Belo Horizonte, May 12, 2015, Kroton Educacional S.A. (BM&FBovespa: **KROT3**; OTCQX: **KROTY**), "Kroton" or "Company," announces today its results for the first quarter of 2015 (1Q15). The Company's financial information is presented on a consolidated basis and in Brazilian real, in accordance with Brazilian Corporate Law and Generally Accepted Accounting Principles in Brazil (BRGAAP), and already conforms to International Financial Reporting Standards (IFRS), except where stated otherwise.

HIGHLIGHTS

Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Gross Revenue	1,623,698	807,645	101.0%	1,550,732	4.7%
Net Revenue	1,287,875	674,045	91.1%	1,230,063	4.7%
Gross Income	897,140	491,335	82.6%	807,957	11.0%
Gross Margin	*69.7%*	*72.9%*	*-3.2 p.p.*	*65.7%*	*4.0 p.p.*
Operating Result	703,834	401,096	75.5%	585,500	20.2%
Operating Margin	*54.7%*	*59.5%*	*-4.9 p.p.*	*47.6%*	*7.1 p.p.*
Adjusted EBITDA	551,569	331,679	66.3%	400,271	37.8%
Adjusted EBITDA Margin	*42.8%*	*49.2%*	*-6.4 p.p.*	*32.5%*	*10.3 p.p.*
Adjusted Net Income	455,312	290,204	56.9%	335,446	35.7%
Adjusted Net Margin	*35.4%*	*43.1%*	*-7.7 p.p.*	*27.3%*	*8.1 p.p.*
Adjusted Net Income /share	0.28	1.08	-74.1%	0.21	35.7%
Operating Cash Generation (OCG) after Capex [1]	4,707	141,056	-96.7%	318,405	-98.5%
OCG after Capex [1] / EBITDA (unadjusted)	*0.9%*	*43.2%*	*-42.3 p.p.*	*89.3%*	*-88.4 p.p.*

[1] Capex excludes investments in M&A and Special Projects.

✦ The first admission process of 2015 added 319,700 new On-Campus Undergraduate and Distance Learning students, an increase of 6.3% on 1Q14 (pro forma). The total Postsecondary student base surpassed 1.1 million students, expanding 12.8% on 4Q14. Considering only On-Campus and Distance Learning Undergraduate students, the student base expanded 14.0% in the same period.

✦ Successful launch of the Private Special Installment Plan (PEP) as an alternative to the restriction on FIES openings, through which over 22,800 students were enrolled.

✦ Net revenue grew 91.1% on 1Q14 to R$1,287.8 million, driven primarily by the incorporation of the Anhanguera figures, but also by organic growth of the Postsecondary student base.

✦ Adjusted EBITDA was R$551.6 million, growing 66.3% on 1Q14. Adjusted EBITDA margin stood at 42.8%, significantly higher than in 4Q14 and 3Q14, which are both periods that already consolidated the Anhanguera figures.

✦ Adjusted net income came to R$455.3 million in 1Q15, increasing 56.9% from R$290.2 million in the same period last year. Adjusted net margin stood at 35.4% in the quarter, also substantially higher compared to 4Q14 and 3Q14.

✦ In the Anhanguera integration process, the highlight was the conclusion of the integration of the financial management platforms (ERPs), which is an important step towards streamlining processes and capturing efficiency gains across the various business units.

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MESSAGE FROM MANAGEMENT

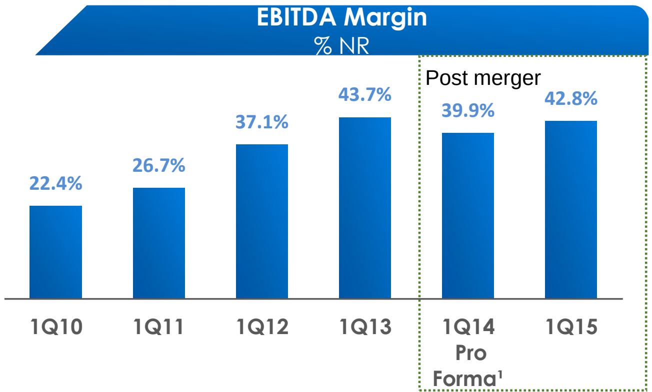
The scenario we faced in the first quarter of 2015 was very challenging, with changes to the rules of the Federal Student Financing Program (FIES), especially the limits on openings to new students. This scenario tested the capacity of companies to react and demanded a rapid response. At Kroton, we defined two major priorities: i) mitigating the revenue impacts arising from the restrictions on federal student financing; and ii) restructuring the Company by adjusting its costs and expenses to ensure the levels of results and margins expected prior to the financing constraints. Today, we can say with absolute conviction that our priorities have been fully achieved.

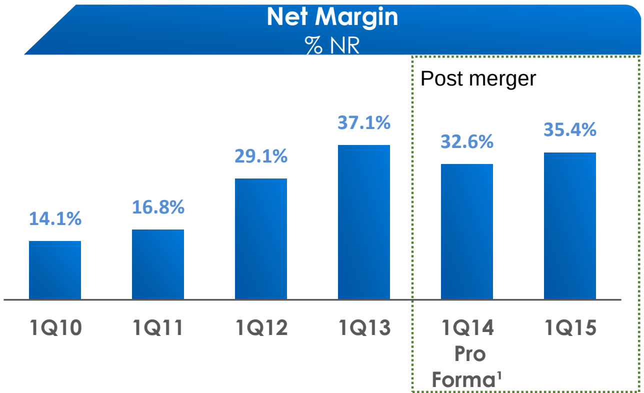
In the On-Campus Undergraduate business, we surpassed even our own initial expectations and expanded our student base by 5% year over year (pro-forma), even with the restrictions imposed on FIES observed at the start of the year. This achievement was supported by the launch of a product that was developed with intelligence and responsibility: the Private Special Payment Plan (PEP), which not only offers attractive conditions to students, but also maximizes our financial performance. In the same comparison period, our student base in the Undergraduate Distance Learning business registered even more robust expansion, of 9%.

We made a strategic choice to preserve margins and opted not to compromise our average ticket to deliver volume growth at any price; in other words, we maintained and strengthened our unique positioning in the regional markets where we operate. Moreover, we made no changes whatsoever to our criteria for recognizing students and revenues, which are already considered by the market as conservative. In practice, this conservative posture means that no revenue is recognized from students who do not finalize the process for contracting FIES financing, who do not make their first monthly tuition payment or who do not contract and pay the first installment of their PEP plans, even if they are attending classes. Despite maintaining our pricing strategy and rigorous criteria, we delivered growth of 6% in new enrollments and 7% in our Undergraduate student base, which enabled us to mitigate, or even almost neutralize, the effects from the restrictions on federal student financing.

In terms of costs and expenses, the challenge was to make adjustments without compromising our academic quality or our growth projects. We conducted a review of our costs that focused on capturing efficiency gains in the formation of new classes. On the expense front, the adjustments focused on the corporate and administrative structures at Units. In four intense weeks, we rebuilt our budget, with this rapid response allowing us to expand both EBITDA margin and net margin already in the first quarter of 2015.

A broader analysis shows the consistent gains achieved in the Company's efficiency. The following charts show the evolution in EBITDA margin and net margin in the first quarters of each year, from 2010 to 2015. Already in 1Q15, we were able to deliver nearly the same levels as in 2013 (before the Anhanguera merger) and we still have a large portion of synergies and efficiency gains to be captured.





[1] Pro forma – results of Kroton and Anhanguera combined and considering the accounting practices of each company.

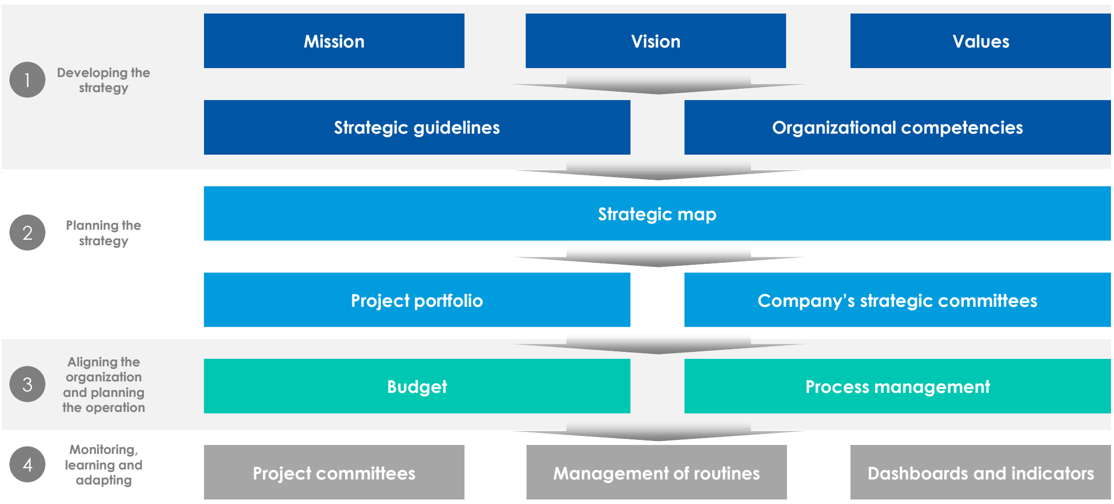
By the way, another reason to commemorate is the progress being made on the Anhanguera integration. On May 4, we concluded the unification of all the administrative, sales and financial teams, with the ERP management systems integrated without any turbulence. This is an important milestone, since it means that our people, processes and administrative, sales and financial systems are now fully integrated.

Another important integration project is the one named “Strategic Sourcing,” which also has helped us to reduce costs and expenses and to capture synergies. This project focuses on over 30 categories of costs and expenses that combined represent contracts worth more than R$800 million/year that have already been or are being renegotiated.

On the academic front, we are accelerating the integration schedule, and all freshmen in all brands (including Anhanguera) will use the Kroton Learning System 2.0 (KLS 2.0) already in the second semester of 2015. This means anticipating the original schedule by more than two years, which was only made possible by the successful integration processes achieved in other areas.

This capacity to respond and adapt quickly to new scenarios is one of the Company’s strengths, and we only were able to respond so effectively and rapidly because we know that our management models must be closely aligned with our corporate DNA. We believe a large corporation with more than 37,000 employees requires robust management and governance structures. That's why we implemented the Kroton Management System (SGK), which is a representation of the planning and management methodologies and tools we use and clearly defines the Company’s governance structures.

Kroton Management System (SGK)

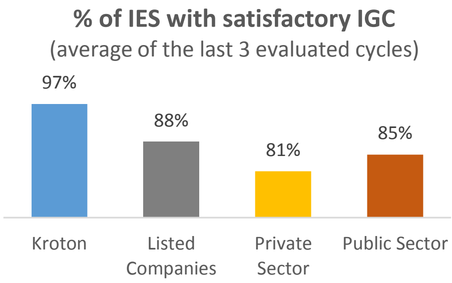


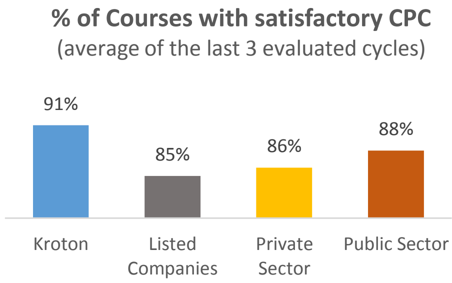
Today, the SGK is well consolidated throughout the company. Planning, Budget, Project Management, Process Management, Routine Management, all management tools and methodologies are implemented and aligned with a meritocracy-based culture.

However, we have the clear perception that, no matter how solid our management tools, our sustainability depends on the quality of the education that we offer. As we always emphasize, we are a company of educators whose core value is a **Passion for Educating**. And the results of our regulatory indicators show that we are moving in the right direction.

In the last three evaluation cycles, Kroton (including all brands and Anhanguera) achieved 97% satisfactory scores in the General Program Index (IGC), surpassing the average scores of the country's private education institutions, listed education companies and even public education institutions.

The same performance can be observed in the Preliminary Program Score (CPC). Kroton (including all brands and Anhanguera) achieved 91% satisfactory scores in the CPC, once again surpassing private education institutions, public education companies and public education institutions.





In addition to the very satisfactory overall numbers, some specific accomplishments reinforce that we really are on the right path:

- Brazil's best Medicine program (considering the CPCs from the public and private schools) is offered by Kroton (Uniderp, in Campo Grande).
- Brazil's best Veterinary Medicine program (considering the CPCs from the public and private institutions) is offered by Kroton (Unic, in Cuiabá).
- Brazil's best Postsecondary program in Marketing Technology (considering the CPCs from the public and private schools) is offered by Kroton (Anhanguera, in Jundiaí).
- Based on their CPC scores, 14 Kroton programs rank among the country's top 10.
- Based on their ENADE scores, 8 Kroton programs rank among the country's top 10. Considering only private institutions, we have 23 programs among the best in Brazil.

The high quality demonstrated in both general analyses and in the specific accomplishments of certain programs are the foundation that will ensure our sustainable growth. We also have a robust project to sustain our short, medium and long term growth:

- Around 400 new programs in the process of accreditation by the Ministry of Education (MEC) to be offered at current units.
- Implementation of 100 new campuses in the On-Campus Education (greenfield projects) over the next 5 years, 35 of which have already been submitted to the Ministry of Education (MEC).
- 448 new distance learning centers already submitted to MEC for approval, which should be ready for the second semester of 2016.

In addition to organic growth, we remain attentive to acquisition opportunities that can add value to the Company in the long run.

Therefore, although we believe 2015 will be challenging not only for the Education sector, but also for Brazil as a whole, we are certain that it will be an excellent year. We're ready for 2015!

