KROTON EDUCACIONAL S/A

3Q09 RESULTS

November 11th , 2009







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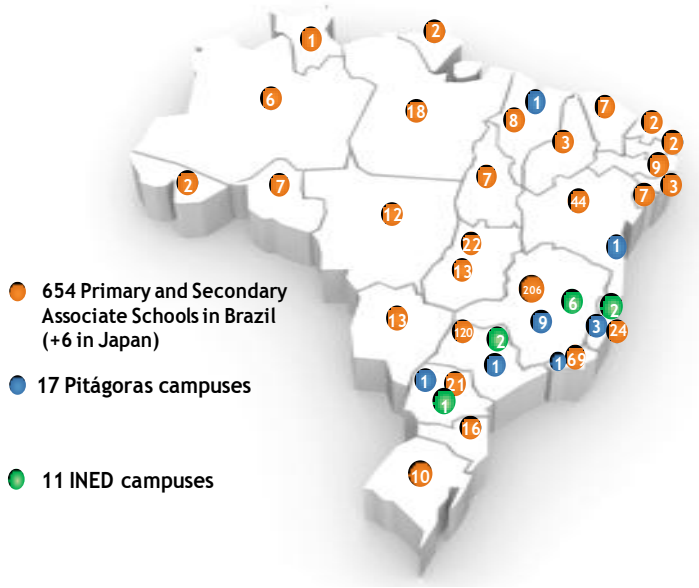
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3Q09 Highlights

• EBITDA of R$12.5 million in 3Q09 and R$61.1 million in 9M09, up 34.7% on a year ago.



•Post Secondary Education 45,900 students

• Primary and Secondary Education: 226,600 students

• Net revenue of R$81.3 million in 3Q09 and R$279.4 million in 9M09, up 31.8% on the same period last year;

• Net income of R$12 million in 3Q09 and R$45 million in 9M09;

• Rights offering of R$388 million, enabling the Company to end the quarter with cash of R$444 million, to support strong growth organically and through acquisitions;

• Strengthening of corporate governance and management structure by hiring new executive officers with successful track records.

Investments for future results

- Launch of PROJECTA brand focused on educational solutions for municipal public school systems;

- Development of products and services for the public sector:
  - -Text books;
  - -School Management Program;
  - -Training of directors, teachers and education professionals of municipal school systems;
  - -Learning assessment.

- Creation and launch of new products to complement the portfolio of PAX EDITORA, with a focus on the Catholic Education Network.

FINANCIAL HIGHLIGHTS







Main Indicators

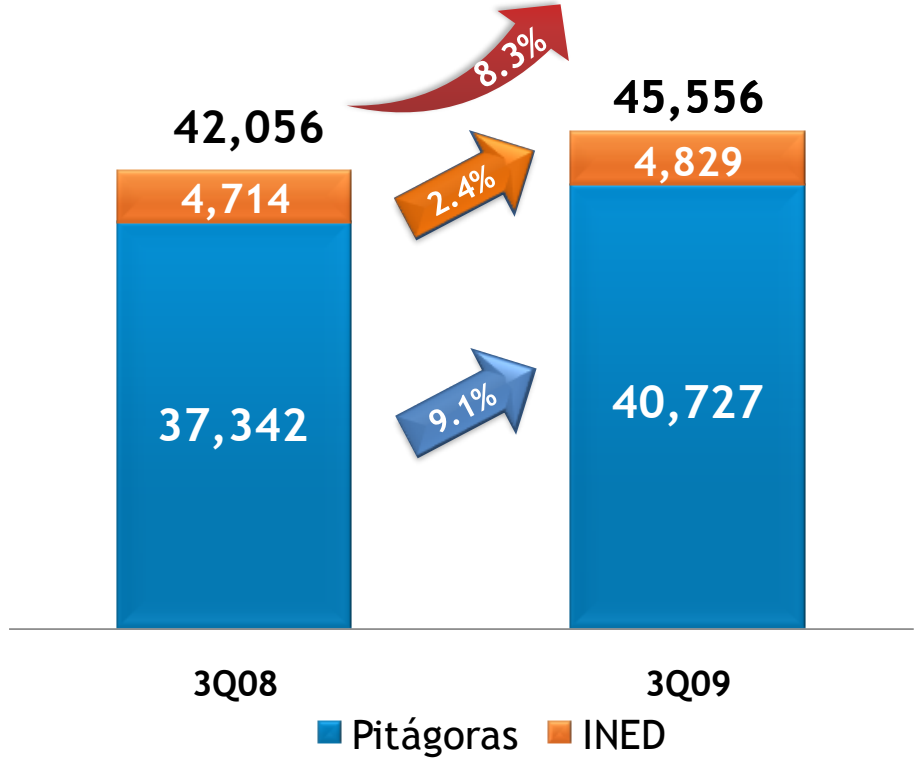
Values in R$ (thousand)	3Q09	3Q08	Chg%	9M09	9M08	Chg%
Gross Sales Revenue	93,026	78,657	18.3%	311,395	232,231	34.1%
Net Sales Revenue	81,320	70,800	14.9%	279,350	212,002	31.8%
Net Income	9,005	7,618	18.2%	40,226	33,502	20.1%
Net Income Margin	*11.1%*	*10.8%*	*0.3 p.p*	*14.4%*	*15.8%*	*(1.4) p.p.*
Adjusted EBITDA	12,503	11,441	9.3%	61,146	45,399	34.7%
Adjusted EBITDA Margin	*15.4%*	*16.2%*	*(0.8) p.p.*	*21.9%*	*21.4%*	*0.5 p.p*
Adjusted Net Income	12,036	10,738	12.1%	45,003	42,572	5.7%
Adjusted Net Income Margin	*14.8%*	*15.2%*	*(0.4) p.p.*	*16.1%*	*20.1%*	*(4.0) p.p.*

