 2013, with a net margin of 30.3%, up by 4.9 p.p.

Highlights (R\$ '000)	4Q14	4Q13	% Chg. 4Q14 x 4Q13	3Q14	% Chg. 4Q14 x 3Q14	12M14
Financial						
Net Revenue	203,861	124,556	63.7%	171,058	19.2%	705,067
Gross Profit	116,004	69,289	67.4%	108,829	6.6%	437,772
<i>Gross Margin</i>	<i>56.9%</i>	<i>55.6%</i>	<i>1.3 p.p.</i>	<i>63.6%</i>	<i>-6.7 p.p.</i>	<i>62.1%</i>
Operating Income	51,123	25,698	98.9%	59,161	-13.6%	229,349
<i>Operating Margin</i>	<i>25.1%</i>	<i>20.6%</i>	<i>4.4 p.p.</i>	<i>34.6%</i>	<i>-9.5 p.p.</i>	<i>32.5%</i>
EBITDA	58,791	31,826	84.7%	65,735	-10.6%	253,972
<i>EBITDA Margin</i>	<i>28.8%</i>	<i>25.6%</i>	<i>3.3 p.p.</i>	<i>38.4%</i>	<i>-9.6 p.p.</i>	<i>36.0%</i>
Adjusted EBITDA	54,752	31,443	74.1%	64,934	-15.7%	247,816
<i>Adjusted EBITDA Margin</i>	<i>26.9%</i>	<i>25.2%</i>	<i>1.6 p.p.</i>	<i>38.0%</i>	<i>-11.1 p.p.</i>	<i>35.1%</i>
Net Income (Loss)	43,774	21,530	103.3%	57,663	-24.1%	213,864
<i>Net Margin</i>	<i>21.5%</i>	<i>17.3%</i>	<i>4.2 p.p.</i>	<i>33.7%</i>	<i>-12.2 p.p.</i>	<i>30.3%</i>

- ✦ On December 15, 2014, the Company announced the **acquisition of 100% of the capital stock** of Sociedade Paulista de Ensino e Pesquisa S/S Ltda - APEP, the controlling institution of **Universidade Guarulhos (UnG)**, headquartered in Guarulhos, São Paulo. The operation totaled R\$199.1 million, R\$62.5 million of which, all net debt having been deducted, was paid on January 30, 2015, the closure date of the transaction. The remaining R\$136.6 million will be paid in five annual installments adjusted by the IGP-M inflation index. The Company believes that these amounts will be paid through the cash generation of the acquired company. UnG was founded 45 years ago and has solid academic concepts, with a rating of 4 in its recent reaccreditation by the Ministry of Education (MEC) in 2014 and an IGC (General Course Index) rating of 3. It has 5 campuses, 3 of which in Guarulhos (Dutra, Bonsucesso, Centro), the second most populous city in the state of São Paulo, 1 in São Paulo city and 1 in Itaquaquecetuba, also in the state of São Paulo. UnG's distance learning program was recently approved by the MEC and is awaiting publication of the official ordinance.
- ✦ **In the first half of the year, the enrollment process**, which usually ends in late March, was extended to the end of April, because of the changes introduced by the MEC to the enrollment of students in FIES, a student financing program. **By March 27, 2015, the Company had already enrolled 45.1 thousand students** (including UNAMA and UnG), **21.5% up** on the pro forma number recorded by March 26, 2014. It is particularly worth mentioning UNAMA's intake, which totaled 10,700 students, an increase of 203.7% over the same period the year before. If we consider **organic growth** only (excluding intake by the recently acquired UnG and UNAMA), **total enrollments came to 27.9 thousand students**, following the same intake potential of 2014.
- ✦ In March 2015, **Ser Educacional Group announced a partnership with Ideal Invest** for a **credit line of up to R\$1 billion to fund students through Pravalor**, one of the largest private student loan programs in the country. The scheme allow students to finance at least part of their tuition, with payment only after completion of their undergraduate courses and at a competitive rate of 3.4% per annum, plus inflation.
- ✦ On March 24, the Company signed an **Onerous Assignment of Maintenance Agreement and other Covenants with the Instituto Metodista Bennett, for the assignment of Maintenance of the Centro Universitário Bennett**. The Agreement envisages total payment of R\$10.0 million in two installments, the first of which, totaling R\$1.0 million, to be deposited in an escrow account and the remainder to be paid on the closing date, subject to the usual conditions precedent. When confirmed, the operation will mark the Group's entry into the city of Rio de Janeiro, one of the most important markets in Brazil, and the state of Rio de Janeiro, the second state in the Company's progress in the Southeast following the acquisition of UnG in São Paulo. Acquisitions in the Southeast are part of the Company's strategy of becoming a nationwide player in the long term, while focusing in the short-term on consolidation activities in the North and Northeast.

MESSAGE FROM MANAGEMENT

2014 was a year of important achievements for Ser Educacional Group. The Company continued to present its shareholders with **strong student base growth, exemplary teaching quality standards and sustainable profitability ratios**. These results are the consequence of an objective future vision that has been in place for 11 years: "to be among the top educational groups in the country, recognized for providing high quality services with sustainable results, to the satisfaction of students, employees, shareholders, organizations and communities."

In regard to the **organic growth of its student base, the Company opened two new units** under the Mauricio de Nassau brand in Manaus (Amazonas) and São Luís (Maranhão), both located in the North and Northeast regions, which have the highest economic and post-secondary student enrollment growth rates in Brazil. Accordingly, in 2014, 297 new undergraduate courses were authorized in existing units, giving a portfolio total of 662. The Company currently has 25 new units awaiting authorization from the Ministry of Education (MEC). The new units are part of the Company's consolidation process in the North and Northeast in the coming years.

Another annual highlight was **the beginning of distance learning operations**. Approved by the MEC in December 2013, the Company chose UNINASSAU to launch its online courses, and its first class began in the first semester of 2014. The first enrollment process was successful and the institution ended the year with 2,000 students in its 9 On-Site Support Centers. The Company has adopted a learning platform that allows students to accompany the courses on-line at any time, thereby reducing their need to attend the On-Site Support Centers and allowing them to plan their studies more effectively, so that they do not clash with their day-to-day activities. Distance learning will be crucial to leveraging value in the coming years, given that the most important investments have already been made and from now on the Company will be focusing on the enrollment process and the continuous improvement of this type of education.

As for **mergers and acquisitions**, Ser Educacional Group undertook four major operations in 2014, adding 32,000 students, with total investments of R\$362 million. The first, in January, was the acquisition of Associação de Ensino Superior Anglo Líder, the controlling institution of Faculdade Anglo Líder (FAL), located in São Lourenço da Mata, in the state of Pernambuco. The institution was acquired for R\$2.1 million and had around 350 students. In July, the Company announced the acquisition of Centro Educacional e Desportivo Fase Ltda., the controlling institution of FASE (Faculdade Santa Emília), with 1,500 students and located in Olinda, also in Pernambuco, for R\$9.7 million. In October, we announced the acquisition of União de Ensino Superior do Pará (UNESPA), the controlling institution of Universidade da Amazônia (UNAMA), based in Belém, in the state of Pará, and Instituto Santareno de Educação Superior (ISES), the controlling institution of Faculdades Integradas do Tapajós (FIT), based in Santarém, also in Pará, with a joint total of 12,200 students, for R\$151.2 million. Finally, in December, the Company entered into an agreement with Sociedade Paulista de Ensino e Pesquisas S/S Ltda. (APEP), the controlling institution of Universidade Guarulhos (UnG), headquartered in Guarulhos, in São Paulo state. In September 2014, UnG had approximately 17,000 students and the transaction, completed in January 2015, totaled R\$199.1 million. In March 2015, the Company took another important step forward in the Southeast when it announced the signature of a maintenance assignment contract for Centro Universitário Bennett, located in the city of Rio de Janeiro. As soon as the conditions precedent are complied with, the Group will begin operations in this important Brazilian city and will continue its expansion strategy in the Southeast.

