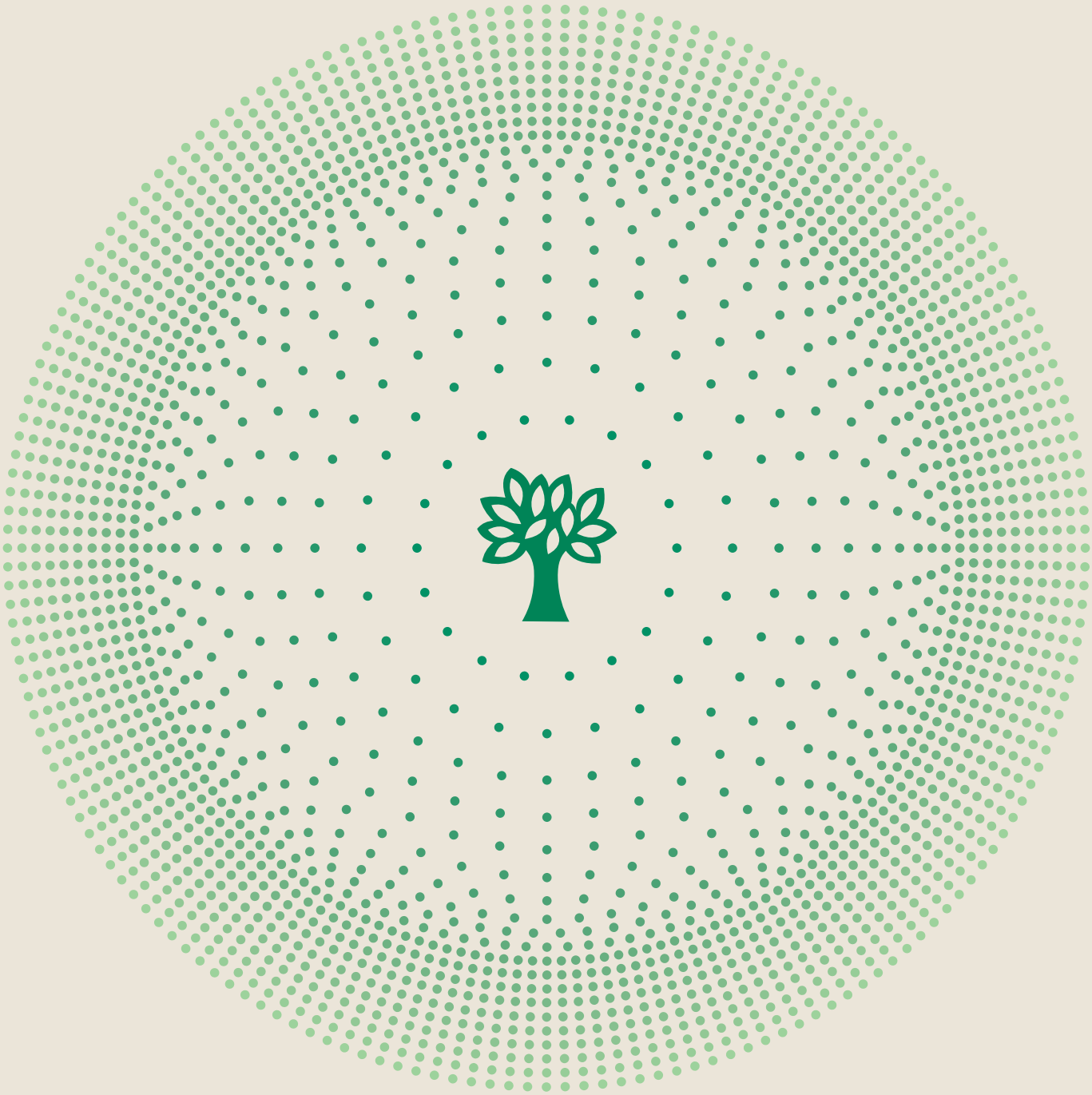
Abril Group 2013 Perfomance
and Sustainability Report

A new perspective



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Mission, Vision, Values and Principles

Mission

Abril is committed to the dissemination of information, culture and entertainment, to advance education, improve quality of life, develop free enterprise and strengthen the country's democratic institutions. (May, 1980)

Vision

Be the leader in integrated multimedia, serving the most profitable and fast growing segments in the communication and education markets.

Values

Excellence, integrity, innovation and valuing people.

Principles

Competitiveness, customer focus, profitability and teamwork.

2013 HIGHLIGHTS

1. Partnership development between Editora Abril and The Huffington Post, one of the largest and most respected digital newspapers in the world, to launch the BRASIL POST in early 2014.
2. Acquisition of 51% of the site "Meu Espelho", the Group's first purchase of an e-commerce business, seeking synergy between the site and its feminine titles, leveraging sales and access to information.
3. Launch of the weekly smartphone version of CAPRICHO magazine, with 5.5 million unique website visitors, worlds biggest in the teen segment; and 4.2 million fans on facebook, also a world leader.
4. Growth of 103% in total of unique users of EXAME during the year, reaching 6.6 million.
5. More than 500 thousand digital subscriptions during the year, an increase of 275% compared to 2012. Being 97% of them combo subscriptions (print+digital).
6. In 2013, Abril reached 4.9 milion subscriptions, following an average growth rate of 3% per year, over the last six years.
7. Production of 3.6 billion m² in printouts by Abril Gráfica, with 85% utilization of productive capacity.
8. Growth of 7% in advertising for out-of-home digital media in 2013 through Elemidia.
9. Integration of the logistics and distribution companies acquired by DGB in 2013, obtaining efficiency gains and preparing for a scenario of continued expansion in the sector.
10. Since 2009, the year it was created, DGB has increased its capacity five times. Among the equipments purchased, there is a sorter – similar to conveyor belts used in airports – capable of separating up to 250 thousand packages per day, according to the ZIP code.
11. Expansion of the five education system brands of Abril Educação.
12. Continued leadership in the textbooks and supplementary educational materials public market by Abril Educação.
13. Expansion of Abril Educação's own school network – with the entry in Brasília and Recife's market.
14. Strenghening of the position of Abril Educação in the growing market of language education.
15. Growth in Abril Educação results, with net revenue of R$ 1,036.5 million in the year, 17% higher than 2012; and net income before minority interests of R$ 78.9 million.
16. Development of Abril Group´s Sustainability Policy in late 2013 to guide the sustainable management of the businesses and support decision-making that values innovation, considering products, services and relationships.

Message from Management

The year of 2013 was tough for the communication market and a transformation and reinforcement period for Abril Group. We worked on finding the right balance between our 60 years of experience and tradition with the innovation and readiness required to continue performing our role in society with excellence: the dissemination of information, culture and entertainment, to advance education, improve quality of life, develop free enterprise and strengthen the country´s democratic institutions.

Supported by a strong foundation, all of the Group´s business units (Abril Mídia, DGB and Abril Educação) looked to the future and during the year, they constructed partnerships, acquisitions and new opportunities. The Company sought to increase efficiency and expand the activities of each of its three operating segments - media, logistics and distribution, and education - in order to ensure the sustainability of the Group.

Abril Mídia announced changes to its editorial structure, aiming to optimize efforts and investments in the various segments of publication, targeting the growth of own titles. On the commercial front, the main change was the decentralization of Advertising, which is now distributed among the business units.

This phase is taken as part of the natural business evolution and the Group continues with the mission of disseminating information, with editorial excellence, innovation and integrity. Thus, in line with the reorganization process, Abril Mídia, by means of its Digital Business Units established two important initiatives in the online communication area, in 2013. Together with one of the largest and most respected digital newspapers in the world, The Huffington Post, the BRASIL POST was created and launched in early 2014. It provides users with a new model for online communications and allows Abril to continue developing expertise in this area, supported by the ongoing investments in adapting to the new media landscape. The other important event was the acquisition of its first e-commerce business, the "Meu Espelho" website, creating synergy between its magazines and online commerce.

DGB underwent a restructuring during the year, integrating the companies acquired in recent years to be able to respond more quickly and efficiently to customers throughout the country. This prepared it to maximize its potential and continue expanding its activities in a promising scenario, with strong demand for distribution and logistics of small orders, which are the company´s focus.

In Abril Educação, the year was characterized by consolidation, with growth in the educational systems segment, continued leadership in textbooks and supplementary material for public schools, expansion of its school network and solidification of its position in the growing language education market. Thus, through the acquisitions made in recent years, the Company has built a portfolio of assets that complement one another, with significant potential for synergies in both reducing costs and cross-selling to its large client base. In 2014, Abrilpar announced the partnership with Tarpon Investimentos, controlled by Fundos Tarpon, becoming a minority shareholder of Abril Educação, the Civita family remaining as the controlling shareholder. With the completion of the transaction, the shareholders have announced plans to enter the New Market (Novo Mercado).

The hard work and effort performed in each of the business units throughout 2013 have guided the Group towards management for sustainable development; positioning it to capitalize on a range of opportunities, minimizing the risks of possible adverse scenarios through the development of complementary activities and the diversity of the different areas and markets in which it participates.

Another important aspect managed throughout the year, as usual in the performance of Abril Group, was the quest for sustainable management through minimization of the impact in its operations on the environment and and the exercise of its responsibility as a communication and education Group: stimulating social development. Continued support to Fundação Victor Civita (Foundation) has been and important part of this activity.

This Report presents the initiatives carried out with this goal, comprising the activities referred to herein, executed throughout the year, and the operations and performance of our business units. We invite our customers, employees, suppliers and society at large to get to know more about us over the following pages.

Enjoy the Report!

Giancarlo Francesco Civita
Chairman of the Board of Directors of Abril Group

About the Report

Grupo Abril presents its 2013 Annual Report for the purpose of communicating to all of its stakeholders the principles and commitments that guide its business, the management activities developed and results achieved during the year.

Once again, the Group has adopted the Global Reporting Initiative (GRI) framework, a global, multi-sector and voluntary standard, which guides companies in reporting information about indicators important to sustainable business development.

Representativity

Among the Generation 4 (G4) indicators (GRI´s most current reporting tool), Abril selected those of the greatest importance to the Group's business and monitored and collected information about those topics, as presented in this Report.

These choices were based on engagement of the Group´s internal and external stakeholders, who identified the themes with the greatest potential to create impacts and opportunities regarding the sustainability of the Company, considering the feedback provided by each participant. The results of these consultations, performed with 164 representatives from the various stakeholder groups, provided the basis for the materiality matrix presented below.

In order to enhance the Report´s representativity, Abril continually engages with its external and internal stakeholders on these matters, so it can continuously refine the materiality matrix.

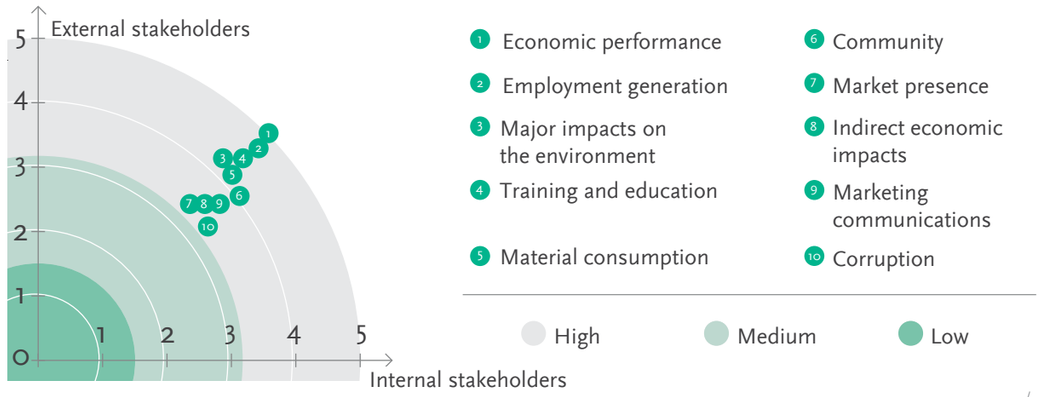
Scope

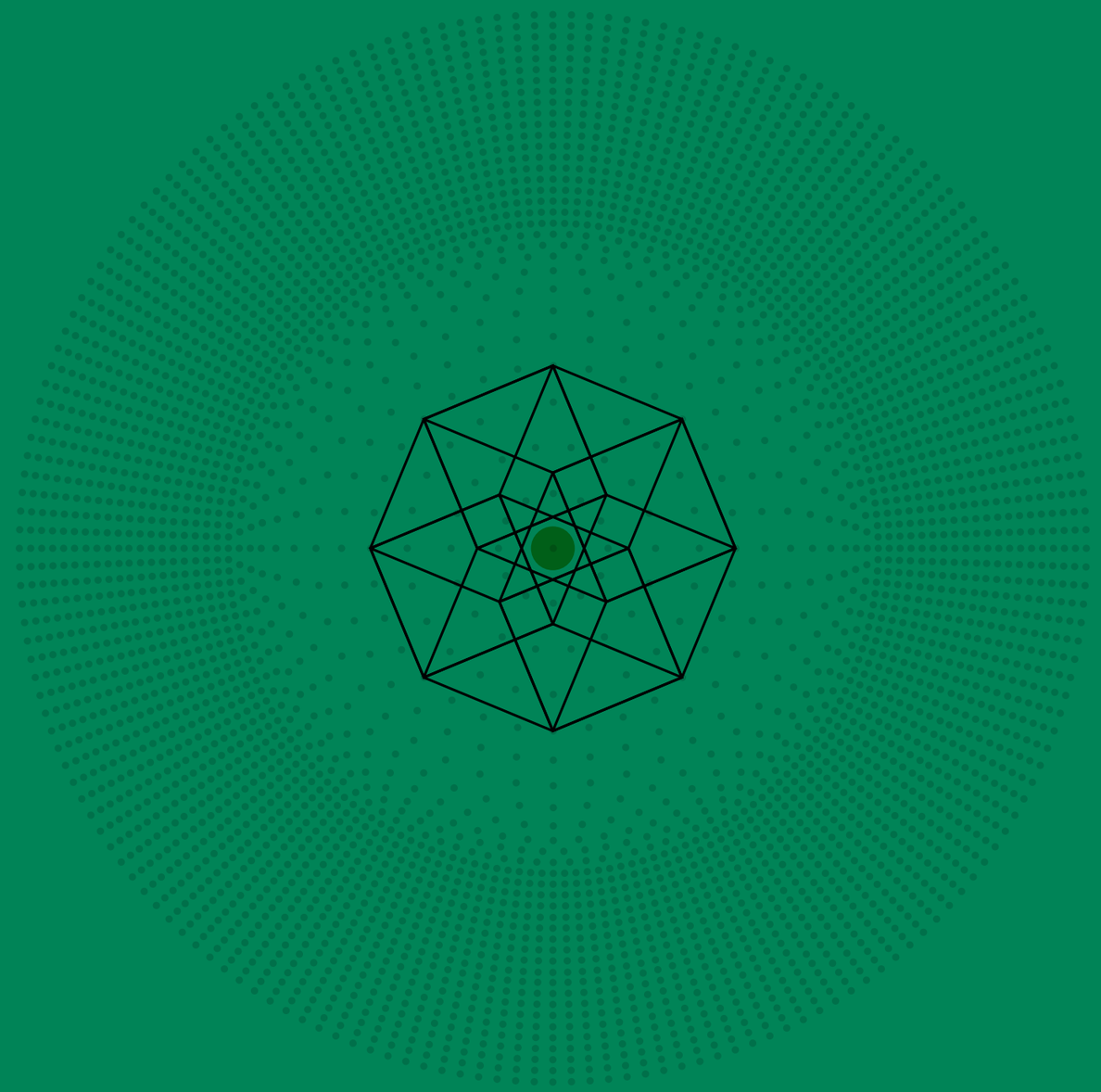
The information presented in this Report, except where otherwise indicated, considers all of the Group´s business units (Media, Graphics, Logistics and Distribution, and Education), and the companies that formed part of the corporate structure during the period from January 1 to December 31, 2013.