OPERATING PERFORMANCE

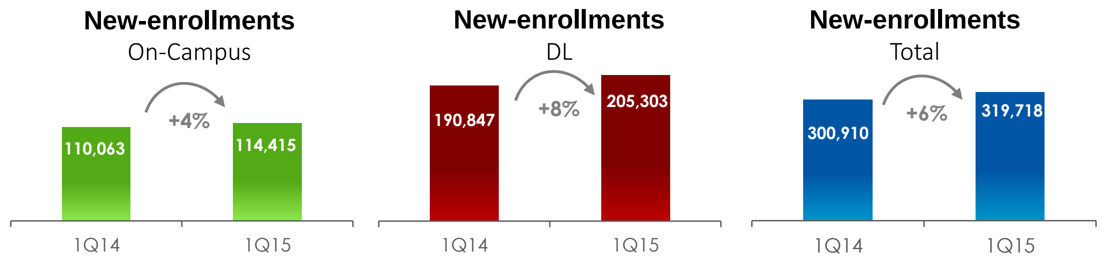
POSTSECONDARY EDUCATION

<u>Note 1: except where stated otherwise, all of the following analyses of operating performance include the figures from Anhanguera, including for 1Q14 on a pro forma basis.</u>

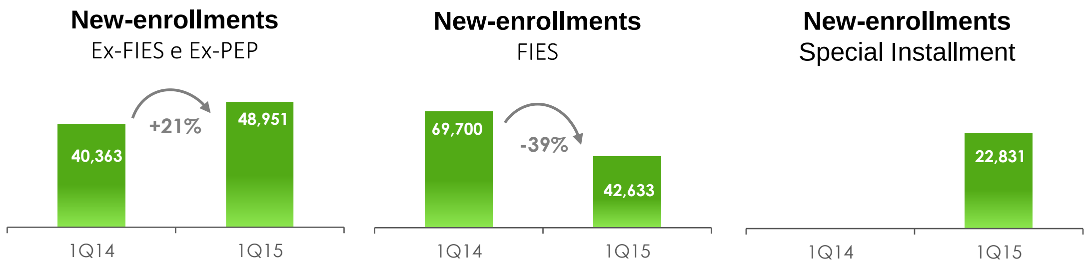
<u>Note 2: the criteria for student recognition have not changed from those historically adopted by Kroton (ex-Anhanguera).</u>

<u>1Q15 New Enrollments and Re-Enrollments - Undergraduate</u>

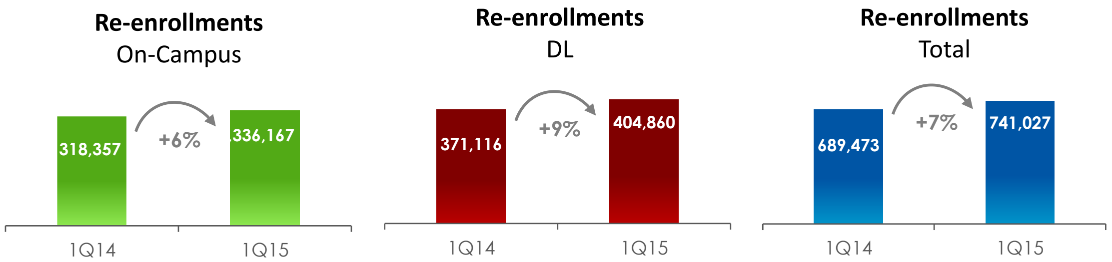
New enrollments – Undergraduate



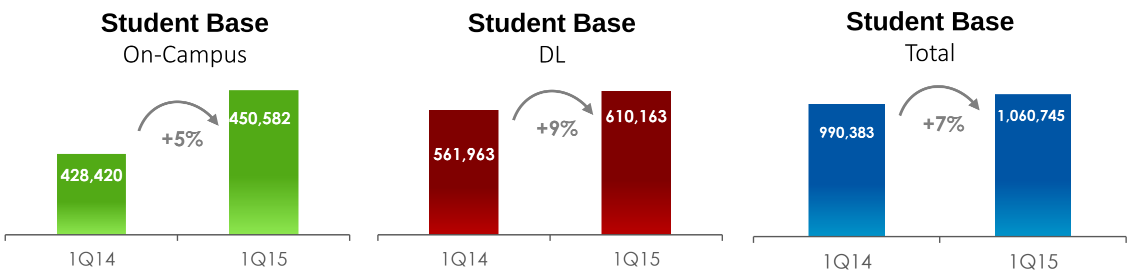
New Enrollment Breakdown - On-Campus Undergraduate



Re-enrollments – Undergraduate



Student Base – Undergraduate



The admission and re-enrollment processes for the first semester of the year were concluded with strong results, despite the recent regulatory changes involving FIES student financing. In spite of the challenges, the figures achieved surpassed even the Company's initial estimates for virtually all indicators.

A breakdown of these figures shows some important variations:

- 114,415 new students enrolled in On-Campus Undergraduate programs, up 4.0% from 1Q14, driven by the 21.3% growth in ex-FIES students and the launch of Private Special Installment Plan (PEP).
- 205,303 new students enrolled in Distance Learning Undergraduate programs, up 7.6% from 1Q14.
- 336,167 students re-enrolled in the On-Campus Undergraduate programs, up 5.6% on 1Q14
- 404,860 students re-enrolled in the Distance Learning Undergraduate programs, up 9.1% on 1Q14

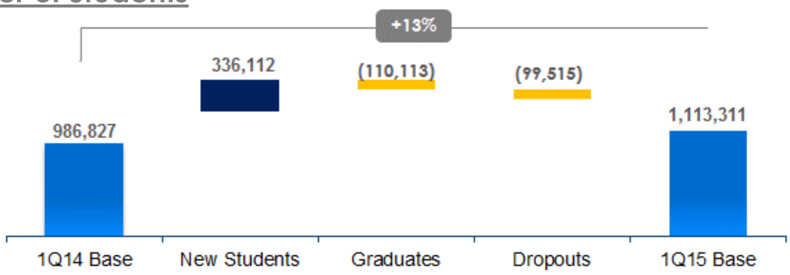
A total of 319,718 new Undergraduate students were added, or 6.2% more than in the same period of 2014. This performance is explained by the strength of our brands, combined with the recognition of our educational quality, the intense efforts of our sales teams and our marketing and sales initiatives, including those related to the Private Special Installment Plan (PEP), which will be covered in more detail later in this report.

The re-enrollment process (i.e., enrollments of students in the second to the last academic semesters) also registered strong growth from 1Q14 of 7.5% to 741,027 students.

Note that these figures adopt precisely the same conservative criteria adopted by Kroton for student recognition in previous cycles. In practice, this posture means that no revenue is recognized from students who do not finalize the process for contracting or amending their FIES loan, who do not make their first monthly tuition payment or who do not contract and pay the first installment of their PEP plans, even if they are attending classes.

These results led the On-Campus and Distance Learning Undergraduate student base to expand by 7.1% in 1Q15 compared to 1Q14. Note also that all variations commented represent exclusively organic growth, given that no new On-Campus units or distance learning centers were opened in the period.

Evolution in Number of Students



The evolution in the number of Postsecondary students between 4Q14 and 1Q15 by product (Undergraduate and Graduate) and teaching format (On-Campus and Distance Learning) is presented below.

	On-Campus			Distance Learning		
Students	**Undergraduate**	**Graduate**	**Total**	**Undergraduate**	**Graduate**	**Total**
4Q14 Base	**422,783**	**17,501**	**440,284**	**507,673**	**38,870**	**546,543**
New Students	114,415	4,993	119,408	205,303	11,401	216,704
Graduates	(42,505)	(3,044)	(45,549)	(55,442)	(9,122)	(64,564)
Dropouts	(44,111)	(2,243)	(46,354)	(47,371)	(5,790)	(53,161)
1Q15 Base	**450,582**	**17,207**	**467,789**	**610,163**	**35,359**	**645,522**
% Change 1Q15/ 4Q14	6.6%	-1.7%	6.2%	20.2%	-9.0%	18.1%

Students	**Total Undergraduate**	**Total Graduate**	**Total**
4Q14 Base	**930,456**	**56,371**	**986,827**
New Students	319,718	16,394	336,112
Graduates	(97,947)	(12,166)	(110,113)
Dropouts	(91,482)	(8,033)	(99,515)
1Q15 Base	**1,060,745**	**52,566**	**1,113,311**
% Change 1Q15/ 4Q14	14.0%	-6.7%	12.8%

At the end of 1Q15, the number of Postsecondary students (Undergraduate and Graduate) in both the On-Campus and Distance Learning formats surpassed 1.1 million, growing by 12.8% from 4Q14. Broken down by teaching format, the On-Campus student base accounted for 42.0% of the total student base in the quarter, while the Distance Learning student base accounted for 58.0%.

Meanwhile, the Graduate business alone registered 16,400 new enrollments, mainly in Distance Learning programs where we had an accentuated number of graduations over 1Q15. Bear in mind that the Preparatory Courses (LFG) business also offers Graduate programs, whose students are included in the above table.

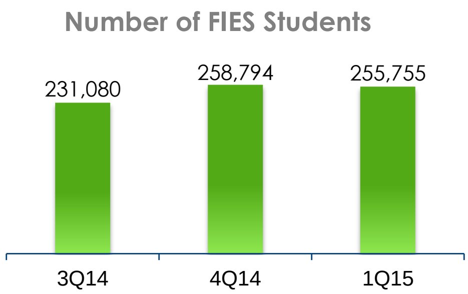
Graduations

A total of 97,947 Undergraduate students graduated in 1Q15, which corresponded to 10.5% of the student base of this product. Note that the average duration of programs at Anhanguera institutions is shorter than that of the other brands, which pressures the graduation indicator in comparison with Kroton's historical figures. A total of 12,166 students graduated from Graduate programs in the period.

Dropouts

Considering Undergraduate students only, dropouts came to 91,482, or 11.0% of students potentially re-enrolling (i.e., starting student base less graduations). Note that the conservative criteria for recognizing student revenue mentioned earlier also apply to re-enrollments, especially in the case of Anhanguera, which adopted different criteria in 1Q14, and only migrated to Kroton's methodology as of 3Q14. In the Graduate business, dropouts amounted to 8,033 students.

FIES



	3Q14	4Q14	1Q15
% On-Campus Base	**54.2%**	**61.2%**	**56.8%**
% Undergradute Base	**24.1%**	**27.8%**	**24.1%**

At the end of the first quarter of 2015, the Company recorded 255,755 students enrolled with FIES student financing, down 1.2% from the previous quarter, mainly due to the restriction on the number of contracts offered to new students in the admissions process for the first semester of the year. In all, 42,633 new students were added to the FIES student base in the first new enrollment process of 2015, corresponding to 37.3% of the total number of new enrollments in On-Campus Undergradute programs. Reflecting these factors, the penetration of students with FIES financing decreased from 61.2% in 4Q14 to 56.8% of the On-Campus Undergraduate student base in 1Q15, or 24.1% of the total Postsecondary Undergraduate student base.

Private Special Installment Plan (PEP)

In the first new enrollment process of 2015, the Company began offering a new product exclusively to newly admitted students, the Private Special Installment Plan (PEP), whose main goal was to give some of these students who were unable to obtain FIES loans an alternative to enable them to pursue their education at one of our units. PEP was developed very quickly and responsibly, and was only offered to these students later in the admission process, after classes had already started, and also after new classes had already been created. With this, the Company prevented the migration of paying students to this payment method.

As a result, the Company was able not only to mitigate the temporary effects of the limitations imposed by Brazil's Ministry of Education (MEC) on new FIES contracts, but also to maximize its revenues, since these students were allocated to existing classes, without incurring in new costs. To ensure that all revenue under PEP would be exclusively incremental, i.e., without any associated cost increases, the following rules were observed:

I. Only students who applied for FIES financing but were turned down were eligible for PEP.
II. PEP students (and the corresponding revenue) were not considered in the profitability analysis conducted for the purpose of opening new classes, which means that all classes created had already achieved the desired contribution margin before including the PEP students.

The product's main characteristics are described below:

1. PEP is a bridge product that will be valid only for this year, for a maximum period of 12 months.
2. PEP students will pay 10% of their monthly tuition during the 12 months of the contract duration.
3. No interest will be charged on the 90% of tuition outstanding.
4. After the end of the year, students may choose from among the following options: (i) contract a private financing facility that the Company is currently developing; (ii) contract FIES financing (if eligible); or (iii) become a paying student. The form of payment for the outstanding amount (90% of monthly tuition) will depend on the student option after the end of 2015 (for more information, see the Company's Corporate Presentation on its Investor Relations website).

Another important feature of PEP is its policies for revenue recognition, provisioning (PDA) and adjustment to present value (APV), which are based on rigorously conservative criteria. In the case of PDA, for instance, a provisioning level of 50% was adopted.

Attesting to the program's success, Kroton registered 22,831 PEP students at the end of the admission process in 1Q15. The Company will also offer PEP during the process for the second semester and, as already mentioned, it is working to develop a long-term financing facility to be offered as of 2016, in partnership with a financial institution that will be responsible for providing the funding.

Ministry of Education (MEC) Evaluations

Ratio	Below 3	Equal as 3	Above 3	Total Equal or Above 3
Course Concept (CC)	1.5%	48.1%	50.4%	98.5%
Institutional Concept (IC)	1.8%	70.6%	27.5%	98.2%

At the end of 1Q15, 98.5% of the academic programs and 98.2% of the institutions that form Kroton had received evaluations ranging from satisfactory to excellent, which reinforces its commitment to teaching quality in all of the educational services offered to students.

National Program to Promote Access to Vocational Education and Jobs (Pronatec)

With regard to Pronatec (*Bolsa Formação*), Kroton (including the Anhanguera institutions) ended the quarter offering 49 different programs lasting 12 to 18 months at 87 On-Campus institutions.

Considering all admission cycles completed through the end of last year and emphasizing that to date no new admissions cycles have been conducted in 2015, the average student base (average number of students with revenue recognized) in 1Q15 was 31,127 students (which are not included in the Postsecondary student base figure informed above). Of these students, 50.3% enrolled for morning classes, 25.7% for afternoon classes and 24.0% for evening classes. As in previous quarters, Pronatec revenue continued to be recognized based on confirmation of the student's presence in the classroom.

Unlike last year, when the MEC organized two Pronatec student recruiting cycles, in 2015 only one recruiting cycle is expected, which should be held in June and July, with classes scheduled to start on July 27.

Language Courses

Kroton also offers language courses at a number of its Postsecondary Education units, seeking to offer yet another opportunity for its students' development, while also forging relationships with students still in their Secondary Education, who later may come to choose one of Kroton's units for their postsecondary education. At the end of 1Q15, the number of students in this business was 3,643 (note that these students are not included in the figure for Postsecondary students informed above).

Preparatory Courses (LFG) and Unregulated Programs

The Company offers, under the LFG brand, preparatory courses to prepare students to pass the Brazilian bar (OAB) examination and examinations for civil servant positions. Always positioned as a reference in preparatory courses, LFG's student base averaged 22,619 in 1Q15, representing growth of 4.3% on the previous quarter.

In parallel, the Company also offers Unregulated Programs through its On-Campus units and Distance Learning centers operated under various brands. These short-duration programs allow students to increase their knowledge in various fields, such as Management, Education and Mathematics. In the first 3 months of the year, the Company administered these programs to 11,881 students (as with language courses, these students are not considered in the figure for Postsecondary students).

PRIMARY AND SECONDARY EDUCATION

In the Primary and Secondary Education business, Kroton's main activity is offering, through the Pitágoras Network, its Learning System, which comprises teaching book collections, teacher training, educational evaluations and other services, to private schools in the Pre-School, Primary and Secondary Education businesses.

For 2015, as already mentioned in the 4Q14 earnings release, the Company took the strategic decision not to renew most of the contracts with schools belonging to the Sesi Network. As a result, in 2015, the Company is serving only 713 Associated Schools and around 245,000 students in the private segment, down 16% from the previous year. However, the number of book collections sold through the Pitágoras and Cristã Network posted strong growth of 20% on the previous year, which demonstrates the strong recognition that these Learnings Systems enjoy nationwide and future potential growth of the business.

FINANCIAL PERFORMANCE

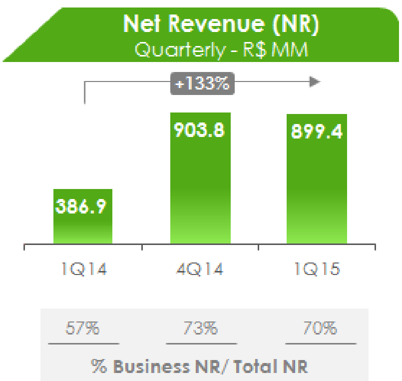
In line with the format adopted in the last two quarters, as of 3Q14 the financial indicators incorporate the consolidated figures from Anhanguera, observing the practices already adopted by Kroton. Except where stated otherwise, the financial results prior to 3Q14 exclude the figures for Anhanguera.