As a result of the organic growth initiatives, the acquisitions and the development of new businesses, Ser Educacional Group's student base grew by 30.0% over December 2013, to 128,500 students. If we include the student base of UnG, which had not been consolidated in the

Company's balance sheet by the close of 2014, the total number of students reached 147,000, an increase of 48.5%.

Student base growth is only sustainable with high quality education, satisfied students and a good academic level, equipping students to enter the job market and improve their income. In order to achieve these results, Ser Educacional Group's academic goals are focused on employability and good performance in the IGC (General Course Index) and CPC (Preliminary Course Concept).

In regard to IGC and CPC performance, already including the acquisition of UnG, 92% of the Company's institutions recorded satisfactory results (IGC of 3 or more) in the 2013 evaluation, indicating a good level of quality, with positive year-on-year evolution. As for the CPC, 90% of the courses recorded an excellent performance with a grade of 3 or more, indicating that the quality of the courses remains high, despite all the acquisitions in 2014.

In regard to employability, 65% of on-campus undergraduate students enrolled in the Company's units are working or in internships, a highly positive indicator of our students' job market suitability.

Social responsibility practices are an integral part of Ser Educacional Group's values and day-to-day activities. It invests directly in and encourages its students, teachers and employees to take part in initiatives that benefit society and the Company's surrounding communities. These initiatives are divided into four main pillars: cultural, sporting, community-related, and social and environmental.

These activities instill a sense of belonging in the students in relation to their adjoining communities and the institution that promotes the initiatives, creating a link between students, communities, government and institutions which is extremely beneficial for all those involved. The Company promotes these activities through its institutions under the coordination of the Ser Educacional Institute, which has attended more than 10,000 people in the four areas mentioned above.

As recognition for all these efforts, UNINASSAU was ranked first among the most remembered private institutions in Pernambuco for the sixth consecutive time. The Brand Recall Award is the result of a survey conducted by *Jornal do Comercio* in association with the Instituto Harrop de Pesquisa. The Group also received certifications from the Brazilian Association of Post-Secondary Controlling Institutions (ABMES) attesting to its commitment to social responsibility and the development of society, thanks to the social development initiatives of UNINASSAU and Faculdade Joaquim Nabuco.

2014 ended with uncertainties regarding the regulatory framework education sector companies are subject to, especially in relation to the FIES Student Financing Program, due to the announcement of new measures by the MEC. Among these measures, it is particularly worth mentioning Ordinance 21 of December 26, 2014, which requires students to have an arithmetic mean in their ENEM exam of 450 points or more in order to obtain the financing and Ordinance 23 of December 29, 2014, which changed the means of FIES payment for controlling institutions with 20,000 or more enrolled students financed by the program, so that the total payment would now be made in up to 8 annual installments, with a minimum interval of 45 days. Subsequently, Ordinance 2 of February 20, 2015 stated that the change in the payment schedule announced by Ordinance 23 would apply to 2015 only.

It is against this background of major regulatory change that we are beginning 2015. This could pose challenges for the Company, and we are now concentrating our short-term efforts on monitoring and adapting to the new MEC rules in order to maintain a growth pace that is consistent with our profitability goals.

Management remains confident in the sustained growth of its student base and will maintain its growth strategy with profitability, combining organic growth with acquisitions. This strategic positioning will play a key role in circumventing this short-term period of uncertainty, allowing us to continue with our long-term aim of building an educational group with nationwide reach, recognized for providing quality services with sustainable results, ensuring the satisfaction of students, employees, shareholders, communities and organizations.

OPERATING PERFORMANCE

Number of Students	Undergraduate	Distance Learning	Graduate	Vocational	Total
2014.2	Total	Total	Total	Total	Total
Jun14 Base	86.503	998	7.834	20.552	115.887
Enrollments	15.470	1.810	2.278	6.207 *	25.765
Acquisition	12.967	0	1.480	-	14.447
FASE	1.550	-	-	-	1.550
Unama / FIT	11.417	-	1.480	-	12.897
Leavers	(2.422)	0	(3.215)	(2.579)	(8.216)
Dropouts	(11.323)	(760)	(83)	(7.259)	(19.425)
Dec14 Base	101.195	2.048	8.294	16.921	128.458
% Dec14 Base / Jun14 Base	17,0%	105,2%	5,9%	-17,7%	10,8%
% Dec14 Base / Dec13 Base	44,0%	N.M.	8,0%	-19,0%	30,0%

* Students attending classes according to internal control.

Number of Students	Undergraduate	Graduate	Vocational	Total
2013.2	Total	Total	Total	Total
Jun13 Base	66,857	8,476	873	76,206
Enrollments	14,048	1,069	35,553 *	50,670
Acquisition	421	109	-	530
Leavers	(2,119)	(1,933)	(516)	(4,568)
Dropouts	(8,952)	(43)	(15,030)	(24,025)
Dec13 Base	70,255	7,678	20,880 **	98,813
% dec13 Base / jun13 Base	5.1%	-9.4%	N.M.	29.7%

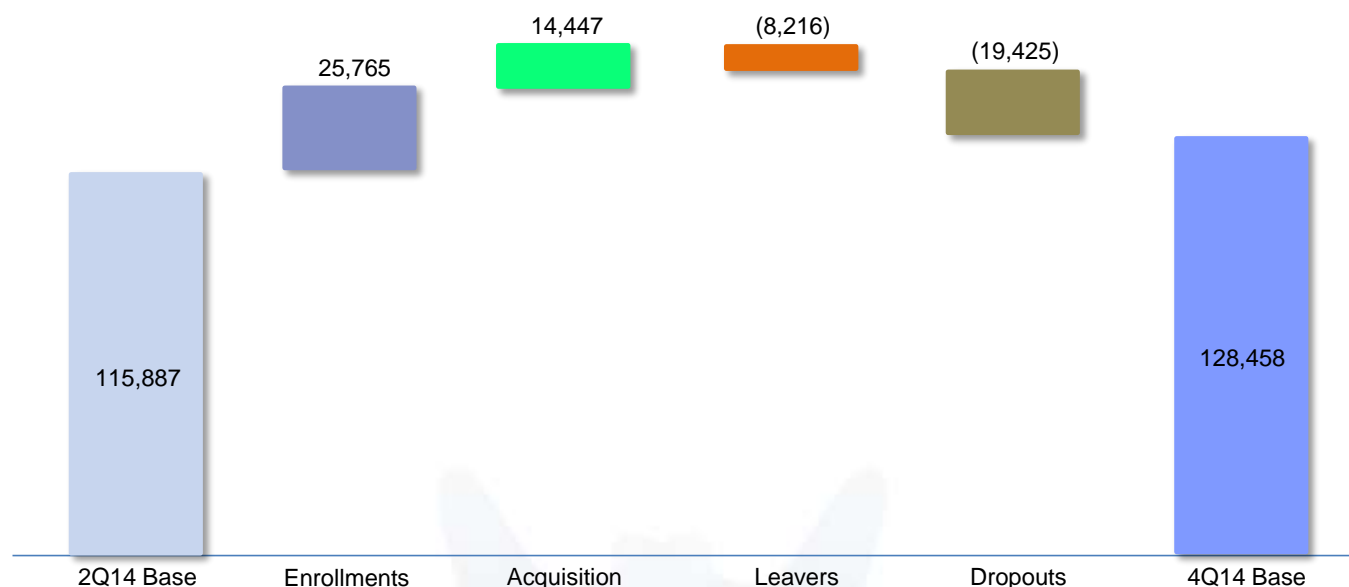
* Source: SISUTEC

** Students attending classes according to internal control.

At the close of December, 2014, the total number of students enrolled in on-campus undergraduate, graduate, vocational and distance learning courses increased by 30.0% over the end of the previous year, fueled by the 44.0% upturn in the number of undergraduate and distance learning students. The Company began operations in the latter segment in 2014, closing the year with 2,000 students. Currently, 70% of the Company's on-campus undergraduate students are in the first or second year of their courses, underlining the high potential for organic growth. The variation in the total student base between 2H13 and 2H14 without UNAMA and FIT was 16.9%.