The compilation of the information is the responsibility of Abril Group´s Annual Report Work Group, which consists of employees from different areas of the Company. They were responsible for monitoring and compiling the information related to the GRI indicators that have been reported. The group was formed based on indications by the project leaders and they participated in a workshop in order to understand the report better, its purpose, objectives and the information needs required to prepare the report.

Evolution

In addition to providing information to stakeholders on topics of interest and encouraging engagement, Abril Group can expand the reliability and transparency of its operations through the Report, especially since it adopted the G4 - GRI model. It can also encourage even more involvement by the internal stakeholders, promoting additional progress in the sustainability of the business, by building awareness and implementing best practices in monitoring and management.





CORPORATE PROFILE

GRUPO Abril

Founded in 1950 by Victor Civita, Abril Group began with the creation of Editora Abril, through the introduction of DONALD DUCK magazine in partnership with Disney. Today, after having diversified its activities and expanding its operations, it maintains a position as one of Latin America´s largest communication and education groups.

Its operating structure, which underwent a corporate reorganization in 2010, is based on three pillars: Abril Mídia, which includes the Media and Graphics businesses; DGB, a holding company in the Logistics and Distribution segment; and Abril Educação, a publicly-traded company comprised of companies operating in the education segment.

The Group also has a strategic partnership with CARAS magazine and maintains the Fundação Victor Civita, an organization that contributes in a variety of ways to improving the quality of the country´s primary education.

Living space at Group's head office.

Abril MÍDIA

Editora Abril has been operating for more than 60 years in the communication and production of content and is leader in 21 out of 25 of its operating segments. Currently, it publishes 49 flagship magazines, read by 26 million people per year through the sale of approximately 171 million copies and four million subscriptions. The operations of the Editora are organized among three business units: VEJA, EXAME and Abril SEGMENTADAS.

Digital Businesses Unit

Offering more than 90 apps for tablets and smartphones, and 24 magazines for tablets, this unit is responsible for research, development and support of the Group´s digital platforms. It provides digital engineering and development, transmedia, e-commerce, infrastructure, operations and digital media support.

YouFind Solutions (formerly Alphabase), is Abril´s big data business. Responsible for interactive marketing solutions, it develops new experiences between businesses and consumers through its market intelligence, directing campaigns toward the target audiences. Elemidia, Latin America´s largest operator of out-of-home digital media, provides real-time content through monitors located in malls, bars and universities, among others. Iba, a digital newsstand offering a virtual store for digital content, also joined the Group. It maintains the country´s largest collection of ebooks, digital magazines and newspapers.

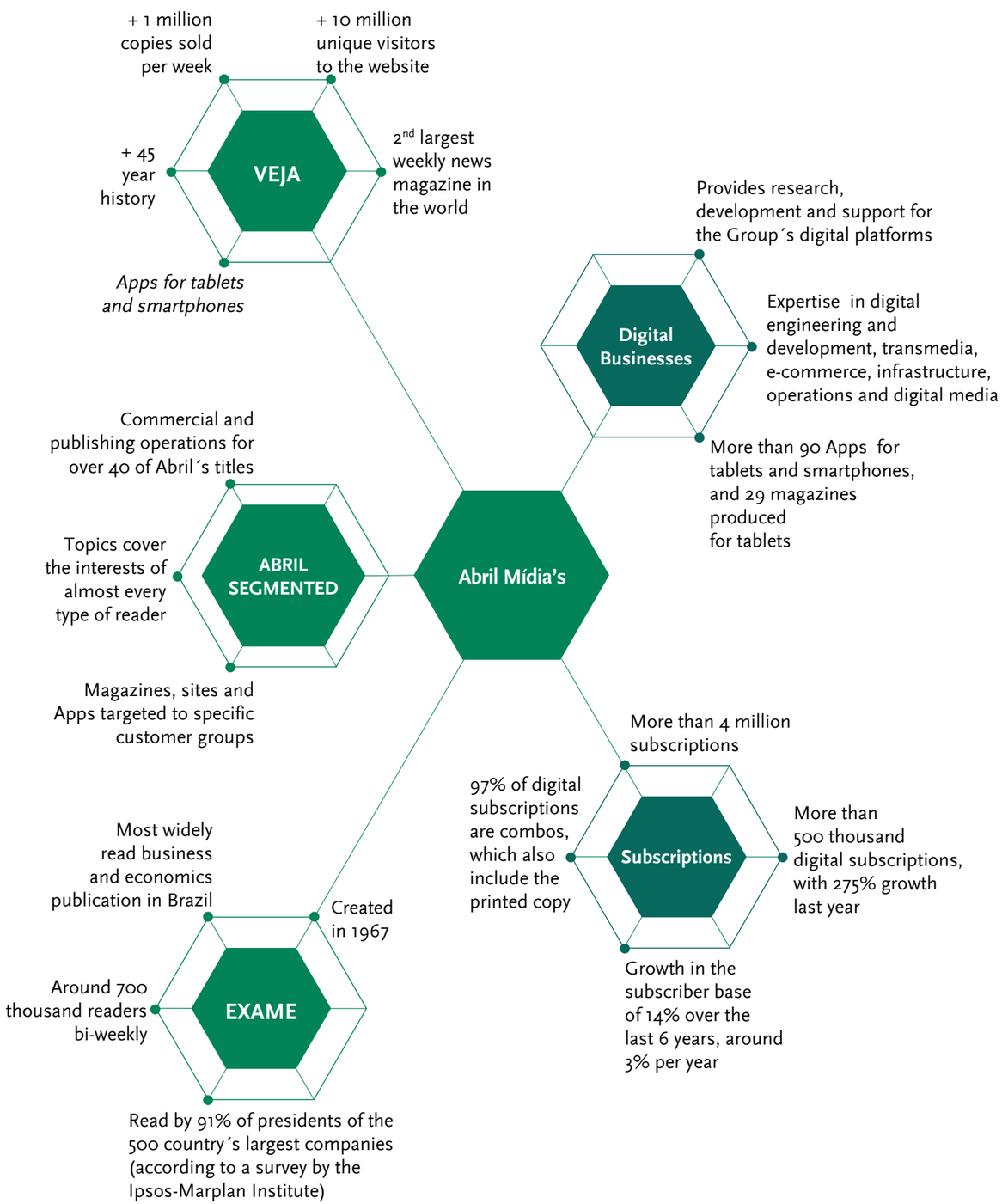
In 2013, Abril acquired a 51% stake in the e-commerce website "Meu Espelho", specialized in beauty products. Its operations are part of the Digital Businesses Unit. This was Abril Group´s first acquisition of an e-commerce business, seeking synergy between the website and its feminine titles, leveraging sales and the access to information.

Another highlight from the period was the launch of the BRASIL POST, included in the New Digital Businesses Unit, result of the partnership between Abril and the American website The Huffington Post, one of the world's largest and most respected digital newspapers. The benefit of the portal is how it groups and selects the main information sources made available and delivers them to the reader with independence and speed, aligned with how the internet is actually used.

The BRASIL POST works with its own content, content from other Huffington Post offerings, and material from news agencies, other Abril vehicles and the publishing market.

The BRASIL POST, launched in early 2014, resulted from the partnership between Abril and The Huffington Post, one of the largest and most respected digital newspapers in the world.

Highlights of Abril Mídia's Performance



Abril gráfica

With operations in Brazil and experience in Argentina and the United States, Abril Gráfica is the largest magazine printer in Latin America considering production volume. Its structure includes a graphic park with an area of 52.5 thousand m², more than a thousand employees and production of nearly 600 million printed copies per year. Abril Gráfica is the first in Brazil to have the quality of its reproduction process certified by the Brazilian Association of Graphic Technology (ABTG), to inventory its greenhouse gas emissions in accordance with the GHG Protocol´s global methodology and to use materials that cause less impact to the environment as certified by the FSC (Forest Stewardship Council) and PEFC (Program for the Endorsement of Forest Certification Schemes).

In 2013, Abril Gráfica produced 3.6 billion m² in print, of which 55.6% represent materials from Abril Group, which promotes synergy of its business to ensure speed, quality and operational and financial efficiency.

Pedro Rubens

Group's Graphic Park.

DGB

With a distribution and logistics structure that can reach 100% of the country, DGB is a Abril Group holding company. It has a vast portfolio of products and services, ranging from point-of-sale commercial activities to trade marketing support.

To ensure the competitiveness of the business, which is the second largest provider of distribution and logistics solutions in the country in its category, DGB is comprised of six companies: three of them are dedicated to the distribution of magazines (Dinap, FC Comercial and Magazine Express); one is focused on distributing publications and small loads (Treelog) and the others are involved in the delivery of small packages and e-commerce (Entrega Fácil and Total Express).

Among the advantages of DGB´s companies, it is worth highlighting that Dinap alone serves more than 80 publishers and the country´s most important sales channels, including magazine stores, newsstands and bookstores. Magazine Express, specializing in the international publishing market, imports and sells the most important global publications throughout the country. FC Comercial, focused on fast distribution of publications throughout Brazil, serves 511 clients in more than 2 thousand Brazilian cities and 29 thousand points-of-sale.

Treelog, through 133 regional distributors and five branches that reach 2,200 municipalities, is one of the largest door-to-door magazine deliverers in the world. It has delivered around 520 million publications serving the publishing, industry and retail sectors, among others. Total Express delivers 42 thousand small and medium-sized packages per day in 900 municipalities throughout the country (with 11 million deliveries of small packages in 2013 alone), supported by 38 agents and 12 branches. Finally, Entrega Fácil focuses on the e-commerce segment, which is growing at a rate of about 25% per year, developing logistics, distribution and express delivery solutions.

With fast growth in 2013, DGB integrated the businesses it acquired in order to gain efficiencies and synergies and prepare for the ongoing expansion of its activities; driven by the strong demand for distribution, logistics and delivery of small goods, and the promising outlook for the e-commerce Market.

DGB's fleet.

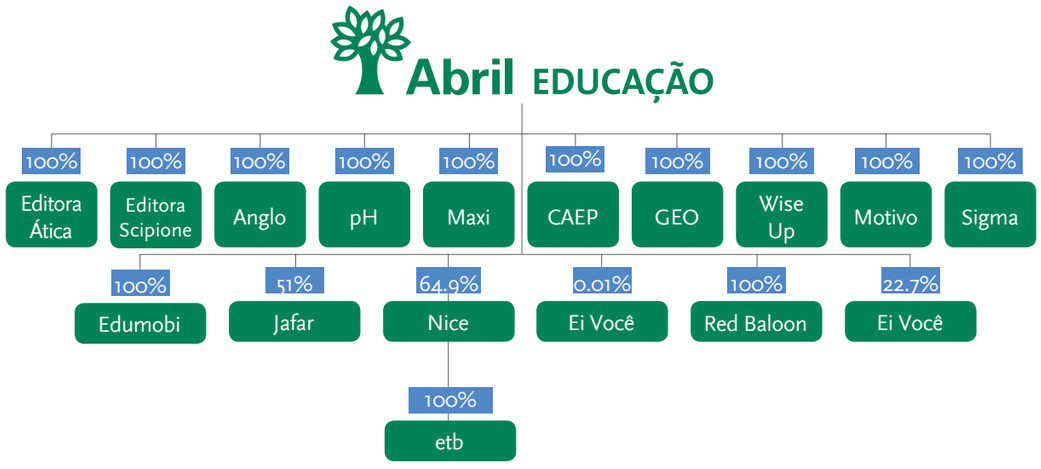
Abril EDUCAÇÃO

One of the largest education companies in Brazil focused on primary and secondary education, Abril Educação is one of Abril Group´s flagship businesses. It has independent management and is the only publicly-traded company in the Group, with shares listed on the São Paulo Stock Exchange (BM&FBovespa). The Company serves public and private schools, offering products, content, services and technology in different segments, through recognized brands, in the main business segments: publishers (Ática e Scipione), primary education systems (Anglo, pH, SER, GEO and Maxi), technical education and preparatory courses for admissions exams (ETB – Escola Técnica do Brasil and Alfacon), schools and preparatory courses (Anglo, pH, Motivo and Sigma), and languages (Red Balloon and Grupo Ometz, which is owner of the brands Wise Up, Wise Up Teens and You Move).

Regarding the shareholder base of Abril Educação, in 2013, 29% of the shares are traded on BM&FBOVESPA (free float) under ticker symbol ABRE11 in the form of Units, 45.9% of total share capital belongs to the Civita family, 8.9% to BR Investimentos, 9.6% to Flávio Augusto (original founder of Grupo Ometz) and 6.6% to the Constellation Fund, a Brazilian Private Fund.

In 2014, Abrilpar announced the partnership with Tarpon Investimentos, controlled by Fundos Tarpon, becoming a minority shareholder of Abril Educação, the Civita family remaining as the controlling shareholder. With the completion of the transaction, the shareholders have announced plans to enter the New Market (Novo Mercado).

In recent years, Abril Educação has invested in acquiring different types of assets, allowing its diversified businesses to operate cohesively. It has become the largest primary education company in Brazil considering revenue, content production and services.



Fundação Victor Civita

In September 1985, Victor Civita created the Victor Civita Foundation, in order to help improve and modernize education in Brazil, by applying its greatest expertise - the production of editorial content with consistency and quality, to disseminate it to all teachers and schools in Brazil.

Today, with the mission of contributing to improving the quality of Brazilian primary education, the Foundation develops initiatives focused on training and appreciation of teachers and school administrators, as well as improving public policies. Among them, Brazil's two major education magazines – NOVA ESCOLA and GESTÃO ESCOLAR - their respective websites, the Prêmio Victor Civita Educador Nota 10 (Victor Civita Award – Grade 10 Teacher), and Estudos e Pesquisas Educacionais (Educational Studies and Research Department).

The NOVA ESCOLA magazine is the largest education magazine in the country and for 28 years it has been contributing to the improvement of teachers' work in the classrooms. In print and digital editions, it brings educational practices and relevant information for both early childhood education and for primary education. The magazine's website has the largest pedagogical resource bank of the country.

In bimonthly digital editions, the GESTÃO ESCOLAR magazine highlights what all managers need to know to improve the day-by-day at their school. One of the greatest education magazines in the country, the publication is devoted to matters of interest to school principals, coordinators and school counselors. Launched in 2013, its website covers all areas of expertise of these professionals.