Students

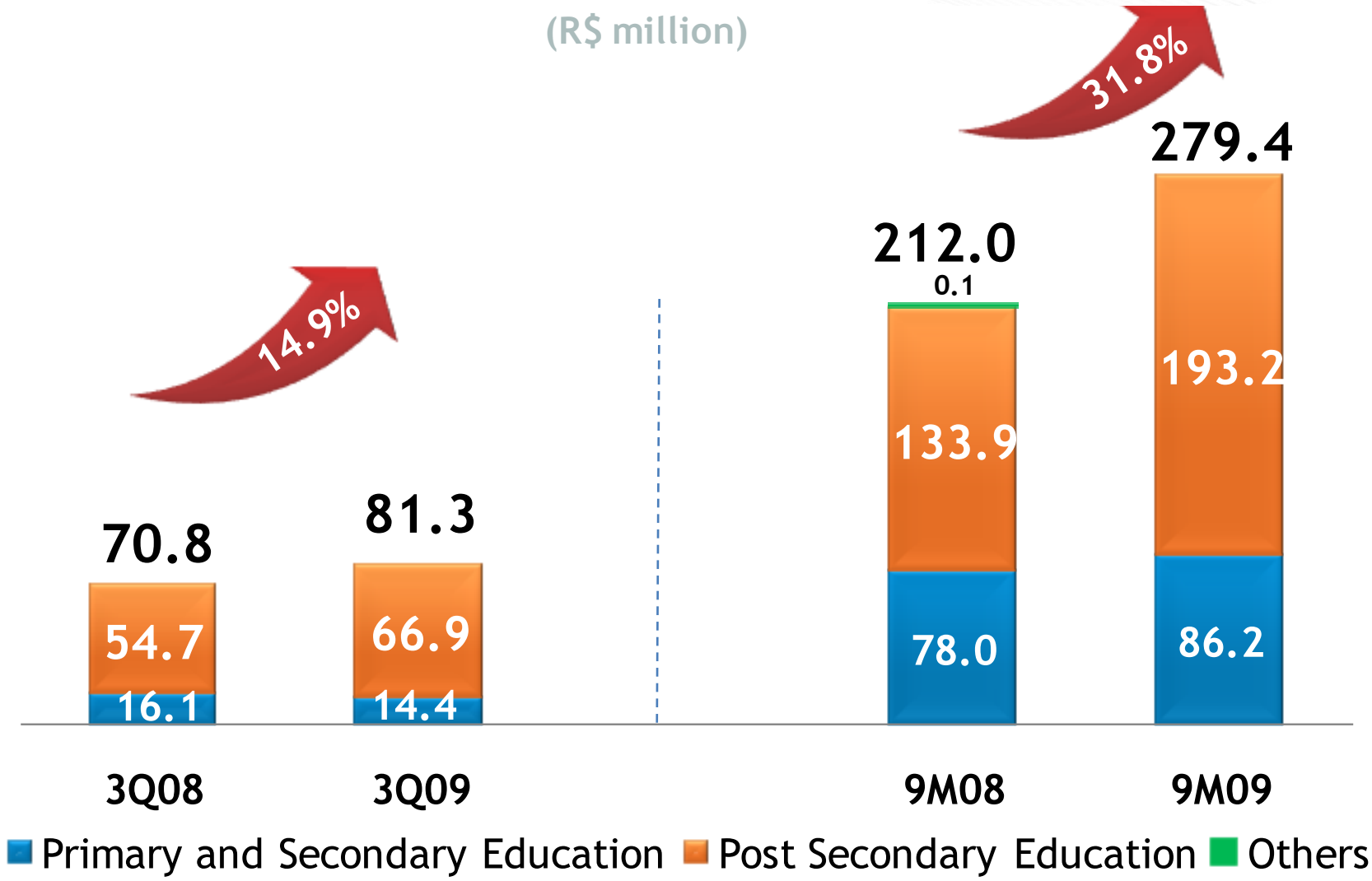
Final Number of Students on Primary and Secondary Education		
3Q08	3Q09	Chg%
207,700	226,600	9.1%