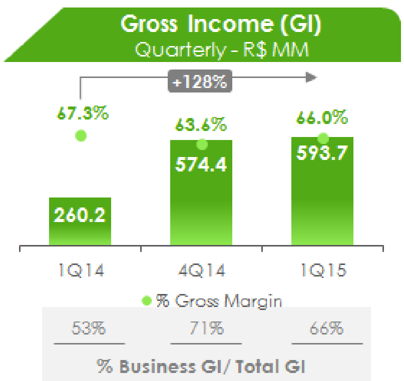
1Q15 RESULTS

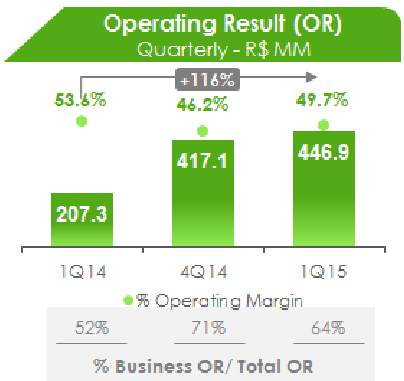
	On-Campus Education		Distance Learning		Primary and Secondary Education		Kroton Consolidated	
Values in R$ ('000)	1Q15	% Net Rev.	1Q15	% Net Rev.	1Q15	% Net Rev.	1Q15	% Net Rev.
Gross Revenue	**1,134,217**	**126.1%**	**420,764**	**130.3%**	**68,717**	**104.8%**	**1,623,698**	**126.1%**
Gross Profit Deductions	(234,780)	-26.1%	(97,918)	-30.3%	(3,125)	-4.8%	(335,823)	-26.1%
Tax	(28,076)	-3.1%	(8,786)	-2.7%	(1,332)	-2.0%	(38,194)	-3.0%
ProUni	(153,734)	-17.1%	(61,639)	-19.1%	-	0.0%	(215,373)	-16.7%
Returns	-	0.0%	-	0.0%	(1,792)	-2.7%	(1,792)	-0.1%
Total Discounts	(52,970)	-5.9%	(27,494)	-8.5%	-	0.0%	(80,464)	-6.2%
Net Revenue	**899,437**	**100.0%**	**322,846**	**100.0%**	**65,592**	**100.0%**	**1,287,875**	**100.0%**
Costs (COGS)	**(305,709)**	**-34.0%**	**(60,896)**	**-18.9%**	**(24,129)**	**-36.8%**	**(390,735)**	**-30.3%**
Cost of Goods	-	0.0%	-	0.0%	(13,018)	-19.8%	(13,018)	-1.0%
Cost of Services	(305,709)	-34.0%	(60,896)	-18.9%	(11,111)	-16.9%	(377,716)	-29.3%
Faculty, Other Personnel and Third-Party Services	(210,399)	-23.4%	(45,226)	-14.0%	(7,342)	-11.2%	(262,966)	-20.4%
Rent	(73,408)	-8.2%	(6,936)	-2.1%	(346)	-0.5%	(80,689)	-6.3%
Materials	(8,507)	-0.9%	(8,081)	-2.5%	(30)	0.0%	(16,618)	-1.3%
Maintenance	(4,422)	-0.5%	(377)	-0.1%	(162)	-0.2%	(4,961)	-0.4%
Other	(8,974)	-1.0%	(277)	-0.1%	(3,231)	-4.9%	(12,481)	-1.0%
Gross Income	**593,727**	**66.0%**	**261,950**	**81.1%**	**41,463**	**63.2%**	**897,140**	**69.7%**
Operating Expenses	**(122,275)**	**-13.6%**	**(28,080)**	**-8.7%**	**(5,969)**	**-9.1%**	**(156,325)**	**-12.1%**
Personnel Expenses	(69,196)	-7.7%	(22,522)	-7.0%	(4,473)	-6.8%	(96,191)	-7.5%
General and Administrative Expenses	(53,079)	-5.9%	(5,558)	-1.7%	(1,496)	-2.3%	(60,133)	-4.7%
Provision for Doubtful Accounts - PDA	**(42,348)**	**-4.7%**	**(23,865)**	**-7.4%**	**(857)**	**-1.3%**	**(67,070)**	**-5.2%**
(+) Interest and Penalties on Tuition	17,746	2.0%	12,220	3.8%	123	0.2%	30,089	2.3%
Operating Result	**446,851**	**49.7%**	**222,224**	**68.8%**	**34,759**	**53.0%**	**703,834**	**54.7%**
Sales and Marketing Expenses							**(88,583)**	**-6.9%**
Corporate Expenses							**(63,682)**	**-4.9%**
Adjusted EBITDA							**551,569**	**42.8%**
(-) Nonrecurring Costs and Expenses							(35,898)	-2.8%
EBITDA							**515,672**	**40.0%**
Depreciation and Amortization							(100,960)	-7.8%
Financial Result ex-Interest and Penalties on Tuition							(41,005)	-3.2%
Income and Social Contribution Tax							(1,964)	-0.2%
Net Profit							**371,743**	**28.9%**
(+) Nonrecurring Costs and Expenses							35,898	2.8%
(+) Intangible Amortization (Acquisitions)							47,671	3.7%
Adjusted Net Profit							**455,312**	**35.4%**

FINANCIAL PERFORMANCE – ON-CAMPUS POSTSECONDARY EDUCATION

On-Campus Education - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Gross Revenue	**1,134,217**	**468,954**	**141.9%**	**1,141,371**	**-0.6%**
Gross Profit Deductions	(234,780)	(82,086)	186.0%	(237,612)	-1.2%
Tax	(28,076)	(10,802)	159.9%	(26,847)	4.6%
ProUni	(153,734)	(47,420)	224.2%	(134,890)	14.0%
Returns	-	-	n.a.	-	n.a.
Total Discounts	(52,970)	(23,864)	122.0%	(75,875)	-30.2%
Net Revenue	**899,437**	**386,867**	**132.5%**	**903,758**	**-0.5%**
Net Revenue - Undergraduate	**843,545**	**367,603**	**129.5%**	**834,703**	**1.1%**
Net Revenue - Ex-FIES and ex-PEP	277,392	121,055	129.1%	226,257	22.6%
Net Revenue - FIES	531,508	246,548	115.6%	608,446	-12.6%
Net Revenue - PEP (net of APV)	34,645	-	n.a.	-	n.a.
Net Revenue - Graduate, Unregulated Programs, Pronatec	**55,892**	**19,265**	**190.1%**	**69,056**	**-19.1%**
Net Revenue - Pronatec	42,383	9,705	336.7%	53,410	-20.6%
Net Revenue - Graduate and Unregulated Programs	13,509	9,559	41.3%	15,645	-13.7%
Total of Costs	**(305,709)**	**(126,627)**	**141.4%**	**(329,323)**	**-7.2%**
Cost of Goods	-	-	n.a.	-	n.a.
Cost of Services	(305,709)	(126,627)	141.4%	(329,323)	-7.2%
Faculty, Other Personnel and Third-Party Services	(210,399)	(95,707)	119.8%	(252,907)	-16.8%
Rent	(73,408)	(23,854)	207.7%	(69,999)	4.9%
Materials	(8,507)	(810)	950.0%	(4,789)	77.6%
Maintenance	(4,422)	(2,803)	57.7%	(5,910)	-25.2%
Other	(8,974)	(3,452)	159.9%	4,282	n.a.
Gross Income	**593,727**	**260,241**	**128.1%**	**574,436**	**3.4%**
Gross Margin	*66.0%*	*67.3%*	*-1.3 p.p.*	*63.6%*	*2.5 p.p.*
Total Operating Expenses	**(122,275)**	**(46,312)**	**164.0%**	**(151,521)**	**-19.3%**
Personnel Expenses	(69,196)	(26,402)	162.1%	(79,892)	-13.4%
General and Administrative Expenses	(53,079)	(19,911)	166.6%	(71,629)	-25.9%
Provision for Doubtful Account - PDA	**(42,348)**	**(12,969)**	**226.5%**	**(22,388)**	**89.2%**
(+) Interest and Penalties on Tuition	17,746	6,321	180.8%	16,567	7.1%
Operating Result	**446,851**	**207,281**	**115.6%**	**417,095**	**7.1%**
Operating Margin	*49.7%*	*53.6%*	*-3.9 p.p.*	*46.2%*	*3.5 p.p.*







Revenue and Deductions

On-Campus Education - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Gross Revenue	**1,134,217**	**468,954**	**141.9%**	**1,141,371**	**-0.6%**
Gross Profit Deductions	(234,780)	(82,086)	186.0%	(237,612)	-1.2%
Tax	(28,076)	(10,802)	159.9%	(26,847)	4.6%
ProUni	(153,734)	(47,420)	224.2%	(134,890)	14.0%
Returns	-	-	n.a.	-	n.a.
Total Discounts	(52,970)	(23,864)	122.0%	(75,875)	-30.2%
Net Revenue	**899,437**	**386,867**	**132.5%**	**903,758**	**-0.5%**
Net Revenue - Undergraduate	**843,545**	**367,603**	**129.5%**	**834,703**	**1.1%**
Net Revenue - Ex-FIES and ex-PEP	277,392	121,055	129.1%	226,257	22.6%
Net Revenue - FIES	531,508	246,548	115.6%	608,446	-12.6%
Net Revenue - PEP (net of APV)	34,645	-	n.a.	-	n.a.
Net Revenue - Graduate, Unregulated Programs, Pronatec	**55,892**	**19,265**	**190.1%**	**69,056**	**-19.1%**
Net Revenue - Pronatec	42,383	9,705	336.7%	53,410	-20.6%
Net Revenue - Graduate and Unregulated Programs	13,509	9,559	41.3%	15,645	-13.7%

Deductions

Deductions from gross revenue increased 3.2 p.p. in 1Q15 compared to 1Q14, basically due to the growth in and adjustments to the ProUni student base resulting from the merger (including those related to the new rules, i.e. POEB). However, higher efficiency can already be observed in the total discount lines, which decreased as a ratio of gross revenue, despite the higher share of students secured by the guarantor fund (FGEDUC). Compared to 4Q14, a comparison base that already includes the Anhanguera figures, deductions as a ratio of gross revenue decreased 0.1 p.p.

Net Revenue

Net revenue grew 132.5% in 1Q15 compared to 1Q14, due to the expansion in the paying student base resulting mainly from the incorporation of the Anhanguera figures. In parallel, net revenue growth compared to 1Q14 also benefitted from the higher average ticket and the revenue from Pronatec students of R$42.4 million in 1Q15. In the same comparison, it is also worth highlighting the 129.1% growth in Undergraduate revenue ex-FIES and ex-PEP. Note that incremental revenue from PEP came to R$34.6 million in the quarter (net of Adjustment to Present Value, or APV), or 3.8% of the segment's total revenue. Including APV, revenue from PEP students came to R$56.4 million in 1Q15. Lastly, note that the criteria for revenue recognition remain completely the same as those adopted by Kroton in previous quarters, i.e. recognizing revenue only from those students who have finalized their enrollments and paid at least one monthly tuition. Meanwhile, in the case of FIES students, revenue recognition continues to be made only after the signing of the financing contract or the subsequent amendments.

Average Net Ticket

On-Campus Postsecondary Education- Values in R$	1Q15	1Q14	Chg.%	4Q14	Chg.%
Total	**694.99**	**676.92**	**2.7%**	**638.31**	**8.9%**

For a better understanding, the calculation of Kroton's average ticket considers the number of students effectively billed in the period (excluding Pronatec students, but including ProUni students), since, due to retroactive contract amendments, a student could be billed more than once in a certain month. As a result, the net average ticket in 1Q15 was R$694.99, increasing 8.9% from 4Q14, reflecting the implementation of the annual tuition increase and the increased share of programs with higher average tickets in the base. Compared to the same period last year, the average ticket increased 2.7%, due to the incorporation of the figures from Anhanguera, which has lower average prices compared to other Kroton institutions.

Costs

On-Campus Education - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Total of Costs	**(305,709)**	**(126,627)**	**141.4%**	**(329,323)**	**-7.2%**
Cost of Goods (CG)	-	-	n.a.	-	n.a.
Cost of Services (CS)	(305,709)	(126,627)	141.4%	(329,323)	-7.2%
Faculty, Other Personnel and Third-Party Services	(210,399)	(95,707)	119.8%	(252,907)	-16.8%
Rent	(73,408)	(23,854)	207.7%	(69,999)	4.9%
Materials	(8,507)	(810)	950.0%	(4,789)	77.6%
Maintenance	(4,422)	(2,803)	57.7%	(5,910)	-25.2%
Other	(8,974)	(3,452)	159.9%	4,282	n.a.

% of Net Revenues	1Q15	1Q14	Chg.%	4Q14	Chg.%
Total of Costs	**-34.0%**	**-32.7%**	**-1.3 p.p.**	**-36.4%**	**2.5 p.p.**
Cost of Goods (CG)	0.0%	0.0%	n.a.	0.0%	n.a.
Cost of Services (CS)	-34.0%	-32.7%	-1.3 p.p.	-36.4%	2.5 p.p.
Faculty, Other Personnel and Third-Party Services	-23.4%	-24.7%	1.3 p.p.	-28.0%	4.6 p.p.
Rent	-8.2%	-6.2%	-2.0 p.p.	-7.7%	-0.4 p.p.
Materials	-0.9%	-0.2%	-0.7 p.p.	-0.5%	-0.4 p.p.
Maintenance	-0.5%	-0.7%	0.2 p.p.	-0.7%	0.2 p.p.
Other	-1.0%	-0.9%	-0.1 p.p.	0.5%	-1.5 p.p.

Cost of services as a ratio of net revenue in this business increased 1.3 p.p. in 1Q15 from the same quarter of 2014. The increase reflects the merger of Anhanguera, which has a different cost structure, due to: (i) higher rental expenses, since units are generally located in wealthier regions; and (ii) a higher volume of materials, due to the incorporation of costs related to the Text Book Program (PLT) adopted by Anhanguera. Despite this increase, the segment continues to observe consistent advances in efficiency indicators driven by improvement in the students/classroom ratio, the incorporation of DL courses into the curricula of the On-Campus Education programs at former Anhanguera units, and the ongoing improvements at the acquired operations. Another important factor is that offering the PEP plan helps to dilute the segment's costs, since it adds incremental revenue without a corresponding increase in expenses.

Gross Income

On-Campus Education - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Gross Income	**593,727**	**260,241**	**128.1%**	**574,436**	**3.4%**
Gross Margin	*66.0%*	*67.3%*	*-1.3 p.p.*	*63.6%*	*2.5 p.p.*

Revenue growth driven by the higher number of students in recent admission processes and by the incorporation of the Anhanguera students supported gross income growth of 128.1% in 1Q15 compared to 1Q14. On the other hand, the higher costs during this quarter due to the Anhanguera merger led gross margin to contract by 1.3 p.p. from the same period of 2014. However, it is important to note the strong gross margin expansion, which reached 66.0% in 1Q15 compared to prior quarters that already incorporated the figures from Anhanguera (3Q14: 61.2% and 4Q14: 63.6%), which attests to the continuous capture of efficiency gains at both existing and acquired institutions.