Created in 1998, the Prêmio Victor Civita Educador Nota 10 is the main Foundation initiative for valuating the work of teachers and disseminating educational practices that impacted the quality of student learning. In 16 years, more than 50 thousand projects have been registered, 181 educators awarded and over R$2 million in prizes were distributed.

The area of Estudos e Pesquisas raises elements to investigate relevant issues and submit suggestions to help address the challenges of the Brazilian Basic Education. The evidences surveyed since 2007, in 20 investigations of great scope, have influenced the debate and decisions about practices, methodologies, research and public education policies in Brazil.

Recently, the Victor Civita Foundation created online courses: Fomento à Leitura (promotion of reading) and Didáticas da Matemática (teaching mathematics), aimed at teachers and administrators of early childhood education and early elementary education, thus helping to improve the qualification and training of Brazilian educators.

Raoni Maddalena

Grade 10 Teacher and students at classroom.

Raoni Maddalena

Winners of Victor Civita Award - Grade 10 Teacher.

NOVA ESCOLA

- More than 520 thousand copies circulated monthly[1];
- 1.8 million readers, mainly teachers and administrators[2];
- 1.1 million unique visitors per month to the online version; and 70 million page views per year[3];
- Over 400 thousand fans on Facebook[4];
- 2.1 million views on YouTube channel[5];
- 76% of readers state that at some point, they changed their classroom practice because of an article they read at NOVA ESCOLA[6];

GESTÃO ESCOLAR

- 50 thousand copies circulated bi-monthly[1];
- 110 thousand unique visitors per month to the online version and 5 million page views per year[3];
- Over 59 thousand fans on Facebook[4];
- 88% of readers say that GESTÃO ESCOLAR magazine contributes to the planning of their activities[6].

1 Paid + free circulation – IVC (Jan to Dec/2013 average)
2 Marplan Readers Brazil 2013 Projection versus paid + free circulation - IVC (Jan to Dec/2013 average)
3 Google Analytics (Jan to Dec/2013)
4 Facebook – December 2013
5 Youtube – December 2013
6 Tracking Ipsos 2013

TIMELINE

1950
Editora Abril is founded with the launch of DONALD DUCK magazine, beginning a partnership with Disney that has lasted until today, and Abril Gráfica – SAIB (Sociedade Anônima Impressora Brasileira) commences its activities.

1960 to 1970
Distribuidora Abril was founded during this period, which gave rise to Dinap (Distribuição Nacional de Publicações), and in 1964, SAIB´s Graphic Park on Marginal Tietê was inaugurated. In addition, the decade was marked by the launch of the publications CLAUDIA, still a reference among feminine content; REALIDADE, reaching a circulation of 250 thousand in three days; VEJA, the largest weekly news magazine in Brazil and second largest in the world; RECREIO, focused on school-age children; PLACAR, in the soccer segment; and QUATRO RODAS.

1970 to 1980
In the early 1970´s, EXAME, which had previously just been a supplement in technical publications, was launched as an independent magazine; ENCICLOPÉDIA ABRIL was born, and Círculo do Livro was founded. Midway through the decade, EXAME´s annual publication OS MELHORES E OS MAIORES was launched; the first edition of the ALMANAQUE ABRIL was published by Editora´s Documentation Department; and Programa Alfa was introduced, providing kits to support children's literacy. The Group´s first international company was founded in 1980, with the creation of Editora Abril Morumbi in Portugal.

1980 to 1990
In 1982, TV Abril´s first program, NOVA MULHER, aired on TV Bandeirantes. Abril Video was created in the following year, an independent producer of television programs, and the GUIA DO ESTUDANTE was introduced. In the mid-80´s, Listel, a telephone directory publisher, began its operations, as did the Fundação Victor Civita (FCV), which today supports improvement of the quality of primary education in Brazil. In the following years, Editora Azul was created, focusing on segmented publications; the NOVA ESCOLA and SALA DE AULA magazines were launched, both published by the FVC; SUPERINTERESSANTE magazine was launched and Editorial Primavera was created, a subsidiary of Abril in Spain. In 1998 the Prêmio Victor Civita Educador Nota 10 (Victor Civita Award – Grade 10 Teacher) was created by the Victor Civita Foundation.

1990 to 1995
1990 was marked by the founding of Editora Abril Cinco, by creating Abril Panini (in association with the Italian company Panini), and by the launch of MTV Brazil, the country´s first segmented broadcaster. In the years that followed, Editorial Primavera and Vídeo Print were created, marking the official beginning of TVA´s broadcasts.

1996 to 1999
In 1996, Datalistas was founded, the Group´s marketing company, and the Prêmio Claudia and Directv Brazil were created. At the same time, Abril entered digital media with the launch of BOL (Brazil Online), which was later incorporated by UOL. Subsequently, Musiclub was created, a partnership between Abril and Universal to sell CDs by catalog; the Abril Music recording company was introduced and VEJA na Sala de Aula was launched, published by FVC. In 1999, TVA launched @Jato, the country´s first cable internet provider; the Group acquired the publishers Ática and Scipione; Abril created a partnership with the publisher Símbolo and the Group introduced its volunteer program, Mãos à Obra.

2000 to 2005
The arrival of the year 2000 was marked by the launch of NATIONAL GEOGRAPHIC Brazil and the GUIA DE BOA CIDADANIA CORPORATIVA, by EXAME Magazine, as well as the creation of Idealyze Produções, the partnership with Fundação SOS Mata Atlântica in the Clickarvore project, and inauguration of the Teatro Abril. In addition, Dinap introduced the Campaign for the Disarmament of Children, and the Prêmio Planeta Casa (Earth is our Home Award) was created. In 2003, Abril signed-on to the Global Compact, a UN initiative to mobilize the international community around the adoption of its basic principles in the areas of human rights, labor relations, the environment and anti-corruption; launched the Concerto Bons Fluídos event in benefit of culture and well-being; completed the acquisition of the publishers Ática and Scipione; introduced the Revisteca project through Dinap, and in 2005, launched the Programa Contribui (Contribute Program), which promotes engagement on the part of Gráfica´s employees.

2006 to 2009
In 2006, a partnership with the Naspers Group was formed, Abril Digital was created and the first edition of the Prêmio Saúde (Health Award) took place. In the following year, Abril focused on sustainability: PLANETA SUSTENTÁVEL was created, Abril´s first Sustainable Media (SM) outlet, SUPERINTERESSANTE published its first green edition and the name of the GUIA DE BOA CIDADANIA CORPORATIVA was changed to GUIA EXAME DE SUSTENTABILIDADE. In 2007, the Foundation created the Estudos e Pesquisas Educacionais (Educational Studies and Research Department), and in 2009, launched the GESTÃO ESCOLAR magazine. In 2009, the Group acquired all of Viacom Inc.´s shares of MTV Brasil, held the First Abril Suppliers Meeting, launched the Young World Program and developed other initiatives and achievements in the area of sustainability: Abril joined the Companies for Climate (EPC) platform, prepared its first Socio-Environmental Report and published the first sustainable edition of VEJA; Abril Gráfica obtained the PEFC certification (Program for the Endorsement of Forest Certification), the PLAR Program (Clean Production, Responsible Attitude) was launched and the Group joined the WBCSD (World Business Council for Sustainable Development).

2010 and 2011
In 2010, Abril Group assumed a controlling interest in Elemidia and inventoried greenhouse gas emissions (GHG) for the year, in accordance with the GHG Protocol methodology. In the same year, Abril Educação was spun-off as a separate entity from Abril Mídia, with 100% of the capital provided by the Civita family. Afterwards, a new partner (BR Educacional) contributed capital to help support the new Company´s first acquisitions, Anglo, etb and pH. Treelog launched the Right Direction Program, and the green edition of VIDA SIMPLES magazine and the 1967 censored edition of REALIDADE magazine were both published. In 2011, Abril Educação held its IPO on BM&FBovespa and the Group introduced Entrega Fácil. It also published the first socio-environmental table for a magazine and the first Abril Group Activities, Performance and Sustainability Report, based on the guidelines of the Global Reporting Initiative (GRI). In addition, the Group acquired Total Express; MTV and the local community restored a soccer field in Morro dos Prazeres, Rio de Janeiro; and Abril Gráfica introduced the rotogravure printer Cerutti VII.

2012 and 2013
In 2012, 100% of Elemidia was acquired, DGB´s new warehouse was inaugurated, VEJA BH was launched and the Group´s head office received the LEED Seal (Leadership in Energy and Environmental Design), a certification for buildings that incorporate features to minimize environmental impacts. In 2013, the Group acquired the Meu Espelho website, which is involved in the e-commerce of Cosmetics and beauty products, developed the partnership with the Huffington Post to launch the BRASIL POST portal in Brazil and entered into a partnership with I-Behavior, a provider of marketing databases and behavioral targeting services. Also during the year, DGB acquired 100% of Total Express and Abril Educação concluded its acquisitions of WiseUp, from the Motivo School, and the Centro Educacional Sigma.

Market Scenario

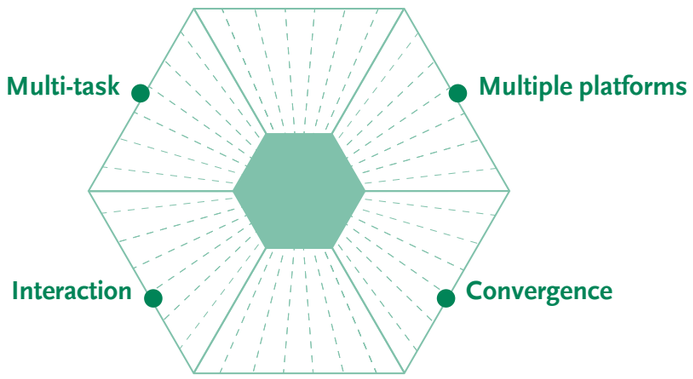
Abril MÍDIA

More than 60 years ago, during a time in which there were fewer sources of information (newspapers, magazines, books and some radio and television stations), and technology was still a very long way from today´s digital age, Abril was founded with a focus on the production and dissemination of content using practices not yet common in Brazil. Currently, the content market is at a very different stage, characterized by the immediacy and breadth of information made possible by the internet.

According to a survey conducted by IBOPE released in November 2013, over the last 10 years, the internet has grown 129% in Brazil and 121% in Latin America. Today, in Brazil, 4% of the population owns a tablet, 16% a smartphone and 31% have cellular phones with internet access.

Furthermore, the study shows that 47% of Brazilians consider the internet to be a means for communication. As a result, given the rise in popularity, a new type of consumer has emerged, demanding new platforms and better media planning.

Within this new scenario, Abril Group continuously refreshes its strategy for the sustainability of its businesses. Abril Mídia will focus its investments on the production and dissemination of multi-platform content, offering the Group´s quality no matter where the consumer may be located.



Abril gráfica

According to the latest study by ABIGRAF (Brazilian Association for the Graphic Industry), industrial graphic production totaled R$ 44 billion in 2012. Of this total, 29.2% related to published material (books, magazines, manuals and guides), the second largest segment in the market, trailing only packaging production.

The report also found that only 0.4% of Brazilian printing companies are large companies, while 78.6% are micro-enterprises. Thus, Abril Gráfica occupies a privileged position in a small niche of the market. It is the largest printer of magazines in Latin America by production volume, with operations in Brazil and experience in Argentina and the United States.

DGB

The transport and logistics sector has a strong relationship to GDP, since it serves nearly all sectors of the economy. Accompanying GDP, which grew by 2.3% in 2013, the transport/distribution sector grew by 10.4% in the period, despite the continuing need for more investments in infrastructure.

Since 1975, federal public spending in transportation infrastructure, as a percentage of GDP, fell from 1.84% to 0.29% in 2012. After decades in which these investments were below 1% of GDP per year, significant investments were forecasted for the transport sector in 2013. However, only two airport and five highway tenders were held during the year under the Investment in Logistics Program (PIL) released in 2012 (compared to the original concession plan of nine highways, twelve rail segments, two airports and four port lease lots).

Another important factor in understanding the industry scenario is the change in operating model due to the reduction in inventories (resulting from the increase in quantity and items, reduction in sales areas and shorter product lifecycles) and the growth of e-commerce. Thus, distribution and logistics activities have been required to handle smaller and more frequent deliveries.

DGB ensures its positioning in this challenging environment by providing distribution and logistics services across 100% of the country, an extensive portfolio of products and services (from commercial activities in retail outlets through trade marketing support) and its strategic positioning in growth sectors such as e-commerce.

Abril EDUCAÇÃO

The activities of Abril Educação take place at different segments of the education sector in Brazil, as follows:

Market for Educational Systems

The trend of implementing educational systems in both private and public schools is on the rise, forming part of a scenario in which there is a demand for education of proven quality associated with recognized brands. This segment has high growth potential due to low penetration in public schools, the growing number of private schools in Brazil, in which Educational Systems are more frequently used, and because they represent an efficient solution for providing high quality in a market where a very limited number of teachers are dedicated full-time.

Market for Textbook Publishers

In 2013, more than 150 million textbooks were sold throughout Brazil, about 5.5% more than 2012 according to our estimates. In 2013, total gross revenue earned by publishers of textbooks and related material was estimated at R$ 2.17 billion. The combined market share of the publishers Ática and Scipione by volume of textbooks sold to the public sector was 22% in 2013, according to figures published by the FNDE. In the private sector for textbooks and related material, the Companies continued at the number two spot, only half a percentage point behind the leader.

Market for Technical Education

Technical Education in Brazil has been growing by two digits for some years now. Recently, such growth received another stimulus with the implementation of the Federal Government´s PRONATEC program, which offers scholarships to students seeking better qualifications for the job market. Abril Educação took the lead through its investment in etb in 2011, developing a Technical Education System with more than 30 courses. Today, it is being used by 85 large institutions, including a number of Universities throughout the country that is now offering these courses.

Market for Private Schools and Prep Courses for University Entrance Exams

In 2012, primary education represented 89.9% of total students enrolled in institutions accredited by the country´s Ministry of Education. The 38.8 thousand private schools served 8.6 million students in Brazil. The number of students in private schools increased by 4.0% compared to 2011 and 2012, resulting from both social mobility and expansion of the middle class. Within this context, Abril Educação expanded its own network of schools, and its portfolio consists of courses and schools that continue to show excellent approval rates in the tests, competitive processes and admissions exams of top universities.

Market for Prep Courses for Civil Service Exams

The market for civil service exams preparation generates gross revenue of about R$ 1.0 billion per year, including textbook sales, according to the ANPAC (National Association of Protection and Support for Competitive Processes in the Public Sector). Abril Educação has been involved in this market since 2012, when it acquired control of Alfacon and began developing, producing and coordinating preparatory courses for civil service exams. It offers distance-learning courses through video-classes over the internet.

In 2013, more than 130 thousand public service job vacancies were filled, increase of 44.4% compared to 2012, with around 13 million applicants. ANPAC estimates that approximately 12 million individuals sign-up for civil service exams in Brazil each year, and according to the Ministry of Planning, Budget and Management, about 30% of the jobs available do not require a college education. Furthermore, according to the IOB Institute – that offers civil service exams preparation - about 60% of civil servants will retire over the next ten years, which could increase the number of positions available and the related exams. In 2013 alone, more than 15 thousand civil servants retired, and the estimates are for 41 thousand positions being made available in 2014, with 400 thousand by 2016.