The Company ended the second half of 2014 with 101,200 undergraduate students, an increase of 44.0% over the second half of 2013.

Student Growth Trends



Average Net Ticket

Average Ticket (R\$)	4Q14	4Q13	% Chg.	12M14	12M13	% Chg.
Average Ticket - Undergraduate Students	573.38	492.92	16.3%	558.04	514.17	8.5%

The average ticket totaled R\$573.38 in 4Q14, 16.3% more than in the same period in 2013, mainly due to the consolidation of UNAMA, which has a higher average ticket. In the annual comparison, the average ticket increased by 8.5%, due to the pass-through of inflation and the change in the accounting of the FGEduc, which is now recorded as a deduction from revenue.

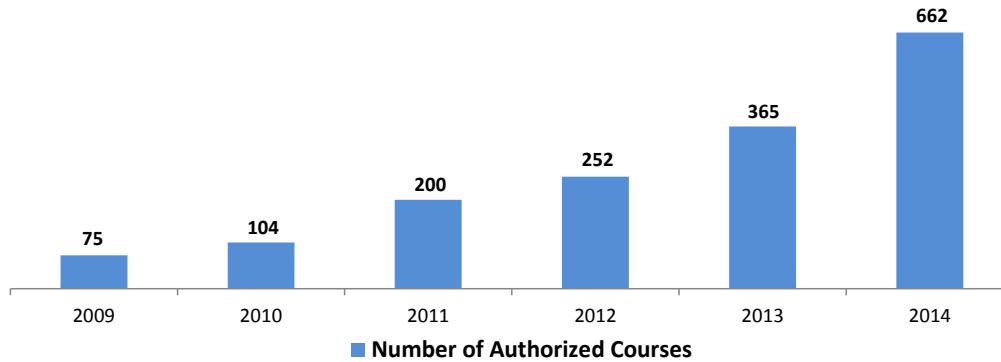
FIES - Undergraduate

FIES ('000)	Dec/12	Dec/13	Dec/14
Students	48,670	70,255	101,195
FIES Students	15,916	31,432	48,048
% of FIES Students	32.7%	44.7%	47.5%

The Student Financing Program, or FIES, is a MEC program for the financing of students who cannot afford the total cost of their education. In order to receive the FIES benefits, students must be enrolled in a private post-secondary educational institution registered with FIES and which has received a positive evaluation by the MEC.

Due to the growing adoption of FIES as a student financing option, the Company's exposure to the transfer of monthly FIES tuition installments by the federal government has been increasing. We are using FIES as a post-secondary student retention tool.

Students making use of the FIES program accounted for 47.5% of the undergraduate student base at the close of 2014. This percentage with UnG is 42.7%. The FIES student base using the FGEduc corresponded to 85.2% of the total.



Organic Growth

The Company has 190,9 thousand annual places, considering places and courses of UNAMA/FIT, 35,100 of which in the distance learning segment.

In 2014, 297 new courses were authorized, giving a year-end total of 662.

The Company continues to develop its organic growth strategy, based on the accreditation of new units and the authorization of new courses. There are currently 188 courses in the MEC's final approval stage, which are may receive authorization by the end of 2015.

Dropout Rate

The on-campus undergraduate dropout rate in the second semester of 2014 was 10.1%, versus 11.3% recorded in the same period the year before.

Enrollment – First Semester of 2015

Undergraduate Students Intake Status			
In Thousands	as of Mar 27, 2015	as of Mar 26, 2014 UNAMA/FIT and UnG	% Δ
Undergraduate Intake	45.1	37.2	21.5%
Organic Growth	27.9	27.7	0.8%
On Campus Undergraduation	26.4	27.0	-2.2%
Distance Learning	1.5	0.7	113.5%
Unama / FIT	10.7	3.5	203.7%
UnG	6.5	5.9	9.8%

*3/30 Fata

Source: Ser Educacional Reports

In the first half of the year, the enrollment process, which usually ends in late March, was extended to the end of April, because of the changes introduced by the MEC to the enrollment of students in FIES, a student financing program. By March 27, 2015, **the Company had already enrolled 45.1 thousand students** (including UNAMA and UnG), **21,5% up** on the pro forma number recorded by March 26, 2014. It is particularly worth mentioning UNAMA's intake, which totaled 10,700 students, an increase of 203.7% over the same period the year before. If we consider **organic growth** only (excluding intake by the recently acquired UnG and UNAMA), **total enrollments came to 27.9 thousand students**, following the same intake potential of 2014.

From the total intake, around 12.8 thousand students, or 29.4% of the total intake signed a contract amendment informing that they are pursuing enrollment under FIES and are awaiting financing process to be completed. FIES Contract Funnel, are registered students in SISFIES and are at different stages of processing, ranging from the initial registration to final hiring. As of today, the company recorded over 10,500 contracts in the FIES Contract Funnel, and as of now it is not possible to associate if those contracts belong to the same group of students who signed the addendum, or that all students interested to enroll under FIES actually signed the addendum.

Concerning the amendments of the existing FIES contracts as of the second half of 2014 the company was already able to include over 90% of all existing contracts (including UNAMA and UnG) in the FIES Contract Funnel.

FINANCIAL PERFORMANCE

Gross Revenue

Gross Revenue (R\$ '000)	4Q14	4Q13	% Chg. 4Q14 x 4Q13	3Q14	% Chg. 4Q14 x 3Q14
Gross Operating Revenue	239,946	154,614	55.2%	201,751	18.9%
Undergraduate Monthly Tuition	202,429	132,109	53.2%	171,518	18.0%
Graduate Monthly Tuition	4,268	3,973	7.4%	3,546	20.4%
Vocational Courses Revenues	26,376	14,296	84.5%	22,323	18.2%
Distance Learning Revenues	2,089	-	0.0%	1,682	24.2%
Others	4,784	4,236	12.9%	2,682	78.4%
Deductions from Gross Revenue	(36,085)	(30,058)	20.1%	(30,693)	17.6%
Discounts and Scholarships	(25,522)	(23,482)	8.7%	(21,747)	17.4%
Taxes	(10,563)	(6,576)	60.6%	(8,946)	18.1%
<i>% Discounts and Scholarships/ Net Oper. Rev.</i>	<i>10.6%</i>	<i>15.2%</i>	<i>-4.6 p.p.</i>	<i>10.8%</i>	<i>-0.1 p.p.</i>
Net Operating Revenue	203,861	124,556	63.7%	171,058	19.2%

Gross revenue came to R\$239.9 million in 4Q14, a 55.2% improvement over 4Q13 due to student base growth of 30.0% and the 16.3% increase in the average ticket, plus the two months of revenue from UNAMA totaling R\$20.5 million. For the same reasons, gross revenue in 2014 climbed by 50.7% to R\$833.1 million, versus R\$552.8 million in 2013.

Also due to the increase in the student base, the higher average ticket and the consolidation of UNAMA (R\$20.5 million), gross revenue from the undergraduate segment totaled R\$202.4 million in 4Q14, 53.2% up on the same period in 2013 and representing 84.4% of total revenue. Annual revenue from this segment stood at R\$716.2 million, 40.3% more than the year before.

Revenue from vocational courses/Pronatec amounted to R\$26.4 million in 4Q14, accounting for 11.0% of the total and 84.5% more than in 4Q13, to the recognition of two months of revenue in 4Q13. In 2014, revenue from vocational courses came to R\$84.4 million, compared to R\$15.5 million in the previous year, given that the government program began in October, 2013.