Operating Expenses

On-Campus Education - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Total Operating Expenses	**(122,275)**	**(46,312)**	**164.0%**	**(151,521)**	**-19.3%**
Personnel Expenses	(69,196)	(26,402)	162.1%	(79,892)	-13.4%
General and Administrative Expenses	(53,079)	(19,911)	166.6%	(71,629)	-25.9%

% of Net Revenues	1Q15	1Q14	Chg.%	4Q14	Chg.%
Total Operating Expenses	**-13.6%**	**-12.0%**	**-1.6 p.p.**	**-16.8%**	**3.2 p.p.**
Personnel Expenses	-7.7%	-6.8%	-0.9 p.p.	-8.8%	1.1 p.p.
General and Administrative Expenses	-5.9%	-5.1%	-0.8 p.p.	-7.9%	2.0 p.p.

Personnel, General and Administrative Expenses

In 1Q15, personnel, general and administrative expenses as a ratio of net revenue increased 1.6 p.p. compared to 1Q14, basically due to the incorporation of the figures from Anhanguera, where activities are less centralized compared to the other Kroton brands, an issue that is being addressed by the integration process. Compared to the prior quarter, operating expenses decreased 3.2 p.p., reflecting the capture of economies of scale and efficiency gains, as well as the fact that 4Q14 concentrated a more relevant amount of expenses.

Provision for Doubtful Accounts (PDA)

On-Campus Education - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Provision for Doubtful Account - PDA	(42,348)	(12,969)	226.5%	(22,388)	89.2%
PDA / Postsecondary Net Revenues[1]	*-4.9%*	*-3.4%*	*-1.6 p.p.*	*-2.8%*	*-2.1 p.p.*
Provision for Doubtful Account - PDA ex-FIES & PEP	(18,939)	(8,408)	125.3%	(15,689)	20.7%
PDA ex-FIES / Postsecondary Net Revenues ex-FIES & ex-PEP[1]	*-6.5%*	*-6.4%*	*-0.1 p.p.*	*-6.5%*	*-0.0 p.p.*
Provision for Doubtful Account - PDA FIES	(6,087)	(4,561)	33.5%	(6,699)	-9.1%
PDA FIES / Postsecondary Net Revenues FIES[1]	*-1.1%*	*-1.9%*	*0.7 p.p*	*-1.1%*	*-0.0 p.p.*
Provision for Doubtful Account - PDA PEP	(17,323)	-	n.a.	-	n.a.
PDA PEP / Postsecondary Net Revenues PEP[1]	*-50.0%*	*n.a.*	*n.a.*	*n.a.*	*n.a.*

[1] Net Revenue for the On-Campus excludes revenues from Pronatec

In the On-Campus Education business, total PDA corresponded to 4.9% of net revenue in 1Q15, already considering the standardization of practices for provisioning (historical analysis) and for recognizing revenue from FIES students based on the consistent and conservative criteria adopted by Kroton. It also considers the higher provisioning in the period to meet the changes in FIES, especially those related to the PEP offered to students who were unable to contract FIES financing. In this case, Kroton chose to adopt a highly conservative provisioning policy, assuming a PDA of 50%.

As a result, total PDA in the On-Campus Education business registered increases of 1.6 p.p. and 2.1 p.p. compared to 1Q14 and 4Q14, respectively. PDA ex-FIES and ex-PEP remained stable compared to both 1Q14 and 4Q14.

Accounts Receivable

On-Campus Education - Values in R$ (´000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Net Accounts Receivable	**897,912**	**333,182**	**169.5%**	**524,261**	**71.3%**
Tuition and Agreements to Receive	262,909	82,987	216.8%	199,380	31.9%
Long Term Portfolio	2,978	18,721	-84.1%	10,342	-71.2%
PEP	21,815	n.a	n.a	n.a	n.a
FIES	610,210	231,475	163.6%	314,538	94.0%

Total accounts receivables net of PDA increased 71.3% in 1Q15 compared to 4Q14, mainly due to the increase in FIES Accounts Receivables following the changes to the program, most notably Administrative Rule 23 (PN 23), which modified the flow of repurchase payments for 2015. Note also that, in addition to the new payment schedule, the Company experienced delays in scheduled FIES and Pronatec payments that further adversely affected this line of Accounts Receivables. The Company is fully engaged with the MEC and the National Education Development Fund (FNDE) to improve the FIES receivables process and hopes that the schedule is complied with during the remainder of the year. Another factor influencing this increase was the creation of PEP to compensate for the restrictions imposed on the FIES program, as already mentioned.

Average Accounts Receivable Term

For calculating the average term of accounts receivable in the Postsecondary business, Kroton presents four distinct analyses:

1. Total Accounts Receivable

On-Campus Education - days	1Q15	1Q14	Chg.(days)	4Q14	Chg.(days)
Net Accounts Receivable / Total Net Revenue On-Campus	90	84	06 Days	55	35 Days

Calculation base: net balance of short-term accounts receivable related to monthly tuition fees and agreements receivable (ex-FIES, FIES and PEP), divided by Postsecondary net revenue in the last 12 months, and multiplied by 360 days.

In 1Q15, the average term increased by 6 days compared to the same period last year, mainly due to changes in the FIES program. Compared to the prior quarter, the increase of 35 days is also influenced by seasonality.

2. Accounts Receivable, excluding the balances of FIES receivables and FIES revenues

On-Campus Education - days	1Q15	1Q14	Chg.(days)	4Q14	Chg.(days)
Net Accounts Receivable (ex-FIES) / Net Revenue (ex-FIES)	75	56	19 Days	62	13 Days

Calculation base: net balance of short-term accounts receivable (including PEP) related solely to monthly tuition fees and agreements receivable, divided by Postsecondary net revenue (ex-FIES) in the last 12 months, and multiplied by 360 days.

In 1Q15, the average term increased 19 days from the same period in 2014, reflecting the consolidation of the Anhanguera operation, the extension of the Pronatec receivables term, introduction of PEP and the postponement of the start of the academic year.

3. FIES Accounts Receivable

On-Campus Education - days	1Q15	1Q14	Chg.(days)	4Q14	Chg.(days)
Net Accounts Receivable Fies / Net Revenue Fies	98	101	-03 Days	51	47 Days

Calculation base: net balance of short-term accounts receivable related solely to FIES, divided by net revenue from monthly FIES payments in the last 12 months, and multiplied by 360 days.

In 1Q15, the average term of FIES accounts receivables was 98 days, down 3 days from the same period of 2014, when the curve of FIES receivables was adversely affected by the repurchase schedule adopted over the course of the year. For the remaining quarters of 2015, this ratio is expected to worsen as a result of PN 23, returning to levels similar to 2014 as of 2016.

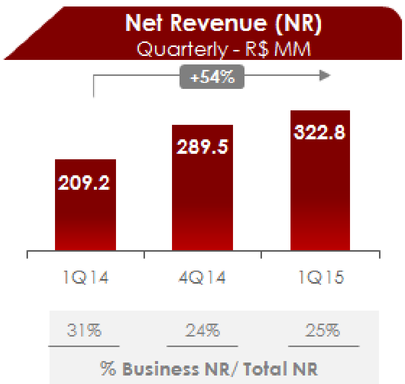
OPERATING RESULT

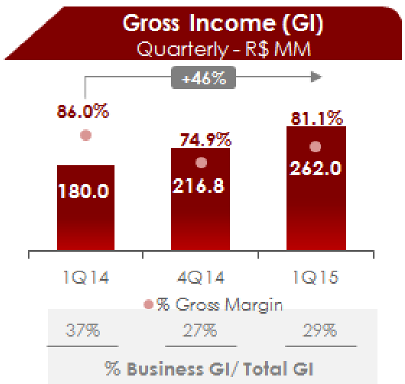
On-Campus Education - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Gross Income	**593,727**	**260,241**	**128.1%**	**574,436**	**3.4%**
(-) Total Operating Expenses	(122,275)	(46,312)	164.0%	(151,521)	-19.3%
(-) Provision for Doubtful Account - PDA	(42,348)	(12,969)	226.5%	(22,388)	89.2%
(+) Interest and Penalties on Tuition	17,746	6,321	180.8%	16,567	7.1%
Operating Result	**446,851**	**207,281**	**115.6%**	**417,095**	**7.1%**
Operating Margin	*49.7%*	*53.6%*	*-3.9 p.p.*	*46.2%*	*3.5 p.p.*

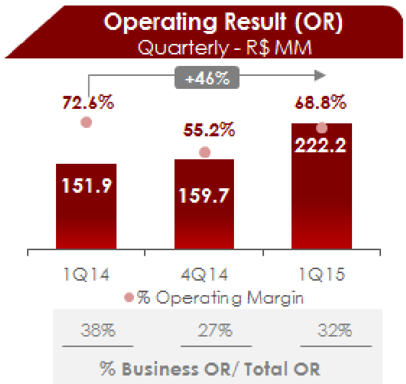
The operating result (before marketing expenses) in 1Q15 amounted to R$446.9 million, representing operating margin of 49.7%, down 3.9 p.p. on the year-ago period, reflecting primarily the incorporation of the figures from Anhanguera, as in the case of the other account lines for this segment. As in the case of gross margin, operating margin, which stood at 49.7% in 1Q15, also has been posting consistent improvement in relation to recent quarters that already consider the Anhanguera figures (3Q14: 44.7% and 4Q14: 46.2%), which confirms the efficiency gains captured in recent quarters by the integration projects, the benefits from the scale attained and the rigorous budget control.

FINANCIAL PERFORMANCE – DISTANCE LEARNING POSTSECONDARY

Distance Learning - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Gross Revenue	**420,764**	**256,803**	**63.8%**	**368,932**	**14.0%**
Gross Profit Deductions	(97,918)	(47,565)	105.9%	(79,460)	23.2%
Tax	(8,786)	(3,630)	142.0%	(7,527)	16.7%
ProUni	(61,639)	(30,999)	98.8%	(53,841)	14.5%
Returns	-	-	n.a.	-	n.a.
Total Discounts	(27,494)	(12,936)	112.5%	(18,092)	52.0%
Net Revenue	**322,846**	**209,238**	**54.3%**	**289,472**	**11.5%**
Net Revenue - Undergraduate	297,021	197,915	50.1%	262,265	13.3%
Net Revenue - Graduate, LFG and Unregulated Programs	25,825	11,323	128.1%	27,207	-5.1%
Total of Costs	**(60,896)**	**(29,235)**	**108.3%**	**(72,678)**	**-16.2%**
Cost of Goods	-	-	n.a.	-	n.a.
Cost of Services	(60,896)	(29,235)	108.3%	(72,678)	-16.2%
Faculty, Other Personnel and Third-Party Services	(45,226)	(19,769)	128.8%	(59,093)	-23.5%
Rent	(6,936)	(1,805)	284.2%	(7,241)	-4.2%
Materials	(8,081)	(7,373)	9.6%	(5,107)	58.2%
Maintenance	(377)	(164)	130.5%	(918)	-58.9%
Other	(277)	(124)	123.2%	(319)	-13.1%
Gross Income	**261,950**	**180,003**	**45.5%**	**216,794**	**20.8%**
Gross Margin	*81.1%*	*86.0%*	*-4.9 p.p.*	*74.9%*	*6.2 p.p.*
Total Operating Expenses	**(28,080)**	**(18,387)**	**52.7%**	**(40,372)**	**-30.4%**
Personnel Expenses	(22,522)	(9,966)	126.0%	(21,801)	3.3%
General and Administrative Expenses	(5,558)	(8,421)	-34.0%	(18,571)	-70.1%
Provision for Doubtful Account - PDA	(23,865)	(13,891)	71.8%	(22,109)	-7.9%
(+) Interest and Penalties on Tuition	12,220	4,147	194.7%	5,355	128.2%
Operating Result	**222,224**	**151,872**	**46.3%**	**159,669**	**39.2%**
Operating Margin	*68.8%*	*72.6%*	-3.8 p.p.	*55.2%*	13.7 p.p.







Revenue and Deductions

Distance Learning - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Gross Revenue	**420,764**	**256,803**	**63.8%**	**368,932**	**14.0%**
Gross Profit Deductions	(97,918)	(47,565)	105.9%	(79,460)	23.2%
Tax	(8,786)	(3,630)	142.0%	(7,527)	16.7%
ProUni	(61,639)	(30,999)	98.8%	(53,841)	14.5%
Returns	-	-	n.a.	-	n.a.
Total Discounts	(27,494)	(12,936)	112.5%	(18,092)	52.0%
Net Revenue	**322,846**	**209,238**	**54.3%**	**289,472**	**11.5%**
Net Revenue - Undergraduate	297,021	197,915	50.1%	262,265	13.3%
Net Revenue - Graduate, LFG and Unregulated Programs	25,825	11,323	128.1%	27,207	-5.1%

Deductions

In the Distance Learning business, the main deduction items are the discounts granted and ProUni, which combined corresponded to 21.2% of total gross revenue in 1Q15, increasing 4.1 p.p. from the same period last year. As in the On-Campus business, the ProUni line increased due to compliance with the new rules (POEB) and the impact from the incorporation of the Anhanguera figures. The increase in discounts reflects the pricing policy adopted, particularly in the 100%-online programs offered.

Net Revenue

In 1Q15, net revenue amounted to R$322.8 million, growing 54.3% on 1Q14, which is mainly explained by the incorporation of the Anhanguera student base (including students from LFG and DL unregulated programs) and by the positive impacts from the new enrollment and re-enrollment processes. The highlight was the net revenue growth in the Undergraduate business of 50.1% and 13.3% compared to 1Q14 and 4Q14, respectively.

As in the On-Campus business, the criteria for revenue recognition remain completely the same as those adopted by Kroton in prior quarters. However, it is important to note that the post-transfer DL revenue of Unopar represents 64% of the total revenue received per student (i.e., 100% of revenue less 36% transferred to the center), while the post-transfer DL revenue of Anhanguera represents 70% (i.e., 100% of revenue less 30% transferred to the center), remembering that the latter brand also offers DL programs through own centers that do not generate transfers. Therefore, because the revenue base is higher at Anhanguera, even though the nominal result is the same, the percentage margin will always be structurally lower.

Average Net Ticket

Distance Learning - Values in R$	1Q15	1Q14	Chg.%	4Q14	Chg.%
Total (Student)	**249.90**	**239.49**	**4.3%**	**258.92**	**-3.5%**

For comparison purposes, Kroton reports only the effective ticket paid by the student, without discounting the transfers to the owners of the Centers. Therefore, considering all (100%) of the revenue and the combination of the DL Undergraduate, DL Graduate and LFG businesses, the average ticket was R$249.90, or 3.5% lower than in 4Q14, which is explained by the fact that the annual tuition increase is implemented in the second half of the year and by the launch of new programs, such as those with 100% DL formats, which have lower prices than programs with hybrid formats. Compared to the same period last year, the average ticket increased 4.3%, even with the incorporation of the figures of Anhanguera, which has lower average prices compared to other Kroton institutions.