Given this scenario, and having established itself in the market by offering excellence in education, Alfacon has been responsible for high approval rates and job placements in key positions. As examples, Alfacon prepared three of the highest ranked individuals in Banco do Brasil´s entrance exam and obtained the highest national approval rates on the registrar position exams for the Federal Police, Federal Highway Police and São Paulo State Court.

Market for Learning Languages

This market consists of private school networks, with the main schools operating franchises, and has been growing at a rate of 10-15% in revenue over the last three years. The most popular course in Brazil is English, followed by Spanish. English language penetration in Brazil is still very low (3%) when compared to other countries.

Abril Educação believes there to be significant growth opportunities in this segment due to the increase in family incomes, growing demand for professionals with proficiency in English and the need for workers in the tourism, hotel, restaurant, transport and related sectors with Brazil hosting the 2014 World Cup and 2016 Olympics.

In 2013, the Company took over the activities of the SIGA brand, acquired in 2010 together with Anglo, and began coordinating content for live civil service exams preparation courses. In the same year, Alfacon sold over 90 thousand online courses, a tool offering virtual classes geared towards different admissions exams in Brazil.

Strategies and Competitive Advantages

For Abril, 2013 was characterized by the restructuring of the Group and a new outlook for the operation, in which greater importance will be placed on the interdependency of its operational pillars, which is critical to the sustainability of the business. It will also seek to exploit niches with high growth potential as it adapts to the global macroeconomic environment.

Today, Abril Mídia, DGB and Abril Educação are the backbone driving the Group´s continuity, supported by a solid operating structure, experience and the market penetration achieved since it initiated its activities.

Abril MÍDIA

Content with credibility always

Strategy: with the change in how information is accessed, the Company disseminates quality content across multiple platforms, meeting the needs of millions of Brazilians in the language, media and speed that best suits them; not just through its printed magazines, which continue to be the preference of a majority of readers, but also through websites, tablets, smartphones and out-of-home digital media.

Competitive advantages:

- Comprised of Editora Abril, its Digital Businesses Unit, Abril Gráfica and Casa Cor, Abril Mídia has a comprehensive structure consisting of content production, printing, support for digital platforms, interactive marketing solutions and running out-of-home digital media;
- Through its publications, Editora Abril is the leader in 21 of the 25 segments in which it operates. It is responsible for publishing VEJA magazine, which is currently the most widely read magazine in Brazil and second most widely read weekly news magazine in the world;
- By the end of 2013, 29 titles had been released for the iOS, Android and PC platforms; more than 520 thousand digital magazines were being delivered each month and 80 thousand iPAD subscriptions had been received for VEJA alone;
- An increase of 14% in subscriptions over the last six years, an average increase of 3% per year, reaching a total of 4.9 million subscriptions;
- In 2013, the milestone of half a million digital subscriptions was reached, representing growth of 275% compared to 2012. Of these 500 thousand subscriptions, 97% opted for the "print + digital" combo, demonstrating how these media complement one another and the loyalty of the readers;
- The Editora produces different content for magazines and websites, offering innovation and interactivity. Moreover, it offers online Apps, both free and paid, with some of them among the most widely downloaded and sold;
- Casa Cor is internationally recognized as the largest event in architecture and decoration in the Americas and second largest worldwide. Casa Cor events are held in 25 cities throughout the year, are part of the official city calendars where they are held, and stimulate business activity by providing opportunities for both businesses and professionals.

In Abril Mídia, it is also worth mentioning Abril Gráfica's potential derived from a number of competitive advantages over its competitors. It has modern technology that ensures the consistency of the printing plates with those received from customers so that it can generate copies in the quantity and quality required.

Quality and speed

Competitive advantages:

- The only one in Latin America with rotogravure printing for publications;
- Optimization of magazine production and printing quality guaranteed by entirely filmless operation, generation of CTP plates (computer-to-plate) and Electromechanical Recording of Cylinders;
- Structure permits daily, weekly, bi-monthly and monthly production of material through high and medium-capacity runs, in a wide range of formats and paper types;
- Latest technology allows a wide range of material to be published, from scented to gifts, colors and the use of special formats in the publications.

Abril Mídia's publications shown at Group's head office.

Fast and efficient delivery

Strategy: DGB is comprised of six companies each with various profiles in logistics and distribution, delivering express shipments through medium-sized cargo for both B2B (business-to-business) and B2C (business-to-customer).

Competitive advantages:

- Offers different services such as receipt, sorting, storage, checking, packaging, labeling, distribution, handling, customization, kitting and information management, among others;
- Integrated distribution network covers all of Brazil, with weekly trips to all regions;
- Daily deliveries to eight state capitals as well as Campinas and Santos (SP), delivering three times per week to a number of other cities;
- In 2013 alone, 124.5 million publications were delivered door-to-door and 520 million loose copies were delivered throughout Brazil;

Vehicle of DGB fleet.

- With the unification of the distributors, DGB delivers magazines, small and medium-sized products and e-commerce, optimizing processes and gaining efficiency.

Packaging, labeling, handling and distribution at DGB.

Continuous investment and growth with quality and strength

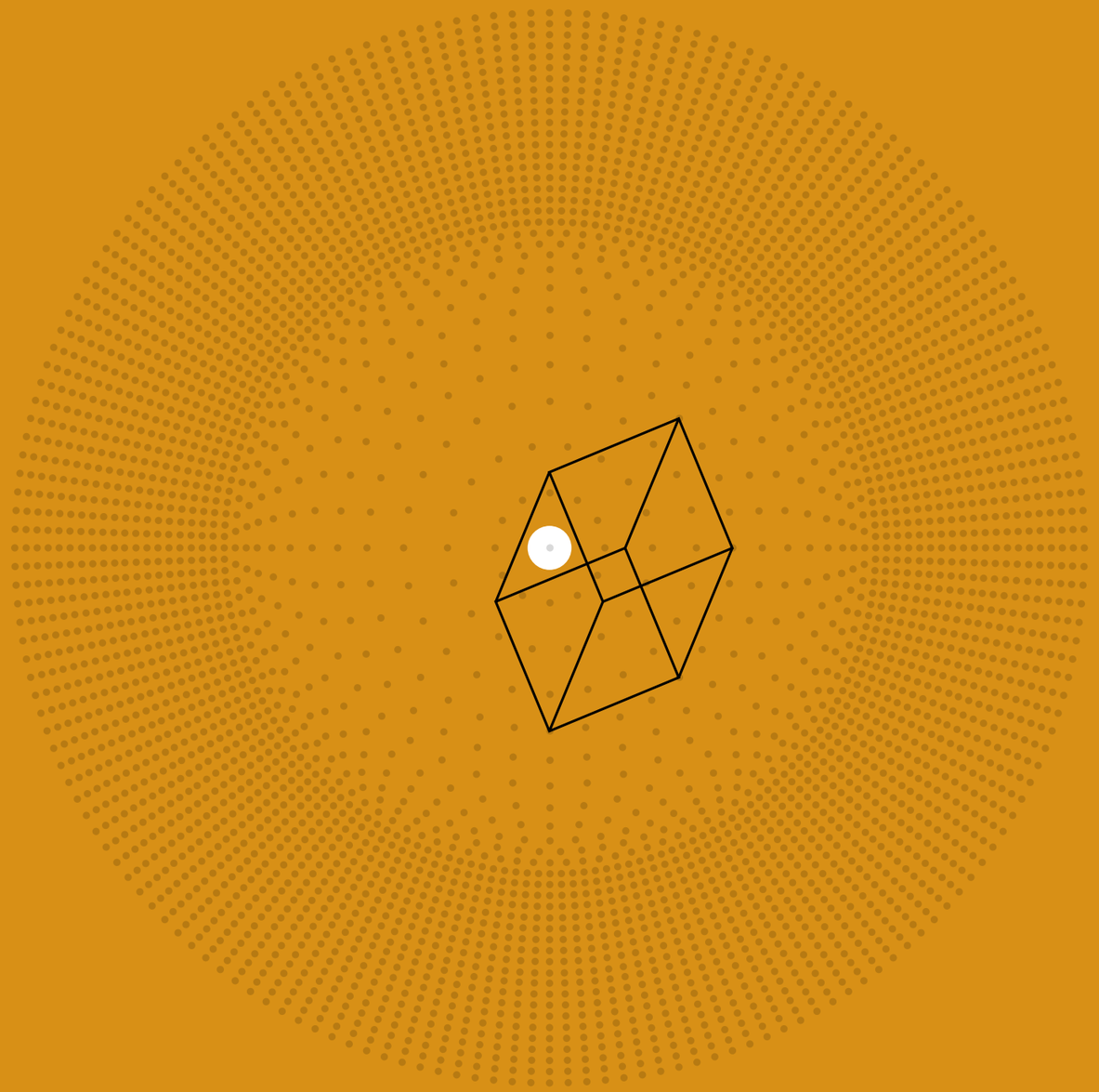
Strategy: Abril Educação serves public and private schools, offering solutions that can improve the quality of Brazilian education resulting in high customer loyalty. It has made strategic acquisitions and now has 15 companies. After the growth achieved by the acquisitions, Abril Educação now has a strategy of consolidating its evolution by exploiting synergies among the educational systems; brand positioning; new school openings; and strengthening its leadership in language education through organic growth.

Competitive advantages:

- One of the largest companies in Brazil's primary education sector, with a portfolio that can meet the requirements of all schools wanting to improve the quality of education offered, including traditional and digital content, educational technology, language education, technical education and other complementary services. No other company in the sector offers such a diverse portfolio;
- Abril Educação brands are well known, respected and associated with exceptional academic results. The brand platforms lend credibility to the Group's solutions and facilitate their adoption by the institutions;
- The Abril Educação Initial Public Offering (IPO), in July 2011, provided a solid capital structure, adequate in light of the Company's objectives. The Company is listed on the Corporate Governance Level 2 segment of BM&FBovespa.

Abril Educação, one of the largest education companies in Brazil, focused on primary and secondary education.

In 2014, Abrilpar announced the partnership with Tarpon Investimentos, controlled by Fundos Tarpon, becoming a minority shareholder of Abril Educação, the Civita family remaining as the controlling shareholder. With the completion of the transaction, the shareholders have announced plans to enter the New Market (Novo Mercado).



GOVERNANCE AND PERFORMANCE

Corporate Governance

Grupo Abril has implemented appropriate governance structures for its Companies based on Best Governance Practices disseminated by the Brazilian Institute of Corporate Governance (IBGC). The composition of the Group's management and corporate governance bodies in 2013 is shown below.

Abril PAR

Abrilpar, the Civita family's holding company, controls Abril Mídia and maintains a controlling stake in Abril Educação, in addition to a number of other ventures. The management structure is as follows:

President - Giancarlo Francesco Civita
Legal Vice President - Arnaldo Figueiredo Tibyriçá
CFO, and CEO of DGB - Douglas Duran
Audit Director - Thomaz Roberto Scott
Member - Marcelo Vaz Bonini

Abril MÍDIA

The Abril Mídia Board of Directors is made up of members of the Civita family and the South African media group, Naspers. The President is responsible for the media, printing and reports to the Board, which maintains Audit and Risk Committees to monitor accounting and financial management. The members are as follows:

More than 520 thousand digital magazines delivered each month.

Board of Directors
Chairman - Giancarlo Francesco Civita
Member - Roberta Anamaria Civita
Member - Andre Coetzee
Member - Victor Civita Neto
Member - Hein Brand

Board of Executive Officers
President - Fábio Colletti Barbosa
Managing Director of the VEJA Business Unit - Thais Chede Soares
Managing Director of the EXAME Business Unit - Claudia Vassallo
Managing Director of the Abril SEGMENTED Business Unit - Helena Bagnoli
Managing Director of the Digital Businesses Unit - Manoel Lemos
Director of Subscriptions - Fernando Costa
Superintendent Director of Abril Gráfica - Eduardo Costa
Director of Casa Cor - Angelo Derenze
Director for Government Relations - Angela Rehem
Director of Human Resources - Cibele Castro
Director of Editorial Planning - Elda Muller
Corporate IT Director - Claudio Prado
Director of Corporate Relations - Meire Fidelis

DGB

Since DGB was formed in 2009, the Company has been developing a corporate governance structure based on experienced management in the logistics and distribution segment, reinforcing its growth potential.

DGB: distribution and logistics structure that can reach 100% of the country.

Board of Executive Officers
CEO - Douglas Duran
Superintendent Director of Publications - Fernando Mathias
Superintendent Director of Small Packages - Vito Chiarella

Abril EDUCAÇÃO

Abril Educação is publicly traded and complies with the Level 2 Corporate Governance requirements of BM&-FBovespa. It has a Board of Directors, Board of Executive Officers and four Committees: a Finance Committee, which advises the Board on matters related to financial supervision and investment plans; Human Resources Committee, which supports the Board in formulating Personnel Policies aimed at recruiting, developing and retaining key talent in the Company; Committee for Quality and Educational Technology, which helps formulate strategies and initiatives aimed at maintaining high levels of quality in the Company and its competitive advantage in educational technology; and the Integration and Synergy Committee, which monitors integration activities in the portfolio of acquired companies.

In 2014, Abrilpar announced the partnership with Tarpon Investimentos, controlled by Fundos Tarpon, becoming a minority shareholder of Abril Educação, the Civita family remaining as the controlling shareholder. With the completion of the transaction, the shareholders have announced plans to enter the New Market (Novo Mercado).

The Company also has a Supervisory Board composed of five members, two of whom represent the minority shareholders.

Board of Directors
Chairman - Giancarlo Francesco Civita
Vice Chairman - Manoel Luiz Ferrão de Amorim
Member - Victor Civita Neto
Member - Douglas Duran
Member - Paulo Roberto Nunes Guedes
Member - Arnaldo Figueiredo Tibyriçá
Member - Florian Bartunek
Independent Advisor - Marcos Antônio Magalhães
Independent Advisor - Maria Helena Guimarães de Castro

Supervisory Board
Member - Alexandre Cunha Bagnoli
Member - Eduardo Khair Chalita
Member - Xavier Abdon de Sousa
Member - Leonardo Rocha
Member - Marcos Bastos Rocha

Board of Executive Officers
CEO - Mário Ghio
Strategic Planning and Performance Management Director - Daniela Menusier
Executive Director for Marketing, Sales and Institutional Communication - Elzimar Albuquerque
Executive Director - Content & Innovation - René Agostinho
Human Resource Officer - Carlos Toledo
Language Business VP - Júlio de Angeli
Pedagogical Services and Relationship VP - Ivan Sartori Filho
Educational Operations VP - João Lacerda
Chief Financial, Administrative Officer and Investor Relations Officer - Guilherme Mélega

In 2013, more than 150 million textbooks were sold throughout Brazil.

Fundação Victor Civita

The Fundação Victor Civita is a non-profit organization, presenting several initiatives and relies on contributions from Abril Group, Grupo Gerdau and a number of different partners. Its governance structure consists of a Board of Trustees.