The graduate segment accounted for 1.8% of total revenue in 4Q14, reaching R\$4.3 million, 7.4% up on 4Q13, mainly due to the increase in the average ticket, since the student base remained virtually flat between the two periods. In the year as a whole, revenue from this segment came to R\$15.0 million, a 3.6% reduction over 2013 due the seasonality of the beginning and ending of classes.

Other revenue amounted to R\$4.8 million, equivalent to 2.0% of the total, an increase of 12,9% compared to 4Q13. In 2014 totaled R\$12.4 million, 9.1% higher compared to 2013. In both periods this increase is related to student base and number of units growth.

Fourth-quarter net revenue increased by 63.7%, from R\$124.6 million, in 4Q13, to R\$203.9 million. Excluding revenue from the UNAMA/FIT acquisition, the increase came to 47.2%, represented by a net revenue of R\$183.4 million. The upturn in net revenue outpaced gross revenue growth due to the 4.6 p.p. period reduction in the percentage of discounts and scholarships to 10.6% of revenue in 4Q14, as a result of the more restrictive tuition discount policy. In the year as a whole, net revenue totaled R\$705.1 million, 54.4% up on the R\$456.8 million recorded in 2013. The increase in annual net revenue was higher than the upturn in gross revenue, also due to the reduction in the percentage of discounts and scholarships, which represented 11.0% of gross revenue, versus 13.2% in 2013.

Cost of Services Rendered

Breakdown of Cost of Services Rendered¹ (R\$ '000)	4Q14	4Q13	% Chg. 4Q14 x 4Q13	3Q14	% Chg. 4Q14 x 3Q14	12M14	12M13	% Chg. 12M14 x 12M13
Cash Cost of Services Rendered	(84,141)	(53,263)	58.0%	(59,430)	41.6%	(257,105)	(173,065)	48.6%
Payroll and Charges	(60,876)	(37,119)	64.0%	(41,215)	47.7%	(182,573)	(118,377)	54.2%
Rent	(13,899)	(10,271)	35.3%	(12,805)	8.5%	(49,327)	(34,909)	41.3%
Concessionaires (Electricity, Water and Telephone)	(5,847)	(3,515)	66.3%	(3,172)	84.3%	(15,256)	(11,998)	27.2%
Third-Party Services	(3,519)	(2,358)	49.2%	(2,238)	57.2%	(9,949)	(7,781)	27.9%

The cash cost of services rendered (excluding depreciation and amortization) totaled R\$84.1 million in 4Q14, 58.0% more than in 4Q13. Excluding UNAMA, these costs amounted to R\$69.9 million. In 2014, the cost of services totaled R\$257.1 million, an increase of 48.6% over the previous year. The main components of this line all recorded an upturn in the quarter and the year for the following reasons:

Payroll increased due to faculty additions, especially as a result of Pronatec and the distance learning courses, as well as the impact of the collective bargaining agreement. In comparison with 4Q13, the number of faculty members increased by 1,733, or 41.5%.

The rent upturn was due to the following factors: (i) the spin-off of Group properties on July, 2013, with rent payments beginning as of that date; (ii) the increase in the property base in order to sustain the Company's growth, including facilities that are not yet operational; and (iii) the adjustment of existing leasing contracts. There are 14 pre-operational units that are already paying rent but are not yet generating revenue.

The variation in the concessionaires line was due to the higher number of units (São Luis and Manaus), consolidation of recent acquired companies (UNAMA/FIT, FAL and FASE) and increase in electricity rates.

The cash cost of services represented 41.3% of net revenue, 1.5 p.p. up on 4Q13.

% of net operating revenue	4Q14	4Q13	% Chg. 4Q14 x 4Q13	3Q14	% Chg. 4Q14 x 3Q14	12M14	12M13	% Chg. 12M14 x 12M13
Cash Cost of Services Rendered	-41.3%	-42.8%	1.5 p.p.	-34.7%	-6.5 p.p.	-36.5%	-37.9%	1.4 p.p.
Payroll and Charges	-29.9%	-29.8%	-0.1 p.p.	-24.1%	-5.8 p.p.	-25.9%	-25.9%	0.0 p.p.
Rent	-6.8%	-8.2%	1.4 p.p.	-7.5%	0.7 p.p.	-7.0%	-7.6%	0.6 p.p.
Concessionaires (Electricity, Water and Telephone)	-2.9%	-2.8%	0.0 p.p.	-1.9%	-1.0 p.p.	-2.2%	-2.6%	0.5 p.p.
Third-Party Services	-1.7%	-1.9%	0.2 p.p.	-1.3%	-0.4 p.p.	-1.4%	-1.7%	0.3 p.p.

Gross Profit

Gross Profit (R\$ '000)	4Q14	4Q13	% Chg. 4Q14 x 4Q13	3Q14	% Chg. 4Q14 x 3Q14	12M14	12M13	% Chg. 12M14 x 12M13
Net Operating Revenue	203,861	124,556	63.7%	171,058	19.2%	705,067	456,761	54.4%
Cost of Services Rendered	(87,857)	(55,267)	59.0%	(62,229)	41.2%	(267,295)	(180,170)	48.4%
Gross Profit	116,004	69,289	67.4%	108,829	6.6%	437,772	276,591	58.3%
Gross Margin	56.9%	55.6%	1.3 p.p.	63.6%	-6.7 p.p.	62.1%	60.6%	1.5 p.p.
(-) Depreciation	3,716	2,004	85.4%	2,799	32.8%	10,190	7,105	43.4%
Cash Gross Profit	119,720	71,293	67.9%	111,628	7.2%	447,962	283,696	57.9%
Cash Gross Margin	58.7%	57.2%	1.5 p.p.	65.3%	-6.5 p.p.	63.5%	62.1%	1.4 p.p.

Cash gross profit increased by 67.9%, from R\$71.3 million in 4Q13 to R\$119.7 million in 4Q14, while the cash gross margin widened from 57.2% to 58.7%. Gross profit excluding UNAMA totaled R\$109.8 million. In the year as a whole, gross profit came to R\$448.0 million, 57.9% more than the R\$283.7 million reported in 2013, with the gross margin expanding by 1.4 percentage points, from 62.1%, in 2013, to 63.5%. The increase in both the fourth-quarter and annual gross margin was mainly due to the dilution of fixed costs as net revenue growth outpaced that of the cost of services.

Operating Expenses (Selling, General and Administrative)

Operating Expenses (R\$ '000)	4Q14	4Q13	% Chg. 4Q14 x 4Q13	3Q14	% Chg. 4Q14 x 3Q14	12M14	12M13	% Chg. 12M14 x 12M13
General and Administrative Expenses	(61,829)	(42,492)	45.5%	(48,393)	27.8%	(200,317)	(135,115)	48.3%
Payroll and Charges	(24,665)	(15,021)	64.2%	(19,976)	23.5%	(78,456)	(51,978)	50.9%
Third-Party Services	(6,287)	(5,110)	23.0%	(7,414)	-15.2%	(25,062)	(16,180)	54.9%
Advertising	(10,868)	(5,466)	98.8%	(7,652)	42.0%	(34,287)	(18,668)	83.7%
PDA	(8,080)	(8,226)	-1.8%	(4,989)	62.0%	(25,468)	(20,001)	27.3%
Depreciation and Amortization	(3,952)	(4,124)	-4.2%	(3,775)	4.7%	(14,433)	(12,554)	15.0%
Materials	(3,135)	(2,753)	13.9%	(1,423)	120.3%	(8,538)	(6,804)	25.5%
Others	(4,842)	(1,792)	170.2%	(3,164)	53.0%	(14,073)	(8,930)	57.6%
Operating Income	51,123	25,698	98.9%	59,161	-13.6%	229,349	137,378	66.9%

Fourth-quarter general and administrative expenses increased by 45.5%, from R\$42.5 million, in 4Q13, to R\$61.8 million. Excluding UNAMA, this cost line totaled R\$57.2 million. Annual operating expenses totaled R\$200.3 million, 48.3% more than in 2013. These variations were mainly due to:

- Higher expenses with payroll and charges, due to the expansion-related increase in the headcount and the adjustment of administrative areas to cope with the Company's growth. Another point worth noting is that the Company adopted a bonus provisioning policy as of 2Q13, also considering the number of those eligible for the bonus program.
- Advertising expenses increased due to the 2015 intake process that involved a larger number of units compared to last year, including the recent acquisition of UNAMA/FIT
- PDA improved by 2.6 percentage points, reflecting the increase in the FIES student base and the greater adherence of these students to the FGEduc. In addition to dilution by increasing the revenue of PRONATEC.