Costs

Distance Learning - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Total of Costs	**(60,896)**	**(29,235)**	**108.3%**	**(72,678)**	**-16.2%**
Cost of Goods	-	-	n.a.	-	n.a.
Cost of Services	(60,896)	(29,235)	108.3%	(72,678)	-16.2%
Faculty, Other Personnel and Third-Party Services	(45,226)	(19,769)	128.8%	(59,093)	-23.5%
Rent	(6,936)	(1,805)	284.2%	(7,241)	-4.2%
Materials	(8,081)	(7,373)	9.6%	(5,107)	58.2%
Maintenance	(377)	(164)	130.5%	(918)	-58.9%
Other	(277)	(124)	123.2%	(319)	-13.1%

% of Net Revenues	1Q15	1Q14	Chg.%	4Q14	Chg.%
Total of Costs	**-18.9%**	**-14.0%**	**-4.9 p.p.**	**-25.1%**	**6.2 p.p.**
Cost of Goods (CG)	0.0%	0.0%	0.0 p.p.	0.0%	0.0 p.p.
Cost of Services (CS)	-18.9%	-14.0%	-4.9 p.p.	-25.1%	6.2 p.p.
Faculty, Other Personnel and Third-Party Services	-14.0%	-9.4%	-4.6 p.p.	-20.4%	6.4 p.p.
Rent	-2.1%	-0.9%	-1.3 p.p.	-2.5%	0.4 p.p.
Materials	-2.5%	-3.5%	1.0 p.p.	-1.8%	-0.7 p.p.
Maintenance	-0.1%	-0.1%	0.0 p.p.	-0.3%	0.2 p.p.
Other	-0.1%	-0.1%	0.0 p.p.	-0.1%	0.0 p.p.

In 1Q15, cost of services came to R$60.9 million and as a ratio of net revenue increased 4.9 p.p. compared to 1Q14, mainly due to the consolidation of the figures from Anhanguera, which has a higher cost structure, including with regard to the costs of in-class tutors, who are paid by the Company and not by the center, as is the case at Unopar. In this context, note that initiatives are already being implemented to improve performance in Anhanguera's distance learning operation, most notably the migration of the teaching model to one weekly meeting (instead of two) and the restructuring of the LFG operations. The increase in rent costs is basically explained by the apportionment of the use of classrooms by the on-campus classes of the distance learning programs offered at the Anhanguera campuses. Compared to the previous quarter, this line improved 6.2 p.p. as a ratio of net revenue, due to higher efficiency in the "tutor per student" indicator.

Gross Income

Distance Learning - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Gross Income	**261,950**	**180,003**	**45.5%**	**216,794**	**20.8%**
Gross Margin	*81.1%*	*86.0%*	*-4.9 p.p.*	*74.9%*	*6.2 p.p.*

Gross income was R$261.9 million in 1Q15, with gross margin of 81.1%, down 4.9 p.p. from 1Q14, due to the incorporation of the figures from Anhanguera, which still have lower margins. As in the On-Campus business, gross margin posted important improvement (to 81.1%) compared to recent quarters that already consider the Anhanguera figures (3Q14: 73.5% and 4Q14: 74.9%), which attests to the capture of significant efficiency gains in the DL operations.

Operating Expenses

Distance Learning - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Total Operating Expenses	**(28,080)**	**(18,387)**	**52.7%**	**(40,372)**	**-30.4%**
Personnel Expenses	(22,522)	(9,966)	126.0%	(21,801)	3.3%
General and Administrative Expenses	(5,558)	(8,421)	-34.0%	(18,571)	-70.1%

% of Net Revenues	1Q15	1Q14	Chg.%	4Q14	Chg.%
Total Operating Expenses	**-8.7%**	**-8.8%**	**0.1 p.p.**	**-13.9%**	**5.2 p.p.**
Personnel Expenses	-7.0%	-4.8%	-2.2 p.p.	-7.5%	0.6 p.p.
General and Administrative Expenses	-1.7%	-4.0%	2.3 p.p.	-6.4%	4.7 p.p.

Personnel, General and Administrative Expenses

In the quarter, personnel expenses as a ratio of the segment's net revenue increased 2.2 p.p. from 1Q14, due to the incorporation of the figures from Anhanguera, which has a higher cost structure, an issue that is being addressed by the integration process. Meanwhile, general and administrative expenses, as in On-Campus Education, decreased as a ratio of net revenue compared to 4Q14, a period marked by a higher concentration of expenses compared to the other quarters of the year. A reduction was also observed in consulting and advisory expenses, with a positive impact on 1Q15.

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Provision for Doubtful Accounts (PDA)

Distance Learning - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Provision for Doubtful Account - PDA	(23,865)	(13,891)	71.8%	(22,109)	7.9%
PDA / Distance Learning Net Revenues	*-7.4%*	*-6.6%*	*-0.8 p.p.*	*-7.6%*	*0.2 p.p.*

As in the On-Campus business, it is important to note that since 3Q14, the criteria for calculating PDA considers the standardization of provisioning practices for receivables at Anhanguera institutions to converge them with the practices adopted by Kroton in recent years. As a result, provisioning for the DL business as a ratio of net revenue stood at 7.4%, increasing 0.8 p.p. from 1Q14, due to the higher PDA of students in Anhanguera's DL operations, which also include the LFG operations. Compared to the prior quarter, which has comparable provisioning criteria, the level of PDA fell slightly by 0.2 p.p.

Accounts Receivable

Distance Learning - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Net Accounts Receiveble	**188,864**	**84,869**	**122.5%**	**178,298**	**5.9%**
Tuition and Agreements to Receive - Short term	188,864	84,869	122.5%	178,295	5.9%
Long Term Portfolio	-	-	-	2	n.a.

In 1Q15, net accounts receivables in the Distance Learning business amounted to R$188.9 million, increasing 122.5% from 1Q14, which basically reflects the growth in the receivables-generating student base due to the incorporation of the Anhanguera figures.

Average Accounts Receivable Term

Distance Learning - Days	1Q15	1Q14	Chg.(days)	4Q14	Chg.(days)
Net Accounts Receivable / Net Revenue	**57**	**46**	**11 Days**	**54**	**03 Days**

Calculation base: net balance of short-term accounts receivable, divided by estimated Distance Learning net revenue in the last 12 months, and multiplied by 360 days.

As in previous quarters, the average receivables term in the Distance Learning business increased compared to the previous year, due to the convergence of billing and provisioning practices in the DL business to those of the On-Campus business. This indicator was also impacted by the incorporation of the figures from Anhanguera, which has a longer average term compared to Unopar and Uniasselvi. The increase compared to 4Q14 is in line with the higher balance of short-term accounts receivables in the period.

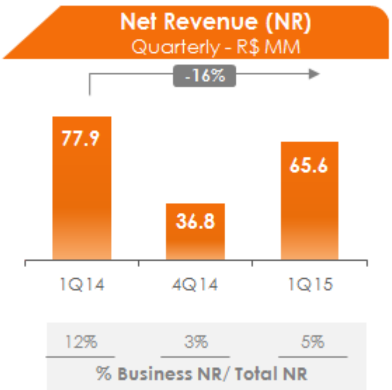
Operating Result

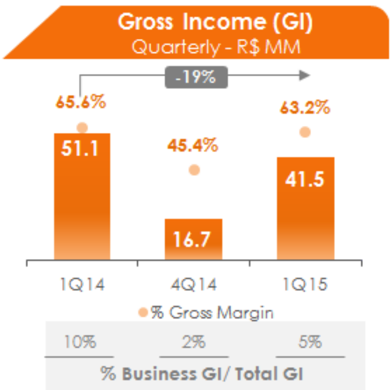
Distance Learning - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Gross Income	**261,950**	**180,003**	**45.5%**	**216,794**	**20.8%**
(-) Total Operating Expenses	(28,080)	(18,387)	52.7%	(40,372)	-30.4%
(-) Provision for Doubtful Account - PDA	(23,865)	(13,891)	71.8%	(22,109)	7.9%
(+) Interest and Penalties on Tuition	12,220	4,147	194.7%	5,355	128.2%
Operating Result	**222,224**	**151,872**	**46.3%**	**159,669**	**39.2%**
Operating Margin	*68.8%*	*72.6%*	*-3.8 p.p.*	*55.2%*	*13.7 p.p.*

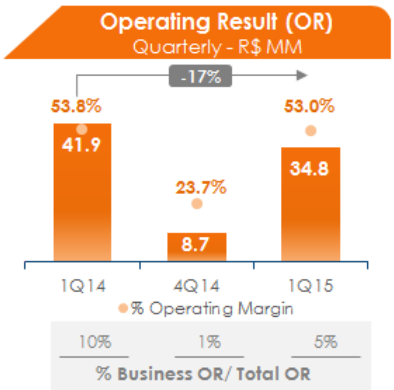
In 1Q15, the operating result (excluding marketing expenses) in the Distance Learning segment amounted to R$222.2 million, increasing 46.3% from the same period in 2014, with operating margin decreasing 3.8 p.p. to 68.8%. Note once again that this performance reflects the effects from the incorporation of the results from Anhanguera's DL operation (including LFG), which has lower margins compared to the other institutions. Compared to 4Q14, the operating result improved 39.2%, and operating margin expanded 13.7 p.p. to 68.8%, also demonstrating the significant improvement from recent quarters that already consider the Anhanguera figures (3Q14: 57.9% and 4Q14: 55.2%). This improvement was driven by the convergence of the content delivery model (from the Anhanguera model to the one used in Unopar) and to the centralization of administrative structures (tutoring and content).

FINANCIAL PERFORMANCE – PRIMARY AND SECONDARY

Primary and Secondary Education - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Gross Revenue	**68,717**	**81,889**	**-16.1%**	**40,430**	**70.0%**
Gross Profit Deductions	(3,125)	(3,949)	-20.9%	(3,597)	-13.1%
Tax	(1,332)	(1,204)	10.7%	(1,493)	-10.8%
ProUni	-	-	n.a.	-	n.a.
Returns	(1,792)	(2,745)	-34.7%	(2,104)	-14.8%
Total Discounts	-	-	n.a.	-	n.a.
Net Revenue	**65,592**	**77,940**	**-15.8%**	**36,832**	**78.1%**
Management Contracts and Own Operations	15,195	14,255	6.6%	14,446	5.2%
Associated Schools Network	50,397	63,684	-20.9%	22,387	125.1%
Total of Costs	**(24,129)**	**(26,849)**	**-10.1%**	**(20,106)**	**20.0%**
Cost of Goods	(13,018)	(16,814)	-22.6%	(9,319)	39.7%
Cost of Services	(11,111)	(10,034)	10.7%	(10,786)	3.0%
Faculty, Other Personnel and Third-Party Services	(7,342)	(5,413)	35.6%	(8,788)	-16.5%
Rent	(346)	(267)	29.4%	(330)	4.6%
Materials	(30)	19	n.a.	(8)	285.2%
Maintenance	(162)	(643)	-74.7%	(458)	-64.5%
Other	(3,231)	(3,730)	-13.4%	(1,202)	168.7%
Gross Income	**41,463**	**51,091**	**-18.8%**	**16,727**	**147.9%**
Management Contracts and Own Operations	6,177	7,692	-26.5%	6,177	0.0%
Associated Schools Network	35,208	1,772	-17.5%	10,550	233.7%
Gross Margin	*63.2%*	*65.6%*	-2.3 p.p.	45.4%	17.8 p.p.
Management Contracts and Own Operations	*9.4%*	*10.8%*	-1.4 p.p.	16.8%	-7.4 p.p.
Associated Schools Network	*53.7%*	*54.8%*	-1.1 p.p.	28.6%	25.0 p.p.
Total Operating Expenses	**(5,969)**	**(8,097)**	**-26.3%**	**(7,801)**	**-23.5%**
Personnel Expenses	(4,473)	(5,402)	-17.2%	(4,833)	-7.4%
General and Administrative Expenses	(1,496)	(2,696)	-44.5%	(2,968)	-49.6%
Provision for Doubtful Account - PDA	(857)	(1,280)	-33.0%	(289)	197.1%
(+) Interest and Penalties on Tuition	123	229	-46.3%	99	24.1%
Operating Result	**34,759**	**41,943**	**-17.1%**	**8,736**	**297.9%**
Operating Margin	*53.0%*	*53.8%*	-0.8 p.p.	23.7%	29.3 p.p.







Revenue and Deductions

Primary and Secondary Education - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Gross Revenue	**68,717**	**81,889**	**-16.1%**	**40,430**	**70.0%**
Gross Profit Deductions	(3,125)	(3,949)	-20.9%	(3,597)	-13.1%
Tax	(1,332)	(1,204)	10.7%	(1,493)	-10.8%
ProUni	-	-	n.a.	-	n.a.
Returns	(1,792)	(2,745)	-34.7%	(2,104)	-14.8%
Total Discounts	-	-	n.a.	-	n.a.
Net Revenue	**65,592**	**77,940**	**-15.8%**	**36,832**	**78.1%**
Management Contracts and Own Operations	15,195	14,255	6.6%	14,446	5.2%
Associated Schools Network	50,397	63,684	-20.9%	22,387	125.1%

Deductions

In 1Q15, deductions as a ratio of gross revenue decreased 0.3 p.p. compared to 1Q14, reflecting the improvement in the returns line observed in the quarter due to the operational improvements made to the logistics system last year.

Net Revenue

In 1Q15, net revenue decreased 15.8% on the prior quarter, due to the anticipation of book collection deliveries for the first semester of 2015, since a portion of this revenue was recognized in the previous quarter. Although this event impacted all P&L lines in this segment in 1Q15, the same effect will be seen between 4Q15 and 1Q16, therefore the additional revenue in 4Q15 is also expected to offset the lower revenue in 1Q15 when compared to 4Q14. Another factor contributing to this decrease, as already noted in the operating performance section, was the Company's decision to terminate most of its contracts with SESI schools, which also had a direct impact on the segment's revenue.

Average Net Ticket

In the Primary and Secondary Education business, the average annual amount charged for the sale of educational materials to the Associated Schools in 2015 was R$462.00 per student, or 7.9% higher than in 2014.

Costs

Primary and Secondary Education - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Total of Costs	**(24,129)**	**(26,849)**	**-10.1%**	**(20,106)**	**20.0%**
Cost of Goods (CG)	(13,018)	(16,814)	-22.6%	(9,319)	39.7%
Cost of Services (CS)	(11,111)	(10,034)	10.7%	(10,786)	3.0%
Faculty, Other Personnel and Third-Party Services	(7,342)	(5,413)	35.6%	(8,788)	-16.5%
Rent	(346)	(267)	29.4%	(330)	4.6%
Materials	(30)	19	n.a.	(8)	285.2%
Maintenance	(162)	(643)	-74.7%	(458)	-64.5%
Other	(3,231)	(3,730)	-13.4%	(1,202)	168.7%

% of Net Revenues	1Q15	1Q14	Chg.%	4Q14	Chg.%
Total of Costs	**-36.8%**	**-34.4%**	**-2.3 p.p.**	**-54.6%**	**17.8 p.p.**
Cost of Goods (CG)	-19.8%	-21.6%	1.7 p.p.	-25.3%	5.5 p.p.
Cost of Services (CS)	-16.9%	-12.9%	-4.1 p.p.	-29.3%	12.3 p.p.
Faculty, Other Personnel and Third-Party Services	-11.2%	-6.9%	-4.2 p.p.	-23.9%	12.7 p.p.
Rent	-0.5%	-0.3%	-0.2 p.p.	-0.9%	0.4 p.p.
Materials	0.0%	0.0%	-0.1 p.p.	0.0%	0.0 p.p.
Maintenance	-0.2%	-0.8%	0.6 p.p.	-1.2%	1.0 p.p.
Other	-4.9%	-4.8%	-0.1 p.p.	-3.3%	-1.7 p.p.