Final Number of Students on Post Secondary			
	2Q09	3Q09	Chg%
Post Secondary	43,230	45,957	6.3%
	3Q08	3Q09	Chg%
Post Secondary	43,388	45,957	5.9%

AVERAGE NUMBER OF STUDENTS ON POST SECONDARY

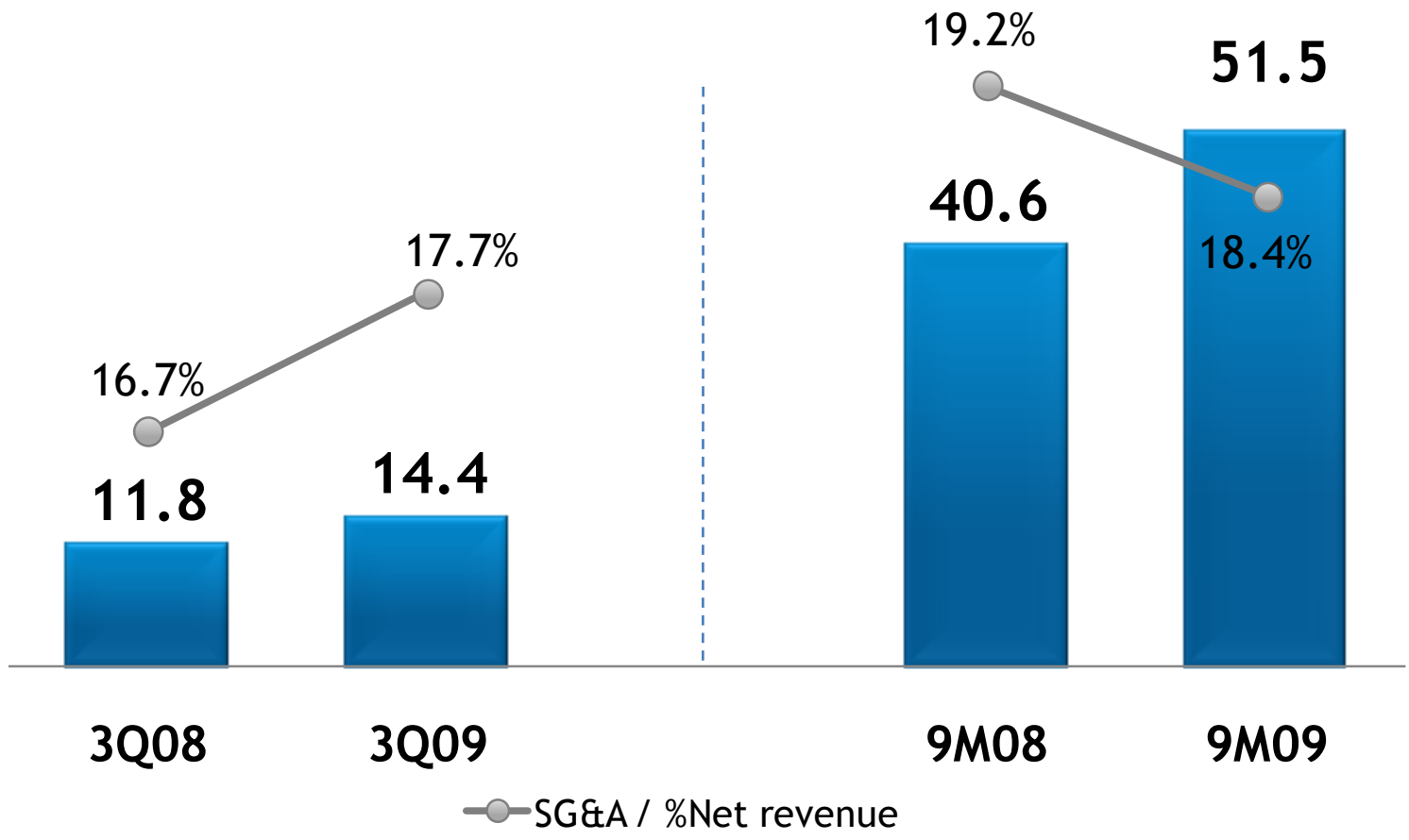


Net Revenue


(R$ million)
14.9%
31.8%
70.8
54.7
16.1
81.3
66.9
14.4
212.0
0.1
133.9
78.0
279.4
193.2
86.2
3Q08
3Q09
9M08
9M09
Primary and Secondary Education
Post Secondary Education
Others