Ordinance 3 of January 3, 2014 decreed that the risk of new FIES students' as of February 2014 would be covered by the FGEduc, including contracts with guarantors, which led to growing use of the FGEduc, impacting the level of gross revenue deductions.

At the end of 4Q14, 85% of FIES students had adhered to the FGEduc and 15% had guarantors, same shops, ie without Unama and FIT.

% of net operating revenue	4Q14	4Q13	% Chg. 4Q14 x 4Q13	3Q14	% Chg. 4Q14 x 3Q14	12M14	12M13	% Chg. 12M14 x 12M13
General and Administrative Expenses	-30.3%	-34.1%	3.8 p.p.	-28.3%	-2.0 p.p.	-28.4%	-29.6%	1.2 p.p.
Payroll and Charges	-12.1%	-12.1%	0.0 p.p.	-11.7%	-0.4 p.p.	-11.1%	-11.4%	0.3 p.p.
Third-Party Services	-3.1%	-4.1%	1.0 p.p.	-4.3%	1.3 p.p.	-3.6%	-3.5%	0.0 p.p.
Advertising	-5.3%	-4.4%	-0.9 p.p.	-4.5%	-0.9 p.p.	-4.9%	-4.1%	-0.8 p.p.
PDA	-4.0%	-6.6%	2.6 p.p.	-2.9%	-1.0 p.p.	-3.6%	-4.4%	0.8 p.p.
Depreciation and Amortization	-1.9%	-3.3%	1.4 p.p.	-2.2%	0.3 p.p.	-2.0%	-2.7%	0.7 p.p.
Materials	-1.5%	-2.2%	0.7 p.p.	-0.8%	-0.7 p.p.	-1.2%	-1.5%	0.3 p.p.
Others	-2.4%	-1.4%	-0.9 p.p.	-1.8%	-0.5 p.p.	-2.0%	-2.0%	0.0 p.p.
Operating Income	25.1%	20.6%	-4.4 p.p.	34.6%	-9.5 p.p.	32.5%	30.1%	-2.5 p.p.

EBITDA and Adjusted EBITDA

EBITDA (R\$ '000)	4Q14	4Q13	% Chg. 4Q14 x 4Q13	3Q14	% Chg. 4Q14 x 3Q14	12M14	12M13	% Chg. 12M14 x 12M13
Net Income (Loss)¹	43,774	21,530	103.3%	57,663	-24.1%	213,864	116,297	83.9%
(+) Net financial expense ²	3,972	1,952	103.5%	(1,858)	-313.8%	(813)	15,882	-105.1%
(+) Income and social contribution taxes	3,377	2,216	52.4%	3,356	0.6%	16,298	5,199	213.5%
(+) Depreciation and amortization	7,668	6,128	25.1%	6,574	16.6%	24,623	19,659	25.3%
EBITDA³	58,791	31,826	84.7%	65,735	-10.6%	253,972	157,037	61.7%
<i>EBITDA Margin</i>	<i>28.8%</i>	<i>25.6%</i>	<i>3.3 p.p.</i>	<i>38.4%</i>	<i>-9.6 p.p.</i>	<i>36.0%</i>	<i>34.4%</i>	<i>1.6 p.p.</i>
(+) Revenue from interest and fines on tuition ⁵	2,605	2,913	-10.6%	3,043	-14.4%	12,081	9,058	33.4%
(+) Non-recurring costs and expenses ⁶	892	1,930	-53.8%	2,093	-57.4%	7,109	2,966	139.7%
(-) Minimum rent paid ⁷	(7,536)	(5,226)	44.2%	(5,937)	26.9%	(25,346)	(14,594)	73.7%
Adjusted EBITDA⁴	54,752	31,443	74.1%	64,934	-15.7%	247,816	154,467	60.4%
<i>Adjusted EBITDA Margin</i>	<i>26.9%</i>	<i>25.2%</i>	<i>1.6 p.p.</i>	<i>38.0%</i>	<i>-11.1 p.p.</i>	<i>35.1%</i>	<i>33.8%</i>	<i>1.3 p.p.</i>

1 Due to our adhesion to PROUNI, we are entitled to certain tax benefits that affect net income.

2 Corresponds to the difference between financial revenue and expenses.

3 EBITDA is not an official accounting measurement.

4 Adjusted EBITDA corresponds to EBITDA plus revenue from interest on fines and tuition, non-recurring costs and expenses, and minimum rent paid.

5 Revenue from interest on fines and tuition corresponds to financial charges on renegotiated and overdue tuition fees.

6 Non-recurring costs and expenses are mainly related to costs and expenses from mergers and acquisitions, which would not normally affect cash.

7 Minimum rent refers to rent agreements recorded under financial leasing in accordance with CPC 06; expenses from this leasing are not recorded under EBITDA but are part of adjusted EBITDA.

Cash generation as measured by adjusted EBITDA totaled R\$54.8 million in 4Q14, 74.1% up on the R\$31.4 million reported in 4Q13. Adjusted EBITDA excluding UNAMA came to R\$53.4 million. Annual adjusted EBITDA reached R\$247.8 million, 60.4% more than in 2013. The adjusted EBITDA margin ended the fourth quarter at 26.9%, an increase of 1.6 percentage points over 4Q13. For the year as a whole, the adjusted EBITDA margin widened by 1.3 percentage points, from 33.8%, in 2013, to 35.1%, primarily due to efficiency gains in the costs and general and administrative expenses lines.

Financial Result

Financial Result (R\$ '000)	4Q14	4Q13	% Chg. 4Q14 x 4Q13	3Q14	% Chg. 4Q14 x 3Q14	12M14	12M13	% Chg. 12M14 x 12M13
(+) Financial Revenue	8,023	7,308	9.8%	11,629	-31.0%	42,260	15,236	177.4%
Interest on Tuition and Agreements	2,605	2,913	-10.6%	3,043	-14.4%	12,081	9,058	33.4%
Returns on Financial Investments	4,894	4,151	17.9%	8,169	-40.1%	27,852	5,197	435.9%
Others	524	244	114.8%	417	25.7%	2,327	981	137.2%
(-) Financial Expenses	(11,995)	(9,260)	29.5%	(9,771)	22.8%	(41,447)	(31,118)	33.2%
Interest Expenses	(3,785)	(3,526)	7.3%	(3,429)	10.4%	(14,757)	(11,008)	34.1%
Interest on Leasing	(6,591)	(5,212)	26.5%	(5,209)	26.5%	(22,271)	(14,019)	58.9%
Discounts Granted	(400)	(704)	-43.2%	(316)	26.6%	(1,764)	(4,598)	-61.6%
Others	(1,219)	182	-769.8%	(817)	49.2%	(2,655)	(1,493)	77.8%
Financial Result	(3,972)	(1,952)	103.5%	1,858	-313.8%	813	(15,882)	-105.1%

Financial revenue increased by 9.8%, from R\$7.3 million in 4Q13 to R\$8.0 million in 4Q14. Excluding UNAMA, it totaled R\$7.6 million. In 2014, financial revenue came to R\$42.3 million, 177.4% more than the year before. The upturn in both periods was mainly due to higher returns on financial investments, using cash from the IPO.