Board of Trustees
Chairman - Victor Civita Neto
Vice Chairman - Roberta Anamaria Civita
Member - Giancarlo Francesco Civita
Member - Beatriz Gerdau Johannpeter
Member - Claudio de Moura Castro
Member - Fábio Colletti Barbosa
Member - Jorge Gerdau Johannpeter
Member - Manoel Luiz Ferrão de Amorim
Member - Marcos Magalhães

Marcelo Almeida

The Victor Civita Foundation's mission is to contribute to improving the quality of primary education in Brazil.

Operational and Financial Performance

In 2013, net revenue of Abril Comunicações totaled R$ 2.7 billion, almost four times higher than 2012, when it amounted to R$ 724.3 million. Abril Educação registered net revenue of R$ 1.0 billion, up 17% year-over-year.

Abril has been focusing on its priority businesses, reducing costs by reviewing and streamlining processes, reorganizing the corporate structure, prioritizing investments, selling non-strategic assets, looking for new sources of financing and renegotiating short-term debt. During 2013, some of the short-term credit lines were renegotiated and extended with the banks, in addition to the renegotiation of financial ratios on its borrowings to reflect the Company's actual cash flows vs. indebtedness.

Abril Educação recorded operating profit of R$ 207.0 million, up 11% compared to 2012. Adjusted EBITDA (operating profit before depreciation and amortization) amounted to R$ 311.9 million, up 23% year-over-year, and the EBITDA margin was 30%, up 1p.p. for the same period. Net income before minority interests totaled R$ 78.9 million in the period.

Distribution of Net Revenue
(R$ million)

	Net Revenue	Share (%)
Printing	154.1	5.6
Distribution	1,136.3	41.6
Media	1,442.9	52.8
Abrilcom (ASA)	2,733.3	100.0

Net Revenue of the Group
(R$ million)

	Net Revenue	Share (%)
Educação	1,036.5	28.0
Abril Group	3,699.8	

1. Consistent with the Financial Statement presentation, the results are split between Abril Comunicações (which includes the results of Abril Midia and DGB and all of its subsidiaries).

Value Added
Distribution of value added in 2013 (in thousands of reais)

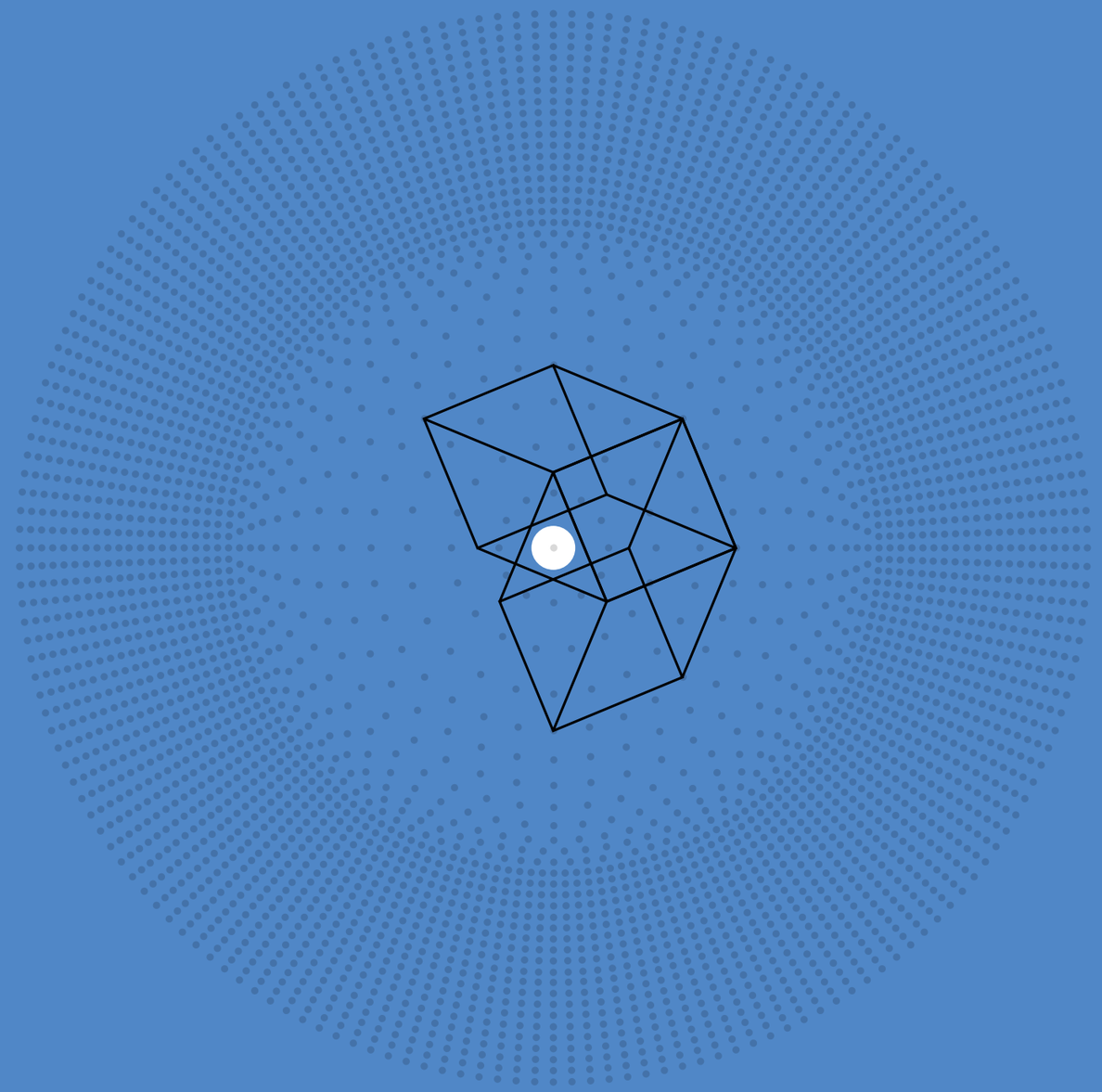
	Abril Mídia	DGB	Abril Educação
Payroll and related charges	593,653	113,001	172,366
Taxes, fees and contributions	373,894	224,038	116,475
Remuneration of third party capital	201,192	23,349	134,923
Remuneration of own capital	-174,036	-76,398	98,123
Total	**994,703**	**283,990**	**521,887**

Government incentives

Abril Mídia, DGB and some of its subsidiaries have credit facilities with interest subsidized by the BNDES program known as FINEM - Financing and Investments. In this respect, it is worth noting that the Government does not have a stake in the Company.

FINEM Balance
(in thousands of reais)

	2012	2013
Abril Mídia	24,481	27,166
DGB	14,125	9,280
Abril Educação	42,066	38,923



CORE RELATIONSHIPS

Group Conduct

Beyond financial capacity and the strength of the infrastructure, the continuity of a company, especially the size of Abril Group, is linked to the management of the people and the manner in which the company conducts its businesses. This is why expressions such as "teamwork" and "valuing people" form part of the Group's principles and values.

To guide and share these principles with employees and partners, the Group has implemented a Code of Conduct, which is available in both printed and digital versions. The code is continuously made public in Abril´s internal communications vehicles and as part of the workshop "Inside the Code of Conduct", in addition to an e-learning program for new employees available on the intranet.

The Code deals with matters such as the responsibilities of leaders and employees, the work environment, relationships with shareholders, customers, suppliers, partners, third parties, the media, unions and other organizations, and provides guidance on corruption, bribery and conflicts of interest. Moreover, given its commitment to disseminating information and knowledge among Brazilians, the Code also provides guidance on impartiality and fairness in dealing with political parties, to which the Group has not made any financial contributions in 2013.

In Abril Educação, 214 employees were trained through the "Inside the Code of Conduct" program, of which 86% took the course through e-learning. In Abril Mídia, 1,201 employees were trained, of which nearly all (99.3%) through e-learning. At DGB, 216 employees were trained, all through online platform.

For questions, complaints and other demands related to the Code of Conduct, the Group has channels available that include email - codigodeconduta@abril.com.br and the hotline 0800 772 2745, available Monday to Friday from 9:00am to 12:00pm and 2:00pm to 6:00pm.

Complaints, questions and other demands in relation to this topic and the actions of the Group´s stakeholders can be made by phone or email and as part of newsletters, the website and intranet. Complaints and inquiries are treated confidentially by the corporate Compliance department, which registers and forwards its decisions to the Conduct Committee, comprised of the CEO of Abril Mídia, Fábio Colletti Barbosa, the Director of Human Resources, Cibele Castro, and the Audit Director, Thomaz Roberto Scott. During 2013, 47 questions related to the Code of Conduct were sent to the Committee, the same amount as 2012.

Governmental entities

Due to the nature of its business, Abril Educação has an internal control system over the legal aspects related to doing business with the public sector. All administrative contracts arising from the sale of educational systems and related products to governmental entities are reviewed by a dedicated team from the Legal Department. It evaluates the material in light of market practices and the terms of the corresponding requests for proposal. In 2013, this process was responsible for the legal validation of 35 administrative contracts or amendments that will be executed in 2014. Moreover, in 2013, the company did not identify any cases of corruption with respect to the contracts.

Internal Audit Monitoring

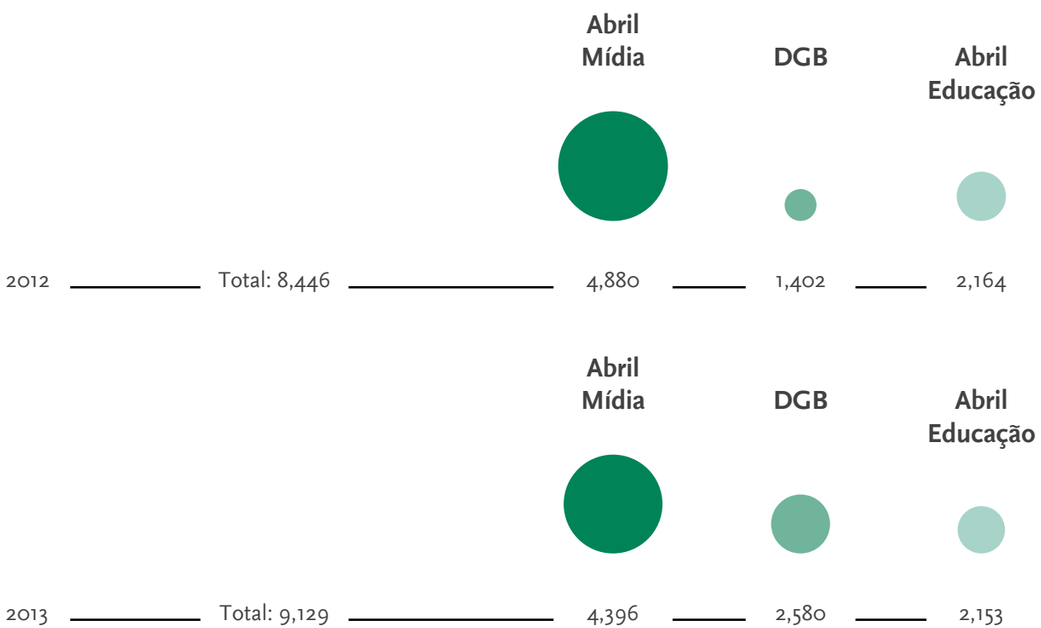
The Group's Corporate Internal Audit function, together with the legal team, monitors the processes for contracting suppliers, granting licenses for events, paying commissions, sponsorships and donations. This allows it to identify and mitigate risks related to corruption.

Mid-day Cultural Discussions, promoted by Abril Group.

Valuing diversity

For Abril Group, 2013 was marked by acquisitions, restructuring activities and new perspectives, which resulted in an increase in the number of employees. On December 31 of the current year, there were 9,129 employees in the Group, 8.1% more than at the end of 2012 when the total was 8,446.

Total Number of employees in Abril Group[3]



	2013			2012		
	Abril Mídia	DGB	Abril Edu-cação	Abril Mídia	DGB	Abril Edu-cação
Employees by employment contract						
Temporary	31	1	0	43	2	N/A
CLT	4,057	2,538	2,120	4,457	1,361	2,115
Interns	308	41	33	380	39	49
Employees by type of employment						
8h	4,057	2,538	N/A	4,457	1,361	N/A
6h	339	42	N/A	423	41	N/A
Employees by shift type						
Without timecard (everyone has their timecard, regardless of clock-in/out)	2,363	524	N/A	4,880	1,402	N/A
With timecard (started in Dec/13)	2,033	2,056	0	0	0	0
Employees by region						
South	38	22	0	37	1	0
Southeast	4,307	2,390	2,090	4,818	1,365	2,097
Midwest	50	8	0	24	8	0
Northeast	1	160	63	1	28	67
Employees by level of education						
Doctorate	6	0	139	7	0	N/A
University incomplete	816	236	549	971	214	N/A
University complete	1,599	251	637	1,867	215	N/A
MBA	12	3	6	16	4	N/A
Post-graduate	335	64	96	411	73	N/A
Master's degree	18	1	41	26	0	N/A
High school	1,171	1,511	514	1,247	611	N/A
High school incomplete	124	208	44	135	84	N/A
Primary schooling complete	139	210	43	138	148	N/A
Primary schooling incomplete	161	91	95	55	50	N/A
No schooling	3	2	N/A	7	3	N/A
Undefined	12	3	N/A	0	0	N/A
Employees by age						
Under 18	27	12	N/A	49	2	N/A
18 to 35	2,448	1,695	1,142	2,702	789	N/A
36 to 45	1,131	565	568	1,282	366	N/A
46 to 60	703	281	377	761	224	N/A
Above 60	87	27	77	86	21	N/A

3. Indicators about the workforce cover own employees only. The Abril Educação indicators include Editora Àtica, Editora Scipione, Anglo, pH, and corporative.

N/A: information is monitored using different consolidation parameters. The Group is working on standardizing the monitoring procedures in order to present more complete information.

Apprentices

	Abril Mídia	DGB	Abril Educação
Female	24	39	N/A
Male	24	20	N/A
Total	**51**	**43**	**N/A**
Quota required by law	**77**	**106**	**N/A**

The valuing of differences is a consistent part of the agenda in all of the Group´s companies. As such, diversity management practices have undergone improvements, with important advances made in 2013.

The Group considers the same color and race categories used by the Brazilian Institute of Geography and Statistics (IBGE) in its diversity profiles. This allows for analysis of demographic profiles in the regions where the Group operates.

Employees by color/race

	2013			2012		
	Abril Mídia	DGB	Abril Educação	Abril Mídia	DGB	Abril Educação
Indigenous	4	0	2	4	0	2
Asian	72	10	25	76	9	32
Black	578	1,304	146	636	440	146
White	3,692	1,106	1,969	4,147	890	1,984
Undeclared	50	160	11	17	63	0

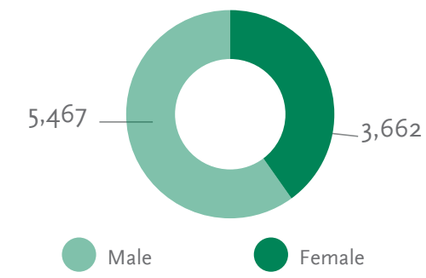
N/A: information is monitored using different consolidation parameters. The Group is working on standardizing the monitoring procedures in order to present more complete information.