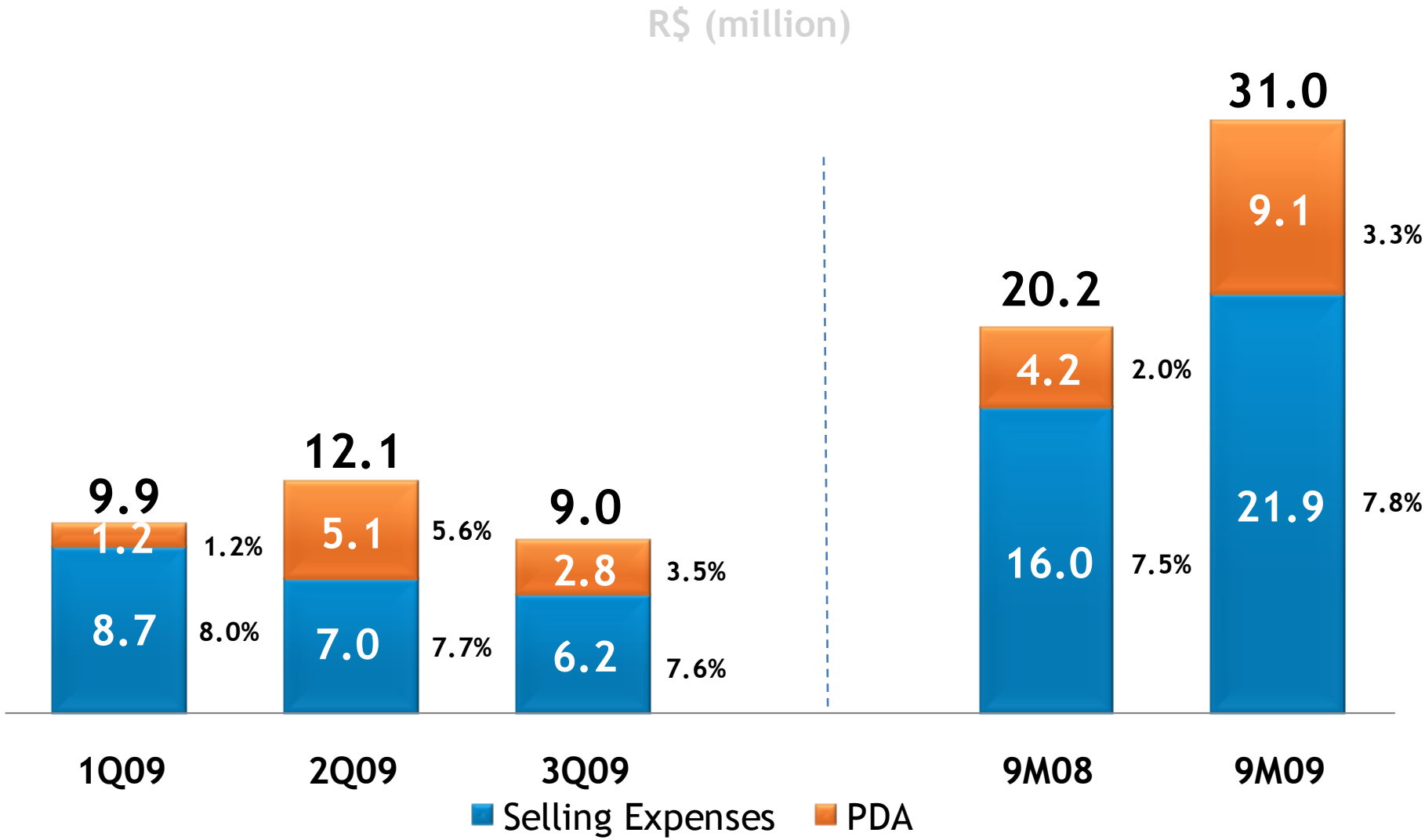
Operating Expenses (SG&A)

(R$ million)