Financial expenses increased from R\$9.3 million in 4Q13 to R\$12.0 million in 4Q14, or R\$10.2 million excluding UNAMA. In the year as a whole, they totaled R\$41.4 million, 33.2% up on the R\$31.1 million recorded in 2013. The variation in both periods was primarily due to interest on the leased properties.

The net financial result was a negative R\$4.0 million in 4Q14, versus a negative R\$2.0 million in 4Q13. Excluding UNAMA, it stood at R\$2.6 million. The annual result was a positive R\$0.8 million, versus a negative R\$15.9 million in 2013. The improvement in both periods was due to higher returns on financial investments, using cash from the IPO, and the reduction in tuition discounts.

Net Income

Net Income (R\$ 000)	4Q14	4Q13	% Chg- 4Q14 x 4Q13	3Q14	% Chg- 4Q14 x 3Q14	12M14	12M13	% Chg- 12M14 x 12M13
Operating Income	51,123	25,698	98.9%	59,161	-13.6%	229,349	137,378	66.9%
(+) Financial Result	(3,972)	(1,952)	103.5%	1,858	-313.8%	813	(15,882)	-105.1%
(+) Income and Soc. Contrib. Taxes	(3,377)	(2,216)	52.4%	(3,356)	0.6%	(16,298)	(5,199)	213.5%
Net Income (Loss)	43,774	21,530	103.3%	57,663	-24.1%	213,864	116,297	83.9%
<i>Net Margin</i>	<i>21.5%</i>	<i>17.3%</i>	<i>4.2 p.p.</i>	<i>33.7%</i>	<i>-12.2 p.p.</i>	<i>30.3%</i>	<i>25.5%</i>	<i>4.9 p.p.</i>

Operating income totaled R\$51.1 million in 4Q14, 98.9% more than the R\$25.7 million recorded in the same period in the previous year. Excluding UNAMA, the 4Q14 figure came to R\$45.1 million. In the full year, operating income came to R\$229.4 million, 66.9% higher than the R\$137.4 million recorded in 2013. The improvement in both periods was chiefly due to the strong growth of the student base and the consequent upturn in revenue, thanks to organic expansion and the acquisition of UNAMA and FIT.

Fourth-quarter net income increased by 103.3% from R\$21.5 million, in 4Q13, to R\$43.8 million. As a percentage of net revenue, net income grew from 17.3% to 21.5% in the same period, representing a net margin gain of 4.2 percentage points. Excluding UNAMA, the net result would have been R\$45.1 million.

Annual net income came to R\$213.9 million, 83.9% higher than the R\$116.3 million reported in 2013, while the net margin widened by 4.9 percentage points, from 25.5% to 30.3%. Net income in 4Q14 was impacted by income tax on the calculation base of Pronatec, which is not tax-exempt. An important factor affecting net income in the 4T14 and in 2014 is the incidence of income tax on the arising basis of calculation of net revenue of PRONATEC courses, which does not benefit from tax exemption and therefore increases the aliquot, impacting the calculation of tax

Proforma Financial Data – UNAMA and UnG

Highlights (R\$ '000)	SER EDUCACIONAL	UNAMA	UnG	SER PRO FORMA CONSOLIDATED	Chg. Pro Forma x SER Educacional
	12M14	12M14*	12M14*	12M14*	
Financial					
Net Revenue	705,067	109,331	138,134	934,731	32.6%
Gross Profit	437,772	48,192	84,328	564,627	29.0%
<i>Gross Margin</i>	62.1%	44.1%	61.0%	60.4%	-1.7 p.p.
EBITDA	253,972	16,271	30,596	299,719	18.0%
<i>EBITDA Margin</i>	36.0%	14.9%	22.1%	32.1%	-4.0 p.p.
Adjusted EBITDA	247,816	16,211	30,596	294,977	19.0%
<i>Adjusted EBITDA Margin</i>	35.1%	14.8%	22.1%	31.6%	-3.6 p.p.
Net Income (Loss)	213,864	12,464	(1,917)	225,624	5.5%
<i>Net Margin</i>	30.3%	11.4%	-1.4%	24.1%	-6.2 p.p.

*Pro forma data, not audited, subjected to changes.

Accounts Receivable and Average Receivable Days

Accounts Receivable and Average Receivable Days (R\$ '000)	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	% Chg.
Gross Accounts Receivable	100,810	131,501	127,208	103,605	113,858	139,205	195,489	180,626	233,238	104.8%
Monthly tuition fees	50,770	59,408	66,307	28,584	35,883	33,970	43,577	35,479	73,922	106.0%
FIES	12,117	30,394	21,213	44,220	43,470	69,776	109,410	101,518	107,340	146.9%
PRONATEC	-	-	-	-	6,573	6,639	15,347	12,893	19,610	198.3%
Negotiated agreements receivable	20,615	25,325	23,842	16,661	14,153	15,839	16,361	19,050	17,736	25.3%
Education credits receivable	13,882	14,875	13,473	12,160	10,973	10,376	9,628	9,023	8,730	-20.4%
Others	3,426	1,499	2,373	1,980	2,806	2,605	1,166	2,663	5,900	110.3%
PDA balance	(45,661)	(48,284)	(54,726)	(13,408)	(17,741)	(18,459)	(18,344)	(19,829)	(27,744)	56.4%
Net Accounts Receivable	55,149	83,217	72,482	90,197	96,117	120,746	177,145	160,797	205,494	113.8%
Net Revenue (Last 12 Months - FIES+Ex-FIES+Pronatec)	283,285	322,389	367,038	405,947	456,761	504,304	566,308	625,762	705,067	54.4%
Net Receivable Days (FIES+Ex-FIES+Pronatec)	70	93	71	80	76	86	113	93	105	38.5%
Net Revenue FIES (Last 12 Months)	76,330	94,436	133,068	163,233	193,504	230,853	266,072	306,304	351,278	81.5%
Net Receivable Days FIES	57	116	57	98	81	109	148	119	110	36.0%
Normalized Receivable Days (FIES)	57	116	57	98	81	98	80	111	67	-17.2%

Our accounts receivable turnover from FIES was impacted by the FNDE schedule change, where repurchases have been occurring only in the first days of the following month. In December, there was a delay in the pass-through of FIES, totaling R\$42.1 million, regularized on January 13, 2015, and impacting the balance of accounts receivable in December 2014. If these payments had been made in December, adjusted FIES receivable days would have been 67 days.

FIES net accounts receivable days are affected by the delay in the pass-through of PRONATEC, Excluding this effect, the ex-FIES and ex-PRONATEC accounts receivable turnover would have come to 102 days. Seeking to improve the ex-FIES and ex-PRONATEC turnover, we are establishing controls and targets for the management of ex-FIES collection.

The Company constitutes provisions for doubtful accounts (PDA) in an amount considered sufficient by Management to cover possible losses from accounts receivable, considering the risks involved. The Company's criterion is to provision 100% of receivables overdue by more than 180 days, plus the FIES provisions.

Aging of Negotiated Agreements (R\$ '000)	4Q14	% Chg.	4Q13	% Chg.
Not yet due	4,930	27.8%	3,092	21.8%
Overdue by up to 30 day	2,457	13.9%	1,588	11.2%
Overdue from 31 to 60 days	1,884	10.6%	1,291	9.1%
Overdue from 61 to 90 days	1,647	9.3%	1,358	9.6%
Overdue from 91 to 179 days	3,158	17.8%	3,418	24.2%
Overdue more than 180 days	3,660	20.6%	3,406	24.1%
TOTAL	17,736	100.0%	14,153	100.0%
<i>% of Gross Accounts Receivable</i>	7.6%		12.4%	

Negotiated agreements receivable refers to renegotiations of defaulting students with the Company. The above table shows that 27.8% of the agreements were not overdue.

