



**Abril EDUCAÇÃO**

# ACQUISITION



October 2011

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Strengthening of our presence in the Learning Systems sector, which experiences above average growth rates in the basic education content and services segment



Increased presence in the South, Central and Northeastern regions of the country and in municipalities



Pedagogical methodology which is complementary to those offered by other Abril Educação's learning systems



Several opportunities do capture synergies



Profitable entry into lower price point segments

## About the acquired company



**84.900 students** served. Client base of Abril Educação's learning systems jumps to approximately 458.000 students served.



**Average growth** in the number of students served by Maxi Learning System from 2009 to 2011 was **22,9% per year**



**Pedagogia do Afeto**, a complementary methodology in relation to those used by Abril Educação's learning systems, with copy rights acquired as part of the transaction



**Printing facilities** with capacity to serve up to 160.000 students

## About the transaction



Price of R\$ 43,0 million (*equity value*, no debt) – R\$ 33,0 million down payment and two additional payments of R\$ 5,0 million in 12 and 24 months adjusted by the CDI (Brazilian interbank rate)



Learning system, copyrights and printing facilities included in the acquisition price



Estimated 2011 EBITDA\* = R\$ 6,2 million, EBITDA margin of 36%  
2011 multiple of 6.9 X EBITDA and estimated 2012 EBITDA multiple of 5.8\*\*



Estimated TIR\*\*\* of 37.6% with WACC of 14,5%, without inclusion of the net present value of the tax relief due to the amortization of intangible assets generated through the transaction

\* Based on due diligence data conducted prior to the acquisition and on Aug 2011 accumulated results

\*\* Assumes growth of 6% in the number of students served in 2012 versus 2011, price increase of 7% for 2012 and without consideration for any potential synergies

\*\*\* Assumes \*\* above, growth in the student base of 6% per year until 2016, perpetuity of 4% and price increases in line with inflation starting in 2013