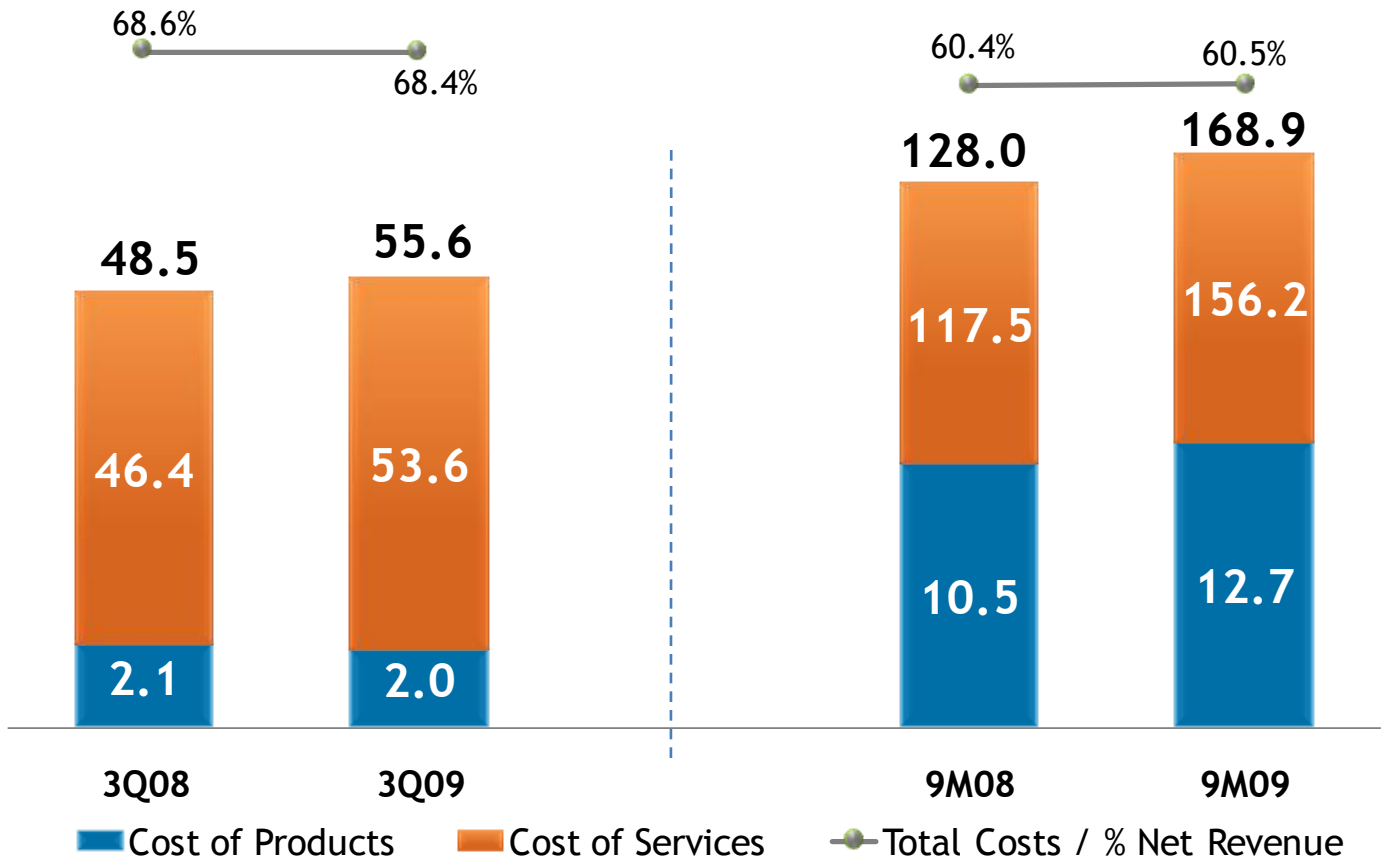
*Excluding expenses for future results, Goodwill Amortizations and PDA.