As of September 2013, the Company has been writing off receivables overdue by more than 360 days, in line with market practices.

The table below shows the evolution of our PDA through 2014:

Constitution of Provision for Doubtful Accounts in the Income Statement (R\$ '000)	12/31/2013	Gross Increase in Provision for Doubtful Accounts	Write-off	12/31/2014
Total	17,741	25,468	(15,465)	27,744

CAPEX

CAPEX (R\$ ('000))	12M14	% of Total	12M13	% of Total
CAPEX Total	295,568	100.0%	119,542	100.0%
Property acquisition / Construction / Maintenance of campuses	81,681	27.6%	52,205	43.7%
Equipment / Library / IT	43,221	14.6%	37,080	31.0%
MEC Licenses	3,788	1.3%	2,492	2.1%
Software Licenses	4,284	1.4%	3,445	2.9%
Partnerships	1,560	0.5%	593	0.5%
Intangibles and Others	26,742	9.0%	6,650	5.6%
Acquisitions	134,292	45.4%	17,077	14.3%

In 2014, the Company invested R\$81.7 million in the acquisition of properties and the construction of new campuses or the renovation of existing ones, which accounted for 27.6% of the total. Most of the investments went to organic expansion projects.

On the total of R\$81.7 million of property acquisitions, were mainly as follows: (i) property payments in São Luís in the amount of R\$14.7 million for the construction of the campus Maurício de Nassau, (ii) purchased a R\$3.0 million building in Fortaleza, for the expansion of existing campus, (iii) bought a R\$2.9 million property in Recife, for the expansion of Uninassau's campus, (iv) acquired a land in Olinda, in the amount of R\$3.4 million, for construction of a new campus and (v) another in João Pessoa, in the amount of R\$3.8 million to extend existing campus.

Of the amount allocated to acquisitions, approximately R\$13.5 million referred to the January 2013 acquisition of FAP, in Teresina, 59.3% to the acquisition of UNAMA/FIT (located in Belém, state of Pará), R\$0.9 million to FAL (located in São Lourenço da Mata, Pernambuco) and R\$1.5 million to FADE (located in Olinda, Pernambuco).

Intangibles and others refer to intangible assets identified in FAL, FASE and UNAMA/FIT acquisitions. Due to the arrival of the Grupo Ser to very distant regions of the headquarters of Recife, as Manaus, Belem and Sao Paulo, it was necessary to change the Company's Phenom 100 aircraft, which did not have enough flight range to reach these regions for a Phenom 300 model in the amount of R\$25.7 million. The exchange was accounted as follows: Registered in assets (CAPEX) in December 2014, discounted by the delivery value of the old aircraft in the amount of R\$7.2 million. The remaining amount of the acquisition was financed through the (FINAME) with the interest rate of 4.5% per year + TJLP. This part of the operation will be recorded in 1Q15.

Indebtedness

Indebtedness (R\$ '000)	12/31/2014	12/31/2013	% Chg. dec14 x dec13
Shareholders' equity	626,652	451,366	38.8%
Cash and cash equivalents	73,248	217,260	-66.3%
Securities	63,418	84,311	-24.8%
Gross debt	(173,709)	(127,533)	36.2%
Loans and financing	(107,937)	(107,836)	0.1%
Short term	(33,264)	(17,836)	86.5%
Long term	(74,673)	(90,000)	-17.0%
Liabilities to pay*	(65,772)	(19,697)	233.9%
Net debt	(37,043)	174,038	-121.3%

*Liabilities to pay refer to acquisition-scheduled payments.

The Company closed 2014 with net debt of R\$37.0 million.

Debt Amortization Schedule (R\$ '000)	12/31/2014	% Total	31/12/2013	% Total
Short Term				
2014	-	0.0%	17,836	16.5%
2015	33,264	30.8%	-	0.0%
Total Short Term	33,264	30.8%	17,836	16.5%
Long Term				
2015	-	0.0%	23,241	21.6%
2016	32,314	29.9%	27,620	25.6%
2017	20,183	18.7%	17,410	16.1%
2018	14,594	13.5%	13,885	12.9%
2019	6,757	6.3%	7,019	6.5%
After 2020	825	0.8%	825	0.8%
Total Long Term	74,673	69.2%	90,000	83.5%
Total Loans, Financing and Liabilities to pa	107,937	100.0%	107,836	100.0%

Regarding the amortization schedule, 30.8% of debt is short term, with maturity in 2015.

Cash Flow

In 2014, the Company's cash fell by R\$144.0 million due to the use of R\$274.7 million in investing activities and R\$46.4 million in financing activities, versus cash flow of R\$177.0 million from operating activities, as shown below:

Cash Flow (R\$ '000)	4Q14	4Q13	% Chg. 4Q14 x 4Q13	12M14	12M13	% Chg. 12M14 x 12M13
Cash flow from operating activities						
Net cash from operating activities	33,084	53,673	-38.4%	177,040	130,934	35.2%
(-) Cash flow allocated to investing activities	(13,569)	(159,098)	-91.5%	(274,675)	(203,833)	34.8%
(+) Cash flow allocated to financing activities	(16,534)	261,209	-106.3%	(46,377)	272,977	-117.0%
Increase in cash and cash equivalents	2,981	155,784	-98.1%	(144,012)	200,078	-172.0%
Net increase in cash and cash equivalents						
Beginning of period	-	-	0.0%	217,260	17,182	1164.5%
End of period	2,981	155,784	-98.1%	73,248	217,260	-66.3%
Increase in cash and cash equivalents	2,981	155,784	-98.1%	(144,012)	200,078	-172.0%

Cash flow allocated to investing activities represents the Company's CAPEX in the period, excluding the securities line.

It is worth emphasizing that our operating cash flow was impacted by R\$42.1 million due to the adjustment of the new FIES payment and repurchase schedule, since the funds began to be received in the opening days of the subsequent month. Including this R\$42.1 million, our operating cash flow would have come to R\$75.1 million.

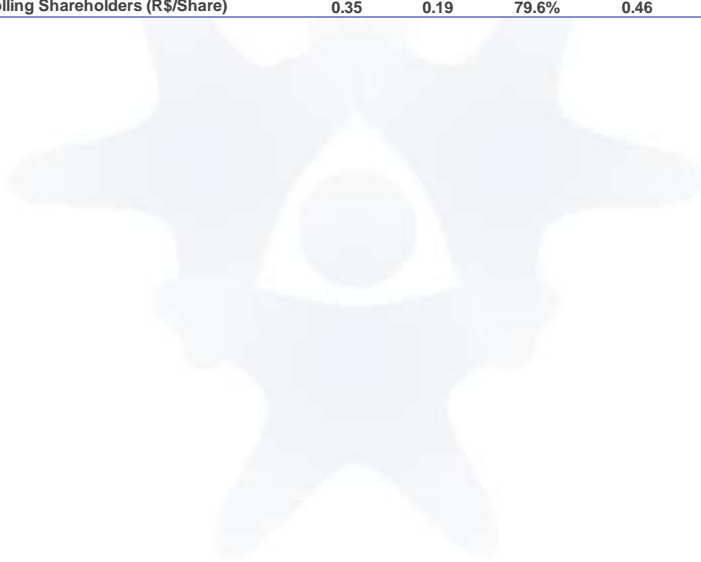
ABOUT SER EDUCACIONAL

Founded in 2003 and headquartered in Recife, the Ser Educacional Group (BM&FBOVESPA SEER3, Bloomberg SEER3:BZ and Reuters SEER3.SA) is one of the largest private education groups in Brazil and leader in the Northeast and North regions in the number of enrolled students. It offers undergraduate, graduate, vocational and distance learning courses in 35 units spread through 24 cities in 12 states, with a consolidated base of more than 146,000 students. The Company operates under the Faculdades Maurício de Nassau, UNINASSAU – Centro Universitário Maurício de Nassau, Faculdades Joaquim Nabuco, Escolas Técnicas Joaquim Nabuco e Maurício de Nassau, FIT – Faculdades Integradas dos Tapajós, UnG (Universidade Guarulhos) and UNAMA (Universidade da Amazônia) brands, through which it offers more than 660 courses.