In 1Q15, cost of goods sold as a ratio of net revenue in the business decreased 22.6% compared to 1Q14, reflecting the anticipation of book collection deliveries and the lower overall number of collections sold as a result of the decision to terminate part of the SESI contracts. On the other hand, cost of services as a ratio of net revenue increased 4.1 p.p., due to the different revenue recognition schedule compared to 1Q14.

Gross Income

Primary and Secondary Education - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Gross Income	**41,463**	**51,091**	**-18.8%**	**16,727**	**147.9%**
Management Contracts and Own Operations	6,177	8,405	-26.5%	6,177	0.0%
Associated Schools Network	35,208	42,686	-17.5%	10,550	233.7%
Gross Margin	*63.2%*	*65.6%*	*-2.3 p.p.*	*45.4%*	*17.8 p.p.*
Management Contracts and Own Operations	*9.4%*	*10.8%*	*-1.4 p.p.*	*16.8%*	*-7.4 p.p.*
Associated Schools Network	*53.7%*	*54.8%*	*-1.1 p.p.*	*28.6%*	*25.0 p.p.*

In 1Q15, gross income decreased 18.8% compared to 1Q14 and gross margin contracted 2.3 p.p., due to the aforementioned reasons.

Operating Expenses

Primary and Secondary Education - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Total Operating Expenses	**(5,969)**	**(8,097)**	**-26.3%**	**(7,801)**	**-23.5%**
Personnel Expenses	(4,473)	(5,402)	-17.2%	(4,833)	-7.4%
General and Administrative Expenses	(1,496)	(2,696)	-44.5%	(2,968)	-49.6%

% of Net Revenues	1Q15	1Q14	Chg.%	4Q14	Chg.%
Total Operating Expenses	**-9.1%**	**-10.4%**	1.3 p.p.	**-21.2%**	12.1 p.p.
Personnel Expenses	-6.8%	-6.9%	0.1 p.p.	-13.1%	6.3 p.p.
General and Administrative Expenses	-2.3%	-3.5%	1.2 p.p.	-8.1%	5.8 p.p.

Personnel, General and Administrative Expenses

Personnel, general and administrative expenses decreased 26.3% compared to 1Q14. As in previous quarters, the reduction is explained by the initiatives to optimize headcount in the segment and by the lower expenses incurred with advisory services in the segment.

Provision for Doubtful Accounts (PDA)

Primary and Secondary Education - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Provision for Doubtful Account - PDA	(857)	(1,280)	-33.0%	(289)	197.1%
PDA / Primary and Secondary Education Net Revenues	*-1.3%*	*-1.6%*	*0.3 p.p.*	*-3.2%*	*1.9 p.p.*

PDA stood at 1.3% of net revenue, decreasing 0.3 p.p. from 1Q14. Compared to the previous quarter, PDA registered an even steeper decline, due to the higher provisioning in that period given the anticipation of book collection sales.

Accounts Receivable

Primary and Secondary Education	1Q15	1Q14	Chg.%	4Q14	Chg.%
Net Accounts Receivable	**51,353**	**65,789**	**-21.9%**	**40,197**	**27.8%**

The reduction in accounts receivables compared to 1Q14 is explained by the fact that a portion of book collection sales for the 2015 academic year was made in the prior quarter, reflecting the Company's new strategy for the segment.

Average Accounts Receivable Term

Primary and Secondary Education - Days	1Q15	1Q14	Chg.(days)	4Q14	Chg.(days)
Net Accounts Receivable / Net Revenue	104	142	-38 Days	76	28 Days

Calculation base: net balance of short-term accounts receivable, divided by Primary and Secondary Education net revenue in the last 12 months, and multiplied by 360 days.

As in accounts receivable, the increase of 38 days in the average accounts receivable term in the Primary and Secondary Education business in 1Q15 compared to 1Q14 is linked with the anticipation to 4Q14 of a portion of book collection sales.

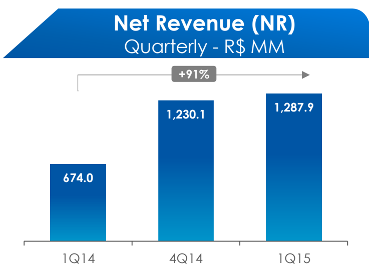
Operating Result

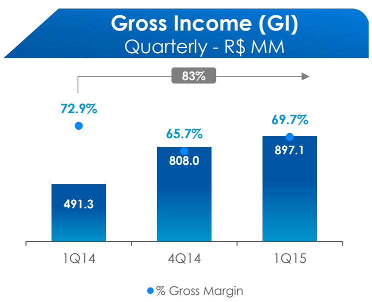
Primary and Secondary Education - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Gross Income	**41,463**	**51,091**	**-18.8%**	**16,727**	**147.9%**
(-) Total Operating Expenses	(5,969)	(8,097)	-26.3%	(7,801)	-23.5%
(-) Provision for Doubtful Account - PDA	(857)	(1,280)	-33.0%	(289)	197.1%
(+) Interest and Penalties on Tuition	123	229	-46.3%	99	24.1%
Operating Result	**34,759**	**41,943**	**-17.1%**	**8,736**	**297.9%**
Operating Margin	*53.0%*	*53.8%*	-0.8 p.p.	23.7%	29.3 p.p.

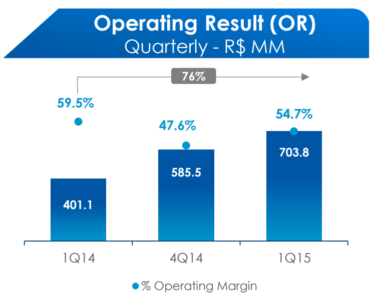
In the quarter, the operating result (before marketing expenses) was R$34.8 million, with operating margin of 53.0%, which is virtually stable compared to 1Q14, despite the lower revenue in the period, which demonstrates the results achieved in capturing operating efficiency gains in the Primary and Secondary business by rigorously managing costs and expenses.

FINANCIAL PERFORMANCE – KROTON

Consolidated - Values in R$ ('000)	**1Q15**	**1Q14**	**Chg.%**	**4Q14**	**Chg.%**
Gross Revenue	**1,623,698**	**807,645**	**101.0%**	**1,550,732**	**4.7%**
Gross Profit Deductions	(335,823)	(133,600)	151.4%	(320,669)	4.7%
Tax	(38,194)	(15,636)	144.3%	(35,867)	6.5%
ProUni	(215,373)	(78,419)	174.6%	(188,732)	14.1%
Returns	(1,792)	(2,745)	-34.7%	(2,104)	-14.8%
Total Discounts	(80,464)	(36,800)	118.7%	(93,967)	-14.4%
Net Revenue	**1,287,875**	**674,045**	**91.1%**	**1,230,063**	**4.7%**
Total of Costs	**(390,735)**	**(182,710)**	**113.9%**	**(422,106)**	**-7.4%**
Cost of Goods	(13,018)	(16,814)	-22.6%	(9,319)	39.7%
Cost of Services	(377,716)	(165,896)	127.7%	(412,787)	-8.5%
Faculty, Other Personnel and Third-Party Services	(262,966)	(120,890)	117.5%	(320,787)	-18.0%
Rent	(80,689)	(25,926)	211.2%	(77,570)	4.0%
Materials	(16,618)	(8,164)	103.5%	(9,904)	67.8%
Maintenance	(4,961)	(3,610)	37.5%	(7,286)	-31.9%
Other	(12,481)	(7,306)	70.8%	2,761	-552.0%
Gross Income	**897,140**	**491,335**	**82.6%**	**807,957**	**11.0%**
Gross Margin	*69.7%*	*72.9%*	*-3.2 p.p.*	*65.7%*	*4.0 p.p.*
Total Operating Expenses	**(156,325)**	**(72,796)**	**114.7%**	**(199,693)**	**-21.7%**
Personnel, General and Administrative Expenses	(156,325)	(72,796)	114.7%	(199,693)	-21.7%
Personnel Expenses	(96,191)	(41,769)	130.3%	(106,525)	-9.7%
General and Administrative Expenses	(60,133)	(31,027)	93.8%	(93,168)	-35.5%
Provision for Doubtful Account - PDA	**(67,070)**	**(28,140)**	**138.3%**	**(44,786)**	**49.8%**
(+) Interest and Penalties on Tuition	30,089	10,697	181.3%	22,022	36.6%
Operating Result	**703,834**	**401,096**	**75.5%**	**585,500**	**20.2%**
Operating Margin	*54.7%*	*59.5%*	*-4.9 p.p.*	*47.6%*	*7.1 p.p.*
Selling and Marketing Expenses	**(88,583)**	**(31,254)**	**183.4%**	**(89,602)**	**-1.1%**
Corporate Expenses	**(63,682)**	**(38,163)**	**66.9%**	**(95,627)**	**-33.4%**
Adjusted EBITDA	**551,569**	**331,679**	**66.3%**	**400,271**	**37.8%**
Adjusted EBITDA Margin	*42.8%*	*49.2%*	*-6.4 p.p.*	*32.5%*	*10.3 p.p.*
(-) Non-Recurring Costs and Expenses	(35,898)	(5,300)	577.4%	(43,815)	-18.1%
EBITDA	**515,672**	**326,379**	**58.0%**	**356,456**	**44.7%**
EBITDA Margin	*40.0%*	*48.4%*	*-8.4 p.p.*	*29.0%*	*11.1 p.p.*
Depreciation and Amortization	(100,960)	(30,658)	229.3%	(94,477)	6.9%
Financial Result	(41,005)	(12,574)	226.1%	(35,650)	15.0%
Income Tax / Social Contribution	(16,775)	(7,144)	134.8%	2,902	-678.1%
Deferred Income Tax / Social Contribution	14,812	(1,248)	-1287.2%	14,755	0.4%
Net Income	**371,743**	**274,756**	**35.3%**	**243,985**	**52.4%**
Net Margin	*28.9%*	*40.8%*	*-11.9 p.p.*	*19.8%*	*9.0 p.p.*
(+) Non Recurring Costs and Expenses	35,898	5,300	577.4%	43,815	-18.1%
(+) Intagnible Amortization (Acquisitions)	47,671	10,149	369.7%	47,646	0.1%
Adjusted Net Income	**455,312**	**290,205**	**56.9%**	**335,446**	**35.7%**
Adjusted Net Margin	*35.4%*	*43.1%*	*-7.7 p.p.*	*27.3%*	*8.1 p.p.*







SELLING AND MARKETING EXPENSES

Consolidated - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Selling and Marketing Expenses	(88,583)	(31,254)	183.4%	(89,602)	-1.1%

% of Net Revenue	1Q15	1Q14	Chg.%	4Q14	Chg.%
Selling and Marketing Expenses	-6.9%	-4.6%	-2.2 p.p.	-7.3%	0.4 p.p.

Selling and marketing expenses increased 2.2 p.p. in 1Q15 compared to 1Q14, mainly due to the incorporation of the Anhanguera structure, which still presents opportunities for capturing efficiency gains within the integration process.

CORPORATE EXPENSES

Consolidated - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Corporate Expenses	(63,682)	(38,163)	66.9%	(95,627)	-33.4%
Personnel Expenses	(49,355)	(29,123)	69.5%	(62,179)	-20.6%
General and Administrative Expenses	(14,327)	(9,040)	58.5%	(33,447)	-57.2%

% of Net Revenue	1Q15	1Q14	Chg.%	4Q14	Chg.%
Corporate Expenses	-4.9%	-5.7%	0.7 p.p.	-7.8%	2.8 p.p.
Personnel Expenses	-3.8%	-4.3%	0.5 p.p.	-5.1%	1.2 p.p.
General and Administrative Expenses	-1.1%	-1.3%	0.2 p.p.	-2.7%	1.6 p.p.

Within corporate expenses, personnel expenses as a ratio of net revenue decreased 0.5 p.p. in 1Q15 compared to 1Q14 due to the post-merger synergies captured by consolidating the administrative structures, even with the increased centralization of services allocated to corporate expenses. Analyzing separately general and administrative expenses as a ratio of net revenue compared to the prior quarter shows a 1.6 p.p. decrease resulting from the capture of efficiency gains from the renegotiation of contracts and the better management of contingencies, which led to the capture of gains in certain claims that did occur and from the expiration of claims that failed to occur.

NONRECURRING EVENTS

Values in R$ ('000)	1Q15
Integrations	30,516
Greenfield Projects	5,382
Total of Nonrecurring Items	**35,898**

In 1Q15, Kroton recognized certain nonrecurring events, mainly those related to M&A activity and the integration with Anhanguera. As was the case last quarter, the increase in nonrecurring expenses was mainly due to items related to the Anhanguera integration and is explained by the anticipation of certain processes in relation to the original timetable. In this context, expenses of R$30.5 million related to the Anhanguera merger were recorded in 1Q15. In this amount, the highest items were expenses related to personnel/severance (R$16.0 million) and to strategic and IT consulting services (R$12.9 million). The Company also incurred R$5.4 million in expenses with greenfield and other projects in the period, such as Mais Médicos and the shared-services center for Anhanguera students.

FINANCIAL RESULT

Consolidated - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
(+) Financial Revenues	11,595	13,360	-13.2%	15,211	-23.8%
Interest on Financial Investment	9,854	12,810	-23.1%	13,657	-27.8%
Others	1,741	550	216.5%	1,554	12.0%
(-) Financial Expenses	(52,600)	(25,934)	102.8%	(50,861)	3.4%
Banks Expenses	(2,241)	(2,056)	9.0%	(2,165)	3.5%
Interest on Loans	(30,614)	(16,329)	87.5%	(36,897)	-17.0%
Interest and Tax on Late Payment	(1,153)	(1,241)	-7.1%	(3,297)	-65.0%
Interest on Loans for Acquisitions	(5,968)	(4,484)	33.1%	(4,952)	20.5%
Foreign Exchange Variation (FX)	-	-	n.a.	(710)	n.a.
Restatement of Contingencies	(9,834)	-	n.a.	-	n.a.
Others	(2,791)	(1,824)	53.0%	(2,840)	-1.7%
Financial Result[1]	**(41,005)**	**(12,574)**	**226.1%**	**(35,650)**	**15.0%**

[1] Excludes interest and fines on late monthly tuition payments.

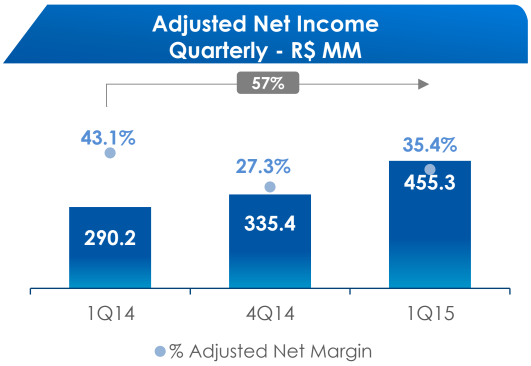
In 1Q15, the net financial result was an expense of R$41.0 million, which was impacted by the lines "interest on loans" and "interest on loans for acquisitions," due to the carryover of debt from Anhanguera. The breakdown of the line "Restatement of Contingencies," which also had an adverse impact on the quarter's financial result, was necessary due to the higher amount assessed after the Opening Balance Sheet following the merger with Anhanguera in 2014. However, note that the settlement of the entire outstanding balance of foreign-denominated debt in 4Q14 helped prevent a more significant adverse impact this quarter.