Selling Expenses, Provision for Doubtful Accounts(PDA) / % of Net Revenue



Costs of Products and Services

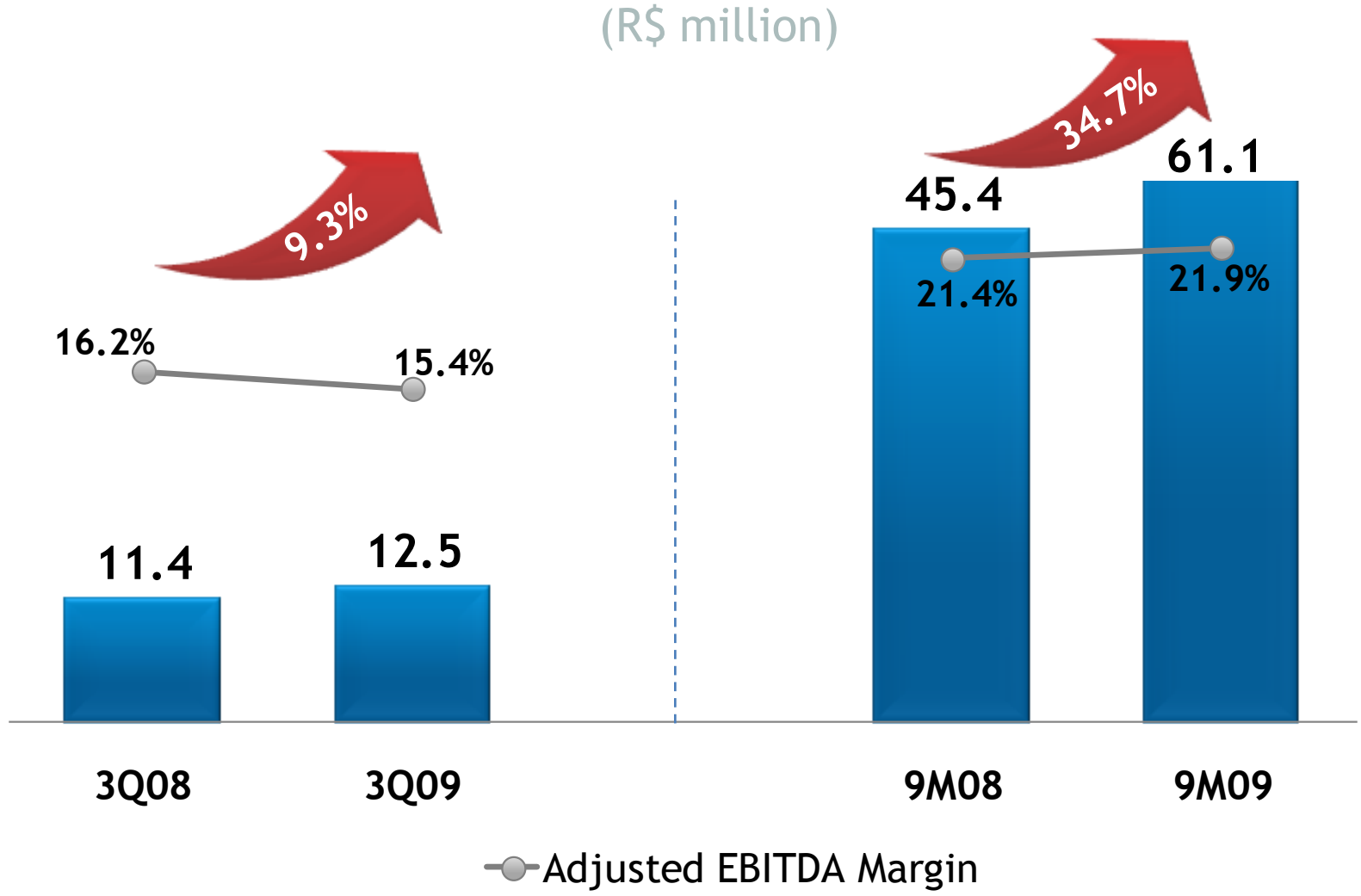
(R$ milhões)