Regarding equal opportunity for both genders, women's participation in the Group´s workforce remained virtually unchanged, accounting for 40.1% in 2013 and 42.4% in 2012. To create a favorable environment for gender diversity, free of discrimination, the Group´s policies promote gender equality and opportunities for its employees to discuss and become more aware of issues relevant to the empowerment of women – including pregnancy and contraception, combat of domestic violence against women and children and the encouragement of responsible fathering.

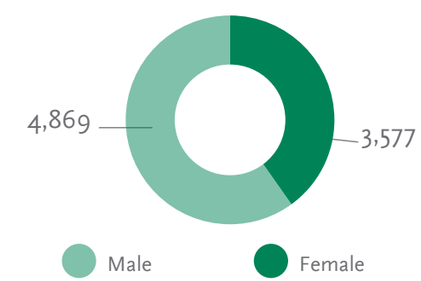
From a career point of view, performance appraisals are based on transparent criteria and objectives that are identical for both men and women, as are the opportunities for training and promotion.

Abril Group is a supporting partner of the Brazil WEP award (Women`s Empowerment Principles), recognized by both the Global Compact and UN Women. The award encourages and recognizes companies that invest in the empowerment of women.

Workforce by gender in Abril Group - 2013



Workforce by gender in Abril Group - 2012



Employees by category

	2013		2012	
	Female	Male	Female	Male
Abril Mídia				
Operational (Other levels)	1,728	2,079	1,911	2,253
Management	182	247	222	293
Executives	54	106	73	128
DGB				
Operational (Other levels)	766	1,712	416	891
Management	25	59	28	51
Executives	4	14	4	12
Abril Educação				
Operational (Other levels)	851	1,181	867	1,169
Management	39	35	41	41
Executives	13	34	15	31

Another important factor for the Group in the context of diversity is the hiring of employees with disabilities. The Diversity Program was developed in 2013, which addresses the issue of employees with disabilities. Within this context, the types of disabilities considered and amount of positions made available were both expanded.

All of Abril´s companies have formal guidelines for managers and employees for this type of recruitment, and in order to reduce turnover rates, various departments are engaged in promoting information and sensitivity about the importance of including and retaining these employees. Joining the company is only the first part of the process. The intent is to utilize their capabilities in the departments most suited to them and that provide the best career prospects, as is the case with all Group employees.

PCD

	Abril Mídia	DGB	Abril Educação
Female	71	15	N/A
Male	95	31	N/A
Total	**166**	**46**	**N/A**
Quota required by law*	**191**	**121**	**N/A**

* For Abril's employees, the legislation requires the Company to employ a quota of 5% for disabled persons. Each year, Group initiatives aim to attract and retain these employees in order to meet and exceed the quota.

N/A (not applicable): information monitored with different consolidation parameters. The Group is working on standardizing the monitoring across its companies to present increasingly complete information.

Human Resource Management

The Human Resources area also underwent a major restructuring, having revised its policies and practices, especially with regard to the performance and retention of talent. Beyond the diversity related programs, the area promoted a number of other initiatives in 2013:

- Analyzing the market scenario relative to communication and the current business context, the different areas of the Company reviewed the formalized leadership skills, which now also include the ability to deal with uncertainty and promotion of an environment conducive to questioning; the ability to take bold initiatives, outline strategic actions and to have a long-term view; the ability to influence positively (by example and through feedback providing recognition and redirection); and the ability to navigate across departmental boundaries, among others.
- Execution of the Management and Leadership programs, considered strategic for Abril Group: three PDGA groups (Abril Management Development Program), aimed at professionals who informally lead others; two Basic Level groups, aimed at lower management levels in the organization; one Intermediate Level group, aimed at middle management; and one CGA group (Abril Management Course), targeted at executive level professionals.
- In addition to the regular agenda, two CGA forums will be held - with participation of the CEO of Lojas Renner, José Galló, and the doctor and neuroscientist António Damásio. The scale of Abril Group was already addressed through the Business Challenge - a new activity where groups of executives choose a business challenge faced by one of the participants and develop potential solutions for the issue.
- Introduction of Leadership and Management Pockets - workshops that aim to update and refresh former participants in the management development programs. The initial workshops focused on the topic of Innovation in Business Models and were attended by both executives (former CGA students) and managers (former PDGA students).
- Redesign of the Integration program for new Abril employees in order to combine agility in the recruiting process with robust on-boarding and the creation of a positive relationship with the Company, in addition to helping them adjust and be ready to begin work. The program now has four steps – an initial meeting to ask questions, align

The Group has an internal communications policy that values transparency and respect. In cases of significant changes in the structure and management of the companies, strategic decisions and business movements, sharing with the internal public is always a priority. In addition, all internal communications vehicles offer channels for employees to express their opinions.

Abril Group head office.

expectations and distribute the program guide; on-boarding with the area manager; online and classroom activities about the Company and the Code of Conduct; and training for managerial positions – beginning shortly after the candidate has been approved in a selection process and lasting for four to six months.

- The climate survey, carried out every two years by the Board of Organisation and People, has earned new version in 2013. A Quick Climate Survey was conducted to evaluate once again the Personnel Management subject, whose results were treated in a corporate and institutional manner. One of the projects was the Circle of Ideas, which organized meetings with employees from different departments to listen to them on the critical points in the existing organizational scenery at that moment. All action plans arising from these discussions were implemented in the same semester.
- In 2013, Abril Mídia implemented a BSC (Balanced Scorecard), a new strategic management model for the company, in which the business performance is measured according to Financial, Market and Customers, Internal Processes and Learning and Growth perspectives. The vision and strategy of each business area are translated into strategic maps, with organizational goals defined for each BSC perspective, and monitored throughout the year by means of measurable and verifiable indicators. People Management was one of the organizational indicators in 2013.
- In 2013, the Abril Performance Cycle, which is a process for planning, evaluating and developing employees, was revised and implemented to promote a more integrated management of the Company's professionals. Among the changes introduced by the new format is the combination of the results and skills assessments, to ensure that the professionals performance boost the achievement of organizational goals, promoting business sustainability and developing a meritocratic culture in professional relations.
- Another initiative in 2013 was the installation of time clocks for administrative personnel. The objective is to facilitate monitoring of hours worked in an organized manner so that both the employees and managers have better control of the hours.

Abril Group employees.

All registered employees have employment contracts with working hours consistent with their professional category and the union collective bargaining agreements. In 2013, 14 different unions represented the professional categories of Abril Mídia; 22 in the case of DGB and 7 in Abril Educação.

Employees who gone through performance assessment process (%)

	2012	2013
Abril Mídia	78.0	97.8
DGB	47.6[1]	N/A
Abril Educação[2]	N/A[3]	100

N/A (not applicable)

1 In 2012, DGB's administrative career employees - representing 4.2% of the assets used - did not carry performance evaluation due to the change in the internal evaluation system.
2 The metric includes Editora Ática, Editora Scipione, Sistemas de Ensino Abril Educação, Sistemas de Ensino pH and Colégio pH.
3 The first full year of the performance assessment process was 2013.

Professional development

Focusing on the training, refreshing and development of Abril´s employees, the training scheduling occurs throughout the year and programs approach is defined in accordance with the general requirements for each position, the needs and demands of employees referred by their managers in the performance evaluation process and the emergence of topics to be developed in the company.

Scheduling takes place throughout the year, and the approach for the training program is defined in accordance with the general requirements of each position, employees´ needs and recommendations by their managers made during the performance assessment process and other topics that become relevant for the Company.

Training topics covered included negotiating strategies, project management, time management, teamwork, Office tools and online English. There are also institutional programs designed to share broad ideas, concepts and corporate issues, as well as encourage interaction among the different areas. The People Development Nucleus (NDP) promotes courses and lectures for all employees and specific groups, such as finance and marketing.

External training also forms part of the Group's investment in its employees. With a corporate policy regulating subsidies, employees can attend formal education and extension courses, as well as participate in trade shows, conferences and seminars for up to 180 hours (or development programs from 180 to 360 hours), that may be fully paid for by the employee´s department. In addition, the Company may pay up to 50% for post-graduation courses of more than 180 hours; up to 80% for online English courses; up to 30% for regular English courses; and up to 50% for regular courses in other languages.

The Company also offers, for some of the professional categories, courses overseas. These include programs at institutions such as IFA Berlin, Yale, Central Saint Martins School, Summer Institute for Graphic Design Studies, and visits to organizations such as the NYT, Time Inc., Hearst and The Economist.

Abril Journalism Course: lasting five weeks, the course provides training in publishing to recently graduated professionals throughout the country, with 1,800 participants over its 30 year history. With focus on preparing and training professionals for the publishing industry, the course includes experimental studies, interviews, classes with Abril professionals and presentations by guest speakers and industry experts. Historically, 60% of students taking the course are hired as full-time employees by Abril, half of them coming from outside the state of São Paulo.

In addition to specific technical training courses, the Personal Development area organizes the following programs in partnership with the NDP:

- Humanities, designed to complement regular employee training with programs based on the cultural themes announced on NDP Online, not necessarily linked to their roles in the organization.
- Mid-day Cultural Discussions, informal chats in which public figures grant interviews to a Group journalist along with the other participants.
- Magazine Photography Exhibition, in partnership with the Fundação Armando Álvares Penteado (FAAP).

Demonstrated below are the total hours invested in training, along with the number of participants, shown by Group Company and the type of training:

Future Program: since 2009, the program is focused on preparing for retirement. It offers lectures and workshops related to financial organization, health and quality of life.

	Management and Leadership		Professional Education		Personal Development	
	2012	2013	2012	2013	2012	2013
Abril Mídia and DGB						
Total training hours	943	803	7,634	5,952	61	39
Total participants	517	1,017	4,622	4,180	1,446	1,161
% of good and outstanding evaluations	89%	96%	98%	97%	91%	93%
Abril Educação						
Total training hours	N/A	1,513	N/A	2,636	N/A	18
Total participants	N/A	287	N/A	1,748	N/A	79
% of good and outstanding evaluations	N/A	N/A	N/A	N/A	N/A	N/A

N/A (not applicable): information monitored with different consolidation parameters. The Group is working on standardizing the monitoring across its companies to present increasingly complete information.

Compensation and benefits

As part of how it values employees, Abril Group has a compensation and benefits policy that applies equally to all employees and is strictly observed in order to prevent any form of discrimination.

Salaries and benefits are competitive with respect to the markets in which the Group Companies operate, and are based on monitoring of best practices and salary surveys conducted by Human Resources. For each employee, only individual performance, the Company's profitability and market practices are taken into account.

In 2013, the lowest salary paid by Abril Mídia was equivalent to 1.6 times the national minimum wage (R$ 678.00 in 2013), in Abril Educação it was 1.2 times, and in DGB it was equivalent to the minimum wage.

Regarding benefits, although they vary among the Group Companies, there are no differences between part-time and full-time employees. A benefits package is offered to all Abril employees and includes: childcare assistance, illness benefits, credit union, maternity leave, health plan with three options, dental plan with a large network, pharmacy plan with discounts subsidized in the payroll, pension plan with employer and employee contributions and food subsidies of an average of 80% in the Company´s restaurants.

Furthermore, all employees receive life insurance, meal and food vouchers, transport vouchers, Christmas vouchers to buy toys for children up to 10 years old, 30% to 50% discounts on the Company´s products, and for a small monthly fee, employees can join the Cultural, Sports and Recreation Association (Acerga).

Employees are guaranteed the right to maternity and paternity leave in accordance with labor laws. The Group monitors the rate of return after the leaves in order to encourage and promote the retention of these employees.

Rate of return after maternity leave

	Abril Mídia	DGB	Abril Educação
2013			
Total leaves	62	29	17
Rate of return	96.80%	100.00%	100.00%
2012			
Total leaves	37	12	23
Rate of return	100.00%	91.70%	100.00%

Pension plan

The private pension plan offered to employees is managed by Abrilprev, a Private Pension Fund. In 2013, Abril Mídia and its subsidiaries made contributions of approximately R$ 11.0 million. Over the same period, Abril Educação and its subsidiaries made contributions of R$ 1.5 million to Abrilprev. Retirement is linked to length of service in the plan sponsors, a specific minimum age and the employee no longer being employed by the Company.

ENVIRONMENTAL MANAGEMENT

Policies and Principles

After more than 40 years since the word sustainability was first used, the concept has become increasingly more refined and evolved, with proposals that go beyond recycling, reforestation and social assistance. Going beyond these concerns, for Abril Group, sustainability refers to the concept of maintaining business continuity and how this impacts everything around the organization.

In this context, one of the most important activities for the entire Group is dialogue, with debates of ideas and the creation of economic, environmental, social and cultural realities. As such, the Group established its Sustainability Policy in December 2013 in order to guide sustainable management of the business and support decision-making by managers and teams involved in processes that represent opportunities for innovation, considering products, services and relationships.

The elements of the Policy that came into effect in 2014 involve collective building, convergence with Abril Group's values and principles, transversality, the scope and integration of perspectives, the connection between the businesses and mobilizing for action, the assessment of impacts and externalities.

Abril guides its action by the constant pursuit of relevance, seeking to deliver not only quality products, but also value to society in all its areas of operation.

Abril Group employees.

Follows the main guidelines contained in the Policy:

Financial performance and governance

Develop and maintain governance structures that support sustainable businesses (through a body that includes representatives from different areas of Abril Group), in order to assist the Board of Directors with decision-making processes; maintain the employee recommendation/suggestion channels with the leadership of the different areas active and well publicized; and include criteria that consider legal, social, environmental, economic and governance related factors into the processes for evaluating new businesses, mergers and acquisitions.

Working conditions and relationships

Ensure satisfactory working conditions through the management of the business, focusing on factors such as health and safety, development of the employees and opportunities for personal development, among others; guarantee every employees´ right to and minimum standards of fairness; ensure that the content developed for the publications contributes, in some way, to the valuing of differences.

Communication

Create conditions for Abril Group´s publications to promote respect and appreciation of diversity in society, increasingly democratizing information, fighting discrimination and harassment and working for the elimination of child labor, forced labor and situations comparable to slavery; take measures to ensure that content in the publications does not reinforce or encourage any type of discrimination; express the Group´s co-responsibility for the content and language of marketing announcements and inserts included in its publications, always guaranteeing freedom of expression and editorial independence.

Use of resources and the environmental impact of the activities

Evaluate, avoid and minimize the environmental risks and impacts of all of the activities; use resources more efficiently and reduce pollution, emissions and waste; prioritize the use of renewable resources; avoid the use of dangerous, toxic and controlled materials in the operations; engage employees and visitors at the units about the initiatives Abril Group promotes in the areas of eco-efficiency and innovation in its managing of environmental impacts and preservation; consider the socio-environmental impact of the material in evaluating marketing campaigns and tools used by the Group; identify business opportunities presenting possibilities for reverse logistics of the products; and promote reductions in the socio-environmental impacts of transporting people, material and products, paying particular attention to the health and safety conditions of drivers, employees and the communities, and the condition of the fleet of vehicles.