ATTACHMENTS

Income Statement

Income Statement (R\$ '000)	4Q14	4Q13	% Chg. 4Q14 X 4Q13	3Q14	% Chg. 4Q14 x 3Q14	12M14	12M13	% Chg. 12M14 x 12M13
Revenue from the Sale of Goods and/or Services	203,861	124,556	63.7%	171,058	19.2%	705,067	456,761	54.4%
Cost of Goods Sold and/or Services Rendered	(87,857)	(55,267)	59.0%	(62,229)	41.2%	(267,295)	(180,170)	48.4%
Gross Profit	116,004	69,289	67.4%	108,829	6.6%	437,772	276,591	58.3%
Operating Expenses/Revenue	(64,881)	(43,591)	48.8%	(49,668)	30.6%	(208,423)	(139,213)	49.7%
General and Administrative Expenses	(61,829)	(42,492)	45.5%	(48,393)	27.8%	(200,317)	(135,115)	48.3%
Other Operating Expenses/Revenue	(3,052)	(1,099)	177.7%	(1,275)	139.4%	(8,106)	(4,098)	97.8%
Operating Income	51,123	25,698	98.9%	59,161	-13.6%	229,349	137,378	66.9%
Financial Result	(3,972)	(1,952)	103.5%	1,858	-313.8%	813	(15,882)	-105.1%
Financial Revenue	8,023	7,308	9.8%	11,629	-31.0%	42,260	15,236	177.4%
Financial Expenses	(11,995)	(9,260)	29.5%	(9,771)	22.8%	(41,447)	(31,118)	33.2%
Income Before Income Taxes	47,151	23,746	98.6%	61,019	-22.7%	230,162	121,496	89.4%
Income and Social Contribution Taxes	(3,377)	(2,216)	52.4%	(3,356)	0.6%	(16,298)	(5,199)	213.5%
Current	(17,743)	(10,562)	68.0%	(19,561)	-9.3%	(81,392)	(46,740)	74.1%
Tax Incentive - Proni	14,366	8,346	72.1%	16,205	-11.3%	65,094	41,541	56.7%
Consolidated Net Income/Loss	43,774	21,530	103.3%	57,663	-24.1%	213,864	116,297	83.9%
Attributed to the Controlling Shareholders	43,774	21,530	103.3%	57,663	-24.1%	213,864	116,320	83.9%
Attributed to Non-Controlling Shareholders	-	-	0.0%	-	0.0%	-	(23)	-100.0%
Weighted Average Number of Shares (thousand)	125,213	110,635	13.2%	125,213	0.0%	125,213	110,635	0.0%
Earnings/Share Attributed to the Controlling Shareholders (R\$/Share)	0.35	0.19	79.6%	0.46	-24.1%	1.71	1.05	62.5%



Balance Sheet

Balance Sheet - ASSETS (R\$ '000)	12/31/2014	12/31/2013	% Chg.
Total Assets	1,249,163	803,365	55.5%
Current Assets	359,356	406,410	-11.6%
Cash and cash equivalents	73,248	217,260	-66.3%
Securities	63,418	84,311	-24.8%
Accounts receivable	201,321	90,641	122.1%
Taxes recoverable	3,289	2,513	30.9%
Advances to suppliers	9,066	5,499	64.9%
Related parties	-	2,270	-100.0%
Other assets	9,014	3,916	130.2%
Non-Current Assets	889,807	396,955	124.2%
Long-Term Assets	889,807	396,955	124.2%
Accounts receivable	4,173	5,476	-23.8%
Other assets	6,017	1,864	222.8%
Indemnifications	112,015	3,249	3347.7%
Intangible assets	241,815	70,849	241.3%
Property, plant and equipment	525,787	315,517	66.6%

Balance Sheet - LIABILITIES (R\$ '000)	12/31/2014	12/31/2013	% Chg.
Total Liabilities	622,511	351,999	76.9%
Current Liabilities	196,679	92,442	112.8%
Suppliers	17,314	11,377	52.2%
Accounts payable	52,820	14,600	261.8%
Loans and financing	33,264	17,836	86.5%
Payroll and charges	55,270	31,331	76.4%
Taxes payable	11,991	8,267	45.0%
Income and social contribution taxes payable	3,789	2,579	46.9%
Leasing	3,816	2,867	33.1%
Dividends payable	8,232	-	N.M.
Other liabilities	10,183	3,585	184.0%
Non-Current Liabilities	425,832	259,557	64.1%
Loans and financing	74,673	90,000	-17.0%
Leasing	217,531	158,355	37.4%
Accounts payable	12,952	5,097	154.1%
Tax installments	409	99	313.1%
Provision for contingencies	120,267	6,006	1902.4%
Consolidated Shareholders' Equity	626,652	451,366	38.8%
Capital Realized	377,048	100,751	274.2%
Capital Reserves	-	276,297	-100.0%
Income Reserve	250,190	77,059	224.7%
Equity Adjustments	(586)	(2,741)	-78.6%
Total Liabilities and Shareholders' Equity	1,249,163	803,365	55.5%

Cash Flow Statement

Cash Flow Statement (R\$ '000)	12/31/2014	12/31/2013	% Chg.
Consolidated Net Income for the Period before Income Taxes	230,162	121,496	89.4%
Net Cash from Operating Activities	177,040	130,934	35.2%
Cash Flow from Operations	(2,875)	36,463	-107.9%
Depreciation and amortization	24,623	19,659	25.3%
Provision for doubtful accounts	25,468	20,001	27.3%
Provisions	(603)	931	-164.8%
Interest and exchange variation, net	36,985	24,977	48.1%
Changes in Assets and Liabilities	(89,348)	(29,105)	207.0%
Accounts receivable	(100,575)	(53,597)	87.7%
Taxes recoverable	(485)	2,413	-120.1%
Advances	(2,413)	(3,374)	-28.5%
Other assets	(3,430)	(1,236)	177.5%
Suppliers	5,264	7,317	-28.1%
Payroll and charges	7,100	12,631	-43.8%
Taxes payable	(1,417)	1,527	-192.8%
Income and social contribution taxes payable	1,066	526	102.7%
Other liabilities	5,542	4,688	18.2%
Other	(50,247)	(27,025)	85.9%
Interest on loans	(33,949)	(21,868)	55.2%
Income and social contribution taxes paid	(16,298)	(5,157)	216.0%
Net Cash from Investing Activities	(274,675)	(203,833)	34.8%
Securities	20,893	(84,291)	-124.8%
Additions to property, plant and equipment	(150,800)	(95,528)	57.9%
Additions to intangible assets	(10,474)	(6,937)	51.0%
Acquisition of subsidiaries	(134,294)	(17,077)	686.4%
Net Cash from Financing Activities	(46,377)	272,977	-117.0%
Loans and financing	-	54,669	N.M.
Amortization of loans and financing	(8,815)	(39,565)	-77.7%
Amortization of leasing	(8,328)	(859)	869.5%
Related parties	-	(2,271)	-100.0%
Shareholders' equity	-	295,038	-100.0%
Dividends	(29,234)	(34,035)	-14.1%
Increase (Reduction) in Cash and Cash Equivalents	(144,012)	200,078	-172.0%
Cash and Cash Equivalents at Beginning of Period	217,260	17,182	1164.5%
Cash and Cash Equivalents at End of Period	73,248	217,260	-66.3%