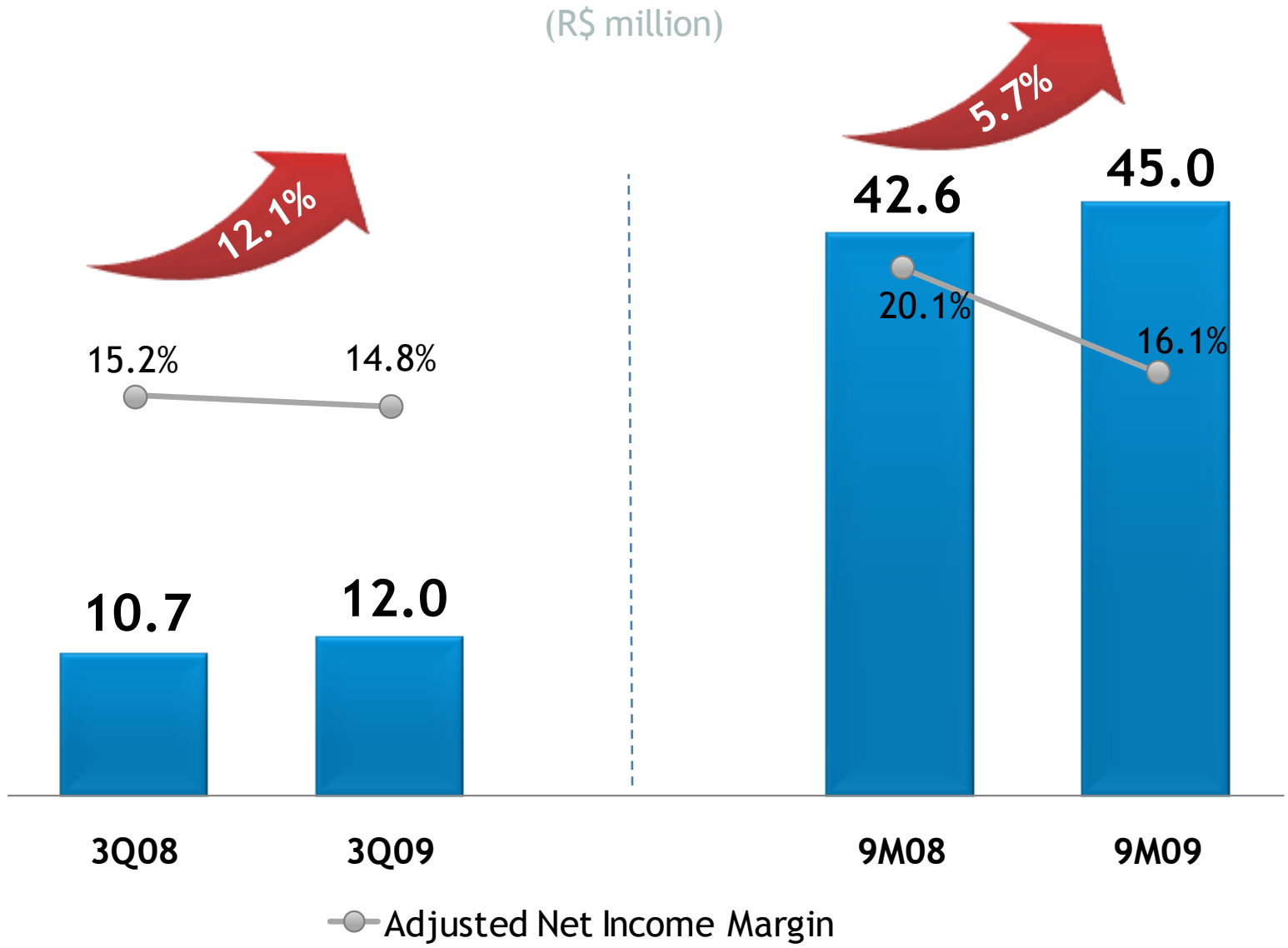
GROSS MARGIN
3Q08 - 31.4%
3Q09 - 31.6%

GROSS MARGIN
9M08 - 39.6%
9M09 - 39.5%

EBITDA & EBITDA Margin



Adjusted Net Income

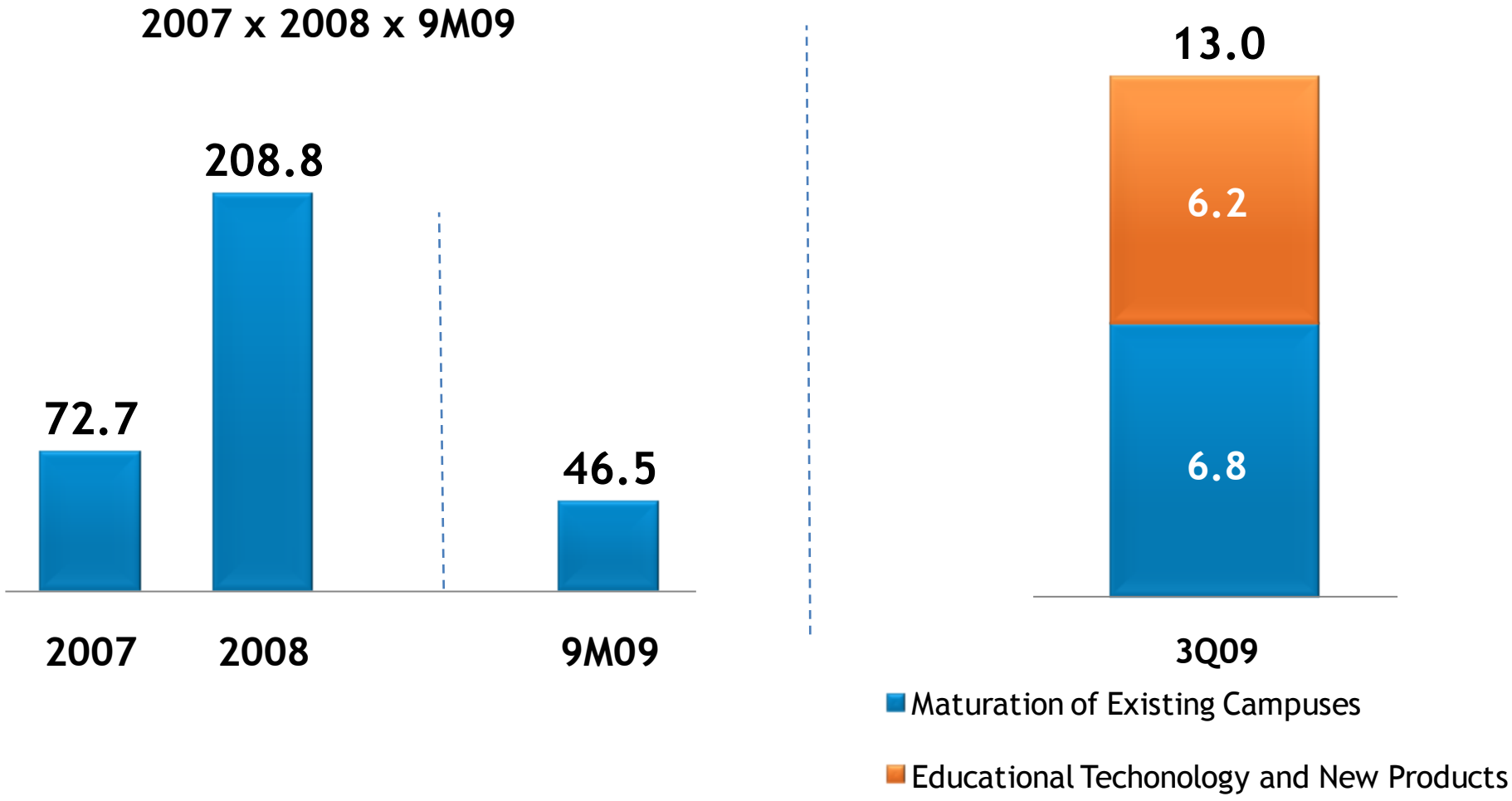


Results Adjusted for Conditional Discounts

Values in R$ (thousand)	3Q09	3Q08	Chg%	9M09	9M08	Chg%
Gross Sales Revenue	93,026	78,657	18.3%	311,395	232,231	34.1%
Adjusted Deductions	(14,812)	(9,928)	49.2%	(40,258)	(25,807)	56.0%
Adjusted Net Sales Revenue	78,214	68,729	13.8%	271,137	206,424	31.3%