Relationships

Strengthen relationships and initiatives together with suppliers and partners, managing impacts along the value chain and guaranteeing respect for human rights; develop and implement socio-environmental criteria (aligned to this policy and developed in partnership with the interested stakeholders) to evaluate, select and contract suppliers; contribute to expanding and democratizing access to information and knowledge in the country through interaction with public bodies and other entities representing the public interest; combat all types of corruption within the Group and its entire network of relationships; and maintain impact monitoring and management processes in the operational areas.

Management and Practices

Following, a description of some of the environmental management initiatives incorporated within the Group's main activities:

Abril MÍDIA

Sustainability in the Publishing Business

Development for all

Abril Group´s valuing of people is not limited to just its employees, but extends to society as a whole as part of its role and responsibility as an organization focused on communication and education. A number of different initiatives are carried out through its companies (including awards and rankings) that recognize, value and publicize important actions for society in different areas, including:

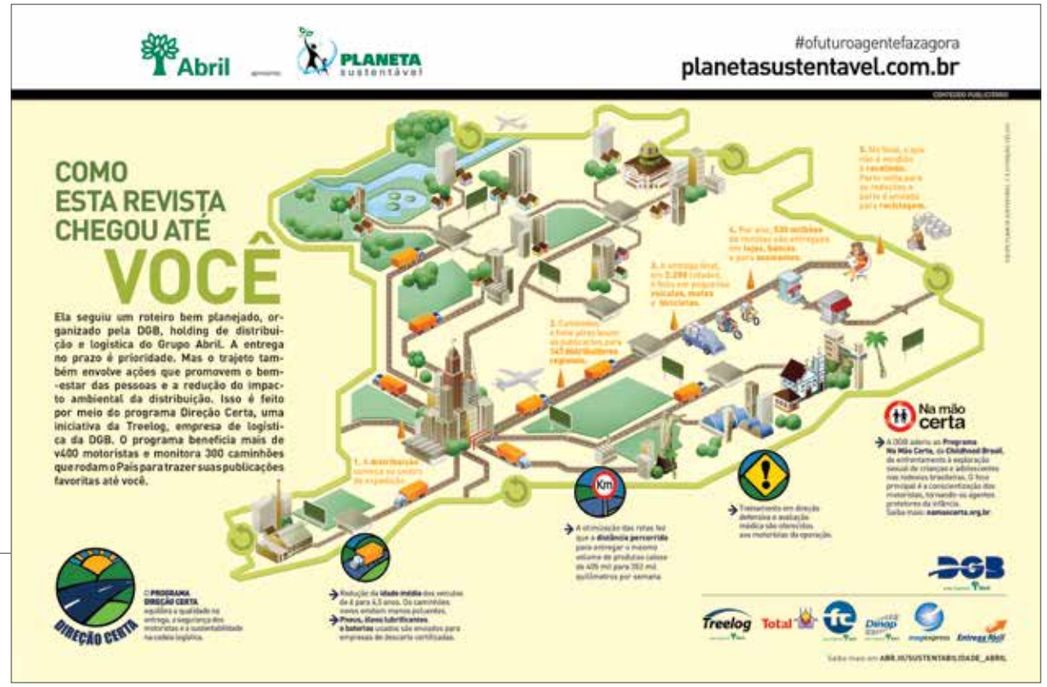
- **Top 100 Companies to Work for: VOCÊ S/A magazine recognizes companies with the best employee relationships;**
- **EXAME Sustainability Guide: introduced by EXAME magazine, the ranking highlights Brazilian companies with the best attitudes in relation to sustainability;**
- **Top Universities: part of a special edition of the GUIA DO ESTUDANTE since 2004, the award recognizes the best universities and courses in Brazil;**
- **Claudia Award: created by CLAUDIA magazine, it recognizes women who improve the lives of the people around them in some way;**
- **Planeta Casa Award: an initiative of CASA CLAUDIA magazine, it recognizes architectural projects, initiatives and products that minimize environmental impacts;**
- **Health Award: created by SAÚDE magazine, it recognizes and promotes the work of a number of different professionals in the health field based on their impact and contributions toward making the country healthier;**

Commitment to sustainability

In addition to the awards and rankings, Abril Mídia also promotes Sustainable Planet, a project whose mission is to spread information and references regarding sustainability. It is the first program to be led by a large communication company that debates, informs and produces thought leadership on the subject, in a systematic manner, for all types of audiences.

Sustainable Planet has the support of partner companies, and 38 publications of the Publisher participate in the process. Over its six years of existence, almost 10 thousand pages have been published between articles and announcements, and more than 24 thousand links to exclusive content have been included on the largest website in Brazil dedicated to this subject.

In 2013, two editions of Sustainable Planet addressed Abril's business, providing internal and external stakeholders with information about its operations, the impacts caused and the initiatives and principles designed to minimize these impacts.



Environmental issues and impact

Paper consumption - the most relevant material used by Abril Mídia, due to the nature of its business, is the paper used for its publications. In 2013, a total of 91.9 tons of paper was used.

Mobility - in 2013, Abril Mídia developed the mobility survey in order to identify impacts and create opportunities for improving the mobility of its employees, a recurring day-to-day topic in the city of São Paulo where the head offices are located.

A total of 775 employees responded to the survey, which sought to reduce the need for commuting by car, resulting in the following benefits:

- Reduce air pollution, CO_2 emissions and energy use;
- Explore sustainable alternative and strategies for mobility;
- Reduce traffic and travel costs; and
- Improve quality of life.

The results of the survey showed the distance traveled by employees from their homes to the office, their habits and the means of transportation utilized.

In addition to the survey, together with the employees, actions were developed in order to raise awareness about urban mobility solutions. Routes and tips for using bicycle paths, walking routes and subway maps of the city were made available to employees, in addition to consultations with specialists.

Printing Sustainability

Eco-efficiency and care

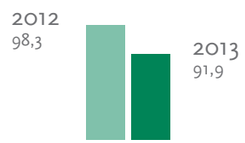
Part of Abril Gráfica´s routine consists of ensuring the efficiency of its processes. This helps reduce environmental impacts through the choice of raw materials, recycling and care over the proper disposal.

In recent years, the Company has mobilized work groups in order to minimize the impacts of consuming material. This has resulted, for example, in the development of inks that produce less impacts, a study on the use of plastics derived from renewable or biodegradable sources and the substitution of chemical solutions used in the offset printing process.

After three years of development and implementation, in 2012 the biomass fueled boiler was inaugurated at Abril Gráfica. The main benefit of the machine is the replacement of the fuel type from natural gas to firewood. The boiler generates steam that is used for rotogravure printing process, the restaurant, locker rooms and the recovery of solvents used in printing – it also has a roof garden composed of plants that help in the absorption of rainwater and the reduction of heat islands, besides making the process more efficient, the boiler reduces in half the consumption of natural gas, generating savings of approximately one million reais per year.

Paper Consumption

tons



Currently, the Printer uses paper produced from reforested trees with a certified management process. Moreover, it has implemented water treatment and reuse processes in some stages of the production cycle, and processes for recovering volatile solvents and reusing heat, among other initiatives.

The use of natural resources, one of the main impacts of the printing process, is monitored and managed based on gaining efficiency, and consequently, reducing consumption and disposal.

In 2013, the energy consumption of its operations totaled 51 GWh, with a majority derived from electricity purchased. During the period, 168 thousand m^3 of unused water was consumed, and 7 thousand m^3 of reused water, treated by the Company itself.

Main materials consumed

	2012	2013	Variation
Aluminum Plates (parts)	83,940.0	90,050.0	7.3%
Treatment of Water/Tributaries (t)	2.4	2.5	4.2%
Chemicals (L)	6,000.0	7,000.0	16.7%
Copper (t)	29.4	33.1	12.6%
Glue (t)	206.5	174.9	-15.3%
Wire/staples (t)	65.6	62.2	-5.2%
Polyethylene/PVC (t)	228.1	200.0	-12.3%
Blankets/pads (parts)	826.0	815.0	-1.3%
Ink (t)	3,539.0	3,408.0	-3.7%

In relation to waste disposal, Abril Gráfica constantly looks for solutions and opportunities for reuse and recycling.

Most of the waste consists of paper (resulting from production losses, unsold magazines and books and leftover items, such as sheets of cardboard lining), which are crushed, wrapped in bales and sent to recycling companies. There, they become raw materials for the manufacture of paper towels, napkins and hospital linen, among others. Ink residue is returned to the manufacturers.

Abril Gráfica is the first printer in Brazil to prepare an inventory of greenhouse gas emissions in accordance with the GHG Protocol methodology, in addition to obtaining FSC (Forest Stewardship Council) Certification and CERFLOR/ PEFC (Brazilian Forest Certification System / Program for the Endorsement of Forest Certification Schemes) Certification.

The Printer also invests in modern equipment and devices, which offer remote technical assistance so that the manufacturers, located on other continents, do not need to travel to Brazil. This avoids GHG emissions associated with air travel. Moreover, because of the investments, the production process is more efficient and effective and less raw materials and energy is consumed, producing significant environmental gains.

Abril Gráfica.

Sustainability in Logistics and Distribution
Intelligence and security

DGB also approaches sustainability management to minimize impacts and generate opportunities for eco-efficiency and social development in the logistics and distribution process. Within this context, Treelog (one of its subsidiaries), assumed a leading role in the discussions and implementation of new initiatives.

To better comply with sustainable practices, on the part of both the employees and suppliers, the Right Direction Program was launched in 2010. The Program seeks to ensure excellence in the transportation services offered, prioritizing performance, security and sustainability. In addition to timely pick-up and delivery, vehicle tracking, driver training, encouragement of environmental preservation, social responsibility and citizenship are also important priorities.

It is worth noting that such initiatives also include the reduction of greenhouse gas emissions (GHG), as all of the service providers on the supply chain are encouraged to renew their vehicle fleets, use alternative fuels, carry out preventive maintenance on vehicles and properly dispose of waste.

Moreover, in 2013, DGB initiated a structural reorganization in the Group's various distribution and logistics companies to generate synergies and increase the efficiency of each vehicle through better use of their cargo capacities and the use of more effective routes. As a result, faster delivery and reduced fuel consumption is expected, in addition to less greenhouse gas emissions, already down by 8.9% during 2013 and 7.3% compared to 2012 (since the new routes were only fully implemented in 2013).

The Revisteca project, conceived by Dinap, promotes the donation of publications and creation of reading spaces in libraries, public schools and social institutions.

Abril EDUCAÇÃO
Sustainability in education
Minimizing impacts and building awareness

Since 2010, Abril Educação has been focused on reducing the environmental impact of its activities by using paper from certified sources to produce its books and workbooks. Certification is a guarantee that the material has been extracted responsibly, in accordance with sustainable management practices, mitigating the risk of illegal logging. As shown below, certified paper represented 99.0% of the total purchased in 2012 and 2013.

Purchase of paper
(kg)

	Non-Certified		Certified		Total	
	2012	2013	2012	2013	2012	2013
Editora						
Ática	103,016	0	16,890,921	10,653,551	16,993,937	10,653,651
Scipione	79,174	845	6,118,303	7,012,177	6,197,477	7,013,022
Total	**182,190**	**845**	**23,009,224**	**17,665,828**	**23,191,414**	**17,666,673**
	0.79%	**0.01%**	**99.21%**	**99.90%**		

In addition to the certification, Abril Educação is promoting selective garbage collection in its units so that the recyclable waste is reused. For example, in the Anglo system, all of the units promote sorted recycling bins, and at the end of the course, students are asked to deliver their textbooks and workbooks. Those that are in good condition are donated, and the others are recycled. Annually, around 600 complete kits are donated, representing 8% of the material delivered.

Abril Educação also monitors the impact of its operations on the regions in which it operates. The pH Educational System (RJ), for example, has adopted measures to help traffic flow around the schools. This was done together with the public agencies responsible and local residents and store owners associations in order to minimize the impacts on traffic.

Consumption of paper
(kg)

	2012	2013*
Editora		
Ática	20,915,488	6,144,419
Scipione	9,786,663	11,700,819
Total	**30,702,150**	**17,845,238**

GRUPO Abril
Sustainability in the Group
Culture and Education

In supporting society, the Group also invests in initiatives and projects that promote improvements in education, culture and quality of life in Brazil.

Within this context, the Praça Victor Civita, through the Instituto Abril and a cooperation agreement with the Municipality of São Paulo, was implemented in 2008. With support from its partners, a degraded area was renewed through an innovative architectural project incorporating sustainable solutions. It has become a reference in the renewal of public spaces and the recuperation of urban areas. The structure offers educational and cultural activities and hosts discussions and forums relating to sustainability.

Since 2011, Praça Victor Civita was managed by Instituto Abril. It is now managed by the Associação Amigos da Praça Victor Civita (AAPVC). The management now involves companies, public institutions, NGOs and the community. Its governance structure has a Board of Directors, which is comprised of companies and institutions such as Abril Group, Gerdau, Grupo CCR, Levisky Arquitetos Estratégia Urbana and Sabesp.

* The drop in paper consumption from 2012 to 2013 was due to lower PNLD public sector book sales in 2013.

Activities at Praça Victor Civita during 2013

- **Mexa-se na Praça: sponsored by Pró Saúde, the public is invited to exercise outdoors, accompanied by qualified professionals, free of charge.**
- **"Sistemas/Ecos": inspired by the artist and researcher Sonia Guggisberg, the exhibition brought together internationally recognized contemporary artists to display their work, some of which was being shown for the first time, in different parts of the square. The Sistemas/Ecos project, which the exhibition is a part of, also held a series of workshops for interested young people to participate in discussions about art, the environment and design.**
- **A Hora do Planeta: on March 23, 2013, the lights of the Praça were turned off as part of the global Earth Hour movement, which reminds everyone of the difficult questions that humanity must face in order to achieve a sustainable way of life. In its fifth year, the theme was "What would you do to save the planet?"**
- **Mobile phone collection: Instituto Claro, in partnership with the Associação Amigos da Praça Victor Civita and Instituto Verdescola, set up a recycling bin from the Claro Recicla project to dispose of mobile phones, batteries and old accessories in the Praça Victor Civita. All of the items disposed of in the bin were regularly collected and sent for recycling to an IBAMA certified company.**
- **Ponto pro Rock Project: The Ponto pro Rock Project presented bands such as Índios Nativos Valvulados, Manu Littiéry, Dino Linardi, Mr Punch, X so Pretty and DVCO, among various others throughout the year.**
- **Clássicos em Cena: in its third year at the Praça Victor Civita, the project offered classical music presentations with commentary by the conductor Parcival Módolo, bringing this type of music closer to the public. The Carlos Gomes Sextet was among the performers.**
- **Cine na Praça: organized by Cinemagia – Agência Cultural, and sponsored by Lorenzetti and Pernambucanas, the initiative was designed to show films in the Praça every Thursday. The goal of the project was to present, explore audiovisual language and create special areas for screenings, bringing culture and entertainment to São Paulo's public squares.**

Cultural event at Praça Victor Civita.

Furthermore, the Praça hosted storytelling events; the activities of the 7th Culture and Sport Ticket Week; commemoration of Inter-American Clean-up and Citizenship Day (DIADESOL); a variety of shows by national and international bands; the Albergue. art project; the Popourri Festival, which brought together three independent bands; the Ocupação a Pipa Project; Peixe Boi Children's Music Festival, which brought together 15 musical acts from different niches and styles of Brazilian popular music; among dozens of other cultural events.