NET INCOME

Consolidated - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Operating Result	**703,834**	**401,096**	**75.5%**	**585,500**	**20.2%**
(+) Selling and Marketing Expenses	(88,583)	(31,254)	183.4%	(89,602)	-1.1%
(+) Corporate Expenses	(63,682)	(38,163)	66.9%	(95,627)	-33.4%
(+) Depreciation and Amortization ex-Intangible	(53,289)	(20,509)	159.8%	(46,831)	13.8%
(+) Financial Result[1]	(41,005)	(12,574)	226.1%	(35,650)	15.0%
(+) Income Tax / Social Contribution	(16,775)	(7,144)	134.8%	2,902	-678.1%
(+) Deferred Income Tax / Social Contribution	14,812	(1,248)	n.a.	14,755	0.4%
Adjusted Net Income	**455,312**	**290,204**	**56.9%**	**335,446**	**35.7%**
Adjusted Net Margin	*35.4%*	*43.1%*	*-7.7 p.p.*	*27.3%*	*8.1 p.p.*
(+) Nonrecurring Costs and Expenses	(35,898)	(5,300)	577.4%	(43,815)	-18.1%
(+) Intangible Amortization (Acquisitions)	(47,671)	(10,149)	369.7%	(47,646)	0.1%
Net Income	**371,743**	**274,756**	**35.3%**	**243,985**	**52.4%**
Net Margin	*28.9%*	*40.8%*	*-11.9 p.p.*	*19.8%*	*9.0 p.p.*

[1] Excludes interest and fines on late monthly tuition payments.

Adjusted net income (adjusted for the amortization of intangible assets and nonrecurring costs and expenses) amounted to R$455.3 million, with adjusted net margin of 35.4%, which decreased 7.7 p.p. from the same period in 2014, but posted robust growth in relation to recent quarters that already incorporate the Anhanguera figures (3Q14: 26.6% and 4Q14: 27.3%). Adjusted earnings per share in 1Q15 was R$0.28. The variation in Deferred income and social contribution taxes is due to temporary tax differences (For more details, see Note 9 to the Financial Statements).



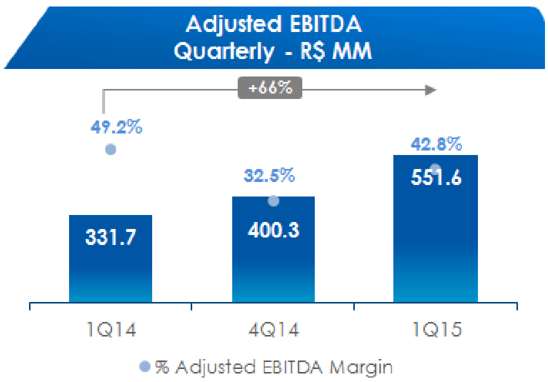
Excluding the adjustments for nonrecurring costs and expenses and the amortization of intangible assets, net income was R$371.7 million in 1Q15.

EBITDA

Consolidated - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Net Income (Loss)	**371,743**	**274,756**	**35.3%**	**243,985**	**52.4%**
(+) Depreciation and Amortization	100,960	30,658	229.3%	94,477	6.9%
(+) Financial Result[1]	41,005	12,574	226.1%	35,650	15.0%
(+) Income Tax / Social Contribution	16,775	7,144	134.8%	(2,902)	-678.1%
(+) Deferred Income Tax / Social Contribution	(14,812)	1,248	n.a.	(14,755)	0.4%
EBITDA	**515,672**	**326,379**	**58.0%**	**356,456**	**44.7%**
EBITDA Margin	*40.0%*	*48.4%*	*-8.4 p.p.*	*29.0%*	*11.1 p.p.*
(+) Nonrecurring Costs and Expenses	35,898	5,300	577.4%	43,815	-18.1%
Adjusted EBITDA	**551,569**	**331,679**	**66.3%**	**400,271**	**37.8%**
Adjusted EBITDA Margin	*42.8%*	*49.2%*	*-6.4 p.p.*	*32.5%*	*10.3 p.p.*

[1] Excludes interest and fines on late monthly tuition payments.

In 1Q15, Adjusted EBITDA was R$551.6 million, increasing 66.3% from 1Q14, with adjusted EBITDA margin of 42.8%, significantly higher than the recent quarters that already incorporate the Anhanguera figures (3Q14: 34.8% and 4Q14: 32.5%). EBITDA performance in the period confirms the efforts being made to capture operating efficiency gains and to rigorously control of costs and expenses.

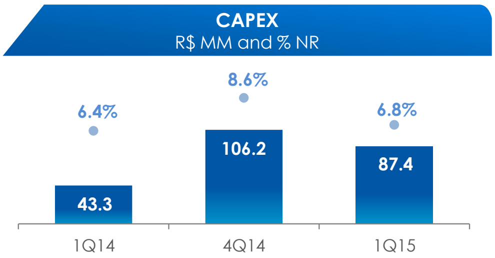


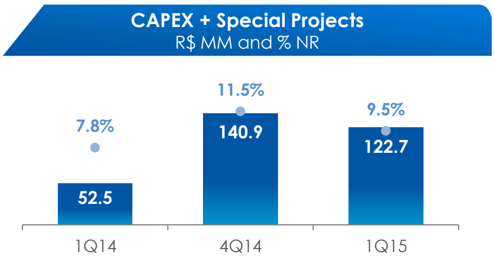
Excluding the adjustments for nonrecurring costs and expenses, the Company generated EBITDA of R$515.7 million in 1Q15, increasing 58.0% on the same period last year, with EBITDA margin of 40.0%.

INVESTMENT (CAPEX)

In 1Q15, Kroton invested R$87.4 million, allocated as follows:

(i) information technology and library equipment: R$14.5 million (16%);
(ii) content and systems development and software licenses: R$19.7 million (23%);
(iii) laboratory and related equipment: R$14.7 million (17%);
(iv) expansions – construction and improvements: R$38.5 million (44%).





In 1Q15, investments corresponded to 6.8% of net revenue, with the largest portion allocated to expansion and improvement projects, content development, systems development and software licensing.

Kroton has also been investing in special projects, such as expansion and greenfield projects, which came to R$35.3 million in 1Q15. Therefore, total investment as a ratio of net revenue stood at 9.5% in 1Q15. However, this ratio should decline over the coming quarters.

NET DEBT

Consolidated - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Cash and Cash Equivalents	331,796	423,086	-21.6%	455,332	-27.1%
Cash	51,510	24,193	112.9%	16,835	206.0%
Securities	280,286	398,893	-29.7%	438,497	-36.1%
Loans and Financing	889,125	549,221	61.9%	942,118	-5.6%
Short-term Debt	195,762	113,179	73.0%	201,255	-2.7%
Long-term Debt	693,363	436,042	59.0%	740,863	-6.4%
Net Cash (Debt)[1]	**(557,329)**	**(126,135)**	**341.9%**	**(486,786)**	**14.5%**
Other Short and Long Term Debt	307,632	235,927	30.4%	312,472	-1.5%
Net Cash (Debt)[2]	**(864,961)**	**(362,061)**	**138.9%**	**(799,258)**	**8.2%**

[1] Considers only bank obligations.
[2] Net cash (debt) considering all short- and long-term obligations related to the taxes paid in installments and the acquisitions, including the amount to be paid within 6 years related to the Uniasselvi acquisition.

Compared to 4Q14, cash and equivalents decreased 27.1% due to the lower cash inflows from FIES repurchases and to the disbursements under contractual financial obligations, which include the debentures and M&A, in the amount of approximately R$87 million.

Due to the incorporation of the Anhanguera debt and considering only bank debt, the Company's net debt in the quarter increased to R$557.3 million. Considering also all short and long term obligations, which include taxes and contributions paid in installments and the obligations related to the acquisitions made through 1Q15, net debt stood at R$865.0 million, or 138.9% higher than a year earlier. This figure includes amounts related to installment payments for acquisitions, especially the amount related to Uniasselvi, which is being paid in six annual installments since 2013. Compared to the prior quarter, net debt increased 8.2%, mainly due to the lower cash position in the period, as mentioned above.

CASH FLOW

Actual Cash Flow

Consolidated - Values in R$ ('000)	1Q15	1Q14	Chg.%	4Q14	Chg.%
Net Income before Income Interest	**373,706**	**283,149**	**32.0%**	**226,327**	**65.1%**
(+) Net Income adjustments before Income Interest	186,479	78,784	136.7%	200,048	-6.8%
Depreciation and Amortization	100,959	30,658	229.3%	94,483	6.9%
Provision for Doubtful Accounts (PDA)	67,070	28,140	138.3%	44,786	49.8%
Others	18,450	19,986	-7.7%	60,779	-69.6%
(+) Income Tax and Social Contribution	(4,029)	(7,771)	-48.2%	(3,980)	1.2%
(+) Changes in Working Capital	(458,947)	(168,262)	172.8%	(2,012)	n.a.
(Increase) Reduction in Accounts Receivable ex-FIES	(252,678)	(71,712)	252.4%	(69,206)	265.1%
(Increase) Reduction in Accounts Receivable FIES	(209,766)	(85,616)	145.0%	108,924	-292.6%
Others	3,497	(10,934)	-132.0%	(41,730)	-108.4%
Operating Cash Generation before Capex	**97,209**	**185,900**	**-47.7%**	**420,383**	**-76.9%**
Capex - Recurring	(92,502)	(44,844)	106.3%	(101,978)	-9.3%
Operating Cash Generation after Capex	**4,707**	**141,056**	**-96.7%**	**318,405**	**-98.5%**
Capex - Special Projects	(26,791)	(7,758)	n.a.	(12,915)	107.4%
Operating Cash Generation after Capex and Special Projects	**(22,084)**	**133,298**	**n.a.**	**305,490**	**n.a.**
(+) M&A Activities	(6,082)	(878)	n.a.	(3,863)	57.4%
(+) Cash Flow from Financing Activities	(95,385)	(22,992)	n.a.	(243,703)	-60.9%
Free Cash Flow	**(123,551)**	**109,427**	**n.a.**	**57,924**	**n.a.**

Consolidated - Values in R$ ('000)	1Q15	1Q15[1]	Chg.%	1Q14	Chg.%[1]
Operating Cash Generation (OCG) before Capex	**97,209**	**301,630**	**-67.8%**	**185,900**	**62.3%**
OCG / EBITDA	*18.9%*	*58.5%*	*-39.6 p.p.*	*57.0%*	*1.5 p.p.*
Operating Cash Generation after Capex	**4,707**	**209,128**	**-97.7%**	**141,056**	**48.3%**
OCG / EBITDA	*0.9%*	*40.6%*	*-39.6 p.p.*	*43.2%*	*-2.7 p.p.*
Operating Cash Generation after Capex and Special Projects	**(22,084)**	**182,337**	**n.a.**	**133,298**	**36.8%**
OCG / EBITDA	*-4.3%*	*35.4%*	*n.a.*	*40.8%*	*-5.5 p.p.*
Free Cash Flow	**(123,551)**	**80,870**	**n.a.**	**109,427**	**-26.1%**

[1] Pro forma considers the same schedule of cash inflows from FIES, Pronatec and tax offsetting of FIES receivables observed in 1Q14

The Company's Free Cash Flow stems from cash flow from operating activities - derived from net income adjusted for all noncash effects in the profit and loss and comprises all variations in working capital, taxes paid (income tax and social contribution) and investments made (ex-acquisitions) - and from cash flow from non-operating activities, which includes all financial flows not related to the operations. All figures in the above table exclude any adjustments or pro forma analyses and reflect only the actual cash flow in the periods.

Accordingly, operating cash flow before capex amounted to R$97.2 million, or 47.7% lower than in 1Q14, primarily reflecting the change in working capital due to the new cycle of tuition receivables from FIES students after Administrative Rule 23 (PN 23) announced in December 2014. Considering the disbursements for capex in the period, operating cash flow was R$4.7 million in 1Q15. Considering also the capex for special projects, operating cash flow was negative R$22.1 million. The Company's free cash flow was negative R$123.6 million in the period, also affected by the lower flow of repurchases in the beginning of this year.

Operating cash flow after capex corresponded to 0.9% of EBITDA in 1Q15. After disbursements of capex and special projects, this ratio was negative, due to the aforementioned factors.

If we were to consider the same schedule of cash inflows from FIES, Pronatec and tax offsetting of FIES receivables observed in 1Q14, operating cash generation before capex this quarter would have been R$301.6 million. Considering also the disbursements for capex, operating cash flow would have been R$209.1 million in 1Q15. Considering also capex and special projects, operating cash flow would have been R$182.3 million. Meanwhile, the Company's pro-forma free cash flow in the period would have been R$80.9 million.

CAPITAL MARKETS AND SUBSEQUENT EVENTS

STOCK PERFORMANCE

Kroton stock (KROT3) is a component of the Bovespa Index (Ibovespa), Special Corporate Governance Stock Index (IGC), Special Tag-Along Stock Index (ITAG), Consumption Sector Index (ICON) and MSCI Brazil.

The stock was traded in 100% of trading sessions during 1Q15, registering financial trading volume of R$17.3 billion and 1,805,078 orders in the period, which represents average daily trading volume of R$278.6 million. On March 31, 2015, Kroton's market capitalization was R$16.7 billion.

In the first quarter of 2015, Kroton's stock price decreased 33.6%, while the Bovespa Index (Ibovespa) gained 2.3% in the same period. In the same period, the ICON, IGC and ITAG gained 1.7%, 1.5% and 2.4%, respectively. Kroton stock is currently covered by research analysts at 19 different local and international institutions.

Highlights- KROT3	1Q15
Average Daily Trade Volume (average)	R$ 278.6 million
Maximum (R$ per share)	R$ 15.50
Minimum (R$ per share)	R$ 9.30
Average (R$ per share)	R$ 11.57
Closing Quote	R$ 10.29
Variation in the period (%)	-33.6%

SHARE BUYBACK PROGRAM

On July 1, 2014, the Company approved its fourth repurchase program, which will be valid for 365 days and authorizes the acquisition of up to 5,234,810 shares, which corresponds to 2.5% of the free-float on said date (or 20,939,240 shares after the stock split carried out on September 11).

In the first quarter of 2015, the Company did not make any stock repurchases. However, since the start of the program, a total of 3,602,800 common shares have been repurchased, which represents 17.2% of the limit established by the program.

OWNERSHIP STRUCTURE

After the capital increases approved on April 13, 2015 and April 27, 2015, Kroton's share capital is divided into 1,625,094,226 common shares, distributed as follows:

*Kroton Ownership Structure**	Quantity	%
Treasury	2,340,152	0.1%
Free Float	1,622,754,074	99.9%
Total	**1,625,094,226**	**100.0%**

* Position on May 5, 2015.

DIVIDENDS

In the Meeting held on May 11, 2015, the Board of Directors approved the distribution of dividends related to the results for the first quarter of 2015 in the amount of R$88.3 million, which corresponds to R$0.0544 per common share and to 25% of distributable net income. Shareholders of record on May 12, 2015 are entitled to the dividends.