Net Income	9,005	7,618	18.2%	40,226	33,502	20.1%
Net Income Margin	*11.5%*	*11.1%*	*0.4 p.p*	*14.8%*	*16.2%*	*(1.4) p.p.*
Adjusted EBITDA	9,397	9,370	0.3%	52,933	39,821	32.9%
Adjusted EBITDA Margin	*12.0%*	*13.6%*	*(1.6) p.p.*	*19.5%*	*19.3%*	*0.2 p.p*
Adjusted Net Income	12,036	10,738	12.1%	45,003	42,572	5.7%
Adjusted Net Income Margin	*15.4%*	*15.6%*	*(0.2) p.p.*	*16.6%*	*20.6%*	*(4.0) p.p.*

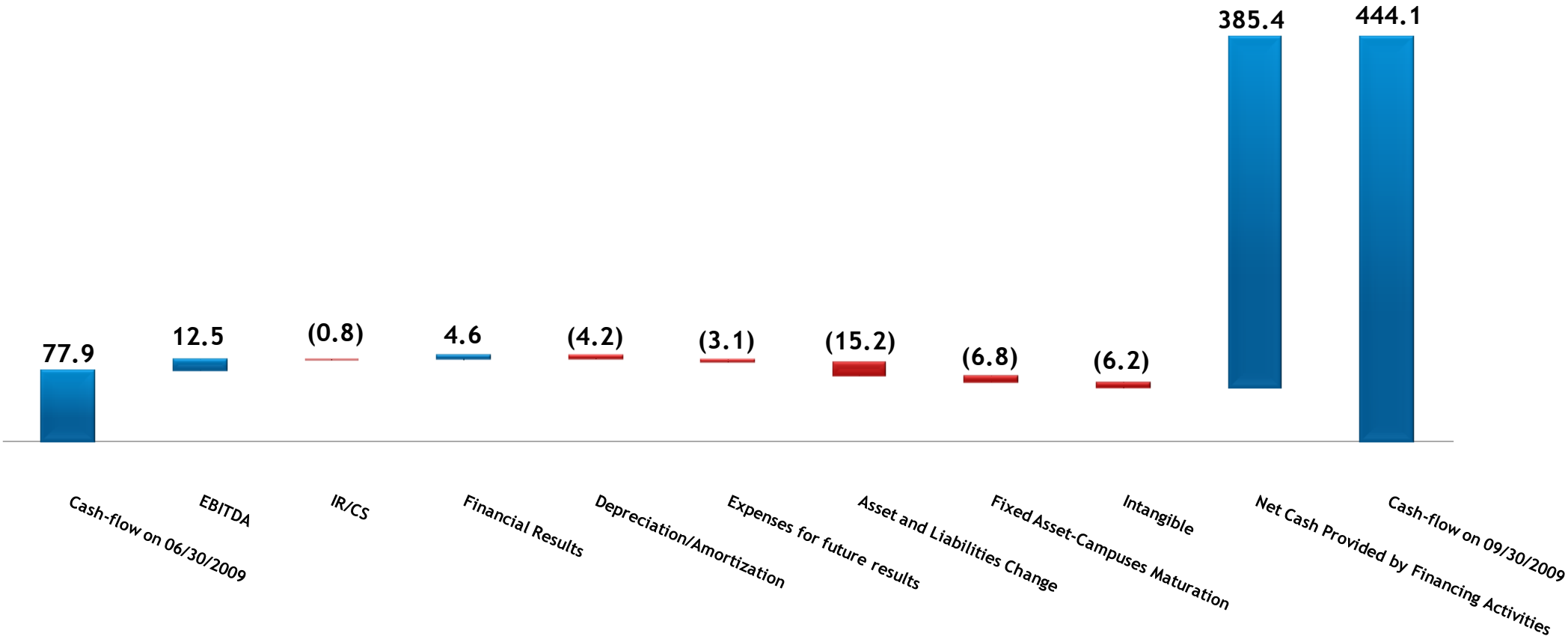
CAPEX

R$ (million)



Cash Flow

(R$ million)



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