For more information about Praça Victor Civita and its activities, visit: http://pracavictorcivita.org.br/

The non-profit movement Educate to Grow is another one of its initiatives. With the Group's segmented communications capabilities and the support of the Ministry of Education and other partner companies, the actions support best practices and building awareness about the importance of a good education for everyone. The Group has already invested R$ 18.4 million in these initiatives over the past three years, with R$ 1.9 million spent in 2013. It also offers space in its publications and websites for this cause (this practice is governed by a specific corporate policy setting forth the guidelines and criteria for using Abril´s media advertising space).

Recognition of volunteers among the Group´s employees has become even more prevalent through another initiative, the Mãos à Obra (Hands On) Program, which has been recognizing and publicizing volunteer work within the Company since 1999. The Program brings together NGOs in which the volunteers, who are Abril employees, perform activities and organize campaigns on behalf of the institutions. These include the Agasalho (Sweater) Campaign and toy collections for Children's Day.

Finally, also within the social context, the Group supports the Verdescola Institute, a non-profit organization whose mission is to promote socio-environmental awareness, educating for sustainability.

Offer of advertising space for nonprofit institutions and class entities. In 2013, 46 institutions benefited from 96 placements made available in the Publisher's magazines and websites and the Elemidia screens; with an estimated market value of R$ 10,136,085.00, if the placements had been paid for.

Praça Victor Civita.

Environmental preservation

In addition to the specific initiatives of each business to minimize the environmental impacts, Abril Group performs centralized management of Greenhouse Gas emissions (GHG) caused by its operations. This form of management began with Abril Group´s entrance into Brazil´s GHG Protocol Program in 2008, as a founding member. Thereafter, the Group began measuring and reporting its GHG emissions annually, taking the first step towards implementing a management process aligned to the climatic changes[4].

The Abril Carbon Neutral Program was created to guide the internal activities of the Company toward a low-carbon economy, engaging and mobilizing employees in causes related to climatic issues and to communicate the initiative in a clear and consistent manner to stakeholders.

In 2012, the Abril Group has partnered with FAS - (Sustainable Amazon Foundation) to offset some of its activities emissions. This is accomplished supporting the Municipal School Victor Civita, built in the Comunidade da Abelha in the Juma Sustainable Development Reserve, in the State of Amazonas. The greenhouse gases emissions offsetting occurs by the REDD + project, a mechanism used to prevent deforestation and environmental degradation in vulnerable areas. Since 2012, 43,474 tons of carbon equivalent were compensated.

Still as a contribution to the projects developed by FAS, Abril promotes the donation of magazines not marketed in Manaus, which had previously been sent back to São Paulo. In the first quarter of 2013, 2,098 magazines were donated to the schools. Enjoyable material for light reading on a number of different topics is an excellent way to encourage reading among the students.

Victor Civita Municipal School.

Objectives of the Abril Carbon Neutral Program

- Minimize the negative impacts of the Group's activities and maximize its potential to inform and educate the public about climate related issues.
- Be transparent about its responsibilities in relation to the climatic equilibrium of the planet;
- Seek opportunities to reduce costs through energy efficiency, logistics and the use of resources;
- Be recognized as a benchmark in the industry in combating climate change;
- Inform and inspire people to turn today into how we want to see the world in the future;
- Be forward-looking, avoid risks and take advantage of opportunities related to the new low-carbon economy;
- Be a source of pride and means to integrate Abril Group´s employees; and
- Encourage innovation through empowerment and recognition of Abril´s internal entrepreneurs.

4. To see Abril Group´s annual GHG emissions, visit http://registropublicodeemissoes.com.br/index.php/participant/80

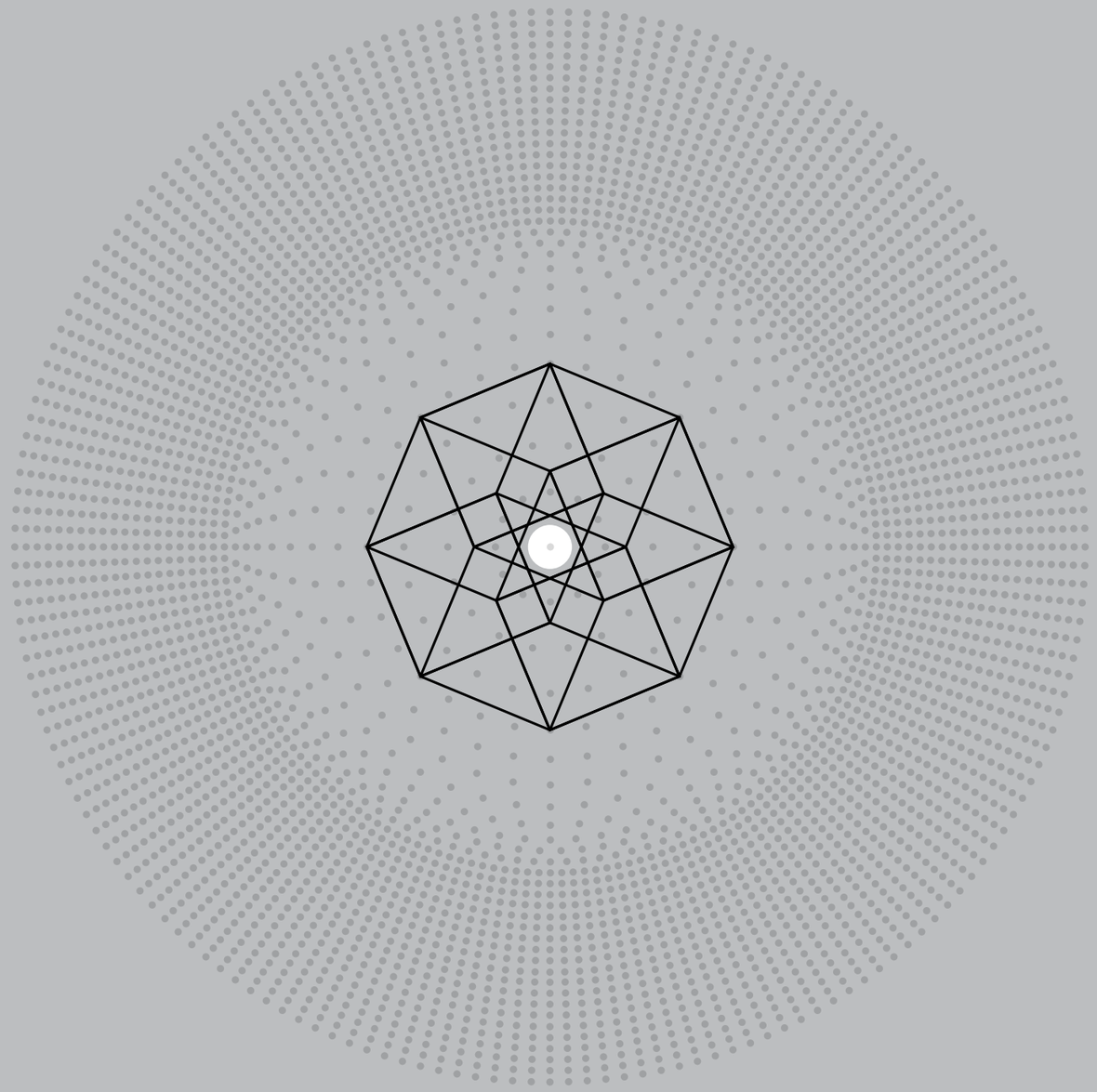
Active Participation

In order to contribute to sustainable economic development, Abril Group actively participates in national and international organizations. Since 2003, Abril Group has been a signatory of the United Nations initiative known as the Global Compact, committing to follow its ten principles; is a member of the Brazilian Business Council for Sustainable Development (CEBDS) and member of the World Business Council for Sustainable Development (WBCSD).

Abril Mídia's partnership with the Fundação SOS Mata Atlântica in the Clickarvore program; its support for the Instituto Ethos de Empresas e Responsabilidade Social; the participation in entrepreneurial initiatives of the Centro de Estudos em Sustentabilidade from the Getulio Vargas Foundation (Companies for Climate, Innovation and Sustainability in the Value Chain, Innovation in Local Development, Trends in Ecosystemic Services), also demonstrate its commitment to sustainable development.

Through forums and working groups, the Group also participates in associations and industry organizations to encourage freedom of the press and free enterprise; including the National Association of Magazine Publishers (Aner), Inter-American Press Association (SIP), Brazilian Association of Printers (Abigraf), the Palavra Aberta Institute, the Millenium Institute, National Newspaper Association (ANJ), Circulation Verification Institute (IVC); and FIPP - Global Media and Magazine Association, among many others. Moreover, the Group also participates in associations of other sectors; including the Brazilian Association of Book Editors (Abrelivros); Brazilian Book Chamber (CBL) and the National Council for Self-Regulation in Publicity (Conar).

Abril Group invests in initiatives and projects that promote improving in the education, culture and quality of life at Brazil.



GRI INDEX

Indicators	Description	Reference (pg.) / Direct response
1. Strategy and Analysis		
1	Statement from the most senior decision-maker of the organization about the importance of sustainability.	Message from Management
2. Organizational Profile		
3	Name of the organization.	Abril Group
4	Primary brands, products, and/or services.	Corporate Profile
5	Location of the organization´s headquarters.	Sao Paulo, Brazil
6	Number of countries where the organization operates.	Brazil
7	Nature of ownership and legal form.	S.A.
8	Markets served.	Corporate Profile
9	Scale of the reporting organization.	Corporate Profile and Core Relationships
10	Profile of the workforce.	Core Relationships
11	Percentage of employees covered by collective bargaining agreements.	All employees are covered by collective bargaining agreements with their respective category´s union.
12	Description of the organization´s supply chain.	Each of the Company's businesses has its own supply chain, providing services to the Group ranging from the supply of materials and consumer goods to the provision of services and specialized technical consulting.
13	Significant changes during the reporting period regarding size, structure, or ownership.	Corporate Profile, 2013 Highlights and Timeline
Commitments to external initiatives		
14	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	The Company's businesses manage the risks of their activities through the identification, monitoring and mitigation of potential risks, however, they have not specifically adopted the precautionary principle.
15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Socio-environmental Management and the Group's website: http://grupoabril.com.br/pt/quem-somos/parceiros
16	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: has positions in governance bodies; participates in projects or committees; provides substantive funding beyond routine membership dues.	Socio-environmental Management and the Group's website: http://grupoabril.com.br/pt/quem-somos/parceiros

Indicators	Description	Reference (pg.) / Direct response
3. Material Factors Identified		
17	List of entities included in the financial statements.	Financial Statements available on the Group's website, listing the subsidiaries: http://grupoabril.com.br/pt/quem-somos/balanco, and at Abril Educação S.A.'s website: http://ri.abriled-ucacao.com.br/pt-br/InformacoesFinanceiras/Paginas/documentos-CVM.aspx
18	Process for defining content and boundary of the report.	About the Report
19	List of material factors identified in the process of defining the content of the report.	About the Report
20	Boundary of each material factor to the organization.	Both internal and external stakeholders were engaged in order to develop the materiality matrix and an integrated view combining the internal and external perspectives.
21	Boundary of each material factor external to the organization.	
22	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	Possible restatements in relation to information provided in previous reports are presented within the report together with an explanation.
23	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	About the Report
4. Stakeholder Engagement		
24	List of stakeholder groups engaged by the organization.	Socio-environmental Management
25	Basis for identification and selection of stakeholders with whom to engage.	About the Report
26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	About the Report
27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns.	About the Report
5. Profile Disclosure		
28	Reporting period (e.g., fiscal/calendar year) for information provided.	About the Report
29	Date of most recent previous report (if any).	2011
30	Reporting cycle (annual, biennial, etc.)	Biennial

Indicators	Description	Reference (pg.) / Direct response
31	Contact point for questions regarding the report or its contents.	Acknowledgments
32	Choice for applying guidelines (mandatory or comprehensive), GRI Index and external assurance.	Mandatory
33	Policy and current practice with regard to seeking external assurance for the report.	External assurance will not be provided on this Report
6. Governance		
Governance Structure and composition		
34	Governance structure, including committees.	Corporate Governance and Performance
7. Ethics and Integrity		
56	Internally developed statements of mission or values, principles and behavioral guidelines, such as codes of conduct and ethics.	Core Relationships
8. Economic Performance		
Information about economic management		
Aspect	**Economic Performance**	
EC1	Direct economic value generated and distributed.	Operational and Financial Performance
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Socio-environmental Management
EC3	Coverage of the organization's defined benefit plan obligations.	Core Relationships
EC4	Significant financial assistance received from government.	Operational and Financial Performance
Aspect	**Market Presence**	
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Core Relationships
EC6	Proportion of senior management hired from the local community at significant locations of operation.	In Abril MÌdia, 92.9% of senior management positions were filled locally in the city of São Paulo. In DGB, no senior management positions were filled locally in Osasco (SP).

Indicators	Description	Reference (pg.) / Direct response
Aspect	**Indirect Economic Impacts**	
EC7	Development and impact of infrastructure investments and services provided.	Socio-environmental Management
EC8	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Core Relationships and Socio-environmental Management
9. Environmental		
Information about environmental management		
Aspect	**Materials**	
EN1	Materials used by weight or volume.	Socio-environmental Management
EN2	Percentage of materials used that are recycled input materials.	None of the materials monitored and presented are derived from recycled inputs. However, the Socio-environmental Management section presents the recycling and input source evaluation (certification) procedures employed in relation to these materials.
Aspect	**Products and Services**	
EN27	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Socio-environmental Management
EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	There is no precise calculation on the percentage of reclaimed products and packaging, however initiatives to minimize the disposal, such as recycling publications, are presented in the Socio-environmental Management section.
10. Social: Labor Practices and Decent Work		
Information about social management		
Aspect	**Employment**	
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Core Relationships
LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Core Relationships
LA3	Return to work and retention rates after parental leave, by gender.	Core Relationships

Indicators	Description	Reference (pg.) / Direct response
Aspect	**Training and education**	
LA9	Average hours of training per year per employee by gender, and by employee category.	Core Relationships
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Core Relationships
LA11	Percentage of employees receiving regular performance and career development reviews, by gender.	Core Relationships
11. Social: Society		
Information about social management		
Aspect	**Local communities**	
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Socio-environmental Management
SO2	Operations with significant potential or actual negative impacts on local communities.	Socio-environmental Management
Aspect	**Corruption**	
SO3	Percentage and total number of business units analyzed for risks related to corruption and the significant risks identified.	Core Relationships
SO4	Percentage of employees trained in organization's anti-corruption policies and procedures.	Core Relationships
SO5	Actions taken in response to incidents of corruption.	There were no confirmed cases of corruption in 2013.
12. Social: Product Responsibility		
Information about social management		
Aspect	**Marketing Communications**	
PR6	Sale of prohibited or contested products.	The Group does not market any prohibited or contested products in the markets in which it operates.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	There were no cases in 2013.

Acknowledgments

We would like to thank all of the employees from the different areas of Abril Group who participated in the work groups that helped prepare the 2013 Annual Report.

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