ABOUT KROTON EDUCACIONAL

Kroton Educacional S.A. (BM&FBovespa: KROT3) is one of the largest for-profit private educational organizations in the world. Operating for over 45 years, Kroton has a nationwide presence in all of Brazil's states. Today, Kroton has approximately 1.1 million Postsecondary students in both the On-Campus and Distance Learning formats, through its 130 Postsecondary units and 726 active Undergraduate Distance Learning centers, and also offers Vocational programs under Pronatec and Preparatory Courses through LFG. In Primary and Secondary Education, its main business is offering Learning Systems, which in 2015 will serve 713 private schools in the country.

DISCLAIMER

This document contains forward-looking statements and information. These forward-looking statements and information are merely forecasts and not guarantees of future performance. All stakeholders are cautioned that such forward-looking statements and information involve risks, uncertainties and factors relating to the operations and business environments of Kroton and its subsidiaries and affiliates, and that the actual results of the companies could differ materially from the future results anticipated explicitly or implicitly by such forward-looking statements and information.

APPENDIX 1 – CONSOLIDATED BALANCE SHEET

R$ ('000)

Assets	1Q15	% AV	4Q14	% AV
Current Assets	**1,686,360**	**10.7%**	**1,450,571**	**9.4%**
Cash and Banks	51,510	0.3%	16,835	0.1%
Financial Investments	275,703	1.7%	433,929	2.8%
Accounts Receivable	1,112,017	7.0%	732,410	4.7%
Inventories	27,105	0.2%	36,076	0.2%
Advances	29,287	0.2%	49,962	0.3%
Recoverable Taxes	50,823	0.3%	55,077	0.4%
Other Accounts Receivable	139,915	0.9%	126,282	0.8%
Non current Assets	**14,102,819**	**89.3%**	**14,035,609**	**90.6%**
Long Term Assets	**722,042**	**4.6%**	**678,267**	**4.4%**
Securities	4,583	0.0%	4,568	0.0%
Accounts Receivables	26,112	0.2%	10,345	0.1%
Deferred Taxes	458,451	2.9%	434,849	2.8%
Judicial Escrow Deposits	47,456	0.3%	43,221	0.3%
Advances to Suppliers	1,805	0.0%	2,577	0.0%
Judicial Escrow Deposits	6,222	0.0%	6,282	0.0%
Warranty for Fiscal, Work and Civil Losses	170,571	1.1%	169,734	1.1%
Other	6,842	0.0%	6,691	0.0%
Investments	1,600	0.0%	1,600	0.0%
Fixed Assets	1,485,130	9.4%	1,421,876	9.2%
Intangible	11,894,047	75.3%	11,933,866	77.1%
Total Assets	**15,789,179**	**100.0%**	**15,486,180**	**100.0%**
Liabilities and Shareholders' Equity				
Current Liabilities	**930,275**	**5.9%**	**945,905**	**6.1%**
Suppliers	165,894	1.1%	184,416	1.2%
Loans and Financing	2,427	0.0%	7,279	0.0%
Debenture	193,335	1.2%	193,976	1.3%
Payroll and Related Charges	320,893	2.0%	304,286	2.0%
Income Tax and Social Contribution	16,787	0.1%	9,763	0.1%
Taxes and Contribution	57,613	0.4%	48,733	0.3%
Advances to Clients	83,005	0.5%	101,212	0.7%
Tax and Contribution Payment Installments	12,720	0.1%	16,123	0.1%
Accounts Payable - Acquisitions	71,160	0.5%	74,802	0.5%
Dividends Payable	17	0.0%	17	0.0%
Other	6,424	0.0%	5,298	0.0%
Non current Liabilities	**3,047,748**	**19.3%**	**3,093,867**	**20.0%**
Suppliers	-	0.0%	-	0.0%
Loans and Financing	40,385	0.3%	40,855	0.3%
Debenture	652,978	4.1%	700,008	4.5%
Provision for Tax, Labor and Civil Lawsuit Losses	905,813	5.7%	915,374	5.9%
Tax and Contribution Payment Installments	49,434	0.3%	50,827	0.3%
Accounts Payable - Acquisitions	174,318	1.1%	170,720	1.1%
Deferred Taxes	1,220,619	7.7%	1,211,952	7.8%
Others	4,201	0.0%	4,131	0.0%
Shareholder´s Equity	**11,811,156**	**74.8%**	**11,446,408**	**73.9%**
Total Liabilities and Shareholders' Equity	**15,789,179**	**100.0%**	**15,486,180**	**100.0%**

APPENDIX 2 – QUARTERLY INCOME STATEMENT RECONCILIATION

	1Q15 Results (Book)	Non-accounting adjustments: Interest and Penalties on Tuition	Depre-ciation	Intangible Amortization (Acquisitions)	Non-recurring Costs and Expenses	Reclassification between Costs and expenses	1Q15 Results (Release)
	(In thousand reais, except otherwise indicated)						
Gross Revenue	**1,623,698**						**1,623,698**
Postsecondary	1,554,981	-	-	-	-	-	1,554,981
Primary and Secondary	68,717	-	-	-	-	-	68,717
Deductions from Gross Revenue	**(335,823)**						**(335,823)**
Postsecondary	(332,698)	-	-	-	-	-	(332,698)
Primary and Secondary	(3,125)	-	-	-	-	-	(3,125)
Net Revenue	**1,287,875**					**-**	**1,287,875**
Postsecondary	1,222,283	-	-	-	-	-	1,222,283
Primary and Secondary	65,592	-	-	-	-	-	65,592
Costs of Goods/Services	**(535,516)**						**(390,735)**
Cost of Goods Sold	(13,018)	-	-	-	-	-	(13,018)
Cost of Services Rendered	(522,498)	-	45,579	-	5,741	(93,461)	(377,716)
Gross Income	**752,359**						**897,140**
Operating Expenses	**(367,736)**						**(375,660)**
Selling Expenses	(91,174)	-	-	-	-	(2,591)	(88,583)
Provision for Doubtful Accounts	(67,070)	-	-	-	-	-	(67,070)
Personnel Expenses	(111,318)	-	-	-	26,509	60,737	(145,547)
General and Administrative Expenses	(96,951)	-	55,381	-	2,425	35,315	(74,460)
Other Operating Income (Expenses)	(1,223)	-	-	-	1,223	-	-
Income before Financial Result	**384,623**						**521,480**
Interest and Penalties on Tuition	-	30,089	-	-	-	-	30,089
Depreciation and Amortization	-	-	(100,960)	47,671	-	-	(53,289)
Financial Result	**(10,916)**						**(41,005)**
Financial Expenses	(52,600)	-	-	-	-	-	(52,600)
Financial Revenues	41,684	(30,089)	-	-	-	-	11,595
Income from Operations	**373,707**						**457,275**
Income and Social Contribution Tax	(1,964)	-	-	-	-	-	(1,964)
Current	(16,775)	-	-	-	-	-	(16,775)
Deferred	14,812	-	-	-	-	-	14,812
Net Income	**371,743**	**-**	**-**	**47,671**	**35,898**	**-**	**455,312**

APPENDIX 3 – QUARTERLY INCOME STATEMENT

	1Q15	% Net Rev.	1Q14	% Net Rev.	1Q15 / 1Q14	4Q14	% Net Rev.	1Q15 / 4Q14
	(In thousand reais, except otherwise indicated)							
Gross Revenue	**1,623,698**	**126.1%**	**807,645**	**119.8%**	**101.0%**	**1,550,732**	**126.1%**	**4.7%**
Postsecondary	1,554,981	120.7%	725,756	107.7%	114.3%	1,510,302	122.8%	3.0%
Primary and Secondary	68,717	5.3%	81,889	12.1%	-16.1%	40,430	3.3%	70.0%
Deductions from Gross Revenue	**(335,823)**	**-26.1%**	**(133,600)**	**-19.8%**	**151.4%**	**(320,669)**	**-26.1%**	**4.7%**
Postsecondary	(332,698)	-25.8%	(129,651)	-19.2%	156.6%	(317,072)	-25.8%	4.9%
Primary and Secondary	(3,125)	-0.2%	(3,949)	-0.6%	-20.9%	(3,597)	-0.3%	-13.1%
Net Revenue	**1,287,875**	**100.0%**	**674,045**	**100.0%**	**91.1%**	**1,230,063**	**100.0%**	**4.7%**
Postsecondary	1,222,283	94.9%	596,105	88.4%	105.0%	1,193,231	97.0%	2.4%
Primary and Secondary	65,592	5.1%	77,940	11.6%	-15.8%	36,832	3.0%	78.1%
Costs of Goods/Services	**(535,516)**	**-41.6%**	**(240,076)**	**-35.6%**	**123.1%**	**(585,752)**	**-47.6%**	**-8.6%**
Cost of Goods Sold	(13,018)	-1.0%	(16,814)	-2.5%	-22.6%	(9,319)	-0.8%	39.7%
Cost of Services Rendered	(522,498)	-40.6%	(223,262)	-33.1%	134.0%	(576,432)	-46.9%	-9.4%
Gross Income	**752,359**	**58.4%**	**433,969**	**64.4%**	**73.4%**	**644,311**	**52.4%**	**16.8%**
Operating Expenses	**(367,736)**	**-28.6%**	**(148,944)**	**-22.1%**	**146.9%**	**(404,355)**	**-32.9%**	**-9.1%**
Selling Expenses	(91,174)	-7.1%	(34,787)	-5.2%	162.1%	(90,223)	-7.3%	1.1%
Provision for Doubtful Accounts	(67,070)	-5.2%	(28,140)	-4.2%	138.3%	(44,786)	-3.6%	49.8%
Personnel Expenses	(111,318)	-8.6%	(46,106)	-6.8%	141.4%	(124,258)	-10.1%	-10.4%
General and Administrative Expenses	(96,951)	-7.5%	(39,955)	-5.9%	142.7%	(143,075)	-11.6%	-32.2%
Other Operating Income (Expenses)	(1,223)	-0.1%	44	0.0%	n.a.	(2,014)	-0.2%	-39.2%
Income before Financial Result	**384,623**	**57.1%**	**285,025**	**42.3%**	**34.9%**	**239,956**	**19.5%**	**60.3%**
Financial Result	**(10,916)**	**-0.8%**	**(1,877)**	**-0.3%**	**481.5%**	**(13,628)**	**-1.1%**	**-19.9%**
Financial Expenses	(52,600)	-4.1%	(25,934)	-3.8%	102.8%	(50,861)	-4.1%	3.4%
Financial Revenues	41,684	3.2%	24,057	3.6%	73.3%	37,233	3.0%	12.0%
Income from Operations	**373,707**	**29.0%**	**283,147**	**42.0%**	**32.0%**	**226,328**	**18.4%**	**65.1%**
Income and Social Contribution Tax	(1,964)	-0.2%	(8,392)	-1.2%	-76.6%	17,656	1.4%	-111.1%
Current	(16,775)	-1.3%	(7,144)	-1.1%	134.8%	2,902	0.2%	-678.1%
Deferred	14,812	1.2%	(1,248)	-0.2%	-1,287.2%	14,755	1.2%	0.4%
Net Income	**371,743**	**28.9%**	**274,756**	**40.8%**	**35.3%**	**243,985**	**19.8%**	**52.4%**

APPENDIX 4 – CASH FLOW STATEMENT

R$000	**1Q15**	**1Q14**	**4Q14**
Net Income before Income Interest	**373,706**	**283,149**	**226,327**
Net Income (Loss) Adjustments before Income Interest			
Depreciation and Amortization	100,959	30,658	94,483
Provision for Doubtful Accounts	67,070	28,140	44,786
Provision for Tax, Labor and Civil Losses	(21,990)	1,091	3,868
Provision (Reversal) for Invetories Losses	(3,939)	683	(3,746)
Financial Charges	40,817	20,813	44,640
Income from Securities	(9,854)	(12,810)	(124)
Grant of Stock Options	12,192	10,194	14,146
Gain (loss) from Sale or Write-off of Non-current Assets	1,224	15	1,995
Changes in Working Capital	**(458,947)**	**(168,262)**	**(2,012)**
(Increase) Reduction in Accounts Receivable (ex-FIES)	(252,678)	(71,712)	(69,206)
(Increase) Reduction in Accounts Receivable FIES	(209,766)	(85,616)	108,924
(Increase) Reduction in Inventories	12,910	10,353	(7,295)
(Increase) Reduction in Advances	21,447	9,965	(21,496)
(Increase) Decrease in Escrow Deposits	(4,235)	(873)	(8,781)
Increase (Decrease) in Other Assets	(19,748)	(6,330)	14,041
Increase (Reduction) in Suppliers	(18,800)	(4,664)	54,091
Increase (Decrease) in Payroll and Related Taxes	16,607	(9,757)	(60,105)
Increase (Decrease) in Legal Obligations	7,349	5,024	(18,864)
Increase (Decrease) in Advances to Clients	(18,207)	(13,212)	9,056
(Decrease) in Taxes Installments	(1,421)	899	(14,200)
(Decrease) in Taxes Provision for Tax, Labor and Civil Losses	6,486	(2,585)	(3,024)
Increase (Decrease) in Other Liabilities	1,109	246	14,848
Income Tax and Social Contribution	**(4,029)**	**(7,771)**	**(3,980)**
Capex - Recurring	**(92,502)**	**(44,844)**	**(101,978)**
Additions to Fixed Assets	(68,887)	(38,589)	(60,570)
Additions to Intangible Assets	(23,615)	(6,255)	(41,408)
Cash Flow from Operating Activities after Capex - Recurring	**4,707**	**141,056**	**318,405**
Capex - Special Projects	**(26,791)**	**(7,758)**	**(12,915)**
Asset Acquisition	-	(77)	-
Brownfields	(26,791)	(7,681)	(12,915)
Cash Flow from Operating Activities after total Capex	**(22,084)**	**133,298**	**305,490**
(+) M&A Activities	**(6,082)**	**(878)**	**(3,863)**
Acquisition of New Units	(6,082)	(878)	(3,863)
(+) Cash Flow from Financing Activities	**(95,385)**	**(22,992)**	**(243,703)**
Sale (Acquisition) of Treasury Shares	(24,565)	(4,346)	19,722
Capital Increase, Net of Issuance Costs	5,378	-	-
Borrowings and financing	569,785	-	-
Payments of Borrowings and Financing	(621,202)	(603)	(186,468)
Interest Paid on Borrowings and Debentures	(31,245)	(15)	(55,207)
Income from Financial Investments	-	12,810	(2,248)
Redemption (Investment) of Securities	9,839	(1,582)	-
Disposal of Non-current Asset	-	-	-
Refis Payment	(3,375)	(1,515)	(19,503)
Bank and Charges Fees	-	-	-
Payment of Dividends	-	(27,742)	-
(=) Cash Flow from Non-Operating Activities	**(101,467)**	**(23,871)**	**(247,566)**
Total Cash Generation	**(123,551)**	**109,427**	**57,924**
Net Increase (Decrease) in Cash and Cash Equivalents			
Cash and Cash Equivalents at the Start of the Period	450,764	418,932	392,840
Cash and Cash Equivalents at the End of the Period	327,213	528,359	450,764
Net Increase (Decrease) in Cash and Cash Equivalents	**(123,551)**	**109,427**	**57,924**